

**WORK SESSION AGENDA  
WYOMING CITY COUNCIL MEETING  
CITY COUNCIL CHAMBERS**

**Monday, October 14, 2019, 5:30 P.M.**

- 1) Call to Order**
- 2) Student Recognition**
- 3) Public Comment on Agenda Items (3 minute limit per person)**
- 4) Outsourcing Business Personal Property Tax Services**
- 5) Special Events Ordinance Revision**
- 6) Proposal A and Headlee Review**
- 7) Any Other Matters**
- 8) Acknowledgement of Visitors/Public Comment (3 minute limit per person)**

## STAFF REPORT

Date: September 30, 2019  
Subject: Outsourcing Business Personal Property Tax Services  
From: Scott Engerson, City Assessor  
Meeting Date: October 14, 2019

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### **RECOMMENDATION:**

It is recommended that the City Council approve a contract with Tax Management Associates to outsource specified services associated with business personal property tax administration.

### **COMMUNITY, SAFETY, STEWARDSHIP:**

Entering into this contract aligns with the City's mission of stewardship in that the City's personnel costs will be reduced in both the short term and long term. In addition, the City's business community will be served by individuals whom are both highly skilled and knowledgeable in the area of personal property tax administration.

### **DISCUSSION:**

Tax Management Associates is the only firm known to offer the services being sought by the City Assessor's Office.

### **BUDGET IMPACT:**

Funds are available within the approved FY2020 budget due to a currently vacant Property Examiner II position. Entering into this contract will allow this position to go unfilled for the remainder of the FY2020 budget year.

## PERSONAL PROPERTY TAX SERVICES OUTSOURCING CONTRACT

This contract is made as of \_\_\_\_\_, 2019 between the City of Wyoming, a Michigan municipal corporation of 1155 28<sup>th</sup> St SW, Wyoming, MI 49509 (the “City”), and Tax Management Associates, Inc., a North Carolina corporation authorized to conduct business in Michigan of 5121 Parkway Plaza Blvd, Charlotte, NC 28217, whose Michigan resident agent is CSC-Lawyers Incorporating Service, 601 Abbott Road, East Lansing, MI 48823 (“TMA”).

### RECITALS

- A. The City wishes to engage qualified professionals to assist the City Assessor’s preparation and, when needed, defense of the City’s personal property tax assessments.
  
- B. The City believes outsourcing those services could more cost effectively maintain the quality and consistency of personal property tax assessments.
  
- C. TMA’s business includes providing such services to assessors in Michigan and other states.
  
- D. After researching providers of such services in Michigan and communicating with TMA representatives, the City Assessor selected TMA seems to provide such services for the City.

### TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this Contract, the parties agree as follows:

#### 1. TMA’s Services.

A. TMA will provide the following services in accordance with (i) the terms of this Contract, (ii) applicable laws, rules and regulations, including without limitation, all Michigan State Tax Commission requirements, (iii) applicable City policies, practices and procedures, and (iv) in a manner consistent with the standards and practices of professionals providing similar services.

- 1. Canvassing of personal property parcels to consist of the following:
  - a. Perform physical canvass in the Fall of each year.
  - b. Interview property owners during canvass to ensure accuracy.
  - c. Update tax roll with identified new businesses.
  - d. Update tax roll for personal property removed from the City before Tax Day.
  
- 2. Process of personal property accounts to consist of the following:
  - a. Process accounts (Jan 1-March 1) each year defined as:
    - 1. Personal property statements processed, including 5278’s (EMPP).

2. Accounts estimated by TMA.
  3. New 5076 (Small Business) exemptions processed by TMA.
- b. Assist the City Assessor with personal property appeals at the March Board of Review.

### 3. Audit Services

When asked and as directed by the City Assessor to verify the accuracy of business taxpayers' personal property statements filed with the City Assessor.

- a. The City will select the audits to be performed and assign those audits to TMA when the City Assessor deems it appropriate to do so.
  - b. All correspondence to taxpayers in connection with audits will be signed by the City Assessor or by his/her authorized designee.
  - c. The City will provide TMA copies of the personal property statements for the years in which audits are to be performed.
  - d. TMA will audit the parcels assigned for audit for the current year and applicable prior years as provided by applicable law.
  - e. Audit services will consist of examining records, data and other materials provided by a taxpayer or others for the purpose of verifying the accuracy of statements, reports or statements filed with the City. Such services are not an appraisal of personal property. However, the City Assessor may use the information provided during or as a result of the audit to form an opinion or estimate of value for purposes of the personal property tax roll.
  - f. TMA shall be responsible for defending its audit findings throughout any appeals process. Defense of audit findings will include personal appearances at meetings with taxpayers or their representatives and providing testimony and evidence at all hearings before the City Assessor, City Board of Review, and at any other appeal level concerning information identified in an audit.
4. TMA will provide information, testimony and other assistance as requested by the City Attorney for personal property tax appeals filed with the Michigan Tax Tribunal or Michigan State Tax Commission. Among other services, this will require the TMA personnel who created or entered information in the City's personal property tax records or TMA personnel participating in the personal property audit for a taxpayer who has appealed will be available to testify as may, in the determination of the City Attorney, be needed during the course of any appeal.

- B. All services provided by TMA will be subject to and comply with the following:
1. TMA and all TMA's directors, officers, employees and other agents ("**TMA personnel**")

performing services under this Contract have or will obtain and will maintain all licenses, registrations, certifications or other credentials or approvals required by applicable laws, rules or regulations to provide those services in Michigan.

2. TMA and TMA personnel will, for all services provided under this Contract, be under the direct supervision and control of the City Assessor. Accordingly, TMA and TMA's personnel will communicate with taxpayers and others regarding audits under subsection 1.A.3 or other matters only as directed or authorized by the City Assessor.

3. TMA will provide services under subsection 1.A.2 of this Contract out of TMA's offices.

4. TMA will use its own computer hardware but will use the City's existing software license and a City-provided VPN to connect to the City system in the City Assessor's office for entry of data. The City will ensure TMA's use of the City's software license(s) will not violate any terms of use, license agreement or intellectual property rights. If in providing services under this Contract TMA uses software other than software provided by the City, TMA will ensure use of that software does not infringe on any intellectual property rights. Each party will, without expense to the other party, defend every action brought against the other party or the other party's directors, officers or employees for any alleged infringement of intellectual property rights arising from a failure to comply with earlier requirements in this subsection 1.B.4 and will pay all costs, damages, and other amounts recoverable in any such action.

5. When in making any connections to and when connected to the City's computer system, TMA and TMA personnel will comply with applicable City policies, practices and procedures for using the City's computer system.

6. The City will be responsible for all postage, including mailing out the annual personal property notices and statements. Unless arising from TMA's breach of this Contract, the City will also be responsible for any legal costs related to any personal property audits or appeals.

7. TMA will comply with all confidentiality requirements in applicable laws, rules, regulations, and any City policies, practices and procedures, including, without limitation, MCL 211.23. TMA acknowledges that MCL 211.23 and the penalties referred to in that section apply to TMA and TMA's personnel providing services under this Contract.

2. City Payments. The City will pay TMA for services TMA provides under this Contract as follows:

A. The amounts paid will be as follows, provided that in any year of this Contract the total annual amounts invoiced the City will not exceed \$42,000.00.

1. For canvassing services under subsection 1.A.1 of this Contract, the City will pay TMA the following amounts:

Year 1 - \$8.00 times the number of situs businesses.

Year 2 - \$8.50 times the number of situs businesses.

Year 3 - \$9.00 times the number of situs businesses.

