

**From:** Jody Lundquist <[jlundquist@cityofbentonharbormi.gov](mailto:jlundquist@cityofbentonharbormi.gov)>  
**To:** "libraryfjk@yahoo.com" <libraryfjk@yahoo.com>  
**Sent:** Friday, June 28, 2013 1:52 PM  
**Subject:** 2012 Property Tax Analysis

Fred,

Per our discussion, I have attached additional information regarding 2012 property tax collections. As you will see, the remaining amount to be distributed to the Library for 2012 collections is \$35,467.20.

The Michigan Tax Tribunal (MTT) and Board of Review (BOR) rulings have been particularly hard on municipalities across the state. For those properties that the City has been charged refunds for prior year tax collections, a portion of the total refund due from the City to the County has already been distributed to the Library and Dial-A-Ride. At the request of the City, the County performed a review of all prior year MTT and BOR adjustments to determine the amount that would have appropriately been charged back to the Library and Dial-A-Ride. The result of this analysis is attached. The total amount of adjustments that were made to the Library's prior year tax collections total \$39,107.40. Because the amount the City will be charging back to the Library for prior year rulings exceeds the total amount of distributions remaining for 2012 collections and to avoid any unexpected hardship on the Library that withholding such chargebacks may cause, the City is willing to work with the Library to set up a payment arrangement. This payment arrangement may take the form of either a fixed payment over a specific number of months or by withholding future tax collections. It is the hope that we can come to a tentative agreement for formal approval by the City's Emergency Manger, Tony Saunders, and the Library Board ASAP.

I look forward to your response and meeting with you on Monday to discuss this further. Please let me know if you have any questions regarding the attached information.

Best regards,

Jody N. Lundquist  
Finance Director  
City of Benton Harbor  
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Benton Harbor, MI 49022  
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**Property Tax Analysis**  
**2012 Tax Year**

703-000-214.045

	<u><b>Library</b></u>
Gross Collections as of	
2/28/2013	272,723.07
Settlement	55,432.56
Adjustment Check	
City Brownfield	(19,020.24)
County Brownfield-A	(19,382.84)
County Brownfield-B	(4,814.40)
County Brownfield-W	(5.30)
County Land Bank	(74.01)
	<u><b>284,858.84</b></u>
Checks Cut	
7/20/2012	3,157.30
7/20/2012- Brownfield	
8/3/2012	9,704.41
8/3/2012- Brownfield	
8/17/2012	9,420.53
9/17/2012	28,733.13
9/17/2012- Brownfield	
9/17/2012- Landbank	
10/4/2012	168,726.23
10/4/2012- Brownfield	
10/4/2012- IFT	7,254.16
10/12/2012- Landbank	
10/12/2012-IFT	
10/25/2012	17,515.12
10/25/2012- Brownfield	
11/1/2012	2,020.53
11/16/2012	945.25
11/16/2012- Brownfield	
11/16/2012- Landbank	
11/29/2012	866.90
12/12/2012	789.25
1/2/2013	258.83
	<u><b>249,391.64</b></u>
Amt (Due) OverPaid	(35,467.20)
gl Balance	(35,467.20)
	0.00

**BENTON HARBOR CITY ADJUSTMENT CHARGEBACKS**

2011	PROPERTY NUMBER	LIBRARY	DIAL-A-RIDE
	11-51-0804-0003-07-9	1,036.11	465.10
	11-52-0019-0047-11-6	101.75	45.68
	11-52-0920-0038-00-2	6.58	2.95
	11-54-0009-0020-03-1	10,635.69	4,774.33
	11-54-0016-0302-09-9	130.55	58.61
	11-54-0340-0001-02-3	2,725.26	1,223.38
	11-54-2600-0022-00-5	81.71	63.27
	11-54-5138-0003-00-2	3.01	1.35
	11-54-5138-0004-00-9	3.29	1.47
	11-54-9940-0208-00-8	248.87	111.72
	11-54-9999-0009-00-5	6.85	3.07
	11-54-9999-0139-15-4	1.64	0.73
	11-54-9999-0213-00-1	2,551.38	1,145.31
	11-54-9999-0453-10-0	16.45	7.38
	11-54-9999-0730-05-7	3.29	1.47
	11-54-9999-1643-00-0	0.27	0.12
	11-54-9999-2060-01-6	16.45	7.38
	11-54-9999-2447-00-0	6.85	3.07
	11-54-9999-2710-00-2	29.00	13.01
	11-54-9999-3717-50-7	0.27	0.12
	11-54-9999-3975-00-0	1.64	0.73
	11-54-9999-3980-00-3	1,681.97	755.03
	11-54-9999-4522-00-9	3.29	1.47
		<u>19,292.17</u>	<u>8,686.75</u>

