

**CITY COUNCIL
MONDAY, MAY 1, 2017
WORK SESSION**

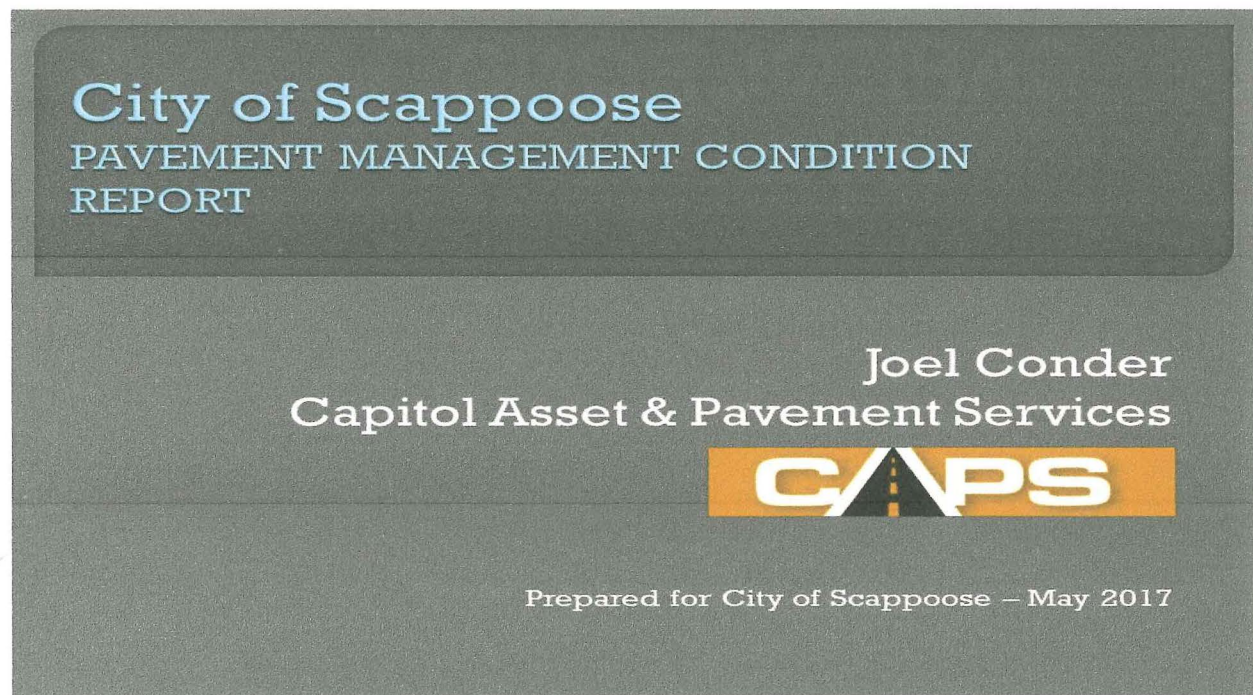
REVIEWING PAVEMENT MANAGEMENT REPORT

Mayor Burge called the work session to order at 6:00 p.m.

Present: Mayor Scott Burge, Councilor Rich Riffle, Councilor Patrick Kessi, Councilor Megan Greisen, Councilor Natalie Sanders, Councilor Joel Haugen, City Manager Michael Sykes, Legal Counsel Shelby Rihala, Chief Norm Miller, City Recorder Susan Reeves, Public Works Director Dave Sukau, City Engineer Chris Negelspach, and Jackie Borman.

Also present: Steve Donovan.

Public Works Director Dave Sukau explained they had a presenter for this evening, but they were unable to make it. He went over the power point presentation. He explained we are moving forward but we really need to figure out the funds for this maintenance.



What is a Pavement Management System?

- Computerized, Inventory, Analysis, Budgeting Tool, etc..
- Shows effects of maintenance decisions, before & after
- PCI, Pavement Condition Index from 0 – 100
- Preferred Choice of Software on West Coast – MTC Streetsaver, current users in Washington & Oregon of 100+ agencies

City of Scappoose Current PCI = 72

- 21.2 Centerline Miles of Paved Streets
 - Collector – 1.3 miles
 - Residential/Local – 19.9 miles

Condition Category	PCI Range	Percent of Network
Good	70 to 100	70.2%
Fair	50 to 70	22.9%
Poor	25 to 50	6.0%
Very Poor	0 to 25	0.9%

Public Works Director Dave Sukau explained a few months ago the City contracted with Capitol Asset & Pavement Services to evaluate the condition of the streets and to put a numerical value on the rating of the condition of each one. He explained 100 is the best, 0 is the worst. He explained what Capitol Asset found is currently the City is at a 72 average on our streets. He stated it is pretty decent but what they say is optimum is 80. He stated we are not completely failing yet.

Councilor Kessi asked when we are rating these, it is just the roads, not the sidewalks, correct?

Public Works Director Dave Sukau replied correct, this is pavement sections only. He explained since we are not the ones who performed this service, he can't give the exact criteria they used. He explained when it comes to the dollars, they reached out to him and wanted to get construction costs for our region, and that is how they determined some of the repair cost, it was based on local pavement, purchasing costs, lay down cost, crack sealing cost, etc. He explained we are at the critical point where things are starting to turn bad for us.

Items of note from the Pavement Management Program Budget Options Report

'Good' Condition Category – Streets in 'Good' condition have no to little distresses found on them. These streets may have some minor surface weathering or light cracking, but can generally be maintained with cost-effective preventative maintenance treatments (surface seals and crack seals).

