



PUBLIC WORKS DEPARTMENT

CITY HALL

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CITY COUNCIL STAFF REPORT

Meeting: May 6, 2014

Subject

Annual Report on the Pavement Management Program.

Recommended Action

Review the report. No action is required.

Discussion

At a current estimated replacement value of \$330 million, the street network is one of the City's largest valued assets. From FY08/09, through last fiscal year, the annual pavement budget to maintain this asset (including state, federal and general fund contributions) has averaged \$2.45 million. At this average funding level, the condition of the street network deteriorated and the amount of deferred maintenance increased. For the current fiscal year, due largely to greater contributions from the general fund, \$3.98 million has been allocated to street improvements. Approximately \$2 million of this amount has been completed to date, with the remaining amount of funds scheduled for allocation over two projects that will be completed this summer. These two upcoming projects include the 2013 Pavement Maintenance Project – Phase II and the 2013 STP Overlay Project. The phase II project had a bid opening date of April 7th, while the overlay project has a bid opening date scheduled for May 12th.

The goal of the increased funding was to prevent further deterioration of the street network and the resulting much more expensive future restoration costs. Improvements completed to date have achieved this goal. The total network pavement condition index (PCI) is holding stable at a value of 64. The PCI of both the arterial and residential streets have increased to 78 and 60 as compared to their prior 2013 values of 77 and 59. With the other projects in the queue, the PCI for arterial and collector streets will both increase from their current values. Figure 1 shows network PCI and individual PCI values for arterial, collector and residential streets for the last six years.

Figure 1

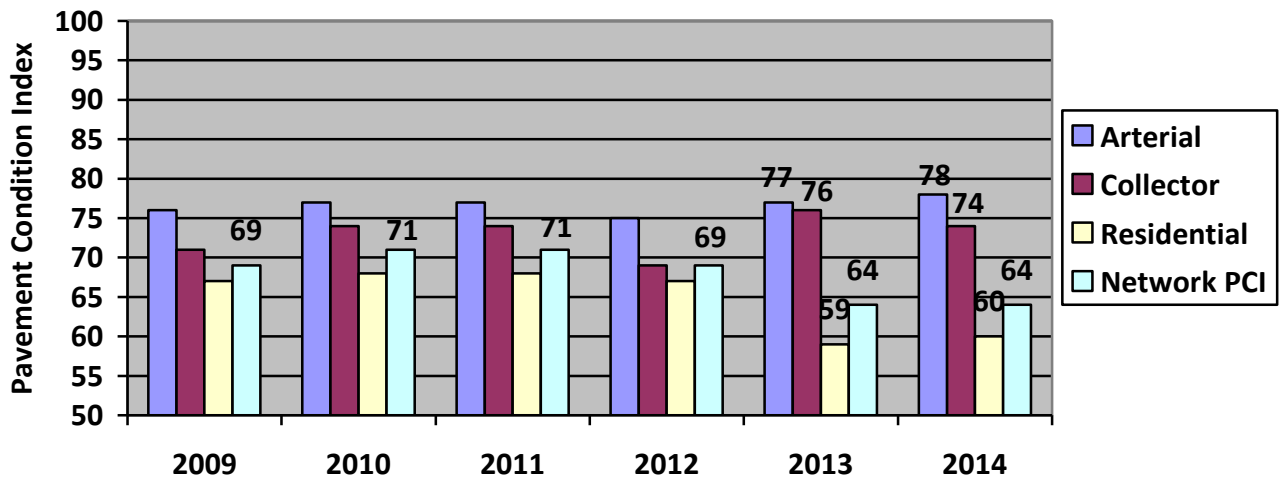


Table 1 below shows the source of funding and amounts expended for street improvements over the last six years.

Table 1

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Gas Tax				\$1,250,000	\$1,543,000	\$1,700,000
Vehicle Registration Fees					\$329,000	\$30,000
Surface Transportation Program					\$500,000	
General Fund	\$420,000	\$750,000	\$750,000		\$1,122,000	1,271,000
Proposition 1B	\$890,000		\$800,000			
Proposition 42	\$530,000	\$500,000				
ARRA		\$800,000				
Adjustment due to carryover / ending balance	\$1,989,345	\$359,323	\$764	\$334,387	\$90,530	
OBAG						\$735,000
CalRecycle Grant						\$249,000
TOTAL	\$3,829,345	\$1,690,676	\$1,550,764	\$1,584,387	\$3,584,530	\$3,985,000

Budget Scenarios

The StreetSaver program provided by the Metropolitan Transportation Commission, and utilized by our staff, provides the ability to run various budget scenarios. Each of the four scenarios detailed below provide useful “what if” information on expected PCI and deferred maintenance values that may occur at varying levels of funding.

Scenario 1 Unconstrained Budget

This scenario effectively reduces the current deferred maintenance amount of \$35.6 million down to a minimum amount of \$1.5 million over the next five years. This low deferred maintenance amount means that timely preventative maintenance has occurred. The required annual funding to achieve this scenario and the resulting PCI is as follows:

- \$17.6 million annual funding for the next five years
- PCI value of 83 by year five (2019)

Scenario 2 Increasing PCI (PCI 75 by 2019)

This scenario decreases the current deferred maintenance amount of \$35.6 million down to \$33.9 million over the next five years. The required annual funding to achieve this scenario and the resulting PCI is as follows:

- \$11.5 million annual funding for the next five years
- PCI value of 75 by year five (2019)

Scenario 3 Increasing PCI (PCI 70 by 2019) - Recommended

This scenario results in an increase of the current deferred maintenance amount of \$35.6 million up to \$49.8 million over the next five years. The required annual funding to achieve this scenario and the resulting PCI is as follows:

- \$7.5 million annual funding for the next five years
- PCI value of 70 by year five (2019)

Scenario 4 Current Budget Level (\$4 Million Annually - Maintains Current PCI)

This scenario provides for less timely preventative maintenance as Scenario 3 and consequently causes the current deferred maintenance amount of \$35.6 million to increase to \$59.4 million over the next five years. The required annual funding to achieve this scenario and the resulting PCI is as follows:

- \$4 million annual funding for the next five years
- PCI value of 64 by year five (2019)

2014/15 Pavement Management Project

A \$7.5 million funding request will be made for next fiscal year’s pavement program. This request will be based upon funding sources that include:

- \$1,700,000 Gas tax revenues

- \$30,000 Vehicle Registration Fees
- \$5,770,000 General Fund

Funding at this level is described in Scenario 3 and will result in a street network PCI of 70 by 2019. This recommended level of funding, if approved in the FY14/15 budget, will strike a good balance of steadily improving the condition of the street network while also providing improved management of the amount of deferred maintenance.

A street-by-street listing of the proposed 2014/15 Pavement Management Project is included in Attachment A and will be available for residents to view online upon budget adoption, as will the current PCI values for all streets. Streets completed or scheduled to be completed by the FY13/14 project are included as Attachment B.

Note that the street listing in Attachment A will be modified as assessment of street continues, as dollar amounts are confirmed through competitive bid and coordination occurs with underground utilities or as unforeseen conditions arise.

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Reviewed by: Timm Borden, Director of Public Works

Approved for Submission by: David Brandt, City Manager

Attachments:

A – Proposed Pavement Projects FY14/15

B – Completed / Scheduled Pavement Projects FY13/14