

Infrastructure Millage

Updates & Information



What is on the ballot?

Creation of a new millage dedicated to funding improvements and maintenance of the City's water and sewer systems.

Ballot Language

- “Shall the City of Grosse Pointe Park, Michigan be authorized to levy a new additional millage on the taxable property within the City not to exceed the annual rate of 2.5 mills (\$2.50 per thousand dollars of taxable value) for a period of 10 years, beginning with the December 2022 levy and extending through the December 2032 levy, for the purpose of maintaining, repairing, replacing, and enhancing water and sewer systems and related infrastructure in the city? Projects may include work on water mains, lead service lines, sewer mains, pump stations, sewer pipe and manhole rehabilitation, improving sewer resilience and drainage, and upgrading public works water/sewer equipment and associated restoration. The estimated amount of revenue that will be collected in the first year that the millage is authorized and levied is \$1,758,292.00.”

Why is a millage being proposed?

- Our infrastructure is beyond its identified service life.
- Water main breaks are frequent.
- Undersized water mains present challenges in fighting fires
- Sewer system struggles to handle major storm events.
- The infrastructure was built to last 100 years and it is over 100 years old. Major investments are needed to ensure our infrastructure can meet the needs of our community both today and one hundred years from now.
- The City cannot afford to continue to bear the financial and operational burden that comes from service interruptions and system failures.

