

Possible Changes to Road Maintenance Services for Subdivisions within Service Area # 6

In December 2011, the Summit County Council adopted their annual 2012 budget. That budget included a tax increase for property owners within Service Area # 6. This is a special service district created in 1977 to provide urban road maintenance services to residential subdivisions. The Council increased the tax for the first time in 35 years because the cost of maintaining the 81 miles of subdivision roads had grown more quickly than tax revenues. In the last few years, annual revenues from the tax had not been adequate to provide basic maintenance services and needed road projects. In order to fund these series, the District had been partially funded from other sources such as the municipal fund or surpluses of Area 6 revenues. The adopted tax increase would have raised the rate for subdivision road services from .000424 to .000716. For a primary residence valued at \$500,000 this meant that the annual tax would have gone from \$116.60 to \$196.90. This incremental increase was expected to raise about \$200,000 in new revenues. These revenues were needed to provide for both basic services (snow plowing, road patching, curb and gutter) and road projects (overlays, road seals and even reconstruction).

The tax increase approved at their December 2011 budget hearing was required to be approved again in August of 2012 at a second Truth in Taxation hearing. The money that was budgeted for needed road projects. Those funds were largely expended by the time of the second required hearing in August. Since the Council approved the increase as a legislative action, the approval was challenged by a citizen petition. The petition was successful which froze the billing of that tax to residents 2012 tax bills. Your residents will not be asked to pay this increase in their 2012 taxes. However, since we budgeted and expended these monies and the tax will not be collected, the Service Area 6 budget has a shortfall of nearly \$200,000. This temporary shortfall will be corrected by a loan from surplus gas tax monies to balance the 2012 budget.

As a result of the petition and the budget shortfall, the County Council has directed the Public Works Department to take all reasonable and prudent measures to reduce expenditures within residential subdivisions for the remainder of this year. This may mean that we will expend less time and material in winter road maintenance in your subdivision for the next six weeks. While we will still plow the roads, but we will use less salt and may not clear roads as quickly or completely as we have in the past.

We have also been asked to submit a reduced Service Area 6 budget for 2013. For your subdivision, a smaller budget may mean the loss of county road staff. If this were to occur, it would affect when your roads will be opened up after a storm. Alternatively, it may mean that certain needed road repair projects within subdivisions could not be done next year. The County Manager has recommended that the Service Area 6 tax increase be readopted for the 2013 budget. However, this re-adoption could also be subject to a second legal challenge.

These issues will be discussed by the County Council at a preliminary budget review to be held on Monday, November 26 from 9-11 AM at the Sheldon Richins Services Building at 1885 West Ute Boulevard. The meeting will be held in the auditorium and is open to the public. Your participation is encouraged.