

CITY OF COTTAGE GROVE
Ad Hoc Street Improvement & Funding Committee
Minutes of the Meeting
August 1, 2023

Present in Chambers: Mayor Candace Solesbee, Councilor Dana Merryday, Councilor Greg Ervin, Citizen Tiffanie Williams, Citizen Amber Bahler, Citizen Chris Holloman, Commissioner Garland Burback, Councilor Chalice Savage, Citizen Michael Leborde

Present via GoTo Meeting: Citizen Robert Reetz

Staff Present: Richard Meyers City Manager, Director of Public Works Faye Stewart, Recording Secretary Tina MacDonald.

Media Present: None

Absent: Councilor Mike Fleck, Citizen Michael Praegitzer, Councilor Alex Dreher, Councilor Jon Stinnett, YAC Member Cassidy Poetzl, Citizen Jeff Conklin

1. Welcome (6:00 pm): Chair Amber Bahler opened the Committee meeting.
2. Recording Secretary Tina MacDonald called the roll.
3. Approval of July 11th meeting minutes with changes.

Tiffanie Williams moved to approve. Councilor Ervin seconded. All in favor. Meeting minutes approved.

4. Continued Committee Discussion and Creation of Committee Recommendations(s)
 - a. Street Funding Revenue Amount – Ad-Hoc Street Improvement & Funding Information handout.

Faye presented the specifics of the handout. He mentioned that in the Employee Tax portion that the numbers include the UGB. Tax could only be applied within the city limits and guessed that it would be about 3,000 employees that would be liable for this tax. Councilor Merryday asked if it would be the employer or the employee that is responsible for this tax. Faye stated it would be paid by the employee. If it was made a payroll tax then it

would be paid by the employer. It could work either way. There was discussion about how taxes are withdrawn.

Faye presented the Transportation Utility Fee option. Richard explained that if you are doing it by trip count that you have to be careful that it doesn't create compression on the individual businesses. Councilor Ervin asked who is responsible for that calculation. Richard was not sure if it would be the city or Lane County as a part of the property tax calculation. It would be calculated on each individual property separately. Faye talked about the City of Creswell's process. They calculate their own fee. Chris asked for clarification on the process. Faye explained that there is a trip generation manual that we use that is based on what businesses do and how many trips they generate. FCS is a consulting group that analyzes our operating costs, capital plans, revenue, etc. Chris believes that the TUF would not be supported by the community and that it is not accurate. Faye agrees that it would be difficult to get support and reiterated that this handout is about options available.

b. Street Gas Tax Revenues handout.

Faye mentioned that the 22-23 fiscal year is not complete yet. The city will get its last payment sometime in August. Councilor Ervin asked how the state fuel tax is allocated. Faye said that we receive a percentage. In the past transportation bill they increased the state gas tax and registration fees for a multiyear period of time. We have seen all of the increase we will see. \$1.1 – 1.2 Million in revenue is what we receive with the combination of the local and state gas taxes, plus some funding/aid that we receive from the federal government. Richard talked about how in 2021-2022 the state gas tax was set at an amount per capita. We are not receiving any more per person when the blue line increases, it comes out of a fixed pool of state tax gas money. Registration fees get rolled in as well. Chris asked for clarification on how the dollars can be spent. It goes straight in under the constitution to the street fund. Faye estimated that there would be \$350-400,000 a year available after paying operating costs, etc. This could be used for maintenance, operation and capital improvements.

Chair Bahler suggested a white board to clarify revenue vs. expense. There were questions about what the money was spent on to come up with the amount that is remaining. The chip seal project was \$231,000, an additional \$57,000 was spent on N. River Rd. for paving. So that is a little less than \$300,000. Faye referred back to the 2023-2024 Fiscal Year Budget for keeping track of operations for the street fund. There was a budgeted amount of \$707,000 plus and additional \$113,000 for the street sweeper (see budget). Approximately \$820,000 is budgeted for the street system. See the upcoming projects list as well. The rest of the money that was remaining is being transferred to the Main Street project and then that project will be

fully funded. \$1,870,000.00 is the projected revenue. Faye shared the projected budget again.

The Main Street project has a committed amount of \$400,000. There is \$117,000 that goes to general support of the department and then there is a contingency of \$226,000 that is for unforeseen expenses. If it is not spent that money goes back into the street fund. Faye reiterated that there is about \$400,000 that could be applied to the 3.5 million that we would need to get to the desired PCI rating previously discussed.

There was discussion about how we get to the desired 3.1 million. Michael Leborde asked for clarification on the gas tax and PUC. Richard said that the money that we get from the state goes to reimburse the city for that. There was discussion about the PUC history.

Councilor Savage asked if a TUF could be isolated. Faye said that would be challenging. Richard thinks that would work better as a Local Improvement District. This might work for the Gateway Blvd. portion where the heavy truck and travelling traffic happens. Richard also mentioned a sales tax on fast food or showers, things like that that are tied to just those businesses.

The committee continued discussion about what the various taxes would generate in total. \$1.2 million would be generated based on 3000 employees with an employee tax. Michael L. asked for clarification on an LID. Richard said that with that the quality of repairs would be such that we would never have to touch it again. Gateway Blvd. was discussed again for the cost of redoing just one lane vs. all of the lanes. There was a conversation about Bryant Ave. and the possibility of an LID there. This would isolate specific neighborhood streets. We could say that we have a million dollar shortage, go to those specific neighborhoods and they could have those funds go directly to that project. This leaves the 3.1 million still for city funded projects. If the residents in that neighborhood do not express the desire or commitment for the repairs maybe it should not be a priority of the city to do it either. Richard talked about the older neighborhoods and how they were constructed. There was conversation about how this may be a great opportunity to have homeowners know that this is an option and is it something they want.

