



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 2, 2016

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Request For Ad Hoc Committee Appointment For Streets Fund

RECOMMENDATION:

That Council appoint a new Ad Hoc Committee to meet with staff to discuss options to maximize investment in the City's infrastructure, and in particular, strategies to increase investment in street-related capital infrastructure.

DISCUSSION:

The Public Works Department is responsible for the maintenance of the City's streets, sidewalks, storm drains, street lights, traffic signals, street trees, and other related infrastructure and programs. The City, like the rest of the nation, is facing flat or declining revenues from the traditional revenue sources, while the cost for maintaining street infrastructure continues to rise. City funding for streets related activities has been coming from dedicated revenue sources, including Gas Tax, Measure A Tax, Utility Users Tax (UUT) and several other, smaller revenue sources.

Total revenues are projected to be \$13.4 million for Fiscal Year 2016. Operating expenses are \$10.9 million, leaving only \$2.5 million for capital infrastructure expenditures. The City has been successful in leveraging these funds to obtain grant funding for substantial investment in replacing the City's aging bridge infrastructure, and for improvements related to alternative transportation programs such as Safe Routes to School. Unfortunately, grant funding is not available for the more routine needs such as maintenance and repair of streets, sidewalks, and storm drains.

Recently, revenues for the UUT and Gas Tax have underperformed budget expectations. This revenue shortfall has impacted Fiscal Year 2015, and is expected to impact Fiscal Year 2016 and Fiscal Year 2017 revenues. In total, revenues are projected to decline by \$1 million over this three-year period (from original budgeted projections). A new strategy for adequate funding of the City's streets and transportation infrastructure is now needed.

Funding for infrastructure, particularly public roads and highways, is a critical issue across the State and Nation. Various proposals to add funding for streets infrastructure are currently pending, but at this time there are no reliable options to add revenues that ensure our street infrastructure is adequately maintained and preserved. City projections to improve road conditions over the next 10 years are an estimated \$16 million per year for three years, followed by an annual investment of \$8 million per year. Currently, capital investment is approximately \$2 million for all infrastructure funded through street revenues, including roads. Bridges, traffic signals, sidewalks, streetlights, storm drains, and the Laguna Channel Pump Station remain significantly underfunded, meeting only basic maintenance needs.

Staff requests that a new Council Ad Hoc Committee be established to review both current and projected revenues and expenses, recommend reallocation of existing resources, and, if needed, identify potential new revenue streams. Staff anticipates that several meetings will be required, and that proposed changes will be presented to Council for incorporation into the Fiscal Year 2017 and/or Fiscal Year 2018 Streets Funds budgets as appropriate and achievable.

BUDGET/FINANCIAL INFORMATION:

An overview of the revenues and expenditures for streets/transportation funding will be presented at the meeting.

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SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



PUBLIC WORKS DEPARTMENT

“STREETS” FUNDING

Request For Ad Hoc Committee



Presentation Overview

- What is Funded with “Streets” Revenue
- Current Revenue Projections
- Recommendation



What is Funded With “Streets” Revenues?

Roads

- Street Trees
- Median Landscape
- Sidewalks
- Streetlights
- Traffic Signals
- Striping and Curb Painting
- Street Sweeping
- Bridges

Right-Of-Way

- Graffiti Abatement
- Garbage Removal
- Shopping Carts
- Encampment Clean-Up
- Portable Toilets
- Special Event Set-Up

Storm Drains

- Maintenance
- NPDES Permit
- Laguna Pump Station

Other

- Traffic Engineering
- Development Review
- Capital Program Management
- Transit / Shuttle Bus Program
- Transportation Planning



Revenues Declining

	Budgeted 2016	Projected 2016	%	Status Quo 2017	Proposed 2017	%
Measure A	3,647,275	3,604,904	-1.2%	3,573,117	3,573,117	0.0%
UUT	7,219,700	6,898,618	-4.7%	7,395,000	7,047,343	-4.9%
Gas Tax	2,033,807	2,023,321	-0.5%	1,940,387	1,863,751	-4.1%
Other	902,563	1,052,963	14.3%	1,043,050	985,546	-5.8%
Total Revenue	13,803,345	13,579,806	-1.6%	13,951,554	13,469,757	-3.6%



