



WASCO COUNTY BOARD OF COMMISSIONERS
PUBLIC HEARING
PROPOSED ROAD DISTRICT
AUGUST 11, 2014

PRESENT: Scott Hege, Commission Chair
Rod Runyon, County Commissioner
Steve Kramer, County Commissioner
Tyler Stone, Administrative Officer
STAFF: Kathy White, Executive Assistant

At 5:33 p.m. Chair Hege opened the public hearing and explained the process for the hearing: staff report, questions, and testimony. He thanked the public for taking the time to attend and observed that the roads are the County's most valuable asset. He said that the issue has been around for 15-20 years with continually declining revenue. He explained that the RAC was appointed and worked for 18 months before bringing to the Board what they feel is the best solution.

Now the Board is in the process of gathering testimony regarding the proposed District – this is the final hearing. He explained that the only decision the commission can make is whether or not to place this on the ballot; the actual ballot must be voted on by the public. He added that there has not been a lot of support so far. He said that when testimony begins, he would will use the sign-in sheet and would like to hear from supporters first and opponents second.

Chair Hege said that the RAC is made up of 10 citizens from around the County: Chuck Covert, Sherry Holliday, John Fulton, Keith Mobley, Ken Polehn, Dan

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Crouse, Dave Cooper, Paul Kuehn, Dennis James, and Phil Kaser. He introduced Chuck Covert as Chair of the RAC who would be making the staff presentation.

Mr. Covert reported that this would be the 24th or 25th public meeting the RAC has attended and delivered a presentation (attached) to educate the public. He stated that the goal has always been to determine why there is an issue and what could be done. He said that the decline is from forest receipts; revenues from timber were 56% of the budget but now are only 7% of the budget. At one time the budget for roads was \$4 million and has decreased by \$2 million. Staffing for the Road Department has dropped from 35 to 21.5. He ended his presentation by reminding people that when they complain about declining services such as snow plowing and road grading, the decline is a direct result of the shrinking budget.

At the conclusion of Mr. Covert's presentation, Mr. Polehn stated that there are 26 other road districts in the State of Oregon with rates that range from 60¢ to \$6.00.

Chair Hege asked if anyone had a question regarding the presentation asking that the audience limit themselves to questions only and hold their testimony until after the question period has concludes.

QUESTIONS

One citizen asked if there is any county on the list of those with road districts that is similar to Wasco County. Public Works Director Marty Matherly replied that most of the districts are similar to what is being proposed in Wasco County.

Another citizen asked for an explanation of the City of The Dalles opting out of the proposed district. Mr. Covert responded that by law, incorporated cities must be given that option. The City of The Dalles was reluctant due to the anticipated impact of compression on their other taxing districts.

Georgia Murray stated that she had called 15 counties and could only find one with a road district tax over \$1.00.

Another citizen asked if the cities opting in would get 90% of their taxes back for their streets. Chair Hege replied that Maupin would get most back but that would

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not be the case for the City of The Dalles. Much of what would have been generated by the City of The Dalles would have come to the County. Since the tax is determined property by property, some people would see a rise in their taxes while others would not.

The citizen stated that the unincorporated areas would not get that kick back. Chair Hege responded that the unincorporated areas would be seeing the benefits of the taxes they paid as they are in the County. He added that The Dalles will not be coming into the District – it is too late.

Another citizen said that he would like to see a broader proposal that includes recreational users. Even though that would not be as reliable or as much; he would like to see everyone share the cost.

Mr. Covert responded that the RAC talked about how to collect money from recreation but it is very difficult. It could require an agency for permits and fees or toll booths to charge every person. Each of those would require another expensive layer of government – even impact fees are problematic. He said the RAC is open to ideas on how to accomplish that.

One citizen asked if the County could collect from the Forest Service which has people using the roads to get to the forest. Chair Hege replied that there is not a mechanism for that.

