

COTTAGE GROVE CITY COUNCIL
WORK SESSION MINUTES
MARCH 7, 2022

CALL TO ORDER

Mayor Jeff Gowing called the meeting to order at 6:00 pm in the Council Chambers at City Hall.

ROLL CALL

City Recorder Mindy Roberts called the roll. The following were

PRESENT IN THE COUNCIL CHAMBERS: Mayor Jeff Gowing and Councilors Kenneth Michael Roberts, Chalice Savage and Mike Fleck

PRESENT VIA GOTOMEETING: Councilors Jon Stinnett, Greg Ervin and Candace Solesbee

COUNCIL ABSENT: None

STAFF PRESENT IN THE COUNCIL CHAMBERS: City Manager Richard Meyers, City Recorder Mindy Roberts, and Police Chief Scott Shepherd

STAFF PRESENT VIA GOTOMEETING: Assistant to the City Manager Jake Boone and Public Works & Development Director Faye Stewart

CITY ATTORNEY:

MEDIA PRESENT: Damien Sherwood, The Sentinel

Public Works & Development Director Faye Stewart covered the information provided to Council and presented a slide show highlighting street conditions, the amount of money needed to maintain and improve the City's streets, 2021-2022 revenue and expenses for street maintenance and repair, and funding options.

Faye explained that the 2019 Pavement Management Report, provided by engineering firm Emerio, determined the City had a Pavement Condition Index (PCI) of 58, which is in the Fair Category of 56-70. He said the report showed if the City had resources to fund the maintenance and repair costs, there is 26.73 million dollars of unfunded maintenance and repair. He said if the City was to address it on a yearly basis we would need to spend 1.4 million dollars per year for 10 years to maintain the current condition level, and 2.875 million dollars per year for the next 10 years to improve to a satisfactory level. Faye explained that when this report was prepared oil prices were considerably lower and that will increase the cost of the work.

Faye said in the year 2021-2022 the estimated revenue for the Street Fund was \$1,377,780, the estimated operating expenses was \$684,275, and approximately \$600,000 was allocated for capital improvements. He outlined past Capital Projects from the year 2017-2018 to current year 2021-2022, and also covered estimated costs provided by Emerio Designs to repave eight different sections of road within the City. Faye also provided several funding options that could be used to enhance the revenue to accomplish the projects including; a gas tax, Transportation Utility Fee (TUF), property tax, Local Improvement District (LID), Urban Renewal District, Bonding, and Infrastructure Funding Companies.

City Manager Richard Meyers said that as gas prices increase the gas tax drops or stays the same and it takes about six months for it to come back up. Richard confirmed with Faye that Coburg has a .06 cent fuel tax and a Transportation Utility Fee (TUF) and added that LID's have been used for more centralized neighborhood work.

Council Fleck said he does not agree with a gas tax increase with gas prices currently going up and he would not support a flat fee Transportation Utility Fee (TUF) and added that residential accounts could be on a flat fee but commercial would need to be on a trip generation and consider the impact on the streets. He asked if a TUF would pay for Water, Wastewater, and Storm underneath the roads.

Richard replied that he believes it could only go into Street Fund revenue and could not pay for utilities.

Councilor Fleck said he likes the idea of creating a subcommittee of Councilors, Planning Commissioners and citizens to talk about the options. He said a property tax in the form of a bond is an appealing option to him because it can be used for the utilities underground in addition to the street repair and he added that the downside is increased property taxes would be passed on to renters. He said he is not opposed to doing Urban Renewal Districts, but those are not city wide. He added that bonding does not improve the revenue and he is not in favor of them unless they are for short term projects, but it is not a long term solution. He asked when LID's required the vote of the citizen.

Richard replied that it used to be if you did not remonstrate then it goes through.

Councilor Fleck said a lot of properties will have a non-remonstrance agreement, but LID's are extremely unpopular. He added that the City should put off major capital projects until the price of gas comes down. He said that he also noticed the lighting expense in the presentation and asked if the City could put in LED to lower expenses.

