



COUNTY OF HUMBOLDT

For the meeting of: 7/19/2022

File #: 22-946

To: Board of Supervisors

From: Supervisor Steve Madrone

Agenda Section: Initiated by Board Member

SUBJECT:

Revenue Options for Overall Roads Maintenance and Repairs, Trails, Parks and Other Services

RECOMMENDATION(S):

That the Board of Supervisors:

1. Discuss options to increase revenues to provide road maintenance and repair, trail and park maintenance, and other county services.
2. Consider allocating a position to Public Works to pursue grant funding for roads, trails, parks and other county services.

SOURCE OF FUNDING:

Roads Fund (1320), General Fund (1100)

DISCUSSION:

Residents in Humboldt County have continued to stress the need for more road repairs, maintenance and other county services, however, the county continues to lack the funding to provide additional services. Individuals living in the county are already spending substantial funds on car repairs and delays in travel for them, as well as emergency services to respond to life-threatening situations.

Regarding roads, there is an estimated roughly \$10 million in additional funding needed per year to keep up with needed maintenance. While the state's Senate Bill 1 from several years ago provided additional funding, that source alone is not enough to allow the county to properly maintain its roads, and certainly not enough to provide meaningful upgrades. However, if the county had a road tax, it would become a "self-help county," making it eligible for more funding under this law. Even the recently signed federal infrastructure bill will not fill the funding gap local roads are experiencing.

Supervisor Madrone is bringing this item before the Board to discuss potential options for increasing revenue to provide additional road, trail and park maintenance, and other county services.

One option is to place a revenue measure on the November, 2022 ballot. There are quickly approaching deadlines related to the November election - with Aug. 12, 2022 being the final day to submit information to the Elections Office - and if the Board decides to place a revenue measure on the ballot

it must act quickly, including adding a special meeting prior to Aug. 9, 2022. Below are actions that would need to take place to place a general revenue measure on the ballot:

- July 19: Direct staff to create an ordinance and ballot question to be introduced for the November, 2022 election
- Aug. 2 (or earlier): Staff introduces the ordinance and ballot question. Staff publicly notices the ordinance.
- Aug. 9: Your Board considers adopting the ordinance pending voter approval.
- Aug. 12: Final day to submit measures for the November, 2022 election.

A revenue measure specific to roads is another option to consider, however, that is considered a special tax and requires additional public noticing requirements that would prevent the county from meeting the Aug. 12 deadline.

If the Board declines to pursue a revenue measure for November, 2022, the Board could direct staff to prepare an ordinance to be placed on the next eligible ballot. The next eligible ballot appears to be June, 2024, though staff are continuing to research other options.

Regardless of timing for placing a measure on the ballot, the situation regarding funding for roads is dire. There is over \$250 million in deferred maintenance, and the cost to residents to maintain their vehicles due to driving on deteriorated county roads continues to rise. Measure Z funding has been utilized for roads, but to date has been minimal. More funding is needed to make meaningful change. In the short term, to augment roads funding, the Board could choose to allocate additional Measure Z funding to roads until a long-term revenue source is found.

Additionally, the Roads Division needs to pursue all the additional state and federal funding opportunities possible. However, existing staff do not have capacity to pursue much of this funding. Supervisor Madrone is recommending that the Board consider allocating a position to Public Works that would pursue grant funding for roads, trails, parks, and other services.

FINANCIAL IMPACT:

A local half-cent sales tax measure would generate approximately \$14 million in revenue, while a quarter-cent measure would generate approximately \$7 million in annual revenue. If a measure were placed on the November ballot it would need to be a general tax, and if successful, funding would go to the General Fund in much the same way Measure Z operates.

If your Board chooses to direct staff to allocate a position, salary and benefits for such a position would be roughly \$100,000 annually and would likely be paid for through the Roads Fund (1320). The investment in staffing would likely return millions in successful grant applications.

In the long-term, continuing to maintain county roads with current levels of funding is more expensive because larger repairs cost more than routine maintenance.

STRATEGIC FRAMEWORK:

File #: 22-946

This action supports your Board's Strategic Framework by providing for and maintaining infrastructure .

OTHER AGENCY INVOLVEMENT:

Public Works

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

N/A

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A