

**RESOLUTION NO. 00-29**

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL  
APPROVING AN EXPENDITURE PLAN FOR THE CITY'S  
PORTION OF REVENUE FROM A POTENTIAL HALF-CENT  
SALES TAX FOR TRANSPORTATION**

**WHEREAS**, The State Senate passed a bill, Senate Constitutional Amendment 3, that would put the issue of a possible half-cent sales tax for transportation on the November General Election ballot. The Assembly has not passed the measure, but in anticipation of it passing Kern Council of Governments asked member cities to prepare an Expenditure Plan for use of the potential receipts from such a tax. The Expenditure Plan would be combined with the input from all member agencies into a County Expenditure Plan that would go on the ballot as a companion measure to SCA (3); and

**WHEREAS**, the City has prepared its Expenditure Plan with emphasis on implementing the recommendations of the Pavement Management System (PMS) for preventive maintenance, repair, and reconstruction of city streets, and

**WHEREAS**, the Council in its discussion of the proposed tax has not taken a position on whether the proposed tax is the best means of obtaining the necessary funding for streets, and

**WHEREAS**, the Council recognizes that present funding levels are insufficient to keep up with the rate of deterioration of city streets and that some sort of relief from the State is needed to restore our city to financial health. While SCA(3) might not be the relief finally adopted by the State, the City wants to have its Expenditure Plan accepted as a statement of the need for assistance with transportation funding and as the City's input to a consolidated County Expenditure Plan.

**NOW, THEREFORE BE IT RESOLVED** that the City Council adopts the attached Expenditure Plan and directs the City Administrator to submit it to the Kern Council of Governments.

**APPROVED AND ADOPTED** this 5<sup>th</sup> day of April, 2000, by the following vote:

AYES: Mayor Darnell, Council Members Carter, Holloway, Morgan, And Rollins

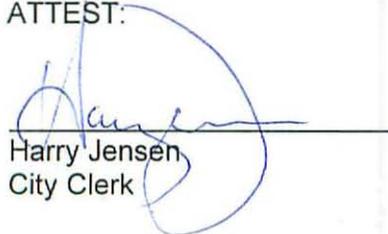
NOES: None

ABSTAIN: None

ABSENT: None

  
Donna Darnell, Mayor

ATTEST:

  
Harry Jensen  
City Clerk

## **Transportation Sales Tax City of Ridgecrest Expenditure Plan**

The proposed ½ cent sales tax for transportation purposes can only be adopted in Kern County if an Expenditure Plan for the proceeds of the tax is approved by the voters. This Expenditure Plan for the City of Ridgecrest describes how the proceeds of the tax would be applied in Ridgecrest.

The purpose of the proposed sales tax is to supplement existing resources available for transportation purposes including the City of Ridgecrest General Fund, the Proposition 111 Gas Tax Fund, and the Transportation Development Act Fund (TDA). TDA is used for providing public transit services within the City of Ridgecrest and any of the TDA Fund not required for meeting reasonable transit needs can be applied to street purposes.

The supplementary funds from the new sales tax would be for the following purposes:

First: Implement the recommendations of the City of Ridgecrest Pavement Management System (PMS) for preventive maintenance, repair, and reconstruction of city streets.

Second: Improve the street and road network within the City of Ridgecrest by street widening, completion of curbs, gutters, and sidewalks, bicycle routes, signage, traffic signals, street lighting and landscaping, and drainage systems.

Proceeds of the proposed sales tax could be used for direct expenses or could be used as a match for Federal funds granted for transportation purposes. Most current Federal programs require a local match of 11.47 percent of the cost of a transportation project. The match amount may vary with different grant programs and the entire Federal program might change.

The City of Ridgecrest does not plan to use the proceeds of the proposed sales tax to bond for street work. Local studies have shown that the early emphasis on rehabilitation permitted by bonding schemes does not result in any better long term results because of the cost of repaying the debt coming at the expense of future maintenance requirements.

