



**OFFICE OF COUNCILMEMBER TODD GLORIA
CITY OF SAN DIEGO**

M E M O R A N D U M

DATE: June 6, 2012

TO: Mayor Jerry Sanders
Independent Budget Analyst Andrea Tevlin

FROM: Councilmember Todd Gloria, Third Council District

SUBJECT: Response to Grand Jury Report on Road Conditions

The purpose of this memorandum is to provide feedback on the Grand Jury report entitled, "San Diego City Street Repair, Funding, and Reforms" for you to consider as you prepare your proposed responses to the report.

I know that San Diego's roads are far from perfect. However, they are improving at a far faster rate in the years studied than was the case over the previous decades. As the report states, ongoing investment is necessary to maintain our streets. After years when that maintenance investment was not made, we cannot strengthen the condition of the road network overnight.

The condition of our roads is a top concern for many San Diegans. Providing a thorough understanding of the issue and the complexities associated with addressing it would be a worthwhile project. Unfortunately, I believe the Grand Jury did a disservice to San Diegans by releasing a report which overlooked much of the important work we have done to address the condition of our roads.

First, I am troubled that the report is based on fallacy. The Grand Jury states that road conditions worsened between 2007 and 2011, but also states as fact the two reports on which it based that finding were incomparable. The 2007 report determined overall road conditions based only on the visual review of 50% of streets; in 2011, 100% of streets were assessed by laser technology. A report that states "visual street assessments are not accurate, nor truly informative" (page 4) AND "laser technology must be used to determine the true overall condition of streets" (page 4) then comparing results of such different studies is misleading at best.

Second, the Grand Jury report ignores the increased attention and resulting improvement that City infrastructure has seen in recent years. The City has pledged more than \$100 million in road repairs since 2010, including \$47 million spent in 2010

from issuing bonds, and we are committed to use \$25 million in TransNet funds next fiscal year. By comparison, the City spent about \$4 million annually on road repairs prior to 2005.

- The number of miles of roads receiving attention demonstrates the aggressive nature of the increased attention:

FY 04: 0 miles of asphalt overlay
 27 miles of slurry seal

FY 05: 7 miles of asphalt overlay
 19.5 miles of slurry seal

FY 06: 4.5 miles of asphalt overlay
 20 miles of slurry seal

FY 07: 28.4 miles of asphalt overlay
 102.3 miles of slurry seal

FY 08: 21 miles of asphalt overlay
 116 miles of slurry seal

FY 09: 38 miles of asphalt overlay
 145 miles of slurry seal

FY 10: 43 miles of asphalt overlay
 68 miles of slurry seal

FY 11: 41 miles of asphalt overlay
 10 miles of slurry seal

FY 12*: 75 miles of asphalt overlay
 251 miles of slurry seal
(*Large increase partly due to work originally scheduled for earlier years not being done until 2012 due to contracting issues, which have been corrected.)

FY 13**: 80 miles of asphalt overlay
 211 miles of slurry seal
(**This includes unspent funds from FY 12.)

- The City has effectively combined available sources of funds to make the greatest and quickest impact possible. Proposition 42, Gas Tax, and TransNet funds each contribute to the City's efforts.
- The City Council unanimously approved a series of reforms designed to streamline the process of bidding out and completing infrastructure projects such as street and road repairs.
- The City Council approved a modified proposal from Mayor Jerry Sanders for a five year funding plan for deferred capital on March 20, 2012. The plan was for approximately \$713 million and increased total cash funding for operations and

maintenance related to deferred projects by 30% from \$229 million in the Mayor's original five-year financial outlook to \$298 million over five years and decreased total spending of bond funds from \$500 million in the outlook to \$415 million, ensuring the funding are sustainable.

- The City Council approved the Second Deferred Capital Bond issuance on April 9, 2012 and amended the FY 12 Capital Improvements Program (CIP) budget to include \$75 million. Of that amount, approximately \$30 million will be dedicated to road repairs. Bond proceeds should be received this summer, and projects will begin about two months earlier than they would have had the bond proceeds been included in the FY 13 CIP.
- The City Council approved Council Policy 000-31 that requires the list of streets to be resurfaced be included in budget documents and on the CIP website.

Finally, the Grand Jury missed a real opportunity to discuss the need for new revenue to address the City's infrastructure needs. As much as I would love to see an even greater dedication of funds to infrastructure so that more of our streets are in acceptable condition, it must be acknowledged that doing so would compromise other core City services. The City Council, Mayor, and public employees have worked diligently on reforms that have led us to a structurally balanced budget for FY 13. We are on the right track with ramped up infrastructure investment, and we must remain committed to strengthening our deteriorating streets while maintaining those already in decent condition.

For our progress to be even more aggressive without cutting other services, a new revenue stream, perhaps a result of a citizen-led initiative, is needed to fund the gap between the \$713 million identified funds and the overall deferred capital needs of approximately \$1 billion.