2. For processing services under subsection 1.A.2 of this Contract, the City will pay TMA the following amounts:

Year 1 - \$14.00 times the number of processed accounts.

Year 2 - \$14.50 times the number of processed accounts.

Year 3 - \$15.00 times the number of processed accounts.

3. For auditing services under subsection 1.A.3 of this Contract, the City will pay TMA the amounts on the following schedule provided the City conducts at least 20 audits within a given year. If the City conducts fewer than 20 audits, each audit will be billed separately based on the size and location of the audit. The audit fees are per parcel, per audit location.

The City is responsible for all postage and mailing of audit correspondence. No additional fees will be applicable regardless of the man hours required to complete an audit or to defend the audit through the appeals process. The City may elect not to use TMA for personnel property tax audits, to engage TMA for all audits, or to engage TMA only for select audits.

<u>PROPERTY CLASS</u>	<u>VALUE RANGE</u>	<u>PER AUDIT FEE</u>
S	\$0 - \$79,999	\$750.00
A	\$80,000 - \$399,999	\$750.00
B	\$400,000 - \$999,999	\$1,500.00
C	\$1,000,000 - \$4,999,999	\$2,400.00
D	\$5,000,000 - \$19,999,999	\$6,200.00
D3	\$20,000,000 and Greater	\$10,000.00

4. TMA will prepare for and testify at hearings or other meetings of the Michigan Tax Tribunal or Michigan State Tax Commission regarding any parcel on which it had any role without added cost to the City.

B. Except as otherwise specifically provided in this Contract, TMA will be responsible for all costs related to providing to its services under this Contract including, but not limited to, travel, food, lodging, mileage, TMA personnel compensation and benefits, insurance for TMA or TMA personnel, etc.

C. TMA shall invoice the City as follows:

1. For services provided under subsections 1.A.1 and 1.A.2 TMA will invoice the City on a quarterly basis. Invoiced fees will be due and payable 30 days following invoice date.

2. For services provided under subsections 1.A.3 and 1.A.4 TMA will invoice the City on a monthly basis. Invoiced fees will be due and payable 30 days after the invoice date.

3. Additional Qualifications.

A. Neither TMA nor any TMA personnel: (i) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency; (ii) were within 3-years preceding this Contract convicted of or have a judgment against them for fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract under a public transaction, for violation of federal or state antitrust statutes, or for embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (iii) are presently indicted for or otherwise criminally charged with committing any offense enumerated in this

certification; and (iv) have had within 3-years preceding this Contract one or more public transactions terminated for cause or default.

B. TMA is not an “Iran linked business” under Michigan’s Iran Economic Sanctions Act, 2012 PA 517.

4. Diversity and Inclusion. TMA will not discriminate against an employee or applicant for employment with respect to hiring, tenure, terms, conditions, or privileges of employment, or directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, mental or physical disability, or any other reason prohibited by law (e.g., Elliott-Larsen Civil Rights Act, 1976 PA 453, Persons with Disabilities Civil Rights Act, 1976 PA 220, and <https://www.eeoc.gov/>).

5. Ethical Standards. TMA, TMA personnel, the personnel of any TMA parent, affiliate, or subsidiary have not and will not (i) hold or acquire an interest that would conflict with this Contract; (ii) engage in an act creating an appearance of impropriety with respect to the award or performance of this Contract; (iii) attempt or appear to influence any City elected or appointed officer or employee by a direct or indirect offer of anything of value; or (iv) pay or agree to pay any person, other than TMA personnel, any consideration contingent upon the award of this Contract. No TMA personnel and no personnel of any TMA parent, affiliate, or subsidiary organization is a spouse, parent, child, grandchild, or sibling of the mayor, city council member, or any other elected or appointed officer or board/commission member of the City except as already disclosed in writing to the City. TMA will immediately notify the City of any change in this circumstance.

6. Risk Allocation. TMA is solely responsible for (i) the means and methods of services provided under this Contract, (ii) the conduct of TMA personnel, and (iii) any injuries or property damage during the TMA’s performance of services under this Contract. To the fullest extent permitted by law, TMA will indemnify and hold harmless the City and its officials, agents, and employees from and against all claims, damages, losses and expenses, direct, indirect or consequential (including, but not limited to, fees and charges of engineers or architects, attorneys and other professionals and costs related to court action or arbitration) arising out of or resulting from the performance of this contract or the actions of TMA or TMA personnel under this Contract or under the contracts entered into by TMA in connection with this Contract. This indemnification shall survive the termination of this contract.

7. Insurance. TMA will obtain and maintain the following insurance and, upon the City’s request, provide a copy of the applicable certificates of insurance, policies and endorsements showing the policies to be in place and the premiums paid.

A. Commercial general liability insurance in minimal limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate. Coverage must include: (A) contractual liability; (B) independent contractor’s coverage; and (C) broad form general liability extensions or equivalent, if not already included.

B. Automobile liability insurance with minimal limits (hired and non-owned automobile coverage) of \$1,000,000 per person and \$1,000,000 per occurrence.

C. Workers’ disability compensation coverage in accordance with Michigan law including waiver of subrogation except where waiver is prohibited by law.

D. Professional liability insurance in a minimum amount of the greater of \$250,000 or the amounts to be paid Professional for services under this Contract.

E. Excess/umbrella insurance may be used to meet the primary policy limits but, if used, must follow the form of the primary policy(ies).

8. W-9. Before beginning work under this Contract, TMA must complete and return to the City Finance Department at [accountspayable@wyomingmi.gov](mailto:accountspayable@wyomingmi.gov) an IRS W-9 form (available at [www.IRS.gov](http://www.IRS.gov)).

9. Records.

A. All documents TMA generates as part of its services under this Contract, whether in paper, electronic or other media or format, will belong to the City upon the City's payment of any amounts due TMA under this Contract.

B. Because the City is a public entity and because it receives funds from other governmental agencies, the City is required to retain, be able to obtain, and/or audit records related to City contracts. TMA will retain copies of all records related to this Contract for at least 6 years after completion of this Contract. TMA will, upon the City's request, allow inspection, auditing and copying of all retained records.

C. All invoices shall be submitted by TMA to the City Assessor with sufficient detail for a proper pre-audit or post-audit.

10. Authority to Contract. The City Council has approved this Contract providing the City's authority to enter into this Contract. TMA has taken all actions needed to enter into this Contract. The parties each attest this Contract is binding upon them.

11. Independent Contractor. TMA is wholly independent of the City and no TMA personnel are or will be represented to be City officers or employees. TMA is solely responsible for the acts, omissions and statements of TMA personnel. TMA is solely responsible for any compensation and benefits to be provided TMA personnel for services or work provided under this Contract.

12. Assignment/Beneficiaries.

A. Unless otherwise provided in this Contract, (i) no right or duty of either party under this Contract may be assigned or delegated without the other party's prior written consent and (ii) no individuals or entities other than the parties are intended to be beneficiaries of this Contract. Accordingly, no other individual or entity will have any right to enforce any provision of this contract.

B. Payments due TMA under this Contract have been collaterally assigned to Branch Banking and Trust Company, a North Carolina banking corporation of 6869 Fairview Rd, Charlotte, NC 28210-3384 (the "**Bank**"). Upon the request of TMA or the Bank, payments due TMA under this Contract will be sent to the Bank at that address. The Bank is authorized to receive from the City information relating to this Contract and payments due under this Contract and all amendments or modifications to this Contract. The Bank may rely upon the terms of the Contract. The will give written notice to the Bank at least 30 days prior to any early termination of this Contract.

