



CITY OF COBURG • P.O. BOX 8316 • COBURG

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January 17, 2020

## **COBURG COMMUNITY PASSES INCREASE IN FUEL TAX**

In July 2019, the City Council passed a resolution to place a ballot measure increasing the fuel tax from .03 cents to .06 cents per gallon. On November 5<sup>th</sup> Measure 20-303 passed with 80% voting in favor. The final results were 331 for the increase and 81 against.

### **WHAT HAPPENS NOW?**

At the December City Council meeting the Council voted to accept the certified election results. In addition, there was an emergency adoption of Ordinance A-211-B which will increase the fuel tax to .06 cents, and expand the use of the funds to retire bond debt incurred for the purpose of maintaining and rebuilding streets in Coburg. The new tax will begin being collected on April 1, 2020.

The increase in revenues has been projected at approximately \$90,000 per year. It is anticipated that over five years the revenues will raise approximately \$500,000. There are several factors that go into the amount of gas that is sold in Coburg, mostly having to do with the travel habits of the American public which is heavily influenced by economy and fuel prices. Therefore, the City can only project the revenues at this time.

### **WHAT DOES THIS MEAN FOR THE OVERALL REPAIR OF STREETS IN COBURG?**

The cost of bringing Coburg streets up to an acceptable standard has been projected at about 2.5 million dollars. Prolonging the repairs will increase the cost. There are two factors to consider when deciding which streets will be fixed first. The first being preservation of the streets that are in good condition to alleviate costs of unnecessary repairs, the second is addressing the worst streets with the largest impact on citizen safety.

### **WHEN WILL MY STREET BE FIXED?**

The January 2018 Pavement Management Program lists all streets with prescribed treatments. This list will be considered by the Public Works Department, the City Council, and with citizen input when developing a strategy and priorities for addressing the needed repairs.

## OTHER FUNDING CONSIDERATION

### TRANSPORTATION UTILITY FEE (TUF)

The revenues raised by the fuel tax will not cover the costs of the repairs. Therefore, the Street Funding Committee comprised of citizens recommended that City Council consider additional funding options. The Transportation Utility Fee (TUF) was the second choice of the community per the street funding survey.

A TUF is a fee placed on all residential dwelling units as well as businesses based on their use of roadways. The fee is included on the utility bill and normally all residents are charged an equal fee. Business fees are charged based upon the type of business, and square feet of business space.

**The Coburg City Council will begin discussing the implementation of a Transportation Utility Fee at a work session to be held on January 28, 2020, at 6:00 p.m. in the Council Chamber.** The Council is very interested in citizen input on this matter. We encourage your participation, and plan to provide several opportunities for the public to provide feedback. It is important that the City Council hear from our residents and businesses on this matter prior to making a final decision.

If you can't provide feedback in person, you are more than welcome to provide it in writing. All correspondence is shared with the City Council.

The City will continue to provide additional information to the community as it becomes available.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Heath". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anne Heath  
City Administrator