

Present: Lou Ognisanti (chair), Mayor Joyce Seals, Larry Coulouris, Joe Turner, City Attorney Thomas Fancher, City Assessor Lori Brown, City Manager Darnell Earley, and Julia Darnton (MSU Extension, recording). Members of the public present who signed in included:

The meeting was started at 6:02pm by Mr. Ognisanti. Second Meeting. Suggested a ten minute delay and then change to the time to meeting. Make some phone calls for next week. First Ward Community Center at noon. Northmoor neighborhood association and the south side neighborhood are also meeting at the same time. Additional members of the public arrived and the meeting began shortly thereafter. At 6:10pm Mr. Ognisanti opened the meeting.

He made opening remarks and presented information about the process of the committee. Introductions by the members of the committee. Acknowledgement of the member of the committee. Cross section of the community. And discussed how the committee is seeking input from the public in the process.

[move recognition of committee up to 2<sup>nd</sup> slide then rest of presentation. add section numbers on highlights page]

Important changes highlighting 3 changes. Two thirds majority to remove a city manager. Efficiency of the city can be positively impacted by a change to \$10,000 for purchasing. Significantly more than 10,000 other cities are above that level now but there are some things that are small and don't need to have the council's approval.

The judgement of the committee is that the city will have a great deal of trouble operating at that level.

[Lori Brown then did her presentation. ] Mr. Coulouris then exited.

The floor was then opened for questions or comments on the presentation and on the charter. Next week there will be additional meetings at other locations.

A member of the audience said that the location of the meeting made it difficult to hear. Situation is bad it was difficult to hear what Ms. Brown said. Environment is difficult.

Mr Public #1: The value of the tax would go down. Bay city is at a higher millage rate would the city raise the millage and improve the city. Income tax was something that he didn't know about and could that be removed. Capacity for taxes does not mean that taxes would be increased

Whatever happens in the millsage there would have to be a budget that goes before the city council. The adjustment of the millage rate would be a process. There would be responsible change to make the city of Saginaw competitive with toehr city. The city has to develop budgets without revenue to cover the costs. The city will not have that wiouth the ability of the city to

cover the costs . the millage for public safety will make it difficult to collect addtioanl revenue or to cut services in the city. Because of flexibility. Providing the assessment services and legal services that are necessary to the operation of the city.

Nothing is off-limits in the discussion of the future. To remove the cap and to reduce the income tax. If that was taken away the city would have to look at reducing services. There is no wrong answer.

Response to that: how is this better and how does this help the city.

Mr. Earley: If sales were down and there was no ability to make capital imrpvvens in the city and there was no ability fix ageing and inefficient city hall. Fire apparatus. Long-term planning cannot account for those expenses. It is a chore just to meet expenses. A zero-growth budget is nessary and that does not account for the increases in expenses over time.

It will make it easier for the city to meet the needs of the community.  
The city is operating on 1979 dollars.

Mr. Earley the public safety millage will only allow the city to collect 3.8 million dollars and with a declining base for income tax – income tax would only have to be in place.

Was the income tax considered?

City income tax was not part of the analysis and the city will not look at that unitl there is a final recommendation. It is htat much more difficult for future governments to continue to provide quality services.

Wrost case scenario there was 57 dollars instead about 1 dollar per week and that would bode well for the future of the city. A zero growth budget for 2010. and makes it more difficult for the city. Call the office.

MR PUBLIC #2: The voters of the city would see that things are improveing. Inside and outside of the city. Removing the cap – the idea is that the city wins both ways. Want to see income tax phased out over time. Tehre are friends that refuse to live in the city because of the income tax and others that want to leave because of income tax. Many of the income tax cities are in trouble but other cities without income tax are doing well.

Many cities do not want an income tax in the city rather pay it in the property value. That is a theme in his circle of friends and that is what is important. Been in the city for 5 years and the quality of life has improved in the last 5 years.

Question: what is the balance of the collection of taxes for those who don't own property and those who would not pay their share of tax and getting services.

What is the value of the income tax as it relates to mills. Get a rate based on what the income tax would cost the city.

No other city has done this. Decisions were made in the past without a view toward how that would affect the future. How do we make sure that we don't have the same problem in the future. A more viable city and a place for businesses to locate in the city.

More diverse economy in Grand Rapids and Bay City. That is becoming more difficult because of perceptions about the quality of life or the safety in the city. If the city does not have the money to turn the situation around. Examine the tax structure issue and things will have to change for the better. The city cannot rely on the income tax to make up the difference in the future because of the changing economy. There will need to be more changes like Hemlock. The public has to look further – but they don't.

They are looking for a give and take on the issue. People will not live here if it is not cost effective.

DE: For purposes of this meeting it is important to get the information out to the public. Things in place on the one hand are more constricting. Whatever happens in this process the manager must balance the budget. And services cannot be maintained at the current level with the current structure. What is in the best interest of the city of Saginaw. Rebuild the economy first and then getting rid of the income tax. Need public safety to get some new park going. It is important for people coming to these meetings to ask what they are willing to invest in the city of Saginaw. Not looking to line pockets but to improve neighborhoods. Gotten out of that scenario.

Comments and recommendations. A first cut.

Income tax is not in the city charter. The council and manager are going to have to deal with those questions. The administration and the council will have to look at the issue.

Another idea: can the city sell this to the public in a different way. The media. A lot of information here tonight that is different – the chart is very helpful to see.

Initial question about how to make the city better. The income tax better. Fundamental problem that city faces. Where there limited resource and great challenges – there were areas that were resurrected by the people in the area after a street repavement. Bad road and blighted properties. Signs of foreclosure and blight. Board of review – investors a danger to the city is where owner occupied homes are converted to rentals. The concern for safety is higher because the person lives in the area. The home are in good shape. Owner occupied home to rentals. Converted back to single family homes and lower turnover of residents. 50% reduction in value for rental homes.

Property tax cap is so damaging. The economic development the value of the income tax versus property tax. If there were enough jobs in the area there would be enough revenue generated to eliminate the property tax all together.

Changes were made where appropriate but there were some changes that were necessary.  
(BACK TO PRESENTATION)

MORE COMMENT FROM THE PUBLIC

The meeting was adjourned at 5:25 pm.

Respectfully submitted,

Julia Darnton