



COMMUNITY WORKSHOP #2

Road Budget

August 2010



Purpose

- Inform

- Key Data & Trends
- Critical Needs & Challenges

- Put Together a Plan

- Community Input
- Options
- Recommendations for Board of Supervisors

3 Public Workshops

- July 14 – Present data, characterize the issues, begin to identify potential options
- August 18 – Evaluate options, identify feasibility, consequences, refine options
- September 15 – Continue to evaluate options, identify best choices, recommendation to Board
- All workshops 6 p.m., Board Chambers



WORKSHOP #2 AGENDA

■ Staff Presentation

- Brief Recap of July Workshop
- Update of Secure Rural Schools Funding Efforts
- Conclusions and Possible Approach

■ Discussion

- Questions, Thoughts, Ideas, Information for Next Workshop



Re-Cap of the Challenge

- Secure Rural Schools (“forest receipts or payment in lieu”) funds run out 2012
- \$500K annual deficit in road budget beginning 2012/2013
- Exhaust road fund balance early FY 2013/14
- Assumes stable state funding to County road budget going forward
- General fund used for other county services
- Significant need for maintenance & capital investment in existing roads – not currently funded beyond crack filling & other basic needs



Input from July Workshop – Service Levels

- Changing snow removal thresholds (3” to 5”) will not save significant \$\$, will result in poorer road conditions
- Must keep up with snow accumulation to avoid hazardous situations and minimize need to close roads
- County liability if cut backs in snow removal?
- Other road maintenance equally important to snow removal
- Roads serving local residents are higher priority than forest/recreation roads

Input from July Workshop – Funding

- State funding for road maintenance is based on maintained mileage
- Eliminating maintenance on forest roads will reduce state funding
- Allow STIP funding to be used for maintenance
- \$500K/year too much burden for property based taxes
- Federal government has obligation for local funding
- Other new taxes to consider:
 - TOT for campgrounds
 - Skier lift ticket/recreation use
 - Business licenses – change from flat rate to gross receipts
- STPUD Funding – use interest to fund roads; renegotiate annual payment
- Sell surplus County lands
- Invite congressional staff to witness first-hand



Secure Rural Schools Funding (Forest Receipts/Payment in Lieu)

- Lobbying effort to reauthorize
- National Forest Counties and Schools Coalition
- Request funding in federal budget beginning 2012 – Boxer, Feinstein & Lundgren supporting
- Update – Lisa Fontana, Superintendent Alpine County schools

partnershipforruralamerica.org

The screenshot shows a web browser window displaying the website for the Partnership for Rural America Campaign. The browser's address bar shows the URL <http://www.partnershipforruralamerica.org/default.shtml>. The website features a navigation menu with links for home, mission, history, board, and contact. The main header includes "Email" and "Volunteer" buttons. A large banner image depicts a forest with three tree types labeled: "DOUGLAS FIR", "BOTTOMLAND HARDWOOD", and "SOUTHERN PINE". Below the banner is a horizontal menu with buttons for HOME, MISSION, HISTORY, THE ACT, BOARD, PARTNERS, BROCHURES, and CONTACT. The content area is divided into several sections: "School Programs and Education" (with an image of children), "Roads and Public Works Projects" (with an image of a road), "Our American Workforce" (with an image of workers), "Emergency Services Search and Rescue" (with an image of rescue workers), and "Habitat Enhancement and Protection" (with an image of a pond). A "Campaign Information" section lists resources such as "Interactive Maps of SRS Timber Payments", "Interactive Map of Resource Advisory Councils", "Economic Impact Analysis", "RAC Campaign Talking Points", and "Campaign PowerPoint Presentation". A "Campaign News" section features a "Defazio and Schrader Press Release". A "Making a Difference ..." section includes "Our Goal:" (reauthorization of the Secure Rural Schools and Community Self-Determination Act) and "Our Purpose:" (renewing the contract between the Federal government and rural communities). The browser's taskbar at the bottom shows the Windows Start button, several open applications (Inbox, Reminders, Partnership Fo..., Road WORKSH..., Presentation2, 2010-11 budget, Clipboard01 - I...), and the system clock showing 9:22 AM on 10/22/2010.

