



City of Oregon City

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Staff Report

File Number: 15-421

Agenda Date: 7/15/2015

Status: Agenda Ready

To: City Commission

Agenda #: 3a.

From: Public Works Director John Lewis

File Type: Presentation

SUBJECT:

Pavement Maintenance Utility Fee (PMUF) Five Year Plan and Financial Assessment

RECOMMENDED ACTION (Motion):

Staff will be presenting for discussion the updated PMUF Five Year Plan, prepared by Murray Smith & Associates (MSA) as well as a financial assessment of the fee and its derived revenue prepared by FCS Group. The report dictates the schedule and location for all PMUF related activities for the next five-year term and plans for annual project expenditures in excess of \$1.5 million. The financial analysis indicated that the revenue derived from the Transportation Utility Fee Ordinance is sufficient to sustain planned activities for the next term with annual revenue projections and is not recommending a rate increase at this time. The analysis indicates the PMUF related revenue for the next five-year term will exceed \$2 million annually.

BACKGROUND:

The updated plan outlines the maintenance priorities for both more aggressive Reconstruction / Rehabilitation projects and the less invasive but equally important Preventative Maintenance program. The City of Oregon City's (City) transportation system includes about 135 miles of City-owned surface streets of varying size and capacity requiring periodic maintenance to keep them operational. Due to increased growth in the City and reduced funding capacity from traditional sources, the City established a Transportation Utility Fee in 2007 to address street maintenance needs. The fees collected are deposited into the City's Pavement Maintenance Utility Fund (PMUF) which is used to fund future maintenance projects. The City had already prepared a five year project to govern the years 2010 through 2015, this new report will direct years 2015 through 2019. The project utilized a \$1.5 million dollar annual planning cost to determine project load. This was coupled with a needs assessment for the overall transportation system in order to prioritize work based on need / and return on investment.

The financial analysis calculated the anticipated revenue for the corresponding term including projections for future growth within the City, to determine if funding was sufficient to adequately support the planned work. The analysis indicated that funding was sufficient at this time and the revenue exceeded the construction planning model.

BUDGET IMPACT:

Amount: \$0.00

FY(s): 2015-16

Funding Source: Pavement Maintenance Utility Fee