

An aerial photograph of Mill Creek, Utah, showing a mix of residential and commercial buildings, parking lots, and streets. In the background, a range of mountains is visible under a clear blue sky. The image has a semi-transparent blue overlay.

MILLCREEK

Transportation Utility Fee (TUF)

City Council Work Session

1/12/2026

An aerial photograph of a town, likely in a mountainous region, with a large mountain peak in the background. The town features a mix of residential and commercial buildings, parking lots, and roads. A large white truck with the 'KNIGHT' logo is visible on a road in the foreground. The image is overlaid with a semi-transparent orange and teal graphic on the right side.

WELCOME

- Project Overview
- Current Road Conditions
- Current Maintenance Funding
- Future Maintenance Costs & Potential Fee
- Next Steps

PROJECT GOALS

1. Assess current road conditions
2. Calculate maintenance costs to improve roads to industry standard
3. Determine potential fees
4. Ensure legal compliance with State code
5. Explain fee to public and gather input
6. Inform Council so they can make decision whether to adopt new fee



PROJECT SCHEDULE

June
2025

Today's
Meeting

March
2026

Assess Road Conditions

Calculate Fees

Final Report

Determine Maintenance Costs

Inform Public & Gather Input

Council
Adoption

TUF OVERVIEW

Fee vs Tax:

- The Utah Supreme Court established the test to distinguish a fee vs tax
- Tax is for general governmental purposes
- Fee relates usage to services provided

What is a transportation utility fee (TUF):

- Based on the type of use, the number of vehicle trips, and their impact to road conditions
- *Larson v. Pleasant Grove City* (2023) determined TUF is a legal fee in Utah

TUF OVERVIEW

	Adopt a TUF	No TUF
Advantage	<ul style="list-style-type: none">• <u>Fairer</u> - all users pay based on usage• <u>Better funded</u> - leads to better roads and <u>less long-term cost</u>	<ul style="list-style-type: none">• <u>Less cost</u> to users in the short-term
Disadvantage	<ul style="list-style-type: none">• Higher <u>short-term costs</u>• <u>New expense</u> - Schools, churches, non-profits will contribute• May need to <u>create in-house billing</u> (currently using Rocky Mtn Power to bill water fees)	<ul style="list-style-type: none">• Continue to use <u>general funds</u>• Underfunded maintenance leading to <u>lower quality roads</u>• More <u>full reconstruction projects</u> in the long-term

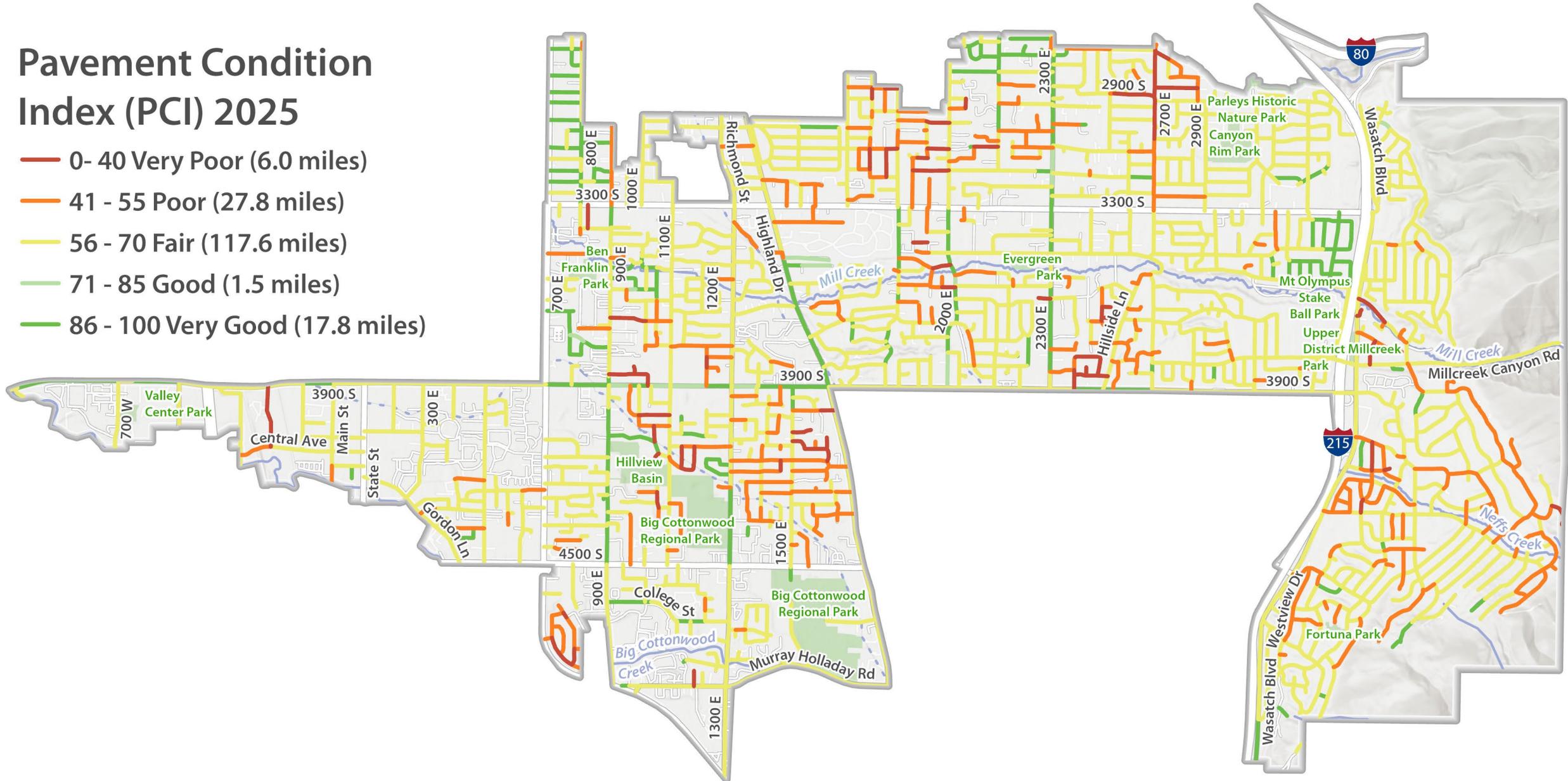


Current Road Conditions

PAVEMENT CONDITION INDEX - 2025

Pavement Condition Index (PCI) 2025

- 0- 40 Very Poor (6.0 miles)
- 41 - 55 Poor (27.8 miles)
- 56 - 70 Fair (117.6 miles)
- 71 - 85 Good (1.5 miles)
- 86 - 100 Very Good (17.8 miles)



SPOT CHECK – MILLBROOK DRIVE

Road	From	To	PCI 2025
Millbrook Dr	East Millbrook Dr	2000 E	40

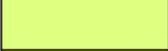


PCI RANGE	Typical Repair Strategy
86-100	PREVENTIVE MAINTENANCE
71-85	
56-70	REHABILITATION
41-55	
26-40	RECONSTRUCTION
11-25	
0-10	

