



Internal Memo

December 4, 2014

TO: Mayor and City Council

FROM: Mark C. Meyers, City Administrator *WCM*

SUBJECT: December Information Update

1. December Work Session and Holiday Hours – Please be reminded that a work session will not be held in December. Also, non-emergency offices will be closed Thursday and Friday, December 25 and 26 for the Christmas holiday and Thursday and Friday, January 1 and 2 for the New Year holiday.
2. Lincoln, Norton, and McCracken Paving Update – Paving of the southern portion of Lincoln Street, Norton Avenue from Lincoln Street to McCracken Street, and McCracken Street from Norton Avenue to Seminole Road is in progress. The base and leveling courses are down on Lincoln and McCracken Streets and half of Norton Avenue. The remainder of Norton Avenue is being placed today and the intersection will be paved before the weekend with the final top course of all three streets planned for the spring. Crews had been waiting for dry weather prior to the closing of asphalt plants at the end of this week. While the temperatures were not ideal, the lack of precipitation allowed the paving to proceed.
3. Police Department Garage and Addition Update – The Police Department addition is taking shape. The walls, windows, roof and floor are complete. Crews have started finish work on the interior. Also, asphalt paving in the employee parking lot is still planned for this week. Footings for the garage structure and underground work are complete. Steel and other material to construct the garage will be delivered next week and it will be constructed beginning Monday, December 15.
4. Leaf Drop Off Sites – Since the snow melted and the weather has been dry the Wood Road leaf site was kept open this week. It will remain open through this weekend and be closed for the season on December 8.
5. County-Wide Road Millage Proposal – Attached is a letter from Muskegon County Road Commission Managing Director Ken Hulka regarding a proposed February ballot issue asking voters to approve a 1.5 mil tax levy for the purpose of repairing, maintaining and improving roads. The proposal was approved by the Muskegon County Board of Commissioners at a special meeting held Tuesday, December 2, 2014. The cost of the election will be funded by the Road Commission. Also attached is an Mlive article regarding the proposal.
6. Council Requests List – Attached is an updated list of requests from City Council members.

/ss
Attachments



Muskegon County Road Commission

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Jack E. Kennedy
Chairman

Melvin L. Black
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John J. DeWolf
Commissioner

Lewis J. Collins
Commissioner

Gerald J. Walter
Commissioner

November 26, 2014

Mark Meyers
4814 Henry Street
Norton Shores, MI 49441

RE: Ballot Proposal

Dear Mr. Meyers,

Statistics show that for the last 50 years Michigan has been in the bottom five states nationally in terms of the funding provided by state government for our public road system. The current overall condition of our road system statewide is reflective of that lack of funding. As you are probably well aware the last increase in road funding occurred in 1997, some 17 years ago. The increase at that time was minimal and within a few very short years was easily overtaken by inflation. If the state would create a "dashboard" for road funding, the visual would show that the tank is nearly empty.

This lack of funding impacts all of us in many ways. We are subject to driving on substandard, deficient roads and bridges, our daily commutes to and from work are often a series of pothole dodging maneuvers, adequate maintenance was often deferred due to this lack of funding causing an already distressed system to diminish even further and vehicle repair costs due to road condition are excessive and frustrating. The list of negatives regarding the condition of roads in Michigan goes on and on.

What many of our constituents may not realize is that dating back to the early days of transportation law, it was expected and anticipated by the legislature that most of the local road improvements and rebuilds would be funded by local sources. The state severely limited its contribution of gas and weight taxes for local roads since the 1930's and that limited involvement is even further diminished today by the lack of legislative action since 1997. Recently, however, there has been some discussion and activity in the legislature to increase funding for roads in Michigan. The amount passed by the Senate last week, while significant, is about 50% of what most studies show is needed to create and maintain a public transportation system that is adequate for the needs of Michigan's businesses and citizens. The anticipated House of Representative version is expected to be even less. Given where we are at currently, the Muskegon County Road Commissioners are requesting that a ballot proposal be placed county wide before voters in early February.

Attached you will find the proposed ballot language for what we have been planning is a February request of the voters of Muskegon County to supplement State road funding, subject to County Board approval. This language guarantees that each municipal unit listed will get the funds raised within that unit. For a municipal unit such as Norton Shores that currently has a millage, their Council would have the option to either keep the funds generated in addition to what they already levy or to not levy their existing millage keeping the impact on their residents at zero. For the Road Commission we would receive the funds generated in the townships. Our finance and accounting department will keep the funds separate by township so that whatever is generated within each township would be spent only within that township. We would anticipate being able to give each unit a report on where their funds

November 26, 2014

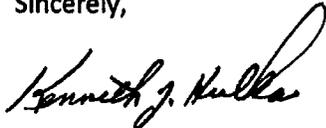
RE: Ballot Proposal

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stand at any given time. Given that the total cost of some projects may be more than what is generated in any one year within the townships, it can be expected that funds may need to be built up over one or two or more years to fund that project. The bottom line is that over the total life of the millage all funds generated within a local unit would stay in that local unit. If the millage is successful the plan is to meet with each township and jointly select and prioritize several projects using asset management principles.

