



City Council Agenda Item

City Council Meeting Date: April 2, 2019

TO: Jim Throop, City Manager

FROM: Craig Dierling, P.E., Principal Civil Engineer
c_dierling@ci.lompoc.ca.us

SUBJECT: Public Hearing to Consider Measure A Five-Year Local Program of Projects for Fiscal Years 2019-23; Adoption of Resolution No. 6246(19)

Recommendation:

Staff recommends the City Council take the following actions:

- 1) Hold the Public Hearing and take public input on Measure A Five-Year Local Program of Projects (LPP) for Fiscal Years (FYs) 2019-23;
- 2) Adopt Resolution No. 6246(19), approving the LPP for FYs 2019-2023 (Attachment 1); or
- 3) Provide alternate direction.

Executive Summary:

In order to receive Measure A Local Street and Transportation Improvement (LSTI) funding allocations from Santa Barbara County Association of Governments (SBCAG) for FY 2019-20, the City must adopt its LPP. The City proposes to expend its share of LSTI funds for street maintenance and other street-related uses, as shown on the LPP. Resolution No. 6246(19) adopts the LPP and certifies the City will expend the required amount of discretionary funding in order to receive its share of Measure A funds. Measure A funds are an essential source for maintenance of the City's street infrastructure; however, much more funding than is available from all of the City's existing road funding sources is needed just to keep the street pavement performing in its current condition.

Background:

Measure A

As a result of the passage of The Road Repair, Traffic Relief and Transportation Safety Measure (referred by its ballot designation as Measure A) by voters in 2008, local sales taxes throughout Santa Barbara County continue to include a one-half percent portion dedicated to transportation uses. Measure A succeeded the Measure D Transportation Sales Tax, which provided local transportation funding over 20 years, and ended in March 2010. The Measure A tax began April 1, 2010, and is to remain in effect for 30 years.

Measure A expenditures are outlined in the summary page of the Measure A Investment Plan (Attachment 2). The Measure A Investment Plan is comprised of three primary expenditure components: A North Santa Barbara County program, a South Santa Barbara County program, and the Highway 101 widening from Carpinteria to Santa Barbara.

The North and South County programs include a number of named projects and programs, as well as, an LSTI program. The LSTI funds are allocated to local agencies to expend on uses, such as: maintaining, improving or constructing roadways, bridges, and bicycle and pedestrian facilities; alternative transportation improvements and programs; the operation of urban forestry and street tree programs; roadway drainage facilities; and a number of other related uses identified in the Measure A Investment Plan.

Local Program of Projects

Each local agency that is allocated Measure A funds must hold a Public Hearing and adopt an LPP annually before its funding will be disbursed. The LPP lists the projects, programs, and amounts of funding per fiscal year which the local agency proposes to fund through its share of LSTI funds.

The local agency is also required to report in its LPP the LSTI expenditures for the most recently completed fiscal year, which is FY 2017-18.

Alternative Transportation Expenditures

Additionally, Measure A incorporated a provision requiring the City spend at least 15% of its share of LSTI funds on Alternative Transportation Expenditures (ATEs). The 15% ATE expenditure requirement must be met over each five-year period of the program, and the ATEs must be shown on the LPP. The current five-year period shown on the LPP is FYs 2015-20. Eligible ATEs are listed in Appendix B2 of the Measure A Investment Plan and include: maintenance, repair, construction and improvement of bicycle and pedestrian facilities, excluding maintenance of Class 2 bikeway facilities; Safe Routes to School

improvements; reduced transit fares for seniors and the disabled; bus and rail transit services and facilities; and education and incentives designed to reduce single-occupant auto trips. The City has fulfilled its ATE expenditure requirement to date.

Fiscal Impact:

Measure A Revenue and Expenditures

As shown in the LPP (Exhibit A to Attachment 1), the City's estimated allocation of LSTI funds from SBCAG for FY 2019-20 is \$2,240,918.

Less than half of the City's LSTI funds are proposed to be spent on short-term maintenance of existing streets, sidewalks, street trees, and rights-of-way (ROWs) by the City's Street Maintenance and Urban Forestry Divisions. Most of the balance of LSTI funding is proposed for more substantial street pavement repairs and upgrades that measurably improve the pavement condition and extend the useful life of the pavement by five years or more (shown on the LPP as Overlays & Rehabilitation). Those Public Works projects are advertised and bid for construction by private contractors in accordance with State procurement codes and the Lompoc Municipal Code, and not performed by the City's Street Maintenance Division. The projects are then individually brought back to the City Council for approval once the bids are opened and prior to construction.

The condition of the City's pavement is measured using the industry standard Pavement Condition Index (PCI) system. New pavement starts with a PCI rating of 100. An overall system-wide PCI average of 70 is considered 'Good' and is the accepted industry standard goal. The City's current system-wide PCI average of 53 is considered 'At Risk.' To maintain the overall PCI average at its current value of 53 using industry standard methods, the City would need to identify funding and expend over \$6 Million for pavement rehabilitation projects each year. Without those expenditures, the PCI will continue to drop toward a 'Poor' system-wide average (PCI below 50). To raise the City's overall system-wide PCI average to 'Good' using industry standard methods, the City would need to identify funding and expend approximately \$50 Million for pavement rehabilitation projects during FY 2019-20. That one-time expenditure of approximately \$50 Million to raise the City's overall system-wide PCI average to 70 is in addition to an annual expenditure of approximately \$7 Million each year thereafter, to maintain the PCI of 70.

