

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: Feb. 16, 2016 **Approx Start Time:** 10 a.m. **Approx Length:** 30 minutes

Presentation Title: Road Maintenance Funding Advisory Questions for May 17, 2016 Election

Department: Public & Government Affairs; Transportation & Development

Presenters: Chris Storey, County Counsel; Gary Schmidt, Director, PGA; Barbara Cartmill, Director, DTD

Other Invitees: Amy Kyle, Tim Heider, Ellen Rogalin – PGA; Mike Bezner, Randy Harmon, Warren Gadberry, Grant Williams, Joe Marek, DTD

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

We are asking for direction from the Board of Commissioners on the wording of one to three questions to place on the May 17, 2016 ballot related to funding road maintenance and safety.

EXECUTIVE SUMMARY:

At a policy session on Feb. 9, the Board approved placing up to three advisory measures on the May 17, 2016 ballot:

- One related to a possible countywide \$25/vehicle/year, seven-year vehicle registration fee (VRF);
- One related to the combination of a countywide 3-cent gas tax and a \$5/vehicle/year VRF for five years, and
- One more general question about voters' understanding about how roads are funded.

The questions will also be the focus of a discussion item at the Feb. 18 Board business meeting.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES X NO

What is the cost? \$150,000 (outreach)

What is the funding source? General and Roads funds

STRATEGIC PLAN ALIGNMENT:

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

I. PGA: By 2019, the \$17 million road maintenance funding gap will be addressed.

II. DTD: 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 serious injuries and fatalities on roads in Clackamas County will be reduced from 133 to 113

- **How does this item align with the County’s Performance Clackamas goals?**
 - Build a Strong Infrastructure: By 2019, 120 additional miles of county roads will be improved to ‘good to excellent’ status, a 9% increase from 2014.
 - Build Public Trust Through Good Government: By 2020, Clackamas County will achieve the Strategic Results in the Strategic Plan.

LEGAL/POLICY REQUIREMENTS:

A number of legal/policy issues are relevant to this issue.

Ballot Measure Requirements:

- The question must include three components:
 - A ballot title – the caption that describes the subject of the referral (up to 10 words)
 - The question of the referral (up to 20 words), and
 - A summary describing the major effects of the referral (up to 175 words)
 The question may also include a 500-word explanatory statement.
- An advisory vote must be a simple, straightforward question
 - Must elicits a “yes” or “no” response, and
 - May not include any compound questions or contingencies.
 There can be more than one advisory question.

Timeline for May 17 election:

1. No later than **Friday, Feb. 26**, the ballot title, question and summary must be sent to the County Clerk for publication.
2. There is a seven-day ballot title challenge period. If the title is challenged, the county would be in court for first and final review.
3. On **March 17**, all challenges must be completed and submitted to the clerk.
4. The measure would be included in the voter’s pamphlet in which interested parties could include arguments in favor or against. Such arguments are due by **March 21**.

Role of County Staff and Elected Officials Related to Elections and Ballot Measures:

Public employees may not use County time or resources to support or oppose elections petitions, candidates, political committees, or ballot measures; nor can any public employee be required to do so by another employee or elected official. A public employee may not distribute advocacy materials, assist with candidate filing forms, produce or distribute documents advocating a vote for or against a measure; prepare a speech; post website information that advocates a political position; make outgoing calls to schedule or organize campaign events.

An elected official (including a person appointed to fill a vacancy in an elected position) is authorized to personally advocate for or against candidates, political committees, initiative, referendum or recall petitions, or measures on the official’s work time. Likewise, an elected official may lend his or her name to a campaign or fund-raising campaign. However, elected officials must take care not to involve public employees’ work time in any activities that might be construed to be supporting or aiding an advocacy campaign effort, such as preparing advocacy material.

PUBLIC/GOVERNMENTAL PARTICIPATION: Extensive outreach and education has taken place over the past two years including presentations to community groups, a website, billboards, social media, sharing information at events, public surveys, articles in *Citizen News* and

presentations at BCC study sessions and business meetings. To spread the word about the discussion at the Feb. 18 business meeting, PGA is using a variety of media including news releases, Facebook ads, Facebook and Twitter posts, the website, and emails to cities, business and community groups.

