



**PONTIAC CITY COUNCIL
STUDY SESSION**

February 16, 2017

6:00 p.m.

173rd Session of the 9th Council

It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."

Call to order

Roll Call

Authorization for excused absences for councilmembers

Public Comment

Closed Session

1. Closed Session Resolution

Special Presentation

2. Glen Konopaskie, Executive Director.
3. Nevrus Nazarko, Finance Director City of Pontiac, 2017 Pre March Board of Review Assessing.

AGENDA ITEMS FOR CITY COUNCIL CONSIDERATION

4. The addition of two personnel positions for the Department of Public Works.

Adjournment

City of Pontiac

Pontiac City Council

Whereas, Section 8 (e), MCL 15.268, permits a public body “[to] consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have detrimental financial effect on the litigation or settlement position of the public body”: and,

Whereas, the Pontiac City Council believes that an open meeting would have a detrimental financial effect on the litigating or settlement position of the City.

Therefore, Be It Resolved that the Pontiac City Council recesses into closed session for the purpose of consulting with its attorney regarding settlement strategy in the cases of CPREA vs. The City of Pontiac, Ottawa Towers vs. The City of Pontiac, MAPE 50th District vs. The City of Pontiac and a legal opinion.

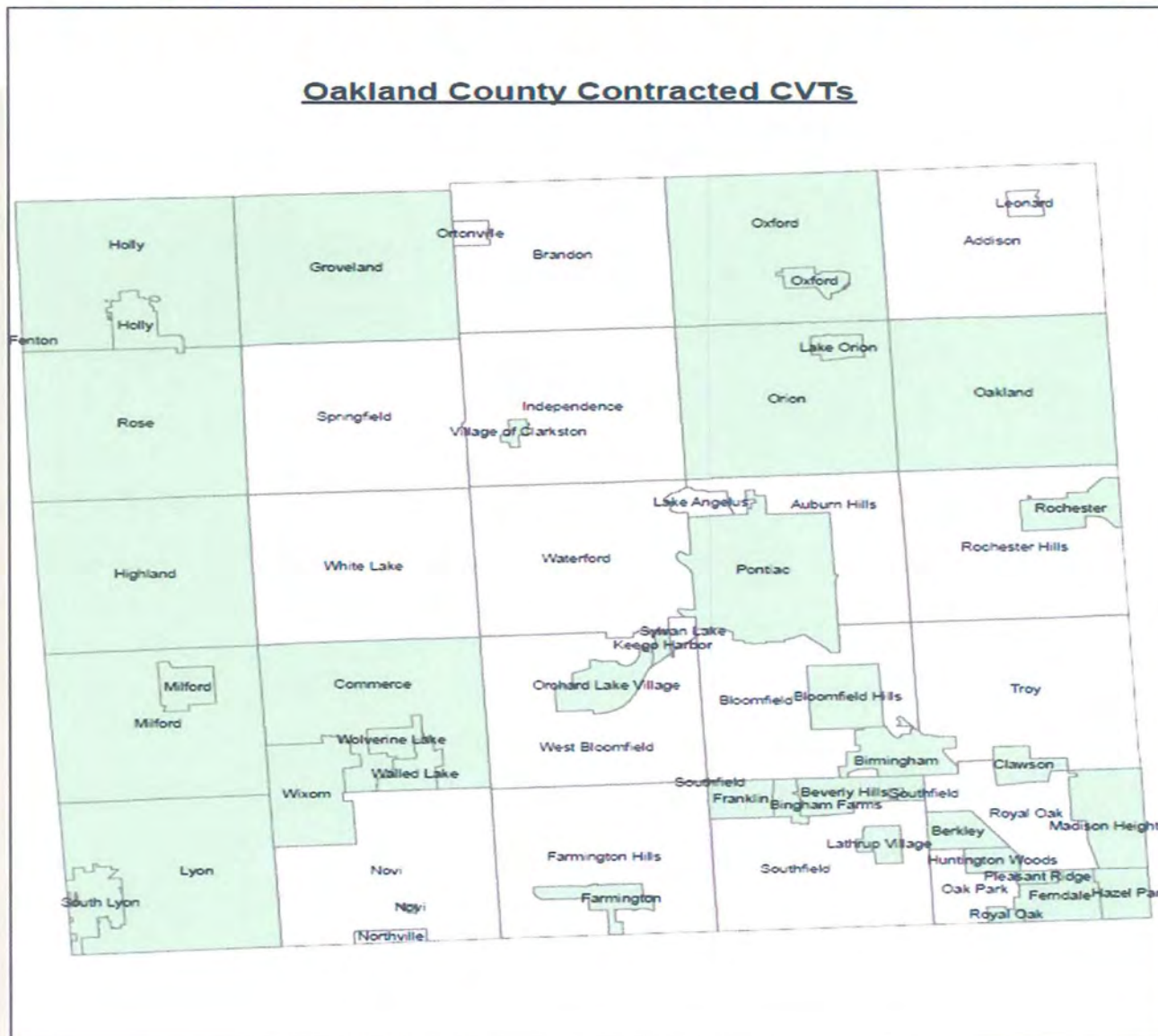
CITY OF PONTIAC

2017 Pre MARCH BOARD OF REVIEW ASSESSING

INTRODUCTION

- The Assessing department duties for the City of Pontiac are handled by the OC Equalization Division. (Since 2006)
- Oakland County is providing assessing services for 32 Cities and Townships in Oakland County

CONTRACTED ASSESSING UNITS



WHAT DO THEY DO FOR THE CITY

- Land Descriptions: Process splits and combinations upon City approval.
- Maintain overall tax rolls and separate rolls for IFT, Brownfields, DDA etc.
- Handle PRE applications, Property transfer affidavits, name changes etc.
- Personal Property: Process statements, interact with taxpayers, conduct audits of such statements.

