

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION
February 21, 2006

Mayor Bernard called the work session to order at 5:30 p.m. in the City Hall Conference Room.

Council Present: Councilors Barnes, Collette, Loomis, and Stone.

Staff Present: City Manager Mike Swanson,

Board and Commission Interviews

Council interviewed Ed Zumwalt and Greg Chaimov for reappointment to their positions on the Library Board and Scott Churchill for a vacant position on the Design and Landmarks Committee.

Reschedule July 4, 2006 Council Meeting

The Council directed staff to prepare a resolution that rescheduled the first work session and regular session meetings in July for July 6, 2006.

Regional Committee Assignments

The group discussed the regional groups in which they participated. **Mr. Swanson** said the Clackamas Cities Association determined the representation on such groups as Metro Policy Advisory Committee (MPAC) and the Joint Policy Advisory Committee (JPACT). The City participates on the Clackamas County Coordinating Committee (C4) and the Regional Water Providers Consortium, and there were many more ad hoc groups that were on a more volunteer basis. He thought the best approach was for the Council members to let staff know what their activities have been to make sure the City was represented.

Mayor Bernard reported there was no longer a staff person for C4, and he doubted it would continue much longer.

Councilor Collette had been attending C4 for about the last year.

Mayor Bernard was a JPACT alternate, and he hoped to be the primary representative in the near future. He thought there should be Council representation on the Parks District Advisory Board. Both Councilors Loomis and Stone indicated interest depending on when the meetings were scheduled. Mayor Bernard reviewed his involvement including the North Clackamas Chamber of Commerce and the economic development team.

Councilor Stone suggested it would be helpful to have a list of all the committees and when they met and who was representing whom.

Mr. Swanson commented that not all groups had a City of Milwaukie position per se. He discussed the South Corridor Policy Committee, which did require a Council representative.

Councilor Barnes said a school board member had requested a joint work session with the City Council. Mr. Swanson would contact the superintendent.

Mayor Bernard added that most of his involvement was voluntary, and he was not representing the City Council. The group discussed the Johnson Creek Watershed Council and suggested that Ms. Herrigel develop the list.

Street Funding Options

Mr. Swanson hoped to get a sense from Council of the direction in which it wished to proceed regarding the deteriorating road conditions in Milwaukie. This could take the form of a privilege tax, a road user fee, or some type of property tax. Simple, basic maintenance would cost \$600,000 annually. The problems are not readily apparent because most people see a surface when there is in reality the unseen base. He thought there was also a potential for weaving in other elements such as sidewalks and railroad quiet zones. He would like staff to spend a few months going to each neighborhood to talk about priorities in terms of transportation issues, sidewalks, and quiet zones and then come back before the City Council mid-summer with a proposal. The citizen members of the Budget Committee met and determined that road conditions was a problem that needed to be addressed because it would not get any better. Members of both the Budget Committee and Citizens Utility Advisory Board (CUAB) were notified of this meeting.

Charles Bird, CUAB member, said the initial information on the road conditions was anecdotal. Being an engineer, Mr. Bird hated anecdotal information. He was a strong advocate of the pavement management system (PMS) that assigned a numerical value that engineers could understand. This was information to take to the citizens so they could decide if they wanted to pay to make the streets better. The PMS was telling the City that the condition of its streets was declining, and residents should know about that and respond.

Mayor Bernard noted that the City had worked with Clackamas County on a transportation utility fee, and the study provided some valuable information. There were some communication flaws in that process, and it did not gather sufficient support. He expressed his ongoing concern about street lighting costs.

Councilor Stone thought the money paid for street lighting could go to street maintenance, and she hoped the City could find a creative way to shift that burden. She was concerned that every option in the report had to do with taxes, and she hated to see that happen. She would want to be sure the City looked at every possible option including grants. TriMet buses wreaked havoc on City streets, and they did not have to pay a user fee. All of the burden should not fall on the shoulders of the citizens. She wanted to make sure the City had looked at trimming operations and all other options before taxing people.

Councilor Loomis would like information from staff on where the money was currently being spent because citizens would want answers to questions like that. It sounded like the Mayor was sold on a particular option, but he wanted to look at the feasibility of a levy and what streets would be repaired with the funds. He would like staff to come back with options – not just one plan.

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Mr. Swanson said that was the intention. After talking with people, staff might find that the public was not at all receptive. The City needed to be clear about what people could expect based on realistic promises. The street lighting situation was widespread during the era of high gas tax revenues, and many communities still paid for their street lighting that way. When compared with roads, streetlights did not come out that favorably, but they were essential to community safety.

Mayor Bernard clarified that he wanted to look at all the options and did not just support one solution. He wanted to do what the citizens wanted. He commented on the future of transportation funding and shrinking gas tax revenues. One issue constantly facing cities was the need to match federal funding. He would like to see a reserve fund built up for matching transportation funds. He hoped to someday get money for Logus Road, but that would mean diverting money from another project.

The group discussed outreach efforts that included a campaign effort in addition to *Pilot* articles and staff attending neighborhood meetings.

Mr. Swanson heard that staff should move forward with a focus on public input, and the Council would like to see the pros and cons of the various options.

Mayor Bernard commented that many communities such as Wilsonville and Tualatin had been successful because they went to the business community to gauge support.

Mr. Swanson announced the Council would meet in executive session pursuant to ORS 192.660(2)(i) -- performance evaluation of public officers and employees

Mayor Bernard adjourned the work session at 6:30 p.m.



Pat DuVal, Recorder

AGENDA

MILWAUKIE CITY COUNCIL WORK SESSION FEBRUARY 21, 2006

MILWAUKIE CITY HALL

Second Floor Conference Room
10722 SE Main Street

WORK SESSION – 5:30 p.m.

A light dinner will be served.

Discussion Items:

	<u>Time</u>	<u>Topic</u>	<u>Presenter</u>
1.	5:30 p.m.	Board and Commission Interviews: <ul style="list-style-type: none">• Ed Zumwalt, Library Board• Greg Chaimov, Library Board• Scott Churchill, Design & Landmarks	
2.	5:50 p.m.	Rescheduling of July 4, 2006 Council Meeting	Mike Swanson
3.	6:00 p.m.	Regional Committee Assignments	Group
4.	6:10 p.m.	Street Funding Options	Mike Swanson
5.	6:45 p.m.	Adjourn	

Public Notice

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the
- Executive Session: The Milwaukie City Council may go into Executive Session pursuant to ORS 192.660. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
- For assistance/service per the Americans with Disabilities Act (ADA) please dial TDD (503) 786-7555.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.
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TO: MAYOR AND CITY COUNCIL
FROM: MIKE SWANSON, CITY MANAGER
DATE: FEBRUARY 10, 2006
**RE: ROAD FUNDING STUDY FOR DISCUSSION AT FEBRUARY 21,
2006 WORK SESSION**

ACTION REQUESTED

The action requested is direction from the Council with regard to various funding alternatives for City roads.