2010	PROPERTY NUMBER	LIBRARY	DIAL-A-RIDE
	11-51-0804-0003-07-9	3,094.80	1,389.24
	11-52-2400-0034-00-1	3.33	1.49
	11-54-0009-0020-03-1	2,589.78	1,157.38
	11-54-0340-0001-02-3	2,003.39	894.91
	11-54-0805-0010-00-0	2.78	1.24
	11-54-2300-0057-00-4	17.19	7.71
	11-54-9940-0208-00-8	236.71	106.26
	11-54-9999-0013-10-0	8.24	3.70
	11-54-9999-0048-00-1	8.24	3.70
	11-54-9999-0140-00-4	0.54	0.24
	11-54-9999-0181-00-2	3.29	1.48
	11-54-9999-0213-00-1	1,118.38	502.03
	11-54-9999-0241-00-5	3.57	1.60
	11-54-9999-0375-00-1	5.49	2.46
	11-54-9999-0690-00-4	33.26	14.93
	11-54-9999-1288-00-5	1.51	0.67
	11-54-9999-1573-00-1	345.02	154.87
	11-54-9999-2364-50-3	8.52	3.82
	11-54-9999-2710-00-2	9.69	4.35
	11-54-9999-2919-00-9	60.48	27.15
	11-54-9999-3975-00-0	1.64	0.74
	11-54-9999-3980-00-3	972.55	434.61
	11-54-9999-4522-00-9	3.29	1.48
	11-54-9999-4538-00-2	2.74	1.23
		<u>10,534.43</u>	<u>4,717.29</u>

**BENTON HARBOR CITY ADJUSTMENT CHARGEBACKS**

2009	PROPERTY NUMBER	LIBRARY	DIAL-A-RIDE
	11-51-0804-0003-07-9	3,123.56	1,401.73
	11-51-5020-0023-00-1	36.28	15.65
	11-53-0030-0138-00-1	21.74	9.38
	11-54-5950-0066-00-4	18.87	8.14
	11-54-5950-0067-00-1	56.89	24.55
	11-54-9999-0139-00-6	1.71	0.74
	11-54-9999-0274-00-1	0.85	0.37
	11-54-9999-0626-00-4	57.18	24.68
	11-54-9999-1195-00-7	10.29	4.44
	11-54-9999-1341-00-3	2.57	1.11
	11-54-9999-1685-00-4	14.28	6.17
	11-54-9999-2114-00-1	16.01	6.91
	11-54-9999-2917-00-6	12.00	5.18
	11-54-9999-2997-00-0	5.14	2.22
	11-54-9999-3093-00-7	81.19	35.04
	11-54-9999-4116-00-1	71.48	30.85
	11-54-9999-4514-00-6	100.07	43.19
	11-54-9999-4525-00-8	0.28	0.12
	11-54-9999-4529-00-3	2.85	1.23
	11-54-9999-4537-00-6	5.14	2.22
	11-54-9999-4546-00-5	14.29	6.17
		<u>3,652.67</u>	<u>1,630.09</u>

2008	PROPERTY NUMBER	LIBRARY	DIAL-A-RIDE
	11-54-0903-0066-01-3	76.14	34.19
	11-54-2300-0049-00-1	75.19	32.45
	11-54-9999-0125-00-5	0.28	0.13
	11-54-9999-0746-00-0	90.34	38.99
	11-54-9999-1876-00-4	20.86	9.00
	11-54-9999-2510-00-3	3,769.24	1,626.91
	11-54-9999-2916-00-0	7.14	3.08
	11-54-9999-2985-00-1	6.00	2.59
	11-54-9999-2996-00-3	8.57	3.70
	11-54-9999-3640-00-0	1.42	0.61
	11-54-9999-3952-00-0	7.14	3.08
	11-54-9999-4004-00-8	2.85	1.23
	11-54-9999-4006-00-1	4.28	1.85
		<u>4,069.45</u>	<u>1,757.81</u>

