
Police and Road Funding Technical Review Committee

City Council Report – Local Road Overhaul
and Replacement (ROAR) Initiative

August 2013

The History and Accomplishments of Our Citizen Driven Committee

■ History and Background

- Formed in 2007 – Citizen driven committee
- 70 meetings to date
- 3 HOA Meetings w/access to 110 HOA's
- 24 Prioritized recommendations provided to council in 2008

■ Major Accomplishments

- 2010 – Repurposed expiring millage for Local Roads
 - \$1 million in new funding with no tax increase
 - Primarily funds road maintenance
 - 2012 Repurposed expiring Drain Debt Millage
 - \$1.4 million in new funding with no tax increase
 - 2012 – Fully funded Police Services for 10 years
 - Simplified funding sources
 - No change to overall tax rate
-

Current Local Road situation highlights two issues: 1) A maintenance orientation; 2) Limited implementation of 2008 CIP recommendations

Business Driver

2008 CIP

Local Road Capital = \$30 million

Road Mgt. Philosophy

- Routine
- Preventative
- Reconstruction

Funding

- Primary Sources**
- General Fund
 - 2010 & 2011 Repurposed Millages
 - Act 51

“Repair Oriented” Agenda

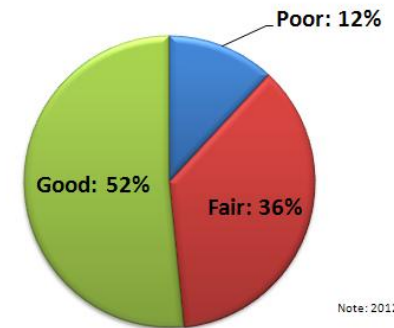
- Maintenance Focused
- Limited Capital Allocation

Primarily Routine

- Pot hole/crack repair
- Grading
- Winter Maintenance

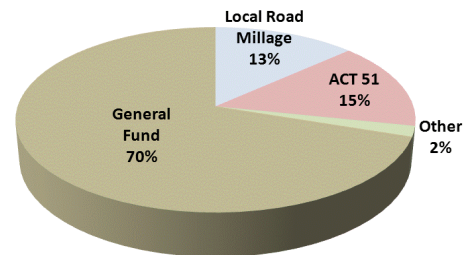
Conditions Not Improving

Paved Local Road Conditions



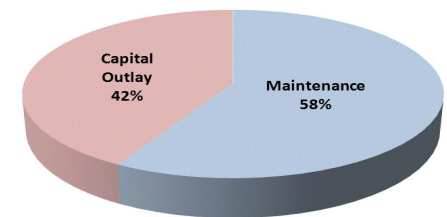
2 Repurposed Millages Help

Local Streets
2013 Funding Sources



Capital Situation Highlights Road Condition Problem

Local Streets
2013 Expenditure Categories

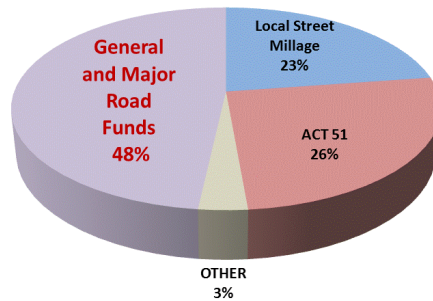


Exacerbating the two issues is the significant contribution required of the General Fund

Maintenance

- (2) Repurposed Millages
- Gas Tax (Act 51)
- General Fund and Major Road Transfer

Local Street
2013 Maintenance Cost Funding Sources



Capital Outlay

- General Fund Transfer

Local Street
2013 Capital Outlay Funding Sources



Projected Funding	2014	2015	2016	2017	2018	2019	2020
Maintenance	4,865,580	4,896,660	4,960,060	4,684,804	4,470,120	4,534,550	4,639,610
Capital Outlay	3,525,220	3,207,510	3,764,370	3,906,626	4,520,320	4,465,350	4,537,910
Total	8,390,800	8,104,170	8,724,430	8,724,430	8,990,440	8,999,900	9,177,520