23. Term and Termination.

A. The term of this Contract shall be 3 years (*i.e.*, 36 months) from the date first written above.

B. Any extension beyond its term or renewal of this Contract must be in writing signed by the parties following approval by the City Council.

C. Either party may terminate this Contract upon written notice to the other party (i) if the other

party fails to comply with any provision of this Contract and fails to cure that noncompliance within 30 days after it sends notice to the noncomplying party, (ii) if the other party notifies the terminating party that the other party is unable to perform its obligations under this Contract, (iii) if the other party fails to perform its obligations under this Contract in a manner that makes the terminating party unable to comply with applicable laws, rules or regulations, (iv) if the other party has repeatedly failed to comply with any provision of this agreement and has previously been provided an opportunity to cure an earlier breach, or (v) if there is a change in law, a judicial decision or other change in an interpretation of applicable law invalidating this Contract.

D. If an early termination occurs, (i) TMA will immediately cease any work under this Contract, (ii) TMA will immediately transmit to the City copies of any records for work that was completed or in progress as of the termination date, (iii) TMA will invoice the City for work completed as of the termination date and, on a prorated basis for work that was in progress as of the termination date, and (iv) the City will pay TMA pursuant to that invoice except to the extent the City disputes the invoiced amounts in which case the City will pay the undisputed portion of the invoiced amounts and hold the disputed portion of the invoiced amounts in a separate fund. The City will not be obligated to pay for services that failed to comply with this Contract.

14. Notices. Notices to be given by either party to the other pursuant to this Contract shall be made in writing and hand delivered, or delivered by (i) FedEx, UPS or similar delivery service with proof of delivery, (ii) certified mail, return receipt requested, or (iii) if acknowledged by the recipient, by e-mail or other electronic means, to:

If to the City:  
Scott Engerson, City Assessor  
City of Wyoming  
1155 28<sup>th</sup> St SW  
Wyoming, MI 49509

If to TMA:  
Tax Management Associates, Inc.  
5121 Parkway Plaza Blvd  
Charlotte, NC 28217  
Attn: Richard H. "Chip" Cooke, Jr.  
Chief Executive Officer

With a copy to:  
Scott Smith, City Attorney  
At the same address.

#### 15. General Provisions.

A. This Contract constitutes the entire agreement of the parties and no other agreement or modification to this Contract, expressed or implied, will be binding on either party unless it is in writing and signed by both parties. This Contract may not be orally modified. Any modifications must be in writing, expressly titled a modification or addendum to this Contract and signed by both parties.

B. This Contract is made under Michigan law and Michigan law will govern this Contract and its interpretation.

C. If a provision, portion, or application of this Contract is determined by a court or governmental agency of competent jurisdiction to be illegal, unenforceable, or in conflict with an applicable law or constitutional provision, the parties shall negotiate an equitable adjustment in the affected provisions of this Contract with a view toward effecting the purpose of this Contract, and the validity and enforceability of the remaining provisions, portions, or applications thereof, shall not be impaired.

D. The headings in this Contract are included only for convenience and shall not affect its

interpretation. However, the recitals are an integral part of this Contract. This contract was drafted by both parties and is to be so interpreted.

E. To the extent not prohibited by law, jurisdiction and venue for any action pursuant to or arising from this Contract will be solely in the state courts in Kent County, Michigan. The prevailing party in any such action will, in addition to any other remedies, be entitled to recover its costs including for example and not for limitation, its attorneys and expert fees, filing fees, discovery costs and other costs incurred to investigate, bring, maintain or defend any action from first accrual or first notice thereof through all appellate and collection proceedings.

This Contract was signed by the parties as of the date first written above.

**CITY OF WYOMING**

**TAX MANAGEMENT ASSOCIATES,  
INC.**

By: \_\_\_\_\_  
Jack A. Poll, Mayor

By: \_\_\_\_\_  
Richard H. "Chip" Cooke, Jr.  
Chief Executive Officer

By: \_\_\_\_\_  
Kelli A. VandenBerg, Clerk

Date signed: \_\_\_\_\_, 2019

Date signed: \_\_\_\_\_, 2019

Approved as to form:

  
\_\_\_\_\_  
Scott G. Smith, City Attorney

Approved by City Council Resolution  
# \_\_\_\_\_, adopted on \_\_\_\_\_, 2019.

AN ORDINANCE TO AMEND CHAPTER 15 OF THE CITY CODE ENTITLED  
“SPECIAL EVENTS” AND TO REPEAL CHAPTER 14, ARTICLE V, DIVISION 3,  
ENTITLED “CARNIVALS,” AND CHAPTER 70, ARTICLE II, DIVISION 3  
ENTITLED, “BLOCK PARTIES”

THE CITY OF WYOMING ORDAINS:

Section 1. That Chapter 15 of the Code of the City of Wyoming, Michigan, is amended to read as follows:

**Chapter 15 – SPECIAL EVENTS**

**Sec. 15-1. - Purpose.**

- (1) Special events, such as block parties, carnivals, homecoming parades, outdoor music, National Night Out, sponsored athletic/fitness events, fireworks displays, and the Metro Cruise, can benefit the community and should accordingly be accommodated and encouraged. They may require special measures to ensure their safety and success while minimizing public risk and inconvenience.
- (2) This chapter is intended to balance interests of event proponents and participants with those of the general public. It is also intended to ensure special events are appropriately planned and coordinated without unduly encumbering those undertaking them.
- (3) Except as provided in this chapter, special events must comply with other provisions of this Code and other applicable law. Applicants and sponsors must obtain and comply with other approvals required by Code provisions and other applicable law.
- (4) Except as provided in this chapter, it is to be applied without regard to the identity or views of special event sponsors or participants.

**Sec. 15-2. – Definitions and interpretation.**

- (1) The following terms, when used in this chapter, shall have the meanings provided by this section, except if the context clearly indicates a different meaning:
  - (a) *Applicant* means a person or entity seeking city approval for a special event.
  - (b) *Application* means the request for approval of a special event filed with the city clerk as provided in section 15-3.
  - (c) *Block party* means an outdoor public party sponsored by and generally for residents of a city block or neighborhood often accommodated by blocking part of a public right-of-way.
  - (d) *Carnival* means an event with carnival and amusement rides (as defined by applicable law), games, or shows, generally operated by a person who takes the rides, games and shows to locations on a temporary basis.
  - (e) *Community-wide special event* means a major special event the city council recognizes as a community-wide special event due to its size and number of participants together with other factors, such as for example, community involvement, community benefits, and support by community organizations.
  - (f) *Fee* means an application fee in an amount established by resolution of the city council.
  - (g) *Fireworks display* means a display of commercial fireworks.
  - (h) *Major special event* means a special event that is not a minor special event.
  - (i) *Metro Cruise* means the 2-day Metro Cruise® celebration of cars and local businesses along a 13-mile long segment of 28th Street with the main event at Rogers Plaza in the city.
  - (j) *Minor special event* means a special event that is (i) attended by fewer than 300 persons each day, (ii) will not affect the use of any public right-of-way for longer than 4 hours, (iii) if properly planned

and staffed, will not require significant city staffing or resources beyond providing barricades for the duration of the event, and (iv) the city special events coordinator, after consultation with public safety and public works department personnel, determines the event will not materially affect public safety or result in sound from the special event being audible off-site for more than 4 hours. School parades and block parties are minor special events.

(k) *Participant* means any person participating in a special event as a competitor, sponsor, spectator, organizer, volunteer, staff member, performer, patron, or in another role.

