



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: 1/21/16

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: Informational Update on Street Maintenance

Staff Summary: Staff will provide information regarding maintenance of streets in Carson City. Information will be provided regarding revenues, expenditures, and the condition of city streets.

Agenda Action: Other/Presentation

Time Requested: 30 Minutes

Proposed Motion

N/A

Board's Strategic Goal

N/A

Previous Action

N/A

Background/Issues & Analysis

The City has recently provided additional information for public review regarding street maintenance in Carson City and staff will present this information. As the street system has declined, there have been increased discussions with respect to the funding available for street maintenance projects.

Additional/updated information is available to share with the public. The intent of this item is to provide information about where revenues come from which are used to maintain roads and how those funds are used. The revenue projected to be generated by the proposed gas tax indexing will also be reviewed. Material will also be presented regarding the current and forecast conditions of streets in the city as well as how they compare to the streets in neighboring counties.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact:

Alternatives

N/A

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

An aerial photograph of Carson City, Nevada, showing a wide valley with a winding road, residential areas, and greenery. In the background, there are dark, hazy mountains under a sky with light, wispy clouds. The overall scene is captured during the golden hour, with warm lighting.

Street Maintenance Update

Carson City Board of Supervisors
January 21, 2016

Information in this Update

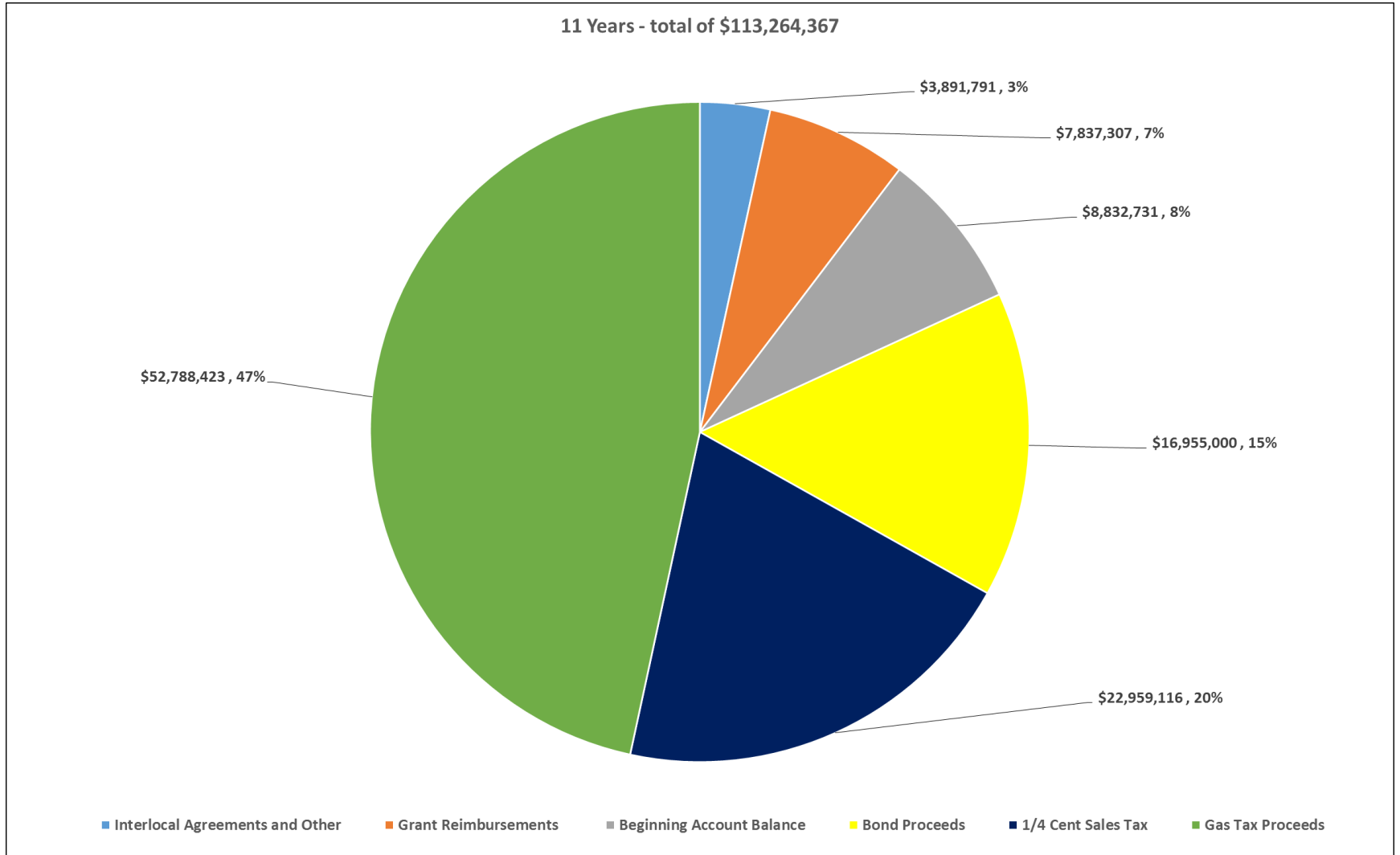
- RTC and Streets Revenues – 2005-2015
- RTC and Streets Expenditures – 2005-2015
- Past and Forecast Revenues – existing sources and forecast with indexing
- Current Condition of City Pavements and those of Neighboring Counties
- Statement of District Attorney Regarding Use of City Gas Tax

