



## CITY OF COOS BAY STREETS TASK FORCE

One of the 2013 City Goals is “to maintain and improve the City’s physical infrastructure and provide quality services for current and future citizens” and one of the top priorities for this goal is to “ensure that the City can protect and enhance the useful life of streets...” As part of the Budget Committee’s deliberations during 2013, the group recommended to City Council that street maintenance expenses and revenues should be evaluated. Specifically, the committee was concerned about the lack of stable funding for streets and streetlights. In response the City Council took action to form the Streets Task Force.

The Streets Task Force met four times to discuss street maintenance issues in the City of Coos Bay. They discussed the scope of maintenance needs, the sources and amount of current funding, and where funding is expended. The Task Force also explored several options to generate additional funding as well as ideas for construction & maintenance best practices as ways to maximize available funding. The task force met for the fourth time to discuss recommendations to the City Council. After considering various options and ideas, the Streets Task Force came up with the following recommendations for the City Council to consider:

**Update the streets condition assessment completed in 2002.** The last study of our City’s street conditions was completed in 2002. Although the study predicted that no changes to the street maintenance budget would cause further deterioration in our traffic infrastructure, that budget has remained relatively flat. Decreasing revenues and increasing expenses have made it difficult for the City’s Budget Committee to allocate resources to this activity.

The Task Force recommends the Council consider updating the streets condition assessment. The updated assessment will provide the City a current snapshot of the condition of the City’s street network by classification. The report will provide recommendations for the types of maintenance and repair treatments that should be performed along with cost estimates. The cost to prepare the updated assessment is estimated at \$21,000. Garrett Pallo of Civil West Engineering and task force member, recommends hiring a firm that specializes in this type of assessment. The Streets Task Force wishes to make clear they believe City funds should be spent on an updated study only if the Council intends to make changes to the revenue streams available for deferred and current street maintenance.

Specifically, the Task Force recommends Council consider the following types of revenue to address the dollar figures outlined in the proposed new study of street conditions:

**General Obligation Bond:** Based on the assessed value of property in Coos Bay (\$955,934,561), a \$0.50/\$1000 charge would generate \$477,965 annually. Staff research has shown that voter-approved bonds less than \$1 per \$1000 have been more successful statewide than those over that rate. Projects would have to be specifically

identified in advance of a public vote; the Task Force believes a G.O. Bond would best be used to address deferred maintenance projects.

**Change the City Charter:** Section 9.12 of the Coos Bay City Charter states: “Sales of Bonds and Warrants. All selling of bonds or warrants shall be submitted to the people for approval by a majority of votes cast.” [Section 9.12 added by election held November 5, 1996]. The Task Force recommends the City Council consider taking this section of the charter to a vote of the people to change the language so that the use of revenue bonds may be undertaken without a public vote. The decision to sell revenue bonds could be approved by the City Council through the Public Hearing process. Revenue bonds do not require an increase in taxes and are paid for out of revenues. Wastewater fees, for example, pay for revenue bonds used to make improvements to the City’s wastewater infrastructure.

**Transportation Utility Fee:** This fee could be collected on a monthly basis to supplement existing street maintenance funds. Or, it could also be used to pay debt service for a revenue bond. The fee would be collected through the current water/wastewater billing system. The Task Force discussed the possibility of designating this fee as a “Streetlight Fee”, which would allow the Gas Tax monies currently designated to streetlight maintenance to be redirected to street maintenance. During the last fiscal year (FYE2013), \$247,642 was spent on streetlight maintenance. Although this type of fee does not require a public vote, the Council may wish to consider whether a vote would be appropriate in this case.

**Franchise Fees:** Solid waste franchise fees are currently directed to the General Fund. Transfers from the General Fund to the Street Maintenance Fund during the last 6 years to cover deficits total \$807,180, while the revenue generated over that same time period from franchise fees totaled \$888,302. The Streets Task Force recommends that solid waste franchise fees be directed to the Street Maintenance Fund, instead of transferring from the General Fund to cover deficits. This will represent a steadier stream of income for the Street Maintenance Fund. The task force recommends considering this change as part of the annual budget process, to ensure the impact on the General Fund can be evaluated.

**Local Improvement Districts:** The Task Force is in favor of increased utilization of LIDs for local streets. The City’s experience has been that LIDs have been difficult because some property owners are not willing to participate, and some do not repay their share after the City has expended funds to pave their street. Nevertheless, many creative options for funding LIDs exist that may make this alternative more effective. The Task Force believes this method of financing would help get smaller streets paved or repaired, and recommends an education campaign to help citizens understand this option is available when asking about street paving.

**System Development Charges:** The group agreed on two points: (1) that the current moratorium on all SDCs is not good planning for future development, and (2) that the previous SDC structure employed by the City can be enhanced to improve effectiveness. The Streets Task Force recommends the Council consider pursuing an SDC plan with more options to address the specific impact of new development on City infrastructure, and that this issue should be addressed with some urgency, before any new development comes to fruition in our community.

**Local Gas Tax:** As we know, the state gas tax model is not meeting the needs of our current street maintenance budget, as newer cars have better gas mileage. In addition, there is a moratorium on Local Gas Taxes through 2014. The Streets Task Force would like to keep this revenue source as an option until an updated street conditions study is completed.

**Downtown Parking District:** The current downtown parking district does not provide for maintenance of parking lots or on-street parking spaces. It may be appropriate to reconsider an assessment for maintenance of these downtown assets.

**Shared Services:** The City currently has a written agreement with ODOT for maintaining infrastructure and other assistance. The City pays ODOT's costs for those services. ODOT maintains all City traffic signals, and has completed some pavement work, striping, and traffic control for special events. The City occasionally also shares equipment with both the CB/NB Water Board and the City of North Bend.

#### Street Maintenance Operational Recommendations

**Asphalt Right-of-Way Restoration Policy:** The Streets Task Force recommends that the Mayor and Council pursue a new Asphalt Right-of-Way Restoration Policy for Public Works. This new policy will limit unnecessary street cuts and ensure complete restoration of streets after utility work is completed.

**Streetlight Installation and Maintenance Policy:** The task force noted that no standards currently exist for the location of streetlights in Coos Bay. Implementing a Streetlight Installation and Maintenance Policy will assist staff in answering citizen questions about streetlight placement, and will create standard maintenance procedures for this important safety infrastructure.

**Best Practices:** A number of "best practices" were discussed as part of the Task Force meetings which should be considered as part of future street improvement projects, including the use of Reclaimed Asphalt Pavement (RAP) and requiring geotextiles or paving fabrics when appropriate. These operational changes will help lengthen the life of our streets.

In summary, the Streets Task Force recommends that an updated streets condition study be completed before making any further decisions about most revenue sources. Current figures should be used to determine which revenue streams will be most effective.

It is recommended that an analysis of reinstating System Development Charges and changing the City Charter to increase flexibility in implementing revenue streams, however, should not be delayed.

In addition, the Streets Task Force recommends a comprehensive marketing and educational campaign to coincide with any potential revenue changes, to ensure citizens are aware of the scope of the problem, and to ensure the community understands why revenue changes may be necessary.

Streets Task Force Members

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