



## Item No. 11 Town of Atherton

### **CITY COUNCIL STAFF REPORT – CONSENT AGENDA**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
GEORGE RODERICKS, CITY MANAGER**

**THROUGH: ROBERT OVADIA, PUBLIC WORKS DIRECTOR**

**FROM: DAVID HUYNH, PW MAINTENANCE MANAGER**

**DATE: APRIL 17, 2019**

**SUBJECT: ADOPT A RESOLUTION APPROVING A PROJECT LIST FOR  
THE ROAD MAINTENANCE AND REHABILITATION ACT OF  
2017 (SB1)**

#### **RECOMMENDATION**

Adopt a Resolution approving a project list for the Road Maintenance and Rehabilitation Act of 2017 (SB1).

#### **BACKGROUND**

Senate Bill 1 (SB1), the Road Maintenance and Rehabilitation Act of 2017 (RMRA) is a landmark transportation investment to rebuild California by fixing neighborhood streets, freeways and bridges in communities across California and targeting funds toward transit and congested trade and commute corridor improvements. SB 1 invests \$5.4 billion annually over a decade to fix California's transportation system. It addresses a backlog of repairs and upgrades, while ensuring a cleaner and more sustainable travel network for the future. SB1 sets aside approximately \$200 million annually in funds available for road maintenance and rehabilitation through the RMRA program for cities and counties. Allocation of these funds are determined by a specified formula on a per capita basis. SB1 provides various funds to the RMRA as follows:

- A revenue attributed to a \$0.12 per gallon increase in the motor vehicle fuel (gasoline) tax effective November 1, 2017;
- 50% of a \$0.20 per gallon increase in the diesel excise tax effective November 1, 2017;
- A portion of a new Vehicle License Fee that varies fee between \$25 and \$175 based on the vehicle value effective January 1, 2018; and
- A new \$100 annual vehicle registration fee applicable to zero-emission vehicles model year 2020 and later effective July 1, 2020.

The Road Repair and Accountability Act of 2017 (SB1 Beall) also adopted annual inflationary adjustments to all per-gallon motor vehicle fuel excise taxes including the rates allocated through the Highway Users Tax Account (HUTA).

The passage of the Road Maintenance and Rehabilitation Act of 2017 (SB 1) in April 2017 created new permanent funding sources for road maintenance and rehabilitation projects for cities and counties. SB 1 includes accountability and transparency provisions to ensure the residents of our Town are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year.

Each year, cities and counties *must adopt via resolution* a project list comprised of projects on which they intend to expend SB 1 funds. These project lists must be submitted to the California Transportation Commission (CTC) by May 1, 2019 in order to be eligible for SB 1 funding for the fiscal year. The project list 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 improvements.

### **ANALYSIS**

Staff utilizes the Pavement Management Report produced by the Metropolitan Transportation Commission to prioritize road maintenance projects. The Town receives a Pavement Management Report listing the Pavement Condition Index for Town streets and recommendation on the type and timing of pavement rehabilitations. Staff recommends a strategy that allocates the majority of the SB1 funds to remove and replace poor pavement, place asphalt overlays and place various rehabilitation treatments on select streets.

Attachment A details the RMRA Resolution which includes the project list for fiscal year 2019-20. Upon adoption of the resolution approving the project list for fiscal year 2019-20, staff is required to submit the list to the CTC with the accompanying resolution.

### **POLICY FOCUS**

There are no significant policy issues related to the adoption of a Resolution approving a project list for the Road Maintenance and Rehabilitation Act of 2017 (SB1).

### **FISCAL IMPACT**

There is no fiscal impact related to the adoption of a Resolution approving a project list for the Road Maintenance and Rehabilitation Act of 2017 (SB1). The Town spends, on average, \$345,000 per year on Road Maintenance Projects using funds from Measure A, Measure M, and Gas Tax. For fiscal years 2018-19 and 2019-20, the 5-Year Capital Improvement Program allocates the remainder of the Town's Parcel Tax as well splitting \$700,000 over the two fiscal years. SB1 is only one funding component of the Town's Road Maintenance Program.

However, the Road Repair and Accountability Act requires that local agencies maintain and report a local maintenance of effort (MOE). The MOE requirement is to ensure that the new road funds do not supplant existing levels of city general revenue spending on streets and roads. Cities must maintain general fund spending at no less than the average of 2009-10, 2010-11, and 2011-12 years. Audits are performed to ensure the requirements are met. Failure to maintain the MOE results in the withholding of SB1 contributions and/or the return of funds allocated. The Town's MOE is estimated at \$1.06 million. However, we may be able to adjust this amount if there were certain one-time expenditures in those years that can be eliminated from the MOE calculation. The Town is likely not able to sustain a \$1.06 million MOE.

### **PUBLIC NOTICE**

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

### **ATTACHMENTS**

Attachment A: RMRA Resolution 19-XX

**RESOLUTION NO. 19-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON  
ADOPTION OF THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1)  
PROJECT LIST AND AMENDING GAS TAX APPROPRIATIONS FOR FISCAL YEAR  
2019-2020**

**WHEREAS**, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

**WHEREAS**, SB 1 includes accountability and transparency provisions that will ensure the residents of our Town are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

**WHEREAS**, The Town of Atherton must adopt by resolution a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, in the Town budget, which 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; and

**WHEREAS**, this is the third year in which the Town will be receiving SB 1 funding and will enable the Town to continue essential road maintenance and rehabilitation projects; and

**WHEREAS**, the City/County, will receive an estimated \$118,000 in RMRA funding in Fiscal Year 2019-20 from SB 1; and

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of Town of Atherton hereby find the foregoing recitals are true and correct and hereby adopts the attached SB1 project list for Fiscal Year 2019-20 to be funded in in-part or solely with fiscal year 2019-20 Road Maintenance and Rehabilitation Account revenues.

**PASSED AND ADOPTED** at a meeting of the City of Council of the Town of Atherton held on the 17<sup>th</sup> day of April, by the following vote:

AYES:

NAYS:

ABSENT:

\_\_\_\_\_  
Bill Widmer, MAYOR

ATTEST:

\_\_\_\_\_  
Theresa DellaSanta, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
William B Connors, City Attorney

**Attachment: FY 2019-20 SB-1 Project List**

**Locations:** The Overlay and Micro-Surface Seal project will be for various roadways which are listed below:

**Overlay:** Polhemus Avenue – Between Selby Lane and Euclid Avenue

**Micro-Surface Seal:** N/A

**Scheduled Completion:** Construction Completed by October 31, 2020 for Fiscal Year 2019-20.

**Estimated Useful Life:** 5 years for Micro-Surface Seal and 10 years for Overlay

Project Description: Grind two inch and overlay various streets and cape seal/micro-surface seal various streets in the Town of Atherton. Locations are based on engineering survey of the pavement condition index (PCI) conducted by independent assessors conducted every two years. Overlay and Micro-surface Seal are determined recommendations based on maintenance strategies.