

DEARBORN CHARTER COMMISSION  
Mayor's Conference Room  
Tuesday, April 17, 2007

Chairman Bazzy called the meeting to order at 5:47 p.m. A roll call was taken. Present were: David Bazzy, Mary M. Bugeia, Paula Hamilton-Stokes, John Jay Hubbard, Susan Moran, Mary K. Petlichkoff, and Ganelle Shooshanian. Absent: Thomas Patrick Korte, and Raymond Thomas Trudeau. Also present: Kathleen Buda, City Clerk, Debra Walling, Corporation Counsel and Lola Isiminger, Deputy City Clerk.

Chairman Bazzy asked if anyone had any questions on the minutes from the meeting from April 03, 2007.

Debra Walling, Corporation Counsel, stated that it was the Assistant Attorney General and not the Attorney General that attended the Charter focus group meeting that she attended which was on page 15 of the minutes from April 03, 2007.

A motion was made by Commissioner Shooshanian and seconded by Commissioner Petlichkoff to accept the minutes of the April 03, 2007 with the correction from "Attorney General" to "Assistant Attorney General."

The motion was adopted unanimously.

Chairman Bazzy stated he is glad that Jim O'Connor, Finance Director, was able to attend the meeting; however, he would prefer that the Commission did not get into Section 13.2 as originally planned.

Mr. O'Connor, Finance Director, stated that he prepared a memo for the Commissioners which they should have received tonight before the meeting.

Chairman Bazzy stated that it would be more prudent for the Commission to have a chance to take a look at the information, digest it, and come back and have a better discussion of it at the next meeting to be held on April 24, 2007.

Mr. O'Connor stated that he has two items that he covered in the previous meetings that he would like to share. He further stated that they can discuss the limitation of taxation at the next meeting. The Commission had a discussion on Section 13.1 at the previous meeting and changed the language to allow it to be flexible. He further stated that he shared this with the Mayor and after he thought about it, he was a little concerned that there were no real limits to the frequency in which the fiscal year could be changed in the language that was discussed last time. The Mayor had commented that it would either be the fiscal year as currently noted in the Charter or coincide with the State and Federal fiscal years. The Mayor did not feel that the State or the Federal government would be changing their fiscal years too often. It would be this fiscal year or the State or Federal fiscal year. The Mayor had asked Mr. O'Connor to bring this back to the Charter Commission to see if they would entertain amending the language.

Chairman Bazzy stated there was discussion that they had about changing this to tie into the State fiscal year.

Commissioner Petlichkoff stated that the Commission did move to make a change and they had discussion about leaving it so loose at the time. She further stated that she has read it since they had their discussions to kind of bone up on other city Charters and the other Charters are just as bad as the City of Dearborn's with the wording of it. However, there were some that did have the wording that Mr. O'Conner is stating and they had a defined period to adjust and it was according to the State or Federal fiscal year.

Chairman Bazzy stated that you wouldn't want it where every time it behooved them to financially make a move to do something on a budget period to make this manipulation of that. You wouldn't think it would happen, but, you are leaving the door open with that.

Mr. O'Connor stated that was a concern he had after leaving the meeting. They might be looking to do accounting adjustments frequently by leaving it this way. He further stated that he was looking to change it to have the fiscal year as it states and add "or to coincide with the State or Federal fiscal year."

Commissioner Petlichkoff asked if they should add a stipulation that it can only be changed at a set time.

Mr. O'Connor stated that he would just say once every ten years or something if you need to put it in there. It is not something that should change very often.

Commissioner Bugeia stated that at the last meeting, they added the words "unless otherwise set by Council." Mr. O'Connor is suggesting that it is not a good idea and it should be changed by adding "or coincide with State or Federal fiscal year."

Mr. O'Connor stated yes.

Ms. Walling stated that they could leave the amendment that was made at the last meeting and it would could say "unless set otherwise by the City Council to coincide with the State or Federal Fiscal year."

A motion was made by Commissioner Bugeia and supported by Commissioner Hamilton-Stokes that Section 13.1 which currently reads:

The fiscal year of the City shall be the first day of July through the thirtieth day of June of the following year **unless set otherwise by City Council.**

be amended to read:

The fiscal year of the City shall be the first day of July through the thirtieth day of June of the following year **unless set otherwise by City Council to coincide with the State or Federal fiscal year.**

The motion was adopted unanimously.

Mr. O'Connor stated the other item that they discussed at the last meeting that he had a follow-up comment on was Section 13.11. The Charter Commission agreed to changing to allow a payment plan of three with different due dates. He further stated that currently, the City charges a \$3 fee for anyone that wants to participate in the payment plan. The reason why they do that is because if they charge the fee, the mortgage or tax service companies will then pay in full. They really weren't looking to tack on to the people that pay on the installment plan, the individual residents or individual businesses, the \$3 fee. He proposed to include language that will allow him to get rid of the \$3 fee so that they won't have to charge the

residents and businesses the \$3 fee, but still be able to require the tax service agents to pay in full. His proposed language is “the tax payment plan is for property taxes only and is available to residents and businesses that pay taxes directly.”

