



CITY OF MADEIRA—EARNINGS TAX ISSUE

Madeira City Council has asked the voters to approve a .25% increase to Madeira’s earnings tax with an additional .1% credit adjustment. This increase would raise an additional \$786,000 from the earnings tax and \$190,000 from the credit annually, money which can only be reinvested in Madeira’s infrastructure needs such as repaving Madeira’s streets, repairing Madeira’s streetscape, upgrading Madeira’s aging park system, and updating the City’s storm water and sewer systems.

CAPITAL IMPROVEMENTS—THE FUNDING NEED

Status Report

Cuts to the Local Government Fund in 2011 created a growing gap between available revenue and infrastructure costs. Madeira faces an estimated \$1.2 million annual shortfall for road repairs, storm water maintenance, and future capital investments - a shortfall that has been balanced in previous years by delaying infrastructure repairs. Madeira’s aging infrastructure has now hit a critical point, and continued delays in maintenance will not only increase the cost of repairs but compound the annual financial difficulties of the City.

For example, in 2008 and 2009, the City rebuilt Kenwood Road. The City used State funds, two years worth of City street funds (\$800,000), and borrowed the remaining \$1.2 million to complete the project. The City is still paying on that \$1.2 million loan today, with interest. The final payment will be made in 2019. This was for ONE street and no other local City streets were paved in those two years, putting the repaving schedule even further behind.

The average annual spending on City roads and storm water lines is 32-40% UNDER the recommended annual spending to keep these key infrastructures in top operating condition. By systematically funding capital improvements from the earnings tax increase and credit adjustment, the City can invest in street repairs and community enhancement projects such as replacing park shelters and playground equipment, adding sidewalks, and replacing aging storm water lines.



Have Questions About the Earnings Tax Issue?

Attend one of the **INFORMATION SESSIONS** planned for this Fall. Both sessions will be held in Council Chambers at the Madeira Municipal Building.

Dates:

October 11, 2108 at 7:00pm

October 20, 2018 at 9:00am

Or visit the City’s website at: www.madeiracity.com

Funding the Gap

City Council has asked voters to consider a 0.25% increase to Madeira’s earnings tax, with an additional 0.1% credit adjustment. This request would generate the following funds for capital improvements:

0.25% increase = \$786,000

0.1% credit adjustment = \$190,000

\$976,000 annually