Danny Ross asked if the Board knew that Maupin is already under compression. Chair Hege replied that they did. Mr. Ross said that are at a little more than 10% and will go up to 13.2% which will come out of Maupin's budget – a 20-30% cut. Chair Hege responded that it was Maupin's choice to opt in; they would net an increase to their budget with a road district.

Mr. Ross asked if the Road Department had been out to Juniper Flat. Road Superintendent Don Uhalde said that they have done chip seals on the two paved roads in Juniper Flat.

A citizen asked how much waste management pays. Chair Hege replied that they pay a tipping fee of \$60,000 to \$70,000 per month and are the third largest taxpayer

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in the County. He explained that those funds can be diverted to roads but will leave a deficit in other areas that provide a host of services. He said that the County has discussed it and it is a possibility.

Another citizen asked what can be done to get timber receipts back. Chair Hege stated that the County is working to make that happen but cannot predict the outcome; environmentalists fight against it. He said the County will get \$135,000 this year. He added that Barlow Fire District is trying to increase harvests. He reminded everyone that if other revenue can be secured, the road district tax could be reduced. Mr. Covert said that he speaks to legislators at every opportunity about all the benefits of the timber industry – it helps everyone. They say they are trying to resolve it.

A citizen asked if the road district would be a permanent tax. Chair Hege replied that the way it is proposed, it is permanent but the rate will be reduced by any other moneys that come in for roads. Mr. Covert said that it would be included in the measure as a requirement to reduce the tax rate commensurately to any other revenue secured for roads. He noted that not every district taxes to their maximum.

One citizen said that he understands the \$1.6 million target is inflated. Mr. Covert responded that \$1.6 million will only bring the Road Department back to the level they were at 7 years ago with no consideration for inflation; it is probably a little short of what they need.

Chair Hege added that while the rate would never go higher than \$2.03, the assessed value of property can go up which means inflation will be built in.

Ms. Murray stated that increases are limited to 3% if you do nothing to your property.

Mel Ambrose stated that he was at the August 6th hearing and made a statement that was not true. He had said that his County taxes would go up by 100% if the Road District passed. He said that he had looked at the wrong figures and wished to apologize to the Board, the Committee and the public. The real figure is just under 48%.

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Chair Hege thanked Mr. Ambrose and reminded the audience that the Board has a meeting scheduled for tomorrow morning at 10:00 a.m. to try to come to a decision. If they are unable to reach a decision at that meeting they have tentatively scheduled a second meeting for Wednesday afternoon at 4:00 p.m. He said the Board is interested in hearing from the public as to whether or not they want to see this on the ballot and if not what they would like to see as next steps.

TESTIMONY

Vickie Ashley (Maupin) said she opposes the proposed Road District as it is too much of a burden on the agricultural community – publically owned land should be taxed. In addition, absentee landowners will pay the tax but have no say. She suggested that the Road Department may need to be restructured and asked how many of them sit in the office. She said that the crews should go out together in one van and all roads not servicing more than one residence should be closed. She stated that the southern Wasco County residents do not want to pay for The Dalles area roads. She also said that the County should reduce the number of hand shovels purchased so that the leaners would have nothing to lean on.

Chair Hege explained that there is a law prohibiting local governments from assessing taxes on the state and federal governments. He noted that the BLM does pay property taxes.

Robert Wallace (Dufur) stated that he is opposed to the proposed Road District as written. He said that he appreciates both the RAC and Road Department. He said he has seen the County roads and Wasco has good roads. He went on to say that once the City of The Dalles opted out the tax was unfair. He suggested that they take the lessons they have learned through this process and come back to the public with something reworked. He said that they might consider doing a short-term levy.

Dan Carver (Maupin) said that he looked at his tax statement and pays \$9,000 to Wasco County but does not know what it is being used for. He said that The Dalles should not be allowed to opt out; he spends \$500,000 in The Dalles each year and can easily go elsewhere. They need to pay their fair share. He said that if cities can opt out, citizens should have that same choice. He said that he understands the burden and appreciates the citizens who have worked on this, but the proposed

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district would divide the County further.