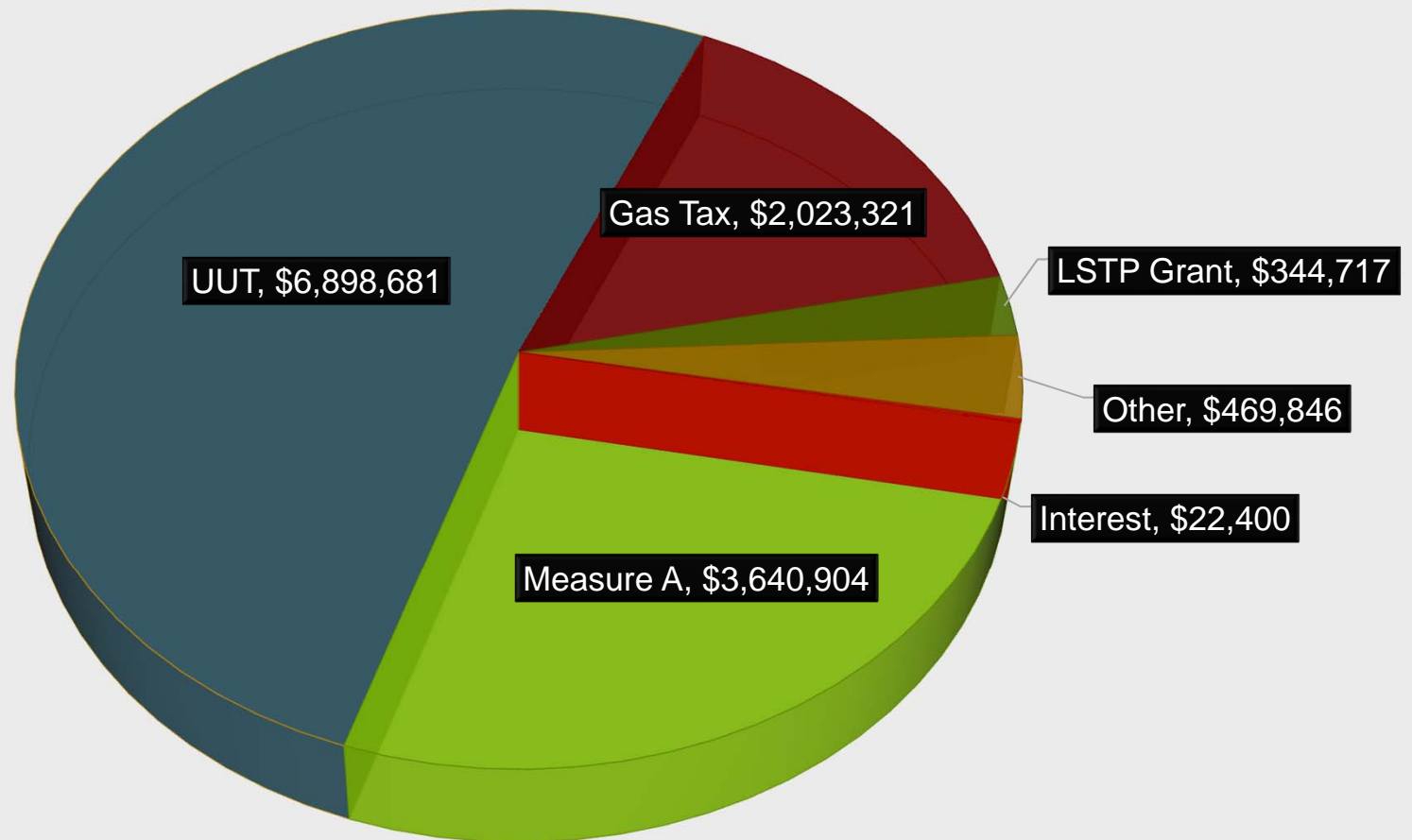
State and National Problem

- CA – Gas tax provides \$2.8B need estimated at >\$8B
- Gas tax revenue estimated to decline 21% in FY 16 and an additional 8% in FY2017
- Governor’s proposal could result in \$483,138 for City if adopted