BACKGROUND

The City's revenues are not adequate to provide even a basic level of maintenance for the City's road system. An April 5, 2005 work session presentation by City staff demonstrated this fact. It has been estimated that additional revenue of approximately \$600,000 per year would be required to provide basic maintenance. However, the City's Streets/State Gas Tax Fund's major revenue—the State Gas Tax—does little to reach that requirement. During FY 2002-2003 the actual revenue from the State Gas Tax was \$896,932; during FY 2003-2004 actual revenue was \$833,699; during FY 2004-2005 actual revenue was \$987,409; and the proposed revenue from the State Gas Tax is \$969,339 for FY 2006-2007. Increases do not provide sufficient growth to reach even the basic maintenance level, and predictions of more conservative use of fuel in the face of price increases do not provide much hope.

It is increasingly apparent that the City will have to initiate a funding mechanism of its own if the transportation infrastructure is to be protected. There are a number of options available. For example, the City presently funds the cost of street lights from its Streets/Gas Tax Fund. The amount required has been growing annually, from an actual expenditure of \$284,657 in FY 2002-2003 to a requested budget of \$367,500 for FY 2006-2007. Revenues from the State Gas Tax increased 8% since FY 2002-2003, while the amount required to operate street lights increased by 29% during the same time period.¹ The PGE franchise fee is set at 3.5% of total revenue within the City, which is proposed to raise

¹ In both cases the FY 2002-2003 number is an audited number, and the FY 2006-2007 is a proposal.

\$699,210 during FY 2006-2007. The City could enact a privilege tax of up to 1.5% of total PGE revenue within the City, which would raise an estimated \$299,661, or about half of what would be needed for basic maintenance.

Two additional options are a road user fee or a property tax levy. The latter could be through a special levy designating the uses and limiting the time during which it could be collected to no more than five years. It could also be through an increase in the levy of the permanent rate. Both would require a vote.

I am not requesting authorization to place a measure on the ballot or to otherwise implement a funding mechanism. Rather, I am requesting Council direction to staff to prepare a recommendation for presentation by July 15, 2006. The recommendation shall include a recommended financing alternative, an analysis of the revenue required, and projects that will be undertaken. The recommendations shall also include input from each of the City's Neighborhood Associations, the Citizens' Utility Advisory Board, and the citizen members of the Budget Committee.



To: Mayor, City Council

Through: Mike Swanson, City Manager

From: Paul Shirey, Director of Engineering
F. Kelly Somers, Director of Public Works Operations

Subject: Pavement Management System Report and Budget Options

Date: March 17, 2005 for the April 5, 2005 Work Session

Action Requested

Consider options for various street-funding and maintenance levels based on the Pavement Management System analysis. Direct staff to pursue options to adequately fund the street improvements needed to reach our objective.

Background

In June of 2004 the City of Milwaukie contracted with Engineering Information Services, Inc. of Salem, Oregon to provide pavement management technical services for the City of Milwaukie. The scope of the effort includes conducting a visual pavement assessment of each City Street and calculating the impact of various funding levels on the pavement conditions of the street network.

Our consultant used a software program developed by the Metropolitan Transportation Commission (MTC), called the Pavement Management Program (PMP) to do the evaluation. The program develops a maintenance strategy to improve the overall condition of the streets.

The program uses a numerical value to describe the condition of each street. Using a 0 to 100 scale, with 100 being the most favorable and 0 being least favorable. Currently, the City's average rating is 67. This program strives to develop a

maintenance strategy that will improve the overall condition of the streets to the mid 80's and then maintain it at that level.

This pavement management report is intended to assist the City of Milwaukie with identifying street maintenance priorities. The City's street network replacement values, currently estimated at \$65 million, represents a significant asset for the City to manage. This asset valuation assumes replacement of the entire street network at today's dollars.

Our consultant will present several different maintenance options along with the financial impact for Council consideration. This system is a valuable tool that will assist the City in prioritizing funding for street improvements and help the community understand the level of investment needed for the city street network.

Concurrence

Operations, the Street Division, and Engineering have worked together to manage the study up to this point.

Fiscal Impact

The cost of the Pavement management budget options report was \$15,500 and was included in the 2003-04 Street Fund budget. The study at this point has not resulted in any fiscal impact to the City. The fiscal impacts are identified for each of the options presented.

Work Load Impacts

Staff workload has been minimal to this point, once an option is selected and funding is provided it will require engineering staff time to design and administer the projects.