(l) *School parade* means a public procession, especially one celebrating a special day or event and including marching bands or floats that is sponsored or recognized by a public or private elementary or secondary school as an event of that school.

(m) *Special event* means an event, other than as described in subparagraph 15-2(1)(m)(2), that meets any of the criteria in subparagraph 15-2(1)(m)(1), and that may, but does not necessarily, include one or more of the following: entertainment, amusements, theatrical exhibitions, public shows, displays, fundraising, fitness or athletic endeavors, contests or competitions, speeches, consumption of food and beverages, sales of items, the use of tents or temporary structures, or other reasons for the assembly of persons as participants, sponsors, volunteers and spectators. Examples of special events include block parties, parades, music festivals and performances, cultural festivals, sponsored athletic/fitness events, the Metro Cruise, art or craft shows, carnivals, street sales, religious or political gatherings, fireworks displays, and similar gatherings.

(1) An event is a special event if

(A) Either

(i) Any activities associated with the event are outside a fully enclosed, covered structure or

(ii) The event is entirely within such a structure but parking for those attending the event cannot be accommodated within available off-street parking lots together with normal on-street parking within 1 block of that structure; ***and***

(B) It involves one or more of the following:

(i) More than 300 participants on any day of the event.

(ii) Interruption of normal traffic flows on or access to any public right-of-way. This includes events such as sponsored athletic/fitness events that require barricades, closing of traffic lanes, or slow vehicles moving by or around participants, and events that may cause the back-up of traffic on nearby roadways or streets due to vehicles entering or exiting the venue(s) or parking area(s).

(iii) A parade or march within the traveled portion of any street or road.

(iv) Displaced parking in an institutional, educational, or business parking lot.

(v) Sound can be heard beyond the venue(s) for more than 2 hours on any day or between the hours of 10:00 p.m. and 8:00 a.m.

(vi) Preventing or limiting access to property other than the event venue(s).

(vii) Added police or security personnel, emergency medical personnel, hydration facilities, portable toilets, or similar services.

(viii) Rides or amusements normally associated with carnivals. This includes large bounce houses or similar temporary items.

(ix) Fireworks displays.

(x) Food vendors using generators or requiring electrical and/or water connections, other than food trucks operating as already approved by the city.

(xi) Activities that do not comply with use or other regulations within the venue's zoning district such as, for example, off-premises temporary food vendors or retail sale of non-customary store products.

(2) Special event does not mean an event:

(A) Sponsored by a governmental unit or agency on publicly-owned land that does not require use of any public rights-of-way. An event that would be a major special event does not qualify for this exception if the sponsoring governmental unit's or agency's involvement is limited to receipt of some event proceeds and providing an event venue.

(B) Held entirely within the confines of a privately owned, permanently enclosed and covered structure in compliance with applicable laws, rules, regulations, permits, licenses and any other required approvals.

(C) Held entirely within the confines of a city park pursuant to permits, agreements, or other approvals issued by the city's parks and recreation staff.

(D) That the special event coordinator, after consultation with public safety and public works department personnel, determines the event will not require additional city resources, will not materially affect public safety, and will not significantly affect use of public or private property or rights-of-way.

(n) *Special event agreement* means a written agreement between the applicant and the city as provided in section 15-5 that grants city approval for the special event.

(o) *Special event coordinator* means the individual(s) designated by the city manager to serve that role which, in part, serves as liaison between an applicant and city departments.

(p) *Special event vendor* means a vendor of food, beverages or other goods or services recognized and authorized by the special event sponsor as a vendor for that special event.

(q) *Sponsored athletic/fitness event* means a special event involving walking, running, bicycling or other athletic or fitness activity using public rights-of-way.

(r) *Sponsor* means any person who assists with organizing, funding, promoting, operating, and conducting a special event.

(s) *Venue* means the location(s) of the special event.

(2) Terms not defined in subsection (1) will have the meanings provided in state law or, if not defined in state law, their common meanings.

**Sec. 15-3. – Approval and agreement required.**

All special events in the city require approval of the city and must be planned, organized, and conducted in accordance with a special events agreement.

**Sec. 15-4. – Application and approval.**

(1) To minimize conflicts on desired dates and to better ensure the availability of city resources, persons planning special events should contact the special event coordinator at least 180 days prior to the desired date(s) for a special event and, if applicable make needed deposits, file preliminary event information, and collaborate on event plans. At least 120 days before a special event other than a block party, the applicant must file an application with the city clerk accompanied by the fee. For a block party, the application must be filed at least 30 days before the desired date of the block party. It is the City's goal to approve special event agreements at least 60 days before a special event so final arrangements and promotion of the special event can proceed after the special event agreement is fully signed. The application shall include or be accompanied by at least the following information:

(a) For all special events the following information is required:

(1) Name(s), address(es), telephone and/or cell number(s), and e-mail address(es) for the sponsor(s) of the special event.

- (2) Proposed venue(s), including any public streets or rights-of-way for a parade, sponsored athletic/fitness event, or similar activity.
  - (3) Date(s) and time(s) of the special event and for preparation, set-up, and removal.
  - (4) Numbers of participants expected in various roles.
  - (5) Sketch drawing(s) depicting the event venue(s) with the proposed layout(s) during the event, including activity areas, temporary structures, parking areas, drive aisles, emergency access(es), storage areas, areas of limited access not generally to be open to event patrons, any power and water sources and transmission, any portable restroom facilities, refuse receptacles, temporary fencing, crowd control devices, barricades or other access control measures, and other information needed to review and address issues related to the special event.
  - (6) General information about activities proposed to be included in the proposed event.
  - (7) Any proposed entertainment, amplified sound, and lighting.
  - (8) Any deviations from city requirements applicable to the venue(s) or activities.
- (b) For major special events the following is also required:
- (1) Police and fire protection addressing (A) emergency access, (B) fire and explosion prevention and suppression, (C) hazardous materials handling and storage, (D) safety measures around any flame, cooking or heating, (E) applicable fire code requirements, and (F) whether the event should include additional police or fire personnel.
  - (2) Venue maintenance and clean-up including refuse containment, removal, and disposal plans.
  - (3) Electrical, water service, and any other utility services.
  - (4) Security plan addressing staffing, communications, crowd control, equipment, and other measures to secure the event, venue, and participants. If additional city police presence is needed or desired, the plan must include that information.
  - (5) Access and parking control plan.
  - (6) Noise control and abatement.
  - (7) Lighting and illumination plan.
  - (8) Signage and advertising.
  - (9) Vendors including who they are, what vended items include, where they will be placed, the vehicles or equipment involved, electric and water needs and plans, and when they will be on site (including for set-up and take-down).
  - (10) If food or beverages will be provided by persons other than vendors, what will be provided, will it be sold or otherwise distributed, and how that will occur.
  - (11) Traffic management and parking plan, including any use of area rights-of-way. If off-premises parking is proposed, written consents from affected property owners must be included.
  - (12) First aid plan including medical facilities, staffing and emergency vehicles)
  - (13) Emergency plan including event cancellation procedures.
  - (14) Sanitation plan including any portable toilets, handwashing or sanitizing facilities, food waste disposal, and other sanitation measures.
  - (15) Communications plan(s) for before, during, and following the event with participants, between sponsors and the city, and emergency communications.
  - (16) Inclement weather procedures including when any postponement and cancellation decisions will be made, who will make decisions, plans for shelters or evacuation, plans for securing items that could become windblown hazards, and other details.

