



DATE: September 26, 2017

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Approval of Changes to the Adopted FY 2018 – FY 2027 Capital Improvement Program (CIP) Budget Related to the Road Repair and Accountability Act (RRAA - SB 1 Funding)

RECOMMENDATION

1. Approve creation of Fund 211 – RRAA-SB1
2. Approve Project 05230 – RRAA FY18 Pavement Rehabilitation in New CIP Fund 211 – RRAA-SB1
3. Approve changes to Fund 210 – Gas Tax and associated projects in the Adopted FY 2018 – FY 2027 CIP
4. Transfer of \$898,000 from Fund 210 – Gas Tax Project 05114 to Fund 211 – RRAA (SB 1) Project 05230

BACKGROUND

On April 28, 2017, the Governor signed Senate Bill 1, the Road Repair and Accountability Act (RRAA) of 2017 to address basic road maintenance, rehabilitation, and critical safety needs through an increase in per gallon fuel excise taxes and vehicle registration fees.

The FY18-FY27 Capital Improvement Program (CIP) adopted on June 20, 2017 included Fund 210 – Gas Tax which listed the anticipated RRAA revenue. This revenue partially funded Project 05214 – Pavement Rehabilitation – Gas Tax – FY18. Since that time, draft guidelines were released from the California Transportation Commission (CTC) with specific requirements for SB 1 revenues and projects that are significantly different than the guidelines for other existing gas tax funds.

To receive each year's SB 1 apportionments, cities must apply for the funds by submitting a specific project list to the CTC. The project list must also be included in the Adopted CIP and the projects must reference the SB 1 Road Maintenance and Rehabilitation Account (RMRA), the funding account for RRAA. The project descriptions must contain a list of streets being rehabilitated, an estimated completion date of the project, and the estimated useful life of the paving methods utilized. The Council Resolution adopting the CIP is required to document the approval of the proposed projects in the CIP. As this year's CIP was already adopted when the guideline requirements were released, an amended resolution is required adding the RMRA project and project description to the CIP.

New CIP Fund 211- Gas Tax-RRAA (SB1) is created to receive apportionments and budget RMRA paving projects. This is similar to how Measures B and BB revenues and projects are budgeted in separate funds in the CIP. The new guidelines currently require that funds be collected prior to actual expenditure on roadway rehabilitation. However, based on CTC staff, this guideline may be modified to allow other funds to be expended prior to actual collection of RRAA funds to be used as reimbursement.

DISCUSSION

To comply with the draft guidelines, staff is requesting the addition of a new CIP Fund 211- Gas Tax-RRAA (SB1) and Project 05230- RMRA - Paving Rehabilitation FY18 in the amount of \$898,000 (Attachment III). FY 2019- FY 2027 apportionment estimates are also included in Fund 211. As required in the guidelines, the description sheet for Project 05230 (Attachment IV) contains the list of streets that are planned to be rehabilitated with the funding, the estimated completion date of the project, and the estimated useful life of the paving method.

Consequently, Fund 210 – Gas Tax (Attachment V) must be amended to transfer the SB 1 (\$898,000) revenues from Project 05214 – Paving Rehabilitation FY18 by (Attachment VI) to new project 05230 in the new RRAA (SB 1) Fund. Years FY 2019 – FY 2027 Gas Tax paving rehabilitation projects have been reduced accordingly based on the move of the RMRA revenue to the new RRAA (SB 1) Fund.

STRATEGIC PRIORITIES

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

SUSTAINABILITY FEATURES

The action taken for this agenda report will not result in a new physical development, purchase or service, or a new policy or legislation. Any physical work was approved in a prior Council action. Sustainability features for individual CIP projects are listed in each staff report.

FISCAL IMPACT

There is no fiscal impact to the recommendations. The RMRA funds are being moved from the Gas Tax Fund to the new RRAA Fund with no effect on the overall Adopted CIP budget.

PUBLIC CONTACT

There has been no public contact related to these changes to date.

NEXT STEPS

If Council approves these recommendations, staff will submit the street list and associated resolutions and documentation to the CTC by the October 16, 2017 deadline.

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Recommended by: Morad Fakhrai, Director of Public Works

Approved by:



Kelly McAdoo, City Manager