

**ANNUAL REPORT  
TREASURER'S OFFICE  
FISCAL YEAR 2004-2005**

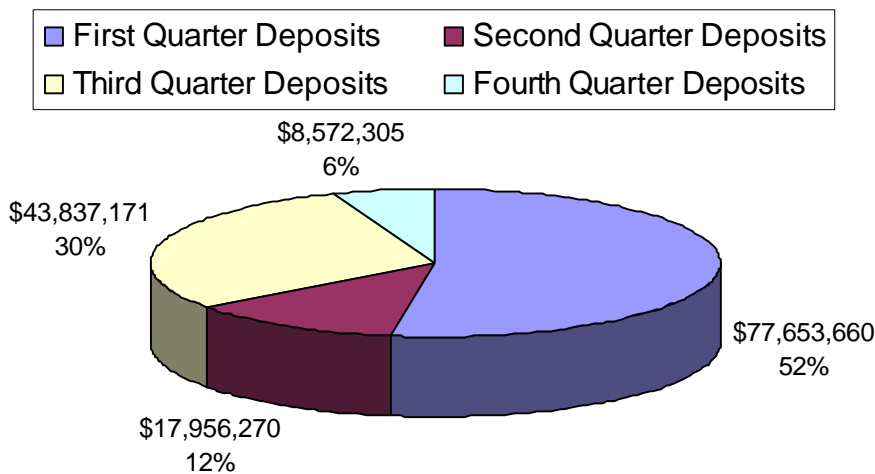
The major responsibility of the Treasurer's office is to act as the main collection point for monies owed the City, and for the collection and distribution of taxes owed other taxing entities within the jurisdiction of the City of Midland.

The Treasurer's office continually strives to maintain efficient, expedient assistance in processing funds. A friendly and ethical attitude is displayed as the office ensures fair treatment within legal guidelines.

**Daily Deposits**

During the 2004-05 fiscal year, the Treasurer's office processed 116,151 transactions that totaled over \$148,019,406 in collections. The chart below shows that 52% of the total dollars are collected in the first quarter. The summer tax bills are due and payable July 1 through September 15 without penalty, which accounts for the large percentage of income during the first quarter of the fiscal year. The winter tax bills are due and payable December 1 through February 15 without penalty. The majority of this activity is displayed in the third quarter of the fiscal year.

**2004 TOTAL DEPOSITS PER QUARTER**



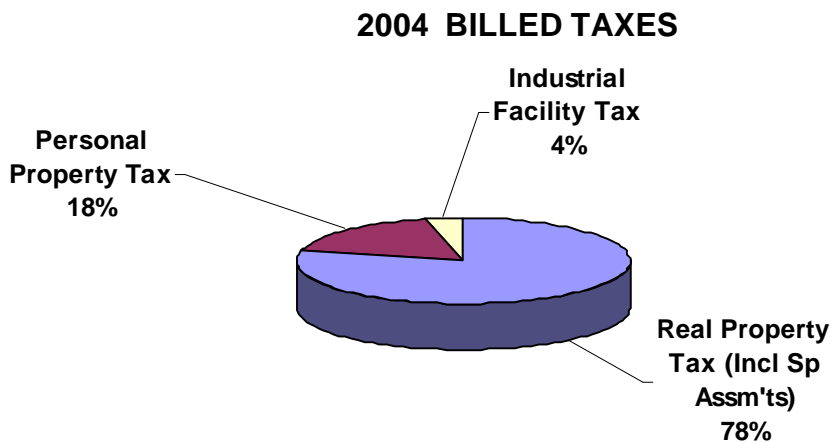
## Tax Collections

The City of Midland collects taxes for Midland Public Schools, Bullock Creek Schools, Bay City Schools, Delta College, Midland County Educational Service Agency, Bay/Arenac Intermediate Schools, Bay Metro Transit Services, Midland County, Bay County, Downtown Development Authority, and State of Michigan Education Tax. Per agreements with the taxing entities, we do not charge to collect taxes for those entities and the city keeps any interest earned on the collections prior to distribution to the taxing entities. Per state tax laws, all taxes collected by the first and fifteenth of the month must be distributed to the taxing entities within ten business days.

The City of Midland billed \$105,884,024 to residences, businesses and industries in its jurisdiction. From July 1, 2004 through February 28, 2005, the Treasurer's office collected and distributed \$104,714,317 in current taxes for a 98.90% collection rate. This tax amount is divided between the following:

	Amount Billed	Amount Collected	Collection Rate
Real Property	\$82,132,540	\$81,043,064	98.67%
Personal Property	\$18,780,163	\$18,725,164	99.71%
Industrial Facilities	\$ 3,725,702	\$ 3,725,702	100.00%
Administration Fee	\$ 1,046,214	\$ 1,034,835	98.91%
Special Assessments	\$ 199,405	\$ 185,552	93.05%

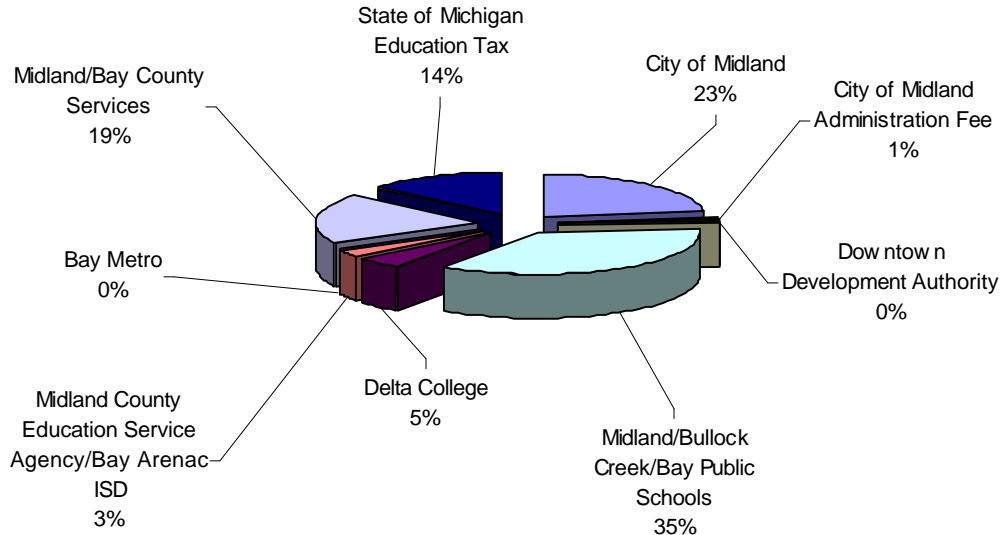
Of the tax levy for all taxing entities, 78% was real property taxes, 18% was personal property taxes, and 4% was Industrial Facilities taxes. A change in the state tax law, beginning with 2003 taxes, resulted in buildings on leased land to be considered part of the real property tax roll instead of the personal property tax roll.



### 2004 TAX LEVY BY TAXING ENTITY

City of Midland	\$24,169,118.25
City of Midland Administration Fee	\$ 1,046,213.58
Downtown Development Authority	\$ 39,202.20
Midland/Bullock Creek/Bay City Public Schools	\$37,762,744.16
Delta College	\$ 5,000,669.27
Midland County Educational Service Agency/Bay Arenac ISD	\$ 2,894,871.27
Bay Metro	\$ 3,374.75
Midland County/Bay County Services	\$19,950,709.35
State of Michigan Education Tax	\$14,817,715.70
Special Assessments	\$ 199,405.38

### 2004 TAX LEVY



Currently payments are accepted in the form of checks, money orders or cash. For customer convenience a night depository is available at the main entrance of City Hall for payment of bills after office hours. Also one week prior to the tax deadline in September, the Treasurer's office business hours are extended to 7:30 a.m.-5:30 p.m.

### Tax Appeals

The Dow Corning Corporation tax appeals were settled in October 2004. The treasurer was responsible for calculating revised 1996-2004 personal property and industrial facilities tax bills and 2004 real property tax bills; issuing the refund to Dow Corning Corporation; and invoicing the taxing entities for their portion of the refund.

## **Delinquent Personal Property**

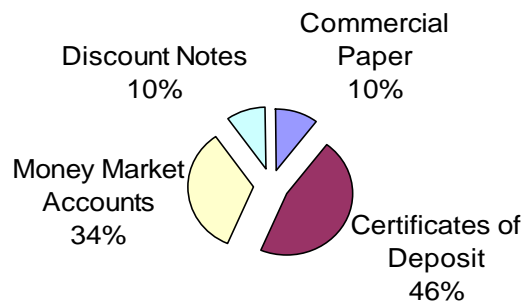
Delinquent personal property taxes that remain unpaid from 2004 and prior years continue to be collected through efforts of the Treasurer's office. In 2004-2005 over \$72,350 in taxes, penalty, and interest charges were collected from delinquent personal property accounts.

In April 2004 a tax collection policy was developed by the treasurer to aggressively collect the delinquent personal property taxes. With assistance from the City Attorney's office, legal action was taken against business owners who did not respond to other demands for payment of personal property taxes.

## **Investments**

The City of Midland has a diversified portfolio which contains investments in Certificate of Deposits, Money Markets, Commercial Paper and Agencies. City of Midland Investment Policy pursuant to Public Act 20 of the State of Michigan governs the investment of public funds and authorizes the use of investment instruments. With eight interest rate increases this fiscal year, the Federal Reserve System continued to raise rates at a "measured" pace which had a positive effect on short term interest rates. The Federal Reserve interest rate was 3.25% on June 30, 2005. This rate has a significant effect on the interest rates the city can earn on its investments.

### **INVESTMENT HOLDINGS JUNE 30, 2005**



## **Parking Enforcement**

Parking enforcement in the downtown area is a responsibility of the City of Midland Treasurer's office. The parking violations clerk patrols the downtown area for various parking violations which include, but are not limited to, overtime parking violations at \$5.00, prohibited zone parking at \$7.00, and obstructing traffic at \$15.00. All parking fines double if not paid within seven days. The Midland Police Department also issues tickets for parking violations throughout the city. The joint efforts of the Midland Police

Department and the Parking Violations Clerk created revenue of \$18,808 from 2236 paid parking tickets.

Permit parking spaces in the downtown four city-owned lots are leased through this office. Permit parking spaces are leased on an annual basis and include 174 outside spaces leased for \$140.00 per space and 46 parking ramp spaces leased for \$276.63 per space.

Additional parking options downtown include two-hour free parking spaces, free handicap parking spaces and metered parking spaces. The 62 metered spaces allow up to ten hours of parking time at a cost of twenty cents per hour. During the 2004-05 fiscal year revenue collected from these meters totaled \$6,134.

This fiscal year was a challenge for parking violations. The Treasurer's Office was short-staffed for the majority of the year due to the death of one staff member and the promotion of two staff members. The parking clerk provided assistance in processing payments received in the Treasurer's office which reduced parking enforcement in the downtown area. The parking violations clerk position was vacant for the last four months of the fiscal year due to a hiring freeze.

### **Police and Fire Retirement System**

The Police and Fire Retirement System, set up under Act 345, P.A. 1937 as last amended, provides for the establishment, maintenance and administration of a system of pension and retirement benefits for the personnel of fire and police departments. A five-member pension board consists of the City Treasurer, a member of the Police Department, a member of the Fire Department, and two members appointed by the City Manager. David Keenan was appointed to the Midland Police and Fire Retirement Board by Karl Tomion in July 2004, to fill the vacancy created when Robert Fisher retired.

The retirement system has 95 active members (49 police members and 46 fire members) and 100 retired members.

The Police and Fire Board of Trustees hired money managers with various styles to invest the funds for the system. A Smith-Barney representative remains as consultant to the Board.

### **Software Updates**

The check printing process was updated with new software and check printer from ACOM. These updates reduced the time needed to print checks, reduced the cost of check paper, and reduced annual printer maintenance costs.

The Treasurer's office, along with other city departments, spent many hours preparing and implementing the new windows based HTE software that was installed by Information Services in February 2005.

**Goals for 2005-06**

In the upcoming fiscal year the Treasurer's office goals include:

- Enhance the Treasurer's office presence on the City of Midland web site
- Explore more efficient means to provide customers with current tax information
- Explore alternate payment options

Prepared by: Sandy Marshall  
City Treasurer  
October 14, 2005