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OFFICE OF THE CITY CLERK
OAKLAND

2017 SEP 14 AM 9:47

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ryan Russo
Director, OakDOT

SUBJECT: Budget Amendment, Road
Maintenance and Rehabilitation
Account

DATE: September 1, 2017

City Administrator Approval

Date:

9/13/17

RECOMMENDATION

Staff Recommends The City Council Approve A Resolution Amending The City Of Oakland's Fiscal Year 2017-19 Biennial Budget, Adopted by Resolution No. 86821 C.M.S. On June 29, 2017, To (1) Increase The Net Fiscal Year 2017-18 Revenues And Appropriate \$231,985 To The New Road Maintenance And Rehabilitation Account (RMRA) Fund, (2) Establish a New Fund Number For RMRA Funds, To Be Funded With A Portion of Funds Appropriated To State Gas Tax (Fund 2230) And (3) Adopt A List Of Projects For Fiscal Years 2017-18 Spending To Be Completed With RMRA Funds.

EXECUTIVE SUMMARY

California Senate Bill 1 (SB1), signed into law on April 28, 2017, increased certain vehicle fuel and registration taxes and fees, and with those funds has created a Road Maintenance and Rehabilitation Account (RMRA), a portion of which will be distributed to jurisdictions. The California Transportation Commission (CTC) requires jurisdictions to submit documentation annually that RMRA funds were specifically adopted for allowed local streets and roads purposes, and the CTC also requires the submission of a list of projects proposed to be funded with RMRA during the Fiscal Year (FY) 2017-18 by October 16, 2017. Because this is the first year of the program, and the timing did not align with the adoption of the City's Biennial Budget, a budget amendment Resolution has been prepared to 1) adopt a project list that meets the CTC requirements 2) segregate \$2,389,176 in RMRA funds from other Gas Tax funds in a new fund and 3) adopt the current increased estimated revenue of both gas tax and RMRA funds into the FY 2017-2018 budget, which will result in an increase of \$231,985 over the current budget available for local streets and roads projects in these funds.

Item: _____
Public Works Committee
September 26, 2017

BACKGROUND / LEGISLATIVE HISTORY

On April 28, 2017, the Governor signed SB1 to address basic road maintenance, rehabilitation and critical safety needs on both the state highway and local streets and road system. SB1 increases per gallon fuel excise taxes, diesel fuel sales taxes and vehicle registration fees, and indexes these increases to inflation. Beginning November 1, 2017, the State Controller will deposit portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA), a portion of which will be distributed by formula to eligible cities and counties for basic road maintenance, rehabilitation and critical safety projects on the local streets and roads system.

SB1 requires cities and counties to provide basic project reporting to the California Transportation Commission (CTC) annually for projects funded through the RMRA. On August 16, 2017 the CTC adopted annual reporting guidelines for this funding. The guidelines require jurisdictions to submit documentation annually to show that RMRA funds were specifically adopted for allowed local streets and roads purposes, and also requires the submission of a list of projects proposed to be funded with RMRA during the fiscal year. Further, the legislation also requires annual reporting on work completed during the previous fiscal year.

As SB1 was approved late in the city's budget adoption process, prior to full information on reporting requirements, a budget amendment is required meet the CTC requirements. In budget adoption in June 2017, RMRA funds were added to existing State Gas Tax funds (Fund 2230), and was not possible to specifically identify the intended uses of RMRA funds from existing budget documents. This budget amendment resolution and project list will provide the information required by the CTC.

ANALYSIS AND POLICY ALTERNATIVES

Until a budget and project list is adopted, the City will be unable to receive RMRA disbursements from the State Controller's office. For fiscal year 2017/18 these disbursements are estimated to total \$2,389,176.

It should be noted that the adopted project list is a plan; in the end of year reporting on actual spending of RMRA funds, the CTC allows for the completion of projects not included in this list so long as they meet the requirements for RMRA funding.

The proposed use of RMRA funds in Oakland is for maintenance and rehabilitation of local streets. RMRA funds will provide support for on-going maintenance activities such as pothole and concrete repair, and will also support a dedicated crew for an in-house street resurfacing program, which is proposed to address paving needs associated with EBMUD work, as well as repair of "worst streets". The net increase of \$231,985 over the funds adopted in the FY 2017-18 budget is proposed to fund additional paving projects by these in-house crews.

