



CITY OF  
EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE · EAST GRAND RAPIDS, MICHIGAN 49506

**STREETS & SIDEWALKS TASK FORCE**  
**Wednesday, December 3, 2014 – 5:30 pm**

**AGENDA**

1. Discussion of “sunset” provision
2. Decision on millage rate  
(see attached “Street Funding Policy” DRAFT)



# CITY OF EAST GRAND RAPIDS

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KAREN MUSHONG  
FINANCE DIRECTOR

## MEMORANDUM

TO: Street and Sidewalk Task Force  
FROM: Brian Donovan, City Manager  
DATE: December 1, 2014

RE: Street and Sidewalk Funding

We plan to discuss various matters on Wednesday evening, including the sunset provision and rate of a potential millage proposal. In addition, attached is sample ballot language from Farmington Hills for your review.

We have attached a *draft* of a Street Funding Policy that outlines how the additional proposed 2.0 mill funding would be spent, a statement that \$1,000,000 would continue to be transferred from the General Fund and an overall improvement plan for the City's roads and sidewalks. This policy will be submitted to the City Commission for discussion and approval.

# The Public Services Department Maintains

- 240 miles of neighborhood streets
- 59 miles of major Mile roads
- City-owned roads with a total value of over \$285 million

## Other considerations —

### Bad Roads:

- Make it difficult to control your vehicle and can contribute to car accidents
- Create hazards for pedestrians and cyclists
- Cause wear and tear on vehicles, potentially costing motorists thousands of dollars for repairs

### Good Roads:

- Improve safety
- Stabilize and increase property values
- Enable the City to attract and retain businesses
- Increase the overall attractiveness of the City

**Funds from the proposed millage will be used to reconstruct the following roads:**

Year	Road Name	Project Limits
2016	13 Mile Rd	Orchard Lake Rd to Farmington Rd
2017	13 Mile Rd	Haggerty Rd to Halsted Rd
2018	11 Mile Rd	Orchard Lake Rd to Middlebelt Rd
Future	Orchard Lake Rd	13 Mile Rd to 14 Mile Rd



**Ten Mile Road before paving.**



**Ten Mile Road after paving.**

**For further information, contact:**

**City Manager Steve Brock**

**248-871-2500**

**[sbrock@fhgov.com](mailto:sbrock@fhgov.com)**

**Public Services Director**

**Gary Mekjian**

**248-871-2535**

**[gmekjian@fhgov.com](mailto:gmekjian@fhgov.com)**



31555 Eleven Mile Road  
Farmington Hills, MI 48336

## FACTS ABOUT THE FARMINGTON HILLS

## 2014 MILLAGE FOR PUBLIC STREETS AND ROADS



**Election Day  
is November 4, 2014**

# Public Services Department

## Road Funding Facts:

- Due to the economic downturn, the amount of road funding received by the City of Farmington Hills has not increased since 2004.
- The City receives nearly all of its road funding from fuel taxes and vehicle registration fees collected by the State of Michigan.
- No local property taxes are used to fund road construction or maintenance.

## Impacts:

- Overall City-wide pavement conditions that are among the worst in the entire area.
- Longer response times for snow plowing and road salting.
- Potholes

## Personnel reductions included:

- Two Senior Civil Engineers
- Three Construction Inspectors
- One Traffic Engineering Aide
- One Engineering Administrative Support Position
- Three Public Works Equipment Operators
- 20% employee reduction since 2005

## PASER PAVEMENT RATINGS

1 = Very Bad  
10 = New Road

Network	Miles	Current Average PASER
Livonia**	370	6.7
Novi*	171	6.4
Troy*	335	5.7
Romulus	117	5.6
Farmington*	21	5.5
Royal Oak	161	4.8
Southfield	247	4.5
Farmington Hills	304	4.3

The goal of the 10-year program is to improve the overall PASER Rating to approximately 6 for all City roads.

### BALLOT QUESTION

*Charter Amendment -*

*Millage for Public Streets and Roads*

*Shall the Farmington Hills City Charter be amended to allow an additional special tax rate for public roads and streets by authorizing the City to levy a new additional millage in an amount of up to 2.0 mills, for ten (10) years, starting with the July 2015 levy (resulting in the authorization to collect an estimated additional \$6,169,000 in the first year if approved and levied), the taxes to be used by the City only for purposes of the improvement, rehabilitation, repair and maintenance of public roads, streets and road drainage within the City?*

Each budget year, the City Council will consider the amount of any increased monies allocated through ACT 51 to the City and reduce the millage (if approved by the voters on the November 4, 2014 ballot) by the equivalent of the amount of the increase in ACT 51 money.

## How will the money be used?

- The millage proposal will generate up to \$6.1 million annually for 10 years.
- \$1 million will be used to ensure the City can continue to contribute its match, up to 20% per City Charter, toward residential road paving Special Assessment Districts (SADs).
- \$1.1 million will go toward improved preventative maintenance on residential streets.
- \$4 million will go toward improved preventative maintenance and reconstruction of the City's major mile roads.
- The additional funding will enable the City to improve its pavement preventative maintenance program, resulting in cost effective pavement preservation of our roads.
- The millage does NOT eliminate the Special Assessment District (SAD) process for residential street reconstruction.





## Street Funding Policy

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**BACKGROUND:** Michigan Transportation Funds (“gas tax”) are the major outside source of revenues in the City’s Major and Local Street Funds. However, Michigan Transportation Funds are not keeping pace with rising costs of asphalt, salt and construction expenses. This revenue source is also unpredictable and has a history of fluctuating depending on the state economy, the amount of gasoline purchased and the politics of State budgeting.

Major and Local Street expenditures that are not covered by State funding are transferred from the City’s General Fund. In 1997, the City Commission set a policy to transfer 1.33 mills of property tax funding to the Major and Local Street Funds for street capital projects. During this time, all of the street operational expenditures were covered by State funding. In fiscal year 2015, the City will transfer 1.71 mills (or \$1,000,000) to cover all street capital projects and a portion of the street operational expenditures.

Historically, the City has allocated \$75,000 per year towards sections of sidewalks that need replacing. When the program was originally started it took 10 years to evaluate and repair all of the sidewalks in the City. With the most recent bid prices it is predicted it will take 20 years to complete this evaluation and repair cycle due to the increased age of the sidewalks, older trees and the rising costs of construction.

**DEDICATED STREET MILLAGE REQUEST:** The City is proposing a millage up to 2.0 mills for a period of not to exceed \_\_\_\_\_ years to be levied on the first day of July 2015. A 2.0 dedicated street millage will generate approximately \$1,170,000 per year for improvements to the East Grand Rapids roadways and sidewalks. In addition, it will remain a City policy to transfer an amount of \$1,000,000 from the General Fund to the Street Funds each year.

If additional permanent Michigan Transportation Funds are allocated from the State, the amount of millage will be evaluated based on the funding needs in the Street Funds at the time the additional funds are dedicated by the State.

Under this policy, an additional \$125,000 (for a total of \$200,000) per year will be allocated towards the replacement of old and installation of new sidewalks.

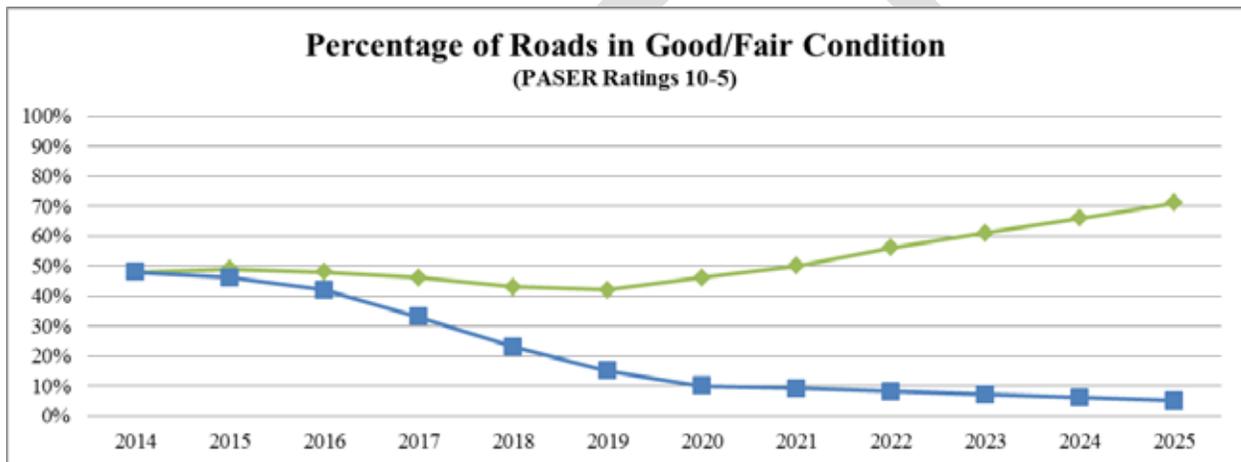
**CONDITION OF STREETS:** PASER (Pavement Surface Evaluation and Rating) scale ratings grade each road segment on a scale of 1 to 10, where a 10 corresponds to a newly reconstructed road and a rating of 1 is a road in the worst condition; whereas a PASER rating of 10-8 is a road in good condition, a rating of 7-5 is a road in fair condition and a rating of 4-1 is a road in poor condition.