Commissioner Petlichkoff asked if this was needed in the Charter because they don't have the \$3 fee in the Charter. She stated that this is something that is done internally.

Chairman Bazy stated that he believes it would be the Finance Director's determination internally, how he manages that. He further stated that he could charge \$50 if he wanted, there is not a Charter issue on it.

Mr. O'Connor stated that he needs something that would force the tax service agents to pay in full.

Commissioner Petlichkoff stated that he is trying to separate who is allowed to pay in installments versus who has to pay in full. She asked Ms. Walling if they can do that legally.

Ms. Walling stated that currently there is an ordinance that established the \$3 fee. She further stated that she cannot recall what else is in that ordinance.

Mr. O'Connor stated that he does not believe that there is much else in the ordinance.

Commissioner Petlichkoff stated that this was a deterrent to anybody that had large amounts to pay. She asked Mr. O'Connor if he is enforcing it currently.

Mr. O'Connor stated yes.

Commissioner Petlichkoff asked if they were insisting that any mortgage companies have to pay in full and they are not given the option to pay in installments.

Mr. O'Connor stated if they pay in installments, they have to pay the fee. A majority of all the tax service agencies pay in full and that is what the

City wants them to do. They are sent electronic files, they pay in full, and it is working very well.

Commissioner Petlichkoff stated that the City doesn't have anything set up that actually states that they have to pay in full.

Commissioner Shooshanian asked Mr. O'Connor why he doesn't have it made as an ordinance. It seems like the kind of thing that doesn't belong in the Charter.

Mr. O'Connor stated that he needs something that requires the mortgage companies and the tax services to pay in full.

Commissioner Shooshanian asked why an ordinance wouldn't do that.

Ms. Walling stated that what Mr. O'Connor is talking about is if the mortgage companies collect the full escrow, they are hanging on to the money, making installment payments, using everyone's money and passing along the \$3 fee.

Mr. O'Connor stated that if they pay in full, there is no \$3 fee. Most of them now are paying in full. The program has worked effectively, exactly like it was designed. He further stated that he is seeing an opportunity to not charge the residents the \$3 fee.

Commissioner Petlichkoff asked if the residents were currently being charged the \$3 fee.

Mr. O'Connor stated that the residents are being charged the \$3 fee. Everybody is charged the \$3 fee. He further stated that he is looking to add some language so that he could go to the tax service agents and say "our Charter says that you must pay in full unless you are an individual business or individual resident paying taxes." This would make it so that individuals could take advantage of the payment plan but not big tax service companies.

Chairman Bazy asked if it would be legal to do this.

Ms. Walling stated that she is not sure in terms of an equal protection thing how you would be able to say that you are going to charge one person and not the other.

Commissioner Bugeia asked Mr. O'Connor if he wanted to say that only individual homeowners are eligible for the installment plan.

Mr. O'Connor stated that individual businesses participate also.

Commissioner Petlichkoff stated that she would be worried about somebody challenging that.

Mr. O'Connor stated that Dearborn is a rare community that allows installments. Most taxes are due in full in September. The City of Dearborn allows a payment plan for the people of the community. He further stated that it wasn't designed or he does not believe the intention was for tax service agents, it was really more for the individual tax payer if they don't want to pay in full, they could have a payment plan. That is how they are trying to make it work and he thought that if they could add this language and it is legal, then he wouldn't have to charge the \$3 fee to the individual residents and it's inconvenient. It is confusing to people and they end up refunding \$3 because they pay it more than once.

Ms. Walling stated that she thinks this should be looked into further.

Chairman Bazzy stated that they could come back to this at the next meeting.

Commissioner Shooshanian stated that it shouldn't be in the Charter, it should be in the ordinance.

Mr. O'Connor stated that he wanted to eliminate the ordinance. The ordinance will be wiped out.

Commissioner Bugeia asked if they should express the recommendations that Mr. O'Connor had for the language, even though they are not going to go into it.

Chairman Bazzy stated that he did state the wording.

Commissioner Bugeia stated that she is talking about Section 13.2, limitations on taxation.

Mr. O'Connor stated in the memo that he delivered there is a recommendation and a proposal for the wording.

Chairman Bazzy asked what rate they are currently at.

Mr. O'Connor stated that the Charter authorizes a limitation on taxation which is 15 mills. Through the Headlee amendment, the limitation has been rolled back to 13.6 and a fraction. He stated that he took the language from the Huntington Woods proposal and tried to incorporate it into his proposal. His proposal basically is to reinstate the 15 mills as was in the Charter and allow a  $\frac{1}{4}$  mill increase per year going forward recognizing that the roll back is going to be in effect and keep rolling back, but put a cap on it not to exceed 18 mills. He stated that his memo explains the reason why, what the exposure is, and what's at risk. He further stated that he included history of the millage rates that the City has levied. The Charter authorizes the sets of limitation on taxes and authorizes the millage rate but, the City Council, as part of the budget process, sets the operating millage rate every year. Since 1986, the millage rate has been lower than what is authorized every year except for where we are at right now where we are levying the maximum authorized as rolled back by Headlee. He further stated that he included some charts that show where the City ranks among the 33 cities in Wayne County. These charts show the total City rate, including the Charter operating, the other operating, and the debt millage where the City is in the lowest 10 of the 33 cities and the lowest 13 from a combined operating millage. He further stated that he will wait until the Commissioners have a chance to look over the memo and will talk about it at the next meeting.