Betty Odom (Maupin) said she is against the proposed Road District coming to the ballot.

Francine Bossio (Wamic) said she is against the proposed Road District coming to the ballot.

Tom Peters (Dufur) said that the roads need to be fixed and he is not opposed to paying for that but efficiencies within the County need to be identified first. He reported that he rented a car in Texas and was electronically charged \$125.00 in tolls. He said Wasco County needs to find a better way than a Road District.

Jane Oliver (Tygh Valley) said that they need to go back and build a better mouse trap. Chair Hege asked if she had any suggestions. Ms. Oliver replied that they should look at the suggestions that have already been made. She is opposed to the proposed Road District coming to the ballot.

Jean Underhill (Dufur) said that her family pays \$70,000 in taxes; she does not believe that the proposed tax will ever go away or be reduced, nor does she think the timber receipts will return. She stated that land values will increase which will also increase the tax burden. People other than landowners use the roads and pay nothing for that impact. She is opposed to the proposed Road District coming to the ballot.

Ms. Murray is opposed to the proposed Road District coming to the ballot. She stated that with only one woman, there was not a good balance on the RAC. She said that in most families, it is the woman who balances the budget; women economize while men just spend. She said that the County needs to find multiple sources to fund the roads and they need to reprioritize the roads. She suggested they go back to the drawing board and include more women on the committee.

Anna Nolen (Pine Hollow) said that she lives on a fixed income and pays a lot of taxes. She stated that she appreciates the work that has been done and appreciates the opportunity to be heard. She is opposed to the proposal as written as it places the majority of the burden on the unincorporated portion of the County. She said

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that Mr. Davis has made several good suggestions and she would support taxes that were spread out over more people.

Jack Archer (Tygh Valley) said that he stands with Ms. Nolen and is opposed to the proposed Road District as currently written.

Bill Archer (Tygh Valley) said that it doesn't matter where the tax comes from it will be an increase. He said that The Dalles has not made a big effort to restore their city – they should be working to attract more business but they don't let businesses come in. He noted that although they let Google come in they gave them a 15-year tax break – they are probably costing us more than they are giving us. He said that he is opposed to the proposed Road District coming to the ballot as agriculture is the only industry Wasco County has and if they cannot keep their head above water it will hurt everyone.

Lanny Meteer (Antelope) thanked the Board for researching taxing the federal and state government. He said that we need to sell timber. He noted that we do not tax Warm Springs and asked if we maintain their roads. Chair Hege responded that we do not. He said the County needs to stop maintaining the 15 miles of road that are within The Dalles. He said he is going to determine who else does not pay taxes as well as how much land the County owns that should go on the tax rolls. Chair Hege said that the Board will also be looking into that. He characterized the Road District as legal plunder and said it is a waste of time and money to take it to the ballot as it is destined to fail.

Jay Ashcroft (Dufur) said that there are a lot of people like him who are on a fixed income and cannot afford the additional tax burden. He said he pays more taxes than his brother in Canby who has a nicer place. He is opposed to placing the proposed Road District on the ballot.

Paul Wolf (The Dalles) said he is against taxes in general. He said he has his house sold until the buyers found out how much the taxes were on it. He said the state and federal governments and the environmentalists should pay for the problem they have created. He agreed that contracting the work is not a viable option; he said he has experience with that as a contractor. He said the Tax Assessor is a vulture. He added that the people who use the highway should pay for it. He stated that he pays

of lot of taxes to the State and more of that should come back to the County. He said that the County needs money to operate but there must be some lessor important things that could go to free up some money.

Ms. Odom said that with poorer pieces of ground they can barely pay expenses. She said conservation groups have offered her three times the value of the land; if they get it, it will go off the tax rolls – others have had the same experience. If taxes continue to increase, people will begin to consider those offers. She said she is opposed to the proposed Road District. She does not want to see small farms go to conservationists where no one will be allowed to make a living.

