

MINUTES

SPECIAL COUNCIL MEETING
OF
AUGUST 14, 2014
5:30 P.M.

THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Tim McGlothlin, Linda Miller

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Administrative Fellow Daniel Hunter, Finance Director Kate Mast, Police Chief Jay Waterbury

CALL TO ORDER

Mayor Lawrence called the meeting to order at 5:35 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; all Councilors present.

DISCUSSION REGARDING PROPOSED FUEL TAX BALLOT MEASURE

Mayor Lawrence noted a Resolution was provided if the Council wished to move forward with placing a measure on the November ballot. He noted that Wasco County had decided not to move forward with a road district measure at this time. Lawrence noted that the Association of Oregon Counties and the League of Oregon Cities were both moving transportation funding forward to the Legislature.

City Manager Young said it was a top priority of the League of Oregon Cities. He said the proposal included a five cent fuel tax increase, indexed to the consumer price index or some other economic index, continued development of a transportation user fee, license plate fee increases, a proposal to continue the current split of 50%/30%/20% for new revenues, and an increase in the Small City Allotment fund from \$1 million to \$5 million.

Mayor Lawrence said funding for streets was the most discussed issue at the recent Mayor's conference. He said there was a good discussion about allowing funding for new construction to be used for streets if they were in fair to poor condition.

Councilor Wood said she had spoken with a State Legislator from Hood River and he said a committee had been established to study the transportation funding issue. She noted in the national City/County magazine, that 16 states west of the Mississippi River used sales tax to fund road maintenance.

Mayor Lawrence said he had heard a lot of opposition to placing a measure on the November ballot, but had also received many comments saying it should be on the ballot to allow the voters a chance to decide.

Councilor Spatz said he did not support placing a measure on the ballot at this time. He said he would prefer to continue to work with Wasco County and the cities within the County to develop a solution. Spatz read comments for the record (attached), which addressed causes of the declining funds for road maintenance and urged Wasco County and the cities with the County to work together to develop a county-wide funding proposal for the voters to consider.

There was a discussion regarding whether more than one issue could be included in a ballot measure. City Attorney Parker was asked to investigate the single subject rule.

Mayor Lawrence said it was his understanding that the primary reason Wasco County residents were opposed to the road district was because the tax rate would be too high with the cities of The Dalles and Mosier opting out of the district.

Chuck Covert said that was correct and many believed the City residents should pay for maintenance of County roads. Covert said he had pointed out that most of the property taxes paid in Wasco County were within the city limits and they did contribute to road maintenance through taxes.

Wasco County Administrator Tyler Stone agreed, saying the high tax rate was the biggest concern.

Councilor Dick said most communities in the State were having the same problem with funding for street maintenance. He said it was crucial for the Legislature to address the matter.

Mayor Lawrence said the Council should also consider the option of re-prioritizing the existing budget, discuss use of franchise fees, and other ways to help fund maintenance concerns.

Councilor Miller asked if the enterprise zone fees from Google would be available next year. City Manager Young said if they completed the project before December 31, funds would be available in 2015. He said if it was after that date, the funds would be available the following year. It was noted the amount was \$119,000.

Councilor Dick said he liked the idea of a universal solution, but would also be in support of placing a measure on the ballot.

Mayor Lawrence said he had spoken with the County Commissioners and they were committed to partner with the City to find a solution that would be fair for everyone.

City Manager Young pointed out that over 56% of the County residents live within the city limits, so pay over half of the county taxes.

Councilor Wood said she may be uncomfortable proposing a three cent local tax increase if the State was going to implement a five cent tax.

It was moved by Spatz and seconded by Wood to work jointly with Wasco County and the cities within the County to develop a proposal for road maintenance funding county-wide, to be proposed to the voters at a Spring election.

Jay Waterbury said he would like the Council to allow the citizens to vote on the fuel tax increase. He said the annual cost would be minimal and believed there would be support for it.

Tyler Stone noted that the County may proceed with an advisory ballot in November, asking voters what types of options would be supported.

Councilor McGlothlin said people on fixed incomes were faced with many increases and a fuel tax increase would be one more thing added to their budgets. He said it as premature to consider a local fuel tax increase until it was known what the Federal and State tax proposals would be. McGlothlin said he would prefer to look at other ways to fund street maintenance than a tax.

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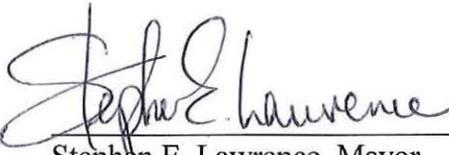
The motion to work jointly with Wasco County and the cities within the County to develop a proposal for road maintenance funding county-wide, to be proposed to the voters at a Spring election was voted on and carried; Miller and McGlothlin voting no.

