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**CITY OF DANA POINT**  
**AGENDA REPORT**

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**DATE:** August 21, 2007

**TO:** CITY MANAGER / HONORABLE CITY COUNCIL

**FROM:** CLARA WONG, INTERIM DIRECTOR OF ADMINISTRATIVE SERVICES; KYLE BUTTERWICK, DIRECTOR OF COMMUNITY DEVELOPMENT

**SUBJECT:** AUTHORIZATION TO EXCHANGE GENERAL FUND ALLOCATION WITH AB 2766 FUNDS

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**RECOMMENDED ACTION:**

That the City Council authorizes staff to exchange \$32,000 of budgeted General Fund allocations with AB 2766 funds, and an additional \$43,000 of AB 2766 funds for a total of \$75,000 for the purchase of Hybrid vehicles.

**BACKGROUND:**

The City Council approved a number of enhancements to the fiscal year 07-08 budget which will result in the City's ability to provide an enhanced level of customer service to our community. One such enhancement was the allocation of staffing in the Community Development Department to allow the Building and Safety services to be provided to our community with in house staff. Part of that enhancement included vehicles for the field inspectors. The Building Official has requested that these vehicles be Ford Hybrid Escapes which qualify to be funded through the use of our AB 2766 fund, thus saving our general fund monies for other projects within our City.

**DISCUSSION:**

In response to the City Council's recently adopted budget for FY 2007-08 and FY 2008-09, the Community Development Department has requested to purchase three Ford Hybrid Escapes for the field inspectors that were allocated in the budget. These vehicles will be used on a daily basis to allow the inspectors to provide inspection services to the owners/developers that have obtained permits to improve their properties within the City of Dana Point. With the request for Hybrid vehicles, it has

come to our attention that hybrid vehicles are an eligible expense for the AB 2766 funds and would recommend that the City Council authorize the exchange of these funds and free up the general fund for other projects.

**STRATEGIC PLAN IMPLEMENTATION:**

Achieve total excellence in municipal services and City administration with excellent customer service and cost-effectiveness.

**FISCAL IMPACT:**

The estimated fund balance for AB 2766 funds is \$59,000 for fiscal year 07-08. \$48,000 has been budgeted in the General Fund for the purchase of three vehicles for the Building and Safety field inspectors. The cost of the three hybrid vehicles is \$75,000 of which \$59,000 of AB 2766 funds will be used along with \$16,000 of general fund monies for the purchase these vehicles, leaving \$32,000 of general fund monies available for other projects, such as the classification and compensation analysis, as designated by the City Council in the future.

**NOTIFICATION/FOLLOWUP:**

None.

**ALTERNATIVE ACTIONS:**

1. Do not authorize staff to exchange general fund allocation for vehicles for AB 2766 funds at this time.
2. Other alternatives as determined by the City Council.