STPUD Funding

- Agreement between STPUD and County since 1972
- Mitigation for County accepting treated effluent (C-Line over Luther to Harvey Place)
- Annual payment based on \$100K base + number of service connections to STPUD
- No inflation adjustment
- Board of Supervisors discretion on use of funds
 - Earmarked for infrastructure & capital facility needs
- Current Fund Status
 - Fund Balance = \$3.27M
 - Mitigation Payment ~ \$115K/year
 - HHS Debt Obligation = \$70K/year, 8 years remaining
 - Annual interest does not cover HHS debt obligation

New Property Tax or Assessment

- Services in a defined area or “district”
- District formation process
 - Initiate by citizen petition or Board action
 - Public hearings
 - Benefit assessment analysis to allocate cost – “engineering study”
- 3 basic options
 - County Service Area (CSA)
 - Permanent Road Division (PRD)
 - Road Maintenance District (RMD)
- Taxes or Assessments require voter approval
 - 2/3 voters for new taxes
 - 50% + 1 of property owners for property assessment
- Expensive time-consuming process
- County cannot campaign or lobby
- Politically difficult

County General Fund

\$9.4 million in FY 2010/2011

- \$6.3 million revenue expected in 2010/2011
- \$3 million fund balance “roll over” from 2009/2010
- \$2 million in reserves, contingencies
- \$7.4 million in total expenditures
- \$6.5 million in “discretionary” expenditures
- Discretionary funds most general county departments & services
 - County Administration, Assessor, Auditor, Clerk, Treasurer, Sheriff, DA, Library, Fire/EMS, Building maintenance, Museum, Planning, Probation, others
 - Excludes most HHS and grant funded programs
- Allocation from General Fund discretionary dollars to road fund will impact other general fund departments/services

Other Funding Ideas

- Skier/Recreation Use Tax
 - Per lift ticket, other paid recreation activity (rafting, outfitter/guide, snowmobile tour ...)
- Campground TOT (Lodging tax)
 - County already collects
- Business License Fee
 - Change to gross receipts
- “Nexus” to roads?
 - Fund other general fund obligations, make more general fund available for road budget
- STIP Funding
 - Currently limited to capital projects, would be difficult to change – statewide issue
 - Tri County MOU
 - \$5M for Alpine County local road rehabilitation
 - Next allocation expected 2014
- Surplus County Lands
 - One time revenue
 - Undetermined value
 - Significant effort

Operational Opportunities

- Contract snow removal east side:
 - Road crew cost ~ \$285K/year
 - Based on County equipment use & labor rates
 - Contracted cost ~ \$363K/year
 - Average of rates from 2 private contractors
 - Same total equipment time as county crews
 - Average 2008-2010
- Other Opportunities?



Conclusions

- No “silver bullet”
 - Need to consider multiple strategies
- Consider long term
 - Stable funding sources
 - Capital investment for good roads
- Re authorization of Secure Rural Schools only part of the solution



A Possible Approach

- Guiding Principles:
 - Maintain the existing level of service for road maintenance
 - Meet future capital needs to maintain roads in good condition



Strategy

- Maintain existing staffing levels
- Use available County funding sources to augment road fund
- Secure State & Federal Funding
- Plan for the Future



Maintain Existing Staffing Levels

- Road Crew
- BV Contracting for Snow Removal
- Administrative Support



Use Available County Funding

- No adverse impact on existing County services & programs
- General fund savings from efficiencies & other funding opportunities
- Identify other available County funding sources
- Begin now, not wait until fund depleted – i.e. contribute annually to a “savings account”



Secure State & Federal Funding

- Aggressive lobbying for federal budget allocation to replace secure rural schools funding
- Closely monitor state funding situation to protect existing funding sources; support legislation that provides more security for local road funding
- Utilize STIP funds (Tri County MOU) for local road rehabilitation; aggressive lobbying to make sure funds secured
- Aggressively seek other funding sources for local road capital needs (bridge program, other opportunities)



Plan for the Future

- Pavement management plan:
 - Determine capital funding needs to maintain existing assets
 - Set priorities
 - Include a funding strategy

- Long Term Funding for Operations & Maintenance:
 - Know results of replacement for Secure Rural Schools
 - Identify & evaluate long term funding options