- (17) Staffing and volunteer plan including their numbers, selection, training, supervision, clothing and identification, and responsibilities.
- (18) Merchandising including the items to be sold and provisions for their sale.
- (19) Equipment to be used including tents, inflatable activities, tables, booths, cooking equipment, trailers, sound equipment, lighting equipment, vehicles, rides, amusements, fencing and barricades, and other equipment.
- (20) If live animals will be involved, where they will be housed, how they will be cared for, how they will be used, and the manner of waste handling and removal.
- (b) The special event coordinator may require any of this additional information for a minor special event if the special event coordinator reasonably determines it is needed to evaluate and plan the special event.
- (c) After communications with the applicant, especially if a major special event has previously been held in the city, the special events coordinator may also determine that some of the items listed in subsection 15-4(1)(b) are not required for a major special event.
- (2) When the city clerk receives an application, the city clerk shall forward it to the special event coordinator who shall:
- (a) Review it to determine whether it is complete and whether additional information is needed.
- (b) Contact the applicant with any questions or requests for additional information or clarifications.
- (c) Initially determine whether the proposed event is a special event and whether it is a major special event.
- (d) When additional information is provided, send copies of all the gathered information, together with the special event coordinator's initial observations, comments and recommendations, to the city departments and personnel that may be affected by the proposed special event or whose review of the application may be needed, prudent or appropriate given the nature, duration, date(s), time(s), venue(s), public facility or equipment needs, public safety aspects, or any of the other details of the proposed special event.
- (3) City departments and personnel receiving the application and related materials as provided in subsection (2)(d), shall respond to the special events coordinator outlining any observations, concerns, and recommendations they respectively have regarding the proposed special event, the sponsor(s), the application and related materials, and the planning, organizing, funding, promoting, operating, and conducting of the proposed special event.
- (4) If, after receiving the responses from the city departments and personnel as provided in subsection (3), the special event coordinator determines there is enough information and there is sufficient agreement with the applicant regarding terms and conditions to be incorporated in a special event agreement, the special event coordinator shall prepare a draft special event agreement, present it to the applicant for review and, after it is signed by the applicant, present it to the city manager for signing on the city's behalf.
- (5) The special event coordinator will arrange for meetings and other communications needed to address questions and concerns of city personnel or the applicant regarding the proposed special event or terms and conditions proposed to be included in the special event agreement.
- (6) If, after receiving the responses from the city departments and personnel as provided in subsection (3), the special event coordinator determines the application should be denied, the special event coordinator shall prepare a draft of a letter to the applicant communicating that decision and the reasons for it and present it to the city manager for the city managers review and signature.
- (7) If, after the additional communications undertaken under subsection (5), the special event coordinator determines it is appropriate to approve the special event, the special event coordinator shall prepare a draft special event agreement, present it to the applicant for review and, after it is signed by the applicant, present it to the city manager for signing on the city's behalf.

(8) The city manager may designate a person other than the special event coordinator to review and recommend approval of particular special events such as, for example, those to occur only in a city park pursuant to programs approved by the parks and recreation commission or the city's community services director. If such a designation is made, the designated individual shall review and consider recommending approval as provided in this section.

**Sec. 15-5. – Special event agreement.**

(1) City approval of a special event will be granted by written special event agreement between the city and the applicant and other special event sponsor(s). The special event agreement will be a form approved by the special event coordinator, city manager, and city attorney. Except for a community-wide special event, the city manager is authorized to sign a special event agreement on behalf of the city. A special event agreement for a community-wide special event must be signed by the mayor and city clerk. A special event agreement must be signed by all persons responsible or accountable for the special event as sponsors.

(2) At a minimum, a special event agreement must:

- (a) Grant city approval for the special event as described in the special events agreement,
- (b) Include requirements and expectations of sponsors,
- (c) Include as exhibits pertinent diagrams, descriptions, and forms of related agreements such as, for example, an agreement for added police presence,
- (d) List any allowed deviations or variations from city requirements otherwise applicable to the special event venue or activities,
- (e) State the duration, dates, times, area(s) affected by and other aspects of the special event, including any limits on hours of certain activities,
- (f) List expected and allowed special event vendors, including their locations at the special event venue(s) and how any needed electric power and water will be supplied,
- (g) Include details about, copies of, or references to documents providing the special event details required to be addressed under subsection 15-5(1)(b), and
- (h) In addition to the fee, detail the costs reasonably anticipated to be incurred by the city, the portion and projected amount(s) of those costs to be paid by the applicant, and the required payment dates and other terms.

(3) Regardless of any other provision of this Code, a special event agreement may temporarily allow deviations from city requirements pertaining to (i) uses of property comprising a venue, (ii) amplified sound, (iii) noise, (iv) parking, (v) use of rights-of-way, (vi) hours of use of parks or other city property, (vii) business or vendor licensing, (viii) animal keeping, (ix) signage. Any such allowed temporary deviation shall be clearly expressed, defined, limited, and, if needed, conditioned in the special event agreement.

**Sec. 15-6. – Appeal.**

Except for a decision made by the city council, a person aggrieved by a city decision made pursuant to this chapter may appeal that decision as provided in section 1-29 of this Code.

Section 2. That Chapter 14, Article V, Division 3, entitled, "Carnivals," and Chapter 70, Article II, Division 3, entitled "Block parties," of the Code of the City of Wyoming, Michigan, are repealed.

Section 3. That this ordinance shall take effect on \_\_\_\_\_, 2019.

Kelli A. VandenBerg  
Wyoming City Clerk

Ordinance No. \_\_-19

# ***Understanding Proposal A & Headlee and the Impacts on City Property Tax Revenue***

***City of Wyoming Assessor's Office***

***October 1, 2019***

## **Headlee Amendment Overview**

In 1978, Michigan voters approved what is commonly referred to as the Headlee Amendment. The Headlee Amendment amended the state constitution by limiting the annual increase in overall property tax revenues received by a taxing authority to no greater than the inflation rate on all previously taxed property. Limiting the overall growth in property tax revenue on all property which was taxed in the previous year is accomplished by reducing the millage rate as opposed to reducing the assessed values and /or taxable values of individual properties.

On an annual basis, a *millage reduction fraction* must be calculated and applied to the applicable millage rates levied by the taxing authority. The formula for calculating the millage reduction fraction appears on Michigan Department of Treasury form 2166, also referred to as form L-4034 (see attached). The responsibility of annually calculating the millage reduction fraction for each unit of local government in the county lies with the County Equalization Director. The County Equalization Director is required by law to deliver the computations to the County Treasurer no later than the first Monday in June. Local assessors typically have access to the numbers required to make a reasonable estimate of the millage reduction fraction after the close of the March Board of Review.

Once finalized, the millage reduction fraction is entered on form L-4029 by the local assessor (see attached). The millage reduction fraction is then multiplied by the *previous year permanently reduced millage* which results in the current year *maximum allowable millage rate*.

## **Proposal A Overview**

In 1994, Michigan voters approved what is commonly referred to as Proposal A. Proposal A was a constitutional amendment which made several significant changes aimed at reducing individual property tax burdens and creating new mechanisms for public education financing. Unlike the Headlee Amendment which limits overall growth in property tax revenues, Proposal A limits the growth in value on each individual property to 5% or the inflation rate, whichever is less (with some exceptions).

Limiting the growth in value of each individual parcel of property was accomplished by creating a term called *taxable value*. Prior to Proposal A, property taxes for an individual parcel of property were calculated by multiplying the assessed value of the property by the millage rate. Assessed value is required to be approximately 50% of the usual selling price. While the assessed value is still required to be calculated, the only situation when the assessed value is used to calculate the property taxes of an

individual parcel is in the year after a transfer of ownership. This is commonly referred to as “*uncapping*.” If the parcel did not transfer in the prior year, the property taxes are calculated by multiplying the taxable value by the millage rate.