'Fair' Condition Category – Streets in 'Fair' condition show some form of distress caused by traffic load related activity or environmental distress that requires more than a life-extending treatment. The MTC Streetsaver program separates these into two condition categories for the purposes of the analysis. Category II – 'non-load' and Category III – 'load-related', based on whether a majority of the distresses found had load or environmental related causes

'Poor' Condition Category – Streets in 'Poor' condition are near the end of their service lives and often exhibit major forms of distress such as potholes, extensive alligator cracking, and/or pavement depressions.

'Very Poor' Condition Category - Streets in the 'Very Poor' condition category indicate that the street has failed. These pavements are at the end of their service lives and have major distresses, often indicating the failure of the sub base

Items of note from the Pavement Management Program Budget Options Report

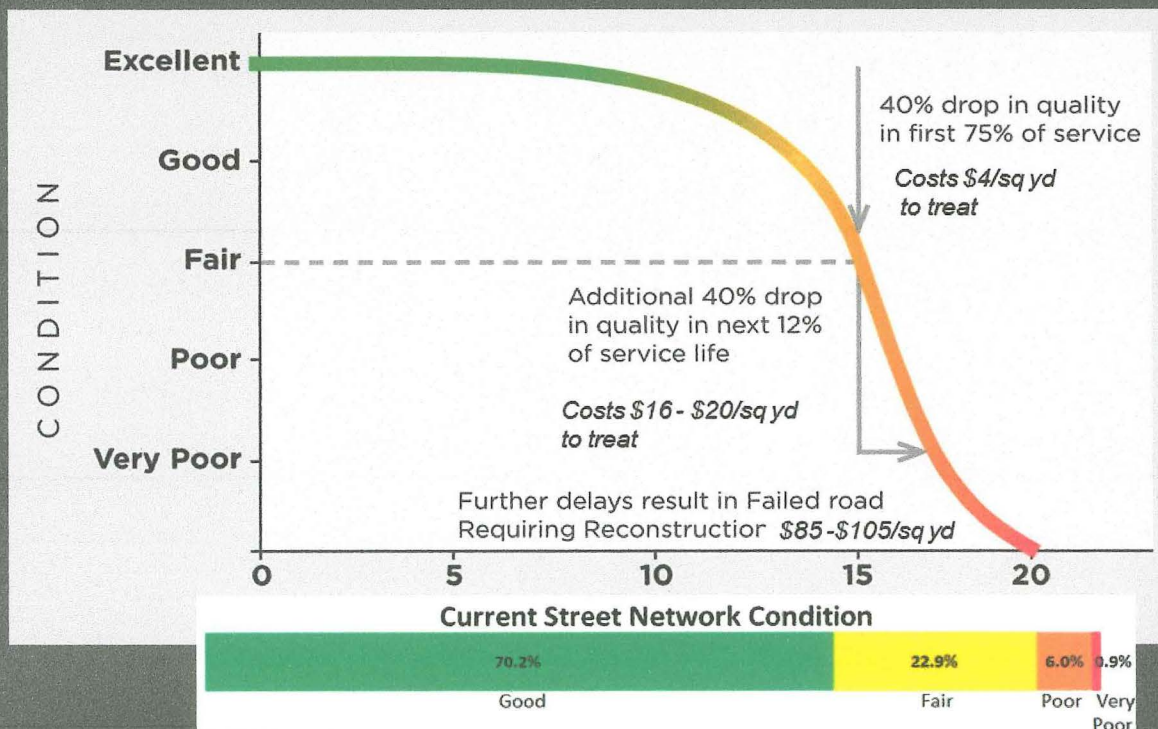
- An Optimal PCI is in between the low and mid 80's
- Once the PCI falls below 70, more expensive rehabilitation treatments will be needed
- Current street network:

Functional Class	# of Sections	Centerline Miles	Lane Miles	Average PCI
Collector	3	1.29	2.98	67
Residential	202	19.94	39.89	72
Totals	205	21.23	42.87	72

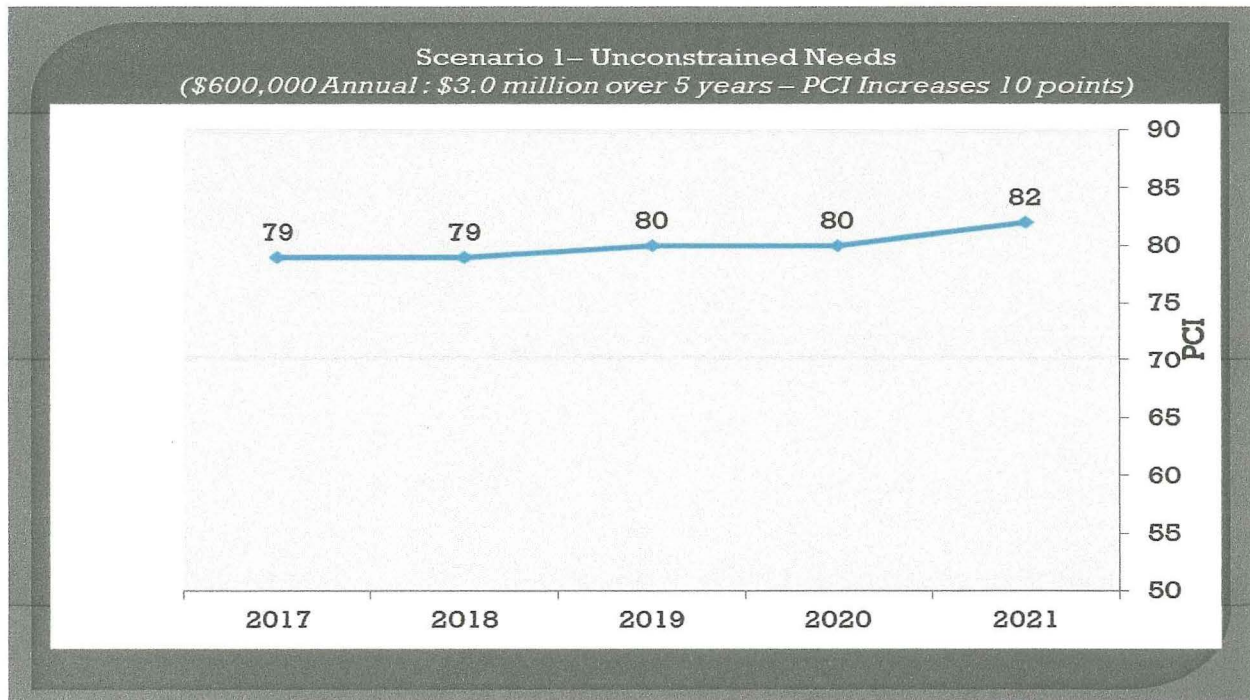
- PCI if little or no treatment is completed:

