CALL TO ORDER

Chair Carol Chorbajian called the meeting to order at 10:04 a.m.

APPROVAL OF MINUTES

1. April 12, 2017

**ACTION:** Minutes approved as submitted.

PUBLIC APPEARANCE

Mayor Clyde Roberson welcomed the new Committee Member, Judi Sanderlin. Mayor Roberson discussed Interim Public Works Director Steve Wittry's interview on KSBW and commented that although some of the reporting was inaccurate, at least we got good publicity. Mayor Roberson thanked the members for continuing to do the Measure P Committee. Mayor Roberson stated that something that has been on his mind is Measure P Two, and although it may not be the purview of the committee, he's sure it's something the members have thoughts about.

Chair Carol Chorbajian stated that it's critical to look ahead, and that the PCI (Pavement Condition Index) will not be where it needs to be in two years. She stated the PCI needs to go up another 10%; the first four years is a start, but the City needs another 4 years to get to where we need to be.

Member Rick Heuer agreed, but raised concerns about Measure P Two morphing into other things that have nothing to do with road repair.

Interim Public Works Director Steve Wittry provided a brief background on Measure P Two. He stated that Staff have been assessing the needs of the community, and although it is not the purview of this group, he was happy to stay after the meeting if there are any questions. He explained that staff have looked at where the PCI will be when Measure P ends, and as soon as the City stops investing, the PCI starts dropping. A second phase of Measure P will be needed to focus on maintaining that PCI.

Chair Chorbajian stated that it's in the best interest of the committee to be as informed as possible, as some members were on the initial tax committee.

Member Heuer stated that the first discussion with tax payers was that Measure P would only include road repairs, but then sidewalks, storm drains, and ADA improvements were added. Chair Chorbajian responded that ADA improvements are required by law when
the City repairs the streets. Mayor Roberson added that Via Gayuba will be completely
rebuilt, and it makes sense to repair the storm drains when the road is already open.
Member Heuer stated his main concern was the inclusion of sidewalks and that repair of
trip hazards should be covered with other funds.

Mayor Roberson stated that the City’s budget cannot pick up the difference if Measure P
doesn’t continue, due to an increase in PERS discounts and payments. He continued
that there are two ways to deal with that: cut salaries or raise revenues; the City
Manager’s Office is looking at cuts, but where do they happen and what services don’t
continue? Mayor Roberson states that 85% of the City’s budget is personnel. Chair
Carol Chorbajian stated that retired employees are living longer and that Salinas is facing
potential bankruptcy with increased PERS liability. Mayor Roberson stated that PEPRA
was passed by the state and California now has a 2 tier retirement plan: 2% at 60 will
eventually provide for a sustainable retirement system. However, millions of people
statewide are on the old retirement system. Member Heuer stated that it is still a fixed
amount, so it’s unsustainable.

2. Review Expenditures to Date for Conformance to Measure P Ballot Language

ACTION: Received reports.

Mr. Wittry presented the expenditures since June 2016, broken out into type. He stated
that when staff identify charges that are coded wrong, we correct them and back it out of
the accounts, for example, the work at the Naval Post Graduate School that was bundled
with a Measure P project.

Member Heuer questioned why an arborist is being paid with Storm Drain funds. Mr.
Wittry responded that an arborist must be on site when digging around trees to ensure
that trees are not damaged. This is similar to the need for an archaeologist. He also
mentioned that the City is in the process of developing a policy for archaeological
oversight that is more general.

Member Rick Aldinger commented that Measure P funds should not displace or replace
the existing maintenance budget and asked for confirmation that this is holding true. Mr.
Wittry stated that it is anecdotally true and gave the reconstruction of Via Gayuba as an
example of how the City is bringing in other funds to maintain streets; that work will be
bundled with a Citywide Reconstruction project, but is funded with Gas Tax.

Member Heuer asked what funds are going to streets now versus money spent on
streets before Measure P. Member Aldinger asked if the funding is a percentage of the
total budget, or a fixed amount and if the City is continuing with the same formula or has
it changed, and why. Mr. Wittry responded that it has remained the same. He continued
that revised SB-1 language requires a Maintenance of Effort (MOE) to expend a certain
amount of dollars in order to qualify for Gas Tax and SB-1 funds. He stated that in the
current budget, General Fund dollars are spent on streets personnel, and although
personnel expenses can be funded by Gas Tax, the City has historically use General
Fund. Member Heuer stated that Measure X will also have an MOE.

Chair Chorbajian asked if Gas Tax funding has improved with the growing economy.
Assistant Finance Director Carol Bouchard answered that the economy has improved,
but gas prices have been low, and fuel efficient vehicles have reduced Gas Tax. Mr.
Wittry stated that the City is forecasted to get approximately $900,000 in Gas Tax funds,
and $400,000 in SB-1 funds.

Member Nick Cina asked for confirmation that the committee has discussed receiving a price breakdown with expected expenses versus actual expenses. Mr. Wittry responded that yes, that request has been made, but there has not been follow through from his office. He offered that the City is in an unfortunate situation in that contractors are busy and therefore bid prices have been higher than expected. Mr. Cina provided clarification that he is asking for a contract price versus spent funding comparison.

