

CITY OF HOWELL  
MEMORANDUM

**TO:** MAYOR & CITY COUNCIL  
**FROM:** SHEA CHARLES, CITY MANAGER  
**DATE:** APRIL 9, 2018  
**RE:** PUBLIC SAFETY SPECIAL ASSESSMENT DISTRICT RESOLUTION #1

As part of the 2018-2019 Budget, Mayor & City Council have directed staff to include new revenue from a Public Safety Special Assessment to be levied on real property within the City of Howell. The proposed assessment would be the equivalent of 3 mills and would generate \$861,590 to fund police services within the City. The new revenue would offset current general fund dollars which would be reallocated primarily to fund infrastructure projects in the City. Step one in the process is adopting Resolution 18-06 Initial Special Assessment Resolution, which sets a public hearing for April 23, 2018 at 7:00 pm at Howell City Hall.

**BACKGROUND**

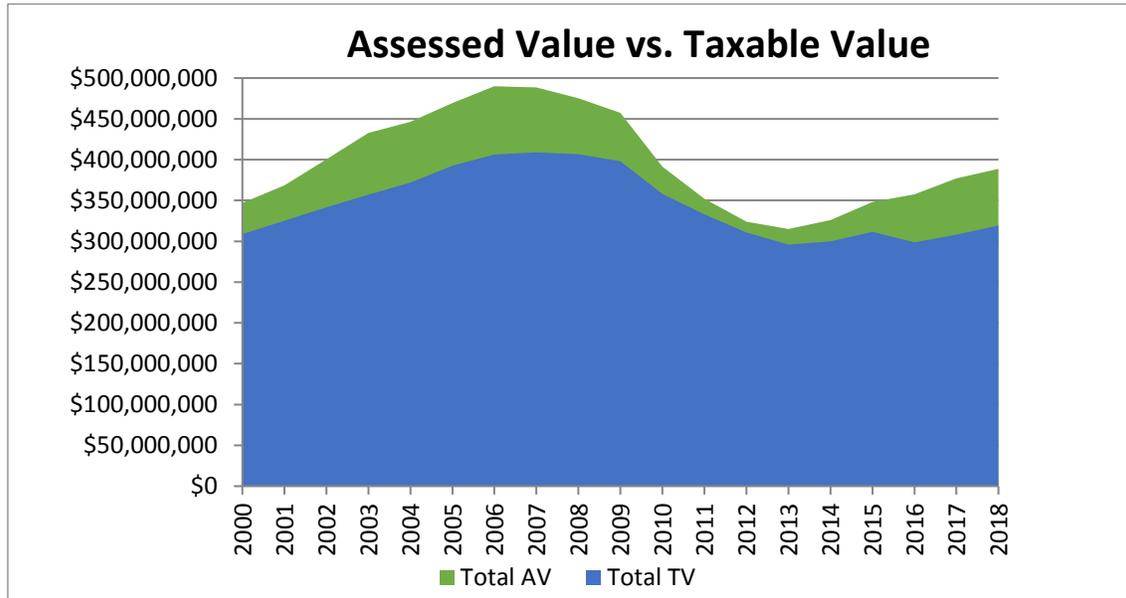
During the Great Recession starting in 2008 the City of Howell, as with almost all Michigan communities, saw significant declines in its taxable value. From 2008-2013 the City's total taxable value declined by 27.6%, resulting in a loss of \$1.6 Million annually in property tax revenue. The resulting loss led to the City taking extraordinary steps to manage these fiscal challenges including the following:

1. Reduction of staff by 25%
2. Seven year wage freeze (2009-2015).
3. Negotiations of new health insurance benefits and employee cost sharing.
4. Elimination of retiree health care for new employees.
5. Negotiations of lower tier retirement benefits for new hires.
6. Additional employee contributions to retirement system.
7. Shared services agreements with Livingston County and City of Brighton for facilities maintenance and IT services.
8. Consolidation of Parks & Cemetery Department with Public Works
9. Bidding out Refuse Collection services resulting in cost reductions and a five year rate freeze.
10. Deferred a number of infrastructure and major maintenance projects.

This is not a complete list, but provides an overview of just some of the steps. Each of these steps was taken in such a way as to minimize the service impact on our residents. A significant part of the strategy was to defer assorted infrastructure projects including road, sidewalks and building improvements.

As the economy has recovered over the last few years the flaws in the way the State of Michigan funds its local governments is becoming painfully apparent. In Howell's case overall

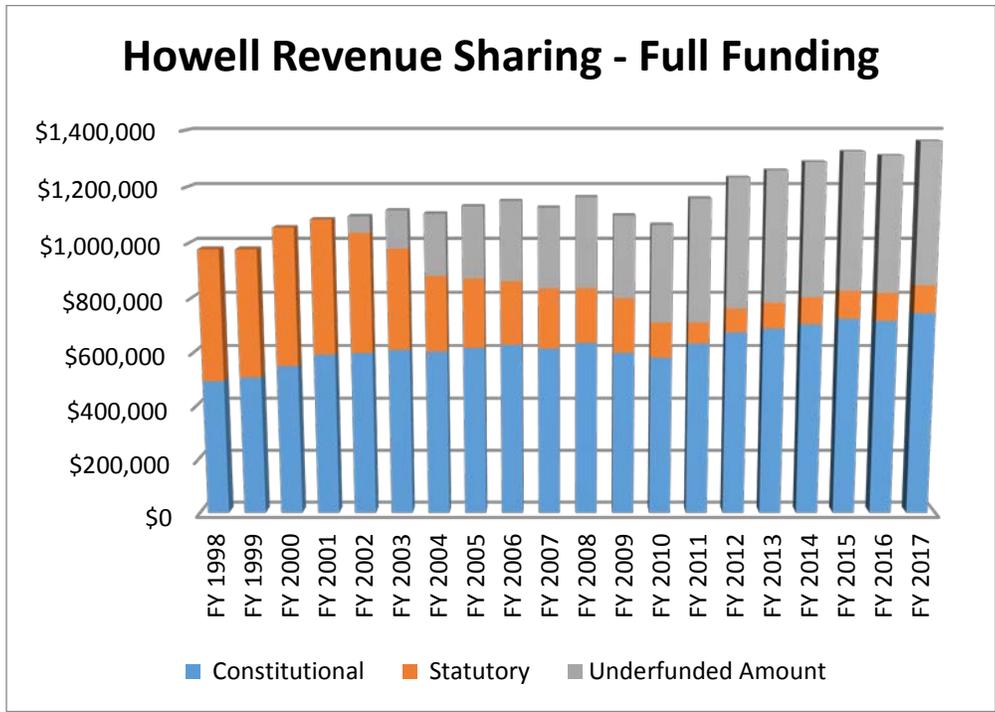
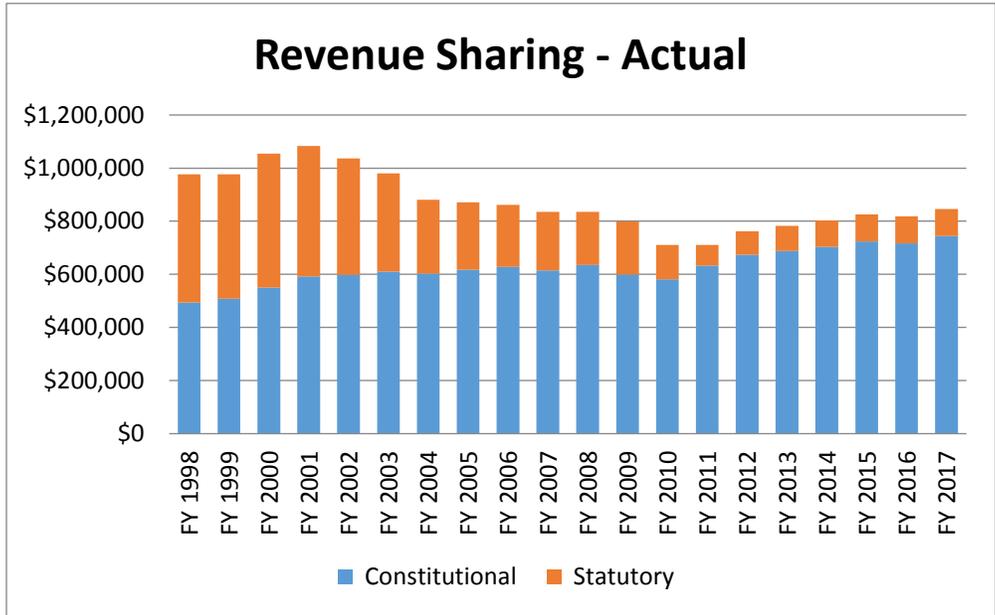
assessed (market) values on property have risen 24.6% since 2013. However, due to the limitations of Proposal A, which limits the growth of taxable value to the rate of inflation (CPI) or 5%, whichever is less, the City’s property tax revenue is not recovering even as the economy continues to grow with total taxable value growth of 5.36% since 2013. Fundamentally Michigan’s property tax system is designed to fall easily, but will never have growth that matches the economic recovery.



