



City of Rialto

Council Chambers
150 S. Palm Ave.
Rialto, CA 92376

Legislation Text

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For City Council Meeting [September 12, 2017]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to Adopt **Resolution No. 7208**, Amending the 2017-2018 Fiscal Budget Increasing Revenue and Expenditures in the Amount of \$606,500 and Adopting the Road Maintenance and Rehabilitation Account Project List.

(ACTION)

BACKGROUND:

On April 28, 2017, the Governor signed Senate Bill 1 (SB-1), also known as the Road Repair and Accountability Act of 2017. This legislation is primarily intended to address basic road maintenance, rehabilitation and critical safety needs on state highways and on local streets and roads systems. The California State Association of Counties provided a very succinct summary of the SB-1 provision included as **Attachment 1**. Some of the key provisions of SB-1 include:

- Increases per gallon fuel excise taxes (12 cents per gallon increase effective November 1, 2017)
- Increases diesel fuel sales taxes (20 cents per gallon increase effective November 1, 2017)
- Provides for inflationary adjustments to tax rates in future years.

The estimated annual funding supported by SB-1 is \$5.2 billion, including \$1.5 billion apportioned to local cities and \$1.5 billion to counties for local streets and roads repair. Beginning November 1, 2017, the State Controller (Controller) will deposit various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC) Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

Streets and Highways Code (SHC) Section 2032.5(a) articulates the general intent of the legislature that recipients of RMRA funding be held accountable for the efficient investment of public funds to maintain local streets and roads and are accountable through performance goals that are tracked and reported. Pursuant to SHC Section 2030(a), the objective of the Local Streets and Roads Program is to address deferred maintenance on the local streets and roads system through the prioritization and delivery of basic road maintenance and rehabilitation projects as well as critical safety projects. Cities and counties receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures. The main requirements of the program are codified

in SHC Sections 2034, 2036, 2037, and 2038 and include the following:

Prior to receiving an apportionment of RMRA funds from the Controller in a fiscal year, a city must submit to the California Transportation Commission (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 the city council at a regular public meeting [SHC 2034(a)(1)].

- 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 [SHC 2034(a)(1)]. The project list does not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with RMRA requirements as outlined in SHC 2030(b) [SHC 2034(a)(1)].
- The CTC will report to the Controller the cities that have submitted a list of projects as described in SHC 2034(a)(1) and that are therefore eligible to receive an apportionment of RMRA funds for the applicable fiscal year [SHC 2034(a)(2)].
- The Controller, upon receipt of the report from the Commission, shall apportion RMRA funds to eligible cities pursuant to SHC 2032(h) [SHC 2034(a)(2)].
- For each fiscal year in which RMRA funds are received and expended, cities must submit documentation to the CTC that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement [SHC 2034(b)].
- A city receiving an apportionment of RMRA funds 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 [SHC 2036].
- A city may spend its apportionment of RMRA funds on transportation priorities other than priorities outlined in SHC 2030(b) if the city's average Pavement Condition Index (PCI) meets or exceeds 80 [SHC 2037].
- By July 1, 2023, cities receiving RMRA funds must follow guidelines developed by the California Workforce Development Board (Board) that address participation and investment in, or partnership with, new or existing pre-apprenticeship training programs [SHC 2038].

ANALYSIS/DISCUSSION:

Pursuant to SHC Section 2030(a), RMRA funds made available for the Local Streets and Roads Funding Program shall be prioritized for expenditure on basic road maintenance and rehabilitation projects, and on critical safety projects. SHC Section 2030(b-f) provides a number of example projects and uses for RMRA funding that include but are not limited to the following:

- Road Maintenance and Rehabilitation
- Safety Projects
- Railroad Grade Separations
- Complete Streets Components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects in

conjunction with any other allowable project)

- Traffic Control Devices
- Funds made available by the program may also be used to satisfy a match requirement in order to obtain state or federal funds for projects authorized by this subdivision.
- Specifies additional project elements that will be incorporated into RMRA-funded projects by cities to the extent possible and cost effective, and where feasible as deemed by cities. These elements are:
 - Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
 - Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicle communications for transitional or fully autonomous vehicles.
 - Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
 - Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent as deemed by cities beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

The CTC Guidelines for the implementation of the apportionment for the RMRA funding requires the approved project list to be submitted to the CTC no later than October 16, 2017. The following is the list of eligible projects recommended by staff for funding from the RMRA funds based upon the City's current 5-year plan, Council adopted priorities, and the pavement ratings contained in the City's Pavement Management System. Staff recommends that Council approve the following list:

