

To: Board of Education

From: Sharon Raschke, CFO

Date: June 20, 2016

RE: Tax Levies for the 2016 Tax Year/2016-17 Fiscal Year

You conducted a Public Hearing that included a hearing on the 2016 Tax Rate on non-homestead properties that will be at 18.0000 mills and the 2016 debt levy on all properties that will be at 8.5000 mills.

The tax levies are as follows:

	<u>2016</u>	<u>2015</u>
Non-homestead taxable value	\$ 254,228,325 (2.14% increase)	
Non-homestead tax levy	18.0000 mills	18.0000 mills
All properties taxable value	\$1,225,539,135 (1.99% increase)	
Debt tax levy	8.5000 mills	8.5000 mills

A portion of the general fund revenue comes from the local tax levy of 18.000 mills on non-homestead properties. The amount of local non-homestead property tax collection combined with the amount of state aid received from the State of Michigan equals our total foundation allowance.

The May 7, 2013 elections, non-homestead millage reauthorization proposal of 18.0000 and the non-homestead millage "cushion" proposal of 3.0000 mills, was approved for the years 2014 to 2033. We did have a millage reduction fraction of 0.9969 for 2016 that will roll back both the 18.0000 and 3.0000 authorized levies. Attached is the millage usage history/projection from the 2014-2033 issues.

The debt levy is set at the amount required to meet the annual debt requirement for all existing debt under the arrangement with the State of Michigan School Bond Loan Fund. An 8.5000 mills levy is required to meet our debt obligations, including the requirements of the 2008 and 2012 bond issues.

These levies need to be authorized by the Board of Education. Please authorize that 18.0000 mills be levied on non-homestead property in December of 2016 and that 8.5000 mills be levied on debt on all property in December of 2016.