Compounding the slow growth in taxable value are the interplay of the Headlee Amendment, Proposal A and the state law governing property taxes, which actually drives down millage rates in a growing economy. How does that happen? When a property sells, its taxable value resets to match the assessed value. This is referred to as “uncapping” and, due to the number of properties that have “uncapped”, has forced our City to reduce its millage levy. The City of Howell’s general operating millage has been reduced from 15.9443 in 2015 to a projected 15.4998 in 2018, resulting in annual revenue loss of \$138,000. With the millage rollbacks and relatively low CPI over the last four years, City property owners who have owned their property since 2015 will pay just 0.45% more in taxes than they did in 2015, despite CPI growing by 4.9% during the same period. During an economic downturn it is understandable for taxes to go down, but in a good economy one would expect revenue to keep pace with inflation and that has not happened in Howell. The chart below illustrates what has been happening to a sample home in Howell. It shows that the home’s taxes declined in ’16 and ’17 and the increase in ’18 was just \$8 more than paid in 2015.

Year	2015	2016	2017	2018
Millage Rate	15.9443	15.8135	15.5636	15.4998
CPI	1.60%	0.30%	0.90%	2.10%
Taxable Value Example	\$100,000	\$100,300	\$101,203	\$103,328
City Taxes	\$1,594	\$1,586	\$1,575	\$1,602

In addition to structural flaws in the property tax system the State of Michigan has balanced its budget on the backs of local communities with the virtual elimination of Statutory Revenue Sharing. Overall the State of Michigan has shorted communities by \$3.1 billion since 2003. The City of Howell has lost \$3 Million in revenue since 2010 and looking forward will be shorted \$400,000 annually.



In 2005 the City began producing a multi-year financial forecast that identifies fiscal trends for the General Fund. Since 2013 the forecasts have shown the city will have structural

deficits beginning approximately in 2018. The City defines a structural deficit as normal operating expenses exceeding revenues. In Howell the 2017-2018 normal operating budget included a structural deficit of approximately \$250,000. Once infrastructure projects were added to the budget, the General Fund's fund balance was going to be reduced by \$441,257. Although that left a fund balance of 22%, which was within the target range set by City Council, the bad practice of spending our savings to continue operations only lasts until the savings are all gone. Over the last three years Mayor & City Council have explored different options for addressing the structural fiscal issues. During these meetings it was determined that there is not significant savings to be found internally without reducing overall city services. This led to a decision to maintain current service levels and raise revenue in order to address some of our infrastructure and operational needs.

**PUBLIC SAFETY ASSESSMENT**

All Michigan communities can only raise revenues that are authorized by the State Constitution and State Law. Howell is in a unique position due to its population size that allows it to raise revenue through a public safety special assessment under Public Act 33 of 1951. The special assessment is on the taxable value of all real property within the City, functioning similarly to a millage. Patrick McGow, Miller Canfield, has provided the attached legal opinion stating the City is allowed to utilize this funding tool.

In order to implement this special assessment the City must first establish a special assessment district and then establish the amount of the special assessment. This special assessment can be implemented by just a vote of the City Council although a vote of the electors can be required if owners of 10% of the land in the special assessment district submit a petition before the establishment of the district.

The proposed 2018-2019 Police Department Budget is \$2,626,960 which is 100% funded by the General Fund. During the February 2018 Annual Retreat Mayor & City Council set a target of 3 mills to be assessed, which will generate \$861,590 for the 2018-2019 budget. The assessments, if approved, will be incorporated in the July 1, 2018 tax bills.

<b>PUBLIC SAFETY SAD CALCULATION</b>	
REAL PROPERTY ONLY	
Ad Valorem	287,196,562
3 mills	<u>3</u>
<b>Total</b>	<b><u>861,590</u></b>

If the assessments are approved the new revenue will off-set existing general fund dollars which will be reallocated primarily to fund infrastructure projects. Without the additional revenue the City will have to defer most of these projects for the foreseeable future.

**ACTION REQUESTED**

A motion to adopt Resolution 18-06 Initial Special Assessment Resolution, setting a public hearing for Monday, April 23, 2018 at Howell City Hall for the consideration of establishing a Special Assessment District for the purposes of implementing a public safety special assessment.

A handwritten signature in black ink, appearing to read 'Shea Charles', written in a cursive style.

Shea Charles  
City Manager

**INITIAL SPECIAL ASSESSMENT RESOLUTION  
NO. 18-06**

City of Howell  
County of Livingston, State of Michigan

Minutes of a regular meeting of the City Council of the City of Howell, County of Livingston, State of Michigan (the "City"), held in the City on April 9, 2018, at 7:00 o'clock p.m., prevailing Eastern Time.

