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**If You Build It, They Will Come - But How Will You Maintain It? A  
Study of One Option for Funding Local Road Maintenance in  
Tuolumne County**

Randolph P. Murphy

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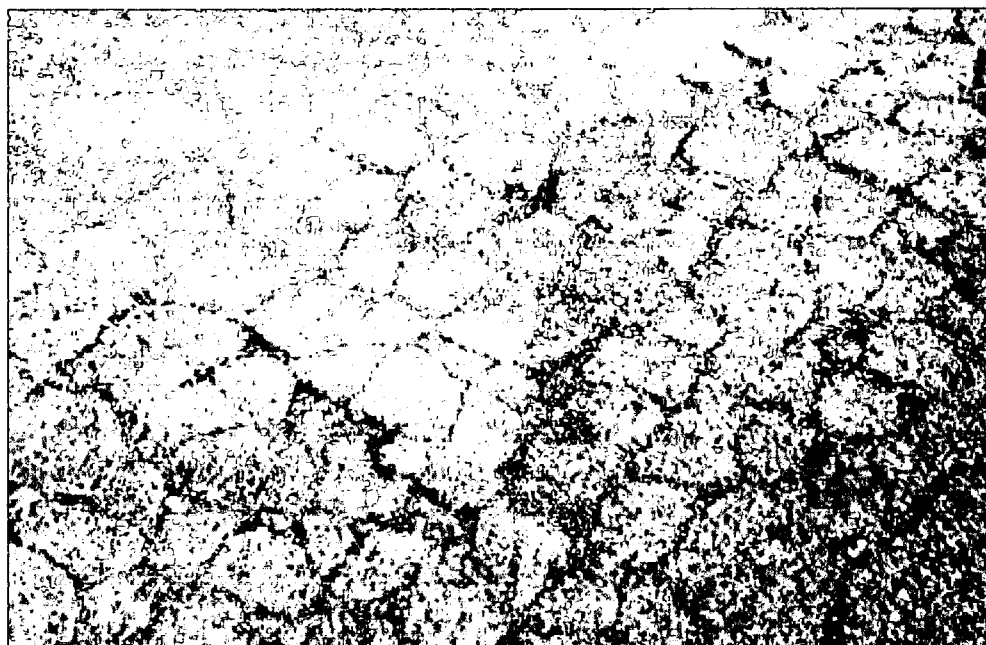
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## **IF YOU BUILD IT, THEY WILL COME – BUT HOW WILL YOU MAINTAIN IT?**

A Study of One Option for Funding Local Road Maintenance in Tuolumne County



By MPA Candidate

Randolph P. Murphy

My Capstone Project for  
GOLDEN GATE UNIVERSITY

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Instructor: Dr. Jay Gonzalez

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## TABLE OF CONTENTS

I. ABSTRACT.....	iv
II. INTRODUCTION.....	1
A. Problem Statement.....	2
B. Purpose.....	2
C. Hypothesis .....	2
<i>Sub-questions</i> .....	2
D. Limitations.....	3
E. Definitions.....	3
III. LITERATURE REVIEW .....	5
A. The Global Situation.....	5
1. <i>United Kingdom</i> .....	5
2. <i>South Africa</i> .....	6
3. <i>Iran</i> .....	6
B. The National Situation.....	6
1. <i>Virginia</i> .....	7
2. <i>North Carolina</i> .....	8
3. <i>Minnesota</i> .....	8
4. <i>Oklahoma</i> .....	8
5. <i>Washington</i> .....	9
6. <i>Oregon</i> .....	9
C. The California Situation.....	10
1. <i>San Diego County</i> .....	10
2. <i>Orange County</i> .....	11
3. <i>Nevada County</i> .....	11

D. The Tuolumne County Situation.....	12
1. <i>A Familiar Refrain</i> .....	12
2. <i>All is Not Lost</i> .....	13
E. A New Source of Revenue.....	14
<i>Permanent Road Divisions</i> .....	14
IV. METHODOLOGIES.....	16
A. The Questions.....	16
B. The Participants.....	16
C. The Selection.....	16
D. The Hypothesis.....	17
E. The Process.....	17
V. RESULTS AND FINDINGS.....	19
A. Demographics of a Gold Springs Ranch Resident.....	19
B. Residents Opinion of Pavement Condition.....	19
1. <i>By County Residency</i> .....	19
2. <i>By Neighborhood Residency</i> .....	21
3. <i>By Automobile Trips</i> .....	21
4. <i>By Non-Motorized Trips</i> .....	23
C. Enthusiasm Toward Support.....	24
1. <i>Support by Opinion</i> .....	24
2. <i>Support by Annual Income</i> .....	24
VI. CONCLUSIONS AND RECOMMENDATIONS .....	26
A. Hypothesis Supported?.....	26
B. Realistic Expectation? .....	26

C. Frequency of Use Affects Opinions?.....	26
D. Length of Residency Affects Opinions? .....	27
E. Annual Income Affects Enthusiasm? .....	27
F. Tax Preference?.....	27
G. Policy Recommendations.....	28
1. <i>Educate</i> .....	28
2. <i>Act</i> .....	28
3. <i>Reevaluate Priorities</i> ....	28
4. <i>Leave No Stone Unturned</i> .....	29
5. <i>Yearn for Better Roads</i> .....	29
H. A Final Thought.....	29
VII. APPENDICES .....	30
A. Appendix A.....	30
B. Appendix B.....	31
1. <i>Chart A</i> .....	32
2. <i>Chart B</i> .....	33
3. <i>Chart C</i> .....	35
4. <i>Chart D</i> .....	37
C. Appendix C.....	39
D. Appendix D.....	41
VIII. REFERENCES .....	46
IX. END NOTES .....	50

## ABSTRACT

An oft-quoted line from a popular 1989 movie claims, "If you build it, they will come" (Robinson). This very well might be true, but it begs the question, "If you build it, who will maintain it?" In spite of the trillions of tax dollars paid into public coffers, funding of local road maintenance throughout much of the world is almost nonexistent, with no real solution on the horizon.

The situation in rural Tuolumne County, California is no different. In spite of the best efforts of its Public Works Department, with nearly no money budgeted in the current fiscal year for preventive maintenance of its nearly \$1 billion asset, the County does not have the ability to consistently fund maintenance or repairs on most of its publicly maintained thoroughfares, especially its residential streets. With no significant help anticipated from Sacramento or Washington D.C., this study will help local officials determine whether or not property owners are willing to assist in funding the repair of this most important segment of the road network.

## INTRODUCTION

Tuolumne County is located in the foothills of the central California Sierra Nevada mountains. The County seat is sited in its only incorporated city, Sonora (not to be confused with Sonoma, in the wine country north of San Francisco). Approximately fifty-six thousand people call Tuolumne County home. Several of these residents can proudly trace their lineage back to the Gold Rush era when the foothill region came by its moniker, *The Mother Lode*.

Many of the County's six hundred plus miles of roadways that crisscross the landscape evolved from the primitive horse and buggy trails of the Gold Rush era to the multi-laned, high-speed thoroughfares of today with little improvement of the topography to accommodate the new method of automobile travel. While quaint, with the ever-increasing volume of traffic running over roads constructed with nineteenth century vehicle speeds in mind, road design becomes a huge liability. Another potential problem is that the road base is often insufficient for today's heavier loads, which rapidly leads to pavement failure. This excessive weight, combined with the lack of funds spent on surface treatments (crack, sand and/or chip seals, etc.), often reduces county roads to little more than a patchwork of repaired potholes.

Adding to the County's woes, savvy attorneys have sued for huge sums due to accidents in which their client was involved and poor road design and/or lack of maintenance was partially to blame. Never mind that their client may have been driving too fast or under the influence of some substance or other, awards and settlements in such cases have resulted in significant increases to County insurance premiums. This, in turn, leads to less money available for road maintenance, which leads to more liability claims. This *death spiral*, as it is called within the ranks of California's Public Works officials, is a major contributing factor to the rapidly deteriorating infrastructure.



### Problem Statement

Residents throughout the County desire to have their neighborhood roads regularly repaired and maintained. Unfortunately, the County does not have the ability to fund major maintenance or repairs on any of its publicly maintained major thoroughfares, let alone its local roads. Therefore, nothing is being done to keep this important part of the road network from total degradation.

### Purpose of Study

The residents of Gold Springs Ranch, a thirty-two-year-old upscale subdivision located in the northwestern part of Tuolumne County, will be interviewed to determine their level of support for an assessment that will levy a supplemental property tax to exclusively pay for the repair and increased maintenance of their residential streets. If successful, the County will attempt to replicate this structure in other neighborhoods. Officials from the State and other counties have also expressed an interest in the results.

### Hypothesis

If Gold Springs Ranch residents are educated as to the dire circumstances of the Road Fund and they can be assured that the additional monies paid will be used to address the problem, they will be supportive of a supplemental property assessment.

### *Subquestions*

1. How realistic is the expectation that Gold Springs Ranch residents will voluntarily pay additional taxes to fund local road maintenance?
2. Is there a correlation between residents' frequency of use of the road system and their opinion of its condition?
3. Does length of residency affect one's opinion of road conditions?

4. What effect does income level have on residents' willingness to pay a supplemental assessment?
5. Which choice is preferred, sales tax or property assessment?

### Limitations

While the survey instrument was scripted to eliminate as much bias as possible, due to the nature of human interaction and its resultant tendency to stray from the task at hand, I may have inadvertently affected the results. This potential bias is due to various factors:

First of all, as an eight-year resident of Gold Springs I have observed the continued degradation of my neighborhood roads. As a parent, I am concerned for the safety of my children when they use the streets for recreational activities. As a homeowner, I am apprehensive about the impact that the poor road conditions have on my property's value. As an automobile operator, I am troubled over the unnecessary wear and tear on my vehicles.

Additionally, I am the Business Manager for the Tuolumne County Public Works department. I have first hand knowledge of the dearth of available funding for any road maintenance, let alone residential streets. As a result, I would like to find an equitable way to reduce the County's \$82 million in deferred maintenance expense. Consequently, I believe that the supplemental assessment is the only real solution to this problem.

Another potential limitation is that, due to Gold Springs Ranch residents' relative affluence, this study may have limited application in other areas.

