

# Cañon City Streets

# FAQ's

## **Street Facts:**

- 99 miles of paved roads: 67% failed to poor, 8% fair, 25% satisfactory
- Estimated costs are \$10 million - \$13 million per year for 30 years based on an average reconstruction cost of \$1.8 million/lane mile
- A 1% sales tax increase will generate \$3.5 million/year to exclusively fix streets using the contracting/bid process.
- The County population of 46,000 (Cañon City is 16,500) use our streets regularly.

## **How much more would a 1% sales tax cost me?**

- \$80/year for Median Household Income of \$40,000 if they spend 20% locally.
- Every county resident and tourist that shops locally will help pay to use our streets.
- Cañon City: combined sales tax 7.4%  
Pueblo: combined sales tax 7.4%  
COS: combined sales tax 8.25%

## **What if we generated the funds through property tax?**

- Cañon City's mills are currently 2.9 (Pueblo/15.633, average CO town/65-70). To raise a similar \$3.5 million for streets, the mills would need to be raised to 25.947.

## **Why haven't the streets been taken care of before now?**

- Since the inception of Cañon City there hasn't been a comprehensive plan to set aside money to maintain the streets built. However, a comprehensive street plan was created in 2014 to address street maintenance, repair, and replacement.
- Historically, the City has tried to keep taxes at an all-time low to save citizens as much money as possible, but at the same time they didn't account for creating future saving funds for infrastructure repair and replacements not only for streets but storm water and other areas as well.
- Such lack of planning and funding caught up with the city decades ago, making the need for added funding a necessity.
- At least four ballot questions asking for revenue to fix streets have failed during the last 20 years.
- What was once a solvable problem has become a near crisis as costs have continued to soar and streets have continued to deteriorate.

### **Why should there be an increase in the sales tax rate when the City is spending money to improve downtown, an expenditure that will benefit only a few downtown businesses?**

- Main Street Downtown, was a street that needed repairs, new water lines, and better storm water drainage.
- Upgrading the facade was much less expensive when coordinated with this regular street repair.
- The cost was about \$1.69 million, which is less than what it costs to reconstruct one mile of road (\$1.8 million). This expenditure is a small drop in the bucket compared to the \$118 million needed to fix all the streets.
- Our City is heavily dependent on sales tax revenue. An improved Main Street was one part of a master plan to attract retailers and shoppers and result in increased sales tax revenue. Increased revenues mean more money for fixing streets and other essential government services.
- Current City Council has chosen not to continue downtown upgrades at this time in response to lack of public support.

### **Why can't we rely on the Royal Gorge Bridge Revenue?**

- The City gets about \$2 million revenues from the Royal Gorge Bridge annually.
- The attendance at the bridge has gone down over the last 20 years, which is a concerning trend.
- By law 20% of the revenue from the RGB must go towards the Park Improvement Fund. The remaining balance is put in the General Fund and is used to fund various City services and projects.

### **Why can't we use money from the Water Department?**

- The City cannot use money from the Water Fund for streets. It is a separate "enterprise fund" and by law it must operate independently (which is a good thing, as it keeps our water rates very low).
- When we fix a street, we also try to replace water utilities and fix storm water issues. These increased expenses will have to be payed out of the Water Enterprise and Stormwater Funds, not from the 1% sales tax revenue.

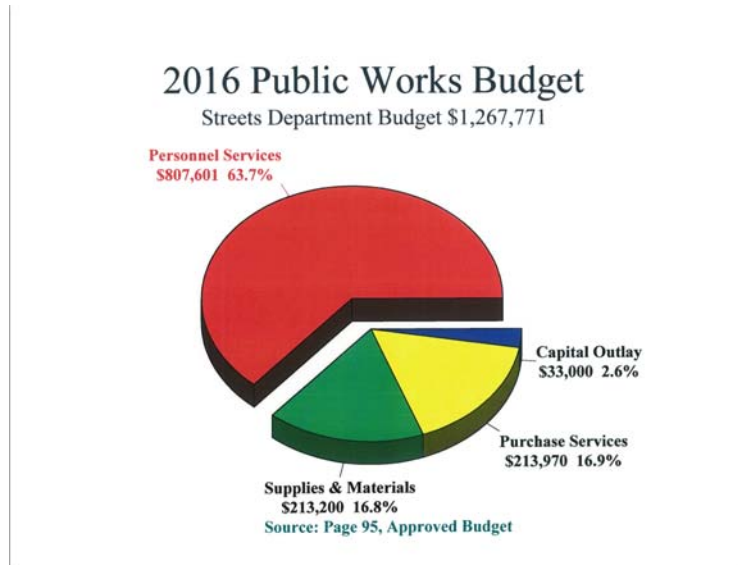
### **Do we get money from the State and Federal Government?**

- The City gets less than \$600,000/year from the Highway Users Tax. HUT is a federal tax on gas that local communities get back based on a formula.
- There are no grants from the Federal and State for street reconstruction and repair.
- Transportation Grants are given for specific projects like improving safety (ie. sidewalks, pedestrian crosswalks & extra capacity lanes) and dust mitigation (ie. paving gravel roads).

