

**THE VILLAGE OF DEXTER  
CITY CHARTER COMMISSION  
MINUTES OF THE WEDNESDAY, MARCH 5, 2014 MEETING**

**A. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

The meeting was called to order at 6:30PM by Chairman Hansen at the Copeland Board Room located at 7714 Ann Arbor Street in Dexter, Michigan.

**B. ROLL CALL:** Phil Arbour, Jack Donaldson, John Hansen, Matt Kowalski ( arrived at 6:33), Michael Raatz, and James Smith. Excused absences Phil Mekas, Mary-Ellen Miller and Thom Phillips.

Also present: Courtney Nicholls, Assistant Village Manager and Carol Jones, Village Clerk.

**C. APPROVAL OF THE AGENDA**

Motion Phil Arbour; support James Smith to approve the agenda as presented. Unanimous voice vote approval with Mekas, Miller and Phillips absent.

**D. APPROVAL OF THE MINUTES**

1. Regular Meeting – February 26, 2014

Motion Phil Arbour; support Jack Donaldson to approve the minutes with the following correction:  
Page 5, Section 7(d) the word will should be while.  
Unanimous voice vote approval with Mekas, Miller and Phillips absent.

**E. PREARRANGED PARTICIPATION**

None

**F. PUBLIC HEARINGS**

None

**G. CHARTER CONSTRUCTION – SECOND READINGS**

None

## H. CHARTER CONSTRUCTION – FIRST READING

### Staff Update Memo

The following items were discussed:

- Timeline – The state has changed when petitions are due for the ~~August~~November ballot, now it is July 22 (15 weeks prior to the vote) and this may require some changes to meet that deadline.
- Public Hearing – move up the date of the first public hearing to March 22.
- Other public meetings – March 13 at the Cedars at 4 PM and May 8 at the Rotary meeting at 7 AM.

#### 1. Discussion of: Taxation (continued from 2/26/14)

Motion James Smith; Support Phil Arbor to approve the first reading of Section 18 – Tax Due – Notification Thereof.

The City Treasurer shall not be required to make personal demand for the payment of taxes, but, upon receipt of the city tax roll, shall, forthwith, give notice to the taxpayers of the city by forwarding a tax statement to each person named in the tax roll, which mailed statement shall be a sufficient demand for the payment of all taxes assessed. Neither the failure on the part of the City Treasurer to mail such statement nor the failure of any person to receive the same, shall invalidate the taxes on the tax roll or release any person or property assessed from the liabilities provided in this charter in case of nonpayment. Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Phil Arbour; support Jack Donaldson to approve the first reading of Section 19 – Tax Payment Schedule.

The council shall provide by ordinance, for a tax payment schedule and the amount of collection charges, penalties and interest to be added to taxes, charges, and assessments on the city tax roll. When so added, such collection charges, penalties and interest shall be treated in all respects as an item of taxes and collected as such. Any collection charges, penalties and interest shall be collectable in the same manner as taxes, assessments, and charges to which they are added. Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Jack Donaldson; support Jim Smith to approve the first reading of Section 20 – Failure or Refusal to Pay Personal Property Tax.

If any person shall neglect or refuse to pay any tax on personal property assessed to such person, the City Treasurer shall collect the same by seizing any personal property of such person, to an amount sufficient to pay such tax, together with any charges and interest added thereto, wherever the same may be found in the State of Michigan. No property shall be exempt from such seizure. The City Treasurer may sell the property seized, at an

amount sufficient to pay the taxes and all charges, fees, penalties, and interest, in accordance with statutory provisions. The City Treasurer may also sue the person to whom a personal property is assessed, in accordance with the powers granted by state law.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Jack Donaldson; support James Smith to approve the first reading of Section 21 – State, County and School Taxes.

For the purpose of assessing and collecting taxes for state, county and school purposes, the city shall have the powers enumerated by the General Property Tax Act, and all provisions of state law relative to the collection of, and accounting for, such taxes and the penalties and interest thereon shall apply. For the purpose of collecting state, county, and school taxes, the City Treasurer shall perform the same duties and have the same powers as enumerated by the General Property Tax Act.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Michael Raatz; support Jack Donaldson to approve the first reading of Section 22 – Protection of City Lien.