### Definitions

For purposes of this study, the following rules/definitions will apply:

- Participation will be restricted to residents within the Gold Springs Ranch subdivision in Columbia, CA, although future application could be made to other subdivisions within the County and, potentially, the entire state.

- The phrase 'benefits assessment district' is a legal term, as defined in California's Benefits Assessment Act of 1982. The Act allows a local jurisdiction (city/county) to determine areas of benefit whereby properties in one community/neighborhood can be taxed a different amount than those properties in an adjacent community/neighborhood if the property owners in the first community receive a benefit provided by the local jurisdiction that the second community does not.
- The term 'local road' is generally used to describe the approximately two and one-quarter miles of residential roads within the Gold Springs Ranch subdivision. It may also be used to describe neighborhood streets throughout the area. It does not, however, include Parrotts Ferry Road, or other major collector roads that provide access to and from the surrounding area.
- The term 'education' is used to describe a brief overview of Tuolumne County's Public Works budget, a description of the various funding sources and the dearth of funding allocated for actual road maintenance. The discussion also includes facts about how little the individual homeowner actually contributes to the budget.
- The term 'supplementary assessment' is used to describe an additional property tax to be levied on Gold Springs Ranch residents to pay for increased road maintenance and improvements. Current estimates for repair of the neighborhood streets would place this new levy at approximately \$400 per year.
- The term 'road maintenance and improvements' is used to describe total reconstruction of the subdivision roads and routine maintenance, including sealant applications in subsequent years, so as to prevent surface degradation.

## LITERATURE REVIEW

Research into the topic of road maintenance revealed some interesting data in regards the global situation of funding the repair of this vital component of the infrastructure. Clearly, no similar study has been published on this subject as it relates to solving the international dilemma facing the funding of road maintenance and improvements. As a result, the implications of this study may reach far beyond the borders of Tuolumne County.

### The Global Situation

A well-known Chinese proverb says, "A journey of a thousand miles begins with a single step." Since man is becoming increasingly more reliant on automobiles, and not just in developed countries, a modernization of that proverb might be "A trek to anywhere begins with the twist of a car key." As a result of this phenomenon, streets and highways have been constructed in some of the remotest parts of the world. Unfortunately, the lack of maintenance funds is a refrain commonly heard around the planet.

### *United Kingdom*

An article in a British periodical is one of many that bring attention to the importance of proper road maintenance.

Local authority councillors are blocking road maintenance funding and helping to create a national shortfall of L1.1 billion (\$2.12 billion US) in road maintenance funding, according to a report published last week. The latest annual survey of councils' road maintenance intentions claims that government funds allocated to roads maintenance are being diverted by local councils to anything but roads. Nine out of ten highways engineers surveyed said that under-funding compromises the safety of road users, while local authority highway departments receive just 40% of what they need to maintain roads (Councils Blamed).

One local official decried the situation by calling the spending deficit "unacceptable". He continued with, "It is time to look at some kind of ring-fencing for transport funds rather than roads being the Cinderella of local services" (Ibid).

### *South Africa*

An article in a South African trade magazine documents the concerns of that nation's civil engineers in regard to the maintenance of their roads. "The importance of maintaining this asset is well documented and increasingly obvious to those who utilise it, particularly where their routes include portions of roads that are potholed, overgrown, or otherwise badly maintained" (North-Coombes, Moahloli and Steyn). Although the article discusses a unique solution to the performance of actual road maintenance (the division of roads into 180-mile segments and subcontracting maintenance and repairs), it does not identify a funding source for that work. Nonetheless, one can see how important the effort is to them when the authors conclude with this call to arms: "We can work on the largest maintenance site in the country and get involved in challenging, dynamic and strategically important work for the benefit of all South Africans. Let us grab this opportunity with both hands" (Ibid).

### *Iran*

A news brief attributed to the Tehran Times speculated that any reduction in road maintenance funding has implications beyond the costs associated with the road surface alone.

In lieu of each dollar reduction in the budget required for the maintenance of roads across the country, the transportation industry has to tolerate a loss of 2-3 dollars, according to an expert of asphalt industry. During the 1980s and 1990s, developing countries spent 45 billion dollars totally on the vehicles' damages caused by bumpy roads. The figure could be reduced to 10 billion dollars if the roads were repaired earlier (Transport Industry).

### The National Situation

State and local jurisdictions across these United States likewise complain about the shortage of monies to be had for the upkeep of their respective road systems. While the methods and subsequent impacts may vary, the bottom line is that this problem appears to be an indelible part of the national scene.

One expert notes that governments at all levels throughout the United States are experiencing problems. He points out that “(y)ears of neglect have taken their toll; many of the systems and facilities fail to meet minimal levels of service and are technologically and dangerously obsolete” (Axelrod 111). Two of the statistics he presents are:

- 42 percent of the nation’s 577,710 bridges are structurally deficient or functionally obsolete.
- 11 percent of the 1.2 million miles of US principal highways fail to meet accepted engineering and safety standards (Ibid).

There are numerous other infrastructure needs detailed as well, but, as this project is targeted toward roads, they will not be chronicled here.<sup>1</sup>

Axelrod concludes that the “breakdown in the nation’s infrastructure is a direct result of inflation, uneven maintenance, recessions, tax and spending limits, misplaced priorities, and budget cuts” (Ibid). He further estimates that the financial cost of improvements would run up to \$3 trillion nationwide, again, a ten-year-old figure.

### *Virginia*

An editorial in The Washington Post suggests that a potential solution for Virginia’s woes might be found in its own back yard. “Since 1996 VMS Inc. of Richmond has managed 251 miles of interstate. It is responsible for maintaining the road, including fencing, guardrails, snowplowing, repairing potholes and general rehabilitation. The work is done to standards set by state transportation officials” (Segal). A 2000 Virginia Tech study of this privatization technique found savings of between \$16 and \$23 million in addition to improved quality and performance over the five years the program had been in place (Ibid). In spite of the documented success, the plan has not been expanded.

Segal, Director of Government Reform for the Reason Foundation in Arlington, also points out that Florida has saved millions of dollars with similar results on a comparable

program. He concludes, "The Virginia General Assembly should explore opportunities with proven programs to give drivers (and taxpayers) better bang for their buck. We can dramatically improve our roads while saving money and freeing up resources for other priorities" (Ibid).

### *North Carolina*

The North Carolina Board of Transportation (NCBOT) recently recommended that the state spend less money on new construction and more on maintenance, mass transit and technology. This proposal would reduce spending on new construction from 45% of the state's transportation budget to 25%, a major shift in funding priorities. NCBOT officials "said the state faced a shortfall of nearly \$30 billion in transportation funding over the next 25 years" (North Carolina).

### *Minnesota*

Nearly ten percent of the 4,100 residents of Grant, Minnesota packed the local community center last summer in order to debate a proposition to improve the city's road maintenance plan. The passage of this proposal would nearly double the property taxes paid by most residents. The funding crisis has reached its nadir since the council cut the road budget in 2000 in order to keep taxes low and then never restored the financial support. One council member said, "When you have the lowest taxes in the metro area year after year, you fall behind. Now it's time to pay the piper" (Shaw). Some residents expressed concern that they would not be able to afford to live in their own home once the proposed increase took effect. Nonetheless, the measure appeared to be headed toward passage (Ibid).

### *Oklahoma*

An Oklahoma legislator recently proposed to reallocate a greater portion of his state's vehicle license fee (VLF) to pay for road and bridge maintenance and associated improvements. Under his plan, the first \$5 million of VLF collected each month during the first fiscal year

would go directly into the state Highway Construction and Maintenance Fund. The amount would increase by \$5 million a month for the second year, and another \$5 million per month in the third year. The monthly allocation would remain stable at \$15 million for each subsequent fiscal year. "The proposal would provide a total of \$60 million for roads and bridges in 2006, \$120 million in 2007 and \$180 million in 2008, without having to raise taxes" (Francis-Smith).

### *Washington*

Spokane Valley's recent attempt to cut its road maintenance budget by one-third met with some stiff opposition. The specific budget lines to be slashed included sweeping, weed abatement and pothole repair. Intimation by some that the roads would deteriorate to the level of the nearby city of Spokane, where its politicians have made potholes a campaign issue, clearly rankles some city officials. One councilman defended the move, by stating that the plan would not have the deleterious effects that were predicted. He said, "It's hard to believe that they would think for a second that the city out here or our staff would allow the roads to deteriorate" (Cannata).

### *Oregon*

The city of Eugene passed a controversial road maintenance fee in December 2002 and, due to the opposition's call for a referendum, repealed it in August 2003. The measure was originally passed to help the city catch up on \$93 million of deferred road maintenance. "If no maintenance is done for the next 10 years, the cost would be \$213 million" (Bishop). "Councilor Bonny Bettman noted that the city spends between \$80 million and \$120 million annually on road projects. The backlog resulted from decades of council decisions that put a lower priority on road maintenance than on other projects" (Ibid). Another councilor suggested that the city stop building new roads until the deferred maintenance is eliminated.



### The California Situation

The circumstances in regard to road maintenance around the Golden State are not any better than the rest of the country. In order to assist the California Department of Transportation (Caltrans) in setting its funding priorities, the agency recently conducted an Internet survey to “gauge public opinion on how well the department is taking care of the state’s 15,234-mile highway system, and what else it should do” (Liu). The study asks, among other things, for residents to rank the importance of agency activities from among several options, including pothole repair, sign replacement, litter pickup, and accident removal.

Although belittled by some as not comprehensive enough, Caltrans also hopes to use the thirty-five question poll as a means to measure its overall performance. The results should be publicized later in 2005 (Ibid). This effort, while helpful, will be of limited use to local government agencies, not only because the study’s focus is on the state highway system, but because cities’ and counties’ financial resources pale in comparison to those of the state.

### *San Diego County*

Due to the ongoing state budget crisis, soon to be in its fourth year, California continues to defer, suspend, borrow or otherwise not pay to local governments the funds authorized by voters with the passage of Proposition 42 in 2002.<sup>2</sup> For instance, San Diego County expects to lose almost \$9 million in fiscal year 2005/06 for county roads alone (Appendix B, Chart D).<sup>3</sup> County officials said the “revenue loss would delay the maintenance and repair of about 160 miles of county roads” as a result (Chacon). The county’s Deputy Director of Public Works said that “deferring maintenance ultimately may cause problems in the future” (qtd. in Chacon). San Diego Public Works recently estimated their deferred maintenance expense at \$300 million, and this before torrential rains barraged the region in the winter of 2004/5.<sup>4</sup> The county’s Director of

Public Works said, "Certainly heavy rains, bad weather, has a tendency of deteriorating the roads faster than normal" (qtd. in Chacon).

