

**City of Carson City
Agenda Report**

Date Submitted: December 29, 2014

Agenda Date Requested: January 15, 2015
Time Requested: 20 Minutes

To: Mayor and Supervisors

From: Public Works Department

Subject Title: Presentation and discussion regarding how transportation funds including the local motor fuel taxes dedicated to roadway maintenance and capital projects are expended. (Patrick Pittenger)

Staff Summary: There have recently been questions made public as to how funds dedicated to roadway maintenance and improvements are expended. Staff will provide a brief presentation on how these funds are used as well as the needs that are unmet. A similar presentation was given to the Carson City Regional Transportation Commission at the September 2014 meeting.

Type of Action Requested: (check one)

- Resolution Ordinance
 Formal Action/Motion Other (Information only)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: Presentation and discussion only.

Explanation for Recommended Board Action: N/A

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: N/A

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: N/A

Supporting Material: Presentation Slides

Prepared By: Patrick Pittenger, AICP – Transportation Manager

Reviewed By:

M. J. [Signature]
(Public Works Director)

Date: *1/6/15*

Nicholas Mancini
(City Manager)

Date: *1/6/15*

Joseph P. Wung
(District Attorney)

Date: *1/6/15*

Nancy Paulson
(Finance Director)

Date: *1/6/15*

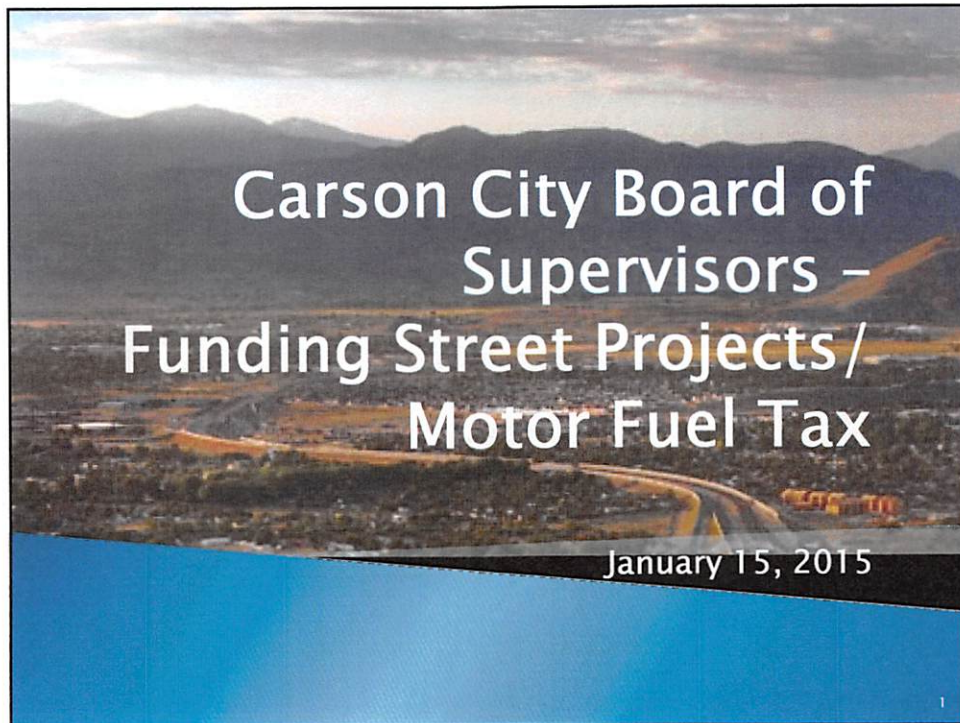
Board Action Taken:

Motion: _____

1: _____ Aye/Nay

2: _____

(Vote Recorded By)



