

# Wixom Town Hall Meeting

City Millage Renewal - 2016

**Kevin W. Hinkley, Mayor**  
**Richard Ziegler, Deputy Mayor**  
**Thomas Rzeznik, Councilmember**  
**Patrick Beagle, Councilmember**  
**Nicholas Kennedy, Councilmember**  
**Keenan Gottschall, Councilmember**  
**Robert Smiley, Councilmember**



**BALLOT**

# Introduction of Mayor and City Council

- Kevin W. Hinkley, Mayor
- Richard Ziegler, Deputy Mayor
- Thomas Rzezniak
- Patrick Beagle
- Nicholas Kennedy
- Keenan Gottschall
- Robert Smiley



# Introduction of City Staff

- Clarence Goodlein, City Manager
- Catherine Buck, City Clerk
- Marilyn Stamper, Finance Director
- Sharon Butsavich, Deputy Treasurer
- Debra Barker, Economic & Community Development Director
- Charles Yon, Director of Public Safety
- Jeffrey Roberts, Fire Chief
- Timothy Sikma, Public Works Director
- Deanna Magee, Community Services Director



# Decision On Millage Renewal Ballot

- Current Special Millage Expires 12/31/2016
- Discussed By City Council at Regularly Scheduled Meeting of June 14, 2016
- City Council Approves Ballot for General Election on November 8, 2016
  - Motion By Councilman Gottschall
  - Seconded By Councilman Rzezniak
  - Unanimously Approved by City Councilmembers
- Approved by the Governor on July 19, 2016



# Millage Renewal Proposal

Shall Section 9.2 of the Charter of the City of Wixom, County of Oakland, Michigan be amended so as to permit the levy by the City, beginning July 2017, of a new dedicated millage in an amount of up to 3.50 mills (which is equal to \$3.50 on each \$1,000 of taxable value) for four (4) years to provide funds for municipal operating purposes, including police and fire, public works, and parks & recreation?

YES  NO



# What Happens If Millage Is Renewed?

- **No Tax Increase** - Tax Remains the Same or Less. Tax Rate is Determined by City Council Annually, but Rate Will Not Exceed Current Special Millage Amount of 3.50 Mills
- Services Remain Unchanged - Police, Fire, EMS, DPW, Parks & Recreation, and Senior Citizen Services
- Continued Allocation of Tax Dollars to Roads, Repair of City Facilities and Replacement of City Vehicles and Equipment



# What Happens If Millage Is Not Renewed?

- Curtailed and/or Discontinued - Police, Fire, EMS, DPW, Parks & Recreation, and Senior Center Services
- Postponed or Abandoned - Repairs to City Roads, Bike Paths and Other Facilities
- Reduced or Eliminated - Maintenance and Repair of Historical Properties and City Facilities



# How Much Will The Renewal Millage Cost?

- **Nothing Additional and Maybe Less**
- \$3.50 per \$1,000 of Taxable Value or *Less*
- If Taxable Value = \$100,000 (i.e. Market Price of \$200,000), then the Cost of the Renewal Millage Stays at \$350/year or Less, Depending Upon Annual Additional Millage Rate as Determined by City Council During the Budget Process
- **Current Charter and Special Millage is 2.4% More than what Property Owners Paid in 2007-2008**



# How Much Will The Renewal Millage Cost? (Continued)

- Cost of Continuing the Current Special Operating Millage is \$283.50 for the Average Wixom Household (Average Individual Residential Taxable Value = \$81,000)



# Millage Cost for Sampling of Homes

<u>Subdivision</u>	<u>Street</u>	<u>Taxable Value</u>	<u>Millage Amount</u>
Birch Park	Flamingo	\$58,090	\$203.32
Cliffs of Loon Lake	Cliffside	\$128,360	\$449.26
Finn Camp	Bogie	\$68,900	\$241.15
Hickory Hill	Lakeridge	\$120,940	\$423.29
Hidden Creek	Windingway	\$77,670	\$271.85
Highgate	Chantclair	\$82,300	\$288.05
Hillsborough	Hedigham	\$107,150	\$375.03
Indian Wells	Wenona	\$64,150	\$224.53
Loon Lake Woods	South Creek	\$169,750	\$594.13
Wexford	Devonshire	\$116,720	\$408.52