### *Orange County*

The precipitation pounding Southern California has taken its toll on Orange County's highways and byways as well. Caltrans crews worked around the clock to repair an estimated two hundred potholes caused by the early January 2005 storms alone. "Exacerbating pothole problems are roads already decaying from years of tight funding" (Ignatin).<sup>5</sup> While potholes are the bane of drivers they are also a boon to auto repair shops. One tire store manager claims to have seen an extra forty cars a day in the short time after the storms (Ibid).

Unfortunately, the agency responsible for road maintenance is also often found accountable for the damages caused to vehicles and other personal property as a result of the potholes. One Assistant City Attorney said "a public entity can be liable for car damage if it's aware of a dangerous condition and fails to correct it in a sufficient time" (Ibid) – and the death spiral continues unabated.

### *Nevada County*

Officials in Nevada County are considering a sales tax increase to solve its road maintenance woes. A regional report noted that the continued shift of state transportation revenues has produced a "critical deficiency for districts in Nevada County that provide maintenance for public roads" (qtd. in Trout). An additional difficulty for this region, one common to most rural jurisdictions, is the "anticipated pattern of dispersed development in the county (that) is relatively expensive to serve" (Ibid). Like all counties in the state, Nevada County stands to lose some of its annual operating budget if the Governor's proposed budget for FY05/06 passes the legislature, funds that would otherwise be available to spend on local road maintenance.<sup>6</sup> While not nearly as large an impact dollar-wise as to the budgets of San Diego or

Orange County, this figure represents a significant percentage of Nevada County's annual budget.<sup>7</sup>

### The Tuolumne County Situation

Tuolumne County has not been exempt from the negative consequences of the State Legislature's actions either.<sup>8</sup> The \$377,000 in funding not received by the Public Works Department for FY04/05 represents over five percent of this years' budget. Another way to look at this number is that it would have increased the amount budgeted for actual road maintenance over 100%. The sad reality, however, is that even if the County had received this funding, it still would have only been able to allocate about \$680,000 toward system preservation. This amounts to only eight one-hundredths of one percent (0.08%) of the \$800 million (estimated value) County road network, a pittance to be sure.

### *The Familiar Refrain*

Craig Pedro, Tuolumne County's Assistant County Administrator and Road Fund analyst, had this to say regarding the absence of available funds:

It is sad and serious. In my 20 years here at the County, one can actually see the physical deterioration of our road system. Roads that may have been in relatively good condition are now showing clear sign of distress, many of which have gone beyond the point where preventative maintenance procedures can do any lasting good. Those that were in bad condition before are now in need of full reconstruction. Not only is this expensive, but the road surfaces themselves are beginning to represent a hazard to drivers and large liability to the County. The money to address this just has not been forthcoming or at least not kept pace with the level needed (personal email, July 25, 2004).

As Mr. Pedro points out, revenues have not kept pace with expenses. As detailed in Appendix A, excluding one-time sources, Tuolumne County's Road Fund revenues have remained relatively flat for the past three fiscal years, whereas its expenditures have increased nearly ten percent. Some of the significant changes include a 12.7 percent increase in salaries and benefits and a 20.7 percent increase in A87 (overhead) charges.

Mr. Pedro was then asked if he felt there was a light at the end of the proverbial tunnel in regards to funding road maintenance. Here is his reply:

While I like to be optimistic, in this case I am not. What is needed are huge infusions of new dedicated road maintenance dollars. We have not seen any major initiative at the State for years and new or increased taxes at the local level are not likely. Unfortunately, what is likely to happen is a continuation of flexibility for local jurisdictions to take monies traditionally used to build new and expanded facilities and see that money diverted to road maintenance. To some extent, it makes sense in that we shouldn't be building roads that we can't maintain, however, we then destroy mechanisms intended to build projects needed to address capacity and safety issues. This is a classic example of providing a partial solution to one problem while creating a new, longer term one.

I should also point out that with state imposed property tax and sales tax shifts and reductions in vehicle license fees, the ability of cities and counties to shift monies out of their general funds to road funds has been severely constrained. Even if local jurisdictions felt road maintenance was a top priority, a large amount of the discretionary revenues needed to do so have been stolen by the State (personal email, July 25, 2004).

#### *All is Not Lost*

Without exception, the local roads that are in the best shape are ironically not even in the County's maintained system. Somewhat surprisingly, many of these residential streets are decades old. The major difference is that they do not rely on public monies for maintenance. This method is called a County Service Area (CSA), which imposes an additional tax on each parcel to pay for road-related maintenance and repairs.

As a result of the passage of the landmark tax-cutting initiative Proposition 13 in 1978, Tuolumne County officials realized that they would not have enough resources to continue the upkeep on the existing roads. They subsequently encouraged the Board of Supervisors to pass an ordinance and stop accepting new subdivision streets into the maintained system, which occurred in the late 1980s. In the simplest terms, this meant that the County would not receive gas tax revenues for roads within any new developments and, consequently, would not be responsible for their upkeep. As a result, the developer had to find a way to pay for the required maintenance of the road system. This method has most often been a CSA. Unfortunately, due to governmental

restrictions, funds collected through a CSA cannot be used on publicly maintained roads. Therefore, the Public Works Department must find another solution for the roads that were accepted for maintenance by the County prior to the adoption of the current strategy.

### A New Source of Revenue

Tuolumne County's CSAs were developed pursuant to the California Benefits Assessment Act of 1982. A benefit assessment is defined in the California Constitution as "any levy or charge upon real property by an agency for a special benefit conferred upon the real property" (qtd. in Hotelwala and Manatt 2). A benefit assessment is not a tax or fee. Unlike these other revenue sources, "a benefit assessment is an involuntary charge that property owners pay for a public improvement or service that provides a special benefit to their property. The amount of the assessment is directly related to the amount of benefit their property receives" (Ibid).

Benefits assessment districts, or BADs, were used extensively in California from 1982 until 1996 as a means to circumvent many of the restrictions imposed on local government subsequent to the approval of Proposition 13. Then taxpayer advocates struck again with Proposition 218, which amended the state Constitution to require a two-thirds majority vote on most new taxes (Hotelwala 5). BADs have been used much less frequently since that time.

However, recent activity within the state suggests that the use of assessment districts is again on the rise. For instance, Santa Clara County and an area around the Santa Monica Mountains have successfully initiated BADs to buy and maintain open spaces on a regional scale. Both measures have withstood legal challenges as well (Taughér). On the other hand, Contra Costa County's recent effort toward a similar measure fell short.

### *Permanent Road Divisions*

Although CSAs are also known as Permanent Road Divisions (PRDs) in some jurisdictions, Tuolumne County officials have new definition in mind. In an effort to reduce, and

perhaps eliminate, the \$82 million backlog of deferred maintenance, Tuolumne County Public Works is developing a plan with the intent of creating a CSA that could be used to repair publicly maintained roads by applying the rules of a BAD. This combination of forces will likely be called a PRD in Tuolumne County. A recent email to all fifty-eight of California's Public Works Directors confirmed that no other jurisdiction has attempted to do this.

When presented with the PRD option, the aforementioned Assistant County Administrator for Tuolumne County, Mr. Pedro, wrote:

I do think this is a viable option. It is logical and can be set-up to address shared responsibilities for arterials and major collectors our local economies rely upon and yet pinpoint responsibility for roadways (e.g. minor collectors, subdivision roads, etc.) and services (e.g. snow removal) that should be borne by those who are the primary users of same. I didn't say this would be easy to set-up and sell politically but it makes sense and I believe offers the best shot for locally approved road funding. I believe this will be a case in which we need to set-up a test case, demonstrate that it can be effective and then sell it to the rest of the County (personal email, July 25, 2004).

This is the basis for the following study. The residents of Gold Springs Ranch were polled to see if they would like to be the test case to which Mr. Pedro refers. In this day and age of taxpayer revolt, the results may surprise you.

## METHODOLOGIES

Since, as previously noted, no other jurisdictions in California are known to have undertaken any similar effort, secondary data is not available. Therefore a survey needs to be developed in order to gauge residents' willingness to pay a supplemental assessment to improve their local roads. The other important factor to determine is who the participants will be.

### The Questions

In addition to seeking residents' opinions, the survey will need to capture basic demographic information such as: employment status, length of residency (both neighborhood and County), age, full-time vs. part-time residency and whether or not they walk/run/bicycle on the roads or just drive/ride in a vehicle in order to determine any trends. These issues are important since they can affect residents' bias as to the condition of the roads and whether or not they even need repair.

### The Participants

Gold Springs Ranch was selected for a number of reasons, not the least of which was my familiarity with the development and my neighbors concerns regarding the lack of maintenance of the subdivision roads. I was also aware of and participated in numerous meetings among the neighbors, so I knew that they had a substantial interest in the subject, which would ensure a high level of participation.

### The Selection

A brief review of County records showed that there are 135 lots in Gold Springs Ranch. Although my initial intent was to survey all residents, since the length of the term is only ten weeks, I quickly decided to pare the participation ratio down to twenty-five percent. I utilized the random number generator function in Excel to select thirty-four lot numbers and, armed with a copy of the County Assessor's map, set out on foot to talk with my neighbors.

### The Hypothesis

I chose this topic based on my own personal experience. I lived in the Gold Springs Ranch subdivision for almost five years before I went to work for the County nearly three and one-half years ago. In that time my attitude has changed from one of doubt and reluctance to pay more taxes to certainty and an inclination that our payment of additional capital would be the only way to get our local roads fixed. Thus the assumption that others would find knowledge of the County's dire fiscal situation the key to their willingness to support the concept of increased property taxes. The sub-questions were selected as a means to assess any trends among the residents and whether or not the study could have application outside our immediate neighborhood.

### The Process

As shown in Appendix D, I scripted the survey in an attempt to conduct an unbiased survey. I realized the folly of my belief soon after I arrived at the first door. Try as I might, I could not keep the conversation on task, and, much to my dismay, I left forty-five minutes later, a full half-hour beyond what I had anticipated. Some interviews went much faster, but the average was about thirty minutes per home.