RTC and Streets Revenues – 2005-2015

A total of over \$113 million in revenue was received by the RTC and Streets funds in FY 2005-2015.

- \$7 million – beginning account balances
- \$53 million – gas taxes (RTC and Streets)
- \$23 million – sales tax – ¼ cent for Streets
- \$17 million – bond proceeds
- \$9 million - grant reimbursements
- \$4 million – interlocal agreements and other

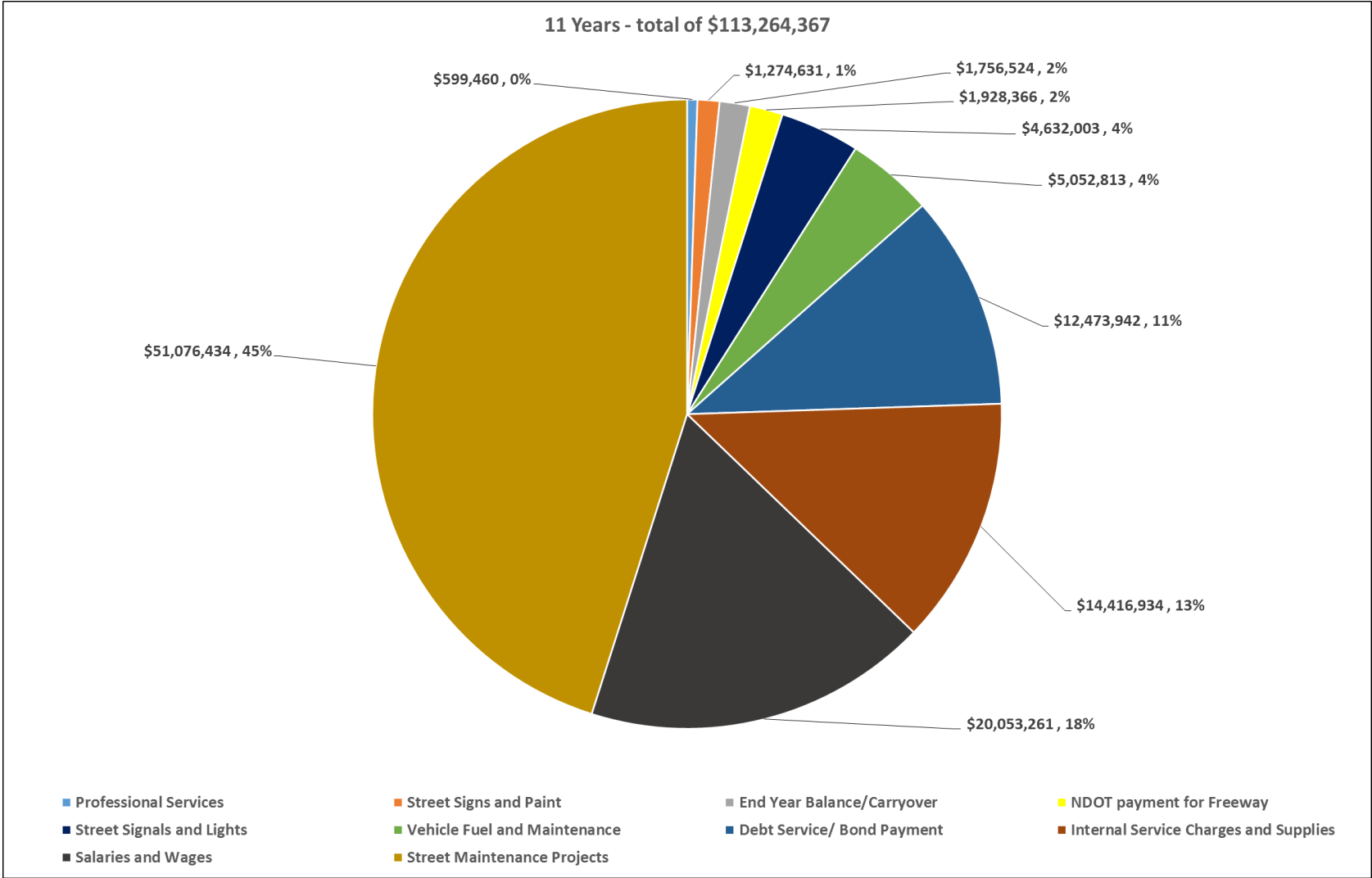
RTC and Streets Revenues: 2005-2015



RTC and Streets Expenditures– 2005-2015

A total of over \$113 million in funding was expended by the RTC and Streets funds in FY 2005- 2015.

RTC and Streets Expenditures: 2005-2015



RTC and Streets Expenditures– 2005-2015

- \$0.6 million – Professional Services
 - Engineering, surveying, testing services
- \$1.3 million – Street Signs and Paint
 - Signs and paint installed by City staff
 - Annual long line striping by contractors
- \$1.7 million – End year account balance
 - Balance in RTC and Streets funds June 30, 2015
- \$1.9 million – Payment to NDOT for freeway
 - Payment in FY 2005 per freeway agreement
- \$4.6 million – Street signals and lights
 - Maintain and operate all traffic signals
 - Includes power cost for NV Energy street lights

RTC and Streets Expenditures– 2005-2015

- \$5.1 million – Vehicle Fuel and Maintenance
 - Street operations has a significant number of vehicles