PRESENT: Members: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Members: \_\_\_\_\_

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

WHEREAS, the City Council of the City of Howell, County of Livingston, State of Michigan, pursuant to Act 33, Public Acts of Michigan, 1951, as amended, and Act 188, Public Acts of Michigan, 1954, as amended, on its own initiative, tentatively declares its intent to create a special assessment district to pay for certain costs and expenses of police motor vehicles, apparatus, equipment, housing and operations (the "Assessed Costs") and assess the costs thereof to the property specially benefitted by said police protection in the special assessment district tentatively described in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the City Council has caused to be prepared estimates of the Assessed Costs which have been received by the City Council and are on file with the City Clerk; and

WHEREAS, the City Council desires to fix the day for a hearing on the estimates of the Assessed Costs and on the question of creating the special assessment district.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The preparation of the estimates of the Assessed Costs is hereby ratified, confirmed and approved.

2. The City Council hereby tentatively designates as the special assessment district against which the Assessed Costs are to be assessed on all of the lots and parcels of land in the City as more particularly described in Exhibit A attached hereto and made a part hereof.

3. The City Council shall meet at City Hall, 611 East Grand River Avenue, Howell, Michigan on Monday, April 23, 2018, at 7:00 o'clock p.m., prevailing Eastern Time, at which time and place the City Council shall hear suggestions and objections to the estimates of Assessed Costs and on the question of creating the special assessment district therefor.

4. The City Clerk is hereby authorized and directed to cause notice of such hearing to be published twice prior to said hearing in the *Livingston County Press & Argus*, a newspaper of general circulation in the City, the first publication to be at least ten (10) days before the time of hearing and the second publication to be at least five (5) days before the time of the hearing, and the City Clerk shall cause notice of said hearing to be mailed by first-class mail to all record owners of or persons in interest in property in the special assessment district as shown on the last City tax assessment records of the City at least ten (10) days before the date of said hearing.

5. Said notice shall be in substantially the form attached hereto as Exhibit B.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members: \_\_\_\_\_  
\_\_\_\_\_

NAYS: Members: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Jane Cartwright  
City Clerk

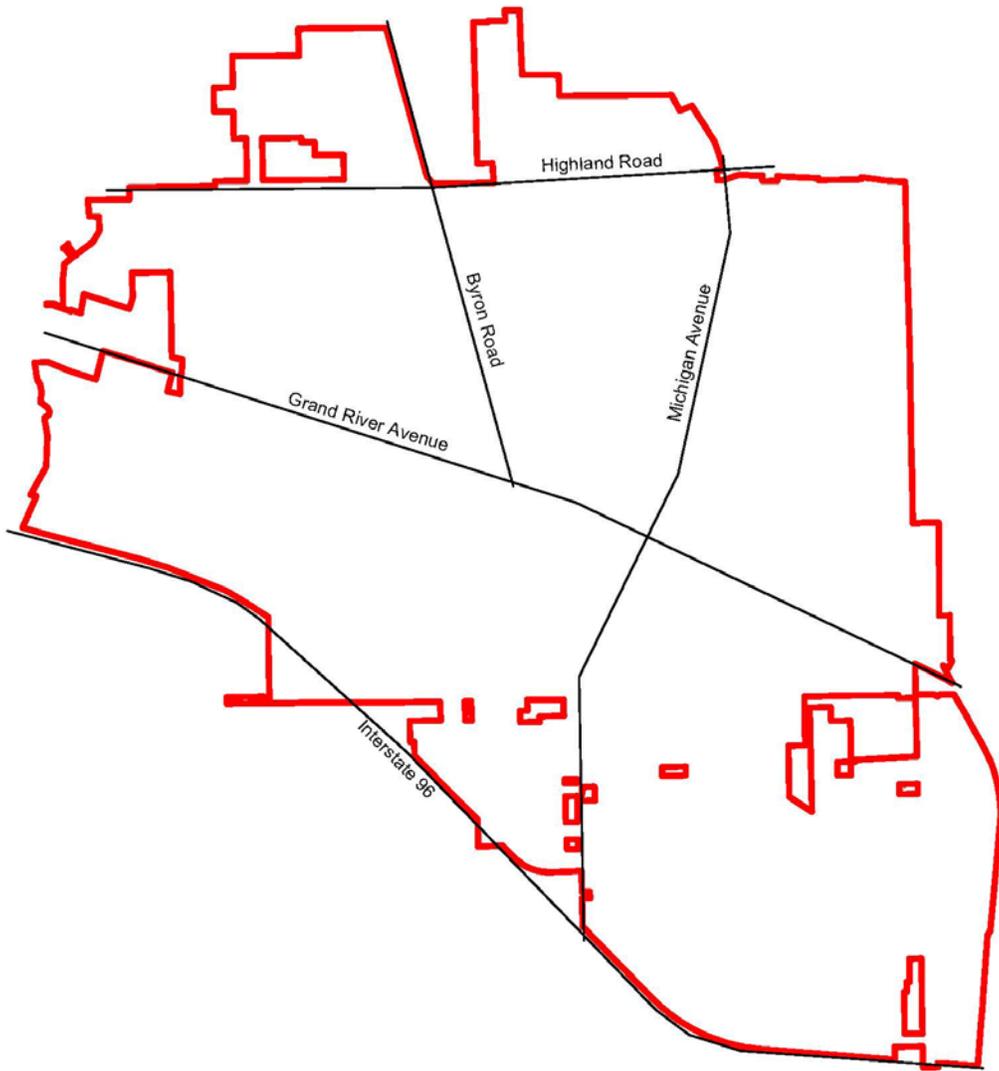
I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Howell, County of Livingston, Michigan, at a regular meeting held on April 9, 2018, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

\_\_\_\_\_  
Jane Cartwright  
City Clerk

**EXHIBIT A**

**Tentative Special Assessment District**

The special assessment district shall consist of all lots and parcels of land within the City of Howell, County of Livingston, Michigan.



