

AGENDA
WORK SESSION OF THE VENETA CITY COUNCIL
MONDAY, DECEMBER 8, 2014 – 7:30 P.M.
Veneta Administrative Center, 88184 8th Street, Veneta, Oregon

1. **SUPPORT LANE COUNTY IN PLACING A COUNTY VEHICLE REGISTRATION FEE ON THE MAY, 2015 BALLOT**
2. **OTHER**
3. **ADJOURN**

Memorandum

To: Mayor Larson and Veneta City Councilors

From: Lydia McKinney, Lane County Transportation Planning Manager

Re: Regional Road Fund Restoration

Revenues for the Lane County Public Works Road Fund are declining due to several years of balancing revenues and expenses by reducing staff and reserves. The Road Fund is currently facing a structural imbalance of approximately \$9 million per year, which is supplemented by depleting the County Road Fund reserves. Without a method to sustainably restore adequate revenue to the Road Fund, the County will see a sharp degradation of its road system, reduced ability to respond to storm and catastrophic events, and reduced ability to partner with local, state and federal agencies on grant and special funding opportunities. The County recognizes that cities within Lane County share this road fund challenge. This as a regional challenge that needs a regional solution.

In response to the declining Road Fund projections, the County Roads Advisory Committee (RAC) and Public Works staff had researched and considered several potential options to restore revenue to the Road Fund. On August 5, 2014, the Lane County Board of Commissioners (Board) unanimously directed Public Works staff to seek a recommendation from the Roads Advisory Committee (RAC) to restore revenue to the County's shrinking Road Fund, favoring a solution that would also address similar road fund challenges regional partners within Lane County are experiencing. The RAC, a citizen committee of five Board appointees and two at-large members, met on August 27, 2014 and discussed a variety of revenue options. At the conclusion of their discussion, the RAC unanimously recommended the Board pursue a County Vehicle Registration Fee (VRF). Under a County VRF, 40 percent of the funds are distributed to the cities within the County. The Board heard and concurred with the RAC's recommendation on September 30th, directing staff to conduct research regarding the details of implementing a VRF, including public opinion information and specific data regarding the amount of the fee to be considered.

At the November 4th Board meeting, Dr. Gary Manross from the Strategic Research Institute presented the results of the polling conducted in October 2014. The polling results indicate that 62 percent of voters prefer a modest fee increase to reducing road services. While there was not enough support for the maximum amount allowed (\$43/year), there is likely 57.5 percent voter support for a \$35 per year increase presuming the ballot language be carefully crafted and public outreach stay focused on the voters' main concerns: road safety and cost efficient maintenance and preservation of roads and bridges. In addition, the Board found that public accountability for the County's VRF was an important factor in the potential success of a VRF. Based on these results, the Board directed staff to do the following:

- Prepare a draft Ordinance for a local registration fee (\$35 for passenger vehicles, light trailers and trucks under 26,000 lbs.; and \$20 for motorcycles) to be placed on the May 2015 ballot.
- Coordinate with Cities for their input and support.

- Establish a citizen oversight committee and annual audit for County projects.
- Prepare a voter's pamphlet for the proposed fee.

Lane County staff will present this information and details of the polling results to the Veneta City Council for their review and input. The County is requesting the Council support the Board of County Commissioners placing the question of a vehicle registration fee on the May 2015 ballot

Lane County Regional Road Fund Revenue Restoration

City of Veneta

December 8, 2014





Discussion Overview

Background

- **Lane County Road Fund**
- **Corrective Actions to Date**
- **Current Challenges**

