



City Council Agenda Item

City Council Meeting Date: February 21, 2023

TO: Dean Albro, City Manager

FROM: Craig Dierling, P.E., Assistant Public Works Director/City Engineer
c_dierling@ci.lompoc.ca.us

SUBJECT: Public Hearing to Consider Measure A Five-Year Local Program of Projects for Fiscal Years 2024-28; Adoption of Resolution No. 6562(23)

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) 2024-28;
- 2) Adopt Resolution No. 6562(23), approving the LPP for FYs 2024-28 (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 2023-24, the City must adopt its LPP. Staff proposes to expend the City's share of LSTI funds for street maintenance and other street-related uses, as shown on the LPP. Resolution No. 6562(23) 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. The total of all of the City's existing road funding sources may narrowly facilitate maintaining the street pavement at its current citywide average condition by using cost-effective rehabilitation methods, which are less desirable to roadway users than the more expensive industry standard methods. Significantly more road maintenance funding would be needed to substantially improve the citywide average street pavement condition as well as to facilitate industry standard methods, which are

more smooth-riding, aesthetically appealing, and accomplish complete repairs sooner than the cost-effective approach.

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 2021-22.

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 2021-25. 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 2023-24 is \$3,010,889.

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. In accordance with the Public Contract Code, projects exceeding \$200,000 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 54 is considered 'At Risk.' To maintain the overall PCI average at its current value of 54 using industry standard methods, the City would need to identify funding and expend over \$9 Million for pavement rehabilitation projects each year. Alternatively, staff projects the City may narrowly maintain the overall PCI average at its current value by using more cost-effective rehabilitation methods to expend \$2 Million annually; however, those methods do not always provide repairs to the smooth ride quality, aesthetics, or within the time desired by many roadway users. 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 \$75 Million for pavement rehabilitation projects during FY 2023-24. That one-time expenditure of approximately \$75 Million to raise the City's overall system-wide PCI average to 70 is in addition to an annual expenditure of over \$9 Million each year thereafter, to maintain the PCI of 70, using industry standard methods.

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 54 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 City anticipates having sufficient road revenues to spend an average of over \$2 Million per year on street and alley rehabilitation projects during the Biennial Budget FYs 2024-25 period, in addition to funding the City's Street Maintenance, Urban Forestry, and Engineering Division operations. Expenditures shown in the row labeled "Street Rehabilitation Projects – Other Sources to be Identified" in Table 2 represent those in excess of existing revenue (unfunded needs) which would be necessary to maintain the streets and alleys using the industry standard methods, which are preferred by roadway users. Due to funding shortages, the City has utilized primarily cost-effective pavement rehabilitation methods over the past ten years, in order to rehabilitate and extend the useful service life of significantly more streets than could have been repaired using the more expensive industry standard methods. The \$2+ Million per year average combined expenditures shown in the Table 2 rows labeled "Street Rehabilitation Projects – Funded by Existing Revenue & Savings" and "Street & Alley Rehabilitation Projects – Funded by City ROW Maintenance Funds" may be narrowly sufficient to facilitate maintaining the street and alley pavement at its current citywide average condition by using cost-effective rehabilitation methods.

Also, 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.

Table 1 – Street Maintenance Revenue

Funding Source	FY 2022-23	FY 2023-24	FY 2024-25
Local Surface Transportation Program	\$ 171,000	\$ 171,000	\$ 171,000
State Gas Tax	1,116,573	1,240,009	1,264,809
Measure A	3,353,436	3,010,889	3,091,727
Maintenance of Effort Contribution Required by State	832,019	832,019	832,019
City ROW Maintenance Funds ¹	750,000	900,000	900,000
Road Maintenance and Rehabilitation Account from SB1	962,828	1,097,430	1,119,379
Total	\$7,185,856	\$7,251,347	\$7,378,934

Table 2 – Street Maintenance Expenditure Needs

Street Maintenance Needs	FY 2022-23	FY 2023-24	FY 2024-25
City Street, Urban Forestry & Engineering Divisions	\$4,200,000	\$4,800,000	\$5,100,000
Street Rehabilitation Projects – Funded by Existing Revenue & Savings	3,020,000 ²	0 ²	3,300,000 ²
Street & Alley Rehabilitation Projects – Funded by City ROW Maintenance Funds	1,900,000 ^{1,2}	0 ²	1,800,000 ^{1,2}
Street Rehabilitation Projects – Other Sources to be Identified	4,080,000	9,000,000	3,900,000
Other Street Related Projects	12,000	302,000	415,000
Contribution to City of Lompoc Transit – Measure A – to Meet Fare Box Ratio Requirements	0	25,000	25,000
Total	\$13,212,000	\$14,127,000	\$14,540,000

1. City ROW Maintenance Funds are discretionary, are included in the City's current Biennial Budget FYs 2021-23, and staff recommends they also be included in future City budgets.

2. To obtain lower unit prices through economy of scale, staff recommends performing larger pavement rehabilitation projects every two years rather than smaller projects each year.

The City Council's approval of the LPP is required by SBCAG prior to FY 2023-24 for the City to receive its LSTI allocations from SBCAG. Failure to approve the LPP would allow SBCAG to reallocate the City's \$3,010,889 to other jurisdictions and would reduce the City's overall funding for road maintenance activities by over 40%. 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 2023-24 MOE at \$2,473,266. Annual certification that the City will meet the MOE requirement must be included with the LPP and is, therefore, included in Resolution No. 6562(23).

Historically, routine Utility Department expenditures such as street lighting and street sweeping 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 continue to increase over time and as lighting costs stabilize as a result of the conversion of street lights to LED technology.

Conclusion:

Measure A revenue is a critical resource for operation and maintenance of City streets and ROWs. Without Measure A resources, the City's funding available for those activities would be reduced by over 40%.

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. 6562(23) 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., Assistant Public Works Director/City Engineer

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

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

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachments: 1) Resolution No. 6562(23)
2) Measure A Investment Plan Page 1, Including Table