

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 1/9/18 **Approx. Start Time:** 11:00AM **Approx. Length:** 30 minutes

Presentation Title: Planning for New Transportation Funding

Department: Transportation and Development

Presenters: Mike Bezner, Diedre Landon

Other Invitees: Randy Harmon

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Review the Department of Transportation and Development's proposed allocation of additional resources coming from the new transportation funding package.

EXECUTIVE SUMMARY:

Last summer the Oregon State Legislature passed a new transportation bill, House Bill 2017. The bill raises fees and taxes in order to provide a significant increase in transportation funding throughout Oregon. The increase occurs in steps over the next 10 years. For Clackamas County's Department of Transportation and Development (DTD) it means projected funding of \$3,000,000 in 2018 that is forecasted to reach \$13,000,000 by 2027 (approximate 50% increase over existing fees and taxes). In preparation for this increase, DTD is proactively reviewing its programs and developing strategies for using the additional funding to improve the condition and safety of our transportation system. Programs that we propose to devote more resources to include road maintenance, bridge maintenance, contract paving, ADA ramp retrofits, and transportation safety. The increase in resources is planned to be used to buy more materials, contract for more work, and hire more maintenance and project management staff.

Our specific plan is shown on the attachment titled "Countywide HB 2017 Road Funding Scenario." It outlines a spending plan for the next 10 years and it includes project category breakdowns and specific new staff positions. We have looked at how our plan will impact the total road fund budget over the next five years (see attachment titled "Road Fund Forecast with HB 2017 Road Funding Scenario"). Our forecast shows a sufficient ending fund balance each year through 2022/2023 to keep a \$4,000,000 minimum contingency in case of an unexpected emergency event.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$ See attachments What is the funding source? HB 2017 road funds

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?

DTD currently has the following Strategic Business Plan goal:

Travelers on Clackamas County roads will experience safe roads in good condition, as evidenced by:

- By 2019, no more than 20 miles of County roads will deteriorate from 'good' to 'fair' or 'poor' per year.
 - By 2019, no more than 70% of local County roads (658 total miles) will be rated 'fair to poor'.
 - By 2019, 120 additional miles of County roads will be improved to 'good to excellent' status, a 9% increase over 2014.
 - By 2019, the three-year average number of fatalities on roads in Clackamas County will be reduced from 26 to 14.
 - By 2018, Clackamas County will have a program in place that will identify transportation system improvements and funding to support expected needs for the next five years.
- How does this item align with the County's Performance Clackamas goals?

The Clackamas County Strategic Plan includes the following Strategic Goal:

By 2019, improve the average condition of paved county roads to a PCI (Pavement Condition Index) rating of 70.

LEGAL/POLICY REQUIREMENTS:

Road funds from HB 2017 are restricted to road purposes by the Oregon constitution.

PUBLIC/GOVERNMENTAL PARTICIPATION:

The planned expenditures will be included in DTD's proposed 18/19 budget.

OPTIONS:

1. Support DTD's proposed allocation of additional resources coming from the new transportation funding package.
2. Support DTD's proposed allocation inclusive of minor adjustments as recommended by the Board.
3. Direct DTD to develop a revised plan consistent with the Board's direction.

RECOMMENDATION:

Staff respectfully recommends the Board support DTD's proposed allocation of additional resources coming from the new transportation funding package. .

ATTACHMENTS:

- Countywide HB 2017 Road Funding Scenarios
- Road Fund Forecast with HB 2017 Road Funding Scenario

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval _____
 County Administrator Approval _____