# Why Do We Need It?

- The Current Millage of 3.50 Mills Represents About 31.7% of the General Operating Tax Revenue that Pays for Many of the Personnel & Equipment Expenses of Police, Fire, EMS, DPW, Parks & Recreation, and Senior Center Services
- Taxable Values are Only About 25% of New Commercial Construction Costs; SEV of \$1M = \$5,500 City Tax Revenue



# Why Do We Need It? (Continued)

- A Renewal of the Current Millage and Assessment of 3.50 Mills for Each of the Next Four (4) Years Will Still Require Budget Reductions of Nearly \$410,000 by the 2020/2021 Fiscal Year (July 2020 – June 2021) to Meet Projected Revenue Deficits
- A Millage Renewal Will Enable Assignment of Some Current Savings to Road Reconstruction and Replacement of Dilapidated Equipment



# Why Do We Need It? (Continued)

- Since 2007-2008, Property Tax Revenues Have Increased by 2.4% While the Cumulative Rate of Inflation Has Grown by 14.7% → Services Provided by the City and Goods Purchased by the City Cost 14.7% More Today than They Did in 2007-2008
- Asset & Infrastructure Deficits Require Substantial Investment Over Next 10-15 Years (Roads - \$22.3M; Buildings & Apparatuses - \$9.6M; Wastewater Treatment - \$10M)



# Where Do My Tax Dollars Go?

- The City Receives Less than 37¢ of Every Tax Dollar Paid
- About 63¢ of Every Tax Dollar Paid by Wixom Property Owners is Received by Others, Including the Wixom Public Library, the Walled Lake School District, the State Education Fund, Oakland County, Oakland County Intermediate School District, Oakland Community College, and Other Taxing Authorities



# Why Has City Revenue Decreased?

- Closing of the Ford Motor Company Assembly Plant Resulted in Losses of About \$1.05 Million Annually (Personal & Real Property Tax Revenue)
- Recession of 2008/2009 Resulted in Losses of About \$1.72 Million Annually
- Decreases in State-Shared Revenue have Resulted in Losses of Nearly \$8 Million Since 2001/2002
- Personal Property Tax Losses of About \$150,000 Annually



# What Do Other Communities Pay?

- Of the 31 Cities in Oakland County:
  - 20 Cities have Property Tax Millage Rates Greater than Wixom
  - 26 Cities have Property Tax Millage Rates that Include One or More Additional Millages
  - 11 of the 26 Cities with Additional Millages have One or More Additional Millages Greater than Wixom's Renewal Millage Request



# What Has The City Done To Reduce Expenses?

- Since 2004, the City has Reduced its Full-time Staff by 14 Employees or Nearly 23%
- Since 2013, the City Has Reduced its Full-time Staff by Three (3) Employees or About 11%
- In 2014, the City's Labor-Management Health Care Committee Developed and the City Implemented Its Plan that Saved \$343,000, and Further Reduced These Costs by \$43,000 This Year
- Obtained a Federal Grant of Nearly \$900,000 for Roadway Reconstruction and a \$2.1 Million Grant for the Wastewater Treatment Plant



# How Has The City Preserved or Improved Services With Additional 2012 Millage Money?

- Police Staffing Has Been Increased by About 18% or Three (3) Police Officers Since 2013
- Fire Staffing has been Increased by the Addition of One (1) Full-time Fire Marshal Who Also Serves as a Firefighter
- Police Acquired Body Armor and an Off-Road Vehicle at No Cost and Avoided More Than \$50,000 of Expense
- Fire Acquired a New Engine, Ambulance, and Personal Protection Gear for Firefighters



# How Has The City Preserved or Improved Services With 2012 Additional Millage Money? (Continued)

- Rehabilitation of Parking Lots in our City Parks
- Community Center Repairs
- DPW Has Replaced Two Snowplows, a Loader and a Bucket Truck