WHAT DO THEY DO FOR THE CITY

- Real Property Section: Conduct the entire assessing process from on site reviews, sale verification, confirm exemption status both City owned and Religious/non-profit, interact with taxpayers, prepare documentation and conduct March board of review, July and December boards as well. Prepare and send necessary paperwork to the state.

2016 PARCEL COUNTS

CITY OF PONTIAC

• Real Residential Parcels	–	23,271
• Real Commercial Parcels	–	1863
• Real industrial Parcels	–	262
• Personal Property	–	1,487

2016 PERSONAL PROPERTY

CITY OF PONTIAC

• Eligible Manufacturing Personal Property Statements	-	23
• 2016 BOR Personal Property Petitions	-	83
• 2016 5076 Affidavits (Small Business Exemption)	-	589
• 2016 Personal Property Statements Processed	-	406

MICHIGAN TAX TRIBUNAL

CITY OF PONTIAC

AS OF 2/1/2017

• 2016 Tax Year Pending MTT's	-	8
• Cases Settled in 2016	-	34

VALUE CHANGES

CITY OF PONTIAC

- 2017 Residential Assessed Values = 10.26%
- 2017 Commercial Assessed Values = 3.49%
- 2017 Industrial Assessed Values = 3.56
- 2017 Real Property Taxable Value = 3.31%

AVERAGE RESIDENTIAL VALUE CHANGES

2017 RATIOS

PRELIMINARY

SALES OCTOBER 1, 2014 - SEPTEMBER 30, 2016

	RESIDENTIAL RATIOS	RESIDENTIAL MOVES
ADDISON TOWNSHIP	45.20	10.07%
BLOOMFIELD TOWNSHIP	47.94	3.78%
BRANDON TOWNSHIP	47.39	4.98%
COMMERCE TOWNSHIP	47.43	4.89%
GROVELAND TOWNSHIP	47.66	4.39%
HIGHLAND TOWNSHIP	47.32	5.14%
HOLLY TOWNSHIP	46.03	8.08%
INDEPENDENCE TOWNSHIP	48.07	3.49%
LYON TOWNSHIP	47.25	5.29%
MILFORD TOWNSHIP	47.19	5.42%
NOVI TOWNSHIP	44.75	11.17%
OAKLAND TOWNSHIP	48.36	2.87%
ORION TOWNSHIP	47.10	5.63%
OXFORD TOWNSHIP	47.62	4.47%
ROSE TOWNSHIP	47.09	5.65%
ROYAL OAK TOWNSHIP	48.55	2.47%
SOUTHFIELD TOWNSHIP	47.30	5.18%
SPRINGFIELD TOWNSHIP	47.29	5.20%
WATERFORD TOWNSHIP	45.77	8.70%
WEST BLOOMFIELD TOWNSHIP	46.39	7.24%
WHITE LAKE TOWNSHIP	47.07	5.69%

Average 2017 Residential Value
Change for Oakland County 6.44%.
Median 5.54%.

