

Proposed City Council Response to Grand Jury Report “San Diego City Street Repair, Funding, and Reforms”

Pursuant to California Penal Code Section 933.05(a), (b), and (c), the City of San Diego provides the following responses to the findings and recommendations included in the above referenced Grand Jury Report. Clarifications to some facts presented in the Grand Jury Report are included in this response.

BACKGROUND

The City of San Diego completed the first comprehensive condition assessment survey including 100 percent of its street network in August of 2011. To generate the Overall Condition Index (OCI) of each street section, pavement distress data such as cracking, rutting, and utility trenches and patches were collected. Pavement roughness was also measured utilizing laser profiling and visual inspections of all streets included in the survey. Each street was then assigned an OCI value between 0 and 100. Streets with an OCI of 70 or above are considered to be in good condition, an OCI between 40 and 69 indicates a street in fair condition, and an OCI of 39 or below indicates a street in poor condition. The OCI rating scale was developed by the American Society for Testing & Materials (ASTM, Section D6433). Most agencies use a modified version of this scale by combining some of the categories.

Utilizing the results of the 2011 pavement condition assessment survey, the percentage of streets within each of the above categories was calculated. The 2011 pavement condition assessment survey concluded that 35% of the streets were in good condition (OCI 70 or above), 40% were in fair condition (OCI 40-69), and 25% were in poor condition (OCI 39 or below) at the time of measurement. It is important to note that upon completion of the overlay and slurry sealing projects fully funded in the past 3 fiscal years (FY2010-2012) and currently in construction, the condition of streets is expected to improve to 42% good, 36% fair, and 22% poor. These projects are expected to be completed by the end of calendar year 2012. These standards should allow the City to maintain an average OCI of approximately 59 across the street network.

Partial pavement condition assessment surveys have been conducted approximately every four years since 2001. Comparing the data year-after-year may not provide an accurate description of the changes in road conditions since surveys prior to 2011 were not comprehensive and covered approximately 50% of the street network. They did provide useful information for prioritizing and planning street maintenance work. When the same streets assessed in 2007 were assessed in 2011 (while considering the street work underway and planned) the drop in the average OCI was less than one point when taking into account the street work currently underway and planned. The same procedure, technology and similar equipment were used for all condition assessment surveys.

The Grand Jury Report references a September 2010 street condition report produced by The Road Information Program (TRIP), a national transportation research group sponsored by insurance companies, equipment manufacturers/distributors/suppliers, labor organizations, and businesses involved in highway and transit engineering and construction. The report describes San Diego as having “50% of its major thoroughfares in poor condition”. The pavement

condition data which TRIP based its conclusion upon was derived from a 2007 CalTrans pavement condition data survey of major state and locally maintained roads, based on a uniform pavement rating index. The TRIP conclusion was also based on unidentified city streets, surrounding suburbs streets, Interstate off-ramps and on-ramps, and included streets under other jurisdictions within the County of San Diego. Because our recently completed street assessment provides more up-to-date information specifically on 100 percent of the City's streets, we believe it provides a more accurate view of current conditions.

As consistently documented and reported to the City Council, news media and public, the current state of City streets is the result of years of insufficient funding for street maintenance. As part of its continuous efforts to address the streets deferred maintenance, the City adopted a Five-Year Deferred Capital Program Funding Plan on March 20, 2012 to proactively address deferred maintenance, maximize transportation system performance, minimize life-cycle costs, and to establish the basis for more informed, cost-effective decisions to preserve these critical infrastructure assets. Through the appropriation of deferred capital bond funds, the utilization of State Prop 42 funding and with additional budget support for operation and maintenance efforts, the City has intensified efforts to address the condition of city streets. Comparing street maintenance funding over the last 12 years shows the significant change in funding levels and the true commitment by the Mayor and City Council to improve the conditions of city streets. In FY 2000 through 2006, the City expended \$45.4 million on street overlay and slurry sealing operations. In FY 2007 through 2012, the City budgeted \$175.5million for the same operations. In addition, in fiscal year 2013 alone the City has budgeted approximately \$50 million for overlay and slurry sealing of streets.