Countywide HB 2017 Road Funding Scenario

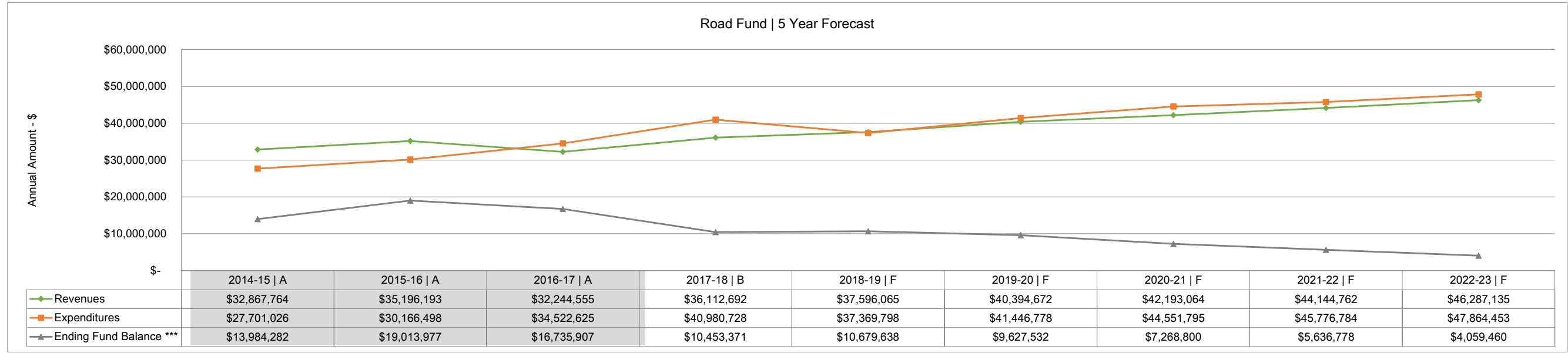
Fiscal Year	2018-2019 *	2019-2020 *	2020-2021 *	2021-2022 *	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Totals	
ADDITIONAL REVENUES - HB 2017, ESTIMATED	\$ 3,030,745	\$ 6,060,194	\$ 7,061,491	\$ 8,196,566	\$ 9,502,308	\$ 11,057,835	\$ 12,034,565	\$ 13,208,843	\$ 13,324,691	\$ 13,393,851	\$ 96,871,089	
Funding needed to maintain existing services	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 1,125,509	\$ 1,159,274	\$ 1,194,052	\$ 1,229,874	\$ 1,266,770	\$ 1,304,773	\$ 11,463,879	
Additional Paving Contracts **	\$ 1,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,500,000	\$ 4,500,000	\$ 5,000,000	\$ 6,000,000	\$ 6,000,000	\$ 7,000,000	\$ 7,000,000	\$ 45,500,000	
ADA Ramps **	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,900,000	
Safety Projects **	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 10,500,000	
Asset Management (Placeholder) **	\$ 200,000	\$ 250,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,850,000	
Bike / Pedestrian Projects **	\$ 30,307	\$ 60,602	\$ 70,615	\$ 81,966	\$ 95,023	\$ 110,578	\$ 120,346	\$ 132,088	\$ 133,247	\$ 133,939	\$ 968,711	
PROGRAM EXPENSES, ESTIMATED	\$ 2,430,307	\$ 4,540,602	\$ 5,631,515	\$ 6,174,693	\$ 7,220,532	\$ 7,769,852	\$ 9,314,398	\$ 9,661,962	\$ 10,700,017	\$ 10,738,712	\$ 74,182,590	
	# FTE											
Staff- Road Workers, Prep Work	3	\$ 137,785	\$ 282,321	\$ 289,238	\$ 296,325	\$ 303,585	\$ 311,022	\$ 318,642	\$ 326,449	\$ 334,447	\$ 342,641	\$ 2,942,456
Staff- Road Workers, Prep Work	3		\$ 282,321	\$ 289,238	\$ 296,325	\$ 303,585	\$ 311,022	\$ 318,642	\$ 326,449	\$ 334,447	\$ 342,641	\$ 2,804,671
Staff- Road Supervisor	1	\$ 70,386	\$ 144,220	\$ 147,754	\$ 151,374	\$ 155,082	\$ 158,882	\$ 162,775	\$ 166,763	\$ 170,848	\$ 175,034	\$ 1,503,117
Staff- Project Manager CIP (1/2 Damascus)	0.5	\$ 55,746	\$ 57,112	\$ 58,511	\$ 59,944	\$ 61,413	\$ 62,918	\$ 64,459	\$ 66,038	\$ 67,656	\$ 69,314	\$ 623,112
Staff- Project Manager CIP	1		\$ 117,022	\$ 119,889	\$ 122,826	\$ 125,835	\$ 128,918	\$ 132,077	\$ 135,313	\$ 138,628	\$ 1,020,509	
Staff- Project Manager Maintenance	1	\$ 111,492	\$ 114,223	\$ 117,022	\$ 119,889	\$ 122,826	\$ 125,835	\$ 128,918	\$ 132,077	\$ 135,313	\$ 138,628	\$ 1,246,224
Staff- CAD, Paving	1	\$ 52,054	\$ 106,660	\$ 109,273	\$ 111,950	\$ 114,693	\$ 117,503	\$ 120,381	\$ 123,331	\$ 126,352	\$ 129,448	\$ 1,111,645
Staff- Inspector, Paving	1	\$ 48,866	\$ 100,126	\$ 102,579	\$ 105,093	\$ 107,667	\$ 110,305	\$ 113,008	\$ 115,776	\$ 118,613	\$ 121,519	\$ 1,043,553
Staff- Complaint Response	1		\$ 102,579	\$ 105,093	\$ 107,667	\$ 110,305	\$ 113,008	\$ 115,776	\$ 118,613	\$ 121,519	\$ 894,560	
Staff- ROW Technician	1	\$ 95,852.0	\$ 98,200	\$ 100,606	\$ 103,071	\$ 105,596	\$ 108,184	\$ 110,834	\$ 113,549	\$ 116,331	\$ 119,182	\$ 1,071,406
Staff- Traffic Control Reviews	1		\$ 109,273	\$ 111,950	\$ 114,693	\$ 117,503	\$ 120,381	\$ 123,331	\$ 126,352	\$ 129,448	\$ 952,931	
Staff - Land Surveyor	1		\$ 134,174	\$ 137,462	\$ 140,829	\$ 144,280	\$ 147,815	\$ 151,436	\$ 155,146	\$ 158,947	\$ 162,842	\$ 1,332,931
Staff- Bridge Workers	1	\$ 97,732	\$ 100,126	\$ 102,579	\$ 105,093	\$ 107,667	\$ 110,305	\$ 113,008	\$ 115,776	\$ 118,613	\$ 121,519	\$ 1,092,419
Staff- Bridge Workers	1		\$ 100,126	\$ 102,579	\$ 105,093	\$ 107,667	\$ 110,305	\$ 113,008	\$ 115,776	\$ 118,613	\$ 121,519	\$ 994,687
Staff- Traffic Workers	1	\$ 89,025	\$ 91,206	\$ 93,441	\$ 95,730	\$ 98,076	\$ 100,478	\$ 102,940	\$ 105,462	\$ 108,046	\$ 110,693	\$ 995,098
Staff- Traffic Workers	1		\$ 91,206	\$ 93,441	\$ 95,730	\$ 98,076	\$ 100,478	\$ 102,940	\$ 105,462	\$ 108,046	\$ 110,693	\$ 906,073
STAFF EXPENSES, ESTIMATED ***	\$ 758,938	\$ 1,702,024	\$ 2,072,598	\$ 2,123,376	\$ 2,175,399	\$ 2,228,696	\$ 2,283,299	\$ 2,339,240	\$ 2,396,552	\$ 2,455,267	\$ 20,535,390	
<i>% new money going to staff</i>	25%	28%	29%	26%	23%	20%	19%	18%	18%	18%		
TRANSPORTATION PROGRAM EXPENSES	\$ 3,189,245	\$ 6,242,626	\$ 7,704,113	\$ 8,298,069	\$ 9,395,931	\$ 9,998,549	\$ 11,597,697	\$ 12,001,203	\$ 13,096,569	\$ 13,193,979	\$ 94,717,981	