CONDITION OF STREETS (continued): The overall average rating for the City’s streets from the 2013 survey is 5.1. This is expected to decrease over the next 10 years to a rating of 2.3.

The City utilizes software called *Roadsoft* to predict road deterioration and help develop cost effective strategies for restoration and improving the condition of the street network. *Roadsoft* was used to analyze the known costs of various types of repairs to arrive at the total amount of capital improvements necessary to stabilize and improve road conditions.

An overall target PASER rating of 6.0 was determined to be the desired goal for the City road network. To reach this goal, an additional \$1,170,000 per year would be required to improve City streets. If the dedicated road millage is approved, the City expects to see improved conditions of its roads and the City can expect an overall good/fair rating of 70% within 10 years (green line).

If the millage is not approved and funding continues at the current levels, in 10 years the City would expect only 5% of our roads to be rated in the good/fair category (blue line), or an overall PASER rating of 2.3.

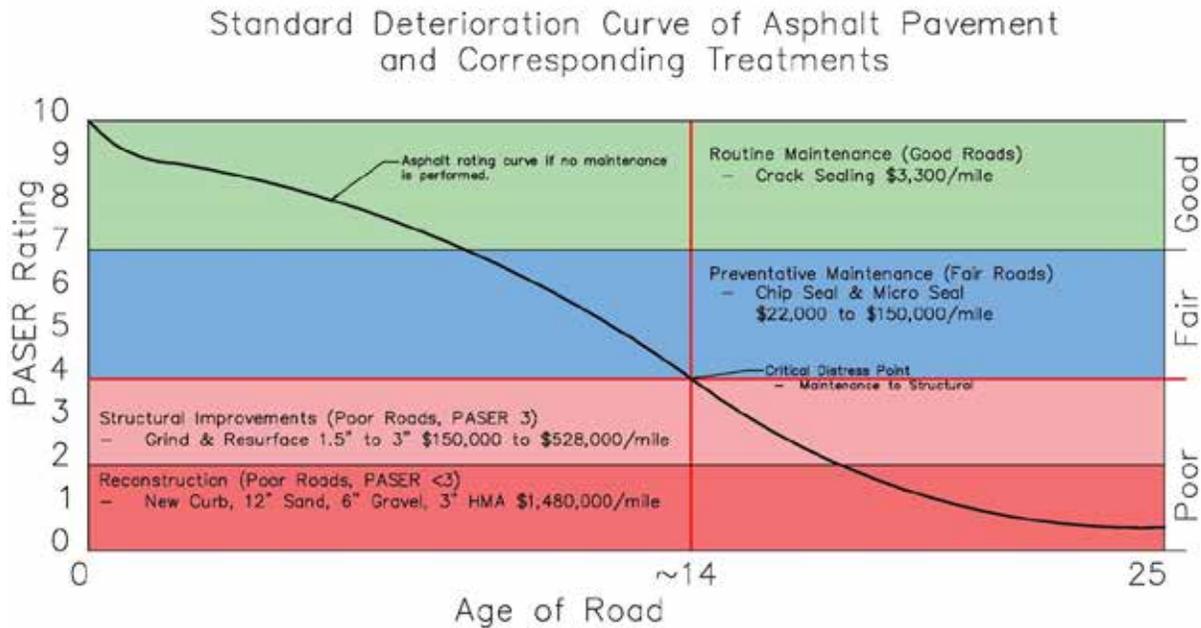


PROPOSED CONSTRUCTION METHODS: The City plans to utilize materials and methods for road construction and repairs that are regularly reviewed and updated for the best and most cost effective measures. The proposed program will utilize the construction and maintenance practices outlined in the table below.