Fiscal Year	2017	2018	2019	2020	2021
PCI, No Treatment	72	70	68	66	65

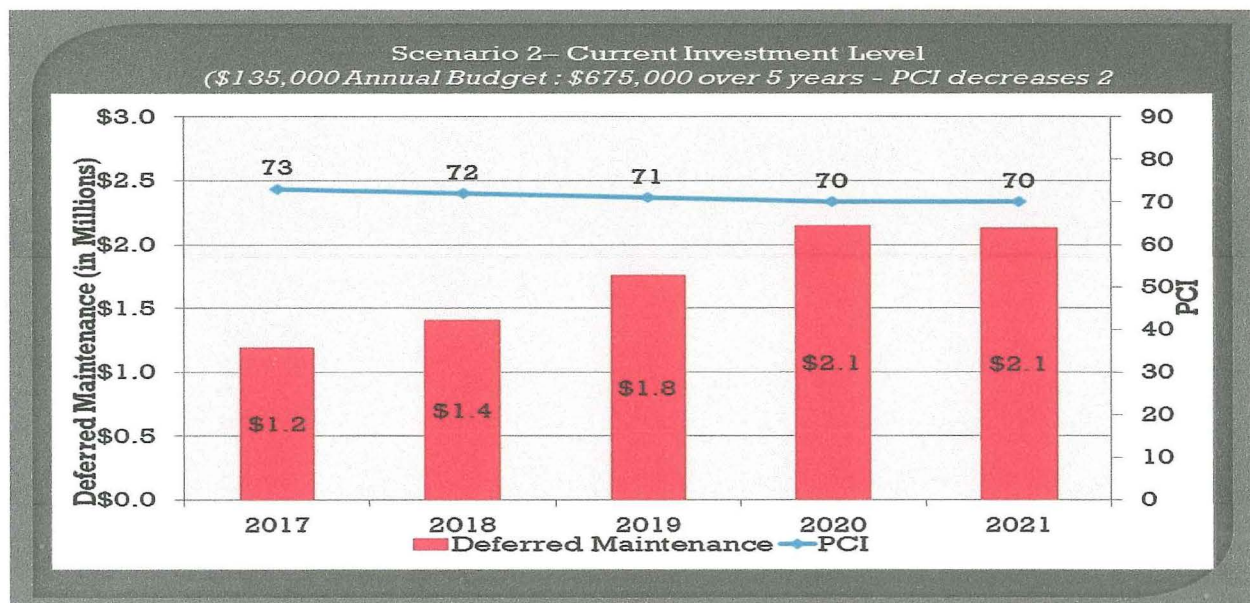
Pavement Deterioration Curve



Public Works Director Dave Sukau went over the scenarios. He explained if we had an unconstrained \$600,000 annual budget for our roads then we could get them back up to what they say is optimum within 5 years.



Public Works Director Dave Sukau explained scenario 2, with an annual budget of \$135,000, which was the amount in the City's budget at the time this report was made, is not enough to keep up. We would lose points over the next few years and that would continue to go infinitely.



City of Scappoose Street Revenue Proposed 2017 – 2018 Budget

INCOME

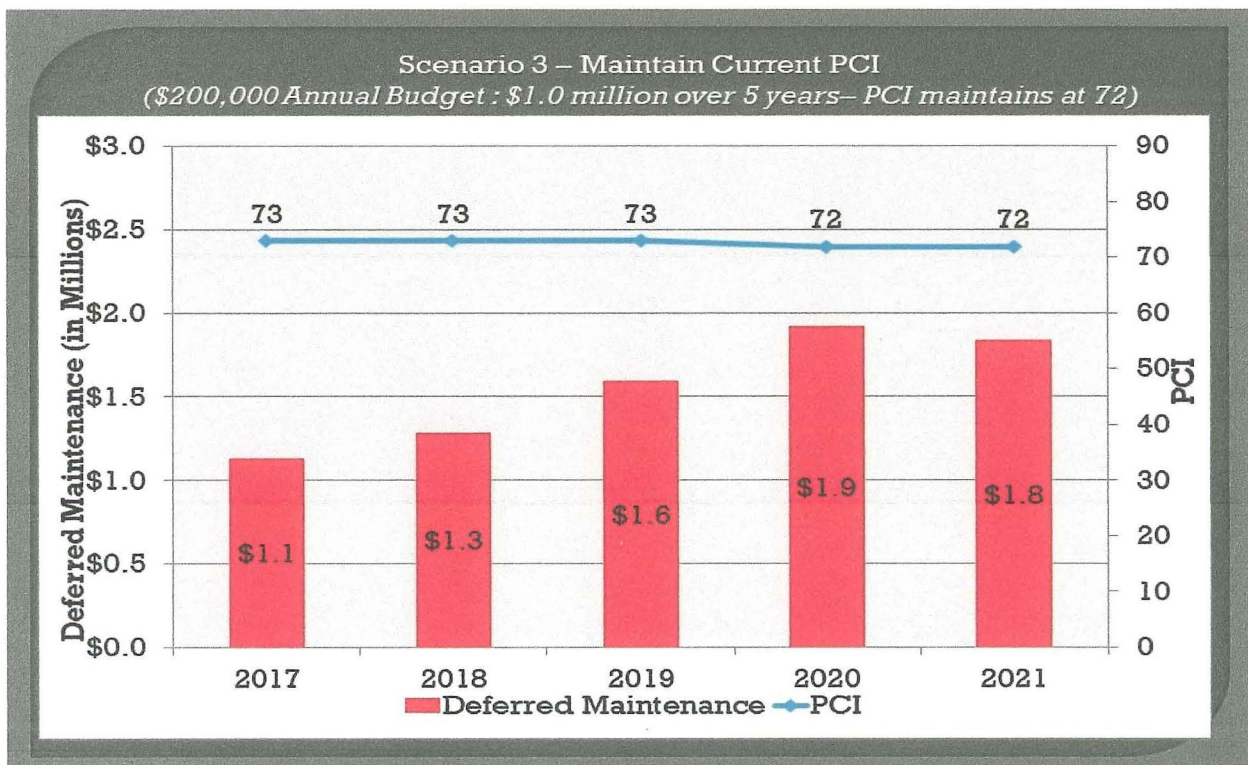
State Gas Tax	\$390,000 approx.
ODOT "STP" Fund	\$80,000 approx.
	\$470,000

