



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: July 23, 2020

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager
Cathleen A. Russ, Library Director

Subject: Library Funding

History

- Voters approved a five-year, 0.7 mills dedicated library millage on August 2, 2011 and again on November 3, 2015.
- The current library millage will fund the Troy Public Library through the fiscal year that ends on June 30, 2021.
- Voters must renew or replace the library millage in order for the City to continue operating and maintaining the Library beyond June 30, 2021.
- City Council must determine the library millage rate and duration to be presented at the November general election by August 11, 2020, the deadline to approve ballot wording for November 2020.
- City Council held a special meeting to discuss library funding on June 8, 2020.
- On June 22, 2020, City Council approved an agreement with Cobalt Community Research (Cobalt) for library survey research. City Council also discussed library funding and City staff outlined a preliminary public engagement plan including the survey, virtual focus group(s), and virtual town hall meeting(s).
- On July 13, 2020, City staff presented a more detailed community engagement plan to City Council including specifics regarding the survey and virtual focus groups.
- On July 20, 2020, City staff presented the focus groups results and Cobalt presented an early data summary. Both the focus groups and the survey revealed strong community support for a new dedicated library millage.

Next Steps

The final survey results will be presented during the July 27 regular City Council meeting. City Council must then determine the library millage rate and duration to be presented at the November general election. The next regular City Council meeting is Monday, August 10, 2020 and Tuesday, August 11, 2020 is the deadline to approve ballot wording so City staff needs direction regarding the library millage rate and duration on July 27.



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Ballot Wording

Ballot proposals authorizing a millage rate must comply with the General Property Tax Act, Act 206 of 1893 (MCL 211.24f). Millage ballot proposals must fully disclose each local unit of government to which the revenue from that millage will be disbursed. In this case, local units of government include the City (for library purposes), Local Development Finance Authority, Downtown Development Authority, and Brownfield Redevelopment Authority. Each local authority is created under state law and “captures” library millage revenue for authority purposes. This may seem confusing but the 2011 and 2015 ballot questions are provided below so you can see how this requirement is met.

August 2, 2011

CITY COUNCIL WOULD BE AUTHORIZED TO LEVY 0.7 MILLS FOR DEDICATED LIBRARY FUNDING WITH THE SUCCESSFUL PASSAGE OF THE FOLLOWING QUESTION:

Shall the City of Troy levy new additional millage of 0.7 mills against all taxable property for a five (5) year period of time, 2011 through 2015, inclusive, for the dedicated purpose of operating and maintaining the library? 0.7 mills are equal to \$0.70 on each \$1,000.00 of taxable value. If approved, the additional millage levied will raise approximately \$3,114,125 in 2011, the first year it is levied. Millage revenue would be disbursed to the City for library purposes. Of this amount, state law requires the capture of approximately \$3,383 for Local Development Finance Authority, \$50,020 for Downtown Development Authority, and \$129 for Brownfield Redevelopment Authority purposes. This proposal is authorized under Section 6 of Article IX of the Michigan Constitution.

Yes _____ No _____

November 3, 2015

CITY COUNCIL WOULD BE AUTHORIZED TO RENEW A LEVY OF 0.7 MILLS FOR FIVE YEARS FOR DEDICATED LIBRARY FUNDING WITH THE SUCCESSFUL PASSAGE OF THE FOLLOWING QUESTION:

Shall the City of Troy renew its previously authorized millage of 0.7 mills against all taxable property for a five (5) year period of time, 2016 through 2021, inclusive, for the dedicated purpose of operating and maintaining the library? 0.7 mills are equal to \$0.70 on each \$1,000.00 of taxable value. If approved, the additional millage levied will raise approximately \$3,203,233 in 2016, the first year it is levied. Millage revenue would be disbursed to the City for library purposes. Of this amount, state law requires the capture of approximately \$5,042 for Local Development Finance Authority, \$52,808 for Downtown Development Authority, and \$3,197 for Brownfield Redevelopment Authority purposes. This proposal is authorized under Section 6 of Article IX of the Michigan Constitution.

Yes _____ No _____



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The statute also requires ballot proposals authorizing a millage rate to state all of the following:

- a) The millage rate to be authorized.
- b) The estimated amount of revenue that will be collected in the first year that the millage is authorized and levied.
- c) The duration of the millage in years.
- d) A clear statement of the purpose for the millage.
- e) A clear statement indicating whether the proposed millage is a renewal of a previously authorized millage or the authorization of a new additional millage.

Millage Rate

The current library millage does not cover the full cost of operating and maintain the library so the millage rate must increase to prevent future service reductions. Both the focus groups and the survey revealed strong community support for a new dedicated library millage of 0.9, 1.0, and 1.1 mill. More details about these options will be presented during the July 27 regular City Council meeting. In any event, City Council may levy less than the maximum approved by voters and the rate will be rolled back in the future when property values increase faster than inflation.

Millage Duration

Data collected by the Library of Michigan (Michigan Public Library Millage Results 2010 to November 2019) shows voters in 16 Oakland County communities approved dedicated library operating millage proposals between 2012 and 2018. One was approved in perpetuity and only one other community besides Troy approved a millage for five years. The rest ranged in duration from six to ten years with an average duration of 8.7 years. The focus groups revealed strong community support for a longer millage duration of eight or ten years. Many focus group participants believe the five-year duration has caused unintended voter fatigue because of the need to frequently renew the millage.