

Leroy Township Summer 2016 Newsletter

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Office Hours: Tuesday, Wednesday, Thursday 9:00 a.m. – 4:30 p.m.

Dear Leroy Township Resident:

The topic of this newsletter will pertain to the many comments and phone calls received at the office in the past few months regarding road repairs and funding. We are hearing of and starting to see the results of other Calhoun County township road funding projects and are looking at the feasibility of local road funding in Leroy Township.

A little history: the McNitt Act of 1931 and Public Act 51 of 1951 required county road commissions to take over as county roads all public streets and alleys outside of the limits of incorporated cities and villages as either county primary or county local roads. This ended any 'township road system'. **State law now requires that county road commissions keep roads, bridges and culverts under their jurisdiction in "reasonable repair," so that the roads are "reasonably safe and convenient for public travel."** The important part to note is that **townships have no statutory obligation to maintain these township roads.** County road departments receive state monies for road upkeep; **townships do not receive any money for road repairs.** A township board nevertheless may choose to appropriate general fund monies to the county road fund for maintenance and or/improvement of county roads and **there are provisions in the law that allow townships to raise revenue to support the maintenance and improvement of township roads by means of millage, bonding or special assessment.**

There are four types of roads in a township: state trunk lines, primary, local and private roads. A map is enclosed to help you determine the classification of the road your property is located on. **The only roads that township raised funds can be expended on are the construction of local roads.**

As all roads in Leroy Township continue to deteriorate, the township board is taking a serious look at road funding options. The numbers are staggering. In a meeting with management of the Calhoun County Road Department in early 2016, our board was told **that Leroy's 39.95 miles of local roads require \$9.7 million dollars of work.** The Calhoun County Board of Commissioners has determined that they will require a 70% contribution of funds from an outside source for the construction and heavy maintenance on these local roads. These funds could come from county special assessments, county taxes, county commissioner's contributions, grants, township millage or special assessment.

The 70% match required by the County Commission for Leroy Township's local roads amounts to \$6,790,000. Numbers that matter: **Leroy has a population of 3,712 residents and it is divided into 1963 parcels.** Townships do not receive any outside funding for roads. The \$6 million plus price tag to repair locals (not including primary or state roads) would need to be raised amongst our small population and number of parcels. Increased gas tax and registration fee monies will not be distributed for local roads.

One Calhoun County township board has created a special assessment district for the entire township and assessed a per parcel road assessment to each property. The pros of this funding method is that each parcel is assessed the same amount. The cons are numerous. First, the special assessment district is created and approved by the township board – there is NO vote of the people. Secondly, all persons on state or private roads are exempt from paying a special assessment for local road funding even though they travel these roads. In Leroy Township we have so few parcels that raising the required 70% matching funds in a timely fashion (before the roads fall apart and need repair again) would require each property owner to contribute approximately \$400 a year for a 10 year period. Thirdly, the amount of a special assessment should be in direct proportion to the benefit each property receives making a flat fee difficult to defend if a special assessment were disputed. **Due to the fact that the public is unable to vote on this method of funding local road improvements, the five member Leroy Township Board is NOT taking a special assessment district into consideration.**

Is using the other method of a local township project funding, a **voter approved millage**, a better alternative to repairing local roads? **The pros of a millage: residents have a voice.** The township retains control of the funds – **all monies must be spent on local roads inside Leroy Township.** The cons: it is difficult for individuals to determine how much they will pay each year in additional property taxes to cover the millage. The value of 1 mil in Leroy Township is \$115,630. Can Leroy Township residents raise enough money to fix all local roads in a timely manner? We are currently talking with the Calhoun

County Road Department about putting a Local Road Funding Millage on the ballot in November 2016. The information that follows is only an approximation of what may appear on the ballot using the our current millage.

Estimate Revenue Generated from Proposed Leroy Township Road Millage:

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|-------------------|-----------|
| 1 mil (.001) = | \$115,630 |
| 1.5 mil (.0015) = | \$173,445 |
| 2 mil (.002) = | \$231,260 |
| 2.5 mil (.0025) = | \$289,075 |
| 3 mil (.003) = | \$346,890 |

How to calculate the amount you would pay per mil:

Your property's taxable value (which is onehalf the value of your home or property) multiplied by .001 (use .0015 for 1.5, .002 for 2, .0025 for 2.5 mil, etc.)

For example: If my home's taxable value is \$54,000:

| | |
|--------------------|---|
| \$54,000 x .001 = | \$54.00 assessed and collected yearly if 1 mil is levied |
| \$54,000 x .0015 = | \$81.00 assessed and collected yearly if 1.5 mil is levied |
| \$54,000 x .002 = | \$108.00 assessed and collected yearly if 2 mil is levied |
| \$54,000 x .0025 = | \$135.00 assessed and collected yearly if 2.5 mil is levied |
| \$54,000 x .003 = | \$162.00 assessed and collected yearly if 3 mil is levied |

It tentatively appears that 2.9 may be number of mils that Leroy Township would need to levy and collect for approximately 14 years to fix ALL OF OUR LOCAL ROADS if the Calhoun County Road Department will approve paying the additional funds needed for construction and repair of Leroy's local roads. This is a very preliminary number and there are many discussions that need to take place including bond financing but there is also a very real sense of urgency because ballot language for the November election must be approved and submitted by August 16.

It is the intent of our board to keep residents informed through mailings and public information meetings once we have a plan in place. If voted in, a road millage would be levied and collected on the Winter Tax Roll each year. Monies collected could only be used for work completed through the Calhoun County Road Department on Leroy Township local roads. Money could not be used for primary, state or private roads.

As of June 2016, the Calhoun County Road Department has **scheduled one primary road in Leroy Township for work and that is 3 Mile Road from B Drive South to D Drive South** – there are 30.57 miles of primary roads in Leroy. In 2016 the Calhoun County Road Department should see an increase of 7.8% revenue over the previous year for a total of \$9.12 million. Their estimate for 2017: \$10.47 million (23.7% increase), 2018: \$11.1 million (31.3% increase), 2019: \$11.9 million (40.5% increase) 2020: \$12.8 million (51.2% increase). And 2021: \$14.2 million (68% increase). **It is important as residents of Calhoun County that we hold County Commissioner's responsible for these funds and require them to submit plans for the reconstruction and upkeep of our primary road system.**

Again, let it be stressed that townships are not responsible for roads and receive no road funding from the State of Michigan. As elected officials, the members of **the Leroy Township Board think that we need to present the best possible plan to our residents and allow you to vote and control the future conditions of local roads.** We in turn will try to keep you informed so that you can make an educated decision when you cast your ballot in November.

Wishing you a safe and enjoyable summer!

Laveta Hardish, Supervisor

Jon Bolton, Trustee
Mark Christoff, Treasurer

Doug Chapman, Trustee
Brenda Schuetz, Clerk