



## Internal Memo

November 5, 2015

TO: Mayor and City Council

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

SUBJECT: November Information Update

1. Organizational Meeting – Please be reminded that the City Council will meet next week Monday, November 9, 2015 at 8:00 p.m. at the Norton Shores Branch Library for the purpose of swearing in newly elected Council members, selection of Mayor Pro Tem, and representatives for Board of Review and the Personnel Board.
2. Election Results – Attached is a spreadsheet showing results from the November 3, 2015 election.
3. Sidewalk Update – All of the sidewalks have been installed. These areas include portions of Getty, Harvey, and McDermott Streets. Also, pedestrian signals and sidewalk ramps were installed at the Sherman Boulevard and Henry Street intersection. Minor restoration of the affected areas will be completed this month.
4. House Demolition – The house located on the former Hines Property on Little Black Lake has been demolished. In a related matter, the Michigan Department of Natural Resources Trust Fund grant related to the property acquisition has been closed out. Further, staff is coordinating with Spring Lake Township officials for the kickoff to the master plan process.
5. CALEA On-Site – The Commission Accreditation for Law Enforcement Agency (CALEA) will be holding an on-site assessment of the Police Department from November 30 – December 3, 2015. Chief Gale and his staff have been working diligently to document the Department's policies, procedures and proofs toward becoming re-accredited. Information regarding the on-site assessment will be forthcoming including a related public hearing.
6. Council Requests List – Attached is a revised list for City Council's information.

7. State Road Funding Plan – On Tuesday night the House approved a senate plan to improve Michigan’s roads. Attached is an article outlining the plan which estimates an increase of \$1.2 billion in new funding after implementation is phased in. The Michigan Municipal League’s John LaMacchia was quick to respond, “It’s an overstatement to say that a \$1.2 billion plan with \$600 million in new revenue and \$600 million general fund dollars will fix Michigan’s crumbling infrastructure. This is especially true given that 2/3 of the new revenue will simply replace money currently budgeted for roads in the current fiscal year and the plan doesn’t fully phase in for almost a decade”. Staff will review the legislation and determine what it means for the City’s future road funding.
  
8. Director of Administrative Services Leaving – The Director of Administrative Services/Assistant to the City Administrator, Carrie Pierce, announced her resignation this week. Carrie has been with the City since 2004 and has been involved in a number of projects. The majority of her duties involved managing the recruitment and selection process for new employees and labor relations. Please join me in thanking her for 11 years of service to the City.

November 3, 2015 General Election City of Norton Shores	Pct. 1	Pct. 2	Pct. 3	Pct. 4	Pct. 5	Pct. 6	Pct. 7	Pct. 8	Pct. 9	Pct. 10	Total
<b>Council Member Ward I</b>											
M Kay Beecham	24	150	111	56	255						596
Jason Flanders	24	141	99	51	244						559
<b>Absentee Ballots</b>											
M Kay Beecham	46	89	126	127	149						537
Jason Flanders	39	84	117	136	135						511
<b>Total Beecham</b>	<b>70</b>	<b>239</b>	<b>237</b>	<b>183</b>	<b>404</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1133</b>
<b>Total Flanders</b>	<b>63</b>	<b>225</b>	<b>216</b>	<b>187</b>	<b>379</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1070</b>
<b>Council Member Ward II</b>											
Dick Dolack						195	224	239	189	314	1161
Cindy Jurkas						205	261	236	221	342	1265
<b>Absentee Ballots</b>											
Dick Dolack						119	217	217	140	206	899
Cindy Jurkas						122	217	200	143	192	874
<b>Total Dolack</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>314</b>	<b>441</b>	<b>456</b>	<b>329</b>	<b>520</b>	<b>2060</b>
<b>Total Jurkas</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>327</b>	<b>478</b>	<b>436</b>	<b>364</b>	<b>534</b>	<b>2139</b>
<b>Council Member At Large</b>											
Mike Hylland	28	165	119	57		212	267	256	229	364	1697
<b>Absentee Ballots</b>											
Mike Hylland	50	93	127	134	156	125	224	207	149	204	1469
<b>Total Hylland</b>	<b>78</b>	<b>258</b>	<b>246</b>	<b>191</b>	<b>156</b>	<b>337</b>	<b>491</b>	<b>463</b>	<b>378</b>	<b>568</b>	<b>3166</b>
<b>Mona Shores Bonding Proposal</b>											
Yes		156	120			239	273	277	213	404	1682
No		97	67			103	138	114	106	157	782
<b>Absentee Ballots</b>											
Yes		77	65			80	147	111	80	146	816
No		55	104			86	142	155	106	113	862
<b>Total Yes</b>	<b>0</b>	<b>233</b>	<b>185</b>	<b>0</b>	<b>110</b>	<b>319</b>	<b>420</b>	<b>388</b>	<b>293</b>	<b>550</b>	<b>2498</b>
<b>Total No</b>	<b>0</b>	<b>152</b>	<b>171</b>	<b>0</b>	<b>101</b>	<b>189</b>	<b>280</b>	<b>269</b>	<b>212</b>	<b>270</b>	<b>1644</b>