Commissioner Hamilton-Stokes asked if 18 mills is currently written in the Charter.

Mr. O'Connor stated yes.

Commissioner Hamilton-Stokes asked Mr. O'Connor if what he was saying is that it could go back up to 18 mills somewhere along the line.

Mr. O'Connor stated yes, at a  $\frac{1}{4}$  of a mill increase per year. It would take 12 years if you did it every year and simultaneously you would be exposed to the Headlee rollback.

Commissioner Petlichkoff stated that every time you went up .25, you could potentially be losing from the Headlee.

Commissioner Hamilton-Stokes stated that she wants to talk about this more because she is confused.

Mr. O'Connor stated that he doesn't want to go until the full discussion since he will be coming back at the next meeting to talk about this. He further stated that in his memo, it talks about what's happening with single business tax and what the exposure is to personal property. The City has been having a double digit loss of personal property income annually for six or seven years running. Those revenues, if they are wiped out, that's \$15 million gone under the City's budget. He stated that this section is a limitation on tax but, it is an authorization for taxation. The Charter is setting the authorization. It is not levying the tax. The Mayor and the Council set the tax rate.

Chairman Bazzy stated that there is the question, depending on how it is portrayed, that this is a tax increase when in reality it's not a tax increase. It's just an ability to come into some type of taxation methodology that either works or doesn't work. The explanation then comes from those who are in much different paid positions who have to then justify why these tax rates are there. People are going to have to make choices. The choices are going to have to be Police, Fire, streets, sweeping, leaf pick-up, parks, pools, you name it they are going to have to make choices. He further stated that the day of reckoning is coming soon. All of the numbers show the same, we are spending more than we are taking in. This is sooner or later bad fiscal policy.

Commissioner Bugeia stated that the fact that Mr. O'Connor threw in the 18 mills, she was curious to know why, if the Charter is going to set the parameters for what the Council is allowed to do, why he didn't back it back to the Home Rule which allows for 20 mills.

Mr. O'Connor stated that he looked at what he thought potential at risk revenues were and he was trying to cover those. He further stated that he expected that there would be a discomfort level with increasing the limitation of tax. He stated that the 18 is something that would provide us protection if these things came to pass. You would have some capacity in which to adjust and react over time. The "Save Our Services" millage was

authorized, it went up, adjustments were made, and the millage rate came down. He stated that he was trying to design in a capacity so that it could go up if it needed to go up and put limiters on the speed at which it could go up and then not go past 18, but it could go to 20.

Commissioner Hubbard stated that they should put it at the maximum. This is like the Huntington Woods things where you take and you get, and you get and you take.

Chairman Bazzy stated what he is saying is that Headlee takes and you have to ability to put back what Headlee is taking.

Mr. O'Connor stated that this is the offset design. It keeps your millage rate relatively whole. With the Headlee Amendment and then with Proposal A, you have multiple limiters and then they are changing and enacting legislation and it is getting worse and worse.

Chairman Bazzy stated that everyone will have their opinion, for example, if you have had a bad experience with Building & Safety they will say that it should be outsourced. If you don't like this group, get rid of them. Sooner or later, the jobs have to be done.

Commissioner Petlichkoff asked that since technically in the Charter the rate is at 15, even though they do have the Headlee rollback, every time they have done the budget they haven't upped it back up to the 15 mills.

Mr. O'Connor stated that they can't up it to 15 mills since it has been rolled back to 13.6.

Commissioner Petlichkoff asked if that is where it resets even though the Charter still states 15 mills.

Mr. O'Connor stated that is correct.

Chairman Bazzy stated that once it moves down, unless the Charter is amended, it is capped at that.

Mr. O'Connor stated that it can only go down. The Headlee amendment, when it was originally put in place, allowed your tax millage to go up and down. With Proposal A and the enacting legislation on

Proposal A, the Headlee Amendment only allows your millage to go down. It is a one way street.

Commissioner Petlichkoff asked if they set it at 18 in the Charter, but because they know that people are very nervous, they only enact 15 and the Headlee starts to roll it back down again, do they still have the ability to up it to 18 after it starts to roll back down.

Mr. O'Connor stated yes, and that is why he put the other language in there that would allow it to go up only  $\frac{1}{4}$  mill per year.

Commissioner Petlichkoff asked if it would get capped when the Headlee hits that amount.

Mr. O'Connor stated that if you reinstated the 15 mills, it will automatically start rolling back.

Chairman Bazzy stated that what Commissioner Petlichkoff is asking is if you capped it at 18, even if they only enacted 15, the Headlee would start to roll back off the 18. It would roll off the max that is set in the Charter and not what the City Council currently sets the tax rate at. Is this correct?

Mr. O'Connor stated that he would have to confirm that.

Commissioner Bugeia stated that it states in his proposal that it will increase  $\frac{1}{4}$  of a mill.