The city shall have the power, insofar as the exercise thereof shall not conflict with or contravene the provisions of state law, to acquire such interest in any premises within the city, by purchase at any tax or other public sale, or by direct purchase from or negotiation with the State of Michigan or the owner, as may be necessary to assure to the city the collection of its taxes, special assessments, charges and any interest thereon which are levied against any lot or parcel of real property or to protect the lien of the city therefore, and may hold, lease, or sell the same. Any such procedure exercised by the city to assure the collection of its taxes or the protection of its tax or other liens shall be deemed to be for a public purpose. The council may adopt any ordinance, which may be reasonably necessary to make this section effective.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion James Smith; support Matt Kowalski to approve the first reading of Section 23 – Tax Roll to County Treasurer.

All taxes, special assessments, charges, and collection fees, on the city tax roll which remain unpaid on the first day of March following the date when said roll was received by the City Treasurer shall, on that date, become delinquent and shall be returned to the County Treasurer at the time and in the same manner and with like effects as returns by City Treasurers of school and county taxes.

Such returns shall be made upon a delinquent tax roll to be prepared by the City Treasurer and shall include all the additional charges which shall, in such return, be added to the amount assessed in said tax roll against each description. The taxes, assessments, charges, and fees, thus returned shall be collected in the same manner as taxes returned to the County Treasurer are collected under the provisions of the general

laws of the State of Michigan and shall be and remain a lien upon the lands against which they are assessed until paid.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Phil Arbour, support Jack Donaldson to approve the first reading of Section 24 – City Income Tax.

No City income tax shall be levied without an approving vote of a majority of city electors voting thereon at a special or city election or as otherwise permitted by law.

Unanimous voice vote approval with Mekas, Mill and Phillips absent.

From the February 26, 2014 meeting

Motion Jack Donaldson; support James Smith to approve the first reading of Section 2 – Subject of Taxation.

Motion Phil Arbour; support Thom Phillips to table Section 2 until more information is received.

Unanimous voice vote approval with Kowalski and Miller absent.

Motion James Smith, support Matt Kowalski to set the tax rate for the City of Dexter at 12.5 mils for general operations and 5.5 mils for roads for a total of 18 mils.

Ayes: Phil Arbour, Matt Kowalski, Michael Raatz and James Smith

Nays: Jack Donaldson and John Hansen

Motion fails 4 to 2

Motion Phil Arbour; support Jack Donaldson to set the tax rate for the City of Dexter at 12.5 mils for general operations and 5 mils for roads for a total of 17.5 mils.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

### Section 2 – Subject of Taxation

(a) Exclusive of any levies authorized by state law to be made beyond charter tax rate limitations, the annual ad valorem tax levy shall not exceed two percent (2%) or seventeen and one-half (17.5) mils of the taxable value of all real and personal property in the city. Of the seventeen and one-half (17.5) mils, ~~12.5~~ 12.5 shall be dedicated to general operating and 5 to streets.

(b) The subjects of ad valorem taxation for municipal purposes shall be the same as for state, county, school and other taxing entities under the general law.

(c) Except as otherwise provided by this charter, city taxes shall be assessed, levied, collected, and returned in the manner provided by state law.

Unanimous voice vote approval as amended with Mekas, Miller and Phillips absent.

## **2. Discussion of: Special Assessments**

Motion Jack Donaldson; support Phil Arbour to approve the first reading of Sections 1 – 6 of Special Assessments

## Section 1 – General Power Relative to Special Assessments

The council shall have the power to determine the necessity of public improvements within the city, and to determine that the whole ~~of~~ any part of the cost of any public improvement shall be defrayed by special assessment upon property or properties benefited in proportion to the benefits derived or to be derived. The council shall also have the power of reassessment with respect to any such public improvement.

## Section 2 – Procedure Fixed by Ordinance

The council shall prescribe by ordinance the complete special assessment or reassessment procedure governing the initiation of projects, the preparation of plans and cost estimates, the creation of special assessment districts, notices and hearings, making and confirming the assessment rolls, the correction of errors in such rolls, the collection of special assessments, and any other matters concerning the making and financing of improvements by special assessment.

## Section 3 – Reconsideration of Petitions

In the event that the council shall fail to make any public improvement petitioned for as required by ordinance during the calendar year during which the petition is filed because of lack of funds therefore, such petition shall be reconsidered by the council prior to the first day of March of the succeeding calendar year for the purpose of determining whether such improvements should be made during such fiscal year.

## Section 4 – Condemnation Costs

The cost of condemning or otherwise acquiring property needed for any public improvement shall constitute a part of the cost of the improvement.

