

**STAFF REPORT**  
**City of Lancaster**

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07/26/16
MVB

Date: July 26, 2016

To: Mayor Parris and City Council Members

From: Barbara Boswell, Finance Director

**Subject: Approve Proposition A Funds Exchange**

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**Recommendations:**

- a. Approve Proposition A Funds exchange with the City of Commerce and authorize the City Manager to execute all documents related to the transaction.
- b. Appropriate \$1,425,000 from Proposition A Fund Balance to account number 207-4330991; increase estimated revenues by \$997,500 in account number 101-3650101.

**Fiscal Impact:**

The exchange will result in \$997,500 in general fund revenues. This one time revenue will be used to fund on-going budget initiatives such as Smart Cities, Leadership Academy and to replenish reserves.

**Background:**

Proposition A guidelines allow for the exchange of unobligated Proposition A transportation funds to be exchanged with other agencies for general fund dollars. The City of Commerce contacted Lancaster staff inquiring whether we were interested in exchanging available Proposition A funds. The exchange rate is 70 cents on the dollar, resulting in \$997,500 in unanticipated general fund revenues.