Report No. 2: Merced County Road Department

Introduction:

The Grand Jury conducted a routine investigation into the poor condition of Merced County's road system.

<u>County Officials Interviewed:</u>

Paul A Fillebrown, Director
Merced County Public Works Department
715 Martin Luther King Way, Merced

M. Stephen Jones, Auditor-Controller
Merced County Auditor-Controller's Office
2222 M. Street, Merced

John Pedrozo, Supervisor, District One
2222 M Street, Merced

<u>Grand Jury Committee members:</u>

Thomas Lawson
Ralph Biederman
Adrian (Van) Vanderzyde
Al Mueller

Mission Statement

One of the main government functions of the county relates to the preventative maintenance and rehabilitation of public roads. The Board of Supervisors have the authority to cause those highways which are necessary for public convenience to be established, constructed and maintained by the Road Division of the Department of Public Works in a manner provided in Chapter 2 of the Streets and Highways Code.

On January 16, 2007 at 9:00 AM the committee met with Mr. Fillebrown. He was aware of the reason for the meeting and he was very cooperative and helpful in the investigation. Mr. Fillebrown provided the committee with copies of last year's budget, the current budget and employee salary ranges as well as other miscellaneous documents requested.

Mr. Fillebrown was very much aware of the needed road repairs and in some cases replacement of the roadway. He stated that a significant percentage of the county roads are in need of repair and a list of projects that need to be funded in order to prevent further deterioration of the county road system. Mr. Fillebrown also stated that good preventive maintenance is the key to maintaining the roads and that the lack of preventative maintenance will result in much higher cost in the future.

According to Mr. Fillebrown, the total needed funds to repair/replace the damaged roads in Merced County is $99,000,000 right now and growing each year. He said he is limited to a budget of approximately $6,000,000 per year to perform the needed work, an impossible task at current funding levels.

In addition, the San Joaquin Valley Air Pollution Control District (SJVAPCD) has mandated that all Merced County roads have a four-foot paved shoulder on each side plus an additional four feet of non-paved shoulder, for a total of eight feet of shoulder on each side of the roadways. The purpose of this mandate is to control dust caused by vehicular traffic and this mandate is to be completed by 2010. Even though the penalty for non-compliance is not known, Mr. Fillebrown stated that the mandate is impossible for Merced County to meet. The mandate demands the shoulder construction but it does not take into consideration the time and money required to secure the needed right-of-ways. The current County right-of-ways are forty feet and the new mandated right-of-ways require sixty feet. Mr. Fillebrown stated that as of this time no action has been taken or is planned to begin the mandated shoulder work due to a lack of money. There has also been no contact with the SJVAPCD in an attempt to develop a working plan to resolve the shoulder reconstruction in Merced County.

Funding for general roadway repair and replacement come from a shared budget with the Merced County Transit System, a state mandated program. Mr. Fillebrown and other Merced County community representatives sit on the Transit System Board of Directors and the budget is a shared fifty/fifty split between the road department and the Transit System. The Transit System continues to be a low utilization system, but is a mandated by the State of California.

Findings:

The State of California distributes gasoline taxes to the counties based on the number of vehicles registered in each county and the number of miles of roads in each county.

Conditional use permits for aggregate haulers require the haulers to pay a per load truckload fee.

There is a one-time California Infrastructure Bond allocation of $11,000,000 coming to Merced County this year.

Merced County Board of Supervisors allocated $500,000 general fund dollars for road repair.

Costs to repair the roadways have gone up dramatically while the funding to do the repairs has decreased. This presents an important challenge to our government leaders.

To repair a roadway is approximately $5.00 per square foot.

To resurface a roadway: (chip & seal) $36,000 per mile, (Asphalt) $120,000 per mile.

Replace the roadway is (depending on how much reconstruction of the road base is needed) $375,000 to $500,000 per mile.

Skin patch overlay is approximately $20,000 per mile.

Most of the work is contracted out due to the lack of county personnel and equipment. Twenty-five years ago Merced County had approximately one hundred road workers. Today they have approximately thirty. There used to be seven corporation yards scattered about the county and now there are only three.

Mr. Fillebrown appears to be frustrated with the lack of funds and has no short-term or long-term plans on how to improve funding that is needed at the present time as well as for future needs.