EXPENSES

Employee Wages & Benefits	\$397,000 approx.
---------------------------	-------------------

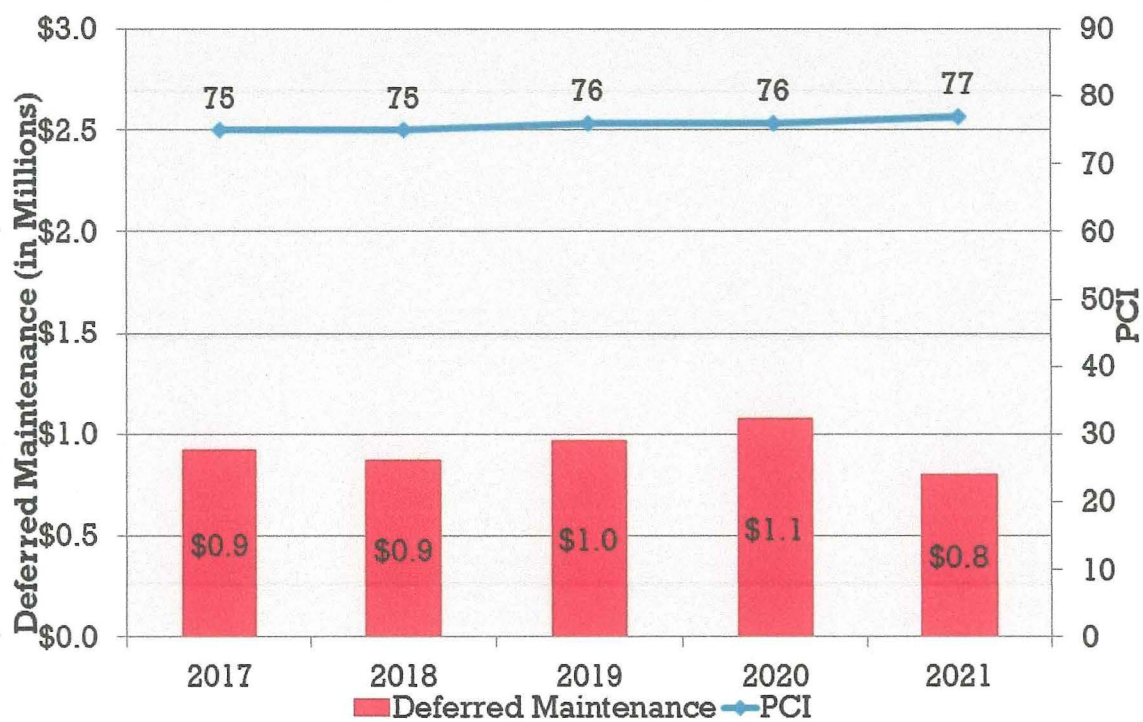
Total Working Capital \$73,000+/-

Public Works Director Dave Sukau explained scenario 3, with a \$200,000 annual budget we could basically maintain where we are right now. He explained the streets wouldn't get any better, we would just hold our own, and never get ahead of the game.



Public Works Director Dave Sukau explained if we could manage to come up with \$400,000 then we would start to increase our points.