Chairman Bazzy stated that it doesn't increase. It allows them to increase each year if they so chose.

Mr. O'Connor stated that he believes the way this is written, it would start rolling back from the 15 and then each year it can have  $\frac{1}{4}$  added and that would start rolling back. You would be able to do endless  $\frac{1}{4}$  increases as long as you did not exceed the 18.

Commissioner Petlichkoff stated that his proposal would allow the City to increase the rate where currently, they are unable to.

Mr. O'Connor stated that is correct.

Commissioner Bugeia stated that she thought that the Headlee allowed you to increase by the Consumer Price Index.

Mr. O'Connor stated no. Originally, it was designed that it would go up and down; however, now with the enacting legislation under Proposal A, it only goes down. It never can be increased.

Joseph Borrajo asked if the point would be to maintain even ground with the increase.

Mr. O'Connor stated yes, the ¼ mill was designed so that you could keep even ground. That is the intent.

Chairman Bazzy stated that they will now discuss Section 13.8 which was tabled from the last meeting.

Bonnie Ordus, Acting City Assessor, appeared before the Commission. She stated that she has a couple of suggestions for Section 13.8. Where it states "the third member shall be the Finance Director/Treasurer," she would like to add "or Deputy Treasurer." If that individual is ill or can't make the meeting, she would like to suggest that the Deputy be allowed to be in place in that seat. Also, the law did change allowing cities to appoint alternate members to the Board of Review. She suggested adding a sentence to read, "The Mayor may appoint an alternate member." This would give the Board of Review an alternate seat so if something did happen to someone, there would be an alternate member on the Board. It's hard to get a quorum if something was to occur to one of those individuals that serve on the Board.

Commissioner Petlichkoff stated that she noticed when reading other city charters a lot of them have five members.

Ms. Ordus stated the way the law reads is that you are allowed to have more than one Board of Review and you can appoint alternate members. The alternate member could be in place if someone would have to abstain from voting because they know the individual or the company that they might be reviewing the assessment on. The alternate member could be present and vote on that appeal that is in front of them.

Commissioner Petlichkoff asked if the alternate member should also be experienced in some kind of property values.

Ms. Ordus suggested that the alternate member have the same language, “experienced in real property values.” There are provisions currently in the General Property Tax Law on who the appointments to the Board cannot be such as relatives. The property tax laws are amended quite often and each law is looked at every year to see what changes have been made and it is taken to Council to get approval to change the procedures. Certain items within the law are mandated to be taken before the governing body for approval. There are certain things that were written into law after the Charter was written and the Department of Assessment tries to follow those laws because the State amends the laws frequently.

Commissioner Bugeia stated that she is not clear on what Ms. Ordus is asking to change in this section. She further stated that Ms. Ordus asked for alternate members and Commissioner Petlichkoff had asked if Ms. Ordus wanted more than three members on the Board.

Ms. Ordus stated that the Board makeup is three individuals.

Commissioner Petlichkoff stated that the alternate would be a substitute, so to speak.

Ms. Ordus explained that if the Board consisted of three members and something happened to one of those members on the day a meeting was scheduled, she would not have a quorum. There are certain dates and times that the Board of Review must meet.

Commissioner Bugeia stated that it sounds logical to her that the Board should be increased to five members.

Ms. Ordus stated that you are only allowed to have three members on a board and one alternate per board. Some communities have more than one Board of Review. She further stated that she would like the opportunity to have the Mayor be able to appoint an alternate member in case one of the members cannot be in attendance.

Chairman Bazy stated that Ms. Ordus is only asking for minor changes. The changes that she is asking for are adding the words “or Deputy

Treasurer” after the words “Finance Director” and adding the statement “the Mayor may appoint an alternate member to be a private person experienced in real property values.”

Ms. Ordus stated yes, those were the two minor changes that she would like to see made. They checked over the laws and what is currently in the Charter covers most of the laws in the General Property Tax Act.

A motion was made by Commissioner Hamilton-Stokes and supported by Commissioner Shooshanian that Section 13.8 which currently reads:

There shall be a Board of Review established in accordance with law consisting of three persons: one member to be selected by the Council from among its members; one member to be appointed by the Mayor to be a private person experienced in real property values and the third member shall be the Finance Director/Treasurer. The Board of Review shall meet in the council room on dates determined by the Council or as otherwise required by law at times convenient to the general public. At least one evening session shall be held. Notice of the meetings of the Board of Review shall be made by the Clerk at least ten days prior to the first meeting of the Board of Review in the manner required by law. Changes in the assessment rolls made by the Board of Review shall be communicated to the Assessor and the assessment rolls corrected accordingly. The Assessor or deputy shall attend all meetings of the Board of Review.

be amended to read:

There shall be a Board of Review established in accordance with law consisting of three persons: one member to be selected by the Council from among its members; one member to be appointed by the Mayor to be a private person experienced in real property values and the third member shall be the Finance Director/~~Treasurer~~ **or Deputy Treasurer. The Mayor may appoint an alternate member to be a private person experienced in real property values.** The Board of Review shall meet in the council room on dates determined by the Council or as otherwise required by law at times convenient to the general public. At least one evening session shall be held. Notice of the meetings of the Board of Review shall be made by the Clerk at least ten days prior to the first meeting of the Board of Review in the

manner required by law. Changes in the assessment rolls made by the Board of Review shall be communicated to the Assessor and the assessment rolls corrected accordingly. The Assessor or deputy shall attend all meetings of the Board of Review.

