

**CITY OF THE VILLAGE OF DOUGLAS
COUNTY OF ALLEGAN, STATE OF MICHIGAN
RESOLUTION NO. 14-2026**

**A RESOLUTION TO LEVY ADDITIONAL CHARTER-AUTHORIZED MILLAGE FOR
ROAD IMPROVEMENTS**

SUMMARY

This resolution authorizes the City to utilize approximately 1.4 mills of available Charter-authorized millage capacity to generate an estimated \$385,000 annually dedicated to improving the City's road system. These funds will be used to address deteriorating road conditions, reduce long-term repair costs, and move the City toward a more proactive maintenance approach.

Based on the City's 2026 L-4029, voters originally authorized up to 5.0000 mills for road maintenance and improvements. Due to cumulative Headlee Amendment rollbacks, the maximum allowable millage for 2026 has been reduced to 2.1728 mills, representing a loss of approximately 2.8272 mills, or approximately 56.5% of the City's original taxing authority. Using the City's 2026 taxable value of \$275,001,826, this reduction equates to approximately \$777,000 in lost annual revenue capacity.

The City currently retains the ability to generate approximately \$597,000 annually by levying the full allowable millage without voter approval. A partial levy of 1.4 mills would generate approximately \$385,000 annually.

Headlee rollbacks occur annually regardless of whether the City levies the available millage. As a result, unused millage capacity is not preserved and continues to decline over time. This resolution represents a strategic use of existing authority to prevent further erosion of available capacity while advancing necessary road improvements.

This is intended as an interim investment while the City develops a long-term infrastructure funding strategy. The additional millage is anticipated to be levied with the City's winter tax collection to align with road and maintenance improvements funding needs.

At a regular meeting of the City Council for the City of the Village of Douglas, Michigan, held at City Hall on the 1st day of June, 2026, at 6 p.m.

WHEREAS

WHEREAS, the City of the Village of Douglas is authorized under its Charter to levy up to 5.0000 mills for road maintenance and improvements; and

WHEREAS, due to cumulative Headlee Amendment rollbacks, the maximum allowable millage rate for 2026 has been reduced to 2.1728 mills; and

WHEREAS, this reduction represents a loss of approximately 2.8272 mills, or approximately 56.5% of the City's originally authorized taxing capacity; and

WHEREAS, using the City's 2026 taxable value of \$275,001,826, this reduction equates to approximately \$777,000 in lost annual revenue capacity; and

WHEREAS, the City currently retains the ability to generate approximately \$597,000 annually by levying the full allowable millage without voter approval; and

WHEREAS, a partial levy of approximately 1.4 mills would generate an estimated \$385,000 annually for road maintenance and improvements; and

WHEREAS, Headlee rollbacks occur annually regardless of whether the City levies available millage, resulting in the continued reduction of unused millage capacity over time; and

WHEREAS, the City's road network has experienced deterioration, with a significant portion of roads currently classified in fair to poor condition, requiring increased investment to prevent further decline and higher long-term costs; and

WHEREAS, the City Council recognizes that proactive and annual investment in road maintenance and reconstruction is necessary to protect public infrastructure, ensure public safety, and maintain the overall quality of life within the community; and

WHEREAS, the City Council desires to utilize available Charter millage capacity to generate dedicated funding for improving and maintaining the City's road system; and

WHEREAS, the City Council intends that this additional millage be used specifically for road improvements and to support the development of a long-term, sustainable infrastructure funding strategy, including consideration of a dedicated road improvement or infrastructure fund;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Levy of Additional Charter Millage

The City Council hereby authorizes the levy of up to 1.4 mills of available Charter-authorized road millage capacity, subject to applicable Headlee limitations, as part of the City's annual tax levy.

2. Dedicated Use of Funds

Revenue generated from this additional millage, estimated at approximately \$385,000 annually, shall be allocated specifically for the purpose of:

- Road maintenance
- Road rehabilitation and reconstruction
- Related infrastructure improvements necessary to improve the overall condition of the City's road network

3. Long-Term Planning

The City shall utilize this funding to:

- Improve the condition of the road system
- Develop and implement a long-term road funding strategy, including consideration of a dedicated infrastructure or road improvement fund

4. Annual Review

The City Council shall review the levy and the condition of the road system on an annual basis and retains the authority to adjust the levy in future years as part of the annual budget and tax rate process.

5. Implementation

This additional millage shall be incorporated into the City's annual budget and tax rate resolution and administered in accordance with applicable law.

The additional millage authorized herein is anticipated to be levied in connection with the City's winter tax collection; however, the timing of collection may be adjusted by the City Council as part of the annual budget and tax levy process.