

**VILLAGE OF NEWBERRY
TRUTH IN TAXATION PUBLIC HEARING
Monday, May 20, 2019
Meeting Location: 302 East McMillan Ave
Meeting Time: 5:30 p.m.**

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. APPROVAL OF AGENDA**
- 5. TREASURER'S REPORT**
- 6. PUBLIC COMMENTS ON AGENDA ITEMS** – Prior to consideration of official business, citizens may speak to a subject on today's agenda. Please limit comments to 3 minutes.
 1. Public Comment on Agenda Items
- 7. ADJOURNMENT**

2019 TRUTH IN TAXATION HEARING

2018	11.2262	General Operations		
2018	4.4903	Streets & Alleys		
2018	1.3928	Trash (Deposal/Collection)		
2018	2.0000	Fire Protection reelected 2016		8/2/2016
2018 Millage:	19.1093			
Assessed Taxable Value	17,475,481.00	2018	Tax	333,944.21

2019 HEADLEE REDUCTION FORMULA:

	2018 Millage	2019 HEADLEE REDUCTION	2019 Calculation	2019 Proposed Millage
General Operations	11.2262	1.0000	11.226200	11.2262
Streets & Alleys	4.4903	1.0000	4.490300	4.4903
Trash (Deposal/Collection)	1.3928	1.0000	1.392800	1.3928
Fire Protection reelected 2016	2.0000		2.000000	2.0000
2018 Millage:	19.1093		2019 Millage:	19.1093

2019 County Equalization: Headlee Reduction Factor: 1.0210 (which defaults to 1.0000 per 2019 County L-4034)

Assessed Taxable Value: **17,659,940.00** **2019**
 (Per 2019 County L-4028)

HEADLEE Proposed Collections:
 2019 Tax 337,469.09
 2018 Tax 333,944.21

3,524.88 2018 LOSS GAIN (+/- 2018 COLLECTIONS)

2018 TRUTH IN TAXATION CALCULATIONS:

May

BASIC TAX RATE REDUCTION FORMULA:

2018 Taxable Value 17,475,481.00
 Less 2019 L-4034 Losses 234,876.00
 17,240,605.00

2019 Taxable Value 17,659,940.00
 Less 2019 L-4034 Additions 155,600.00
 17,504,340.00

2019 Base Tax Rate Fraction (BTRF):
 0.984933165

reduce to 4 digits conventional rounding 0.9849 **2019 Base Tax Rate Fraction (BTRF):**

BASE TAX RATE FORMULA:

2018 Millage 19.1093
 2019 Basic Tax Factor 0.9849

BTR	18.820750 BASE TAX RATE
<i>reduce to 4 digits conventional</i>	18.8207
BTFR Proposed Collections:	
2019 Tax	334,230.26
2018 Tax	333,944.21

286.05 2019 LOSS GAIN (+/- 2018 COLLECTIONS)

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FORMULAS FOR TRUTH IN TAXATION HEARING PUBLIC NOTICE:

Get County L-4028 and L-4034 Reports from Equalization Dept
 Run ad in Newberry News @ least 6 days before MAY's Council Meeting
 Around April 20th or so start checking MI Treasury website for State Tax Comm forms with instructions.
 Confirmed SEV and Taxable totals with McMillan Twp Assessor.

BLANK #1

Proposed 2018 Headlee Millage	19.1093
Less (BTR)	18.8207

PROPOSED INCREASE: 0.2886 BLANK #1 spot on Form L-4297 proposed increase

BLANK #2

Proposed Increase x 100	28.8600
BTR	18.8207

% Increase in Op Revenue 1.5334 BLANK #2 on Form L-4297 ad valorem property taxes

BLANK #3

$\frac{(BTR \times 2018TV) - (2019 \text{ Millage} \times 2019TV) \times 100}{2018 \text{ Millage} \times 2018 \text{ TV}}$	<u>-1,571.78</u>	-157,177.63
	333,944.21	333,944.21

$\frac{-1,571.78}{333,944.21}$	-0.470670331	-0.4707 X .001	-0.000471
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% Increase/Decrease (if not proposal is Not approved) -0.470670331 BLANK #3

