

City of Dearborn  
Tax Revenue Calculation & Comparison  
FY2013 (TY2012)

Fiscal Year:	2008	2009	2010	2011	2012	Estimate	2012 to 2013	
						2013	Difference	%
Taxable Value	4,640,433,045	4,637,775,727	4,404,137,430	4,046,229,516	3,634,455,748	3,454,202,582	(180,253,166)	-4.96%
At Risk Estimate	(36,000,000)	(36,000,000)	(55,000,000)	(75,000,000)	(60,000,000)	(30,000,000)	30,000,000	-50.00%
TV for Budget	4,604,433,045	4,601,775,727	4,349,137,430	3,971,229,516	3,574,455,748	3,424,202,582	(150,253,166)	<b>-4.20%</b>
Notes:	<i>The loss of 4% of TV from FY2012 to FY2013 represents a single year property value decline loss over \$2.9 million using the 19.5 operating and library millages only. This \$2.9 million amount is equivalent to and negates .85 mills of the tax rate increases. Each 1% loss in TV for FY2013 represents \$705,000 operating tax income loss.</i>							
Operating Millage	13.6275	13.6275	13.6200	13.6200	15.0000	18.5000	3.5000	
Garbage Millage	1.0400	1.0400	1.1800	1.3800	1.6900	1.9400	0.2500	
sub-total Operations	14.6675	14.6675	14.8000	15.0000	16.6900	20.4400	3.7500	22.47%
Library Millage	-	-	-	-	-	1.0000	1.0000	100.00%
Center Debt	0.5125	0.4525	0.4700	0.5300	0.6400	0.6500	0.0100	
CSO Debt	1.6000	1.6000	2.2300	4.0500	4.5700	4.7700	0.2000	
sub-total Debt	2.1125	2.0525	2.7000	4.5800	5.2100	5.4200	0.2100	4.03%
Total City Tax Rate	16.7800	16.7200	17.5000	19.5800	21.9000	26.8600	4.9600	22.65%
Tax \$ General Fund	\$ 67,535,522	\$ 67,496,545	\$ 64,367,234	\$ 59,568,443	\$ 59,657,666	\$ 69,990,701	\$ 10,333,034	17.32%
Tax \$ Library Fund	-	-	-	-	-	3,424,203	3,424,203	100.00%
Tax \$ Debt Funds	9,726,865	9,445,145	11,742,671	18,188,231	18,622,914	18,559,178	(63,736)	-0.34%
Total	\$ 77,262,386	\$ 76,941,690	\$ 76,109,905	\$ 77,756,674	\$ 78,280,581	\$ 91,974,081	\$ 13,693,500	<b>17.49%</b>

Fiscal Year	Tax Bill Estimate @ City Tax Rates Only						2012 to 2013	
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Difference	%
Estimated Home Value	\$139,166	\$138,296	\$134,392	\$117,480	\$106,870	\$93,132	(\$13,738)	-12.85%
Average Taxable Value	\$69,583	\$69,148	\$67,196	\$58,740	\$53,435	\$46,566	(\$6,869)	-12.85%
Tax Bill (full city rate only)	\$1,168	\$1,156	\$1,176	\$1,150	\$1,170	\$1,251	\$81	6.88%
Percent Change		-0.98%	1.71%	-2.19%	1.75%	6.88%		
Tax Bill (city rate only)	\$1,168					\$1,251	<b>\$83</b>	7.12%
							Cummulative Change 2008 to 2013	

Notes:

*The total city tax rate went from 16.78 to 26.86 or 14.7 mills or 19% increase from FY2008 to FY2013 with a net result of an \$83 tax bill increase or only a 7.12% increase for the average resident.*

*The Voted CSO millage went from 1.6 mills to 4.77 mills from FY2008 to FY2013. It is important to note that this Federally mandated project and corresponding millage/costs were expected to be an increase in taxation to the residents and in lieu of sewer bill increases. Over this time period voted debt millages produced income from \$9.7 million to \$18.5 million which is a substantial known (voter decision) increase and amount of money.*

