

**MEETING MINUTES  
TRANSPORTATION FUNDING COMMITTEE**

**Thursday, April 17, 3:00 - 5:00 p.m.  
Civic Center, 150 East Main Street  
Conference Room C113 B&C**

Meeting began at 3:00 p.m. The following were in attendance:

Committee Present: Jim Frost (Edwards Meadow); Steve Krautscheid (Tuality Healthcare); and Darlene Green (Budget Committee)

Staff Present: DJ Heffernan (Angelo Planning Group); Tom Arnold (Engineering); Tina Bailey (Engineering); Barbara Simon (Administration); and Jess Stewart-Maize (Administration)

Visitors Present: Susan Gordanier (Argus), and Seth King (Perkins Coie)

**Agenda Item 1, Welcome/Introductions:**

Round table introductions were made.

This meeting was held to basically sum up what has been discussed in the last year and to ask if the committee was comfortable with making a recommendation to City Council. Staff asked if the committee had a copy of the report and has had the time to get through it and asked if there were any suggestions.

**Agenda Item 2, Final Report Review and Discussion:**

The first suggestion was to include years that prior Transportation Committee members served since some of the members are no longer on the committee but were key players who initiated the development of the new utility fee.

DJ Heffernan went through the report beginning with the Executive Summary. The Executive Summary describes the reasons why the City of Hillsboro is looking at this new fee, which is to generate revenue that is needed to maintain the City's streets. This lack of funding is due to the City growing and the local gas taxes are not enough to keep up with the growing maintenance program.

The Executive Summary summarized; the Advisory Committee's recommendations to the Hillsboro Transportation Committee and City Council. DJ went through each bullet point:

- Hillsboro should adopt a city-wide Transportation Utility Fee (TUF) to finance maintenance and operating costs related to the City's street transportation system. All developed property should pay a monthly fee that is roughly proportional to the benefit that each property gets from the transportation system. Benefit should be measured by the average weekday traffic that developed properties generate.

This bullet item did not generate any discussion. Committee agreed to this recommendation.

- The revenue target for the utility should be set high enough to gradually eliminate the backlog of deferred maintenance needs. Utility revenue should be used to replace gas tax revenue for street maintenance temporarily.

This bullet also did not generate discussion but DJ wanted to add the actual revenue target but did not have the actual amount at this meeting.

- The city should use a portion of its gas tax funds to improve substandard streets near local schools and transit stations, including the addition of sidewalks and bikeways. After those capital improvements are made, gas tax revenue should again be used for maintenance.

This bullet item did not generate committee comment.

- All residential properties should pay the same amount for each dwelling unit. The initial residential rate is \$3.10/month which will raise 52% of the program's revenue.

There was some discussion as to how this number was arrived at, which was through committee discussion and the use of rounding up the number from \$3.09. The calculation and how this amount was arrived at would need to be verified.

- Non-residential properties should raise 48% of the program's revenue. Each developed property should pay a monthly fee that varies depending upon how much traffic they generate. To simplify the billing process non-residential developed properties are grouped by land-use categories and the amount each customer in a given category pays will vary by the size of their development. The method is similar in approach to the method used in other Oregon cities. The trip formulas should use the Institute of Traffic Engineers (ITE) Trip Manual. Traffic caps are recommended for Categories 6 and 7 to reduce the impact on some high-traffic uses, like gas stations.

Staff briefly explained the rate structure and described how they came up with each category and the calculations.

- Recognizing there are variations in customer circumstances and behavior, several waivers, credits, incentives, and assistance measures are recommended including:
  - Waive the monthly fee for developed properties with an inactive municipal water account (may not apply to vacant apartment units);
  - Reduce the monthly fee by up to 30% for residential customers that do not have a registered vehicle and/or own an annual TriMet Pass; or are seniors 65 or older;
  - Offer a series of discount credits to non-commercial customers that take steps to help reduce daily traffic; such as buying transit passes for their employees; offering customer parking for daily transit users, investing in improvements that make it convenient for employees, customers, students, etc. to commute/shop by bike; implementing demand management programs (car pool, van pools, etc) and other trip reduction programs.
  - Increase the city's contribution to the Salvation Army to provide temporary assistance to city utility customers that have difficulty making utility payments.