The motion passed unanimously.

The Commission returned to Section 13.10 which was tabled at the prior meeting.

Ms. Ordus recommended that the Commission remove Section 13.10 from the Charter altogether. Currently in State legislation and General Property Tax Law, the local Assessor develops the assessments, the Equalization Department reviews the assessments and, if determined, the City receives a factor on the values. The County is reviewed by the State and the State can factor the County's values. There already are in place laws that govern how the assessing is done. There are also the State Tax Commission and State Assessors Board that reviews the work that is done. The City is required by law to turn in several forms that provide for checks and balances to make sure that the assessing locally is uniform and equitable. There are governing bodies that are over the local municipalities that are watching to make sure that the job is being done correctly. Within the General Property Tax Law, when appeals are done the City has to prove that they are uniformly assessed. The Council does see the rolls because they are on the Board of Review. The governing body of the municipality is reviewing the assessment rolls. She further stated that she believes that this section was put into place when rolls were a little different in assessing prior to Proposal A. There were no assessments by class at that time. There were disparities in large factors in several communities throughout the State. Dearborn was one of the communities that were ordered to have a reappraisal by the State. They do that when they see that your factor is higher or you are not uniformly assessing. At that time, there were no assessments by class. The rules and regulations have changed tremendously since that time. There are so many governing bodies over what the job of the Assessor is now, and so many reports and forms for them to check to see if the job is being done properly. She further stated that she believes that this section should be removed because it's required already for the job. They have to use State approved assessing software. They have to turn in reports constantly to the State of Michigan.

Commissioner Petlichkoff asked if Proposition A was to go to the wayside by a vote of the people somewhere down the road would it take away this oversight or is this oversight there for good.

Ms. Ordus stated that currently, the Department of Assessments does their old job plus the new calculations. They have more work with Proposal A than prior to Proposal A. They still have to do their old jobs. They still have to know that the neighborhoods are uniform and equitable. They still have to do sales studies and those studies are turned into the County where they do their own studies. Sales studies are done by neighborhood. It is still done on an annual basis to see where things are off. In different economic times when things are increasing, the studies and the guidelines for assessing are set in the law as to how they do those levels. In an increasing market, your value that you can sell a property for might be higher than what it is assessed for. In a decreasing market, it tends to go down. That is why those guidelines are in place. There is a two year study and a one year study. There are requirements that every municipality has to do and comply with. It is checked by the County and the State. Those guidelines for uniform, equitable assessments are in place and are looked at by the State Assessors Board, State Tax Commission and County Equalization Department. Individuals can have their certification revoked if they do not perform their jobs properly. There is a lot of governing of what the Department of Assessment does.

Commissioner Shooshanian stated that she assumes that the City is no longer following the time lines that are listed in the current Charter.

Ms. Ordus stated no, they have been doing that. This was before assessments by class and when the State came in and seized the assessment rolls. Back in the 70's there might have been a house that had a value of \$2,000 but had a factor of 4 almost. Then you could have had a neighbor that had a value of \$5,000 because they only assessed the ones that had recently sold. They were not raising all of them in order. Ford Motor Company was treated the same as a house or a vacant lot. The values were not done by class. Now when the Assessor reports, they report the residential class of properties, commercial class of properties, and industrial class of properties. They then do the personal property, utility, commercial, and industrial. They have classes of property versus when this was put in place there was one assessment figure for the entire City. It is now broken up by class and you can get a factor by a class of property. When this was

put in place, if the roll was \$2 billion it was all of the classes of property in one total. Now they are subtotaled and all of the reports go to the County and the State. This was to protect from the seizure of the assessment rolls backwards in time after the appraisal in the 80's. The laws have changed since then for assessments by class.

Commissioner Bugeia stated that she was wondering if they should instead say "all property in the City is subject to general ad valorem taxation shall be reappraised and reassessed according to State law and County laws.

Commissioner Shooshanian stated that they do this already so maybe this is unnecessary.

Commissioner Bugeia stated that they should just delete the rest of the section and add according to State and County laws.

Ms. Ordus stated that it is not really a County law it would just be the General Property Laws.

Chairman Bazy stated that instead of taking this section out completely, if it is already being done by State law and State law changes, you are going to do whatever State law requires you to do, leaving it in the Charter doesn't have an impact in any way. It just basically states what is going to be done based on State law.

Ms. Ordus stated that the laws are constantly changing and they have ordered that everyone must have certain things such as software in the office. They have to comply with those laws all of the time. She stated that it is up to the Commission. She believes that it was ordering of it but if you want to say they must abide by the General Property Tax Law or the laws of the State of Michigan that would be fine.

