

CITY OF FARMINGTON

OAKLAND COUNTY, MICHIGAN

RESOLUTION NO. 07-18-018

**APPROVING SUBMISSION OF PROPOSAL TO ADD A NEW MILLAGE AUTHORIZATION
OF UP TO 3.0 MILLS ON THE NOVEMBER 6, 2018 GENERAL ELECTION BALLOT**

At a meeting of the City Council of the City of Farmington, Oakland County, Michigan, held on the 23rd day of July, 2018, at the City Hall, 23600 Liberty Street, Farmington, Michigan 48335.

The following resolution was offered by Councilmember Galvin and supported by Mayor Pro Tem Bowman.

WHEREAS, over the past several years, and despite undertaking various cost-saving measures and identifying and implementing ways to increase efficiencies in the delivery of public services, the City of Farmington has had to dip into its fund balance in order to come to a balanced budget that allows the City to provide the core services that its residents and businesses have come to expect; and

WHEREAS, there are several reasons why the City's expenses have come to regularly exceed its revenues, but primarily they include the loss of tax revenue because of the sharp decline in property values in 2009-2013 and the limitations imposed by the Headlee Amendment and Proposal A on the City's ability to collect taxes on current values; the effect of Headlee Rollbacks on authorized City millage rates; the loss of State-shared revenues; increased costs for goods and services procured by the City; and the need to address and reflect increased pension and retiree health care costs; and

WHEREAS, more specifically by operation of the Headlee Amendment to the Constitution and the State law implementing the terms thereof, the City's effective Charter tax limitation has been reduced from 20 mills to 15.6490 mills, a reduction of 4.3510 mills. The City also assesses a voter-approved and renewed road millage in the amount of 1.5438 mills, which has been reduced to 1.4884 mills by the Headlee Amendment.

WHEREAS, the City Council recently hosted two "citizen engagement" public meeting forums and laid out issues regarding City finances to attendees, and has also engaged in public discussions at various City Council meetings and elsewhere regarding the challenges facing the City; and

WHEREAS, the City Council has determined that it is appropriate to ask the City's electors to consider authorizing the City Council to levy an additional 3.0 mills (or \$3.00 per \$1,000 of taxable value) on all properties in the City, with the understanding that at least half of any such levy (or at least 1.5 mills) will be dedicated to, and used only for, capital improvements and capital projects, including but not limited to, road and infrastructure improvements, parks and facilities, sidewalks and pathways, and large apparatus within the City with the noncapital improvements and capital projects portion of the levy to be used for any City purposes, including general operations;

WHEREAS, pursuant to Act No. 279, of the Public Acts of Michigan, of 1909, as amended, The Home Rule Cities Act, an amendment to the City Charter may be proposed by the legislative body of the City on three fifths (3/5) vote of the seated members; and

WHEREAS, the City Council of the City of Farmington has determined that it is appropriate to submit Charter Amendments to the electors of the City at an election to be held on November 6, 2018 as follows:

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Farmington City Council that:

1. The following question shall be submitted to the electors of the City at the November 6, 2018 general election:

CITY OF FARMINGTON CHARTER AMENDMENT PROPOSAL 1

An amendment to Section 9.1 of the City Charter to add Section 9.1(a) to authorize the levy of up to 3.0 mills (\$3.00 for every \$1,000 of taxable value) for municipal purposes, at least half of which (1.5 mills) must be used for capital improvement and capital projects, for a period of 10 years, from 2019 to 2028.

This amendment authorizes the annual levy of not to exceed 3.0 mills for 10 years. Approval would increase the tax levy by up to 3.0 mills as new additional millage in excess of the limitation imposed by law, restoring a portion of the Charter millage authorization previously reduced by the Headlee Amendment. If levied, 3.0 mills would raise approximately \$1,034,000 in the first year of the levy. At least half (1.5 mills) must be used for capital improvements or projects, such as infrastructure, parks and facilities, pathways, and large apparatus within the City.

Shall this proposed amendment be adopted?

YES

NO

2. That upon adoption of the proposed amendment, the affected provisions of the City Charter would read as follows:

Section 9.1. - Power to Tax; Tax Limit.

The city shall have the power to annually levy and collect taxes for municipal purposes. Exclusive of any levies authorized by statute to be made beyond charter tax rate limitations, the annual ad valorem tax levy shall not exceed two per cent of the assessed value of all real and personal property subject to taxation in the city.

(a) Subject to the 20 mill limit set forth in Section 9.1, City Council may approve, starting with the July 2019 levy, an annual levy and collection of an ad valorem tax not exceeding 3.0 mills of the state equalized value of all real and personal property subject to taxation in the city. At least half of the amount levied (no less than 1.5 mills) shall be used only for capital improvements and projects, including, but not limited to, road and infrastructure improvements, parks and facilities, sidewalks and pathways, and large apparatus within the city. This section shall be effective for a period of ten (10) years commencing July 1, 2019 and expiring on June 30, 2028.

3. The City Clerk and City Manager are directed to take all necessary action as may be required to ensure the placement of the question on the ballot for the November 6, 2018 general election.

AYES: LaRussa, Schneemann, Taylor, Bowman, Galvin
NAYS: None
ABSTENTIONS: None

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

I, SUE HALBERSTADT, the duly-qualified Clerk of the City of Farmington, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Farmington at a duly-called meeting held on 23rd day of July, 2018, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed by official signature this _____ day of July, 2018.

SUE HALBERSTADT
Clerk, City of Farmington