Maintenance of Street System

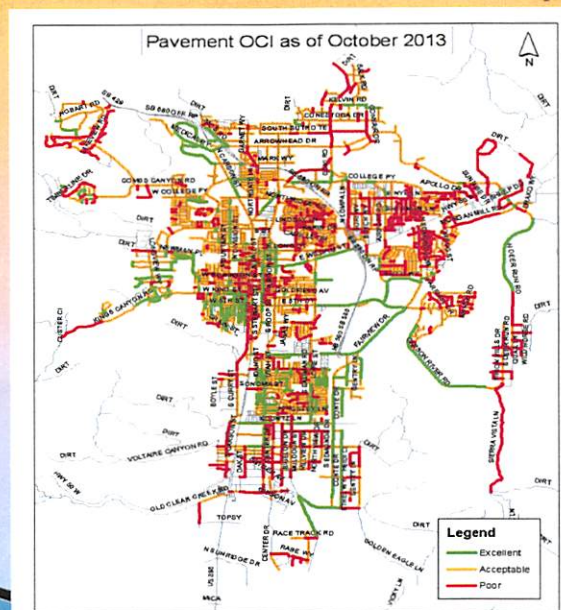
- ▶ The Street system of Carson City is a large, valuable asset - estimated reconstruction cost about \$140 million.
- ▶ Deterioration occurring constantly citywide - nature of any infrastructure asset.
- ▶ An updated pavement management system was developed in 2011.
 - Consistent data collected in 2011 regarding conditions of all pavements in Carson City
 - Overall Condition Index (OCI) determined by segment
 - 260 miles of roads - 76 miles (183 lane miles) of arterials and collectors and 184 miles (377 lane miles) of local streets (unpaved roads not included)

Current condition of Carson City Street System

- ▶ OCI is a scale from 0-100
 - Excellent: 85 - 100
 - Acceptable: 55 - 84.9
 - Poor: 0 - 54.9
- ▶ Current average OCI of all streets - 64.0
 - Arterials and collectors - 70.8, goal is 80
 - Locals - 61.1, goal is 70

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Current Condition of Street System



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Pavement Management System – Inputs

- ▶ System is a complex one with many inputs and variables:
 - Road segment information
 - Surface type
 - Surface condition – distresses and ride
 - Maintenance activities
 - Type
 - Cost – current and inflation factor
 - Impact/benefit

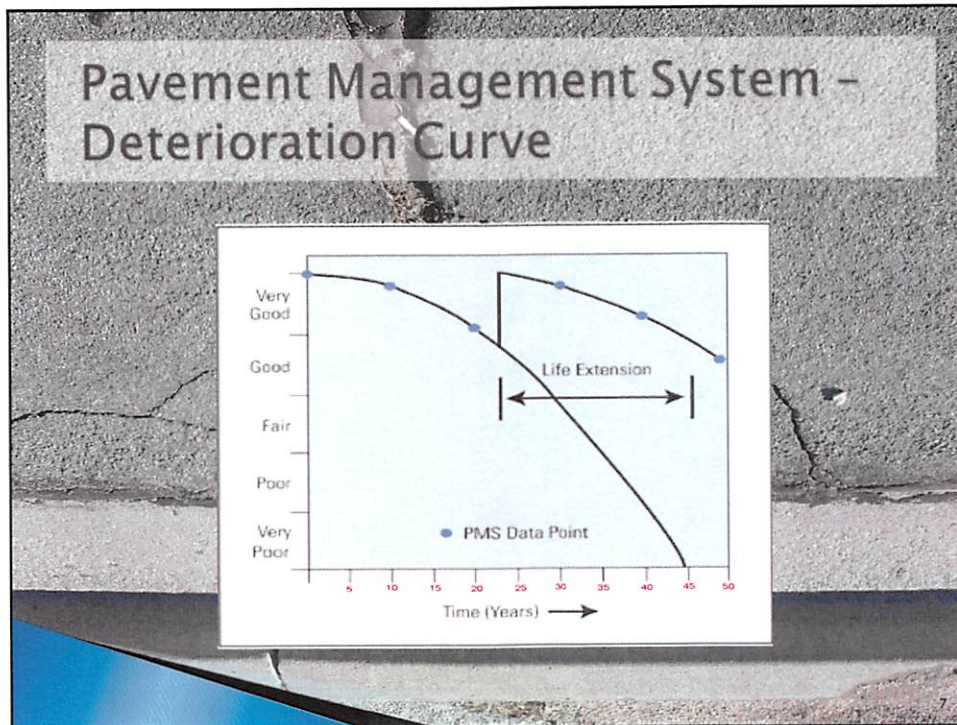


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Pavement Management System – Inputs (continued)