SALES OCTOBER 1, 2014 - SEPTEMBER 30, 2016

	RESIDENTIAL RATIOS	RESIDENTIAL MOVES
AUBURN HILLS CITY	46.13	7.85%
BERKLEY CITY	46.75	6.42%
BIRMINGHAM CITY	48.38	2.83%
BLOOMFIELD CITY	47.67	4.36%
CLARKSTON CITY	46.06	8.01%
CLAWSON CITY	45.92	8.34%
FARMINGTON CITY	46.95	5.96%
FARMINGTON HILLS CITY	46.97	5.92%
FENTON CITY	48.70	2.16%
FERNDAL CITY	43.64	14.00%
HAZEL PARK CITY	44.02	13.02%
HUNTINGTON WOODS CITY	47.29	5.20%
KEEGO HARBOR CITY	46.36	7.31%
LAKE ANGELUS CITY	48.45	2.68%
LATHRUP VILLAGE CITY	45.30	9.82%
MADISON HEIGHTS CITY	44.85	10.93%
NORTHVILLE CITY	48.45	2.68%
NOVI CITY	47.79	4.76%
OAK PARK CITY	43.66	13.95%
ORCHARD LAKE CITY	47.47	4.80%
PLEASANT RIDGE CITY	46.86	6.17%
PONTIAC CITY	45.12	10.26%
ROCHESTER CITY	47.73	4.23%
ROCHESTER HILLS CITY	47.89	3.88%
ROYAL OAK CITY	46.63	6.69%
SOUTHFIELD CITY	44.79	11.07%
SOUTH LYON CITY	47.31	5.16%
SYLVAN LAKE CITY	45.90	8.39%
TROY CITY	48.07	3.49%
WALLED LAKE CITY	45.47	9.41%
WIXOM CITY	47.18	5.45%

COMMERCIAL & INDUSTRIAL VALUE CHANGES

COMMERCIAL / INDUSTRIAL
2017 Ratios
PRELIMINARY AS OF 12/13/16

	COMMERCIAL RATIOS	COMMERCIAL MOVES	INDUSTRIAL RATIOS	INDUSTRIAL MOVES
Addison Township	47.99	3.67%	48.85	1.84%
Bloomfield Township	46.81	6.28%	48.67	2.22%
Brandon Township	48.19	3.24%	48.64	2.28%
Commerce Township	49.13	1.26%	49.03	1.47%
Groveland Township	48.55	2.47%	49.34	0.83%
Highland Township	48.12	3.39%	48.92	1.70%
Holly Township	49.10	1.32%	49.25	1.02%
Independence Township	48.04	3.56%	48.69	2.18%
Lyon Township	47.36	5.05%	47.37	5.02%
Milford Township	48.11	3.41%	49.15	1.22%
Novi Township				
Oakland Township	48.25	3.11%	47.59	4.54%
Orion Township	46.63	6.69%	46.69	6.55%
Oxford Township	47.87	3.93%	48.15	3.32%
Rose Township	48.98	1.57%	49.44	0.63%
Royal Oak Township	48.36	2.87%	48.09	3.45%
Southfield Township	48.43	2.73%	49.48	0.55%
Springfield Township	48.32	2.96%	48.51	2.56%
Waterford Township	48.72	2.11%	47.88	3.91%
West Bloomfield Township	48.33	2.94%	49.07	1.39%
White Lake Township	48.22	3.17%	48.73	2.09%

Average 2017 Commercial Value
Change for Oakland County
4.20%.

Average 2017 Industrial Value
Change for Oakland County
4.27%.

Continued on following slide...

