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"2002 Award of Excellence"



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Senate Committee on Commerce and General Government
900 Court St. NE
Salem, OR 97301

Re: Legislative Support for SB1585

Commerce and General Government Committee Members;

Like so many other small cities in Oregon, we continue to work through the challenges of providing efficient services to our citizens. The majority of small cities rely on a combination of property taxes, limited state and/or federal funds, and rates/fees that are passed onto citizens to operate our cities. Our collective infrastructure throughout cities in the State of Oregon continue to deteriorate due to decades of deferred maintenance. Growth of reserve funds to meet the high cost of infrastructure takes years to amass, when only relatively small amounts can be transferred into them on an annual basis.

Current local match requirements for numerous grants are a significant barrier to our ability to provide revenue for important infrastructure projects. Many of the smaller cities in the State of Oregon are prevented from even applying for grants, due to the high cost of infrastructure now. Expensive projects, typical for water, wastewater, storm water management, and street projects, are inaccessible to cities. For example, the 20% match requirement is \$2.9M for a \$14.5M project. This was the final cost of our water bond project that will be finally complete at the end of 2026. For a small city like ours with a \$9M regular operating budget, that match requirement represents 30% of our annual budget.

Harrisburg would like to express our strong support for SB1585, which would allow for a tiered grant match program, based upon the population of a City. This senate bill doesn't ask for additional funds to be applied, nor does it request that existing funds be redistributed. Approval of SB1585 represents an important step towards leveling the playing field, and allowing smaller cities in Oregon the ability to apply for grants that were previously inaccessible to them, as well as the flexibility of allowing the high costs for engineering and planning, and other support to be applied towards those grant match requirements.

We thank you for continuing to work hard towards an equitable way to provide services in the State of Oregon, and ask you to support the small cities that are such an important part of Rural Oregon by allowing SB1585 to move forward.

Sincerely

Michele Eldridge, City Administrator