Mr. Heuer stated that in effect, Measure P has a pot allocated to different areas, instead of being project specific. There are chunks of street projects and he would like to see a comparison of what has been estimated to be spent, versus what was actually spent to see what the City will not be able to accomplish if more Measure P funds are spent per project. He asked if the City will be where it needs to be after all the funds are spent.

Chair Chorbajian stated that Mr. Heuer’s concerns are important for Measure P Two, because costs were “x” for a reason, whether that is due to higher bids, etc. The work is something that has to be done on a specific timeline.

Mr. Wittry stated that waiting to see if bid prices will fall is not an option as there are safety improvements in the City that have to be made. He stated that prices are only going to grow and that roads are a dynamic situation, in that assumed treatment will have an assumed cost, but that as the City assesses the 720 street segments included in Measure P, the roads are being treated with the appropriate measure at the time of repair. He continued that those decisions are happening in real time and that roads may need a different treatment than previously determined. If the committee desires to have the information they are asking for, it will be an accounting effort to do it, and although Staff will provide the data if necessary, it’s not something he wants to allocate staff time to.

Member Cina provided a further example to clarify, with the City receiving a bid for “x” amount of work for $2 million, but the City actually spent $3 million. Member Heuer stated that there are three numbers: engineer’s estimate, accepted bid, and amount paid. He continued that if the final cost comes in way over, he wants to know why. If the City is consistently estimating far less than what the actual bid is, then he is concerned that the public is being oversold on what we were going to get. He agreed that there are going to be overages, but that overspending can be linked to thorough design of the project.

Member Aldinger questioned if this is what the committee is supposed to be doing. He continued that he does not view that as the purview of the committee, and that their job is to determine if the funds are being spent on the type of projects that are defined by the measure. He continued that the committee should not be monitoring contracts, or projects. Chair Chorbajian responded that there were budgeted amounts that were spent on each work type. Member Aldinger continued that the concerns addressed by Member Heuer and Member Cina are the job of the City Council and that it is the Council’s job to make sure Staff are managing projects properly. He stated that the committees job is to monitor if the money has been spent on the appropriate projects, and proposed creating a sub-committee. He continued that the sub-committee would discuss how successful the measure has been, so that the public will have the info and data to support or not support Measure P Two; however, that is not this committee’s job.

Member Heuer stated that the Measure P Oversight Committee is the entity that reports to the public, and if things are done effectively or costs when up because of whatever
factor, that the committee needs to have the answers why. He continued that he does not want to micro-manage Staff, but at the end of the day, did the City get done what it was supposed to get done. Member Aldinger suggested that it’s the City Council’s job to explain to the public why things didn’t happen and to see if we did a good job of spending the money. Member Heuer commented that there is not enough time at the Council level and he believes that it’s the role of this committee to ensure that the public is getting what it thought it was going to get, and if not, why?

Mr. Wittry offered to provide that information on a project by project basis, depending on the level of staff time involved.

Member Cina asked for clarification on the role of the committee. Mr. Wittry responded that he will ask the City Attorney to double check.

Chair Chorbajian stated that Hannon St. was slurry sealed, but that areas of the street were repaved after and asked why the City is spending the money to slurry seal when there is still other paving to be done. Mr. Wittry answered that sometimes mistakes are made and things are done backwards, but that the work is mostly likely related to sewer repairs. He continued that the City tries to coordinate the work, but there are things outside of our control, such as utility work by CalAm, PG&E, and AT&T and Staff is bringing an item to Council next quarter to present a “No Cut Policy.” Member Heuer asked if there is a process to require utility companies to properly fix the street after trenching, etc. Mr. Wittry responded that typically the utility company has a year to return the street to previous condition, but if the repairs get above 40% of the street, reconstruction and ADA requirements are added.

Returning to the discussion of a reconciliation of expenses, Mr. Wittry commented that it may be a good idea to have a few test projects and true up expenses. Member Heuer suggested doing this at a higher level, for example, for Phase 1 Slurry, did the City spend the money it thought it would. Member Aldinger commented that the data will be very important for Measure P Two. Member Heuer suggested presenting that information to Council and Member Aldinger agreed.

Member Aldinger asked for an update on the PCI and asked how often the committee can be updated on the current PCI. Mr. Wittry stated the PCI is currently at 60 and that Staff are seeing that for each project completed, the PCI is increased by 1. He continued that there are currently 3 projects in construction or about to be in construction so it is safe to assume that the PCI will be at 62 by the end of the calendar year. Member Sanderlin asked for the PCI at the beginning of Measure P. Mr. Wittry stated that the initial PCI was 54 and at the end of the first fiscal year, it remained at 54.

3. Annual Report

**ACTION: Discussed report.**

Committee discussed meeting in November to receive numbers for the annual report and presenting the report to City Council at the December 5 meeting. Member Heuer suggested sending out a draft by email for members to review.

***End of Consent Agenda***
PUBLIC COMMENTS
None.

COMMITTEE MEMBER COMMENTS
None.

ADJOURNMENT
The meeting adjourned at 11:00 a.m.