

Q: Where does the St. Joseph County Road Commission get its funding to operate?

A: Our primary source of revenue is the Michigan Transportation Fund (MTF). All state fuel taxes, vehicle registration fees and other transportation-related fees are deposited into the MTF and distributed to county road agencies according to a formula established in Public Act 51 of 1951. In 2004, this generated roughly \$5.1 million for St. Joseph County. Today, it generates less than \$5 million.

Our other main source of revenue is our countywide levy of 1 mill. This generates \$1.3 million annually. Fortunately, growth in the countywide millage has offset losses in what we receive from the state.

Q: Do you receive other funding?

A: The quick answer is, “yes”. Though we at times apply for federal funds (critical bridge, safety and other funds) we must match these dollar-for-dollar. Though leveraging our money is desirable, we don’t always have the capital to pursue this opportunity. Additionally, we receive critical bridge support from St. Joseph County and earn revenue from the liquidation of equipment, investments, license and permit fees, etc. These additional sources of revenue vary from year-to-year, often require a match or are earmarked for specific activities.

Q: That seems like a lot of money.

A: Yes it does until you factor in the rising costs of labor, benefits and material. Labor costs strip out about half our budget. At 100 miles per year, our chip & seal program takes half of what’s left. The remaining \$1.5 million must fund hot mix asphalt overlay at \$120,000/mile and a myriad of other activities including snow plowing, tree removal, bridge construction, gravel patching, dust control, pothole patching, roadside mowing, signage – I could go on-and-on.

Q: Didn’t the State pony up some support late last year?

A: Yes it did. However, you must know the funds are distributed through MTF and Act 51 which restricts how they can be used. Without getting into the weeds too much, it essentially supports maintenance, construction and repair of our 332 miles of primary roads and only maintenance of our 684 miles of local roads.

Q: Is this the problem with Constantine Road?

A: Yes. The money we receive from MTF only provides funds for the maintenance of roads like Constantine.

Q: Can’t you use the countywide millage to help repave Constantine?

A: Yes, though matching funds from our township partners is required. Thus far, townships like Florence have been reluctant to do so. The cost of repaving a road is prohibitive. You may recall a 4.5 mile section of M-86 between Centreville and Three Rivers was repaired recently. The cost of that repaving was a whopping \$957,226.05. Here’s where leveraging dollars is absolutely required!

Q: So, what you're telling me is that flat revenues and increasing costs over time have hindered your ability to provide the level of service we expect in St. Joseph County. Why don't you trim expenses?

A: We have! Over the past decade, we've addressed staffing, equipment and are pursuing a strategy to centralize operations in Centreville. Today's road commission must operate smarter so it can continue providing services into the future.

Q: I hear your centralization plans include the sale of facilities in Three Rivers and Colon, remodeling of your facility in Centreville and perhaps a barn to house your trucks and equipment. Why don't you simply put that money into roads?

A: The impact of shedding costly assets, fostering a better culture and operating out of better, more efficient, facilities far outstrips the benefits of paving a few miles of road. The investments we will make near-term set us up for long-term success. Ultimately, more dollars can be invested in roads by getting rid of multiple facilities – each with significant deferred maintenance issues.

Q: Why doesn't the county simply fund road improvements through their tax delinquent fund?

A: The county is looking for a way to provide further support of the road commission. Remember, they already provide financial assistance in the form of critical bridge funding. That said, roads are costly. They could invest \$5 million into road construction and we could repave 2% of our infrastructure. I'm sure you would agree that's not much. Additionally, we'd need funds to maintain those roads going forward.

Q: Okay, so tell me how your proposed millage helps us taxpayers?

A: Well, first of all, it is not our millage. The St. Joseph County Road Commission has no taxing authority. It's the county millage. Only municipalities like townships, village, cities and counties can request a millage to improve roads.

The county collects the millage and will allocate 0.5 mills to the road commission and the remainder to our two cities, six villages and 16 townships based on their SEV. Each jurisdiction can select road projects and petition the road commission to commit additional funds to a priority project or two.

Q: Will the decisions for construction and maintenance be made by the townships or the road commission?

A: The St. Joseph County Road Commission will make recommendations to the townships using PASER (road condition) ratings, traffic counts and other information. Townships may agree to these recommendations or have ideas of their own.

Q: Will townships have the option of saving for a larger project?

A: Sure! Funds can be rolled over from year-to-year.

Q: Once priorities have been agreed upon, how will they be funded?

A: The SJCRC will estimate project costs using sound engineering standards and principles. Disbursements will be tracked much like a checkbook account.

Q: What services can the millage be designated for?

A: The millage can be used for road construction, reconstruction, preventative maintenance (HMA, Chip & Seal, Micro-Surface and Fog Seal), drainage (ditching and culvert replacement), gravel patching, gravel surfacing, dust control, centerline and edge striping, bridge construction and reconstruction.

Q: What will the millage generate?

A: In rounded terms, \$3 million to townships, \$750,000 to the road commission and \$1.5 million for cities and villages. This is for a period of ten years.

Q: How will the millage affect me?

A: The millage will be applied at a rate of 2.5 mills per taxable value. This represents \$2.50 per \$1,000 of taxable value of your property. If you own a \$100,000 home (\$50,000 taxable value) the millage will increase your annual taxes by \$125. This breaks down to \$10.42 per month. We all have to ask ourselves, are better roads worth what we're being asked to pay?

Q: When will it be collected?

A: The millage will be applied to winter taxes, though the City of Sturgis is petitioning to have theirs collected with summer taxes.

Q: If it passes, when can we see progress made on our roads?

A: We'll start the process of identifying priorities right away. If it passes, construction on roads will commence in 2017. If it doesn't pass, we'll continue doing what we can to control costs so the maximum amount of our funds supports maintenance and repair of the St. Joseph County roads network.