Revenue Options

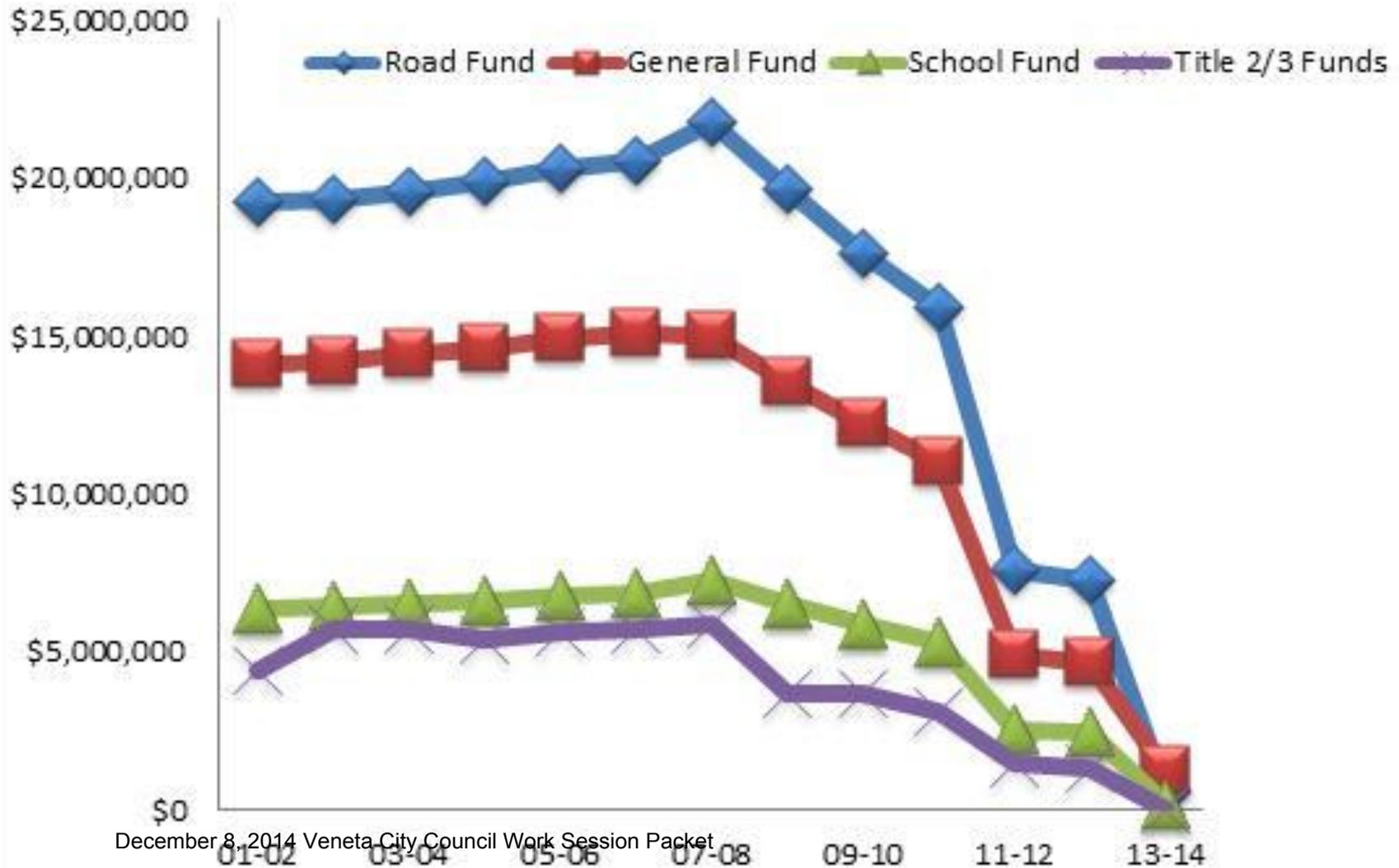
Regional Solution

Background



- ❑ ***August 5*** – Board of County Commissioners (BCC) updated on shrinking Road Fund and increasing needs. BCC directs staff to Roads Advisory Committee (RAC) for solutions. ***August 27*** - RAC reviews revenue options and makes unanimous recommendation to be presented to BCC.
- ❑ ***September 30*** – Board directs staff to research viability of a Vehicle Registration Fee (VRF)
- ❑ ***November 4*** - BCC directs County staff to prepare Ordinance and seek letters of support from Cities.
- ❑ ***November 12*** – BCC provides additional direction on **elements of a VRF**

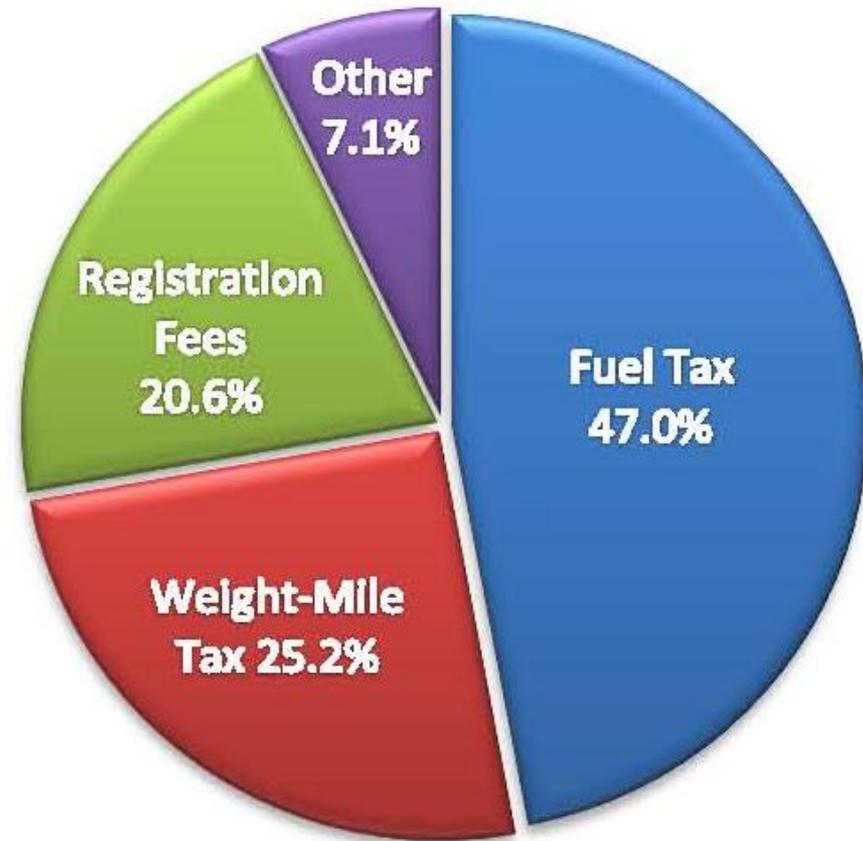
Forest and SRS Payments



What Makes up the State Highway Fund?