This bullet generated much discussion about the inequality of waivers of inactive water accounts especially for those apartments which do not have separate water meters. Staff felt the language used in the report was sufficient and staff would work on the inequality of waivers.

There were questions raised as to whether or not staff factored in apartment vacancies or did staff just consider apartments and homes would be filled at all times. Staff didn't build in a buffer for the first year and that the first year would prove to be a reality check to determine how much the city will be short of the revenue target. The Committee agreed that you can't design a perfect system to start with, and that staff will have to modify it as it progresses to make sure that it is equitable.

There was also discussion about how the waivers would be entered into the system, whether this would be done manually or if something would trigger an adjustment to the fee. Unfortunately staff couldn't answer this. Staff explained that the City is in the process of installing a new financial system and that implementation would be a difficult one. Staff would have to work to develop administrative procedures for putting this program in place and this waiver area is an issue that some attention needs to be paid. It was recommended staff look into how the City of Tualatin handles these same issues.

It was recommended that staff look at implementing a renewal process for waivers, to help manage them and to look at fines for those who abuse the waiver system.

Committee discussed the language of the other waivers and credits offered and recommended that seniors should not be placed under a heading of financial hardship assistance since not all seniors, 65 and older, are on fixed incomes.

- Assign oversight responsibility for the program to the Hillsboro Transportation Committee (TC).

Committee would like to see this bullet to change to reflect previous discussions about a Transportation Advisory Committee (TAC) and the language should read that the Council should appoint a Transportation Advisory Committee to advise the Transportation Committee about rate increases and the use of the Transportation Utility Fee (TUF). Committee also wanted the TAC membership to include equal representation from the entire customer base.

- The City may wish to index the TUF rates but an index should not be imposed for at least one year.

No discussion concerning this bullet point.

- The City should reduce or eliminate the program if dedicated revenue from state, federal, or regional sources become available for street maintenance.

No discussion concerning this bullet point.

General discussion took place to adjust the report by shortening titles and adding more explanation for easier readability. It was also recommended that a list of other cities that in the State that is also using this fee let the public know that the City of Hillsboro is not the only city

that is facing this lack of funding for street maintenance and it was also noted that it would be helpful to highlight where the worst and most expensive streets to repair are because the general public doesn't drive all the city streets all the time.

#### **Agenda Item 4, Next Steps:**

Staff reported that public outreach will be done through open houses which are scheduled for April 29, 2008 at the Civic Center and at Century High School on May 22, 2008. Another way the fee will be communicated to both business owners and individual households is through a mailer (which was passed out); this mailer will go out in May. Some discussion took place to make some minor adjustments to content and look. It is still in draft form. This will be worked on further.

Staff updated the committee as to what the next steps are which include, the finalization of the report, which will be taken to Transportation Committee on May 6, 2008. Next it will be taken to the Finance Committee for a general update on May 13, 2008. A City Council work session is scheduled on May 20, 2008 where the program will be discussed further. The Transportation Committee should then forward their recommendation on May 27, 2008 to City Council. As a result, it is anticipated that City Council will set a public hearing for June 17, 2008.

Following the public hearing in June, if the program is adopted, staff will work on issues that need to be resolved prior to the scheduled implementation date of January 2009. This includes writing individual bulk letters to every customer in the City, around 40,000 letters, due to go out in July/August. This notification will let the customers know specifically what their fee will be and the basis of that fee, how its calculated and give them some validation data that they can either correct or challenge the fee or request a credit based on the credit system

Staff will also need to work with the Finance Department and Utility Billing to figure out how to implement this new fee into the new finance system. One of the biggest concerns is the confusion for the customers not being familiar with the new look of the utility bill and the new fee.

Staff concluded the meeting by inviting the committee to the Transportation Committee to be held on May 6, 2008.

Meeting adjourned.