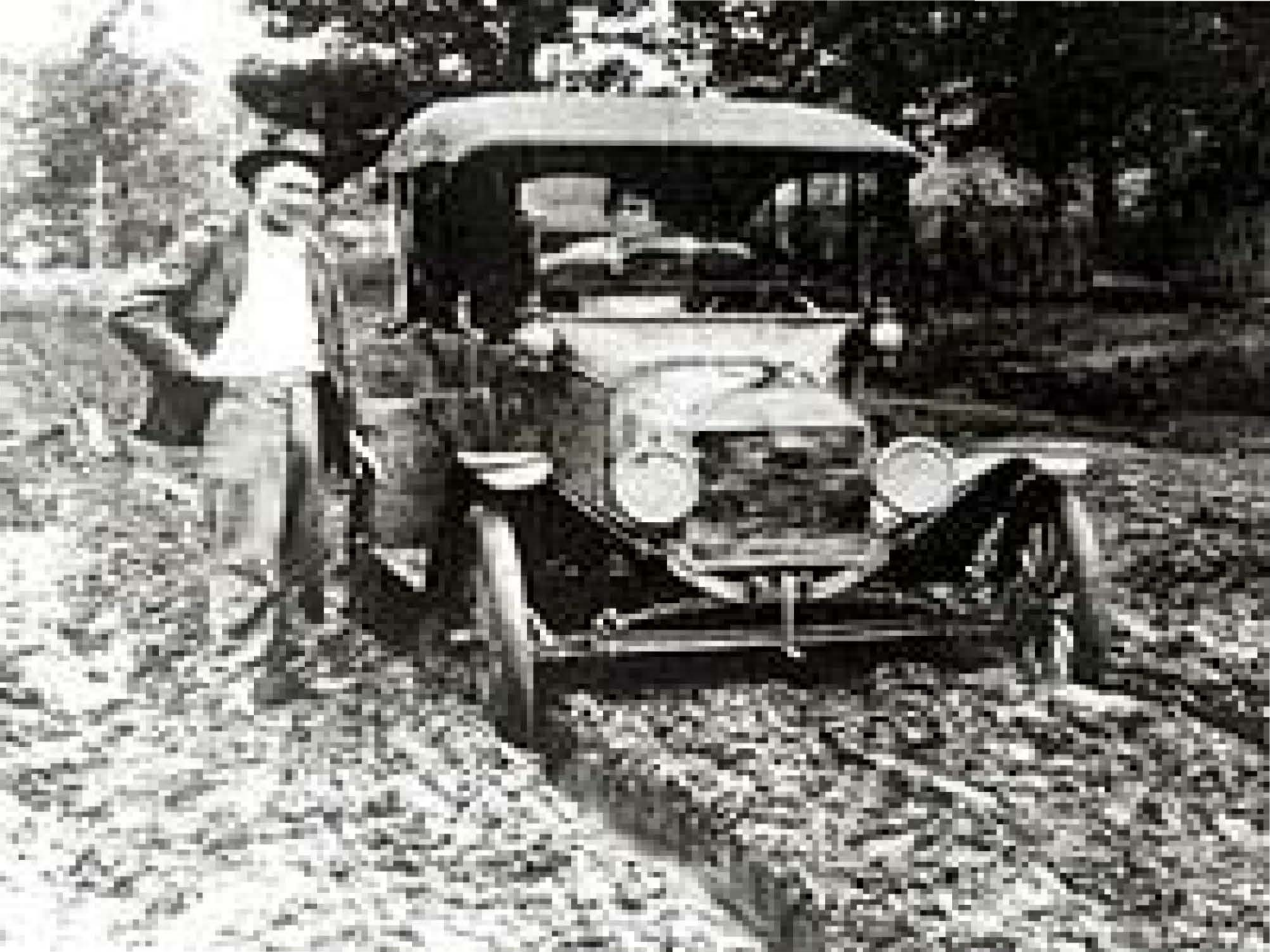
Alternatives

1. Choose a street funding and maintenance option
2. Suggest an alternative approach
3. Do nothing

“State of the Pavements”

City of Milwaukie

April 5, 2005



Street Infrastructure

70.06 centerline miles and
138.60 lane miles

Functional Classification	Total Miles
■ Arterial	■ 4.06
■ Collector	■ 11.81
■ Residential	■ 54.18
■ Total	■ 70.06

What is A Pavement Management Program

- It's a Method of how to cost effectively manage a street system.
- It's a planning tool to aid in the decision making process.
- Pavement Deterioration Model
- Cost Benefit analysis tool.

What is a Pavement Condition Index (PCI)

- Rating of the pavement condition
- Scale Ranges from 0 to 100
- High PCI values indicate better pavement condition

Planning Components

Budget Analysis

- Budget Needs (No Fiscal Constraints)
- Budget Scenarios
- Demonstrate Quantified Deficiencies for Current and Future fund allocations
- Turn Results into Action

GASP 34

- Inventory of Infrastructure Assets
- Regularly Assess Conditions, Using a Scale
- Each Year Estimate annual cost for Maint.
- Condition Level Should be Expressed in Categories or a Condition Index

Why do I need a Pavement Management System?

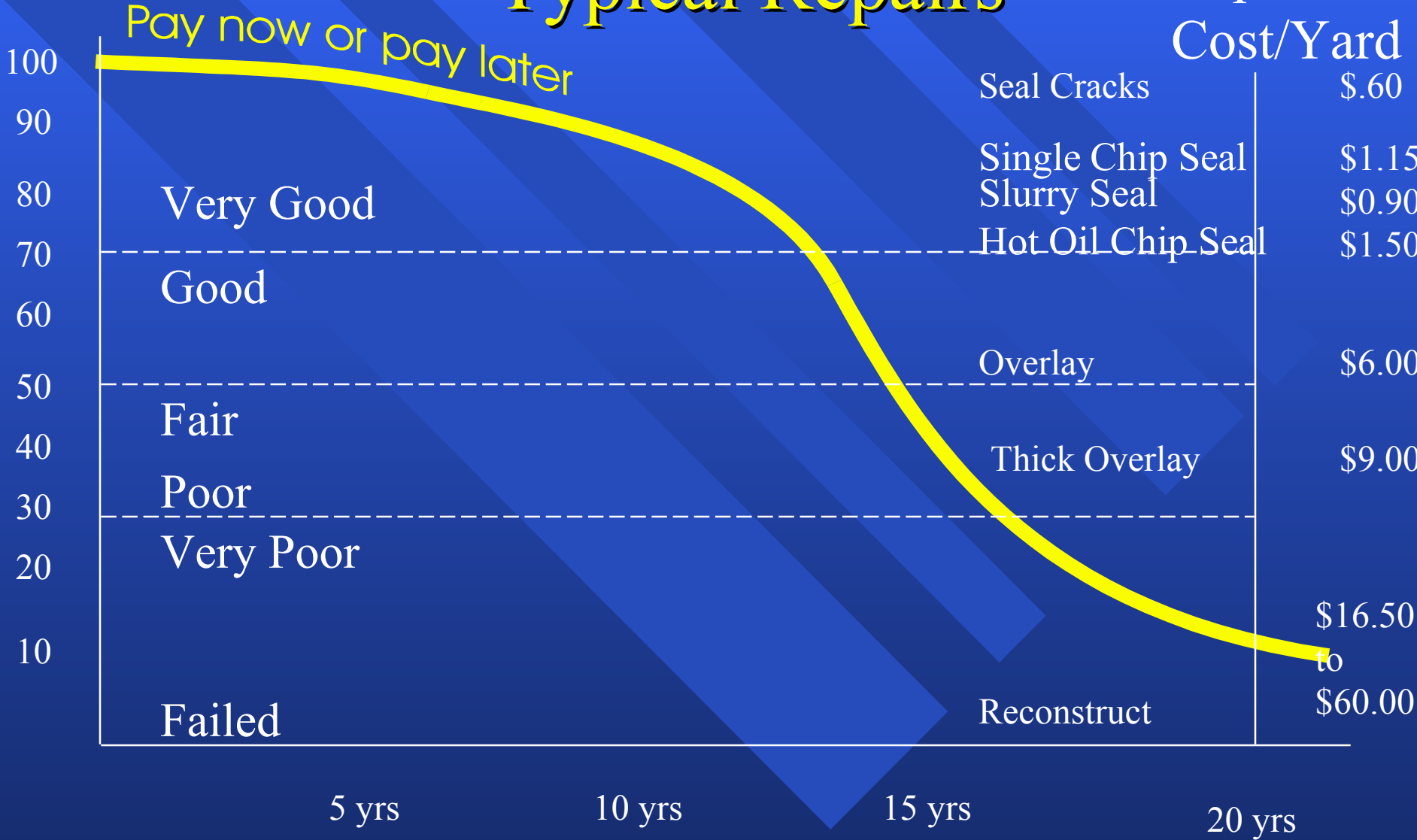
A close-up photograph of asphalt pavement showing extensive cracking and a dark, circular stain in the center. The cracks form a dense, irregular network across the surface.