COMMERCIAL & INDUSTRIAL VALUE CHANGES

COMMERCIAL / INDUSTRIAL
2017 Ratios
PRELIMINARY AS OF 12/13/16

	COMMERCIAL RATIOS	COMMERCIAL MOVES	INDUSTRIAL RATIOS	INDUSTRIAL MOVES
Auburn Hills	46.31	7.43%	45.46	9.44%
Berkley	46.53	6.92%	46.14	7.82%
Birmingham	45.90	8.39%	45.92	8.34%
Bloomfield Hills	48.89	1.76%		
Clarkston	47.14	5.54%		
Clawson	46.41	7.20%	46.44	7.13%
Farmington	48.05	3.54%	48.19	3.24%
Farmington Hills	45.33	9.75%	43.65	13.97%
Fenton				
Ferndale	45.91	8.36%	45.04	10.46%
Hazel Park	47.04	5.76%	47.00	5.85%
Huntington Woods	47.63	4.45%		
Keego Harbor	48.43	2.73%		
Lake Angelus	49.75	0.00%		
Lathrup Village	48.24	3.13%		
Madison Heights	46.59	6.78%	44.71	11.27%
Northville	48.49	2.60%		
Novi City	46.06	8.01%	47.38	5.00%
Oak Park	47.35	5.07%	48.32	2.96%
Orchard Lake	48.68	2.20%	49.68	0.14%
Pleasant Ridge	48.08	3.47%		
Pontiac	48.07	3.49%	48.04	3.56%
Rochester	45.92	8.34%	45.82	8.58%
Rochester Hills	47.60	4.52%	47.32	5.14%
Royal Oak City	47.75	4.19%	47.54	4.65%
Southfield City	48.65	2.26%	48.19	3.24%
South Lyon	48.44	2.70%	48.65	2.26%
Sylvan Lake	47.87	3.93%	48.28	3.04%
Troy	47.92	3.82%	45.70	8.86%
Walled Lake	48.41	2.77%	48.65	2.26%
Wixom	46.20	7.68%	46.24	7.59%

Tentative Taxable Value

2017 TAXABLE VALUE ESTIMATES					
REAL PROPERTY ONLY					
CVT	2015 TAXABLE	2016 TAXABLE	2016 % CHANGE TAXABLE	2017 PRE-MBOR TV	2017 TV % CHANGE PRE-MBOR
Commerce	1,709,558,390	1,759,686,300	2.93%	1,839,424,460	4.53%
Groveland	178,190,930	182,997,650	2.70%	188,493,260	3.00%
Highland	657,776,190	675,965,770	2.77%	703,308,950	4.05%
Holly	251,516,350	257,277,300	2.29%	267,568,760	4.00%
Lyon	836,523,050	927,429,380	10.87%	1,021,281,210	10.12%
Milford	726,998,350	748,227,420	2.92%	777,334,410	3.89%
Novi	7,992,570	8,048,430	0.70%	8,185,120	1.70%
Oakland	1,151,873,250	1,206,849,030	4.77%	1,267,062,570	4.99%
Orion	1,337,705,280	1,398,181,700	4.52%	1,460,118,140	4.43%
Oxford	681,191,300	712,000,020	4.52%	748,579,730	5.14%
Rose	200,220,850	205,738,500	2.76%	212,801,910	3.43%
Royal Oak Twp	26,018,900	25,345,800	-2.59%	25,756,660	1.62%
Southfield	961,564,240	986,505,640	2.59%	1,022,958,670	3.70%
Berkley	481,401,480	496,694,610	3.18%	522,827,960	5.26%
Birmingham	1,940,727,590	2,046,964,920	5.47%	2,156,904,220	5.37%
Bloomfield Hills	743,711,310	767,610,210	3.21%	799,057,860	4.10%
Clarkston Village	37,084,930	37,574,610	1.32%	38,880,280	3.47%
Clawson	310,518,190	319,038,200	2.74%	331,528,440	3.91%
Farmington	295,454,300	299,427,700	1.34%	312,371,530	4.32%
Ferndale	471,962,220	492,602,610	4.37%	520,264,100	5.62%
Hazel Park	154,049,380	155,186,080	0.74%	166,050,850	7.00%
Huntington Woods	317,271,570	326,463,480	2.90%	338,692,650	3.75%
Keego Harbor	79,652,050	82,055,000	3.02%	89,308,270	8.84%
Lathrup Village	116,269,150	117,553,210	1.10%	121,416,200	3.29%
Madison Heights	646,197,180	660,813,910	2.26%	678,568,230	2.69%
Orchard Lake	339,410,610	346,267,510	2.02%	355,733,940	2.73%
Pleasant Ridge	133,845,550	138,859,980	3.75%	143,740,920	3.52%
Pontiac	551,537,720	558,255,330	1.22%	576,709,070	3.31%
Rochester	638,540,770	658,560,770	3.14%	685,645,330	4.11%
South Lyon	308,949,370	316,714,900	2.51%	330,380,880	4.31%
Walled Lake	167,956,410	170,947,930	1.78%	176,593,160	3.30%
Wixom	523,201,080	539,216,420	3.06%	566,901,600	5.13%
Average			3.77%		4.71%