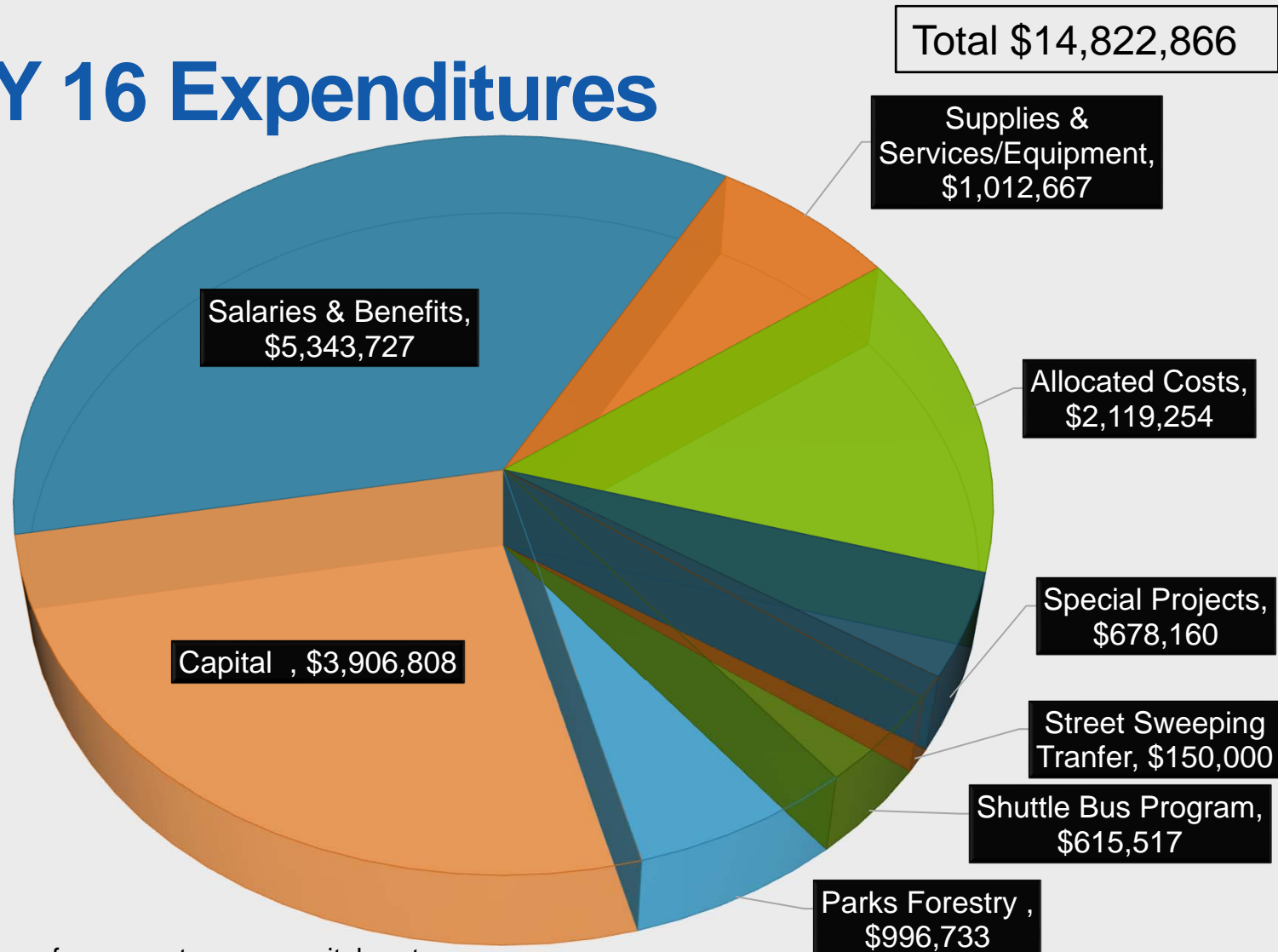
FY 16 Revenues

Total \$13,399,869





