La Plata County
Fiscal Sustainability Community Steering Committee Agenda
Wednesday, July 29, 2015
Meeting Notes

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1. **Introductions**
   Co-chair Jim Tencza called the meeting to order.

2. **Review July 22 Meeting Notes and Follow-up Items**
   Review of the July 22 meeting notes was tabled until the next meeting.

3. **LTFC Update and Committee Discussion**
   The first item was to review and take a straw vote on four questions developed by the co-chairs to provide some direction to the Committee and future topics.
   a. Should Committee consider financing options for General Fund and Road & Bridge (R&B) needs? *4 yes votes.*
   b. Should Committee only consider financing options for Road and Bridge (R&B)? *12 yes votes.*
   c. If only considering financing for R&B, should Committee look at all available financing options, i.e. use taxes, mil levy, sales tax, road impact fees? *12 yes votes.*
   d. Do you feel that the County R&B Department needs more funding to continue maintaining roads and bridges to avoid deterioration and/or the need for major reconstruction in the future (5-10 years)? *15 yes votes.*

   Comments
   - Tim Blake stated he understands the need for long-term planning, but for ballot purposes, feels 5-10 years is too long. There needs to be an expiration date to build confidence in the voter public.
   - Steve Parker noted El Paso County passed a sales tax increase to focus on infrastructure needs that included a "sunset" of the tax. They built everything promised, and the tax was recently renewed by the voters.

4. **La Plata County Road & Bridge Presentation & Discussion**
   Jim Davis opened the presentation by providing a series of photos to illustrate a cross-section of projects and issues the County faces. He also provided copies of a full presentation of the county's road and bridge needs (capital and maintenance), and an executive summary (both were provided electronically to the Steering Committee in advance).

   La Plata County maintains 653 miles of road. The County does not maintain association roads, city roads or state highways. Of county roads, approximately 222 miles are paved and the remaining 431 miles are gravel. The County has experienced significant residential growth over the past forty years. That growth has been built in large part on rural "farm to market" gravel roads that historically accommodated on average less than two-hundred average daily trips (ADT). Increased traffic on gravel roads has at least two significant impacts including increased maintenance cost and a potential for an increased incident of accidents.

Davis has been with the County since 2001, and in that time the County has not had a dedicated capital budget for roads, bridges and intersection redesigns. The department has historically developed on an annual basis a five-year capital improvement plan – and recently completed a ten-year look ahead including road projects, asphalt overlays, intersections, and bridges.

Most road reconstruction projects have been funded in part with Energy Impact grants (EIG), however some have also been funded with the Gaming grants. Numerous County bridges have been replaced using both Energy Impact grants, and Federal "Off-System Bridges" grants.

The County has completed a number of studies, including transportation studies that identified existing and future needs and system deficiencies, and surface evaluation reports for both paved and gravel roads that rate the condition of the surface and identifies and prioritize future road maintenance. These studies have in part helped guide the County's public works capital improvement program, however most capital projects for at least the past fifteen to twenty years have relied in great part on funding from state and federal grants.

During the thirteen year period from 2002 to 2014 the County invested approximately $40.7 million in capital road and bridge projects, or an average of $3.1 million per year. During that period, approximately $16.3 million or 40% was funded by grants.

The 1999 Comprehensive Traffic Study completed by Bechtel Corporation identified twenty years of improvements totaling $240 million. Realizing funding limitations, this amount was "pared down" to $62 million to meet "anticipated funding limits" – an annual average of $3,130,000.

The 2030 Transportation Integrated Plan (2030 TRIP) completed in 2006 identified: $82 million of road improvements, including $6,475,000 of intersection improvements for a twenty-five year project total of $88.5 million or $3,541,560 per year.

<u>Comments and Questions</u>

- Are the Energy Impact grants typically narrow in what can be funded? *County must apply for a specific project and then spend the award on that project.*
- How many HUTF eligible roads does the County maintain? *There are 189 roads maintained by the county. The following includes both gravel and paved: District 1 = 40 roads; District II = 71 roads; District III = 41 roads; District V = 37 roads. The above does not include HUTF pass through roads for metro districts, etc.*
- If you are going to ask folks on certain county roads (many in District 1) with low ADTs where we don't get a lot of maintenance, how will we convince them to support a tax increase? *Additional funding is required to keep our roads at their existing level or are we at risk to potentially lose ground over time if the investment is not made. One of the challenges we face is higher maintenance cost associated with some of our higher ADT gravel roads. Based on the 2013 gravel PASER most of gravel roads are currently in reasonable conditions however gravel roads are subject to changing sooner than paved roads.*
- GCC raised an issue that it is hard to distinguish between what will be funded by the County and what will be funded by the state. Have we assessed what will need to be funded by the

County? *We are optimistic that GCC will fund many of the projects. The CIP projects 100% of the expense but only 25% reimbursement of those costs coming from GCC.*