SPOT CHECK – OAKVIEW DRIVE

Road	From	To	PCI 2025
Oakview Dr	Sunset View Dr	Olympus View Dr	52



PCI RANGE		Typical Repair Strategy
86-100		PREVENTIVE MAINTENANCE
71-85		
56-70		REHABILITATION
41-55		
26-40		RECONSTRUCTION
11-25		
0-10		

PAVEMENT CONDITION SUMMARY

- Citywide average PCI score of 64
- Segments with lower PCI have significant cracking/spalling; segments with higher PCI correspond to recent maintenance projects
- Ideally, all roads receive regular maintenance in a ten-year window, however current funding level is insufficient



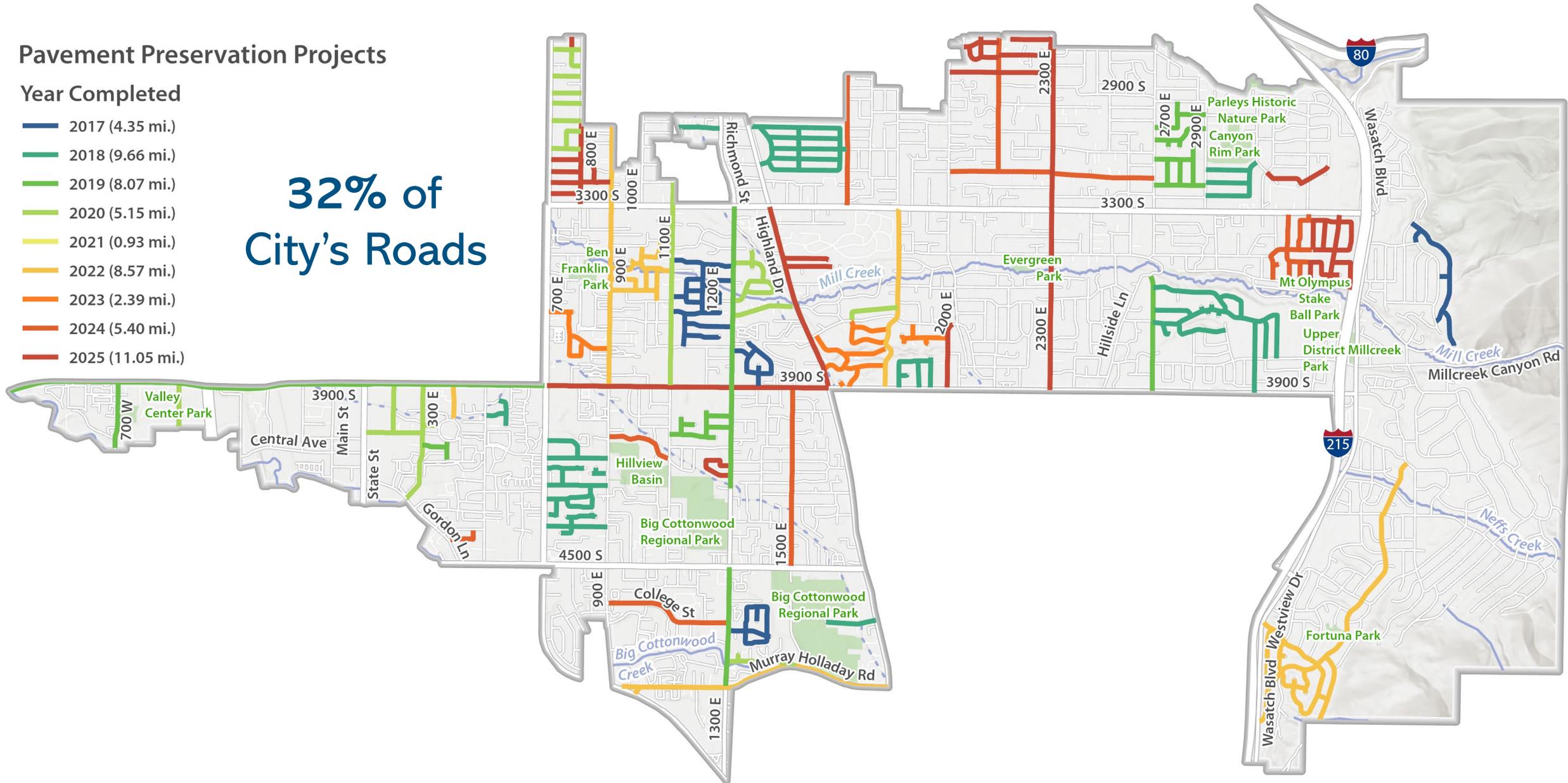
PREVIOUS TEN-YEAR PROJECTS

Pavement Preservation Projects

Year Completed

- 2017 (4.35 mi.)
- 2018 (9.66 mi.)
- 2019 (8.07 mi.)
- 2020 (5.15 mi.)
- 2021 (0.93 mi.)
- 2022 (8.57 mi.)
- 2023 (2.39 mi.)
- 2024 (5.40 mi.)
- 2025 (11.05 mi.)

32% of
City's Roads



An aerial photograph of a busy city intersection. The scene is dominated by multi-lane roads filled with cars, trucks, and vans. Commercial buildings with flat roofs and parking lots are visible around the intersection. A large billboard is positioned at the bottom center of the frame. The overall atmosphere is one of a bustling urban environment.

