

TAX REVENUES

Millage	Authorization	Expiration	Original	Millage Rate FY 2011	Gap	Estimated Reductions (excl. Headlee)		
						FY2012	FY2013	FY2014
General Operating	City Charter		7.5	6.1682	-1.3318			
Employee Benefit	City Charter		2.5	2.0560	-0.4440			
Transportation	City Charter		2.5	2.0560	-0.4440			
Total General Fund			12.5	10.2802	-2.2198			
Refuse Collection	Council		3.0	2.4670	-0.5330			
Debt	Voted		Varied	0.5000		-0.3350	0.0000	-0.1650
Street Repair	Voted	FY2014	2.0	1.9944	-0.0056	???		
Park Maint. & Cap. Impvt	Voted	FY2014	1.1	1.0969	-0.0031			???
Open Space Acquisition	Voted	FY2035	0.5	0.4779	-0.0221			
Total City				<u>16.8164</u>				

The City's total Taxable Value is estimated to be \$4.46 billion, which is a reduction of 2.0% from FY 2011.

Both Taxable Values and Tax Rates are expected to decline.

Option #1: Headlee Override With Existing Levies

- Residents could vote for a Headlee Override for the General Operating Levy to restore it to what the City Charter initially authorized Council to have levy authority for (which is 7.5 mills). This equates to approx. \$5.9 mil. in restored authorization.

Option #2: Headlee Override With Reduced Levies

- Residents could vote for a Headlee Override which offsets reductions in other millages. For example:
+ A Headlee Override could be sought for the General Operating Levy in an amount equal to how much the Debt millage is falling from its FY2011 level. This would keep millage rates flat instead of declining.

Option #3: Restructure the Way the City is Funded

- If a local income tax is approved by voters, the City's Charter requires the entire General Operating Levy to be eliminated. This would substantially reduce the amount of property taxes collected in exchange for instituting an income tax. The income tax would represent approx. 65% of tax revenues and property taxes approx. 35%. Depending on how the income tax would be structured, additional revenue may be possible up to \$12.