**BENTON HARBOR CITY ADJUSTMENT CHARGEBACKS**

2007	PROPERTY NUMBER	LIBRARY	DIAL-A-RIDE
	11-51-1200-0196-00-9	27.14	13.46
	11-51-5000-0063-00-8	29.01	10.40
	11-51-5000-0064-00-4	14.10	5.06
	11-51-5000-0065-00-1	11.15	4.00
	11-53-1950-0048-00-0	42.43	15.22
	11-54-0340-0227-01-3	21.53	7.42
	11-54-9999-1021-00-9	0.29	0.10
	11-54-9999-1080-00-5	7.28	2.51
	11-54-9999-1936-00-7	7.28	2.51
	11-54-9999-2043-00-6	8.74	3.01
	11-54-9999-2108-00-1	4.67	1.60
	11-54-9999-2442-00-8	145.66	50.25
	11-54-9999-2535-00-6	1.76	0.60
	11-54-9999-2717-00-7	9.61	3.31
	11-54-9999-2729-00-5	13.10	4.52
	11-54-9999-2885-00-7	7.28	2.51
	11-54-9999-2910-00-1	0.72	0.25
	11-54-9999-2921-00-3	5.24	1.80
	11-54-9999-2990-00-5	21.54	7.43
	11-54-9999-3286-00-0	42.82	14.77
	11-54-9999-3510-00-7	28.55	9.84
	11-54-9999-3592-00-3	452.44	156.09
	11-54-9999-3948-00-2	14.56	5.02
	11-54-9999-3949-00-9	14.56	5.02
	11-54-9999-3950-00-7	42.23	14.57
	11-54-9999-4511-00-7	0.87	0.30
	11-54-9999-4512-00-3	87.39	30.15
	11-54-9999-4527-00-1	13.98	4.82
		1,075.93	376.54

2006	PROPERTY NUMBER	LIBRARY	DIAL-A-RIDE
	11-51-0805-0038-03-2	53.79	19.44
	11-51-1200-0196-00-9	26.03	9.40
	11-52-0019-0070-04-5	159.28	55.35
	11-54-4800-0018-00-1	1.92	0.67
	11-54-4800-0019-00-8	1.54	0.53
	11-54-4800-0048-00-8	1.80	0.62
	11-54-9999-0183-00-5	33.01	11.47
	11-54-9999-0300-00-1	7.53	2.61
	11-54-9999-0970-00-7	14.48	5.03
	11-54-9999-1024-00-8	7.24	2.51
	11-54-9999-1156-00-1	11.00	3.82
	11-54-9999-1937-00-3	7.24	2.51
	11-54-9999-2060-00-8	8.68	3.01
	11-54-9999-2260-00-7	56.18	19.52
	11-54-9999-2369-00-9	2.89	1.00
	11-54-9999-2586-00-0	23.10	8.35
	11-54-9999-3340-00-4	19.12	6.64
	11-54-9999-3591-00-7	8.68	3.01
	11-54-9999-3645-00-0	3.06	1.10
	11-54-9999-3941-00-8	8.68	3.01
	11-54-9999-3947-00-6	21.72	7.54
	11-54-9999-3958-00-8	5.78	2.01
		482.75	169.15

**LIBRARY      DIAL-A-RIDE**

<b>TOTAL</b>	<b>\$39,107.40</b>	<b>\$17,337.63</b>
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RENDEL ELIE  
— & —  
ASSOCIATES PLC  
CERTIFIED PUBLIC ACCOUNTANTS

July 2, 2013

Benton Harbor Public Library  
Benton Harbor, MI 49022

Re: Property taxes

Dear Board Members,

Fred Kirby has provided me some information regarding the property tax collections and has requested our assistance in this matter.

It is my understanding that the Library has been contacted by the City of Benton Harbor for its share of the tax adjustments made by the Michigan Tax Tribunal board for the years 2006-2011 for a total of \$39,107.40. (See attachment).

The Berrien County Treasurer's office has confirmed to me that their review of the Library's share of the Michigan Tax Tribunal (MTT) adjustments for the period of 2006-2011 is \$39,107.40. The listing of the tax adjustments provided to the Library from the City of Benton Harbor was prepared by the Berrien County Treasurer's office, at the request of the City of Benton Harbor. The Berrien County Treasurer's office also reported that there will be adjustments for 2012, as well, which are not reflected in this figure.

Per my conversation with Kerry Vaughn at the Michigan State Treasury, Local Audit Department, there is not a statute of limitations on the time period that adjustments can be made to the tax collection.

