

RESOLUTION NO. 2016-34

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ESTABLISHING AN EXPENDITURE PLAN FOR PUBLIC WORKS AND A MECHANISM TO MAKE ANNUAL REVIEW ON THE MEASURE Y REVENUES AND EXPENDITURES

WHEREAS:

1. The City of Ukiah is 4.7 square miles in size, but is surrounded by additional urban areas and residential subdivisions within an unincorporated portion of Mendocino County. The Ukiah Valley is the most populous portion of Mendocino County, containing, at least, two-thirds of the total county population; and
2. The California Department of Finance estimates the population of the City of Ukiah ("City") at 16,186 as of January 1, 2016; and
3. As such during business hours, the City population swells to perhaps as many as 40,000 people, including people who work, shop and receive services in Ukiah; and
4. Ukiah also is located on U.S. Highway 101, which is the major north-south highway west of Interstate Highway 5, and links southern California to Northern California and Oregon; and
5. In 2003, due to the State of California's budget deficit, the City's general fund revenues were decreased significantly; and
6. As a result, the City was faced with substantial deficits for fiscal years 2004-2005, which required lay-offs and other reductions in expenditures for public works in the City; and
7. In 2008, the nation, State of California, and the City of Ukiah, experienced a recession which significantly reduced city revenues from sales taxes. Due to these budget deficits, the City's general fund revenues were significantly decreased; and
8. This unanticipated nation-wide recession forced the City of Ukiah to eliminate open positions, layoff personnel, and reduce general fund budgets; and
9. As the economy improved, and General Fund revenues have been restored to the levels prevailing before the 2008 recession, the City of Ukiah has worked to improve public works services to the Ukiah community; and
10. However, pavement maintenance costs are increasing at the same time as State and Federal funds are decreasing; and
11. State funds previously dedicated to street maintenance have been reduced or eliminated; and
12. Gas Tax funds fluctuate with the economy and are an unreliable and insufficient source of funds; and
13. Of the City's 53 centerline miles of pavement, 67% are in poor or failed condition; and
14. Like the City's 1.5% share of the current 8.125% sales tax, all sales taxes produced by Measure Y must remain in the City of Ukiah. This tax revenue cannot be taken away by the State of California. Although enacted as a general tax which can lawfully be used for any municipal purpose, the City Council has and by this resolution will continue to place the Measure Y Sales Tax revenue in a designated account within its budget and financial statements so that its use for street repair, maintenance, reconstruction, and other mandated improvements can be reviewed, audited and accounted for; and

15. In addition, it is the intent of this resolution to commit the City to maintain the amount of general fund revenues supporting street maintenance at or above current levels.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. EXPENDITURE PLAN: While the revenue received by the City from Measure Y Sales Tax is unrestricted general fund revenue, by this resolution, the City Council commits to using these revenues to provide street repair, maintenance, reconstruction, and any mandated improvements as a result of that maintenance and reconstruction.

A. Accounting for Public Works Revenue. In each fiscal year commencing with the 2016-2017 fiscal year, for purposes of accounting for the use of these revenues, the City shall continue to credit to an account or fund in the City's budget and financial records, to be designated by the Finance Director, all of the Measure Y Sales Tax revenue.

B. Minimum level of Street Maintenance Funding. In addition to the revenue from measure Y, the City shall continue the current level of spending from the general fund on street maintenance and repair, which is \$350,000 per fiscal year. The level of street maintenance funding based on current spending shall be adjusted every year in March and will be effective on July 1st of the new fiscal year. The adjustment shall be calculated by the City Engineer and will be based on the construction cost index history as reported by the Engineering News Records (ENR). The base line will be March 2015; at that time the ENR index was 9972. If the index ceases to exist, the City Engineer shall propose a replacement index to be adopted by the City Council. Nothing in this resolution prevents the City Council from establishing a higher level of street maintenance funding.

2. ANNUAL REVIEW OF MEASURE Y REVENUES AND EXPENDITURES. Every year after the Effective Date of this Resolution, the Measure Y revenues and expenditures will be reviewed by City Council and will be available to review by the public through the City's budget document and website.

3. ACCOUNTING FOR MEASURE Y SALES TAX REVENUE. All Measure Y Sales Tax revenues and all interest on said revenues shall be credited to the designated fund or account and shall be designated for use in accordance with this Resolution.

PASSED AND ADOPTED ON JUNE 1, 2016, BY THE FOLLOWING ROLL CALL VOTE:

AYES: Councilmembers Crane, Mulheren, Doble, Brown, and Mayor Scalmanini
NOES: None
ABSENT: None
ABSTAIN: None



Stephen G. Scalmanini, Mayor

ATTEST:



Kristine Lawler, City Clerk

June 2, 2016

Argument in Favor of Measure Y Street Repair and Maintenance Sales Tax

YES on Measure Y will address the problem of failing streets in Ukiah.

- Of the City's 53 centerline miles of pavement, 67% are in poor or failed condition.
- Pavement maintenance costs are increasing at the same time as funds are decreasing.
- State funds previously dedicated to street maintenance have been reduced or eliminated.
- Gas Tax funds fluctuate with the economy and are an unreliable and insufficient source of funds.

YES on Measure Y will provide a reliable revenue source dedicated to the repair and maintenance of the streets we use every day and this money CANNOT be touched by the State.

Measure Y will provide a steady revenue source for maintenance, reconstruction, and any mandated improvements to our streets. This new revenue will be in *addition* to the current funding for street repair from the City's General Fund, ensured by a City Council adopted resolution that maintains funding for street repair from the General Fund at the current level.

Revenue generated by Measure Y will be reviewed annually by the City Council and will be available for public review in the City's annual budget, published on the City's website.

Measure Y is the *only* tool available to make necessary and significant improvements to our failing streets. Other local cities – including Willits, Fort Bragg, and Point Arena – have already adopted similar measures with success.

Yes on Measure Y makes it easier to drive on City streets, enhancing our quality of life and improving safety.

Join your fellow residents and vote YES on Measure Y to eliminate crumbling streets in Ukiah.

/s/ Ukiah City Council

Stephen G. Scalmanini, Mayor
Jim O. Brown, Vice-Mayor
Kevin Doble
Maureen Mulheren
Douglas F. Crane