* Additional revenue from HB 2017 falls short of the total expenses; existing County Road Fund will be used to backfill program expenses.

** Existing County Road Fund supports these programs; these estimates represent the increasing service levels.

*** FY 2019 assumes 6-months of expenses for FTE's hired. FTE costs increase by CPI of 2.45% each year.

Road Fund Forecast with HB 2017 Road Funding Scenario



*** Ending Fund Balance needs to remain above \$3 Million for inclement weather / emergency response.

Road Fund Forecast with HB 2017 Road Funding Scenario

	2014-15 Actuals	2015-16 Actuals	2016-17 Actuals	2017-18 Budget Request	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast
US Forest Reserve	\$ 902,941	\$ 895,394	\$ 262,917	\$ 284,250	\$ 291,214	\$ 298,349	\$ 305,658	\$ 313,147	\$ 320,819
Motor Vehicle Fund	\$ 23,215,902	\$ 24,736,287	\$ 25,575,183	\$ 25,800,000	\$ 26,432,100	\$ 27,079,686	\$ 27,743,139	\$ 28,422,846	\$ 29,119,205
Charges for Services	\$ 5,462,441	\$ 4,957,467	\$ 3,905,354	\$ 3,752,476	\$ 3,831,204	\$ 3,917,719	\$ 4,006,353	\$ 4,097,158	\$ 4,190,189
Other Revenues	\$ 3,286,480	\$ 4,607,045	\$ 2,501,101	\$ 6,275,966	\$ 4,010,802	\$ 3,038,724	\$ 3,076,423	\$ 3,115,045	\$ 3,154,614
Road Fund - 2017 Legislative Package	\$ -	\$ -	\$ -	\$ -	\$ 3,030,745	\$ 6,060,194	\$ 7,061,491	\$ 8,196,566	\$ 9,502,308
Revenues	\$ 32,867,764	\$ 35,196,193	\$ 32,244,555	\$ 36,112,692	\$ 37,596,065	\$ 40,394,672	\$ 42,193,064	\$ 44,144,762	\$ 46,287,135
Total Revenue Growth	7.58%	7.08%	-8.39%	12.00%					

