

In February's newsletter, an overview of the new road maintenance and repair study was provided. Overall, the City is spending less than half of what is needed to repair and maintain roads in a fiscally responsible manner. As such, our City is faced with a choice: increase funding and begin repairing and maintaining the roads properly or continue with the status quo. Continuing with the status quo will result in future costs that are almost double what they are today. Unfortunately, the money needed to fill the gap is currently not in the City budget.

The money the City spends on road maintenance and reconstruction comes from Class B and C road funds that are distributed by the State from taxes paid at the gas pump. The amount each city gets is based on road miles. We are estimating \$630,000 for this budget year.

For the City's General Fund, much of the revenue collected are fees for service. For example, court fines pay for the operation of the court and garbage fees pay for the garbage tipping and dumping fees. In contrast, sales and property taxes go towards other departments that do not have fees for service. This year, the City will collect \$5.1 million in taxes. Of that \$5.1 million, \$3.2 million goes towards Public Safety. That means there is \$1.9 million left to pay for parks and trails, the Library, city events, partial bond payments, and City departments such as Administration, Finance, Records, etc. Over the last several years, the City Council has made a concerted effort to reduce expenditures. However, any additional budgetary reductions will likely result in a reduced level of service.

The City does not want to place unwarranted costs on Highland City residents and we are doing everything we can as a City to be efficient and spend tax payer money prudently. This budget year the City even pulled from reserves to do additional road maintenance. However, this is not a sustainable model in the long term. The road study and plan is still being finalized and we will continue to present more information and final numbers as they become available. Please make sure to read the newsletter each month, watch City Council agendas, and follow us on Facebook and Twitter. We want to find the best solution for everyone and need citizen input to do so. If you have any questions or comments, please reach out to City staff or the Mayor and Council.