Current Maintenance Funding

B&C ROAD FUNDS

FY 2025 Total Funds \$266.5M

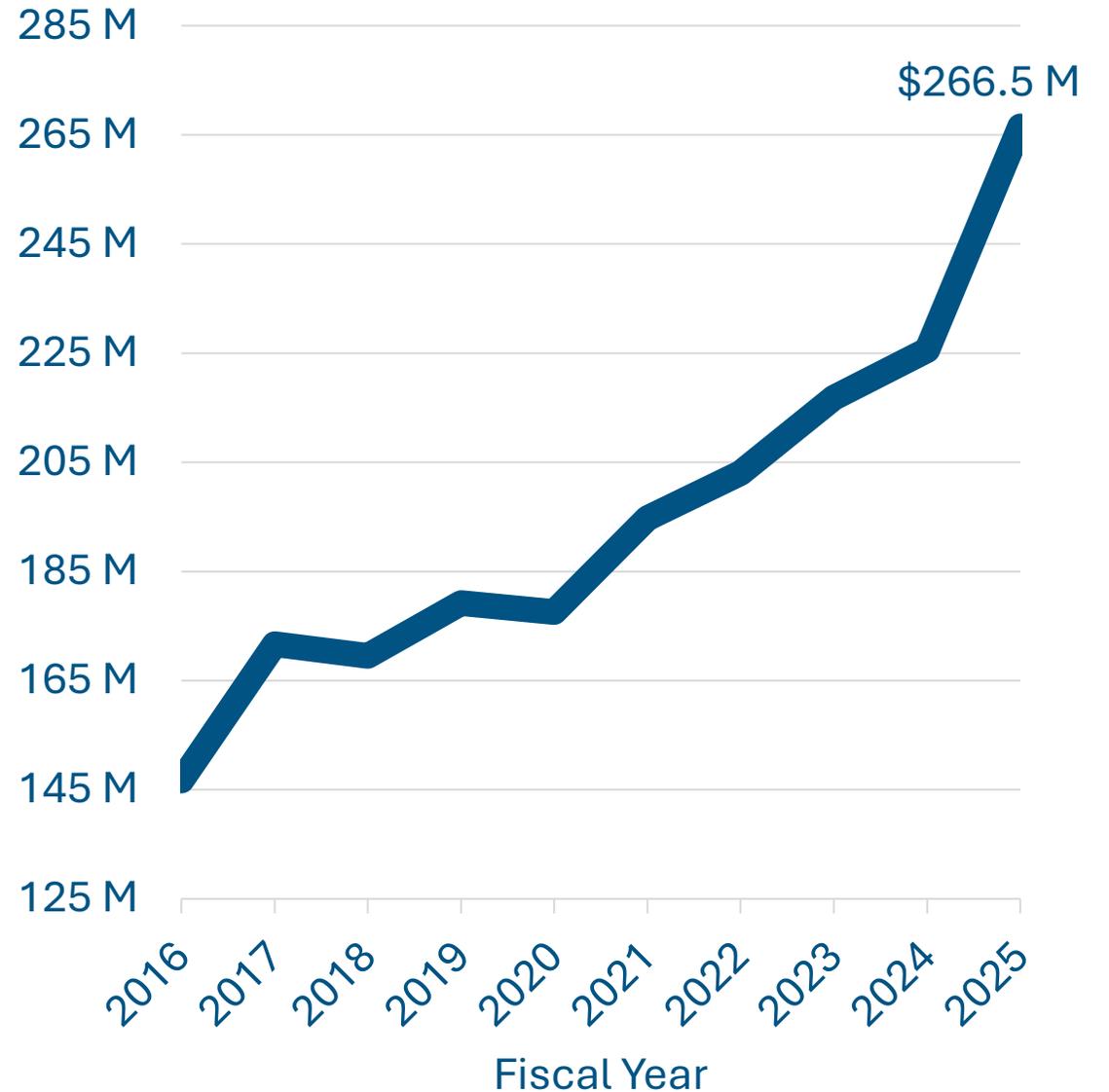
Distributed on road miles and population

- 50% population
- 50% road miles

Millcreek total B&C road miles

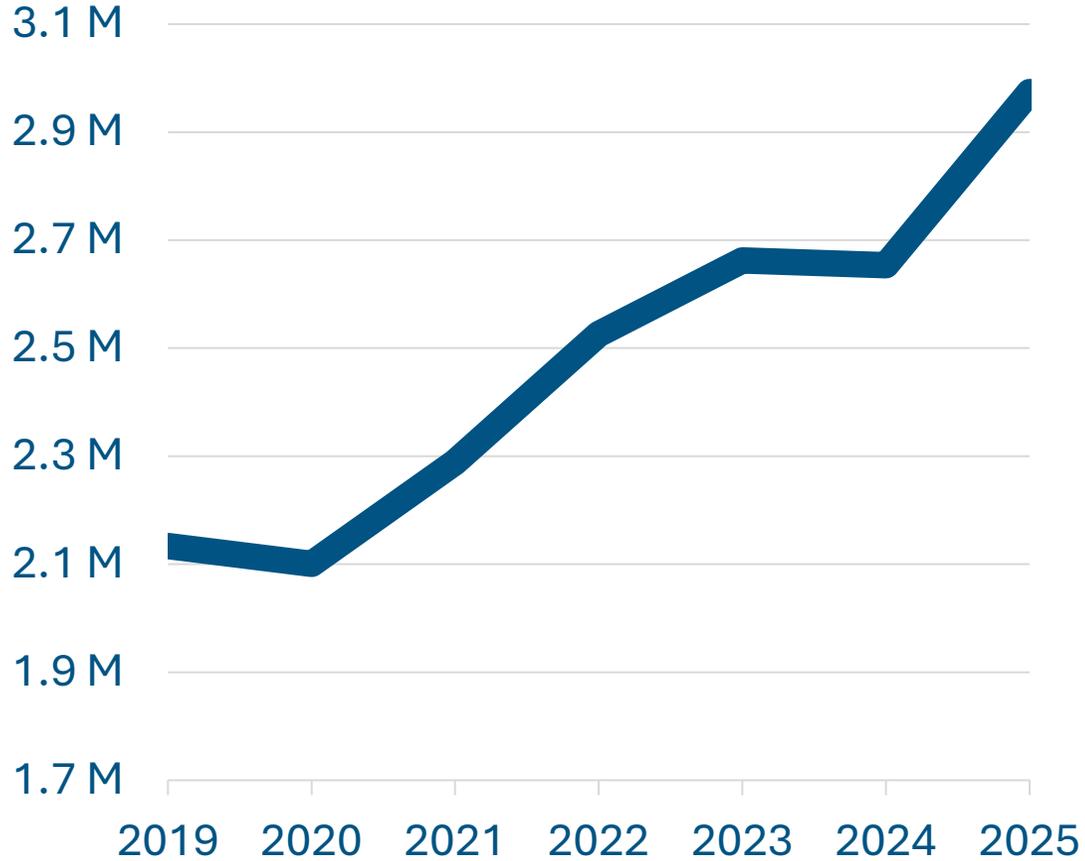
- Last updated March 2017
- 171.56 paved miles
- 857.8 weighted lane miles ~0.7% of state total