**Here's why I need a Pavement
Management System!**

Pavement Condition Rating and Typical Repairs

PCI

Repair
Cost/Yard



Very Good

Good

Fair

Poor

Very Poor

Failed

5 yrs

10 yrs

15 yrs

20 yrs

Seal Cracks

Single Chip Seal

Slurry Seal

Hot Oil Chip Seal

Overlay

Thick Overlay

Reconstruct

\$0.60

\$1.15

\$0.90

\$1.50

\$6.00

\$9.00

\$16.50

to

\$60.00

Current Street Condition

Network PCI is 67 or in Good Condition

- Good Condition ■ 60%
- Satisfactory ■ 17%
- Fair ■ 15%
- Poor ■ 7%

Very Good Street Condition

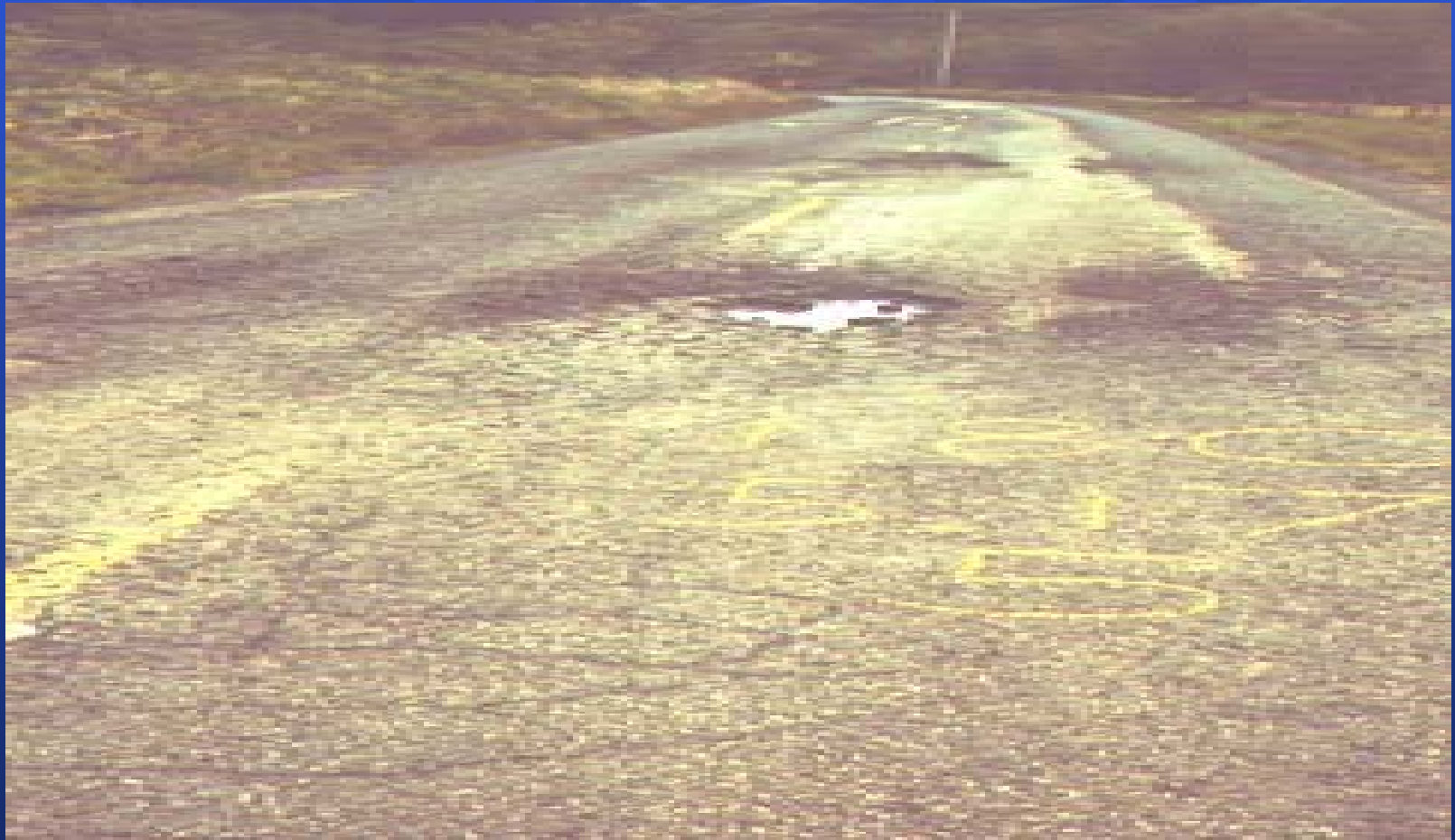