A motion was made by Commissioner Bugeia and supported by Commissioner Hamilton-Stokes that Section 13.10 which currently reads:

All property in the City subject to general ad valorem taxation shall be reappraised and reassessed within five years after the adoption of this charter and at least once within every twenty years thereafter. The Council shall review the assessment rolls every seven

years and may order a reappraisal and reassessment after each such review.

be amended to read:

All property in the City subject to general ad valorem taxation shall be reappraised and reassessed **according to State laws.** ~~within five years after the adoption of this charter and at least once within every twenty years thereafter. The Council shall review the assessment rolls every seven years and may order a reappraisal and reassessment after each such review.~~

The motion was adopted unanimously.

Chairman Bazy stated that the Commission would now look at Chapter 14.

Ms. Walling stated that in Chapter 14, there have been some issues with this chapter that bond counsel has mentioned. She believes it was when the City did some bonding for the Civic Center. She further stated that she is not familiar enough with them to be able to articulate which section. She believes that it had something to do with the vagueness of Section 14.3. The City Engineer had also had some questions as to what meets the definition of public improvement that would have to be approved by the voters. She further stated that the Commission might want to get some more information from those individuals. Primarily, this has come into play when the City was building the Civic Center and it was her opinion that it was a public improvement that needed to be advertised as to how much each tax payer is going to have to pay and that sort of thing. This chapter looks fairly simple, but there might be some updating that is needed here.

Chairman Bazy asked Ms. Walling who she would suggest to get the information from.

Ms. Walling stated that she could call the City's bond counsel and have him take a look at this and see if they need to change this in any way.

Commissioner Bugeia asked if this would come under Chapter 16 under bonds.

Ms. Walling stated that actually, the term public improvements and whether or not the Civic Center was a public improvement was triggered in this section. She further stated that she does not know how many other public improvements of that magnitude they can anticipate in the next 20 years or however long this Charter will be in effect. Chapter 16 is very general and she does not really see any changes that need to be done. Actually, under State law, the Charter has to authorize the City to be able to do bonding at all. This Chapter is really there to enable the City to sell bonds if needed. If it wasn't in there, they couldn't do it. It is one of those subjects that have to be in a Charter.

Chairman Bazzy asked if in Section 14.3 if it ended up being an issue in the construction for the Civic Center. He further stated that when he reads this section, he thinks of things such as major road work, and projects that aids and improves things within the City and not a Civic Center project which would be something that certainly aids the community but is a whole different issue in terms that it isn't truly a public improvement except for that theoretically it improves the lives of the people that use it. It enhances the community's value but, it isn't like putting a new road intersection over a rail crossing which ties up traffic every single day.

Ms. Walling stated that she agrees. She believes that it was bond counsel that had some issue as to whether or not that fell into the need to publicize and that sort of thing. The City actually did all of this because of the opinion of bond counsel. The Civic Center project somehow met these requirements. She further stated this is the only time that she can remember this coming into play at all.

Commissioner Bugeia asked if it could have been because they were actually demolishing the old Civic Center.

Ms. Walling stated that it was a major reconstruction and maybe that is why.

Chairman Bazzy stated that he has no problems with tabling this section.

Ms. Walling stated that there may be no changes needed but there was something that was questioned about this section. She stated that she remembers the debate about whether or not the Civic Center fell under this

category. There may be some suggested language to clarify this, one way or the other that bond counsel may have.

A motion was made by Commissioner Petlichkoff and supported by Commissioner Bugeia that Section 14.1 remain as currently written.

The motion was adopted unanimously.

Kathleen Buda, City Clerk, stated that she and Debra Walling had to leave the meeting now to attend the City Council meeting.

Ms. Buda and Ms. Walling left the Mayor's Conference Room at 6:43 p.m.

Kim Craig, Assistant Corporation Counsel, replaced Ms. Walling in the Mayor's Conference Room.

A motion was made by Commissioner Petlichkoff and supported by Commissioner Bugeia that Section 14.2 remain as currently written.

The motion was adopted unanimously.

A motion was made by Commissioner Petlichkoff and supported by Commissioner Bugeia that Section 14.3 be tabled until the next meeting.

The motion was adopted unanimously.

A motion was made by Commissioner Petlichkoff and supported by Commissioner Shooshanian that Section 14.4 remain as currently written.

The motion was adopted unanimously.

Chairman Bazy stated that the Commission will now look at Chapter 15.

Ms. Ordus stated that they check all of the laws and what is currently in place in the Charter covers special assessments. There are other aspects of the job and there could be other items but, she would prefer to keep this chapter general. It covers all the duties and requirements and if the law changes, they are not stuck with anything.

Commissioner Petlichkoff asked Ms. Ordus if she is trying to avoid something that could be written that would end up obsolete anyhow.

Ms. Ordus stated this is correct. They keep changing the laws on all of these things and the Charter is general and it still requires reporting to the Council and everything that is needed. You are covering the residents and the taxpayers correctly by keeping these in place. They are general and not as specific as the General Property Tax Law is. She suggested that this chapter stay unchanged and remain as they are currently. She further stated that she has not seen any changes in this Chapter that needs to be made. She stated that the Finance Director may have some issues on the collections portion of this chapter. The Department of Assessments creates the roll and it is supplied to the Council. The Council then approves the roll and it is turned over to the Finance Department for collections. She further stated that as far as the laws that she has to use to hold the public hearings and to send out public notices, the ones that are in place currently are correct. They may have additional duties but if you put them in the Charter, they may remove them next year. She further stated that these are very general and if they do remove something from the law you still are protecting the residents that they will get notification of any special assessments. She stated that her concern would be the notification to the affected parties.

