

Where is the relief for individual St. James Taxpayers? Peaine taxpayers already have relief. The last time that taxes were equitable on Beaver Island between the two townships, on an individual basis, was the early 1980's. Since then the St. James taxpayer has been paying an increasingly higher tax than the Peaine taxpayer.

Before getting into the taxes and millages, I think it is very important to get on the same page about these joint ventures. I do not believe that Peaine Township **collectively** has a fire. I do not believe that Peaine Township **collectively** has a need for an ambulance. I do not believe that Peaine Township collectively needs a township airport. I do not believe that Peaine Township collectively needs a method of disposal of trash and a method to recycle. I believe that **individuals** in Peaine Township need all these things. I believe that **individuals** in Peaine Township should pay for these needs. I believe that Peaine Township **individual** taxpayers need these things just as much as a St. James taxpayer. I do not believe that Peaine Township collectively pays taxes. I believe that **individuals** in Peaine Township pay taxes. This entirely logical premise is the basis for the information and opinions presented here.

The 2012 tax bills and tax information will be sent out in the near future, and once again the St. James taxpayer is paying more for the same services than a Peaine taxpayer. So, no Peaine taxpayer better tell me how they can't afford to pay their taxes until they explain to me why I am paying more taxes for the joint services than they are. Of course, you know that I feel really bad for them that their property is worth more than my property. Of course, I feel really bad that they have to pay tax rates that are much lower than my tax rates. If you don't get the sarcasm of the last two statements, believe me, it's there.

Let's begin with the simple facts of 2012. The Taxable Value of the Peaine Township properties is \$71,634,050. The taxable value of the St. James Township properties is \$48,231,748. This means that the taxable value in Peaine Township is 48.75% higher than in St. James, but Peaine only wants to pay equal tax dollar for dollar for the joint projects instead of paying an equal amount of individual taxes.

Once again, we will provide the information about costs for two equal valued homes, one in St. James Township and one in Peaine Township, and demonstrate the unfairness of St. James taxpayers paying more tax for the same services. We will consider two equal valued properties in the two different townships and calculate the amount of individual property tax paid in the two townships. We'll use an \$80,000 taxable value as the beginning

### 2012 Tax Rates Compared (1<sup>st</sup> column St. James, 2<sup>nd</sup> Peaine)

<b>Voted Fire</b>	<b>0.9330</b>	<b>0.6282</b>
<b>Voted BIRHC</b>	<b>1.8000</b>	<b>1.8000</b>
<b>Voted Airport</b>	<b>0.8501</b>	<b>0.5724</b>
<b>Voted Transfer ST</b>	<b>1.3477</b>	<b>0.9074</b>
<b>EMS* Peaine's GF</b>	<b>0.9952</b>	<b>0.6701</b>
<b>BIHS* Peaine's GF</b>	<b>0.2488</b>	<b>0.1675</b>

Let's start with fire protection millage. The Peaine taxpayer will be paying \$50.26. The St. James taxpayer will be paying \$74.64. Once again the St. James taxpayer is paying 48.75% more for fire protection than the Peaine taxpayer. Let's move on to EMS service. The Peaine taxpayer will be paying \$53.60. The St. James taxpayer will be paying \$79.62. Once again, we find the St. James taxpayer paying more. How much more? 48.53% more. How about the transfer station? Peaine taxpayers pay \$72.59. St. James taxpayers pay \$107.82. How much more? 48.5% more. How about the BI Historical Society taxes? Peaine taxpayers pay \$13.40. St. James taxpayers pay \$19.90. How much more? 48.5% more. How about the airport? Peaine taxpayers pay \$45.79. St. James taxpayers pay \$68.01. How much more? 48.5% more.

If you are looking for the reason that there seems to be disagreement between the two townships on Beaver Island, I don't think you need to look any farther than this simple fact. Every St. James taxpayer is paying 48% more taxes for the joint ventures of the two townships. That is a pretty good reason for displeasure and disagreement, wouldn't you say?

How about the BIRHC? Peaine taxpayers pay the exact same amount of tax as St. James taxpayers. Apparently Peaine Board members believe that the rural health center is more important than fire protection, EMS, the airport, the transfer station, or the historical society because finally Peaine taxpayers are paying the same amount as St. James taxpayers. Peaine individual taxpayers pay the same amount for county taxes and school taxes, and, of course every tax on the tax bill except those that are for joint projects or individual township projects. Somehow Peaine thinks that paying less for the same services is fair.

Peaine taxpayers have been complaining that St. James sets the millage and Peaine matches the amount dollar for dollar. They complain that St. James is setting their tax bills, or at least their millage. There is nothing further from the truth. The fact of the matter is that Peaine Township Board members have been increasingly lowering taxes for Peaine Township property owners year after year after year since the early 1980's. For thirty plus years, individual St. James taxpayers have been keeping these joint ventures afloat. The Peaine Township Board members don't mind paying less for the same services just as Peaine taxpayers don't mind paying less for the same services. The fact of the matter is this "St. James sets the millage" fallacy has been a great excuse to hide the facts. Peaine taxpayers have a great deal. Each Peaine taxpayer is paying 48.5% less in taxes for the same services than a St. James taxpayer. It's such a good deal that they want to blame St. James for the entire situation to keep the facts from the logical people here on Beaver Island.

