



CITY of NOVI CITY COUNCIL

**Agenda Item 1
April 18, 2016**

SUBJECT: Approval of Resolution for 2016 Millage Rates

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

Attached for your consideration is the adopting resolution for the 2016 millage.

The City's total millage rate including the Library, Debt, and Roads, is 10.2 mills consistent with the City Council's objective. The 2010 Refinancing Bonds were paid in full during 2015/2016 which resulted in a decrease of millage of 0.3374. The 2002 Road Bonds will be paid off during the 2016/2017 fiscal year and the final millage needed to retire the debt is 0.098 mills less than last year. The reduction in the two millage rates previously noted will be levied for the Drain Fund to cover current projects. New this year, the Drain Fund millage of 0.4620 mills will not be levied on the July 1, 2016, tax bill but levied on the December 1, 2016, tax bill. This is the fifth year in a row of holding the overall mills to 10.2 which is the lowest millage rate in the last 13 years. The voter approved increase for the Municipal Road Fund Millage in August 2012 is represented in the overall 10.2 mills and the overall mill rate remains very competitive when we benchmark with other communities within Oakland County. For the 2016/17 tax year, the millage rates for General, Streets, Police & Fire, Parks & Rec, and the Library were permanently rolled back by a factor of 0.9974 due to "Headlee."

The General Fund; Municipal Street Fund; Parks, Recreation, and Cultural Services Fund; Library Fund; Public Safety Fund; and the debt service funds property tax revenues are calculated upon the millage rates attached in this motion sheet.

The Michigan Department of Treasury requires all entities that levy property taxes to file Form L-4029 with the County Clerk and Equalization Department. The 2015 form is attached which reflects the City's 2016 millage rates. The official 2016 Form L-4029 is not available from the State yet given the timing of our budget adoption this year.

RECOMMENDED ACTION: Approval of Resolution for 2016 Millage Rates

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Burke				
Council Member Casey				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

Resolution of Adoption 2016 Millage Rates

WHEREAS, the City Council has agreed to keep the City's total millage rate unchanged from last year (2015) to 10.2000 mils, and

WHEREAS, that these levies are being placed on a diversified tax base that has increased slightly as anticipated in the financial plan, and

WHEREAS, a public hearing was also held on April 18, 2016 on 2016 millage rates and the 2016-2017 budget,

NOW, THEREFORE, BE IT RESOLVED, that to finance the level of services established for the 2016-2017 fiscal-year, and to meet specific debt obligations of the City that the following millages are authorized to be spread:

General Operating	4.9925
Municipal Street	1.4923
Public Safety	1.4208
Parks and Recreation	0.3836
Drain	0.4620
Library	0.7678
2002 Streets & Refunding Debt	0.2270
2008 Library Construction Debt	<u>0.4540</u>
	<u>10.2000</u>

I certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at a regular Meeting held on this 18th day of April 2016.

Maryanne Cornelius, City Clerk



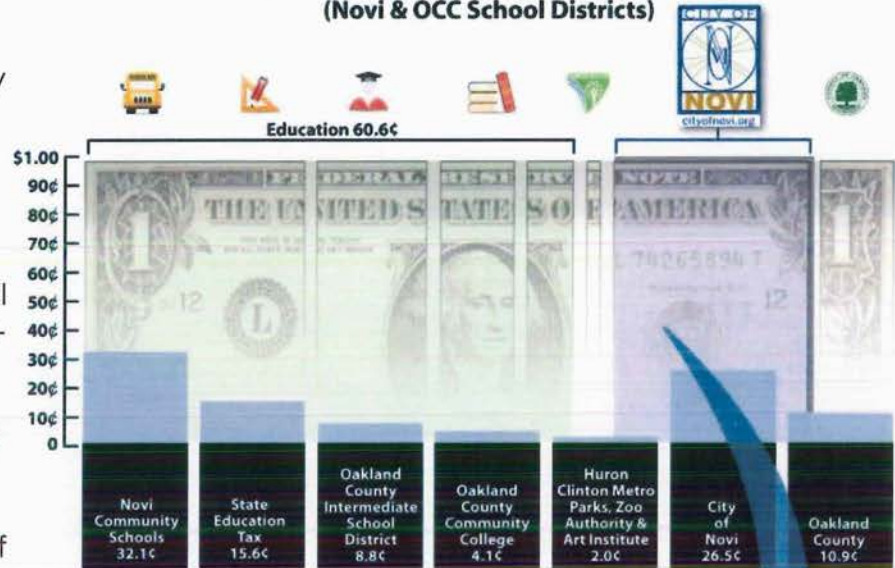
Statistical Information and Supplemental Data