- Fuel Tax
- Weight-Mile Tax
- Registration Fees
- Other



Corrective Actions



- ✓ **35% reduction in employees since 2000**
- ✓ **50% reduction in reserves since 2000**
- ✓ **Consolidated & re-organized departments for efficiency**
- ✓ **Used innovative technologies to lower costs**
- ✓ **Aggressively seek grants and partnerships to leverage resources**

GUEST VIEWPOINT

County makes wise use of new technologies

BY PETE SORENSON
AND JIM WILCOX

In the business world, if you're not moving ahead you're falling behind. The same is true for public sector operations, including Lane County

Just as one should not let the paint on a house crack and flake before repainting, pavement preservation involves overlaying an intact roadway before it shows obvious signs of wear. This is why some citizens question county road crews who seem to be overlaying a per-

ing it available to a variety of users, including other county departments. This provided information on property boundaries, zoning and land values, streamlining research for citizens and commercial entities.

GIS also increased the efficient use of staff time to maintain tens of thou-

running on the new fuel suffered catastrophic engine damage.

Following this cautious approach, Fleet Services is currently field testing the Ford C-Max plug-in hybrid. This test phase will not only evaluate operational costs, but also determine the cost of maintaining such vehicles.



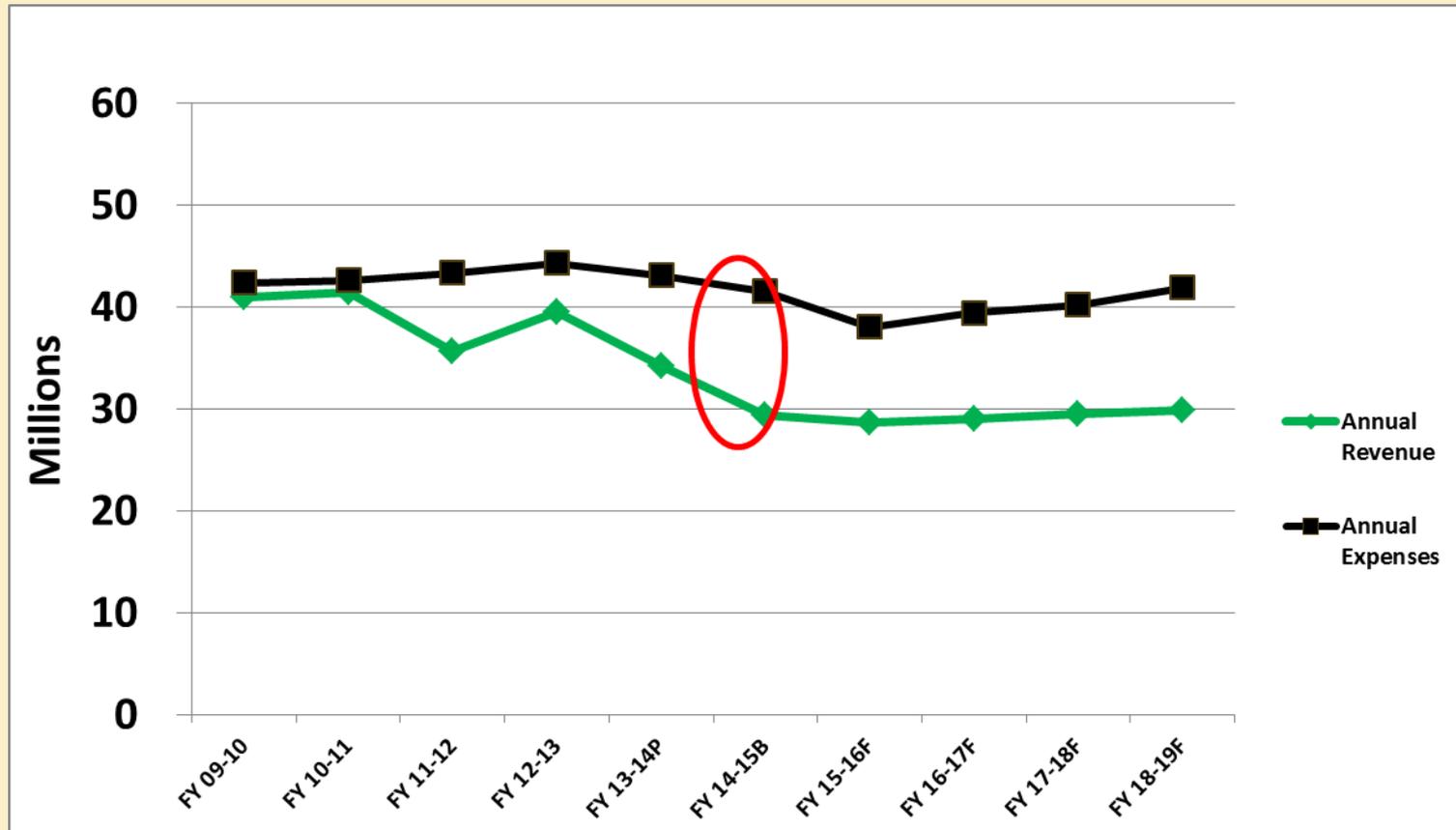
Corrective Actions

But even with all these corrective actions the need to replace revenue has reached critical level.

