

City of Dearborn
Tax Revenue Calculation & Comparison
FY2014 (TY2013)

Fiscal Year:	2008	2010	2012	2013	Proposed	2013 to 2014	
					2014	Difference	%
Taxable Value	4,640,433,045	4,404,137,430	3,634,455,748	3,454,202,582	3,424,247,044	(29,955,538)	-0.87%
At Risk Estimate	(36,000,000)	(55,000,000)	(60,000,000)	(30,000,000)	(30,000,000)	-	0.00%
TV for Budget	4,604,433,045	4,349,137,430	3,574,455,748	3,424,202,582	3,394,247,044	(29,955,538)	-0.87%
Notes: <i>One mill generates \$3.4 million and the .87% taxable value reduction represents \$30 thousand loss per mill or \$772 thousand less income using 25.9 mills.</i>							
Operating Millage	13.6275	13.6200	15.0000	18.5000	18.5000	-	
Garbage Millage	1.0400	1.1800	1.6900	1.9400	1.9100	(0.0300)	
sub-total Operations	14.6675	14.8000	16.6900	20.4400	20.4100	(0.0300)	-0.15%
Library Millage	-	-	-	1.0000	1.0000	-	0.00%
Center Debt	0.5125	0.4700	0.6400	0.6500	-	(0.6500)	-100.00%
CSO Debt	1.6000	2.2300	4.5700	4.7700	4.4900	(0.2800)	-5.87%
sub-total Debt	2.1125	2.7000	5.2100	5.4200	4.4900	(0.9300)	-17.16%
Total City Tax Rate	16.7800	17.5000	21.9000	26.8600	25.9000	(0.9600)	-3.57%
Tax \$ General Fund	\$ 67,535,522	\$ 64,367,234	\$ 59,657,666	\$ 69,990,701	\$ 69,276,582	\$ (714,119)	-1.02%
Tax \$ Library Fund	-	-	-	3,424,203	3,394,247	(29,956)	-0.87%
Tax \$ Debt Funds	9,726,865	11,742,671	18,622,914	18,559,178	15,240,169	(3,319,009)	-17.88%
Total	\$ 77,262,386	\$ 76,109,905	\$ 78,280,581	\$ 91,974,081	\$ 87,910,998	\$ (4,063,083)	-4.42%

Fiscal Year	Tax Bill Estimate @ City Tax Rates Only					2013 to 2014	
	FY 2008	FY 2010	FY 2012	FY 2013	FY 2014	Difference	%
Estimated Home Value	\$139,166	\$134,392	\$106,870	\$93,132	\$93,178	\$46	0.05%
Average Taxable Value	\$69,583	\$67,196	\$53,435	\$46,566	\$46,589	\$23	0.05%
Tax Bill (full city rate only)	\$1,168	\$1,176	\$1,170	\$1,251	\$1,207	(\$44)	-3.53%
Percent Change		1.71%	1.75%	6.88%	-3.53%		
						Cumulative Change 2008 to 2014	
Tax Bill (city rate only)	\$1,168				\$1,207	\$39	3.34%

Notes: *The total city tax rate went from 16.78 to 25.90 or 9.12 mills or 54% increase from FY2008 to FY2014 with a net result of an \$39 tax bill increase or only a 3.3% increase for the average resident. Without the CSO millage the tax bill would be \$59 or 6% less today.*

The Voted CSO millage went from 1.6 mills to 4.49 mills from FY2008 to FY2014. 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 \$15.2 million which is a substantial known (voter decision) increase and taxation amount.

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Fiscal Year:	2008	2010	2012	2013	Proposed	2013 to 2014	
					2014	Difference	%

Fiscal Year	Value of 1 Mill & Taxing Capacity Loss					Cummulative Change 2008 to 2014
	FY 2008	FY 2010	FY 2012	FY 2013	FY 2014	
Tax \$ General Fund	\$ 67,535,522	\$ 64,367,234	\$ 59,657,666	\$ 69,990,701	\$ 69,276,582	\$1,741,060
Tax \$ Library Fund	-	-	-	3,424,203	3,394,247	\$3,394,247
Tax \$ Debt Funds	9,726,865	11,742,671	18,622,914	18,559,178	15,240,169	\$5,513,304
Total	\$ 77,262,386	\$ 76,109,905	\$ 78,280,581	\$ 91,974,081	\$ 87,910,998	\$10,648,612
Value of 1 Mill (Budget TV)	\$ 4,604,433	\$ 4,349,137	\$ 3,574,456	\$ 3,424,203	\$ 3,394,247	-\$1,210,186
Taxing Capacity Loss		-5.49%	-9.99%	-4.20%	-0.87%	-26.28%
Capacity Loss (2008 = Base)	\$1.00	\$0.94	\$0.78	\$0.74	\$0.74	(\$0.26)

Notes: **The property value that generated a \$1 of tax revenue in FY2008 only generates \$72 cents of tax revenue in FY2014**

Comparison of TV Decline on Operating Tax Revenue (include: Library Millage, Exclude: Garbage & Rubbish Millage)						
TV Loss Compared to FY2008	\$ (255,295,615)	\$ (1,029,977,297)	\$ (1,180,230,463)	\$ (1,210,186,001)	Per year Avg.	-4.38%
Operating and Library Millage	13.6200	15.0000	19.5000	19.5000		
Millage Change to FY2008	(0.0075)	1.3725	5.8725	5.8725		
					Cummulative	
Operating Revenue Loss from TV Decline @ Current Year Millage	\$ (3,477,126)	\$ (15,449,659)	\$ (23,014,494)	\$ (23,598,627)	\$ (74,200,351)	Cummulative Loss
Portion Counteracted (offset) by Millage Change	(1,915)	1,413,644	6,930,903	7,106,817	\$ 15,444,700	Tax Rate Recovery
Net Impact of TV Decline on Annual Operating Tax Revenue	\$ (3,479,041)	\$ (14,036,015)	\$ (16,083,591)	\$ (16,491,810)	\$ (58,755,651)	Net Cummulative Impact

Proof:

FY2008 Operating Tax Revenue	\$ 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	\$ 59,267,870	\$ 48,710,896	\$ 46,663,321	\$ 46,255,102
Net Impact of TV Decline on Operating Tax Revenue	\$ -	\$ (3,479,041)	\$ (14,036,016)	\$ (16,083,591)	\$ (16,491,810)

Notes: **If the taxable value and operating tax rates remained 100% constant (no change) from FY2008 to FY2014, the City would have \$59 million more income cumulative and almost \$16.5 million more of income for FY2014 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.