

1. Public Hearing for Establishing Property Taxes and the Proposed FY2026 Budget



# CITY OF GRAND RAPIDS

## AGENDA ACTION REQUEST

Item Number: 1

**DATE:** May 13, 2025

**TO:** Mark Washington, City Manager

**COMMITTEE:** City Commission Meeting

**LIAISON:** N/A

**FROM:** Scott Saindon, Acting Chief Financial Officer  
Fiscal Services

**SUBJECT: Public Hearing for Establishing Property Taxes and the Proposed  
FY2026 Budget**

On April 29, 2025 the City Commission established the date, time, and place for a public hearing on the proposed City budget, and on the property tax millage rates proposed to be levied to support the proposed budget. The public notice was published in The Grand Rapids Press on May 4, 2025. The format of the public notice complied with the State requirements as set forth in Michigan Public Act 5 of 1982, as amended. In addition, it established the proposed property tax millage rates for 2025 as follows:

CITY OF GRAND RAPIDS PROPOSED 2025 (FY 2026) PROPERTY TAX MILLAGE RATE							
	2024 (FY 2025) TAX LEVY IN MILLS	2024 OPERATING LIMIT		2025 HEADLEE MILLAGE REDUCTION FACTOR		2025 AUTHORIZED TAX LEVY IN MILLS	2025 (FY 2026) PROPOSED TAX LEVY IN MILLS
*City Operating	5.6252	5.6252	x	0.9867	=	5.5503	5.5503
Library	0.3460	0.3460	X	0.9867	=	0.3413	0.3413
Refuse	1.8000	2.5223	X	0.9867	=	2.4887	1.8000
Promotional	0.0068	\$50,000.00		NA		0.0064	0.0064
Parks II	<u>1.1764</u>	1.1764	X	0.9867	=	<u>1.1607</u>	<u>1.1607</u>
	<b>8.9544</b>					<b>9.5474</b>	<b>8.8587</b>
* City Operating Allocation							
PURPOSE	2024 (FY 2025) ALLOCATION	2025 (FY 2026) ALLOCATION					
General Operating	2.4896	2.4398					
General Capital	1.2500	1.2500					
Library Operating	<u>1.8856</u>	<u>1.8605</u>					
	<b>5.6252</b>	<b>5.5503</b>					
<b>Truth in Taxation MCL 211.24e</b>							
2025 Base Tax Rate = 2024 Levy X 2025 BTRF= 8.9544 X 0.9570 = 8.5694							
The proposed 2025 (FY 2026) millage rate does exceed the base tax rate and the City is required to hold a public hearing to receive public input on the proposed millage.							

The average residential property in the City of Grand Rapids has a taxable value of approximately \$81,354. If the property tax millage rates shown above are approved, the property taxes for the average residential property for the City of Grand Rapids would be \$720.69. This compares to the prior year's average residential taxable value of \$76,146 and average City taxes of \$681.84.

The public hearings on the budget for the General Operating, Special Revenue, Debt Service, Capital Construction, Enterprise, and Intragovernmental Service Funds and property tax will be scheduled for Tuesday, May 13, 2025, at 7:00 p.m. at City Hall Grand Rapids, 300 Monroe Avenue NW, Grand Rapids, MI 49503.

The City has authority under its Charter and State law to establish the number of mills to be levied within its fully authorized millage rate subject to the limitations imposed by the Headlee Amendment (as amended by State Public Act 539 of 1982). The Headlee Amendment provides that the City Charter limit for the operating property tax levy for 2025 be authorized at 9.5474 mills (\$9.55 per \$1,000 taxable value). The City is proposing to levy 8.8587 mills (\$8.86 per \$1,000 taxable value) of the authorized 9.5474 mills.

The preliminary fiscal plan for FY2026 maintains essential services, sustains momentum on transformational projects, and positions the City to weather future uncertainty while remaining firmly rooted in our core values of accountability, collaboration, customer service, equity, innovation, and sustainability. On April 29, 2025, the City Commission was presented with the City Manager's FY2026 Preliminary Fiscal Plan with appropriations totaling approximately \$735 million. The City Commission spent time in the weeks thereafter listening to presentations from City staff, questioning staff, and deliberating on the budget. Budget Workshops were held with the City Commission on May 6, 2025, and May 13, 2025. The FY2026 Final Fiscal Plan will come before the City Commission for adoption on May 20, 2025. The 2026 fiscal starts July 1, 2025.

We hope interested citizens can attend the hearings to provide comment, oral or written, concerning the proposed property tax millage rate and the proposed City budget.

  
CORRECT IN FORM  
DEPARTMENT OF LAW



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