



# Budget Engagement Commission

*City of Arts & Innovation*

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**TO: HONORABLE COMMISSIONERS**                                  **DATE: MARCH 11, 2021**

**FROM: PUBLIC WORKS DEPARTMENT**                                **WARDS: ALL**

**SUBJECT: MEASURE Z - STREETS FUNDING AND PAVEMENT MANAGEMENT PROGRAM UPDATE**

## **ISSUE:**

Receive an update and provide input on the use of Measure Z funds for City roads and streets and additional funding sources for the City's pavement management program.

## **RECOMMENDATION:**

That the Budget Engagement Commission receive an update and provide input on the use of Measure Z funds for City roads and streets and additional funding sources for the pavement management program.

## **BACKGROUND:**

On December 20, 2016, City Council approved a professional services agreement with Infrastructure Management Services to inspect the City's roadway network, recommend roadway funding allocation in a systematic and objective manner, and generate funding strategies to better manage the City's Pavement Management Program (PMP).

On May 17, 2017, City Council approved a Five-Year Spending Plan for Measure Z through FY 2022/23. The Spending Plan included \$2,875,000 in annual funding for streets and roads rehabilitation, with the desired outcome of improving the City's Pavement Condition Index.

On September 11, 2018, City Council received a report on the Pavement Management Program Update and Analysis Report (Report). The Report indicated the City's overall network score is 61 which is on the lower end of average. City Council received and ordered filed the Pavement Management Analysis Report dated May 2018 which indicated that additional funds are needed for the City's PMP.

On February 28, 2019, the Budget Engagement Commission (BEC) received a report on Measure Z - Streets Funding and Pavement Management Program Update identifying the PMP funding deficiencies. Following discussion, the BEC recommended that the City Council allocate additional Measure Z funding towards road maintenance.

On April 23, 2019, City Council received a report on the PMP and street funding. Following discussion, a motion was made to recommend an annual Measure Z supplemental appropriation of \$1.5 million for the Pavement Management program through FY 2022/23 to address street preservation efforts and improve roads rated as “poor” and “very poor”. The supplemental appropriation will be in place through the remaining Five-Year Spending Plan for Measure Z to conclude in FY 2022/23.

On May 14, 2019, City Council received an additional report on the PMP and street funding as actual Measure Z revenues exceeded projections. Following discussion, the City Council approved an additional supplemental appropriation of \$3.5 million in Measure Z for the PMP in FY 2019/20; and directed the Public Works and Finance Departments to return to City Council through FY 2022/23 to provide an assessment of finances to support a request for appropriation of \$3.5 million for the following fiscal years to sustain the PMP.

On October 6, 2020, City Council approved a supplemental appropriation of \$3,500,000 from Measure Z funds for the PMP in FY 2020/21 to further improve City streets. On a separate but related report, City Council also approved a professional services agreement with Infrastructure Management Services to continue the street inspection analysis for the entire City network over the next five years. All arterial streets will be surveyed over a 3-year cycle, all collector streets will be surveyed over a 4-year cycle, and all minors/alley streets will be surveyed over a 5-year cycle. IMS will provide an updated network analysis report annually over the 5-year period.

On January 14, 2021, the BEC reviewed the Measure Z spending plan to formulate recommendations related to spending priorities and development of the FY 2021/22 Measure Z budget. The BEC requested that the Public Works Department (Public Works) return to the BEC and provide further details on the City’s PMP projects.

## **DISCUSSION:**

The Public Works Department utilizes the Pavement Management Program to evaluate all streets within the City to systematically recommend street maintenance improvements. Each fiscal year, staff meets with the respective Councilmembers and the Mayor to review the paving and maintenance recommendations, consider construction impacts, and provide updates on active paving projects. Since the City’s paving needs exceed available resources, the meetings help affirm the priority roadway projects in the respective wards.

Staff will be soliciting proposals from qualified engineering consultants to assist with the completion of engineering design plans. Due to the numerous project locations and desire to expedite plan completion, staff plan to enter into agreement with one or two consultants from a pre-authorized list of engineering firms by April 2021.

The Public Works Department completes numerous paving and infrastructure projects annually utilizing various funding sources. Measure Z supplemental appropriations for Fiscal Years 2019/20 and 2020/21 have been programed solely for paving efforts to improve quality of life. In addition to Measure Z, staff may program additional funding towards roadway preservation efforts utilizing other funding sources as summarized in Table 1.

