

SAN DIEGO CITY STREET REPAIR, FUNDING, AND REFORMS

SUMMARY

There are many public outcries and complaints concerning the City of San Diego's management of its street repair backlog. The huge scope demands broad-scale rethinking of repair and maintenance of this vital community asset. This is not a new subject for the San Diego County Grand Jury. Reports from the 2005/2006 San Diego County Grand Jury and the 2006/2007 San Diego County Grand Jury recommended a number of vital improvements. Many of those recommendations have not been carried out.

A national transportation research group – (TRIP) – recently reported that San Diego streets are sub-standard for a major city since only 10% of San Diego's major streets are in good condition. In November 2011 San Diego's own Street Assessment Study found that San Diego's streets are in worse shape than in 2007.

The 2011/2012 San Diego County Grand Jury (Grand Jury) concluded that further review was necessary. Street improvement as well as the entire street capital investment issue is addressed in detail in this report.

INTRODUCTION

The Grand Jury investigation sought answers to the following questions:

- What is the current status of the street conditions?
- How current funds are being spent?
- What are the bureaucratic hurdles?
- Who is in charge and accountable?
- How can costs be reduced?
- How can this key asset of the City be upgraded?

PROCEDURE

The Grand Jury's investigation completed the following reviews and interviews:

Reviewed:

- 2005/2006 San Diego County Grand Jury Report and City of San Diego's Responses "*San Diego City Street Conditions*"¹
- 2006/2007 San Diego County Grand Jury Report and City of San Diego's Responses "*San Diego City Streets*"²
- San Diego City Auditor Reports of October 26, 2009; *Performance Audit of the City's Street Maintenance Functions* and November 2010; *City Needs to Improve Planning, Coordination, and Oversight to Effectively Manage Transportation Assets* (OCA-11-009)
- Office of the Independent Budget Analyst (IBA) Reports; *Deferred Capital of*

¹ http://www.sdcounty.ca.gov/grandjury/reports/2005_2006/SanDiegoStreetConditions

² http://www.sdcounty.ca.gov/grandjury/reports/2006_2007/CityStreets

October 27, 2011 (IBA 11-63) and *Deferred Capital Funding Options* of February 6, 2012

- Videos of the San Diego City Budget and Finance Committee meetings, 11/2/11, 11/16/11, 11/25/11 and 2/29/2012
- Attendance at San Diego City Budget and Finance Committee meeting
- Numerous reports and proposals from operating departments of the City of San Diego and neighboring cities
- Data from the U.S. Department of Transportation, Federal Highway Administration, January 2008
- Publications from the National Center for Pavement Preservation and the Asphalt Rubber Technology Service (ARTS)
- Websites of comparable cities including those in other states
- American Association of State Highway and Transportation Officials (AASHTO) report of 2009

Interviewed:

- Public Works personnel for several cities within San Diego county
- Representatives from the San Diego City Auditor, IBA Office, and the Financial Department
- Staff from these City of San Diego offices:
 - Public Works Department
 - Transportation & Storm Water Department
 - Street Division
 - The Administration & Right-of-Way Coordination Division
- Representatives from organizations within the San Diego county construction industry.

DISCUSSION

According to data released by the national transportation research group – (TRIP), 50% of San Diego’s major thoroughfares are in poor condition – more than twice the national average for large population areas. Road conditions in San Diego rank seventh worst among major cities in the United States. Reports prepared by the San Diego City Auditor and the Independent Budget Analyst (IBA) have also stated that San Diego’s streets and roadways do not meet Overall Condition Indexes (OCI) that should be a minimum standard for America’s Finest City.

OCI is widely used in transportation civil engineering, is a statistical measure, and requires a manual survey of the pavement. Manual survey is an on-location examination of paving conditions, whether visual or done by specially equipped measuring devices.

OCI surveying processes and calculation methods have been standardized for both roads and airport pavements. The OCI as reported by the San Diego City Street Assessment study completed in November 2011 found that San Diego city streets are now in worse condition than they were in 2007. The 2007 street assessment was visual and only 50% of the streets were analyzed. Data from the 2011 survey reveals that currently only 35% of City streets can profess a “good” condition, 40% are “fair” and 25% are “poor”.

The overall OCI dropped from 63% in 2007 to 54.6% in 2011. The nationally accepted minimum OCI benchmark standard is 75%. Some key neighboring cities in San Diego County achieve well above 79%. One even does an annual public opinion survey. There, during the past four years, over 84% of the respondents replied that they are totally satisfied with the condition of their streets.

For the past six years the annual expenditure on street repair has typically been less than \$35 Million. Here is the year-by-year breakdown of total resurfacing dollars:

➤ FY06	\$3.4 Million
➤ FY07	\$18.3 Million
➤ FY08	\$23.9 Million
➤ FY09	\$21.2 Million
➤ FY10	\$62.4 Million
➤ FY11	\$26.4 Million ³

According to the IBA report of October 27, 2011 it would take \$378 million funding to catch up OCI to 2007 levels. The updated street assessment study conducted in November 2011, and resulting OCI numbers, significantly increased the current catch up funding necessary to \$478 million. This is a result of more accurate information, the impacts associated with the City's inadequate street resurfacing program, and City streets degrading since the last condition assessment.