Satisfactory Street Condition



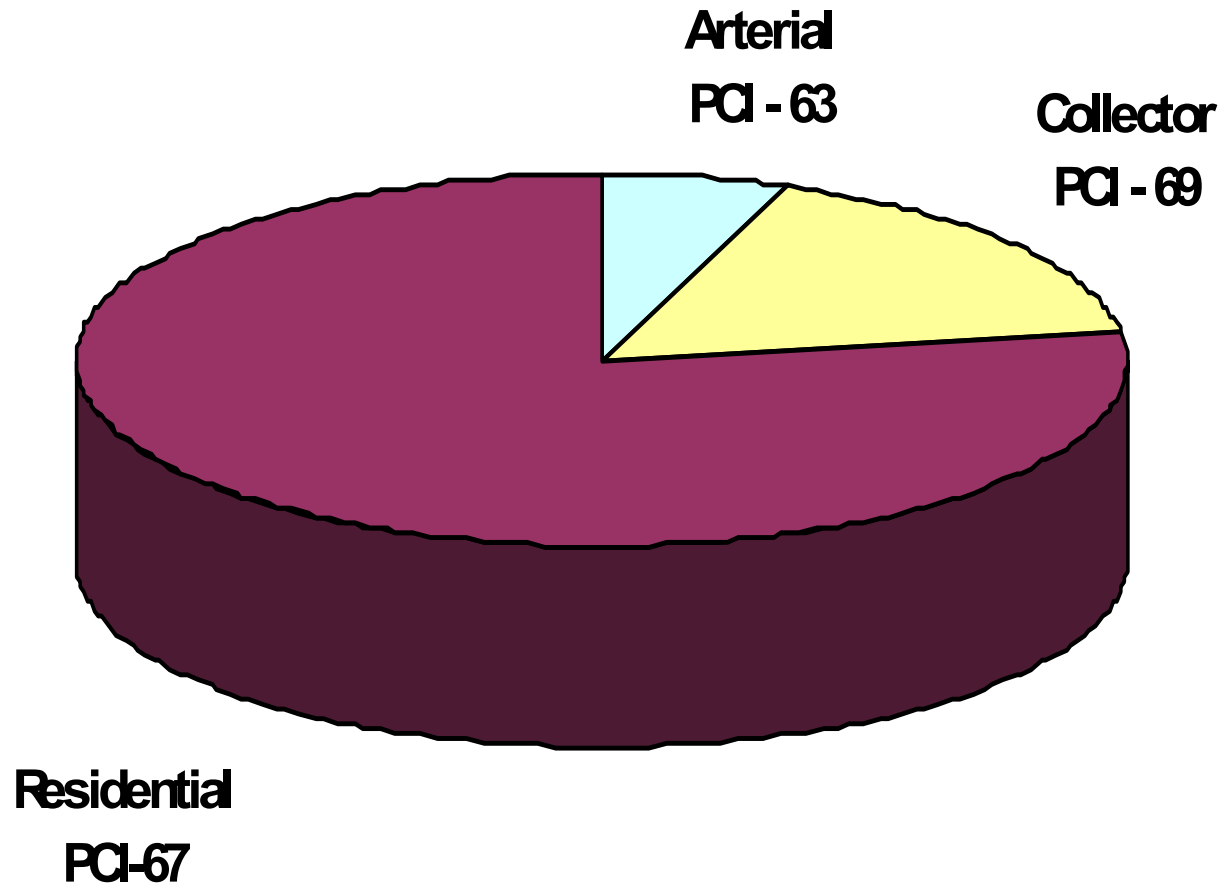
Fair Street Condition



Poor Street Condition



Network Average PCI by Functional Classification



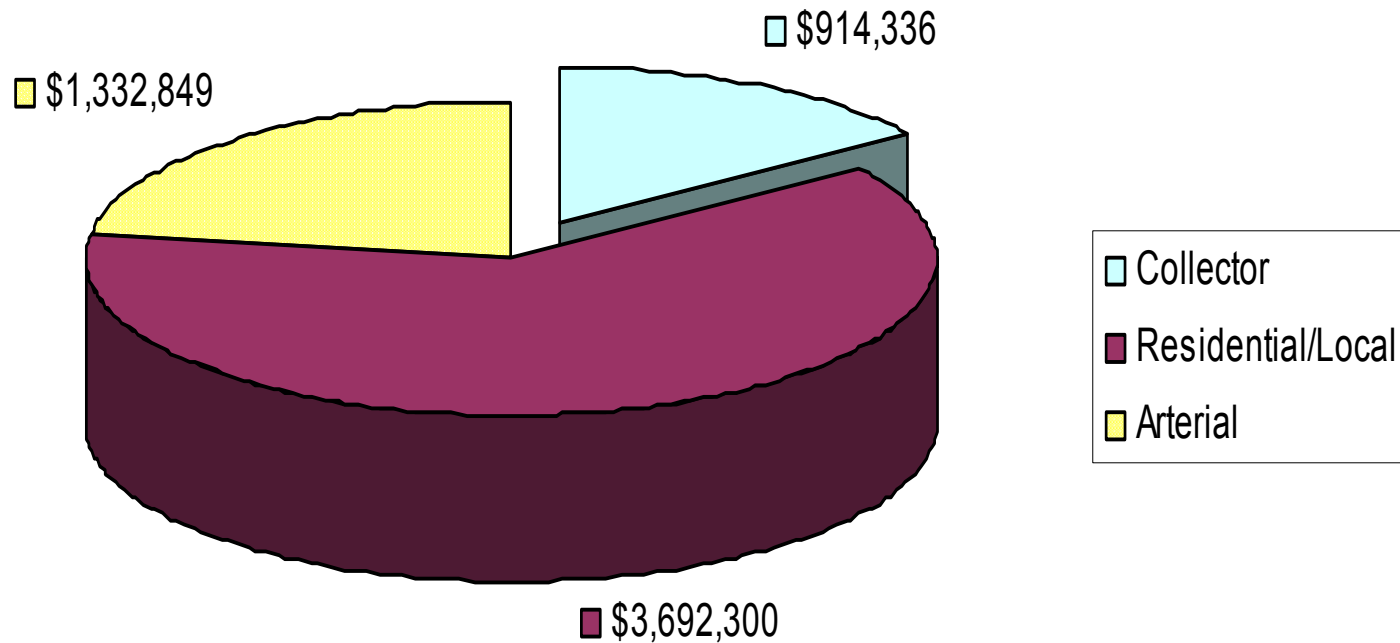
Streets maintained in a good to excellent condition

- “Cost significantly less to maintain than allowing them to deteriorate through to a poor and failed condition”!

Needs Analysis

- Total Funding Estimate ■ \$5.9 Million
- Good Street 9% ■ Approx. \$634 Thousand
- Satisfactory 7% ■ Approx. \$331 Thousand
- Fair Poor 84% ■ Approx. \$4.9 Million