Given tight financial constraints and competing priorities for funds, the City Council adopted a funding plan and service levels designed to slow deterioration to the street network and maintain the streets at a minimum of 38.9% in good condition, 33.3% in fair condition, and 27.9% in poor condition. This target will be specific to the needs of San Diego as there are no defined national industry standards for average OCI. Municipalities target different goals of OCI for their street networks depending on availability of funding, size of the street network, and other needs and priorities.

FACTS

Mayor's Corrections

The street condition assessment survey performed in 2007 included approximately 50% of the streets; however, it was not a solely visual assessment. The assessment was performed by a consultant in accordance with the recognized standard for Roadway Pavement Condition Index Surveys (American Society for Testing & Materials ASTM D6433).

The City does not utilize rubberized asphalt 100% of the time for resurfacing, as indicated in the Grand Jury report. The City uses conventional hot mix asphalt for asphalt overlay and slurry seal which contains rubberized materials for its preventative maintenance operations.

As noted earlier, the statement regarding San Diego roads being the seventh worst in the nation is based on outdated information from a 2007 road survey report completed by Caltrans and

included City streets, County streets, other jurisdictions and state-maintained streets. The results were not broken down by jurisdiction; therefore it was not possible to distinguish between San Diego streets, other local jurisdictions, and state-maintained streets.

OCI scores are not expressed as percentages. The OCI is expressed as a number between 0 and 100 calculated by dividing the sum of the weighted pavement distress indexes by the sum of the weights used.

Finding 01: The Grand Jury believes that a status quo service level that slowly deteriorates streets over time is not satisfactory.

Mayor's Response: Agree. The Mayor's Five-Year Deferred Capital Program Funding Plan financing adopted by City Council on March 20, 2012 is anticipated to slow the deterioration of our streets in FY 2013 with the option to increase funding over future years to achieve the status quo or improve street conditions given available funding and priorities.

IBA Recommendation: Join the Mayor's Response.

Finding 02: San Diego City streets are in worse condition now than they were in 2007.

Mayor's Response: Partially Disagree. The street condition assessment survey performed in 2007 included approximately 50% of the streets, while the 2011 survey was the first comprehensive survey reflecting the true conditions of the streets. Comparing the 2011 assessment with the 2007 assessment is not an apples-to-apples comparison. When comparing the exact same streets surveyed in 2007 with the latest data the OCI drops by about two points when taking into consideration the street projects currently underway.

IBA Recommendation: Join the Mayor's Response.

Finding 03: The Street Division has relied on incomplete data for a significant number of streets.

Mayor's Response: Partially Disagree. Surveys prior to the one conducted in 2011 were not comprehensive and covered only approximately 50% of the streets, they did however provide useful information for prioritizing and planning street maintenance activities.

IBA Recommendation: Join the Mayor's Response.

Finding 04: Visual street assessments are not accurate, nor truly informative.

Partially Disagree. While incomplete and subjective on their own, visual assessment is an essential and integral part of the industry standard for performing pavement condition index surveys along with laser technology.

IBA Recommendation: Join the Mayor's Response.

Finding 05: Laser technology must be used to determine the true overall condition of streets.

Mayor's Response: Partially Disagree. Based on industry standards, a combination of laser technology and visual inspection will provide the most accurate overall condition of streets.

IBA Recommendation: Join the Mayor's Response.

Finding 06: The information provided on the City of San Diego website is lacking depth, does not show any history, or any long term planning.

Mayor's Response: Partially Disagree. Currently, the City's website (<http://www.sandiego.gov/>) displays a one month outlook for streets planned to be resurfaced and the lists of streets previously resurfaced. On May 3, 2012, the City introduced a Capital Improvement Program (CIP) website (<http://www.sandiego.gov/cip/>) as part of its commitment to transparency in government. The website allows the public to track the progress of all active construction projects managed by the City such as street improvements, utility undergrounding and water main replacements. It provides a six month outlook on various type of information on capital projects. Currently, our Pavement Management System consultant is working on developing a link to an interactive map that will enable citizens to view street related data including current OCI, street classification, Council District, community planning area, pavement type, scheduled street paving/slurry seal, etc. This interactive map is anticipated to be complete in Fiscal Year 2013. The information will be updated quarterly as streets are resurfaced or their condition otherwise changes.