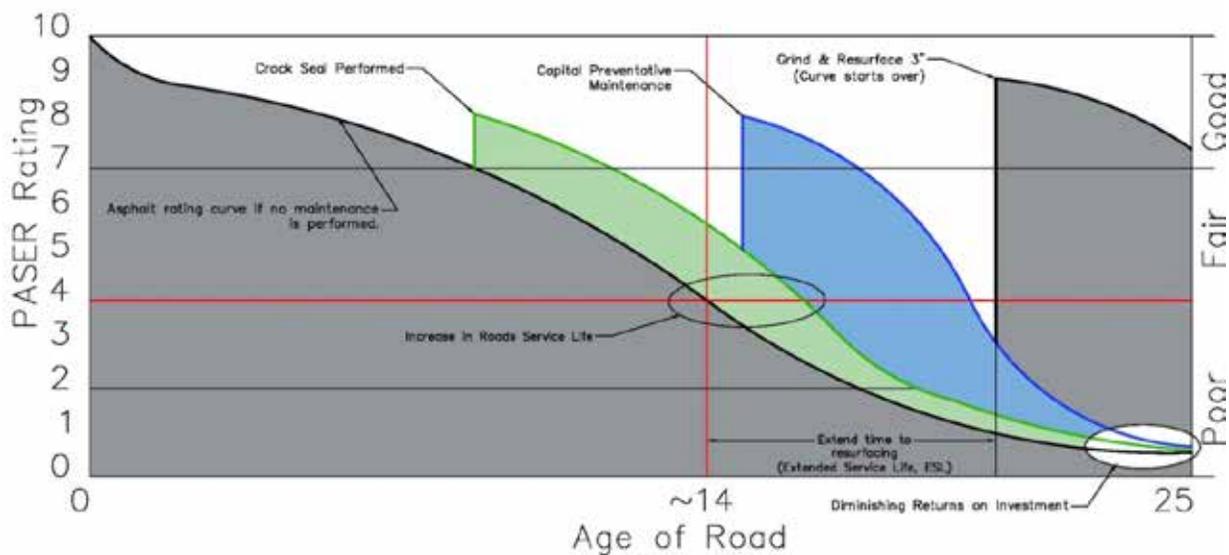
Routine & Preventative Maintenance Good/Fair Roads (7-4)	Routine Maintenance Poor Roads (4-1)	Structural Fixes Poor Roads (3-1)
Crack Sealing	Spray Patch	Mill and Resurface >1.5”
Slurry Seals	Skip Patch	Reconstruction
Micro Surface	Pot Hole Patching	
Chip Seals		
Thin HMA Overlays <1.5”		

PROPOSED CONSTRUCTION METHODS (continued): The City has outlined an overall improvement plan to be implemented if the dedicated road millage is approved. Factors used in the review included the existing road conditions and necessary types of repairs, as well as coordination with other planned utility work. The plan not only addresses the worst roads, but also maintains the existing roads that are in good to fair condition.

As shown in the chart below, it is more economical to sustain roads in the moderate condition over a full scale reconstruction.



In addition, applying maintenance at the correct time can increase the life and rating of a road as shown in the chart below.



OVERALL IMPROVEMENT PLAN: Based on the discussed construction methods, the City proposes the following improvement plan on the overall parameters of the whole road system. The actual allocation will be updated each year during the budget process based on the condition of the roads at that time and for any significant increases in prices of materials needed to make improvements.

- Routine & Preventative Maintenance Major and Local Streets (Rated: 7-4) - The City plans to perform maintenance on streets that only require routine and preventative maintenance to increase the lifespan of streets that are currently in good condition. The amount allocated to this budget is \$ 35,000 to \$150,000 depending on the year and condition of the network.
- Routine Maintenance Major and Local Streets (Rated 4-1) – The City will continue to maintain streets in poor condition through pothole patching, spray patching and skip patching when and where appropriate. These activities will precede any resurface/reconstruction activities. The amount to be allocated to this budget is \$60,000.
- Mill and Resurface Major Streets (Rated: 3-1) – The City proposes to resurface an average of 0.5 miles of Major Streets per year. The total amount will be divided up into a 15-year resurfacing schedule. The City feels that a significant cost savings will be achieved by following pavement management protocols of addressing the better roads first by extending the life of those roads. The amount to be allocated to this budget is \$250,000.
- Mill and Resurface Local Streets (Rated: 3-1) – The City proposes to resurface an average of 2.0 miles of Local Streets per year. The total amount will be divided up into a 15-year resurfacing schedule. The City feels that a significant cost savings will be achieved by following pavement management protocols of addressing the better roads first by extending the life of those roads. The amount to be allocated to this budget is \$500,000 to \$700,000.
- Reconstruction Major Streets (Rated: 3-1) – The City proposes the complete removal and replacement on streets that have little to no service life remaining and require reconstruction. The amount allocated to this budget is dependent on Federal funding and the associated local match required. The amount allocated to this construction activity will affect the Major Street resurfacing schedule above and the amount allocated to that budget in any given year.
- Reconstruction Local Streets (Rated: 3-1) – The City proposes the complete removal and replacement on streets that have little to no service life remaining and require reconstruction. The total amount of reconstruction in this section will be determined by scheduled utility work. The amount allocated to this budget is \$500,000 and will vary year to year. The amount allocated to this construction activity will affect the Local Street resurfacing schedule above and the amount allocated to that budget in any given year.
- Traffic Signals – The City proposes replacing one intersection per year at \$65,000.
- Sidewalks – The City plan to allocate \$200,000 to new sidewalks and maintenance of existing sidewalks.
- Unimproved Streets – These streets will not be paved as part of this program; unimproved street paving is financed by special assessment to the adjacent property owners.