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MEMORANDUM

To: Mayor and City Council
From: Michael Smith, Public Works Director
Date: March 25, 2024
Subject: **Approval to Apply Additional Local Maintenance and Improvement Grant Funds to the 2024 Paving Contract**

ACTION

Authorize the Mayor, City Manager, or designee to execute all documents necessary and proper to accept an additional \$604,408.60 in Local Maintenance and Improvement Grant (LMIG) funds from the Georgia Department of Transportation and to apply the funds to the 2024 paving program.

SUMMARY

The state is distributing surplus 2024 LMIG funds to cities and counties which can be used for various transportation maintenance and construction activities. Dunwoody is slated to receive \$604,408.60 in addition to the \$488,083.56 that the city received earlier this year and applied to the 2024 paving program.

The city has historically used LMIG to supplement city funds for annual road resurfacing because paving is a recurring cost, and the LMIG funds can be quickly and efficiently allocated to annual paving contracts. The LMIG supplement to paving frees up city funds to be used on other projects.

Public Works' recommendation is to allocate the additional LMIG funds to the 2024 paving program. This will free up roughly \$600,000 of Special Purpose Local Option Sales Tax (SPLOST) funds that the city has allocated for paving this year. These city funds could be used for additional paving or be moved to another transportation project. However, staff recommends holding the excess funds as a contingency against rising construction costs for several upcoming projects including the Mount Vernon Road at Tilly Mill Road project which is scheduled to go to bid later this year. The excess funds would remain in the SPLOST paving project account until further action by the City Council either through a budget amendment or contract approval.

RECOMMENDED ACTION

Authorize the Mayor, City Manager, or designee to execute all documents necessary and proper to accept an additional \$604,408.60 in Local Maintenance and Improvement Grant (LMIG) funds from the Georgia Department of Transportation and to apply the funds to the 2024 paving program.