

CITY OF SHERWOOD

RESOLUTION 87-364

A RESOLUTION URGING THE WASHINGTON COUNTY BOARD OF COMMISSIONERS TO DEVELOP AND PROPOSE A MARCH, 1987 BALLOT MEASURE REENACTING THE RECENTLY REPEALED COUNTY FUEL TAX.

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WHEREAS, in June, 1985, the County Commissioners enacted a three cents per gallon fuel tax increase, which, based on a pro-rated revenue sharing formula, provided the City of Sherwood with approximately \$50,000.00 annually of this type of revenue; and

WHEREAS, the infusion of this additional funding had permitted the City to significantly improve road maintenance programs, and engage, for the first time, in several simultaneous capital street projects, without reliance on outside grant support; and

WHEREAS, City staff has prepared an analysis, attached hereto as Exhibit A, of the impact of the loss of these tax receipts, which demonstrates that over the next two years the City's street maintenance and construction programs will have to be reduced to basic caretaker levels; and

WHEREAS, based on County voters strong mandate to retain the Fuel Tax at the May, 1986 election, the City feels that the marginal defeat of the same Tax just six months later reflects more an uncertainty on the part of voters as to the intent and scope of the Tax, than an objection to the Tax itself.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. Role of Tax. That the County Fuel Tax is an absolutely crucial element in both the County's and the City's ability to properly maintain and improve our streets.

Section 2. Re-enactment of Tax. That the County Commission resubmit a ballot proposal for the March, 1987 election, restoring the full four cents per gallon Fuel Tax, and mount a strong public information campaign to clarify the origins and purpose of the Tax.

Section 3. Effective Date. This Resolution shall be effective upon passage and approval.

Adopted by the City Council January 14, 1987.

Mary E. Tobias  
Mary E. Tobias, Mayor  
City of Sherwood

Polly Blankenbaker  
Polly Blankenbaker, Recorder

	<u>AYE</u>	<u>NAY</u>
TOBIAS	<u>✓</u>	_____
OYLER	<u>✓</u>	_____
MANDERFELD	<u>✓</u>	_____
BIRCHILL	<u>✓</u>	_____
STEWART	<u>✓</u>	_____



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## IMPACT OF REPEAL OF COUNTY GAS TAX

### 1. BACKGROUND

The \$.04 County Gas Tax was, to a significant degree, responsible for the rejuvenation of the City Street Fund between 1984 and 1986. The \$.04 tax went into effect in June, 1985. Street Fund cash carry-over grew from \$8,000.00 in 84-85, to \$27,000.00 in 85-86, to \$87,000.00 beginning 86-87. Prior to the voters decision to reduce the Gas Tax to \$.01, the City projected a \$80,000.00 cash carry-over going into 87-88, even with the extensive street projects undertaken in 86-87.

### 2. CHANGES TO STREET BUDGETING

The infusion of Gas Tax dollars into the City Street Fund was the largest single factor in this Fund becoming flexible enough to be restructured in several significant ways:

- \* A large out-front contingency is now included in the Fund.
- \* A Storm Drainage Fund was "spun-off", and is supported by transfers from the Fund.
- \* A more aggressive preventative street maintenance and appearance (as contrasted to reactive maintenance) program was instituted, including weed control, striping, street cleaning and signing.
- \* Street light costs (\$18,000 to \$22,000 annually) are now paid from the Fund, whereas previously, lighting costs were a "stepchild" in the City budget, and paid from the source with the greatest surplus year to year (revenue sharing, property tax, fees, etc.).
- \* The amount and scope of conceptual engineering and project planning in advance of actual project funding has been increased.
- \* Most significantly, construction project costs are being met 100% out of the Fund, without necessarily relying on grant monies.

3. REVENUE PROJECTIONS

- \* **Gas Tax** - Based on a December 1 suspension of collections for \$.03 of the Gas Tax, total 86-87 Gas Tax receipts will fall from a projected \$50,400.00 to \$28,350.00 (\$4200.00/month for 5 months, \$1,050.00/month for balance of year). In 87-88 total Gas Tax receipts should be down to \$12,600.00.
- \* **86-87** - With the infusion of Gas Tax, a total Street Fund revenue budget of \$279,000.00 (including prior cash carry-over), and a cash carry-over into 87-88 of \$80,000.00, was projected. With the Gas Tax reduction, total 86-87 revenue of \$249,000.00 and 87-88 cash carry-over of \$58,000.00 is now projected.
- \* **87-88** - With one-time revenues such as grants and SDC transfers factored out, and the \$.01 level of Gas Tax factored in, total 87-88 Street Fund revenue should be about \$177,000.00. With fixed amounts for wages, materials and services, and transfers to other funds, and a 10% contingency, about \$52,000.00 of this budget may be potentially available in 87-88 for capital projects. This assumes that street projects tentatively contemplated for Spring, 1987 are not undertaken, that there are no salary or service cost increases going in 87-88, and that the recent practice of carrying a greater than 10% contingency and cash carry-over is abandoned.
- \* **BEYOND 87-88** - Cash carry-overs should decline to the \$20,000.00 range (or less). The Street Fund will return to primarily supporting basic maintenance programs only, and any capital outlay will have to be primarily in the form of matches for grants (or will have to be "bankrolled" over several years to accumulate enough funds to execute a project). A forced choice may develop by 88-89 between meeting street lighting costs, or reducing other street programs.

4. PROJECT PROJECTIONS

With the regular infusion of \$50,000.00 of Gas Tax, one or two grants, and perhaps a SDC transfer in 89-90, the following projects were anticipated over the next four years:

- \* **86-87 - First Half (completed or underway)**

South Sherwood Blvd. Overlay	\$42,000.00
(inc. \$25,000 SCA grant)	
Railroad Street (two block) Rebuild	\$47,000.00

Pine Street Overlay	\$ 4,000.00
Enhanced Maintenance and Appearance	\$ 3,500.00
* 86-87 - Second Half	
Division Street Storm Drainage	\$15,000.00
Hall Street Storm Drainage	\$21,000.00
Continued Enhanced Maintenance	\$ 3,500.00
* 87-88 to 89-90	
Washington Street Storm Drainage	\$27,000.00
South Sherwood Phase II Overlay (inc. \$25,000 SCA grant)	\$60,000.00
Hall Street Overlay	\$25,000.00
Roy Street Overlay	\$20,000.00
Lincoln Street (lower block) Overlay	\$15,000.00
Willamette Street (short section) Rebuild	\$25,000.00
Willamette Street (1/2 street) Overlay	\$21,000.00
Railroad Street (third block) Overlay and Bus Park and Ride (possible UMTA grant )	\$61,000.00
Continued Enhanced Maintenance	\$ 7,000.00 annually