

## ORONOKO CHARTER TOWNSHIP

### Public Meeting to Present the Proposed Water and Sewer Project

June 30, 2010

## Meeting Format

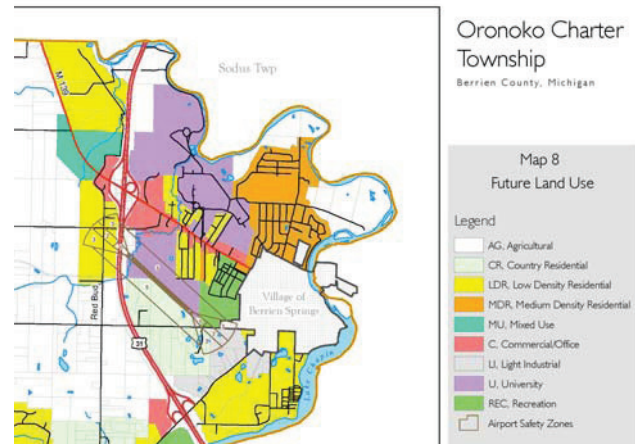
- Presentation for Entire Township
- Q&A

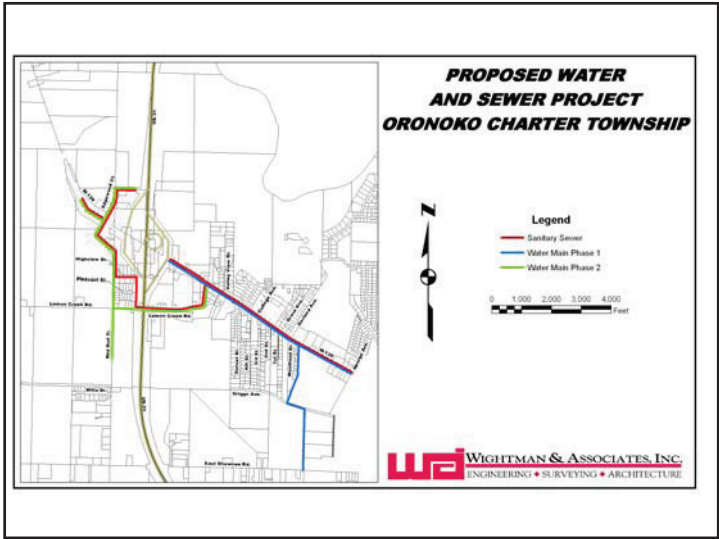
### ***Intermission***

- Presentation focused on Assessment District
- Q&A

## Benefits of Project

- Create jobs for residents during project construction, development of served properties, and in new business
- Replace decreased funding from State by increasing local tax base to fund Police and Fire services
- Draw development to a central location and control urban sprawl
- Establish local service businesses for convenience of residents and to keep money in the Township
- Immediately provide increased fire protection, possibly lowering insurance costs to residents
- Implement the goals of Master Plan as determined by residents





## Funding the Project

### Township Wide

- Millage
- \$300,000 Contribution from General Fund

### Inside District Only (discussed after intermission)

- Connection Fees
  - Water - \$3,500/4,000 per Residential Equivalent Unit (REU)
  - Sewer - \$5,000/5,500 per Residential Equivalent Unit (REU)
- Assessments
  - Sewer - \$2,000 per acre
- User Rates
  - Water - \$5 per month per REU
  - Sewer - \$5 per month per REU

## Financing the Project

- Township proposes to issue separate series “general obligation unlimited tax bonds” to pay for Phase 1 and Phase 2 of the Project.
- Bonds may not be issued unless approved by vote of electors.
- If approved, the Bonds will be supported by an additional ad valorem millage to be levied on all real and personal property located in the Township.
- The bonds will be outstanding for a period of 40 years; millage will be levied for the same 40-year period.

## Millage

- Although the Bonds are referred to as “unlimited tax” bonds, the amount of millage that the Township can levy in a given year is actually limited by a state law known as the Revised Municipal Finance Act. Each year, the Township may only levy a millage the “estimated collections” of which, **after taking into account available funds on hand**, will be sufficient to pay the principal and interest which is payable on the Bonds before the following year’s tax collections.
- Connection Fees, Special Assessments and User Fees/Debt Service Charges shall be treated as **available funds on hand**.
- Millage estimates are based upon the Township’s 2010 Taxable Value of \$235,698,387. Assumes no increase in Taxable Value in years 2011-2015 and that Taxable Value will increase at the rate of 2% per year beginning in 2016 over the remaining term of the Bonds.

## Millage

- Estimated December 1, 2010 millage levy:
  - Phase 1 .361 mills
  - Phase 2 .474 mills
  - Total: .835 mills
- Estimated annual average millage levy in years 2010-2049:
  - Phase 1 .302 mills
  - Phase 2 .396 mills
  - Total: .698 mills

## Sample Tax Bill

**ORONOKO CHARTER TOWNSHIP**  
4593 E. SNOW ROAD • PO BOX 214  
BERRIEN SPRINGS, MI 48103  
PH 268.471.2824 • FX 268.471.2826

**SUMMER TAX NOTICE**  
FOR THE TOWNSHIP OF ORONOKO  
BY THE COUNTY OF BERRIEN, STATE OF MICHIGAN  
FOR THE YEAR 2010

PROPERTY NUMBER: \_\_\_\_\_  
PROPERTY ADDRESS: \_\_\_\_\_

HOMEOWNER'S PRINCIPAL RESIDENCE

**TAXABLE VALUE**

TEMP - RETURN SERVICE REQUESTED

SCHOOL DISTRICT: BERRIEN SPRINGS 11240.0  
PROPERTY RITE: 100% HOMESTEAD  
PROPERTY CLASS: REAL - 401

TAXABLE: \$100,198  
EQUALIZED: \$103,700  
ASSESSED: \$103,700

Disc Use: 806.05  
1908

PROPERTY DESCRIPTION / MESSAGE	TAX DESCRIPTION	MILLAGE	AMOUNT
	COUNTY GENERAL	4.77230	478.17
	STATE EDUCATION TAX	6.00000	601.18
	OTHER LOCAL SCHOOL	2.92540	293.11
	TOTAL SCHOOL ***		894.29
	LAKE MICHIGAN COLLEGE	1.78540	178.89
	RESA GENERAL	.17450	17.48
	RESA SPECIAL EDUCATN	2.19540	219.97
	TOTAL		1,788.80

TOTAL TAXES DUE ON SEPT 14, 2010.  
AFTER SEPT 14 PAY TOTAL PLUS 1%. PAY  
AN ADDITIONAL 1% EACH MONTH UNTIL  
FEB 28, 2011. AFTER THAT DATE PAY TO  
BERRIEN COUNTY TREASURER.

Example: Phase 1 = \$31, Phase 2 = \$40

## Millage

	Millage	Taxable Value			
		\$50,000	\$100,000	\$150,000	\$200,000
<b>Phase 1</b>					
Avg. Annual Cost	0.302	\$15.10	\$30.20	\$45.30	\$60.40
Total for 40 years		\$604.00	\$1,208.00	\$1,812.00	\$2,416.00
<b>Phase 2</b>					
Avg. Annual Cost	0.396	\$19.80	\$39.60	\$59.40	\$79.20
Total for 40 years		\$792.00	\$1,584.00	\$2,376.00	\$3,168.00
<b>Phase 1&amp;2</b>					
Avg. Annual Cost	0.698	\$34.90	\$69.80	\$104.70	\$139.60
Total for 40 years		\$1,396.00	\$2,792.00	\$4,188.00	\$5,584.00

## Election

The Election will be August 3<sup>rd</sup>

There will be two proposals to vote on:

- Water and Sewer System Improvement Bonds – Phase 1
- Public Water System Improvement Bonds – Phase 2

## Questions?

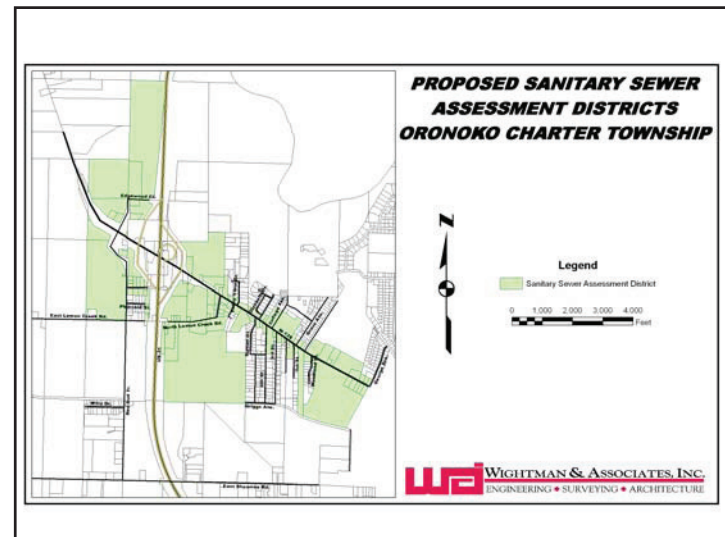
- Questions specific to those within the district will be answered after the second portion of the meeting.

