

OPC Operating Millage Renewal Information

What is the operational millage for? *The operational millage provides direct support to those programs that provide services to at risk seniors aged 50 years or older, such as nutrition (meals on wheels), transportation, senior support services and adult day care, required beyond the support provided by donations and grants. Further the operational millage provides for the upkeep and maintenance of the OPC facility (including all necessary capital improvements – the OPC cannot issue debt) and the general administration of the organization (including all required legal and financial reporting).*

Why the increase? *The organization is facing the effects of a substantial increase in demand for services as the number of individuals 50+ increases in the three supporting communities. This not only reflects more people in the facility, but more vulnerable individuals who need care and additional programming. The OPC authorized millage has never increased above the .25 mills since its inception in 1983. The OPC Board and Administration has worked hard over those years to meet the increasing demands WITHOUT asking for a base millage increase. Since 2014 the OPC has secured an additional \$205,000 in revenue and reduced potential expenses by \$515,000 in order to meet demands. All these efforts have been successful, however the “well is running dry”, additional resources are needed to meet these demands. In addition, the OPC facility is 17 years old; it has been maintained very well but, as with any facility, age is taking its toll. \$6 million in capital needs are anticipated in the next 10 years; since the OPC cannot issue debt or borrow, the funds must come from the OPC fund balance, which is supported by the millage.*

Why approve or deny the OPC millage? *The approval of the OPC millage will allow the organization to keep area seniors healthy and independent. The funds are needed to maintain the current programming for at risk seniors as well as maintain the OPC facility so that it can continue to be a place for area seniors to meet and interact.*

Why the different Millage Rates within Rochester, Rochester Hills and Oakland Township? *The Headlee Amendment to the Michigan Constitution (passed in 1978) altered property tax calculations. Simply, “Headlee” requires a municipality to reduce its millage rate to reflect the growth in property values; the more the value of property grows, the more the millage rate must be reduced. These calculations are municipality specific – based upon each jurisdiction’s growth. Since property value growth differs by each municipality, the level of millage reduction will also differ.*

Why the Different Fiscal Years for the three communities? *Michigan law allows (actually in some cases requires) different types of governmental units to have different fiscal years and different tax collection periods. Cities in Michigan can arrange their fiscal years by calendar year (Jan. 1 – Dec. 31) or a July 1 – June 30 year. Rochester Hills has a calendar year fiscal year and Rochester has a July 1 fiscal year. Further, townships in Michigan have an April 1 – March 31 fiscal year – Oakland Township falls under this category. So, the three communities that support the OPC have different fiscal years. To make this more fun – the OPC follows the State and Federal fiscal year of October 1 – September 30. Further, tax collection periods are different. Both Rochester Hills and Oakland Township place the OPC on the winter tax bill – collections start in December. Rochester places the OPC on the summer tax bill, collections start in July.*

Millage Talking Points:

- Since 1983 (37 years) there has been NO increase in the OPC’s operational millage of .25 despite increases in population and programs offered.
- Overall SEMCOG predicts that the 60+ population will grow 35 % by 2030 (from 2015);
- Building is 17 years old and estimates are it will need approximately \$6 million in capital improvements over the next 10 years. Since the OPC cannot borrow, money must come from operations and fund balance.
- On a home with a \$200,000 taxable value a 0.32 millage would cost \$64 per year (\$1.23 a week)
- The millage request will simply:
 - Keep our current programs and services operational at the high quality our residents expect and maintain the facility while allowing us to meet the demands of the increasing senior population.