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Fiscal Year:	2008	2009	2010	2011	2012	Estimate 2013	2012 to 2013	
							Difference	%

Fiscal Year	Value of 1 Mill & Taxing Capacity Loss						Cumulative Change 2008 to 2013
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
Tax \$ General Fund	\$ 67,535,522	\$ 67,496,545	\$ 64,367,234	\$ 59,568,443	\$ 59,657,666	\$ 69,990,701	\$2,455,179
Tax \$ Library Fund	-	-	-	-	-	3,424,203	\$3,424,203
Tax \$ Debt Funds	9,726,865	9,445,145	11,742,671	18,188,231	18,622,914	18,559,178	\$8,832,313
<b>Total</b>	<b>\$ 77,262,386</b>	<b>\$ 76,941,690</b>	<b>\$ 76,109,905</b>	<b>\$ 77,756,674</b>	<b>\$ 78,280,581</b>	<b>\$ 91,974,081</b>	<b>\$14,711,695</b>
Value of 1 Mill (Budget TV)	\$ 4,604,433	\$ 4,601,776	\$ 4,349,137	\$ 3,971,230	\$ 3,574,456	\$ 3,424,203	-\$1,180,230
Taxing Capacity Loss		-0.06%	-5.49%	-8.69%	-9.99%	-4.20%	<b>-25.63%</b>
Capacity Loss (2008 = Base)	\$1.00	\$1.00	\$0.94	<b>\$0.86</b>	<b>\$0.78</b>	<b>\$0.74</b>	(\$0.26)

Notes: The property value that generated a \$1 of tax revenue in FY2008 only generates \$74 cents of tax revenue in FY2013

Comparison of TV Decline on Operating Tax Revenue (include: Library Millage, Exclude: Garbage & Rubbish Millage)							
TV Loss Compared to FY2008	\$ (2,657,318)	\$ (255,295,615)	\$ (633,203,529)	\$ (1,029,977,297)	\$ (1,180,230,463)	Per year Avg.	<b>-5.13%</b>
Operating and Library Millage	13.6275	13.6200	13.6200	15.0000	19.5000		
Millage Change to FY2008	-	(0.0075)	(0.0075)	1.3725	5.8725		
						Cumulative	
Operating Revenue Loss from TV Decline @ Current Year Millage	\$ (36,213)	\$ (3,477,126)	\$ (8,624,232)	\$ (15,449,659)	\$ (23,014,494)	\$ (50,601,724)	Cumulative Loss
Portion Counteracted (offset) by Millage Change	-	(1,915)	(4,749)	1,413,644	6,930,903	\$ 8,337,883	Tax Rate Recovery
Net Impact of TV Decline on Annual Operating Tax Revenue	\$ (36,213)	\$ (3,479,041)	\$ (8,628,981)	\$ (14,036,015)	<b>\$ (16,083,591)</b>	<b>\$ (42,263,841)</b>	Net Cumulative Impact

**Proof:**

FY2008 Operating Tax Revenue	\$ 62,746,911	\$ 62,746,911	\$ 62,746,911	\$ 62,746,911	\$ 62,746,911	\$ 62,746,911
Current Year Op. Tax Revenue at FY2008 Tax Rate (13.6275)	\$ 62,746,911	\$ 62,710,699	\$ 59,267,870	\$ 54,117,930	\$ 48,710,896	\$ 46,663,321
Net Impact of TV Decline on Operating Tax Revenue	\$ -	\$ (36,213)	\$ (3,479,041)	\$ (8,628,981)	\$ (14,036,016)	\$ (16,083,591)

Notes: If the taxable value and operating tax rates remained 100% constant (no change) from FY2008 to FY2013, the City would have \$42 million more income cumulative and almost \$16 million more of income for FY2013 alone. This represents taxpayer savings produced by declining property values.

The operating and library millages were exclusively used for this analysis because the other millages are adjusted to match costs and therefore the millage increases directly offset the declining property values.