

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE June 7, 2016	AGENDA ITEM NUMBER
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TO: Mayor Shoji and City Councilors
FROM: Rodger Craddock, City Manager
ISSUE: November 2016 Gas Tax Ballot Measure

BACKGROUND:

In 2013, the City Council created a Streets Task Force for the purpose of making recommendations to the City Council on the management and financing of street maintenance. After four very productive meetings over the summer and early fall of 2013, the Streets Task Force formulated the following recommendations which were presented to the City council in November 2013:

- Update the City's Street Conditions Assessment. (The Pavement Condition Survey and Asset Management Plan has been completed, and it was approved by the City Council in July 2015.)
- 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. (The Council enacted Ordinance 438 and adopted resolution 15-08 increasing the franchise fee to 9% in July 2015.)
- Consider asking the voters to approve a 0.05/gallon local fuel tax

While there was an effort to place a joint gas tax ballot measures (Coos Bay and North Bend) on the November 2015, the cities lack consensus on the amount of the proposed gas tax and scope of the fuels to be taxed. A joint Coos Bay - North Bend Council Gas Tax Committee was formed, and they met several time this year to discuss the proposed gas tax. Based on those meetings, there was to propose 0.04/gallon gas tax on all retail and wholesale gas and diesel. As proposed, sales of fuel for PUC vehicles (heavy trucks who primarily use car lock gas stations) would be exempt.

Based on consensus at the joint committee level, we have put together the following ballot language:

Caption:
Motor Vehicle Fuel Tax for Street Repair

Question:
Shall the City of Coos Bay adopt a 4 cents per gallon fuel tax dedicated to street maintenance and repair?

Summary:

A “yes” vote approves creation of funding dedicated to street maintenance and repair through a 4 cents per gallon tax on motor vehicle fuels sold in Coos Bay. The tax is estimated to raise \$300,000 annually, and it will only be used for street repairs and maintenance. Funds collected by this tax will not be used for other street related improvements such as sidewalks, traffic signs, traffic signals, or city maintenance staff.

Vehicles subject to “weight-mile tax” (trucks over 26,000 pounds not required to pay diesel fuel tax) or having a “use fuel” (approved PUC tax exempt for diesel, propane, CNG or other fuel that is not gasoline) certificate will be exempt from the tax.

On June 14th, the North Bend Council approved the recommendations of the joint Coos Bay - North Bend Council Gas Tax Committee.

Some of the required steps which will need to be taken in order to get these ballot measures on the November 2016 include the following:

- Approval of the recommendations of the joint Coos Bay – North Bend Council Gas Tax Committee
- Council approval of ballot titles
- Formal filing of the ballot title (form SEL 801 Notice of Ballot Title)
- Council approval of the ballot question and ballot measure summary
- Formal filing of the ballot question and ballot measure summary (form SEL 802 Notice of Measure Election)

RECOMMENDATION:

Approve the recommendations of the joint Coos Bay - North Bend Council Gas Tax Committee, and direct staff to draft the required resolution to place the proposed gas tax on the November 2016 ballot for Council consideration.