



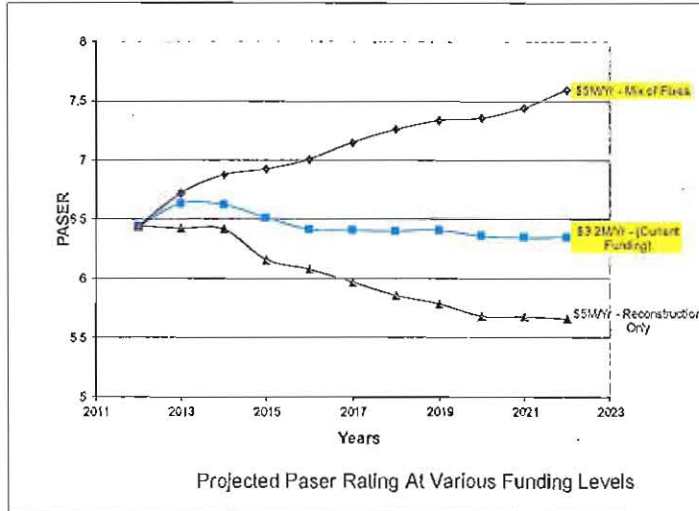
Your official "Map" to the Municipal Road Millage

Charter Question on the August 7, 2012 Ballot

Commonly asked Questions and the Answers

Why Is an Increase in the Road Millage being proposed?

The City's bi-annual survey of residents and businesses, as well as other communications received through e-mail or of "town hall" meetings, reflect the maintenance and improvement of roadway conditions in Novi as a high priority. The funding level for "street and highway" purposes in Novi was set in the City Charter in the 1970s at 1.0 mills. That amount has since been rolled back under the Headlee Amendment to .7719 while the number of streets to be maintained has almost doubled. The current rolled-back millage amount generates \$2.2 million. With funding from additional sources, this results in an annual road funding level of approximately \$3.2 million, which is used primarily for maintaining existing road and sidewalk pavement. The City uses a Pavement Surface Evaluation and Rating (PASER) system to objectively evaluate pavement conditions. A recent study conducted by the City has concluded that, if the funding remains status quo of .7719 mills, the condition of the City's roads would continue to decline, as measured by the average PASER rating and illustrated in the graph to the right. The Charter amendment proposal seeks to re-set the available millage amount to 1.5 mills.



Pavement Management Analysis report, dated March 12, 2012 by Orchard, Hiltz & McCliment, Inc*

What would an Increased millage pay for?

An increased millage would generate more than \$2.1 million of additional revenue, allowing for more than \$5 million directly in annual road investments in Novi. Funds would be used to maintain and improve neighborhood (subdivision/side streets) and major municipal roadways (mile roads, Beck Road, etc.), and to make sidewalk and pathway connections.

How much would this cost me?

If the City Council chose to levy the entire 1.5 mills, the approximate annual property tax increase, for road millage purposes, to the owner of a home having a true cash (market) value of \$250,000 (taxable value of \$125,000) would be \$91.01. See the Calculate your Cost box of right.

Will my tax bill go up?

Not as contemplated for 2013, when the increased millage would become available, and not necessarily in foreseeable future tax years, under the City's current multi-year planning projections. While the amount of the millage dedicated to be levied for roads would increase from .7719 mills to 1.5 mills if the Charter millage maximum is passed, the City Council **reduced** the City's **overall** tax rate for Fiscal Year 2012-2013 (for all services the City provides) from the current rate of 10.5416 mills to 10.2 mills. That reduction took into account the reduced amount necessary for debt service and a lower storm water millage component. So, even if there is a municipal road millage increase, the overall local City tax rate is planned to remain at the reduced amount of 10.2 for the coming tax year, and the City's budget projection for the following tax year, 2013-2014, continues the reduced 10.2 rate as well.

Calculate your additional Cost

To determine your additional cost of this Municipal Road Millage Charter Question, multiply 1/2 your home's true cash value (market value) x .0007281.

