



Agenda Item C.1
DISCUSSION/ACTION ITEM
Meeting Date: May 2, 2017

TO: Mayor and Councilmembers
FROM: Rosemarie Gaglione, Public Works Director
CONTACT: Marti Milan, Principal Civil Engineer
SUBJECT: Five Year Pavement Management Program

RECOMMENDATION:

Receive a presentation on the proposed FY 2017/18 Five Year Pavement Management Program.

BACKGROUND:

Funding for the Pavement Rehabilitation Program has been reduced over the past few years due to the reduction in Gas Tax revenues, the loss of the temporary subvention funds from vehicle licensing fees for new cities, and the loss of Regional Surface Transportation Program (RSTP) monies. In an effort to address the reduced budget and more efficiently use available funding, staff consulted with Pavement Engineering Inc. (PEI) to analyze and recommend a five-year program that would more cost effectively maintain City streets within available funding.

On March 1, 2016, Joe Ririe, Principal Engineer of PEI, presented the City Council with an overview of the overall pavement condition index (PCI) of the City's streets and a proposed a five-year pavement management program strategy which included a multi-level PCI approach of 70 for arterials, 67 for collectors and 65 for residential streets. The previous Council policy was to try and maintain all roads at a PCI of 70 or above. Given finding constraints, a multi-level PCI approach made more sense and the Council adopted these revised standards. Doing this has allowed the City to prioritize its limited resources to fund street maintenance where it is most needed based on vehicle usage and speeds.

At the time of the above-mentioned presentation of the maintenance strategy in March 2016, it was anticipated that in order to maintain PCI averages based on functional classifications at the targeted level, approximately \$2.7 million to \$3.3 million would be needed each year, beginning in FY 2015/16, for a total of \$14.85 million over five years (FY 2016/17 through 2020/21).

The purpose of this discussion item is for Mr. Ririe to present an update on the current condition of the City’s streets, the impacts of environmental and traffic impacts on pavement condition, an overview of best management practices, and a proposed FY 2017/18 Five Year Pavement Management Program.

DISCUSSION:

As will be covered in the presentation, the City currently has a PCI of 68 for arterials and collector streets, a PCI of 67 residential streets, and a weighted average PCI 67 for all City streets. These numbers include the upcoming repair of the streets incorporated in the FY 2016/17 Overlay Project. The target PCI for arterial streets has not been met for FY 2016/17, but is still exceeded for collectors and residential streets. The table below shows the estimated construction costs to maintain the City’s goal of the multi-level PCI for different types of streets (arterial, collector and residential), over the next five years.

	Budget in \$Millions*
Fiscal Year	Multi-Level PCI (70, 67, 65)
	Proposed last 2-Year Budget
FY 2015/16	\$2.9
FY 2016/17	\$2.8
	Next 5-Year Budget
FY 2017/18	\$ 4.1
FY 2018/19	\$ 3.7
FY 2019/20	\$ 2.9
FY 2020/21	\$ 4.3
FY 2021/22	\$ 3.3
Total	\$18.3

*These costs are for construction only.

The current fiscal year budget includes a total of \$5.7 million for pavement projects. Of that amount, approximately \$2.3 has been allocated to the Hollister Class I Bikeway project, and for professional services related to the design and engineering of the pavement program. The remaining \$3.4 million will be dedicated to the FY 2016/17 Pavement Rehabilitation Program overlay project, which is being proposed for award at this council meeting in a separate agenda item, and has an anticipated construction start date in early June.

As seen in the table above, PEI is recommending that the amount of the Pavement Rehabilitation Program construction budget be increased in both years of the next two-year budget cycle to help the City catch up in its maintenance efforts and its PCI maintenance targets. The increase in construction costs is due to: 1) how quickly the City streets can deteriorate; 2) generally rising material costs to continue to maintain the City’s target PCIs; and 3) generally rising labor costs. Therefore, staff does not expect any reduction in paving material costs in the near future.

FISCAL IMPACTS:

The trends for Measure A and Gas Tax revenues over the next five years were originally anticipated to remain relatively consistent, though with the recent passage of the Road Repair and Accountability Act of 2017 (SB 1) on April 6, the legislature approved a \$5.2 billion annual transportation funding package aimed at fixing the state's local roads, freeways and bridges and investing more dollars towards transit and safety projects over the next ten years. SB 1 will be in effect starting on November 1, 2017. Goleta is estimated to receive \$7.15 million over a ten-year period. Based on Department of Finance's latest gas tax revenue estimates, in FY 2017/18 Goleta will receive an additional \$180,124 on top of the original amount of \$697,321 for a total of \$877,445. In FY 2018/19, Goleta is projected to receive a total of \$1,246,386, of which \$536,559 is related to SB 1.

The table below shows the current FY 2016/17 available budget that is being programmed towards the FY 2016/17 Pavement Rehabilitation Program overlay project and anticipated expenditures over the next two fiscal years for the Program. It also reflects what staff will consider requesting in the upcoming two-year budget from the General Fund to meet the funding needs and goals of the multi-level PCI. These potential requests are preliminary and subject to adjustments pending further information that will become known during the budget process.

Pavement Rehabilitation – Streets*				
Fund Type	Account	FY 16/17 Available	FY 17/18 Proposed	FY 18/19 Proposed
General Fund	101-5-5800-413	\$1,327,402	\$3,262,555	\$2,480,614
Gas Tax**	201-5-5800-413	\$842,778	\$792,445	\$1,161,386
Measure A	205-5-5800-413	\$737,309	\$243,000	\$200,000
STIP***		\$0.00	\$715,000	\$715,000
LSTP	305-5-5800-400	\$464,222	\$117,000	\$117,000
Total Pavement Rehab		\$3,371,711	\$5,130,000	\$4,674,000

*This includes design, construction and CMIT costs.

** A portion of the Gas Tax allocation is proposed to go to the Miscellaneous Concrete Project and supplies, therefore the full allocation is not shown here.

*** \$715,000 may be available from STIP funding through SBCAG due of the passage of SB 1. Staff will provide a recommendation during the budget workshop as further information becomes known during the budget process.


Maintenance of a multi-level PCI with targeted goals will require a total of \$5.1 million in the first year and \$4.7 million in the next year. Approximately \$3.5 million in the first year and \$2.7 million in the next year is proposed to be requested from the General Fund. Staff is currently reviewing the requested amount and will be determining if the General Fund is able to support the increase. These costs account for all costs of design, construction, construction management, inspection and testing. To maintain a system wide multi-level PCI of 70 for arterials, 67 for collectors and 65 for residential streets at the end of the five-year period, overall funding (which includes design and construction inspection, etc.) of \$22.7 million is needed over the next five years.

ALTERNATIVES:


Council could decide to reduce the proposed budget levels; however, this would result in not meeting the multi-level PCI goal for the City streets. It would also result in an increase in street deterioration rate which would likely require more expensive reconstruction methods in the near future.

Legal Review By:

Approved By:



Michael Jenkins
Interim City Attorney



Michelle Greene
City Manager