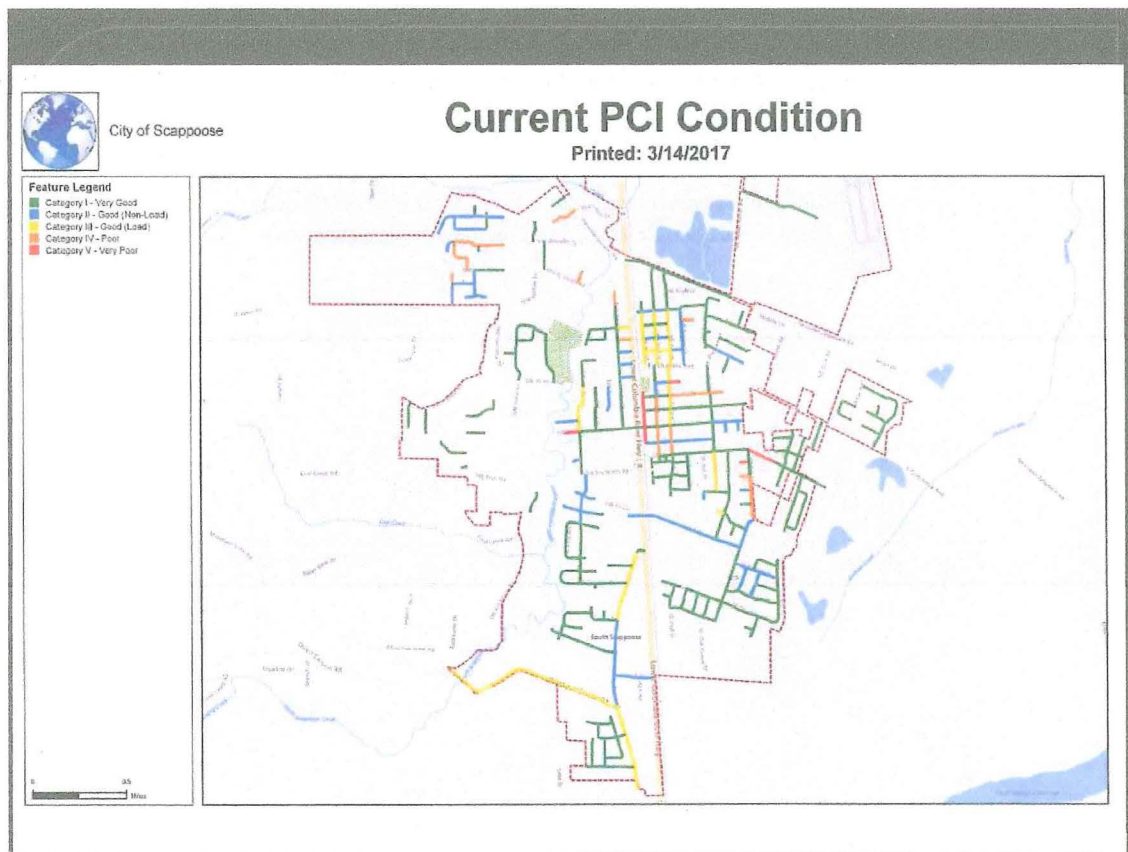
Scenario 4 – Increase PCI by 5 points
 (\$400,000 Annual Budget : \$2.0 million over 5 years – PCI increases 5 points)



Budget Scenarios

Average yearly budget	\$600,000 (Unconstrained)	\$135,000 (2-Current Funding)	\$200,000 (3-Maintain Current PCI)	\$400,000 (4-Increase PCI 5 points)
Total budget for 5 years	\$3.0 million	\$675,000	\$1.0 million	\$2.0 million
Current PCI	72	72	72	72
Current % in 'Good' condition	70.2%	70.2%	70.2%	70.2%
PCI after 5 years (change)	82 (+10)	70 (-2)	72 (0)	77 (+5)
Backlog after 5 years	\$0	\$2.1 million	\$1.8 million	\$0.8 million
% 'Good' in 5 years	92.8%	59.5%	63.8%	85.2%
% 'Fair' in 5 years	7.2%	27.7%	26.6%	9.8%
% 'Poor' in 5 years	0.0%	10.9%	7.6%	3.3%
% 'Very Poor' in 5 years	0.0%	2.0%	2.0%	1.7%

Public Works Director Dave Sukau stated keep in mind the column with \$135,000 is actually going to be accurate for this coming year.



Public Works Director Dave Sukau went over the map and showed what streets are the worst. He explained what is really important at this point is getting a good maintenance program going and starting to get back on top of this. He explained there are some big projects out there where they need to tear the roads out and start over but the biggest thing right now that they are trying to gear up for is a maintenance program. He explained they are moving forward, but they just need to find a way to raise some more funds to be where they really need to be.

City Manager Sykes explained what Public Works Director Dave Sukau has proposed for the budget is a paver and a little bit larger dump truck, which will allow us to do a lot of this maintenance ourselves.

Councilor Haugen asked under current investments levels, scenario 2, does that incorporate some of the in-house paving operation?

Public Works Director Dave Sukau replied yes.

Councilor Greisen asked if there is a way to look at the roads that have the highest need and think about how to attack that in this upcoming budget, and see how much it will really be?

Public Works Director Dave Sukau replied absolutely.

Mayor Burge stated it is very important to maintain your good roads so they don't turn into bad roads.

Councilor Kessi asked what was the budget last year, how much did we spend on road maintenance?

City Manager Sykes replied we didn't spend a lot on maintenance. He explained we struggled to put together a five year capital improvement plan, but we are going to have that this year. He explained we did do a micro-seal last year. He explained we were hoping to do Peak Road, but the weather didn't allow it.

Councilor Kessi stated he is wondering if we even did the minimum scenario last year.

Mayor Burge replied we might have.

Public Works Director Dave Sukau explained he has had some discussions with Columbia County and they are willing to do some programs with us, as far as using some of their equipment. He stated so there are some options for us. He stated he thinks the big thing to look at is do we want to get ahead, or chase our tail forever.

Councilor Greisen asked, at some point, are we are looking at the safety of sidewalks?

Public Works Director Dave Sukau replied that is a separate topic, and yes we are looking at ADA upgrades and how we fund that.

City Manager Sykes replied one of the main reasons we updated this report was it allows us to make sure that we focused strategically on the most important needs.

Councilor Haugen stated to Dave, he gathers at a minimum he would recommend the scenario with \$200,000.

Public Works Director Dave Sukau replied yes, \$200,000 is ultimately what they need to maintain conditions as they are now.

City Manager Sykes explained one of the things that Council has discussed in the past is the possibility of a gas tax.

Councilor Kessi asked how much would a gas tax generate in a year?

City Manager Sykes replied City Engineer Negelspach has looked into it and it would be around \$100,000 per penny.