Budget Needs Distribution by Functional Classification



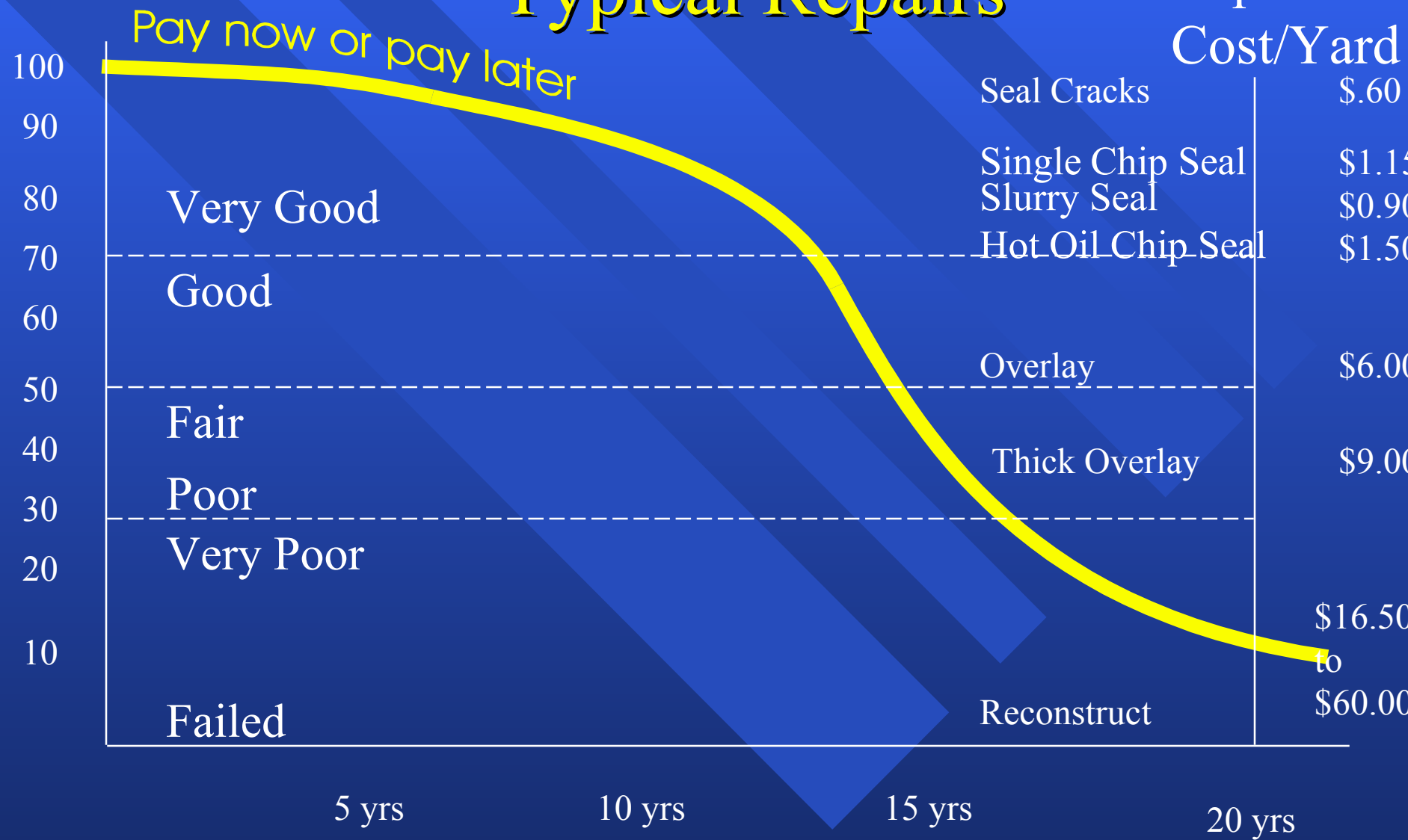
Budget Scenarios Investment Levels

- Scenario 1: Unlimited Budget \$5.9 Million
- Scenario 2: Unlimited Budget \$5.9 Million
 - Equal Budget Distribution
- Scenario 3: Current Funding \$1.2 Million
- Scenario 4: Recommended Funding \$3.6 Million

Pavement Condition Rating and Typical Repairs

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Unlimited Investment Level \$8.5 Million Over a Ten Year Period

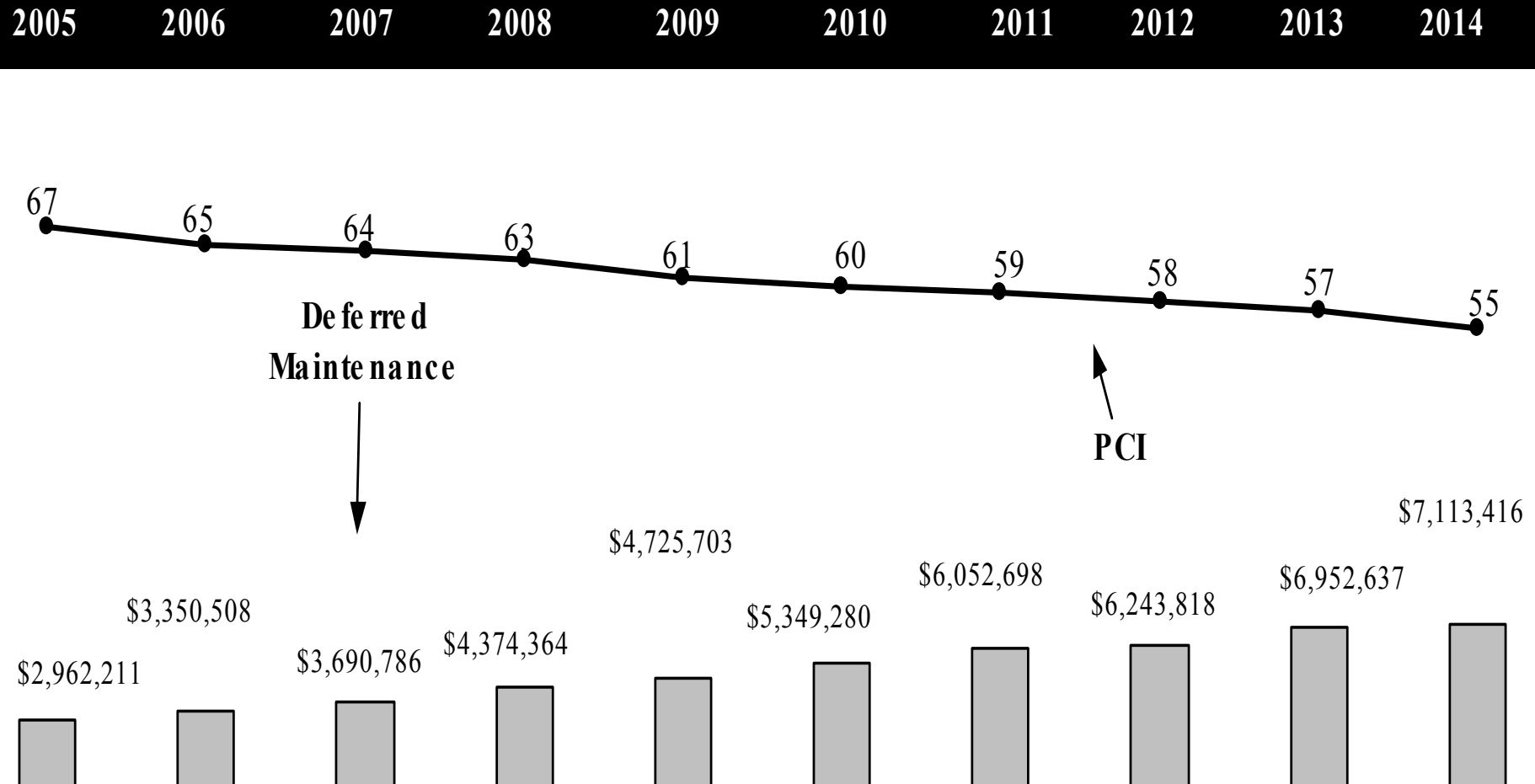
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014