The language that is being proposed here is the language that was used by the polling firm that was jointly funded by the County and MCRC. Their strong recommendation is that we proceed with a February election based on the polling results. There are 28 counties statewide that now have millages. There were four first time millages passed two weeks ago during the November election, and four during the primary election in August. Only two counties that tried this year failed to pass a county wide millage and one of those, Ionia, failed by just a few votes. We have been trying to move this forward as best we can for well over six months working with former County Administrator Hammersley and Finance Director Kaplan. The time has come to move forward on this issue. If you have any questions, please call me at 788-2381 ext. 7222.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth J. Hulka". The signature is fluid and cursive, with a large loop at the end of the last name.

Kenneth J. Hulka,
Managing Director

KJH/amj

Enclosure

Shall the Muskegon County Road Commission as authorized by the Muskegon County Board of Commissioners levy against all taxable real and personal property within the County of Muskegon, as provided for by Section 6 of Article IX of the Michigan Constitution of 1963, the amount not to exceed \$1.50 per thousand dollars of taxable valuation (1.5 mills) for a period of ten (10) years, 2015 through 2024, inclusive, for the sole purpose of funding the repair, maintenance and improvements of primary roads, major streets, local roads, and bridges in each city, township and village in the County of Muskegon? The money raised can't be used for any other purpose. The proposal would increase property taxes for 10 years by a 1.5 mill county-wide, which would raise approximately \$6,750,000 in the first year. That means that for every \$100,000 in the market value of a home and \$50,000 in taxable value, property taxes would increase by \$75 per year, or approximately \$6.25 per month, for the next 10 years. The funds to be disbursed to the Muskegon County Road Commission, the Cities of Montague, Muskegon, Muskegon Heights, North Muskegon, Norton Shores, Roosevelt Park, Whitehall, and the villages of Casnovia, Fruitport, Lakewood Club and Ravenna. If approved, this would be a new millage, to be levied beginning July of 2015.



Muskegon County Road Commission seeking 1.5-mill levy for countywide street improvements

KCRC chip seal Sprinkle Road

The Muskegon County Board of Commissioners unanimously approved a request to place a 1.5 mill levy on the ballot next year for local street improvements during a special meeting held Tuesday, Dec. 2.

(MLive.com File Photo)

Michelle D. Anderson | manders6@mlive.com By **Michelle D. Anderson | manders6@mlive.com**

on December 02, 2014 at 5:02 PM, updated December 02, 2014 at 8:41 PM

MUSKEGON, MI — The Muskegon County Board of Commissioners unanimously approved a request to place a 1.5-mill levy on the ballot next year for local and major streets during a special meeting Tuesday, Dec. 2.

The Muskegon County Road Commission initiated the request. If enough voters vote "yes" on Feb. 24, the county will produce about \$6.75 million in the first year by levying taxable real and personal property. The millage would begin July 2015 and end in 2024.

Taxpayers would pay \$75 for every \$100,000 of their home's market value, or \$50,000 of their home's taxable value.

Ken Hulka, managing director of the road commission, said the request comes as the agency continues to grapple with crumbling roads and limited funds to improve them.

"For the last 50 years in Michigan, the roads have been underfunded," Hulka said. "We were always dependent on whatever the state provided through the gasoline tax."

For years, the road commission has done the best it could with the money it has by cutting staff and reducing employee benefits, among other changes, he said.

Hulka said a recent investigation conducted by the road commission suggested a special countywide levy was the only way it could significantly improve its revenue challenges.

County townships, cities and villages would all benefit from the measure.

Hulka said the county will disperse the funds so that the money will come back to each corresponding unit. Hulka said the road commission would receive the funds generated by townships, but its finance and

accounting department would keep those funds separate to ensure the money is spent properly.

Three cities that have existing tax levies — Whitehall, **Roosevelt Park**, and Norton Shores — will have the option to either accept the money in addition to what they're already collecting or reject levying the existing millage to keep the impact on residents at zero.

In a memo to local officials, Hulka assured them the road commission would be able to give each local unit a report on where the funds stand at any given time.

He said the road commission would not mandate that local units complete specific road projects but will make recommendations. Moreover, they will work with municipality and township officials before proceeding on projects, which could include asphalt overlay work, bridge repairs, culvert and other flooding-related maintenance and other road improvements.