SB-1 Project Location		
Street Name	From	To
Linden Ave.	Foothill Blvd.	Rialto Ave.
Merrill Ave.	Maple Ave.	Linden Ave.
Merrill Ave.	Linden Ave.	Cedar Ave.
Merrill Ave.	Cedar Ave.	Spruce Ave.
Merrill Ave.	Spruce Ave.	Cactus Ave.
Merrill Ave.	Cactus Ave.	Willow Ave.
Merrill Ave.	Willow Ave.	Riverside Ave.
Rialto Ave.	Riverside Ave.	Olive Ave.
Rialto Ave.	Olive Ave.	Sycamore Ave.
Valley Blvd.	Spruce Ave.	Cactus Ave.
Valley Blvd.	Cactus Ave.	Lilac Ave.
Valley Blvd.	Lilac Ave.	640' E/O Lilac Ave
Valley Blvd.	Riverside Ave.	East City Limit

Details of listed projects are included as **Exhibit A** to the attached Resolution. The project list is intended to include, at a minimum, the current fiscal year projects, description, location, schedule for completion and useful life. The RMRA funding will supplement currently budgeted funding to increase the amount of paving by about ½ to 1 additional mile along one of the arterial roadways, depending on the type of treatment.

ENVIRONMENTAL IMPACT:

The plan is exempt from California Environmental Quality Act (CEQA) review per Section 15268, Ministerial Projects. Section 15268 allows public agencies to make non-discretionary determinations as a part of implementing its regulations. However, the individual projects are subject to the CEQA process and will be reviewed and approved on an individual basis.

GENERAL PLAN CONSISTENCY:

Approval of this action complies with the City of Rialto General Plan Goals and related Policies:

Goal 4-1: Provide transportation improvements to reduce traffic congestion associated with regional and local trip increases.

Goal 4-2: Protect residential neighborhoods from through traffic impacts.

Goal 4-3: Protect residences, sensitive land uses, and pedestrians from activities along rail corridors.

Goal 4-4: Protect school children and others from traffic hazards around schools.

- Goal 4-5: Ensure the provision of adequate, convenient, and safe parking for all land uses.**
- Goal 4-6: Provide for all residents and businesses to have equal access to reliable and convenient public transit services.**
- Goal 4-7: Achieve optimum use of regional rail transit.**
- Goal 4-8: Establish and maintain a comprehensive system of pedestrian trails and bicycle routes that provide viable connections throughout the City.**
- Goal 4-9: Promote walking.**
- Goal 4-10: Provide a circulation system that supports Rialto's position as a logistics hub.**

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and resolution.

FINANCIAL IMPACT:

Apportionment of RMRA funds requires Rialto 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. Preliminarily, the California State Controller has established Rialto MOE:

City of Rialto

**SCHEDULE OF EXPENDITURES
AS REPORTED TO THE STATE CONTROLLER
PURSUANT TO STREETS AND HIGHWAYS CODE SECTIONS 2151 and 2152**

**DISCRETIONARY FUND EXPENDITURES FOR
FISCAL YEAR (FY) 2009-10, FY 2010-11, and FY 2011-12**

	FY 2009-10	FY 2010-11	FY 2011-12	AVERAGE
EXPENDITURES PER ASR	\$839,950.00	\$18,397.00	\$998,174.00	\$618,840.33

The finance staff will be working with the State Controller's Office to request additional SCO review with proposed adjustments which is due October 16, 2017. Unless the amount changes, the City will be required to budget the average amount (\$618,840.33) from the General Fund or other qualified discretionary source for street maintenance each year. Since some of the funding budgeted from the General Fund in prior years was from one-time, surplus funds; Finance staff will be requesting additional SCO review to make adjustments, taking this into consideration.

According to the CTC schedule, the first payment of local apportionments for FY2017/2018 will be in mid-January 2018. According to the California Local Government Finance Almanac, the projected Revenue from the RMRA in fiscal year 2017/2018 for Rialto is \$606,425. Revenue and expenditure for the proposed \$606,425 will be budgeted in General Fund Account No.203-400-7305-7524-180804 -06 for estimated revenue and General Fund Account No. 203-500-7305-3001-180804-45 for \$606,500 for expenditures. The RMRA funding will supplement the funding for the fiscal year 2017/2018 Street Overlay Project.

RECOMMENDATION:

Staff recommends that the City Council Adopt the Resolution approving the Fiscal Year 2017-2018 Road Maintenance and Rehabilitation Account List of Projects and Amending the Budget to reflect increased revenue and expenditures for \$606,500.