- Would the list of needs change significantly if you had a dedicated funding sources? It might. The County looks at what are the most pressing needs and balances that list with what is realistic based on funding available. There are times we have to delay a project because the funding simply isn't available.
- Can you explain what full-depth reclamation involves? *This process uses the old asphalt and base material new by recycling the existing roadway. The old asphalt and base materials are pulverized, mixed with cement or lime, and compacted to produce a strong base for the new surface. Recent examples of full-depth reclamation include 141, and a section of 517.*
- Conventional road reconstruction is a complete rebuild using a full set of engineering plans. It requires the County to scrape and remove old asphalt, ensure adequate shoulders, redo drainage, etc. Cost is at least $1 million per mile not including right-of-way, if bridges have to be widened, etc. 234 was a recent conventional reconstruction.
- Can you explain the budget process? *Start in June of each year with a kickoff meeting with each department where we discuss forecasts and BOCC priorities. Public Works then develops a draft budget for both capital and operating. In August, the draft budgets are provided to finance and we may make revisions based on overall requests from all departments. The full draft budget is given to the BOCC in October and the commissioners then meet with each department head and may make further revisions. The final budget is then adopted in December.*
- If a project is planned but not completed due to state funds or grants not being provided, how are the county's funds reallocated? *It depends on the situation. If the funds aren't available, the County may end up not doing the work, or it may find funds elsewhere in the budget by delaying another project in order to leverage state funding.*
- How close were the completed projects of pages 15-16 to what was budgeted? It depends. There are contingencies in each project and the amount varies based on the level of completeness of plans when bidding and how long the plans sit before the project was funded

Doyle Villars reviewed the county's road maintenance needs.

In 2012, a study was completed after driving all 222 miles of paved county roads to complete a visual evaluation of the surface condition, documenting sections of each road where there are significant changes in the surface conditions, and reviewing the records of past paving and capital projects. According to our 2012 PASER report, 78.2% of our 222 miles of paved county roads are in good to excellent condition and 21.8% are in fair to poor condition.

Maintenance typically includes chip seal and asphalt overlays, while capital project are required when we see surface deformation. Deterioration has two general causes: environmental due to weathering and aging; and structural caused by increased traffic. Traffic isn't decreasing in LPC.

In 2013 a gravel road assessment was conducted. The final report of this assessment helps staff make informed decisions on how best to maintain and improve the county's gravel road network. LPC has a total of 431 miles of gravel or dirt roads. The 2013 gravel PASER evaluated 304 miles of gravel county roads; the remaining 127 miles have a "native" surface. Of the 304 miles rated, 212 miles were found to be in good condition, 85 miles in fair, and 7 miles in poor condition. Three areas of the roadway were evaluated: crown (cross slopes of the road), drainage condition, and existing gravel layer condition.

The asphalt surface on most paved roads will have a service life of approximately 20 years, and this can vary depending on level of maintenance, volume and type of traffic, and climatic conditions. The service life can usually be extended with routine maintenance including crack sealing, surface treatments, milling and overlays. This type of maintenance does not typically add structural capacity to the pavement but can restore the surface for rideability, safety and environmental protection from the elements.

It is important to keep in mind that improving roads doesn't mean maintenance costs go down significantly. When roads are improved you "displace" maintenance costs (e.g. grading requirements become striping needs, signage, and mowing.) There isn't a windfall by making improvements.

Comments and Questions

- Does LPC have targets for % of roads in good to excellent condition vs. fair to poor? *We like to see 75-80% good to* excellent. The 2012 PASER report has 222 miles of paved roads at 78.2% excellent and the goal is to keep at that level
- Steve Parker noted LPC is way ahead of the CDOT's levels – dropped to below 60%.
- Does the CIP budget reflect funds necessary to keep the target of 75-80% of roads in good/excellent condition? The CIP does not include gravel resurfacing. It does identify gravel roads that exceed 400 ADT per day and recommends reconstruction.
- Cost of deep grading and magnesium chloride per mile? *It depends on a number of factors including moisture, temperature, width of the road, etc. Can range from $2,500 to $4,500 per mile.*
- Does paving a road increase traffic? *Not automatically. Good roads influence development and may increase speed.*
- We would like to see a chart on road conditions by District? *Jim Davis indicated Public Works would provide at the next meeting.*
- Voters might want to see how roads stack up against PASER standards and HUTF standards? *Doyle noted the HUTF rating is pass/fail, while PASER provides a better understanding of what is the actual condition.*

5. La Plata County Growth Trends Discussion

Dan Murphy of the Planning Department was present to present information on growth trends for the county. The information comes from work he did on the updated comprehensive plan. The comprehensive plan is an advisory document that establishes a number of goals, objectives and policies to guide planning in the coming years.

