

# Street maintenance choices loom: Taxation options or deterioration?

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Street maintenance needs, which by all accounts in Carson City are growing each year, mean that financing and tax questions lie ahead.

Though not a new issue, it likely will move from back- to front-burner status now that higher water and sewer rates are in place come Tuesday to handle utility maintenance problems. Bonds now can be issued to upgrade the sewage treatment plant and money is available for those utilities.

Continual deterioration

of city streets, meanwhile, is an unpalatable option, says Transportation Manager Patrick Pittenger.

"The bottom line is, the gas tax isn't what it used to be at any level of government," said Pittenger. "That's just the fact of the matter. We do not have sufficient resources to maintain the roads that we have."

Street maintenance was



Patrick Pittenger

among top financing issues facing city government going into this year, both outgoing Supervisors Shelly Aldean and Molly Walt noted before they left office in early January. Without more revenue to handle the job, Pittenger now says, real problems loom and staff has been laying that out for the Board of Supervisors as the year moves along.

"The rate of deterioration will accelerate," he said.

Lack of sufficient financial resources has developed due to a host of finance pressures converging, almost the vehicles do

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Carson City Transportation Manager

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Utility crew members work on filling cracks near Washington Street on Ormsby Boulevard last week.

## STREET

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at an unmarked intersection: No increase in the federal 18.4-cents gasoline tax, a dwindling amount from the state's 18.445-cents gas tax, the city's mandatory 6.35-cents and optional 9-cents. Turgid economic times, people driving less, fuel efficient vehicles also come into play.

Former U.S. Transportation Secretary Ray LaHood projects that a dozen years from now pressures will mount on the downside regarding gasoline consumption, which calls greater gas tax revenues into question.

"By 2025," LaHood said soon after leaving the Obama administration this year, "all of us, every family, will have some kind of hybrid or electric vehicle."

Pittenger widened that lens.

"It's not just hybrids," he said. "There are a lot of technologies that are impacting how much gas is bought." Among them, he said, are direct injection, diesel, and continuously variable transmissions. In addition, he said, people drive less no matter what type of vehicle they use, and that isn't just because of the recession.

He said it has been a



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decade since a drop in vehicle miles traveled, compared with national gross domestic product, and it continues rather than reversing as the nation moves out of the recession.

All this means less road revenue at every level, including Carson City, and Pittenger said street maintenance here is running \$1 million in arrears annually. "It will increase at a faster rate," he added.

Alternatives he cited for additional funds include indexing of the gasoline tax to match the consumer or producer price index, initiating an annual government services tax of up to 1 percent on the value of vehicles, or using the final 1/8 of a penny of sales tax available in Carson City to policy makers. The other 1/8 of a cent in the quarter-cent authorized for city government goes to the V&T Railway project.

Either indexing the gas tax or initiating a government services tax on vehicles would require a vote of the people. The 1/8

of a penny left in sales tax authority has been eyed for various city government needs this year, but the city's governing board has yet to pull the trigger on that revenue source for any proposal. Finance Director Nick Providenti said a two-thirds majority vote by the board would be needed.

Finance considerations bring out forces wary of higher taxation, which City Manager Larry Werner learned when he mentioned the indexing option last week. Supervisor Jim Shirk quickly pinned down that it couldn't go to a vote of the people until 2015. Werner, however, knows the street maintenance problem is growing and said all tax revenues available for it are being used while needs keep mounting.

Shirk, meanwhile, has been investigating the issue but wasn't ready to suggest what else might be possible. "I have no idea which pathway we're going to go down," he said.

Bob Lamkin of Bob's Shell

downtown said he would oppose gas tax indexing because Carson City service stations enjoy a competitive price advantage over those in Washoe County, which indexes.

Other city government observers raised questions or made observations about the need and why it wasn't in budgeting projections and decisions already.

"Apparently we didn't look long enough into the future," said Maurice White, a retiree who unsuccessfully sought a board seat, attends board meetings regularly, and testifies regarding issues about which he cares. He said the street maintenance matter looks to him like a rerun of the wastewater treatment plant issue. "It looks to me like it's another one of those 'blame past administrations' things."

He raised the spectre of poor management in the Public Works Department, where he said some senior staff members have been around for years. He emphasized a need for longer term planning.

"I just don't go along with 'if it ain't broke, don't fix it,'" he said.

Bruce Kittes, a retired developer, is another regular government observer. He noted some 80 percent in government costs go for pay and benefits, like pensions, and that creates pressure on ongoing budgets while deferred maintenance always seems to crop up as an issue.

"It isn't in the cards for politicians ever to have a reserve," he said.