Councilor Kessi asked if a gas tax could be used for both sidewalks and roads?

Legal Counsel Shelby Rihala replied as long as they are in the right-of-way.

City Manager Sykes stated if this is something of interest to the Council he thinks it would be wise for us to figure out if we were to pursue a gas tax how much would it raise over a ten year period of time and what projects would be want to accomplish. He feels in order to be successful we would have to be able to tell our story. He thinks you would want to try to improve roads in every corner of the City. He stated if Council is interested staff will put something together and bring it back to Council.

Mayor Burge talked about the issue of electric vehicles.

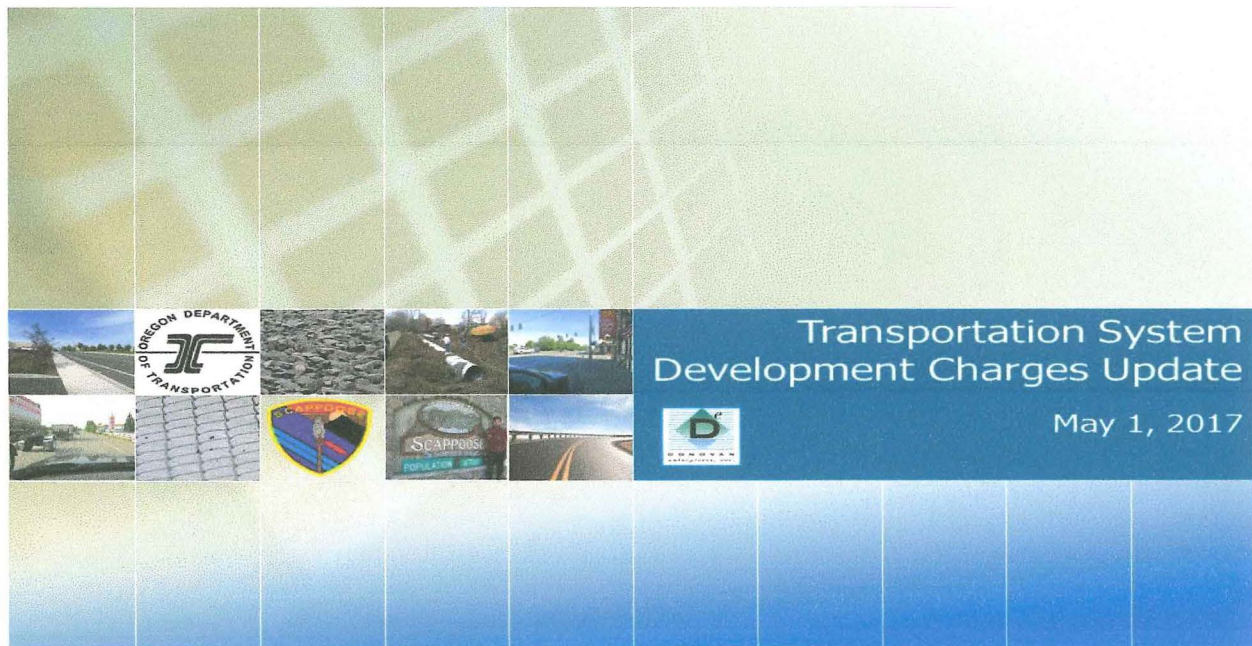
Work session was done at 6:30 p.m.

TRANSPORTATION SYSTEM DEVELOPMENT CHARGES UPDATE

Work session started at 6:33 p.m.

Present: Mayor Scott Burge, Councilor Rich Riffle, Councilor Patrick Kessi, Councilor Megan Greisen, Councilor Natalie Sanders, Councilor Joel Haugen, City Manager Michael Sykes, Legal Counsel Shelby Rihala, Chief Norm Miller, City Recorder Susan Reeves, Public Works Director Dave Sukau, City Engineer Chris Negelspach, Jackie ~ Assistant Engineer, and Consultant Steve Donovan.

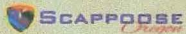
Steve Donovan, President, Donovan Enterprises, Inc., went over the power point presentation. He explained he wanted to talk to Council in regards to a housekeeping issue with respect to how do you adjust your system development charges during inflation.



Tonight's Agenda



- Reason for updating the transportation SDCs
- Review of the 2016 Transportation System Plan (TSP) Capital Improvement Plan
- Current and future demand – PM Peak Hour Vehicle Trips (PMPHVT)
- Reimbursement and Improvement fees
- Proposed schedule of transportation SDCs by ITE code
- Transportation SDCs in neighboring communities



2

Reason for SDC Updates



- The City has recently completed a four (4) year planning process that has culminated in the 2016 TSP
 - ✓ The Plan has a tightly crafted CIP that only envisions the funding of “constrained” projects; “aspirational” projects will not be funded or built
 - ✓ The Plan also lays out a funding plan for constrained capital projects that relies heavily on SDCs
- Transportation SDCs last reviewed in 2005; Residential implemented as proposed, commercial & industrial reduced by 50% per City Council direction