When I conducted a post-mortem analysis on my approach, I determined that my goals of a scripted conversation and fifteen minutes per resident were unrealistic for two reasons. First of all, I know several of my neighbors and they wanted to catch up on the goings-on of my family and me. Secondly, many of the residents of Gold Springs Ranch are retired and do not get out much. As a result, they were starved for conversation. In the end, even though I may have inadvertently biased the results, I feel that my fellow Gold Springs Rancher's true feelings were expressed.



In the end, I received feedback from thirty out of the thirty-four initially sought. Even after repeated personal visits and phone calls, I was unable to reach anyone at the four remaining homes. Two-thirds of the participants provided face-to-face responses. I received the remainder via phone conversations or, in one case, as a self-administered reply. In any case, even though the sample size was small, I am confident that the results of my survey are reflective of the general opinions of my neighbors.

## RESULTS AND FINDINGS

The overall results of the study of Gold Springs Ranch yielded few surprises. However, a deeper analysis showed some potentially interesting trends. A summary of the information follows (cumulative results and responses recorded in Appendix D).

### Demographics of a Gold Springs Ranch Resident

Basic examination of the data shows that a Gold Springs Ranch inhabitant is a registered voter and a full-time resident who has lived in the County for almost eighteen years and in the neighborhood for over eleven years. The average occupant owns his/her home and shares it with 1.3 other people. A modal analysis says that this typical person is also a retired fifty-something-year-old homebody with an annual household income in excess of \$75,000.

### Residents' Opinion of Pavement Condition

Survey participants were asked a question regarding their opinion of the pavement condition of all County roads. They were also asked how County road surfaces measured up to other areas of California. The last question asked them how they felt about Gold Springs Ranch streets specifically.

#### *By County Residency*

Seventy-seven percent of survey participants felt that the overall County pavement condition was poor or very poor and only seven percent graded them as good or very good. Interestingly, no one who had lived in the County more than ten years assessed the total infrastructure picture as better than mediocre (see Table 1).

Fifty-seven percent indicated the County's pavement was either worse or much worse when compared to other parts of California and forty-seven percent responded that Tuolumne County roads were about the same as elsewhere. Interestingly, no one ranked the local streets as better or much better than the rest of the state (see Table 2).

Table 1

	0 to 5 years	6 to 10 years	11 to 15 years	16+ years	Total
Very Poor	0	1	1	1	3
Poor	2	5	2	11	20
Average	1	0	0	4	5
Good	0	1	0	0	1
Very Good	1	0	0	0	1
Total	4	7	3	16	30

## Pavement Condition of All County Roads by County Residency

Table 2

	0 to 5 years	6 to 10 years	11 to 15 years	16+ years	Total
Much Worse	0	1	1	1	3
Worse	0	3	2	9	14
Same	4	3	0	6	13
Better	0	0	0	0	0
Much Better	0	0	0	0	0
Total	4	7	3	16	30

## Comparison of Tuolumne County Pavement Condition to Other Areas of State by County Residency

An overwhelming seventy-three percent of respondents also regarded the pavement in Gold Springs Ranch as either poor or very poor, whereas only seven percent rated the pavement as good or very good.<sup>9</sup> Further analysis shows that those who felt that the pavement was in good or better condition had lived in the County five years or less. No one who lived in the area more than five years rated the roads better than average (see Table 3).

*By Neighborhood Residency*

When the respondents' tenure in the development was used as the variable, the results were unexpectedly similar: seventy percent of respondents regarded the pavement in the neighborhood as either poor or very poor, whereas only seven percent rated the pavement as good or very good. Further analysis shows, not surprisingly, that those who felt that the

pavement was in the best condition had lived in their home five years or less. No one who lived in the development more than five years rated the roads better than average (see Table 4).

Table 3

	0 to 5 years	6 to 10 years	11 to 15 years	16+ years	Total
Very Poor	0	1	1	1	3
Poor	1	6	2	10	19
Average	1	0	0	5	6
Good	1	0	0	0	1
Very Good	1	0	0	0	1
Total	4	7	3	16	30

Pavement Condition of Gold Springs Ranch Streets by County Residency

Table 4

	0 to 5 years	6 to 10 years	11 to 15 years	16+ years	Total
Very Poor	2	2	1	3	8
Poor	2	4	3	4	13
Average	2	2	0	3	7
Good	1	0	0	0	1
Very Good	1	0	0	0	1
Total	8	8	4	10	30

Pavement Condition of Gold Springs Ranch Streets by Neighborhood Residency

### *By Automobile Trips*

Another potential variable that could affect participants' opinion on the shape of the roads is how frequently he/she uses them while in a car. Consequently, respondents were asked to provide a self-assessment as to the average of how many trips all residents made combined each day. A review of that data shows that forty-five percent of those who graded the roads as poor or very poor make two or less trips per day in their vehicle. Fully half of those who rated the roads the same way average three to five trips per day. Not surprisingly, the one participant

who rated County roads as very good said he/she utilizes the system less than once per day (see Table 5).

Table 5

	<1X day	1-2X day	3-5X day	6-10X day	>10X day	Total
Very Poor	0	1	2	0	0	3
Poor	0	9	9	1	0	19
Average	2	4	0	0	0	6
Good	0	0	1	0	0	1
Very Good	1	0	0	0	0	1
Total	3	14	12	1	0	30

#### Opinion of Tuolumne County Pavement Condition by Automobile Trips

Interestingly, over half of those who felt that Tuolumne County roads were worse or much worse than other areas of the state make two or less trips per day in and out of the neighborhood. The remainder makes no more than five journeys each day. Additionally, all of those who sally forth less than once a day rated the County streets as equal to other areas of the state (see Table 6).

Table 6

	<1X day	1-2X day	3-5X day	6-10X day	>10X day	Total
Much Worse	0	2	1	0	0	3
Worse	0	7	7	0	0	14
Same	3	5	4	1	0	13
Better	0	0	0	0	0	0
Much Better	0	0	0	0	0	0
Total	3	14	12	1	0	30

#### Comparison of Tuolumne County Pavement Condition to Other Areas of State by Automobile Trips

An assessment of participants' opinion of the Gold Springs Ranch roads by the frequency of their vehicle trips shows that forty-eight percent of those who graded the neighborhood roads as poor or very poor make two or less trips per day in their vehicle. About half of those who

rated the roads similarly average three to five trips per day. Not surprisingly, the one participant who rated County roads as very good said he/she utilizes the system less than once per day (see Table 7).

Table 7

	<1X day	1-2X day	3-5X day	6-10X day	>10X day	Total
Very Poor	0	4	3	1	0	8
Poor	1	5	7	0	0	13
Average	1	4	2	0	0	7
Good	0	1	0	0	0	1
Very Good	1	0	0	0	0	1
Total	3	14	12	1	0	30

Opinion of Gold Springs Ranch Pavement Condition by Automobile Trips

*By Non-Motorized Trips*

While opinions could be proffered about the surfaces of other County and out of County roads by the number of times a participant walks the dog or rides a bike on Gold Springs Ranch streets, such subjective judgments would be of little value. Therefore, only the results about the subject neighborhood roads by this criterion are included here. As expected, everyone who used the avenues on a daily or almost daily basis felt that the pavement condition was poor or very poor, although many of those who used the system less frequently felt equally as strong (see Table 8).

Table 8

	<1X week	1-2X week	3-4X week	5-6X week	Daily	Total
Very Poor	1	3	1	1	1	7
Poor	5	3	4	1	1	14
Average	5	1	1	0	0	7
Good	0	0	1	0	0	1
Very Good	0	1	0	0	0	1
Total	11	8	7	2	2	30

Opinion of Gold Springs Ranch Pavement Condition by Non-Motorized Trips

### Enthusiasm Toward Improvement

Fifty percent of the participants initially agreed that the only viable solution to the neighborhood problem was to voluntarily submit to a supplemental assessment. The other fifty percent were either opposed or uncertain of that alternative. After being provided with the additional information (as noted in Appendix D), another twenty percent consented to the ancillary property tax.

### *Support by Opinion*

A noteworthy statistic found while reviewing the study was that those who rated the neighborhood roads the highest were still willing to pay the supplemental assessment (see Table 9). I would have expected them to be unwilling, or at least unsure of their commitment. Nonetheless, the overall support of seventy percent of respondents increases the likelihood that this project can move forward.

Table 9

	Very Poor	Poor	Average	Good	Very Good	Total
Yes	6	9	4	1	1	21
No	0	3	3	0	0	6
Maybe	2	1	0	0	0	3
Total	8	13	7	1	1	30

Willingness to Pay Assessment by Opinion of Gold Springs Ranch Pavement Condition

### *Support by Annual Income*

One of the most significant statistics gleaned from this study is that, while income level does have some effect on respondents' willingness to pay the assessment, it did not have as much weight as I would have anticipated (see Table 10). I fully expected that those with lower incomes would be disinclined to pay more in taxes. Even though they have lesser average earnings than most others in the neighborhood, more than fifty percent of the participants with an annual

income of less than \$50,000 agreed that the only way to solve the crisis was to provide more monies to the local government. In fact, one such resident made the comment that anyone could afford the additional cost; it was just a matter of priorities.

Table 10

	<\$50K	\$50K-\$75K	>\$75K	No Answer	Total
Yes	4	7	10	0	21
No	1	1	1	3	6
Maybe	2	0	1	0	3
Total	7	8	12	3	30

Willingness to Pay Assessment by Income Level



## CONCLUSIONS AND RECOMMENDATIONS

By way of reminder, the hypothesis pondered for this study was based on my personal experience – education about the shortage of available funding within the County budget, and the Public Works budget in particular, would lead survey participants to conclude that the only hope to cure Gold Springs Ranch's pavement woes would be a supplemental assessment. The data was also analyzed in order to answer the five sub-questions posited previously.

### Hypothesis Supported?

Thirteen neighbors were either unsure of their readiness to support the idea or outright opposed to it and had not previously been exposed to the educational information. Six of the thirteen changed from reluctance to eagerness after having heard the spiel. Correspondingly, although fifteen were already supportive, many in that group also pointed to knowledge previously gained as the key to their cooperation.

