

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 130278

Revising the City's financial policy regarding the established condition level for its roadway system, as accounted for using the modified approach in the City's Comprehensive Annual Financial Report and requiring an evaluation of the current condition level rating system.

WHEREAS, Committee Substitute for Resolution No. 030119 directed the City Manager to direct the Director of Public Works and such other City departments involved in the accounting of infrastructure assets to utilize both the modified approach and the traditional depreciation methodologies when accounting for infrastructure assets, and the Director of Public Works subsequently selected the modified approach to account for the pavement of the roadway system; and

WHEREAS, the Public Works Department has established a program to evaluate the condition of all pavements known as the Street Distress Rating System (SDRS), which rates all segments of pavement over a three-year period and measures actual physical defects in the pavement system that can be observed and quantified through visual inspection of the roadway surface, including broad categories of cracking, patching, depression and surface wear; and

WHEREAS, the SDRS calculates the Pavement Condition Index representing a value ranging from "0" to "100" and the City's intent is to achieve and retain a system-wide average value of not less than "80," which value 80 represents a system that needs repairs and improvements; and

WHEREAS, for the past two fiscal years ending April 30, 2011 and April 30, 2012, the overall condition level of the roadway system, as reported in the City's Comprehensive Annual Financial Report, has been below the established condition level of 80; and

WHEREAS, if the overall condition level of the roadway system should continue to be below the established condition level for a third consecutive year, the City would be required under generally accepted accounting principles to retroactively depreciate the entire roadway system beginning in the Comprehensive Annual Financial Report for the fiscal year ending April 30, 2014; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Council hereby directs the City Manager to revise the established condition level of the roadway system to indicate that it is the City's intent to retain an overall condition level value of not less than "60" on a scale of 0 to 100 where the value of "60" represents a system that is needing repairs and improvements. A rating of "90" to "100" would show an excellent condition, "80" to "89" good condition, "70" to "79" fair condition and below "70" poor condition.

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Section 2. That the Council hereby directs the City Manager and the Director of Public Works to conduct an evaluation of the Street Distress Rating System within 180 days of approval of this resolution. The evaluation should include an analysis of the current methodology and software system used in the determination of the condition level. Once completed, the recommendation should either affirm continued use of the existing methodology and software system or recommend an alternative to determine if the rating scale established in Section One is correct for the roadway system of Kansas City, Missouri.

Section 3. That this resolution will be effective for the Comprehensive Annual Financial Report for the fiscal year ending April 30, 2013.

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