



CITY OF EAGLE POINT

"Gateway to the Lakes"

OREGON

CITY COUNCIL
SPECIAL STUDY SESSION
April 11, 2016
5:00 p.m.
Council Chambers
17 Buchanan Ave. South, Eagle Point, Oregon

1. 5:00 p.m. - Review 2015-2016 Council Goals and establish goals for 2016-2017.
2. Discussion regarding Street Maintenance Funding and Transportation Utility Fees (TUF).
3. Approximately 8 p.m. – Adjourn.

If a physical accommodation is needed to participate in this meeting, please contact the City Recorder at 541-826-4212 ext. 106 or TTY/TDD 711 or 800-735-2900. Notification of at least 48 hours prior to the meeting will assist the City in providing reasonable accommodations. (28 CFR 35.102-35.104 ADA Title II).

**BUSINESS OF THE CITY COUNCIL
EAGLE POINT, OREGON**

AGENDA STATEMENT

Item Number: 1
Meeting Date: April 11, 2016

ITEM TITLE: Review 2015-2016 Council Goals and establish Council Goals for Fiscal Year 2016-2017

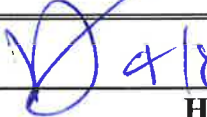
SUBMITTED BY: Henry Lawrence, City Administrator

SUMMARY EXPLANATION: Annually the City Council sets goals that they would like to see accomplished over the next fiscal year. The 2015-2016 goals set by the Council are attached for reference. A number of the goals have been accomplished, and others are ongoing through this fiscal year that ends June 30, 2016.

The Council will discuss specifically whether they are comfortable with the progress to date, as well as set new goals for 2016-2017. Staff will attempt to address the Council goals in writing the draft 2016-2017 City budget that will then be reviewed by the Budget Committee in June 2016.

FINANCIAL IMPACT: To be determined and defined during budget process.

APPROVED FOR SUBMITTAL:


4/8/16

Henry Lawrence, City Administrator

STAFF RECOMMENDATION: Provide direction to staff regarding goal accomplishment and set goals for new fiscal year.

ATTACHMENTS: Attachment No. 1 - 2015-2016 Council Goals

ATTACHMENT NO. 1

2015-2016 COUNCIL GOALS

(April 28, 2015)

GOALS	FOCUS
Livability	Support parks maintenance and staff resource needs.
	Purchase easement and continue improvement/expansion of trail along Little Butte Creek.
	Focus on downtown appearance, including a timeline to finish Main Street lighting.
	Support nuisance abatement and code enforcement efforts.
Recreation	Develop a conceptual plan for Highlands Park.
	Complete Lucas Park.
	Build the Mattie Brown gazebo.
	Support and promote youth programs.
	Complete the updated Parks and Recreation Master Plan.
	Develop a hiking trails master plan, and implement as time and funding allows.
	Plan and design a splash park, and develop as funds and timing permit.
	Improve in-city and regional pedestrian connectivity, including planning for a bikeway connection to the Bear Creek Trail.
Public Safety	Support programs, fleet, equipment, and training.
	Support additional staffing as deemed necessary.
	Provide National Incident Management System (NIMS) training for Council.
Economic Development	Focus on development opportunities for the Old Fire Station property.
	Continue Economic Development Commission work under the Economic Development Strategy.
	Work with ODOT regarding I-5 Signage.
	Review development fees as comparative to other local jurisdictions.
	Promote Eagle Point by submitting articles and press releases to various publications.
	Continue to implement achievable components of the Town Center Plan (streetlights, paving, landscaping/street trees, etc.)
Community Growth	Support enhanced use of Channel 182 program development and city promotion.
	Promote volunteerism and associated programs, including outreach.
	Begin the Conceptual Plan process for the City's Urban Reserve Areas.
	Develop and maintain a list of volunteer projects.
	Improve/expand way-finding features (signs, markers, maps, etc.)