ADJOURNMENT

Being no further business, the meeting adjourned at 6:30 p.m.

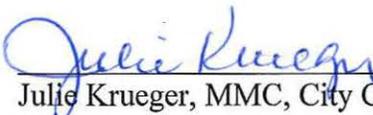
Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:



Stephen E. Lawrence, Mayor

ATTEST:



Julie Krueger, MMC, City Clerk

First and foremost, taxpayers want to see cooperation among public agencies. The City of The Dalles and Wasco County have a strong record of such cooperation, and the difficult issue of roads maintenance presents an opportunity to build upon that record. I propose the following as a basis for discussion:

1. Declining timber revenues are at the heart of the problem from a county perspective. Historically, the county received a share of federal timber harvest revenues; when harvests declined because of environmental restrictions, counties received off-setting compensation, but this has now all but been eliminated. This was no "subsidy:" vast tracts of the Pacific Northwest are under federal ownership and generate no local revenue except through timber harvest. The timber harvest issue must be resolved by Congress. Each year's wildfire season demonstrates the increasing urgency of this challenge.

2. Timber revenues do not benefit city roads funding. Timber revenues have historically been directed to county roads and the Common Schools Fund.

3. Creation of a roads taxing district is untenable, given its negative effect on non-school taxing districts through compression.

4. Compression will be reduced through an expanded tax base, which requires economic development. Urban renewal is a vital tool of economic development. The urban renewal district represents a pact between the City of The Dalles, taxpayers and downtown businesses: That urban renewal funds will be invested in projects which increase the net tax value of the district, generating jobs, improving the appearance of downtown, and thus fostering economic development. Urban renewal has benefitted The Dalles through Second Street renovation, Union Street portal, maritime dock, the Civic Auditorium, Second Courthouse, Commodore restoration, St. Peter's Landmark improvements and many other worthy projects. Upcoming projects including Third Street renovation, Granada block and Washington Street will build upon this record of success. For these reasons urban renewal funds should not be diverted into roads maintenance. Roads maintenance is not urban renewal.

5. City roads are in decline because we have neglected to invest in infrastructure. We face a similar challenge with our water system: We postponed water rate increases for more than a decade, despite deteriorating infrastructure, and now we are paying the price through annual, substantial rate increases. Fundamental infrastructure – water, roads and sewer -- must be maintained. These costs cannot be postponed or they only become more expensive.

6. The gas tax is a logical revenue source for roads maintenance, since it is a fee that affects those who use the resource. However, the tax has not been increased since 1987 and has not been adjusted for inflation. The current tax of 3 cents is well within the routine weekly fluctuation price of gas.

7. Gas tax revenues are anticipated to decline as vehicle fuel efficiency increases.

8. Gas taxes can now only be collected primarily within the City of The Dalles because ~~there are no other city stations~~ there is only one other station, in Maupin. This can change if stations are developed in Dufur and Mosier and Maupin, as they should be.

With these factors in mind, I propose that the Cities of Wasco County and Wasco County present a county-wide joint funding proposal to voters with the following components:

1. That a county-wide gas tax range be established, replacing the current 3 cents per gallon collected within the City of The Dalles. Revenues collected within the City of The Dalles and other Wasco County cities as new stations are established would be distributed county-wide for the dedicated purpose of city and county roads maintenance.
2. That a county-wide vehicle registration fee range be established, proceeds from which will be distributed county-wide for the dedicated purpose of city and county roads maintenance.
3. That the combined initial rates of the gas tax and registration fee shall be set at such an amount as to address urgent backlogged road repair in the cities and county, and that the combined rate shall then be adjusted downward to equal the projected long-term annual maintenance cost of city and county roads.
4. That the City of The Dalles and Wasco County work jointly with the State of Oregon to identify technical and financial resources needed to re-establish gas stations in Mosier, Maupin and Dufur, and to establish a network of EV public charging stations across Wasco County.
5. That an electrical transmission fee be collected at EV public charging stations at such time as these stations are established for the dedicated purpose of city and county roads maintenance.
6. That the cities and county work jointly with cities and counties throughout the bi-state Columbia Gorge region to encourage Congress to re-establish sustainable timber harvest and thus return essential revenues for roads maintenance and the Common Schools Fund.
7. That, when timber revenues are re-established at historic levels, the combined rates of the proposed gas tax and registration fee be adjusted downward to reflect the benefit of such new revenue, provided that Wasco County agree to disburse a proportionate share of its timber revenues, when these become available, to the cities of Wasco County for the dedicated purpose of city roads maintenance.