

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

March 29, 2012
Item #5

Subject: Report Back: Unexpended Measure A Allocations for City Street & Road Maintenance

Recommendation

Receive and file.

Discussion

At prior meetings, Committee members have observed that several local entities carry a substantial balance of the on-going Measure A formula funds allocated each month for city street maintenance. This occurs despite the fact that local jurisdictions consistently report that street maintenance and rehabilitation needs far exceed available funding. In light of this, the ITOC directed staff to contact the affected entities for an explanation of their respective strategies for managing Measure A expenditures. The STA correspondence and each entity's response are attached hereto for your consideration. Please note that staff also requested each entity to explain why it still carries a balance of **Old** Measure A funds three years after that program expired. A summary of the respective explanations follows:

The City of **Citrus Heights** had not responded to the solicitation for input on this matter by the time the agenda packet was distributed.

The City of **Elk Grove** purposely under-programs the Measure A street maintenance funds by about 10% as a buffer against future fluctuations in the amount that it ultimately receives for this purpose. The City reports that about three-fourths of its remaining **Old** Measure A balance will be expended this summer.

The City of **Folsom** expends most of its on-going Measure A allocations on small capital projects and project management. Some of these allocations are held to match anticipated funds from other sources, and most of the associated reimbursement claims are submitted in summer and fall. City commits to expediting these capital project expenses to reduce the rolling unspent balance. The City reports that its remaining **Old** Measure A funds will be spent by mid-2013.

The City of **Rancho Cordova** has submitted a general schedule to spend down the street maintenance formula funds to a balance approximating \$300,000. This running balance will serve as a contingency for emergency and unplanned maintenance expenditures and/or to cover potential reductions in future Measure A allocations. The City expects that most of its remaining **Old** Measure A funds will be expended in the next year or so, leaving a small reserve to match anticipated state/federal grants.

The City of **Sacramento** reports that the running balance of Measure A street maintenance funds is partially due to a time lag in accounting of expenditures in the City's fiscal reporting system. Staff commits to shortening the time between expenditure of funds and reporting to STA. The City also purposely retains a balance in this account to cover the possibility that some future distributions from STA may be below projected amounts. Of its \$32.3 million balance of **Old** Measure A funds, \$17.4 million is under contract or obligated to specific projects

and programs through FY 2013. The remainder is programmed in the City's transportation CIP during FY 2014-2017. These are the only funds anticipated to be available for major street construction projects during that time (excluding the few City projects listed in the **New** Measure A capital program). These funds are necessary to leverage anticipated state and federal transportation funds.

Attachments

Staff Contact: Brian Williams