 - Signal maintenance
 - Sign maintenance
 - Patching truck
 - Street sweepers
 - Concrete crew vehicles
 - Large vehicles like motor graders
 - No significant vehicle acquisition for these funds during this period

RTC and Streets Expenditures– 2005-2015

- \$12.5 million – Debt Service/Bond Payment
 - Payments for bond debt increased from about \$0.4 mil/year to \$1.7 mil/year during this period.
 - Bonds issued during this period for major projects like Roop, Curry, and N. Stewart Streets.
 - Bonds were re-funded during this period to reduce costs.
 - Current bond payments of about \$1.7 mil/year do not decrease until 2028.

RTC and Streets Expenditures– 2005-2015

- \$14.4 million – Internal Service Charges and Supplies
 - Each fund of the City pays these types of fees
 - Internal service charge pays costs associated with Finance, Human Resources, District Attorney, etc.
 - Utility costs
 - Insurance fund
 - Office supplies

RTC and Streets Expenditures– 2005-2015

- \$20.1 million – Salaries and Wages
 - Numerous employees (typically 20-25 employees) of Streets Division conduct street maintenance activities
 - Crack filling
 - Street patching and pothole repair
 - Operating street sweepers and snow plows
 - Signal maintenance
 - Sign and striping maintenance
 - Concrete (including sidewalk) repair
 - Shoulder maintenance