### Realistic Expectation?

A very impressive seventy percent of my Gold Springs Ranch neighbors were favorably disposed, with another ten percent not quite ready to commit. Most importantly, only twenty percent were opposed or otherwise unwilling to support the strategy. I must, therefore, conclude that my expectations were realistic.

### Frequency of Use Affects Opinions?

Eighty-five percent of the participants who made more than two trips per day in their vehicle rated Gold Springs Ranch roads as poor or very poor, whereas only fifty-eight percent of those who went out two times or less rated the neighborhood streets that poorly (see Table 7). Furthermore, seventy-five percent of those who took a walk around Gold Springs Ranch more than twice a week opined that the pavement condition was poor or very poor versus only sixty-three percent of those who ambled around two times or less per week felt the streets were in a

similar state of disrepair. There can be no doubt, then, that those who use the road system frequently are more likely to consider them to be in bad shape.

### Length of Residency Affects Opinions?

As shown by Table 4, the longer one lives in Gold Springs Ranch, the more negative his/her opinion toward the developments' pavement condition. Only fifty percent of those who have lived here five years or less felt that the roads were either poor or very poor. The cumulative total of those whose tenure exceeded five years was seventy-seven percent. Opinions about the rest of the County roads followed a parallel trend.

### Annual Income Affects Enthusiasm?

While the approval rating was greater than fifty percent in all income brackets measured, the highest was eighty-eight percent of the \$50,000 to \$75,000 group. Those with annual household incomes in excess of \$75,000 were next with eighty-three percent. Only fifty-seven percent of families with earnings of less than \$50,000 were amenable, but even that was a strong representation. Curiously, none among the "decline to state" group favored the assessment, even after hearing the educational information. Consequently, I conclude that potential for approval rises with household income, but majority support is probable even among those with lower annual revenues.

### Tax Preference?

Seventy-three percent of the group expressed a preference for either a sales tax increase or a supplemental property assessment. Interestingly enough, that number was split exactly in half, with neither choice garnering a majority. However, a resounding majority of sixty-three percent indicated that they would not be favorably disposed to paying both.

Policy Recommendations

While the sample size was admittedly small, there are some clear recommendations that can be taken from this study. Consequently, I proffer five action items. Together they create, by design, an acronym. See if you can make sense of it.

*Educate*

By proving the hypothesis, there is an unmistakable connection between the education of the populace and its readiness to assist the local government by means of additional taxation. Forty-six percent of survey participants who were initially opposed to or noncommittal toward a supplemental assessment became favorably disposed toward one after a brief presentation. Any tax measure is doomed to failure without a similar effort of instruction.

*Act*

The fervent involvement of the majority of the participants indicates to this observer that the time is ripe for action, at least within Gold Springs Ranch. Any significant delay could squelch that enthusiasm and ultimately create apathy. This would lead to a continuation of the status quo where the only thing accomplished is hand-wringing and complaining. Additionally, with no new funding on the way from either Sacramento or Washington D.C., we need to do something to protect this vital part of our infrastructure.

*Reevaluate Priorities*

The most vocal critics of the plan suggested that they might be inclined to support this concept if they could be sure that the money already paid to the County was not being misspent or wasted. While part of this falls under the purview of the first action item, educate, there is some validity to their concern. These local cynics also suggested that, unless and until local leaders consider past mistakes and vow to learn from them, their support is not forthcoming. As George Santayana once said, "Those who do not remember the past are condemned to repeat it."

Additionally, a Sacramento Bee columnist once said that twenty-five percent of all tax dollars collected in the 1960s were spent on infrastructure. Today that number has plummeted to less than one-quarter of one percent (0.0025) (Dan Walters, public address, 2002). The only word to describe this fact is *pitiful*. Spending priorities must be reassessed now, as tomorrow may be too late.

### *Leave No Stone Unturned*

As noted above, there is no new funding coming from the state or federal government. Even so, there may be grants or other sources of money that might otherwise be unconventional. One coworker proposed a charity called "Friends of the Road". Libraries and the arts, among others, have garnered significant funding in such a manner. Such *thinking outside the box* must become the standard, not the exception.

### *Yearn for Better Roads*

Synonyms for the word 'yearn' include desire, crave, covet and hunger. Too many people in the County and the State have accepted the funding situation and the resultant poor pavement conditions for too long. They have lowered their standards and are now accepting of them. Unless and until politicians and the masses break out of that pattern of indifference and begin to really want better roads, to yearn for improvement, nothing will change.

### *A Final Thought*

As illustrated previously, jurisdictions around the planet have attempted various solutions in their endeavor to solve their portion of the growing global problem. Unfortunately, Tuolumne County has neither the financial nor human resources available to follow suit. The only realistic solution for this local authority, and perhaps many others, is a network of Permanent Road Divisions, paid for by the local homeowners. Public officials throughout the state would do well to implement the EARLY plan before it is too late.

# APPENDICES

## Appendix A

Yearly Funding Sources by Fiscal Year	Budgeted Funding FY 04/05	% of Total	Budgeted Funding FY 03/04	% of Total	Budgeted Funding FY 02/03	% of Total
<b>Annual Funding Sources</b>						
Gas Taxes	\$2,270,049	32.5%	\$2,214,682	30.1%	\$2,091,568	25.5%
Forest Receipts Payments	\$1,086,000	15.5%	\$1,080,831	14.7%	\$1,122,800	13.7%
Portion of State Sales Tax - LTF	\$814,729	11.6%	\$1,037,988	14.1%	\$864,133	10.5%
County - General Fund	\$642,451	9.2%	\$642,451	8.7%	\$642,451	7.8%
Regional Surface Transportation Program	\$307,574	4.4%	\$307,574	4.2%	\$307,574	3.7%
Charges for Services - Capital Projects	\$290,000	4.1%	\$374,051	5.1%	\$205,300	2.5%
Charges for Services - Development Projects	\$200,000	2.9%	\$66,012	0.9%	\$26,500	0.3%
Tuolumne County Transportation Council	\$104,238	1.5%	\$94,755	1.3%	\$46,806	0.6%
Charges for Services - Road Maintenance	\$82,500	1.2%	\$39,500	0.5%	\$17,350	0.2%
Charges for Services - Administration	\$81,299	1.2%	\$66,365	0.9%	\$65,535	0.8%
Charges for Services - Encroachment Fees	\$80,000	1.1%	\$95,000	1.3%	\$73,392	0.9%
Charges for Services - Grading Permits	\$60,000	0.9%	\$60,000	0.8%	\$44,608	0.5%
Charges for Services - County Service Areas	\$30,000	0.4%	\$0	0.0%	\$30,000	0.4%
Charges for Services - Transportation Permits	\$14,000	0.2%	\$14,000	0.2%	\$10,000	0.1%
Miscellaneous Income	\$12,000	0.2%	\$11,000	0.1%	\$1,000	0.0%
Interest Income	\$10,000	0.1%	\$10,000	0.1%	\$5,000	0.1%
Charges for Services - GIS	\$1,000	0.0%	\$0	0.0%	\$0	0.0%
Proposition 42	\$0	0.0%	\$0	0.0%	\$409,032	5.0%
Grants - Office of Transportation Safety	\$0	0.0%	\$15,500	0.2%	\$0	0.0%
<b>Sub-Total Annual Funding Sources</b>	<b>\$6,085,840.00</b>	<b>87.0%</b>	<b>\$6,129,709.00</b>	<b>83.3%</b>	<b>\$5,963,049.00</b>	<b>72.7%</b>
<b>One Time Funding Sources by Fiscal Year</b>						
Fund Balance - from previous budget year	\$907,716	13.0%	\$895,362	12.2%	\$693,665	8.5%
Loan Proceeds - Tobacco Securitization Loan	\$0	0.0%	\$295,435	4.0%	\$1,300,000	15.8%
Insurance Proceeds - Tuolumne Fire	\$0	0.0%	\$36,420	0.5%	\$250,000	3.0%
<b>Sub-Total One Time Funding Sources</b>	<b>\$907,716.00</b>	<b>13.0%</b>	<b>\$1,227,217.00</b>	<b>16.7%</b>	<b>\$2,243,665.00</b>	<b>27.3%</b>
<b>Total Funding Available by Fiscal Year</b>	<b>\$6,993,556</b>	<b>100.0%</b>	<b>\$7,356,926</b>	<b>100.0%</b>	<b>\$8,206,714</b>	<b>100.0%</b>

## **The Impact of Suspension of the Transfer of Proposition 42 Monies to Transportation for California's 58 Counties for Fiscal Years 2003-04, 2004-05 & 2005-06**

(Prepared in February 2005)

In fiscal year 2003-04 both the local government rehabilitation monies for county roads and State Transportation Improvement Program (STIP) monies for transportation expansion projects were retained within the State's General Fund due to the suspension of Proposition 42. The amount of the loss for transportation projects was estimated at \$188 million in rehabilitation monies for both cities and counties with cities and counties sharing in this equally totaling a \$94 million loss for counties. Further, the STIP loss for 2003-04 was estimated at \$188 million with regions ability to program 75 percent of those monies the loss is estimated at \$141 million in STIP funding for 2003-04. **(It should be noted that revised estimates indicate that the \$188 million loss may be closer to \$192 million).**

In fiscal year 2004-05 all of the Proposition 42 monies were loaned to the General Fund, which is estimated to result in a loss of \$180 million in rehabilitation monies for cities and counties with counties losing 50 percent or \$90 million. The STIP is estimated to lose \$180 million with the regions ability to program 75 percent of those monies the loss is estimated at \$135 million in STIP funding in 2004-05. **(It should be noted that the revised estimates indicate that the Proposition 42 loss may be higher and the \$180 million loss may be as high as \$212 million).**

Further, Governor Schwarzenegger is again proposing to borrow Proposition 42 monies in fiscal year 2005-06 totaling \$1.3 billion. This would result in a \$253 million loss for rehabilitation monies for cities and counties for local streets and roads with counties losing 50 percent or \$127 million. The STIP is estimated to lose \$253 million with the regions ability to program 75 percent of those monies the loss is estimated at \$190 million in STIP funding in 2005-06.

The attached charts show a county-by-county loss of the county portion of the rehabilitation monies and the countywide STIP losses of the 75 percent that would have been programmed by the regional agencies.

