

MIAMI TOWNSHIP PUBLIC WORKS 2.0 MILL STREETS LEVY

March Ballot 2016

A Guide to Understanding Today's
Funding Challenges in Maintaining
Public Infrastructure



WHY DOES THE TOWNSHIP NEED MORE MONEY NOW TO RESURFACE STREETS?

- Property Tax Funds used to support Road & Bridge operating expenditures (salaries, equipment, materials, fuel, facilities) have decreased from \$1.72 Million in 2009 to an anticipated \$1.28 Million in 2016. More than 25%.
- The loss in revenues is primarily a result from financial cuts at the state level. The Tangible Personal Property Tax has been eliminated for Townships.
- Declining property values have also contributed to the loss in Property Tax revenues.
- Prices for materials (asphalt, crack sealant, gravel, rock salt) used to maintain roads have doubled and in some cases tripled since 2000.



WHAT DO I CURRENTLY PAY FOR ROADWAY MAINTENANCE?

<u>Subdivision</u>	<u>Approximate Home Value</u>	<u>Total Property Taxes Paid</u>	<u>Road & Bridge Portion Collected</u>
Huber South	\$90,000	\$2,800	\$72 (per Year)
Singing Hills	\$125,000	\$3,600	\$93
Vienna Park	\$230,000	\$7,300	\$185
Kingswood	\$115,000	\$3,300	\$83
Bear Creek Estates	\$450,000	\$13,900	\$352
Crains Run	\$220,000	\$6,700	\$169

* Randomly selected properties. Information from MC Auditor's site (www.mcrealestate.org)

* Property taxes are used for operating expenses: Personnel, Utilities, Equipment



WHAT DO I CURRENTLY PAY FOR ROADWAY MAINTENANCE? (Continued)

- Road & Bridge Property Taxes are inside millage monies and not voted on by Township residents.
- These revenues are used to pay salaries, fuel, facility utilities, equipment, liability insurance, town hall and equipment maintenance.
- Road & Bridge Property Tax revenues have been reduced yearly by 26.2% compared to 2009 revenue totals.



<u>Year</u>	<u>Total R&B Revenue</u>
2005	\$1.573 Million
2007	\$1.712 Million
2009	\$1.733 Million
2011	\$1.622 Million
2013	\$1.482 Million
2016	\$1.279 Million



WHAT DO I CURRENTLY PAY FOR ROADWAY MAINTENANCE? (Continued)

- Gasoline and Vehicle Licensing Taxes are collected and used to resurface the 90 miles of Township roadways. Gasoline tax revenues are based on consumption and not cost per gallon.
- These tax revenues can only be used on materials to maintain roads.
- Material prices have doubled and in some cases tripled over the past 15 years.



<u>Year</u>	<u>Total Revenue</u>
2005	\$261,013
2007	\$325,135
2009	\$307,456
2011	\$308,474
2013	\$302,502
2015	\$305,000



FORMAL RESEARCH BEHIND THE LEVY PROPOSAL

- A 3 month Financial, Work Efficiencies & Management Audit of the Public Works Department was completed by an independent consultant in the spring of 2015.
- The Audit Analysis determined a 2.0 Mill roadway resurfacing levy is needed to adequately maintain Miami Township's roadway network. The audit presentation can be viewed on Miami Township's website www.miamitownship.com under Public Works.
- Two public input meetings were held by the Board of Trustees in the summer of 2015 regarding potential placement of a levy on the election ballot.



WHAT DOES A 2.0 MILL LEVY COST ME?



- A 2.0 Mill Levy will cost a Township taxpayer an additional \$5.83 a month per \$100,000 in home value. A home valued at \$200,000 would cost a homeowner \$11.66 per month.
- The Street Levy proposal is for a 5 year term. This is not a permanent levy. Progress and finances will be examined after the 5 years to determine if a renewal is necessary.



WHAT WILL THE ADDITIONAL LEVY REVENUE GENERATED DO FOR ME?

The \$1.04 Million generated annually from the Street Levy will be used to:

- Resurface more streets per year. The current yearly resurfacing budget is \$300,000. A 30 year tentative resurfacing schedule spreadsheet was created during the independent consultant's analysis.
- Perform more preventive maintenance on streets to keep moisture from penetrating the surface of the street (fewer potholes).
- Fund large infrastructure improvement projects and hopefully receive matching funds through Federal and State Grant Programs.



WHAT HAPPENS IF THE LEVY IS NOT PASSED?

- Future funding for roadway resurfacing will be reduced or the resurfacing program will be suspended and Township crews will concentrate solely on preventive maintenance.
- The resurfacing schedule will be altered and many streets will begin to deteriorate.
- The Township will never be able to stay ahead of necessary resurfacing. A newly paved street under normal conditions only lasts 15-18 years and...
- Cost for asphalt is expected to increase yearly by 5-7% according to research completed by the independent audit.
- These deteriorated streets cannot be simply resurfaced and must be replaced if funds do become available. Street replacement is more than 5x the cost of street resurfacing.



CURRENT ROADWAY NETWORK CONDITION

Description	Street Rating	Lane Miles	Asphalt Cost	% of Total Miles	% of Total Cost
Critical	1	23.9	\$ 1,262,613	12%	11%
Poor	2	49.7	\$ 2,534,768	25%	22%
Fair	3	62.8	\$ 3,682,545	32%	33%
Good	4	47	\$ 3,120,593	24%	28%
Excellent	5	12.5	\$ 708,165	6%	6%

195.9 \$ 11,308,684



- ✓ Consultant's street rating analysis determined 69% of Township roadways are in fair or worse condition.



HAS THE ROAD DEPARTMENT DONE ANYTHING TO ADJUST TO THE LOSS IN REVENUES?

- Contractual and part-time employees have been hired to fill permanent full-time employment positions.
- Modifications to yearly programs have preserved more than \$120,000 in public monies.
- Equipment replacement schedules have been altered and preventive care programs are more extensive to prolong life of equipment.
- Employee benefits have been reduced or eliminated to minimize personnel costs. Layoffs and pay freezes.
- Independent Financial, Work Efficiency and Management Audit was completed in 2015. Very favorable findings.
- Grants for improvements and resurfacing have been secured in recent years (Over \$1.5 Million).



WHY HAVE I NOTICED A DECLINE IN OTHER SERVICES?

- The Public Works is operating with 5 fewer full-time employees compared to the 1995 staffing levels. Programs have been modified to adjust to reduction in staffing.
- Since 1991 the Township has added 22% more streets for maintenance (16 linear miles). Other streets have been widened.
- The Leaf Collection program has been modified to adjust to the defeat of the Trash Levy in 2012. The program is currently not supported financially.
- As previously mentioned, revenues are down 26% from 2009 receipts (\$455,000).



WHY NOT USE MONEY FROM OTHER SOURCES TO FUND ANNUAL RESURFACING PROGRAMS?

- TIF (Tax Incremental Financing) revenues can only be used to support infrastructure improvements within each defined TIF district borders. TIF funds cannot be used for residential plat resurfacing and repairs.
- JEDD (Joint Economic Development District) revenues are currently being used to offset close to a \$1 Million decrease in Township revenues through recent changes in State Laws.
- Street levy needs would be even greater if the Township did not rely on TIF & JEDD income to offset declining revenues from other sources.
- Grant funds are typically only awarded for roadway improvements (widening), not resurfacing.