The money cannot be used for any other purpose beyond repair, maintenance and improvements of primary roads, major streets, local roads and bridges with the county.

Getting serious

Hulka said commissioners have considered initiating a county road levy for five years, but they became more serious about it in 2013. He said county road commissioners reached an official consensus to move forward with the levy request during a special meeting held Nov. 25.

Hulka said the decision to make the request is largely based on positive polling results gathered by **Target-Insyght**, a consulting, public opinion and market research firm based in Lansing.

Ed Sarpolus, founder and executive director of Target-Insyght, said the firm found that more than half of the county's voters would consider voting "yes" on the levy measure following a three-day survey period held in August.

The poll also suggested many residents had faith in the road commission's fiscal affairs and agreed that the county roads were in need of repair.

Hulka said former county administrator Bonnie Hammersley and her interim successor, Heath Kaplan, were involved in soliciting marketing, research and consulting assistance earlier this year. Ultimately, they accepted a bid worth about \$12,000 for Target-Insyght to provide services.

Hulka said the county government and the road commission agreed to split the costs evenly.

In addition to polling, Hulka said the road commission has engaged countywide officials in informational discussions regarding the matter in recent months. Several area leaders, for example, learned more about the proposal during the commission's 21st Annual Roadkill Banquet at the Holiday Inn Muskegon-Harbor

Hotel in late-October.

During the Thanksgiving holiday week, Hulka said he sent letters to local government officials about the measure's purpose.

Hulka noted that Michigan legislators have not increased the gas tax in nearly 20 years. State officials approved a **4-cent-per-gallon fuel hike** in 1997 under former Gov. John Engler but it was minimal and "easily overtaken by inflation" shortly thereafter, he said.

In the letter to local officials, he characterized the recent decision of the Michigan Senate to increase funding for state roads as a move in the right direction but said the amount was not enough to adequately maintain Michigan's roads.

The proposal, approved by state senators last month, could **double gas taxes over four years** and generate up to \$1.7 billion annually, if it gets final approval.

"It will not be enough to do what has to be done in the county," said Sarpolus, who added that the measure is more focused on maintaining road conditions rather than improving them.

Hulka said the commission did not act to put the measure on the recent November ballot because of the city of Muskegon's recent effort to get residents to approve a 4-mill tax increase for road repairs. The **measure failed** after 3,890 citizens voted "no" and 3,044 voted "yes."

"I did not want to compete with the politics and the elections. I wanted to stand alone," Hulka told the MLive Muskegon Chronicle editorial board on Tuesday.

He said the road commission still would have asked the county board to place the levy on the ballot if city of Muskegon voters approved the millage.

Hulka said Target-Insyght will remain on board to help with consulting in the upcoming weeks.

MLive Muskegon Chronicle reporter Stephen Kloosterman contributed to this report.

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City Council Requests – December 2014

Date Requested	Requested By	Received Via	Request	Action Taken	Date Completed	Completed By
3/14/12	Council Member Wiersma	Email	Consider consolidation of garbage carriers bid by regions within the city.	<p>The matter was discussed at the July and October 2012 work sessions. Staff surveyed rates and included a FAQ piece in the Spring 2013 Community Newsletter. The item was brought back for further consideration at the May 2013 work session. On Council's direction staff met with local haulers on July 17, 2013 to discuss alternatives other than a single contract and a report on the meeting was presented at the September 24, 2013 work session. City Council directed staff to survey residents regarding a single hauler contract. Survey results were shared with Council at the June 24 work session. Sixty (60) percent agree or strongly agree on a single hauler if price is the same or less and service is the same or better. Staff will also review the feasibility of using a millage to pay for the service. Further discussion was held at the July 22 work session. Staff developed a request for proposals which Council reviewed at the September 23, 2014 work session. The RFP has been issued with a December deadline. They will be reviewed by City Council at the January work session with potential action in February.</p>	Pending	DPW Director
04/2013	Council Member Beecham	Council Meeting	Look into regulating "donation boxes" that are popping up in business parking lots.	<p>Staff is researching what other cities are doing to manage the drop boxes and also observing installations of drop boxes to determine if the practice is growing. Staff is also reviewing pending legislation regarding what local government can and cannot do to manage the drop boxes.</p>	Pending	Administrative Services Director

03/25/14	Council Member Ostrom	Work Session	Consider building a boat launch ramp at Ross Park.	The item was placed on the October work session agenda. Based on the discussion staff will research grant funding opportunities and order a wetlands determination.	Pending	Parks & Recreation Director
03/25/14	Council Member Jurkas	Email	Reconsideration of Rental Inspection Program.	City Attorney was asked to research and render a legal opinion. He presented options to the City Council at the April 22 work session.	Pending	City Attorney

*Revisions since the last update are highlighted

Forms/councilreq.responses