City Millages

The City is the fiduciary for the collection of taxes for Novi, Northville, South Lyon, and Walled Lake School Districts; the related transfer districts; as well as for the State Education Tax, Oakland County, Schoolcraft College, and Oakland County Community College. The photo shows the allocation of your "2015 Property Tax Dollar" for fiscal year 2015-16 (homestead taxpayer).

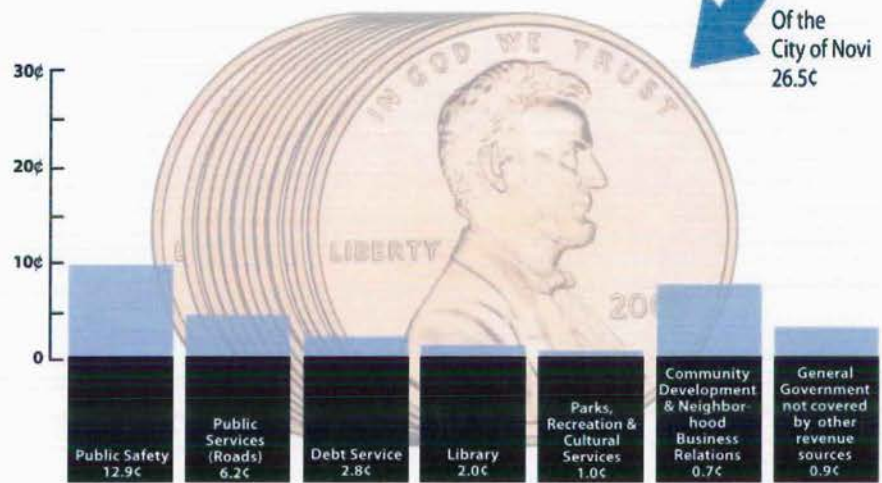
The City continues to maintain one of the lowest municipal tax rates in Oakland County at 10.2 mils. Property taxes are expressed in terms of millage with one mil being equal to \$1.00 per thousand dollars of taxable value.

City of Novi Homestead Property Tax Rate Information (Novi & OCC School Districts)



Where does your property tax dollar go?

The image above shows the updated allocation of "Your Property Tax Dollar" (homestead taxpayer).



If your homestead's taxable value is \$150,000 and your estimated City taxes are \$1,530 annually, in the data shown above, you will spend:

\$740 \$358 \$164 \$116 \$58 \$40 \$54

The City of Novi receives 26.5¢ for every property tax dollar paid. The City of Novi overall taxable values continue to fare relatively well (declining less than most), supported by a diverse tax base of residential and other properties, combined with new construction.

