



Appro

**COUNTY OF NEVADA**  
**COMMUNITY DEVELOPMENT AGENCY**  
**DEPARTMENT OF PUBLIC WORKS**  
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Mali LaGoe  
Acting Community Development Agency Director

Trisha Tillotson  
Director of Public Works

**File:**

**NEVADA COUNTY BOARD OF SUPERVISORS**  
**Board Agenda Memo**

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**MEETING DATE:** March 9, 2021  
**TO:** Board of Supervisors  
**FROM:** Trisha Tillotson, Director of Public Works  
**SUBJECT:** Resolution Approving the Capital Improvement Plan 2021 Annual Update

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**RECOMMENDATION:** Discuss and approve the Capital Improvement Plan 2021 Annual Update.

**FUNDING:** Not applicable.

**BACKGROUND:** The Capital Improvement Plan (CIP) is updated annually to provide the Board of Supervisors and the community with an outline of the Public Works Department's road maintenance and capital improvement expenditures and revenue projections. This year's CIP represents a five-year, \$131 million program from July 2020 thru June 2025.

Gas Tax and General Fund Maintenance of Effort (MOE) are the primary discretionary funding sources for the County's road maintenance activities. Since 2010, the County saw large annual fluctuations and an overall decline in gas tax revenue that resulted in a \$3 million loss in funding over the previous decade. A combined 20% increase in costs during that time further eroded our ability to maintain roads and infrastructure.

In April 2017, Governor Brown signed Senate Bill 1 (SB1) – Landmark transportation funding legislation that invests \$52.4 billion in Road Maintenance and Rehabilitation Account (RMRA) funds over the next decade to fix roads, freeways and bridges in communities across California. The new funding package will result in an average total increase of approximately \$3 million annually over the next ten years to Nevada County for road safety, maintenance and improvement projects. RMRA funds are now protected for transportation purposes only under Article 19 of the California State Constitution per the approval of Proposition 69 in June 2018. This additional revenue will be used to fund road rehabilitation and preservation projects, roadside vegetation control and shoulder maintenance activities throughout Nevada County.

With the COVID-19 outbreak throughout all of 2020 and stretching into 2021, we are projecting a 10% decrease in gas tax revenues into the CIP budget. Combined with the recent long-term decline in revenues, the CIP fund balance (cash reserves) for FY 19/20 and 20/21 continued to be below the department's established thresholds. The long-term prognosis for the CIP's fund balance projections improves as the county receives gas tax and RMRA funds. Staff expects the fund balance to return to acceptable levels in FY 21/22. Moving forward, staff anticipates maintaining a reasonable fund balance in future fiscal years.

Although economic indicators are uncertain, we continue to see robust state and federal grant funding for capital projects. In this plan, the County expects to receive approximately \$73 million in state and federal grants for a variety of transit, solid waste, roadway safety, bridge and road maintenance projects. Additional grant funds have been applied for from the Federal Emergency Management Agency and the California Conservation Corps for vegetation management and the Active Transportation Program and the Highway Safety Improvement Program for roadway related improvements. Additional grants for vegetation management will be applied for as opportunities arise. The County is also considering preparing a ballot measure to collect a tax that would be used for further vegetation management.

**Item Initiated and Approved by:** Trisha Tillotson, Director of Public Works

Submittal Date: February 8, 2021  
Revision Date: