Grand Valley Metropolitan Council
GVMC
Allegan, Barry, Ionia, Kent, Montcalm, and Ottawa County
WEEKLY UPDATE
August 16, 2013
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Special 3 Page Report on Road Funding

GVMC Study on Local Road Funding vs Act 51 Revenues

Throughout the debate on long-term transportation funding there has always been a question and misconception about the level of local funding already being invested by local governments. A great deal of focus is placed on the Public Act 51 dollars local road agencies receive from the gas tax and if those dollars are fully funding local maintenance and construction projects. Our GVMC survey found the answer is **NO!**

GVMC conducted a survey and study of road funding revenues and expenditures received by our local municipal road agencies. These agencies are direct recipients of Act 51 funds and as we all know, those dollars have continually reduced each year since the late 1990's.

Twelve GVMC members provided the dollars they receive from PA 51, the total amount of local or general fund dollars they spend, their total road maintenance budget and any new construction projects they anticipate.

The results of this survey are quite clear. Public Act 51 funding only accounts for a total of 59% of the funding currently utilized to maintain our local street system and provide for very limited new construction. The balance (41%) of funding required to maintain our street system comes from sources other than Public Act 51 and the Michigan Gas Tax. In most communities the local investment comes directly from the community's General Fund and must compete with other essential services like police and fire.

Our analysis found in one third of the communities the local spending is more than 100% of the revenues they receive from Act 51. In two of those cities it exceeded 200%.

Without a doubt, the data proves local governments and taxpayers are already partners with the State in maintaining our roads. The extent of that partnership and the amount of local investment is better understood with the data recently provided by our members.

(see further data on next pages)

Breakfast Space is Filling Up
Please Reserve Today

GVMC Breakfast Meeting Honoring Mayor Jim Buck with Special Guest Senator Carl Levin

Monday November 4, 2013

L. William Seidman Center at GVSU Downtown

$20.00 Per Person

8:00-9:30 am

Seating will be open at 7:30 am

Sign Up online at:

GVMC.org or Gayle at McCrathG@gvmc.org

Major Sponsor — ITC we're your energy superhighway

Host Sponsor — Grand Valley State University

Grant Opportunity /Free GVMC Seminar

SAFE ROUTES 2 SCHOOL

Wednesday August 28, 2013

9:00 am –12:00 Noon

Grand Rapids Township Hall

1836 E. Beltline NE

Grand Rapids, MI 49525

Register at either:
surveymonkey.com/s/5BWW95D
saferoutesmichigan/train.org

GVMC · MDOT Michigan Department of Transportation · Department of Transportation United States of America · Michigan Fitness Foundation