## City Council Requests – November 2015

Date Requested	Requested By	Received Via	Request	Action Taken	Date Completed	Completed By
03/25/14	Council Member Jurkas	Email	Reconsideration of Rental Inspection Program.	The City Attorney was asked to research and render a legal opinion. He presented options to the City Council at the April 22, 2014 work session. At the September 22, 2015 work session Council Member Martines requested the subject be brought back for reconsideration. <b>It was placed on the October 2015 work session agenda and City Council directed staff to research it further.</b>	Pending	City Administrator
05/26/15	Council Member Ostrom	Email	Explore opportunities to assist the City of Muskegon Heights with their boat launch facility.	Initial contact has been made with Muskegon Heights staff who appear willing to discuss the topic. Our staff will schedule a meeting with the new City Manager when one is hired.	Pending	City Administrator and Parks & Rec Director

**\*Revisions since the last update are highlighted**

# Inside Michigan's new road funding deal: fuel taxes, registration fees, tax relief and more



By Jonathan Oosting | [joosting@mlive.com](mailto:joosting@mlive.com) on November 04, 2015 at 10:25 AM, updated November 04, 2015 at 12:04 PM

## MICHIGAN ROADS

- [Inside Michigan's new road funding deal: fuel taxes, registration fees, tax relief and more](#)
- [Michigan road funding deal: How they voted, what they're saying about \\$1.2 billion plan](#)
- [Deal: \\$1.2B road funding plan heads to Michigan Gov. Snyder's desk after legislative approval](#)
- [Breakthrough: Michigan Senate approves modified road funding plan, sends to House](#)
- [Michigan leaders working to finalize road funding deal: 'Today would be great,' says Cotter](#)

LANSING, MI — It took four years to plan and over 12 hours to execute, but Michigan's Republican-led Legislature on Tuesday night sent [a long-term road funding plan](#) to Gov. Rick Snyder's desk. The long-sought deal will pump \$1.2 billion a year into Michigan's crumbling infrastructure by 2021 through a combination of dedicated tax increases and re-prioritized spending. The plan also includes two tax relief components that could benefit residents but leave the state with less money to spend on other government services.

Here's a look under the hood of the new plan.

**1. Snyder plans to sign it into law:** It's not the plan Snyder first asked for several years ago, but it is apparently good enough for the governor, who held a press conference Tuesday night and made clear he intends to sign the bills into law.

"I'm ready," Snyder said. "So as soon as they're prepared, I'll look forward to signing them, and we'll make sure you know that date because I hope and I'm sure we'll get a lot of people excited to be there for that signing ceremony."

**2. Fuel taxes would increase in 2017:** Michigan's 15 cent per gallon diesel tax and 19 cent per gallon gasoline tax would each increase to 26.3 cents on January 1, 2017. Combined, the increases are projected to generate about \$400 million a year in new revenue for roads. Beginning in 2022, fuel tax rates could rise or fall with inflation.

**3. Registration fees too:** Vehicle registration fees would increase by 20 percent for passenger vehicles and trucks, beginning on January 1, 2017. That means a \$100 registration fee would become a \$120 registration fee. The increase is projected to generate \$200 million a year in new revenue for roads.

**4. General fund money would come later:** The state would eventually shift \$600 million a year from the general fund, which has traditionally been used to fund other government services around the state. That would start with \$150 million in fiscal year 2019, \$325 million in 2020 and then \$600 million in 2021 and beyond.

Taking money from the general fund will mean less money for other budget priorities. Critics have called the plan irresponsible. Snyder initially resisted such a large general fund dedication but said Tuesday that future revenue projections make him confident the state will not have to cut other areas of state government to fund roads.