Chart A explains the overall loss of Proposition 42 monies and shows how those funds would have otherwise been allocated in fiscal years 2003-04, 2004-05 and 2005-06 including the \$678 for the 141 Traffic Congestion Relief Projects, with the remaining amount allocated 40 percent to the STIP, 20 percent to counties for rehabilitation projects, 20 percent to cities for rehabilitation projects and 20 percent for the Public Transportation Account (PTA) for transit. Chart A also provides a per capita loss for the city rehabilitation monies since the next three charts only represent the losses to California's 58 counties (unincorporated areas).

Chart B shows the loss of county rehabilitation monies and STIP monies that would have been programmed by the regions in 2003-04. The first column shows on a county-by-county basis the loss of \$94 million representing the county only portion of the rehabilitation monies actually lost in 2003-04. Column two of Chart B shows on a countywide basis the loss of \$141 million representing the 75 percent of the STIP monies programmed by the regions that was actually lost in 2003-04.

Chart C shows the loss of county rehabilitation monies and STIP monies that would have been programmed by the regions in 2004-05. The first column shows on a county-by-county basis the proposed loss of \$80 million representing the county only portion of the rehabilitation monies should Proposition 42 be suspended in 2004-05. Column two of Chart C shows on a countywide basis the loss of \$135 million representing the 75 percent of the STIP monies programmed by the regions that was actually lost in 2004-05.

Chart D shows the loss of county rehabilitation monies and STIP monies that would have been programmed by the regions in 2005-06. The first column shows on a county-by-county basis the proposed loss of \$127 million representing the county only portion of the rehabilitation monies should Proposition 42 be suspended in 2005-06. Column two of Chart D shows on a countywide basis the loss of \$190 million representing 75 percent of the STIP monies programmed by the regions that is proposed to be lost should Proposition 42 be suspended in 2005-06.

## CHART A

**ESTIMATED LOSSES DUE TO THE SUSPENSION OF  
PROPOSITION 42 ON THE TRANSFER OF SALES TAX ON  
MOTOR VEHICLE FUEL TO TRANSPORTATION**

	Fiscal Year 2003-04	Fiscal Year 2004-05	Fiscal Year 2005-06
Total Sales Tax	1,148,000	1,127,000	1,310,000
Designated TCRP Projects	(678,000)	(678,000)	(678,000)
	470,000	449,000	632,000
40% to STIP	188,000	180,000	252,800
20% to Counties	94,000	90,000	126,400
20% to Cities	94,000 *	90,000 **	126,400 ***
20% to PTA	94,000	90,000	126,400
	470,000	450,000	632,000

Chart B: Fiscal Year 2003-04

Chart C: Fiscal Year 2004-05

Chart D: Fiscal Year 2005-06

\* -- Per capita = \$3.30

\*\* -- Per capita = \$3.10

\*\*\* -- Per capita = \$4.38

**CHART B**

The Impact of the Suspension of the Transfer  
of Proposition 42 Monies to Transportation  
on a County by County Basis  
for Fiscal Year 2003-04

<b>County</b>	<b>FY 2003-04 Estimated Co Rehab Funding Loss*</b>	<b>Fiscal Year 2003-04 Estimated STIP Loss</b>
Alameda County	3,125,159	5,118,732
Alpine County	52,310	145,257
Amador County	266,327	332,369
Butte County	992,948	978,872
Calaveras County	399,549	388,874
Colusa County	314,513	258,037
Contra Costa County	2,377,096	3,317,757
Del Norte County	169,081	246,852
El Dorado County	847,992	626,439
Fresno County	2,821,766	3,537,076
Glenn County	383,498	275,515
Humboldt County	759,623	990,690
Imperial County	1,222,926	1,655,070
Inyo County	465,932	1,343,413
Kern County	2,545,515	4,629,619
Kings County	560,601	694,328
Lake County	410,351	424,064
Lassen County	404,283	629,853
Los Angeles County	18,327,777	31,376,391
Madera County	813,893	628,578
Marin County	733,850	969,434
Mariposa County	260,197	256,496
Mendocino County	615,564	935,128
Merced County	1,057,267	1,129,624
Modoc County	379,529	334,487
Mono County	282,514	994,757
Monterey County	1,260,112	1,817,247
Napa County	478,771	600,754
Nevada County	492,790	524,526
Orange County	5,893,828	9,460,759
Placer County	1,109,009	999,246
Plumas County	319,294	379,119
Riverside County	4,230,399	6,772,295
Sacramento County	3,734,000	4,413,776
San Benito County	266,076	329,385
San Bernardino County	4,458,665	8,813,771
San Diego County	6,651,450	10,315,841

Source: personal email, February 9, 2005



**CHART B (cont.)**

The Impact of the Suspension of the Transfer  
of Proposition 42 Monies to Transportation  
on a County by County Basis  
for Fiscal Year 2003-04

<b>County</b>	<b>FY 2003-04 Estimated Co Rehab Funding Loss*</b>	<b>Fiscal Year 2003-04 Estimated STIP Loss</b>
San Francisco County	1,473,170	2,615,667
San Joaquin County	1,835,307	2,300,990
San Luis Obispo County	1,101,704	1,849,613
San Mateo County	1,839,123	2,693,677
Santa Barbara County	1,190,107	2,113,189
Santa Clara County	3,820,711	5,993,001
Santa Cruz County	788,543	1,052,847
Shasta County	909,440	1,069,864
Sierra County	150,933	178,467
Siskiyou County	632,206	743,001
Solano County	1,089,190	1,571,000
Sonoma County	1,645,249	1,917,636
Stanislaus County	1,557,887	1,781,944
Sutter County	492,847	402,840
Tehama County	535,864	537,016
Trinity County	294,082	386,133
Tulare County	1,822,537	2,175,138
Tuolumne County	394,020	438,917
Ventura County	1,908,492	3,100,143
Yolo County	685,214	858,001
Yuba County	348,921	308,442
Tahoe RPA		268,040
	94,000,000	
Statewide Regional		141,000,000
Interregional		47,000,000
		188,000,000

\* Estimated/projected allocations are based on the actual percentages established by the FY 2002-03 allocation. Actual future year allocations will be established by the State Controller's Office using the most current vehicle registrations (75%) and maintained road mileage (25%).

In fiscal year 2003-04 both the local government rehabilitation monies for county roads and State Transportation Improvement Program (STIP) monies for transportation expansion projects were retained within the State's General Fund. The amount of the loss for transportation projects was estimated at \$188 million for both cities and counties and \$188 million for STIP projects. Further, Governor Schwarzenegger has proposed to suspend the transfer of Proposition 42 monies in fiscal year 2004-05 estimated at a \$180 million loss for cities and counties and \$180 million loss for the STIP projects.

**CHART C**

The Impact of the Suspension of the Transfer  
of Proposition 42 Monies to Transportation  
on a County by County Basis  
for Fiscal Year 2004-05

<b>County</b>	<b>FY 2004-05 Estimated Co Rehab Funding Loss*</b>	<b>Fiscal Year 2004-05 Estimated STIP Loss</b>
Alameda County	2,992,173	4,900,914
Alpine County	50,084	139,076
Amador County	254,994	318,226
Butte County	950,695	937,218
Calaveras County	382,547	372,326
Colusa County	301,129	247,056
Contra Costa County	2,275,943	3,176,576
Del Norte County	161,886	236,347
El Dorado County	811,908	599,782
Fresno County	2,701,690	3,386,562
Glenn County	367,179	263,791
Humboldt County	727,299	948,533
Imperial County	1,170,887	1,584,641
Inyo County	446,106	1,286,247
Kern County	2,437,195	4,432,614
Kings County	536,745	664,782
Lake County	392,889	406,019
Lassen County	387,079	603,051
Los Angeles County	17,547,871	30,041,225
Madera County	779,259	601,830
Marin County	702,623	928,181
Mariposa County	249,125	245,582
Mendocino County	589,369	895,335
Merced County	1,012,277	1,081,555
Modoc County	363,379	320,253
Mono County	270,492	952,427
Monterey County	1,206,490	1,739,917
Napa County	458,397	575,190
Nevada County	471,821	502,205
Orange County	5,643,027	9,058,173
Placer County	1,061,817	956,724
Plumas County	305,707	362,987
Riverside County	4,050,382	6,484,112
Sacramento County	3,575,106	4,225,955
San Benito County	254,753	315,368
San Bernardino County	4,268,934	8,438,717
San Diego County	6,368,410	9,876,869

Source: personal email, February 9, 2005

**CHART C (cont.)**

The Impact of the Suspension of the Transfer  
of Proposition 42 Monies to Transportation  
on a County by County Basis  
for Fiscal Year 2004-05

<b>County</b>	<b>FY 2004-05 Estimated Co Rehab Funding Loss*</b>	<b>Fiscal Year 2004-05 Estimated STIP Loss</b>
San Francisco County	1,410,482	2,504,362
San Joaquin County	1,757,209	2,203,075
San Luis Obispo County	1,054,823	1,770,906
San Mateo County	1,760,863	2,579,052
Santa Barbara County	1,139,464	2,023,266
Santa Clara County	3,658,128	5,737,980
Santa Cruz County	754,988	1,008,045
Shasta County	870,741	1,024,338
Sierra County	144,510	170,873
Siskiyou County	605,304	711,384
Solano County	1,042,841	1,504,149
Sonoma County	1,575,238	1,836,034
Stanislaus County	1,491,594	1,706,116
Sutter County	471,875	385,698
Tehama County	513,061	514,165
Trinity County	281,568	369,702
Tulare County	1,744,983	2,082,579
Tuolumne County	377,254	420,240
Ventura County	1,827,279	2,968,222
Yolo County	656,056	821,491
Yuba County	334,074	295,316
Tahoe RPA		256,634
	90,000,000	
Statewide Regional		135,000,000
Interregional		45,000,000
		180,000,000

\* Estimated/projected allocations are based on the actual percentages established by the FY 2002-03 allocation. Actual future year allocations will be established by the State Controller's Office using the most current vehicle registrations (75%) and maintained road mileage (25%)

In fiscal year 2003-04 both the local government rehabilitation monies for county roads and State Transportation Improvement Program (STIP) monies for transportation expansion projects were retained within the State's General Fund. The amount of the loss for transportation projects was estimated at \$188 million for both cities and counties and \$188 million for STIP projects. Further, Governor Schwarzenegger has proposed to suspend the transfer of Proposition 42 monies in fiscal year 2004-05 estimated at a \$180 million loss for cities and counties and \$180 million loss for the STIP projects.