Infrastructure by the Numbers

36.9 Miles of
Roadway

35.3 Miles of
Water Mains – 95%
were installed in
the 1920s.

41 Miles of
Sanitary Sewers

29.5 Miles of Storm
Sewers

3 Lift Stations

66 Fire Hydrants

260 Gate Valves

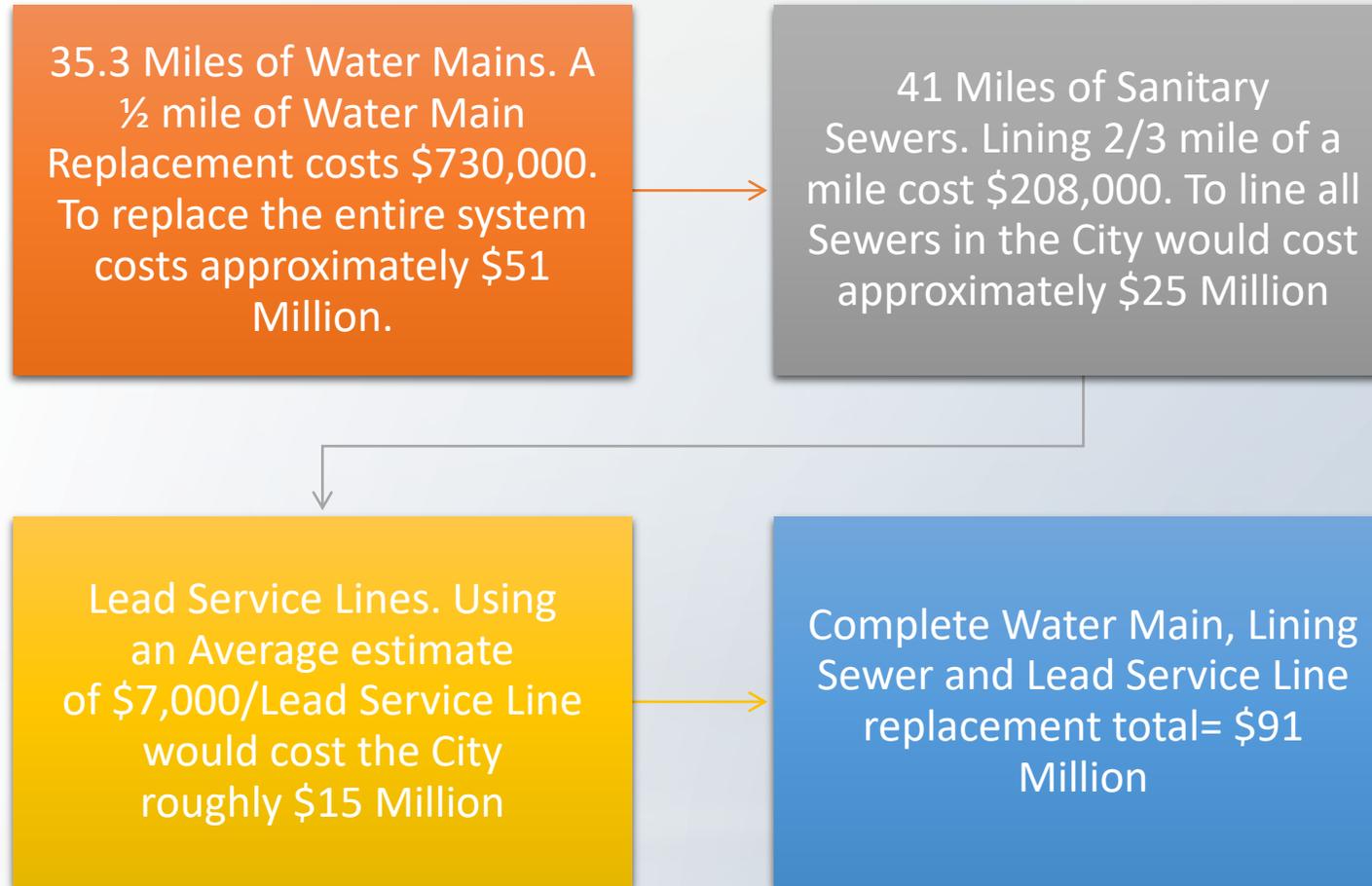
950 Catch Basins

2,500 Storm and
Sanitary Manholes

2,025 lead service
lines

2 pump stations

What is the cost to replace all Water Mains, Line all Sewer Mains and Replace Lead Service Lines?

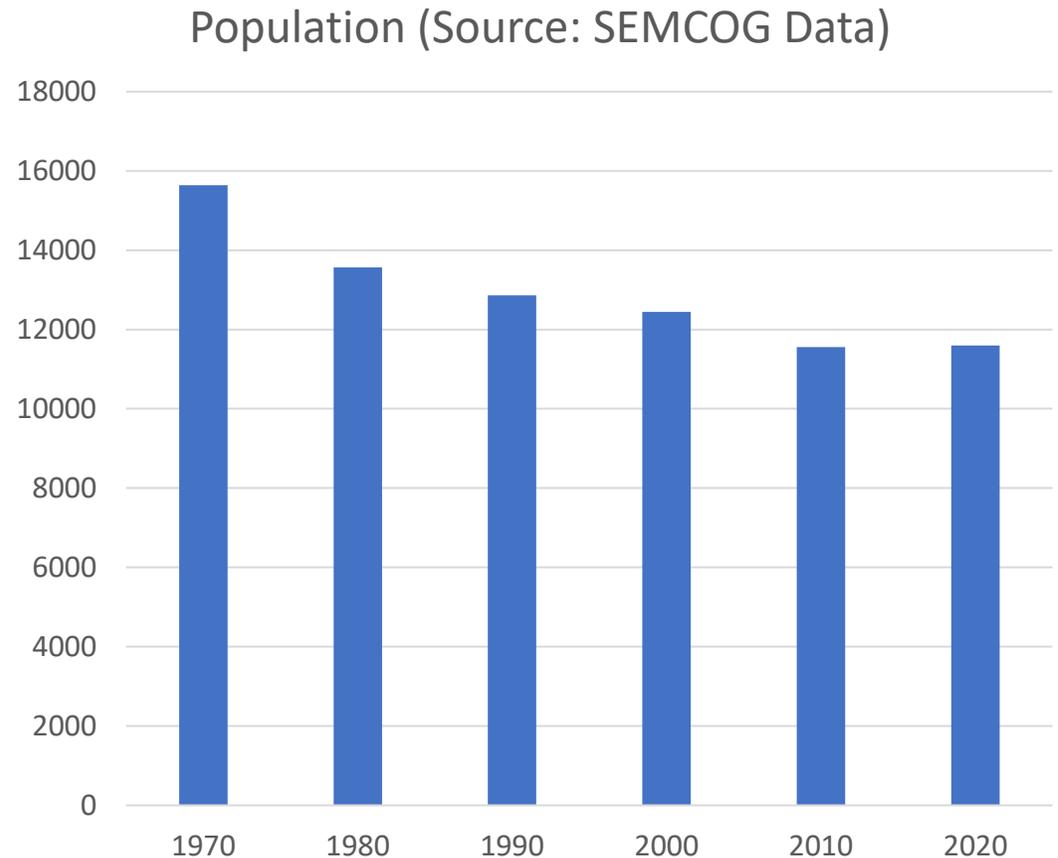


How will we spend it?

