

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
April 7, 2015	

TO: Mayor Shoji and City Councilors

FROM: Jim Hossley, Public Works Director *JH*

Through: Rodger Craddock, City Manager *rc*

ISSUE: Street Task Force Recommendation for Street Maintenance Funding

BACKGROUND:

The City Council created a Streets Task Force in 2013. Councilor Groth was appointed to represent the City Council on the Streets Task Force. In July 2013, stake holders and ex-officio subject matter experts for the task force were direct appointed by the City Council, while at-large members were selected by Council through an application process. The role of this task force is to make recommendations to the City Council on the management and financing of street maintenance.

The task force had four (4) very productive meetings over the summer and early fall 2013. After careful consideration, the Streets Task Force formulated the recommendations that were presented to City Council in November 2013. One of the recommendations was to update the City's Street Conditions Assessment. The updated assessment was completed in January of 2015 and a draft preliminary report was submitted to the City in February 2015. Staff has reviewed the document and Streets Task Force met March 17, 2015 to review and discuss the assessment report. The consultant who prepared the draft assessment report is currently revising the document based on input from the task force and staff. The consultant will present the assessment report to the City Council at a future Council meeting when revisions to the document are complete.

At the March 17th meeting, the Street Task Force also considered funding options for street maintenance/repair to recommend to the City Council. The Task Force recommends the City Council consider increasing the Pacific Power and Light (PP&L) franchise fee an additional 2% to cover the City's current cost for streetlight and traffic signal expenses. This in turn will free up the Gas Tax funds that currently pay those expenses to be used for street maintenance/repairs. Additionally the Task Force recommends the Council consider implementing a \$0.05/gallon local fuel tax. This would provide additional revenue for street maintenance/repair and would be paid by local and out of town users of the City's street system. The City of North Bend has already approved raising the PP&L franchise fee and is also considering the local fuel tax. The franchise fee can be raised by Council action. Implementing a local fuel tax requires voter approval.

ADVANTAGES:

Current gas tax funds are not adequate for maintaining the City's street infrastructure, implementing the recommendations will provide additional revenue for maintenance. The City will be able to make more street repairs and slow the failure of the overall street infrastructure.

DISADVANTAGES:

Citizens will pay more for their electricity. Citizens who purchase their fuel in the City limits will pay more for that fuel.

BUDGET IMPLICATIONS:

A 2% increase in the PP&L franchise fee is estimated to generate \$328,000 annually. A \$0.05 per gallon gas tax is estimated to generate approximately \$500,000 annually. Ten percent (10%) of revenue generated by a local gas tax will go to the State of Oregon to cover its cost for collecting the gas tax.

RELATED CITY GOAL:

Maintain and improve the City's physical infrastructure and provide quality services for current and future citizens

ACTION REQUESTED:

If it pleases the Council, by consensus, direct staff to move forward with efforts necessary to increase the PP&L franchise fee and local gas tax.