2019 TAX Resolution

<p>The Village Council authorizes the Village Treasurer to spread the 2019 Tax Roll based on the Assessed Taxable Value of \$17,659,940.00 as designated by the McMillan Township assessor. Such tax to be levied with 11.2262 mills for general operation purposes and 4.4903 mills for streets and alleys and 1.3928 mills for trash (disposal/collection) and 2.0000 mills for residential fire protection for a total millage of 19.1093.</p>	<p>1st Motion</p>
<p><i>Must be two separate Motions</i></p>	
<p>The Village Council authorizes the addition of a 1% administrative fee , \$1 Minimum plus a 3% penalty (minimum \$2.00) if paid after September 15, 2019. In addition, a 1% per month interest charge will be added starting September 15, 2019 and will continue until tax is paid.</p>	<p>2nd Motion</p>
<p>The Village Council authorizes collection of taxes for 2019 beginning July 1, 2019 and continuing through February 28, 2020.</p>	

Headlee Reduction Factor 1.0000

HEADLEE Reduction	2019 Calculation	2018 Headlee	Reduced Millage	Anticipated Collections
General Operations	11.2262		11.2262	198,254.02
Streets & Alleys	4.4903		4.4903	79,298.43
Trash (Disposal/Collection)	1.3928		1.3928	24,596.76
Fire Protection	2.0000		2.0000	35,319.88
2019 Millage	19.1093		19.1093	337,469.09

2019 TV
17,659,940.00

2019 TAX RESOLUTION

1st Motion	The Village Council authorizes the Village Treasurer to spread the 2019 Tax Roll based on the Assessed Taxable Value of \$17,659,940.00 as designated by the McMillan Township assessor. Such tax to be levied with 11.1184 mills for general operations and 4.4472 mills for streets and alleys and 1.3794 mills for trash (disposal/collection) and 1.9808 mills for residential fire protection for a total millage of 18.9259.
Must be two separate Motions	
2nd Motion	<p>The Village Council authorizes the addition of a 1% administrative fee , \$1 Minimum plus a 3% penalty (minimum \$2.00) if paid after September 15, 2019. In addition, a 1% per month interest charge will be added starting September 15, 2019 and will continue until tax is paid.</p> <p>The Village Council authorizes collection of taxes for 2019, beginning July 1, 2019 and continuing through February 28, 2020.</p>

BTR Factor 0.9849

	2019 HEADLEE	BTR	BTR	Anticipated
<i>Basic Tax Rate</i>	<i>Reduced Millage</i>	<i>Calculation</i>	<i>Millage</i>	<i>Collections</i>
General Operations	11.2262	11.0567	11.0567	195,260.38
Streets & Alleys	4.4903	4.4225	4.4225	78,101.02
Trash (Disposal/Collection)	1.3928	1.3718	1.3718	24,225.35
Fire Protection	2.0000	1.9698	1.9698	34,786.55
	19.1093	18.8207	18.8207	332,373.32

Treasurer's Notes

	2018	Proposed Millage	Anticipated Revenue	
Headlee Reduced Millage		19.1093	337,469.09	gain with Headlee Millage 5,095.77
BTR Millage Rate		18.8207	332,373.32	

In 2019 Village Taxable Values have increase \$184,459.00 over 2018 values. The State Tax Commission (STC) has set the 2018 Headlee inflation rate multiplier at 1.021. Which then defaults to a factor of 1 as required by the STC. Village Headlee Reduced Millage for 2019 will stay the same as 2018 millage rates levied. While the 2019 Basic Tax Reduction is calculated using the factor .9849 also as required by the STC, which results in lower millage rates than 2018 rates.

The gain of \$3524.88 for adopting the Headlee Reduced Millage requires a Truth in Taxation Hearing must be held, (the published notice I placed in newspaper and a special meeting will fulfill this requirement). Council must then adopt which millage rate to levy.

Treasurer's Recommendation:

The Headlee Millage provides more revenue and taxpayers millage rates remain the same as 2018.

EXAMPLE

HEADLEE MILLAGE	TAXABLE VALUE: 20,000.00
19.1093 PER 1,000 OF TAXABLE VALUE	382.19 APX 2018 TAX
BASIC TAX REDUCED MILLAGE	
18.8207 PER \$1,000 OF TAXABLE VALUE	378.52 APX 2018 TAX
DIFFERENCE	3.67