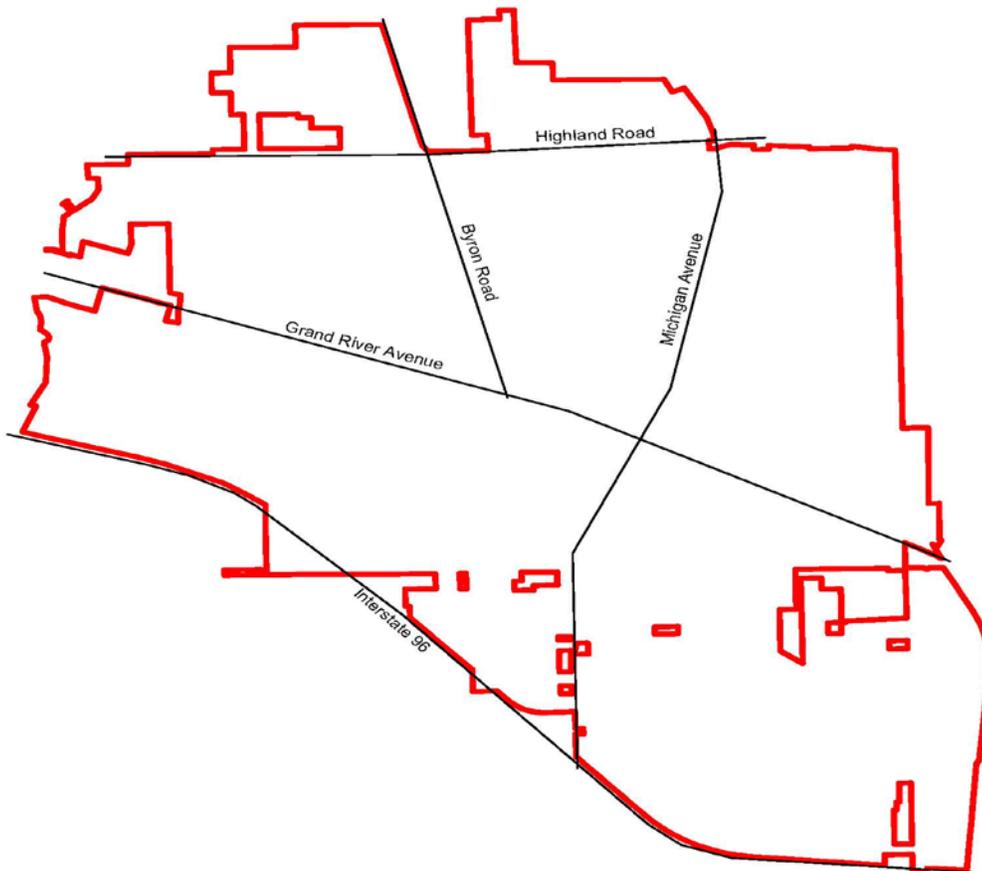
**EXHIBIT B**

**Public Hearing Notice**

**NOTICE OF HEARING ON SPECIAL ASSESSMENTS  
FOR POLICE PROTECTION COSTS AND EXPENSES  
BY THE CITY COUNCIL OF  
THE CITY OF HOWELL**

TO ALL OWNERS OF THE FOLLOWING-DESCRIBED LANDS:

All lots and parcels of land within the City of Howell, County of Livingston, Michigan.



TAKE NOTICE that pursuant to the provisions of Act 33, Public Acts of Michigan, 1951, as amended, and Act 188, Public Acts of Michigan, 1954, as amended, the City Council has tentatively declared its intention to proceed with special assessments to cover certain police protection costs and expenses.

TAKE FURTHER NOTICE that the City Council has tentatively declared its intention to pay for such police protection costs and expenses and tentatively designated all lots and parcels of land within the City of Howell as a special assessment district against which part of the cost of said police protection costs and expenses is to be assessed.

TAKE FURTHER NOTICE that the City Council has caused to be prepared estimates of the police protection costs and expenses which have been filed with the City Clerk and are available for public examination.

PUBLIC NOTICE IS HEREBY GIVEN that the City Council will meet on Monday, April 23, 2018, at 7:00 p.m., prevailing Eastern Time, at City Hall, 611 East Grand River Avenue, Howell, Michigan, to hear suggestions and objections regarding the estimates of the police protection costs and expenses and on the question of creating the special assessment district therefor.

HOWELL CITY COUNCIL  
Jane Cartwright, City Clerk

Founded in 1852  
by Sidney Davy Miller

# MILLER CANFIELD

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January 30, 2018

Mr. Shea Charles  
City Manager  
City of Howell  
611 E. Grand River Avenue  
Howell, MI 48843-2388

Re: PA 33 Special Assessments

Dear Shea:

You have asked us to advise the City of Howell (the "City") on whether the City is authorized to levy a special assessment for police and fire protection pursuant to Public Act 33 of 1951, as amended ("Act 33"). Based on the information and analysis below, the City is authorized to levy a special assessment pursuant to Act 33 and any references to a township in Act 33 also include the City and references to a township board in Act 33 mean the City Council.

Act 33 authorizes a township and certain qualified cities and villages to levy a special assessment to purchase police and fire motor vehicles, apparatus, equipment and housing and provide funds for maintenance and operation of police or fire departments. Section 1(3) of Act 33 states "*The township board, or the township boards of adjoining townships acting jointly, may provide that the sum . . . for purchasing and housing equipment, for the operation of the equipment, or both, may be defrayed by special assessment on the lands and premises in the township or townships to be benefited, except, beginning in 2002, lands and premises exempt from the collection of taxes under the general property tax act. . .*" MCL 41.801(3).

Although most of the language in Act 33 references townships, Act 33 also allows certain qualified cities and villages to exercise the powers granted to townships. The title of Act 33 states that it is "*An Act to provide police and fire protection for townships and for certain areas in townships, certain incorporated villages, and certain cities. . .*" This is clarified in Section 10 of Act 33 which states:

*(1) This act applies to townships and adjoining townships and incorporated villages and qualified cities. If reference is made in this act to townships, that reference shall apply to townships and incorporated villages and qualified cities. If reference is made in this act to township boards, that reference shall apply to township boards and the legislative bodies of incorporated villages and qualified cities. . .*

Mr. Shea Charles

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January 30, 2018

*(2) As used in this act, "qualified city" means either of the following:*

*(a) A city with a population of less than 15,000.*

*(b) A city with a population of 15,000 or more and less than 70,000 located in a county with a population of more than 200,000 and less than 235,000, if the question of raising money by special assessment and the amount of the special assessment to be levied annually under this act is approved by a majority of the electors in the special assessment district.*

MCL 41.810.

You have indicated that the City's population is currently less than 10,000 residents. Thus, the City meets the requirements for a "qualified city" under Section 10(2)(a) of Act 33. This also means that the City may levy the special assessment without the approval of a majority of electors in the district, as it can be done by proceedings approved by the City Council, unlike cities that qualify under Section 10(2)(b) [e.g. the City of Saginaw] which was required to hold an election before being able to levy the special assessment.

All of the special assessment proceedings relating to the special assessment under Act 33, except as provided in Act 33, are "required to conform as near as practicable to proceedings provided for townships in Act No. 188 of the Public Acts of 1954." MCL 41.803. It should be pointed out that Act 33 provides that the question of raising money by special assessment must be submitted to the electors of the township/city if the owners of 10% of the land in the special assessment district petition the township board/city council for an election.

I also wish to point out that in the past decade, many Michigan qualified cities and incorporated villages have used Act 33 to generate additional funds for police and fire operations. In the last legislative session, there was a bill that was introduced that would have changed the definition of a qualified city to allow any city over 15,000 residents to qualify if the assessment was approved by the electors. That bill was not approved by the Legislature.

I have set forth a brief outline of the proceedings for a special assessment under Act 33 that combine the proceeding requirements of Act 33 and Act 188.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Mr. Shea Charles

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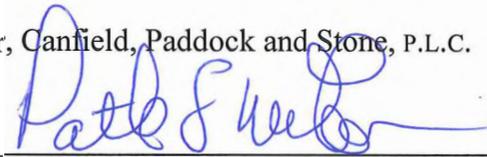
January 30, 2018

Hopefully this addresses the questions that you have asked us to address. If you have any further questions, please feel free to contact us.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: \_\_\_\_\_



Patrick F. McGow

Cc: Dennis Perkins, Esq.