- What can we fix with \$1,758,292 each year?
- Replace ½ mile of water main per year (\$730,000)
- Fund our annual requirement for removing all lead service lines by 2041 (\$820,000)
- The timeframe for this can be adjusted by EGLE upon submitting a multi-year replacement schedule. This likely will only be approved if we have a guaranteed funding source in place, such as the proposed millage.
- Costs of lead service line removal could be included in the water main replacement category depending on presence of lead lines on the chosen main.
- Line/rehabilitate 2/3 of a mile of sewer main per year (\$208,292)
- Locations of water/sewer main improvements will be identified ahead of time. Design engineering can occur in year prior to construction. Having a dedicated funding source could lead to awarding 2-year construction contracts that lock in prices ahead of time.

Population

- 1970: 15,641
- 2020: 11,595
- From 1970 to 2020 Grosse Pointe Park experienced a 35% decline in population.
- With a population decline from 1970 to 2020 residents now are expected to pay assist a system that fulfilled 4,000 additional residents



Early History: 1920s-1940s

- 95% of the City's water mains are installed.
- Combined sewer system is constructed. Carries sanitary sewage and stormwater.
- Jefferson Pump Station was constructed in 1939 as part of the New Deal.



1980s and 1990s

- 1984 and 1985: water main totaling 1,348 feet was installed. Primarily on Cadieux beginning at Jefferson.
- No water main installations or replacements have occurred since then.
- In the mid 1990s the City began a multi-year project of separating the sewer system and built the Patterson Park Pump Station. The cost of this work was \$22 million and paid for by issuing bonds and completed payments in 2018.
- Fox Creek Relief System closed to Grosse Pointe Park due to lawsuit.



2000s and 2010s

- In the 2000's and 2010's the city continued routine maintenance of cleaning catch basins
- City lined a section of Sewer on Bedford that had a cross connection affecting several homes
- After the flood of 2016 the City invested in moving transformers and switch gear in the Jefferson pump station.
- Plugged manhole covers missing plugs and sealed catch basins
- Smoke testing conducted to identify areas of inflow and infiltration
- Started Application for Drinking Water Revolving Fund Loan to fund water infrastructure and completion of Water Asset Management Plan
- Patching Water Main Breaks



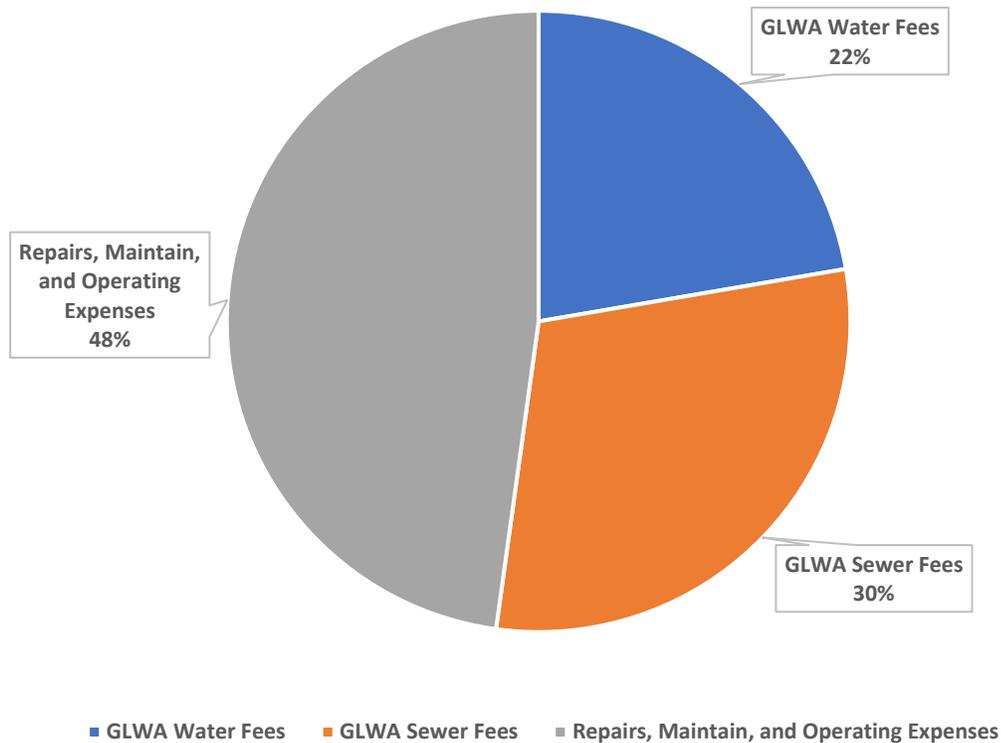
What have we done since the June Flood of 2021?