Significant changes have occurred in the County's population over the past several decades. Dan provided several tables that outline this change. During the 1970 to 2000 period, the County's total population increased by approximately 178 percent (5.9% average annually), from 19,199 in 1970 to 53,446 in 2010. The growth in the unincorporated portions of the county has been particularly significant, increasing by over 9,000 during the 2000 to 2010 period. The County's population for 2010 to 2040 is expected to grow from the surveyed U.S. Census Bureau figure of 53,446 in 2010 to 91,422 by 2040, a 77% increase (average of 2.5% annually). By most accepted standards, growth rates of 2.5% or greater are considered high rates of growth.

Historically, the population of La Plata County was concentrated in and around Durango, with smaller concentrations in Bayfield and Ignacio areas. In recent years, however, growth rates have fluctuated, potentially a reflection of the 2008 economic downturn that ultimately resulted in the nation's recession. During the 1990's the number of building permits issued annually in the County increased nearly 80 percent, from 673 in 1990 to 1,201 in 2000. Conversely, from 2000 to 2010, building permits issued annual decreased significantly by nearly 52%.

<u>Comments and Questions</u>

- Voters are distributed approximately 2/3 from rural/unincorporated areas and 1/3 from Durango. Was there a difference between the areas in how likely they are to support a tax increase? *We have crosstabs and there wasn't a significant difference noted.*
- What do you think about the 2-1/2% growth projections? *Roger Zaineraitis stated unequivocally that he does not believe the growth projections. DOLA's underlying assumptions are wrong by assuming we maintain our share of the statewide economy and the trend nationally is economic growth is moving to cities and the population is moving with it. There are 571 micropolitan regions in the county. At our growth rate of 1.2% annually in the first four years of this decade, we are the 19th fastest growing micropolitan region in the county.*
- Regardless of the percentage, the County is going to grow. We still going to end of with 62% of the growth at 1.2% growth. Durango has had a policy of not wanting to accommodate residential growth and has pushed growth out into the county. We should be trying to push growth into our incorporated communities.
- A recent Housing Alliance presentation noted the number of new homes needed; this will convert raw lands to individual property tax; increased revenue for La Plata County when you create new residential parcel numbers.

6. Other Items and Open Discussion

Roger Sherman clarified a point earlier about El Paso County's approach. In November 2004, the Pikes Peak Rural Transportation Authority (PPRTA) was established by the voters in 2004 and includes the cities of Colorado Springs and Manitou Springs, El Paso County, and the town of Green Mountain Falls. The PPRTA was authorized to collect a one-percent sales tax to fund transportation and transit improvements. Fifty-five percent of the money would fund a voter-approved list of capital projects (divided into an A-list and B-list) and that portion of the tax would sunset after a ten-year period ending December 31, 2014. The A-list projects had to be completed before work on the B list could begin. Forty-five percent of the tax — 35% for maintenance (such as street overlays and pothole patching) and 10 percent for transit — does not expire. Officials from each entity decided on their list of projects, which appeared on the ballot. In November 2012, nearly 80% of the voters in the region approved a ten-year extension for capital projects, from 2015 to 2024.

Ron Corkish reported that the LTFC met last week to further discuss options and the work of the Steering Committee. The LTFC's work has spanned more than two years and facility needs have been in flux – for all the right reasons – the entire time. The LTFC agrees it was time to "call the question" and move forward with road & bridge needs now and continue to monitor facilities needs moving forward. This seems to align with polling that shows support for road & bridge, as well as the straw vote today that supports road & bridge.

Comments and Questions

- There wasn't a deliberative process to understand why folks voted against the facilities plan. Why didn't people feel sold on the General Fund support for facilities?
    - *If you go to the voters and don't have a single item that impacts them every day you aren't going to be successful.*
    - *There is a lot of "chit chat" in the community about how the county has moved forward purchasing buildings and displacing businesses.*
    - *General concern about the impact on business/commercial property owners due to the way Gallagher is structured. We will see serious pushback if we don't consider other sources including impact fees and use taxes.*
- Jim Tencza suggested the first item on the agenda next week should be a discussion on the sources of funds – one, two, or more potential sources of revenue? We seem to be ready to move on from the question of "should we do something" and focus on how we raise the funds.
- Would like to understand what other tax increases may be on the ballot over the next two election cycles.
- Will we have some estimates on what can be generated from each source? *Let's narrow what we want to consider and then look at the amount each could raise.*

Attendance

Members present:

Sheryl Ayers
Tim Blake
Bruce Baizel
Charlie Kier
Ron Corkish
J.T. Coyne
Patrick Morrissey
Dave Kramer
Bob Kunkel
Steve Parker
Marsha Porter-Norton
Buck Skillen
Justin Talbot
Jim Tencza
Wayne Semler
Buck Skillen
Roger Zaineraitis
Christi Zeller
Sidny Zink

Others present:

Joe Kerby, County Manager
Diane Sorensen, Finance Director
Jim Davis, Public Works Director
Doyle Villers, Superintendent of Road Maintenance
Dan Murphy, Planning Department
Roger Sherman, CRL Associates