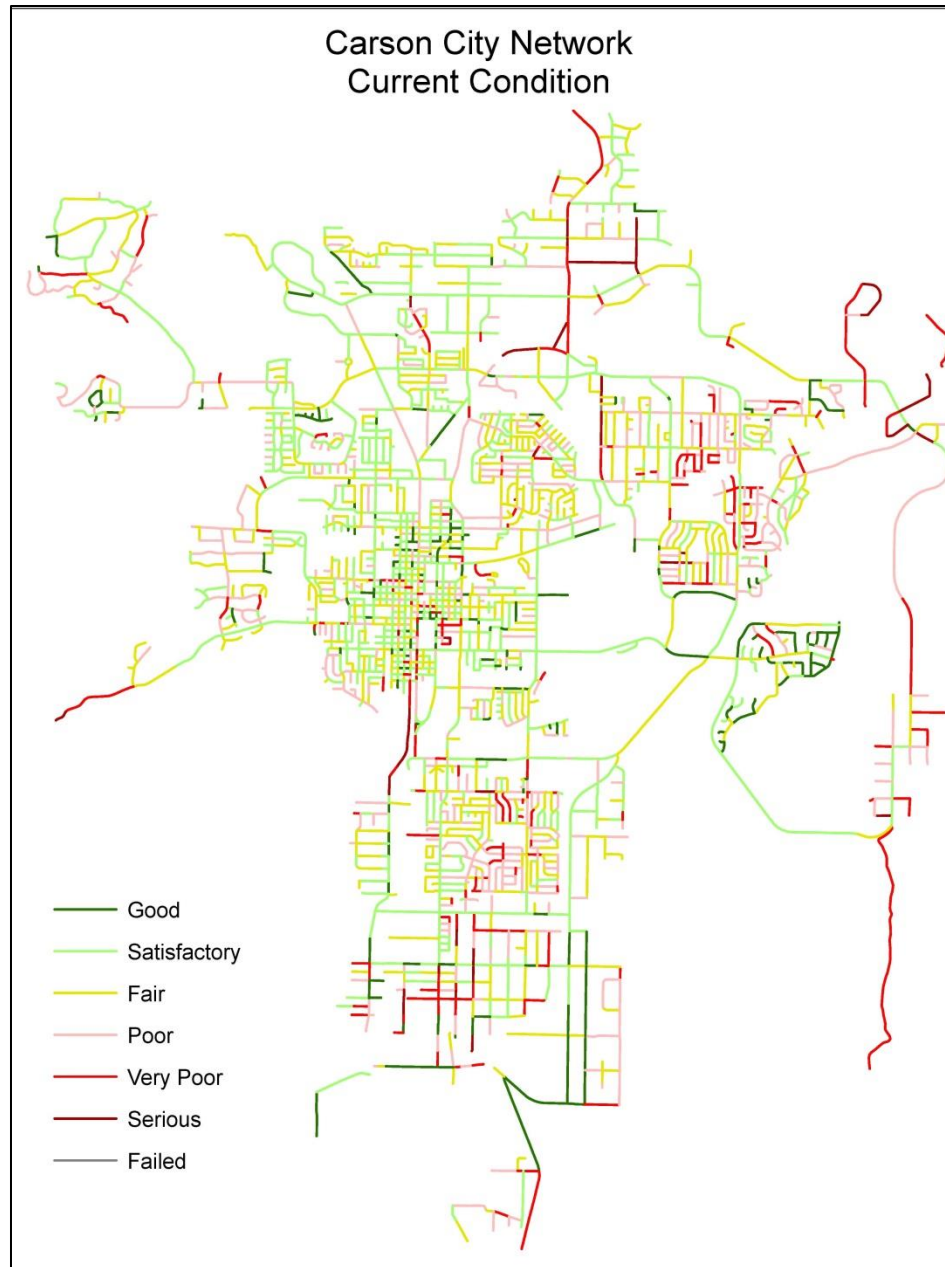
RTC and Streets Expenditures– 2005-2015

- \$51.1 million – Street Maintenance Projects
 - Slurry seal and micropaving work by contractors
 - Capital projects to reconstruct roads – Curry Street, N. Stewart Street, Roop Street, Fairview Drive
 - Overlay project – Saliman Road
 - Intersection projects – Carson/Clearview, Carson/Appion, Carson/Eagle Station
 - Grant-funded sidewalk and bicycle projects

Pavement Condition Index of Carson City

- The current pavement condition index (PCI) of all Carson City Pavements is 63.5 on a 100 -point scale. This falls in “fair” category.
- If the funding situation is not changed, the overall PCI is expected to decline to 38.3 by 2030. Going from fair to poor to very poor.
- The continued decline is expected because current funding levels are not sufficient to maintain the street network.

