

RICK SOLLARS
Mayor

CYNTHIA A. BOWER
City Clerk

EDWARD L. SOURASSA
Treasurer

City of Taylor

23555 GODDARD ROAD
TAYLOR, MICHIGAN 48180

PHONE: (734) 287-6550 (Menu) - FAX: (734)
374-1343

www.cityoftaylor.com

CITY COUNCIL

TIMOTHY WOOLLEY
Chairman

ANGELA CR. OFT
Chairwoman Pro Tem

DANIEL A. BZURA
ANGIE WINTON
CHARLES JOHNSON
BUTCH RAMIK
CAROLINE PATTS

April 2, 2019

TIFA Board Members:

Attached is the proposed fiscal year 2019-2020 budget for the TIFA. The administration is also asking for approval for an omnibus amendment to the 2018-19 fiscal year budget. The amended budget amounts are listed under the "2018-19 Projected" column of the document. The following are highlights for each fiscal year budget.

TIFA Fiscal Year (FY) 2018-2019 Proposed Amended Budget Highlights:

Revenues:

1. \$359,659 decrease in tax increment revenue. The decrease is related to two items. First, as a part of the preparation for next year's budget, we received updated taxable value reports from the city assessor. The revised taxable value report showed an overall decline in taxable value of approximately \$3.2 million. The majority of the decline was attributed to personal property tax exemptions which essentially phases out most personal property taxes. TIFA will recoup most or all of the losses attributable to the personal property tax exemptions through the state Local Community Stabilization Authority (LCSA). The change in taxable value is equal to approximately \$90,000 of the decrease. The other reason for the decrease is related to a decrease in the captured tax millage rate. The original budget estimated a capture of 30.5416 mills, but with changes to the EPA levy and HCMA, the actual captured millage is 29.0956 mills. The 1.446 decrease equates to approximately \$270,000 loss in revenue.
2. \$633,800 increase to LCSA Personal Property Tax (PPT) Reimbursement. This item was discussed at prior board meetings and represents the reimbursement of tax losses as a result of the personal property tax exemptions. The original amount estimated was lower than what the TIFA received.

Expenditures:

No Budget Changes Related Expenditures

TIFA Fiscal Year (FY) 2019-2020 Proposed Budget Highlights:

Revenues:

1. Captured tax revenue is estimated to be \$6,661,400. This amount is based on the preliminary taxable value from the city assessor. The amount is estimated to be \$61,400 higher than FY 2018-19. The reason for this increase is related to the small increase in property values for the year. See TIFA revenue worksheet attached for more details
2. LCSA Personal Property Tax (PPT) Reimbursement for the year is estimated to be \$1,033,800 which remains the same as the amount received in FY 2018-19. It is anticipated to increase by a nominal amount but to be conservative the City is estimated the same amount.
3. Interest revenue is expected to increase a small amount based estimated higher rates and cash balances.

Expenditures (significant changes from previous year):

4. Contractual Services include Co-Star, MML dues and other smaller contractual services.
5. Miscellaneous expenditures include the membership fee for Aerotropolis.
6. City services are expected to be \$1,156,100. This amount is based on estimated cost allocations from the City and capped at 15% of tax increment revenue, including tax reimbursement from LCSA. In the budget package, you will see a document that details out the reasonableness of each department allocation.
7. The total annual debt service is estimated to be \$2,800,525, including paying agent fees.
8. The total estimated amount of transfer to the Brownfield fund is \$68,600. This is based on an interlocal agreement with the Brownfield Authority and is related to the Northstone and Lazy Boy brownfield sites. The amount is anticipated to be the same prior year based on initial projections from the assessor.
9. The other changes in capital outlay expenditures are based on estimated TIFA development projects that the administration would like to pursue during the year.

Please feel free to contact me if you have any questions prior to the board meeting. My number is (734)374-1460 and my email is jcouture@ci.taylor.mi.us

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. M. C.', with a stylized flourish at the end.

