

**PONTIAC CITY COUNCIL
AGENDA REVIEW
Thursday, January 21, 2016
6:00 p.m.
113th Session of the 9th Council**

It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."

Call to order

Moment of Silence or Invocation

Pledge of Allegiance

Roll Call

Authorization for excused absences for councilmembers

Amendments to and approval of the agenda

Approval of Minutes

1. January 14, 2016

Mayor or Deputy Mayor Report

Department Head Report

Subcommittee Oral Report

Community Announcements

Recognition of Elected Officials

Special Presentation-Sherman Williams International Technology Academy

Public Comment

Agenda Items

Appointments

- 2. Legislative Appointment of Darryl Fowlkes to the Zoning Board of Appeals.**

Miscellaneous

- 3. Resolution from the City Administrator regarding 2016 Hardship Exemption Guidelines.**
- 4. Resolution from the City Administrator regarding Universal Income Tax Withholding.**

Clerk and Council Closing Comments

Adjournment

January 14, 2016

**Official Proceedings
Pontiac City Council
112th Session of the Ninth Council**

A Regular Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Thursday, January 14, 2016 at 6:00 p.m. by President Patrice Waterman.

Invocation – Pastor Martin

Pledge of Allegiance

Roll Call

Members Present: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward.

Mayor Waterman was present.

Deputy Mayor Jane Bais-Disessa was present.

Clerk announced a quorum.

16-4 **Approval of the Agenda.** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: None

Motion Carried.

16-5 **Journal of January 7, 2016.** Move by Councilperson Woodward and supported by Councilperson Williams.

Ayes: Carter, Holland, Taylor-Burks, Waterman, Williams and Woodward

No: None

Abstain: Pietila

Motion Carried.

Mayor Reported.

Department Head Report – Joseph Sobota City Administrator

Recognition of Elected Officials – Rosie Richardson Chairman of Pontiac Library Board
Sherman Williams Pontiac School Board

16-6 **Resolution received from the City Administrator regarding HB 4462.** Moved by Councilperson Pietila and supported by Councilperson Carter.

Whereas, the Michigan State Senate passed an amended HB 4462 which will impact the way employee income tax withholding is collected; and,

January 14, 2016

Whereas, the Michigan Income Tax Administrators Association has reviewed the proposed legislation and has issued a statement opposing the legislation; and,
Whereas, upon review of the amendments approved by the State Senate, the City of Pontiac believes that the program will result in an increased administrative burden and cost to the City, in unequal treatment of tax law to City residents, in increased federal and state taxes to City residents, and revenue collections less than the City would be entitled to under the current law; and,
Whereas, the proposed legislation will not result in an economic benefit to the City of Pontiac;
Therefore, be it resolved that the Pontiac City Council strongly expresses its united opposition to the legislation and urges the Michigan House of Representatives to defeat the legislation and Governor Snyder to veto the legislation should the legislation be approved by the House of Representatives;
Be it further resolved that a copy of this resolution be forwarded to each member of the Michigan House of Representatives; and,
Be it further resolved that a copy of this resolution be forwarded to the Mayor, City Council and City Manager of each city in the State of Michigan that levies a local income tax.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward
No: None
Resolution Passed.

There were 4 individuals who addressed the body during public comments.

Councilwoman Mary Pietila was excused from the meeting at 7:38 p.m.

Deputy City Clerk Sheila Grandison, Councilman Randy Carter, Councilwoman Taylor-Burks, Councilman Don Woodward, Councilman Mark Holland, Councilman Kermit Williams and President Patrice Waterman made closing comments.

President Patrice Waterman adjourned the meeting at 7:58 p.m.

SHEILA GRANDISON
DEPUTY CITY CLERK

APPOINTMENTS

Pontiac City Council Resolution



Whereas, Darryl Fowlkes is a resident of the City of Pontiac and is qualified to serve as an alternate on the Zoning Board of Appeals and;

Whereas, Darryl Fowlkes will serve the term ending on February 2, 2018 and;


Whereas, Darryl Fowlkes will be an alternate to the Zoning Board of Appeals and is called upon to serve if a regular member is unable to attend or if a member has a conflict of interest.

Now, Therefore, Be It Resolved, that the Pontiac City Council appoints Darryl Fowlkes (term ending February 2, 2018) to serve as an alternate on the Zoning Board of Appeals.

MISCELLANEOUS

Memorandum

To: Pontiac City Council

From: Joseph M. Sobota, M.P.A., City Administrator 

Date: January 15, 2016

Re: 2016 Hardship Exemption Guidelines

The General Property Tax Act requires the governing body to annually adopt guidelines for the Board of the Review to follow when considering applications for hardship exemptions. Homeowners granted hardship exemptions by the Board of Review are not required to pay 100% of the property taxes assessed against their homestead property in 2016. Special assessments and the sanitation fee cannot be waived or reduced. Applicants must meet the standards established by an income level test and an asset level test. The proposed guidelines identify the federal poverty guidelines for the income level test and establish a threshold of \$35,000 in assets excluding the homestead property and one vehicle. The asset level test limit was \$35,000 in 2015.