The City of San Diego is using rubberized asphalt on a 100% of their streets. Benefits of this technology are:

- Reduces reflective cracking in asphalt overlays
- Reduces maintenance costs
- Improves resistance to cracking in new pavements
- Increases pavement life
- Improves skid resistance
- Decreases noise levels
- Beneficially uses 500-2,000 scrap tires per lane mile.

A key factor in maintaining and even upgrading streets – a major capital asset for any City – is efficiency. Streets that are successfully maintained at an OCI of approximately 60 or higher require less extensive major maintenance activities, such as asphalt overlays. On the other hand, streets with lower OCI values require major crew work and therefore higher maintenance. At worst, the poorest streets will revert into an entirely new capital outlay. According to the National Center for Pavement Preservation, spending \$1 on a street in Fair condition (75% of life) eliminates or delays spending \$6 to \$14 on rehabilitation or reconstruction when a street is in poor condition (12% of life).

Further, the 2009 AASHTO report shows that even though trends have leveled off due to the economic downturn, dollar for dollar street maintenance costs rose 60% between 1993 and 2007.

³ OCA analysis of GSD/Street Division contracts and budget data

This cost is expected to increase an additional 20% through 2015. According to this trend, the City should have spent approximately twice the amount in 2010 than in 2001 (\$16.4 million) to provide the same level of service. This is why it is important to perform maintenance and capital improvements in an opportune manner.

The City's IBA report on deferred capital project and maintenance spending made to the Budget and Finance Committee on February 29, 2012 targets \$26.6 million per year for operations and maintenance of streets. They also recommended using approximately \$8 million of the projected surplus in the Mayor's Mid-Year Budget Report, which would increase the streets budget to \$34.1. IBA feels this is the more appropriate approach to the deferred capital funding options. Citizens want to know the status of repairs to their streets. The Grand Jury found that many other cities provide access to repair information. Some even provide a quarterly newsletter of their street repair schedule. The City of San Diego Street's Division website link should include a report with the updated five year plan for street maintenance and street capital improvement.

Due to requests from some council members, City staff has been forced to consider a minimal sustaining service level for street work. Such a "status quo" option of limited effort will only perpetuate today's problems. San Diego City streets have been neglected for so many years that both the Mayor and City Council must focus on improving this community asset. A formal commitment to upgrade this asset is in order. This will save the citizens of San Diego money in the long run and change the image of Americas Finest City.

FACTS AND FINDINGS

Fact: On February 8, 2012 IBA proposed \$34.1 million per year budget for street Operations and Maintenance which they forecasted would keep streets at a status quo service level.

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

Fact: Street assessment performed in 2007 was visual and only 50% of streets were analyzed.

Fact: Street assessment report in 2011 used laser technology over 100% of city streets.

Fact: Overall OCI dropped from 63% in 2007 to 54.6% in 2011

Fact: The 2011 Street Assessment Report was much more inclusive and detailed than the 2007 report.

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

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

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

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

Fact: On other cities websites, access to street repairs schedule and the capital improvement schedule is provided. Some cities even provide a quarterly newsletter of their complete street repair schedule.

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

Fact: Street maintenance costs are increasing.

Fact: The 2009 report by AASHTO shows that even though trends have leveled off due to the economic downturn, dollar for dollar street maintenance costs rose 60% between 1993 and 2007. This cost is expected to increase an additional 20% through 2015.

Finding: 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.

Fact: Rubberized asphalt presents a number of cost-benefit and efficiency options for street repair.

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

Fact: In its 2009 report entitled “Rough Roads Ahead” AASHTO analyzed regional 2007 roadway condition data from the Federal Highway Administration.

Fact: AASHTO reported that State, County, and City arterial street networks within San Diego and surrounding suburbs were the seventh worst in the nation amongst urban areas with over 500,000 people.

Fact: Two major neighboring cities have OCI’s of over 79%

Fact: At least one municipality has made a council resolution signed by the Mayor and Council reaffirming its commitment to the implementation of a true Pavement Management System.

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

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

RECOMMENDATIONS

The 2011/2012 San Diego County Grand Jury recommends the Mayor of the City of San Diego and the San Diego City Council:

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**

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%.**

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 design-build Multiple Award Construction Contracts (MACC) as part of a fair and open Request for Proposal (RFP) process.**

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

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

The 2011/2012 San Diego County Grand Jury recommends the Mayor of the City of San Diego:

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.”**

REQUIREMENTS AND INSTRUCTIONS

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
 - (1) The respondent agrees with the finding
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
 - (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

Responding Agency	Recommendations	Date
San Diego City Council	12-15 through 12-19	7/25/12
Mayor, City of San Diego	12-15 through 12-20	7/25/12