- Update history
- Coordination of activities
- Time frame of analysis
- Roads included in analysis (limit by functional class)
- Two primary methods to run
 - Budget-based
 - OCI- driven (target average condition)

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Pavement Management System Cost – Results



- ▶ Maintenance of current system important
 - Overall system deterioration slow, but individual segment deteriorate quickly if not maintained, and will accelerate system wide deterioration.
 - Estimated cost to maintain system (five year analysis)
 - Arterials and Collectors: \$700,000 per year
 - Locals: \$1,500,000 per year
- ▶ Total overall need is approximately \$2,200,000
- ▶ Currently spending average of \$900,000 annually on capital projects

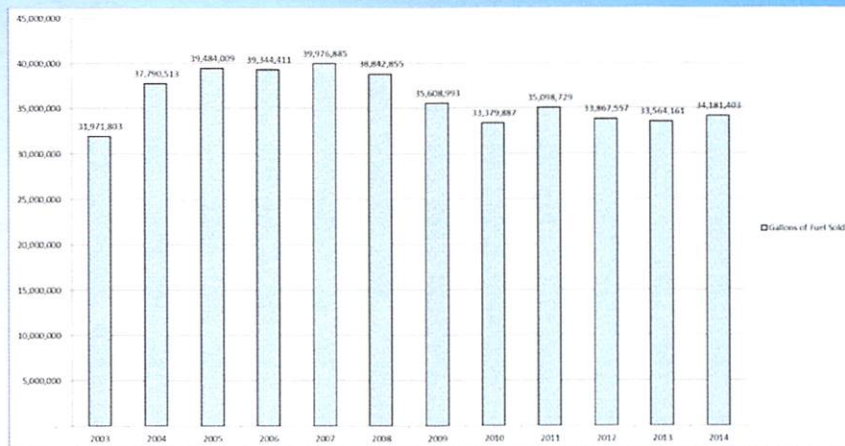
Primary Revenue Sources

- ▶ RTC : Motor Fuel Tax is Primary funding source for RTC Fund – 9 cents per gallon
- ▶ Street Fund:
 - Motor Fuel Tax – 6.35 cents per gallon (about 45 percent of Streets Revenue in FY12)
 - Sales Tax – ¼ cent citywide sales and use tax (about 55 percent of Streets Revenue in FY12)
- ▶ Other Motor Fuel Taxes Collected:
 - Federal – 18.4 cents
 - State – 18.455 cents



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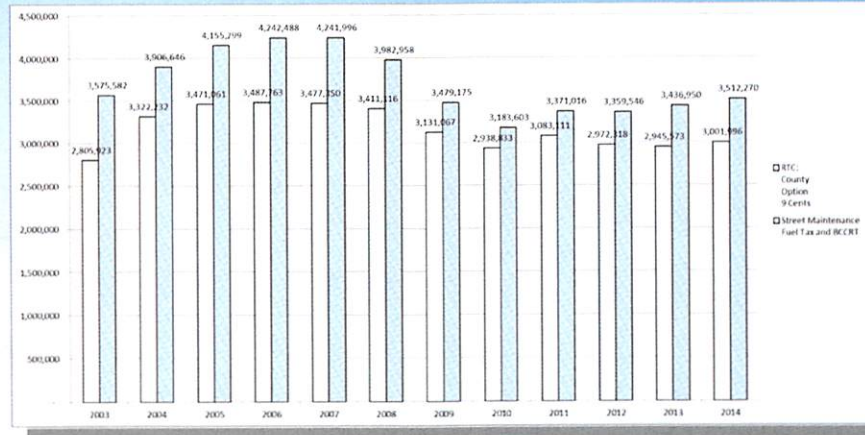
Amount of Fuel Sold in Carson City