ATTACHMENT NO. 1

2015-2016 COUNCIL GOALS

(April 28, 2015)

GOALS	FOCUS
Fiscal and Administrative Stability	Communication with franchisees, and follow-up results of franchise financial audit.
	Evaluate Fees and make selected adjustments.
	Support use of staff resources to respond to grant applications.
	Promote staff professional development.
Public Infrastructure	Focus on adding facilities that improve walkability, including safe routes to schools.
	Continue to support maintenance of city streets and pedestrian facilities.
Historic & Cultural Initiatives	Improve the property around the covered bridge and potentially buy adjacent property.
	Identify opportunities to support preservation of historic structures and sites.
	Support continued improvements to Harnish Wayside Park and Visitors Center.
	Provide more tourist information signs for Eagle Point points of interest (OTE signs, etc.)

**BUSINESS OF THE CITY COUNCIL
EAGLE POINT, OREGON**

AGENDA STATEMENT

Item Number: 2
Meeting Date: April 11, 2016

ITEM TITLE: Discussion regarding the Pavement Management and Funding

SUBMITTED BY: Henry Lawrence, City Administrator

SUMMARY EXPLANATION: This is a continuation of the presentation and discussion presented to the City Council at the February 10th regular meeting and February 17th Study Session. Staff provided a summary of the progress made with the pavement management program over the last three years. We continue to review how to fund a program into the future that maintains a proactive pavement maintenance program at an acceptable level in every neighborhood.

The Last Three Years

In September of 2012, the Council hired Capitol Asset & Pavement Services, Inc. to complete a Pavement Condition Survey, which rated pavement conditions throughout the City using an industry-recognized standard known as the Pavement Condition Index (PCI). Pavement condition is rated on a scale of 1-100. Eagle Point pavements were rated from very poor to very good, with the following categories: PCI 0-30: very poor; 30-50 poor; 50-70 good; 70 to 100 very good. Overall the City received an average good rating of 74.

The completed Budget Options Report from Capitol Asset & Pavement Services, Inc. recommended an annual capital program funding scenario of approximately \$300,000 to maintain the current pavement rating at 74. Alternatively, the City could seek to improve the pavement condition to 79 for approximately \$450,000 per year. Rather than blindly following the report and companion StreetSaver computer program, the City used it as a guide to develop a program using lessons learned, partnerships with other agencies, use of available private contractors, and reliance on best practices of the industry to refine the succeeding year's program. For the pavement maintenance program in the summers of 2013, 2014, and 2015, the City funded over \$1.2 million of pavement maintenance.

Pavement Maintenance Program					
2013-2015					
Year	*Crack Seal	Chip Seal	Seal Coat	Pavement	Yearly Program
2013		\$75,093	\$126,351	\$47,113	\$248,557
2014	\$12,000	\$112,649	\$94,967	\$336,542	\$556,158
2015		\$68,332	\$108,610	\$227,778	\$404,720
Subtotal		\$256,074	\$329,928	\$611,433	\$1,209,435

*Note - (crack sealing is now funded in the Street Maintenance and Repair line item)

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Based upon lessons learned over the last three years, the current strategy apportions capital improvement funds as follows: 25% chip seal, 25% seal coat and 50% of for pavement overlay. This strategy follows the theory of the StreetSaver program to focus maintenance on the collectors/arterials with the modified chip seal (Crystal Drive, Robert Trent Jones Boulevard, Hannon Road), seal coat on residential streets rated in good condition, and pavement overlay/grind on pavements rated poor and very poor.

Over the last three years, approximately one-half of the public roads throughout the City have either been improved substantially with new overlays, or seal coated or chip sealed to arrest further deterioration of the road surface and base.

