

Council Chambers
300 First Street
Woodland, California

October 25, 1995

The Woodland City Council met in adjourned session at 7:03 p.m. in the City Hall Council Chambers.

PLEDGE OF ALLEGIANCE:

Mayor Sandy opened the meeting and invited everyone present to join him in the pledge of allegiance to the Flag of the United States of America.

ROLL CALL:

COUNCIL MEMBERS PRESENT: Sandy, Borchard, Flory, Rominger, Slaven

COUNCIL MEMBERS ABSENT: None

STAFF PRESENT: Kristensen, Wegener, Ponticello, Gatie, Utterbach

PUBLIC COMMENT:

There were no public comments.

CITYWIDE ROAD MAINTENANCE ASSESSMENTS:

Mayor Sandy said the purpose of this public meeting is to explain the reasoning behind the proposed road maintenance assessments and to receive comments from the public on what direction the City should take.

Director of Public Works Gary Wegener gave City Council and the audience background on the basic problem the City is facing regarding road maintenance backlog and how to deal with it. The total funding available is \$1.8 million consisting of Transportation Development Act (TDA) dollars and gas tax revenues primarily. There is also funding available through the State and Local Partnership Program which helps the City on the street overlays and funds 10 to 20 percent toward the cost of the overlays on local streets. The City also receives approximately \$200,000 per year in Federal funds for arterial and collector streets. He said there is a projected shortfall of \$1.9 million for a five year period during which staff recommends taking care of the backlog. The backlog which handled over a five-year period would account for \$1.4 million, and there is a \$500,000 shortfall in the annual maintenance. He said deferred maintenance on a road program results in a significant increase in cost. He then explained the different processes used to maintain roads and how the streets are prioritized for maintenance. He said the City has not had a significant road overlay program since 1990, and prior to that the City averaged about five or six miles of overlay per year.

City Manager Kris Kristensen explained what the City does with current tax dollars

and why the City needs additional revenue for road maintenance. He said the basic operations budget includes most of the City's day-to-day operations but does not include the enterprise funds, such as water, sewer, storm drainage, or development funds which go toward the expansion of facilities as the community grows. The FY 1995-96 Budget totals about \$18.7 million in expenses, and of this total about \$16.3 million is in the City's general fund. The City does have some discretion of how to use general fund dollars, and he explained the different functions of the City covered by the general fund. He then described the impact on the City's budget from State budget cuts. On an annual basis the decreases in revenues as a result of State actions totalled about \$1.7 million, and that decrease has been in effect for the past three to four years. He said the City responded to this crisis by reducing costs and services and increasing revenues over the last four years, including establishment of a storm drain enterprise program, increase in hotel motel taxes, increase in business licence fees, and increase in documentary transfer taxes. In June of 1994 the City was in the process of considering a citywide landscape maintenance district, and ultimately the Council did not feel there was significant support to proceed with that district. As a result, he said, the City had to cut back over \$230,000 annually in the tree maintenance operation to balance the budget. This resulted in notifying the public that property owners would have to take over responsibility for tree maintenance and sidewalk maintenance. He said at the same time the road maintenance situation increased to where the general fund had to subsidize the road maintenance in the amount of \$170,000, which is the first time since 1984 the general fund has ever been in that position.

The Director of Public Works briefed the audience on the formation of the Blue Ribbon Road Maintenance Committee which included representatives from the Woodland Chamber of Commerce, Hispanic Chamber, and the League of Women Voters. The committee met weekly over a two and one-half month period. He said the committee looked at the maintenance backlog and noted that expediency was critical in order to prevent the streets from deteriorating more than they are. The Committee looked at a number of different funding alternatives: local sales tax, utility tax, franchise fees, and county-wide transportation authority. The committee's concern was that there should be a dedicated funding source for road maintenance recognizing that there are a lot of competing interests. He said the Council directed staff on October 17 to pursue the sales tax issue with the idea that the sales tax would replace the assessments if and when the sales tax was enacted. This process requires State legislation, and Council was interested in a general sales tax which only requires a majority vote as opposed to a special sales tax which would require a two-thirds vote. The proposed assessments as specified in the engineer's report would be paid by property owners and are based on trip generation rates and based on the land use code for particular properties. The assessments would exempt the maintenance portion for properties which are fronting on streets less than five years old, fully funds the backlog in five years and reduces about 75 percent to cover the \$500,000 in maintenance that is required. He said this process involves holding this public meeting and a public hearing scheduled for November 14. He said the protest threshold is 25 percent of the registered voters of the City, and the protests must be submitted in writing to the City by the conclusion of the protest hearing on November 14.