Utah Total B&C Road Funds

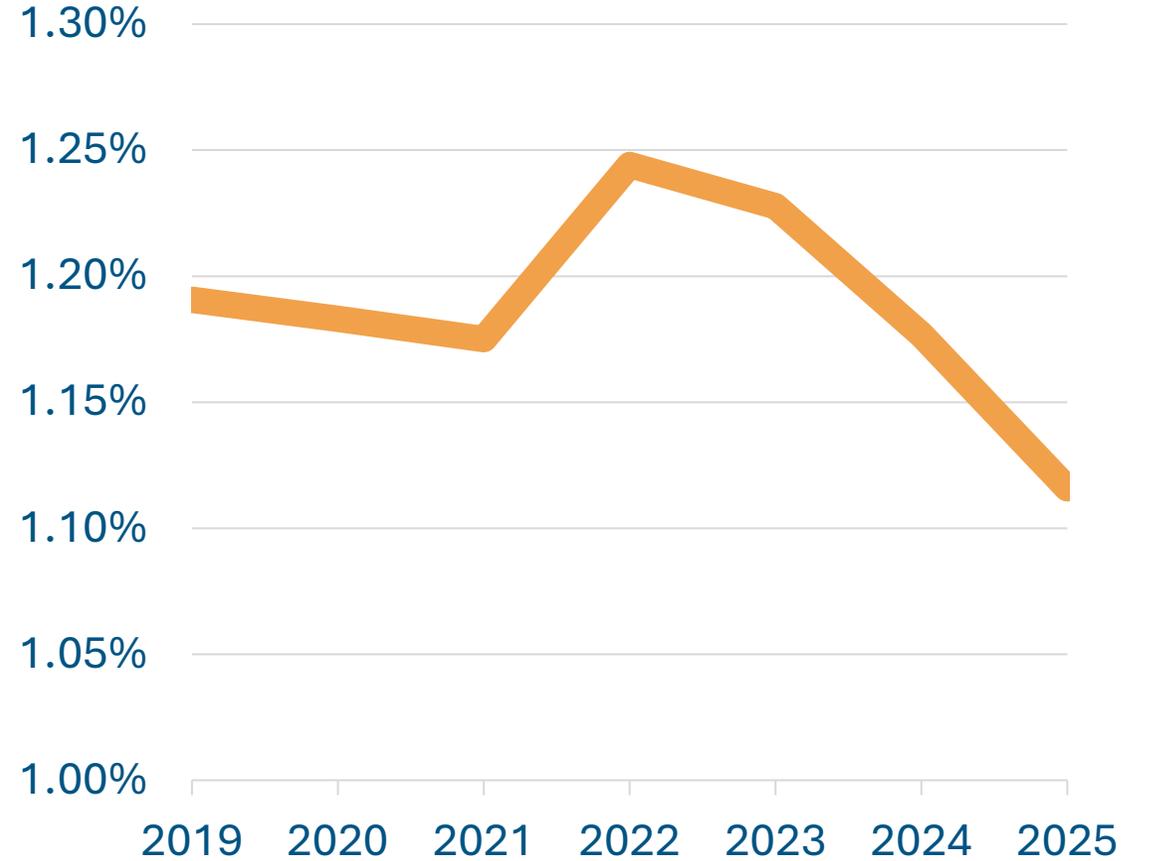


B&C ROAD FUNDING IN MILLCREEK

Millcreek B&C Road Funds

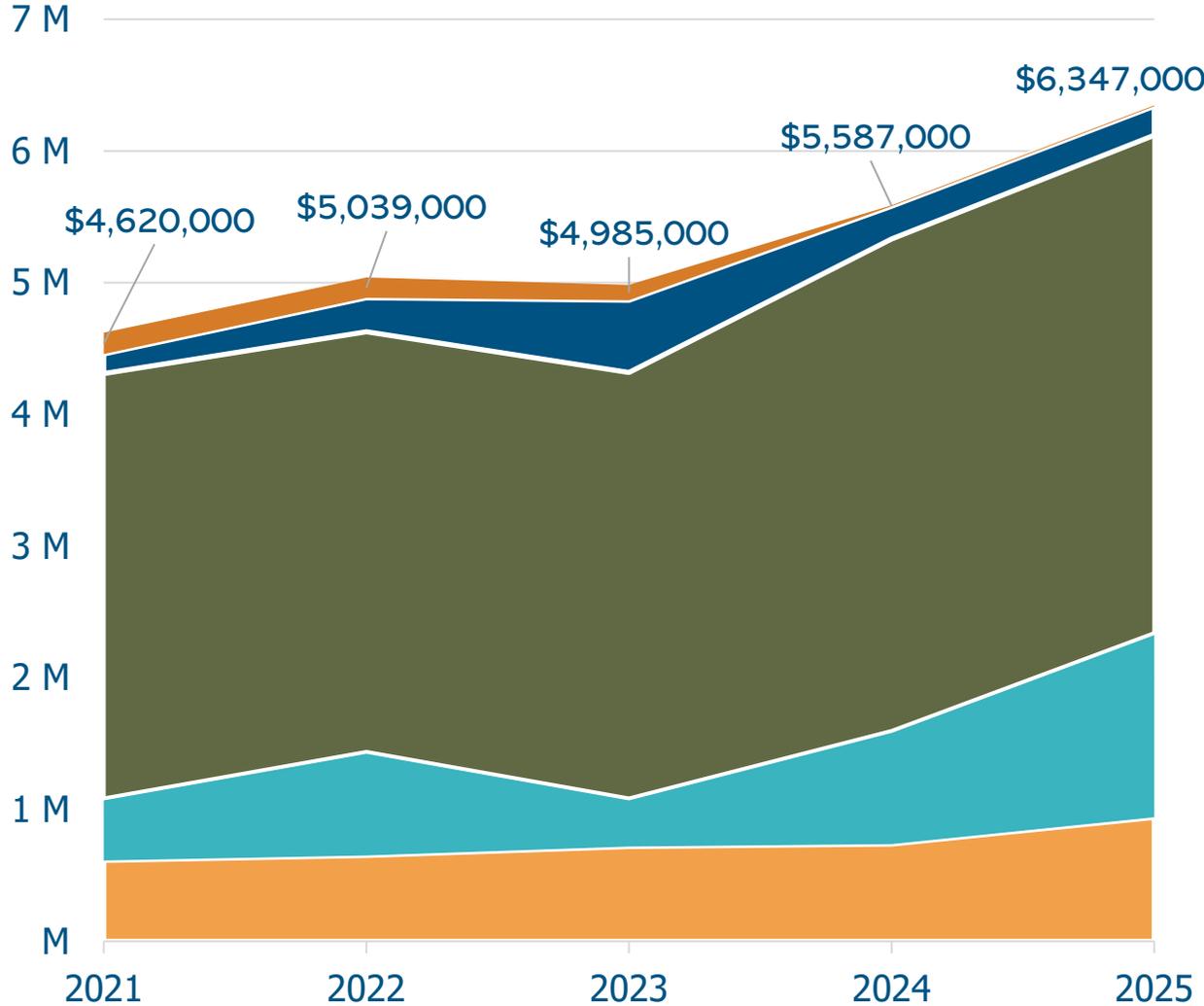


Percent of Statewide B&C Funding