The Michigan Tax Tribunal (MTT) board can be used as an appeal process for contesting the valuation of your property after an unsuccessful appeal at the local level. Because this is an appeal process, the outcome is not determined until after the current tax collection period. After a tax valuation change is approved by the MTT, the local municipality and the County receives correspondence of the change. When Berrien County receives notification of the changes, it invoices the entities that collected the tax, which in these cases, includes the City of Benton Harbor. The City of Benton Harbor receives an administration fee to collect property taxes for the Benton Harbor Public Library. As a result, the City is now approaching the Library for its share of these tax adjustments.

1010 Main Street  
St. Joseph, MI 49085  
(269) 983-1069  
(269) 983-3606 fax

My discussion with the Berrien County Treasurer's office also revealed some other forms of property taxes that the City of Benton Harbor collects, that are *not* overseen by the County Treasurer's office, which include:

- Industrial Facilities Taxes (IFT) & Commercial Facilities Taxes (CFT)
- Payments in Lieu of Taxes (PILT)

In addition, Berrien County collects and distributes *delinquent* personal property taxes to the City of Benton Harbor, which would include the Library's portion, as well. I have requested a record of the delinquent personal property taxes distributed to the City of Benton Harbor and a calculation of the Library's portion of those taxes.

I have also requested that the Berrien County Treasurer's office inquire with the Berrien County Equalization department for any information on the IFT & CFT taxes collected by the City of Benton Harbor on behalf of the Library. I have also contacted the State of Michigan for this information, as well.

The Treasurer's office of Berrien County has been researching with the State of Michigan on the PILT's that the City of Benton Harbor has collected, and I requested that information, as well from the State of Michigan.

I will forward this information to the Library, as it becomes available to me.

In conclusion, based upon the information provided so far, it appears to me that the Library is responsible for the \$39,107.40 of tax adjustments made by the Michigan Tax Tribunal board for 2006-2011. I would hope than any repayment agreement with the City of Benton Harbor would also allow for credits for prior tax collections of other forms of property taxes that have not been remitted to the Library in the past.

Sincerely,

*Lynda Elie*

Lynda Rendel Elie  
Certified Public Accountant

RENDEL ELIE & ASSOCIATES, PLC  
CERTIFIED PUBLIC ACCOUNTANTS

**From:** Lynda Elie <[LyndaElie@MyCPAFriend.com](mailto:LyndaElie@MyCPAFriend.com)>  
**To:** Fred Kirby <[libraryfjk@yahoo.com](mailto:libraryfjk@yahoo.com)>  
**Sent:** Wednesday, July 10, 2013 11:37 AM  
**Subject:** Other tax collections worksheet

Fred,

Attached is the worksheet I have been preparing from the confirmations received from various Treasury contacts for the Library's portion of the Payments in Lieu of Taxes (PILT), Industrial Facilities Tax (IFT), and Delinquent Personal Property Taxes. This worksheet is still incomplete, as I do not have the older IFT information or any of the Delinquent Personal Property Tax information. I may not receive the remaining information until after the next board meeting.

However, you can see from the summary sheet that I have already calculated \$35,000.40 due to the Library. Thought you would appreciate the update.

Thank you,

*Lynda Elie, CPA*

Lynda Rendel Elie  
Certified Public Accountant

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Benton Harbor Public Library  
Other Tax Collections

	<u>PILT</u>	<u>IFT</u>	<u>Pers Prop</u>	<u>Total</u>
1999	358.61	0.00		358.61
2000	365.42	0.00		365.42
2001	377.11	0.00		377.11
2002	389.18	0.00		389.18
2003	395.01	0.00		395.01
2004	404.10	0.00		404.10
2005	404.10	0.00		404.10
2006	409.47	5,397.23		5,806.70
2007	409.47	4,649.39		5,058.86
2008	405.08	6,110.30		6,515.38
2009	363.19	6,092.19		6,455.38
2010	353.71	4,861.47		5,215.18
2011	405.89	2,402.16		2,808.05
2012	447.33	0.00		447.33
	<u>5,487.66</u>	<u>29,512.74</u>	<u>0.00</u>	<u>35,000.40</u>

Sources:

2006-2012 Library portion of PILT provided by Lisa Harry, MI Treasury Department PILT program: 517-241-4358

1999-2005 PILT TV provided by Tom Reichard, MI DNR: 517-335-4957

2006-2011 Library portion of IFT provided by Jim Mills, MI Treasury Department: 517-373-3227

2006-2012 Library portion of delinquent personal property taxes collected by Berrien County provided by Brian Shank: 269-983-7111 Xt 8206