## CHART D

The Impact of the Suspension of the Transfer  
of Proposition 42 Monies to Transportation  
on a County by County Basis  
for Fiscal Year 2005-06

<b>County</b>	<b>FY 2005-06 Estimated Co Rehab Funding Loss*</b>	<b>Fiscal Year 2005-06 Estimated STIP Loss</b>
Alameda County	4,202,341	6,883,061
Alpine County	70,340	195,324
Amador County	358,124	446,931
Butte County	1,335,198	1,316,271
Calaveras County	537,266	522,912
Colusa County	422,919	346,977
Contra Costa County	3,196,436	4,461,325
Del Norte County	227,360	331,937
El Dorado County	1,140,279	842,360
Fresno County	3,794,374	4,756,238
Glenn County	515,683	370,480
Humboldt County	1,021,451	1,332,162
Imperial County	1,644,445	2,225,541
Inyo County	626,530	1,806,462
Kern County	3,422,905	6,225,360
Kings County	753,829	933,650
Lake County	551,791	570,231
Lassen County	543,631	846,952
Los Angeles County	24,645,010	42,191,232
Madera County	1,094,426	845,236
Marin County	986,795	1,303,579
Mariposa County	349,882	344,906
Mendocino County	827,737	1,257,449
Merced County	1,421,687	1,518,983
Modoc County	510,345	449,778
Mono County	379,891	1,337,631
Monterey County	1,694,448	2,443,617
Napa County	643,794	807,823
Nevada County	662,646	705,320
Orange County	7,925,318	12,721,701
Placer County	1,491,263	1,343,666
Plumas County	429,349	509,794
Riverside County	5,688,537	9,106,576
Sacramento County	5,021,038	5,935,120
San Benito County	357,787	442,917
San Bernardino County	5,995,481	11,851,709
San Diego County	8,944,078	13,871,514

**CHART D (cont.)**

The Impact of the Suspension of the Transfer  
of Proposition 42 Monies to Transportation  
on a County by County Basis  
for Fiscal Year 2005-06

<b>County</b>	<b>FY 2005-06 Estimated Co Rehab Funding Loss*</b>	<b>Fiscal Year 2005-06 Estimated STIP Loss</b>
San Francisco County	1,980,943	3,517,237
San Joaquin County	2,467,902	3,094,097
San Luis Obispo County	1,481,440	2,487,140
San Mateo County	2,473,034	3,622,136
Santa Barbara County	1,600,314	2,841,565
Santa Clara County	5,137,637	8,058,674
Santa Cruz County	1,060,339	1,415,743
Shasta County	1,222,907	1,438,626
Sierra County	202,956	239,981
Siskiyou County	850,116	999,099
Solano County	1,464,612	2,112,494
Sonoma County	2,212,335	2,578,608
Stanislaus County	2,094,860	2,396,146
Sutter County	662,722	541,692
Tehama County	720,566	722,116
Trinity County	395,446	519,226
Tulare County	2,450,731	2,924,867
Tuolumne County	529,832	590,203
Ventura County	2,566,312	4,168,703
Yolo County	921,394	1,153,738
Yuba County	469,188	414,756
Tahoe RPA		360,429
	126,400,000	
Statewide Regional		189,600,000
Interregional		63,200,000
		252,800,000

\* Estimated/projected allocations are based on the actual percentages established by the FY 2002-03 allocation. Actual future year allocations will be established by the State Controller's Office using the most current vehicle registrations (75%) and maintained road mileage (25%)

The Governor's proposed budget for fiscal year 2005-06 has both the local government rehabilitation monies for county roads and State Transportation Improvement Program (STIP) monies for transportation expansion projects retained in the State's General Fund. The amount of the loss for transportation projects was estimated at \$253 million for both cities and counties and \$253 million for STIP

# Appendix C

County	Current Repaving Cycle (Cycle should be 18-20 years)	Percentage of Roads in Fair to Very Poor Condition	Annual Revenues available for Pavement Management	Annual Need	Gap or Shortfall	Existing Backlog
Alameda	50 years		5,589,921	6,305,509	715,588	28,580,948
Alpine					0	
Amador	51 years		550,000	2,500,000	1,950,000	30,000,000
Butte	100 years	60	10,200,000	15,400,000	5,200,000	80,000,000
Calaveras	100 years		500,000	2,000,000	1,500,000	65,000,000
Colusa	50 years	60	400,000	2,000,000	1,600,000	35,000,000
Contra Costa		22	6,800,000	15,200,000	8,900,000	20,962,239
Del Norte					0	
El Dorado	100 years				0	
Fresno	20 years	18	17,300,000	27,300,000	10,000,000	135,000,000
Glenn					0	
Humboldt	Infinite				0	
Imperial	50 years				0	
Inyo					0	
Kern			10,000,000	35,000,000	25,000,000	300,000,000
*Kings	125 years	75	3,600,000	6,000,000	2,400,000	100,000,000
Lake	Infinite	81	3,444,000	7,000,000	3,556,000	80,000,000
Lassen	100 years	52	400,000	4,000,000	3,600,000	
*Los Angeles	30 years	64	130,000,000	200,000,000	70,000,000	500,000,000
Madera					0	
Marin	50 years	76	2,090,866	7,389,016	5,298,150	56,102,801
Mariposa					0	
Mendocino		81	14,200,000	14,800,000	600,000	90,000,000
Merced	100 years	81	1,500,000	5,500,000	4,000,000	500,000,000
Modoc	Infinite	76	3,300,000	13,000,000	9,700,000	45,000,000
Mono	20 years	50	1,000,000	10,000,000	9,000,000	90,000,000
Monterey					0	
Napa	41 years		2,684,444	8,010,584	5,326,140	98,000,000
Nevada	50 years	45	10,500,000	14,500,000	4,000,000	26,000,000
Orange	75 years		1,500,000	3,500,000	2,000,000	
Placer	35 years	25	15,000,000	27,000,000	12,000,000	100,000,000
Plumas	30 years	80	4,000,000	7,000,000	3,000,000	45,000,000
Riverside	43 years	60	15,000,000	38,000,000	23,000,000	100,000,000
Sacramento	84 years	36	5,000,000	33,500,000	28,500,000	150,000,000
San Benito					0	
San Bernardino	20 years	35	27,000,000	152,000,000	125,000,000	88,000,000
San Diego	104 years	50	5,000,000	22,000,000	17,000,000	300,000,000

County	Current Repaving Cycle (Cycle should be 18-20 years)	Percentage of Roads in Fair to Very Poor Condition	Annual Revenues available for Pavement Management	Annual Need	Gap or Shortfall	Existing Backlog
San Francisco	50 years		15,926,356	51,125,005	35,198,649	318,184,000
San Joaquin	55 years	44	8,500,000	21,500,000	13,000,000	120,000,000
San Luis Obispo	Infinite	48	0	9,000,000	9,000,000	80,000,000
San Mateo	Infinite	60	3,500,000			100,000,000
Santa Barbara	30 years	47	5,315,400	18,080,000	12,764,600	170,000,000
Santa Clara	45 years		3,359,839	11,160,617	7,800,778	72,470,439
Santa Cruz	60 years	39	0	3,500,000	3,500,000	80,000,000
Shasta	100 years		12,000,000	24,000,000	12,000,000	
Sierra					0	
Siskiyou					0	
Solano	80 years	44	3,956,064	5,111,241	1,155,177	41,534,441
Sonoma	100 years	50	4,173,741	22,849,055	18,675,314	262,767,163
Stanislaus					0	
Sutter					0	
Tehama			2,600,000	7,500,000	4,900,000	
Trinity	Infinite		250,000	3,000,000	2,750,000	22,000,000
Tulare	36 years	60	8,750,000	26,800,000	18,050,000	254,000,000
Tuolumne	Infinite	56	6,993,556	12,000,000	5,006,444	82,000,000
*Ventura	84 years	30	4,000,000	14,100,000	2,600,000	52,000,000
Yolo	100 years		1,000,000	10,000,000	9,000,000	32,000,000
Yuba					0	
<b>TOTALS</b>			<b>376,884,186</b>	<b>918,631,027</b>	<b>538,246,841</b>	<b>4,749,602,031</b>

\* Figures for Los Angeles County include traffic congestion needs.

\* For Ventura County, uses PCI of 5.5 as acceptable, the backlog identified is pavement overlay or rehabilitation only. It does not include sidewalk repair backlog, or annual sidewalk repair needs, drainage improvements, slope hardening or improvements or storm damage repairs.

\* For Kings County repaving cycle is 125 years for 250 miles of major roads and infinite for 710 miles of minor roads.

## Appendix D

### Survey Instrument and Results

Good morning. I am one of your neighbors, Randy Murphy. I live at the end of Gold Springs with my wife, Kellie, and two children, Meghan and Ben. Please excuse the impersonal nature of my communication with you. I am conducting a survey and want to control our interaction as much as possible so I do not inadvertently affect its results. You were randomly selected from among all Gold Springs residents to be a participant in my opinion survey. Is now a good time for you to spend five or ten minutes with me to answer a few questions about your opinion of the condition of our neighborhood roads and what to do about it? *If not, when? If yes, continue.*

Although I work as the Business Manager for the County Public Works department, this survey is not a departmental project. I am conducting it as part of my thesis work for a Masters degree. Please be candid with your responses. I intend to analyze our neighbors' opinions and compile them into a report that I will use for my paper, so your specific responses will remain anonymous. Please note that you can always decline to answer any question that you might feel is too personal.