He said Mayor Sandy sent letters seeking a position on the road assessments, including the Woodland Chamber of Commerce, the Hispanic Chamber of Commerce, and the League of Women Voters of Woodland. He said all of those organizations voted to support the road maintenance assessment, but the Woodland Chamber of Commerce did stipulate that they would like to see a five year sunset clause and recommended pursuit of a sales tax.

After staff responded to questions from Council Mayor Sandy invited comments from the public.

Bill Tolson said he is a business owner and property owner and pays over 50 percent of his gross income in taxes. He said the Council should find some other way to stay within its means to take care of road maintenance. He said he is concerned about the seniors on fixed incomes and favored placing the issue on the March 1996 ballot. He preferred that a sales tax be used.

Dan Lambert inquired about assessments for mobile home owners. He said he is against the assessment but would support a .25 sales tax for two years to cover the needed improvements.

Mayor Sandy said the park owner would be assessed not the individual renters of the spaces. The Public Works Director said the owners of apartment complexes are assessed based on dwelling units.

Gene Chaffin said he is a senior citizen on a fixed income and would rather have a sales tax than an assessment to pay for road maintenance. He said he is concerned that the assessments on mobile home parks will be passed on to the tenants each year.

Martha Fuchslin said she felt everyone should pay the same assessment, and she supports a sales tax.

Mike Volonte said it is important to get accurate information out to the public about the proposed assessments. He said there are inaccuracies in the newspaper and felt that the proposed assessments for commercial and industrial property will have impact about future business decisions. He said he hoped the Council will go over the assessment breakdown and the assessments for businesses. He said he felt a sales tax would be the fairest and most equitable way to pay for roads.

Doug Worl said he is against any assessment and supported a sales tax.

Georgia Cochran said road maintenance cannot be ignored, and the City will have difficulty attracting businesses to Woodland without good roads. She said she prefers the maintenance assessments but would support a sales tax. She said the downside of a sales tax is that the State will take a certain amount.

Harold W. Snook said taxes keep increasing, and there never seems to be enough money. He said he hoped that the City does not fail financially as Orange County did. He said he works for the State and sees the waste that is occurring at the State level.

Bill Linford said he is a senior citizen on a fixed income, and he expressed support for the assessments and opposition to a sales tax. He thanked the Council and Blue Ribbon Committee for their efforts.

Dudley Holman said he agreed that it is important to maintain roads and supports a sales tax. He was concerned about the road maintenance responsibility entirely being shifted to property owners. He said the City Council is unwilling to reduce expenditures from the general fund to allow for a City contribution for road maintenance.

Craig Jenkins said he feels businesses should contribute to a solution, and he asked if a sales tax would pass the burden onto industry.

The City Manager said any business or individual has the same obligation to pay for sales tax that is currently in effect, so an increased sales tax would effect both.

Lou Meikle, a member of the Blue Ribbon Committee on Road Maintenance, explained the Committee's decision to support a road maintenance assessment as opposed to a sales tax.

Tom Vail said as a business owner he stays within a budget, and he recommended that the Council to consider other ways to stay within its means.

Rob Beggs, member of the Blue Ribbon Committee, said they explored several financing alternatives, and many people feel sales tax is the most equitable option. He said the road assessments were spread based on land use and engineering models calculating how much the wear and tear is on the roads for each use. He said the road assessment is by far the most fair method of spreading the cost according to use. He said the cost per resident is about \$4.00 to \$6.00 per month. If the City waits for a sales tax to take effect the roads will deteriorate, and the property values will go down. He said the problem is now, and by waiting the cost is increasing.

Howard Amen said he is against the assessment district and felt the assessment will not be dropped after the five year period.

The Public Works Director said the assessments will end after five years.

Tim Golden said he does not support the road assessments but would support a sales tax.

There being no further comments, the City Manager said the Council will be holding a public hearing on the proposed assessments on November 14, 1995, and the

Council will then take action on November 21, 1995.

ADJOURNMENT:

At 8:50 p.m. the meeting was adjourned.

City Clerk of the City of Woodland