VALUE CHANGES

CITY OF PONTIAC

Real Property Values	\$576,709,070
Personal Property Total	\$106,796,740

Total 2017 Pre-BOR Taxable Value	\$683,505,810
Total 2016 Taxable Value	\$662,679,370

ESA/EMPP REIMBURSEMENTS

Municipalities PPT Reimbursements - November 2016 and February 2017

Municipality Name	November Distribution	February Distribution
Berkley City	46,076.02	-
Birmingham City	75,704.33	-
Bloomfield Hills City	23,098.48	-
Clarkston City	712.71	-
Clawson City	142,741.61	-
Farmington City	106,177.86	-
Farmington Hills City	1,002,375.24	-
Ferndale City	251,188.71	-
Hazel Park City	82,406.48	-
Huntington Woods City	4,552.63	-
Keego Harbor City	6,341.07	-
Lake Angelus City	0.40	-
Lathrup Village City	727.98	-
Madison Heights City	1,691,155.53	-
Oak Park City	486,406.50	-
Orchard Lake City	3,766.28	-
Pleasant Ridge City	18,919.69	-
Pontiac City	684,845.77	-
Rochester City	387,539.01	-
Rochester Hills City	-	360,535.21
Royal Oak City	479,556.79	-
Southfield City	853,829.18	-
South Lyon City	139,397.91	-
Sylvan Lake City	24,085.25	-
Troy City	1,200,477.32	-
Walled Lake City	5,702.80	-
Wixom City	593,651.96	-
Oakland County Art Institute Authority	-	271,670.30
Beverly Hills Village	15,875.65	-
Bingham Farms Village	21,207.73	-
Franklin Village	1,546.33	-
Holly Village	25,728.78	-
Lake Orion Village	1,409.62	-
Leonard Village	18,038.68	-
Milford Village	10,818.68	-
Oxford Village	28,310.73	-
Wolverine Lake Village	818.68	-
Oakland Community College	1,863,599.51	-

Oakland County Equalization

www.oakgov.com/mgtbud/equal

For questions contact Terry Schultz Chief of Equalization
at schultzt@oakgov.com

IRM – 2017 INFLATION RATE MULTIPLIER

1.009 OR 0.9%

5102 (Rev. 04-15)



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

RICK A. KHOURI
STATE TREASURER

BULLETIN 11 of 2016
Inflation Rate Multiplier
October 18, 2016

Also Known As:
Consumer Price Index (CPI)

TO: Assessors and Equalization Directors

FROM: State Tax Commission

RE: Inflation Rate Multiplier for use in the 2017 capped value formula and the "Headlee" Millage Reduction Fraction (MRF) formula

Note: The Calculation of the Inflation Rate Multiplier is set in statute. MCL 211.34d states:

(i) "Inflation rate" means the ratio of the general price level for the state fiscal year ending in the calendar year immediately preceding the current year divided by the general price level for the state fiscal year ending in the calendar year before the year immediately preceding the current year.

(ii) "General price level" means the annual average of the 12 monthly values for the United States consumer price index for all urban consumers as defined and officially reported by the United States department of labor, bureau of labor statistics.

Based on this statutory requirement, the calculation for 2016 is as follows:

1. The 12 monthly values for October 2014 through September 2015 are averaged.
2. The 12 monthly values for October 2015 through September 2016 are averaged.
3. The ratio is calculated by dividing the average of column 2 by the average of column 1.

