

WHY IS A PROPOSED TAX INCREASE FOR THE CITY ON THE BALLOT?



A HEADLEE OVERRIDE, EXPLAINED.

PUBLIC INFORMATION MEETING
CITY HALL COUNCIL CHAMBERS
215 W. CLINTON ST

THE BALLOT QUESTION READS:

Shall the limitation on the amount of taxes which may be imposed on taxable property in the City of Durand, Michigan be increased by 3.7169 mills (\$3.72 per thousand dollars of taxable value) for a period of ten (10) years, from 2024 through 2033, as new additional millage in excess of the limitation imposed by Michigan Compiled Laws section 211.34d, to restore City Charter Millage authorization previously approved by the electors as reduced by operation of the Headlee amendment, to provide funds for municipal operating purposes, including, but not limited to, police, fire and emergency medical services. it is estimated that 3.7169 mills would raise approximately \$295,000 when first levied in 2024.

HOW WILL THIS AFFECT ME?

See below for an example of the expected city summer 2024 tax increase:

Taxable Value of Home	Current City Summer Tax Levy (16.2831 Mills +3.85 Street Mills)	Proposed City Summer Tax Levy (20.000 Mills+3.85 Street Mills)
\$ 35,000.00	\$ 704.66	\$ 834.75
\$ 69,000.00	\$ 1,389.18	\$ 1,645.65
\$ 117,000.00	\$ 2,355.57	\$ 2,790.45

This is your current city summer tax bill amount

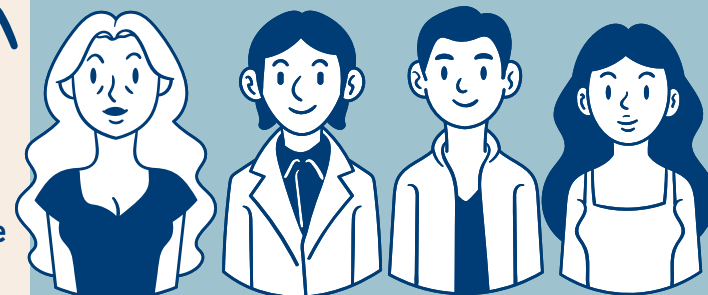
This would be your new city summer tax bill amount

Does not include County Operating or State Ed Tax values

CITY CHALLENGES

The City of Durand is a great place to call home. The city has great potential and we have accomplished a lot of our goals but, we don't want to stop there. Like many small municipalities do, the city faces many challenges:

- Lack of adequate revenue to afford emergency medical services price increase and 24/7 police coverage
- Public works vehicle fleet & equipment maintenance requirements
- Aging infrastructure
- Higher costs of goods and increased inflation rates
- Unfunded state mandates- i.e. the requirement to inventory and replace galvanized water lines



*93% OF THE CITY WOULD PAY \$250 OR LESS IN AN ANNUAL CITY SUMMER TAX INCREASE



That's less than \$21 per month!

WHAT IS A MILL?

1 mill is equal to \$1 in taxes of \$1,000 Taxable Value

WHEN WOULD THIS TAX INCREASE BE LEVIED?

Summer 2024

HOW LONG WILL THE TAX BE LEVIED?

Ten Years. (Law mandated Headlee rollbacks will continue reducing our millage revenue each year.)

WHAT IS TAXABLE VALUE?

The short answer is it's the value on which property taxes are calculated. To find yours please visit shiawassee.net/GIS/ and utilize the Interactive Map to locate your property

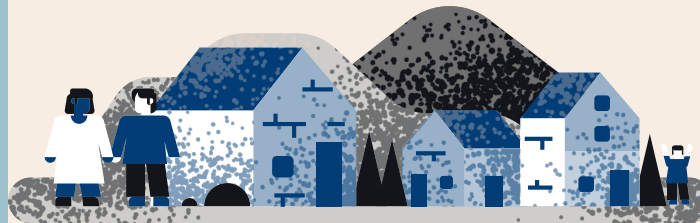


WHAT IS A HEADLEE OVERRIDE?

The Headlee Amendment to the Michigan State Constitution was passed in 1978. Headlee requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation. In practice, the local unit's millage rate gets "rolled back" so that the resulting growth in property tax revenue-community wide- is no more than the rate of inflation.

However, the realistic trend is that costs rise so the "break effect" of the Headlee Amendment reduces the funds needed to provide expected services.

A "Headlee Override" is a vote by the electors to allow the return of the millage to the amount originally authorized via the City Charter, Michigan Statute, or a vote of the people, and becomes necessary to counteract these effects of what is commonly referred to as the Headlee Rollback.



WHY IS IT NEEDED NOW?

Our current EMS provider, SSES due to rising operating costs, has approved raising the charge per household from \$65 to \$110. This change would take effect Jan 1st, 2024. The City of Durand's contract with them runs through Dec 31st, 2023. The cost of 24/7 police operation and coverage has increased due to maintenance of fleet, technology, union wages, insurance premiums, etc. The Durand City Council needs to determine what the next steps may be in order to address these concerns.

DON'T WE ALREADY HAVE AN AMBULANCE/FIRE MILLAGE?

Yes. However, if this proposal successfully passes the Ambulance millage (which is levied on the winter tax bill) would fall off. The current Ambulance/Fire millage is 1.65 mill and does not cover the increase in cost for services. This proposal would essentially replace the current Ambulance/Fire millage and be enough to cover the cost increase plus accomplish more of our goals in the City.