Al Stelzer (Dufur) said he agrees with Ms. Odom. He reported that he has tried to buy land only to be outbid by fish and wildlife. He said even when the forest service sells land it is bid on by other government agencies. He said he is amazed by how the County has been able to tighten their belt on roads. They did so because they had to – what if every tax receiving entity would do the same; we would have more money. He said the farmer already knows how to tighten his belt.

Mike Hulse (Dufur) said that Port residents pay but that never goes out to the rural communities. Chair Hege responded that the Port's focus is to create jobs in the Port area. Mr. Hulse said that Google has not created too many jobs and said he is opposed to the proposed Road District coming to the ballot. He thanked the committee for their work.

A citizen said that he agrees with Mr. Hulse. He also agrees with Ms. Odom that there is too much land going to government and conservation where taxes will not be paid. He said that the Road Department is good but we need to look elsewhere.

Mr. Ross said that the Board should go back and look at historical land use; we went from 20 to 40 acre parcels. Now the smallest piece of land we can sell is 160 acres – only conservationists can afford that. We need to get back to smaller parcels which will increase the tax base. He said the Board should not abandon the effort to save the roads, but should find another way.

A citizen suggested getting rid of some of the County roads. Chair Hege responded that they have vacated several roads and are open to doing so when petitioned.

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Another citizen asked how much it costs to place this on the ballot. Chair Hege replied that it is a negligible amount of staff time.

Mr. Covert said that he looked at how much taxes come out of The Dalles – it is a smaller area than the rural community. He noted that citizens of The Dalles pay into 16 districts, soon to be 17. He observed that he pays into the Extension and Soil and Water Conservation Districts which are both more for the rural communities but he supports that. A citizen responded that it takes a lot of acreage to support one calf and pointed out that citizens living in The Dalles get services that the rural community does not, plus they get the benefit of the customers.

Another citizen stated that most 4-H members are from The Dalles.

Chair Hege thanked everyone for their input. Commissioner Kramer said he appreciates all the effort and he wants to keep the conversation alive.

Chair Hege closed the hearing at 7:42 p.m.

WASCO COUNTY BOARD
OF COMMISSIONERS



Scott Hege, Commission Chair



Rod Runyon, County Commissioner



Steve Kramer, County Commissioner

WASCO COUNTY ROADS SUMMARY REPORT

August 6, 2014



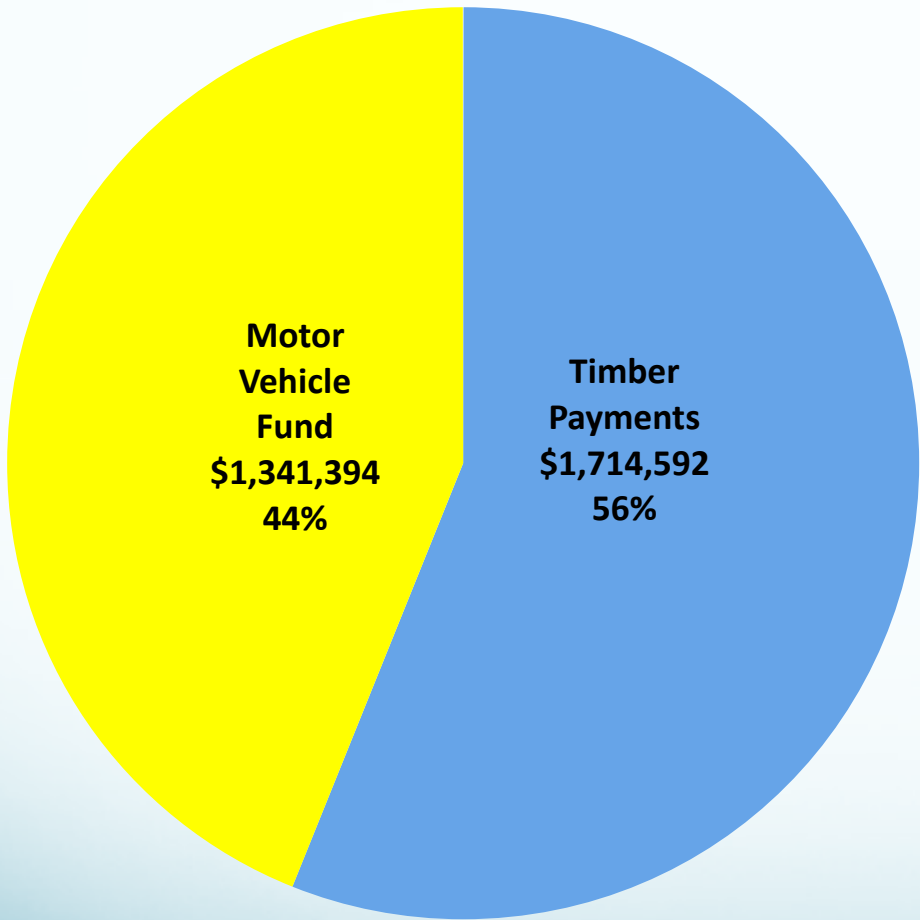
Why Are We Here?