Many have stated that Peaine taxpayers won't vote to increase their taxes. The fact of the matter is that Peaine taxpayers have already voted the millage. It is the Peaine Township Board that has not levied the taxes that would somewhat equalize the disparity between the Peaine taxpayer and the St. James taxpayer. Let's take a quick look at what the Peaine taxpayers have already voted in regards to the millage for joint ventures. Peaine voters have voted .9984 mills for fire protection, not the .8000 levied by the board. Peaine voters have voted 1.9968 for the transfer station, not the .9074 levied by the board. Peaine voters have voted 1.9968 for the medical center, not the 1.800 levied by the board.

Peaine voters have voted .7500 for the airport, not the .5724 levied by the board. Peaine voters have voted a total of 5.742 mills for these four joint projects.

Peaine Township Board is responsible for their millage levy. Peaine Township Board should match millages not dollars. The Peaine Township voters have authorized millages that match St. James millages. Why doesn't the Peaine Township Board authorize and levy the millages approved by the Peaine voters?

If Peaine did levy the millages voted by Peaine voters, then St. James might be more willing to sit down with Peaine to discuss budgets and discuss what is the fair amount of millage that should be levied in both townships so that Peaine taxpayers and St. James taxpayers are paying equal millages and equal amounts for the joint projects on an individual taxpayer basis.

The tax millages in the two townships are the same for the County taxes and the school taxes, and now the BIRHC tax millages are the same, but for some reason, all the other joint ventures allow a 48.5% discount for every Peaine Township taxpayer. This has no basis in logic. It all began back when the taxable value of Peaine Township began to rise exponentially, back in the 1980's.

There is also another illogical premise circulating out there. It has been suggested before, and makes as little sense now than when it was first brought to the forefront in the 1980's. Here it is. If Peaine Township pays more taxes collectively than St. James Township, then Peaine should have more representation on the boards and committees taking care of the joint operations. I wonder how hard and long the County of Charlevoix would laugh if this was suggested at a County Commissioners meeting about county taxes. My guess is that any other governmental entity would think that this equal dollar contribution is unbelievable. The School Board on Beaver Island would also be laughing as long and as hard if this were suggested to them. Because a physical and geographical area pays more in taxes doesn't entitle them to more votes or more representation on any committee. This is always based upon population. Perhaps, the Peaine Township residents would like to compare the populations of the two townships?? The City of Charlevoix is in Charlevoix County and they pay more money in county taxes, so therefore they should have more say on the county board?? This entire concept is ridiculous.

If Peaine taxpayers are not willing to pay the same millage rate on an individual basis, then I believe that the cost to Peaine Township taxpayers and visitors, without any change in the millage rates, for all jointly funded services should be increased the 48.5% that St James taxpayers already pay. The cost of a green bag for Peaine Township taxpayers should be increased by that same percentage. The cost for an ambulance run in Peaine Township should be increased the same percentage. Every service provided to a Peaine taxpayer or visitor to a Peaine taxpayer should be increased by the 48.5%.

Here are a few examples. A four dollar green bag for St. James resident would cost five dollars and fifty cents for a Peaine resident. A six hundred dollar ambulance bill for a St. James resident or visitor would cost eight hundred fifty dollars for a Peaine resident or visitor. A St. James resident flying out of the township airport would not receive an increase in fare, but a Peaine resident would pay thirty-five dollars in addition to the normal roundtrip fare.

It is way past time to eliminate this fallacious thought pattern in Peaine Township. This tax advantage for joint millage is completely unfair to St. James taxpayers, is illogical, and has caused individual St. James taxpayers to pay thousands of dollars more for the joint projects over the last thirty years. It is time for this special privilege of individual Peaine taxpayers to end. It is time for Peaine taxpayers to pay their fair share on an individual taxpayer basis, not on a dollar for dollar match.

How could this be accomplished? It would require the Peaine Board to be willing to look at this from a different point of view. It would take representatives from both townships to sit down and look at this issue from an individual taxpayer basis. Here is an example. Let's say that one of the individual joint operation's budget required \$50,000 to provide the needed service. What equal millage in both townships would raise this amount of money? Here's how simple it is. Take the two taxable values in both townships and add them together. 48,231,748 plus 71,634,050 equal 119,865,798. Then take the 50,000 needed funds and divide by the total taxable value of the entire island. This produces the island-wide millage of .4171 mills. This could easily be accomplished for all joint projects. It might have to be adjusted to take the maximum voted millage in each township into consideration, but the calculation is really simple.

After the equal millage is determined and levied, the really important issues could come to the forefront. An example of one of the important issues is:

Let's pretend that the EMS needed \$120,000 to buy a new ambulance, which includes the interest on a loan. Let's further pretend that one ambulance was getting old and needed to be replaced. The group of township representatives could sit down and figure the amount of millage over the next five years that might pay off a new ambulance. A very simple calculation could take place using the total taxable value of the two townships. Without getting too involved in the possible increase in taxable values in the next five years, the process of calculation is easy. \$24,000 per year is needed. 24,000 divided by 119,865,798 gives .2002 mills. Simple and fair to the individual taxpayers in both townships is the way to get the two townships together to accomplish a needed goal.

No bickering, no fancy calculations, no guessing about what should be levied. The levy would be based upon what is needed. If there would be any difference in opinion, it would be directed where it should be directed—at whether the item on the budget is truly needed, at whether the voters needed to vote on the issue or whether it could be taken from the voted millage in effect, and at whether or not the suggested budget for these items has been researched and bids received.

It is time for individual Peaine taxpayers to pay their fair share of all the joint ventures! Thirty years of unequal taxes for the joint projects is enough!