

April 26, 2017

To Mayor Whitaker and Council Members:

The Citizen's Infrastructure Review Committee (CIRC) has reviewed the Capital Improvement Plan (CIP) and discussed each project. Overall, we feel the plan is well structured and that staff has prioritized the allocated budget wisely. We do have one fundamental concern regarding long-term roadway repair funding/allocations.

Our concern is that the funds allocated for street repair for the City of Fullerton are seriously inadequate. The current annual funding the City receives from Measure M-2 and the gas tax is around \$5.1M. Of these two funds, only \$2.7M is programmed for on-going CIP street repair projects; the remainder is allocated to various operating costs, (street light energy and traffic signal maintenance) and City road-crew initiated road repairs.

Fullerton has some of the worst street conditions in the county based on the city wide Pavement Condition Index and as reported by the Orange County Transportation Authority's semiannual report. The recently completed (April 2016) Pavement Management Program study by Bucknam Infrastructure Group, determined that a minimum of \$6M per year is needed just to maintain the current PCI of 62, which is considered only fair based on OCTA criteria. We understand that the City is considering selling surplus city property to provide some additional funding, but this would only be a stop-gap measure and not a long-term solution. We strongly recommend that the City Council find a way to prioritize and allocate more funds to street repair each year. The above noted PMP states that at least \$10.5M per year is needed to improve the city's PCI to 70 over the next 7 years.

During the CIRC's review of the 2017-18 CIP projects, the state legislature approved a \$52 billion transportation funding bill (Senate Bill 1).

SB1 includes an initial increase in gasoline taxes of 12 cents per gallons and diesel taxes 20 cents per gallon, starting November 1st, 2017. It will also create a new annual vehicle license fee starting January 1st, 2018. The state has indicated that these new revenues will be distributed to the cities and counties and will be allocated for road repairs and restoration.

Engineering staff contacted the League of Cities which provided an estimate of anticipated revenue of SB1 funding for the City of Fullerton. They project the additional revenue will be between \$2.5M and \$3.0M annually. The SB1 funds along with existing City gas tax and M-2 revenues provide a stable annual revenue of approximately \$5.7M for street repair, maintenance and reconstruction. As noted above this funding level is only sufficient to stabilize the City's current PCI; not improve it. Therefore, it remains imperative that the City Council develop and implement a parallel long -term funding plan that will generate an additional \$5.5M to \$6.0M per year, above and beyond the new SB1 revenue.

Sincerely,


Patrick McNelly
Chair, Citizens Infrastructure Review Committee

C: Allan Roeder, City Manager
Donald Hoppe, Director, Public Works