- For the first time in decades, Wasco County's roads are in danger of falling into disrepair.
- In January of 2013 the Wasco County Road Advisory Committee was created.
- This volunteer advisory group was charged with helping formulate recommendations to address the fiscal conditions in the road department resulting from the loss of federal payments.
- The Road Advisory Committee has come up with some solutions to keep our roads safe and well maintained.

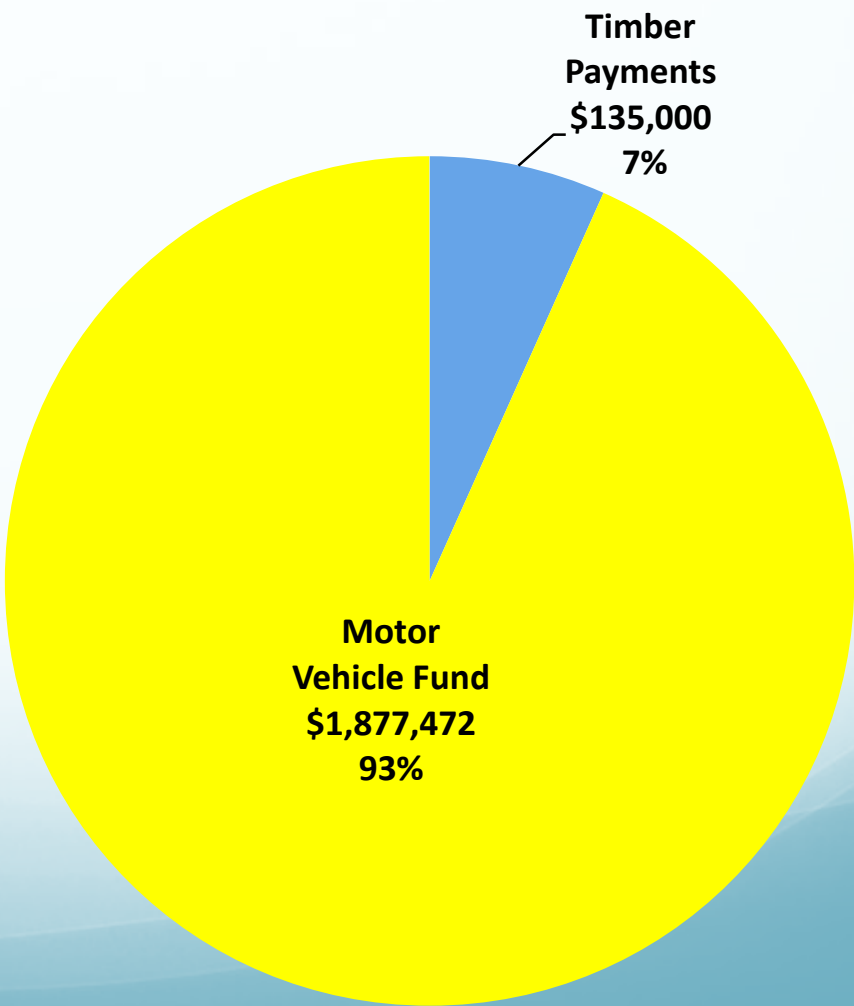
Road Funding History

- Road revenues 2000-2006: \$3.75 million – “Safety Net” period.
 - Roads are funded primarily by:
 - State motor vehicle fund – (gas tax and vehicle registration)
 - Federal forest receipts
 - PROPERTY TAXES DO NOT GO TO THE COUNTY ROADS!!!
- In 2007 elimination of “Safety Net” - expected shortfall of over a million dollars.
- Plan developed to offset shortfall:
 - Reduction in materials and capital expenditures.
 - No funding to Emergency Road Reserve.
 - Reduction in personnel - loss of 7 full-time and 2 part-time employees.
- Since 2007, the “Safety Net” has been extended several times, but always at reduced levels...

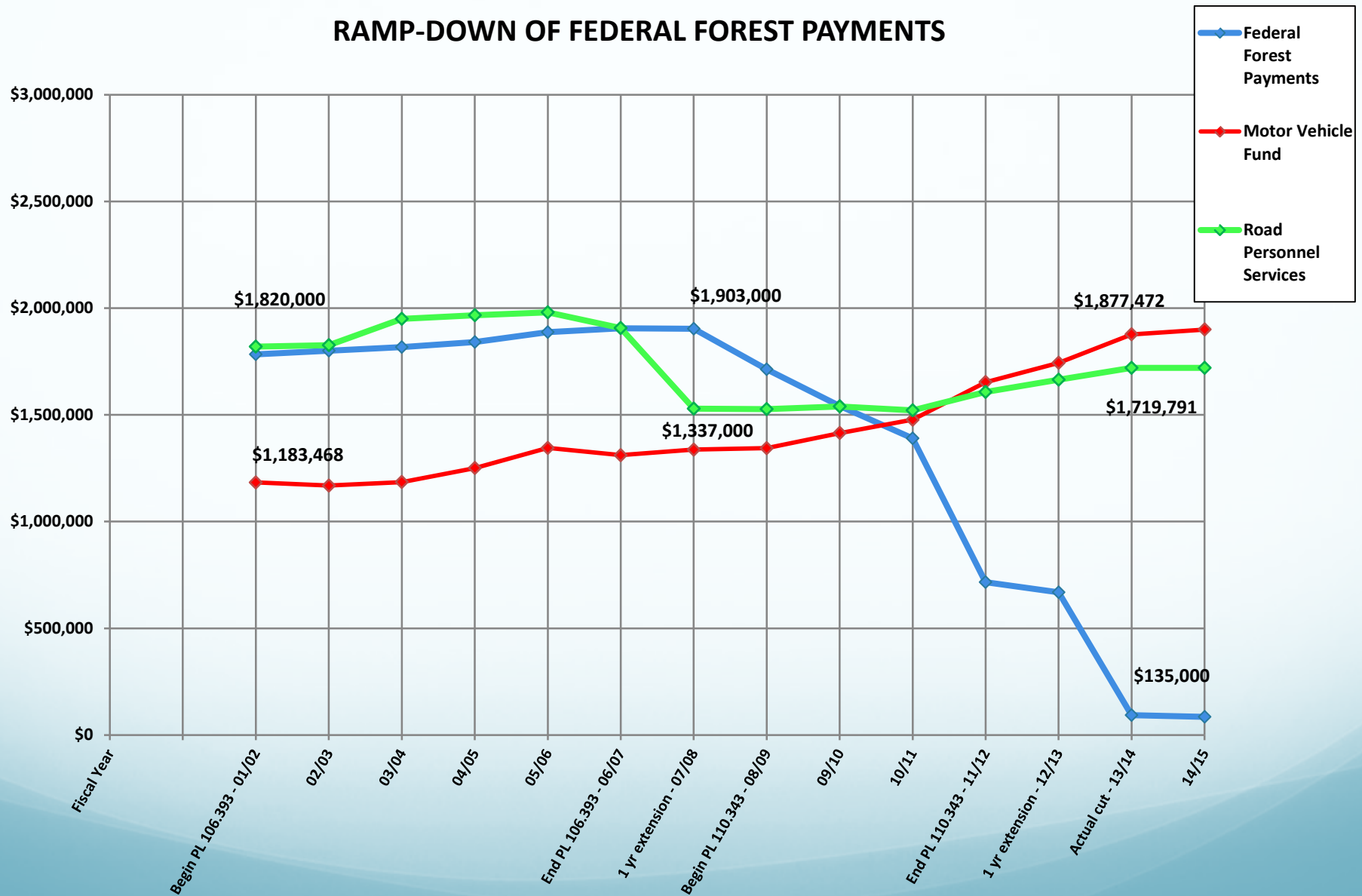
**2000-2012 Average Revenue –
Motor Vehicle Fund and Federal
Timber payments**



