

# Farmington Observer

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## Officials gear for potential tax rebellion

By LYNN ORR

Tax limitation may be on everyone's lips, but very few seem to have the inside track on how it works.

Everyone, however, may exclude city officials, who are scrambling to learn just how much they stand to lose if voters approve tax-slashing proposals in November.

A recent poll reveals that less than 10 per cent of Michigan voters understand the tax limitation proposal spearheaded by Farmington Hills resident Richard Headlee. Headlee's organization, Taxpayers United for Tax Limitation, scored a triumph recently when a ballot slot for the state-wide tax cutting proposal was approved.

Less than 25 per cent of those polled understand the Tisch Property Tax Reduction amendment, proposed by Robert Tisch, Shiawassee drain commissioner.

Lasting officials held off approving a ballot position for the Tisch amendment, which would cut property taxes in half but probably hike the state income tax, if approved.

But it's the financial impact of either proposal which has the attention of governmental officials.

THE FARMINGTON HILLS treasurer is advising that no new services or programs be authorized until after the November election, in light of the drastic implications of the Tisch amendment, for example.

"Should the Tisch amendment pass and become law, the city will find itself very limited in its taxing authority," said Girard Miller, Hills finance director and treasurer.

Passage of the amendment would cut Hills local revenue by about \$2.6 million. That's the equivalent of nearly the entire police budget or "alternatively, fire, parks and recreation, finance, assessing, city clerk, attorney and legal, court, boards and commissions, and library," he noted.

Although the amendment provides for a one per cent income tax increase, it is difficult to project whether the city tax loss would be offset by an increase in state-shared revenue generated by a higher income tax, he added.

Voter approval of the Headlee amendment is difficult to gauge in hard numbers, officials say; but the limits it would place on a taxing authority are clearer.

In essence, if voters approve the Headlee proposal, they'll be guaranteeing themselves long ballots at election time, officials say.

The Headlee proposal, if approved, prohibits cities from levying any new tax without voter approval.

In addition, voter approval of all bond issues, such as special assessment bonds, county drain bonds, and building authority bonds, would be required under the proposal. That provision means delays in many projects, such as road and sewer construction and/or improvement.

Theoretically, Special Assessment District (SAD) bonds could still be sold, but without the city's general obligation pledge. Credit analysis would have to be made on each subdivision. If the bonds could be sold,

interest costs would be much higher," Miller says.

It's likely that the city would be unable to sell bonds for construction in poorer sections of the city under the provision, he says.

"The economic base would not be sufficient to pay the debt services."

ALTHOUGH THEY RARELY do now, cities could sell revenue bonds (at higher rates of interest than general obligation bonds) to finance projects, if voters rejected self-supporting capital projects, Miller says.

For example, projects which earn their keep, like senior citizen housing or the San Marino Golf Course, could be financed at greater expense if voters rejected ballot questions on such topics, he explains.

Revenue bonds do not carry the full faith and credit of the city, meaning those bonds are riskier for investors. As a result, interest rates on revenue bonds are generally one to two per cent higher, according to Miller.

Miller says the effect of the Headlee amendment is to prevent increases in taxation that are greater than the state's economic growth during recessions. As such, during economic slow-downs, state-shared revenues to cities would be expected to fall off.

"This would be at a time when building permit and other city revenues are falling, hence requiring that the city cut back services or raise property taxes to the maximum allowable," Miller says.

It is unclear, also, whether the maximum charter tax rate (9-10 mills) or the current tax rate of eight mills would be the ceiling, under the Headlee proposal, he adds.

WILLIAM PRISK, assistant superintendent of finance for the Farmington School District, admits that he has not examined the proposals for their impact on school financing; but other school officials are wary of the implications.

The Michigan Association of School Boards, for example, said the Headlee and Tisch proposals may upset the already unstable apportionment of school financing.

In a recent newsletter the MASH reviewed the two proposals. The Headlee proposal fails to guarantee that state spending for education will remain at present levels.

"It doesn't say it won't," Prisk adds, but school districts are grouped with other local governing units in Headlee's statement that the proportion of state spending will not be reduced.

"In other words we will be left to fight among ourselves," the newsletter indicated.

