



# Alpine County Road Fund

How did we get here?

Where do we go from here?

# *Bear Valley*



- **When:** CSA Meeting, September 15, 2010, 2 p.m.
- **Where:** Bear Valley Library

# Key Points – Road Fund

- Revenues Declining
  - No more “one time” revenue from state or federal
  - Forest receipts phase out after 11/12, reauthorization not assumed
- Expenditures:
  - Reduced Since 2007
  - Now ~ late 90s/early 2000’s level
- Road Crew at Minimum Staffing Level to Maintain Historic Level of Service
- **\$500,000 annual operating deficit beginning 12/13**



# 3 Public Workshops

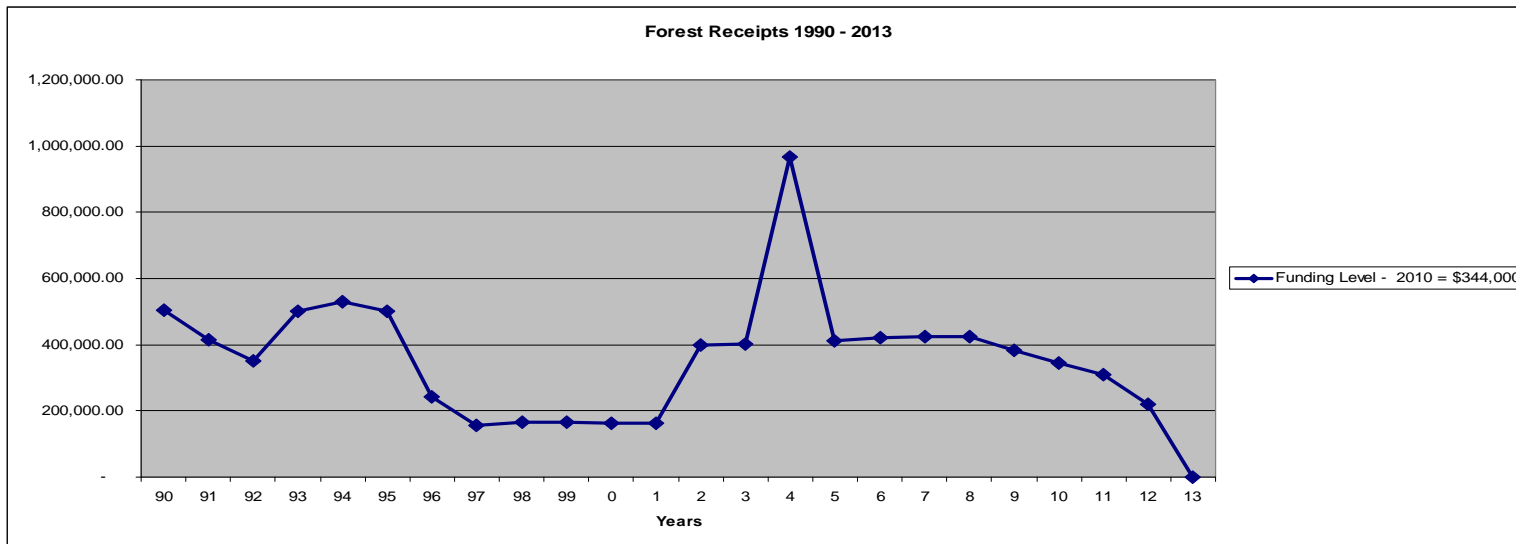
- July 14 – Present data, characterize the issues, begin to identify potential options
- August 18 – Evaluate options, identify feasibility, consequences, refine options
- September 15 – Continue to evaluate options, identify best choices, recommendation to Board

# Roads – Primary Funding Sources

\$1,056,000 revenue in 10/11

- 29% Federal (\$310,000)
  - Secure Rural Schools (“Forest Receipts”)
- 64% State of California (\$673,000)
  - Fuel tax “swap” with Prop 42 funding; formerly Highway Users Tax Account (HUTA = “gas tax”)
  - State Exchange (related to Federal transportation funding)
- 7% Miscellaneous (\$73,000)
  - Interdepartmental transfers
  - Other miscellaneous (interest income, rents, etc.)
- Local:
  - No local tax revenue in Road fund

# Forest Receipts – 1990-2013



- Current FY \$310,000
- To Zero in FY 2012/2013
- Re-authorization, future funding levels ?????

