



AGENDA ITEM
CITY COUNCIL MEETING DATE – OCTOBER 3, 2017
BUSINESS ITEMS

TO : City Manager

FROM : Public Works Director

SUBJECT : **APPROVE LIST OF STREET PROJECTS TO RECEIVE GAS TAX FUNDING PER SENATE BILL NO. 1 (SB1)**

EXECUTIVE SUMMARY:

The recently adopted Senate Bill (SB1), requires each local agency to submit a list of proposed street maintenance and rehabilitation projects to the California Transportation Commission (CTC) annually as a prerequisite to receiving funding. The CTC also requires the proposed project list be included in the City's Capital Improvement Program Budget. The adoption of the resolution will fulfill these requirements.

RECOMMENDATION:

Adopt a resolution approving the list and funding of Gas Tax expenses per Senate Bill No. 1 (SB1).

BUDGET INFORMATION:

The proposed action will allow the City to receive approximately \$155,000 in FY 17-18 and \$466,000 in FY 18-19 of Road Maintenance and Rehabilitation Account (RMRA) funding for eligible roadways. Funds shall be deposited in the Gas Tax Fund (017-8705). RMRA (SB1) funds in the amount of \$155,000 are currently budgeted.

BACKGROUND:

In April 2017, the Senate passed and the Governor signed SB1. SB1 increases the per gallon fuel excise taxes, diesel fuel sales taxes, and vehicle inspection registration fees; and provides inflationary adjustments to tax rates in future years to provide additional funds to maintain local streets and roads.

Starting in mid-January 2018, the State Controller will deposit portions of this new SB1 funding into the newly created RMRA. The RMRA funding will be apportioned by formula to eligible cities and counties for basic road maintenance rehabilitation, and critical safety projects on the local streets and roads system. The City is projected to receive \$155,000 in FY 17-18 and \$466,000 in FY 18-19 of RMRA funding.

Each fiscal year, SB1 requires the City to submit a list of projects to the CTC that are proposed to be funded with the RMRA funding. For FY 17-18, the project list must be submitted to the CTC by October 16, 2017.

The City has a Pavement Management Program (PMP) that has a Pavement Condition Index (PCI) for every street in the City and a recommended pavement treatment. Streets with a PCI less than 25 have failed and can only be reconstructed. The PMP recommends that streets with a PCI between 70 and 80 be treated with a slurry seal or microsurface. It is more cost effective to keep good streets in good condition than letting streets deteriorate to the point where they need to be reconstructed at a cost that is 10 to 30 times more expensive than a slurry seal or microsurfacing.

On the attached project list, it is recommended that 3.33 lanes miles of roadways with a PCI of less than 18 for residential areas and less than 21 for industrial areas receive rehabilitation at a cost of \$1.8 million (\$540,000 per mile). It is recommended that 11 miles of roadways with a PCI of 75-78 receive microsurfacing to maintain the “Good” condition status at a cost of \$500,000 (\$46,000 per mile).

Staff recommends the approval of the attached resolution and project list so the listed streets will be eligible for the RMRA funding. The maintenance and rehabilitation project costs for the listed streets are much greater than the available RMRA funding in FY 17-18; however, including a comprehensive list of needed projects will provide the City flexibility to phase the work this year and in subsequent years as projects are prioritized and designed. Due to the limited amount of SB1 funds, in order to accomplish these projects, the street maintenance and rehabilitation projects will utilize the \$600,000 per year of Gas Tax, \$160,000 per year of Allied Waste, and \$587,000 per year of Measure C budget funds for a total project budget of \$2.4 million, which includes design and construction management costs. The list will be evaluated and updated on an annual basis. In accordance with CTC requirements, the project list provides the project description, limits, schedule for completion, and calculated useful life elements.

NEXT STEPS:

If City Council approves this action, then staff will submit the list of projects to CTC and will be eligible to receive additional Gas Tax funding for roadway projects.

ALTERNATIVE ACTIONS:

The City Council could direct staff to change the list of projects. If the City Council does not approve the list of projects and funding, then the City will not be eligible for additional funding per SB1.

General Plan	Goal 2.20: Provide a balanced street system to service automobiles, pedestrians, bicycles, and transit
	Goal 2.28: Improve and maintain public facilities and services

Strategic Plan	Strategic Issue #4: Preserving and Enhancing Infrastructure
	Strategy #1: Provide safe, functional, and complete streets

**CEQA
Analysis**

This project is Categorical Exempt per CEQA Section 15301 (c), which applies to repair and maintenance of existing roadways.

ATTACHMENTS:

1. Proposed Resolution
2. List of Pavement Projects for FY17-18 & 18-19

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