

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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### Work Session: Review of 2010 Implementation of Bond Measure to Fix Streets

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Meeting Date: January 19, 2011  
Department: Public Works  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: A  
Staff Contact: Kurt Corey  
Contact Telephone Number: 541-682-8421

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#### ISSUE STATEMENT

This work session is an opportunity for the Eugene City Council to review the second year of the implementation of Measure 20-145, the bond measure to fix streets. To facilitate this review, two documents were prepared: the Citizen Street Repair Review Panel 2010 Report and the independent accountant's report prepared by Isler CPA. These reports are provided as informational items in compliance with the City Council resolution placing the bond measure on the ballot.

#### BACKGROUND

Following considerable study and discussion, including forming a Council Committee on Transportation Funding and convening an ad hoc citizen Street Maintenance Task Force, council on July 28, 2008, approved Resolution 4953, calling a city election on a measure authorizing the issuance of \$35.9 million of general obligation (G.O.) bonds to fund street preservation projects. Eugene voters on November 4, 2008, approved the measure.

In the City Council resolution and the information provided to voters, there were specific requirements related to accountability:

- In order to promote accountability in the use of bond proceeds, the City Manager will contract with an outside auditor to prepare a written report on the use of the bond proceeds on a regular basis. The auditor will ascertain and report on whether the bond proceeds were used for the authorized purposes and in compliance with the restrictions set forth above. The City Manager will provide the report to the council and make the report publicly available. (Resolution 4953, Section H)
- To further promote accountability and citizen involvement in street preservation projects, the City Manager has advised that he intends to create a street repair review panel. The street repair review panel will prepare a report, separate and distinct from the report prepared by the outside auditor, documenting the City's use of the bond proceeds and noting whether the bond proceeds were used in compliance with the terms of this resolution. The City Manager will provide the street repair review panel's report to the council and make the report publicly available. (Resolution 4953, Section I)

On April 14, 2010, the City Council held a work session to receive an update regarding the implementation of the 2009 bond measure to fix streets. The first annual report from the Street Repair Review Panel (SRRP) and the independent accountant's report were discussed.

### **Street Repair Review Panel**

In October 2009, a citizen group was formed to evaluate the City's use of the first year of bond proceeds and report whether the bond funds were used in compliance with the council resolution. The 12 community members selected to serve on the Street Repair Review Panel (SRRP) were: Paul Adkins, John Barofsky, Howard Bonnett, Dan Brown, Janet Calvert, Paul Holbo, Bob Kline, Steve Lee, Bruce Mulligan, Clayton Walker, Gary Wildish, and Jim Wilcox. All members returned in October 2010, to evaluate the City's use of the second year of bond proceeds. The group met three times over a three-month period, which included a physical inspection of the bond measure projects completed in 2010, and those scheduled for 2011.

On January 10, 2011, the Street Repair Review Panel unanimously approved its second annual report (Attachment A), which included the following conclusion:

“We unanimously conclude that the bond proceeds were used for the authorized purposes and in compliance with the limitations and restrictions outlined in Council Resolution 4953.” (SRRP 2010 Report, Page 1).

The report from the SRRP highlighted the sustainable practices used on the bond projects, including the use of warm mix asphalt and in-place recycling, as well as the cost-savings achieved through lower-than-anticipated construction bids and the positive economic impacts of funding more than 80 full-time-equivalent jobs during the period of construction.

Looking to the future, the SRRP and the Public Works staff recognize that even though the backlog estimate has declined over the past year, the current level of funding, including the bond measure, is insufficient to keep the backlog from growing over the long term. On a more positive note, it appears likely that all of the projects listed in Exhibit A of the bond measure will be completed and there will be bond proceeds remaining. These remaining bond funds will allow the council to add other street preservation projects to the list. Staff will return to the council later this spring, after the 2011 construction bids are opened, to further discuss the addition of projects to the original list.

A website tracking the bond measure implementation has been established at [www.eugene-or.gov/gobonds](http://www.eugene-or.gov/gobonds). The panel's 2010 report has been placed on the internet, and links to the online report will be sent to the Neighborhood Leaders Council and other community and business organizations. The Street Repair Review Panel is scheduled to reconvene in fall 2011, upon completion of the 2011 construction season.

### **Independent Accountant's Report**

The accounting firm of Isler CPA, who also performed the annual audit of the city's FY10 financial statements, was contracted to perform sufficient agreed-upon procedures in order to determine whether the expenditure of G.O. bonds were made in accordance with the purposes and limitations outlined in the street repair bond resolution – namely, that expenditures were:

1. Used only for costs related to street preservation projects, off-street bicycle and pedestrian path preservation projects and payment of bond issuance costs, and not to expand the capacity of the street system; and also,

2. Limited to projects included in Exhibit A to the resolution, unless upon completion of all of the projects listed in Exhibit A, the council adds other street preservation projects to the list in order to utilize unspent bond proceeds.

The accountant's procedures were performed for the period December 1, 2009, through November 30, 2010, and were conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The independent accountant expenditure testing concluded, "All tested expenditures were recorded in the proper account fund and period and were spent on street projects included in Exhibit A of City Council Resolution No. 4953. No exceptions were noted." Further, it was the summary conclusion of the independent accountant that, "Based on our limited testing, we noted that the City followed the purpose and limitation of the City Council Resolution #4953" (Attachment B).

The Isler CPA 2010 report has been placed on the internet along with the report of the citizen panel at [www.eugene-or.gov/gobonds](http://www.eugene-or.gov/gobonds).

### **RELATED CITY POLICIES**

The council's goals include "Transportation Initiative: Develop mechanisms to adequately fund our transportation system for cars, trucks, bikes and pedestrians including maintenance and preservation and capital reconstruction."

### **COUNCIL OPTIONS**

This work session is informational; no action is requested.

### **CITY MANAGER'S RECOMMENDATION**

This work session is informational; no action is requested.