FISCAL IMPACT

Adoption of this budget amendment will allow the City of Oakland to collect an estimated \$2,389,176 in RMRA funding in FY 2017/18. Adoption of the budget amendment will also increase total gas tax/RMRA funding estimates and expenditures by \$231,985 over those adopted in the FY 2017/2018 budget, due to recent revised estimates by the State. At the mid-cycle, fund estimates will be revised for FY 2018/2019.

PUBLIC OUTREACH / INTEREST

Initial RMRA funding estimates were incorporated into the Oakland budget process after passage in April 28, 2017. The 2017-2019 Oakland Budget had multiple public hearings before final adoption on June 28, 2017.

COORDINATION

This budget amendment and project list was coordinated with the City Controller's office, as well as within the Oakland Department of Transportation.

SUSTAINABLE OPPORTUNITIES

Economic: The RMRA funds are dedicated to improving local streets and roads, benefitting travel between home, work, and shopping.

Environmental: The RMRA funds will benefit all modes, improving road surfaces for bicyclists and transit riders as well as for auto drivers. Complete Streets improvements such as bike lanes, curb ramps, and pedestrian crossing improvements are allowable uses of RMRA funds.

Social Equity: The RMRA funds will be distributed throughout Oakland, with a particular emphasis on repairing "worst streets" which are not in the current adopted five year paving program. These projects benefit all roadway users and all residents of Oakland.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

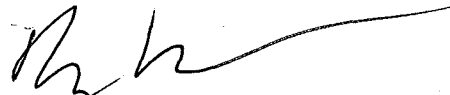
All projects will be reviewed for CEQA prior to implementation.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends The City Council Approve A Resolution Amending The City Of Oakland's Fiscal Year 2017-19 Biennial Budget, Adopted by Resolution No. 86821 C.M.S. On June 29, 2017, To (1) Increase The Net Fiscal Year 2017-18 Revenues And Appropriate \$231,985 To The New Road Maintenance And Rehabilitation Account (RMRA) Fund, (2) Establish A New Fund Number For RMRA Funds, To Be Funded With A Portion of Funds Appropriated To State Gas Tax (Fund 2230) And (3) Adopt A List Of Projects For Fiscal Years 2017-18 Spending To Be Completed With RMRA Funds.

For questions regarding this report, please contact Bruce Williams, Transportation Funding Program Manager, at 510-238-7229.

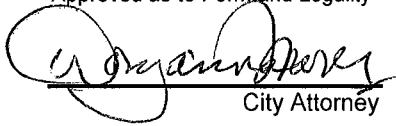
Respectfully submitted,



Ryan Russo
Director, Department of Transportation

Reviewed by:
Ariel Espiritu Santo, Manager
Strategic Planning and Administration Division

Prepared by:
Bruce Williams, Funding Program Manager
Strategic Planning and Administration Division


City Attorney

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2017 SEP 14 AM 9:47

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AMENDING THE CITY OF OAKLAND'S FISCAL YEAR 2017-19 BIENNIAL BUDGET, ADOPTED BY RESOLUTION NO. 86821 C.M.S. ON JUNE 29, 2017, TO (1) INCREASE THE NET FISCAL YEAR 2017-18 REVENUES AND APPROPRIATE \$231,985 TO THE NEW ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) FUND, (2) ESTABLISH A NEW FUND NUMBER FOR RMRA FUNDS, TO BE FUNDED WITH A PORTION OF FUNDS APPROPRIATED TO STATE GAS TAX FUND 2230, AND (3) ADOPT A LIST OF PROJECTS FOR FISCAL YEARS 2017-18 SPENDING TO BE COMPLETED WITH RMRA FUNDS

WHEREAS, on April 28, 2017, the Governor signed Senate Bill (SB) 1, which is known as the Road Repair and Accountability Act of 2017; and

WHEREAS, the City of Oakland will receive funding from this act from the newly created Road Maintenance and Rehabilitation Account (RMRA), beginning after November 1, 2017; and

WHEREAS, RMRA funds may be used by the City for basic road maintenance, rehabilitation, and critical safety projects on local roadways; and

WHEREAS, SB1 requires cities and counties to provide basic annual RMRA project reporting to the California Transportation Commission (CTC); and

WHEREAS, prior to receiving an apportionment of RMRA funds from the State of California Controller in a fiscal year, a city or county must submit to the CTC a list of projects proposed to be funded with RMRA funds; and

WHEREAS, all projects proposed to received funding must be included in a city budget that is adopted at a regular public meeting; and

