

Date: June 16, 2009

To: Charter Township of Marquette
Township Board Members
Ray Adamini, Supervisor
Patricia Mayer, Clerk
Ernest Johnson, Treasurer
and Trustees
Lyn Durant, Karen Lohf, Dianna Truscott and Linda Winslow

From: PWPL-TAC Member John Markes

Subject: June 3, 2009 Presidents Report

What follows is an accounting, by your appointed Peter White Public Library Township Advisory Council (PWPL-TAC) member, of library service and program costs and the need for revenue formula revision.

It was at early preliminary meetings of the PWPL District Library Exploratory Committee when reviewing PWPL revenue, that your representative noted the variances in revenue generated by municipalities now paying the 1 mill library tax. When the variance was questioned, the justification argument that was presented was that while the generated tax total varied the homeowner in each municipality with a common property assessment, due to state equalization, paid the same amount of tax.

Your representative, not content with that response, presented the counter position that taxes, other than the library tax, paid by residents in a municipality that has a mix of zoning (industry, multiple dwellings, business, commercial and residential) are not paid by the residents of a municipality that has made a conscious commitment to primarily be a residential community. The residents of a municipality with a zoning mix that generates a greater sum with the one mill tax, necessarily are asked to pay taxes that pay for the creation and support of the non-residential development. Such taxes are required to pay for added police and fire equipment and personnel, additional administration required for planning and inspection, construction to increase water and sewer capacity, and even additional road taxes to accommodate greater non-residential use. It became obvious that creating a district library, that state law required all participants to have the same millage, one that could be as high as four mills, was fraught with complex issues and the plan was scuttled.

Knowing that communicating the need for efforts to ameliorate the revenue formula now in place to support PWPL would not be easy, your representative suggested that the cost of providing service to a PWPL card holder, if established, would provide the common denominator to use to establish the sum required from all participating communities. The common denominator was established by taking the PWPL budget, minus dwindling state aid, grants, etc., and divide that amount by the total number of PWPL card holders in the City of Marquette and in the townships. That cost of providing card holder service, generated by PWPL staff, currently comes to \$79.92.

Your representative also realized that a comprehensive but easy to understand chart would be required to allow analyses of the issue. You will find attached my best effort at achieving such a document. Information contained in the chart was obtained from each millage paying township treasurer to gain further respect for the findings. The goal was to create a single assembly of facts to allow a greater understanding of current library income and expenses. The City of Marquette millage amount is set in perpetuity in state legislation passed in 1891, but for a number of millage participating townships like Marquette Township the renewal year is 2010.

The establishment of the attached chart, entitled PWPL-TAC Presidents Report received by the TAC body June 3, 2009, makes it possible for our township to present a compelling reason to justify requesting a lower millage fee than one mill in the upcoming 2010 contract when signed. A reading of the chart supports the position that the original one mill level assessed to all millage paying townships now results in an inequitable subsidy being enjoyed by some participants.

Only the PWPL Board of Trustees, appointed by the City of Marquette Commission, can influence a revision to the blanket one mill level being assessed to other townships, the TAC has no say in that determination. We do, however as a participating township, have the ability to only agree to put our new contract on the ballot in 2010 at a lower, more appropriate fee, than one mill.

Your representative proposes that the new contract sum in 2010 placed on the ballot be set at point 85 (.85), a reduction of point one five (.15). That is a saving in the contract of over \$30,000 for Marquette Township taxpayers in the first year. That savings will grow each following year as the starting millage of point 85 (.85) is further reduced by the favorable impact of the Headlee Tax Law.

2009 - Peter White Public Library - Township Advisory Council Presidents Report

Municipality	Population	Total Property Value	1.0 Millage First Approved	1.0 Millage Last Approved	Present Millage Rate with Headlee Reduction	Total Millage Yield with Headlee Reduction	Total No. of card holders in the municip.	PWPL real cost to service each card holder	Millage yield divided by the number of card holders in the municipality	loss / gain per card holder	Per capita millage	Total No. of card holders X real cost
Chocolay Township	6,095	167,357,455.	1992	2006	0.7662	128,229.	3,281 54%	79.92	39.08	40.84	21.03	262,217.
Marquette Township	3,286	176,196,915.	1993	2006	0.9111	160,533.	1,853 56%	79.92	86.63	+ 6.71	48.85	148,091.
Sands Township	2,127	58,837,760.	1992	2004	0.8623	50,735.	1,043 49%	79.92	48.64	31.28	23.85	83,356.
Skandia Township	907	20,141,824	2002	2006	0.9810	19,759	315 35%	79.92	62.72	17.20	21.78	25,174.
West Branch Township	1,710	23,887,883.	1992	2006	0.9374	22,392	611 36%	79.92	36.64	43.28	13.09	48,831.
Powell Township	724	53,201,440.					278 35%					
City of Marquette	20,714	561,531,189.	1891	In perpetuity	1.5	745,400.	13,046 63%		57.14		35.98	

This June 3, 2009, Presidents Report to members of the PWPL-Township Advisory Council made possible by data furnished by each millage paying township treasurer. The goal was to create a single assembly of facts to allow a greater understanding of current library income and expenses. The report is respectfully submitted by John F. Markes.