The Headlee proposal also eliminates the present five per cent bonding powers for schools. Farmington recently sold bonds to finance major repairs without voter approval, currently allowable under state law.

The Tisch amendment allows an out for school districts which might end up with fewer state dollars. The proposal allows districts to seek voter approval of a one per cent local income tax in addition to school property taxes.

"This local income tax is not equalized or guaranteed to bring in any specific number of dollars. The amount of school operating funds to be derived from the local income tax would be completely dependent upon local incomes," the MASH newsletter said.

## Clinic offers immunizations

Walled Lake Immunization Clinic in the Southwestern Oakland Vocational Center Medical classrooms, 1000 Beck in Walled Lake will be conducted from 9 a.m. - noon on Sept. 5.

Appointments are unnecessary. Bring any previous immunization records. Children must be accompanied by a parent or legal guardian.

Free immunizations include measles, German measles, mumps, polio, diphtheria, tetanus and whooping cough.



## Summer's fading beauty

With the passing of the last holiday of the summer, the season is quickly slipping away. But the beauty of the warm months remains, if one will only look around. Donald and Rita Monk of Birmingham enjoy their bright backyard garden. Milo Hunt of Greenwich Nursery designed the spot for privacy, beauty and peaceful relaxation. Within

the private garden are a series of perimeter flower centers, all raised in beds. Many large pots of annuals are grouped around the garden for accents. The husband and wife team worked many hours to create what is considered to be one of the area's most beautiful gardens.

## WANTED

### Inside classifieds: Joy, sorrow hide in print

By LOUISE OKRUTSKY

Behind the impersonal columns of the classified section lurk high hopes and keen disappointments.

Hidden among the terse, economical lines of the want ads and the personal columns lay stories of life in the suburbs.

In the column marked "wearing apparel," a Farmington Hills woman offers to sell "Wedding dress, lace, pearl trim, detachable train, size 57. Beautiful, \$50."

At that price, it's obvious that Ardy Hunt wants the gown sold.

"I've advertised garage sales and different things in the paper but don't ask me about this one," she said. "It's a heartbreaking story. It's just one of those things."

But while the classifieds will take the gown and some of the painful memories away, others will remain.

"It's going to take a while," she said, wistfully.

In the egalitarian society of the classifieds, lost loves mingle with relationships waiting to begin. The personal columns house hopeful requests made to strangers.

"Refined gentleman recovering from long illness is seeking a sincere, non-smoking companion between 25 and 45 who doesn't expect to be wined and dined but who can be a friend."

IN THE SAME column another soul writes, "Woman, 50, lonely, not working seeks friends and work."

On the lighter side, a family proves it can laugh at itself. "Birmingham Beware. Kevin Degen has his driver's license."

Another set of hopes manifests themselves in the classifieds. Young businesspersons with an idea to sell take a tiny black inked square.

Tracy Gallagher puts in her bid for her own riding classes by writing: "English hunter jumper. Lessons. Will travel to your private stable, give private or group lessons by the hour, 477-7574."

"I've just started at this," explained Ms. Gallagher. "This is what I want to do. I don't have anything else that I'd like to do, really."

"If this doesn't work out I'll just have to go to other things."

For Ms. Gallagher, riding is a pre-occupation that began eight years ago when she was a 10-year-old just learning her way around a stable.

Now, she says, she wants to help other youngsters learn the formal style of English jumping.

"No one helps the kids who can't afford big stables," she said. "I'm

"Refined gentleman recovering from long illness is seeking a sincere, non-smoking companion between 25 and 45 who doesn't expect to be wined and dined but who can be a friend."

offering lower prices and private lessons."

FOR \$10 a lesson, she will teach any child over 9 years old.

"It's better when they're over 9 because then they're big enough to control a horse. Little kids can get into trouble on a horse," she said.

The winner of 60-70 ribbons and 15-20 trophies, Ms. Gallagher rode the championship circuit in Chicago before returning to Farmington Hills.

Another businessperson waiting for a break also is hoping for the return of an archaic trade.

Robert Bowe, 28, wants to be a chimney sweep. Earlier in the summer, the Royal Oak resident decided to take up the challenge he found in a magazine ad promoting the trade. He took hold of the tools of his trade—the sweepers and brushes—and began studying for the task.