**2014 Projected Revenue –
Motor Vehicle Fund and Federal
Timber payments**



Road Revenue & Personnel Services History



Wasco County Road System

- Wasco County is the 6th largest county in Oregon containing over 2,300 square miles.
- The Public Works Department is responsible for maintaining:
 - 700 Miles of county roads
 - 400 miles are gravel roads
 - 300 miles are paved roads
 - 120+ Bridges
 - 1000+ Culverts
 - 5000+ Signs
 - Snow removal, ditch cleaning, brush cutting, and much more...



Maintaining Our County Roads



Dufur Valley Rd - 2012



7 Mile Hill Rd - 2012

Pavement Preservation Program

- A strategy of cost effective maintenance activities to preserve paved roads.
- Includes: patching, crack sealing, chip sealing, asphalt overlays, etc.
- Wasco County adopted a formal program in 1993.
- The goal is to keep paved roads in “very good” condition.
 - Pavement Condition Index (PCI) of 85 to 70
- During “Safety Net” period:
 - Average PCI was 85
 - 30 to 40 miles of road were maintained each year
- Now (2014):
 - Average PCI has fallen below 80 and continues to drop
 - 17 miles of road are scheduled to be maintained



Pavement Preservation Costs



Pavement Preservation costs per mile of road:

- | | |
|------------------------------------|-----------|
| • Maintenance (Chip Seal) | \$25,000 |
| • Rehabilitation (Asphalt Overlay) | \$150,000 |
| • Reconstruction | \$500,000 |

Preservation Costs v. Replacement Value (Pay me a little now or pay me a lot later)

Total replacement value of Wasco County buildings - **\$30 million**

Compared to:

- Total replacement value of Wasco County paved roads - \$150 million
- Total replacement value of Wasco County gravel roads - \$100 million
- Total replacement value of Wasco County bridges - \$50 million
- Grand Total - **\$300 million**
- Most valuable asset in Wasco County: The Transportation System!

PUBLIC AWARENESS

- One of the main goals for the Road Advisory Committee was to help build public awareness about the road department and its funding issues.
- Created a power point presentation.
- Held meetings with various interest groups, clubs and organizations.
 - Over 20 different meetings
- Hosted a display booth at the Wasco County Fair.