### **SUGGESTED MOTION**

This work session is informational; no motion is requested.

### **ATTACHMENTS**

- A. Citizen Street Repair Review Panel 2010 Report
- B. Isler CPA 2010 Report

### **FOR MORE INFORMATION**

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# Citizen Street Repair Review Panel 2010 Report

## Implementation Update for Measure 20-145 Bonds to Fix Streets



January 2011

## MEMORANDUM

**Date:** January 10, 2011  
**To:** City Manager Jon Ruiz  
**From:** Street Repair Review Panel  
**Subject:** Year Two Report of the Street Repair Review Panel

It is our pleasure to present the second annual report of the Street Repair Review Panel (SRRP). This panel was formed, and this report was written, in response to the accountability provisions in Measure 20-145 (bond measure to fix streets).

The 12-member panel met three times over a three-month period, which included a physical inspection of the projects completed in 2010. We reviewed the report prepared by the City's external auditor with respect to the City's use of the bond proceeds through November 30, 2010.

**We unanimously conclude that the bond proceeds were used for the authorized purposes and in compliance with the limitations and restrictions outlined in Council Resolution 4953.** We are also providing a detailed report, prepared at our request and with our approval, from the Public Works staff on the bond projects constructed in 2010.

Highlights from our review of the 2010 street bond projects:

- **Sustainability** – Warm mix asphalt and in-place recycling were used to improve the quality, environmental footprint, and cost efficiency of the street bond projects. The City's use of warm mix asphalt exemplified industry leadership for furthering the principles of sustainability and was recognized by the Oregon Chapter of the American Public Works Association's Julian Award for Sustainability.
- **Cost Savings** - Construction bids were lower than anticipated, which reflected lower energy and petroleum product costs, as well as other economic conditions.
- **Economic Impact** - The seven bond measure street repair projects completed in 2010 funded more than 80 full-time equivalent jobs during the period of construction.
- **Timeline** - The construction schedule of the remaining bond projects has been accelerated to take advantage of favorable bidding conditions.

- **Future projects** – We anticipate that all of the projects listed in Exhibit A of the bond measure will be completed and there will be bond proceeds remaining. These remaining bond funds will allow the Council to select additional street preservation projects to be added to the list.
- **Forecast** – Based on the 2010 Pavement Management Report, even though the backlog estimate decreased from \$171 million to \$151 million in 2010<sup>1</sup>, the current year level of funding of \$9.5 million, including the bond measure, is projected to be insufficient to keep the backlog from growing. The backlog will continue to grow unless additional funds are invested in street preservation.
- **Bottom line** – Many roads are getting fixed, the rate of deterioration has been slowed on others, and the bonds are accomplishing what they were intended to do.

We appreciate the support and thoughtful responses to our questions provided by Public Works Director Kurt Corey and his staff. The Committee also expresses our appreciation to the voters and taxpayers of Eugene for their support of the bond measure. We believe the voters are getting a good return for their investment.

Additional information about the Street Repair Review Panel, including action summaries of our meetings and a variety of reports and studies, can be found at [www.eugene-or.gov/gobonds](http://www.eugene-or.gov/gobonds).

Please feel free to contact any of us for additional information.

**SRRP Members**

Paul Adkins  
 John Barofsky  
 Howard Bonnett  
 Dan Brown  
 Janet Calvert  
 Paul Holbo  
 Bob Kline  
 Steve Lee  
 Bruce Mulligan  
 Clayton Walker  
 Gary Wildish  
 Jim Wilcox



**City of Eugene Staff**

Kurt Corey  
 Eric Jones  
 Tish Peterson  
 Matt Rodrigues  
 Mark Schoening  
 Tammy Smith  
 Robert Tintle  
 Jenifer Willer

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<sup>1</sup>Due to a number of factors, including the five-year street bond, an increase in state highway revenue, one-time federal ARRA funds, the current decrease in construction costs, and several projects previously defined as needing reconstruction were re-evaluated as needing a less costly overlay treatment.

# Citizen Street Repair Review Panel 2010 Report

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[Criteria for Project Selection and Scheduling](#)

[West 18<sup>th</sup> Avenue Project](#)

[Goodpasture Island Road Project](#)

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[Willamette Street and 29<sup>th</sup> Avenue Intersection Project](#)

[Willamette Street Project](#)

[Fern Ridge and Westmoreland Path Projects](#)

[Appendix A](#) (listing of bond measure projects)

[Appendix B](#) (map of bond projects)

## INTRODUCTION

### ***Background***

This report has been compiled by the Public Works Engineering Division at the request of the Street Repair Review Panel (SRRP). It is intended to give background on projects included in Bond Measure 20-145, the schedule for construction of these projects, and details of bond projects constructed in 2010.

### ***Key Terms***

**Bond** - Bond Measure 20-145, Bonds to Fix Streets, approved by Eugene voters in November 2008.

**In-Place Recycling** - A process in which a large piece of equipment called a reclaimer (see photo on report cover) mixes the existing base rock and a portion of subgrade soils with dry cement and water to create a cement-treated base. This process, which sometimes is called full-depth reclamation, greatly reduces the use of virgin materials and trucking that are needed using conventional remove and replace construction techniques.

**PPP** - Pavement preservation program. This is the current capital project program to preserve Eugene's improved street system. Priority for this program is to preserve streets that have not yet degraded to a point where reconstruction is required. Preserving a street through overlay or similar treatment is four to five times more cost effective than waiting to repair a street after it requires reconstruction. This program was initiated in 2003 and predominately funded with local fuel tax and the reimbursement fee component of the transportation system development charges.