Current Condition of Street System



Pavement Condition Index of Neighboring Counties

- Deteriorating pavements and insufficient funding is a regionwide, and even nationwide, problem
- Carson City pavements – comparison
 - Carson City PCI – 63.5
 - Washoe County PCI – 69.0
 - Douglas County PCI – 60.1

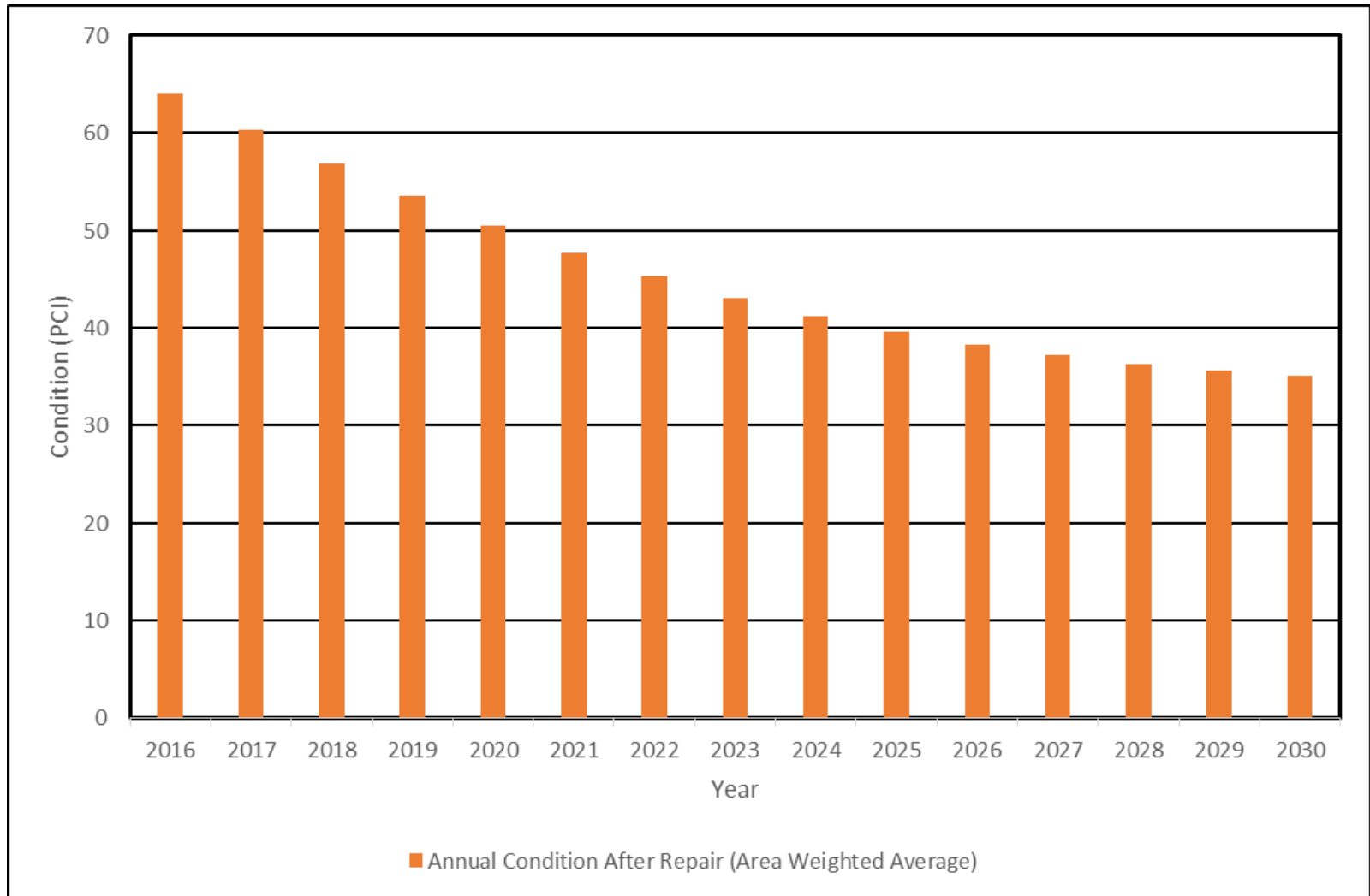
Pavement Condition Index of Neighboring Counties

