

Ann Arbor City Council supports new tax to catch up on local road repairs



A bumpy section of Pontiac Trail in Ann Arbor as it looked before the start of a \$5.1 million reconstruction project earlier this year. About \$2.4 million for additional resurfacing work throughout the city could come in 2015 from a countywide road tax. *(Ryan Stanton | The Ann Arbor News)*



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The Ann Arbor City Council went on record Monday night in support of a new countywide tax to help catch up on local road repairs.

By a 10-1 vote, the council approved a resolution urging the Washtenaw County Board of Commissioners to levy a 0.5-mill tax in December.

The one-year tax would cost the owner of a \$200,000 home about \$50. It would raise an estimated \$7.25 million for road repairs throughout the county in 2015, and \$2.4 million would go to Ann Arbor.

Under state law, specifically Act 283 of 1909, a local road millage can be levied by the county board without voter approval.

The county board created a road funding subcommittee earlier this year to advise the board on the matter. The committee recently recommended a 0.5-mill tax.

That recommendation is expected to be presented to the county board Wednesday night. The board could take action as early as Oct. 1.

Council Member Christopher Taylor, D-3rd Ward, said the roads in Ann Arbor and throughout all of Michigan are a disgrace.

"This is primarily, I believe, a state responsibility," he said. "The county, however, does have the opportunity — and we do not — to levy on its own authority a millage of county residents to be directed to support much-needed local road maintenance."

Taylor said local residents demand better roads, and he hopes the county will give careful consideration to the request. He noted it's expected the county board will hold a public hearing before voting on whether to impose the tax.

The only council member to vote against the resolution was Jane Lumm, an independent from the 2nd Ward.

Lumm argued voters should have a direct say on whether a countywide road tax should be levied, and that decision was being taken away from them.

She said everyone agrees the roads are a mess and the state has dropped the ball by underfunding roads to the tune of about \$1 billion to \$2 billion annually.

Council Member Sabra Briere, D-1st Ward, noted it's unusual for the council to address the county board or talk about new taxes without a vote of the people.

She pointed out the state law that allows the county board to levy a road tax without a vote of the people stipulates that it is a one-year levy. In order for it to be levied for multiple years, it would require a vote of the county board each year.

"You can come back the next year and do it again, but each year you do it, you must specify the roads that are going to be maintained and the cost of that maintenance," she said. "So it's very specific and very directed. It's not a perpetual millage."

Council Member Stephen Kunselman, D-3rd Ward, said he was excited to support a new road tax.

"It makes perfect sense to have a one-year millage to address road construction needs," he said. "And if this pans out and the city can spend it to show progress, I'm more than willing to support it again next year, because it's the only way we're going to catch up on the backlog of the horrible conditions of our roads."

Council Member Sumi Kailasapathy, D-1st Ward, argued the city already was sitting on "lots of money" that it could spend on road repairs. She said it's her understanding the street millage fund had a balance of more than \$16 million.

The city's audit for the 2013-14 fiscal year, which just ended June 30, hasn't been released yet. But the city's audit for the 2012-13 fiscal year showed the street millage fund cash reserves

dropped by \$7 million — from \$25 million to \$18 million — compared to a decrease of \$4.2 million the year before.

Those drops are attributed to planned use of reserves for ramped-up road construction efforts, using funds that were set aside for the Stadium bridges project but became available for road repairs after state and federal grant money came through.

Tom Crawford, the city's chief financial officer, has explained the city tries to keep a minimum of \$9 million or so — equal to about one year's worth of funds from the millage — in the street millage fund cash reserves. The reason the audit shows more than that, he said, is because the construction season is very active in June when the books close and money that's committed to be spent is not yet spent.

Craig Hupy, the city's public services administrator, said the city would look at doing a mix of surface treatments on city streets using the extra \$2.4 million. He said the city would do the bulk of the work using hired contractors.

Mayor John Hieftje said it's important to recognize that most road funding for cities in Michigan comes from the state.

"But what has happened is the state's funding has not kept up with reality, and so Michigan finds itself No. 50 out of the states in road funding," he said. "So it is no wonder that roads across our state are in bad shape."

Council Member Sally Hart Petersen, D-2nd Ward, said there's too much blame on the state for local road funding issues. She said it was time the local community stepped up and took care of itself, and she guessed most residents would be happy about that.

Council Member Jack Eaton, D-4th Ward, said he had mixed feelings about supporting the tax and he shared the concern about not giving voters a direct say. But he said he also knows residents really want the city to catch up on fixing roads.

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