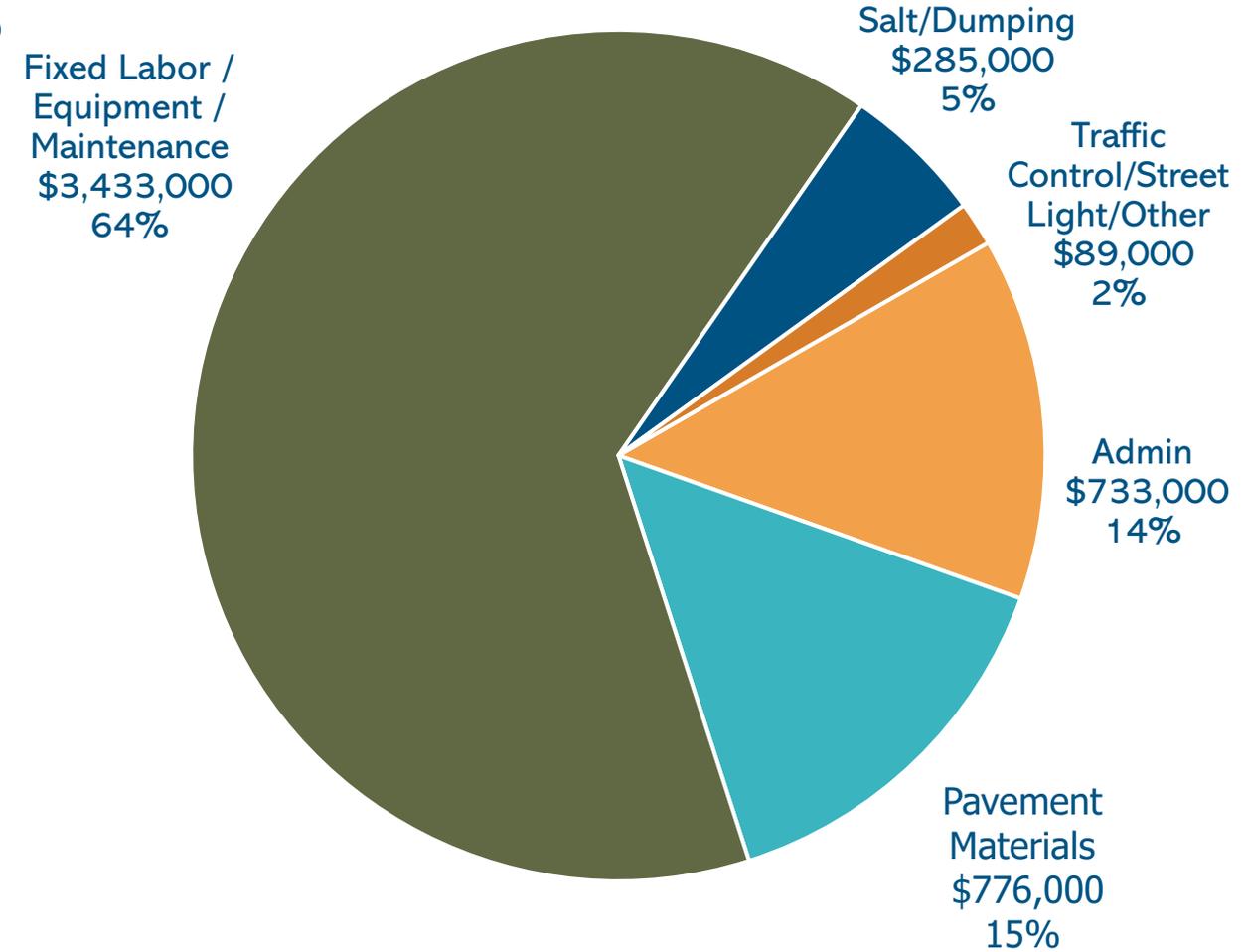


RECENT 5 YEAR MAINTENANCE COSTS (COUNTY CONTRACT)

5 Yr Invoiced Amount by County to Millcreek



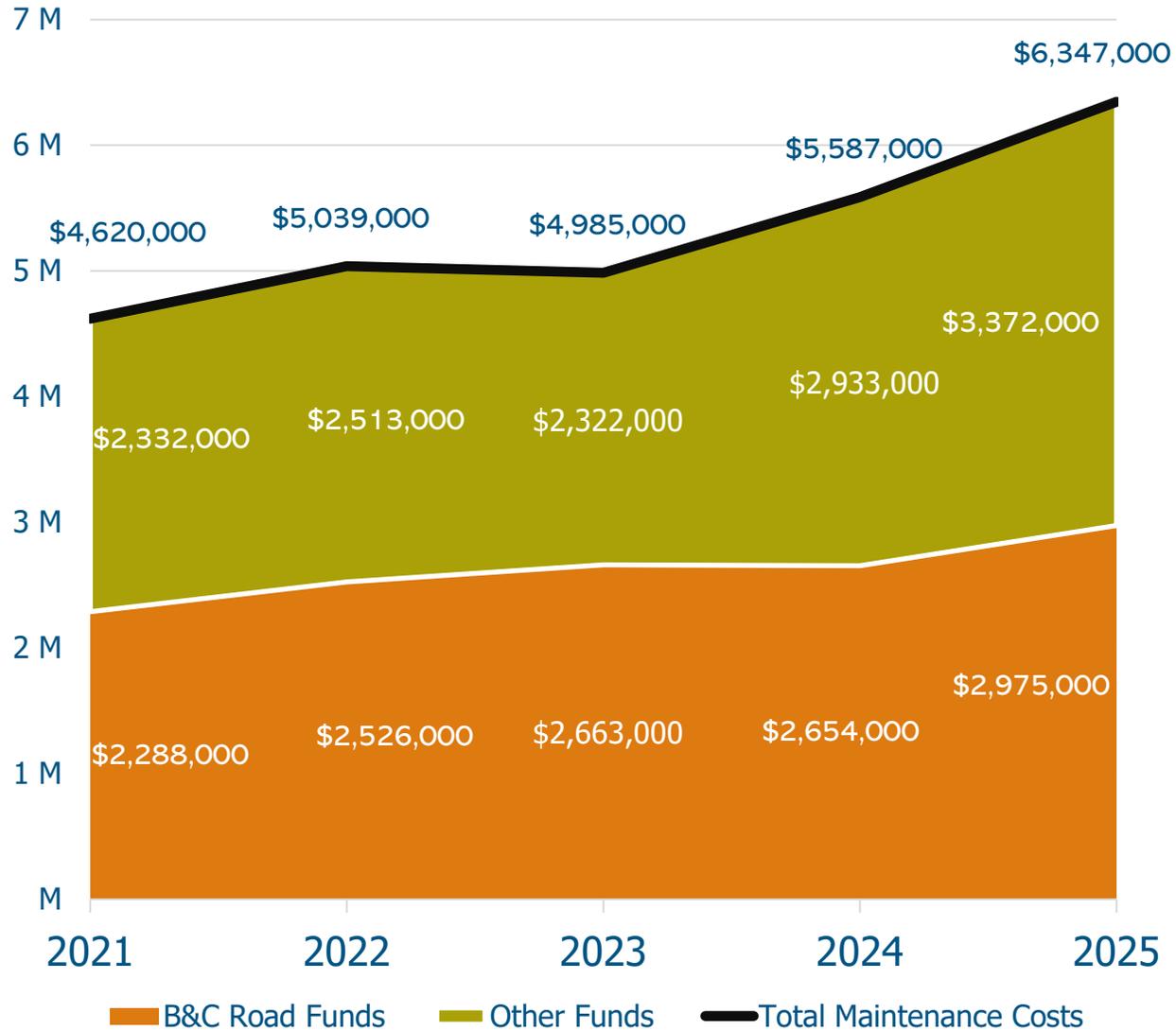
5 Yr Average 2021-2025 (\$5,316,000)