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**City of Howell**  
**Schedule of Proceedings Regarding**  
**Establishment of Act 33 Special Assessment District**

Date	Special Assessment Process
Currently	City determines proposed boundaries for special assessment district and estimated costs to be paid from special assessments
April 9, 2018	City Council adopts <b>Resolution 1</b> Calling Public Hearing on Establishment of Special Assessment District
April 11, 2018	City <b>publishes first Notice</b> of Public Hearing in the <i>Press and Argus</i> (at least 10 days before hearing)
April 11, 2018	City <b>mails Notice</b> of Public Hearing to all record owners of land within proposed special assessment district (at least 10 days before hearing)
April 15, 2018	City <b>publishes second Notice</b> of Public Hearing in the <i>Press and Argus</i> (at least 5 days before the hearing)
April 23, /2018	<b>Public Hearing</b> on Establishment of Special Assessment District
April 23, 2018	City Council adopts <b>Resolution 2</b> Establishing Special Assessment District and Calling Public Hearing on distribution of Special Assessment Levy
April 25, 2018	City <b>publishes first Notice</b> of Public Hearing in the <i>Press and Argus</i> (at least 10 days before hearing)
April 25, 2018	City <b>mails Notice</b> of Public Hearing to all record owners of land within the special assessment district (at least 10 days before hearing)
April 29, 2018	City <b>publishes second Notice</b> of Public Hearing in the <i>Press and Argus</i> (at least 5 days before hearing)
May 7, 2018	<b>Public Hearing</b> on distribution of Special Assessment Levy
May 7, 2018	City adopts <b>Resolution 3</b> Confirming distribution of Special Assessment Levy
June 12, 2018	Thirty-five day special assessment appeal period ends
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Subsequent Year's Steps:	Note: Act 33 requires the City to annually determine the estimated costs, amount of the assessment, distribution of the assessment, and to hold an annual public hearing regarding same.

**POLICE AND FIRE PROTECTION**  
**Act 33 of 1951**

AN ACT to provide police and fire protection for townships and for certain areas in townships, certain incorporated villages, and certain cities; to authorize contracting for fire and police protection; to authorize the purchase of fire and police equipment, and the maintenance and operation of the equipment; to provide for defraying the cost of the equipment; to authorize the creation of special assessment districts and the levying and collecting of special assessments; to authorize the issuance of special assessment bonds in anticipation of the collection of special assessments and the advancement of the amount necessary to pay such bonds, and to provide for reimbursement for such advances by reassessment if necessary; to authorize the collection of fees for certain emergency services in townships and other municipalities; to authorize the creation of administrative boards and to prescribe their powers and duties; to provide for the appointment of traffic officers and to prescribe their powers and duties; and to repeal acts and parts of acts.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951;—Am. 1955, Act 221, Eff. Oct. 14, 1955;—Am. 1960, Act 51, Eff. Aug. 17, 1960;—Am. 1966, Act 105, Imd. Eff. June 22, 1966;—Am. 1982, Act 365, Eff. Mar. 30, 1983;—Am. 1989, Act 81, Imd. Eff. June 20, 1989;—Am. 1990, Act 102, Imd. Eff. June 14, 1990;—Am. 2004, Act 463, Imd. Eff. Dec. 28, 2004.

*The People of the State of Michigan enact:*

**41.801 Purchase of police and fire motor vehicles, apparatus, equipment, and housing; appropriation; special assessment; bonds; election; estimate of cost and expenses; special assessment district; hearing; publication or posting of notice; distribution of special assessment levy; transfer or loan of money from general fund; repayment; exercise of powers; assessment after December 31, 1998; “taxable value” defined; finding of invalid assessment; bonds subject to revised municipal finance act.**

Sec. 1. (1) The township board of a township, or the township boards of adjoining townships acting jointly, whether or not the townships are located in the same county, may purchase police and fire motor vehicles, apparatus, equipment, and housing and for that purpose may provide by resolution for the appropriation of general or contingent funds. Before January 1, 1999, the appropriation for fire motor vehicles, apparatus, equipment, and housing in a 1-year period shall not exceed 10 mills of the assessed valuation of the area in their respective townships for which fire protection is to be furnished. After December 31, 1998, the appropriation for fire motor vehicles, apparatus, equipment, and housing in a 1-year period shall not exceed 10 mills of the taxable value of the area in their respective townships for which fire protection is to be furnished. Before January 1, 1999, the appropriation for police motor vehicles, apparatus, equipment, and housing in a 1-year period shall not exceed 10 mills of the assessed valuation of the area in their respective townships for which police protection is to be furnished. After December 31, 1998, the appropriation for police motor vehicles, apparatus, equipment, and housing in a 1-year period shall not exceed 10 mills of the taxable value of the area in their respective townships for which police protection is to be furnished.

(2) The township board of a township, or the township boards of adjoining townships acting jointly, whether or not the townships are located in the same county, may provide annually by resolution for the appropriation of general or contingent funds for maintenance and operation of police and fire departments.

(3) The township board, or the township boards of adjoining townships acting jointly, may provide that the sums prescribed in subsection (2) for purchasing and housing equipment, for the operation of the equipment, or both, may be defrayed by special assessment on the lands and premises in the township or townships to be benefited, except, beginning in 2002, lands and premises exempt from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, and may issue bonds in anticipation of the collection of these special assessments. The question of raising money by special assessment may be submitted to the electors of the township or townships by the township board, or township boards acting jointly, at a general election or special election called for that purpose by the township board or township boards. The question of raising money by special assessment shall be submitted by the township board, or township boards acting jointly, if in the affected township, or in each of the affected townships, the owners of 10% of the land to be made into a special assessment district petition the township board or boards.

(4) If a special assessment district is proposed under subsection (3), the township board, or township boards acting jointly, shall estimate the cost and expenses of the police and fire motor vehicles, apparatus, equipment, and housing and police and fire protection, and fix a day for a hearing on the estimate and on the question of creating a special assessment district and defraying the expenses of the special assessment district by special assessment on the property to be especially benefited, except, beginning in 2002, property exempt

from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157. The hearing shall be a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. In addition, the township board, or township boards acting jointly, shall publish in a newspaper of general circulation in the proposed district a notice stating the time, place, and purpose of the meeting. If there is not a newspaper of general circulation in the proposed district, notices shall be posted in not less than 3 of the most public places in the proposed district. This notice shall be published or posted not less than 5 days before the hearing. On the day appointed for the hearing, the township board, or township boards acting jointly, shall be in session to hear objections that may be offered against the estimate and the creation of the special assessment district. Before January 1, 1999, if the township board, or township boards acting jointly, determine to create a special assessment district, they shall determine the boundaries by resolution, determine the amount of the special assessment levy, and direct the supervisor or supervisors to spread the assessment levy on all of the lands and premises in the district that are to be especially benefited by the police and fire protection, according to benefits received, except, beginning in 2002, lands and premises exempt from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, to defray the expenses of police and fire protection. After December 31, 1998, if the township board, or township boards acting jointly, determine to create a special assessment district, they shall determine the boundaries by resolution, determine the amount of the special assessment levy, and direct the supervisor or supervisors to spread the assessment levy on the taxable value of all of the lands and premises in the district that are to be especially benefited by the police and fire protection, according to benefits received, except, beginning in 2002, lands and premises exempt from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, to defray the expenses of police and fire protection. The township board, or township boards acting jointly, shall hold a hearing on objections to the distribution of the special assessment levy. This hearing shall be held in the same manner and with the same notice as provided in this section. The township board, or township boards acting jointly, shall annually determine the amount to be assessed in the district for police and fire protection, shall direct the supervisor or supervisors to distribute the special assessment levy, and shall hold a hearing on the estimated costs and expenses of police and fire protection and on the distribution of the levy. The assessment may be made either in a special assessment roll or in a column provided in the regular tax roll. The assessment shall be distributed and shall become due and be collected at the same time as other township taxes are assessed, levied, and collected, and shall be returned in the same manner for nonpayment. If a township has a July property tax levy, not more than 2 mills of the assessment may be collected at the same time and in the same manner as the July levy. If the collections received from the special assessment levied to defray the cost or portion intended to be defrayed for police and fire protection are, at any time, insufficient to meet the obligations or expenses incurred for the maintenance and operation of the police and fire departments, the township board of the township, or township boards acting jointly, may, by resolution, authorize the transfer or loan of sufficient money from the general fund of the township or townships, to the special assessment police and fire department fund. This money shall be repaid to the general fund of the township or townships out of special assessment funds when collected.

