



From: **Joe Snyder, Chief Financial Officer**

To: Public Safety & Infrastructure Technical Review Committee

Date: July 10, 2019

Re: Local Street Millage I, II, and III Renewal

Members of the Public Safety & Infrastructure Technical Review Committee (PS&I TRC),

The PS&I TRC has been instrumental in helping to establish a dedicated funding source for the City's Local Street network. Currently the City has three (3) separate Local Street millages which combined generate approx. \$3.78 million for the Local Street network in FY 2019.

	2011	2012	2013	2014	2015	Millage Rate		2018	2019	2020	2021 *
						2016	2017				
Local Street I	0.3545	0.3545	0.3545	0.3545	0.3545	0.3542	0.3507	0.3470	0.3444	0.3418	1.0965
Local Street II	-	-	-	0.4855	0.4855	0.4851	0.4803	0.4753	0.4718	0.4683	-
Local Street III	-	-	-	-	-	0.2969	0.2939	0.2908	0.2886	0.2864	-
TOTAL	0.3545	0.3545	0.3545	0.8400	0.8400	1.1362	1.1249	1.1131	1.1048	1.0965	1.0965

	2011	2012	2013	2014	2015	Dollars Generated		2018	2019	2020	2021 *
						2016	2017				
Local Street I	\$ 1,112,740	\$ 1,042,880	\$ 1,037,530	\$ 1,050,340	\$ 1,075,150	\$ 1,108,210	\$ 1,122,000	\$ 1,136,750	\$ 1,178,660	\$ 1,227,500	\$ 4,046,230
Local Street II	\$ -	\$ -	\$ -	\$ 1,438,480	\$ 1,472,450	\$ 1,517,770	\$ 1,536,630	\$ 1,557,050	\$ 1,614,660	\$ 1,614,660	\$ -
Local Street III	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 928,930	\$ 940,280	\$ 952,640	\$ 987,690	\$ 1,028,540	\$ -
TOTAL	\$ 1,112,740	\$ 1,042,880	\$ 1,037,530	\$ 2,488,820	\$ 2,547,600	\$ 3,554,910	\$ 3,598,910	\$ 3,646,440	\$ 3,781,010	\$ 3,870,700	\$ 4,046,230

* = FY 2021 Actual Millage Rates and Monies Generated TBD

It should be noted that when each of the three (3) separate Local Street millages were approved by voters there was no impact on the bottom line City millage rate the year they began to be levied.

- Local Street I
 - Approved 08/04/2010 for 10-Years [2011-2020]
 - 0.3545 mill
 - Replaced an expiring Debt Service levy
- Local Street II
 - Approved 11/06/2012 for 7-Years [2014-2020]
 - 0.4855 mill
 - Reduction in both the Drain Debt and General Fund levies
- Local Street III
 - Approved 08/04/2014 for 5-Years [2016-2020]
 - 0.2969 mill
 - Replaced an expiring Green Space levy

The thought and intent of the PS&I TRC when presenting Local Street millages II and III to City voters was to combine the three (3) separate Local Street millages (I, II, and III) upon their expiration into one (1) combined Local Street millage.

The final time all three (3) millages can be levied will be as part of the City's Winter Tax billing to be sent out in November of 2019 and due by February 2020, this will provide funding for FY 2020.

The upcoming 2019 millage rates for FY 2020 for the three (3) Local Street millages combined equals 1.0965 mill total. This combined millage rate is anticipated to generate \$3,870,700 in FY 2020. If a combined renewal is approved by voters, the Tax Year 2020 millage rate for FY 2021 is anticipated to generate \$4,046,230.

The Local Street Fund has an annual expenditure budget of approx. \$10 million broken down into \$5 million for annual operations and \$5 million for annual construction. The Local Street millages are a vital component of the Local Street Fund's annual revenue stream providing for nearly 40% of annual expenditures. The other significant revenue sources for the Local Street Fund currently include Act 51 Gasoline Tax [\$2 million] and contributions from the General Fund [\$3.5 million].

Administration requests the Public Safety & Infrastructure Committee's consideration of a proposed Local Street millage renewal, and a recommendation to the Rochester Hills City Council of a renewal Local Street Millages I, II, and III combined into a new 10-Year Local Street Millage beginning in 2020-2029 to provide funding for the City's FY 2021-2030 Local Street Fund.

Administration further requests the Public Safety & Infrastructure Committee's recommendation to City Council that the renewal of Local Street Millages I, II, and III be included as part of the November 2019 General Election.