

Plan OK'd to pay school taxes in advance

By Casey Hans
staff writer

Farmington will pool with other Michigan municipalities, to buy tax anticipation notes for advance summer tax payment to Farmington Public Schools.

The city council approved a resolution Tuesday, June 24, to issue \$2.9 million in tax anticipation notes through the Michigan Bonding Authority, accord-

ing to City Manager Robert Deadman. The notes will be issued for Farmington schools and Oakland Intermediate Schools and should be ready for distribution July 1. The notes will be purchased at a 4.6 percent rate, Deadman added.

The arrangement — similar to a recent agreement between the district and Farmington Hills — was approved June 16 by the city council

and June 17 by the school board. The bond resolution was the final step in putting the arrangement into action.

Unlike Farmington Hills, Farmington's note purchase is through the Michigan Municipal Bond Authority in a pool arrangement of municipalities that have less than 50,000 population. Only those with more than 50,000 can buy and issue their own notes, according to Public Act 227 of 1985.

The consolidated notes would use the state's bond rating "to secure the best possible interest rate," according to Deadman.

The school district will receive its summer tax proceeds on July 1 with money from the note and immediately begin investing the money, which it is estimated will generate about \$50,000, city and school officials said.

The note would be sold at a higher rate, giving the city an estimated \$28,000 in revenue, Deadman said.

COLLECTED WINTER taxes will be disbursed to the school district each Friday, within five business days of collection. Money is now held by the three collecting agencies for 10-30 days before being distributed, according to school officials.

In a trade-off, the school district agreed to pay \$15,000 of the estimated \$22,000 in underwriting fees for issuing the note, while the city agreed to pay slightly more than \$15,000 in interest earned on property taxes collected after December 1985. School officials have estimated the district is due \$180,000 in interest earned by the three governmental units since December.

The district will forgive any claim it has to interest on previously collected taxes prior to Nov. 4, 1985, the date of a Michigan Court of Appeals decision involving the Grand Rapids school district and tax-collecting units in that Western Michigan district.

The agreements with Farmington and the Hills are being negotiated due to the Grand Rapids decision, which ruled the district had the right to interest earned by collecting governmental units before the money is transferred to the district.

THE APPEALS decision triggered a rash of litigation involving West Bloomfield, Commerce and White Lake townships, the city of Walled Lake, the Michigan Municipal

League and the Michigan Townships Association, which are challenging the ruling.

They all collect taxes for Walled Lake Consolidated Schools, which has countered, asking not only for future tax interest, but for interest going back six years. School districts can go back no further than six years, due to the statute of limitations.

West Bloomfield Township also collects taxes for a small portion of the Farmington Public School district, but no agreement has been reached with the township.

West Bloomfield "won't make any settlement until the court case is heard," Deputy Superintendent Michael Flanagan said. It was reported that the township is considering a 1 percent levy against its residents to cover the expense of paying the interest money to school districts.

In a verbal agreement with the city, Flanagan said the district would share in the costs of part-time help if daily turnover of funds becomes necessary due to legislation or further legal decisions.

Farmington Public Schools has never been charged a fee by any of the three governmental units for collecting taxes — its past costs were picked up in earned interest, according to Flanagan.

In deciding the case, the "courts followed the old common law principle of 'interest follows principal,'" Deadman said.

Flanagan originally met with city and township leaders last March to discuss the tax payment matter.

Furnishings for center eyed

Everything needed to furnish a new media center — including study carrels, bookshelves and other items — was approved for purchase June 17, by the Farmington Board of Education.

The items will be used in the new media center at Eagle Elementary. Money from the district's Capital Improvement Fund will be used.

A bid of \$60,861 from C.R. Equipment Sales Inc. of Lansing was accepted by the board. Two other com-

panies bid on the project, but only partially on the 22-item invitation to bid. C.R. Equipment was the only company submitting a full bid. The other two bids were \$11,843.99 for 10 items and \$68,773 for 13 items.

Site plans for the \$300,000 Eagle media center, 14 Mile and Middlebelt in West Bloomfield Township, were approved in December, 1985. The project is expected to be completed in time for use in the 1987 school year.



RANDY BORST/staff photographer

Learning fire safety

Pre-schoolers got a taste of fire safety at a particularly appropriate setting June 23 — Farmington Hills Fire Department headquarters. The hourlong fire safety outing was part of the city Parks and Recreation Department's Safety Town. The pre-school safety education program teaches pedestrian, motorist, bus, bicycle, railroad crossing, play, fire and home safety through child participation and demonstrations. Above, John Crow (tail) of the parks and recreation staff

stands behind Safety Town participant Blake Ashley as firefighter Kevin Borsche (right) demonstrate how the nozzle of a fire hose works. Borsche and firefighter Brad Christy, fire safety session leaders, not only explain fire equipment but also teach stop, drop and roll, to be used when clothing catches fire, and show a safety-oriented film, Fire Marshal Stephen Hume said.



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