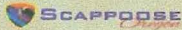


3

Review of the 2016 TSP CIP



Total TSP CIP = \$188,768,045



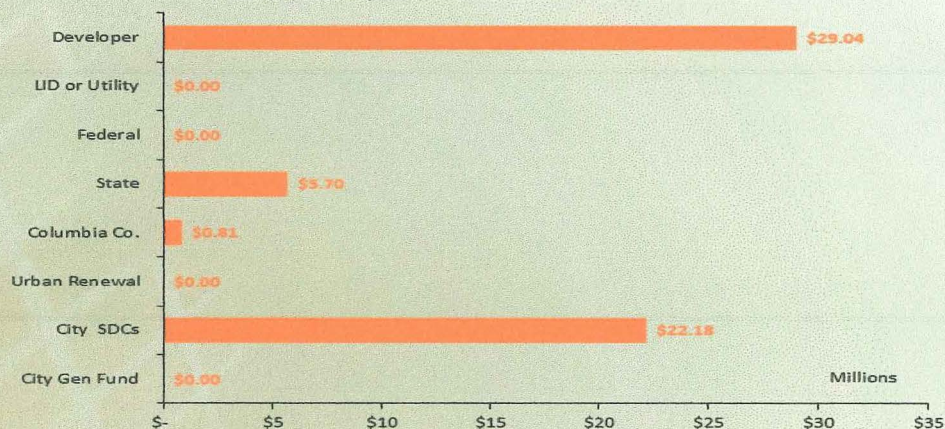
4

Steve Donovan explained the total Transportation System Plan Capitol project needs are \$188,768,045, and out of that \$131,046,045 will never get built. He stated those are the aspirational projects, so 70% of all the projects will never get built. He stated so what we are focusing on is the \$57,722,000 which is the constrained projects which we expect to build between now and 2035 and there is funding planned for this.

Review of the 2016 TSP CIP - Continued



Constrained Projects Total - \$57,722,000



5

Current and Future Demand



- The 2016 TSP expresses current and future demand in PM peak hour vehicle trips
 - ✓ Current (2015) total PMPHVTs 6,402
 - ✓ Future PMPHVTs 2016-2035 11,974
 - Total current and future PMPHVTs 18,376
- Generally, PMPHVTs are the best indicator of peak demand on the transportation system; the TSP has planned for future peak demand and to never have the system fall below a "D" (approaching unstable flow) level of service
- For SDC calculations, we use ITE definition of a PMPHVT:
 - ✓ Weekday
 - ✓ Peak Hour of adjacent street traffic
 - ✓ One hour between 4 and 6 p.m.



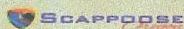
6

Steve Donovan explained there are six levels of services, and the City has some failures, but you are not at a rolling failure. He stated the largest street that goes through Scappoose ODOT owns, not the City. He explained in order for us to charge a reimbursement fee we have to have real investment in the street.

Reimbursement Fee per PMPHVT



Crown Zellerbach Road Improvements original cost:	
Preliminary engineering	\$ 260,045
Right of way acquisition	101,237
Construction	<u>1,983,695</u>
Total	\$ 2,344,977
Eliminating entries:	
Oregon Transportation Improvement Act (OTIA) contributions	\$ 1,572,308
Principal outstanding on long term debt used to finance the project	<u>130,248</u>
Total eliminating entries	\$ 1,702,556
Net basis in Crown Zellerbach Road project available to serve future customers	\$ 642,421
Estimated future pm peak hour vehicle trips	11,974
Transportation reimbursement fee per PM peak hour vehicle trip	<u>\$ 54</u>



7

Improvement Fee per PMPHVT



	Estimated Cost of Improvements in 2015 Dollars	SDC Eligible Project Costs	Project Costs to be Funded From Other Sources
Transit Projects:	\$ 1,615,000	\$ -	\$ 1,615,000
Intersection Projects:	3,644,000	999,000	2,645,000
Driving Projects:	34,770,000	6,685,000	28,085,000
Walking Projects:	11,345,000	8,240,000	3,105,000
Bicycle Projects:	6,348,000	6,255,000	93,000
Shared Use Path Projects:	-	-	-
Total	\$ 57,722,000	\$ 22,179,000	\$ 35,543,000

Total SDC eligible project costs	\$ 22,179,000
less: streets SDC fund balance at 6-30-2016	542,296
Adjusted total SDC eligible project costs	\$ 21,636,704

Future PMPHVTs created by growth 11,974

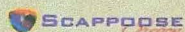
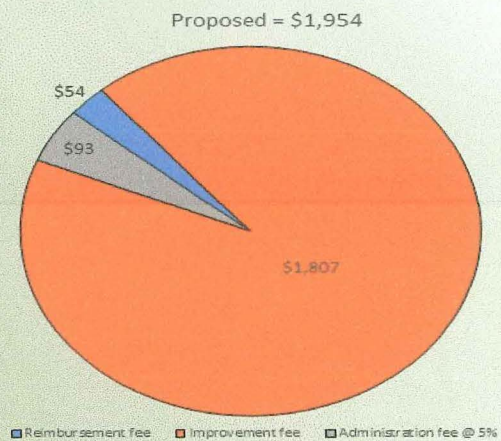
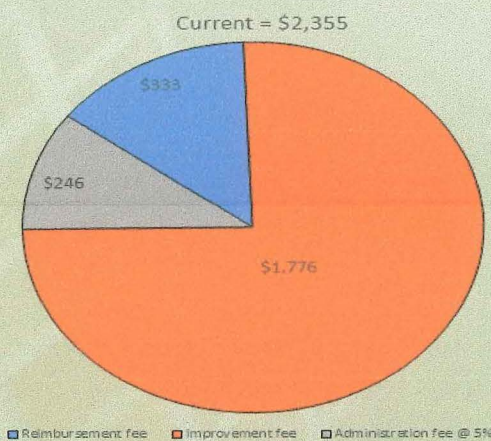
Transportation improvement fee per PMPHVT \$ 1,807



8

Steve Donovan explained as you can see in the proposed SDC's, the residential is going down, however almost every other one is going up.