The Pavement Management System in the City of Ridgecrest consists of a periodic inspection of the street network to determine the physical condition of streets and identify needed maintenance and repair projects. The physical condition of each street segment is summarized by assigning a pavement condition index (PCI) on a numerical scale from zero to 100. A PCI of 100 indicates a new or freshly repaired street and zero represents a totally

deteriorated street. Figure 1 describes the five categories of street condition based on PCI scores.



## Condition Categories

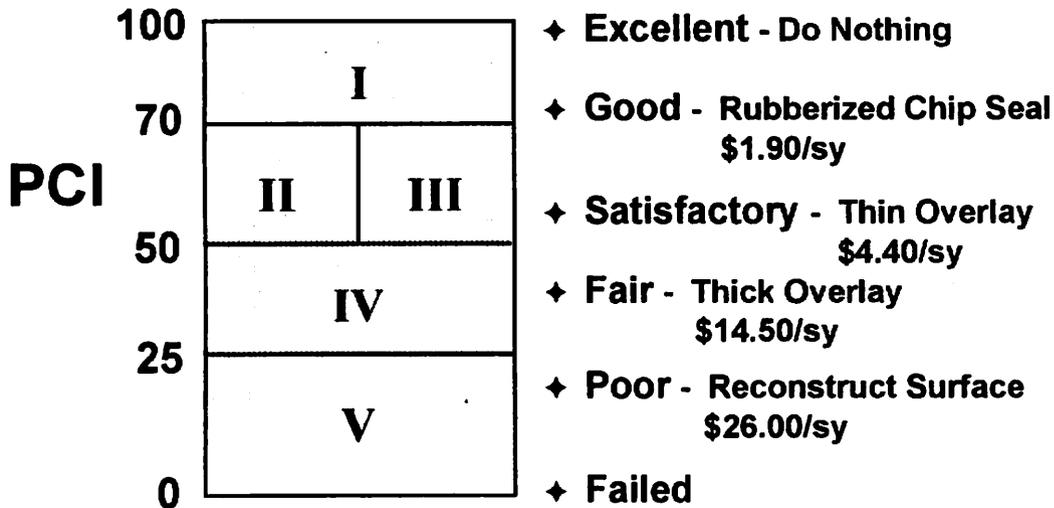


Figure 1.

Different types of maintenance and repair projects are recommended depending on the condition of the streets. Crack sealing or surface treatments might be recommended for streets with only minor environmental damage whereas total reconstruction would be required for streets that had completely failed. The objective of the pavement management system is to identify early preventive maintenance that should be done at a lower unit cost and thus reduce the requirements for total reconstruction of a neglected street at a much higher unit cost. Figure 2 shows how the condition of streets deteriorates slowly at first and then accelerates over time. The longer a street is allowed to deteriorate without treatment, the more expensive it is to restore the street to top condition. Unit cost for surface treatment for example is \$1.90 per square yard. Reconstructing that same pavement is estimated to cost \$26.00 per square yard. The public interest in better street condition at the least cost is best served by strict attention to early maintenance and repair.



## (Cost per square yard)

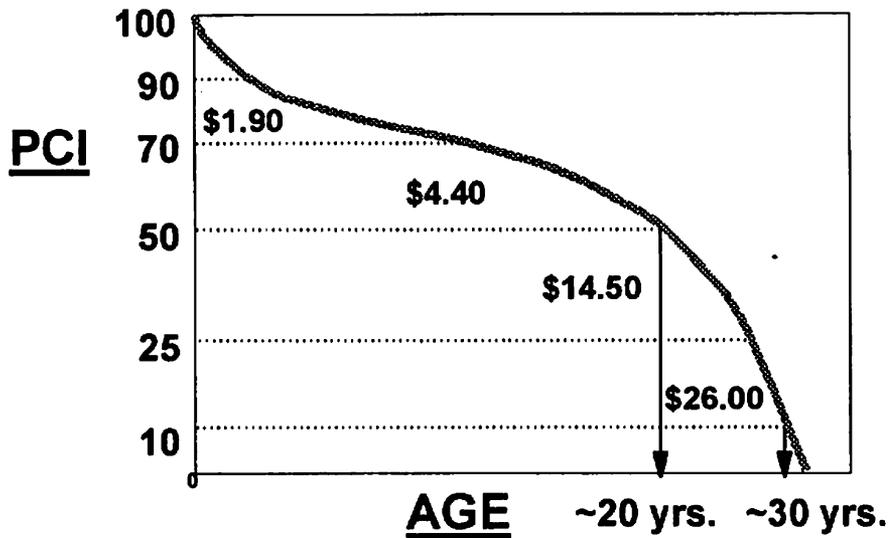


Figure 2.