PUBLIC COMMENT

- Another important goal for the committee was to gauge public comment and help determine acceptable service levels for the roads.
- A road questionnaire was developed and distributed throughout the county:
 - 52% rated the maintenance of gravel roads as very important
 - 54% would not support eliminating or reducing gravel road maintenance
 - 75% rated the maintenance of paved roads as very important
 - 71% would not support eliminating or reducing paved road maintenance
 - 59% stated that snow removal was very important
 - 52% stated they would support some kind of fee or tax for county roads
 - 61% would strongly support new road revenue
 - 15% would not support new road revenue

SHORT TERM SOLUTIONS

- The committee evaluated several short term funding options:
 - Implementing fees for certain permits -
 - Moderate Recommendation - \$6,500 in revenue
 - Increase work for other agencies
 - Moderate Recommendation – Could generate revenue but would affect ability to perform county road maintenance
 - Use the Road Reserve to backfill the funding shortfall
 - Moderate Recommendation – Short term fix. Reserve will run out
 - Transfer certain county roads within UGB
 - Strong Recommendation – Could save \$60,000 per year in maintenance costs. Would need to negotiate transfer with the City.
 - Reduce or eliminate some materials and services – paving, paint striping, road grading, etc
 - Not recommended – Could save \$450,000 – giving up on the road system - public is not in support

LONG TERM SOLUTIONS

- The committee also evaluated several long term funding options:
 - Combine the city and county road departments
 - Not Recommended – Still must maintain the road systems, increased administrative costs, roads and streets are different
 - Privatize the county road department
 - Not Recommended – Outsourcing costs more (ODOT example), loss of control, increased administrative, inspection and supervision costs
 - Transportation Impact Fee
 - Moderate Recommendation – Funds are generated by road users – No system in place to administer or implement the program
 - County Vehicle Registration Fee
 - Moderate Recommendation – Funds are generated by road users – Revenues are required to be shared between the cities and the county – provides less than 1/2 of the needed funds - \$730,000
 - County Road District
 - Strong Recommendation – Only option that can raise the sufficient funds – Predictable and flexible

ROAD DISTRICT OPTIONS

- The Board of Commissioners could choose between the following service district options:
 - Form a road district with a permanent tax rate of \$2.0334 per thousand
 - Form a road district with a “Scaled In” tax rate over a five year period
 - \$0.4067 - \$0.8134 - \$1.2201 - \$1.6268 - \$2.0334
 - Form a road district with no tax rate
 - Not move forward with a road district of any kind

Decision Time

- If action is not taken **soon** road conditions will continue to worsen and we will lose our investment in the road system.
- Bad roads will mean:
 - Reduced safety
 - Increased wear & tear on vehicles
 - Severe negative effects on the economy
 - Impacts to commuters
 - Impacts to agriculture
 - Impacts to commercial hauling
 - Impacts to potential wind farms or other prospective business investments.

Decision Time

- Deep cuts to both materials and personnel will devastate the county road system, yet still not eliminate the funding shortfall.
- New revenue is necessary, if we are to adequately maintain the County road system:
- **\$1.60** million dollars per year – funding for maintenance programs only – no capital improvements or new roads would be built.

What do you think?



THANK YOU!

Map of
non taxable
lands?

Wasco County Board of Commissioners Appearance Record

Thank you
Dufur School
District!

NAME	ADDRESS	CITY	STATE
Jane Oliver		Ed Tygh Valley	OR
x Elsie Melius		d. Tygh Valley	OR
- Vicki Ashley		Maupin	OR
x Gerry Ashley		Maupin	OR
x JC Odom		"	"
x DENNIS ROSS		MAUPIN	OR
- Robert Wallace		Dufur	OR
x Jean Underhill		Dufur	OR
x Georgia Murray		T.D	OR
- DANN CARVER		Maupin 97037	OR
x Kathleen (Katie) Olson		Dufur	OR
x Betty Odom		Ed Maupin	OR
x Anna Olson		Ed Tygh Valley	Oregon
- Francine Bossett		Edge Rd Wenatchee	97063
x Jack Archer		Tygh Valley	97063
x Bill Archer		Tygh Valley	97063
x Lanny Mettler		Antelope	97001
x TERRY CHAMUSSE		ey Dufur	97021
- Tom Pehr		Dufur	97021
- Walter Denstedt		The Dalles	OR

- Paul Wolf

- Al Stelzer

Mike Hulse

DATE: August 11, 2014

DUFUR OR

Appearance Record

[illegible]

DATE: _____