

Newberg Pavement Maintenance and Funding Master Plan

Ad-Hoc Advisory Committee Meeting #7

Tuesday, April 18, 2017 6:00 – 7:10 (scheduled to end at 7:00)

Public Safety Building, 401 E. 3rd Street (moved from Permit Center Conference Room)

Meeting Summary

Committee Members Present:

Bob Andrews, Mayor
Don Clements, CPRD
Dave Hampton, Friendsview Retirement Comm.
Patrick Johnson, Council
Greg McKinley, A-DEC
Maureen Rogers, Chapters

Staff and Consultant Team Present:

Jay Harris, City of Newberg
Kaaren Hofmann, City of Newberg
Rosa Olivares, City of Newberg
Kristen Kibler, JLA
Tony Roos, Kittelson

Public Present:

Kelly Brodigan
Mark Grier
Stephen McKinney, City Council
Leon Blanchard, arrived toward end of meeting

Introductions/Meeting Purpose

Jay Harris welcomed everyone to the meeting and led introductions. The purpose of the meeting was a final public review of the Ad-Hoc Committee's recommendations and how they folded into the draft ordinance to be considered by Council at a hearing on May 2, 2017.

If approved by Council, the result of the ordinance would be a transportation utility fee collected from Newberg residents and non-residential uses that would be used to fund maintenance and rehabilitation of Newberg's roads over time. This meeting was being held to assure that the public had additional opportunity to learn more about the committee's work and what the Council would be considering.

Materials available in advance of this meeting had included meeting minutes from February 8th and March 2nd meetings, as well as a one-page summary of the Ad-Hoc Committee's recommendations to date (on the web in advance). A copy of the draft ordinance was also available at the meeting (and will be available in the Council packet for May 2).

Public Comments

There were no public comments at this time. The public in attendance was invited to sit at the table with the committee since space allowed. Because there were few public attendees, they were also invited to ask questions during the review of the ordinance.

Public Notice Requirements Discussion

Jay Harris explained that the Ad-Hoc committee's previous two meetings had not had proper public notice. This meeting allowed a formal opportunity for the public to review and comment on the ad-hoc committee's discussion and recommendation. There had been public notice of this meeting on the City website.

Jay Harris reviewed the committee's meetings since last July, the fall open house, and online open house. The committee had met four times between July and November to form recommendations that were incorporated into a draft ordinance that had to go to Council for review in December and January. The Ad-Hoc Committee had recently completed two additional meetings at Council request. At those meeting, the Ad-hoc Committee had confirmed earlier recommendations made in November and formed recommendations on several topics that Council had requested further discussion on after Council's second ordinance reading in January. Jay Harris said that an Ad-Hoc Committee may still play a part in further discussion of implementation if the ordinance is adopted. This is the seventh meeting of this group and the final review by the Ad-Hoc Committee of the recommendations as they were incorporated into the ordinance for the Council to decide on.

Draft Ordinance Review

Tony Roos used a PowerPoint presentation to share the key elements of the draft ordinance with the Ad-Hoc Committee. The following are the elements that had been discussed and recommended by the committee. Discussion at the meeting is also included below. There were no changes to any of the recommendations that had been folded into the draft ordinance document.

Recommendations Summary (with meeting discussion included):

- **Funding Level** – There is an annual need for \$2.5M for pavement maintenance. Of that, \$600K is currently available from existing gas tax revenue, \$1.2M is recommended to come from a new Transportation Utility Fee (TUF), and it is assumed there will need to be an additional \$700K generated from another revenue source, possibly gas tax or a bond (this discussion will be a separate but is an assumed second phase of a funding strategy to reach \$2.5M annual for pavement maintenance to prevent average pavement conditions from deteriorating further).
 - Over the course of the meeting, committee members and public asked questions about current funding and expenses covered by current state gas tax revenue (which is more than the \$600K that goes toward pavement maintenance). Kaaren referenced a spreadsheet from an earlier committee meeting and discussed some of the spending related to labor, committee payments to the bypass, and street light conversion, etc.
- **No Fee Caps** – The ordinance does not include any fee caps. After committee discussion in February and March recommended that caps not be included.
- **Funding Allocation** – The cost share would be split 35% coming from residential uses and 65% coming from non-residential.

