

Present: Lou Ognisanti (chair), Mayor Joyce Seals(vice-chair), Larry Coulouris, Joe Turner, Irene Hensinger, Rev. Marvin T. Smith, City Attorney Thomas Fancher, City Clerk Diane Herman, City Assessor Lori Brown, City Manager Darnell Earley, and Julia Darnton (MSU Extension, recording). Members of the public present who signed in included:

Mr. Ognisanti called the meeting to order at 4:03pm.

Introductions by the committee. Process not complete still need input from the public.

Presentation by Lori Brown, City Assessor.

Questions and comments from the public:

Income tax questions?

Not part of the city charter – that is an ordinance and that is not a part of what the charter committee considered.

Income tax costs more to live and work in the city. Fire fighters and police officers don't want to live in the city. There is no good reason to stay in the city because it is part of the cost.

LO: doesn't dispute what you are saying – that is not the charge to the committee that is an ordinance. That should be something to talk to the City Council about.

Would this be a suggestion to the city along with charter changes. Why shouldn't everyone pay the same.

Mr. Fancher – municipal income tax requires that the rate be exactly half for those that work in the city.

Mr. Turner – tax burden – twice as much as someone from outside the city. The burden is greater for other people outside the city. The city of Saginaw had 50% of the burden of the taxes of the city. It is significantly different. The tax base changes. 10,000 people work in the city and that lowers the tax burden for other people in the city. They should pay part of the income tax. There is a difference between

If enough jobs were created in the city, then the whole city could be operated by the income tax – the tax cap is the reason that the income tax was passed. 3.8 million and income tax is about 12million. That is much greater support for the city of Saginaw. Every employee should live everywhere they want. The legislature rescinded that residency requirement.

She understands but she says give a reason to stay in the city. Former Teacher. Live in the school district where she worked.

Mr. Turner There is some subjectivity to living in different places. There are services and advantages to living in the area. That is a personal attitude. Walk to his office. Some younger people are moving back into the city. Nuisances are a different thing.

A conundrum – rubbish – a flat fee instead of property tax. Property tax is deductible but rubbish fee is not and rubbish fee does not need to be voted upon. The property tax does not affect the cap. But that takes away from my ability to deduct from taxes. Property taxes go down when the millage rate is reduced. The lower tax levy. Property taxes could then be raised.

The tax cap will not be removed to raise taxes. The general fund revenues. The city is not increasing to the budget increases – existing services. There is a great amount of fear that property taxes will increase above 20% and services that are desired. The income tax – the city of Saginaw would be bankrupt without that income tax. There is a counter balance with the income tax --- to keep the millage rate low. The millage rate is low. But without additional revenue the city cannot afford to provide services to citizens. The public safety millage is in effect and provides the support for one third of the public safety employees.

There are limitations about what we would like it to be. We try to adjust that figure because the income tax is going to go down but the city has to provide services. Rubbish out of the millage and make it flat fee and the

There are a number of people that pay the 3 mills. The theory behind it is that there may be a savings for a number of people.

Stephanie 1 does any other city in Michigan or the US have a tax cap
No

Why is there a change to 2.3rd majority

You may end up with a situation where half of the city council does not want to work with the city manager.

Three questions – review of constitutions
The simple majority is a two edged sword. There is debate with that

Where do most of the home values fall in the city
The median value is \$23,000 in taxable value?

Is this all or nothing or is it piece meal?
City Council would vote up or down -- the city council can decide how the process is worked on

There has not been a committee like this . The city will break this down into a number of provisions. A number maybe uncontroversial. The voter will have the choice.

The City of Saginaw suffers from a big PR fiasco in the last couple years – we all read and lived it. The chart should generate. What is the home owner going to feel. The first two categories fit on the other side of the river. If I have a taxable value of \$50,000 means that there will be a decrease in cost of \$72.94.

If the majority of homes are in the lower value then will the city lose money and have to create more fees and costs associated.

Simplify the process. All of our values have decreased that this may cause decreased revenue. The residents can be reassured that the change will be equitable and not a window for hidden increases. Trust us is what we hear but that is not going to make the case for everyone. The median home value is low and that will cost more overall. With improvement.

Mr. Turner – sophisticated questions of any of these meetings. If citizens were to adopt the change to remove the tax caps. – you would increase the taxable value (tax base) of the city. 100,000,000 of that is personal property - special assessment levy

Private property owners pay more than commercial property. If you shift the burden from special assessment to fees you can write this off the amount as an ad valorem tax. Then you get the benefit as a property tax instead of a special assessment.

That was a good description but it needs to be shorter.

There are statutory limits in place – truth in taxation – council would have to vote and they cannot levy more than the prior year. The headlee amendment the millage rate has to be rolled back.

What happens when the city falls below a certain threshold of population does the city lose the right to levy income tax – no the city would be grandfathered in .