First of all, I would like a little background information on you:

1. How long have you been a Gold Springs resident? 11.25 avg.
2. Are you a full-time or part-time resident of Gold Springs? 28 FT, 2 PT
3. How long have you been a County resident? 17.8 avg.
4. Do you own or rent your home in Gold Springs? 28 own, 2 rent
5. How many residents in your home in each of the following age ranges? <10 3  
10-15 3 16-20 2 21-30 5 31-40 3 41-50 8 51-60 14  
61-70 13 71-80 11 81+ 8



6. How many registered voters in your home? All but 2 eligible voters registered
7. What is your occupation? various, no trend  
If retired, prior to retirement? 19 retired
8. What is your annual household income? <\$50K 7 \$50K-\$75K 8 >\$75K 12 N/A 3
9. On average, how many trips do you, and/or any members of your household, drive a car in/out of the neighborhood? <1X day 3 1-2X day 14 3-5X day 12 6-10X day 1 >10X day 0
10. On average, how often do you, and/or any members of your household, walk, jog, bike, or otherwise use the neighborhood roads when you are not in a car?  
<1X week 11 1-2X week 8 3-4X week 7 5-6X week 2 Daily 2
11. What is your opinion of the pavement conditions in general throughout our County?  
Very poor 3 Poor 19 Neither Poor nor Good 6 Good 1 Very Good 1
12. What is your opinion of the County's pavement when compared to other areas of California? Much worse 3 Worse 14 About the same 13 Better 0 Much Better 0
13. What is your opinion of the road conditions in Gold Springs specifically?  
Very poor 8 Poor 13 Average 7 Good 1 Very Good 1
14. Would you be willing to pay a supplemental assessment to fund road repairs exclusively within Gold Springs Ranch? Yes 15 No 9 Maybe 6  
If yes, how much? \$350-\$400/yr 12 \$700-\$800/yr 2 \$1000+/yr 1 Whatever it takes 0
15. Would you be willing to pay an additional sales tax to fund new road construction and/or repairs exclusively within Tuolumne County? Yes 15 No 8 Maybe 7  
If yes, how much? (one cent = \$4MM/yr) ¼ cent 0 ½ cent 3 1 cent 5 Whatever it takes 7
16. If faced with both choices, would you prefer one over the other? Y=22 If so, which? 50/50
17. Would you be willing to pay both?  
No 19 Maybe 5 Yes, if not added in the same year 0 Yes 6

18. In your opinion, what else can we do to fund repairs to our neighborhood roads? Nothing  
= 16; Manage existing \$\$ better = 6; Get more Fed/State \$\$ = 4; Privatize roads = 4

19. Have you, or any member in your home, attended either the homeowner's meeting last March or the special meeting at the Public Works office last fall? Y = 9

If so, after listening to the information presented, was your opinion changed about paying a supplemental property assessment to fund road repairs?      If yes, why? If not, why not?

N – Already believed = 6; N – Improve own home 1<sup>st</sup> = 1; N – Gov't too greedy, they'll want more \$\$/Never would end = 1; Y – Education changed opinion = 1

*If resident is supportive of supplemental property tax or attended and not changed opinion,*

Thank you for your time.

*If unwilling, or unsure of support for supplemental property tax and not attend either meeting:*

Part of my research includes trying to determine if providing a few facts about the sources of funding for road repairs and whether or not that information makes a difference in public opinion about providing additional funding.

As you probably know, precious few resources have been spent on our streets in the twenty-odd years since they were originally constructed. As a result, the roads have degraded to the point of needing total rehabilitation. Unfortunately, at a cost of approximately \$350,000 to repairs the roadways within the neighborhood, the County has neither funds nor a funding mechanism for their publicly maintained residential thoroughfares. Adding insult to injury, with slightly more than six hundred miles of roads in the County's maintained system, and almost all of

the County byways in a similar state of disrepair, with the latest estimates for deferred maintenance costs are in excess of \$80 million on County maintained roads alone. In other words, not including the State highways.

Without exception, the residential roads that are in the best shape are not even in the County's maintained system. Ironically, many of these residential streets are almost as old as those within Gold Springs; however they have a different funding mechanism for maintenance. This method is called a County Service Area (CSA), which imposes an additional tax on each parcel to pay for road maintenance and repairs. Not long after Gold Springs was approved, the County's Board of Supervisors realized that they would not have enough resources to continue the upkeep on the existing roads so they passed an ordinance to stop accepting new subdivision streets into the maintained system. In the simplest terms, this means that the County would not receive gas tax revenues for roads within any new developments and, consequently, would not be responsible for their upkeep. As a result, the developer had to find a way to pay for the required maintenance of the road system. This method has most often been a CSA.

Because CSAs can only be utilized for non-publicly maintained streets another solution must be found for the residents of Gold Springs. These alternatives include: raising the local sales tax, taking the roads out of the maintained system and creating a CSA, or implementing a Benefits Assessment District (BAD), a method whereby a supplemental property tax is assessed to pay for the repair and increased maintenance of the residential streets.

A sales tax and/or gas tax increase, if passed, would have a limited effect within Gold Springs due to the millions of dollars in overdue maintenance throughout the County. Several years, perhaps decades, would likely elapse before the collector roads (where higher speed limits, and therefore liabilities, exist) were in sufficient repair to allow money to be spent on local roads (where speed limits and liabilities are significantly less).

Taking the roads out of the maintained system and creating a CSA might seem to be a viable solution for Gold Springs residents, but it is not. We, too, would not have the necessary \$350,000 to repair the streets, not to mention the annual cost of maintenance. Neither would we have the ability to ensure that all residents paid their fair share. Additionally, we would be obligated to pay for liability insurance for the roads in the event of an accident, which would cost even more money.

The last option is to create an assessment district, whereby the residents agree to tax themselves to pay for increased local road maintenance and repair. This increase would include total rehabilitation of Gold Springs' streets and regular maintenance intervals so that the roads would never return to their current condition. As the Business Manager of Public Works, I can assure you that, by law, the funds would be held in a separate account that could only be used on Gold Springs roads.

Some have said that they already pay enough taxes to pay for the street repairs, but a brief review of where the Road Fund gets its money shows that what we individually contribute does not amount to much at all. For example, all property taxes go into the County General Fund. The General Fund contributes \$642K to the Road Fund, which equates to about \$25 per \$1000 paid in property taxes. For instance, the \$2500 I paid in December contributed about \$62 to the Road Fund. Gas taxes are another source of revenue for the Road Fund, but another simple example shows that not much makes it to us from individuals. If you have two cars and they each get 30 MPG and you drive the national average 15K per year in each vehicle, you will purchase 1000 gallons of gas. Only 7 cents per gallon is allotted to local government. If all of that money made it to the Road Fund (due to a very complex formula it does not, but I digress), each home would contribute another \$70 per year. There are a few other sources, but they do not add up to much.

The bottom line is that each household only contributes a few hundred dollars to the Road Fund annually, not nearly enough to keep our roads in good shape.

After listening to that information, I again ask you:

20. Would you be willing to pay a supplemental assessment to fund road repairs exclusively within Gold Springs Ranch? Yes 6 No 4 Maybe 3

If yes, how much? \$350-\$400/yr 6 \$700-\$800/yr 0 \$1000+/yr 0 Whatever it takes 0

21. Would you be willing to pay an additional sales tax to fund new road construction and/or repairs exclusively within Tuolumne County? Yes 4 No 5 Maybe 4

If yes, how much?  $\frac{1}{4}$  cent 0  $\frac{1}{2}$  cent 1 1 cent 1 Whatever it takes 2

22. If faced with both choices, would you prefer one over the other? Y=7 If so, which? 4 sales

23. Would you be willing to pay both?

No 10 Maybe 2 Yes, if not added in the same year 0 Yes 1

24. If opinion changed about paying an additional assessments to fund road repairs, why? If maybe, what would change to yes? If not, why not? Y – Education helped = 7; N – Need more assurance money is separate = 1; N – Local gov't made too many mistakes in past, unwilling to help out now = 1; N – On a fixed income, can't afford = 1; N – Not affected, don't use roads (lives on Parrotts Ferry) = 1; N – Unknown = 1; N – Has other priorities for own funds = 1

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## END NOTES

<sup>1</sup> Recalling that this information was published almost 10 years ago, and knowing that there has been no significant improvement to infrastructure funding, just driving down the street takes a huge amount of faith that everything will go as planned.

<sup>2</sup> A recent analysis prepared by the office of CSAC Legislative Analyst DeAnn Baker calculates estimated losses to the California transportation budget in excess of \$1.5 billion due to the actual and/or planned funding shifts in fiscal years 03/04, 04/05 and 05/06. Forty percent of these monies were programmed to augment local transportation budgets. See Appendix B for a complete explanation and breakdown.

<sup>3</sup> This is on top of the deferrals made due to the over \$6 million not realized in the current fiscal year (Appendix B, Chart C). When combined with regional improvement project monies programmed for the area, the loss in FY05/06 grows to almost \$23 million, not including the approximately \$9 million the cities of San Diego County will not receive.

<sup>4</sup> A survey administered in the fall of 2004 by the office of CSAC Legislative Analyst DeAnn Baker calculates the existing backlog for the 38 California counties who responded to their query at \$4.75 billion. See Appendix C.

<sup>5</sup> If Governor Schwarzenegger's proposed budget for FY05/06 passes the legislature, Orange County stands to lose almost \$8 million in local monies (Appendix B, Chart D). This is in addition to nearly \$6 million not realized in the current fiscal year (Appendix B, Chart C).

<sup>6</sup> Nevada County stands to lose almost \$700,000 in local transportation monies (Appendix B, Chart D). This is on top of the deferrals made due to the almost \$500,000 not realized in the current fiscal year (Appendix B, Chart C). When combined with regional improvement project monies programmed for the area, the number for FY05/06 grows to almost \$1.4 million, not including the approximately \$500,000 the cities of Nevada County also stand to lose (Appendix B introduction).

<sup>7</sup> This inequity is due to an antiquated formula that provides 60% of gas tax revenues to the ten or so counties south of Tehachapi. The remaining 40% is divided amongst the other +/- 48 counties, most of which goes to Northern California's urban centers, because the other significant variables in the formula are registered vehicles and lane miles. State legislators are loath to revise the formula for fear of creating a greater inequity between urban and rural jurisdictions.

<sup>8</sup> Tuolumne County stands to lose over \$500,000 in local transportation monies (Appendix B, Chart D). This is on top of the deferrals made due to the almost \$400,000 not realized in the current fiscal year (Appendix B, Chart C). When combined with regional improvement project monies programmed for the area, the number for FY05/06 grows to almost \$1.1 million, not including the approximately \$500,000 the city of Sonora would also lose (Appendix B introduction).

<sup>9</sup> Based on the second cover photo, I am left to wonder what these two were smoking – maybe CRACK?!!