	2014-15 A	2015-16 A	2016-17 A	2017-18 B	2018-19 F	2019-20 F	2020-21 F	2021-22 F	2022-23 F
Personnel Services	\$ 14,532,933	\$ 15,131,371	\$ 15,360,879	\$ 17,177,236	\$ 19,198,078	\$ 20,729,231	\$ 21,670,947	\$ 22,123,486	\$ 22,787,111
Materials & Services	\$ 10,119,551	\$ 7,926,398	\$ 7,717,582	\$ 8,710,817	\$ 8,208,431	\$ 9,209,990	\$ 10,827,938	\$ 11,053,924	\$ 11,430,364
Special Payments Payment in Lieu of Imp	\$ -	\$ -	\$ 19,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Indirect Charges + Cost Allocations	\$ 1,968,000	\$ 2,490,415	\$ 2,248,762	\$ 2,340,309	\$ 2,383,519	\$ 2,427,787	\$ 2,473,141	\$ 2,519,605	\$ 2,567,208
Capital Outlay	\$ 581,636	\$ 1,058,980	\$ 2,037,551	\$ 3,384,000	\$ 1,210,026	\$ 1,210,026	\$ 1,210,026	\$ 1,210,026	\$ 1,210,026
Reserves + Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracted Maintenance *	\$ 1,982	\$ 2,707,969	\$ 2,870,180	\$ 6,500,000	\$ 4,000,000	\$ 5,500,000	\$ 6,000,000	\$ 6,500,000	\$ 7,500,000
Transfer to DTD Capital Fund **	\$ 496,924	\$ 851,365	\$ 4,268,671	\$ 2,743,366	\$ 2,244,744	\$ 2,244,744	\$ 2,244,744	\$ 2,244,744	\$ 2,244,744

* Contracted Maintenance - Paving package funded by CIAO Reimbursement, Rural STP revenues + Ongoing PLP in out years.

** Transfer to DTD Capital varies, based on current capital project needs. Forecast based on 7-year average.

Expenditures	\$ 27,701,026	\$ 30,166,498	\$ 34,522,625	\$ 40,980,728	\$ 37,369,798	\$ 41,446,778	\$ 44,551,795	\$ 45,776,784	\$ 47,864,453
Total Expenditure Growth	-0.23%	8.90%	14.44%	18.71%					
Ending Fund Balance ***	\$ 13,984,282	\$ 19,013,977	\$ 16,735,907	\$ 10,453,371	\$ 10,679,638	\$ 9,627,532	\$ 7,268,800	\$ 5,636,778	\$ 4,059,460
Permanent FTE, Budgeted	147.75	149.05	152.55	157.75					

*** Ending Fund Balance needs to remain above \$3 Million for inclement weather / emergency response.

Assumptions:

- 1 - Est PERS increases from FY 2019 - FY 2023 included. \$1.75M Reserve in FY 2018 budget covers 5-yr of increases.
- 2 - Revenue includes CIAO site reimbursement, Rural STP revenues, ongoing \$500k PLP and HB 2017 funding.
- 3 - Includes Canby Ferry inspections in FY 2023.
- 4 - Includes chip seal program beginning in FY 2021.
- 5 - Includes \$100k revenue and expenses to purchase emergency preparedness supplies; radios, emergency kits and go-bags in FY 2018.
- 6 - Using a 7-year average for capital outlay items from FY 2018-19 through FY 2022-23.

	2018-19 F	2019-20 F	2020-21 F	2021-22 F	2022-23 F
Revenue Assumption	2.45%	2.45%	2.45%	2.45%	2.45%
Personal Services Assumption	2.45%	2.45%	2.45%	2.45%	2.45%
Materials & Services Assumption	2.45%	2.45%	2.45%	2.45%	2.45%