

CITY OF CHINO

MEMORANDUM

Public Works

Department

TO: Linda Reich, City Manager
FROM: Hye Jin Lee, Director of Public Works
DATE: May 20, 2025
SUBJECT: Corrective Memorandum - Reconciliation and Funding Allocation for Pine Avenue Connector (ST061) and SR-71 Interchange Improvements (ST204)

BACKGROUND

This memorandum documents funding allocation corrections identified during the reconciliation of expenditures for the Pine Avenue Connector (ST061) and the State Route (SR-71) Interchange Improvements Project (ST204), both of which are included in the City's Capital Improvement Program and partially funded by Measure I Arterial funds administered by the San Bernardino County Transportation Authority (SBCTA).

FINDINGS

1. Expired Agreement & SAFETEA-LU Repayment:

Caltrans audit in 2024 found that the City's agreement with Huitt-Zollars for preliminary engineering had expired in 2020. As a result, approximately \$1,529,548.70 in SAFETEA-LU federal expenditures incurred between 2020 and 2025 were deemed ineligible and repaid using:

Caltrans Abatement Payment	\$	1,529,548.70
Preserve DIF (Fund 260)	\$	216,128.00
MI - (Fund 328)	\$	397,872.00
General Fund (GF)	\$	915,548.70

These funds were deemed ineligible due to the expiration of the preliminary engineering agreement with Huitt-Zollars and the cessation of SAFETEA-LU as an active funding source.

2. Misallocated Project Charges ST061 Pine Avenue Connector

Correction to General Fund (Repayment to Fund 322)						
Fund	Object	Project	Fiscal Year	Amount	Description	
3227190	48003	ST061	2024	\$ 4,166.63	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
3227190	48003	ST061	2024	\$ 8,333.34	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
3227190	48003	ST061	2024	\$ 4,166.67	Advocacy	
Total				\$ 50,000.00		

Misallocated Project Costs (continued)

Correction to General Fund (Repayment to Fund 328)					
Fund	Object	Project	Fiscal Year	Amount	Description
3287103	41020	ST061	2022	\$ 2,212.94	Inspection
3287103	48009	ST061	2022	\$ 23,103.32	Project R7061
3287103	48005	ST061	2022	\$ 150,255.80	Project R7061
3287103	48005	ST061	2022	\$ 288,707.38	Project R7061
3287103	48005	ST061	2022	\$ (102,466.50)	moved R7061
Total				361,812.94	
Correction to General Fund (Repayment to 260 which backfills 320)					
Fund	Object	Project	Fiscal Year	Amount	Description
3207100	43650	ST061	2022	\$ 4,166.63	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	43650	ST061	2022	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.63	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
3207100	48003	ST061	2023	\$ 4,166.67	Advocacy
Total				\$ 100,000.00	
Total Impact to General Fund				\$ 511,812.94	

Advocacy Charges – \$150,000 in advocacy-related expenditures were incorrectly charged to the Measure I Fund 322 and Transportation Fund 320, which is backfilled by DIF and should have been funded by the General Fund.

Pine Avenue Repairs – A total of \$361,812.94 in costs associated with Pine Avenue Repair Project R7061 in 2022 were improperly recorded to Fund 328 and have since been corrected to reflect appropriate General Fund coverage.

Final Funding Allocations – Pine Avenue Connector Project (ST061)

Following the funding allocation corrections, the final expenditures for the Pine Avenue Connector Project (ST061) have been reconciled and documented. This project will be officially closed out as of June 30, 2025. Going forward, the City will continue efforts under the successor project, Pine Avenue Connector / Bridge Project (ST261).

Project ST061	Current Budget	Corrected Budget
Total Costs	\$ 5,853,756.63	\$ 5,853,756.63
SAFETEA-LU	\$ 3,064,262.39	\$ 1,534,713.69
320 Fund *CW DIF	\$ 1,920,544.74	\$ 1,354,664.99
320 Fund *Pres. DIF		
MI - (Fund 328)	\$ 671,559.16	\$ 1,389,625.97
MI - (Fund 322)	\$ 197,390.34	\$ 147,390.34
General Fund	\$ -	\$ 1,427,361.64
Total Expenditures	\$ 5,853,756.63	\$ 5,853,756.63

3. CPNA Measure I Arterial Fund Re-Allocation of Costs

Summary of CPNA Measure I Arterial Fund Reallocation

Staff completed a reconciliation of expenditures for the SR-71 Interchange (ST204) and Pine Avenue Connector (ST061) projects and identified misallocations between Development Impact Fees (DIF) and Measure I Arterial funds. To correct this, approximately \$1.8 million in costs incurred between 2020 and 2025 will be reallocated to Measure I Arterial Fund 328, based on an updated cost share of 64.8% Measure I and 35.2% DIF.

Project ST204 (State Route 71 Interchange Project)			
Fiscal Year	Arterial MI- CPNA		DIF
FY 2020	\$	-	\$ 5,812.50
FY 2021	\$	309,855.01	\$ -
FY 2022	\$	285,007.53	\$ -
FY 2023	\$	32,253.29	\$ 50.00
FY 2024	\$	30,874.76	\$ -
FY 2025	\$	21,647.22	\$ -
Subtotal	\$	679,637.81	\$ 5,862.50
Total Expenditures	\$	685,500.31	
Cost Share Reallocation			
Arterial MI 64.8%	\$	444,204.20	Reimbursement
DIF 35.2%	\$	241,296.11	

328 - Fund Project ST061 (Pine Avenue Connector)			
Fiscal Year	Arterial MI- CPNA		DIF (total)
FY 2020	\$	-	\$ -
FY 2021	\$	-	\$ -
FY 2022	\$	582,638.94	\$ -
FY 2023	\$	19,919.52	\$ -
FY 2024	\$	69,000.70	\$ -
FY 2025	\$	397,872.00	\$ -
Subtotal	\$	1,069,431.16	\$ 2,036,672.74
GF Corrections	\$	(361,812.94)	\$ -
Total	\$	707,618.22	\$ 2,036,672.74
		SAFETEA-LU Match	\$ (383,678.43)
		Abatement Payment	\$ (216,128.00)
		Remaining DIF	\$ 1,436,866.31
		CPNA MI Arterial	\$ 707,618.22
		Cost Share Amount to be Reallocated	\$ 2,144,484.53
SAFETEA-LU (80%)	\$	1,534,713.69	Costs 2011 to Dec. 2019
DIF match (20%)	\$	383,678.43	Per Caltrans invoicing
	\$	1,918,392.12	Total Participating Costs
Arterial MI 64.8%	\$	1,389,625.97	Reimbursement
DIF 35.2%	\$	754,858.55	Costs for 2020-2025
	\$	2,144,484.53	Reallocated

Total SBTCA Reimbursement Request \$ 1,833,830.17