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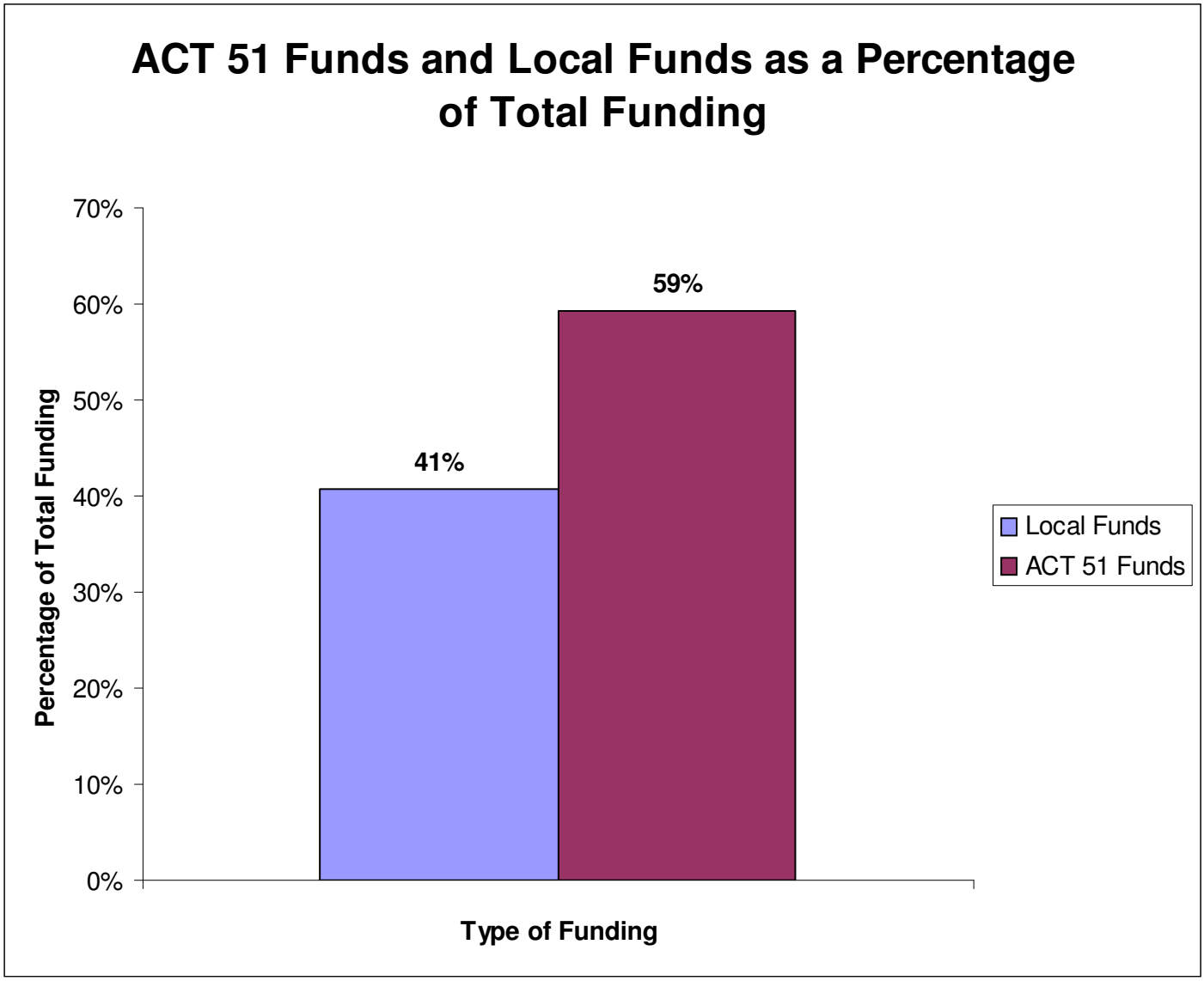
Road Funding and Expenditures for Local Municipalities

	Funding and Expenditures				
City	**ACT 51 Funds**	**Local Funds**	**Percent Local Funds**	**Road Maintenance Expenditures**	**New Construction Expenditures**
Cedar Springs	$ 209,200	$ 59,875	29%	$ 269,075	n/a
East Grand Rapids	$ 680,000	$ 1,049,800	154%	$ 1,093,300	$ 463,600
Grand Rapids	$ 13,094,196	$ 7,345,192	56%	$ 15,585,626	$ 3,362,386
Grandville	$ 950,167	$ 1,167,416	123%	$ 1,835,012	$ 771,000
Greenville	$ 578,000	$ 50,000	9%	$ 950,000	$ 100,000
Hastings	$ 495,000	$ 1,317,250	266%	$ 604,197	$ 1,222,036
Hudsonville	$ 459,321	$ 80,205	17%	$ 520,767	$ 77,516
Ionia	$ 580,000	$ 427,950	74%	$ 672,350	$ 408,500
Lowell	$ 245,500	$ 175,300	71%	$ 248,450	$ 121,150
Middleville	$ 214,417	$ 483,889	226%	$ 348,306	$ 350,000
Rockford	n/a	$ 175,000	-	n/a	n/a
Walker	$ 1,570,468	$ 768,298	49%	$ 2,306,613	n/a
Total	$ 19,076,269	$ 13,100,175	69%	$ 24,433,696	$ 6,876,188
Average	**$3,468,413**	**$2,183,363**		**$4,072,283**	**$ 1,528,042**

* Please note that funding and expenditures may not balance for all cities. Some cities may have a surplus or deficit in their funds, may be carrying over monies for large capital expenditures, or may not have provided the full amount of information on funding and expenditures. Township governments in our region are also providing large matching funds to our County Road Commissions in order to ensure their projects are properly financed.



As we can see from the reported data, significant local dollars are being used to maintain our street system. Other data also shows that we continue to the lose the battle as our overall our street infrastructure continues to deteriorate. Since local government has seen a significant drop in overall revenues, this places further stress on already limited budgets. Public Act 51 is not keeping up with demand for fiscal support of our road system and local units are being called upon to provide greater local general fund support for road maintenance and construction.

Thank you to all the municipalities that provided their information. This issue continues to be a priority for the Grand Valley Metro Council as well as the MTA, MML, MAC and Chambers of Commerce in Michigan. Local government along with MDOT, our business community and our citizens need a permanent solution to finance and maintain Michigan's transportation infrastructure.