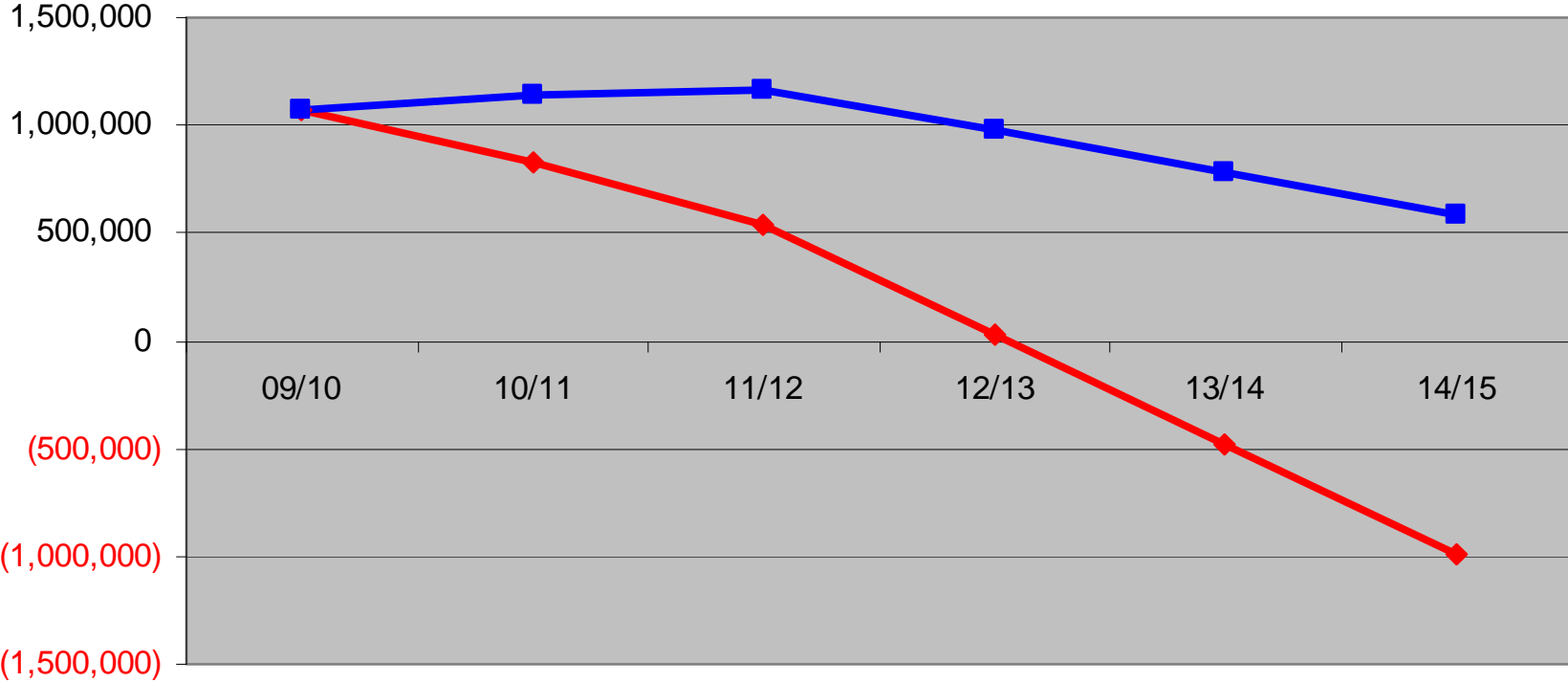
New Revenue Options

- Special district tax or assessment for road maintenance – directly to road fund; 3 options
- New taxes to provide new general fund revenue for existing county service needs with “nexus” to new taxes; allows for additional general fund revenues to be directed to the road fund
- Examples:
 - Skier/recreation use tax earmarked for law enforcement & emergency response services to replace/reduce general fund obligation for these services; direct savings to road fund
 - Gross receipts basis for business license fees

Augment Road Revenue - Example

- Start as interim approach
- Example ~ \$300K annual augmentation from existing funding sources
- Reduces operating deficit from \$500K to \$200K after 12/13
- Exhaust road fund reserve in 17/18 instead of 13/14
- Buys time to:
 - Develop long term capital and funding plan
 - Know outcome of Secure Rural Schools replacement
 - Maximize general fund cost savings through efficiency improvements & use of alternate funding sources for existing programs
 - Determine need & viability for new funding sources
 - Seek voter approval of new funding sources (if needed)

Fund Balance Comparison



◆ Status Quo ■ Augmented Revenue



DISCUSSION

Questions, Thoughts, Ideas,
Information for Next Workshop