Taxable value is required to be determined annually by the local assessor. Taxable value is defined to be the lower of the capped value or the assessed value, unless there was a transfer of ownership in the prior year which then requires the taxable value to be equal to the assessed value. The formula for calculating the capped value is as follows:

Capped Value = ((Prior Year Taxable Value minus Losses) x the Lesser of the Inflation Rate Multiplier or 1.05) plus Additions.

The inflation rate multiplier is issued annually by the Michigan State Tax Commission. Proposal A requires that the inflation rate multiplier be capped at 5%. The inflation rate multiplier issued by the Michigan State Tax Commission is used statewide, i.e., there is only one inflation rate multiplier and it is the same for every unit of local government throughout the state. Examples of losses include demolition of a structure, a loss in value due to a fire, and the first year in which a property becomes exempt. Examples of additions include new construction and property which is added to the assessment roll due to losing its exempt status.

### **Impacts on City Property Tax Revenue**

Due to the limits placed on the growth in taxable value of an individual property (Proposal A), the only situation which can result in a millage reduction fraction (Headlee Amendment) is when the taxable value growth due to uncappings results in an overall increase in citywide taxable value above the inflation rate. This situation occurred in both 2017 and 2019. In 2017 the millage reduction fraction was 0.9982. In 2019, the millage reduction fraction was 0.9925.

Of Proposal A and Headlee, Proposal A has had a far more significant impact on the City’s property tax base over the past 20 years. Through a combination of voter approval of a public safety millage and subsequent renewal of that millage coupled with the judicious internal policy of levying millage rates below the permanently reduced millage rate, the City has experienced minimal impacts over the past 5 years due to Headlee.

The impact of Proposal A has been much more devastating than Headlee. In 2016, only 89.11% of the City’s assessed value was taxed (i.e., taxable value divided by assessed value = 89.11%). The percentage of assessed value which is taxed has steadily declined since 2016. In 2017 only 84.96% of the City’s assessed value was taxed; in 2018 only 84.17%; in 2019 only 81.43%. These figures include recent impacts resulting from personal property exemptions which is discussed later in this paper.

Unfortunately for local government, when property values are increasing, the gap between assessed value and taxable grows. This results in higher probabilities of millage reduction fractions due to the closing of the large gap between assessed value and taxable value resulting from uncappings. When

property values are decreasing, it is possible for assessed values to drop below capped values. During these periods, Headlee millage reduction fractions are unlikely, but overall taxable value may not even increase by the inflation rate and in fact may steadily decline as the City experienced in tax years 2009 through 2013.

In addition to Proposal A and the Headlee Amendment, voters approved significant personal property tax reform in 2012 which exempts small businesses and eligible manufacturing personal property. While the City is reimbursed for lost personal property taxes as of 2013 levels, the reimbursement formula does not measure the true loss in personal property taxable value.

One of the most telling impacts that Proposal A and personal property exemptions have had on the City's property tax base can be readily observed by comparing the City's 2019 and 2008 taxable values. In 2008, the City's taxable value was \$2,276,643,173. Due to the great recession, taxable values began steadily declining in 2009 and steadily declined annually until 2014. Since 2014, the City's taxable value has continued to increase, however, the City's 2019 taxable value of \$2,166,753,688 is only slightly more than the City's 2010 taxable value of \$2,111,185,994 and is still less than the City's 2008 taxable value of \$2,276,643,173.

## 2019 Millage Reduction Fraction Calculations Worksheet

### Including Millage Reduction Fraction Calculations Not Specifically Assigned to the County Equalization Director by Law

County <b>Kent</b>	Taxing Jurisdiction <b>City of Wyoming</b>
2018 Total Taxable Value.....	<b>2,056,353,671.00</b>
Losses.....	<b>24,660,479.00</b>
Additions.....	<b>70,567,937.00</b>
2019 Total Taxable Value Based on SEV.....	<b>2,166,753,688.00</b>
2019 Total Taxable Value Based on Assessed Value (A.V.).....	<b>2,166,753,688.00</b>
2019 Total Taxable Value Based on CEV.....	<b>2,166,753,688.00</b>

**NOTE:** The last two items above are only needed when it is necessary to calculate a Truth in Assessing or Truth in County Equalization Rollback Fraction.

1. Section 211.34d, MCL, "Headlee" (for each unit of local government)

$$\frac{(2018 \text{ Total Taxable Value} - \text{Losses}) \times \text{Inflation Rate of } 1.024}{(2019 \text{ Total Taxable Value Based on SEV} - \text{Additions})} = \underline{\underline{0.9925}}$$

2019 Millage Reduction Fraction (Headlee). Round to 4 decimal places in the conventional manner. If number exceeds 1.0000, line through and enter 1.0000.

See State Tax Commission Bulletins No. 3 of 1995 and 19 of 2002 regarding the calculation of losses and additions.

See also the Supplements to STC Bulletin No. 3 of 1995 contained in STC Bulletin No. 3 of 1997.

$$\frac{(2,056,353,671 - 24,660,479) \times 1.024}{(2,166,753,688 - 70,567,937)} = \underline{\underline{0.9925}}$$

in conventional manner.

County Equalization)  
in conventional manner.

See State Tax Commission Bulletin 3 of 2019 for more information regarding this calculation.

3. Section 211.24e, MCL, "Truth in Taxation" (for each taxing jurisdiction that levied more than 1 mill for operating purposes in 2018 only).

$$\frac{(2018 \text{ Total Taxable Value} - \text{Losses})}{(2019 \text{ Total Taxable Value Based on SEV} - \text{Additions})} = \underline{\hspace{2cm}} \quad \text{2019 Base Tax Rate Fraction (Truth in Taxation)}$$

Round to 4 decimal places in the conventional manner.

Use the same amounts for additions and losses as were used for the 211.34d ("Headlee") rollback.

**NOTE:** The truth in taxation BTRF is independent from the cumulative millage reductions provided by sections 211.34d and 211.34. The Base Tax Rate equals the BTRF X 2018 Operating Rate levied.

**2019 TAX RATE REQ  
MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS**

County <b>KENT</b>	<b>2019 Taxable Value (All)</b> <b>2,165,889,096</b>
Local Government Unit <b>WYOMING CITY</b>	<b>2019 Taxable minus RenZones</b> <b>2,165,889,096</b>

**PLEASE READ THE  
ENCLOSED  
INSTRUCTIONS  
CAREFULLY.**

You must complete this form 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 **2019** tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Millage Authorized by Election, Charter, etc.	(5) 2018 Millage Rate Permanently Reduced by MCL 211.34d	(6) 2019 Current Year Millage Reduction Fraction	(7) 2019 Millage Rate Permanently Reduced by MCL 211.34d	(8) Sec. 211.34 Millage Rollback Fraction	(9) Maximum allowable Millage Rate*	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
CHARTER	Various	Various	12.3400	11.7692	0.9925	11.6809	1.0000	11.6809	11.6309		UNLIMITED
MI Law	Yard Waste MCL 123.261	1917	3.0000	2.7839	0.9925	2.7630	1.0000	2.7630	0.4000		UNLIMITED
Total Operating Allowed									14.4439	12.0309	
Prepared by <b>Matthew Woolford</b>	Co-Sign - Prepared/Verified		Title <b>Equalization Director</b>		Co-Sign Title <i>R. Fogar</i>		CED-Date <b>5/2/2019</b>		Co-date <b>5-6-19</b>		

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, MCL 380.1211(3).

