

Village Challenges

Grass Lake is a great place to call home. But as many small municipalities do, the Village faces some challenges:

- Lack of adequate revenue to maintain roads, safe sidewalks, sewer and other aging infrastructures (*i.e. water pipes in the ground since 1939*).
- Public works' vehicle fleet/equipment regular maintenance requirements.
- Higher costs for goods; for example, in the last 6 months, asphalt costs have risen 42%.
- Unfunded state mandates— *i.e.* the requirement to inventory and replace galvanized water lines — continue to chip away at Village resources.

To continue to perform basic services in the Village (*for sewer, water, snow removal, road repair and sidewalk repair*), the Council made the tough decision to place a measure on the November ballot, asking voters to authorize a tax increase aimed specifically at addressing Village service maintenance. (*The last such increase was in 1991.*)

Meanwhile the Village Council and the Downtown Development Authority are combining efforts to add more downtown area businesses that will grow the tax base.

70% of the Village would pay \$250.00 or less in an annual tax increase to maintain services.

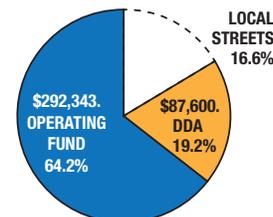
\$380,979.38 is the total amount of funds raised in the first year by a tax of 10.5878 mills—which includes the 3.25 mill increase.

The ballot question reads:

"Shall the authorized millage for the Village of Grass Lake, established at 12.5 mills (\$12.50 per \$1,000 of taxable value) and reduced to 7.3378 mills (\$7.3378 per \$1,000 of taxable value) by the required millage roll-backs, be increased and partially restored to 10.5878 mills (\$10.5878 per \$1,000 of taxable value) and be levied for a period of ten years, 2023 through 2032 inclusive, to provide funds for general operating purposes, which 3.25 mills increase and such restoration will raise an estimated \$380,979.38 in the first year the millage is levied?"

Yes No

TAX DOLLARS DISTRIBUTION
with Headlee Override increase
plus \$75,745 for Local Streets



Why is a proposed tax increase for the Village on the ballot?



A Headlee Override, explained.

PUBLIC INFORMATION MEETINGS

at the Events Pavilion

Thursday, Sept.29, 2022 at 6:30 pm

Monday, Oct. 24, 2022 at 6:30 pm

at the Village Hall, **and**

before regular Council meetings on Tuesday, Oct. 4, Tuesday, Oct. 18 and Tuesday, Nov. 1, all at 6:30 pm

What is a Headlee Override and why is it needed now?

The Headlee Amendment to the 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 return the millage to the amount originally authorized via the Village charter, Michigan statute, or a vote of the people, and becomes necessary to counteract these effects of the what is commonly called the Headlee Rollback.

The Village of Grass Lake millage rate before the Headlee Amendment (1978) was **12.00 mills**. Over time, this Amendment has reduced our operating fund (funds for expected services) to **7.3378 mills**. With rising costs of administration, unfunded state mandates, technology updates and materials for services the Village provides, it cannot maintain a status quo.

Costs have jumped since 2018, despite prudent oversight measures:

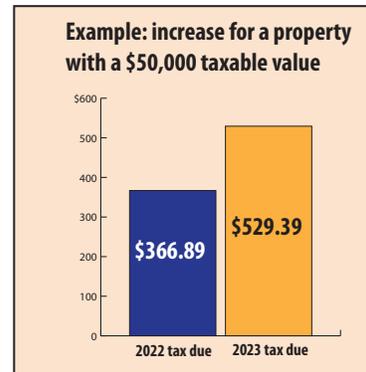
- **Overall operating expenses costs are up 29%**
- **Utility costs are up 13.1%**
- **Law enforcement costs increased 4.1%**
- **Personnel costs have increased 18.1%**
- **Asphalt cost is 42% higher**

What is a mill? 1 mill is equal to \$1 in taxes of \$1,000 Taxable Value. (Taxing the whole of the Village 1 mill yields \$35,982.87.)

When will this tax increase be levied? Summer 2023.

How long will the tax be levied? Ten years. (Law-mandated Headlee rollbacks will continue reducing our millage revenue each year.)

How will an Override affect me? This chart below shows what a taxpayer will pay, with the proposed increase of 3.25 mills for year 1.



A property with a taxable value of \$50,000 paid \$366.89 tax to the Village operating fund last year. A 3.25 millage rate increases the tax amount in 2023 by \$162.50, for a total tax due of \$529.39.

A property's "Taxable Value" determines the Village tax due, using this formula:

$$\begin{aligned} &\text{Property's "Taxable Value"} \\ &\quad \times \\ &\quad 0.01324 \\ &= \text{Tax due} \\ &\textit{including Headlee override and} \\ &\textit{current local roads millage.} \end{aligned}$$

To look up the Taxable Value of property:
<https://gis.mijackson.org/taxviewer/>

How are my Village tax dollars being used?

- Community lighting
- Water/sewer maintenance
- Hazard mitigation (i.e. trees/debris)
- Village capitol improvements
- Fall Leaf pick up services
- Sheriff-contracted police services
- Ordinance enforcement
- Municipal lots maintenance
- Water/sewer online payments costs
- DDA funding (targeted in downtown)
- Mowing/grounds maintenance
- Local streets—additional costs
- Village buildings repair/maintenance
- Professional services, Engineering/ Legal fees, as required
- DPW fleet maintenance & replacement
- Labor costs
- "Miss Dig" services
- Snow removal/street cleaning
- Technology upgrades
 - Mobile "311"
 - Online Bill pay
 - Village website
 - Meter Reading
 - GPS/GIS mapping of Village assets (water, sewer, storm water, etc)