



500 West Big Beaver
Troy, MI 48084
troymi.gov

J-05

CITY COUNCIL AGENDA ITEM

Date: February 19, 2019

To: Mark F. Miller, City Manager

From: Nino A. Licari, City Assessor
M. Aileen Dickson, City Clerk

Subject: School Property Tax Collection Authorization – Warren Consolidated Schools

History

The City of Troy and Warren Consolidated Schools have historically had an agreement authorizing the City to collect school property taxes on the district's behalf. In the past, this agreement was signed administratively by the City Assessor. This year, however, the Director of Fiscal Services for Warren Consolidated Schools requested that the Mayor and City Clerk sign the agreement.

Recommendation

City Management requests that the City Council approve the resolution authorizing the Mayor and City Clerk to sign the attached agreement for the City of Troy to collect the school property taxes on behalf of Warren Consolidated Schools.

**AGREEMENT WITH THE CITY OF TROY
TO COLLECT THE SUMMER 2019 and 2020 SCHOOL TAX
FOR WARREN CONSOLIDATED SCHOOLS**

THIS AGREEMENT, made and entered this 16th day of January, 2019, by and between the CITY OF TROY (hereinafter called Troy) and WARREN CONSOLIDATED SCHOOLS (hereinafter called School District);

WHEREAS, Act No. 206, P.A.1893, as amended authorizes a tax collecting unit to assess property values, to collect property tax levies and to administer the tax appeal process and further acknowledges the compensation to a tax collecting unit of a 1% administration fee for the execution of such services;

WHEREAS, Troy, by its Mayor and the School District by its authorized representative, have agreed to enter into a contract for the collection of the 2019 and 2020 summer tax which is collected in two (2) parts pursuant to the Troy City Charter;

WHEREAS, The City of Troy has also been charged by the County with the tax levies incurred prior to the indicated fiscal years;

WHEREAS, The City of Troy will incur expenses in the collection of delinquent personal property taxes for years prior to the indicated fiscal years from entities seeking protection under bankruptcy laws.

WHEREAS, The School District is willing to share in the additional expenses incurred by the City of Troy in the collection of delinquent personal property taxes from entities seeking protection under bankruptcy laws as follows: The City of Troy will incur all expenses that reflect the difference between the gross recovery of any delinquent personal property tax and the net amount due to the collecting unit for dispersal. The School District will agree to pay its pro-rata share (pro-rata is defined as the District's percent due of a net recovery collected on behalf of the District) of expenses incurred to recover delinquent personal property taxes by entities seeking protection under the bankruptcy laws;

WHEREAS, Troy and the School District both agree that Troy will avail itself to the established 1% statutory administration fee and shall further retain interest on any and all taxes collected while said taxes are within a City account;

WHEREAS, Troy agrees to remit by wire transfer the principal of those collected taxes to the School District, one time a week, every Friday, before 11:00 a.m., except when Friday is not the last business day of the week, in which case remittance shall be made on the last business day of the week.

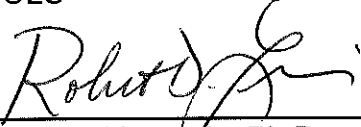
WHEREAS, either party may terminate this agreement without cause by delivering to the other party a written notice of termination within sixty (60) days of the annual termination date.

NOW, THEREFORE BE IT RESOLVED, that the City of Troy and the School District shall mutually perform the covenants and commitments indicated above and further agree to share in the expenses incurred in the collection of delinquent personal property taxes from entities seeking protection under the bankruptcy laws on a pro-rata basis as described herein.

CITY OF TROY, A Michigan
Municipal Corporation

By: _____
Dane Slater, Mayor

WARREN CONSOLIDATED
SCHOOLS

By:  _____
Robert D. Livernois, Ph.D.
Superintendent

And: _____
Aileen Dickson, City Clerk



Warren Consolidated Schools

Creating Dynamic Futures through Student Achievement, High Expectations, and Strong Relationships

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Superintendent

February 1, 2019

City of Troy
Mr. Dane Slater, Mayor
500 W. Big Beaver Road
Troy, MI 48084

Dear Mr. Slater:

Enclosed is the Resolution adopted by the Warren Consolidated Schools Board of Education on January 16, 2019. This Resolution states that the School District wishes to have the City of Troy Sterling Heights collect our annual school property taxes with the summer tax bills in 2019 and 2020.

We would greatly appreciate you and the City Clerk signing the two enclosed Resolutions and returning one signed document to our office by March 1, 2019. The second signed copy can be kept for your records. If you have any questions regarding this letter please feel free to contact me. Thank you very much for your anticipated cooperation.

Sincerely,

John Lettang
Director of Fiscal Services
(586) 698-4146
JLettange@wcskids.net

sla
Encs.