**PLEASE ENTER REQUESTED MILLAGE IN COLUMN'S 10 AND/OR 11**

<input type="checkbox"/> Clerk	Signature <i>Kelli Vandenberg</i>	Type Name <b>Kelli Vandenberg</b>	Date <b>05/06/19</b>
<input type="checkbox"/> Secretary	Signature <i>Jack Po11</i>	Type Name <b>Jack Po11</b>	Date <b>5/9/19</b>
<input type="checkbox"/> Chairperson			
<input type="checkbox"/> President			

\*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. A public hearing and determination is required for an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

**\*\* IMPORTANT:** See instructions on the reverse side for the correct method of calculating the millage rate in column (5).

**Estimated City Revenue Loss Due to Proposal A and Headlee**

Tax Year	Ad Valorem Roll		AV not Taxed	AV Not Taxed as %	MRF Headlee	City Operating	Yard Waste	Public Safety	Grand Total Lost Tax Dollars All Funds
	Assessed Value (AV)	Taxable Value (TV)	TV minus AV	$((TV-AV)/AV)*100$	Millage Reduction Fraction	Total Lost Tax Dollars Due to Proposal A & Headlee	Total Lost Tax Dollars Due to Proposal A & Headlee	Total Lost Tax Dollars Due to Proposal A & Headlee	
2001	1,843,591,900	1,710,570,093	(133,021,807)	-7.22%					
2002	2,020,807,800	1,818,664,143	(202,143,657)	-10.00%					
2003	2,166,106,800	1,908,648,750	(257,458,050)	-11.89%					
2004	2,228,707,700	1,949,548,647	(279,159,053)	-12.53%					
2005	2,301,101,600	2,007,528,659	(293,572,941)	-12.76%					
2006	2,397,468,900	2,103,359,623	(294,109,277)	-12.27%					
2007	2,542,113,100	2,247,789,442	(294,323,658)	-11.58%					
2008	2,519,906,910	2,276,643,173	(243,263,737)	-9.65%					
2009	2,401,437,000	2,239,052,215	(162,384,785)	-6.76%					
2010	2,229,733,900	2,111,185,994	(118,547,906)	-5.32%					
2011	2,062,437,900	1,985,191,031	(77,246,869)	-3.75%					
2012	1,956,422,300	1,896,008,700	(60,413,600)	-3.09%					
2013	1,918,566,550	1,856,565,611	(62,000,939)	-3.23%					
2014	1,935,647,400	1,859,162,857	(76,484,543)	-3.95%					
2015	2,059,511,625	1,925,616,143	(133,895,482)	-6.50%	1.0000	\$ (1,380,100.90)	\$ -	\$ (167,369.35)	\$ (1,547,470.25)
2016	2,168,325,900	1,932,296,861	(236,029,039)	-10.89%	1.0000	\$ (2,432,822.11)	\$ -	\$ (295,036.30)	\$ (2,727,858.41)
2017	2,334,059,100	1,983,103,037	(350,956,063)	-15.04%	0.9982	\$ (3,692,584.22)	\$ -	\$ (438,695.08)	\$ (4,131,279.30)
2018	2,443,079,300	2,056,353,671	(386,725,629)	-15.83%	1.0000	\$ (4,049,597.42)	\$ -	\$ (483,407.04)	\$ (4,533,004.46)
2019	2,660,873,250	2,166,753,688	(494,119,562)	-18.57%	0.9925	\$ (5,135,186.96)	\$ -	\$ (617,649.45)	\$ (5,752,836.41)

30-Sep-19  
SAE



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
—LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**Bulletin 15 of 2018**  
**Inflation Rate Multiplier**  
**October 22, 2018**

**TO: Assessors and Equalization Directors**

**FROM: State Tax Commission**

**RE: Inflation Rate Multiplier for use in the 2019 capped value formula and the "Headlee" Millage Reduction Fraction (MRF) formula**

**Note:** The Calculation of the Inflation Rate Multiplier is set in statute. MCL 211.34d states:  
(l) "Inflation rate" means the ratio of the general price level for the state fiscal year ending in the calendar year immediately preceding the current year divided by the general price level for the state fiscal year ending in the calendar year before the year immediately preceding the current year.  
(f) "General price level" means the annual average of the 12 monthly values for the United States consumer price index for all urban consumers as defined and officially reported by the United States department of labor, bureau of labor statistics.

Based on this statutory requirement, the calculation for 2019 is as follows:

1. The 12 monthly values for October 2016 through September 2017 are averaged.
2. The 12 monthly values for October 2017 through September 2018 are averaged.
3. The ratio is calculated by dividing the average of column 2 by the average of column 1.

The specific numbers from the US Department of Labor, Bureau of Labor Statistics are as follows:

Oct-16	241.729	Oct-17	246.663
Nov-16	241.353	Nov-17	246.669
Dec-16	241.432	Dec-17	246.524
Jan-17	242.839	Jan-18	247.867
Feb-17	243.603	Feb-18	248.991
Mar-17	243.801	Mar-18	249.554
Apr-17	244.524	Apr-18	250.546
May-17	244.733	May-18	251.588
Jun-17	244.955	Jun-18	251.989
Jul-17	244.786	Jul-18	252.006
Aug-17	245.519	Aug-18	252.146
Sep-17	<u>246.819</u>	Sep-18	<u>252.439</u>
<b>Average</b>	<b>243.841</b>	<b>Average</b>	<b>249.749</b>
		<b>Ratio</b>	<b>1.024</b>
		<b>% Change</b>	<b>2.4%</b>

Local units cannot develop or adopt or use an inflation rate multiplier other than 1.024 in 2019. It is not acceptable for local units to indicate to taxpayers that you do not know how the multiplier is developed.

➤ **Inflation Rate Multiplier Used in the 2019 Capped Value Formula**

The inflation rate, expressed as a multiplier, to be used in the 2019 Capped Value Formula is 1.024.

The 2019 Capped Value Formula is as follows:

$$\mathbf{2019\ CAPPED\ VALUE = (2018\ Taxable\ Value - LOSSES) \times 1.024 + ADDITIONS}$$

The formula above does not include 1.05 because the inflation rate multiplier of 1.024 is lower than 1.05.

