

City of Saginaw Budget Reductions Pending Removal of Tax Cap For Fiscal Year 2006

◆ 6 Police Positions	\$ 513,900
◆ 5 Fire Positions	\$ 450,560
◆ Eliminate Deputy Chief Police Position	\$ 117,614
◆ Eliminate 2 Police Lieutenants	\$ 223,848
◆ Eliminate Police Staff Assistant	\$ 50,714
◆ Labor Relations	\$ 183,739
◆ Eliminate Deputy Clerk Position	\$ 70,323
◆ Central Stores (Mail Room) Position	\$ 58,187
◆ Eliminate Dir. Of Development Position	\$ 133,688
◆ Out Source Legal Dept - Savings	<u>\$ 210,267</u>
Total Budget Reduction	<u>\$2,012,840</u>

*Positions include wages and benefits

On February 26, 2005 Saginaw City Council approved the City Manager's Recommendations to hold a Special Millage Election on May 3, 2005 for the lifting of the Tax Cap and creation of a Special Assessment for Police and Fire services.

Proposed Amendment to Section 45 of Chapter VII of the City Charter

Shall Section 45 of Chapter VII of the Charter of the City of Saginaw be amended to authorize City Council to levy up to 10 mills in any fiscal year for non-emergency purposes and to delete the dollar limit established in 1979 on the property taxes in any fiscal year for non-emergency purposes, which currently equates to 5.5 mills? If the full amount of the property taxes permitted by the proposed amendment is levied by the City Council in the year 2005, it is estimated the revenue increase will be approximately \$3,080,000.

Yes _____

No _____

Creation of a Special Assessment District for Police and Fire Services

Shall the City Council be authorized to create a special assessment district consisting of the entire City of Saginaw and levy up to four (4) mills on the taxable value of all real property in the district to fund police and fire services for the City of Saginaw, which levy would collect estimated revenues of \$2,349,276, in the first year, if approved and levied?

Yes _____

No _____

Public Safety Levy

- ◆ Proposed creation of a special assessment district for police and fire.
- ◆ A public safety millage would be levied on real property only (not on personal property which is the equipment used by a business).

Public Safety Special Assessment Projected Tax Revenue on Residential Property:

Taxable Value

Mill Rate

Taxes

587,319,131

X

4

\$2,349,277

Public Safety Levy

*Example Home Valuations:

50,000 Market Value

25,000 State Equalized or Assessed Value

25,000 Taxable Value

<u>Taxable Value</u>		<u>Millage</u>	<u>Annual Taxes</u>	<u>Monthly Taxes</u>
25,000	X	4	\$100.00	\$8.33

*Average assessed value in the City of Saginaw = \$23,012

Average taxable value in the City of Saginaw = \$19,297

Property Tax Cap

- ◆ The City of Saginaw has a two-part property tax cap known as the mill rate cap and the dollar cap. **The City must levy the lesser of the two.**
- ◆ **Mill Rate Cap = 7.5 mills**
- ◆ **Dollar Cap = \$3.8 million**

Current Taxes for City Operating

Example Home Valuations

50,000 Market Value

25,000 State Equalized or Assessed Value

25,000 Taxable Value

Current taxes for City operating:

<u>Taxable Value</u>	<u>Current Millage</u>	<u>Tax</u>
25,000	5.5412	\$138.53

If the dollar cap and the mill rate were removed:

<u>Taxable Value</u>	<u>Proposed Millage</u>	<u>Tax</u>
25,000	10.000	\$250.00

Current Taxes for City Operating

Current taxes for City operating:

<u>Taxable Value</u>	<u>Current Millage</u>	<u>Tax</u>	<u>Monthly Cost</u>	<u>Daily Cost</u>
25,000	5.5412	\$138.53	\$ 11.54	38 Cents

If the dollar cap and the mill rate were removed:

<u>Taxable Value</u>	<u>Proposed Millage</u>	<u>Tax</u>	<u>Monthly Increase</u>	<u>Daily Increase</u>
25,000	10.0000	\$250.00	\$ 9.29	30 Cents

Public Safety Special Assessment:

<u>Taxable Value</u>	<u>Proposed Millage</u>	<u>Tax</u>	<u>Monthly Cost</u>	<u>Daily Cost</u>
25,000	4.0000	\$100.00	\$ 8.33	27 Cents

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