**Warm Mix Asphalt** - Warm mix asphalt is a product that is produced at approximately 50 to 100 degrees less than conventional asphalt. In Eugene, all asphalt concrete producers have retrofitted their plants to produce warm mix asphalt using a foaming process. The foaming process allows temperature reductions of approximately 50 degrees. This reduction in temperature has several advantages:

1. Reduces energy consumption to produce asphalt concrete, lowering costs and greenhouse gas emissions.
2. Reduces off-gassing (smoke) of asphalt concrete by keeping temperature under the boiling point of light oils, benefiting construction workers and the public.
3. Reduces the oxidation caused during high temperature production that causes premature aging of the asphalt, which should provide a longer life product.

### ***SRRP Mission***

Per Resolution No. 4953, the SRRP “will prepare a report, separate and distinct from the report prepared by the outside auditor, documenting the City’s use of the bond proceeds and noting whether the bond proceeds were used in compliance with the terms of this Resolution.”

## **CRITERIA FOR PROJECT SELECTION AND SCHEDULING**

### ***Street Projects***

Street projects to be included in the bond were specifically listed (see Appendix A). All street projects were identified by the Public Works Maintenance Pavement Management System as priorities for repair. In addition, the following criteria were used to select streets for the bond measure:

1. Citizen input with respect to prioritizing major streets in need of reconstruction.
2. Scientific information about needed street rehabilitation and reconstruction from the pavement management system.
3. Geographic distribution throughout the community to ensure all areas of the city receive a benefit from the bond proceeds.

In both 2009 and 2010 the total expenses for the bond projects have come in considerably lower than the programmed funds available. There are three main reasons for the difference in project costs:

1. The bidding climate continues to be favorable for public works street projects.
2. Use of new treatment technologies such as in-place recycling instead of conventional reconstruction has reduced costs.
3. Streets originally identified as reconstructs in the pavement management system with deep-lift asphalt sections are able to be rehabilitated instead of needing a full reconstruct.

As noted in the *2009 Report from the Citizen Street Repair Review Panel*, “If construction costs continue to be favorable the City will look for opportunities, where reasonable and feasible, to bring projects forward and construct them earlier within the five-year bond period.”



Based on the continued favorable bidding climate and cost reductions due to rehabilitation and reconstruction techniques realized in the first two years of bond construction, the City plans to construct the majority of the remaining projects in 2011 and 2012.

The 2011 construction year is scheduled to construct nine projects with total programmed funding of more than \$12 million. However, based on cost trends seen in the first two bond construction seasons, staff expects actual costs to be less than \$10 million. Front loading projects in 2011 will leverage the current climate of low construction bids. For 2012 the remaining bond projects are scheduled to be constructed with the exception of Blair Boulevard and Van Buren Street, which are currently scheduled for 2013 to coordinate with Transportation Enhancement grant funds currently being applied for.

One or more of the following objectives were used to reschedule each of the remaining projects over the course of the bond life:

1. Leverage current climate of low construction bids by constructing most of the remaining projects in 2011 and 2012.
2. Schedule projects to achieve multiple objectives where possible (inclusion of other funding sources for coordinated work).
3. Coordinate with EWEB, Northwest Natural Gas and other utility partners.
4. Balance traffic impacts.
5. Reduce impact to Olympic Trials in 2012.
6. Prioritize streets at risk of becoming a reconstruct.
7. Factor in Public Works Maintenance resources required to maintain the street.

A list of the street bond projects, their estimated repair cost from the Pavement Management System in 2008 dollars, and the year scheduled for construction is included in Appendix A. For projects completed in 2009 and 2010, the list includes a comparison of programmed costs to actual costs with any difference noted. Differences in total project costs on individual projects will affect the funding available for future projects.

Bond proceeds can only be used for street preservation projects included in the list of projects. If all of the projects listed in Appendix A (see the accompanying bond project map in Appendix B) are completed and there are bond proceeds remaining, the Council may add other street preservation projects to the list.

### ***Off-Street (Shared-Use) Path Projects***

The bond measure states that the City will allocate not less than \$350,000 each year to fund the overlay and reconstruction of existing off-street bicycle and pedestrian paths. These projects were not named in the bond measure, but a list of prioritized projects has been developed. As with streets, Public Works Maintenance performs routine inspection of off-street paths. Information on path condition was cross-referenced with path pedestrian and bicycle usage counts collected by the Public Works Engineering transportation planning team. City staff presented the data to the citizen Bicycle and Pedestrian Advisory Committee (BPAC) and collaboratively developed a prioritized list of off-street path repair projects. This list is included in Appendix A (also see the accompanying bond project map in Appendix B).

## ***Use of Other Funds in Conjunction with Street Bond Funds***

The use of street-repair bond funds is limited to the overlay or reconstruction of the driving surface of streets as well as to preserve existing integral elements of the street such as curbs, gutters, sidewalks, on-street bike lanes, traffic signals, street lights, medians, traffic calming devices, and other integral parts of a street preservation project (Council Resolution 4953, Section D).

However, there is often a need or an opportunity to complete additional work as part of the construction contracts for street preservation. The additional work may be funded by wastewater and stormwater utility funds, local gas taxes, transportation system development charges, or state and federal grants.

Wastewater and stormwater utility funds are used to repair and rehabilitate the existing wastewater and stormwater systems, respectively, that underlie much of the city's street system. Making these repairs in coordination with the street bond projects is a cost-effective way to accomplish the work and precludes emergency repairs in the future that would require cutting new pavement.

Local gas taxes were used for preliminary engineering conducted in advance of the street bond measure's passage. This assured a quick start of bond measure projects in 2009. Local gas taxes may be used in the later years of the street bond project implementation to include adjacent streets in the street bond project contracts. For example, in 2010 the street bond project on Goodpasture Island Road was combined with a local gas tax-funded pavement repair project on Valley River Drive in one construction contract.