## Intermission

- Remainder of the Meeting will focus on those within the District

## Who is in the District?

- All properties along the path of the Sanitary Sewer or Water Main are considered to be within the Corresponding District



## Sewer Area Assessment

- Will be paid by all properties within the District
- Amount is Based on the Acreage of the parcel
- Sanitary - \$2000 per acre  
Example: ½ acre lot will pay:  
\$1000 lump sum  
or  
**\$45 per year** for 40 years

## Sewer Connection Fee

- Mandatory for all Developed Property
- Amount is based on REU's

## What are REU's?

- REU = Residential Equivalent Unit
- 1 REU is equal to 1 single family home
- Amount of REU's assigned to a property are based on the use of that property and follow a table

## Sewer Connection Fee for Existing Development

- Mandatory for all Developed Property
- Amount is based on REU's
- Sanitary - \$5,000 per REU  
Example: single family home will pay:  
\$5000 lump sum  
or  
**\$225 per year** for 40 years

## User Rate

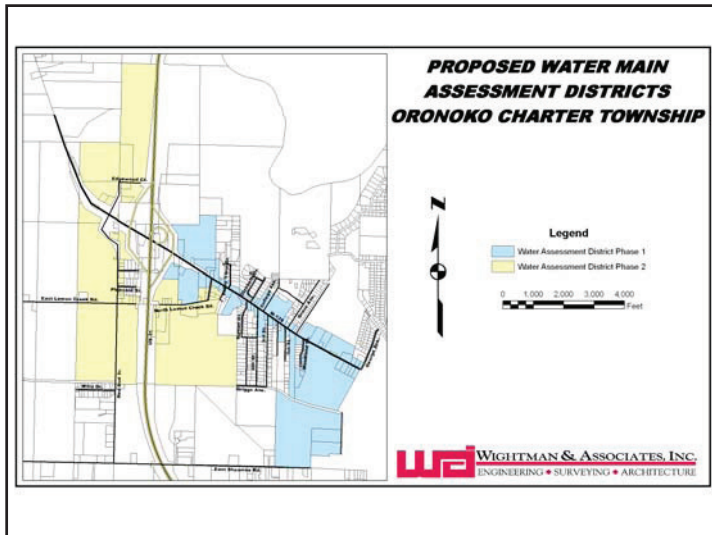
- Applies to properties once they are connected to the Sewer System
- \$5 per REU monthly  
Example: single family home will pay:  
\$5 x 12 months = **\$60 per year**

## Annual Sewer Costs

Example Single Family Home Annual Cost

Connection Fee	\$5,000 per REU assessed over 40 years at 3.25%	\$225
Area Assessment	\$1,000 for ½ acre assessed over 40 years at 3.25%	45
Usage Fee	\$5 per month	60
Total		\$330

\*costs include principle and interest



## Water Connection Fee for Existing Development

- Voluntary for all Property
- Amount is based on REU's
- Water - \$3,500 per REU  
Example: single family home will pay:  
\$3,500 lump sum  
or  
**\$158 per year** for 40 years

## User Rate

- Applies to properties once they are connected to the Water System
- \$5 per REU monthly  
Example: single family home will pay:  
\$5 x 12 months = **\$60 per year**

## Annual Water Costs

Example Single Family Home Annual Cost

Connection Fee	\$3,500 per REU assessed over 40 years at 3.25%	\$158
Usage Fee	\$5 per month	60
Total		\$218

\*costs include principle and interest

## Voluntary Connections and Letters of Intent

- This option is for owners of undeveloped property
- Benefits:
  - Discounted connection fee
  - Fee is spread out over 40 years at low interest rate
- Letters of Intent are non-binding

## Petition

- At least 51% of district as measured in land area must sign the petition to establish the district.
- Petition and Letters of Intent are available tonight.

Questions?