Capital Outlay Falls Short of \$30 million 2008 CIP Recommendation

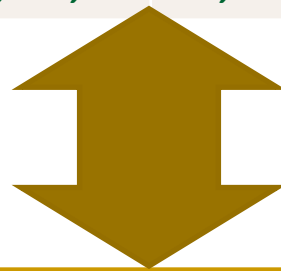
\$27,927,306

Three emerging opportunities have the potential to drive a more proactive and reconstruction focused agenda – Local ROAR

Opportunity	Benefit	Potential Results
Expiring Green Space Millage	✓ Reduce General Fund contribution to Local Roads	\$800K in dedicated road funding
Maximize Capacity to Manage Capital Projects	✓ Shift focus to Preventative and Reconstruction ✓ Implement 2008 CIP Capital Recommendations	Accelerate improvement of road conditions
Short term leverage of General Fund Balance	✓ Immediate initiation of Local ROAR	\$5 million in Capital to drive Local ROAR agenda

Local ROAR drives a more proactive road agenda and achieves 2008 CIP recommendations

Projected Funding	2014	2015	2016	2017	2018	2019	2020
Maintenance	4,865,580	4,896,660	4,960,060	4,684,804	4,470,120	4,534,550	4,639,610
Capital Outlay	<i>5,000,000</i>	<i>5,000,000</i>	<i>5,000,000</i>	<i>5,000,000</i>	<i>5,000,000</i>	<i>5,000,000</i>	<i>5,000,000</i>
Total	9,865,580	9,896,660	9,960,060	9,684,804	9,470,120	9,534,550	9,639,610
Fund Balance	<i>1,474,780</i>	<i>1,792,490</i>	<i>1,235,630</i>	<i>1,093,374</i>	<i>479,680</i>	<i>534,650</i>	<i>462,090</i>



