



MEMORANDUM

TO: Mayor Burch and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: City Manager's Report

DATE: February 20, 2015

Street Projects. An item on your agenda concerns a proposed street resurfacing project for this spring. I thought you might be interested in seeing a history of expenditures for reconstruction and resurfacing projects over the last decade.

FY	Local Funds	Grant Funds	Total
05-06	\$252,207		\$252,207
06-07	\$682,987	\$375,000	\$1,057,987
07-08	\$207,336	\$466,450	\$673,786
08-09	\$460,832	\$1,483,905	\$1,944,737
09-10	\$637,300		\$637,300
10-11	\$506,533		\$506,533
11-12	\$543,679		\$543,679
12-13	\$543,481	\$365,000	\$908,481
13-14	\$59,286	\$105,414	\$164,700
14-15 (to date)	\$95,028		\$95,028
Total	\$3,988,669	\$2,795,769	\$6,784,438

Owens-Brockway Liquidated Damages. We have completed a calculation of the distribution of the liquidated damages to the various taxing jurisdictions. These amounts are based on a total payment from Owens-Brockway of \$4,419,432.04 minus the payment to the City Attorney and reimbursement to the City of \$52,327.51 for expenses that it incurred. The remaining \$3,275,328.40 to be distributed are shown in the following table:

City of Charlotte	\$882,938.30
Eaton County	\$486,757.08
State of Michigan	\$274,191.21
Charlotte Public Schools	\$1,323,470.82
Eaton RESA	\$251,398.34
Charlotte District Library	\$56,572.65

Your agenda for Monday's meeting includes a discussion item relative to the use of the amount shown for the City. City staff members have offered me some suggestions for possible use of the funds and I have some comments that I will make at some point as well. Initially, however, it is my preference that Council members have an opportunity to generate ideas before evaluating the merits of any of the suggestions.

County Road Millage. I have learned that the amount that the County will be distributing to the City from its road millage will be significantly less than was originally projected. We expected to receive approximately \$330,000 in the first year based on information prepared by the County. More recent information indicates the actual distribution will be just \$276,353. Some of the difference is attributable to using a formula based on state equalized valuation as compared to the use of taxable value in the original estimate. That does not account for the entire difference, however, and it appears that the most recent information does not include factors such as industrial facilities taxes. I remain concerned that the formula results in a shift of resources from city to county roads and will be doing additional research.