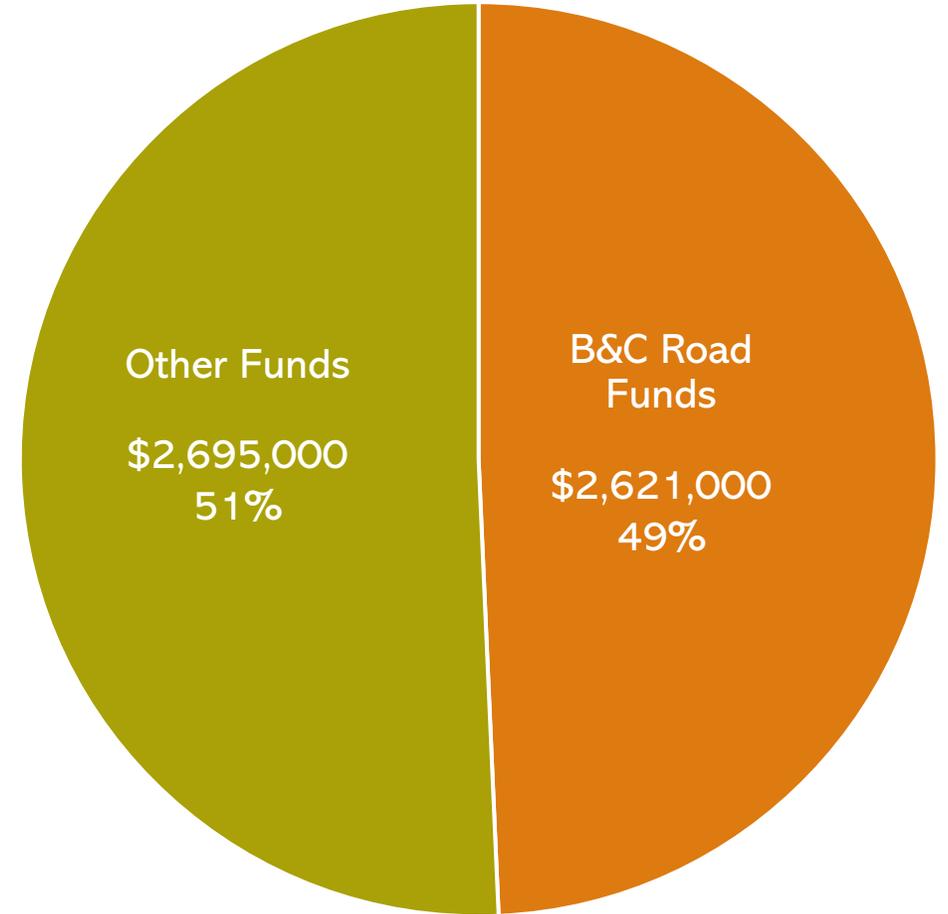
■ Admin
 ■ Pavement Materials
 ■ Fixed Labor / Equipment / Maintenance
 ■ Salt/Dumping
 ■ Traffic Control/Street Light/Other

AVERAGE MAINTENANCE COSTS VS. B&C FUNDS '21-'25

Total Maintenance Cost vs B&C Road Funds



Maintenance Five Year Average (2021-2025) by Funding Source

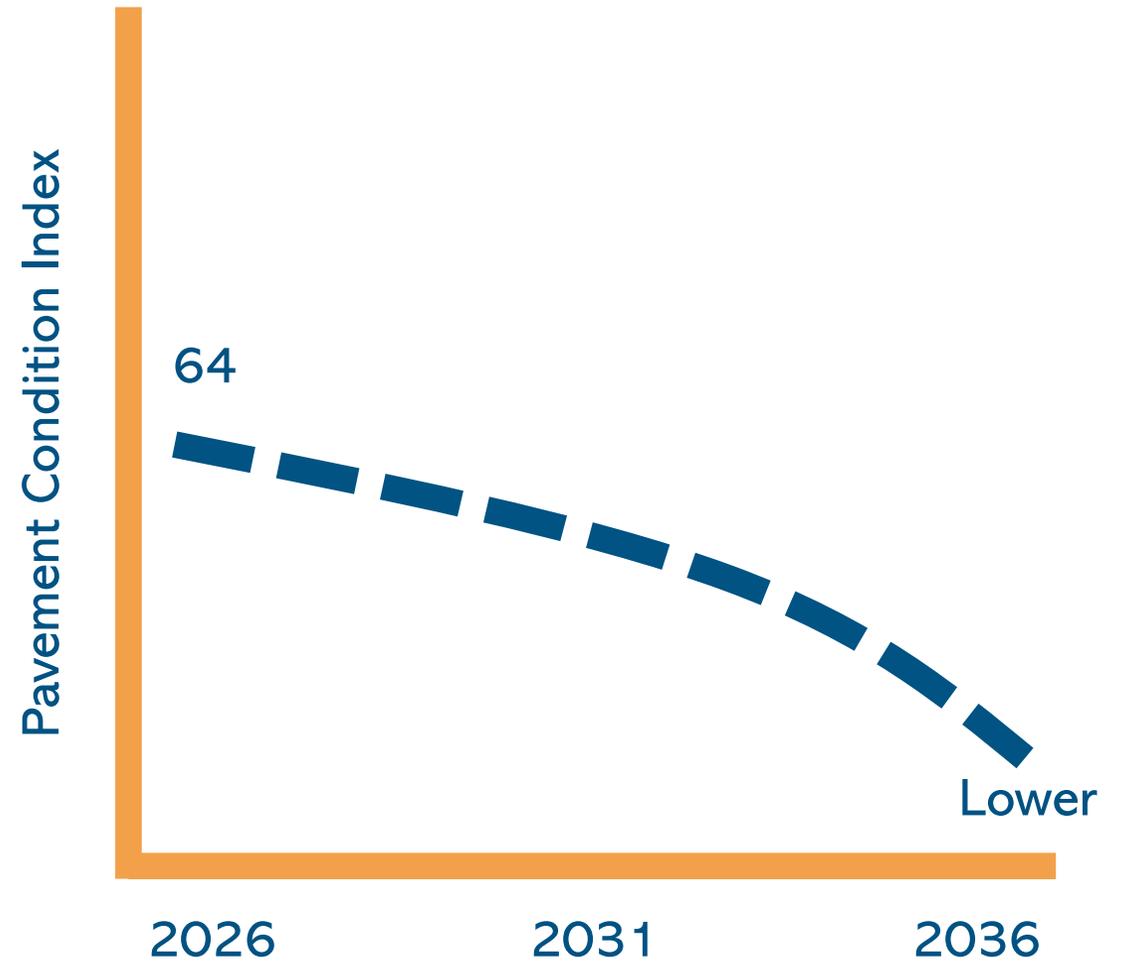


An aerial photograph of a busy city intersection. The scene shows multiple lanes of traffic with cars, trucks, and a large white semi-trailer. Buildings of various sizes and styles are visible around the intersection, including a large commercial building with a blue sign on the right. The overall atmosphere is that of a bustling urban environment.

