

# Taking a look at tax rates

*Comparing residents'  
millages in light of looming  
BHS bond proposal*

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BLOOMFIELD TOWNSHIP — With a Bloomfield Hills Schools bond possibly appearing on the ballot later this year, many residents may be thinking hard about their property taxes.

Many factors go into determining property taxes, including more than 13 different millages.

Oakland County residents each pay a 6-mill State Education Tax, 4.19 mills to Oakland County, 3.3690 mills to the Oakland Intermediate School District, 1.5844 mills to Oakland Community College, 0.2415 mill to Oakland County Parks and Recreation, 0.2146 mill to the Huron Clinton Metro Authority, and 0.1 mill to the Zoo Authority, and many also pay 0.59 mill to SMART. In all, that's either 15.6995 or 16.2895 mills, depending on whether a municipality utilizes the SMART busing system.

After tacking on a municipal millage and a school district tax, local residents are paying taxes determined by more than 35 mills; however, some governing bodies do not levy the full approved amounts.

Property taxes are determined by multiplying 50 percent of a home's value to achieve the taxable value. This taxable value is then multiplied by the total millage amount and divided by 1,000 to determine a property owner's taxes.

"The debt millage rate is determined each year based on the latest taxable value estimates

for that levy year," BHS Assistant Superintendent for Business Services Tina Kostiuk said via email.

As governing bodies have the option to levy smaller portions of the approved millages, BHS only charged residents 8.6512 mills of a voter-approved 11.6701 mills for the homestead operating millage in 2011. Combined with a 0.9586 debt millage and 1.4834-mill sinking fund, district residents would have paid taxes on 14.1121 mills if fully charged. For a homeowner with a \$300,000 house, this is about \$2,117 in property taxes that go toward the district.

"The debt mills will fluctuate with taxable value ups and downs," Kostiuk said via email. "Our rate was 0.67 for many years; then, with property value declines, the rate went up. The taxes collection needed to make the bond payments don't change, just the parts of the equation above."

BHS residents' school taxes can be about \$509 more annually than for residents of the Troy School District, who pay on 3.3952 fewer mills. District residents also pay \$128 more than West Bloomfield School District residents, who pay 0.8523 mill less. However, BHS residents with a \$300,000 house pay about \$313 less than Birmingham Public Schools residents, who pay for up to 2.0884 more mills. None of the four districts charged residents the maximum approved amounts in 2011.

## BOND OPTIONS

BHS is considering a bond proposal to add on 1.22 or 1.56 mills to construct a 64 percent new unified high school at the current Andover High School site. It would cost residents with a \$300,000 house \$183 or \$234 more per year, respectively, depending on which millage were to be adopted. The new \$2,300 and \$2,351 total school taxes would still be less than the \$2,430 residents in Birmingham Public Schools pay.

"The town hall meetings are providing us the opportunity to learn what residents do and do not know," Shira Good, BHS communications director, said via email. "The town hall meetings are also a way to find out what the community wants out of the schools. In order to improve the quality of our educational spaces, we'll need to invest in them."

The possible tax increase, which would last 30 years, would eventually be offset by the sinking fund dropping from 1.4834 mills to 0.74 mill in 2014 and then ending Dec. 31, 2018.

"The proposal is a tax increase, but with other debt dropping off and decreasing, the taxes will actually stay about the same, if not decrease slightly," Good said via email.

Additionally, a 0.9586 debt millage could return to its 0.79-mill rate of 2010 or 0.67-mill rate of several consecutive years prior until it expires in 2015.

The combined sinking fund and debt millage in 2010 — at 2.734 mills — was the third lowest in Oakland County, behind the Pontiac (2.18) and the Farmington (2.1) districts. Among 32 county districts, the average total is 5.8342 mills, with a maximum of 10.5 in South Lyon Community Schools.

The two primary millage options BHS is looking to choose from Feb. 16 and put on a ballot either in May or November provide

different things. The 1.22-mill bond looks to collect \$58.5 million over 30 years to build the basic package for the school reconstruction. The 1.56-mill bond would seek \$82 million to include both athletic and learning community package add-ons, which could also be done in a few years as separate projects.

These options are being discussed at two town hall meetings Feb. 8 — 10 a.m. at Bowers Farm and 7 p.m. at Bloomfield Hills Middle School — and 7 p.m. Feb. 15 at Eastover Elementary.

#### BOTTOM LINE

When factored into total millage amounts for BHS residents in the five different municipalities, the property tax amounts increase (on a

\$300,000 house) from a low of \$5,894 for 39.2946 mills in Orchard Lake to \$6,077 for the 1.22-mill addition or \$6,128 for the 1.56-mill addition.

On the high end, a \$6,448 property tax for 42.9893 mills in Bloomfield Township would respectively increase to a \$6,631 or \$6,682 annual maximum.

In Bloomfield Hills, a \$5,949 property tax for 39.6616 mills would increase to \$6,132 or \$6,183, respectively.

West Bloomfield's rate of 39.4090 mills would increase within the BHS district, and Troy residents in the BHS district would see an increase on their current 39.8106 mills.

"With interest rates so low for the past few years, we never came

close to arbitrage and benefited greatly from lower bids than projected because of the recession," said Mark Rajter, Troy schools' assistant superintendent for business services, via email. "That allowed us to do more than we anticipated originally with the (2004) bond issue. Troy typically had gone to its voters every (five to eight) years for bond issues to deal with buildings, buses and technology issues. We have never had a sinking fund."

According to Kostiuk, "The last bond issue for building and site purposes was approved by voters in November 1997. The amount was \$25 million, for renovation of facilities, science rooms, gymnasiums at secondary schools and technology."

Bloomfield Hills Schools' Municipalities	Total Homestead Millage	Total Property Taxes (\$300,000 residence)	Property Taxes Plus 1.22-mill bond	Property Taxes Plus 1.56-mill bond
Bloomfield Twp.	42.9893	\$6,448.40	\$6,631.40	\$6,682.40
West Bloomfield	39.4090	\$5,911.35	\$6,094.35	\$6,145.35
Troy	39.8106	\$5,971.59	\$6,154.59	\$6,205.59
Bloomfield Hills	39.6616**	\$5,949.24	\$6,132.24	\$6,183.24
Orchard Lake	39.2946**	\$5,894.19	\$6,077.19	\$6,128.19

\*\*No 0.59-mill for SMART

School Districts	Actual 2011 Operating Homestead Millage	Maximum Operating Homestead Millage	Maximum Operating Non-Homestead Millage	2011 Debt Millage	Sinking Fund Millage	Maximum Homestead Per District	Total Taxable Value	Maximum Residential Property Tax Per Residence (\$300,000 residence)
Birmingham	4.9995	13.2005	19.2356	3.0	0	16.2005	\$4,154,415,722	\$2,430.08
<b>Bloomfield Hills</b>	<b>8.6512</b>	<b>11.6701</b>	<b>18.0</b>	<b>0.9586</b>	<b>1.4834</b>	<b>14.1121</b>	<b>\$3,117,171,190</b>	<b>\$2,116.82*</b>
West Bloomfield	4.5665	5.1098	17.8597	8.15	0	13.2598	\$1,669,076,490	\$1,988.97
Troy	2.7304	6.0169	18.0	4.7	0	10.7169	\$3,562,981,820	\$1,607.54

\*Plus 1.22-mill bond proposal = 15.3321 total homestead mills = \$2,299.82 residential property tax

\*Plus 1.56-mill bond proposal = 15.6721 total homestead mills = \$2,350.82 residential property tax