

## INSIDE MILLAGE REINSTATEMENT

Approximately 30 years ago, 1.1 mills of inside millage for the Danbury Township Road Maintenance Department were removed from the budget. At that time, the amount of inside millage being collected for this department exceeded expenditures and it was determined it should no longer be collected. Fast forward to 2024. The maintenance department garages and equipment storage buildings are spread over two locations, neither of which meet safety requirements nor have a dedicated office, breakroom or restroom for the staff. Three of these buildings have exceeded their useful life. Additional parking is needed at township hall for athletic events but cannot occur due to the placement of maintenance buildings currently in use. Below is a chronological summary of what led the trustees to request reinstatement of this millage.

1. A new maintenance facility was planned but fell through. In June 2023 we contracted with an architect to design a 4,000 square foot maintenance facility that would be located on the same property as the Police Department. We paid the architect just over \$90,000. The project cost estimate was \$760,000. Two bids were received. One for 31% over cost and one for 43% over cost. Both bids were so far over our threshold that we did not need to choose one. The cost would have exceeded our budget at that time. We then decided to put the project temporarily on hold.
2. We reviewed the need for new maintenance equipment and road maintenance projects. At today's cost, that amount is just over \$450,000. We also need to repave four major roads within the next few years. The cost estimate for that project, in today's dollars, is just under \$2 million.
3. The Ottawa County Auditor reviewed our funds for this department (which includes road and bridge tax, gasoline tax and motor vehicle license tax) and agreed our funds had been overstated after we found expenditures not properly itemized and, in some cases, revenues and expenses allocated to incorrect funds.
4. An opportunity to purchase a large building with acreage occurred in mid-April this year when Dianne Rozak was contacted by the owner of a 12,000 square foot building directly across from the Police Station on Bridge Road. The facility was built in 2017 and is located on five acres. A price of \$975,000 was negotiated and accepted. This transferred to the township on October 15. Since the building was used only for boat storage it is a priority to construct an office, breakroom and file storage as well as create restroom and locker facilities, install HVAC, add required safety/hygiene stations and pave the lot. The building has water and sewer stubs. We are approximating \$350,000 for this project and that will include demolition of current maintenance structures and the old salt barn at township hall along with parking lot repaving and striping at the hall. Once that has been completed, we will

determine the new location's potential for relocation of recycling services and, budget permitting, possible recreation facilities.

5. How much will this cost me? A property with a \$100,000 appraised value (\$35,000 assessed value) will pay \$38.50 per year. You can determine your cost by first finding your property on the auditor's website: [www.ottawacountyauditor.org](http://www.ottawacountyauditor.org) Look at VALUATION, then on the fourth line down you will find Total Value (Assessed 35%). The amount to the far right in this column is your taxable value. If your taxable value is \$35,000 the calculation is  $\$35,000 \times 1.1 \text{ mills} \div 1,000$ . That equals \$38.50 per year for this example. Here's another example. If your appraised value is \$275,000 (\$96,250 assessed value) the calculation is  $\$96,250 \times 1.1 \text{ mills} \div 1,000$  for a total of \$105.88 per year.
6. The millage will raise about \$450,000 annually after auditor fees and delinquencies are deducted. We anticipate the above projects being accomplished and fully paid within ten years. It is our intent to then closely review the potential of reducing this additional millage amount.
7. Without the inside millage reinstatement and to accomplish everything above, we would run a continual annual deficit of close to a quarter-million dollars provided we used all the funds we receive and assuming those revenue streams remain at current levels. We do not want to spend every single dime we have and accumulate that kind of deficit in the event of equipment failure or critical road repair.
8. The trustees believe this was the most economical, budget conscious decision that would serve the most residents for the long term. This information was presented to the Ottawa County Budget Commission on August 13, 2024. They agreed with our request and voted unanimously in favor of this reinstatement.

10/23/24