



Date: December 10, 2024

Honorable Mayor and Council Members:

Author and title: Danielle McHugh, Transportation Program Analyst

Title: **Acceptance of Non-Town Maintained Road Snow Removal Reimbursement Policy**

Jen Callaway, Town Manager

Recommended Action: Town Council adopt Resolution 2024-72 adopting the Non-Town Maintained Road Snow Removal Reimbursement Policy. Authorize FY 24/25 budget amendment in the amount of \$124,000 with funding sources of \$62,000 from State Gas Tax snow removal revenues and \$62,000 from General Fund available funding sources.

Background: There are several older subdivisions that developed prior to the Town incorporating with roads that fall below currently-acceptable standards. The Town policy does not allow acceptance of these roadways into the Town-maintained system because they would be difficult and costly for the Town to maintain. However, as the properties along these roadways still generate property tax, providing an opportunity for reimbursement of snow removal expenses has been considered. At the October 8th, 2024, Town Council meeting, Council directed staff to proceed with developing a Non-Town Maintained Road Snow Removal Reimbursement Policy (Policy) for adoption. The policy would establish a way for entities that provide road maintenance on publicly accessible roadways to be reimbursed for snow removal costs so long as certain criteria are met.

Providing financial assistance to Road Maintenance Associations, or similar entities, for snow removal, also allows them to allocate their funding resources to other road maintenance activities and improvements, such as pavement maintenance and drainage/stormwater improvements.

Discussion: Following the direction received at the October 8th, 2024 Town Council meeting, staff developed the Policy (**Attachment A**) to establish conditions that must be met in order for a non-Town maintained road to be eligible for reimbursement of snow removal costs, as well as outline the process and reporting requirements that must take place before any costs will be reimbursed.

The Policy defines the conditions for eligibility as follows:

1. The road must be within Town of Truckee limits and must have been developed/ constructed/ built prior to the Town's incorporation in 1993.
2. The road must be a public right of way and/or have public interest or use. Roadways that contain gates or that otherwise prohibit public access are not eligible.
3. A formal and legally recognized Road Maintenance Association or similar legal entity, such as a homeowners association, as approved by the Town Engineer, must exist.
4. The Road Maintenance Association, or similar entity, must be able to submit to the Town a 5-year plan for road maintenance and improvements prior to being accepted into the program. The maintenance plans are required to be updated on an annual basis and must be provided to Town upon request.
5. The road must be paved.

6. The properties along the road must generate adequate property tax as defined in the Snow Removal-Specific Revenue Neutrality provision.

The Policy outlines the process that will be required for a Road Maintenance Association, or similar entity, to request reimbursement of snow removal costs on a non-Town maintained road. The entities will be reimbursed for actual costs with a not to exceed amount set by the policy, as opposed to a fixed reimbursement rate per mile.

The Snow Removal-Specific Revenue Neutrality calculation has been developed to ensure that the property tax revenue generated by parcels that are served by a non-Town maintained roadway is adequate to fund the cost of snow removal. The calculation is required because only a portion of the property tax collected by Nevada County is distributed to the Town and because the property tax funds are used for many Town services beyond road maintenance and snow removal.

The revenue neutrality calculation is based on a review of five-year rolling averages of revenue and expenditure amounts. The Snow Removal-Specific Revenue Neutrality Calculation and an updated Road Acceptance Revenue Neutrality Calculation has been prepared by staff and is included in **Attachment B**. It is worth noting that this calculation has increased the Road Acceptance Revenue Neutrality amount by 50%. This is primarily attributable to the use of a five-year rolling average (the single year previously used had a relatively high gas tax reimbursement); increases in construction costs; different percentage of General Fund being used on roads; and increases in property tax collection. Staff recommends updating both Revenue Neutrality calculations every 3-5 years unless the need for a different frequency is identified by the Town Engineer.

Included in the Policy is the requirement that the requesting Road Maintenance Association pays a Snow Removal Reimbursement Request Fee, which is meant to cover the staff time costs associated with evaluating eligibility, including the snow-specific revenue neutrality calculation, and processing the initial reimbursement request. Town staff proposes a new fee to be added to the Town Fee Schedule equal to 50% of the existing "revenue neutrality calculation" fee. The proposed fee and corresponding update to the Fee Schedule is included as a separate agenda item.

The Policy outlines that the Town Manager has the authority to approve requests under this Policy, and Town Staff will be responsible for compiling an annual report for Town Council, which will contain any newly approved roads under the Policy, along with the estimated fiscal impact of the approvals.

Priority:

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

Fiscal Impact:

The Town's average cost per mile for Snow Removal between 2019 and 2023 was approximately \$23,000. The highest cost per mile was incurred in 2023 at \$31,012 per mile and the lowest cost per mile was \$19,655.60 in 2021. Staff previously estimated roughly 4 miles of roadway would be eligible under this policy assuming a formal road right of way, easement, or offer of dedication has been recorded. However, the attached policy proposes to be more flexible in the public access requirement such that in some cases, prescriptive easements may be considered public right of way if it has been used for public access for more than 10 years and/or the intent to make the road public can be proven. Staff does not have an efficient way to estimate how many additional miles might be eligible with the more flexible public access standard, however, it has been roughly estimated and is not expected to exceed 12 miles. Each roadway request will need to be evaluated on a case-by-case basis using the

documentation submitted by each individual entity, and any roads that are approved for reimbursement under this Policy would be included in the annual report for Town Council.

Conservatively assuming an annual snow removal cost of \$31,000 per mile of roadway and at least 4 miles of road currently eligible for this snow removal reimbursement, the Town's estimated cost for snow removal could increase by about \$124,000 per year, although this will increase if additional roads are accepted under the more flexible access/right of way requirements. Staff believes that 50% of this expense (\$62,000) would be reimbursable through the State Gas Tax snow removal reimbursement program. The remaining \$62,000 will require other available General Fund sources of funding.

Public Communication: In addition to this Staff Report and associated agenda posting, the policy concept was presented and discussed at the October 8, 2024, Town Council meeting. Staff has also received one inquiry from an interested party since that time.

Attachments:

Attachment A- Resolution 2024-72 (including Non-Town Maintained Road Snow Removal Reimbursement Policy)

Attachment B – Updated Revenue Neutrality Calculation