Table 1: Project Fund Sources for FY 2019/20 – FY 2020/21

<b>Fund Source</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>
Measure A	\$2,400,000	\$2,200,000
Gas Tax	\$2,800,000	\$2,600,000
SB1 Gas Tax	\$5,400,000	\$5,600,000
CDBG	\$1,100,000	\$400,000
Measure Z	\$7,900,000	\$7,900,000
<b>Subtotal</b>	<b>\$19,600,000</b>	<b>\$18,700,000</b>

These funds are allocated to numerous projects throughout the City. The projects listed in Tables 2 and 3 identify estimated costs and schedules for all projects planned to utilize the Fiscal Years 2019/20 and 2020/21 funds. A complete list of all project maintenance locations is included as Attachment 1.

Table 2: FY 2019/20 Projects

<b>Project</b>	<b>Project Cost</b>	<b>Advertise</b>	<b>Complete</b>
FY19-20 Maintenance, Phase 1	\$4,730,000	February 2021	December 2021
FY19-20 Maintenance, Phase 2	\$4,210,000	March 2021	February 2022
FY19-20 Maintenance, Phase 3	\$3,230,000	March 2021	March 2022
SB-1 Maintenance, Phase 1	\$3,150,000	November 2020	September 2021
SB-1 Maintenance, Phase 2	\$2,560,000	Fall 2021	Summer 2022
SB-1 Traffic Improvements	\$1,100,000	Summer 2021	Spring 2022
CDBG Projects	\$1,120,000	March 2021	July 2021
<b>Subtotal</b>	<b>\$20,100,000</b>		

Table 3: FY 2020/21 Projects

<b>Project</b>	<b>Project Cost</b>	<b>Advertise</b>	<b>Complete</b>
FY2020/21 Maintenance, Phase 1	\$3,250,000	Summer 2021	Spring 2022
FY2020/21 Maintenance, Phase 2	\$3,350,000	Fall 2021	Summer 2022
*FY2020/21 Maintenance, Phase 3	\$2,750,000	Winter 2021	Fall 2022
SB-1 Maintenance	\$5,000,000	Summer 2021	Spring 2022
SB-1 Traffic Improvements	\$1,000,000	Fall 2021	Summer 2022
CDBG Projects	\$400,000	Summer 2021	Winter 2021
Gratton Ave Storm Drain	\$900,000	Spring 2021	Summer 2023
Canyon Crest Ave Bus Stop	\$1,150,000	Spring 2021	Summer 2022
PMP Annual Pavement Surveys	\$400,000	Fall 2021	Fall 2022
<b>Subtotal</b>	<b>\$18,200,000</b>		

\* It was previously assumed that there would be a significant reduction of revenue due to the Covid-19 pandemic. However, actual revenues were much higher than anticipated. A third project will be added to the FY 2020/21 project list with specific locations to be determined.

Staff have prioritized the advertising and completion of paving projects. As noted in Tables 2 and 3, staff plans to advertise in excess of \$38 million in projects in 2021. Collectively, these projects will repave roads throughout the City, construct or improve bike lanes per the Bicycle Master Plan, fix or install missing segments of sidewalk, improve bicycle and motorist detection, and in general improve the roadway network for all users. The Engineering Design Division is also working with the Human Resources Department to recruit an Associate Engineer who will support the Pavement Management Program to ensure staff are responsive to the Budget Engagement Commission and City Council with the delivery and construction of paving projects. In 2018, the League of California Cities published a Report titled *California Statewide Local Streets and Roads Needs Assessment* indicating that over the next 10 years, the State will have an \$18.4 billion funding shortfall for the local transportation network. Measure Z will continue to play a major role in ensuring the City continues to invest necessary funds to best preserve this asset most people value and utilize daily.

Delaying or ignoring paving needs typically causes repair costs to significantly escalate. Preservation efforts often times reseal the roads, fix minor cracks, and help extend the life of the roadways without investing significant funding to reconstruct them. For every dollar spent in roadway maintenance, it can eliminate or delay \$6 to \$10 in paving or reconstruction costs. In 2016 and once again in 2021 the City approved a contract to analyze its roads and having this information will allow the City to systematically focus resources to address critical needs while preserving the roads that are in good condition to be fiscally responsible and maximize the benefits to the community.

**FISCAL IMPACT:**

There is no fiscal impact associated with this presentation.

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Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer  
Approved by: Rafael Guzman, Assistant City Manager

Attachments:

1. Project Maintenance Locations
2. Presentation