

# Agenda Report

June 5, 2023

**TO:** Honorable Mayor and City Council

**THROUGH:** Municipal Services Committee (May 23, 2023)

**FROM:** Department of Public Works

**SUBJECT:** **AMENDMENT TO FISCAL YEAR 2024 CAPITAL IMPROVEMENT PROGRAM APPROPRIATING \$6 MILLION TO THE ANNUAL CITYWIDE STREET RESURFACING AND ADA IMPROVEMENT PROGRAM**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not "projects" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(4) and (5) of the State CEQA Guidelines and, as such, are not subject to environmental review; and
2. Amend the Fiscal Year 2024 - 2028 Capital Improvement Program (CIP) Budget appropriating \$5.4 million in General Funds and \$600,000 in Road Maintenance and Rehabilitation Account (RMRA) Funds to the Annual Citywide Street Resurfacing and ADA Improvement Program, FY 2023/2024.

## **BACKGROUND:**

The City has a network of approximately 360 centerline miles of asphalt-paved streets estimated to have a value of \$500 million. A comprehensive assessment of pavement condition was conducted citywide in 2019 to generate a Pavement Condition Index (PCI) rating for each street segment. The network-wide average PCI was calculated at a score of 58, and the 2019 analysis identified an annual funding need of approximately \$11 million to maintain the City's average PCI score. Since FY 2019, the budget appropriation for the Annual Street Resurfacing and ADA Improvement Program has averaged \$4.5 million, resulting in a decline in the average PCI score from 58 to 53. The condition of the City's roadway network scores lowest amongst its neighboring cities.

At the April 28, 2023 City Council Retreat, a presentation was given on deteriorating pavement conditions citywide due to insufficient funding for the annual street resurfacing

program. As presented at the Council Retreat, the cost to maintain asphalt pavement increases significantly as its PCI decreases. This is because as maintenance is deferred, cost effective treatments like slurry or micro-surfacing applications turn into more expensive pavement overlays and eventually require full reconstruction of pavement.

This one-time appropriation of an additional \$6 million, in conjunction with the annual CIP appropriation, will maintain a network-wide average PCI value of 53 for another year and mitigate the exponentially greater cost of deferred maintenance on the streets to be addressed. This \$6 million investment will rehabilitate approximately eight center line miles, which if deferred, would cost the City over \$13 million to rehabilitate in five years and over \$39 million if deferred for 15 years.

If approved, staff will utilize \$3 million to slurry seal and/or micro-surface of streets that are in good condition ( $PCI > 60$ ) to prevent these streets from further deterioration and needing a grind and overlay treatment, which would cost approximately three times as much. The remaining \$3 million will be utilized to rehabilitate streets that are in Poor/Very Poor condition ( $PCI < 40$ ) and part of the City's backlog of streets in need of thick overlays or pavement reconstruction. Upon appropriation of these funds, preparation of plans and specifications will begin in July 2023 and be completed by December 2023. The project is anticipated to advertise for construction bids in early 2024 and return to City Council for contract award in Spring 2024.

#### **COUNCIL POLICY CONSIDERATION:**

The above action addresses City Council's goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure.


#### **ENVIRONMENTAL ANALYSIS:**

CEQA excludes from environmental analysis those actions that are not "projects" as defined by State CEQA Guidelines Section 15378. This section excludes from the definition of "project" the creation of government funding mechanisms and fiscal activities which do not yet commit the lead agency to any specific project and excludes organizational or administrative governmental activities that do not result in physical changes to the environment. The action proposed herein is budgetary and part of the City's normal administrative process as it takes early steps to prepare for the possibility of undertaking a project, and therefore not yet a "project" as defined by CEQA. As the City becomes more certain it will undertake a project, and before it commits itself to the project, the appropriate environmental analysis will be conducted and brought to the appropriate City body for approval.

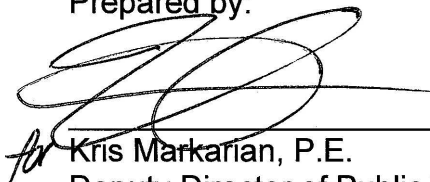
**FISCAL IMPACT:**

This recommended appropriations of \$5.4 million in General Fund and \$600,000 in RMRA (SB1) Funds will increase the FY 2024 – 2028 CIP budget by \$6,000,000. General Fund is available due to recent appropriation of nearly \$20.4M of ARPA funding into the General Fund to support the FY 2023 Operating Budget.

Respectfully submitted,

  
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TONY OLMOS, P.E.  
Director of Public Works

Prepared by:

  
\_\_\_\_\_  
for Kris Markarian, P.E.  
Deputy Director of Public Works/City Engineer

Approved by:

  
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MIGUEL MARQUEZ  
City Manager