

**TILLAMOOK COUNTY ROADS ADVISORY COMMITTEE (C.R.A.C.)**

DATE: June 22, 1999

MEMBERS PRESENT: Mary Cramer, Marlin Clark, Norm Myers, Bill Howard, Ray Streeter, Irene Ertell, Curt Schonbrod, Bob Rieke, Jack Brooks

STAFF: Jon Oshel/Director, Tim Josi/Commissioner, Paul Levesque/Executive Assistant, Dave Krebs/Services Supd't, Bob Willhite/Operations Manager, Jeanette Steinbach/Recorder

PUBLIC: Dora Norwood, Bob Miles, Owen Nicholson

GUESTS: Janet Trueblood

**ITEM 1 REVIEW AGENDA: Meeting** called to order at 3:05pm. Agenda accepted.

**ITEM 2 MINUTES: May 28, 1999** minutes approved as written.

**ITEM 3 FOLLOW-UP INFORMATION: POTENTIAL COUNTY REVENUES:** Jon stated that at the last meeting it was decided to go for a tax base. On talking with the Commissioners and Paul Levesque a series of details came out that he needed to share with the Committee. Revenue could be obtained from a gas tax, but the legislature is an unknown quantity. Federal timber revenues are going to decrease until 2002 and then perhaps at a federal level they may choose to decrease or increase or even eliminate. The state timber revenues increases will go into the county general fund and the unknown is the amount and how much if any will be dedicated to the road department. Jon concluded that there are lots of revenue sources that are still uncertain and on talking to the Commissioners they were concerned about a tax base when the long-term picture is uncertain.

**PROPERTY TAX POSSIBILITIES:** Paul said that the packet that he had sent to the members was to be used as a reference tool. He added that there are 3 major opportunities for road finance.

- a. Serial Levy (Local Option Tax): Paul discussed his handout (attached). It stated that it could be a 1-year to 5-year levy. The main feature is that a serial levy has to be shared with the road districts and with the cities which has some ramifications. The statute indicates that the money is shared in proportion of the taxable value. In 1947 the county created two Road Districts, Road District 1 was created in May 1947 which was all the land except the incorporated cities. Another order signed later changed Road District 1 into 2 districts. Road district 3 was south county area from Cape Lookout. The three rivers ranch was created recently which although small would get some revenue. Not less than 50% of the money raised in a serial levy needs to be divided with the road districts and the cities. Paul said that the districts exist but a serial levy did not pass. These districts can be dissolved and if it happens table #2 would apply and an election would be possible in November at the earliest. In a serial levy the city has to participate. Mary asked if the county would have to set up a board of directors or would it go to the road department. Paul replied that the BOC governs

the district and are a separate entity.

- b. Road Bonds: Bonds are for expensive projects that are paid for over a length of time. A scenario that can be used is have a list of county roads you wanted to pave and then go for a road bond. Bond costs need to be figured into the project costs.
- c. Creating a special district with its own authority, each of the districts can have a tax base or a serial levy: Paul submitted a handout (attached). He mentioned that with the exception of the road assessment district the committee could go for a serial or a permanent tax rate. Road Assessment district you can collect 1/4 of 1% per 1000 of the market value of the property. The two districts 1 and 3 can each have a serial levy or a permanent tax rate based on improvements to roads in their respective districts. No money goes to the cities. Jon asked what it would take to split District 1 into District 1 and 2 so district 1 can be North District and 2 could be Central district. Paul said it would take the BOC to initiate the process to create the district, they enact a resolution, they set a public hearing and depending on the input they will hold a final hearing and if no petition is submitted then a district can be formed without an election. Paul added that if you go for a serial tax for a district you cannot go for a permanent tax rate for that district, the reverse is acceptable. In response to Norm Myer's question Paul said that a permanent tax rate couldn't be raised. Jon said that in the future you could form a county services district if need be. Paul said that in his opinion the county service district is the best option because it gives you more flexibility and power. Replying to Tim Josi's question Paul said that he is not sure if the districts would have to be dissolved but it would make sense to dissolve them. County Service district has the option to have a serial levy or a permanent tax rate. Jon asked if a decision was made to run a tax on either district 1 and 3 or a county service district what would be the differences. Paul said that with a county service district it has a broader ranger of flexibility and power i.e. can issue bonds, user charges and system development charges. Norm Myers stated that in the next 5 years revenue sources may change so it would make sense to go for a 5 year serial tax and then form a service district if need be which would also be more in favor with the public. A permanent tax base can only be held in May or November in even number years if it is decided to form a new district. Paul concluded that in his opinion that the 3 best options available are a county serial levy, or a serial levy by districts, or forming a service district with a permanent tax base.

Curt asked if a county service district was formed would the current revenues the road department receive transfer. Paul said that those funds are dedicated to the road department and would need an administrative transfer. Norm Myers asked if the committee did go with the road districts could they ask for what is actually needed in each district, Paul agreed.

Marlin handed out his proposal of revenue (attached). A serial levy for 4 years cutting the levy in half for the 2<sup>nd</sup> year and the 3<sup>rd</sup> year secure future investments.

**ITEM 4 LEVELS OF SERVICE DISCUSSION:** Jon referred to the memo of 06-17-99 attached with the packet sent to the members. These are not a recommendation

but are judgment calls showing what the different level of services would cost.

*Document F:* Pavement Condition Index - In residential roads will not widen the roads but on high-speed roads we would for safety improvements. The amount needed would be 10% less if the committee decides not to do the improvements.

*Document G:* Aggregate Purchase - If this program is to go through we would need more equipment and personnel, we would have to weigh the benefits to contracting out or doing the work ourselves.

*Document A and B* Possible levels of funding increase and service levels - The worksheet included with this is for the committee to recommend and to submit to Jon.

*Document C:* Cost to increase crew size to 40 employees - This will enable us to obtain maximum efficiency with basic maintenance tasks. Now we float people from one district to another if needed.

*Document D & E:* Age of equipment and 5-year purchase plan

**ITEM 5 PUBLIC COMMENT:** The Chair recognized Owen Nicholson. Owen is from Manzanita he had attended a BOC meeting that touched on road finances and he came here to get more information.

Mary asked the committee to look at the service levels and fill out the worksheets so that we have an idea how much money is needed. Mary asked the committee to raise their hands if they agree that the road department needs more money for the roads. All members present raised their hands. Mary added that in her opinion the service level for paving should be at a minimum of \$1.5M. In reply to Ray's question Jon stated that he would rather that the committee come up with a recommendation instead of he giving his opinion. Irene asked how much \$1.5M would buy in paving? Jon answered that the county has 240 paved miles and \$1.5M for 5 years would buy a quarter of that without shoulder construction. Bob commented that to pave the road the road would need to be repaired first. Mary also added that to be in par with the other counties we would need \$2.5M.

**ITEM 6 SCHEDULE OF FUTURE MEETINGS:** Next meeting scheduled for June 29, 1999 at 3:00 in the Board of Commissioners Conference B. Next week we will talk about service levels, the assumptions Jon made and the position the committee will take, and the type of tax to go for given the new information provided by Paul Levesque.

**ITEM 7 ADJOURN:** Meeting adjourned at 5:08pm.