- Among Washoe County, Carson City, and Douglas County:
 - Washoe County has the most pavements in good and satisfactory conditions and Douglas County has the least.
 - Douglas County has the most pavements in poor/very poor/serious/ failed condition and Washoe County has the least.
 - Carson City is like most counties in Nevada – implemented 5 cent gas tax some time ago.
 - Washoe County implemented gas tax indexing first in the state and is using those funds for street projects.
 - Douglas County just approved the 5 cent gas tax for street projects and has not benefitted from that action yet.

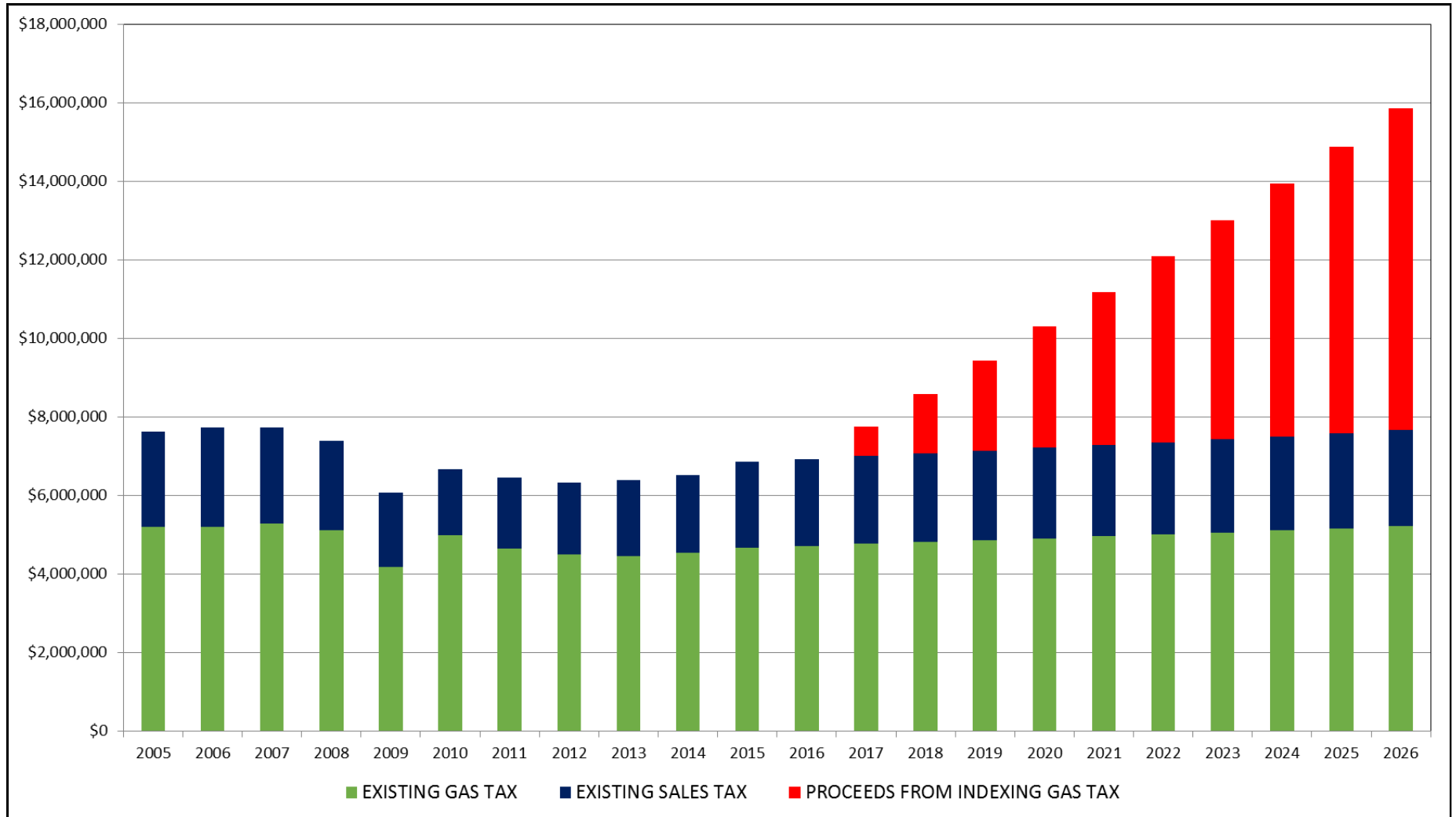
Pavement Condition Index of Neighboring Counties