The PMS software permits in-depth analysis of various scenarios for application of maintenance and repair funds. Each scenario is based on a different set of parameters such as budget, pattern of budget growth, and degree of emphasis on preventive maintenance. The software recommends the most cost-effective work to be done for each scenario and calculates the resulting end of year condition for each year of the study. By examining patterns of the end-of-year PCI for the 20-year period the analyst can determine the overall effectiveness of each scenario. Running many scenarios enables staff to make a recommendation to the City Council for the most effective use of transportation maintenance and repair dollars over the twenty-year period of the study.

The 1999 condition of streets in Ridgecrest showed an average PCI of 65. With no treatments to the streets over 20 years the condition would deteriorate to a PCI of 26, which would mean the average street has completely failed. That scenario is not going to happen because we already have some funding available for streets from TDA and Proposition 111, generally about \$300,000 per year. That is woefully inadequate. A budget of only \$300,000 per year would lead to the streets deteriorating to an average PCI of 43 over the 20-year study period. That is still unacceptable so the City would continue to try for Federal assistance to keep pace with deterioration. Our possible success with that scenario might be indicated by our recent history, which has seen deterioration of the PCI from 76 to 68 over the past 12 years. If we assume an average of \$200,000 per year available from Federal programs our pavement condition would still slip to 52 by the end of 20 years. We are slipping because we do not have enough money available, even with the Federal programs.

Staff has run a series of studies of various funding scenarios based on projections of funds that would be available if the proposed ½ cent sales tax should be approved. The best of the scenarios has been selected as the proposed Expenditure Plan. The chosen Expenditure Plan is based on applying \$300,000 of TDA funds plus a beginning amount of SCA3 funds of \$1,390,000 per year. Funding is inflated at 3 percent per year for expected growth in the sales tax and TDA. We can't be sure about TDA because that fund is dedicated first to transit. Transit growth might preclude growth in TDA applied to streets. The PMS modeling software allows for inflation of construction and repair costs. We have set the rate of inflation at 3 percent to match the funding expectations.

The scenario finally selected for the Expenditure Plan will improve the condition of streets in Ridgecrest as reflected in an improved Pavement Condition Index. The ending Pavement Condition Index would rise to 82 at the end of 20 years. That would put all of Ridgecrest streets in good to excellent condition.

This summary is based on a year by year plan of the specific items of work recommended. The specifics are more voluminous than can be printed in the Expenditure Plan to be published with the ballot information. A detailed copy of the Expenditure Plan is available for examination in the Public Works Department of the City of Ridgecrest.

The Expenditure Plan is not something that can be expected to stay the same over the 20 years of the proposed sales tax. There are just too many variables in the program that affect the final outcome. What the Expenditure Plan really commits to is an approach to determining the expenditure of funds. Each year's budget still needs approval of the City Council in the budget process. What this Expenditure Plan commits to is that the City Council will insist that the Annual Budget be based on the PMS model, or a better model if better software should become available. Each annual Expenditure Plan will be the result of a similar analysis of the condition of the streets and the mix of preventive maintenance and repair work that will result in the best improvement in the condition of the street network at the end of the study period. The study period should normally be five years and the study should be repeated at least every two years.

