LATHRUP VILLAGE

City of Lathrup Village

27400 Southfield Road Lathrup Village, MI 48076 www.lathrupvillage.org | (248) 557-2600

TO: Mayor & City Council

FROM: Mike Greene – City Administrator

DATE: June 16, 2025

RE: Southfield Assessing Contract

Background Brief: As the Council is aware, communities that contract with Oakland County for assessing services have been raising concerns, and in some cases, changing vendors, after the Oakland County Board of Commissioners voted to raise rates.

There are 19 cities and 13 townships that contract with the Oakland County Equalization Division for assessing services, which determine taxable values. The county charges communities on a per-parcel basis. The contracts are for three years, beginning July 1.

The County's new rate model offers two options to communities: the Initial Rate Model or the Smoothed Model. For Lathrup Village, both models cost ~\$205,862 over the 3-year contract. The smoothed rate model would cost the City ~\$47,348 in year 1 and ~\$90,184 by year 3. The Initial Rate Model would cost the City ~\$65,670 in year 1 and ~71,862 by year 3. REMINDER – Before the County decided to change its rate structure at the last minute, our yearly bill was approximately \$38,000.

Due to this excessive rate change, the City published an assessing RFP with only one additional response other than Oakland County.

The City of Southfield submitted a proposal to become the City Assessor at a flat rate of \$50,000 per year (\$150,000 over the three-year contract).

Cost-wise, Southfield provides a better deal overall over the next three years.

After discussion during the June 2 Study Session, the City continued conversations with the City of Southfield and is confident they would be able to assessing services to the City.

Previous Action: June 2, 2025 – Study Session Discussion

Mayor Pro-Tem

Mayor

Economic Impact: FY 26 cost = \$50,000. The City budgeted \$58,000 in the FY 26 budget for assessing services.

Recommendation: It is my recommendation to approve the City of Southfield as the City's assessor. Recommended Motion: Moved by Council Member ______ seconded by Council Member _____ to approve the proposed three (3) year Assessment Contract with the City of Southfield, for a three-year cost of \$150,000, pending final City Attorney review. Kelly Garrett Bruce Kantor Jalen Jennings Jason Hammond Maria Mannarino

Council Member

Council Member

Council Member