(5) The powers granted by this act with respect to police and fire protection may be exercised with respect to police protection alone, fire protection alone, or police and fire protection in combination.

(6) After December 31, 1998, an ad valorem special assessment levied under this act shall be levied on the taxable value of the property assessed.

(7) As used in this section, "taxable value" means that value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(8) If the levy of an ad valorem special assessment on the property's taxable value is found to be invalid by a court of competent jurisdiction, the levy of the ad valorem special assessment shall be levied on the property's state equalized value.

(9) Bonds issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951;—Am. 1955, Act 221, Eff. Oct. 14, 1955;—Am. 1970, Act 134, Imd. Eff. July 29, 1970;—Am. 1978, Act 101, Imd. Eff. Apr. 6, 1978;—Am. 1989, Act 81, Imd. Eff. June 20, 1989;—Am. 1998, Act 545, Imd. Eff. Jan. 20, 1999;—Am. 2002, Act 308, Imd. Eff. May 13, 2002;—Am. 2002, Act 501, Imd. Eff. July 15, 2002.

#### **41.802 Annual appropriation.**

Sec. 2. After the creation of a special assessment district under section 1, the township board, or township boards of adjoining townships acting jointly, may appropriate annually that sum necessary for the maintenance and operation of the police and fire departments.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951;—Am. 1974, Act 130, Imd. Eff. May 29, 1974;—Am. 1989, Act 81, Imd. Eff. June 20, 1989.

**41.803 Proceedings relating to making, levying, and collection of special assessments, and to issuing bonds; payment of special assessments and special assessment bonds.**

Sec. 3. All proceedings relating to the making, levying and collection of special assessments authorized by section 1 and the issuing of bonds, except as otherwise provided in this act, shall conform as near as practicable to proceedings provided for townships in Act No. 188 of the Public Acts of 1954, being sections 41.721 to 41.738 of the Michigan Compiled Laws, except that special assessments may be paid in a number of equal annual installments not exceeding 15, as the board may determine.

(2) The township board if authorized by a majority vote of the electors voting may, at the time of issuance, pledge the full faith and credit of the township for the payment of such special assessment bonds.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951;—Am. 1955, Act 221, Eff. Oct. 14, 1955;—Am. 1963, Act 51, Imd. Eff. Apr. 29, 1963 ;—Am. 1989, Act 81, Imd. Eff. June 20, 1989.

**Compiler's note:** The first subsection of this section, beginning "All proceedings relating...", evidently should be designated subsection "(1)", as follows: "(1) All proceedings ...".

**41.804 Fire protection; referendum, special election, laws governing.**

Sec. 4. Any special election called under the provisions of this act shall be held under the laws of this state governing biennial township elections so far as the same may be applicable. In case a majority of qualified electors voting at such election shall vote in favor of such proposition, then the same shall be deemed and declared carried. The vote upon such proposition at any election shall be by ballot.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951.

**41.805 Fire protection ordinances and standard fire prevention codes; adoption, publication.**

Sec. 5. The township board of any township, where appropriations have been made as herein provided, shall have power to enact such ordinances and establish and enforce such resolutions as they shall deem necessary to guard against the occurrence of fires and to protect the property and persons of the citizens against damage and accident resulting therefrom. Any township adopting ordinances under the provisions of this section shall have the power to adopt any standard fire prevention code which has been promulgated by the state or by any department, board or agency thereof, or by any national organization or association which is organized and conducted for the purpose of developing such codes with specific date of publication by reference thereto in an adopting ordinance and without publishing such code in full. The code shall be clearly identified in the ordinance and the purpose of the code shall be published with the adopting ordinance and printed copies shall be kept in the office of the township clerk, available for inspection by and distribution to the public at all times. The publication shall contain a notice to the effect that a complete copy of the code is available for public use and inspection at the office of the township clerk.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951;—Am. 1961, Act 148, Eff. Sept. 8, 1961.

**41.806 Police and fire departments; contracts for service or for maintenance and operation of equipment; delegation of powers; agreements to furnish protection to city, village, or other township.**

Sec. 6. (1) The township board of a township, or the township boards of adjoining townships acting jointly, if appropriations have been made as provided in this act, may do any of the following:

(a) Establish and maintain police and fire departments.

(b) Organize and maintain police and fire vehicles.

(c) Employ and appoint a police chief and fire chief and other police and fire officers, including detectives, required for the proper and efficient operation and maintenance of the police and fire departments and proper law enforcement.

(d) Make and establish rules and regulations for the government of the police and fire departments, employees, officers, and detectives.

(e) Care and manage the motor vehicles, apparatus, equipment, property, and buildings pertaining to the police and fire departments.

(f) Prescribe the powers and duties of the employees, officers, and detectives.

(2) The township board of a township, or the township boards of adjoining townships, acting jointly, may contract with the township board or legislative body of a township, city, or village that maintains a police or fire department for the service of the department or for the care, maintenance, and operation of police or fire motor vehicles, apparatus, and equipment by the police or fire department of the township, city, or village, and may contract with the legislative body of a village that does not maintain a police department or does not

maintain a fire department to furnish police or fire protection to the village.

(3) If a township board, or the township boards of adjoining townships acting jointly, have organized and are maintaining a police or fire department, the board, or boards acting jointly, may also contract with townships, villages, or cities that also maintain a police or fire department or with any other person, organization, or group to provide police or fire apparatus, equipment, or personnel or police or fire protection.

(4) Any of the powers provided in this section, at the discretion of the township board, may be delegated to a police or fire or police and fire administrative board established under section 11 or 12.