Jason Couture
CFO/Director of Finance

City of Taylor TIFA Proposed Budget Fiscal Year Ending June 30, 2020

	2017-2018 FY Actual	2018-19 Current Budaet	2018-19 Actual Year to Date	2018-19 Projected	Difference 2018-19 Budget	2019-20 Proposed	Difference 2018-19 and 2019-20
REVENUES							
Captured Taxes-Combined	6,954,136.78	6,959,659.00	6,599,627.20	6,600,000.00	(359,659.00)	6,661,400.00	61,400.00
Delinquent Real Taxes	(9,703.29)	-	-	-	-	-	-
Tax- MTT Adjustments	(29,262.05)	-	-	-	-	-	-
LCSA PPT Reimbursement	-	400,000.00	1,033,801.09	1,033,800.00	633,800.00	1,033,800.00	-
Interest Earnings	92,057.01	12,000.00	9,581.50	12,000.00	-	12,150.00	150.00
Refunds & Rebates	22,689.13	-	-	-	-	-	-
TOTAL REVENUE	7,029,917.58	7,371,659.00	7,643,009.79	7,645,800.00	274,141.00	7,707,350.00	61,550.00
EXPENDITURES							
Office Supplies	3,404.27	5,000.00	814.37	5,000.00	-	5,000.00	-
Professional Services	68,984.50	80,000.00	52,862.50	80,000.00	-	80,000.00	-
Contractual Service	69,731.02	70,000.00	15,722.11	70,000.00	-	70,000.00	-
Contractual Services -Website	7,380.00	7,380.00	7,380.00	7,380.00	-	7,380.00	-
Training / Transpnt	7,137.93	9,500.00	4,169.38	9,500.00	-	9,500.00	-
City Services	1,110,150.00	1,103,900.00	827,925.00	1,103,900.00	-	1,156,100.00	52,200.00
Miscellaneous	25,290.00	30,000.00	25,802.74	30,000.00	-	30,000.00	-
Refunds & Rebates	-	50,000.00	-	50,000.00	-	50,000.00	-
Taylor Sportsplex	770,981.22	1,287,812.00	1,031,627.65	1,287,812.00	-	750,000.00	(537,812.00)
LTGCffMGC Improvements	483,494.30	325,959.00	24,134.00	325,959.00	-	1,250,000.00	924,041.00
Brest Road Improvements .	145,229.64	-	-	-	-	150,000.00	150,000.00
Marketing	10,880.00	30,000.00	384.00	30,000.00	-	-	(30,000.00)
Racho Road Improvements	-	-	-	-	-	100,000.00	100,000.00
Eureka Road infrastructure	1,206,954.83	1,281,417.00	272,819.63	1,281,417.00	-	300,000.00	(981,417.00)
Pardee Road Improvements	202,894.59	-	-	-	-	100,000.00	100,000.00
Superior Road Resurface	-	-	-	-	-	100,000.00	100,000.00
Streetlight Projects	88,271.60	345,028.00	93,201.65	345,028.00	-	-	(345,028.00)
Beech Daly Road Improvements	3,033.98	-	-	-	-	-	-
Trolley Street Improvements	-	-	-	-	-	150,000.00	150,000.00
Beech Daly/Ecorse Comer	4,800.00	-	-	-	-	75,000.00	75,000.00
Signage- TIFA District	127,000.00	312,294.00	127,184.33	312,294.00	-	500,000.00	187,706.00
Van Born Road Improvements	43,881.98	700,000.00	14,419.01	700,000.00	-	-	(700,000.00)
Huron Road Improvements	202,306.03	-	-	-	-	-	-
Eureka Landscape Project	36,056.25	-	-	-	-	-	-