OPTIONS:

In keeping with the strict requirements of how ballot measures can be written, possible advisory ballot measures include the following:

- a) Would voters support adoption of a \$0.03 per gallon gas tax for a period of 5 years? (18 words)
- b) Shall the county create a \$5 per vehicle per year vehicle registration fee for 5 years? (17 words)
- c) Shall the county create a \$25 per vehicle per year vehicle registration fee for 7 years? (17 words)
- d) Shall the county establish funding sources that expire after specified years to pay for road maintenance and safety improvements? (20 words)

In addition, any or all advisory ballot measures could include a 175-word summary, such as:

More than 50% of Clackamas County’s 1,400 miles of roads are in fair or poor condition.

County road funds primarily come from gas taxes and vehicle registration fees, and the law prevents the use of ad valorem (property) taxes for roads. The county has used its road funds as efficiently as possible, but is not able to keep pace with road maintenance and safety needs. Currently there is a \$17 million gap each year between the funds needed to repair roads and available revenue.

Every year, a larger percentage of county roads slip into disrepair, and the county doesn't have the necessary revenue to keep up with crucial maintenance needs. Waiting also comes at a price, as the cost to reconstruct a road in the future is more than 10 times greater than the cost of providing preventive maintenance today.

Ongoing preventive maintenance plays a critical role in keeping our roads safe. Smooth roadways, clear lane markings, unobstructed sightlines, functional culverts and well-marked intersections are vital to reducing crashes and helping to keep travelers safe.

RECOMMENDATION:

Staff respectfully recommends that the Board of County Commissioners select up to three possible advisory ballot measures to be the focus of public comment and include a 175-word summary with the ballot measure(s).

ATTACHMENTS:

- A. Revenue estimates for seven-year, countywide \$25/vehicle/year vehicle registration fee
- B. Revenue estimates for five-year, countywide \$5/vehicle/year vehicle registration fee
- C. Gas tax needed to raise X revenue per year
- D. Tax or fee rate needed to raise X million per year

SUBMITTED BY:

Division Director/Head Approval: _____

Department Director/Head Approval: _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Amy Kyle @ 503-742-5973

Proposed 7-Year VRF Program | Preliminary Revenue Estimates
(\$25 / vehicle / year)

| | | | |
|--|---------------------|--------------------------------------|--|
| Estimated Annual VRF Revenue (100% = County + City Revenues) | | \$ 8,680,175 | |
| Estimated Annual County Distribution (60% of Total Revenues) | | \$ 5,208,105 | |
| Estimated Annual City Distribution (40% of Total Revenues) | | \$ 3,472,070 | |
| Estimated 7-Year Program Revenue (100% = County + City Revenues) | | \$ 60,761,225 | |
| Estimated 7-Year Program County Distribution (60% of Total Revenues) | | \$ 36,456,735 | |
| Estimated 7-Year Program City Distribution (40% of Total Revenues) | | \$ 24,304,490 | |
| | | | |
| Jurisdiction | Population** | Estimated Annual Distribution | Estimated 7-Year Program Distribution |
| Clackamas County | 176,259 | \$ 5,208,105 | \$ 36,456,735 |
| Barlow | 135 | \$ 2,177 | \$ 15,242.11 |
| Canby | 16,010 | \$ 258,229 | \$ 1,807,602 |
| Damascus | 10,625 | \$ 171,373 | \$ 1,199,611 |
| Estacada | 2,935 | \$ 47,339 | \$ 331,375 |
| Gladstone | 11,495 | \$ 185,405 | \$ 1,297,838 |
| Happy Valley | 16,480 | \$ 265,810 | \$ 1,860,667 |
| Johnson City | 565 | \$ 9,113 | \$ 63,791 |
| Lake Oswego (part)* | 34,538 | \$ 557,077 | \$ 3,899,540 |
| Milwaukie | 20,485 | \$ 330,407 | \$ 2,312,849 |
| Molalla | 8,820 | \$ 142,260 | \$ 995,818 |
| Oregon City | 33,760 | \$ 544,522 | \$ 3,811,657 |
| Portland (part)* | 760 | \$ 12,252 | \$ 85,763 |
| Rivergrove (part)* | 451 | \$ 7,272 | \$ 50,902 |
| Sandy | 10,170 | \$ 164,034 | \$ 1,148,239 |
| Tualatin (part)* | 2,903 | \$ 46,828 | \$ 327,798 |
| West Linn | 25,540 | \$ 411,940 | \$ 2,883,582 |
| Wilsonville (part)* | 19,594 | \$ 316,031 | \$ 2,212,217 |
| ESTIMATED DISTRIBUTION TOTALS | 391,525 | \$ 8,680,175 | \$ 60,761,225 |

