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Officials muse on Headlee tax ceiling debate

By MARY GNIEWEK

If you're expecting the so-called Headlee tax limitation amendment to lower your taxes, don't hold your breath.

Though the state legislature has two bills simmering in Lansing, local officials are still in a stew over how to serve the amendment to taxpayers. One thing they know for sure is that the bill is not going to reduce property taxes in Farmington or Farmington Hills.

Farmington City Manager Bob Deadman said most homeowners will be hit with bigger tax bills this year. Part of that is due to a voter approved \$1 million debt for water improvement, which is included in the 11.5 mills levied by Farmington.

Property owners in Farmington Hills received tax bills ranging from eight to 25 percent higher than last year due to skyrocketing property values.

While the tax limitation amendment puts a ceiling on the maximum amount of taxes a municipality can charge residents, it has a built-in inflation factor (currently 7.7 percent). In addition to the seven percent guaranteed increase, there is still a legal question as to whether the Headlee amendment aims to cut back taxes from the levied or city charter authorized maximum rate — which is the difference between 11.5 or 20 mills in Farmington.

"It'll cause a reduction in our operating millage. We'll have to use unappropriated surplus to balance the budget," Deadman said.

"It's got to hurt somewhat in the long run. It places local government in a position where existing millage has to be rolled back to the government Consumer Price Index rate of inflation, which is figured on such items as food and clothing. But our CPI relates to gravel, fuel and building materials which generally run higher than the national average."

THE FARMINGTON School District is also below its charter maximum. Last year, the district levied 35.8 mills, but it was authorized to levy 37.29 mills. Farmington Hills levied its charter-approved maximum of nine mills last year. But its city charter allows a tax increase to 10 mills in 1980.

Bob O'Leary, staff director for state Sen. Doug Ross, D-Oak Park, said the Headlee controversy centers on whether local governments can roll back millage once its lowered to stay within the inflation factor.

"Under Headlee, when property values in a municipality — a city or a school district — exceed the rate of inflation, then the millage has to be rolled back to keep pace with inflation," O'Leary said.

"The House bill gives city council the right to raise the millage rate back to the authorized level without a vote of

the people. The Senate bill, which is still in committee, says city council cannot roll back the millage to its charter maximum without voter approval."

Richard Headlee, the Farmington Hills insurance executive who spearheaded the tax limitation drive last year, criticized the legislature for stalling implementation.

"The Michigan Legislature has a simple job. It has the duty of implementing the tax limitation amendment, a one-page document.

"Saying the amendment is confusing is a poor excuse for a legislative lack of dedication to the voted will of the people."

Headlee is adamantly opposed to a bill passed by the House of Representatives last week, but supports a bill still in senate committee sponsored by Sen. Gary Corbin, D-Clio.

"Overall, the proposal states that taxes won't rise faster than the cost of living," Headlee said. "Sen. Corbin's bill does 90 percent of the job, it's a first rate job."

Lou Glazer, an administrative aid to Sen. Ross, said:

"Headlee argues that the amendment is crystal clear. But it's not really that clear. Headlee is no longer the sole interpreter of the bill. The amendment assigns that responsibility to the legislature. And the legislature is listening to all sides."

THE HOUSE of Representatives passed the first bill to implement the roll back provision of the tax limitation amendment after considering three amendments during debate.

House Bill 4276 would give city council the authority to raise taxes back to the charter authorized limit without a vote of the people in years when property values don't outstrip the rate of inflation.

Rep. Wilbur Brotherton, R-Farmington, voted for a subsequent amendment that would have required a vote of the people before the millage rate could be increased following a rollback. That measure failed by one vote.

"The whole thrust of the tax limitation amendment was to give voters control over what part of their dollars go for taxes. In many areas, there will be little or no relief to communities as a result of Headlee," Brotherton said.

The Senate Finance Committee is studying a bill sponsored by Corbin that would require each unit of local government to reduce its maximum authorized millage rate when assessments on property increase more than inflation. It would prohibit a municipality from raising its millage following a rollback without a vote of the people.

Ross is a member of the Senate Finance Committee, which is holding public hearings on the bill across the state during the next two weeks.



Violet grower

Ron Breton lights up his African Violets and they help light up his life. His report on growing these varied blooms under fluorescent lights is just one of the

items of interest in the Home & Garden special section, being distributed with today's editions of the Observer & Eccentric just as the growing season begins.

(Staff photo by Bob Woodring)

Scherrer faces trial on 6 counts

By MARY GNIEWEK

Farmington Hills attorney P. Scott Scherrer, charged with six counts of publishing false bonds and obtaining money under false pretenses, was bound over Friday for trial in Oakland County Circuit Court following a pre-trial exam in Farmington District Court.

Scherrer's case was assigned to Circuit Judge Bernard Kaufman, but no trial date has been set. One investigator said it could be months before the case begins. District Judge Michael Hand continued Scherrer's \$50,000 bond.

The 30-year-old Scherrer, who practiced law in Farmington Hills until his arrest March 15, had been the focus since February of a 17-month probe by Farmington Hills and Michigan State police, the Oakland County Prosecutor's Office and the Michigan Department of Commerce.

The investigative task force has linked Scherrer to several counterfeit bond schemes that used names of various legitimate corporations, and to fraudulent land sales in seven states and Canada. Last month Hills police detective John Hedrick said investigators were "just at the tip of the iceberg." To date, 80 alleged victims are involved in schemes that total in excess of \$10 million.

