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TAX ALLOCATION BOARD

*Al Boggs, Mark Haag, John Kuschell,
Harvey Schmidt, Ralph Tillotson, Marilyn Woods*

MEETING LOCATION

*Chambers, 2nd Floor
Old Courthouse, 301 N. Main Street, Adrian, MI*

MINUTES: MONDAY, MAY 15, 2017 – 1:30 P.M.

PRESENT: Ralph Tillotson, Al Boggs, Mark Haag, John Kuschell, Harvey Schmidt, and Marilyn Woods

ALSO PRESENT: Deb Keller, Fairfield Township; Bill Getner & Rick Richardson, Cambridge Township; Richard Marks, Ogden Township; Martin Marshall, David Panian (The Daily Telegram), Rebecca Borton, Commissioner John Lapham, and Kim Murphy

I. APPROVAL OF MINUTES

Motion by Marilyn Woods, seconded by Al Boggs, to approve the minutes of the May 1, 2017 meeting. Motion carried.

II. BUDGET INFORMATION / PRESENTATION DISCUSSION

Budget information has been provided by most municipalities. The board was encouraged to discuss their thoughts, findings, and concerns. The Board may come to a recommendation today or they may choose to meet again, but the Board of Commissioners has requested a response by the June 14th meeting. The statutory deadline to set tax limitations is later in June.

Marty reminded the Tax Allocation Board members that they each provide a different perspective to the conversation; i.e. township representative, LISD, city of Adrian, County Commission, County Treasurer, and at-large community members.

The Tax Allocation Board may provide a recommendation to set the limitation rate that applies to each of the taxing authorities that it has authority over but this does not affect any of the extra voted millages.

Upon conclusion of the review; there are three options before the Tax Allocation Board:

1. The Board finds that the fixed limitation in place, and any statutory adjustments, is satisfactory and no petition is submitted.
2. The Board finds that the 1968 limitations are a more realistic levy and submit a petition to renew the limitations as they were set in 1968.

3. The Board determines other appropriate rates and submits a petition specifically identifying those rates.

The limitations as set by the 1968 ballot question are:

5.75 County
1.00 Townships
0.30 Intermediate Schools
7.05 Total Mills

It was noted that there are no general law townships at the 1.00 mill levy, both the County and the ISD are at the top of their levy limitation; which has been reduced from the 1968 level.

There was discussion on what the re-establishment of the 1968 level would specifically mean to the County, the ISD, and the townships.

Renewing the 1968 millage limitation would go before county voters through the November election. It would then be up to the each township board to set their millage as they do now, but with a limitation of 1.0 mill. The township would not have to set the millage rate at the maximum authorized but they may if they so choose.

Ralph Tillotson noted that many County run services have changed since 1968, and he explained how the county has had opportunities in the past to save funds, but those opportunities have depleted. The re-establishment of the 1968 level should fulfill some of those shortfalls.

Martin Marshall explained that it would generate approximately \$2.5 million for County revenue.

Mark Haag reported that it would be approximately \$150,000 for the ISD. He added that the ISD has been operating on reserve funds so while an increase would not be imperative at this time it would be beneficial in future budgets.

Marty Marshall added savings from previous years have been keeping the County balanced for the past several years and that re-establishment would allow County services to continue at the level that county residents have come to expect.

Discussion continued on the benefits that could be realized and consideration was given to the tax burden for residents.

Due to the limits of Proposal A and the very low inflation rates in recent years, increases in the value of property has not translated into increases in the tax base.

Also, application of millage reductions on transferred properties has resulted in a double

dip for most property owners. Their value is capped to the CPI and the millage rolls back because of the transferred properties. Townships with significant growth and transfers have seen the greatest reduction in their millage rate.

Deb Keller, Fairfield Township, asked the question if the millage rates were renewed to their 1968 level would townships have control over the levy rate within the renewed authority. The answer was yes.

III. ACTIONS / STATUTORY REQUIREMENTS

Upon conclusion of reviewing the budget information submitted and any presentation discussion the board discussed which direction to take.

Motion by John Kuschell to petition the Board of Commissioners to renew the 1968 tax limitation, seconded by Marilyn Woods. Discussion. Motion carried.

IV. PUBLIC COMMENT

Rick Richardson shared support from Cambridge Township.

V. UPDATES / OTHER BUSINESS

John Kuschell commented on the status of State Revenue Sharing and suggested that County Officials share the current actions taken by the Tax Allocation Board with State Representatives and continue to voice concern.

There was general concern expressed for the lack of support from state and federal offices for local issues, including infrastructure projects.

VI. ADJOURNMENT

Motion by John Kuschell, seconded by Al Boggs, to adjourn the meeting at 2:51 p.m. Motion carried.