The specific numbers from the US Department of Labor, Bureau of Labor Statistics are as follows:

Oct-14	237.433	Oct-15	237.838
Nov-14	236.151	Nov-15	237.336
Dec-14	234.812	Dec-15	236.525
Jan-15	233.707	Jan-16	236.916
Feb-15	234.722	Feb-16	237.111
Mar-15	236.119	Mar-16	238.132
Apr-15	236.599	Apr-16	239.261
May-15	237.805	May-16	240.229
Jun-15	238.638	Jun-16	241.018
Jul-15	238.654	Jul-16	240.628
Aug-15	238.316	Aug-16	240.849
Sep-15	237.945	Sep-16	241.428

Average 236.742 238.939

Ratio 1.009
% Change 0.9%

P.O. BOX 20471 • LANSING, MICHIGAN 48208
www.michigan.gov/treasury • 517-335-5429

BULLETIN 11 OF 2016 INFLATION RATE MULTIPLIER OCTOBER 18, 2016

Oct-14	237.433	Oct-15	237.838
Nov-14	236.151	Nov-15	237.336
Dec-14	234.812	Dec-15	236.525
Jan-15	233.707	Jan-16	236.916
Feb-15	234.722	Feb-16	237.111
Mar-15	236.119	Mar-16	238.132
Apr-15	236.599	Apr-16	239.261
May-15	237.805	May-16	240.229
Jun-15	238.638	Jun-16	241.018
Jul-15	238.654	Jul-16	240.628
Aug-15	238.316	Aug-16	240.849
Sep-15	237.945	Sep-16	241.428

Average 236.742 Average 238.939

Ratio 1.009
% Change 0.9%

HEADLEE ROLLBACK CALCULATION

Formula:

$$\frac{\text{Prior Year TV} \quad \text{Minus Losses}}{\text{Current Year TV} \quad \text{Minus Additions}} \times \text{IRM} = \text{Millage Reduction Factor (MRF)}$$

The current IRM is 0.9%

EXAMPLE OF MILLAGE ROLLBACK

Single Property – realistic example with no Millage Rollback

- 2016 AV \$110,000
 - 2016 TV \$100,000
- 
- 2017 AV \$120,000 (10%)
 - 2017 TV \$100,900 (CPI 0.9%)

2016 mills
4.04

2016 Tax Paid to
County

(2016 TV x 2016 mills)=
\$404.00

Proposal A stated that the value of property used to calculate property taxes could not increase each year by more than the increase in inflation, or 5 percent, whichever is less, until the ownership of the property changes. **Inflation for 2017 is 1.009 or 0.9%.**

No Rollback


2017 mills
4.04

2017 Tax Paid to
County

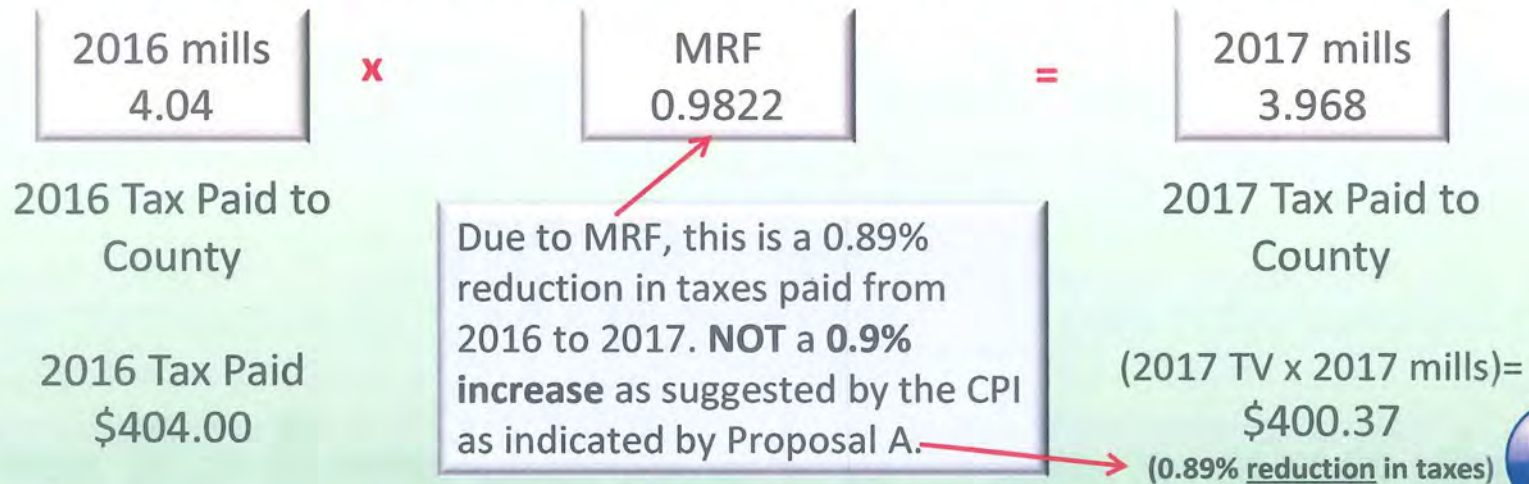
(2017 TV x 2017 mills)=
\$407.64
(0.9% increase in taxes)

EXAMPLE OF MILLAGE ROLLBACK

Single Property – Same realistic example where a realistic Millage Rollback occurred.