2015 MUNICIPAL TAX RATE SURVEY (OF SELECTED MICHIGAN CITIES)¹

September 23, 2015

Responding City	Parcel Count 2015	(Estimated) Population 2014 Census	Income Tax City ²	Total City Millage Rate 2015	Rate Rank City Millage	Property Taxes 2015 (City Only) ³
Oak Park	11,913	29,834	No	37.6060	52	\$ 2,861.74
Taylor	25,764	61,594	No	29.2327	51	\$ 2,224.55
Warren	61,385	135,099	No	27.7637	50	\$ 2,112.76
Dearborn	37,412	95,535	No	26.4500	49	\$ 2,012.79
Southfield	30,360	73,002	No	26.2712	48	\$ 1,999.19
Allen Park	13,707	27,566	No	25.5524	47	\$ 1,944.49
Madison Heights	13,177	30,267	No	23.9616	46	\$ 1,823.43
Lincoln Park	15,358	37,231	No	23.0386	45	\$ 1,753.19
Southgate	11,666	29,416	No	22.8766	44	\$ 1,740.86
Roseville	20,468	47,598	No	22.8494	43	\$ 1,738.79
Wyandotte	11,421	25,151	No	22.75	42	\$ 1,731.23
East Lansing	9,197	48,648	No	22.7011	41	\$ 1,727.51
Garden City	12,645	27,052	No	22.5217	40	\$ 1,713.86
Kalamazoo	26,752	75,922	No	21.4205	39	\$ 1,630.06
Bay City	15,400	34,149	No	21.3365	38	\$ 1,623.66
St. Clair Shores	28,833	60,036	No	21.2633	37	\$ 1,618.09
*Lansing	48,101	114,620	Yes	19.7	35	\$ 1,499.13
*Flint	58,577	99,002	Yes	19.1	34	\$ 1,453.47
Westland	30,563	82,314	No	17.8923	33	\$ 1,361.57
Dearborn Heights	26,000	56,415	No	17.836	32	\$ 1,357.28
Royal Oak	27,791	59,069	No	17.6796	31	\$ 1,345.38
Inkster	11,948	24,786	No	17.2349	30	\$ 1,311.54
Monroe	9,325	20,198	No	16.7484	29	\$ 1,274.52
Ann Arbor	36,650	117,770	No	16.4406	28	\$ 1,251.10
Mount Pleasant	6,434	25,971	No	16.25	27	\$ 1,236.59
*Port Huron	12,942	29,168	Yes	16.0869	26	\$ 1,224.18
*Jackson	15,973	33,200	Yes	16.0329	25	\$ 1,220.07
Marquette	7,772	21,441	No	15.2725	24	\$ 1,162.21
Sterling Heights	48,255	131,741	No	15.1858	23	\$ 1,155.61
Midland	18,602	41,957	No	15	22	\$ 1,141.47
*Saginaw	27,719	49,844	Yes	14.8830	21	\$ 1,132.57
*Battle Creek	23,987	51,833	Yes	14.7360	20	\$ 1,121.38
Farmington Hills	30,500	81,435	No	14.3908	19	\$ 1,095.11
Ferndale	11,192	20,256	No	14.3528	18	\$ 1,092.22
Burton	13,749	28,974	No	14.1946	17	\$ 1,080.18
Livonia	44,773	94,958	No	14.0380	16	\$ 1,068.26
Holland	13,565	33,644	No	13.7731	15	\$ 1,048.11

Adrian	8,137	20,840	No	13.6293	14	\$ 1,037.16
*Muskegon	16,619	38,393	Yes	13.0875	13	\$ 995.93
Eastpointe	n/a	32,654	No	12.1754	12	\$ 926.52
Wyoming	25,652	74,826	No	11.9073	11	\$ 906.12
Romulus	11,253	23,496	No	11.5165	10	\$ 876.38
Birmingham	11,281	20,757	No	11.4943	9	\$ 874.69
Norton Shores	12,232	24,081	No	10.95	8	\$ 833.27
Portage	19,372	47,837	No	10.9256	7	\$ 831.42
Auburn Hills	8,366	21,845	No	10.5602	6	\$ 803.61
Rochester Hills	27,460	73,125	No	10.3605	5	\$ 788.41
Novi	21,022	58,416	No	10.2000	4	\$ 776.20
Kentwood	18,122	50,764	No	9.6066	3	\$ 731.04
*Grand Rapids	66,455	193,792	Yes	9.1515	2	\$ 696.41
*Walker	9,573	24,468	Yes	1.3360	1	\$ 101.67

¹This report was prepared by the City of Portage Office of the City Assessor using (survey) information received from selected Michigan cities. The primary selection criterion was a population of at least 20,000 people. Estimated population provided by 2014 US Census Bureau.