Transportation system development charges (SDCs) are often used to upgrade existing signal systems during pavement preservation projects. The work typically includes installing new conduit under the pavement to connect the traffic detection loops to the signal controller. In 2010 transportation SDCs were used to fund pedestrian and bicycle safety improvements through the intersection of 29th Avenue and Willamette Street. This was done in conjunction with the street bond project to reconstruct the intersection of 29<sup>th</sup> Avenue and Willamette Street.

An example of the use of state grants in conjunction with bond funding is the 2009 ODOT Bicycle and Pedestrian Grant to fund the safety improvements on Bailey Hill Road from 18th Avenue to Warren Street. These safety improvements were constructed in conjunction with the 2009 street bond project that extended from 18th Avenue to Bertelsen Road.

## ***Sustainability***

The City of Eugene continually strives to improve the quality, environmental footprint, and cost efficiency of its projects. Two technologies that were used in 2010 meeting these criteria are warm mix asphalt and in-place recycling.

Warm mix asphalt was used on all 2010 street bond projects in place of conventional hot mix asphalt. As explained in the Key Terms section of this report warm mix asphalt provides environmental and human health benefits as well as a potentially longer lasting product.

In all, more than 32,500 tons of warm mix asphalt were placed on street bond projects in 2010. Using warm mix asphalt resulted in a reduction of greenhouse gas emissions of approximately 500 tons versus use of conventional hot mix asphalt.

In-place recycling (see Key Terms) was used on the street bond project on West 18th Avenue from 510 feet east of Chambers Street to City View Street. It is estimated that using the in-place recycling process for this project eliminated the need to excavate and haul away 5,000 cubic yards of material and eliminated hauling 9,500 tons of new base rock to the site, saving more than 500 truck trips for the project.

The City of Eugene has started using the in-place recycling process to realize the environmental, economic and social benefits to the community that can come from this type of process. The reduction in land filling, material mining, and truck hauling all have direct environmental benefits; the reduction in excavating existing roadway materials and importing virgin construction materials have direct economic benefits; and the reduction in construction time has a direct social benefit.

### ***Funding Status and Forecast***

As discussed in the section on Street Projects, construction bids, innovative treatment technologies, and other variables have substantially reduced project costs through the first two years of the bond. The total budget for bond projects constructed in 2009 and 2010 was \$11,005,000; total expenditures were approximately \$8,063,000. If trends continue it is likely a surplus of bond funding will be available at the end of the five-year bond period which could be used for additional projects. Public Works Engineering will be able to more accurately forecast cost trends after 2011 construction projects have been bid in early 2011.

### ***2010 Bond Construction Projects***

The 2010 construction projects received very favorable bids. Total costs for each project listed on the following pages are estimated because the 2010 construction projects have not yet been finalized.

### ***For More Information***

More information about the bond measure to fix streets is available on the internet at [www.eugene-or.gov/gobonds](http://www.eugene-or.gov/gobonds). For more information on specific bond projects referenced in this report, contact City Engineer Mark Schoening at 541-682-5291, or e-mail [ceweng2@ci.eugene.or.us](mailto:ceweng2@ci.eugene.or.us).

## ***18th Avenue (510 feet east of Chambers Street to City View Street)***

**Project Description:** This project included a mix of reconstruction and rehabilitation of West 18<sup>th</sup> Avenue from 510 feet east of Chambers Street to City View Street. The section from City View Street to Pierce Street was reconstructed using a technique called in-place recycling (see Key Terms) which creates a cement-treated base by mixing existing materials with dry cement and water. The City estimates that the project cost was reduced by \$120,000 to \$150,000 and the project duration was reduced by two to four weeks using the in-place recycling construction method instead of conventional reconstruction.

**Treatment Methodology:** Pavement testing confirmed the need to reconstruct the section of West 18<sup>th</sup> Avenue from Pierce Street to City View Street. This was needed due to the poor condition of the street surfacing, which was exhibiting severe fatigue (load-related) cracking and severe transverse cracking and rutting. In addition, approximately 200 feet of West 18<sup>th</sup> Avenue from 510 feet to 310 feet east of Chambers Street required reconstruction due to failure of existing concrete slabs underlying the asphalt surfacing. West 18<sup>th</sup> Avenue from 310 feet east of Chambers Street to Pierce Street was able to be rehabilitated by removing and repaving the top 2 inches to 4 inches of pavement and reconstructing isolated areas of failed pavement. The section of West 18<sup>th</sup> Avenue reconstructed using in-place recycling was repaved with 7 inches of warm-mix asphalt.

**Costs:** Total project costs, from all funding sources, are estimated at \$1,470,000.

Total Bond Funds Programmed to the Project =	\$1,733,000
Total Projected/Actual Bond Funds Used =	\$1,280,000
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Difference =	\$ 453,000

As noted above the use of in-place recycling versus conventional reconstruction greatly reduced the total project costs.

**Additional Sources of Funding:** Local gas taxes, stormwater and wastewater utility fees, and transportation system development charges.

### **Project Photos:**



## ***Goodpasture Island Road from Delta Slough to Kingsley Road & from 1,750 feet to 1,250 feet north of Valley River Drive***

**Project Description:** This project rehabilitated sections of Goodpasture Island Road from Delta Slough to Kingsley Road and from 1,750 feet to 1,250 feet north of Valley River Drive. The remaining section of Goodpasture Island included in the bond measure from Kingsley Road to 1,750 feet north of Valley River Drive will be constructed in 2012 to coordinate with development along the corridor. Rehabilitation of Goodpasture Island Road from 1,250 feet north of Valley River Drive to Valley River Drive and Valley River Drive from Willagillespie Road to Goodpasture Island Road was included in this construction contract and funded by local gas tax funds.