** Population estimates are based on Portland State University (PSU) Population for Oregon and its Counties and Incorporated Cities and Towns: July 1, 2014. Prepared by Population Research Center - College of Urban and Public Affairs.

ESTIMATED VRF REVENUE BY COUNTY AND CITY
(with 5-year, countywide VRF of \$5/vehicle/year)

| Jurisdiction | Population** | Estimated Annual Revenue | Estimated 5-Year Revenue |
|---------------------------------|---------------------|---------------------------------|---------------------------------|
| Unincorporated Clackamas County | 176,259 | \$ 1,041,621 | \$ 5,208,105 |
| Barlow | 135 | \$ 435 | \$ 2,177 |
| Canby | 16,010 | \$ 51,646 | \$ 258,229 |
| Damascus | 10,625 | \$ 34,275 | \$ 171,373 |
| Estacada | 2,935 | \$ 9,468 | \$ 47,339 |
| Gladstone | 11,495 | \$ 37,081 | \$ 185,405 |
| Happy Valley | 16,480 | \$ 53,162 | \$ 265,810 |
| Johnson City | 565 | \$ 1,823 | \$ 9,113 |
| Lake Oswego (part)* | 34,538 | \$ 111,415 | \$ 557,077 |
| Milwaukie | 20,485 | \$ 66,081 | \$ 330,407 |
| Molalla | 8,820 | \$ 28,452 | \$ 142,260 |
| Oregon City | 33,760 | \$ 108,904 | \$ 544,522 |
| Portland (part)* | 760 | \$ 2,450 | \$ 12,252 |
| Rivergrove (part)* | 451 | \$ 1,454 | \$ 7,272 |
| Sandy | 10,170 | \$ 32,807 | \$ 164,034 |
| Tualatin (part)* | 2,903 | \$ 9,366 | \$ 46,828 |
| West Linn | 25,540 | \$ 82,388 | \$ 411,940 |
| Wilsonville (part)* | 19,594 | \$ 63,206 | \$ 316,031 |
| ESTIMATED REVENUE TOTALS | 391,525 | \$ 1,736,035 | \$ 8,680,175 |

* City is located and has population in more than one county.

** Population estimates are based on Portland State University (PSU) Population for Oregon and its Counties and Incorporated Cities and Towns: July 1, 2014. Prepared by Population Research Center - College of Urban and Public Affairs.