City of Taylor TIFA Proposed Budget Fiscal Year Ending June 30, 2020

	2017-2018 FY Actual	2018-19 Current Budget	2018-19 Actual Year to Date	2018-19 Projected	Difference 2018-19 Budget	2019-20 Proposed	Difference 2018-19 and 2019-20
Traffic Signals - Capital Items	-	-	-	-		100,000.00	100,000.00
Ecorse Service Drive	-	-	-	-	-	300,000.00	300,000.00
Transfer to Major Roads	20,902.42	-	-	-		-	-
Transfer to BRDA Fund	44,340.00	68,600.00	-	68,600.00	-	68,600.00	-
2013 TIFA Refunding Debt Series A	2,555,000.00	2,725,000.00	-	2,725,000.00	-	1,010,000.00	(1,715,000.00)
2013 TIFA Refunding Debt Series B	-	-	-	-	-	1,570,000.00	1,570,000.00
2013 TIFA Refunding Interest Series A	191,225.00	114,575.00	57,287.50	114,575.00	-	32,825.00	(81,750.00)
2013 TIFA Refunding Interest Series B	187,200.00	187,200.00	93,600.00	187,200.00	-	187,200.00	-
Paying Agent Fees	500.00	500.00	-	500.00	-	500.00	-
TOTAL EXPENDITURES	7,617,029.56	8,734,165.00	2,649,333.87	8,734,165.00	-	8,152,105.00	(582,060.00)
REVENUE OVER(UNDER) EXPENDITURES	(587,111.98)	(1,362,506.00)	4,993,675.92	(1,088,365.00)	274,141.00	(444,755.00)	643,610.00
BEGINNING FUND BALANCE	4,345,813.56	3,758,701.58		3,758,701.58		2,670,336.58	
ENDING FUND BALANCE	3,758,701.58	2,396,195.58		2,670,336.58		2,225,581.58	
% OF EXPENDITURES	49.3%	27.4%		30.6%		27.3%	

TIFA Revenue Worksheet- Fiscal Year 2019-20

			<u>Nothorn</u>	<u>L--9 A Bay</u>	<u>Golf</u>	<u>Eureka</u>	<u>Northline</u>	<u>Telegraph</u>	<u>Total</u>
<u>Total Tax Increment Revenue</u>									
City	Charter Operating		113,401.28	77,819.81	(1,759.59)	700,107.04	641,848.16	396,593.74	1,928,010
City	Publicity (Act 359)		498.26	341.92	(7.73)	3,076.07	2,820.10	1,742.53	8,471
City	P&F Retirement (Act 345)		115,810.40	79,473.02	(1,796.97)	714,980.28	655,483.75	405,019.07	1,968,970
City	Act 179 Authority		30,377.34	20,845.96	(471.35)	187,540.99	171,934.90	106,237.44	516,465
City	Garbage Tax (Act 298)		35,808.31	24,572.88	(555.62)	221,070.25	202,674.05	125,230.96	608,801
City	Building & Grounds (TBA) Tax Not Captured		0.00	0.00	0.00	0.00	0.00	0.00	
City	Library Tax		11,933.85	8,189.43	(185.17)	73,676.24	67,545.32	41,735.80	202,895
City	EPA Judgement Levy		20,695.04	14,201.66	(321.12)	127,765.32	117,133.43	72,375.97	351,850
County	Operating	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
County	DIA-Art	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
County	HCMA		2,866.98	1,967.42	(44.49)	17,699.92	16,227.03	10,026.57	48,743
County	Jail	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
County	Wayne County Comm College		43,641.67	29,948.40	(677.17)	269,431.17	247,010.66	152,626.25	741,981
County	WCTA		13,466.33	9,241.05	(208.95)	83,137.24	76,219.04	47,095.24	228,950
County	County Parks		3,311.37	2,272.37	(51.38)	20,443.44	18,742.26	11,580.71	56,299
County	Zoo Authority	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
ISO	RESA Special Ed	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
ISO	RESA Operating	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
ISO	RESA Enhancement Millage	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
State	State Education Tax (SET)	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
School	Operating	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
School	School Debt	Not Captured	0.00	0.00	0.00	0.00	0.00	0.00	
Total			391,810.83	268,873.92	(6,079.54)	2,418,927.96	2,217,638.70	1,370,264.28	6,661,436