Public Works and Development Director Faye Stewart said approximately three years ago Ameresco completed an energy audit for the City. He said the analysis showed that we could make the investment but the money saved from the energy consumption did not have the necessary savings to do the project. He said the City does change to LED when we change out or add a street light and it may be something we would do in the future.

Richard said a large portion of our street lights are PPL and they are charged a flat amount regardless of the power that is used for the street light. He said the EPUD street lights in subdivisions are turned over to us and we are charged based on power usage. Richard said in 1996 there was a street light audit and many lights were removed to reduce the bill.

Councilor Fleck said he would at least like the City to maintain the ratings we have and if people are supporting it we could look at it again.

Councilor Roberts said he agrees with Councilor Fleck regarding creating a Commission and getting the public involved.

Councilor Savage asked if there is a need to have the street sweepers run every day.

Richard replied yes, in order to get all the streets and cycle through.

Faye added that Main Street is done twice a week and the circuit takes approximately two weeks to get completely through town.

Councilor Roberts asked if the street sweeping goes down the storm water.

Richard replied yes, that is why the City could consider having that street sweeping costs come out of the Storm Utility.

Councilor Savage said she was favoring a gas tax until the recent increases. She said a gas tax and adding fees onto the utility bill is going to make people upset. She said she likes the idea of a Commission to get buy-in and added it is a tough decision and she does not know what to do. She asked what can be done that does not require a vote.

Richard said a gas tax requires a vote, TUF does not require a vote, and property tax requires a vote. He said a gas tax would get revenue from people who use the roads that do not live here and all the other ideas are on people who live here.

Councilor Savage said she was leaning towards a gas tax and it is the only thing that will get people who do not live here. She said she likes the idea of having a committee and talking to the people who would be paying.

Richard said that as we continue to have vehicles that are more efficient and use different fuels the fuel tax will continue to drop.

Councilor Stinnett asked if the City has done the best we can on grants.

Faye replied that internally we have not, but this past year LCOG was able to apply for the EDA Grant and we have also used Christina Lund's team. He said as the City becomes aware of grant opportunities we can contract to help with the grant writing. He said internally we do not have the grant writing expertise as when Ms. Ferguson was with the City.

Councilor Stinnett asked if the City will be comfortable contracting when we need to.

Faye said as an example the Main Street Grant that we applied for cost ten thousand dollars for LCOG to prepare, it was a very extensive grant, close to 100 pages of submitted materials, and they have the expertise.

Councilor Stinnett asked how he chose the 8 projects in the report.

Faye said he picked the eight segments that needed to be addressed sooner rather than later and they corresponded with the Pavement Management Report.

Councilor Stinnett asked what we should do first.

Faye said he is concerned about the section of Row River Road in front of the car dealerships and with the conditions of rain, freezing and log trucks on it, the road will fall apart fairly quickly. He said the segment on Harrison between River Rd and R Street would be a priority and it is hard to say exactly what should be done first.

Councilor Stinnett asked if the City increased property taxes if we would be in danger of compression.

Richard said there is compression but Capital Projects are exempt and outside of the limitations.

Councilor Stinnett said it is a difficult conversation without an easy answer. He said the short answer is the City needs more money and we need help getting it. He said he likes the idea of a commission and anything that pulls the public into the conversation. He added that a lot of people may not be interested in the details but maybe we could change that. He said it is a common notion that the City has the money we are just not using it properly and we need to counter those. He said he likes the property tax idea and coupling it with a robust information and listening campaign.

Councilor Greg Ervin said maintaining infrastructure is one of the fundamental things that is required of the City and it is one of the ways that we maintain a reputation. He said streets impact everything else in life. He said we obviously don't have the money to even maintain our current state. He said we need to maintain the roads, he would like to see them as good as possible and the voters are going to have to make the decision as to how good. He said he is in favor of any of the funding options in conjunction with each other. He said the City should set the standard for what they want, explain the costs, and then go about it. He said it makes sense to do some bonding for bigger projects. Greg said he previously suggested that the City become road builders, invest in the equipment to do these things ourselves, and save costs over time.

He asked why we don't replace roads that we are redoing with concrete, rather than a continued maintenance program.