Clackamas County Road Funding
Gas Tax Needed to Raise \$X Million per Year

| Gas Tax (\$/gal) | | Clackamas County Annual Revenues (Annual County Collections - Revenue Sharing Program) | | | | | | | |
|---------------------|-----------------|---|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | | 60 / 40 Split | | 70 / 30 Split | | 80 / 20 Split | | 90 / 10 Split | |
| County Wide | | 60% County | 40% Cities | 70% County | 30% Cities | 80% County | 20% Cities | 90% County | 10% Cities |
| 1 ¢ | \$1.5 M | \$ 870,070 | \$ 580,046 | \$ 1,015,081 | \$ 435,035 | \$ 1,160,093 | \$ 290,023 | \$ 1,305,104 | \$ 145,012 |
| 2 ¢ | \$2.9 M | \$ 1,740,140 | \$ 1,160,093 | \$ 2,030,163 | \$ 870,070 | \$ 2,320,186 | \$ 580,047 | \$ 2,610,210 | \$ 290,023 |
| 3 ¢ | \$4.4 M | \$ 2,610,209 | \$ 1,740,140 | \$ 3,045,244 | \$ 1,305,105 | \$ 3,480,279 | \$ 870,070 | \$ 3,915,314 | \$ 435,035 |
| 4 ¢ | \$5.8 M | \$ 3,480,280 | \$ 2,320,186 | \$ 4,060,326 | \$ 1,740,140 | \$ 4,640,373 | \$ 1,160,093 | \$ 5,220,419 | \$ 580,047 |
| 5 ¢ | \$7.3 M | \$ 4,350,349 | \$ 2,900,233 | \$ 5,075,407 | \$ 2,175,175 | \$ 5,800,466 | \$ 1,450,116 | \$ 6,525,524 | \$ 725,058 |
| 6 ¢ | \$8.7 M | \$ 5,220,419 | \$ 3,480,280 | \$ 6,090,489 | \$ 2,610,210 | \$ 6,960,559 | \$ 1,740,140 | \$ 7,830,629 | \$ 870,070 |
| 7 ¢ | \$10.2 M | \$ 6,090,489 | \$ 4,060,326 | \$ 7,105,571 | \$ 3,045,245 | \$ 8,120,652 | \$ 2,030,163 | \$ 9,135,734 | \$ 1,015,082 |
| 8 ¢ | \$11.6 M | \$ 6,960,559 | \$ 4,640,373 | \$ 8,120,652 | \$ 3,480,280 | \$ 9,280,746 | \$ 2,320,186 | \$ 10,440,839 | \$ 1,160,093 |
| 9 ¢ | \$13.1 M | \$ 7,830,629 | \$ 5,220,419 | \$ 9,135,734 | \$ 3,915,314 | \$ 10,440,838 | \$ 2,610,210 | \$ 11,745,943 | \$ 1,305,105 |
| 10 ¢ | \$14.5 M | \$ 8,700,699 | \$ 5,800,466 | \$ 10,150,816 | \$ 4,350,350 | \$ 11,600,932 | \$ 2,900,233 | \$ 13,051,049 | \$ 1,450,117 |
| 11 ¢ | \$16.0 M | \$ 9,570,769 | \$ 6,380,512 | \$ 11,165,897 | \$ 4,785,384 | \$ 12,761,025 | \$ 3,190,256 | \$ 14,356,153 | \$ 1,595,128 |
| 12 ¢ | \$17.4 M | \$ 10,440,839 | \$ 6,960,559 | \$ 12,180,979 | \$ 5,220,419 | \$ 13,921,118 | \$ 3,480,280 | \$ 15,661,258 | \$ 1,740,140 |

Clackamas County Road Funding Tax or Fee Rate Needed to Raise \$X Million per Year

| Gas Tax (\$/gal) | |
|----------------------------|--------|
| County Wide | |
| \$1.5 M | 1 ¢ |
| \$2.9 M | 2 ¢ |
| \$4.4 M | 3 ¢ |
| \$5.8 M | 4 ¢ |
| \$7.3 M | 5 ¢ |
| \$8.7 M | 6 ¢ |
| \$10.2 M | 7 ¢ |
| \$11.6 M | 8 ¢ |
| \$13.1 M | 9 ¢ |
| \$14.5 M | 10 ¢ |
| \$16.0 M | 11 ¢ |
| \$17.4 M | 12 ¢ |
| \$17.65 M | 12.3 ¢ |

| VRF (\$/vehicle/yr) | |
|---|------|
| County Wide / County Share | |
| \$1.0 M | \$5 |
| \$2.1 M | \$10 |
| \$3.1 M | \$15 |
| \$4.2 M | \$20 |
| \$5.0 M | \$24 |
| \$5.2 M | \$25 |
| \$6.0 M | \$29 |
| \$7.1 M | \$34 |
| \$8.1 M | \$39 |
| \$9.0 M | \$43 |
| Maximum local \$43/VRF under Oregon State Law. | |