**Treatment Methodology:** Pavement testing and evaluation of the existing conditions by City staff indicated that Goodpasture Island Road could be rehabilitated through a mixture of full-depth removal of the existing pavement and in some locations removing only the top layers of failed pavement. The northern section of the project from the Delta Slough to Kingsley Road was in poor condition exhibiting severe fatigue (load-related) cracking and severe transverse cracking. The existing asphalt pavement section was not thick enough (4 to 7 inches) to resist the traffic loading demand and had cracked completely through, needing full-depth pavement removal and replacement with a thicker (9 inch) warm mix asphalt section. In addition, approximately 500 feet of Goodpasture Island Road from 1,750 feet to 1,250 feet north of Valley River Drive on the south end of the project was rehabilitated with a mix of removal and replacement of the top 2 inches and extensive sections of full-depth pavement removal and replacement.

**Costs:** Total project costs, from all funding sources, are estimated at \$1,554,000.

Total Bond Funds Programmed to the Project = \$1,319,000

Total Projected/Actual Bond Funds Used = \$ 686,000

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Difference = \$ 633,000

**Additional Sources of Funding:** Local gas taxes, stormwater and wastewater utility fees, and transportation system development charges.

### **Project Photos:**



## ***Harlow Road from I-5 to Coburg Road***

**Project Description:** This project included rehabilitation of Harlow Road from I-5 to Coburg Road with isolated areas of full-depth pavement removal and replacement.

**Treatment Methodology:** Pavement testing and evaluation of the current conditions by City staff indicated that the majority of Harlow Road could be rehabilitated by removing the top 5 inches of failed pavement and replacing it with 7 inches of new warm mix asphalt pavement. In some areas the full depth of the existing asphalt pavement section was removed and replaced with 9 inches of new warm mix asphalt. These repairs were needed to remove cracking and add structural strength to the pavement section to account for traffic loads.

**Costs:** Total project costs, from all funding sources, are estimated at \$900,000.

Total Bond Funds Programmed to the Project =	\$1,202,000
Total Projected/Actual Bond Funds Used =	\$ 875,000
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Difference =	\$ 327,000

**Additional Sources of Funding:** Local gas taxes, stormwater and wastewater utility fees, and transportation system development charges.

### **Project Photos:**



## ***Patterson Street from 13th Avenue to 23rd Avenue & 18th Avenue from Hilyard Street to Patterson Street & 23rd Avenue from Hilyard Street to Patterson Street***

**Project Description:** This project included a combination of reconstruction and rehabilitation methods to repave Patterson Street from 13<sup>th</sup> Avenue to 23<sup>rd</sup> Avenue, 18<sup>th</sup> Avenue from Hilyard Street to Patterson Street, and 23<sup>rd</sup> Avenue from Hilyard Street to Patterson Street using bond funds. In addition, reconstruction of Patterson Street from 23<sup>rd</sup> Avenue to 24<sup>th</sup> Avenue was included in this construction contract using local gas tax funds.

**Treatment Methodology:** Pavement testing confirmed the need to reconstruct the majority of Patterson Street due to the poor condition of the street surfacing, which was exhibiting severe fatigue (load-related) cracking and severe transverse cracking and rutting. The sections of Patterson Street from 14<sup>th</sup> Avenue to 18<sup>th</sup> Avenue between intersections had a thick asphalt structural section, which allowed the street to be rehabilitated by removing the top 6 inches of failed asphalt pavement and repaving. Intersections at Patterson Street and 18<sup>th</sup> and 19<sup>th</sup> avenues were reconstructed using concrete pavement due to the heavy traffic loads at these intersections. 18<sup>th</sup> Avenue from Hilyard Street to Patterson Street required full-depth removal of the existing asphalt and a small portion of base rock and repaving. The remainder of Patterson Street and 23<sup>rd</sup> Avenue was reconstructed, including all intersections within the project.

The asphalt pavement reconstruction sections used for the project were 8 inches of warm mix asphalt on base rock for 23<sup>rd</sup> Avenue and 10 inches of warm mix asphalt on base rock for the rest of the project.

**Costs:** Total project costs, from all funding sources, are estimated at \$1,567,000.

Total Bond Funds Programmed to the Project = \$2,134,000

Total Projected/Actual Bond Funds Used = \$1,374,000

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Difference = \$ 760,000

**Additional Sources of Funding:** Local gas taxes, stormwater and wastewater utility fees, and transportation system development charges.

### **Project Photos:**



## ***Willamette Street and 29th Avenue Intersection***

**Project Description:** This project reconstructed the intersection of Willamette Street and 29<sup>th</sup> Avenue using bond funds. Reconstruction of the block of 29<sup>th</sup> Avenue from Oak Street to Willamette Street was also included in the project using local gas tax funds. In addition, striping changes to improve bicycle passage on 29<sup>th</sup> Avenue through the Willamette Street intersection were made using transportation system development charges funds.

**Treatment Methodology:** Pavement testing and additional pavement investigation confirmed that the intersection needed to be reconstructed to achieve at least a 20-year design life. The existing intersection consisted of approximately 3 inches of asphalt over 7 inches of concrete. Defects observed prior to reconstruction included delamination of the existing asphalt from the concrete surface, leaving potholes, and failure of underlying concrete slabs. A section of 10 inches of concrete pavement on base rock was selected for reconstruction due to the heavy traffic loads through the intersection. In addition, use of concrete pavement was homogenous with the existing three legs of the intersection already constructed of concrete.

**Costs:** Total project costs, from all funding sources, are estimated at \$880,000.

Total Bond Funds Programmed to the Project =	\$405,000
Total Projected/Actual Bond Funds Used =	\$518,000
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Difference =	\$(113,000)

This project exceeded the programmed bond funds due to selection of the concrete as the paving material. While more expensive at the time of construction, this pavement is designed to last at least 40 years.

**Additional Sources of Funding:** Local gas taxes, stormwater and wastewater utility fees, and transportation system development charges.

### **Project Photos:**





## ***Willamette Street from 46th Avenue to 180 feet south of Spencers Crest***

**Project Description:** This project included rehabilitation of Willamette Street from approximately 200 feet north of 46<sup>th</sup> Avenue to 180 feet south of Spencers Crest using bond funds. In addition, local gas tax funds were used to extend the project south to 52<sup>nd</sup> Avenue.

