



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2014-0332

TO: City Council Members
FROM: Keith Sawdon, Finance Director, Ext 2535
DATE: November 10, 2014
SUBJECT: 2014 Millage Rates

REQUEST:

In accordance with the City Charter Section 3.1 Budget Procedure and General Finance, Section 3.6 Adoption of a Budget, Section 4.1 Power to Tax and Special Revenue, and Section 4.2 Charter Tax Rate & Special Voted Millage(s) Limitation we are requesting that City Council approve the revised 2014 millage rates (to be levied in December 2014), which will provide the tax revenues needed to support the FY 2015 budget.

BACKGROUND:

On September 8, 2014 the Rochester Hills City Council approved millage rates proposed as part of the FY 2015-2017 Budget process with a combined total City millage rate of 9.7060. This rate included the maximum Fire millage rate levy allowable of 1.9564 mills.

On November 4, 2014, the residents of Rochester Hills voted and approved amending the City Charter to increase the maximum Fire millage rate to 3.0000 mills. City Council also resolved at their August 11, 2014 meeting that if the Fire Charter millage were approved, a maximum levy of 2.7000 mills would be spread in the first year.

By revising and increasing the Fire millage rate from 1.9564 mill to 2.7000 mill (or by 0.7436 mills), the total City millage rate will correspondingly be revised and increased from 9.7060 mill to 10.4496 mills.

Fiscal will bring forth a budget amendment for City Council to consider as part of the 1st Quarter 2015 Budget Amendment to amend the Fire Operating Fund (206) and Fire Capital Fund (402) to reflect the additional revenues and off setting expenditures the additional millage will support.

FY 2015 MILLAGE RATES			
	Approved Millage Rate	Voted Changes	Revised Millage Rate
Operating Millages:			
General Fund (Charter)	1.9636	-	1.9636
Local Street I (Voted)	0.3545	-	0.3545
Local Street II (Voted)	0.4855	-	0.4855
Fire Fund (Charter)	1.9564	0.7436	2.7000
Special Police I (Voted)	1.2083	-	1.2083
Special Police II (Voted)	1.6585	-	1.6585
Pathway (Voted)	0.1858	-	0.1858
RARA Operating (Voted)	0.1950	-	0.1950
OPC Operating (Voted)	0.2403	-	0.2403
OPC Transportation (Voted)	0.0891	-	0.0891
Green Space (Voted)	0.2972	-	0.2972
Library Operating (Charter)	0.7823	-	0.7823
Operating - Subtotal	9.4165	0.7436	10.1601
Debt Millages:			
Chapter 20 Drain Debt	0.0422	-	0.0422
OPC Building (Voted)	0.2473	-	0.2473
Debt - Subtotal	0.2895	-	0.2895
TOTAL MILLAGES	9.7060	0.7436	10.4496

Pursuant to the requirements of the State Tax Commission, municipalities must file State form L-4029, tax rate request, with the Oakland County Department of Equalization by October 1, 2014. The City is also required to file form LT-1, Annual Report of Taxes, with Oakland County on or before October 1, 2014. In addition, the City is required to conduct a public hearing and adopt the City's budget prior to November 1, 2014.

RECOMMENDATION:

We are requesting that City Council approve the attached resolution which will revise previously approved 2014 millage rates (to be levied in December 2014), which will provide the tax revenues needed to support the FY 2015 budget.

RESOLUTION:

See attached resolution.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		