"It's on-the-job learning," said Bowe, who's practiced chimney sweeping for the entire summer.

During the day, Bowe is weighmaster for General Electric's Sylvan Division. But once off that job, his life is filled with ups and downs.

And as those are soot-filled ups and downs, he's willing to admit.

"IT'S DIRTY," he admits.

"You've got to be in pretty good shape."

At the moment, he climbs to the top of his task by taking out the damper. Once he finds a vehicle to transport a ladder, Bowe and his chimney-sweeping top hat will disappear into the job in a more colorful and traditional manner.

He takes on less colorful jobs of cleaning wood burning stoves, too. Business will boom as the energy bubble bursts, he hopes.

Another part of a bygone era lives on in the hobby of Jim Wades, 18. The Farmington Hills amateur radio operator collects antique receivers which once were trailblazers.

He contacts others with the same passion through the classified ads.

"Wades' interest in sending messages through the wireless began when he was 12. Now, six years later, he's the president of the Farmington Amateur Radio Club."

He's also the proud owner of several antique receivers.

"Radio has been around since the

turn of the century," he explained.

"Before commercial radio, there was amateur radio. The amateur operator deserves credit for breaking the way for FM, AM radio and television."

"There are a lot of things lying around but it's of no value to the general public," explained Wades.

"It's valuable only if you're a collector."

That description could easily fit the gray-columned world of the classifieds, too.

## Procrastinators tax city deadline

Debtors' prisons vanished over the years, but tax collecting goes on, and on, and on.

Twice a year, as a matter of fact, Farmington Hills taxpayers shell out, and at least 90 per cent of them made their payments on the last day of August last week.

As for those who missed the Thursday deadline, bread and gruel are out of fashion—and not nearly as lucrative as modern methods.

The sophisticated punishment for late payments is a four per cent penalty on the total sum due, plus one-half per cent interest per month tacked on the bill. That adds up to about a 45 per cent penalty for the average taxpayer.

The Hills finance office attempted to add some flexibility to this year's collection by allowing payments to be made at National Bank of Detroit offices.

But, like automobile licenses, tax paying brings out the procrastinators, including about 800 walk-ins at City Hall last Thursday. The cash registers clicked all week, taking in payments from some of the 25 per cent of Hills taxpayers who pay in person.

"Some people don't trust the mails," says Hills Treasurer Girard Miller. "Some people don't trust government. They want the receipt stamped in front of their eyes."

ENCLOSURES with mail-in payments sometimes offer a personal touch as well. One taxpayer sent a religious pamphlet, and another accompanied the payment with a note saying: "You'll get yours."

Long lines or hefty bags of mail, the

collections come in, but there's fiscal austerity, as well as procrastination tendencies, behind near-deadline payments.

Mortgage companies, which pay taxes out of escrow accounts, often prefer to wait until the last minute. The \$800,000 from such financial institutions in the last few days earned more interest than if taxes had been paid July 1.

The city collected about \$1 million over the counter Thursday, part of the \$15 million summer collection for city, Farmington schools and Oakland County Community College. Although the city is not required to turn over any funds to the school district until at least 25 per cent of the rolls is collected, the Hills finance office turned over \$700,000 to Farmington schools to "help them out in their cash-flow problem," Miller says.

As for the delinquent taxpayers, they'll have Oakland County to deal with after March 1, 1979. The county gives the money due to the city, while selling tax anticipation notes on tax outstanding taxes. The notes are tax exempt and earn 5 to 5 1/2 per cent interest. Meanwhile, county tax officials attempt to collect the outstanding tax from city residents.

Tax collectors draw a hard line on deadline dates for a good reason, Miller says. Taxpayers in the past turned every trick to prolong the agony.

The city no longer allows a grace period for mailing, because businesses often used postage meters to backdate late payments.

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### TAKING A CLUBBING

Caddies, those club carriers of the bygone days before golf carts are going the way of the ice man and melting into history. But golf followers often took a clubbing on the greens. Give an ear to tales of poor tips, awful jokes and youthful hopes as the Farmington Observer introduces its new regular columnist, Craig Picchura. For the Flip Side, turn to page 6B.