Deferred
Maintenance
= \$0

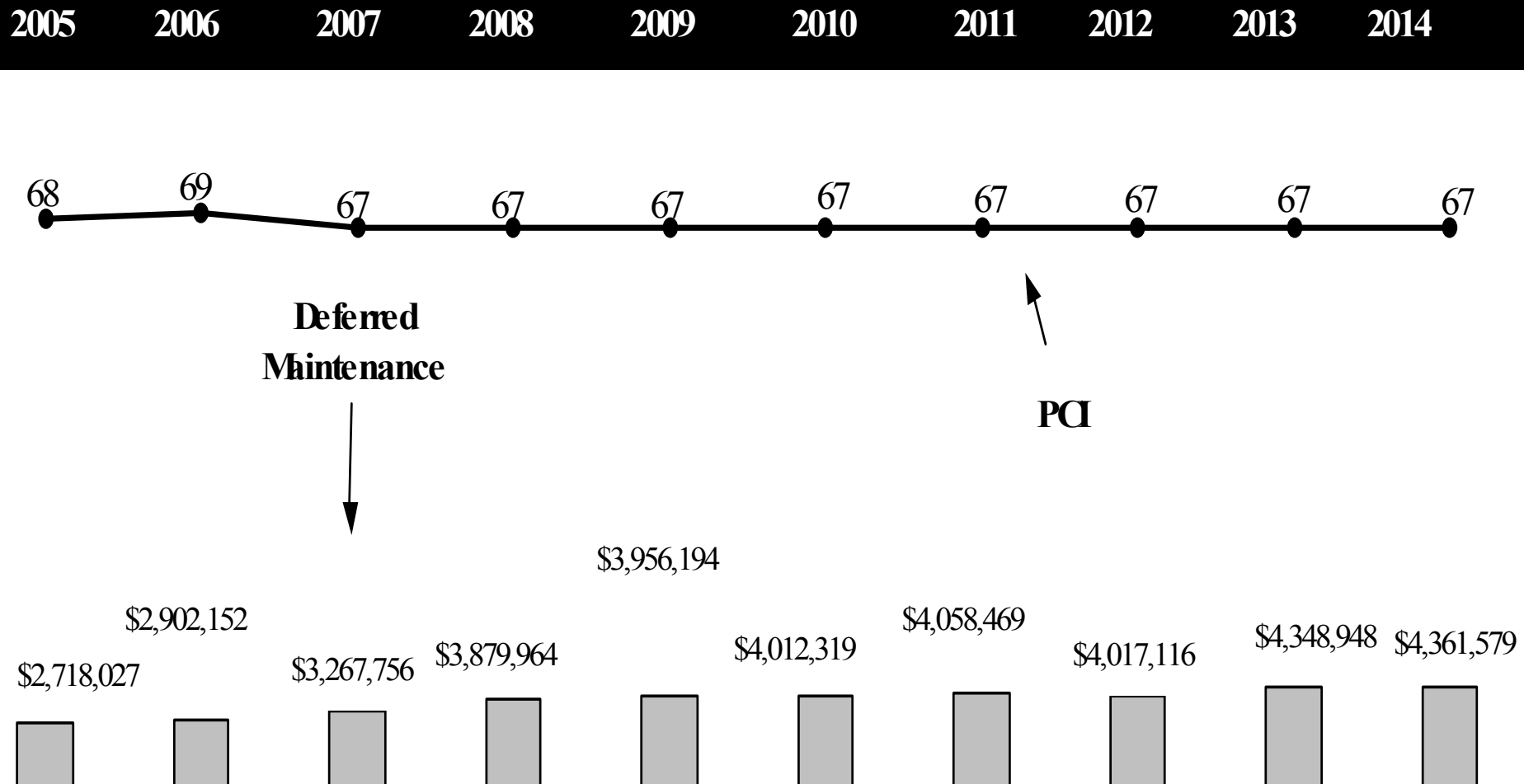
PCI

Current Investment Level \$200,000 Per Year for Ten Years

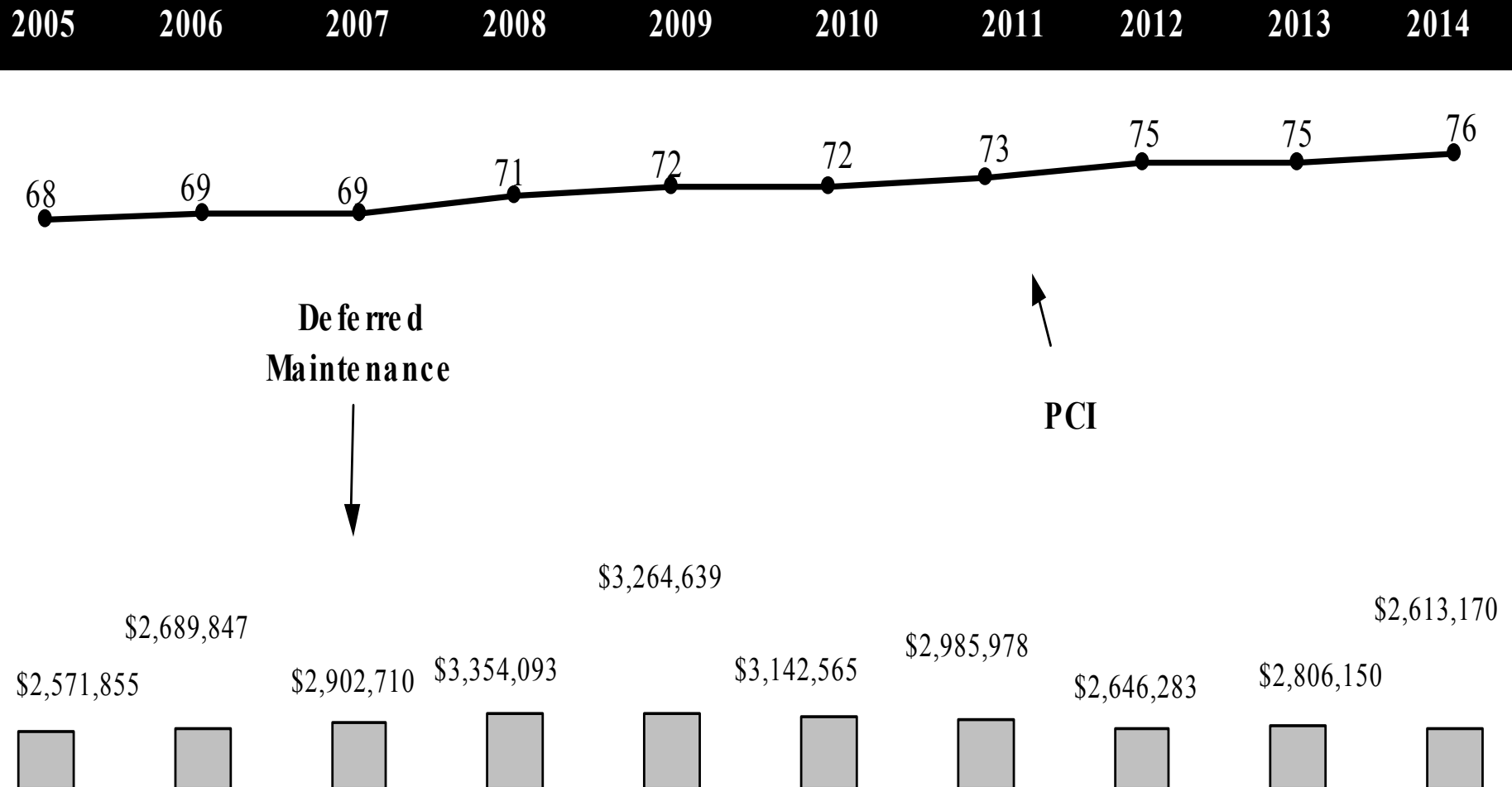




Maintain Current Pavement Condition Index Investment Level \$450,000 Per Year for Ten Years