## Section 5 – Lien and Collection of Special Assessments

Upon the confirmation of each special assessment roll, the special assessments thereon shall become a debt to the city from the persons to whom they are assessed and, until paid shall be a lien upon the property assessed for the amount of such assessments and all interest and charges which may accrue thereon. Such liens shall be of the same character and effect as that created by this charter for city taxes and shall be treated as such in all procedures for the collection of special assessments and all collection fees or charges and interest, which may have been added or accumulated thereto.

## Section 6 – Special Assessment Account

Moneys raised by special assessment for any public improvement shall be credited to a special assessment account, and shall be used to pay the special assessment portion of the cost of the improvement for which the assessment was levied and of expenses incidental thereto, including the repayment of the principle of and interest on money borrowed therefore, and to refund excessive assessments if refunds are authorized. Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Phil Arbour; support James Smith to approve the first reading Section 7 – Certain Postponements of Payments.

The council may provide that any person who, in the opinion of the City Assessor and not less than five (5) members of the council, by reason of poverty is unable to continue payments toward the cost of the making of a public improvement, may execute to the city an instrument creating a lien for the benefit of the city on all or any part of the real property owned by that person and benefited by any public improvement, which lien will mature and be effective from and after the execution of such instrument. Shall be recorded with the Register of Deeds of Washtenaw County, and shall not be discharged or released until the terms thereof are met in full. The council shall include procedures for making this section effective in the Special Assessment Ordinance required by Section 2.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion James Smith; support Phil Arbour to approve the first reading of Section 8 – All Real Property Liable for Special Assessment.

All real property, including such as is exempt from taxation by state law, shall be liable for the cost of public improvements benefiting such property, unless specifically exempted from special assessments by law.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Jack Donaldson; support Michael Raatz to approve the first reading of Section 9 – Specific Assessment Powers.

In accordance with its general power to determine the necessity for any public improvement and to defray the cost, in whole or in part, by special assessments, the city shall have the power:

(a) To install and connect sewers and waterworks for property within the city and to finance the same, in whole or in part, by special assessments;

(b) To construct, grade and pave local streets within the city and to finance the same, In whole or in part, by special assessments provided that any subsequent cost of repaving or maintaining such local streets shall not be financed by special assessments but shall be paid from the general funds of the city; and

(c) To require of an owner of real property within the city to abate public hazards and nuisances thereon which are dangerous to the health, safety or general welfare of the inhabitants of the city within a reasonable time after the council notifies the owner that such hazard or nuisance exists, and if the owner fails to comply with such requirements to abate such hazard or nuisance, to assess a reasonable cost against such property.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion James Smith; support Jack Davidson to approve the first reading of Section 10 – Correction of Invalid Special Assessments.

Whenever any special assessment shall, in the opinion of the council, be invalid by reason of irregularity or informality in the proceedings, or if any court of competent jurisdiction shall adjudge such assessment to be illegal, the council shall, whether the improvement has been made or not, or whether any part of the assessments have been paid or not, have power to cause a new assessment to be made for the same purpose for which the former assessment was made. All proceedings on such reassessment and for the collection thereof shall be conducted in the same manner as provided for in the original assessment, and whenever any sum or part thereof levied upon any property in the assessment so set aside had been paid and not refunded, the payment so made shall be applied upon the reassessment or if the payments exceed the amount of the reassessment, refunds shall be made. Unless challenged by a successful appeal to the courts, no act of the council vacating a special assessment shall destroy or impair the lien of the city upon the premises assessed for such amount of the assessment as may be equitably charged against the same or as by regular mode of proceeding might have been lawfully assessed thereupon.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

### **3. Discussion of:     Borrowing**

Motion James Smith; support Matt Kowalski to approve the first reading of Sections 1 – 8 of Borrowing.

#### Section 1 - General Power

Subject to the applicable provisions of state law, the city may borrow money for any purpose within the scope of its powers, and may issue bonds, or other evidence of indebtedness therefore.

#### Section 2 - Limits of Borrowing Authority

(a) The net bonded indebtedness incurred for all public purposes shall not at any exceed the maximum amount permitted by state law, provided that in computing such bonded indebtedness there shall be excluded special assessment bonds, even though they are a general obligation of the city, mortgage bonds, revenue bonds, bonds in anticipation of state-retained revenues to the extent permitted by state law, and any other bonds or indebtedness excluded by law from such limitation. The amount of funds accumulated for the retirement of any outstanding bonds shall also be deducted from the amount of bonded indebtedness.