Chairman Bazy stated that after reading Chapter 15, it seemed like it covered all parties and there was enough balance. If the Finance Director wants to change anything with the payments, he believes that it is a Council issue.

Ms. Ordus stated that she was more concerned about anyone that would be affected by a special assessment and that they were notified correctly and that the proper procedure was being done. It is all covered in the current Charter. Their rights to appeal are also covered in this chapter.

Commissioner Shooshanian stated that she has a question about Section 15.3. She stated that in her neighborhood they proposed to put in new street lamps and 50% said that they didn't want it.

Ms. Ordus stated that this is in the General Property Tax Laws. There is a provision if there is opposition to the improvement and this generally occurs when the residents are asking for the improvements.

Commissioner Shooshanian stated that the Council by a vote of 5 members can override what the residents have to say about it.

Ms. Ordus stated that this is in the law. She further stated that you have a right after a special assessment is levied to appeal. The resident would be notified of their appeal rights because of the public hearing that is in place after the assessment is set and if the Council approves the special assessment.

Commissioner Shooshanian asked if one individual could appear before the Council and say that they do not want to pay for the assessment even though more than 50% of the people wanted it.

Ms. Ordus stated yes. That one individual has every right in tax law to appeal anything that they are being taxed on. In this provision for special assessments, they have the right to go to the public hearing, submit their appeal and appear before the Council to say why they oppose the improvement. In most communities, almost everything is a special assessment and is not in their millage rate. They pay for their sewer, lights, road improvements and everything by a special assessment. Because Dearborn has the infrastructure in place, the residents aren't really paying for the new lampposts or a new street that gets put in because the City has it worked into the budget that certain areas are being improved upon every so many years as needed. In other municipalities, the local operating millage rate doesn't have to cover those road improvements so they will either pass special millages or levy a special assessment for the road in front of a house. The City of Dearborn does not have as many special assessments as most communities do.

Commissioner Petlichkoff stated that she was looking at the City of Jackson's Charter on special assessments and it pretty much aligns with the one here but she is wondering if it is working the way that it should be with assessments. She further stated that the City of Jackson has a section in their Charter for cost of removal or abatement of hazards or nuisances. She stated that she knows that the City of Dearborn has an abatement program that is an ordinance.

Ms. Ordus stated that she believes this falls under a different division. She further stated that she believes that falls under Building & Safety or

DPW for weed removal. The City has special assessments for things such as the street lighting in the Ford Homes District because they wanted a special lamppost. The City has special assessments that are for the parking districts for commercial. The City has had some special assessments for the residential areas but it has been very small and minor and has usually been because it is something that the residents wanted.

Ms. Ordus further stated that in other communities, they levy special assessments for major improvements on a major street and because they think that it's a benefit to the residents in the area, they will filter it in quite a few blocks. It is authorized within the law for various reasons what you can levy a special assessment for. The City of Dearborn doesn't generally do this type of thing because they have been lucky with the general fund that normal infrastructure has been replaced with the general fund.

Commissioner Petlichkoff asked if this covered the sidewalk replacements.

Ms. Ordus stated that sidewalks have not been a special assessment. She further stated that you have to create a district and there quite a few other things.

Commissioner Petlichkoff stated that special assessments encompass not just an individual home as opposed to a broader neighborhood.

Ms. Ordus stated that a special assessment would cover things that a general fund should not be used for. It should be a benefit to the property owner also and they have to prove benefit also. It is pretty specific what its use is for. She further stated that if you put in all of the laws that are now being updated and amended, she would hope that they could skew it a little bit so that it is still protecting everyone and if the laws do get changed it will always be taken to Council.

Chairman Bazy stated that he believes that you do not want to write a Charter that defines what each law is right now because those things change. They want to write it broad enough so that it can be lived with under the scope and if the State law changes, it certainly supersedes anything that is in the Charter anyway then you have to make those adjustments if something that is written is directly against what is State law.

Chairman Bazy called a recess at 6:55 p.m. The meeting reconvened at 7:10 p.m. Present at roll call were Commissioners Bazy, Bugeia, Hamilton-Stokes, Hubbard, Moran, Petlichkoff, and Shooshanian.

A motion was made by Commissioner Shooshanian and supported by Commissioner Hubbard that Section 15.1 remain as currently written.

The motion was adopted unanimously.

A motion was made by Commissioner Bugeia and supported by Commissioner Moran that Section 15.2 remain as currently written.

The motion was adopted unanimously.

A motion was made by Commissioner Shooshanian and supported by Commissioner Hamilton-Stokes that Section 15.3 remain as currently written.

The motion was adopted unanimously.

