



City of Gonzales

**AGENDA
ITEM**

PUBLIC WORKS DEPARTMENT

STAFF REPORT

TO: Honorable Mayor Orozco and City Council

DATE: August 21, 2017

FROM: Patrick Dobbins, City Engineer
Harold R Wolgamott, Public Works Director

THROUGH: René L. Mendez, City Manager

SUBJECT: Approve Measure X Report to Transportation Agency for Monterey County

RECOMMENDATION

Staff recommends the City Council

1. Approve the attached "Maintenance of Effort Report" verifying that Measure X funds received by the reporting jurisdiction will be used to augment, and not supplant, local funds spent in three fiscal years. (Attachment A)
2. Approve the attached "Measure X Five Year Capital Improvement Program" identifying that the next five years of funding will be used on the Alta Street Pavement Rehabilitation Project. (Attachment B)

BACKGROUND

As the Council is aware, on November 8, 2016, Monterey County voters approved Measure X to impose a 3/8% sales tax increase for transportation purposes (roads, streets, bike paths, etc.,) for a period of 30 years. The measure authorized TAMC to administer the tax, and working with the Cities, County, and many interested parties, developed a Transportation Safety and Investment Plan (TSIP) that is the basis for the eligible projects for this funding. In addition, the measure delineated that 40% would fund regionally significant projects and the other 60% shall be disbursed directly to the Cities and County for local priorities pursuant to the TSIP. Countywide, Measure X is anticipated to generate \$20 million annually for a total of \$600 million over thirty years.

At your June 19, 2017 meeting, the City Council approved executing the Measure X Funding agreement between the City of Gonzales and TAMC. This will allow the city to receive Measure X funds on a regular basis. The Measure X agreement includes certain Reporting Requirements over the next 30 years.

REVIEW AND ANALYSIS

Maintenance of Effort Report - Under the Measure X Funding agreement, the City is required to establish a *Maintenance of Effort level* for the preceding three fiscal years as a baseline to ensure that funds received augment existing transportation expenditures. This baseline is equal to the amount reported to the State Controller pursuant to Streets and Highways Code section 2151. The City of Gonzales' maintenance of effort funded by the General Fund for the past three fiscal years is:

FY 2014/15	\$0.00
FY 2015/16	\$0.00
FY 2016/17	\$0.00

The City is also required to maintain a separate fund for the "Transportation Safety & Investment Plan Account" to track all revenues and expenditures of Measure X funds, and will be required to maintain our existing pavement management program and report to TAMC on the conditions of our streets to ensure timely repairs and keep the public informed. A Citizens Oversight Committee has been formed by the TAMC Board to ensure that taxpayers' safeguards in the Transportation Safety and Investment Plan are met as projects and programs are implemented.

Measure X 5-Year Capital Improvement Program – The city plans to use the first ten years of Measure X funds for the \$4.5M Alta Street Pavement Rehabilitation Project. Alta Street is the sole north-south collector street in the city and the main route to the Industrial Business Park. The high volume of truck traffic on Alta Street requires a significant structural section and the proposed pavement reconstruction project will address the current deficiencies. Other road maintenance needs will be funded with State Gas Tax and future monies from Senate Bill 1.

Explain Recommendation and How it Supports the Vision

Gonzales will continue to be a safe, clean, family-friendly community, diverse in its heritage, and committed to working collaboratively to preserve and retain its small town charm.

Explain: Use of Measure X monies on improving our local roadways has multiple benefits including safety, reduces delays, and maintaining critical infrastructure.

Explain how the Recommendation Directly Implements the Mission

The City Council and Staff of the City of Gonzales will realize our Vision by providing the leadership, commitment, and resources necessary to provide excellent services that enhance the quality of life of our diverse community.

Explain: The Measure X Agreement provides the resources to maintain our roadways to improve the quality of life for Gonzales residents.

City services will be delivered in a cost-effective, respectful, and friendly manner to insure the safety and well being of the residents and the promotion of business, recreational, housing and employment opportunities in an environmentally sustainable manner.

Explain: The Measure X Agreement and these initial reports provide for accountability and cost-effective transportation funding.

Strong fiscal policies allow us to provide appropriate infrastructure for:

- *Public Safety* ☒ Yes ☐ No ☐ NA
- *Housing* ☐ Yes ☐ No ☒ NA
- *Recreation* ☐ Yes ☐ No ☒ NA
- *Environment* ☒ Yes ☐ No ☐ NA
- *Education* ☐ Yes ☐ No ☒ NA

Explain: This Measure X Agreement and these initial reports provide accountability for these voter-approved monies.

ALTERNATIVES

The City Council could delay adopting these two reports. However, staff does not recommend that as it would cause the city to miss the first distribution of Measure X monies next month.

BUDGET IMPACT

The City is expected to receive approximately \$174,300 annually over next 30 years from Measure X.

CONCLUSION

Staff recommends the City Council

3. Approve the attached “Maintenance of Effort Report” verifying that Measure X funds received by the reporting jurisdiction will be used to augment, and not supplant, local funds spent in three fiscal years.
4. Approve the attached “Measure X Five Year Capital Improvement Program” identifying that the next five years of funding will be used on the Alta Street Pavement Rehabilitation Project.

Exhibit A

City of Gonzales Three-Year Maintenance of Effort Report For Fiscal Years 2014 through 2016

Year 1 (FY 2014/15)

Fund Source	Amount
General Fund	\$0.00
Gas Tax	\$223,809
Total =	\$223,809

Year 2 (FY 2015/16)

Fund Source	Amount
General Fund	\$0.00
Gas Tax	\$177,682
Total =	\$177,682

Year 3 (FY 2016/17)

Fund Source	Amount
General Fund	\$0.00
Gas Tax	\$143,178
Total =	\$143,178

Three-Year Average of Transportation Expenditure

\$ 181,556

I, the undersigned, certify that the above information is true and correct to the best of my knowledge.

René Mendez, City of Gonzales City Manager

Exhibit B

City of Gonzales Measure X Five-Year Capital Improvement Program For Fiscal Years 2017 through 2025

Year 1 (FY 2017/18)

Project	Description/Phase	Total Cost	Measure X	PCI
Alta Street Pavement Rehabilitation Project	Construction	\$4.5M	\$2.5M	40
	Totals =	\$4.5M	\$2.5M	40

Year 2 (FY 2018/19)

Project	Description/Phase	Total Cost	Measure X	PCI
No project				
	Totals =	0.00	0.00	

Year 1 (FY 2019/20)

Project	Description/Phase	Total Cost	Measure X	PCI
No project				
	Totals =	0.00	0.00	

Year 1 (FY 2020/21)

Project	Description/Phase	Total Cost	Measure X	PCI
No project				
	Totals =	0.00	0.00	

Year 1 (FY 2021/22)

Project	Description/Phase	Total Cost	Measure X	PCI
No project				
	Totals =	0.00	0.00	