Future Maintenance Costs & Potential Fee

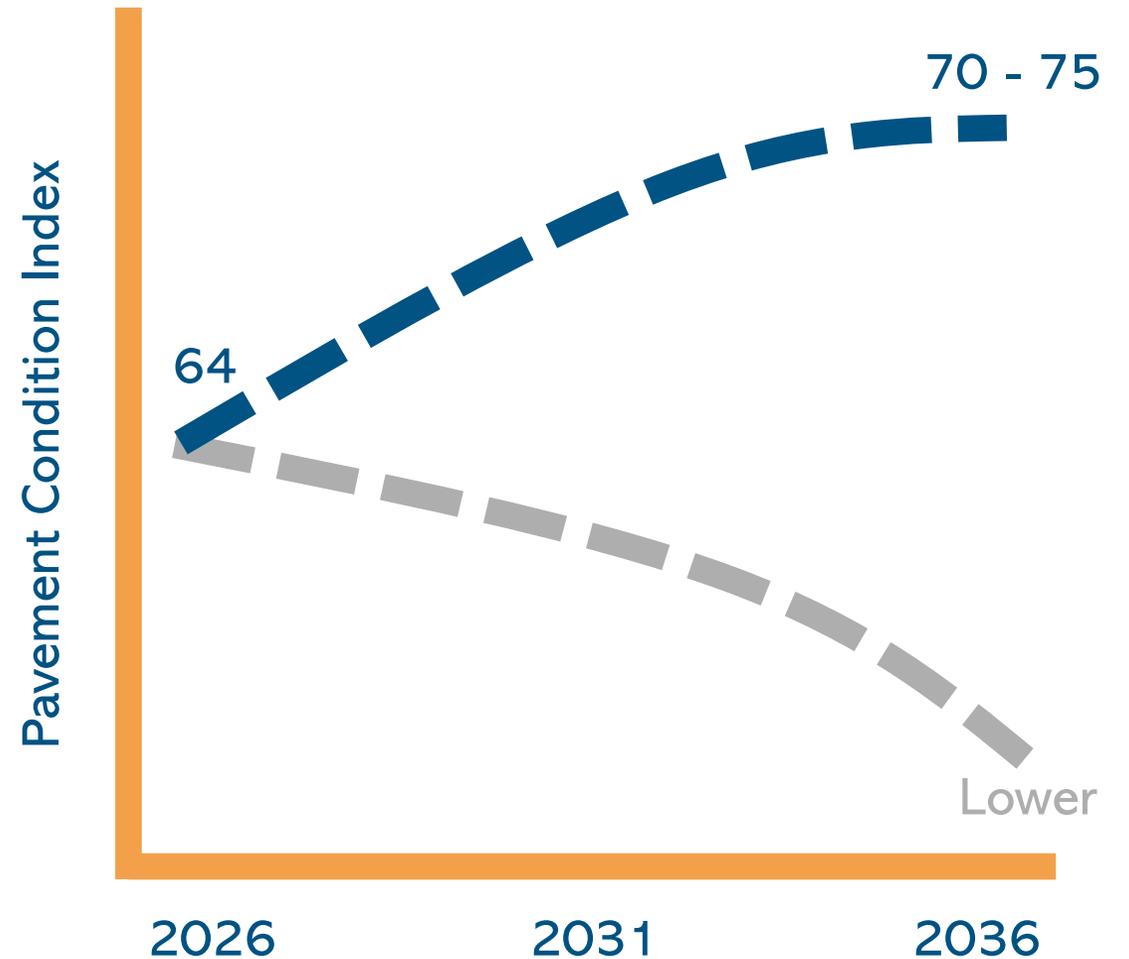
OPTION 1: NO TUF / STATUS QUO

- Continue to contract with County
- Use 100% of B&C Road Funds
- Continue to use General Funds to supplement B&C Road Funds to pay County contract
- *No target PCI, road conditions will drop over time*



OPTION 2: ADOPT TUF

- Follow 10-year maintenance plan to reach industry standard PCI
- Continue to contract with County, utilize contractors to provide supplemental maintenance
- Use 100% of B&C \$, remainder TUF \$, preserve General Funds
- *Road conditions will improve, delaying full reconstructions and saving \$ over time*



