



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-244

Meeting Date: 5/5/2026

TITLE:

REQUEST FOR APPROPRIATION OF MEASURE M2 FAIRSHARE FUNDS FOR CITYWIDE TRAFFIC SIGNAL MAINTENANCE

DEPARTMENT: PUBLIC WORKS DEPARTMENT / TRANSPORTATION
SERVICES DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: PAUL MARTIN, TRANSPORTATION SERVICES MANAGER,
(714) 754-5343

RECOMMENDATION:

Staff recommends the City Council:

1. Authorize an appropriation of \$270,000 from Measure M2 Fairshare (Fund 416) fund balance to the Citywide Traffic Signal Improvements Project (CIP #370058).
2. Approve the use of Measure M2 Fairshare and Gas Tax funds within the existing Maintenance Services Agreement (MSA) with Yunex, LLC to cover traffic signal maintenance costs.

BACKGROUND:

The Transportation Services Division has an ongoing MSA with Yunex, LLC to perform traffic signal maintenance services for the City's 131 traffic signals, as well as various signal operations and networking equipment. The services include monthly routine maintenance and check-ups, repair of signal and networking equipment, and emergency on-call services. On April 1, 2025, the City Council amended the MSA with Yunex, LLC to increase the annual not-to-exceed (NTE) amount to \$770,000, inclusive of ten percent (10%) contingency. In the Fiscal Year 2025-26 budget, \$500,000 was appropriated for this account in the General Fund (Fund 101).

The current funding authority limits only the use of the General Fund and Capital Improvement Program funds for this MSA.

ANALYSIS:

The City's traffic signal maintenance budget requires additional appropriation to continue maintaining the City's traffic signal infrastructure. In order to cover the remaining appropriation amount of \$270,000, staff is proposing the use of Measure M2 Fairshare. There are adequate unappropriated funds available in the Measure M2 Fairshare balance to fund the MSA.

Staff also requests the City Council approval of the use of Measure M2 Fairshare funds, as well as Gas Tax for the traffic signal MSA for future appropriations, in addition to General Fund and Capital Improvement Program funds. This will provide flexibility in funding the MSA using various sources, within Council-authorized limits.

ALTERNATIVES:

The City Council could choose to reject the proposed appropriation and suspend all traffic signal maintenance operations. However, this is not recommended as it would create a public safety risk.

FISCAL REVIEW:

The Measure M2 Fairshare (Fund 416) has sufficient fund balance in the amount of approximately \$1.9 million to cover the appropriation request. Approval for the use of Measure M2 Fairshare and Gas Tax funds will provide additional funding sources and flexibility for this MSA.

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goals:

- Strengthen the public's safety and improve the quality of life.
- Maintain and enhance the City's facilities, equipment and technology

CONCLUSION:

Staff recommends the City Council:

1. Authorize an appropriation of \$270,000 from Measure M2 Fairshare (Fund 416) fund balance to the Citywide Traffic Signal Improvements Project (CIP #370058).
2. Approve the use of Measure M2 Fairshare and Gas Tax funds within the existing MSA with Yunex, LLC to cover traffic signal maintenance costs.