



Monterey County

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Board Report

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Matter Type: BoS Resolution

- a. Authorize the Auditor Controller to amend the FY 2017-18 Road Fund adopted budget, Fund 002, Appropriation Unit RMA012, to increase revenues and appropriations by \$2,853,817, funded by Senate Bill 1 - the Road Repair and Accountability Act of 2017, Road Maintenance and Rehabilitation Account; (4/5th vote required) and
- b. Amend the FY 2017-18 adopted budget to incorporate the list of projects to be funded by the Senate Bill 1 - Road Repair and Accountability Act of 2017 revenues as provided in Attachment A.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Auditor Controller to amend the FY 2017-18 Road Fund adopted budget, Fund 002, Appropriation Unit RMA012, to increase revenues and appropriations by \$2,853,817, funded by Senate Bill 1 - the Road Repair and Accountability Act of 2017, Road Maintenance and Rehabilitation Account; (4/5th vote required) and
- b. Amend the FY 2017-18 adopted budget to incorporate the list of projects to be funded by the Senate Bill 1 - Road Repair and Accountability Act of 2017 revenues as provided in Attachment A.

SUMMARY/DISCUSSION:

In April 2017, Senate Bill 1 (SB1 Beall) was approved, making funds available for road repair and maintenance statewide. It is estimated that Monterey County's share would be \$10 million annually. The revenue allocations to counties will come through the Road Maintenance and Rehabilitation Account (RMRA). Eligible uses under this account include, but are not limited to: road maintenance and rehabilitation; safety projects; railroad grade separations; complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects in conjunction with any other allowable project; traffic control devices; and, to satisfy a match requirement to obtain state or federal funds for projects.

Prior to receiving an allocation of funds, cities and counties are required to provide to the California Transportation Committee (CTC) a list of projects to be financed by these funds, pursuant to an adopted city or county budget approved at a public meeting and included or amended into the city/county budget no later than October 16, 2017. At minimum, the list of projects must include four (4) elements: 1) project location, 2) project description, 3) anticipated construction date, and 4) estimated useful life of the improvement. Additionally, CTC adopted guidelines require cities and counties to provide a public record illustrating that projects proposed for RMRA funding have been included in an adopted city or county operating budget.

On July 25, 2017, the Board approved a five (5) year priority list of projects that will utilize SB 1, Measure X, and Transient Occupancy Tax funds. The project list has been modified for SB 1 projects to include one (1) of the four (4) required elements: estimated useful life of the improvement.

When the FY2017-18 Budget was adopted this past June, projects to be funded by SB 1 were not included. To satisfy CTC's requirement, it is recommended that the Board approve an increase to the FY 2017-18 adopted budget appropriations in the Road Fund 002, Appropriation Unit RMA012 by \$2,853,817, funded by SB 1 revenue of \$2,853,817 and inclusion of the SB 1 project list (Attachment A) as part of the FY 2017-18 budget.

FINANCING:

Prior to receiving an apportionment of funds under SB 1, the County is required to submit to the CTC a list of projects proposed to be funded with SB 1 revenue pursuant to an adopted budget.

Therefore, it is recommended that the Board approve an increase to the FY 2017-18 adopted budget appropriations in the Road Fund 002, Appropriation Unit RMA012 by \$2,853,817, funded by RMRA revenue of \$2,853,817 and include the SB 1 project list as part of the FY 2017-18 budget.

The new RMRA revenue stream will be phased in over the next four (4) years. This will result in revenue increasing from approximately \$2.9 million in FY 2017-18 to \$7.7 million by FY 2020-21. Revenue projections are based on CSAC's estimates for FY 2017-18 SB 1/RMRA funding and CSAC's ten-year SB 1/RMRA which are based on multi-year estimates from the Department of Finance. Initial cash flow from SB 1 revenues is expected to begin, at the earliest, by January 2018.

There is a Maintenance of Effort (MOE) requirement in order to receive RMRA funding. To meet its MOE, cities and counties must annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during fiscal years 2009-10, 2010-11, 2011-12. The State Controller's Office estimated the average MOE amount for Monterey County is \$2,286,666.

Recently, a constitutional amendment has been filed with the Secretary of State to repeal SB 1. If successful, funding for future projects on the list will be at risk. Funds collected between November 1, 2017 and the time of passage of the proposed constitutional amendment will not need to be repaid by the counties, cities, and the state. Without SB 1 revenue, RMA would need to re-prioritize the project list to only utilize Measure X and Transient Occupancy Tax funds, and defer projects to future years.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

A key objective has been to find funding sources for much needed maintenance to the County's transportation infrastructure. SB 1 and Measure X help to fulfill this objective. Combining these funds with grants will extend funding even further. This project list prioritizes projects needed to maintain and repair the County's transportation infrastructure. The recommended action supports the following Board of Supervisors' Strategic Initiative below:

- Economic Development
- Administration

Health & Human Services

Infrastructure

Public Safety

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Approved by: Donald D. Searle, RMA Deputy Director of Public Works & Facilities

Approved by: Carl P. Holm, ACIP, RMA Director

Prepared Date: September 25, 2017

Attachment:

Attachment A - Resolution