

WELCOME

COMMUNITY FORUM ON THE PROPOSED HEADLEE OVERRIDE

What is Headlee?

- Passed in 1978.
- Requires local govt. units to reduce millage rate when annual growth on property is greater than the rate of inflation. (Formula)
- City millage-Reduced from 20 mills to 16.0881 GF mills and from 3 mills to 2.2245 mills for refuse.

What is a Headlee Override?

- An override would allow City Council authority to return to 20 GF mills and 3 Refuse mills.
- For 2010-11 looking at 18 GF mills and 2.1755 Refuse mills if Headlee is approved.
- Note: 2003 Millage-Voters approved 4.75 mills. City Council never levied more than 2 mills. (Paved 5.4 miles spread over 32 street segments.)

What happens when my Taxable Value starts to increase?

- Headlee will once again start to reduce the millage.
- Proposal A limits increase to 5% or the cost of living-WHICHEVER IS LESS.
- 50% TV Loss From 2008 to 2012-How many years to make up? At 3% year, will take 16 years+ to make up the loss.

HOW DID WE GET HERE?

- LTFP REVIEW IN THE FALL OF 2009
- CITY COUNCIL ASKED THAT A BLUE RIBBON COMMITTEE REVIEW L.T. CITY FINANCES.

BLUE RIBBON COMMITTEE

- | | |
|------------------|---------------------|
| ■ Renee McClain | ■ Thomas Bainbridge |
| ■ Karen Miller | ■ Jim Bacinski |
| ■ Mike Gehrls | ■ Sharon Allen |
| ■ Kim Hodge | ■ Mike McClanaghan |
| ■ Richard Reeves | ■ Karen Thompson |
| ■ Doug Hart | ■ Employees: |
| ■ Peter Stephan | ■ Scott McKee |
| ■ Bo Tomkie | ■ Vince Lynch |
| ■ Jon Ruud | ■ Tim Prast |
| ■ Carolyn Scott | ■ Bill Armstrong |
| ■ Chuck Greening | ■ Pam Bratschi |
| ■ Jerry Stone | ■ Jeff Mueller |

BLUE RIBBON COMMITTEE FINDINGS

- Taxable Value in Lathrup Village
 - -1% 2008-09
 - -12% 2009-10
 - -20% 2010-11
 - -12.5% 2011-12 (est.)
 - -5% 2012-13 (est.)
 - +2% 2013-14 (est.)
 - +3% 2014-15 (est.)

BLUE RIBBON COMMITTEE FINDINGS

- Started with a projected deficit of \$567,118 for 2010-11.
- Committee reviewed what City has done to control costs.

BLUE RIBBON COMMITTEE FINDINGS

- Staff Cuts. From 30 FT to 15 FT. No Change or interruption of services.
- Premium Cost Sharing Health Care-All employees.
- No Health Care at Retirement for New Hires. This includes Police Dept. LV one of the first communities to implement.
- New Hires-Pension/Health Care plans-significant decrease.
- New High Deductible Health Plans.
- Elimination Dental/Optical Bank.

BLUE RIBBON COMMITTEE FINDINGS

- Wage Freeze.
- While other communities were giving out 3,4, 5% wage increases, the City of Lathrup Village was typically giving 1 ½ or 2%.
- LV Employees below the mid point.
- All these cuts, No change in service levels.
- Our Employees continue to do more with and for less.

2010-11 Budget-Estimate

(With Headlee Override)

Revenues

- Property Taxes –(-\$209,843)
- State Revenue Sharing –(-\$60,349)

Expenses

- Government Services -(\$17,734)
- Administration -(\$64,285)
- Contingencies/Capital –(-\$184,261)

TAXES ARE GOING DOWN-NO MATTER WHAT.

- Taxes Based on property values.
- Even if Headlee IS approved your taxes will fall.
- All our calculations are only for Lathrup Village taxes.
- Other jurisdictions are based on same falling taxable values and should also decrease accordingly.

What will a Headlee Override Do to My Taxes?

- Please review handout. This shows average TV home in Lathrup With Headlee Override vs. No Override.
- If you haven't done so already, see our Treasurer Pam Bratschi. She can print off a spreadsheet for you which will show your information.

Questions?

Thanks!

- Thanks for taking the time to attend tonight's meeting.