City Street and Park Improvement Bonds

City of Ferndale, Michigan

February 9, 2015

Funding for local road improvements set to expire

- 1994—Voters approve $45 million bond for infrastructure improvements
- Debt service on voter-approved bonds will retire in 2016
- 2015/16 tax rate: 6.5285 mills

Maintaining local roads

- State of Michigan's Act 51—guiding transportation policy
- Local jurisdictions are responsible for maintenance/reconstruction of their
  - Major roads
  - Local roads

Proposed state tax increases for May election will NOT fund local road repairs

- How ARE local roads funded?
  - % of fuel tax dollars (Act 51) for major roads
  - City bonds for local roads
  - Federal and state match grants

The City aggressively pursues federal funds for road improvements

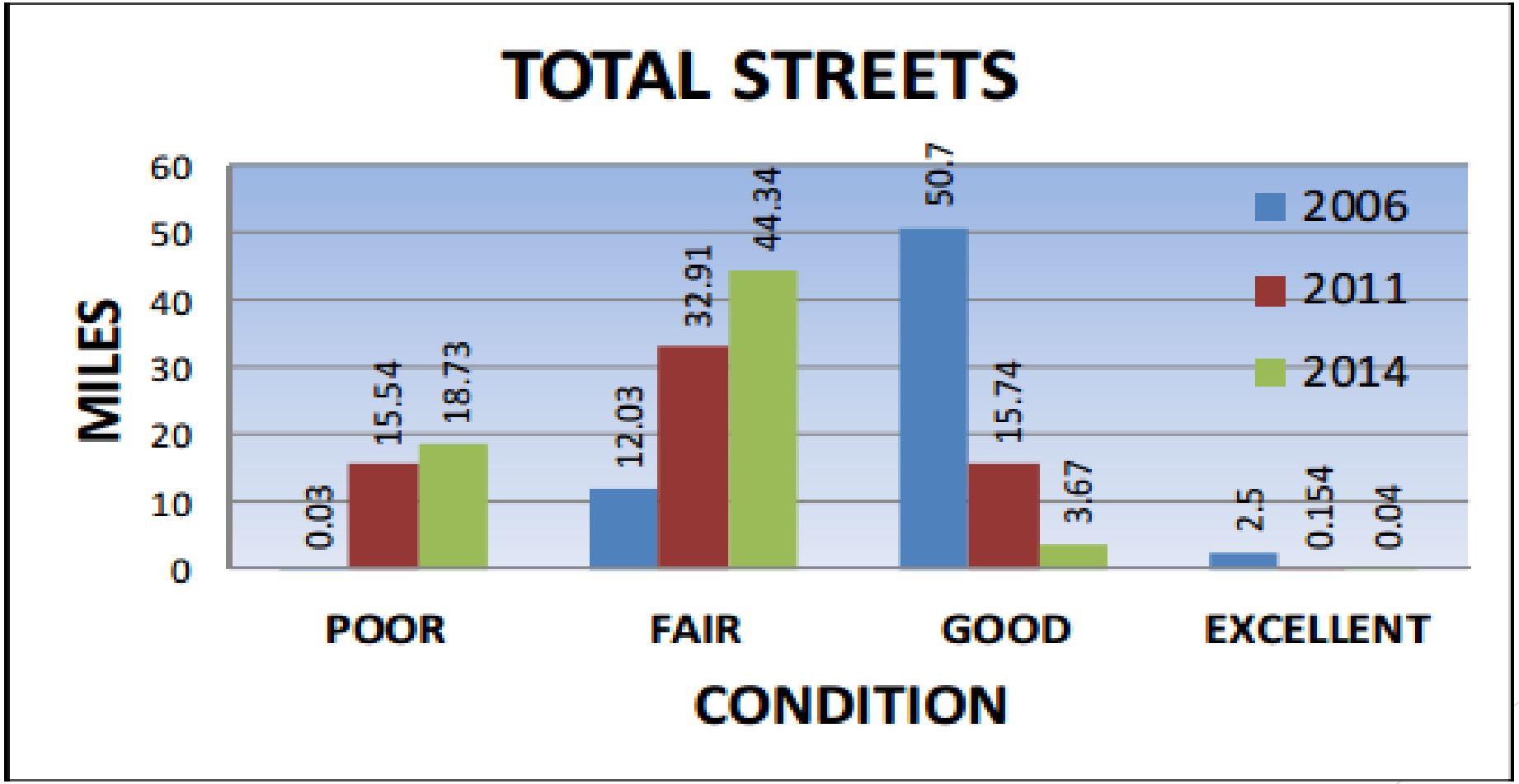
2015/2016 federal share: $1,569,200

- E. 9 Mile (Woodward–West End)
- Hilton (8 Mile–9 Mile, Woodward Heights–10 Mile)