Mr. Stephen Jones, County Auditor confirmed that the situation in Merced County is not good as far as funding for road repair is concerned. He could not provide any solutions even though he wanted to do so. He also stated that he was not aware of the SJVAPCD mandate until we brought it to his attention. He said it would be completely impossible to meet this mandate with current funding.

Supervisor John Pedrozo, Chairman of the Board of Supervisors was contacted and he stated that the Board of Supervisors had not discussed the roadway conditions very much in the recent past. He said that the Board has recently recognized the need to address the problems with the roads and their condition. He further stated that the Board is making plans to become actively involved. He said he has no answers at this time but will be holding discussions soon.

When asked what time frame he had in mind he said in the next few weeks. He said he would have some answers for the Grand Jury when he responds to this investigation.

Recommendations:

1. Public Works Department should develop a clear plan how to bring roadways up to safe conditions.

2. Board of Supervisors should develop plans to increase the funding for the road system.

3. County officials should lobby elected representatives and officials at state and federal level for funding assistance.
4. County Administration should develop plans to increase public awareness of the need for road repairs and plans to meet such needs.

DATE: May 8, 2007

TO: Presiding Judge John Kirahara

FROM: Paul A. Fillebrown, Director of Public Works

SUBJECT: Comments/Responses to the 2006-2007 Grand Jury Report

This letter is in response to the Merced Grand Jury Review Report Number 2.

Road funding is a complex issue, with the primary revenue source being the State of California. There are structural problems with the current state gasoline tax and with the way it is distributed to cities and counties. First, the gasoline tax, which provides the majority of road maintenance dollars, is not a percentage tax. It is a fixed number of cents per gallon. There is no real growth in this amount since the ever-improving fuel economy of new cars effectively cancels out the increasing number of cars and miles driven. Secondly, and more importantly, the bulk of the gasoline tax revenues are distributed based on a formula, which gives little consideration to the number of miles, needed to be maintained. The formula (which has been in place for about 60 years) distributes the majority of the funds based on the number of registered vehicles. This formula results in urbanized counties with high population receiving the bulk of the gas tax revenues. Since the counties with the higher populations also have the majority of representation in the state legislature, the few attempts over the years to change the formula have never met with any success.

The other major source of funding for road maintenance is TDA (Transportation Development Act) funds, which are sales tax dollars allocated to cities and counties for transit. In counties under 500,000 populations, these funds may also be used for road maintenance, but only after all unmet transit needs are met. As the county population has grown, and in order to maintain consistent service levels and address new unmet needs, <u>the cost of</u> providing the transit service has increased.

With regard to the specific finding, I would offer the following:

1. Public Works does have a plan on how to bring roadways up to safe condition. We have a very comprehensive and up-to-date pavement management system; complete with current road condition information. This system prepares a plan each year for addressing road maintenance and rehabilitation needs. <u>We have a plan</u> and we <u>know what work needs to be done</u>. However,

we can't create new funding without one of two things; support from the registered voters of Merced County and/or support from the state legislature. Existing funding sources are inadequate and have not kept pace with the cost of road maintenance. We estimate that just to keep the road system from deteriorating further, it would take an additional $4-6 million annually; this does not include the cost of reconstructing those roads, which have fallen into disrepair. The current backlog is estimated at nearly $100 million. The County General Fund simply does not have the resources to provide that level of additional funding, year after year.

2. The Board of Supervisors has worked diligently with the Merced County Association of Governments (MCAG) to develop new sources of funding. Over the past six years, the Board of Supervisors has strongly supported three attempts to raise revenues for road maintenance and construction through MCAG, in cooperation with the six cities in the county.

   All three attempts to pass a sales tax measure for transportation would have provided significant revenues to the County specifically for road maintenance. The last effort was as recent as November 2006.

   Other efforts by the Board to increase road funding have included adoption of the Regional Transportation Improvement Fee (RTIF). This fee insures that development throughout all jurisdictions within the county; pay their fair share of the cost of regional improvements, without relying on support from the County's road fund.

   The Road Division of Public Works will be making recommendations to the Board of Supervisors regarding possible means for increasing funding for County Road Maintenance.

3. With the recent failure of Measure G, Merced County will definitely be turning to State and Federal sources for possible funding assistance.

4. I believe that there is already a great deal of public awareness in Merced County of the need for Road repairs. As plans are developed to obtain new sources of funding, the efforts will be made to insure that the public is made aware.