We have to be careful about making comparisons to other cities – Saginaw is a different city with a different personality. The city is who it is and run the selling points based on who we are. Anyone can make numbers say whatever they want.

Our structure is what it is and makes sense. Very accountable frugal and well-run. Frugal city and well-run. There will be naysayers that argue that they are not being protected.

Remarks are well taken but talk to the City Council.

If the removal of the tax cap is also the act of doing this does this have a chop date on it – does this thing have a date when it would be effective?

That language would spell out that information about when that would become effective.

This may be affected by the 2010 census – therefore the figures will be different because of changes in population. 50000 residents make the city ineligible for some federal funding. It could affect community policing.

How many people were part of the original charter commission – Joyce and Larry. It seems in the reading that he is doing. Looking to change policy in the city to raise taxes in the city. There is no change in policy. He would like a charter commission to change policy. Not supportive of what is proposed.

Youth recreation – recycling in the city all of that take money. Recycling was promised to the residents. And the citizens were lied to. That was disappointing. That is per unit. The increase on one rental unit would be 150 to 420. The landlords would not be well treated by this provision. Landlords may not be liked but they provide a service. City Manager there will be a lowering – that would be temporary and then it would rise back up to 20 mills. Based on past performance that would occur. 2/3rds majority – asked about a tax cap – why isn't the committee looking at what other cities have been doing. What is everyone else doing. More thorough investigation would help make the case.

Fire and response times – lived here since 1971 – never called the police – never come to any of his houses – pushing the millage is a scare tactic. The city has to use what they can afford. We have all this revenue but we want the citizens to make this up. That is not fair and it is not realistic. Keep salary or keep job where people are getting the same or less money from work. Brought up that pertain to the committee and not issues that should be addressed to city council. The last commission wanted to change government to look at it more fair and more efficiently. Have to understand economy and stop the decay and save what you can. Tearing houses down shore up and save the areas that can be.

Partnering with the city to do things. Legal aspects of getting houses out of people's hand before they are rubble. This may not be all relevant but he wants to make sure that the city is not lost. Owns a lot of property and part of neighborhood association. Push a tax agenda is hard to swallow.

LO: some issues are not relevant like tearing down houses. Some of it is not addressed to the committee.

Thank you to the committee. Will you alter the document based on the public input that you are getting.

IH: Highlighted changes citizens need to know that the committee went through the document line by line and looked at everything and made conscious choices that the charter needs.

Highlight the significant changes.

Have made a number of comparisons and information from other cities.

Not all questions should be answered today. At Thursday at redeemer Lutheran there may be more changes.

Give some rationale for each change. There needs to be a rationale for every decision in the charter.

No wholesale changes – manager removal and tax cap -- a fair way to do it. A lot of the amendments are small changes.

In the last election – the charter commission was turned down by a majority of the vote. There were discussions about how things are structured.

We didn't think that was a recommendation that the committee was prepared to

Did the committee look at what the other commission did and try to adopt some good portions.

In occasions in working with other cities besides Saginaw – Detroit the state of Michigan water board in an agreement with the inspection program. Any city of 1 million or more could regulate itself differently. Wording of the Population below 50,000 shift gears automatically – at the time it sounds like a good idea but what if. If the population of Saginaw was to decrease significantly. Other portions wouldn't be annexed by the city. Will that alter the consideration of the charter.

That would affect revenue and the tax cap. If the city increased its population with the cap – that would be impossible.

What if we attracted a google and had a lot of people moving into the city. The cap does not capture the new growth in the city.

There are a lot of retired people that live in the city.

The manager is not of primary importance – the money is of more importance. How much is it going to cost me and what are we going to do about it. Where is she going to live and move. How is she going to live 10 years from now – will she have the money to live a pay taxes.

Those are all valid considerations and those are decisions that everyone will have to make. There is no way that anyone can make the decision for you. There has to be some way to soften how much this is going to cost everyone.

Mr. viriciglio pre-cap and after cap. And where it is going to be shifted is to the business community. With a great deal of personal property. There was a great deal of math and there has been a shift of millage to business. What is happening with the city. Is there a future increase coming in the millage. Is there a trust in city council and city staff. That is the question.

Transparency and trust. Citizens can look at is that every session was tape recorded and the city. Communicate as effectively as possible.

Mr. Coulouris – first charter commission with proposal were defeated badly – look back at the text of it and what it proposed and what it didn't propose. A representative from Bay City – they threw out the old charter. When you want to do this you start with page one and go from there.

The proposed charter was already written and ready to publish. There was spirited discussion and give and take. This was the second largest in attendance but the highest in caliber of questioning.

All want the best for the city and to be a nice place. We all share that sentiment.

There is one more meeting.

The meeting was adjourned at 6:00 pm.

Respectfully submitted,

Julia Darnton