



# Rochester Hills

## Agenda Report

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**File Number: 2006-0201**

**File Number:** 2006-0201

**File Type:** Finance

**Status:** To Council Committee

**Version:** 1

**Reference:**

**Controlling Body:** Community Development & Viability / Financial Services / Public Safety Joint Committee

**Requester:**

**Cost:**

**Introduced:** 03/03/2006

**File Name:** City Millage Summary - Expiring Dedicated Millages

**Final Action:**

**Title:** City Millage Summary - Expiring Dedicated Millages

**Notes:**

**Code Sections:**

**Agenda Date:**

**Indexes:**

**Agenda Number:**

**Sponsors:**

**Enactment Date:**

**Attachments:** Agenda Summary.pdf, Millage Summary.pdf, Suppl Info - Financial Policies.pdf, Suppl Info - Millage Summary.pdf, Suppl Info - Atty opinion.pdf, Suppl Info - Tax levies.pdf

**Enactment Number:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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1	City Council Special Work Session	03/08/2006	Discussed				
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**Notes:** *Ms. Julie Jenuwine, Director of Finance, provided an overview of the City's current millages:*

**General Fund (Charter) - 5.0000 mills authorized by Charter**

- Limited to 3.9492 mills by Headlee rollback
- 3.2169 mills adopted levy for Fiscal Year 2006
- Transfers Out included in Budget:
  - \* 0.5000 mill for the Major Road Improvement Program
  - \* 0.7500 mill for Capital Improvement Fund

**Fire Fund (Charter) - 2.5000 mills authorized by Charter**

- Limited to 1.9744 mills by Headlee rollback
- 1.9000 mills adopted levy for Fiscal Year 2006 budget.

**Special Police I (Voter approved 09/14/1993)**

- Up to 0.8405 mills for twenty (20) years through Fiscal Year 2014
- Limited to 0.7895 mills by Headlee rollback

**Special Police II** (Voter approved 11/05/2002)

- Up to 0.4386 mills for five (5) years through Fiscal Year 2007
- Limited to 0.4300 mills by Headlee rollback

**Chapter 20 Drains**

- Up to 1.0000 mills levied each year for drain maintenance and debt obligation
- 0.3526 mills is adopted for drain maintenance and improvements
- 0.6474 mills is adopted for debt service on drain bonds

**Pathway Millage** (Voter approved 11/07/1995)

- Up to 0.2000 mills for ten (10) years through Fiscal Year 2006
- Limited to 0.1876 mills by Headlee rollback
- Fiscal Year 2006 - 0.1281 mills levied (not the full amount)
- If not renewed there will be no revenue in 2007

**R.A.R.A. Operating Millage** (Voter approved 09/12/1995)

- Up to 0.1691 mills for ten (10) years through Fiscal Year 2006
- Limited to 0.1586 mills by Headlee rollback
- If not renewed there will be no revenue in 2007

**Older Persons Commission Operating Millage** (Voter approved 11/06/2001)

- Up to 0.2500 mills for ten (10) years through Fiscal Year 2011
- Limited to 0.2426 mills by Headlee rollback

**Older Persons Commission Transportation** (Voter approved 09/13/2005)

- Up to 0.0900 mill for ten (10) years through Fiscal Year 2015
- To maintain or increase transportation services for the elderly and handicapped

**Older Persons Commission Building** (Voter approved 11/07/2001)

- Up to 0.3093 mill for twenty (20) years through Fiscal Year 2021
- Fiscal Year 2006 - 0.2158 mills levied to pay annual principal and interest payments

**Green Space / Natural Features** (Voter approved 09/13/2005)

- Up to 0.3000 mill for ten (10) years through Fiscal Year 2015
- To permanently preserve green space and natural features within Rochester Hills

**Library Operating**

- Up to 1.0000 mills
- Limited to 0.7895 mills by Headlee rollback
- For library purposes pursuant to Public Act 164 of 1877 as amended
- Full millage levied in 2006

**General Obligation Refunding Bonds - 1998 Series** (for the balance of Parks and Library Debt)

- Must be collected to pay principal and interest payments for \$3,420,000 offering
- Series 1998 expiring in Fiscal Year 2010
- For Fiscal Year 2006 - 0.0544 mill adopted to be levied

**General Obligation Refunding Bonds - 2002 Series** (for portions of Parks and Library Debt )

- Must be spread through Fiscal Year 2008
- To pay principal and interest payments for \$7,330,000 Offering
- Series 2002 expiring in Fiscal Year 2008
- For Fiscal Year 2006 - 0.3527 mill adopted to be levied

- 1 City Council Special Work 05/31/2006 Discussed  
Session

**Notes:** At the request of President Rosen, **Director of Finance Julie Jenuwine** presented data illustrating the anticipated financial impact of absorbing expiring dedicated millages, such as Pathways, R.A.R.A. and Police II, into the General Fund. If this policy were adopted the General Levy would go from 9.6681 mills to 7.85 mills, and the City would reach its Headlee ceiling on the General Levy by December of 2007.

**President Rosen** referred to a letter from City Attorney John Staran that addressed the issue of millage restructuring. Mr. Staran's letter noted the following:

- Debt millages cannot be combined.
- Charter millages could be changed via a process of Charter amendment, not Charter revision.
- Special voter approved millages can be phased out in a manner in which once the millage has expired the City can request a millage amount that will increase the General Levy with the intent, but not the commitment, that the funds will be used for a specific use, such as Pathways or R.A.R.A.

**President Rosen** cautioned that to phase millages out in this manner would be a very long process.

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**Text of Legislative File 2006-0201**

..Title

City Millage Summary - Expiring Dedicated Millages

..Body

Discussion only; no resolution.