



CITY OF POMONA COUNCIL REPORT

July 16, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Meg McWade, Public Works Director

Subject: **Adoption of a Resolution Approving Submittal of the Amended Fiscal Year 2018-19 Projects Lists (Operational) for the Road Repair and Accountability Act of 2017 (RMRA/SB-1) and Amending the City of Pomona's FY 2018-19 Adopted Operating Budget to Reflect the Changes**

OVERVIEW

Recommendation – That the City Council adopt a Resolution (Attachment 1):

1. Approving the submittal of the amended Fiscal Year 2018-19 Public Works Operational Plan (Exhibit A-1) to the California Transportation Commission (CTC), as required for eligibility to receive RMRA/SB-1 funding;
2. Amending the Adopted Fiscal Year 2018-19 Public Works Operational Budget by un-appropriating \$296,593 of RMRA/SB-1 Funds and appropriating \$296,593 of Gas Tax Funds Reserve as shown in Exhibit A-2

Fiscal Impact – Approval of this action will allow the City to ensure compliance for receipt of RMRA/SB-1 Local Street funding estimated at \$2,579,019 in FY 2018-19. The adoption of the Resolution will amend the Fiscal Year 2018-19 Adopted Operating Budget by unappropriating \$296,593 in operational expenses from RMRA/SB-1 funding (Fund 206) and appropriating those same operational expenses to Gas Tax funds (Fund 208). The City will re-appropriate \$296,593 in the RMRA/SB1 Fund as Capital Projects are identified.

Previous Council Action –

On June 4, 2018, City Council adopted Resolution 2018-66 appropriating RMRA/SB-1 funds in the 2018-19 Operating and Capital Improvement Program (CIP) Budgets in the amounts of \$736,147 for Public Works Operations and \$1,893,882 for “Street Preservation – Local Citywide (FY 18-19),” Project No. 428-2590-xxxxx-68560.

On April 23, 2018, City Council adopted Resolution 2018-30 approving Pomona's Streets Lists as a requirement for the Road Repair and Accountability Act of 2017 (RMRA/SB-1) and the proposed 2018-19 Operating and Capital Improvement Program (CIP) Budgets to



approve the projects list for funding in the amounts of \$736,147 for Public Works Operations and \$1,893,882 for “Street Preservation – Local Citywide (FY 18-19),” Project No. 428-2590-xxxxx-68560.

On September 18, 2017, City Council adopted a Resolution 2017-129 approving Pomona’s Streets Lists as a requirement for the Road Repair and Accountability Act of 2017 (RMRA/SB-1) and amended the 2017-18 Operating and Capital Improvement Program (CIP) Budgets to appropriate funding in the amounts of \$179,645 for Public Works Operations and \$2,341,910 for “Street Preservation – Local Citywide (FY 17-18),” Project No. 428-2590-xxxxx-68558.

On June 12, 2017, City Council approved the City’s Operational Budget and authorized receipt of \$897,325 in RMRA/SB-1 funds by allocating to revenue fund 208-2506-40897-00000. Funds were not appropriated for expenditures as funding guidelines were still in development.

EXECUTIVE SUMMARY

This action will amend the City’s RMRA/SB1 expenditure list as recommended by the State Controller’s Office. The updated list will ensure continued receipt of approximately \$2.6 million in funds in FY 18-19* that the City plans to use to improve roadways and paths of travel throughout the City. The resolution also revises operational expenses to be funded by Gas Tax funding allowing SB1 to be used for future capital projects, when identified.

*As a note, SB1, a transportation improvement funding source that will provide approximately \$2.6 million per year to Pomona, is threatened by repeal efforts. Should repeal efforts be successful in November 2018, the collection of FY 18/19 revenues will cease. Staff will be closely monitoring expenditures and contract awards in light of this threat to revenues. Attachment 2 (Senate Bill 1- Myth vs. Facts) has been included to provide information on RMRA/SB-1 funding.

DISCUSSION

The Road Repair and Accountability Act of 2017, also known as the Road Maintenance and Rehabilitation Account (RMRA), or SB-1 (Chapter 5, Statutes of 2017), was signed by Governor Brown on April 28, 2017. The bill provides an estimated \$52.5 billion for transportation purposes throughout the State over the next ten years, with investments targeted towards fix-it-first purposes on local streets, roads, highways, transit operations and maintenance, capital investments, and active transportation. There is no sunset on the revenue sources included in the bill, with many of the taxes and fees to be indexed for inflation in order to keep pace with rising costs. Revenues generated from RMRA/SB-1 are generated from increases to the gasoline excise tax, diesel sales tax, loan repayment (2017-2020), transportation improvement fees, a reset of price-based gas tax,



and zero emission vehicle registration fees. These revenue generators take effect in different time frames, ranging from November 1, 2017 through July 1, 2020, and are in addition to what the City receives now through the current Gas Tax.

Projects eligible for RMRA/SB-1 funding generally include, but are not limited to:

- Road Maintenance and Rehabilitation;
- Safety Projects;
- Railroad Grade Separations;
- Complete street components, including: active transportation projects; pedestrian and bicycle safety projects; transit facilities, and drainage and storm water capture projects in conjunction with any other allowable projects; and
- Traffic Control Devices.