**Treatment Methodology:** Pavement testing showed that the existing street, constructed of 6 to 10 inches of asphalt on base rock, could be rehabilitated by milling away 3 to 4 inches of asphalt and repaving with new warm mix asphalt and reconstructing isolated areas of failed pavement.

**Costs:** Total project costs, from all funding sources, are estimated at \$528,000.

Total Bond Funds Programmed to the Project = \$500,000

Total Projected/Actual Bond Funds Used = \$410,000

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Difference = \$ 90,000

**Additional Sources of Funding:** Local gas taxes, stormwater and wastewater utility fees, and transportation system development charges.

### **Project Photos:**



## ***Fern Ridge Path from Van Buren Street to Chambers Street & Westmoreland Connector Path from Polk Street to 500 feet west of Polk Street***

**Project Description:** This project included reconstruction or overlay of the existing asphalt on Westmoreland Connector and Fern Ridge off-street paths with concrete pavement.

**Treatment Methodology:** The existing asphalt paths were cracking due to expansion and contraction of the underlying soils. Sections of the path that were deemed to be stable were overlaid with 7 inches of concrete reinforced with structural fibers. Where the existing path was experiencing severe cracking and movement the existing path was excavated and 7 inches of concrete reinforced with structural fibers was constructed over 12 inches of base rock.

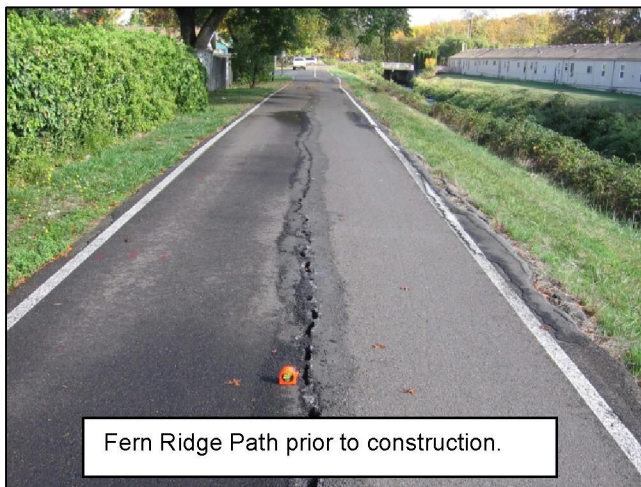
Structural fibers were incorporated into the new concrete path to help prevent cracking due to soil expansion and contraction.

**Costs:** Total project costs, from all funding sources, are estimated at \$410,000.

Total Bond Funds Programmed to the Project =	\$410,000
Total Projected/Actual Bond Funds Used =	\$405,000
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Difference =	\$ 5,000

**Additional Sources of Funding:** Stormwater utility fees.

### **Project Photos:**



**5-Year Street Bond Project List**

Project Map #	Street name	From	To	Ward(s)	Proposed Treatment	Programmed Cost	Projected/ Actual Cost	Difference
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**Construction Year 2009**

6	Bailey Hill Rd	18th Ave	East Side Of Bertelsen	8	Reconstruct/Overlay	\$ 1,866,000	\$ 934,980	\$ 931,020
15	Goodpasture Is Rd	Norkenzie Rd	Delta Hwy Bridge	5	Overlay	\$ 367,000	\$ 434,620	\$ (67,620)
20	Railroad Blvd	Van Buren	Chambers	7	Overlay	\$ 421,000	\$ 398,165	\$ 22,835
<b>Construction Year 2009 Totals=</b>						<b>\$ 2,654,000</b>	<b>\$ 1,767,765</b>	<b>\$ 886,235</b>

**Construction Year 2010**

1	18th Ave	510' East Of Chambers	City View	1	Reconstruct/Overlay	\$ 1,733,000	\$ 1,280,000	\$ 453,000
14	Goodpasture Is Rd	Bridge Over Slough	Kingsley Rd	5	Reconstruct/Overlay	\$ 1,319,000	\$ 686,000	\$ 633,000
		1750-foot North of Valley River Dr	1250-foot North of Valley River Dr					
16	Harlow Rd	I-5	Coburg	4	Reconstruct/Overlay	\$ 1,202,000	\$ 875,000	\$ 327,000
18	Patterson	E 13th Ave	23rd Ave	3	Reconstruct	\$ 2,134,000	\$ 1,374,000	\$ 760,000
2	18th Ave	Hilyard	Patterson	1				
3	23rd Ave	Hilyard	Patterson	3				
29	Willamette St	306' North Of 29th Ave	140' South Of 29th Ave	2	Reconstruct	\$ 405,000	\$ 518,000	\$ (113,000)
29	Willamette St	46th Ave	52nd Ave	2	Overlay	\$ 500,000	\$ 410,000	\$ 90,000
<b>Construction Year 2010 Totals=</b>						<b>\$ 7,293,000</b>	<b>\$ 5,143,000</b>	<b>\$ 2,150,000</b>

**Construction Year 2011**

2	18th Ave	Patterson	Washington	1,3	Reconstruct/Overlay	\$ 2,052,000	----	----
5	Alder	Broadway	18th Ave	3	Reconstruct/Overlay	\$ 964,000	----	----
10	Coburg Rd	850' North Of Cal Young	450' North Of I-105 Off Ramp	4	Overlay	\$ 1,479,000	----	----
11	Conger St	7th Pl	11th Ave	7	Overlay	\$ 147,000	----	----
17	Hilyard St	E 24th Ave	34th Ave	2,3	Reconstruct	\$ 2,900,000	----	----
19	Pearl	4th Ave	200' North Of Broadway	7	Reconstruct/Overlay	\$ 470,000	----	----
21	River Rd	Horn Ln	Railroad	7	Reconstruct/Overlay	\$ 2,000,000	----	----
29	Willamette St	140' South Of 29th Ave	46th	2	Reconstruct/Overlay	\$ 2,254,000	----	----
30	Wilson St	W 5th Ave	W 7th Pl	7	Overlay	\$ 100,000	----	----
<b>Construction Year 2011 Totals=</b>						<b>\$ 12,366,000</b>	<b>\$ -</b>	<b>\$ -</b>