Example:

Home's Market Value = \$250,000
 Home's Taxable Value = \$125,000
 Multiply \$125,000 x .0007281 = \$91.01

Approximate additional annual cost to this homeowner would be \$91.01.



How long would an increased millage last?

The Charter amendment does not expire. The new road millage amount will remain in place, subject to the rollback provisions of the Headlee Amendment, unless or until the Charter is amended again to change it.

If a millage increase is approved, when would it take effect? When would additional road improvements begin?

If approved, the increased millage would be effective on the July 2013 summer tax bill. Road Improvements would be included in the Fiscal Year 2013-2014 Budget and begin in summer 2013.

What other funding sources are there for roads?

The City of Novi seeks every opportunity for funding of road improvements through Federal and State grants, and partnerships with Oakland County and private entities. Over the past five years alone, the City has received over \$2.5 million in grant funding for road projects from other entities.

How much funding would be allocated to neighborhood roads vs. major roads?

Based on lane mileage, approximately 65% of the revenue generated by the millage increase would be allocated to neighborhood streets, with 25% spent on major roads. The remaining 10% would be allocated for non-motorized facilities, including new sidewalks, pathways and intersection improvements.

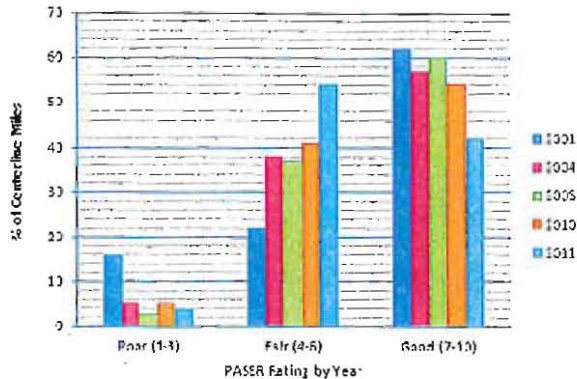
Can the additional funds be used for anything other than roads and sidewalks or pathways?

No.

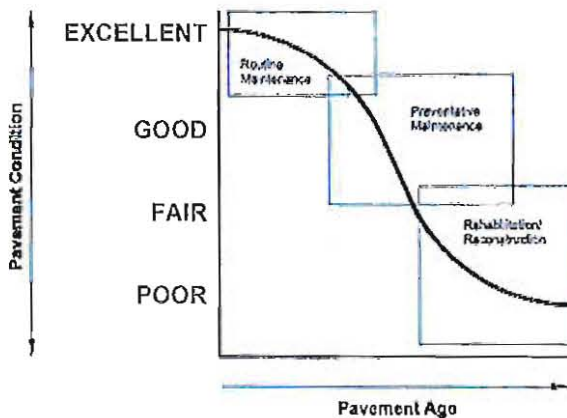
How will the City determine which roads will be improved?

The City has a formal asset management program that categorizes roads based on their PASER rating. Roads in poor condition would be candidates for reconstruction or rehabilitation. Those in fair condition would receive capital preventive maintenance, while roads in good condition would be candidates for routine maintenance work. The lowest rated roads in each of these categories would generally be addressed first.

Summary of Road Condition by Year



City of Novi, Engineering Division (compilation of PASER data from 2001-2011).



Soil and Materials Engineers, Inc., "Asset Management for Pavements", April 8, 2009.

If my neighborhood street was recently reconstructed, would this millage increase benefit me?

Yes. It would give the City additional funds that could be used to maintain your street going forward, and simultaneously maintain the other roads throughout the City that are part of the connected road system.

What is the average life expectancy of a roadway?

If properly designed, constructed, and maintained, an asphalt roadway should have an expected service life of 20 years; while a concrete road should have an expected service life of 30 years or more.

What if the millage does not pass?

Novi's major roads and neighborhood streets would continue to deteriorate, as shown in the graph above. Eventually, the City would need to rehabilitate or reconstruct most of its road network, which would be cost prohibitive.

For more information, visit cityofnovi.org or contact:

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