

Street Maintenance Fee

What is a Street Maintenance Fee?

A Street Maintenance Fee (SMF) is a fee collected from benefitted properties within the city limits for the purpose of maintaining the street system. The collected fees will go into a separate fund named a Street Improvement Fund. Monies collected will be separate from the General Fund and can only be applied to activities related to maintaining the street system.

When does it go into effect?

The Street Maintenance Fee (SMF) will be added to utility bills beginning on January 1, 2019 and thereafter. This is intended to be a 10 year program and will be reevaluated for its effectiveness.

How much will I pay per month?

There are four types of property classifications. You will pay the fee based on your property type by unit.

Residential Unit	\$5.00 per month per unit	Multi-Family Unit	\$5.00 per month per unit
Commercial Unit	\$12.50 per month per unit	Industrial Unit	\$30.00 per month per unit

Why is the City charging us a SMF?

Simply stated, the City has a street maintenance crisis like many cities in Texas and others across the nation. Of the 92.3 miles of City streets, 20 miles need to be rebuilt now, and another 30 miles are at risk of needing to be rebuilt. The City currently has a backlog of over \$14 million in street maintenance to our network and that number will continue to grow over time if we do not address this issue. Over the past 20 years, the city has seen asphalt prices go from \$37 a ton to \$81.25 a ton which has severely limited our ability to properly maintain the network, especially over the past five years.

The cost of maintenance increases dramatically from an overlay versus a street that needs to be reworked from the subgrade and essentially be rebuilt. The City initially planned to spend roughly \$560,000 annually over the next five years which would allow us to maintain about 2 miles of street network a year. With the SMF, we anticipate an additional \$500,000 annually that will allow the City to essentially double our efforts for street maintenance but still be well short of what is needed. In the overall picture, we will still be about \$500,000 (in today's dollars) short of properly funding street maintenance.

Where can we find information related to the SMF?

The City will maintain a webpage on our website that is updated to show current projects, future projects, financial information, and general information about the fee itself. While not available yet, you will be able to find the page at www.sulphurspringstx.org.

What would happen if the City chose not to charge the SMF?

Continued deterioration of roads and a dire financial situation for future generations to have to rebuild more streets rather than performing routine maintenance.

What streets will be added due to the SMF?

Due to the Fiscal Year being from October 1, 2018 through September 30, 2019, it is anticipated that for the remainder of this year to collect approximately \$372,000 in street maintenance fees. Listed below are the streets that we anticipate being able to complete this year with the addition of the fee. This list is preliminary based on cost estimates and actual costs may be higher or lower which may reduce the number of streets on this list or allow for additional streets.

The streets highlighted in green (below) were the streets that the City would be able to complete without the use of a street maintenance fee which is 1.8 miles. The streets highlighted in gold are added due to the Street Maintenance Fee and equates to an additional 1.2 miles for the remainder of this fiscal year.

Preliminary 2019 Street Improvement Program *(Engineer Cost Estimate based on previous year cost)			
Existing Funding Level of ~\$560,000			
SMF Streets Added ~\$372,000 (Anticipated Revenue Fiscal Year 2019)			
#	Street	From/To	2018 Engineer Cost Estimate (Dependent upon bids)
1	Asphalt Repair	Various soft spot repairs	\$111,325
2	Beasley	Texas to Davis	\$43,193
3	Cranford	Kyle to Beasley	\$55,941
4	Elm	Transition to Bill Brad.	\$54,732
5	Ingram	League to Locust	\$100,138
6	Park Springs	Hwy 11 to end of C&G	\$87,522
7	Pipeline	Church to Dirt(skip conc)	\$113,091
8	Peach/Georgia	Davis to Brinker	\$81,122
9	Putman	Oak to Jackson	\$34,772
10	Ashcroft/ Town	Magnolia to Texas	\$27,862
11	Brewer	Ingram to Locust	\$23,510
12	Carter	Bill Bradford South	\$94,318
13	Hodge	Fisher to Gilmer	\$57,744