



MEMORANDUM

TO: Mayor Burch and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: Millage Agreement with Eaton County Road Commission

DATE: May 22, 2015

I have previously reported to you my efforts to work with County officials to develop an agreement for the distribution of County road millage revenues to the City. You will find elsewhere in the agenda packet the document that resulted from those efforts.

The components of the formula in Exhibit A might be a bit confusing. In brief, this formula recognizes that there are portions of City-jurisdictions roads that are maintained by the County and vice versa. The mileage associated with these roads is factored into the formula so that the revenues go to whoever will be maintaining them. In Charlotte's case, this formula has the effect of reducing by 1.51% the amount of money that we would otherwise receive if all City roads were maintained by the City and all County roads maintained by the Road Commission.

I am confident that this agreement meets the two tests that I had set: 1) that it represents how we understood the millage revenues would flow when the ballot proposal was discussed; and 2) it is fair and equitable to both the City and the Road Commission.

The agreement has been approved as to form by City Attorney Tom Hitch. I recommend that Council authorize the Mayor and Clerk to sign the agreement on behalf of the City.