



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and City Council **DATE:** October 16, 2017

FROM: Matthew Bronson, City Manager

PREPARED BY: Greg Ray, Public Works Director/City Engineer

SUBJECT: Resolution Confirming a List of Projects Funded by SB 1: The Road Repair and Accountability Act

RECOMMENDATION

Adopt the Resolution amending the FY 2017-18 budget to confirm the incorporation of a list of projects funded by SB 1: The Road Repair and Accountability Act.

BACKGROUND

On April 28, 2017, the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), which is known as the Road Repair and Accountability Act of 2017. The Act intends to address basic road maintenance, rehabilitation and critical safety needs on both the state highway and local streets and road system. SB 1 increases per gallon fuel excise taxes; increases diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years. As part of the Act, the bill created the Road Maintenance and Rehabilitation Account (RMRA) to fund road maintenance and other projects. The City is expected to receive \$302,764 in RMRA funding over the next two fiscal years.

To receive RMRA funding, cities and counties must include the list of projects in their adopted budget that provides a description of the project, location, proposed schedule of completion and estimated useful life of the improvement [Streets and Highways Code (SHC) § 20134(a)(1)] to the California Transportation Commission (CTC) by October 16, 2017. The initial project list is for projects using SB 1 funds for FY 2017-18.

On June 19, 2017, the Council adopted the City's 2017-18 budget. Staff recommends that a portion of the Capital Improvement Project (CIP) 2283 Major Street Maintenance Program: Rehabilitation of local major streets be funded by RMRA as shown below:

RMRA Funding						
CIP	Project Name and Description	Location	2017-18 Project Estimate	2018-19 Project Estimate	Anticipated Completion	Estimated Useful Life
2283	Major Street Maintenance Program: Rehabilitation of local major streets	El Camino Real Oak Park Blvd. 4th Street Farroll Rd. The Pike West Grand Ave	\$75,694	\$227,070	2019	20 years

The Council may provide policy direction to further prioritize SB 1 resources on one or more major streets. Pending Council action, staff will send a copy of the adopted resolution to the CTC pursuant to direction from CTC staff.

FISCAL IMPACT

Approval of this Resolution will allow the City to receive initial SB 1 funding in the amount of \$75,694 with funding in the second year in the amount of \$227,070. Depending on additional revenue estimates by the California Transportation Commission and State Controller, additional funding may be available for programming at a later time. While the scope of repairs from this initial funding may be somewhat limited, this funding will provide additional resources to continue improving streets which is one of the Council's Major City Goals for 2017-18.

Lastly, the Council may be aware that there are two initiatives being circulated for the November 2018 ballot to repeal SB 1. Staff will monitor the status of these initiatives and if one or both qualify for the ballot and SB 1 is ultimately repealed, staff would reassess options and return to Council with recommendations for budget amendments if necessary. It is not anticipated that funding for 2017-18 will be effected by the repeal measure.

ALTERNATIVES

The Council has the following alternatives to consider:

1. Adopt the Resolution amending the FY 2017-18 Budget and funding the above listed capital projects with RMRA revenue;
2. Do not adopt the Resolution and do not fund the above capital projects or fund them using other funding sources; or
3. Provide staff with alternative direction.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

ATTACHMENTS

1. Resolution
2. Project Details

RESOLUTION NO. 17-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH,
CALIFORNIA, ADOPTING THE 1st AMENDMENT TO THE ANNUAL
APPROPRIATION RESOLUTION NO. 17-34 TO AMEND CAPITAL
IMPROVEMENT PROJECT 2283 MAJOR STREET MAINTENANCE
PROGRAM TO INCLUDE ROAD MAINTENANCE AND
REHABILITATION ACCOUNT FUNDS AND EXPENDITURES**

WHEREAS, the Grover Beach City Council has a desire to amend the Annual Appropriation Resolution No. 17-34 to amend CIP Project 2283 Major Street Maintenance Program to include Road Maintenance and Rehabilitation Account Funds and expenditures.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover Beach, does hereby amend the Annual Appropriation Resolution to budget the following Expenditures:

Gas Tax Fund

	<u>Sources</u>	<u>Uses</u>
A/C No.: 17-000-44560-000 Road Maintenance & Rehabilitation	\$ 75,694	\$ -0-
A/C No.: 17-900-58010-000 P S & E (Design) Project 2283	<u>\$ -0-</u>	<u>\$ 75,694</u>
Total Gas Tax Fund	<u>\$ 75,694</u>	<u>\$ 75,694</u>

On motion by Council Member, seconded by Council Member, and on the following roll-call vote, to wit:

AYES: Council Member –
NOES: Council Member –
ABSENT: Council Member –
ABSTAIN: Council Member –
RECUSED: Council Member –

the foregoing Resolution was **PASSED, APPROVED**, and **ADOPTED** at a regular meeting of the City Council of the City of Grover Beach, California this 16th day of October, 2017.

**** D R A F T ****

JOHN P. SHOALS, MAYOR

Attest:

DONNA L. McMAHON, CITY CLERK

CAPITAL IMPROVEMENT PROGRAM

STREETS / STORM DRAINS

CIP 2283: MAJOR STREET MAINTENANCE PROGRAM

GREG RAY, PUBLIC WORKS DIRECTOR

Description: Rehabilitation of local major streets according to the priorities set by City Council.

Total Budget FY 2018: \$535,000

Project Total: \$2,472,666

Funding Source(s):	FY 2016 Actual	FY 2017 Estimated	FY 2018 Budget	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
01 General	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000
<i>58010 Design</i>				\$30,000	\$30,000	\$30,000	\$30,000
<i>58030 Construction</i>				\$160,000	\$160,000	\$160,000	\$160,000
<i>58070 Management</i>							
<i>58000 Contingency</i>				\$10,000	\$10,000	\$10,000	\$10,000
17 Gas Tax	\$0	\$17,666	\$100,000	\$30,000	\$30,000	\$30,000	\$30,000
<i>58010 Design</i>			\$12,334				
<i>58030 Construction</i>			\$100,000	\$30,000	\$30,000	\$30,000	\$30,000
<i>58070 Management</i>		\$17,666					
<i>58000 Contingency</i>							
17 Gas Tax (RMRA)	\$0	\$0	\$75,694	\$227,070	\$30,000	\$30,000	\$30,000
<i>58010 Design</i>							
<i>58030 Construction</i>			\$75,694	\$227,070	\$30,000	\$30,000	\$30,000
<i>58070 Management</i>							
<i>58000 Contingency</i>							
18 Local Transportation*	\$0	\$0	\$435,000	\$250,000	\$250,000	\$250,000	\$250,000
<i>58010 Design</i>							
<i>58030 Construction</i>			\$375,000	\$250,000	\$250,000	\$250,000	\$250,000
<i>58070 Management</i>			\$60,000				
<i>58000 Contingency</i>							
Total All Funds	\$0	\$17,666	\$535,000	\$480,000	\$480,000	\$480,000	\$480,000

* LTF 194,407 (FY17) and \$122,000 (FY16); USHA \$111,333; RSHA \$7260