# Road Fund

## Expenditure Categories – 2010/2011

- Total Budget ~ \$1,300,000
- Salary & Benefits = \$622,000 (48%)
- Services & Supplies = \$671,000 (52%)
  - Equipment Charges = 150,000
  - Fuel = 70,000
  - Materials (sand, etc) = 50,000
  - Pavement Striping = 30,000
  - BV Snow Removal = 90,000
  - Road repair = 60,000
  - Utilities = 25,000
  - Insurance = 53,000
  - Administration (CD & Indirect) = 100,000
  - All other = 43,000

# Road Budget Outlook

	09/10	10/11	11/12	12/13	13/14	14/15
Beginning Balance	920,000	1,066,000	829,000	538,000	29,000	(480,000)
Revenues	1,439,000	1,056,000	959,000	741,000	741,000	741,000
Expenses	1,293,000	1,293,000	1,250,000	1,250,000	1,250,000	1,250,000
Annual Net	146,000	(237,000)	(291,000)	(509,000)	(509,000)	(509,000)
Ending Balance	1,066,000	829,000	538,000	29,000	(480,000)	(989,000)

# Snow Removal – Bear Valley

- Contract determines service level
- Cost shared between CSA & Road budgets (60% CSA; 40% Road)
  - \$176,000/year total cost – 5 year average prior to 2009/2010
    - Road Share = \$70,000; CSA = \$106,000
  - 2009/2010 total cost = \$225,000
    - Road Share = 90,000; CSA = \$135,000
  - Road also pays full cost of annual subdivision road opening ~ \$20,000
    - Have reduced this cost in recent years
- CSA pays full cost of packing & grooming (~ \$57K in 10/11)
- County contribution to CSA
  - 15% of County property tax revenue in CSA area
  - \$215,000/year\* (change with reassessment?)

\* County direct contribution to CSA budget, over and above revenue generated from area/district assessment

# Snow Removal

## Cost to Road Budget

- 5 yr. average, not including 2009/2010
- Bear Valley:
  - \$176,000/year contract cost (60% CSA; 40% Road)
  - Road Share = \$90,000 (\$70K of contract cost, \$20K subdivision road opening)
- East Side:
  - \$235,000/year
  - \$6000/mile for season (includes direct & overhead costs)
- Kirkwood:
  - No Road fund cost, part of KMPUD budget
- Total cost to Road fund = \$325,000/year

# Critical Needs

- Pavement Maintenance
  - Deteriorating Surface Conditions
  - Crack fill, slurry, overlay, shoulders, drainage
  - \$85,000 to purchase crack fill equipment in 10/11
    - used to be contracted @ \$120K to \$150K/yr
  - \$10,000/year materials cost to Road fund for crack fill
- Pavement Management – major capital needs not currently funded
- Heavy Equipment Replacement
  - Aging fleet
  - Possible lease purchase through CSAC, paid through ISF
  - \$40,000/year for 10 years (based on 2 pieces @ \$150,000 each)
- Diesel Emission Retrofits – State law
  - Determining strategy for compliance
- Staffing & resources to meet community service level expectations

# 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

# Cost Reductions

## Already Done:

- Consolidation
  - Combined building, planning & public works into one department – Community Development
  
- Staff Reductions (~30% since 08/09)
  - 7 FTE within Community Development/Public Works
  - 2.5 FTE reduction in road crew
  - 4.5 FTE reduction in office staff/management
  
- Service Modifications
  - Eliminated snow removal of private driveway berms
  - Eliminated snow removal on some low use roads
  - Eliminated \$120-\$150K/yr crack fill contract
  - Delay/reduce subdivision road opening work in Bear Valley
  - Cut backs in regular maintenance – ditches, drainage, grading ...