**5. The Homestead Property Tax Credit would increase:** The plan would provide some income tax relief to low- and middle-income homeowners and renters by increasing and expanding the Homestead Property Tax Credit. Beginning in tax year 2018, the state would increase the maximum credit from \$1,200 to \$1,500 and raise the household income cap from \$50,000 to \$60,000, meaning more people would qualify. Beginning in tax year 2021, the state would index the maximum credit and home value cap to inflation.

The changes are projected to save taxpayers — and cost the state's general fund — about \$200 million a year.

**6. Income taxes could be automatically cut in future years:** The final road funding plan includes a controversial income tax rollback trigger, but delays and minimizes the proposal approved last month by the House.

Beginning in 2023, the state would reduce its 4.25 percent income tax rate after any year that general fund revenue growth exceeds inflation times 1.425. In other words, general fund revenue would have to grow by more than just inflation. If the same trigger were already in place, the income tax rate would have automatically dropped from 4.25 percent to 3.96 percent in tax year 2016, according to the HFA analysis, reducing available state revenue by \$593 million.

Critics called an earlier version of the income tax rollback a "fiscal time bomb," and some conservatives who generally support an income tax cut worry future Legislatures will simply undo the provision before the trigger is ever squeezed. Michigan has a flat income tax, meaning that all residents pay the same rate. A rollback would mean a cut for all taxpayers, but on a dollar-to-dollar basis, higher earners could see bigger savings.

**7. Motorists would pay about \$60 extra per year, but some taxpayers could save overall:** Higher fuel taxes and vehicle registration fees will cost the average motorist about \$60 a year or \$5 a month, according to Snyder, who said he viewed that increase as "quite manageable."

And those estimates are before any tax savings. A family who makes between \$20,000 and \$30,000 a year could save anywhere from \$100 to \$200 dollars from the Homestead Property Tax expansion, according to Snyder, saving more than they'd be paying in higher fuel taxes or registration fees.

**8. Full funding by 2021:** Michigan already set aside \$400 million in general fund money for roads this budget year, and fuel tax and registration fees will generate \$452 million in fiscal year 2017. By 2018, total transportation funding would be up \$608 million, \$763 million by 2019, \$944 million by 2020 and \$1.23 billion by 2021, according to the non-partisan House fiscal Agency.

Despite the delayed phase in, Director Kurt Steudle said the promise of additional revenue could allow the Michigan Department of Transportation to accelerate some planned projects. "It's good that it's the winter time now, it gives us a chance to plan, but what we're going to be looking at is of the 300-plus projects that are in the five-year plan, which of those can be moved forward as revenues come in," he said.

**9. There's also a 'lockbox':** Under the final roads plan, the first \$100 million a year in new fuel tax revenue would be set aside in the "roads innovation fund" and could only be released when the Legislature thinks the state is ready to build longer-lasting roads.

The package would require MDOT to form a "roads innovation" task force that would issue a report to the Legislature by March of 2016. The report would have to include "an evaluation of road materials and construction methods that could allow the department to build high quality roads that last longer than those typically constructed by the department, with a goal of roads last at least 50 years, higher quality roads, and reduced maintenance costs," according to the HFA.

**10. Mass transit will see a smaller bump:** The plan will devote less new money to mass transit than some previous road funding proposals because the general fund money will go straight to roads and bridges, bypassing a traditional transportation funding formula.

Once fully phased in, the \$1.2 billion plan would include \$54.6 million a year for public transportation, \$433.6 million for state highways, \$426.6 for county road agencies and \$238 million for cities and villages, according to the SFA.

**11. Most Republicans voted for it, most Democrats were opposed:** Bipartisan talks broke down last month, so Republican majorities mostly went it alone to finalize a long-sought road funding deal. Senate Majority Leader Arlan Meekhof, R-West Olive, described Tuesday's action as another example of Republicans taking on and tackling big challenges.

"State government has a responsibility to maintain safe roads and bridges and the people of Michigan expect the legislature to address this issue and meet basic infrastructure needs," Meekhof said in a statement. "I had hoped that the legislature could pass a plan with strong bipartisan support, but unfortunately few Democrats were able to put politics aside and be part of a solution.

The main fuel tax and registration fee bills passed the House and Senate with just one Democratic vote in each chamber. "Legislative Republicans have failed our state," House Minority Leader Tim Greimel, D-Auburn Hills, said in a statement. "The Republican proposal raises taxes on middle-class families, does nothing to lower truck weights, and drains funding from education and public safety. Even worse, it doesn't even start fixing our roads until 2021."