A motion was made by Commissioner Hamilton-Stokes and supported by Commissioner Shooshanian that Section 15.4 which currently reads:

Following the public meeting of the Council at which the special assessment roll is reviewed, the Council may make such corrections and changes in the special assessment roll as permitted by law. All owners of property affected by such corrections and changes shall be notified in the same manner required for the original assessment and the same procedure required for review by the Council of the original assessments shall be used in reviewing the corrections and changes. When all corrections and changes in the special assessment roll have been made and reviewed by the Council, the Council shall confirm the special assessment roll by the required vote and shall notify the Finance Director/Treasurer. The Finance Director/Treasurer shall determine the amount of the special assessments, or installment payments thereon, for each property assessed, and shall file a list of such assessments and installment payments with the Clerk.

be amended to read:

Following the public meeting of the Council at which the special assessment roll is reviewed, the Council may make such corrections and changes in the special assessment roll as permitted by law. All owners of property affected by such corrections and changes shall be notified in the same manner required for the original assessment and the same procedure required for review by the Council of the original assessments shall be used in reviewing the corrections and changes. When all corrections and changes in the special assessment roll have been made and reviewed by the Council, the Council shall confirm the special assessment roll by the required vote and shall notify the Finance Director/~~Treasurer~~. The Finance Director/~~Treasurer~~ shall determine the amount of the special assessments, or installment payments thereon, for each property assessed, and shall file a list of such assessments and installment payments with the Clerk.

The motion was adopted unanimously.

A motion was made by Commissioner Shooshanian and supported by Commissioner Hamilton-Stokes that Section 15.5 which currently reads:

Special assessments shall constitute a lien upon the properties assessed from the date of confirmation until paid. All assessments or installments thereof which shall be unpaid and delinquent on the first Tuesday in May of each year, and which shall not have been previously reassessed by the Council upon the general tax roll, shall on the said first Tuesday in May of each year be reported to the Council by the Finance Director/~~Treasurer~~ as delinquent and the Council shall order the amount due, including penalties and interest to the first day of August of such year, to be reassessed and spread by the assessor upon the general tax roll for such year with such information as may be required by law; and said special assessment shall then be collected and paid as provided in collecting City taxes.

be amended to read:

Special assessments shall constitute a lien upon the properties assessed from the date of confirmation until paid. All assessments or installments thereof which shall be unpaid and delinquent on the first

Tuesday in May of each year, and which shall not have been previously reassessed by the Council upon the general tax roll, shall on the said first Tuesday in May of each year be reported to the Council by the Finance Director/~~Treasurer~~ as delinquent and the Council shall order the amount due, including penalties and interest to the first day of August of such year, to be reassessed and spread by the assessor upon the general tax roll for such year with such information as may be required by law; and said special assessment shall then be collected and paid as provided in collecting City taxes.

The motion was adopted unanimously.

A motion was made by Commissioner Bugeia and supported by Commissioner Moran that Section 15.6 remain as currently written.

The motion was adopted unanimously.

A motion was made by Commissioner Petlichkoff and supported by Commissioner Moran that Section 15.7 remain as currently written.

The motion was adopted unanimously.

A motion was made by Commissioner Hubbard and supported by Commissioner Shooshanian that Section 15.8 which currently reads:

When any payment on a special assessment is in default, the Finance Director/~~Treasurer~~ may take whatever legal action is necessary to collect the payment.

be amended to read:

When any payment on a special assessment is in default, the Finance Director/~~Treasurer~~ may take whatever legal action is necessary to collect the payment.

The motion was adopted unanimously.

A motion was made by Commissioner Moran and supported by Commissioner Petlichkoff that Section 15.9 remain as currently written.

The motion was adopted unanimously.

A motion was made by Commissioner Bugeia and supported by Commissioner Shooshanian that Section 15.10 remain as currently written.

The motion was adopted unanimously.

A motion was made by Commissioner Hubbard and supported by Commissioner Petlichkoff that Section 15.11 remain as currently written.

The motion was adopted unanimously.

Chairman Bazzy stated that in Chapter 16, it basically gives you the authority to go out and try to get bonds. Without section 16.1, you can't get any money for bonds.

Kim Craig, Assistant Corporation Counsel, stated yes you need this Chapter. She further stated that Ms. Walling was going to talk to bond counsel but she believes that he would think that Chapter 16 was okay. She will have Ms. Walling, when she talks to bond counsel, find out if he has any issues with this Chapter.

A motion was made by Commissioner Hamilton-Stokes and supported by Commissioner Hubbard that Section 16.1, 16.2, 16.3, 16.4, and 16.5 remain as currently written.

The motion was adopted unanimously.

Chairman Bazzy asked the Commissioners to take some time with the memo that Mr. O'Connor had submitted and come back with any notations that they have. It certainly warrants a significant amount of discussion. It is important that the Commission understand that they are not a taxation authority. They are simply sitting in a position to authorize a Charter if necessary to give flexibility to the Council to be able to go to the public and explain why monies are needed for X amount.

Chairman Bazzy stated that at the next meeting to be held on April 24, 2007, the Commission will review Sections 13.2 and 14.3 along with Chapters 17, 18, 19, and 20.

A motion was made by Commissioner Petlichkoff and supported by Commissioner Shooshanian to adjourn.

The meeting adjourned at 7:20 p.m.