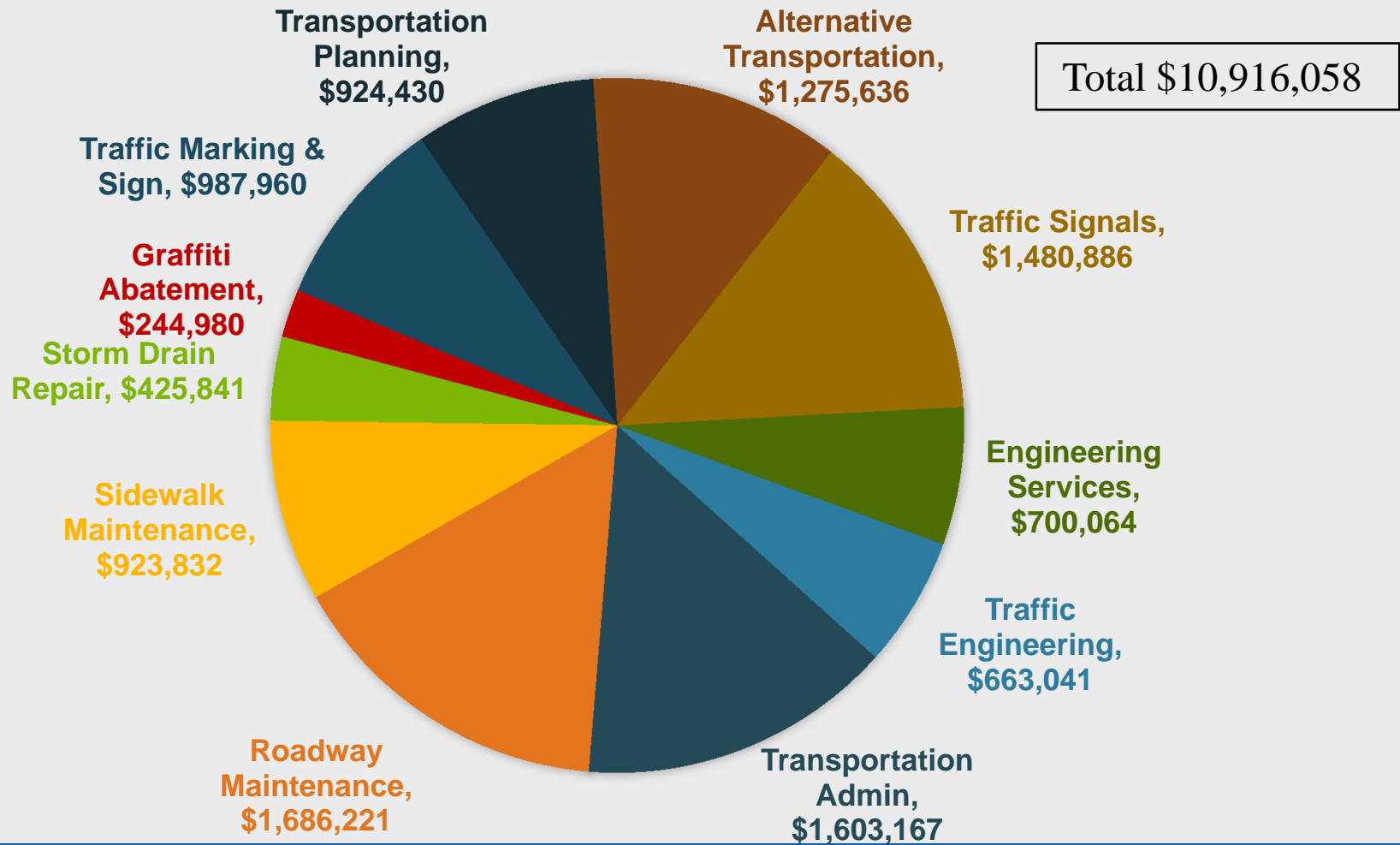
FY 16 Expenditures



*\$1,397,317 use of reserves to cover capital costs

