

Present: Lou Ognisanti (chair), Mayor Joyce Seals, Larry Coulouris, Joe Turner, Leola Wilson, City Attorney Thomas Fancher, City Assessor Lori Brown, Police Chief Gerald Cliff, and Julia Darnton (MSU Extension, recording). Members of the public were present and signed in.

The city-wide Citizen Watch Association meeting was called to order by Chief Cliff. Introductions of those present was completed. There was a report on the Arson Watch Program.

The public meeting was started at 5:36 pm by Mr. Ognisanti. Because of the number of people, Mr. Ognisanti said that he was imposing a 3-minute time limit on questions and answers from the committee. Mr. Ognisanti delivered the presentation to those present and opened the floor for questions and comment

Q: Mr. Glen Heinlein asked why the recommendation is to increase the rubbish fee from \$50 to \$140?

A: Mr. Ognisanti replied, removing the tax cap is the recommendation of the committee but changes to the tax levy are the responsibility of the City Council. The change to the rubbish fee is because the rubbish millage would be taken out of the general property tax, so there would be 2.9 mills removed from the property tax levy. The City would like to include recycling in the costs. The reduction in the millage would take place and there would be flexibility. Less will be paid by property owners overall.

It was also explained that based on a taxable value of \$50,000 a homeowner who is now paying \$186 total for rubbish would not only be paying \$140 in a rubbish fee.

Q: Mr. Jose Baras commented that there is a need to start recycling.

A: The committee is not looking at that specifically because the charge to the committee was to look at the Charter and make specific recommendations for changes.

Greg Branch – set up to maintain current services. With the same amount money. Adding recycling will be another service. Raise the fee or raise the millage rate. As this stands that would not be in the charter because this is based on what is right now.

Q: Terry Miller: if you separate the trash fee then you unbundle or unrestrict the 2.9 mills but if that money can be allocated to another service. It produces a net savings to the overall tax bill. Can the 2.9 mills be used for other services?

A: Greg Branch: That millage would go away and it cannot be used for other things.

Mayor Seals: it is also important to look at the 6.0 mills for the Police and Fire. Businesses don't pay on their personal property and the committee asked for a response from the Chamber of Commerce and the Chamber is in favor of the change. There is a shift.

Mr. Coulouris explained what personal property is for the personal property tax. Personal property tax is levied on equipment and fixtures. At the present time the safety millage is not included in the personal property tax. Business will pay more but they will pay their share of the public safety millage and they will save on the rubbish millage.

Q: Marla Contis: Asked if there was a rubbish fee wouldn't include the businesses?

A: Mr. Branch: Businesses would not pay the \$140 because they don't use the service and they would not pay the 2.9 mills under the new formula for a service that they don't use.

Mr. Turner: There would only be one millage rate that would go directly into city coffers to use as they see fit. It also would tax a brand-new tax base that wasn't covered before – this will be more fair than the piecemeal taxes.

Q: Matt Baird: Would the removal of the city manager require 2/3^{rds} of council or those who are present.

A: The answer was that the removal of the Manager would require 6 votes.

Q: Mr. Baird asked if the spending limits – that would be a hard set number in the Charter?

A: Yes, it would be the limit until it was changed.

Q: Is there a provision to review the charter every 10 years or so – propose a change to the charter for review every 10 years?

A: No, that is not a provision that has been recommended.

Q: Does there need to be a specific amount for the purchasing limit or should that number be set by the city council? Because that could be a moving target and the voters would have to approve another change down the road.

A: Mr. Ognisanti said that is a good idea that the committee could include in the document. The committee was just trying to find a number that would be workable and approved by the voters. But there is nothing that would make it difficult to remove the limit. In the research, the committee found that, of the 10 or so other cities studied, there were limits in those cities. The members of the committee did not know if voters would be willing to approve a higher rate.

A: Mr. Branch: Adjusted for inflation \$2,000 in 1936 would be about \$29,000 today.

A: The Council will be the final arbiter of the decision.

Q: Jan Cook: She is afraid of the money allocated for the public safety millage will be used elsewhere. She and other from the neighborhood worked hard to inform their neighbors on behalf of the public safety millage and they don't want what happened in Bay City to happen in Saginaw.

A: Mayor Seals: The number one priority of the City Council is public safety and the services provided by the police and fire departments. The removal of the rubbish levy does free up some of the millage for general funds that does allow more money to go to police and fire.

A: Mr. Virciglio: Thanked the citizen for her help in working on the millage but said that the millage would have to be reapproved by the voters and if it fails it would create a real problem for the City of Saginaw. Removing the cap will give the City more flexibility to maintain services at the current level.

Q: Fred Merrio: What happens when fire and police need more money?

A: The City Council wouldn't have to come back to the people anymore.

Q: Mr. Merrio: Would you still be taxing us for more millages that are not in the charter – consolidate millages into one?

A: The city does not get all that tax money. (Showed slide of where the money goes that is collected by the city.) Explanation of that slide.

Q: Mr. Merrio: In the paper on Monday it said that the City will tax \$100 for inspections.

A: There are some things being brought up that are not in the Charter. That is a separate issue and the work of the committee only deals with the Charter.