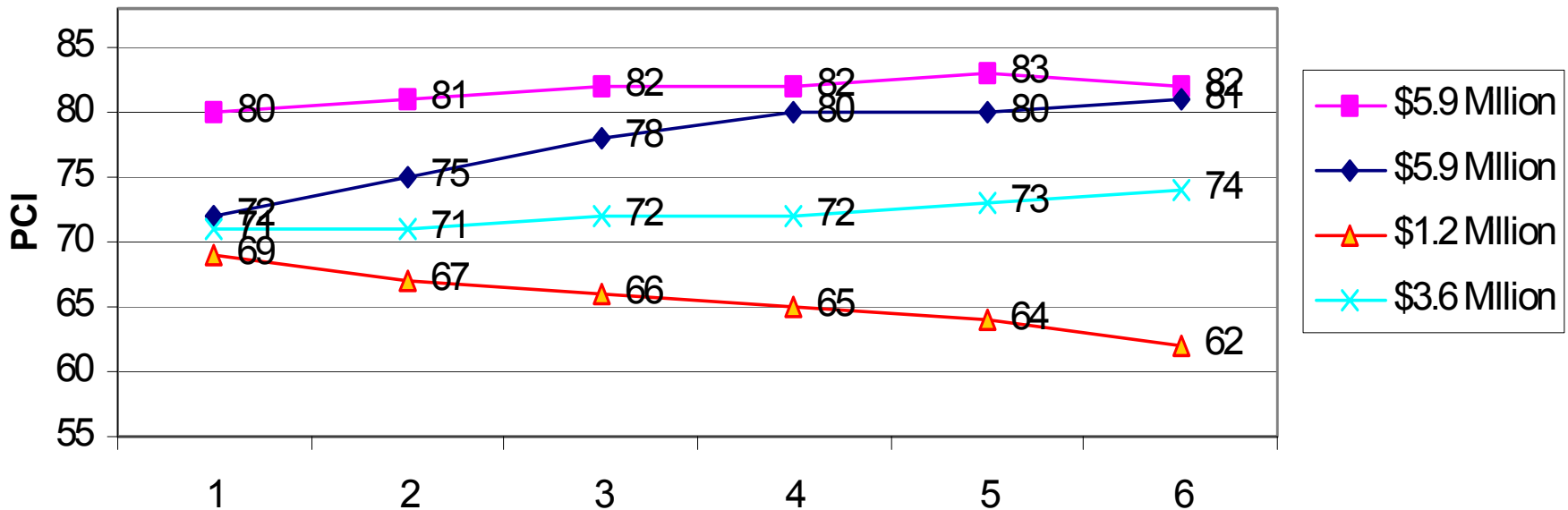
Recommended Investment Level \$600,000 Per Year for Ten Years



PCI Change vs Expenditures

PCI Changes VS Six Year Expenditures

City of Milwaukie



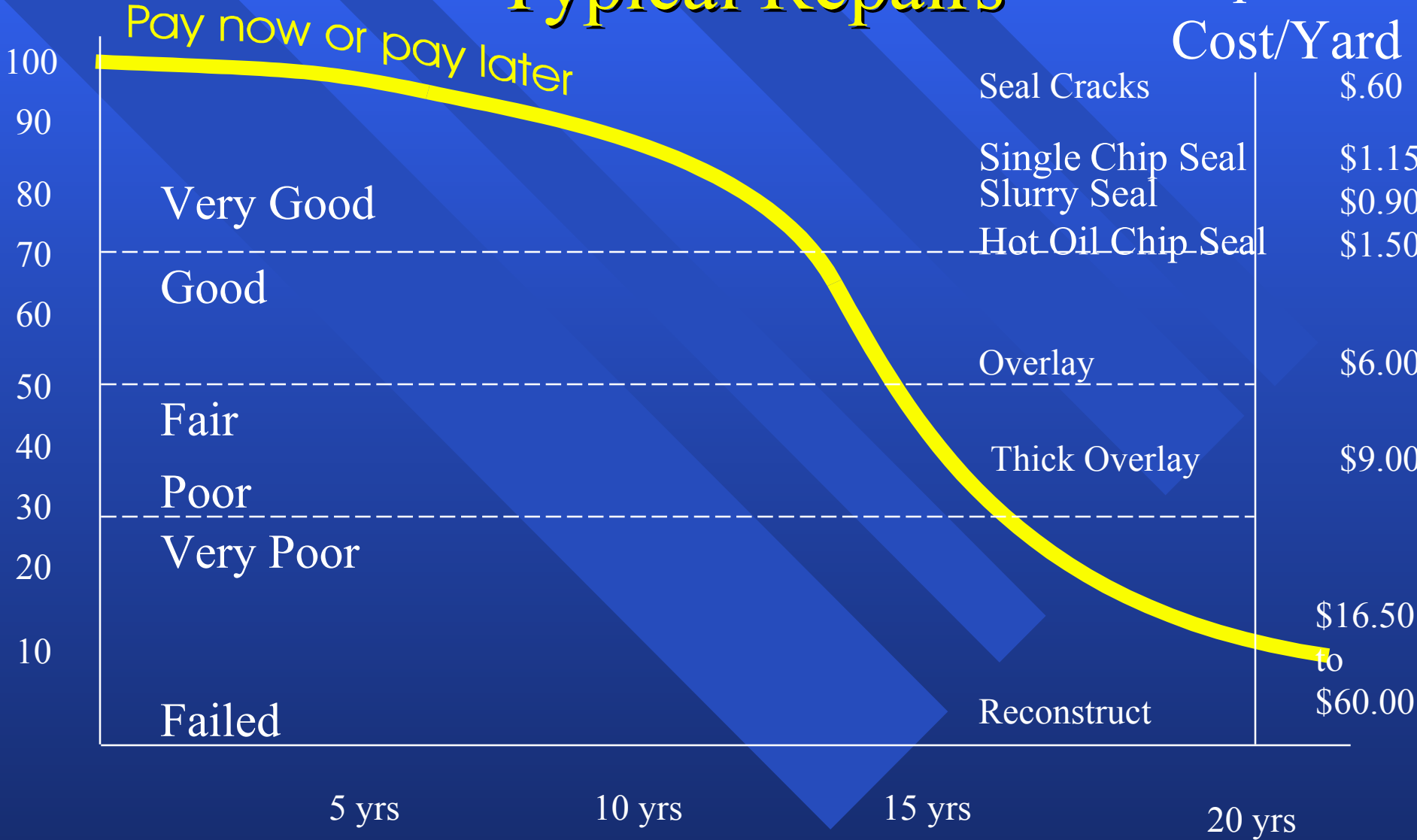
2005 Recommendations

- Pursue Additional Funding
 - General Fund
 - Local Maintenance Access Fee
- Develop Investment Level (Funding Package)
- Develop Three Year Plan
 - Measurable Out Come
- Other Considerations

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