Dressed in a three-piece blue suit, Scherrer appeared calm during the proceedings that lasted most of the day. His face hardly changed expression as he watched the progression of witnesses and occasionally conferred with defense attorneys Michael Schiff and Alex McGarry.

"I hope they lock him up and throw away the key," said one court-watcher, a Bloomfield man.

The Bloomfield resident, a financial executive who wished to remain anonymous, said he got Scherrer \$70,000 in personal and corporate funds for bonds issued in the name of Henry Ford Hospital, Inc., and for undeveloped land in



Scott Scherrer talks with his legal counsel during a break in the pre-trial hearing on Friday. (Photo by Allen Schlossberg)

Farmington Hills, a builder with offices at 32330 W. Twelve Mile, the same building that housed Scherrer's law firm, said he invested a substantial amount of money in one of Scherrer's deals.

Cindy Andrews, a first cousin to Scherrer, took the day off from work Friday to watch the court proceedings. "I lived with Scott and his family for awhile," she said. "A lot of relatives, including aunts and uncles, invested in his deals. Scott's always full of surprises."

Sister city officials meet to discuss senior housing

By MARY GNIEWEK

The City of Farmington plans to object to the Michigan State Housing Development Authority (MSHDA) about regulations of the proposed senior citizen-low income family housing project in Farmington Hills.

Farmington city officials seemed reluctant to take such action at a council meeting last week, but were encouraged by homeowners opposed to the proposed project which borders Farmington at Drake and Freedom.

Several weeks ago, City Manager Robert Deadman had been directed by city council to draft a letter of protest to MSHDA. Opposition centers on the height of the proposed six-story mid-rise and the chosen site.

Farmington Mayor Richard Tupper

her three copies of the bonds. Mrs. Baiz sent copies of the supposed bonds to an attorney and the Michigan Department of Commerce for investigation.

Also testifying Friday were: Dennis Sall, finance director of Henry Ford Hospital, who said the hospital held only one bond sale, in 1973, and that the documents presented in court were not issued by the hospital; William Mann, a printer for Midwest Graphics of Plymouth, whom Scherrer contracted to print a series of 25 bonds in December 1977; an attorney who worked with Scherrer, and Detective Hedrick, who conducted the search of Scherrer's home and office while Scherrer was vacationing in the Caribbean last March.

Hedrick testified he found shredded copies of the bogus bonds in an office wastebasket and reconstructed them for evidence.

SCHERRER FACES a maximum 72-year sentence on the six charges if convicted. He also faces 30 years in prison for embezzlement. He was arraigned on those charges two weeks ago.

The embezzlement was tied to a land fraud deal. Dr. J. David Ausun allegedly paid Scherrer \$200,000 for vacant parcels of land in the I-75, Nine Mile area.

Scherrer, whose personal wealth was estimated at \$500,000 before his arrest, was forced into involuntary bankruptcy by his creditors. The bankruptcy is in Federal District Court. It has no effect on the criminal charges.

and Mayor Pro-tem William Hartzock met with Farmington Hills Mayor Earl

Opperhauser and Mayor Pro-tem (Continued on page 4A)

Brotherton proposes revoking 'good time'

Convicts who commit serious offenses in prison or whose parole is revoked would lose their accumulated "good time" under two bills introduced by state Rep. Wilbur Brotherton, R-Farmington.

The provisions of HB 4457 permit the Corrections Commission to write rules regarding how much earned good time will be forfeited by a convict for one or more infractions of the prison rules in any month.

For any serious act of insubordination, an attempt to escape or an escape, the prison warden would be required to take away all the good time earned by the convict up to the date of his or her offense.

"This bill outlines a logical response to serious offenses or violations of prison rules," says Brotherton. "It would be ridiculous permit a convict to retain good time if he attempts to escape or is seriously insubordinate."

Brotherton explained that his second bill, HB 4456, requires that the Corrections Commission be informed of a violation of a parole rule, whether or not it results in a warrant for the return of the prisoner.

Under the provisions of the bill, the commission may order a warrant for the return of the paroled prisoner upon

a showing of probable violation of parole.

"If the prisoner's parole is revoked, the prisoner would forfeit all good time earned up to the date of the violation," says Brotherton.

These companion bills amend our present statutes so that prisoners lose any reward for good behavior that was credited to their sentence before an infraction or violation was committed. They are reasonable bills, and I hope they are promptly approved."

Fire prevention week begins today in schools

Youngsters in grades one through three in the Farmington public schools will take part in a spring Junior Fire Marshal program this week in cooperation with the Farmington Fire Department.

Each student will receive a Junior Fire Marshal news magazine that illustrates home safety in cartoons, stories and rhyme.

"Fire safety education is critically important to everyone," said Farmington

Fire Marshal Norm Maddison.

"Since fires don't start when the fire department is standing by with hoses in hand, individuals, even very young ones, must know how to react to a fire situation.

"Often, the first three or four minutes after a fire's inception make the critical difference in whether or not lives will be saved and property spared."

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AN IMPORTANT MEETING

Residents in both Farmington and Farmington Hills should be interested in the city council meeting at Hills City Hall, Orchard Lake and Eleven Mile. The topic of discussion will be the fate of the senior citizen-low income housing project at Freedom and Drake roads. The meeting begins at 7:30 p.m. so that speakers both for and against the project will be able to express an opinion.