✓ Sometimes called “The Tipping Point”

Current Challenges

Operating Revenues: \$29 M
Operation Expenses: \$38 M
Net Road Reserves: **(\$9 M)**
Reserves Reduction: \$9 Million



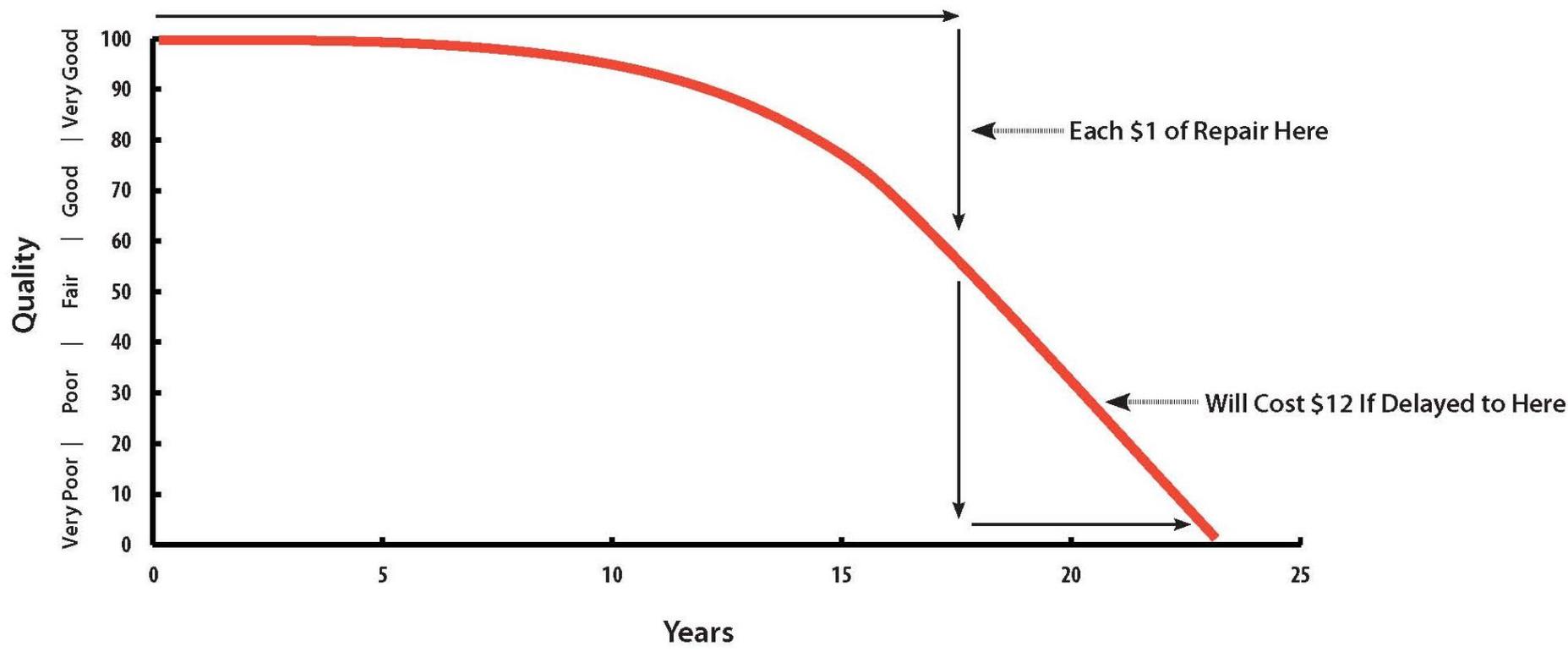
Reserves for Disaster Response



Pay Now or Pay Much More Later



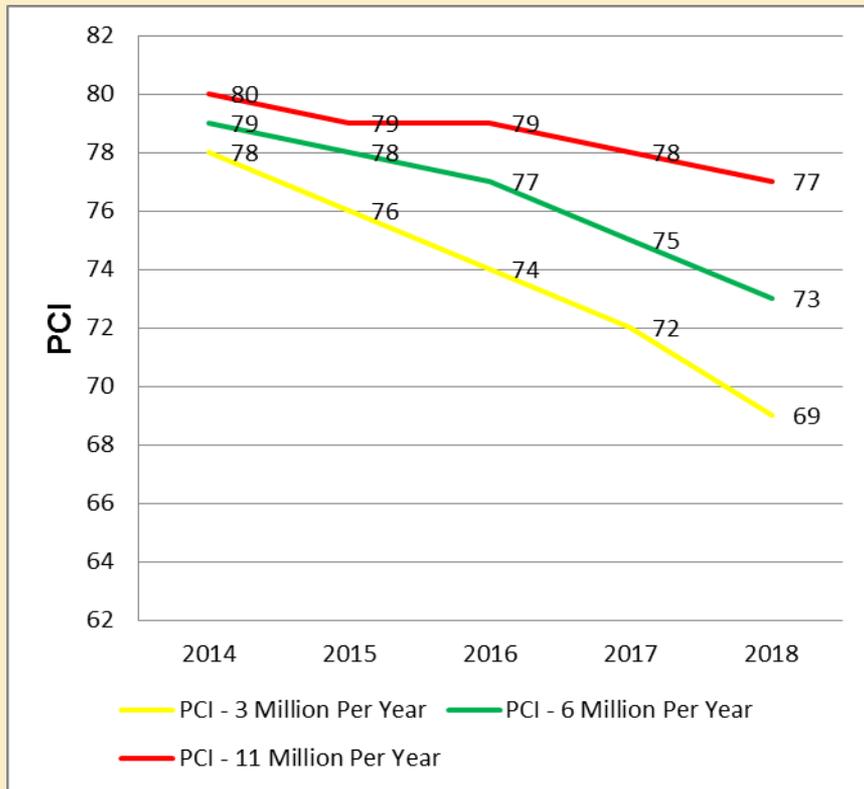
Pavement Life Cycle



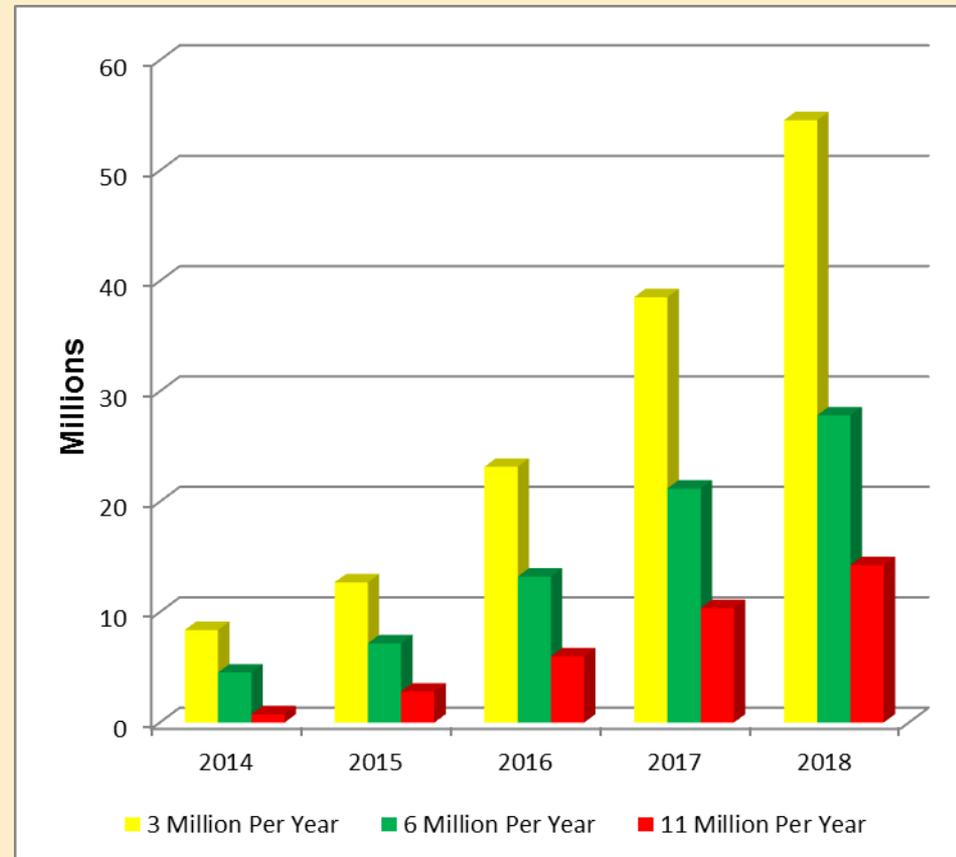
Pay Now or Pay Much More Later



Pavement Condition Index



Backlog of Maintenance Needs



Regional Issue/Regional Solution



Road maintenance and preservation is a *regional* issue.

Public doesn't perceive a difference between a city and county road.

Public wants a *functioning* system.



Revenue Options



- Grant Writer (complete)**
- County Road Bonds**
- Transportation Utility Fee**
- Transportation Service District**
- Property Tax Local Option Levy**
- Local Gas Tax**
- Local Vehicle Registration Fee**

County Recommendation



Vehicle Registration Fee was recommended unanimously by the Roads Advisory Committee and BCC because:

- **Regional solution to a regional issue**
- **40% collected goes to Cities**
- **Certainty of funding – stable compared to decreasing gas tax**
- **System Fee**
- **Directed to road use only**
- **Ease of administration**

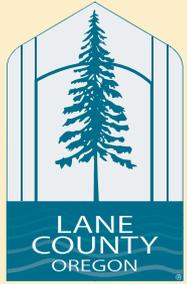
Regional Solution



Distribution Based on % of Lane County Population – Veneta would receive approximately \$78,150 per year

Eugene	61.29%
Springfield	23.17%
Cottage Grove	3.78%
Florence	3.28%
Junction City	2.11%
Creswell	1.93%
Veneta	1.78%
Oakridge	1.24%
Dunes	0.51%
Lowell	0.41%
Coburg	0.40%
Westfir	0.10%

How Can a VRF be Applied?