Greg said we need to invest now, do as good of a job as possible now, and swallow the cost. He said it is good to get community understanding as to what is involved, but at the end of the day this is one of the fundamental things the City is supposed to do and it should have higher priority than a lot of other things we are talking about.

Faye said there is a statue that guides the City and projects over a certain cost are required to be bid out. He said he is trying to be mindful of the Bureau of Labor and trying to maximize the City's dollars and the efforts that we put into maintaining our streets.

Councilor Ervin asked if the City could buy the equipment and then in the bid process factor in that they would use our equipment and reduce the overall costs.

Faye said he would have to research doing that and added that some of the equipment needed is very expensive and we would have to use them enough to justify the cost.

Mayor Gowing said that he supported the gas tax the last time and likes the idea because it puts the cost on the whole community not just the tax payers within the city.

Richard said we could get together with other cities and talk to the County regarding a vehicle registration fee to capture the alternative fuel vehicles. He added that the County had a Commission when they were considering a vehicle registration fee to try and inform citizens and it still failed. He said grants for transportation issues are extremely competitive. He said if Council is considering a Commission to look at funding options that might need to go to a vote, it could be worked on and put on the ballot next May.

Councilor Roberts asked how big a Commission can be.

Richard said it can be as big as you want.

Mayor Gowing said having projects ready to go will help if funds become available.

Councilor Roberts said he had received comments regarding the last gas tax and people thought they were voting for something and nothing was going to get done.

Richard said it is tough because there are people who do not drive on parts of town where work has been done. He said Safe Routes to School is an example where we built two miles of sidewalk, one mile of road, and rebuilt railroad crossings.

Councilor Fleck said if the City goes out for a bond we need to focus on the collectors and arterials that impact the entire City. He said we also need to have strategies for the residential streets that are failing like Bryant and he would like to look at LID's. He said he fully supports Councilor Ervin's comment that it is Council's job to make the decision but we need to get buy-in.

Councilor Savage said she agrees that it needs to be done properly the first time and it is important to have projects ready to go and watching for grants.

Public Works and Development Director Faye Stewart said all of the eight mentioned projects are at a point where we could act quickly if the money became available in an infrastructure bill or a grant opportunity and are only lacking construction documents.

Richard said some of the transportation grants want to know the effects on the region and economy and some of our projects are local streets that do not have any impact. He added that he lives on a concrete street that was built many years ago and it is still great.

Councilor Fleck said with the price of petroleum going up we should take one street and price it out.

Councilor Ervin asked if the City could have a rule that says can all new roads need to be concrete.

Richard replied yes, but when you put that type of requirement on developers it makes building low income housing more difficult.

Councilor Ervin asked how much damage to vehicles from roads is costing people.

Richard replied that National numbers are available but the City does not get many damaged vehicle reports unless an insurance claim is turned in.

Councilor Savage said if we set up a committee and met for about a year it could be brought to a vote in May of next year.

Councilor Roberts asked if there will still be a planned road project in this fiscal year if we have a committee.

Richard said we will probably not do big projects except the chip seal project on River Road and some spot work.

Councilor Fleck asked if it needs to go on an Agenda to create a Commission.

Richard said if there is a consensus to form a Commission, staff can put together some information and materials for a possible commission format.

Councilor Ervin asked if the Commission makes a decision for Council to vote on or if it is fact finding.

Richard said Council will be the one to take action.

Councilor Ervin asked if we are just lacking the understanding of what the residents can tolerate and what condition of roads they are willing to pay for and if it is the Commission's role to figure that out. He asked do we really need the Commission and what information are we missing to make a decision.

Faye Stewart said that Coburg went through a multi-year process and had a Street Funding Committee with strategic people and he could talk to the Coburg City Manager to understand how they put that together. He said there is a method to give it the best foot forward and get the support of the citizens.

Mayor Gowing said that no matter what we do it will be a vote by the citizens so getting their buy-in is important.

Councilor Savage gave an analogy about giving people accountability so that they feel the decision was made together.

Mayor Gowing asked if there were any other comments.

Councilor Fleck thanked staff for the time and energy put into the report.

The meeting was adjourned at 7:53 pm

Mindy Roberts, City Recorder

Jeffrey D. Gowing, Mayor