



Memorandum

TO: MAYOR LICCARDO

FROM: Councilmember Johnny Khamis

SUBJECT: BUDGET DOCUMENT

DATE: 05-25-16

Approved

Johnny Khamis (Signature) (Seal)

Date

5/25/16

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: **Maintaining and Repairing Major Streets**

Amount of City Funding Required: **\$17 million**

Fund Type (i.e. General Fund, C&C funds, etc.): **Sale Tax Measure**

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

The 2016-2017 Provisional Budget, the spending plan contingent upon the passage of Measure B, a ¼-cent City sales tax, proposes to allocate \$17 million to “*Maintaining and Repairing Major Streets.*” This action would dedicate \$17,000,000 of the first year of tax receipts from the new tax to increasing pavement maintenance funding for major streets in order to significantly slow the incidence of pothole formation and general pavement deterioration. With this funding, the total amount committed to pavement maintenance in 2016-2017 would be \$30 million, which, while still insufficient to overcome our over half-billion-dollar backlog in pavement maintenance on our neighborhood streets, will be sufficient to fund the annual needs for maintaining our Major Street Network at the goal of a pavement condition index of 70 (good).”

I request that we modify Council Policy 1-18 to reflect the City Council’s commitment to an ongoing minimum funding level of \$30 million for street maintenance, including \$17 million of Measure B funds, in addition to base General Fund resources of \$13 million. This should be the minimum ongoing commitment of the City Council for pavement maintenance for the duration of Measure B, if enacted. Given that we save \$5, down the road, for every \$1 we invest in street maintenance, this is one of the best investments that we can make with City taxpayer dollars.

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund): **General Fund (Measure B funds)/DOT/Street Maintenance**

Department or Organization: **Department of Transportation**

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

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