²With the exception of Detroit, Grand Rapids, Highland Park, and Saginaw, cities with an income tax levy 1% on residents and .5% on non-residents. Detroit levies 2.4% on residents and 1.2% on non-residents. Highland Park levies 2% on residents and 1% on non-residents. Grand Rapids and Saginaw levy 1.5% on residents and .75% on non-residents. Tax rates provided by the Michigan Department of Treasury

³These taxes are based on a taxable value of \$76,098, which is the average taxable value of a single-family residence in the City of Portage for 2015.

2015 Tax Rate Request (This form must be completed and submitted on or before September 30, 2015)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory; Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes Oakland	2015 Taxable Value of ALL Properties in the Unit as of 5-26-15 \$3,297,763,700
Local Government Unit Requesting Millage Levy City of Novi	For LOCAL School Districts: 2015 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties.

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2015 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2014 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2015 Current Year "Headlee" Millage Reduction Fraction	(7) 2015 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Charter	General	02/69	6.5000	5.0056	.9974	4.9925	1.0000	5.0056	4.9925	N/A	N/A
Voted	Streets	08/12	1.5000	1.4962	.9974	1.4923	1.0000	1.4962	1.4923	N/A	N/A
Charter	Pol/Fire	11/87	1.8000	1.4246	.9974	1.4208	1.0000	1.4246	1.4208	N/A	N/A
Charter	Pks&Rec	08/80	0.5000	0.3847	.9974	0.3836	1.0000	0.3847	0.3836	N/A	N/A
Charter	Drains	08/82	1.0000	0.7699	.9974	0.7678	1.0000	0.7699	0.0000	.4620	N/A
Charter	Library	08/80	1.0000	0.7699	.9974	0.7678	1.0000	0.7699	0.7678	N/A	N/A
Voted	Debt'02	11/02	N/A	N/A	.9974	N/A	1.0000	N/A	0.2270	N/A	2017-18
Voted	Lib Debt	11/07	N/A	N/A	.9974	N/A	1.0000	N/A	0.4540	N/A	N/A

Prepared by Carl Johnson	Telephone Number (248) 347-0470	Title of Preparer Chief Financial Officer	Date 4/18/16
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CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2015 for instructions on completing this section.

<input checked="" type="checkbox"/> Clerk	Signature	Print Name	Date
<input type="checkbox"/> Secretary		Maryanne Cornelius	4/18/16
<input checked="" type="checkbox"/> Chairperson	Signature	Print Name	Date
<input type="checkbox"/> President		Robert J. Gatt	4/18/16

Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	

* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

** **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Instructions For Completing Form 614 (L-4029) 2015 Tax Rate Request, Millage Request Report To County Board Of Commissioners

These instructions are provided under MCL Sections 211.24e (truth in taxation), 211.34 (truth in county equalization and truth in assessing), 211.34d (Headlee), and 211.36 and 211.37 (apportionment).

Column 1: Source. Enter the source of each millage. For example, allocated millage, separate millage limitations voted, charter, approved extra-voted millage, public act number, etc. Do not include taxes levied on the Industrial Facilities Tax Roll.

Column 2: Purpose of millage. Examples are: operating, debt service, special assessments, school enhancement millage, sinking fund millage, etc. A local school district must separately list operating millages by whether they are levied against ALL PROPERTIES in the school district or against the NON-HOME group of properties. (See State Tax Commission Bulletin 3 of 2015 for more explanation.) A local school district may use the following abbreviations when completing Column 2: "Operating ALL" and "Operating NON-HOME". "Operating ALL" is short for "Operating millage to be levied on ALL PROPERTIES in the local school district" such as Supplemental (Hold Harmless) Millages and Building and Site Sinking Fund Millages. "Operating NON-HOME" is short for "Operating millage to be levied on ALL PROPERTIES EXCLUDING PRINCIPAL RESIDENCE, QUALIFIED AGRICULTURAL, QUALIFIED FOREST AND INDUSTRIAL PERSONAL PROPERTIES in the local school district" such as the 18 mills in a district which does not levy a Supplemental (Hold Harmless) Millage.