## **Where does the Street Dept. money go?**

Supplies, Materials, Capital Outlay and Personnel Services; which include salaries and benefits for 13.7 employees at an average \$34,000 annual salary. Their job description includes:

- Pavement maintenance
- Street sweeping
- Mowing
- Stormwater facilities
- Gravel road & alley maintenance
- Miscellaneous concrete & sidewalk repair
- Signs & pavement markings
- Winter maintenance
- Leaf pickup
- Inspections of permit work in right of way
- Special projects



## **Is the City underfunded or have it simply chosen to under-budget for its streets?**

- Deep cuts have already been made after the 2013 Royal Gorge Fire & recession. Many jobs were made seasonal at that time (ie. parks & cemetery, tree services are now contracted out)
- Even if more cuts were made to find \$1million/year, it wouldn't be enough to come close to fixing the streets. For example, fixing N 9th Street alone is over a \$10 million project.
- It would be difficult to find competitive bids from contractors for such small projects because it wouldn't be worth bringing in their heavy equipment for small projects.
- Cities typically use bond debts or sales tax revenue, or both, for streets.
- The City does set aside funds for preventative chip and seal maintenance so that we can take care of the good streets that we do have.

## **What other major expenses does the City have to budget for?**

- Stormwater infrastructure is severely underfunded. \$11 million is needed for priority projects (priced 20 years ago before inflation doubled). Only 1 of the 7 priority projects has been completed due to lack of funding.
- Old police cars are being replaced at 2/year x 5 years at a cost of about \$100,000/year. No federal funds are available for purchasing police cars. This

expense all comes out of the general fund. 35% of the budget goes towards public safety (a place nobody should want to see compromised).

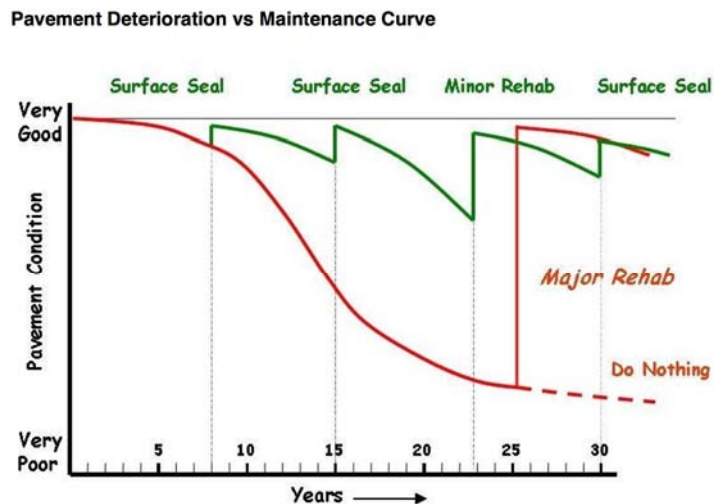
- Abandoned and dilapidated homes will require costs to mitigate.
- Taking down dead trees from the early frost of 2014 @ about \$265,000/year x 3 years.

### **What will happen if the tax doesn't pass?**

- The streets will continue to get worse.
- Possibly a few miles of road/year could get fixed out of the 99 total miles.

### **What will happen if we continue to avoid addressing the street issue?**

- Much like going to the dentist every six months, preventative maintenance is the most cost effective way to keep streets in good repair.



- The more the streets deteriorate, the costs rise substantially to fix.

### **When will the street repairs begin?**

- Normally it takes an entire year of collecting the additional tax revenues to start a fund. However, the City has been saving money to jumpstart this fund.
- Bonds will likely be used to start financing major street projects as soon as possible.

### **Who will provide oversight on quality control and timeliness?**

- The City Engineer, design consultants, and 3rd party material testers.

### **Who will report to citizenry on revenues collected and spent?**

- The 1% sales tax revenue will go into its own account.
- It will be analyzed annually by an independent auditor.
- The audit report will be posted for everyone to see and have access to.

### **Can individuals or independent third parties have any input on which projects receive priority and suggest repairs for streets that they feel should have immediate attention?**

- Streets will be repaired in accordance with the City's Pavement Management Plan that includes preventative maintenance as well as prioritization based on criteria that includes but is not limited to overall street condition, street designation, location and use, utility work and type of pavement.
- Exceptions to the scheduled plan may be made in reaction to emergencies such as underground water pipes bursting.

### **Who will determine which contractors will qualify to be part of the bid process and what qualifications will be needed to participate?**

- The bid specifications and competitive bidding process will be used to reasonably ensure quality contractors and lower contract prices. The qualifications will have to include extensive experience in type of work involved.
- The City Engineer conducts the process per the City Bid policy. However, the winning bid must gain final approval by City Council.

### **Will local /Fremont County contractors and material suppliers have any priority in the bid process?**

- Yes, local contractors are given a preference in accordance with the City Bid policy.
- The local preference allows for maximum of \$10,000 differential.

### **I don't drive, why should I care?**

- You may not drive, but the other transportation you use does.
- The police and emergency response cars that help you, your neighbors and loved ones drive and need safe roads to serve get to emergencies.

- Your goods, services, and deliveries are received through use of our roads.
- Being good stewards of our infrastructure adds to our economic vitality and general safety, welfare, and health of our community.