The City is receiving \$897,325 in RMRA/SB-1 funding for transportation-related improvements in FY 2017-18 and anticipated revenue of \$2,579,019 for FY 2018-19. With the new funding, cities and recipients must meet expenditure, reporting, and scheduling guidelines set forth by the State Controller's Office and the California Transportation Commission (CTC). As a requirement, a City Resolution must be submitted in order to receive funds, which can be changed to adapt to local needs, as long as the changes are consistent with other requirements of the bill. Pomona's adopted Resolution along with specific street projects, maintenance work (current and proposed), and corresponding CIP budgets were submitted to the CTC by its May 1, 2018 deadline.

The State Controller's Office reviewed the City's list of FY 18-19 projects and requested edits be prepared, prior to being sent to the CTC for final approval. The State Controller's Office recommended that RMRA/SB-1 Funds be used to fund Capital Improvement Projects, and to use Gas Tax Funds for operational items. The recommendations are due to stringent updated guidelines to ensure transparency of funds being used. As a result, City Council action is required to amend the list and program funding, and re-submit to the CTC by August of 2018.

Proposed Operational Budget

Of the RMRA/SB-1 funding to be received, a total of \$736,147 was recommended and approved for the 2018-19 Public Works Operational Divisions. The funds were to be used to enhance functionality in the Department divisions of Graffiti Abatement, Landscape Median Maintenance and Right-of-Way Clean-Up, Paint and Sign, Streets Maintenance, Street Sweeping, and Traffic Signal and Lighting. Based on the State Controller's request, the City will be removing \$296,593 from the previously approved RMRA/SB-1 List as follows:

Graffiti Abatement

The Graffiti Removal Program removes graffiti from public and private structures throughout the City. RMRA-/SB1 funding will only fund removal of graffiti on public Rights-of-Way that do not include parkways. Graffiti personnel are assigned by geographical areas and actively remove graffiti as it is reported. Graffiti reports are received through phone reports or by field



inspections. This program is an in-house program with a 4-person work crew. Costs budgeted for these services under this fund amount to \$167,369. Approval of this action will re-appropriate the operating expenses to Gas Tax Fund.

Right-of-Way Clean-Ups

The Right-of-Way Clean-up Program is responsible for the elimination of weeds, volunteer trees, and other plants growing on over 400 miles of streets and rights-of-way, in City medians, parkways, parks, and vacant City-owned property. This is a contracted out service. Costs budgeted for these services under this fund amount to \$21,408. Approval of this action will re-appropriate the operating expenses to Gas Tax Fund, as recommended by State Controller's Office.

Street Sweeping Services

The Street Sweeping Program is responsible for the removal of dirt and debris from the City's residential and arterial streets, business, and commercial areas. All streets are swept twice a month with the downtown business area (bordered by Monterey Street, Palomares Street, Mission Boulevard, and Park Avenue) being swept twice a week. Street Sweeping services is a contracted service that includes all labor, equipment, and materials necessary for the satisfactory performance of the street sweeping services, Citywide. Costs budgeted for these services under this fund amount to \$99,325. Approval of this action will re-appropriate the operating expenses to Gas Tax Fund, as recommended by State Controllers' Office.

Supplemental Expenses

Supplemental items requested include office supplies, professional development training, safety gear, and computer software programs. The amount of funding for these supplemental items amounts to \$2,265. Approval of this action will re-appropriate the operating expenses to Gas Tax Fund, as recommended by State Controller's Office.

In addition, there is a budgeted amount of \$6,226 that will be required to be re-appropriated to Gas Tax Fund. This budgeted amount was programed to Street Tree Maintenance and should be reflected in Gas Tax Operational Fund. This item was not part of the original list submitted to the CTC, and will still need to be reflected in the un-appropriation from RMRA/SB-1 Account and appropriated to the Gas Tax Fund.

The Public Works Operation Plan will approve the operations to be un-appropriated from RMRA/SB-1 Fund and re-appropriated to the Gas Tax Operational Budget. This action will use funding from the Gas Tax Fund Reserve. In addition this will allow the RMRA/SB-1 streets list to be submitted to the CTC in August 2018.

Repeal of RMRA/SB-1

A successful movement has placed a Measure on the November 2018 ballot to repeal the Road Repair and Accountability Act of 2017 (SB-1) which was implemented by the legislature. SB-1 funds provide for critical investments in transportation improvements to rehabilitate streets in



Pomona. The repeal, if successful, will eliminate future SB-1 funding for transportation projects, including the preservation and rehabilitation of the City's local residential streets. If the repeal Measure is approved in November, the City will lose \$2.6 Million dollars a year; this does not account for additional funding to be provided for regional projects and available grant programs.

- Attachments:
1. Resolution with EXHIBIT "A-1, RMRA/SB-1 Amended Operational Item List to the CTC", EXHIBIT "A-2, Account Information"
 2. Senate Bill 1- Myth vs. Facts Document

Prepared by: Dennice Raygoza, Sr. Management Analyst

18-483