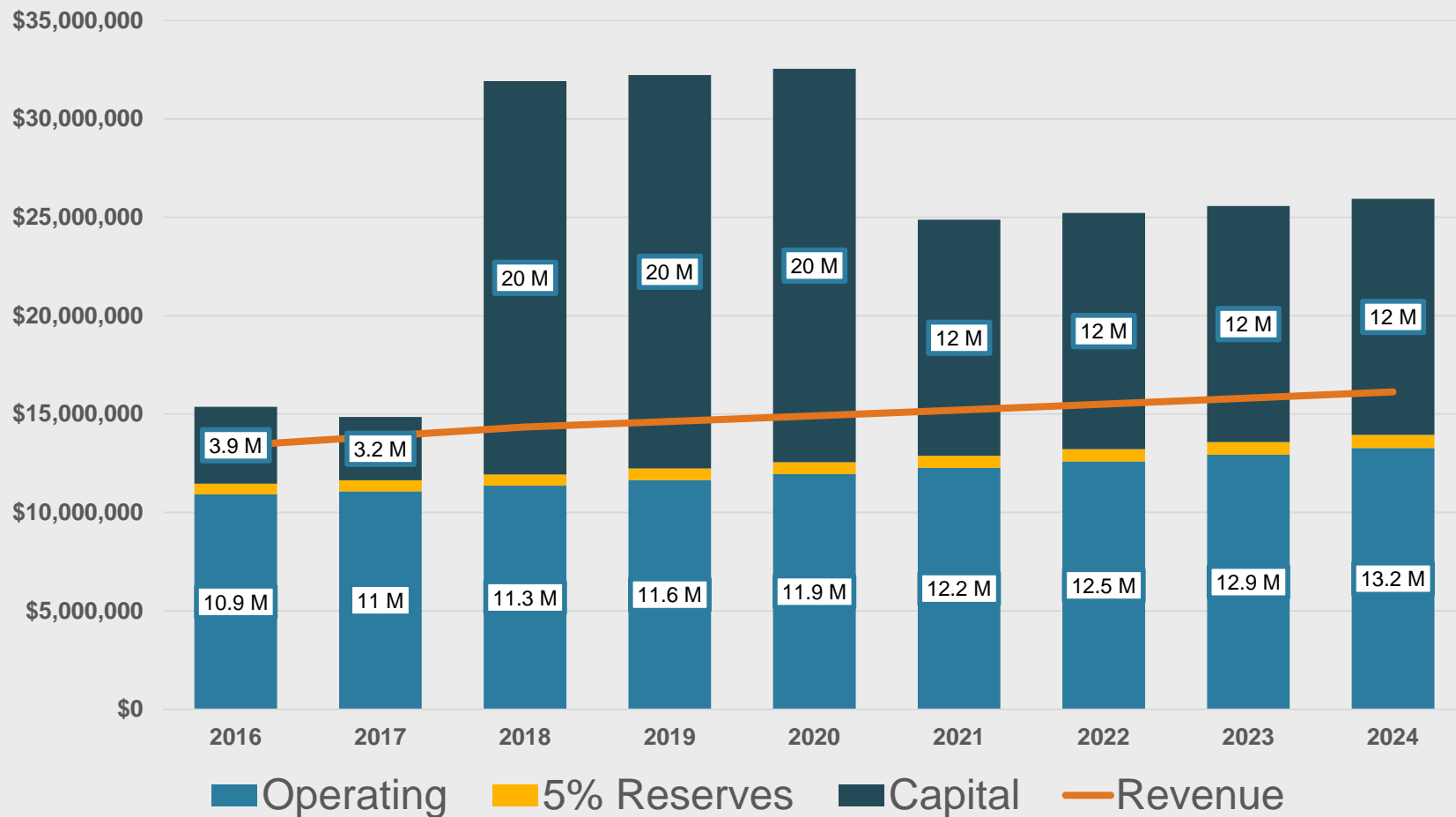


Operating Budget by Program (Capital Not Included)