**Construction Year 2012**

4	24th Ave	Jefferson	Chambers	1	Reconstruct/Overlay	\$ 622,000	----	----
8	Brewer	Gilham	Norkenzie	5	Reconstruct/Overlay	\$ 146,000	----	----
9	Coburg Rd	Crescent	South Onramp Beltline	4	Overlay	\$ 415,000	----	----
12	Curtis Ave	550' East Of Norkenzie	Norkenzie	5	Overlay	\$ 38,000	----	----
14	Goodpasture Is Rd	Kingsley Rd.	1750-foot North of	5	Overlay	\$ 448,000	----	----
13	Gilham Rd	Honeywood St	Crescent	5	Overlay	\$ 305,000	----	----
24	Royal Ave	Hwy 99	100' East Of Waite St	8	Reconstruct	\$ 1,565,000	----	----
25	Silver Ln	River Rd	Grove	7	Overlay	\$ 305,000	----	----
32	Taney St	Barger	Marshall	6	Reconstruct	\$ 349,000	----	----
26	Terry St	1100' North Of Avalon St	Royal	6	Reconstruct/Overlay	\$ 978,000	----	----
28	Warren St	Bailey Hill	Timberline Dr	8	Reconstruct/Overlay	\$ 217,000	----	----
<b>Construction Year 2012 Totals=</b>						<b>\$ 5,388,000</b>	<b>\$ -</b>	<b>\$ -</b>

**Construction Year 2013**

31	Augusta	16th Ave	26th Ave	3	Reconstruct	\$ 1,434,000	----	----
7	Blair Blvd	2nd Ave	Monroe	7	Reconstruct/Overlay	\$ 1,228,000	----	----
22	Riverview St	Franklin Off Ramp	247' South Of Franklin Off Ramp	3	Overlay	\$ 65,000	----	----
23	Riverview St	Sylvan	16th Ave	3	Overlay	\$ 17,000	----	----
27	Van Buren	RR Crossing	Blair Blvd	7	Reconstruct	\$ 305,000	----	----
<b>Construction Year 2013 Totals=</b>						<b>\$ 3,049,000</b>	<b>\$ -</b>	<b>\$ -</b>

**Totals= \$ 30,750,000**

**Off-Street (Shared Use) Path Project List**

Project Map ID	Off-Street Path Project	From	To	Ward(s)	Proposed Treatment	Programmed Cost	Projected/ Actual Cost	Difference
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**Construction Year 2009**

A	Amazon Path	19th Ave	31st Ave	3	Reconstruct	\$ 648,000	\$ 747,569	\$ (99,569)
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**Construction Year 2010**

B	Fern Ridge Path	Van Buren St.	Chambers St.	1	Reconstruct	\$ 410,000	\$ 405,000	\$ 5,000
C	Westmoreland	Polk Street	500' West of Polk St.	1	Reconstruct			

**Construction Year 2011**

D	South Bank Path	Maurie Jacobs Park	Ferry Street Bridge	7	Reconstruct	\$ 367,000	----	----
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**Construction Year 2012**

E	West Bank Path	Greenway Bridge	Stephans St.	7	Reconstruct	\$ 325,000	----	----
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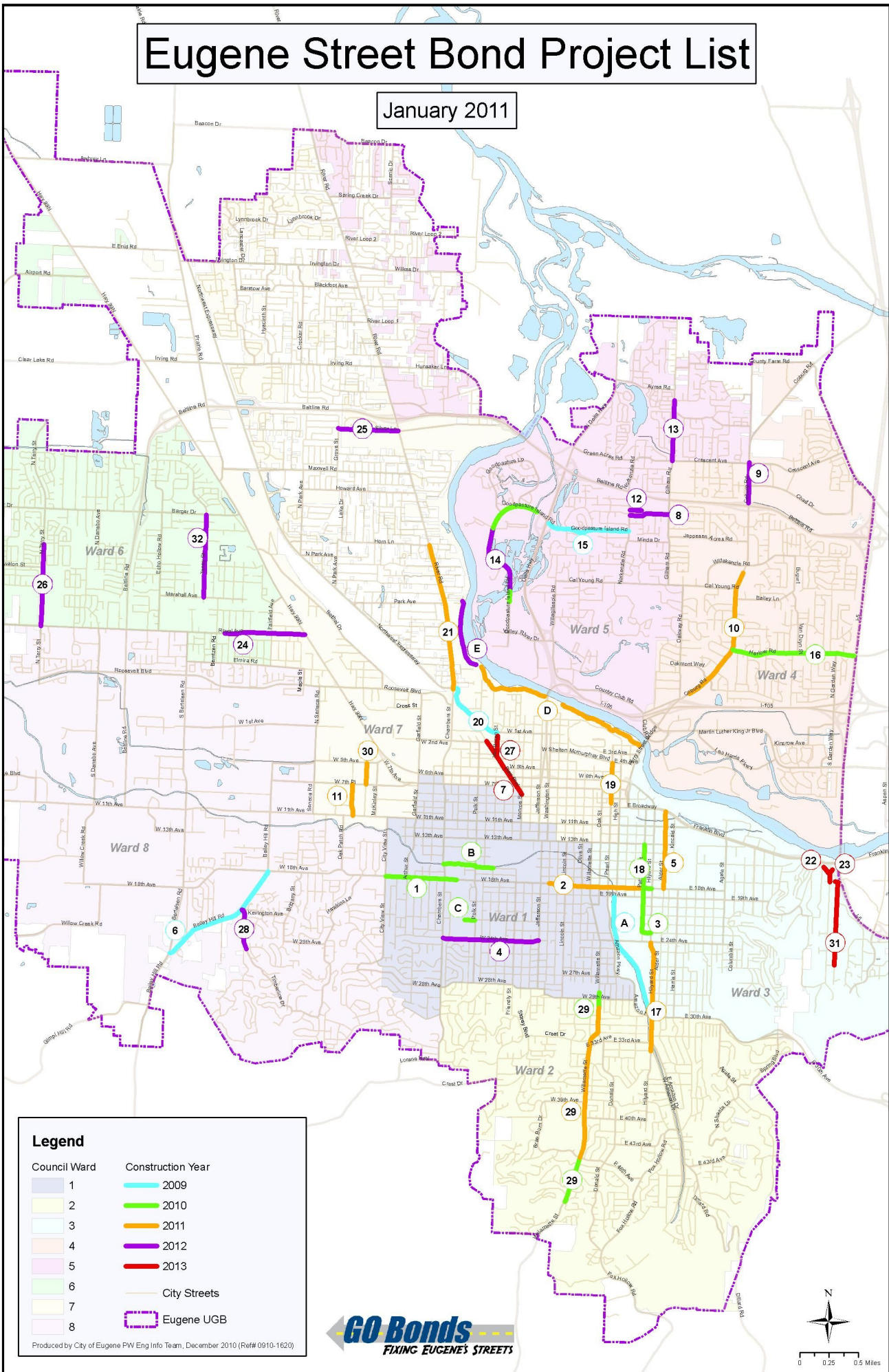
**Total Programmed Off-Street Path Project Costs in 2008 Dollars= \$ 1,750,000**