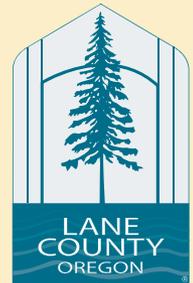
- **ORS specifies that, unless specifically exempted (i.e. farm vehicles), VRF must be imposed equally to all vehicle classes (motorcycles only exception).**
- **ORS precludes County from applying to trucks over 26,000 lbs.**
- **The provision for a County VRF was agreed upon by a diverse group of statewide stakeholders.**
- **Counties with a population of over 350,000 may impose a VRF or refer it to voters.**
- **Funds are restricted to road purposes within the public right-of-way.**



Exemptions

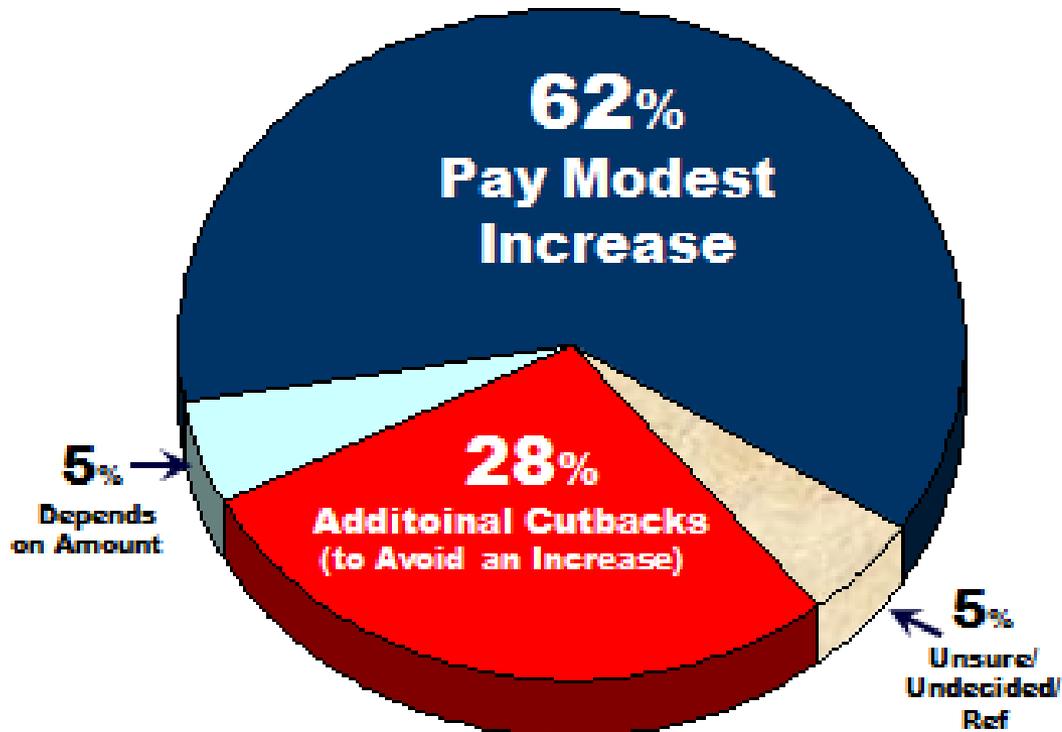
Under Oregon State Law, some vehicles are exempt from vehicle registration Fees including:

- **disabled veterans vehicles**
- **antique vehicles**
- **special interest, government-owned or operated vehicles**
- **school buses or school activity vehicles**
- **law enforcement undercover vehicles**
- **farm vehicles**
- **snow mobiles, Class I all-terrain vehicles, travel trailers (RVs), campers and motor homes)**
- **heavy vehicles (over 26,000 lbs.) paying the weight-mile tax**



Preferred Method to Addressing Problem of Cutbacks Due to Lack of Funding

Question 8.0: In addressing this set of funding challenges, County officials have cut back on expenses as much as possible in order to avoid a cutting back on proper maintenance of County roads and bridges. If nothing is done to reverse this trend, County officials will be forced to make further cuts on such services as resurfacing roadways, which will result in increasing the County's deferred maintenance projects to a point that will have a direct impact on residents throughout the County. Due to these challenges, County officials are left with two options. They can find a way to generate additional funding; or they can make additional cutbacks in the services presently being provided to Lane County residents. So, my question is this; would you prefer...





Baseline Voter Support for an Increase of \$35 in the annual Vehicle Registration Fee

BEFORE ARGUMENTS

Question 9.2: Since you've indicated that you would NOT support an increase of \$43/year, would you support an annual increase of \$35/year?

