



City of Culver City

Staff Report Details (With Text)

File #: 18-0270 **Version:** 1 **Name:**
Type: Resolution **Status:** Consent Agenda
File created: 9/12/2017 **In control:** City Council Meeting Agenda
On agenda: 10/9/2017 **Final action:**
Title: CC - (1) Adoption of a Resolution Amending the 2017-18 Budget to Incorporate the Paving of Sepulveda Boulevard from Ballona Creek to Sawtelle Boulevard in the List of City Project to be Funded by SB 1 (The Road Repair and Accountability Act); and (2) Approve a Related Budget Amendment (Requires a Four-Fifths Vote).

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2017-10-09_ATT_Resolution Amending FY 17-18 SB 1 Funded Projects_FINAL.pdf

Date	Ver.	Action By	Action	Result
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CC - (1) Adoption of a Resolution Amending the 2017-18 Budget to Incorporate the Paving of Sepulveda Boulevard from Ballona Creek to Sawtelle Boulevard in the List of City Project to be Funded by SB 1 (The Road Repair and Accountability Act); and (2) Approve a Related Budget Amendment (Requires a Four-Fifths Vote).

Meeting Date: October 9, 2017

Contact Person/Dept: Mate Gaspar, Public Works Department

Phone Number: 310-253-5602

Fiscal Impact: Yes No **General Fund:** Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/4/2017);

Department Approval: Charles D. Herbertson (09/28/17)

RECOMMENDATION

Staff recommends the City Council (1) adopt a Resolution amending the 2017-18 budget to incorporate the Paving of Sepulveda Boulevard from Ballona Creek to Sawtelle Boulevard in the list

of City projects to be funded by SB1 (The Road Repair and Accountability Act); and (2) approve a related budget amendment. **(The budget amendment requires a four-fifths vote.)**

BACKGROUND

On April 28, 2017, Governor Brown signed Senate Bill (SB) 1 (The Road Repair and Accountability Act). This measure was in response to California's significant funding shortfall to maintain the State's multimodal transportation network. SB 1 increases several taxes and fees to raise over \$5 billion annually in new transportation revenues. Moreover, SB 1 makes adjustments for inflation every year so that the purchasing power of the revenues does not diminish as it has in the past with other gas tax subvention funds. SB 1 prioritizes funding towards maintenance and rehabilitation and safety improvements on state highways, local streets and roads, and bridges and towards improvement of the state's trade corridors, transit, and active transportation facilities.

The estimated revenues will be phased-in over several years as follows:

- \$1.8 billion - 12 cent increase to gasoline excise tax (Nov. 1, 2017)
- \$730 million - 20 cent increase to diesel excise tax (Nov. 1, 2017)
- \$300 million - 4% addition to diesel sales tax (Nov. 1, 2017)
- \$704 million - One-time loan repayment (2017-2020)
- \$1.6 billion - \$25-\$175 transportation improvement fee (Jan 1, 2018)
- \$1.1 billion - 17.3 cent reset of price-based gas tax (July 1, 2019)
- \$20 million - \$100 zero emission vehicle registration fee (July 1, 2020)

Once fully implemented, approximately \$1.5 billion per year in new revenue is earmarked for local streets and roads maintenance and rehabilitation and other eligible uses, including complete streets projects, traffic signals, and drainage improvements. California's counties will share about \$750 million annually, and the same amount will be allocated to cities.

DISCUSSION

The California Transportation Commission (CTC) is charged with oversight of several SB 1-funded programs, including reporting on the use of local streets and roads funding. A vast majority of the new revenues for cities will come out of the newly created Road Maintenance and Rehabilitation Account (RMRA). Cities receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures.

Prior to receiving RMRA funds in a fiscal year, a city must submit to the CTC a list of projects proposed to be funded with these funds. All projects proposed to receive funding must be included in a city budget that is adopted by resolution of the city council at a regular public meeting. The list of projects must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement.

Also a city is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009-10, 2010-11, and 2011-12 fiscal years for street, road, and highway purposes from the city's general fund.

According to the Pavement Management Program, the pavement condition index for Sepulveda Boulevard from Ballona Creek to Sawtelle Boulevard is rated very low and considered to be in poor condition. Staff proposes that the City Council approve this segment of Sepulveda Boulevard to apply the City's share of RMRA funds for Fiscal Year 2017/18.

The proposed schedule for construction is in June 2018 and the estimated useful life of the resurfacing of the asphalt is about 25 years.

FISCAL ANALYSIS

According to the California Department of Finance, Culver City is projected to receive \$1,133,068 of gas tax funds for Fiscal Year 2017/2018. Of this amount, the additional RMRA gas tax funds is projected to be \$233,252.

The adopted Fiscal Year 2017/18 budget for Annual Street Rehabilitation Project, PS-005 is:

\$ 453,536 State Gas Tax Funds
\$1,360,000 City General Funds
<u>\$ 233,419 of Los Angeles County Measure R Funds</u>
\$2,046,955

The proposed budget amendment will add the \$233,252 to the Annual Street Rehabilitation Project, PS-005. This will increase the total proposed budget for PS-005 to \$2,280,207.

The remaining gas tax funds, \$446,280, are budgeted for salaries and general pothole maintenance in the Public Works Department Maintenance Operations Division budget.

As mentioned in the report, the City is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009-10, 2010-11, and 2011-12 fiscal years for street, road, and highway purposes from the city's general fund. The annual average for Culver City is \$3,868,626 and this is the minimum required MOE in order to receive the RMRA gas tax funds. Current eligible expenditures are well above this amount, and staff does not foresee any issue with meeting the MOE requirement.

ATTACHMENTS

1. Proposed Resolution

MOTION

That the City Council:

1. Adopt a Resolution amending the 2017-18 budget to incorporate the paving of Sepulveda Boulevard from Ballona Creek to Sawtelle Boulevard in the City's list of projects to be funded by SB1 (The Road Repair and Accountability Act); and

2. Approve a related budget amendment (requires a four-fifths vote).