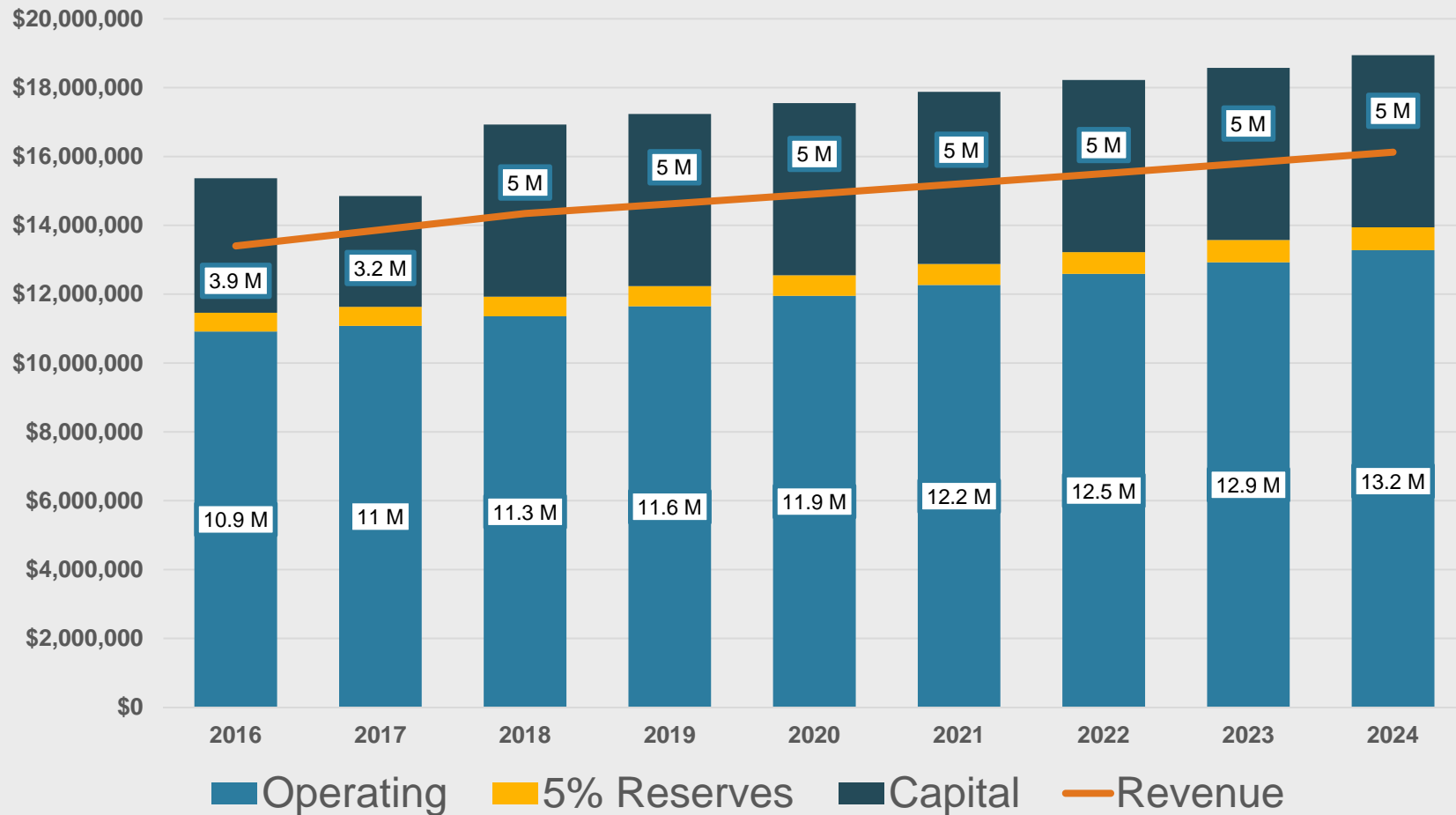


Improve Streets (PCI 70) & Fund Other Capital



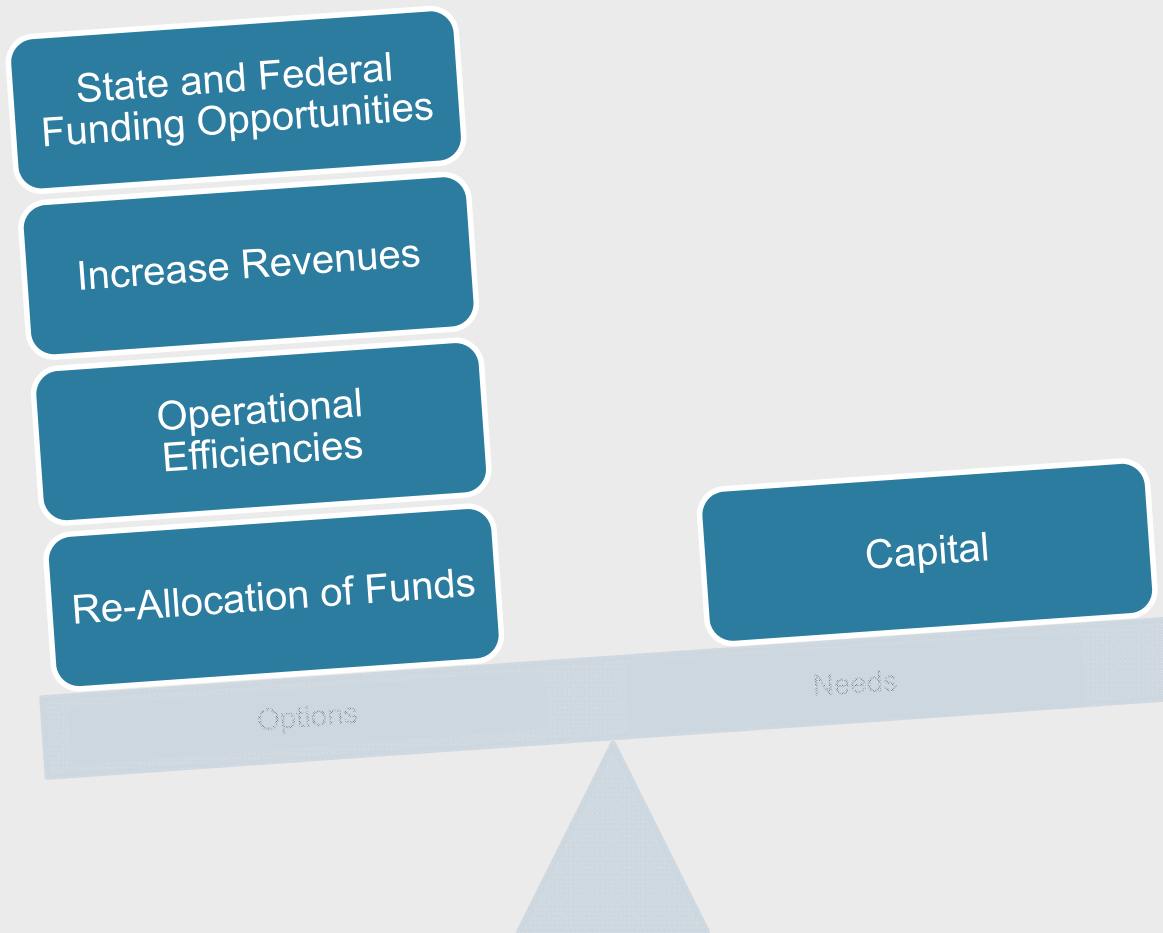


Maintain Street Condition (PCI 63)





Street Fund Balancing Alternatives





Recommendation

- That Council appoint a new Ad Hoc Committee to meet with staff to discuss options to maximize investment in the City's infrastructure.