# Revenue Options

- County General Fund
- Extend/renew federal funding
- Protect state funding
- STPUD Mitigation Fund
- Sell County surplus assets
- Alternative funding sources for existing programs
- New special district/property assessments \*
- New taxes \*

\*Must be voter approved

# 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 – From Markleeville Workshops

- 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
- STPUD Mitigation Funds
  - Designated for capital needs
  - \$3.4M balance
  - \$115K/year payment
- 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
- Property Tax Assessment
  - Difficult at best
  - Evaluate for long term



# 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



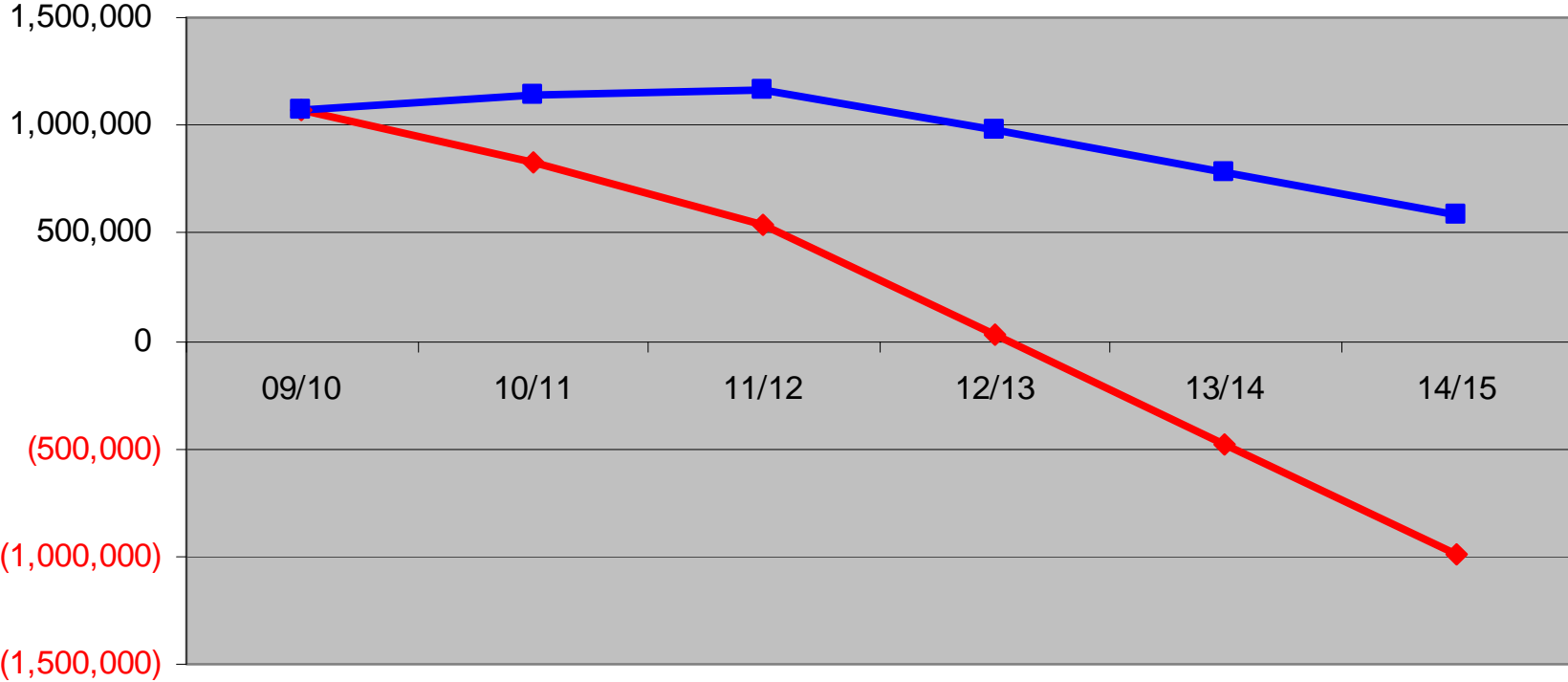
# Strategy

- Maintain existing staffing levels
  - Road Crew
  - BV Contracting for Snow Removal
  - Administrative Support
  
- Use available County funding sources to augment road fund
  
- Secure State & Federal Funding
  
- Plan for the Future

# 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 such funding proposed)

### Fund Balance Comparison



◆ Status Quo    ■ Augmented Revenue



# Secure State & Federal Funding

- Support aggressive lobbying for federal budget allocation to replace secure rural schools funding - through National Forest Counties and Schools Coalition ([partnershipforruralamerica.org](http://partnershipforruralamerica.org))
- 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, highway safety, 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:
  - Identify & evaluate long term funding options



# DISCUSSION

Questions, Thoughts, Ideas,