2017 federal share: $976,700

- Pinecrest (9 Mile–Oakridge)
- Livernois (8 Mile–9 Mile)

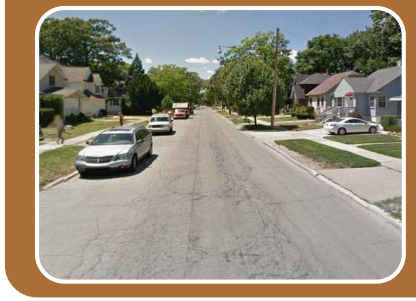
2014: Evaluation of current city road network



How are local roads evaluated?

Michigan's Paser Method

- Pavement surface evaluation/rating
- Condition ratings: (1) Failed–(10) Excellent



Cost estimates?

- Based on rating of road surface condition
- Based on costs of recent bid activity

Alternative transportation

- Striping, signage, traffic signals
- Railroad crossings, curb extensions

Example local streets

Cambourne, Leland - Paxton

East Troy, Woodward - Paxton

Sample streets, continued

Oakridge, Woodward – Livernois

LaPrairie, Marshall – Fielding

Sample streets, continued

Alberta, Beaufield – Pinecrest

Rosewood, Paxton – Burdette

Road improvement program proposal

Type:	Cost:
Local road repairs + contingencies	$38,942,900
City match to federal grant	$1,472,800
Traffic signals/ADA ramps	$2,774,100
Total:	$43.2 million

Also happening in 2014—PaRC to finalize list of park improvement priorities

- How to prioritize:
  - Is the project supported by the Recreation Master Plan, Blue Ribbon Panel, and PaRC Commission members?
  - Does the project have potential to attract private contributions or qualify for grant funding?
  - **Locations have not been determined for potential projects**

$1.9 million park improvement investments

$660,000

- Splash pad, skate park, climbing boulders
- Adult/senior exercise equipment, park walking paths

$625,000

- Playground equipment, picnic tables, dog waste stations
- Kulick Community Center upgrades, park signage, running signage

$625,000

- Flower/sitting gardens, athletic field improvements, pavilions, park restrooms, mobile stage, band shell, bicycle improvements

Splash park

Supports

- ✓ **Parks and Recreation Master Plan**
- ✓ **Mayor's Blue Ribbon Parks Panel**
- ✓ **Parks and Recreation Commission**

Skate park

Supports

- ✓ **Parks and Recreation Master Plan**
- ✓ **Parks and Recreation Commission**

Walking paths

Garbutt Park—current path

Supports

- ✓ **Parks and Recreation Master Plan**
- ✓ **Mayor's Blue Ribbon Parks Panel**
- ✓ **Parks and Recreation Commission**
- ✓ **ADA Compliance in 14 parks**

Play equipment

Supports

- ✓ **Parks and Recreation Master Plan**
- ✓ **Mayor's Blue Ribbon Parks Panel**
- ✓ **Parks and Recreation Commission**

Public streets and park improvement bond proposal—May 5, 2015

- Proposed bond renewal covers BOTH street and park improvements

Bond Type	Bond Amount $	Tax Rate
1994-2016 Infrastructure Improvements	$45 million	6.5285
2016-2036 Street and Park Improvements	$45 million	5.43323
Difference:	$0.00	(1.0962) Tax Cut

What is the impact on the tax bill?

Bond Types	Tax Rate	Expected Tax Bill Payment: House with a Taxable Value of $75,000
(2015) Current Infrastructure Bonds	6.5285	$489.63
(2016) Renewal of Street and Park Improvement Bonds	5.43323	$407.42
Difference	Tax Cut: (1.0962)	($82.81)

Preliminary Sample Bond Series Model

2016-2030:
$15 million

→

2018-2033:
$15 million

→

2021-2036
$15 million

The importance of reinvestment

Poor roads—depict a community in decline

- Obstructive to vehicle safety, cause greater wear and tear on vehicles
- Create hazards for pedestrians and cyclists
- Depict community in decline

Good Roads—stabilize and increase property values

- Improve safety for all users of our roadways
- Accommodate alternative means of transportation
- Create more desirable environment for business attraction

Doing nothing—delays the inevitably of degradation

- Roads deteriorate exponentially
- Increased repair costs correlate with poorer standard of road conditions

Questions for our team?

- City's Engineer: Giffels Webster—Scott Ringler
- DPW Director: Loyd Cureton
- Recreation Director: Jill Manchik
- CED Director: Derek Delacourt
- Municipal Finance/Bond Advisor: Robert Bendzinski, CIPFA