- **Prioritization of Improvements** – A maximum of 70% of revenue is proposed to be allocated to preserve good and fair streets and a minimum of 30% of the revenue from the program would be used to reconstruct the poor to very poor streets.
 - Tony shared sample maps of how a fully funded program might spread projects across the city over a few years. Committee noted that the TUF funds would not be available in full for the first year and that the maps assume an additional revenue is also available to total all spending to about \$2.5M. The TUF revenue is estimated at \$1.2M and existing funding for maintenance is about \$600K.
 - The group also discussed how the city could plan for work on roads to coordinate with sewer projects, so that streets are not scheduled for pavement maintenance activity and then excavated soon after for major sewer or other infrastructure construction. Kaaren said the city will be looking at that when identifying pavement maintenance projects. Some minor repairs or trench patches in any street are to be expected (i.e. if a private sewer needs to be built or repaired), but the city will make coordinated efforts to coordinate city projects and road maintenance planning. The current wastewater management planning efforts may affect how pavement maintenance projects are identified. The list of projects will take into effect the list that the PCI maintenance software generates, projects and known city activities, and the prioritization clause to address some of the streets in poor condition.
 - The group discussed the level of repairs on streets, i.e. how deep does the base get dug out when repairing a street. Tony reviewed the different types of maintenance activities from crack sealing, grind and patch, overlay, to full replacement. The pavement modeling software model helps identify which roads to select and what method to use. The actual depth of base under the road also depends on the type of road, i.e. heavier traffic roads have deeper road base. A full reconstruction of a road, if identified, would meet the city’s standard for that classification of road. The idea of the model is to capture maintenance activities to keep condition of the roads up to optimize the life of the road.
- **Fee Waivers** – There would be fee waivers for vacancies, low income, unemployment, or no registered vehicle at the property. It is understood that all properties, even with no registered vehicles, still benefit from roads for deliveries, mail, etc. Only vacancies receive a 100% waiver; the others are 50% waivers.
- **Funding Model** – The variable by class model had been recommended by the Ad-Hoc Committee in November and reconfirmed in Feb/March. There are 3 residential and 6 non-residential rate classes.
 - Councilor McKinney asked what a flat fee would mean for residences. Tony said a flat fee would mean over \$10/month fee for Newberg residences to get to the \$1.2M. There would still need to be another revenue source to achieve the total \$2.5M. McKinney wondered what the simplest (“straightest line”) would be to achieve \$2.5M and whether a TUF could capture the full funding needs for

pavement maintenance. Many commented that it was not feasible to collect that much money from a Transportation Utility Fee; they believed that the fee would be too high for many residents.

- Several commented that it was useful to understand which other Oregon cities have a TUF, how much it is, and what their average water bills/monthly municipal bill levels are. There was discussion on the comparisons that are able to be made.
 - There had been mention of a street lighting fee in early 2016; a member of the public wanted to know if that has been addressed. Jay explained that funds from the full \$1.3M in existing gas tax already pays for street lighting. The idea of a separate street lighting fee (to keep funds separate for a sole purpose) had been dismissed earlier and will continue to be paid from existing gas tax. Kaaren said the cost is approximately \$350K for pole maintenance, power, and some transition to LED over time.
 - This conversation revived discussion on where the existing gas tax goes and how that could be made more clear. Kaaren has a spreadsheet on the existing gas tax and how it is spent in Newberg. The group was also reminded that Systems Development Charges (SDCs) are only spent on new transportation capacity projects and cannot be used for ongoing pavement maintenance. There is also money that pays for staff/administration, lighting, capital projects (like Villa Road and other planned rehabilitation projects), and a committed payment for the Newberg-Dundee Bypass Project. There was discussion about whether some personnel costs could be shifted out of the pavement maintenance budget. Kaaren said the personnel cost in the budget would need to be covered somehow. There was an inquiry to how much administration cost would be paid for with the \$1.2M collected from a new TUF. The in-house administration is already covered, but there could be some minimal cost of labor related to outside design or contracting services, but this is not a large percentage on maintenance level design or construction.
 - Tony Roos was asked by Jay Harris to discuss with the group some of the potential disadvantages of a trip generation model compared to the fee within class model. Tony indicated that he had discussed this with the financial consultant Deb Galardi and had information he discussed with other agencies. The largest disadvantage of the trip rate model is to keep the trip rates up to date and the number of potential appeals to the assigned trip rate can increase over the fee within class model.
- **Heavy Vehicle Clause** – A heavy vehicle was not recommended to be included in this fee ordinance, but recommended to Council/staff for future action, such as a construction impact fee or loading dock fee. That would be a separate discussion.
 - **Combining Non-Profits** – The committee had looked at public schools, CPRD facilities, and City parcels and the impact of combining properties to reduce public non-profit fees/bills. There was no minimal or no benefit for the City or CPRD. The committee had recommended that only the

school district properties be combined into one group for elementary, middle, and high school sites. The school district will be shown in its own section of the ordinance and the fee would be reduced by about 50%.

The Ad-Hoc Committee agreed that the recommendations that they had discussed should move forward to the Council at the May 2nd hearing in the draft ordinance document.

Public Comment

Leon Blanchard had arrived later in the meeting and was asked if he had any additional feedback. He said he was a native of Newberg and wanted to know why gravel roads remained as gravel. He was concerned about the maintenance of the gravel roads. Jay Harris explained that the gravel roads would not be captured in this program. He said that Public Works tries to do an annual grading of roads followed by a coat of a magnesium chloride binder to keep gravel dust down. He said that this is intended to be the current plan for maintenance of gravel roads and added that the weather this year is causing them to be behind schedule on this maintenance activity. He acknowledged that there was no other solution at this time for the gravel roads that had never been paved. He said they have had some discussion about including a minimal paving (like a macadam surface) when there is a major repaving project adjacent to a gravel road. Jay stayed after the meeting to talk with Leon and answered additional questions not related to the TUF and draft ordinance.

Next steps

The draft ordinance will be considered by Council at a hearing scheduled on May 2, 2017. The Ad-Hoc Committee and public are encouraged to attend. If approved, the transportation utility fee could take effect as early as July 1. There will need to be information about the fee amounts for all users and the pavement maintenance.

The meeting was adjourned about ten minutes late to accommodate public comments from Leon Blanchard.

Meeting Adjourned