Chair Bahler asked what PCI \$2.5 million gets us too. Refer back to the Pavement Management Report that was presented by Emerio Designs at 1st meeting. This breaks it all down. If we had the LID's that would bridge the gap in addition to the other options. Councilor Ervin mentioned targeting the big projects first then maybe that would bring up the average pretty quick. This \$3.5 million gets us to the 78 PCI in 10 years. Mayor Solesbee talked about the fact that the people that are on the less travelled roads will be low on the priority list so the LID may be a very good option for them. The LID

improvements will last so much longer because of less traffic. Another benefit includes increased property values due to curb and sidewalk improvements. The LID assessment does not have to be paid until the property sells, it becomes a lien. The city borrows and then pays it back. Faye talked about the rural rehab program he was involved with and the logic compared to LID's. Councilor Ervin asked about how much the city could borrow. Richard stated that the city could borrow quite a bit, yet it is also about how we manage the projects. We would have to pick the top ones and focus on those. Councilor Ervin asked about possibly having a map that has it all laid out. If the PCI information was broken out that way and prioritized by them that may be a great way to do it. There was a discussion about having a town hall to invite the community to let them know what the options may be and to get their thoughts and input.

Chair Bahler and Faye stated that it sounded like what the committee is asking for is the information for the PCI on the arterials and collectors over a 10 year period and what would the amount be to bring them up to the 72 PCI. That can be recalculated and come up with and the rest could be more of the LID focus. Councilor Ervin stated that the LID process would need to be streamlined.

Chair Bahler asked the committee about the mechanisms they want to focus on. Councilor Ervin wants the new number based on the new strategy. Tiffanie thinks it's been a long time since the gas tax has been raised and wants to look at that. Chris talked about the fee on home charging stations. Faye thinks that you can get them without a permit so that would be difficult to track. Richard mentioned it could be problematic in dealing with the PUC.

c. Timing of Funding Request to Council and or Voters.

Faye talked about the August 14th deadline to have a report to go to city council with. It could be that the report states this is what we have done, this is how many times we've met, these are the topics and we need more information. The committee would like to extend its authority and ask for more time. Anything that would go to voters would not be until next May at least. He said that the PCI could be determined quickly or could take more time. Faye could report to the committee on that and take more time to learn the nuances of LID's. Councilor Ervin asked for clarification on Paver. Faye spoke about the way to come up with numbers for the utilities as well as the ages, condition and costs to repair. Richard stated that the utilities would be paid out of the utility fund so to not worry about that too much. Even some of that could go to the streets. Faye shared that some of the Safe Routes project was funded by the utility fund. Councilor Ervin asked about how the repairs could be tied in with underground power.

Chair Bahler asked if Faye was going to do the report to council. Richard

stated that it needed to come from the committee, particularly the chair. Faye will create the memo for the council and asked that Chair Bahler come up with the presentation.

Richard spoke about the progress of the committee and the knowledge gained. That may be a part of the presentation. Educated information is important. Chair Bahler asked about an accessible piece of information where everything is together. Faye stated that the information is all available on the city website on the Ad Hoc page. There was discussion about having something like this available at the town hall when it happens. There may be a map, graphics, etc. Faye talked about ideas on how to present the information and have it be understandable. It would be helpful to have what the city has done over the last 5-10 years. Faye said that there is a document that shows what we have done and have planned and is pleased with the outcome on River Road. He stated that it was a test to see how it holds up and believes that the city is being prudent with tax dollars.

Richard wonders about what that will do to the PCI. Councilor Ervin asked about having an ongoing updated PCI. Someone that has training may need to be the one to do that. There was discussion about the materials used on River Rd. and how this could be a more cost efficient fix. Faye talked about the way that the roads life could be extended before it is compromised. The committee discussed the difference in weights of vehicles from the past to now and the impact on the roads. Councilor Ervin wants to see an efficient and timely way to deliver the LID information to the community and what will the maintenance of it be? Richard spoke about how important it is to have some sort of statement of advocacy to go to the state and federal government to address the alternative fuel vehicles that are coming out more and more and how to make it more sustainable. We are definitely not the only city in Oregon trying to figure this out. It would be of benefit to come together with other cities to essentially brainstorm. This would be something that will be helpful in going to council and then leadership.

d. Discuss Public Outreach

Faye doesn't think that we are to that point and that we should defer to a future time. Make the presentation to council, get the blessing to extend the committee, have the later August meeting and then go from there. What will we need to get ready? Is the committee ready to go longer? The committee discussed adding new people. Richard stated that it is a public meeting and has taken the committee a number of meetings to come up to the speed we are at. Chris spoke about the importance of this and is in for the duration. The general consensus is that the members of the committee want to continue.

e. Questions and Committee Discussion

Bob asked about the LID's. If there is a financed property is it accepted by banks to have payments that are deferred? Richard stated that the liens are not an issue with the way that the LID laws are in Oregon. There was discussion about liens and the way they work.

f. Next Meeting

August 29th will be the next meeting.

Adjournment at 7:53 pm.

DRAFT