

Roads FAQ

1. Does the City have any other funds they can pull from existing budget to put towards road maintenance?

In 2016, the City did an analysis of all general fund line items to see if there were some monies that could be pulled from other departments to go to road maintenance without affecting services in other departments. That analysis freed up \$95,920 of existing funds. That same year another \$34,080 of new general fund revenue was added.

At this point, pulling further funds from other services would likely reduce or eliminate other services in the general fund. Some of the more major services fully or partially funded in the general fund are: Police, Fire, Parks, Library, Swimming Pool, Recreation Center, Community Development, Legal, Finance, and General Administration.

2. Would the City consider reducing or eliminating some of these services to put more money towards road maintenance?

In 2017, Pleasant Grove had a citizen initiative that would have required the City to put \$2.625M of general fund money into road maintenance. That money would have to be taken from other services like City Parks, Library, Swimming Pool, and Senior Center to fund road maintenance.

68.8% of voters voted “No” on this initiative. As a result of that, Pleasant Grove City feels that our residents don’t support this option for funding roads.

3. How much is the City taking from the general fund and putting into road maintenance?

In 2013, the City increased a franchise fee for utilities that generated \$195,000 of general fund money. That money was earmarked for roads.

In 2016, the City earmarked another \$130,000 of general fund money for road maintenance. That money came from existing funds and new money as explained in Question #1 above.

In 2017, the City earmarked another \$100,000 of new general fund money for road maintenance.

As of today, the City earmarks an annual contribution of \$425,000 of general fund money for road maintenance.

4. Will the City put future general fund new money into road maintenance?

Each year the City will determine whether to put new general fund money into road maintenance as it is scrutinized along with the funding of all the other general fund services.

5. Are home based businesses charged under the business or residential rate?

Home based businesses are considered residential according to the road fee. They would pay the normal residential rate and not the business rate.

6. How come there isn't an option that will get the funding to \$3.8M per year in road monies?

Early on in the process, the City Council had considered options that would fund the roads at the \$3.8M level. The City Council is trying to evaluate the delicate balance of getting more money into roads without overwhelming the rate payers (residents and businesses). At this point they have chosen the two options that are being presented. If the community pushes to have the City Council fund roads at the \$3.8M level, then they will consider that feedback.

7. Are there other available funding opportunities in the future that can continue to increase the money available for road funding?

Each year the City will evaluate how much revenue is being generated by the Gas Tax, General Fund Contribution and the Road Fee. The City Council can consider adding additional monies from General Fund new monies or increasing the Road Fee.

There is also some legislation from the State that could give Counties/City's monies from the sales tax specifically for transportation funding. As of today, we don't know whether this option will be available in the future or not.

8. Where did these rates come from?

Pleasant Grove City hired Lewis Young Robertson and Burningham (LYRB) to do a financial analysis regarding the road fee. The study is based of Peak Day Average Trips (PDAT). This accounts for the amount of traffic a residence or commercial business would generate at the Peak Day Average.

The Residential category has one tier for all residential units in the City.

The Commercial category has different tiers based on the type of business they are and the amount of traffic they generate. Option 1 has the commercial divided into four tiers, Option 2 has the commercial divided into two tiers. The businesses that generate more traffic will have a higher monthly road fee.

9. Why do businesses receive a 45% Exemption on the road fee?

When businesses pay their property tax, they pay 100% based on their assessed value multiplied by the tax rate. A residence that is considered their primary dwelling, pays 55% based on their assessed value multiplied by the tax rate. After that the residence receives a 45% exemption from the property tax. In light of that, the City decided to give the businesses a 45% exemption on the road fee because of the larger burden they shoulder on the property tax.

10. When will my road be fixed?

Pleasant Grove City has a rolling three-year plan on which roads will be maintained in the future. After 2017, we take those projects off the plan and add projects for 2020. This road plan has to be coordinated with other infrastructure replacements (water, sewer, storm drain) in order to ensure that the City doesn't tear up a new road for the replacement of other utilities. The plan can be found on our website at: <https://www.plgrove.org/public-works-13522/3-year-road-plan>