WHEREAS, after each year of RMRA funding, cities must report to the CTC on projects completed with RMRA funds; and

WHEREAS, the City Council approved Resolution No. 86821 C.M.S. on June 29, 2017 adopting the City of Oakland Fiscal Year 2017-2019 Biennial Budget; and

WHEREAS, the CTC published draft guidelines on reporting requirements on June 30th, 2017 and adopted final guidelines on reporting requirements on August 17th, 2017, after adoption of the City of Oakland Fiscal Year 2017-2019 Biennial Budget; and

WHEREAS, the biennial budget incorporated estimated new RMRA funds into the State Gas Tax (Fund 2230); and

WHEREAS, the City did not adopt a project list specific to new RMRA funding; and

WHEREAS, *Exhibit 1* to this Resolution provides a project list as required by the CTC; and

WHEREAS, during budget discussions, estimated RMRA and State Gas Tax estimates changed to result in more funding to the City; and

WHEREAS, *Exhibit 2* to this Resolution sets forth the total Gas Tax and RMRA revenue and expenditure amendments to the FY 2017-18 of the FY 2017-19 Policy Budget totaling \$231,985 additional funds in FY 2017-18, with amendments for FY 2018-19 to be proposed in the mid-cycle budget amendment; now, therefore, be it

RESOLVED: That the City Council adopts the attached proposed project list in *Exhibit 1* for FY 2017/18 spending to submit to the California Transportation Commission as required by Senate Bill (SB) 1, *Road Repair and Accountability Act of 2017*; and be it

FURTHER RESOLVED: That the City's FY 2017-19 Policy Budget is hereby amended to include adjustments to Gas Tax funding and RMRA funding as set forth in *Exhibit 2* attached to and incorporated in to this Resolution, moving \$2,157,191 into a new RMRA Fund, and be it

FURTHER RESOLVED: That the Council directs the City Administrator to assure that the new RMRA funding is segregated from other gas tax sources in a new fund to be created; and be it

FURTHER RESOLVED: That the City Council authorizes that appropriation of the additional RMRA funds in an amount not to exceed \$231,985 in the new RMRA fund, Org 35222, projects to be determined; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to periodically transfer funds between Departments of Transportation and Public Works and completed projects as needed to clean-up negative budget balances within the same Gas Tax Fund.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

Exhibits (2)
Exhibit 1 Proposed Project list
Exhibit 2 Policy Budget FY 2017-19

Exhibit 1
Road Maintenance and Rehabilitation Account (RMRA)
Planned Project List – FY 2017/18

Name	Brief Description	Location	Amount RMRA
Local Street Maintenance	Maintenance of City streets including pot-holing, patching, concrete repair, etc	city-wide	\$1,389,176
Street Resurfacing	Resurfacing of EBMUD priority streets Resurfacing of "Worst" Streets	Various (see below): Wesley Ave (Lakeshore Ave to MacArthur Blvd) Brooklyn Av (Van Dyke Ave to Park Blvd) Capital St (Wesley Ave to Merritt Av) Cleveland St (Haddon Rd to Athol Ave) Capell St (Cleveland Ave to MadArthur Blvd) Dwight Way (City Limit to Dwight Pl) Panoramic Pl (Panoramic Way to West End) Panoramic Way (Dwight Way to City Limit) Vernon (Vernon Terr to MacArthur Blvd) Chatham Rd (Beaumont Ave to Park Blvd) Bridge Ave (Foothill Boulv to E 16 th St) Chapman Street (South End to 29 th Ave) E. 16 th St (35 th Ave to 37 th Ave) E. 18 th St (34 th Ave to 36 th Ave) Farnam St (Fruitvale Ave to 34 th Ave) Mason St (Foothill Bv to Walnut St) Shone Ave (Sterling Dr to Fontaine St) Old Redwood Rd (Redwood Rd to North End) Lowell St (Adeline St to Market St)	\$1,000,000
Total			\$2,389,176

Exhibit 2

Amendment to FY 2017-19 Budget

No.	Description	Department	Revenues	Expenditures
	State Gas Tax (Fund 2230)			
A1	Fund Transfer to RMRA Fund	Transportation	(\$2,157,191)	(\$2,157,191)
	RMRA (New Fund #)			
B1	Fund Transfer from Fund 2230	Transportation	\$2,157,191	\$2,157,191
B2	Increased estimate of RMRA funds, add to budget for maintenance and resurfacing activities		\$231,985	\$231,985