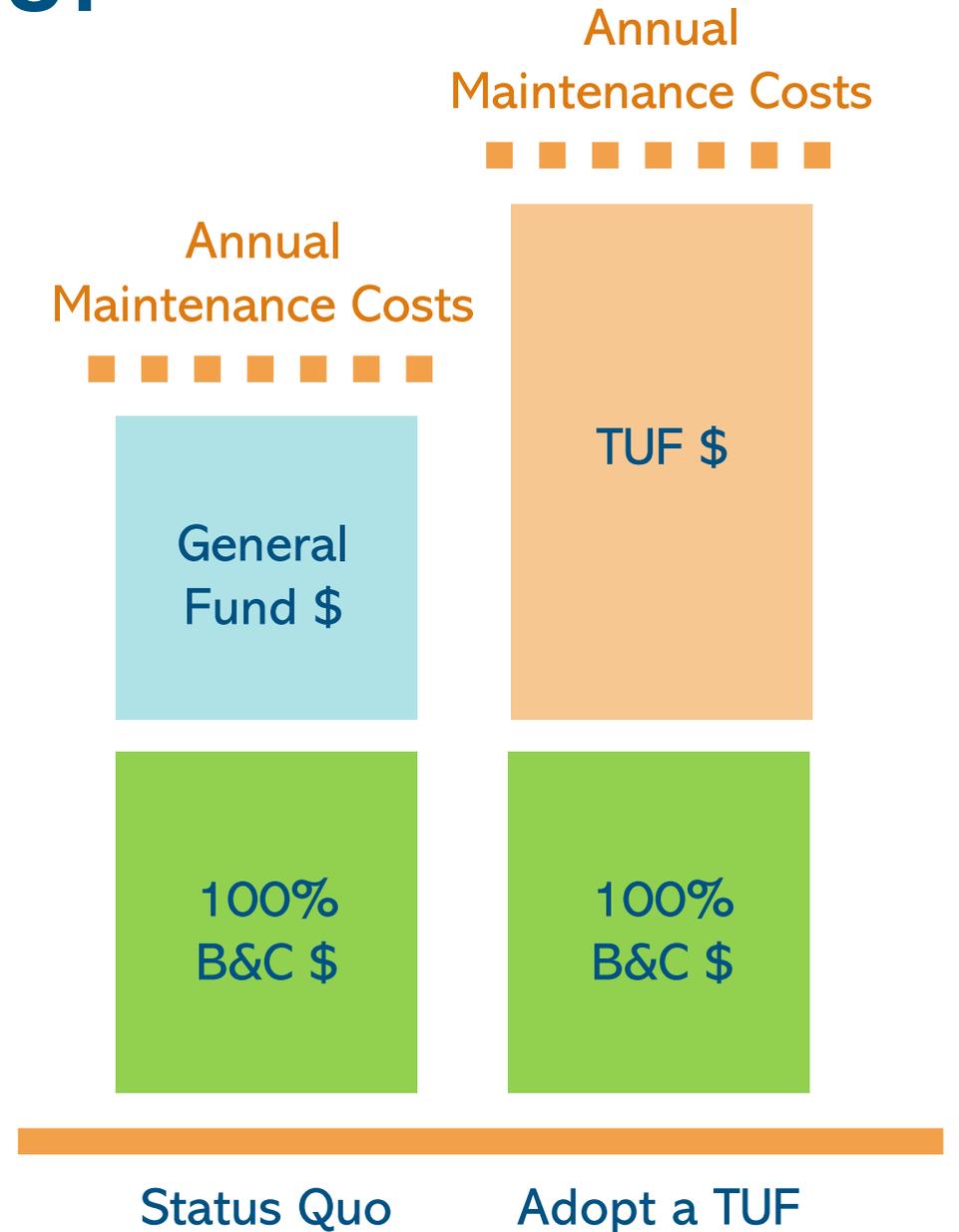
Recommended Target Condition

- Target an average PCI of 70–75, which reflects a network that is generally in “Good” condition while still being financially achievable
- This target balances cost efficiency, as pavement preservation and rehabilitation costs rise sharply once PCI drops below 60
- A PCI in the low-to-mid 70s aligns with industry standards, other cities

<u>PCI RANGE</u>		<u>Typical Repair Strategy</u>
86-100		PREVENTIVE MAINTENANCE
71-85		
56-70		REHABILITATION
41-55		
26-40		
11-25		RECONSTRUCTION
0-10		

STATUS QUO vs ADOPT a TUF

- The TUF will pay for additional pavement maintenance and associated labor costs needed to increase road maintenance to industry standard
- This will be in addition to the current contract with the County
- Preserve General Funds for other priorities
- TUF develops a dedicated fund for road maintenance



RATE EXAMPLES FROM OTHER CITIES

City	Type	Residential Fee	Commercial Fee	Notes
Provo	Variable	\$2.52 to \$4.20	\$11.38 to \$269.93	Fee varies by trip generation rates, these are new rates for Sept 1st 2025
Fruit Heights	Fixed	\$7.50	\$7.50	Flat fee for all utility accounts
Vineyard	Variable	\$3.50	\$3.50 per ERU	ERUs based on land use and ITE trip generation manual
Pleasant View	Fixed	\$4.00	\$6 per commercial, \$8 per industrial	Flat fee for all utility accounts
Mapleton	Fixed	\$8.00	\$8.00	Flat fee for all utility accounts
Highland	Fixed	\$18.50	\$18.50	Flat fee for all utility accounts, through 2028 bond payoff
South Weber	Variable	\$15.00	\$15.00 per ERU	ERUs based on land use and ITE trip generation manual
South Ogden	Fixed for residential, tiered for commercial	\$5.52	\$6.31 to \$106.35	6 tiers for commercial, public category, mixed-use category
Pleasant Grove	Fixed for residential, tiered for commercial	\$6.76, \$5.41 abatement rate	\$33.02 Tier 1, \$188.84 Tier 2	Abatement or discount rate for residential
Farmington	Variable	\$3.60 per ERU	\$1.84 per ERU	ERUs based on land use and ITE trip generation manual



Next Steps

Next Steps

- Complete rate calculations
- Public involvement following work session (with Council input)
 - Stakeholder Focus Group Meetings
 - Risk Identification Workshop
 - Outreach campaign to inform and engage the public
- Target adoption meeting in March 2026





THANK YOU!

COUNTY MAINTENANCE DETAILS

CONTRACT_BUDGET_VS_BILLED MILLCREEK 2022-2023

Name	Line Num	Description	Contracted Amount	Invoiced Amount	To Be Invoiced	Over The Limit	Remaining Balance	Contract
Millcreek	1	Salt/Dumping	\$ 188,873.00	547830.19	4453.74	\$ (363,410.93)	\$ (363,410.93)	MILLCREEK_22-23
Millcreek	2	Street Light Construction	\$ -	0.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	3	Traffic Control Materials	\$ 102,981.00	55650.16	4973.36	\$ -	\$ 42,357.48	MILLCREEK_22-23
Millcreek	4	Overlay Materials	\$ 473,590.00	23891.35	157531.71	\$ -	\$ 292,166.94	MILLCREEK_22-23
Millcreek	5	Chip Seal Materials	\$ 154,160.00	100512.85	0.00	\$ -	\$ 53,647.15	MILLCREEK_22-23
Millcreek	6	Concrete Materials	\$ 100,000.00	8362.02	1305.41	\$ -	\$ 90,332.57	MILLCREEK_22-23
Millcreek	7	Crack Seal Materials	\$ 44,148.00	21509.61	0.00	\$ -	\$ 22,638.39	MILLCREEK_22-23
Millcreek	8	Patching Materials	\$ 33,000.00	63189.91	36863.68	\$ (67,053.59)	\$ (67,053.59)	MILLCREEK_22-23
Millcreek	9	Slurry Seal	\$ 103,294.00	125651.34	0.00	\$ (22,357.34)	\$ (22,357.34)	MILLCREEK_22-23
Millcreek	10	Other Subcontracted Services	\$ -	0.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	11	Other Contracted Services	\$ -	0.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	12	Other Contracted Services Mats	\$ 195,000.00	22475.33	252.31	\$ -	\$ 172,272.36	MILLCREEK_22-23
Millcreek	13	Non Contracted Services	\$ -	62190.93	2280.14	\$ -	\$ (64,471.07)	MILLCREEK_22-23
Millcreek	14	Fixed Labor	\$ 1,591,395.00	1591395.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	15	Fixed Snow Plow	\$ 784,766.00	784766.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	16	Fixed Shared Equipment	\$ 693,875.00	693875.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	17	Fixed Street Light Maintenance	\$ 116,700.00	116700.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	18	Fixed Traffic Signal PM	\$ 29,569.00	29569.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	19	Fixed Traffic Signal Non PM	\$ 17,847.00	17847.00	0.00	\$ -	\$ -	MILLCREEK_22-23
Millcreek	20	Admin	\$ 784,577.00	719195.62	0.00	\$ -	\$ 65,381.38	MILLCREEK_22-23
			\$ 5,413,775.00	\$ 4,984,611.31	\$ 207,660.35	\$ (452,821.86)	\$ 221,503.34	

Remaining non fixed, contract balance as of 6/30/23

220,593.03