Column 3: Date of Election. Enter the month and year of the election for each millage authorized by direct voter approval.

Column 4: Millage Authorized. List the allocated rate, charter aggregate rate, extra-voted authorized before 1979, each separate rate authorized by voters after 1978, debt service rate, etc. (This rate is the rate before any reductions.)

Column 5: 2014 Millage Rate Permanently Reduced by MCL 211.34d ("Headlee") Rollback. Starting with taxes levied in 1994, the "Headlee" rollback permanently reduces the maximum rate or rates authorized by law or charter. The 2014 permanently reduced rate can be found in column 7 of the 2014 Form L-4029. For operating millage approved by the voters after April 30, 2014, enter the millage approved by the voters. For debt service or special assessments not subject to a millage reduction fraction, enter "NA" signifying "not applicable."

Column 6: Current Year Millage Reduction Fraction. List the millage reduction fraction certified by the county treasurer for the current year as calculated on Form 2166 (L-4034), *2015 Millage Reduction Fraction Calculations Worksheet*. The millage reduction fraction shall be rounded to four (4) decimal places. The current year millage reduction fraction shall not exceed 1.0000 for 2015 and future years. This prevents any increase or "roll up" of millage rates. Use

1.0000 for new millage approved by the voters after April 30, 2015. For debt service or special assessments not subject to a millage reduction fraction, enter 1.0000.

Column 7: 2015 Millage Rate Permanently Reduced by MCL 211.34d ("Headlee") Rollback. The number in column 7 is found by multiplying column 5 by column 6 on this 2015 Form L-4029. This rate must be rounded DOWN to 4 decimal places. (See STC Bulletin No. 11 of 1999, Supplemented by Letter of 6/7/2000.) For debt service or special assessments not subject to a millage reduction fraction, enter "NA" signifying "not applicable."

Column 8: Section 211.34 Millage Rollback Fraction (Truth in Assessing or Truth in Equalization). List the millage rollback fraction for 2015 for each millage which is an operating rate. Round this millage rollback fraction to 4 decimal places. Use 1.0000 for school districts, for special assessments and for bonded debt retirement levies. For counties, villages and authorities, enter the Truth in Equalization Rollback Fraction calculated on STC Form L-4034 as TOTAL TAXABLE VALUE BASED ON CEV FOR ALL CLASSES/TOTAL TAXABLE VALUE BASED ON SEV FOR ALL CLASSES. Use 1.0000 for an authority located in more than one county. For further information, see State Tax Commission Bulletin 3 of 2015. For townships and cities, enter the Truth in Assessing Rollback Fraction calculated on STC Form L-4034 as TOTAL TAXABLE VALUE BASED ON ASSESSED VALUE FOR ALL CLASSES/TOTAL TAXABLE VALUE BASED ON SEV FOR ALL CLASSES. The Section 211.34 Millage Rollback Fraction shall not exceed 1.0000.

Column 9: Maximum Allowable Millage Levy. Multiply column 7 (2015 Millage Rate Permanently Reduced by MCL 211.34d) by column 8 (Section 211.34 millage rollback fraction). Round the rate DOWN to 4 decimal places. (See STC Bulletin No. 11 of 1999, Supplemented by Letter of 6/7/2000.) For debt service or special assessments not subject to a millage reduction fraction, enter millage from Column 4.

Column 10/Column 11: Millage Requested to be Levied. Enter the tax rate approved by the unit of local government provided that the rate does not exceed the maximum allowable millage levy (column 9). A millage rate that exceeds the base tax rate (Truth in Taxation) cannot be requested unless the requirements of MCL 211.24e have been met. For further information, see State Tax Commission Bulletin 3 of 2015. A LOCAL School District which levies a Supplemental (Hold Harmless) Millage shall not levy a Supplemental Millage in excess of that allowed by MCL 380.1211(3). Please see the memo to assessors dated October 26, 2004 regarding the change in the collection date of certain county taxes.

Column 12: Expiration Date of Millage. Enter the month and year on which the millage will expire.