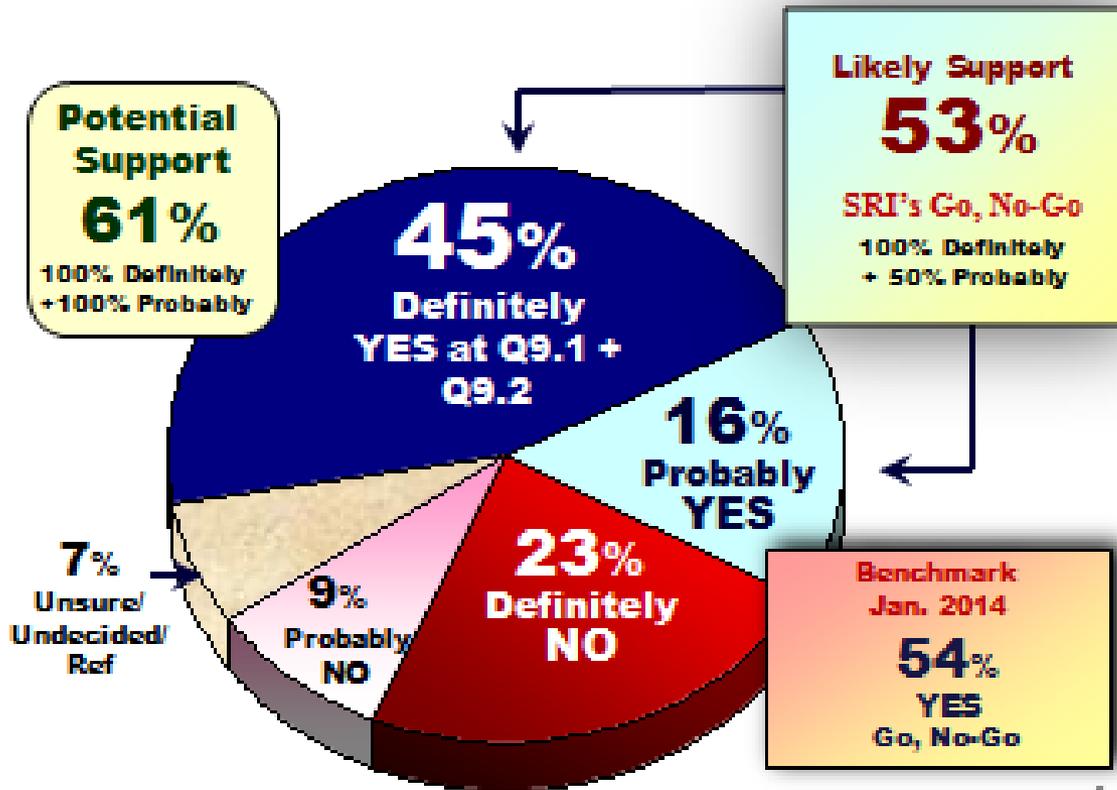
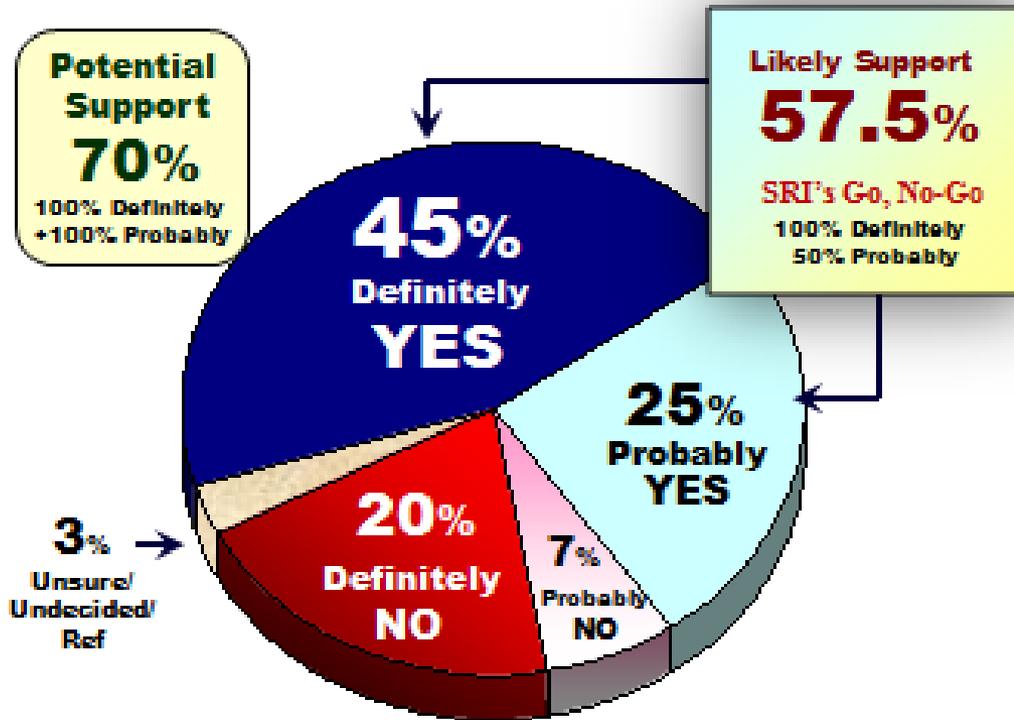


Figure 3
Lane County Tracking Poll
October 2014

Baseline Voter Support for an **Increase** in the annual Vehicle Registration Fee

AFTER ARGUMENTS

Question 11.0: Now that you have heard several arguments **FOR** and **AGAINST** authorizing an annual vehicle registration fee in Lane County, if the amount did **NOT** exceed your **THRESHOLD** of *willingness to pay*, would you vote **YES** or **NO** on such a funding Measure?