(5) A township board may enter into 1 or more agreements or contracts to furnish police or fire protection to a city, village, or other township.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951;—Am. 1956, Act 9, Imd. Eff. Mar. 9, 1956;—Am. 1961, Act 66, Eff. Sept. 8, 1961;—Am. 1966, Act 110, Imd. Eff. June 22, 1966;—Am. 1989, Act 81, Imd. Eff. June 20, 1989;—Am. 2004, Act 416, Imd. Eff. Nov. 29, 2004

#### **41.806a Emergency police or fire service; emergency ambulance and inhalator service; ordinance authorizing collection of fees.**

Sec. 6a. The legislative body of a municipality providing emergency police or fire service or the legislative bodies of municipalities acting jointly to provide such a service pursuant to this act may authorize by ordinance the collection of fees for the service. The township board of a township or the county board of commissioners of a county providing emergency ambulance and inhalator service alone or jointly with another municipality and the legislative body of such a municipality may authorize by ordinance the collection of fees for the service.

**History:** Add. 1990, Act 102, Imd. Eff. June 14, 1990.

#### **41.807 Repeals.**

Sec. 7. Act No. 28 of the Public Acts of 1923, as amended, being sections 41.301 to 41.305, inclusive, of the Compiled Laws of 1948; Act No. 181 of the Public Acts of 1937, as amended, being sections 41.311 to 41.316a, inclusive, of the Compiled Laws of 1948; and Act No. 151 of the Public Acts of 1931, being sections 41.321 to 41.323, inclusive, of the Compiled Laws of 1948, are hereby repealed.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951.

#### **41.808 Rights or obligations safeguarded.**

Sec. 8. The provisions of this act shall not be construed to impair or affect any special assessment district, or any rights accruing or any obligations thereof, created under the provisions of any act repealed by this act, but the same may be asserted and all the provisions of said repealed acts shall apply as may be necessary to safeguard any such rights or obligations existing thereunder.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951.

#### **41.809 Joint meetings of township boards.**

Sec. 9. For the purposes of this act, any joint meeting of township boards may be held in any one of the involved townships.

**History:** 1951, Act 33, Imd. Eff. May 8, 1951.

#### **41.810 Fire protection for townships, villages, and qualified cities; "qualified city" defined.**

Sec. 10. (1) This act applies to townships and adjoining townships and incorporated villages and qualified cities. If reference is made in this act to townships, that reference shall apply to townships and incorporated villages and qualified cities. If reference is made in this act to township boards, that reference shall apply to township boards and the legislative bodies of incorporated villages and qualified cities. A township, incorporated village, or qualified city shall not use this act to lessen the number of paid full-time firefighters in that township, incorporated village, or qualified city.

(2) As used in this act, "qualified city" means either of the following:

(a) A city with a population of less than 15,000.

(b) A city with a population of 15,000 or more and less than 70,000 located in a county with a population of more than 200,000 and less than 235,000, if the question of raising money by special assessment and the amount of the special assessment to be levied annually under this act is approved by a majority of the electors in the special assessment district. The amount of the special assessment to be levied annually under this act that was approved under this subdivision shall not be increased unless that increase is first approved by a majority of the electors in the special assessment district.

**History:** Add. 1960, Act 51, Eff. Aug. 17, 1960;—Am. 1966, Act 105, Imd. Eff. June 22, 1966;—Am. 2004, Act 463, Imd. Eff. Dec. 28, 2004.

**41.811 Joint administrative board; creation; appointment, qualifications, and terms of members; compensation and expenses; vacancy; additional member; election of chairperson and vice-chairperson; meetings; rules of procedure; record of proceedings; quorum; removal of members; annual budget; powers and duties; board not new employer; conducting business at public meeting; availability of writings to public; "governing body" defined.**

Sec. 11. (1) The governing bodies of 2 or more contiguous townships, villages, or qualified cities may, acting jointly, create a joint police administrative board, fire administrative board, or police and fire administrative board. A joint administrative board shall consist of 2 members from each participating township, village, or qualified city. The members of a joint administrative board shall be appointed by their respective governing bodies for terms of 6 years. Of the first members appointed, 1 member from each participating township, village, or qualified city shall be appointed for a term of 4 years. A member of a joint administrative board shall not be an employee of a police or fire department of a participating township, village, or qualified city. A member of a joint administrative board may be compensated for each meeting, not to exceed 52 per year, at a rate established by the participating governing bodies for each meeting the member attends and shall be reimbursed for actual and necessary expenses incurred in the performance of board duties. A vacancy on a joint administrative board shall be filled by the original appointing governing body for the remainder of the unexpired term.

(2) At its first meeting, a joint administrative board shall, by resolution approved by a majority of its members, select an additional member who shall be a resident of a participating township, village, or qualified city. The members shall annually elect a chairperson and a vice-chairperson from the board membership. A joint administrative board shall hold 4 regular quarterly meetings a year and special meetings as necessary at times as it determines. A joint administrative board shall adopt its own rules of procedure and shall keep a record of its proceedings. A majority of the members constitute a quorum for the transaction of business and the affirmative vote of a majority of all the members is necessary for the adoption of a motion or resolution. The members of a joint administrative board shall be residents of the townships, villages, or qualified cities from which they were appointed. The members of a joint administrative board may be removed by the appointing governing body.

(3) A joint administrative board created under this section shall prepare an annual police department budget or fire department budget, or both, for the police department, fire department, or police and fire departments of each participating township, village, or qualified city. The proposed budgets shall be submitted to and reviewed by the respective governing bodies and may be amended, adopted, or rejected by them. A joint administrative board shall have other powers and duties as considered necessary by the participating governing bodies. A joint administrative board, if authorized to employ and appoint a police chief, fire chief, or other police or fire officers, including detectives, shall only employ and appoint such officers on behalf of an individual township, qualified city, or village and does not constitute a new employer.

(4) The business that a joint administrative board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(5) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(6) As used in this section, "governing body" means the body in which the legislative powers of a township, village, or qualified city are vested.

**History:** Add. 1982, Act 365, Eff. Mar. 30, 1983;—Am. 1985, Act 170, Imd. Eff. Dec. 2, 1985;—Am. 1988, Act 247, Imd. Eff. July 11, 1988;—Am. 1989, Act 81, Imd. Eff. June 20, 1989;—Am. 2004, Act 464, Imd. Eff. Dec. 28, 2004;—Am. 2006, Act 608, Imd. Eff. Jan. 3, 2007.

**41.812 Administrative board; appointment, qualifications, and terms of members; vacancy; expenses; continuation of prior administrative board; annual budget; powers and functions; section supplemental.**

Sec. 12. (1) The township board may create a police administrative board, a fire administrative board, or a police and fire administrative board. The board shall consist of 5 members, who shall be appointed by the township board for terms of 6 years each. Of the members first appointed, 2 shall be appointed for terms expiring on June 30 of the even numbered year following the creation of the board, 2 shall be appointed for terms expiring on June 30 of the second year following the expiration of the terms of the first 2 members, and

1 member shall be appointed for a term expiring June 30 of the fourth year following the expiration of the terms of the first 2 members. If a vacancy occurs, the township board shall appoint a person to fill the unexpired term.

(2) A member of the board shall not be a member of the police or fire department of the township.

(3) The members of the board may be compensated a per diem as determined by the township board and are entitled to actual and necessary expenses approved by the township board incurred in the performance of official duties.