TIFA Revenue Worksheet- Fiscal Year 2019-20

	Northem	HMB_e_y	<u>Golf</u>	<u>Eureka</u>	<u>Northline</u>	<u>Telegraph</u>	<u>Total</u>
Base Year - Taxable Value							
a. Real-Homestead	191,781	345,606	29,208	179,065	482,127	1,734,927	2,962,714
a. Real-Non-Homestead	5,196,913	18,918,250	251,742	39,561,482	9,438,073	25,015,486	98,381,946
b. Personal Property-Commercial	1,652,560	1,648,410		5,025,250	1,427,560	3,974,530	13,728,310
b. Personal Property-Industrial		2,776,510		8,280		4,140	2,788,930
b. Personal Property-Utility							
d. Act 198 Personal							
c. Act 198 Real							
Total	7,041,254	23,688,776	280,950	44,774,077	11,347,760	30,729,083	117,861,900
Current Taxable Value							
a. Real-Homestead	300,756	615,992		12,276,115	7,142,630	5,099,924	25,435,417
a. Real-Non-Homestead	19,697,624	27,179,134	72,000	102,991,854	69,754,882	65,260,500	284,955,994
b. Personal Property-Commercial	509,200	1,412,600		11,844,500	6,479,600	6,972,800	27,218,700
b. Personal Property-Industrial		2,004,000		458,300	3,525,500	491,100	6,478,900
b. Personal Property-Utility		1,718,100					1,718,100
d. Act 198 Personal					561,800		561,800
c. Act 198 Real				681,100	766,576		1,447,676
Total	20,507,580	32,929,826	72,000	128,251,869	88,230,988	77,824,324	347,816,587
Captured Taxable Value							
a. Real-Homestead	108,975	270,386	(29,208)	12,097,050	6,660,503	3,364,997	22,472,703
a. Real-Non-Homestead	14,500,711	8,260,884	(179,742)	63,430,372	60,316,809	40,245,014	186,574,048
b. Personal Property-Commercial	(1,143,360)	(235,810)		6,819,250	5,052,040	2,998,270	13,490,390
b. Personal Property-Industrial		(772,510)		450,020	3,525,500	486,960	3,689,970
b. Personal Property-Utility		1,718,100					1,718,100
d. Act 198 Personal					561,800		561,800
c. Act 198 Real				681,100	766,576		1,447,676
Total	13,466,326	9,241,050	(208,950)	83,477,792	76,883,228	47,095,241	229,954,687

City of Taylor
TIFA Fund Cost Allocation

		19/20	
		Basis Amount	2019-20
Department providing service	TIFA%		
City Council	10%	180,700	18,000
Mayor	30%	294,900	88,000
Corporation Council	15%	350,000	53,000
City Clerk	5%	391,520	20,000
Budget & Fin/Purch/Audit/Supp	25%	672,100	168,000
Human Resources	1%	734,800	7,000
Treasurer, inc. C/R & postage	15%	346,280	52,000
Planning Dept (See Below)	15%	122,400	18,000
Information Technologies	25%	568,800	142,000
Customer Assistance Center (CAC)	12%	462,100	55,000
Vehicle		flat	1,000
Equipment usage/Rent		flat	15,000
Risk Management/ Insurance	2%	2,290,000	46,000
Motor Vehicle Pool	1%	699,900	7,000
Department of Assessment	25%	399,800	100,000
Public Utilities	5%	363,000	18,000
Retirement/Fringes on above depts			<u>164,250</u>
Totals			972,250
Estimated labor & fringes (see below)			<u>229,100</u>
Total Allocation			1,201,350
Estimated 15% of TIFA Tax Revenue (Cap)			1,156,100
Lesser of 15% TIFA Revenue Cap or Calculation Above			<u>1,156,100</u>
TIF Wages & Fringes			
Est wages			186,600
Fringes			<u>42,500</u>
Subtotal			<u>229,100</u>
Planning Dept			272,400
Planning & Zoning Fees			<u>(150,000)</u>
Subtotal			<u>122,400</u>

City of Taylor
Reasonableness of Cost Allocations
Fiscal Year Ended 2019-20

The City annually allocates general overhead costs (City Services) to different funds. As a part of the annual budget process, the City submits the following reasonableness for each allocation related to the TIFA fund. The below services may not be all inclusive of the services provided.