(b) The amount of emergency borrowing which may be incurred under the provisions of this charter may not exceed the maximum amount permitted by state law.

(c) No bonds shall be sold to obtain funds for any purpose other than that for which they were specially authorized, and if such bonds are not sold within the time limited by state law, such authorization shall be null and void.

(d) The issuance of any bonds not requiring the approval of the electorate shall be subject to applicable requirement of law with reference to public notice in advance of authorization of such issues, filing of petitions for a referendum on such issuance, holding such referendum, and other applicable procedural requirements.

### Section 3 - Use of Borrowed Funds

Each bond or other evidence of indebtedness shall contain on its face a statement of the purpose for which the same is issued and no officer of the city shall use the proceeds thereof for any other purpose, except that whenever the proceeds of any bond issue, or a part thereof, remain unexpended and unencumbered for the purpose for which said bond issue was made, the council may authorize the use of such expended and unencumbered funds as provided in this section, which use shall be subject to the approval of the Michigan Department of Treasury where required:

- (a) For an additional extension or improvement of facility or project for which the bond issue was made;
- (b) For the retirement of such bond issue;
- (c) If such bond issue has been fully retired or funds are segregated which are adequate for such purpose, then for the retirement of other bonds or obligations of the city;
- (d) If there is no other indebtedness or funds are segregated which are adequate for such purpose, then for such other purposes as may be permitted by state law.

### Section 4 - Separation of Special Assessment Collections; Payment of Deficiency in Special Assessments

All collection on each special assessment roll or combination of rolls, in anticipation of which bonds have been issued, shall be set apart in a separate fund (but not necessarily in a separate bank account) and shall be used for the purpose for which levied and for the payment of the principal and interest on such bonds. If there is any deficiency in a special assessment fund to meet the payment of the principal or interest to be paid therefrom, money shall be advanced from the general funds of the city to meet such deficiency and shall be replaced in the general fund when the special assessment fund shall be sufficient therefore.

### Section 5 - Bond Interest Rates

No bond or other evidence of indebtedness of the city shall bear interest at a rate that exceeds a rate ceiling imposed by state law.

### Section 6 - Execution of Bonds

All bonds issued by the city shall be signed by the Mayor and countersigned by the City Clerk and shall bear the corporate seal of the city. Said signatures of the Mayor and the City Clerk and the seal of the city may be by facsimile if permitted by state law.

### Section 7 - Record of Bonds and Other Evidence of Indebtedness; Cancellation

The City Treasurer shall keep a detailed record of all bonds and other evidence of indebtedness. Upon payment of bonds or other evidence of indebtedness the same shall be cancelled.

Section 8 - Preparation and Records of Bonds

Each bond or other evidence of indebtedness shall contain a statement specifying the purpose for which it is issued and it shall be unlawful for any officer of the city to use the proceeds thereof for any other purpose. Any officer who shall violate this provision shall be deemed guilty of a violation of this charter, except that, whenever the proceeds of any bond issue or parts thereof shall remain unexpended and unencumbered for the purpose for which said bond issue was made, the council may authorize the use of said funds for the retirement of bonds of said issue or for any other purpose permitted by state law.

Motion Jack Donaldson; support Matt Kowalski to add Section 9 - Unissued Bonds (from the Chelsea Charter).

Any authorization by the electors for the issuance of bonds by the city shall be void if such bonds shall not be issued within three years from the date of authorization.  
Unanimous voice vote approval as amended with Mekas, Miller and Phillips absent.

**I. OTHER ITEMS AS REQUESTED BY COMMISSIONERS**

Motion Phil Arbour; support Jack Donaldson to hold a Public Hearing on the City of Dexter Charter on March 22, 2014 at 2 PM at the Dexter District Library.  
Unanimous voice vote approval with Mekas, Miller and Phillips absent.

**J. AGENDA PREPARATION FOR THE NEXT MEETING**

Next meeting:

- Second readings
- Begin first reading of Purchasing and General Provisions

**K. NON-ARRANGED PARTICIPATION**

None

**L. ADJOURNMENT**

Motion Phil Arbour; support Matt Kowalski to adjourn at 8:11 PM.  
Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Respectfully submitted,  
Carol J. Jones  
Clerk, Village of Dexter

Approved for Filing: March 12, 2014