- 2016 AV \$110,000
 - 2016 TV \$100,000
- 
- 2017 AV \$121,000 (10%)
 - 2017 TV \$100,900 (CPI 0.9%)

2016 County Millage \times MRF (Millage Reduction Factor) = 2017 County Millage



HEADLEE ROLLBACK CALCULATION

HEADLEE ROLLBACK CALCULATIONS

	2013 TAXABLE VALUE		2014 TAXABLE VALUE	
Real	505,891,380		532,421,080	
Personal	139,978,920		132,578,920	
Total	645,870,300		665,000,000	
2014 Inflation Rate Multiplier	1.014			

FORMULA

<u>Prior Year TV</u>	<u>Minus Losses</u>	X	<u>IRM</u>		<u>Millage</u>
<u>Current Year TV</u>	<u>Minus Additions</u>			=	<u>Reduction Factor</u>

Assume 3% increase in Taxable Value from Uncappings

645,870,300	2,600,000	X	1.017	654,205,895	MRF
665,000,000	4,000,000			661,000,000	0.9897

Township Maximum Operating Mills

	11				
	0.9897	X		MRF	
	10.8867				

New Maximum Operating Mills

2014 TAXABLE VALUE

665,000,000	11		\$7,315,000	
	10.8867		\$7,239,656	
			\$75,345	Lost tax revenue

Add \$7,400,000 to losses from Personal Property

645,870,300	10,000,000	X	1.017	646,680,095	MRF
665,000,000	4,000,000			661,000,000	0.9783

Oakland County Equalization

www.oakgov.com/mgtbud/equal

For questions contact Shannon Moore at mooreash@oakgov.com



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Jane Bais-DiSessa, Deputy Mayor

FROM: Terrence King Director DPW

DATE: January 17, 2017

RE: **Justification for (3) two new DPW staff positions**

The Department of Public Works since 2013 has been critically short of much needed personnel. Our ability to properly supervise the contractors that have been hired to provide operational support to the City of Pontiac is at best **minimum**. The current staff in DPW like any other city department requires time off from time to time for personal reasons, during those times we are left short and unable to provide the services needed or required by the public. During these times the Director and City engineer must work in the field providing supervision as-needed and sometimes work in a labor capacity, which is clearly out of the proper scope of responsibility for these positions.

The position of **Superintendent of Field Operations** is requested.

This position will fill all voids in field vacancies as a direct result of being short staffed due to absence of existing personnel. Plan work activities for DPW personnel and contractors. Provide daily reports of work performed and check to ensure the quality of work provided by the contractors. Field investigations will be made, complaints will be checked and recommendations of corrective actions will be provided to management.

The position of **Foreman of Grounds** is requested:

There is currently (1) person that is holding this title, and we are requesting another. The current person oversees (5) contracts along with performing all field labor work needed in the field. Temporary seasonal help is utilized as-needed but the bulk of the labor work falls on one person.

When this existing person is driving a snow plow, using a sweeper, repairing equipment or handling a field emergency there is no one else to handle the needed work in the field. (It should be noted that before the downsizing of the **DPW** there were 12 staff members doing the same work)

The position of **Foreman** is requested due to their ability to supervise subordinate labor personnel while also performing as-needed labor work them self.

The position of **Maintenance worker** is requested:

Works under general supervision as part of a maintenance crew in a variety of utility/road construction and maintenance projects including, storm sewer repair, manhole repair, road sign repair or installation, road grading, ditching and snow removal activities. This position is a working member of the maintenance crew performing heavy, light and laborer equipment operational duties as needed to complete various maintenance projects. Responds to unscheduled call-ins and works outside normal working hours.

Adding this position will allow someone the ability to grow and learn DPW operations from the ground up and provide for future upward mobility into higher positions vacated by attrition.