(4) A police administrative board, a fire administrative board, or a police and fire administrative board created under former 1951 PA 57 shall be continued under this act.

(5) An administrative board created under this section shall prepare an annual police department budget or fire department budget, or both, to be submitted to the township board. The budget shall be reviewed by the township board and may be amended or altered in any manner. Upon adoption by the township board, the budget shall be the budget of the administrative board for the ensuing fiscal year of the township.

(6) The administrative board created under this section shall have the powers and perform the functions that the township board delegates to the administrative board.

(7) This section is supplemental to the other laws of this state.

**History:** Add. 1989, Act 81, Imd. Eff. June 20, 1989;—Am. 2003, Act 291, Imd. Eff. Jan. 8, 2004.

#### **41.813 Traffic officers; employment; compensation; joint meeting to appoint traffic officer.**

Sec. 13. By a majority vote of the township board at a regular or a special meeting called for that purpose, a township board may provide for the employment of 1 or more traffic officers in the township. The compensation of the officer or officers shall be paid from the general fund of the township. By a majority vote of all the township boards, 2 or more townships may appoint a traffic officer at a joint meeting of these township boards held for that purpose, and the proportion of the compensation of the traffic officer or officers to be paid by each of the townships shall be determined at this joint meeting.

**History:** Add. 1989, Act 81, Imd. Eff. June 20, 1989.

## Fast Facts

During the 2008 recession, most Michigan communities saw dramatic reductions in taxable value. From 2008 – 2013 the City of Howell's total taxable value declined by **27.6%**.

While the local economy continues to strengthen, limitations imposed by the State through the Headlee Amendment and Proposal A inhibit Howell's ability to recover this lost value. Howell's 2018 taxable value has only recovered to 2004 levels.

Although the City has seen a strong recovery in housing values and sales on existing homes have been very strong, the City's operating millage has been rolled back by .5 mills under the Headlee Amendment.

With downward pressure on the City's annual budget, cost savings and organizational efficiencies have been implemented over the past several years. For instance:

- Modernizing and streamlining departments and practices - the city has improved services, technology, and communications.
- The City implemented shared service models where practical: IT, Fire Authority, building maintenance, etc.
- With streamlined fiscal management, the City's credit rating was upgraded to AA- in 2014.

The Police Department is one of the larger line items for the City's general fund, with annual expenses of \$2.6 million of the total \$7.5 million general fund (about 35%).

## Public Safety Special Assessment

The City of Howell is considering the adoption of a Public Safety Special Assessment pursuant to Public Act 33 of 1951.

The assessment would be levied on the taxable value of all real property and functions similar to a millage.

A 3 mill Public Safety Special Assessment will generate \$860,000 annually and would be used to sustain current levels of police service and offset current general fund allocations.

The general fund would then be able to support additional and needed infrastructure repair and replacement.

*The table below illustrates the annual cost of a 1 mill special assessment. City Council is considering levying a Public Safety Special Assessment of 3 mills.*

Home Value	Taxable Value	Cost per Mill levied
\$75,000	\$37,500	\$37.50
\$100,000	\$50,000	\$50.00
\$125,000	\$62,500	\$62.50
\$150,000	\$75,000	\$75.00
\$200,000	\$100,000	\$100.00
\$250,000	\$125,000	\$125.00
\$300,000	\$150,000	\$150.00
<i>Cost per year based on \$1.00 per \$1,000 taxable value</i>		

Additional information at  
[www.cityofhowell.org/psa](http://www.cityofhowell.org/psa)

Howell

2018

## Public Safety Special Assessment

# FACTS



### FOR FURTHER INFORMATION, CONTACT

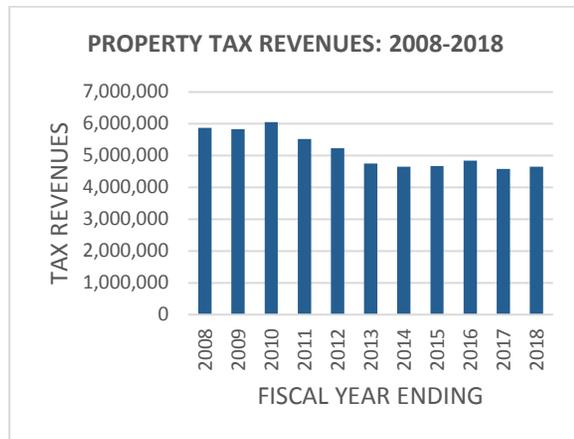
Shea Charles,  
City Manager  
517.546.3502

[citymanager@cityofhowell.org](mailto:citymanager@cityofhowell.org)

CITY OF HOWELL  
611 East Grand River, Howell, MI 48843

## Why do we need more revenue?

- Property values are recovering, however this recovery is limited by Proposal A, leading to long-term challenges to the City's financial health.
- Artificial caps imposed by Proposal A and the Headlee Amendment still put the City a long way away from getting back to previous levels of taxable value.
- Property tax values have declined due to a cumulative 27.6% decrease in citywide taxable value between 2008 and 2013, an approximate total loss of \$1.3 million in tax revenue. Yet tax revenue increases can only grow at 5% or the rate of inflation (whichever is less).
- The inflation rate has averaged less than 2% over the past 10 years. Thus, even after ten years, we have recovered only \$300,000 in tax revenue.
- State Shared Revenues are still \$370,000 a year under what State law authorizes. These funds are dedicated to provide general operating services including police, public works, parks and streets.



## Howell Police Department

Through its Community Policing programs and customer service philosophy, the Howell Police Department has established a tradition of providing quality police service to the community through highly motivated, highly trained and well respected personnel.

Operating 24 hours/day, 7 days/week the Department provides a full range of police services such as general road patrol, criminal investigations, accidents, narcotics and auto theft investigations.

The Department provides a variety of community engagement and safety services including site planning, traffic control and safety and security functions for the many annual community activities and events. Officers provide vacation and business security checks along with neighborhood bicycle and foot patrols.

Through a partnership with the Howell Public Schools, the Department provides a School Resource Officer (SRO) for the Howell Public School District.

In order to provide a high level of service, the Police Department is one of the larger line items in the City's general fund, with annual expenses of \$2.6 million of the total \$7.5 million general fund (about 35%).

## A Public Safety Special Assessment

### What is it Worth?

We hear it often from our residents: "Howell is more than a city, it's a community." People are proud to live here, and they appreciate the safety, cleanliness, and vitality of their City.

When making the decision about whether to support an assessment, residents often wonder what their dollars will be supporting. In this case, it's exactly what residents take the most pride in: services that support Howell's livability!

For example:

- Police— Well-funded police departments mean reduced crime and faster response times and promote a general sense of safety and wellbeing.
- DPW— By providing revenue for the Police Department, current funds are freed up to fund other critical functions. In addition to snow removal and road maintenance and repairs, the Department of Public Works provides street sweeping, tree trimming, park improvements, curbside leaf pickup, and more services that improve the appearance and upkeep of our homes and neighborhoods, which in turn increases property values.

If the Public Safety Special Assessment is not implemented, the City will have to reconsider the service levels currently provided and make reductions to help offset the loss in operating revenues.