IBA Recommendation: Join the Mayor's Response.

Finding 07: Pavement preservation is cost effective. If a street is resurfaced when it is in "fair" condition, it is less costly than if the street is allowed to deteriorate into "poor" condition.

Mayor's Response: Agree.

IBA Recommendation: Join the Mayor's Response.

Finding 08: The City of San Diego is currently using rubberized asphalt on 100% of their streets.

Mayor's Response: Partially Disagree. The City uses conventional hot mix asphalt with up to 25% recycled material for streets overlay. Slurry sealing utilizes a product which contains rubberized material derived from recycled vehicle tires.

IBA Recommendation: Join the Mayor's Response.

Finding 09: The City of San Diego is not allocated/spending a sufficient amount of funds to maintain streets at the industry accepted levels of 75% OCI.

Mayor's Response: Disagree. There is no defined national industry standard for street network OCI. The City has adopted a five-year plan to preserve streets and prevent further deterioration to the City's street network. In addition, in Fiscal Years 2010 through 2012, the City allocated approximately \$128 million to improve its street network OCI. An additional \$50 million has been allocated for Fiscal Year 2013 with that amount increasing progressively over the following four years. While there is no industry standard regarding a network OCI, the City strives to achieve the highest possible OCI with the available level of funding.

IBA Recommendation: Respond independently with the following.

Partially Disagree. The service levels established in the Five-Year Deferred Capital Program Funding Plan, approved by City Council on March 20, 2012 will slow the rate of deterioration of streets, facilities, and storm drains to 5-10% (also see Report to City Council 12-021, Attachment 2). Based on an average deterioration rate of 7.5%, this will result in 38.9% of streets in Good condition, 33.3% in Fair condition, and 27.9% in Poor condition. This funding plan represents a reasonable level of funding given tight financial constraints, competing funding priorities in the City, and potential uncertain risks to the General Fund due to the dissolution of the former Redevelopment Agency. While we also could not identify an industry accepted level of 75 OCI, the City should ultimately strive to establish more reasonable services levels. In fiscal year 2014 and future years, the Mayor and City Council will have the opportunity to reassess planned investments in deferred capital based on financial conditions and priorities, potentially increasing funding beyond planned levels.

Finding 10: Inferior road conditions are a fact within San Diego; their continued deterioration is a major concern for everyone.

Mayor's Response: Partially Disagree. Currently many U.S. cities are facing challenges maintaining streets and other infrastructure given the economy, tight financial constraints, and reductions in state and federal funding. The City increased funding for overlays and slurry seals in FY 2010 through FY2012 over previous years which has improved the overall condition of the City's streets. The Mayor and City Council are committed to improving and maintaining the condition of streets and other infrastructure as shown in the Five-Year Deferred Capital Program Funding Plan. In the past six years, the city has committed over \$175.5 million to resurface streets that suffered from decades of neglect and plans to invest an additional \$721.3 million from FY 2013-2017 to address deferred capital and maintenance of streets, facilities, and storm drains.

IBA Recommendation: Join the Mayor's Response.

RECOMMENDATIONS

12-15: Adopt the Excavation Ordinance proposal as presented by the Transportation and Storm Water Department and recommended by IBA to include:

- **Added, Clarified, and Modified Definitions of Trenching & Excavation**
- **A structured Coordination Plan**

- **Stricter rules for Excavation Permits**
- **Lengthening the Moratorium Period**
- **Redefine and enforce the Penalties for infractions.**

Mayor's Response: This recommendation has not yet been implemented. A proposed Excavation Ordinance incorporating this recommendation will be presented to Council this summer.