➤ **Inflation Rate Multiplier Used in 2019 "Headlee" Calculations**

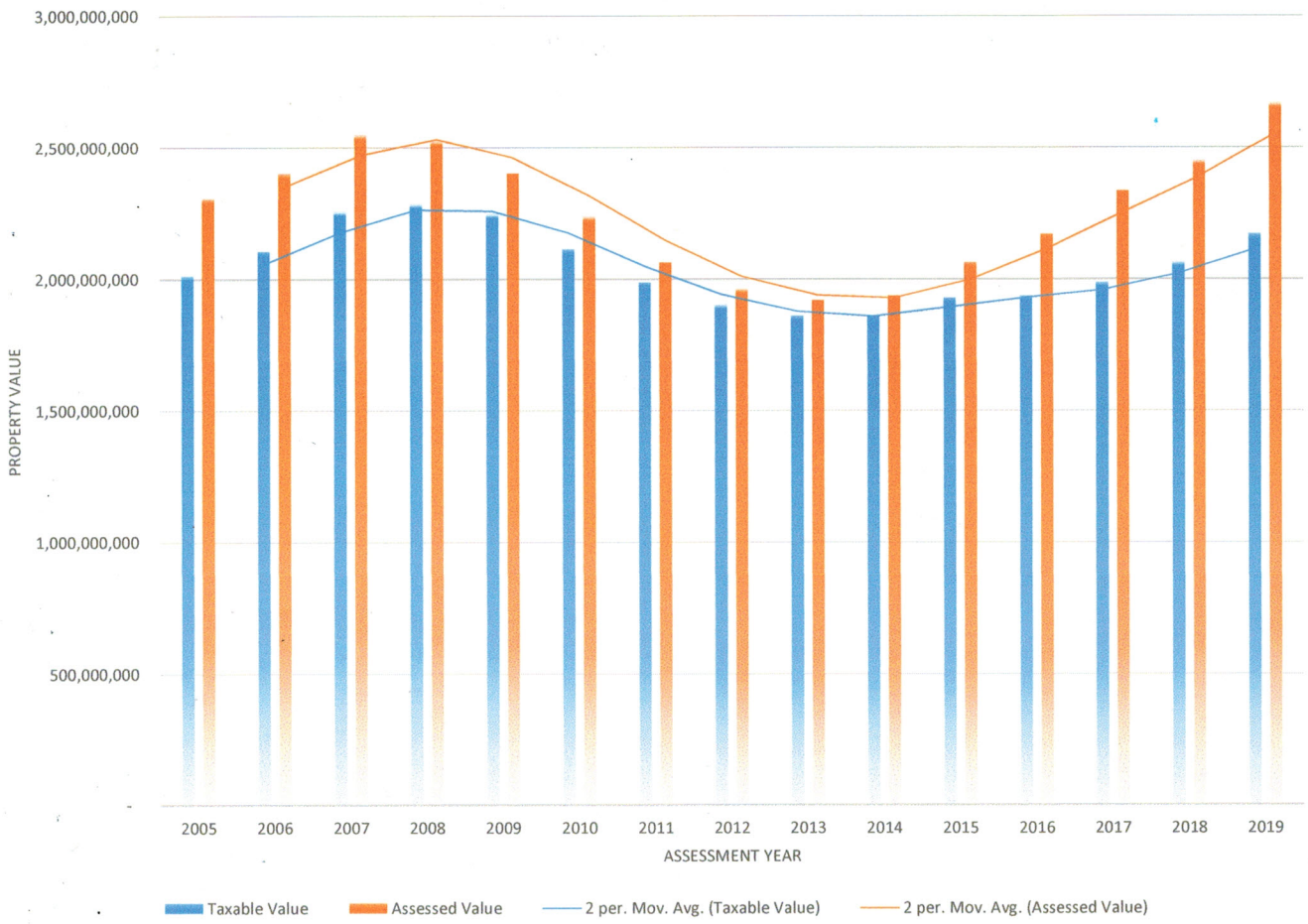
The inflation rate multiplier of 1.024 shall ALSO be used in the calculation of the 2019 "Headlee" Millage Reduction Fraction required by Michigan Compiled Law (MCL) 211.34d. The formula for calculating the 2019 "Headlee" Millage Reduction Fraction (MRF) is as follows:

$$\mathbf{2019\ MRF = \frac{(2018\ Taxable\ Value - LOSSES) \times 1.024}{2019\ Taxable\ Value - ADDITIONS}}$$

- The following is a listing of the inflation rate multipliers used in the Capped Value and "Headlee" calculations since the start of Proposal A:

1995	1.026
1996	1.028
1997	1.028
1998	1.027
1999	1.016
2000	1.019
2001	1.032
2002	1.032
2003	1.015
2004	1.023
2005	1.023
2006	1.033
2007	1.037
2008	1.023
2009	1.044
2010	0.997
2011	1.017
2012	1.027
2013	1.024
2014	1.016
2015	1.016
2016	1.003
2017	1.009
2018	1.021
2019	1.024

### AD VALOREM ROLL HISTORICAL AV & TV



FUND	GENERAL	FIRE	POLICE	PUBLIC SAFETY	PARKS	SIDEWALK	LIBRARY/PARKS CAPITAL	CAPITAL IMPROVEMENT
Current Millage:	4.8571	0.7430	1.2384	1.2383	1.4860	0.1484	0.3665	1.5532
Headlee Limit:	4.8571	0.7430	1.2384	1.2383	1.4860	0.1984	0.3665	1.5532
Authorized:	5.0000	0.7500	1.2500	1.2500	1.5000	0.2000	0.3900	2.0000
Headlee Impact:	0.1429	0.0070	0.0116	0.0117	0.0140	0.0016	0.0235	0.4468
Impact in \$:	309,629	15,167	25,134	25,351	30,335	3,467	50,919	968,106

**REVENUE:**

Source(s):	GF Millage (36%) State Shared Revenue (20%) Public Safety Millages (20%) Administrative Fees (11%)	Millage	Millage	Millage	Millage	Millage	Millage	Millage
Limitations:	Charter State Legislation	Charter	Charter	Charter	Charter	Charter	Charter	Charter
Increase Potential:	Voter Approved Millage Increase; Income Tax	Voter Approved Millage Increase	Voter Approved Millage Increase	Voter Approved Millage Increase	Voter Approved Millage Increase; User Fee Increases	Voter Approved Millage Increase	Voter Approved Millage Increase	Voter Approved Millage Increase

**EXPENDITURES:**

Limitations:	Can be used for <u>any</u> department throughout City  State Legislation	Can only be used for Fire expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for Police expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for Public Safety expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for Parks expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for Sidewalk expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for Library/Parks expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for Streets, Storm, Water and Sewer expenditures  Charter Legally Restricted to Purpose of Fund
Current Uses:	Public Safety (66%) Court (8%) Administrative Offices: Assessing City Attorney City Council City Manager Clerk Facilities/Maintenance Finance Information Technology Planning Treasurer	Transfer to General Fund for Fire Services  Currently 100% goes to GF because Fire expenses total more than this millage generates	Transfer to General Fund for Police Services  Currently 100% goes to GF because Police expenses total more than this millage generates	Transfer to General Fund for Fire and Police Services  Currently 100% goes to GF because Public Safety expenses total more than this millage generates	Administration Facilities/Maintenance Senior Center Recreation	Administration Sidewalk Repair Sidewalk Snowplowing	Administration Facilities/Maintenance Parks Capital	Administration Construction of: Storm Sewer Streets Water Sewer (Capital Costs Only)

FUND	YARD WASTE	MAJOR/LOCAL STREETS	INSPECTIONS	UTILITIES	MOTOR POOL/INSURANCE
Current Millage:	0.4000				
Headlee Limit:	2.7630				
Authorized:	3.0000				
Headlee Impact:	0.2370				
Impact in \$:	513,521				

**REVENUE:**

Source(s):	Millage	State Funding	Permit and Inspection Fees	Customer Charges	Charges to City Depts
Limitations:	State Millage Limit	State Legislation	State Legislation Case Law	Case Law-Bolt Case	Reserve Policy
Increase Potential:	Able to increase 2.363 mills with Council Approval	New Millage Implementation	User Fee Increases (Limited to paying for expenses, no profit)	User Fee Increases (Limited to paying for expenses, no profit)	Can increase; limited; reserves must be reasonably substantiated

**EXPENDITURES:**

Limitations:	Can only be used for Solid Waste expenditures (Collection & Disposal)  Charter Legally Restricted to Purpose of Fund	Can only be used for Street expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for Inspections expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for Sewer and Water expenditures  Charter Legally Restricted to Purpose of Fund	Can only be used for related expenses, or returned contributing funds based on amounts paid in  Restricted on same basis as contributing funds
Current Uses:	Administration Disposal	Administration Street Construction and Maintenance	Inspections Activities	Sewer and Water Activities	Motor Pool Operations and Replacement Purchases  City Self-Funded Insurance Plans