Overview – Current vs. Proposed for SFR



9

Overview – Current vs. Proposed Other Land Uses



	Current	Proposed	Difference	Unit of Demand
Industrial				
110 General light industrial	1,133	1,895	762	1,000 square feet of gross floor area
130 Industrial park	1,131	1,661	530	1,000 square feet of gross floor area
140 Manufacturing	621	1,426	805	1,000 square feet of gross floor area
151 Mini-warehouse	406	508	102	1,000 square feet of gross floor area
Residential				
210 Single family detached housing	2,355	1,954	(401)	Dwelling unit
220 Apartment	1,654	1,212	(442)	Dwelling unit
230 Residential condominium/townhouse	1,442	1,016	(426)	Dwelling unit
240 Mobile home park	1,228	1,153	(75)	Occupied dwelling unit
Lodging:				
310 Hotel	1,700	1,172	(528)	Room
320 Motel	1,700	918	(782)	Room
Recreational:				
444 Movie theater with matinee - Friday pm peak hour	34,292	89,710	55,418	Movie screen
492 Health/fitness club	5,585	6,898	1,313	1,000 square feet of gross floor area
Institutional:				
560 Church	1,048	1,075	27	1,000 square feet of gross floor area
590 Library	3,303	14,265	10,962	1,000 square feet of gross floor area
Medical:				
610 Hospital	1,919	1,817	(102)	1,000 square feet of gross floor area
620 Nursing home	385	1,446	1,061	1,000 square feet of gross floor area
Office:				
710 General office building	1,789	2,912	1,123	1,000 square feet of gross floor area
720 Medical-dental office building	5,871	6,976	1,105	1,000 square feet of gross floor area
750 Office park - pm peak hour	1,856	2,892	1,036	1,000 square feet of gross floor area
760 Research and development center - pm peak hour	1,318	2,091	773	1,000 square feet of gross floor area
770 Business park - pm peak hour	2,073	2,462	389	1,000 square feet of gross floor area

10

Overview – Current vs. Proposed Other Land Uses



	Current	Proposed	Difference	Unit of Demand
Retail:				
812 Building materials and lumber store	3,037	8,774	5,737	1,000 square feet of gross floor area
813 Free standing discount superstore	4,574	6,120	1,546	1,000 square feet of gross floor area
815 Free standing discount store	6,014	4,647	(1,367)	1,000 square feet of gross floor area
816 Hardware/paint store	4,909	4,209	(700)	1,000 square feet of gross floor area
817 Nursery (garden center)	3,080	13,561	10,481	1,000 square feet of gross floor area
820 Shopping center	3,666	3,635	(31)	1,000 square feet of gross leasable area
841 Automobile sales	2,846	5,120	2,274	1,000 square feet of gross floor area
843 Automobile parts sales	4,564	5,141	577	1,000 square feet of gross floor area
850 Supermarket	8,463	7,178	(1,285)	1,000 square feet of gross floor area
851 Convenience market (open 24 hours)	18,656	33,311	14,655	1,000 square feet of gross floor area
853 Convenience market with gasoline pumps	11,958	16,119	4,161	1,000 square feet of gross floor area
854 Discount supermarket	8,015	8,768	753	1,000 square feet of gross floor area
862 Home improvement superstore	2,004	2,003	(1)	1,000 square feet of gross floor area
880 Pharmacy/drugstore without drive-through	5,475	6,949	1,474	1,000 square feet of gross floor area
881 Pharmacy/drugstore with drive-through	5,815	7,359	1,544	1,000 square feet of gross floor area
890 Furniture store	308	322	14	1,000 square feet of gross floor area
Services:				
911 Walk-in bank	16,798	23,703	6,905	1,000 square feet of gross floor area
912 Drive-in bank	16,897	12,979	(3,918)	1,000 square feet of gross floor area
931 Quality restaurant	7,738	6,220	(1,518)	1,000 square feet of gross floor area
932 High-turnover (sit down) restaurant	5,556	7,651	2,095	1,000 square feet of gross floor area
933 Fast-food restaurant without drive-through	27,443	20,312	(7,131)	1,000 square feet of gross floor area
934 Fast-food restaurant with drive-through	19,015	26,122	7,107	1,000 square feet of gross floor area
936 Coffee/donut shop without drive-through	4,346	31,652	27,306	1,000 square feet of gross floor area
944 Gasoline/service station	6,337	9,486	3,149	Vehicle fueling position
945 Gasoline/service station with convenience market	4,642	3,373	(1,269)	Vehicle fueling position
946 Gasoline/service station with car wash	4,359	6,470	2,111	Vehicle fueling position

11

Steve Donovan explained he wanted to point out that if the City chooses to drop back the SDC's, then we can't build the projects because the Transportation System Plan is heavily counting on SDC's as a funding source for these projects. He stated if we don't charge the SDC's in proportion to the demand that is being placed upon them then we won't have the money to do the project and we won't meet that level of Service D, we will go into failure.

Mayor Burge explained during the Sewer SDC discussion Council had decided to do the top amount with the idea that development does need to pay for its impact on the system.

Steve Donovan explained in the case of sewer and water if development doesn't pay for it, then existing rate payers will. He explained in transportation you don't have that luxury of having that funding source to help offset what would be coming from development. He explained what will

happen is we won't build the project and the system will degrade to failure. He stated that is what is happening in many communities.

Steve Donovan went over the next slide show ~ which is a sample of wastewater SDC's.



Steve Donovan went over indexing. He explained some of the SDC's that we charge in the City are indexed by the Consumer Price Index, and others are indexed by the Engineering New Record Construction Cost Index. He stated we think you should be consistent. He explained what they are suggesting the City consider is using the 20 City Average Construction Cost Index for Engineering New Record. He explained they like the 20 City Average because it gives you a better feel for construction costs. He stated this is just a better measure of your kind of inflation than the Consumer Price Index.

Mayor Burge explained we will move this into the regular meeting.

Adjournment ~ Mayor Burge adjourned the Work Session at 7:00 p.m.

Attest: *Susan M. Reeves*
Susan M. Reeves, MMC, City Recorder

Scott Burge
Scott Burge, Mayor