Table 1 on the following page shows existing street maintenance revenue from all funding sources, including LSTI funds. Table 2 shows the estimated budget needed to maintain a PCI average of 53 using industry standard methods, while meeting the ongoing Street Maintenance, Urban Forestry, and Engineering Division staffing, equipment, materials, and operations contract needs. As shown in Tables 1 and 2, the new Road Maintenance and Rehabilitation Account (RMRA) funds and the additional Highway User Tax Account

(HUTA) “State Gas Tax” funds provided to the City through the State of California’s Road Repair and Accountability Act of 2017 (SB 1) are estimated to be sufficient for the City to regularly perform limited street rehabilitation projects in addition to the City’s Street Maintenance, Urban Forestry, and Engineering Division operations.

Because of funding shortages, staff has significantly reduced the City Street Maintenance and Urban Forestry Division costs by keeping many staff positions vacant. Those important Divisions have very limited capacity for further reductions without significantly reducing the services they provide. Further reducing that ongoing routine maintenance, traffic safety work, and other critical operations will diminish public safety and convenience for users of City streets and ROW facilities. The combination of cost savings from past staffing reductions and the addition of SB1 funding is estimated to provide up to \$1 Million annually for street rehabilitation projects during the next five years.

Table 1 – Street Maintenance Revenue

Funding Source	FY 2018-19	FY 2019-20	FY 2020-21
Local Surface Transportation Program	\$ 172,000	\$ 172,000	\$ 172,000
State Gas Tax	904,196	1,117,194	1,084,047
Measure A	2,400,000	2,240,918	2,223,344
Maintenance of Effort Contribution Required by State	832,019	832,019	832,019
Road Maintenance and Rehabilitation Account from SB1	691,350	721,635	732,460
Total	\$4,999,565	\$5,083,766	\$5,043,870

Table 2 – Street Maintenance Expenditure Needs

Street Maintenance Needs	FY 2018-19	FY 2019-20	FY 2020-21
City Street, Urban Forestry & Engineering Divisions	\$3,533,805	\$3,827,536	\$3,891,648
Street Rehabilitation Projects – Funded by Existing Revenue & Savings	1,746,779	1,000,000	2,250,000
Street Rehabilitation Projects – Other Sources to be Identified	4,253,221	5,000,000	3,750,000
Other Street Related Projects	346,188	180,000	5,000
Contribution to City of Lompoc Transit – Measure A – to Meet Fare Box Ratio Requirements	25,000	25,000	25,000
Total	\$9,904,993	\$10,032,536	\$9,921,648

The City Council's approval of the LPP is required by SBCAG prior to FY 2019-20 in order for the City to receive its LSTI allocations from SBCAG. Failure to approve the LPP would allow SBCAG to reallocate the City's \$2,240,918 to other jurisdictions and would reduce the City's overall funding for road maintenance activities by almost 50%. Therefore, staff recommends the City Council approve the LPP.

Maintenance of Effort Contribution Required by Measure A

Measure A requires each local agency receiving Measure A revenues:

"...shall annually maintain an expenditure of local discretionary funds for street and road purposes which is no less than that reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads for the Fiscal Year 2007/08, reduced by 17.61% for FY 2010/11 and thereafter adjusted annually by the percentage change in the amount of retail transaction and use tax receipts collected through the imposition of this measure."

The expenditure of local discretionary funds is referred to as the Maintenance of Effort (MOE) requirement. Measure A allows the SBCAG Board to approve an alternative MOE calculation for a jurisdiction, using an average of reported discretionary funds over the three-year period of FYs 2005-08, reduced by 17.61% for FY 2010-11. SBCAG staff recommended the City budget its FY 2019-20 MOE at the same amount as was approved by the SBCAG Board for FY 2018-19, of \$1,739,752. Annual certification the City will meet the MOE requirement must be included with the LPP and is, therefore, included in Resolution No. 6246(19).

Historically, routine Utility Department expenditures such as street lights and street sweeping have accounted for the majority of Lompoc Measure A MOE expenditures of local discretionary funds. However, it is possible additional General Fund, or other qualifying local resource allocations, will be needed in the future to meet Measure A MOE requirements as they increase over time and as lighting costs stabilize as a result of the conversion of street lights to LED technology.

Conclusion:

Measure A revenue for operations and maintenance of City streets and ROWs is a critical resource. Without Measure A resources, the City's funding available for those activities would be reduced by almost 50%.

Staff proposes to expend the City's share of LSTI funds for street maintenance and other street-related uses, as shown in the LPP. Resolution No. 6246(19) adopts the LPP and

certifies the City will expend the required amount of discretionary funding in order to receive its share of LSTI funds.

Respectfully submitted,

Craig Dierling, P.E., Principal Civil Engineer

APPROVED FOR SUBMITTAL TO THE INTERIM CITY MANAGER:

Michael W. Luther, P.E., Public Works Director

Dean Albro, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachments: 1) Resolution No. 6246(19)
2) Measure A Investment Plan Page 1, Including Table