- Sewer Televising and Cleaning of 41 Miles of Sewer System
 - Additional heavy cleaning in progress
- Cleaning of Catch Basins
- Continued Application for Drinking Water Revolving Fund Loan through State
- Application to FEMA for Building Resilient Independent Communities to fund EERV. Not awarded by FEMA
- New Water Main Replacement on Mack from Cadieux to Kensington approved by Council September 19 2022
- Hired Baker Tilly to analyze water/sewer rates and fund capital improvements
- In progress Water/Sewer Capital Improvement Plan
- Coordinated regional cooperation with GLWA, Grosse Pointe Communities and City of Detroit to share data information and continue requests of infrastructure funding



What does my utility bill cover?

Water/Sewer Fund Cost Distribution



<u>Category</u>	<u>Cost</u>
GLWA Water Purchases	\$1,467,029
GLWA Sewage Treatment	\$1,966,064
System Operating, Repair & Maintenance	\$3,146,001
Total Costs:	\$6,579,094



Why aren't the taxes I pay enough?

Only 33% of the taxes paid by homeowners stays with the City. The rest is sent to the State, County, the local school district, and other entities. **Currently, no taxes are used to support the water and sewer systems.** Additionally, much of our capital needs stems from the age of our water and sewer systems, the vast majority of which were installed in the 1920s. Repair and maintenance work funded by water/sewer rates is no longer adequate to meet our needs.

Grosse Pointe Park has the lowest city millage rate of all the Grosse Pointe communities.



How much would water rates need to increase to generate the same amount of funds as the millage?

To address just the most critical infrastructure projects, a significant amount of new revenue is required. It is estimated that at a minimum a **30-40% increase** in water/sewer rates would be needed to raise the equivalent funds as the proposed millage. This magnitude of a rate increase would disproportionately impact lower income residents, which would be compounded with the current environment of historic inflation.

Why not take out a bond and fix everything at once?

- Interest rates have increased dramatically under current market conditions. Future rates are uncertain at best and expected to rise at worst. Higher interest rates come with higher costs.
- The current supply chain and market conditions carry a risk that borrowed funds would be insufficient once bids are received.
- It is simply not practical to plan to replace our infrastructure all at once.
- A Bond requires the money to be spent within a short amount of time whereas a millage allows strategic funding to replace infrastructure as conditions change regularly and priorities

Has the City used a millage for infrastructure before?

- Yes, in 2014 the voters approved a road millage and subsequently extended it in 2018.
- The City enjoys an average PASER rating of 7/10, which is considered “GOOD” condition.
- From just 2020 to 2021, millage funds were used to increase 3.49 centerline miles (6.98 lane miles) from “POOR” to “GOOD.” This is 9.5% of all roads within the City.
- The road millage has received strong community support and has proven to be an effective way of maintaining and enhancing our roadway infrastructure. The City intends to use the proceeds of the water/sewer millage just as successfully as it has the road millage.

How much would this cost me?

- At 2.5 mills, the average homeowner (taxable value of \$170,000) would pay an additional \$425 in property taxes per year.
- To determine your exact cost, review your current *Notice of Assessment, Taxable Valuation, and Property Classification* and multiply the 2022 taxable value by 0.0025.