A: Mr. Branch: The change would not rule out the possibility that the City could ask for more money. That is always an option and has been done with the public safety millage. This would just give the City the same flexibility as every other city rather than having to compartmentalize certain costs and ask for additional funds separately.

Q: Mr. Merrio: Taxes never seem to come down – seniors are on fixed incomes. Where taxes are concerned, he asks that the city give a reason to pay more taxes. He finished by saying that he will be careful about what he okays and what he doesn't okay when it comes time to vote.

A: Mayor Seals: Addressed one of the first comments. He was talking about something in the paper that said costs were going to go up. That was referring to fees for rental property licensing. That might go up and those properties do need to be inspected that is an ordinance and not part of the Charter.

Q: Kathy Woodcock : Is there a way that the City can put a cap on rental property or limits on the amount of rental property in an area?

A: Mayor Seals: According to attorneys, probably not. She worked on development on Hess and the zoning was Single Family Residential. She thought that would keep out rental but you can only limit the rights of property owners so far. The property owners in that area fought that and did not win.

A: Mrs. Wilson: Asked to interject a comment regarding the question on the public safety millage. She was the co-chair of that public safety millage effort. She also served on this committee. She feels that the tax cap must be lifted so that the city does not have to constantly have to go back to the voters and ask for funds for needed services. The City cannot operate with a foot on their neck; they need to be able to have monies.

A: Mr. Turner: Commented that he understands about the costs to senior citizens. If your property taxes are burdensome, Michigan law states that property owners cannot be charged more than 3.5 % of their household income. If your taxes are too high, you can go to the Board of Review and you can get a property tax refund from the State of Michigan. You cannot get money refunded for special assessments which is another reason for the City of Saginaw to have one millage rate.

Mr. Turner continued that some people do trust that the city government will be trustworthy. Those here tonight reflect the attitudes of the community and the committee will take back the ideas and discuss them. There is a 20 mill cap on the property tax from the State of Michigan. There have been caps on and off for some time. The proposal now would reduce the millage rate from 14 to 11 mills. We need to move forward as a city. It is his hope that services could be improved to fix streets and make improvements in the services of the City.

Q: Comment from the public: Those with questions or interest in recycling can take their recycling to the drop off on Vets Parkway and the more things you take there, the more local jobs that will be added to the community.

Q: A comment from the audience: He is concerned about assessment of his property. The value has dropped from \$80,000 to \$68,000 and he wants to refinance to cut time on the mortgage. But the property is worth less than it was when he bought it a few years ago. This doesn't look good because of the jobs that have been lost. There will be more for people to pay and there will be more people leaving the city and businesses are leaving. This makes it tougher on the people staying.

A: Mr. Ognisanti: He explained that under this model with your TV at \$34,000, the net savings will be reduced somewhere between 8 and 40 dollars less in property taxes. You would be paying less.

Mr. Branch commenting on rentals: We (the City Council) know the problems there. One of the things that he likes to remind people is that the percentage of rental property according to 2000 census 36% in the City of Saginaw but in Saginaw Township it was 37%. What is of more concern is the character of the landlord and the status of the people who are living in the housing. The City has to work to make the city more attractive to people that might live in the city.

Q: Mr. Jose Baras: Something needs to be done to make the city look good. There are part of Michigan Avenue that are an eyesore – that area looks terrible.

A: Mr. Branch: When you have burned out or abandoned properties there are a number of legal hurdles that have to be dealt with to take possession of the property. It takes time to clear the title. There are 800 properties on the demolitions list. The City has gotten more aggressive in getting people to pay for that.

A: Mr. Ognisanti: This is good discussion but the meeting needs to stay focused on the Charter; those are City Council issues.

Q: Mrs Woodcock: How will changing the Charter help the small business person? Those businesses are hanging on by their teeth.

A: Ms. Brown: For commercial and industrial property, the net effect is a reduction in the property tax. The real breakdown would have to be specific to the property based on value of real and personal property.

A: Mayor Seals: To get small businesses come in and stay in the city? The Chamber of Commerce has pledged their support in these efforts.

A: Mr. Ognisanti: There is nothing here that would discourage a business from moving into the city. The committee was charged with looking at what makes sense and what is necessary for the functioning and services of the city. Businesses will come into the city. But it is important to make sure that everyone pays fairly for the city services.

Mr. Turner: He responded that he worked for the city. Property owners are paying 14 mills real property; that levy will be reduced. No one would be hurt by the provisions. There may be other factors – no negative impact.

Mr. Branch: The real estate costs would be less.

Mr. Coulouris: Businesses would also see a decrease because they wouldn't be paying for rubbish which would be erased. That is almost 3 mills less. Mr. Coulouris also took time to talk

about the tax cap and compared it to earning the same salary as you would have in 1979. The city is also not allowed to collect additional funds if the value of property increases.

Q: On Page 30, chapter 17, there is a provision about hours of labor in the fire department. That is superceded by collective bargaining. Should that be included.

A: That section is part of the current Charter but is proposed to be excluded in the amendment to the Charter.

The committee will be reconvening to consider comments from the public on the Charter.

The meeting was adjourned at 7:00 pm.

Respectfully submitted,

Julia Darnton