IBA Recommendation: Respond independently with the following.

This recommendation has not yet been implemented. In its November 2010 report on Street Maintenance (OCA-11-009), the Office of the City Auditor recommended that the Transportation & Storm Water Department develop an excavation plan and revise City standards for trench restoration, among other things. The IBA concurs with these recommendations. According to the City Auditor's April 2012 Recommendation Follow-Up Report, 3 of the 11 recommendations made have been implemented. The Transportation & Storm Water Department has ongoing efforts to implement the remaining eight recommendations.

12-16: Agree and commit to a deferred capital option that is affordable and practical; with a budget plan that will insure funds are properly allocated:

- **To assure streets do not continue to deteriorate**
- **With a goal to meet the industry benchmark OCI level of 75%.**

Mayor's Response: This recommendation has been implemented. On March 20, 2012, City Council approved the Deferred Capital Program Funding Plan for FY 2013-2017. The plan identified top funding priorities for the next five years for addressing deferred capital expenditures for streets, facilities, and storm drains based on most recent condition assessments. In order to arrive at this plan, staff worked very closely and engaged in extensive discussions with IBA and Budget and Finance Committee staff. The discussions involved various funding options and levels of service for the deferred capital backlog related to streets, storm drains, and building infrastructure assets. The level of funding will slow the rate of deterioration to 5-10% and was based on what the City could realistically afford to do given current budgetary constraints and competing funding priorities. However, in FY 2014 and future years, the Mayor and City Council will have the opportunity to reassess deferred capital funding needs based on updated assessments, financial conditions and priorities.

IBA Recommendation: Join the Mayor's Response.

12-17: Continue to streamline the Capital Improvements Process and Public Works Contracting as presented to the Budget and Finance Committee on January 25, 2012:

- **Allow Council to approve a Capital Improvements Process Budget to replace individual council approvals**
- **Increase current approval thresholds**
- **Modify the Municipal Code to allow for a design-build Multiple Award Construction Contracts (MACC) as part of a fair and open Request for Proposal (RFP) process.**

Mayor's Response: This recommendation has been implemented. The subject changes required amendments to the City's Municipal Code, which requires two Council's Hearings. On March 20, 2012 and April 10, 2012 City Council approved the various CIP Streamlining Measures including increased Mayoral Approval Thresholds and Multiple Award Construction Contracting (MACC).

IBA Recommendation: Join the Mayor's Response.

12-18: Perform a complete--100%--street assessment every four years using laser Road Surface Testing technology.

Mayor's Response: This recommendation has been implemented. The City conducted the first comprehensive street condition assessment in 2011 and plans to conduct assessments every four years thereafter using the latest available technology. Partial street condition assessments were conducted in 2001, 2003, and 2007.

IBA Recommendation: Respond independently with the following.

This recommendation has been implemented. The first comprehensive assessment of 100% of streets was conducted in FY 2011 and the Transportation & Storm Water Department plans to conduct these every four years. However, conducting these assessments every four years is not required in the Department's Standard Operating Procedures or other policies. We believe this is important to demonstrate its ongoing commitment to the importance of the conducting comprehensive assessments every four years and ensuring that it will occur in the future.

12-19: Design and place on the Street Division link a five year plan for maintenance and capital improvements that is updated weekly.

Mayor's Response: This recommendation has not yet been implemented. The City is currently developing a five-year plan for street resurfacing that will be posted on the Street Division's website by December 2012. The plan will be updated annually as the funding for each of the five years is confirmed. Since changes to planned resurfacing projects occur infrequently, we believe annual updates are sufficient. Note that asphalt overlay projects are included on the new CIP website (<http://www.sandiego.gov/cip/>) and the status of these projects will be updated quarterly.

IBA Recommendation: Join the Mayor's Response.

12-20: Should cause a formal resolution to be drafted and signed stating that, he and the City Council are committed to upgrading of the operations, maintenance and capital improvements for all the streets of "America's Finest City."

Mayor's Response: See response to recommendation number 12-16.