Fiscal Year

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Revenues Reflect Fuel Sold and Sales Tax (Only Streets Fund Receives Sales Tax)



Fiscal Year

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Highway Revenue Improvement Bond Commitments

- ▶ Current payments on bonds total \$1.72 million per year.
- ▶ While the bond payments will expire, it will be 10 years before the payments begin to decline:
 - Annual payments will reduce to \$1.30 million in FY 2025
 - Annual payments will reduce to \$0.65 million in FY 2029
 - All current bonds will expire by FY 2030

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Carson City Freeway Agreement

- ▶ Original agreement with NDOT on 4/1/97. Carson City to fund \$19M (plus interest) of Phase 1 of freeway through 5-cent increase in fuel tax.
- ▶ Amendment 1 (10/14/04) suspended payment for 3 years to allow for construction of improvements on Fairview Drive. City also agreed to fund additional \$15M for Phase 2 of freeway through reducing 5 cents to 3 cents of fuel tax.
- ▶ 11/10/04 Board of Supervisors voted to remove sunset of 5-cent fuel tax to fund roadway projects into the long term future.

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Carson City Freeway Agreement (continued)

- ▶ Amendment 2 (12/27/07) deferred 3-cent payment to 7/1/09 to complete Fairview Drive improvements and City agreed to take ownership of several State roads in lieu of remaining payments for Phase 1 (\$4.8M).
- ▶ Amendment 3 (9/4/09) provided for City to take over remaining State roads and forego pavement rehab of Carson Street by NDOT in exchange for a \$7.8M reduction in the \$15M owed for Phase 2 of freeway. Deferred 3-cent payment for remaining \$7.2M until completion of freeway.

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Significant Recent Improvements (Roadways)

- ▶ Roop Street Phase I - 2005
- ▶ Curry Street Phase I - 2007
- ▶ Fairview Drive - 2008
- ▶ Hot Springs Road - 2008
- ▶ Clearview Dr/Carson St Intersection - 2008
- ▶ Curry Street Phase II - 2009
- ▶ N. Stewart Street - 2010
- ▶ Eagle Station/Carson St Intersection - 2010
- ▶ Roop Street Phase II - 2011
- ▶ Numerous slurry seal and micropaving projects
- ▶ Other improvements through water projects:
Conte, Bigelow, Snyder, E. Robinson, Butti



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Key Facts – Road Funding

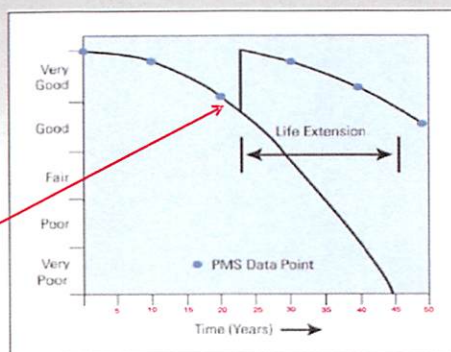
- ▶ RTC and staff aware of deteriorating roads.
- ▶ Road funds are used for roads - not diverted to other uses.
- ▶ Carson City is the capital and we are proud of that, but it does not equal additional funds.
- ▶ Issue is facing many areas. (Locally and nationally)
- ▶ RTC and staff working to maximize use of funds - reviewing pavement management system and maintenance practices.
- ▶ More roads, older roads, and less money.

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Consequences of Deferred Maintenance

- ▶ Without additional revenue, overall pavement conditions will continue to deteriorate.
- ▶ Deterioration will not be consistent – “spot” failures will require more costly replacement.
- ▶ The rate of deterioration will accelerate as the pavements are not maintained adequately.

Approximate Status of many roads in Carson City



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Potential Revenue Alternative

- ▶ AB413 approved in 2013 Legislative Session gave Clark County ability to implement index on gas tax to Producer Price Index (PPI).
- ▶ Legislation also provided for two votes regarding fuel tax indexing in 2016:
 - Vote in each county to index county fuel tax to be used within county.
 - Statewide vote to index state fuel tax to be used statewide.

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