The analysis of scenarios performed for the Expenditure Plan does not provide for any funds to be expended for improvements such as new streets, widening of exiting streets, or installation of curbs, gutters, and sidewalks. These types of improvements will be needed. The public will request such improvements and the Council will naturally try to meet the needs expressed by the electorate. Funds are available through Proposition 111 Gas Tax Fund that can be used for any transportation purpose. This Expenditure Plan calls for Proposition 111 resources to be used first for any necessary improvements. This Expenditure Plan further commits to the examination of any proposed improvements with a view to evaluating the opportunity cost of doing the improvements rather than dedicating

the same funds to normal maintenance and repair. Any transportation money spent on improvements detracts from money that could be used for maintenance and repair. That would result in a slip in the condition of the existing pavement that might otherwise be obtained. These are legitimate tradeoffs that need to be considered by the City Council if they are to answer to the needs expressed by the electorate. The Council will examine the improvement requests and the effect on expected pavement condition during an annual public hearing on the transportation budget.

One challenge to be faced in a rational street maintenance and repair program is to avoid the temptation to fix the worst streets first. We are all familiar with streets that are severely cracked. When a street gets to that point it must be totally reconstructed at great expense. That greater expenditure of funds detracts money from the more cost effective preventive maintenance programs or the simpler repairs to streets that are not so far gone that they can't be fixed at a more reasonable expense. The software associated with the City of Ridgecrest - Pavement Management System conducts an analysis of all work needed on each unique section of street and recommends the most cost effective approach to improving the entire street network, not just an individual section. The present condition of Ridgecrest streets is one of neglected routine maintenance, neglected because there has never been enough money for the required amount of maintenance. If the Expenditure Plan is adopted and the ½ cent sales tax is approved the first thing the population should notice is an emphasis on preventive maintenance and simpler repair projects such as overlays. The list of streets in failed condition will not change quickly at first, because of the initial backlog of maintenance requirements. There will be an early improvement in the condition of the majority of streets, but those streets in the worst condition will remain in that condition for the time being. Then as funds become available for the more expensive job of restoring failed pavements the list of streets in failed condition will begin to dwindle. If the City of Ridgecrest will stick with the proposed Pavement Management System for twenty years and apply the funds as recommended, the result will be a street network with more than 90 percent of the streets in excellent condition.

Following is a summary of the recommended expenditures for the first five years of the program, Exhibit 1.

**Ridgecrest Expenditure Plan  
First Five Years**

	\$997,216	MILL AND OVERLAY OR REPLACE
	\$165,476	RUBBERIZED CHIP SEAL
	\$1,992	SEAL CRACKS
	\$150,864	SINGLE CHIP SEAL
	\$123,476	THIN AC OVERLAY(1.5 INCHES)
<b>Total Year 2000</b>	<b>\$1,492,197</b>	

	\$1,362,002	MILL AND OVERLAY OR REPLACE
	\$155,796	RUBBERIZED CHIP SEAL
	\$380	SEAL CRACKS
	\$133,373	SINGLE CHIP SEAL
	\$12,481	THIN AC OVERLAY(1.5 INCHES)
<b>Total Year 2001</b>	<b>\$1,664,032</b>	

	\$1,353,848	MILL AND OVERLAY OR REPLACE
	\$312,775	RUBBERIZED CHIP SEAL
	\$188	SEAL CRACKS
	\$70,314	SINGLE CHIP SEAL
	\$19,327	THIN AC OVERLAY(1.5 INCHES)
<b>Total Year 2002</b>	<b>\$1,756,452</b>	

	\$1,080,282	MILL AND OVERLAY OR REPLACE
	\$400,148	RECONSTRUCT SURFACE
	\$97,201	RUBBERIZED CHIP SEAL
	\$2,869	SEAL CRACKS
	\$214,455	SINGLE CHIP SEAL
<b>Total Year 2003</b>	<b>\$1,794,955</b>	

	\$538,315	MILL AND OVERLAY OR REPLACE
	\$1,076,098	RECONSTRUCT SURFACE
	\$221,750	RUBBERIZED CHIP SEAL
	\$3,554	SEAL CRACKS
	\$21,217	SINGLE CHIP SEAL
<b>Total Year 2004</b>	<b>\$1,860,934</b>	