Of the 32 streets originally rated poor or very poor, only the following remain unimproved:

- Robert Trent Jones Blvd - Eagle View to Stevens Road
- Shadowlawn – E. Archwood to mid block
- Van Wey Circle
- Lorraine – Sarah Park Circle to Fargo St.
- Park Drive (Little Butte Park)
- Nova – Main St to Napa
- N. Shasta – Neva to Onyx
- Main Street Alleys

Over the next three years we will be focusing on the remaining backlog of streets that need serious attention. Robert Miller has provided draft maps showing the program as envisioned over the next three summers.

Budget and Funding

Our street fund budget is fairly simple. Revenues are basically from two sources: state gas tax, and the Transportation Utility Fee (TUF) billed to every water user as part of the monthly utility bill. Residential properties currently pay \$6 per month, and businesses pay a fixed amount according to average vehicle trip counts based on the ITE Manual. Expenses in the fund are grouped in three categories: personnel, materials and supplies, and transfers to other city funds for overhead and equipment depreciation/replacement.

Revenue

Gas Tax:	\$517,000.
TUF	313,000.
Total Revenue:	\$830,000.

Expenses

Personnel:	\$308,000.
Materials and Services:	260,000.*
Small Capital Projects	50,000 **
Transfers:	60,000.
Total Expenses:	\$678,000.

Difference: **\$152,000.**

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*Materials and Services: include approximately \$120,000 per year in electrical costs for street lighting; as well as \$50,000 per year for routine street repairs such as pot holes, which is mostly contracted out to the private sector.

**Small Capital Projects: include small projects such as street tree replacement program, bridge maintenance, sidewalk ADA improvements, small sidewalk/pathway repairs, street signs, radar signs, etc. Does not include new pedestrian street lights (Main Street).

The difference between revenues and expenses, as well as any fund balance (savings from prior years) is the amount we have to work with for capital projects such as seal coats, chip seals and overlays.

Annual cost escalations will continue to occur with personnel, materials and supplies, as well as with private sector capital project costs. These will continue to reduce our ability to maintain a credible pavement management program. Although over the last three years we have relied heavily on our street fund reserves to supplement our pavement management program, we cannot continue to spend down reserves at that level. We need to maintain some level of reserves for emergency street repairs or to give us flexibility to take advantage of partnering opportunities with other utility providers.

Projected costs to continue the pavement management program are as follows:

2016: \$400,000; 2017: \$350,000; 2018: \$250,000; with a continuing program of at least \$200,000 annually thereafter, which is on the low side.

Amount available annually: about \$152,000, without any new revenue sources (see below).

Street Trend Analyses are attached and will be presented by Finance Director Melissa Owens at the meeting.

Additional Funding

There are two avenues of additional funding that are immediately apparent. One is to execute a franchise agreement with RVSS (sewer) for use of the city rights-of-way. This would be similar to franchise agreements currently in place with Pacific Power, Charter Cable, telephone and fiber providers, Avista natural gas, and Southern Oregon Sanitation. Staff recommends a 7% funding level, which is ultimately passed onto the customer. The other avenue is to increase the residential TUF by \$1 per month (from \$6 to \$7), with a corresponding 16.67% increase for other user categories (commercial/schools, nonprofits).

RVSS Franchise @ 7%	\$ 54,400.
TUF increase of \$1 per month residential	\$ 40,840.
TUF increase commercial/other	\$ 13,269.
Total Projected Additional Funding	\$108,509.

Council Policy Decisions

The following questions are addressed to the Council:

1. Is the Council comfortable with the projected level of spending for the pavement management program?
2. Does the Council agree with the strategy to institute a franchise agreement for RVSS?
3. Does the Council agree with the strategy to increase the TUF by \$1 per month for residential, with a comparable increase of 16.67 % for commercial/other?
4. Are there other strategies that Council would like staff to explore, such as reduce the level of pavement management projects to reduce expenditures, or explore other revenue sources?

APPROVED FOR SUBMITTAL: _____

Handwritten signature and date in blue ink. The signature is a stylized 'H' and the date is '4/8/14'.

Henry Lawrence, City Administrator

STAFF RECOMMENDATION: Staff seeks policy direction from the Council