Areas of Highest Need Water Infrastructure

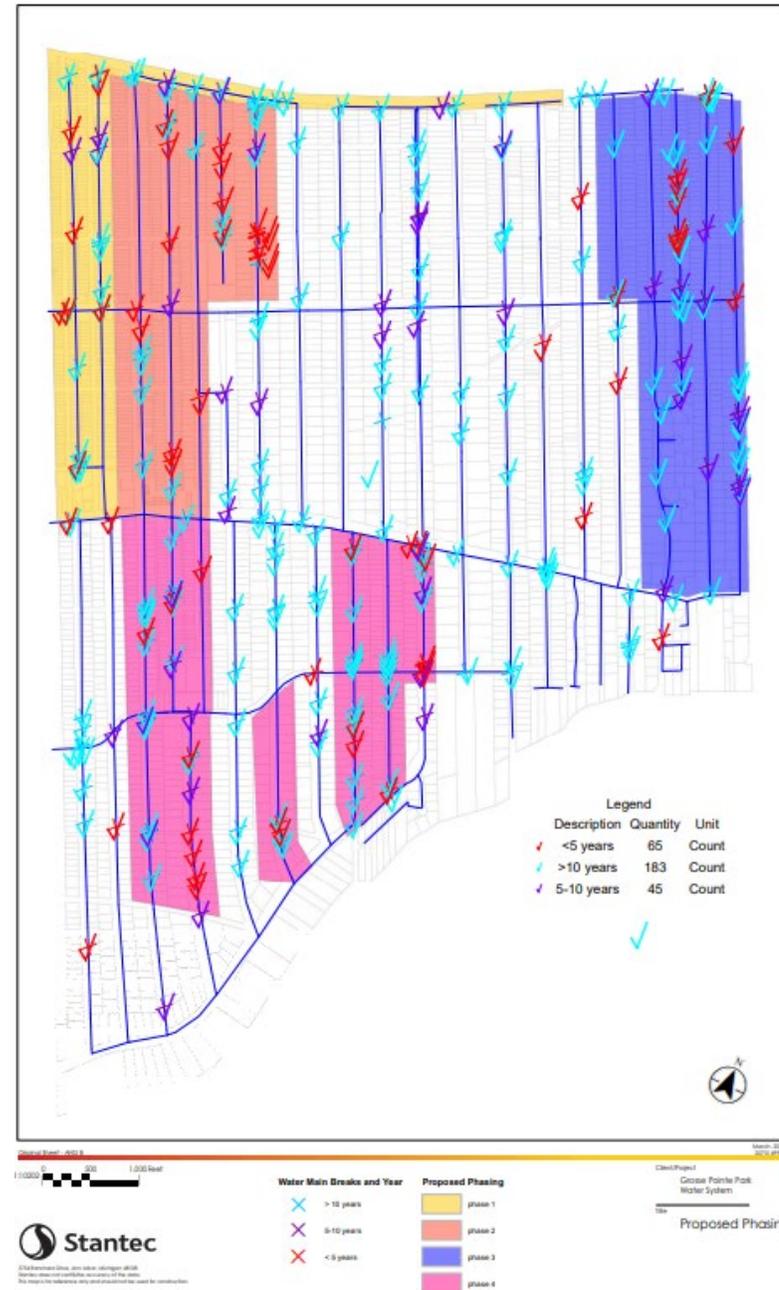


Figure 2: Proposed Project Areas

Water Main Condition Ratings

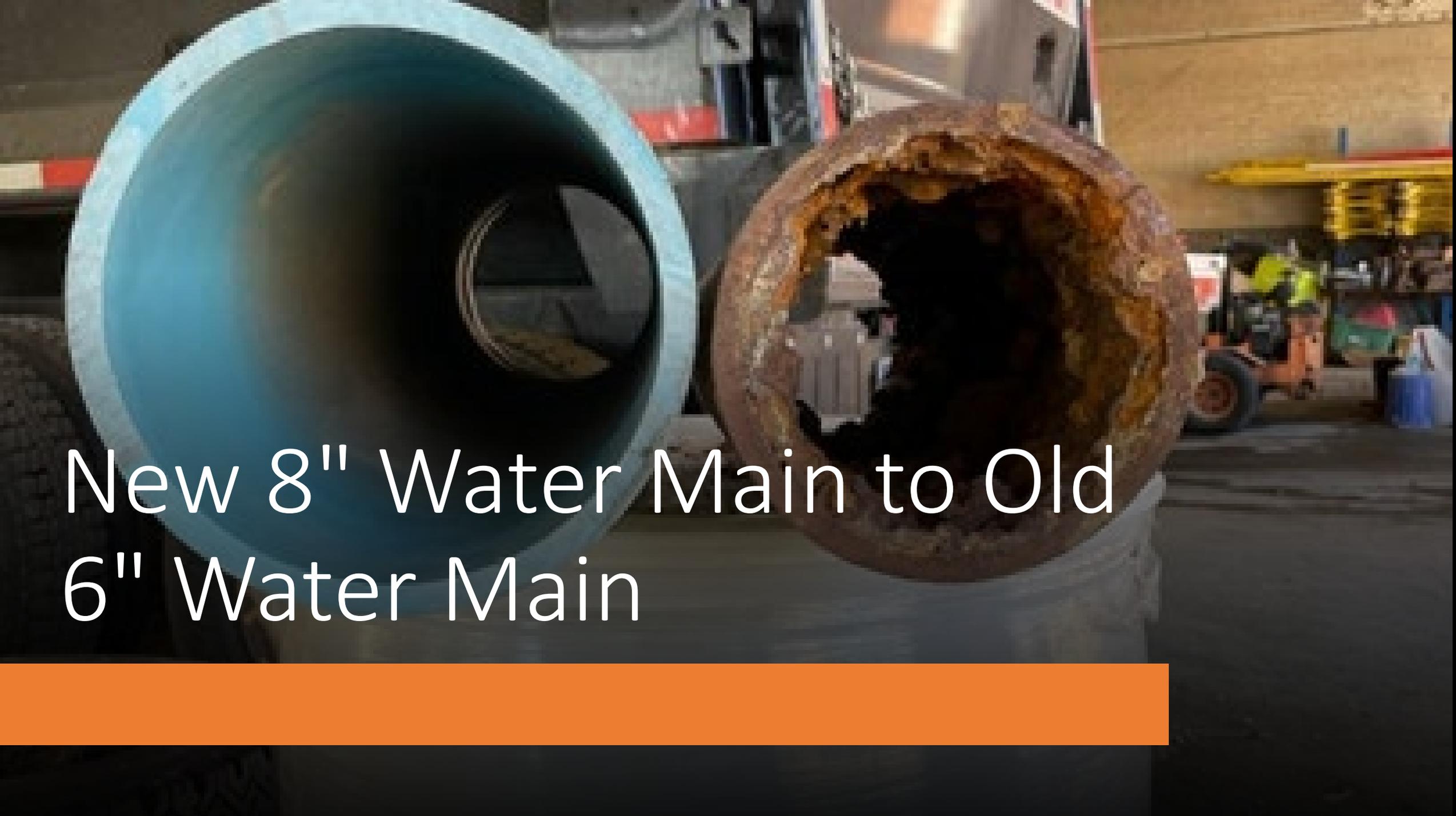


Water Main Break History 2000-2020



Current 6" City Water Main





New 8" Water Main to Old
6" Water Main

Sewer Pipe with Debris (Cleaning in Progress)



SMH: 13962

SMH: 13894

3.9 ft.

Clean Sewer Pipe
with Lining
Installed

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Pointe Park Website

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Information with Ballot Proposal, Road Paser Ratings, Downspout Disconnection Information, Water Asset Management, Infrastructure Committee Reports, OHM Reports and Drinking Water Revolving Fund Loan Application

RELATED PAGES

[November 2022 Millage Proposal](#)

[2021 Road PASER Rating](#)

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Infrastructure

This page is for our community to learn about the City's infrastructure, including historical reports, information on the November 2022 millage proposal, and a contact tool to ask questions or report an infrastructure concern directly to the City. This page is intended to be updated periodically so please continue to check in from time to time.

[Click here for the Agenda for the 9/20/2022 Infrastructure Town Hall](#)

[Report a concern/Ask a Question?](#)