Projected Decline in Pavement Condition with Current Funding Levels



Past and Forecast Revenues – Existing Sources and Forecast with Indexing



Legality of Use of Gas Tax

District Attorney Jason Woodbury has confirmed the following:

- “I am also satisfied that there is nothing about the manner in which the fuel tax funds are being spent which violates CCMC 11.20.050 or state law.”
- “I am satisfied with the City’s compliance with the law”

The original letter with the above text from the District Attorney is reproduced on the following page for reference.

Legality of Use of Gas Tax

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April 2, 2015

PAUL McGRATH
PDMac_2@att.net

Re: Five cent gas tax

Delivered: Via e-mail; original will NOT follow by United States mail

Dear Paul:

Thank you for taking the time to meet with me and for providing me with all your material outlining the history of this issue. I have examined everything you provided me at our meeting on March 16. I have also taken some time to research the legal issues.

As you know, my function as the District Attorney is to provide advice and analysis to Carson City in regard to legal questions. Policy decisions are not within my purview. I suppose everyone has a natural inclination to offer input on policy matters, but to the best of my ability, I make it a point to avoid such commentary. I express this at the outset so you understand that my analysis is exclusively legal in nature.

Based upon my review, I am satisfied that there is nothing about the manner in which CCMC 11.20.050 has evolved into its current form which violates the law. I am also satisfied that there is nothing about the manner in which the fuel tax funds are being spent which violates CCMC 11.20.050 or state law.

I appreciate your concern that the current use of a portion of the fuel tax appears inconsistent with some representations as to the tax's scope and purpose when it was initially imposed in 1996. However, as you know, that original scope and purpose was modified in 2004. The modification was accomplished in a manner that is compliant with law, and the language of that modification is unmistakably clear. That unmistakably clear language states the Board of Supervisors'

intent that the revenue generated by the tax imposed by this paragraph be used for the design and construction of the Carson City Freeway, or any arterial,

McGrath

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collector, roadway, or alternative route related to the movement of traffic through Carson City.

CCMC 11.20.050 (5) (emphasis added).

I certainly respect that you have every right to express your position as to this subject and the manner in which it has developed. However, I am satisfied as to the City's compliance with the law. As such, there are no grounds for any action on the part of the District Attorney's office.

I would be happy to discuss this further if you wish. Additionally, if my office can provide you with any assistance in gathering documents or other information pertaining to this matter,¹ please do not hesitate to contact me at any time.

Thank you for the opportunity to sit down with you, Paul. I realize this is not the answer you were after, but I appreciate you allowing me to review the situation in advance of you taking it further.

Sincerely,

A handwritten signature in black ink, appearing to read "J Woodbury".

Jason Woodbury

JDW/gp

¹ To avoid any confusion, I believe you already have all the documentation relating to this matter. The material you provided to me at our meeting seems comprehensive.

Key Facts – Street Maintenance

- The pavements of Carson City are deteriorating because the City has a structural funding issue for street maintenance.
- Issue is facing many areas.
- RTC and Public Works staff working to maximize use of funds –improving pavement management system and modifying maintenance practices.
- The condition of City streets will continue to deteriorate if additional funding is not secured for street maintenance.
- Road funds are used for roads – not diverted to other uses. No question regarding legality of use of funds.