City Council: The City Council reviews and approves the appointment of TIFA board members. The Council also reviews and approves TIFA development plans when applicable. Periodically, the Council receives and file agenda items that were previously approved by the TIFA board. The City Council also reviews annual budget/financial reports related to the TIFA authority.

Mayor: The Mayor's office reviews and approves development/capital plans and ideas that are presented to the TIFA board for consideration. The Mayor meets with prospective businesses who are interested in bringing new development to the TIFA district which potentially lead to increase tax increment revenues. The Mayor also attends legal meetings regarding TIFA issues and attends TIFA board meetings to discuss agenda items.

Corporation Counsel: In addition to legal costs that are charged directly to TIFA, there are items that corporation counsel reviews with respect to general City matters related to TIFA. Counsel works directly with the Economic Development team and business to administer/evaluate PA 198 applications as well as O.P.R.A requests within the TIFA district. In addition, Counsel assists in facilitating meetings with business owners interested in coming to the TIFA district.

City Clerk: The Clerk's office maintains all records of TIFA meetings, including board meeting minutes, posting of agendas and maintaining copies of TIFA plans. The Clerks office also handles FOIA requests related to TIFA.

Budget and Finance/Purchasing: The Budget and Finance department is in charge of all the accounting needs for TIFA. The department compiles monthly financial statements for the board. The department compiles the annual budget documents for the board's review and approval and also submits budget amendments when applicable. The department prepares work papers and supervises the annual audit of TIFA funds. The purchasing department is responsible for all the purchasing needs of TIFA, including obtaining bids/quotes for applicable purchases and pay debt payments when due.

Human Resources: The Human Resources (HR) department is in charge of personnel related matters for all employees of the City, including the economic development

personnel funded by TIFA. Among HR's duties is hiring and firing of personnel and administering employee benefits related to economic development.

Treasurer: The Treasury department is in charge of collecting property taxes, including taxes captured by TIFA. The treasury is also responsible for distributing tax increment revenues to TIFA as well as reconciling the TIFA tax reconciliation at year end.

Planning & Building: Planning and building department services are critical for economic development. If any business wants to develop in the TIFA district, it would have to obtain the proper planning documents and building inspections. The amount of department costs allocated to TIFA is net of the revenue generated by the department. For fiscal year 2017-18, the estimated revenue generated by these departments is sufficient to cover costs, so the amount allocated to TIFA is \$0.

Information Technology (I.T.): Along with maintaining computer/server systems so that the other listed departments can do their work related to TIFA, I.T. develops and maintains the City's Geographical Information System (GIS). The GIS system allows the City and external users to view TIFA district boundaries and properties. The system also allows users to compare them with a map of the City.

Customer Assistance Center: The Customer Assistance Center (CAC) processes general inquiries related to City matters. The CAC also assists property owners and developers from the TIFA district who call in or physically show up at city hall.

Risk Management/Insurance: This allocation is based on TIFA's estimated portion of liability insurance and other related risk management.

Motor Vehicle Pool: Estimated allocation based on of repairs, maintenance and fuel for the vehicle related to economic development/TIPA.

Department of Assessment: The assessing department is in charge of reviewing ownership changes to TIFA properties and assessing values to those properties. The assessing department also reviews TIFA properties tax appeals which are brought through the board of reviews and/or MTT.

Public Utilities: This allocation is based on the estimated use of telephone, internet, electricity and gas related to TIFA and the economic development department.

Retirement/Fringes: This allocation is based on the estimated retirement fringe benefits, including GERS and healthcare/vision/dental, for the listed departments and economic development department. The allocation is a reasonable 25%.