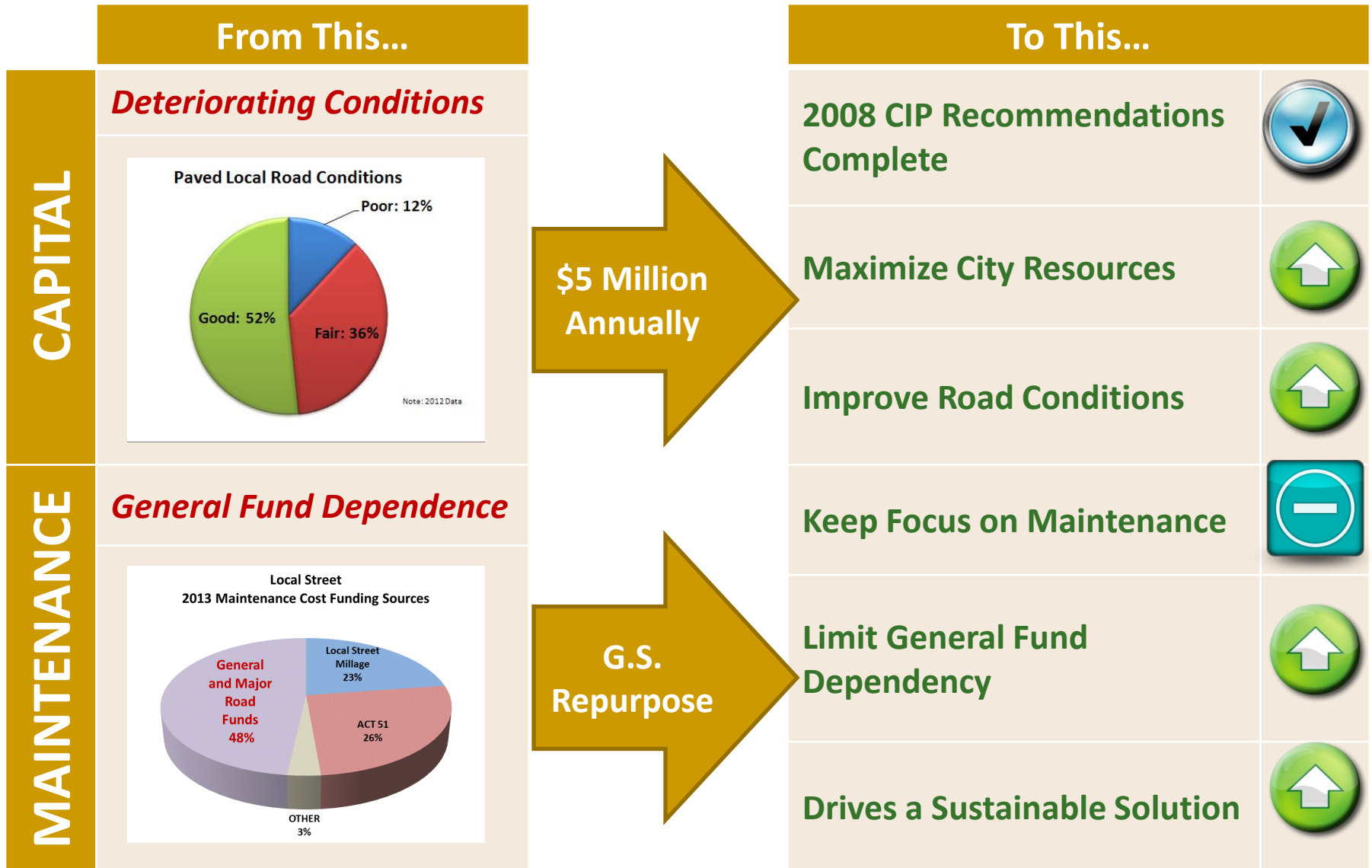
Key Considerations of Local ROAR

Repurposed GS Millage Begins in 2016

Achieve 2008 CIP Projects by 2019

Requires \$7,072,694 of Capital from General Fund Balance

Conclusion: Local ROAR creates a path toward a long term Proactive Local Road Program



Implementation: Local ROAR Initiative – Game Plan

Ballot Language for Green Space Repurpose

- **August 2014 Primary**
- **No increase in millage rate**
- **Proposed Language Attached**

Local ROAR Education Program

- **Postcards/Video/Press Releases**
- **HOA meetings / other citizen input opportunities**
- **PRFTRC Facebook Page**

Council Approval to use General Fund Balance toward Local ROAR

- **2014 Budget**

Thank You

Members

City Council Members

Greg Hooper, Michael Webber

Citizen Representatives

Dale Hetrick, Tom Stephens, Walter Johnson, LeAnne Rogers, Tom Wiggins, Orville Hokscho, Tom Blackstone

Administrative Representative

Keith Sawdon - Director of Finance, Allan Schneck - Director of Public Services, and Paul Davis – Deputy Director

Rochester Hills Government Youth Council Representatives

Emma Hickey, Chris Russell and Chris Tower



And Especially...

Christine Wissbrun

Appendix: Proposed 2014 Ballot Language

BALLOT PROPOSAL

PROPOSAL TO RE-PURPOSE EXPIRING GREEN SPACE MILLAGE FOR LOCAL ROADS

In 2005, City of Rochester Hills voters authorized a special millage for ten (10) years of up to 0.3 mills to provide funding to permanently preserve green spaces and natural features within the City. The Headlee Amendment has reduced the maximum rate of that millage to .2972 mills, and it is due to expire after final levy for fiscal year 2015. It is proposed that upon expiration of the green space millage it should be re-purposed and replaced with a tax levy of up to .2972 mills for 5 years, beginning in fiscal year 2016 and continuing through fiscal year 2020, inclusive, to be used for local roads and streets.

Shall the City of Rochester Hills re-purpose and replace the expiring green space millage of .2972 mills with a tax levy of up to .2972 mills (\$0.2972 per \$1,000 of taxable value) on the taxable value of all property assessed for taxes in the City for 5 years, beginning in fiscal year 2016 and continuing through fiscal year 2020, inclusive, to be used for maintenance, repair, rehabilitation and reconstruction of local roads and streets and to provide a source of matching funds to support special assessment and grant programs for local roads? This will generate an estimated \$889,890 in tax revenues if levied in full in the first year.

Yes ___

No ___