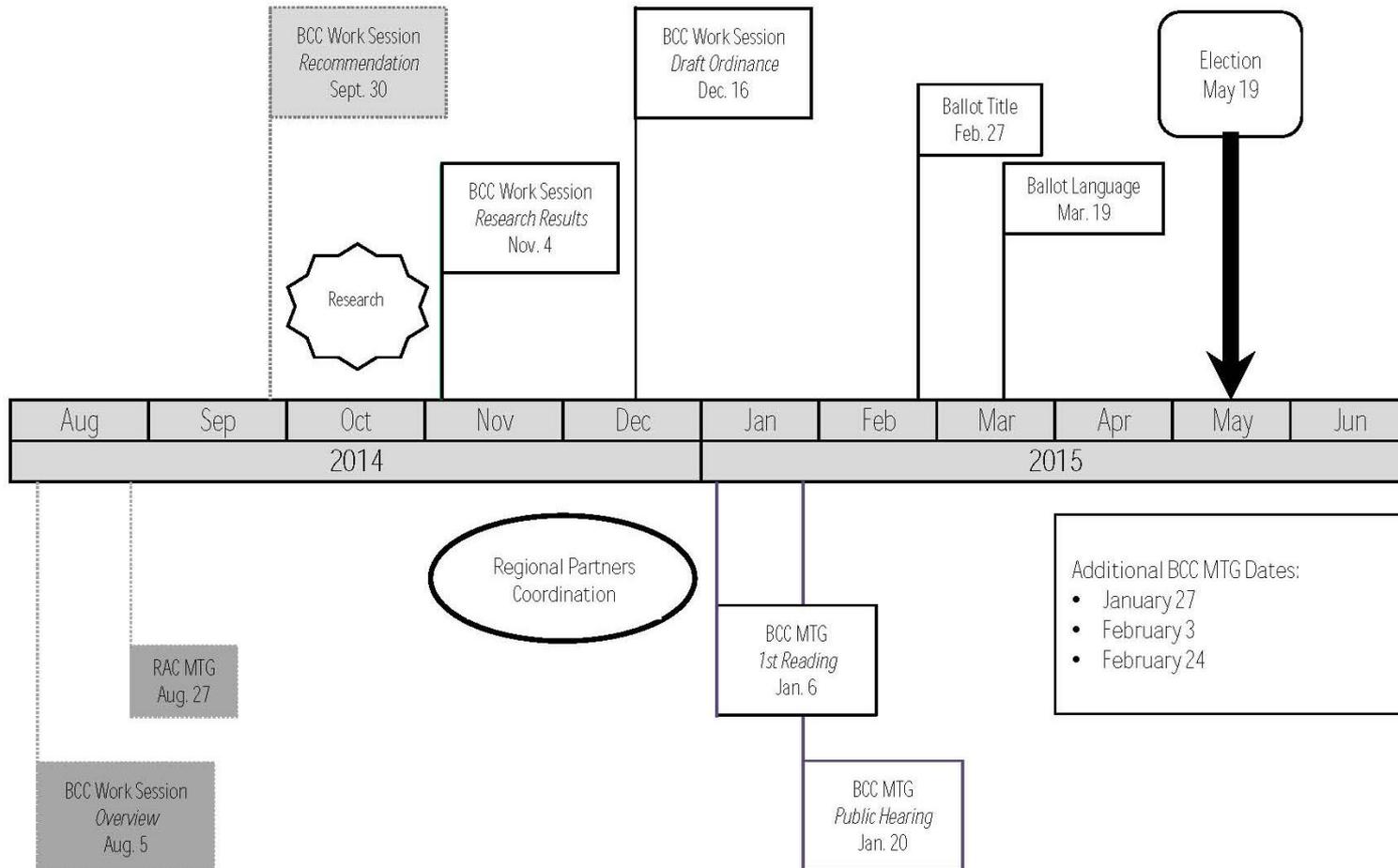


Key Points for Success



- Price points - \$35 for passenger vehicles, light trucks and trailers, \$20 for motorcycles and mopeds, \$10 for heavy trailers
- Constitutionally restricted for road purposes only; County committed to maintenance and preservation for safe roads
- Public trust is vital – annual audit and citizen oversight to demonstrate “promises made promises kept”

Timeline



The County is Seeking Support



The County seeks support from regional partners to place the question of a modest vehicle registration fee increase of \$35.00 annually (\$20 for motorcycles) on the May 2015 ballot.

Questions?



December 15, 2014

Chairman Pat Farr
Lane County Board of Commissioners
125 E. Eighth Avenue
Eugene, OR 97401

Dear Commissioner Farr:

On December 15, 2014, the Veneta City Council unanimously voted to support the Board of County Commissioners in placing a county vehicle registration fee on the May 2015 ballot. The Council appreciates the efforts Lane County has made to research a variety of revenue options and concurs with the County that a vehicle registration fee is the most viable option to generate revenue for our shrinking road funds. We believe you received good counsel from the research firm you employed to test the willingness of Lane County voters to support a modest County vehicle registration fee of \$35 per year for a passenger vehicles, trailers and light trucks and \$20 for motorcycles. County funds will be used primarily for maintenance of roads and bridges as keeping roads in good repair protects the safety of everyone who uses the transportation system. We support the creation of an independent citizen oversight committee to review how the money is spent.

Safe roads are critical to sustaining our area's vibrant and growing economy and excellent quality of life. It's important that roads throughout the county – including in the City of Veneta be well-maintained to support commerce and public safety.

All of our public agencies are facing infrastructure challenges and there's just not enough funding to meet the needs of our growing transportation systems. The proposed vehicle registration fee will raise nearly \$11 million a year. That money can go a long way toward fixing County roads and bridges and will also let Veneta tackle some long-overdue transportation needs.

The proposed Lane County vehicle registration is a balanced solution that offers local control, sustainable funding, and fairness and equity.

Sincerely,

Sandra H. Larson, Mayor