**Summary of Bond Costs**

**Total Street Projects in 2008 Dollars= \$ 30,750,000**  
**Total Off-Street Path Projects = \$ 1,750,000**  
**Bond Issuance Costs= \$ 130,000**  
**Inflation= \$ 3,270,000**  
**Total Bond Costs= \$ 35,900,000**

# Eugene Street Bond Project List

January 2011



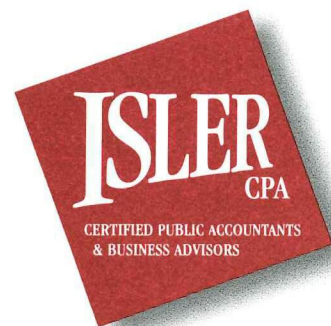
**Legend**

Council Ward	Construction Year
1	2009
2	2010
3	2011
4	2012
5	2013
6	City Streets
7	Eugene UGB
8	

Produced by City of Eugene PW Eng Info Team, December 2010 (Ref# 0910-1520)



0 0.25 0.5 Miles



An Independently Owned Member  
**McGLADREY ALLIANCE**



## INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

To Jon Ruiz, City Manager  
 City of Eugene  
 Eugene, Oregon

We have performed the procedures enumerated below, which were agreed to by the City of Eugene ("City"), solely to assist you in connection with the determination of whether the expenditure of general obligation bond funds approved for issuance through voter's approval of Ballot Measure 20-145 were expended in accordance with the purposes and limitations outlined in City Council Resolution No. 4953; namely that such expenditures were: a) used only for costs related to street preservation projects, off-street bicycle and pedestrian path preservation projects and payment of bond issuance costs and not to expand the capacity of the street system; and b) limited to projects included in Exhibit A to the Resolution unless upon completion of all of the projects listed in Exhibit A the Council adds other street preservation projects to the list in order to utilize unspent bond proceeds. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

All procedures were performed for the period from December 1, 2009 through November 30, 2010. All procedures we performed were limited to documentation and information supplied to us by the City, as follows:

- An excel spreadsheet detailing all payments made, charges allocated and/or invoices received by the City for expenditures related to the use of the bond proceeds
- Copies of Resolution No. 4953 and Ballot Measure 20-145
- Copies of bids and contracts issued by the City for any projects to be completed using the bond proceeds
- Copies of supporting documentation including, but not limited to, invoices, cancelled checks, payroll records, certifications of payments and bank statements; and
- Copies of the City's general ledger detail for the bond fund accounts, as needed

The procedures we performed and the associated findings are as follows:

- (1) *Expenditure testing.* From December 1, 2009 through November 30, 2010, total expenditures for the projects funded by the bond proceeds were \$5,737,236, per the City's general ledger detail of the bond fund. We tested \$1,323,973, or 23%, of those expenditures. All tested expenditures were supported by appropriate documentation such as invoices from vendors, certifications of payment, payroll records, signed contracts, and photographs of the work in progress. All tested expenditures were recorded in the proper account fund and period and were spent on street projects included in Exhibit A of City Council Resolution No. 4953. No exceptions were noted.

(2) *Bond proceeds and project expenditures.* The following is a summary of bond proceeds and project expenditures from inception of the Street Bond project to November 30, 2010:

(3)

	From Issuance to 11/30/2009	From December 1, 2009 November 30, 2010	Total
Bond proceeds	\$ 2,795,000	\$ 5,555,000	\$ 8,350,000
Project expenditures	2,682,749	5,737,236	8,419,985

As of November 30, 2010 the City had \$1,850,000 outstanding on the credit facility (\$8,350,000 in proceeds less \$6,500,000 repaid) with \$27,550,000 in authorized borrowing remaining (\$35,900,000 authorized less \$8,350,000 in proceeds).

Based on our limited testing, we noted that the City followed the purpose and limitation of the City Council Resolution #4953.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the financial records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City Manager of the City of Eugene, and is not intended to be and should not be used by anyone other than these specified parties.



Isler CPA  
Eugene, Oregon  
December 30, 2010