

# **Street and Sidewalk Improvement Millage FAQs**

## **Why is a street millage being proposed?**

Currently, almost 45% of City streets are rated in poor, very poor, or failed condition. Funds to complete repairs on the City's street and sidewalk system are limited. If funding is maintained at current levels, the amount of repair work is not expected to be enough to prevent further deterioration, let alone improve the overall street system. A millage would allow for a dedicated source of funds which City staff believes is significant enough to make an impact on the problem.

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## **How much will the millage cost me?**

The impact of the millage on any one individual property is tied to the value of your home. The millage would add 3 mills to your property tax bill. The average home in Sturgis would pay \$100 per year, or \$8.33 per month.

## **How much money will the millage generate annually?**

The amount generated each year would be tied to the value of all the property in Sturgis, so the numbers available are only projections. In the first year of the millage, it will raise \$770,652.00. City staff estimates the millage will raise \$6.7 million over the next 10 years.

## **Can't the City just budget for street improvements?**

The City does currently budget for street improvements. Funding for these improvements comes from the General Fund, which also supports many other areas of government, including police and fire. Because of the various areas supported by the General Fund, streets are just one of several priorities; with current revenue, there is not enough funding to regularly budget for significant levels of street repair. With the street millage, funds would be ensured to only go to street and sidewalk repair and improvement, essentially "earmarking" for these activities for the next 10 years.

## **How do other cities generate funds to fix their roads?**

Each city is unique in how they handle funding of their governmental activities. Many utilize dedicated millages for one purpose or another which may free up other funding for roads. Several have dedicated street millages. Because each community has a unique mix of services and funding sources, it can be hard to compare one community to another.

## **Where is all the tax money going that the City already gets to maintain the streets?**

The City receives money from the State of Michigan gas tax (Act 51 dollars) and from the County Road Millage. These funds are used to pay for the general upkeep of streets (plowing, pothole-patching, etc.)

## **What other funding sources are there for roads? Does the City use them?**

There are grants available from the State of Michigan for road repair. These grant funds often come with conditions that limit what projects may be completed, and require some portion of the project be

paid by the City. Sturgis tries to utilize grants as often as possible to complete road repair projects, using General Fund dollars to match the grants. This year two street projects on South Street and Broadus street will be completed with the assistance of grant funds.

#### **What has the City done to “tighten its belt”?**

The City has made several changes to staffing and operations over the last several years. Since 2005 the City has reduced employment by 30 full-time staff through attrition and unfilled positions. In addition, the City has secured significant cost-saving employee benefit changes.

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#### **What types of projects could millage funds be used for?**

Millage funds could only be used for “street and sidewalk reconstruction, repair, and improvement projects.” This would include major and minor repairs to both streets and sidewalks, as well as the potential for new sidewalk or street projects.

#### **What kinds of street improvements are planned?**

While the City has looked at several possible streets for repair, at this time only a proposed project list has been created. City staff anticipates projects to include the reconstruction of some streets (expensive, major repairs), milling and resurfacing of other streets (costly, but less intensive repairs), and a regular crack sealing program (fairly inexpensive, preventative repairs).

#### **How will the streets to be improved be determined?**

Sturgis uses a standard rating system called PASER to rate the condition of their streets on a scale of 1 (failed) to 10 (excellent). Projects would be selected for repairs based on this condition rating, as well as other factors including how much and what type of usage the street gets and the ability to obtain grant funds to reduce the cost of repair.

#### **Why are some streets worked on when they are in good condition while others in worse condition aren’t?**

There are many street repair options, but what will work depends on the condition of the street; the worse it is, the more expensive the fix. The City tries to complete some repairs when the street is still in good or fair condition so that a lower cost solution like crack sealing or milling and resurfacing can be used. Waiting until a street is in poor condition means using the high-cost option of full reconstruction. Additionally, heavily used streets may get more attention than local side streets.

#### **What types of sidewalk projects are expected to be completed with millage funds?**

Most of the sidewalk projects anticipated to be completed with millage funds will be associated with street repairs (completed at the same time as a street improvement); this may include new sidewalks in some areas that do not have them. Other sidewalk improvement projects are expected to be minimal, but could include other repairs or new sidewalk installation.

**Is the City planning on any installing any new streets or sidewalks with the millage funds?**

While the millage language allows for new streets and sidewalks to be funded, creating new streets and sidewalks is not a priority of the current City Commission.

**How do I know the millage won't be used for anything but street and sidewalk improvements?**

The wording of the ballot language precludes the City from using these funds for anything other than the stated purpose of street and sidewalk repairs and improvements.

**Will any of this millage be used for routine maintenance?**

No. As per the ballot language, funds can only be used for repairs and improvements.

**If my neighborhood street is new or was recently repaired, what does this millage mean for me?**

Even if your street or sidewalk is not going to be repaired as part of the millage, it is likely that a street you use regularly, or even every day, will be. Also, eventually, even a street that is new today will need repair; the average asphalt street lasts around 20 years. A dedicated millage will help ensure funds are available to crack seal or repair your street when the time comes.

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**If a millage is approved, when would it take effect? When would improvements begin?**

The millage would appear on the Summer (June) 2013 taxes. A substantial mill and resurfacing project is planned for late summer / early fall if the millage is approved.

**How long would an increased millage last?**

The millage would be authorized for 10 years. It would be eligible to be renewed by another vote of the people at that time.

**What happens if the millage proposal fails?**

If the millage fails the City of Sturgis will continue to complete street repairs as funding is available using operating tax dollars. Based on current funding, City officials do not expect there to be enough money to complete the amount of repair needed to prevent further deterioration, let alone improve the overall street system.