At this time, the City Council is requested to adopt the following resolution:

WHEREAS, the General Property Tax Act requires the governing body to adopt hardship exemption guidelines for the Board of Review to follow; and

WHEREAS, the City Council desires to provide property tax relief to certain homeowners who have demonstrated a certain level of hardship;

***NOW, THEREFORE, BE IT RESOLVED** that the Pontiac City Council adopts the 2016 Hardship Exemption Guidelines as attached as Exhibit A.*



City of Pontiac, Michigan

Department of Finance

JANUARY 2016

TO: PROPERTY OWNERS APPLYING FOR HARDSHIP EXEMPTION (FINANCIAL)
FROM THE CITY OF PONTIAC BOARD OF REVIEW

The Board of Review for the City of Pontiac has adopted uniform guidelines for determining poverty exemptions. Taxpayers whose income falls below a determined level may apply for a reduced assessment, based on income, assets and family size. The goal of this procedure is to adopt consistent standards for granting tax relief based on hardship. Please note: This application may reduce the taxable value of your property; however, it does not affect the homestead exemption affidavits, which reduces the tax rate. (Property taxes – taxable value x tax rate / 1,000).

Attached is a schedule, which outlines the eligibility guidelines as established by the Pontiac City Council under the General Property Tax Act (PA206 of 1893). Please note that the State of Michigan Homestead Property Tax Credit and all pertinent income and expense data shall be used in the determination of eligibility. Attached is the Economic Hardship Exemption application form.

When the application is returned to the Treasurer's Office at City Hall or the **Oakland County Equalization Office, 250 Elizabeth Lake Road, Pontiac, MI, 48341**, you shall also submit completed copies of your Federal and State Income Tax Returns, the General Homestead Property Tax Claim Form, MI-1040 CR-4, and the Senior Citizen Homestead Property Tax Form, MI-1040 CR-1, and all other documents identified in the 2016 Exemption Guidelines. **Incomplete applications will be rejected.**

It is not necessary for you to appear in person before the Board of Review. The Oakland County Equalization Office will submit your application to the Board for their consideration; however, the Board may request your presence at a meeting.

In order to provide time to review this application, it must be returned to the Oakland County Equalization Office **ON OR BEFORE MARCH 1ST, JULY 1ST, OR DECEMBER 1ST, 2016; earlier submission is strongly recommended.** Please also note: you may only submit (on or before one of the days listed above) one application per year.

If you have any questions or need assistance, please contact the Oakland County Equalization Office at (248) 858-0776.

CITY OF PONTIAC
2016 - HARDSHIP EXEMPTION GUIDELINES

For Applicants requesting consideration for Property Tax Hardship Exemptions:

- 1) Applicant(s) shall obtain the hardship application form from the City of Pontiac Treasurer's Office or the Oakland County Equalization Department. Handicapped or disabled applicants may call the Assessor's Office to make necessary arrangements for assistance.
- 2) Applicant(s) must own and occupy the property as a homestead
 - a. Must produce a State of Michigan driver's license or other acceptable method of identification and determination of address.
 - b. Must produce a deed, land contract or other evidence of ownership.
- 3) Applicant(s) must complete the application form in its entirety and return to this office. Any application form submitted to the Board of Review which has not been filled out in its entirety shall be denied by the Board of Review. Appeals of said denial shall be made to the Michigan Tax Tribunal.
- 4) Applicant(s) and other persons residing in the homestead must submit copies, attached to the application, for the current year of the following, in order to be considered for eligibility:
 - a. Federal Income Tax Return – 1040, 1040A or 1040EZ
 - b. Michigan Income Tax Form MI-1040, MI-1040A or MI-1040EZ
 - c. Senior Citizens Homestead Property Tax Form MI-1040CR-1
 - d. General Homestead Property Tax Claim MI-1040CR-4
 - e. Social Security Card (all persons 18 years of age or under in the house)
 - f. Treasury Form 4988 (affidavit) for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediate preceding year.
 - g. Warranty deed or land contract or quit claim deed.
 - h. Homeowner's insurance policy
 - i. Employer's name and address
 - j. State of Michigan operator's license
 - k. Evidence of income of all persons living in the home: ADC budget letter; pension benefits; Social Security statement; alimony; child support; FIP; DHS; disability; workers' compensation; other income; W-2 (wages under \$5,000).
- 5) A hardship exemption shall not be granted to any applicant who has not owned and occupied the homestead for a minimum of three (3) years prior to the date of application.

- 6) A hardship exemption shall not be granted to any applicant who owns salable property other than his or her own homestead no matter where located.
- 7) A hardship exemption shall not be granted to any applicant whose total value of cash and non-cash assets exceed \$35,000. An applicant's homestead property and one vehicle used for personal transportation and titled to a member of the household shall be excluded from consideration as an asset.
- 8) Applicant(s) shall not be eligible for consideration if they do not meet the Income Limitation Guidelines adopted by the City of Pontiac:

Size of Family Unit	Poverty Guidelines
1	\$11,770
2	\$15,930
3	\$20,090
4	\$24,250
5	\$28,410
6	\$32,570
7	\$36,730
8	\$40,890
For each additional person, add	\$4,160

NOTE: IF YOU EXPECT UNUSUAL PERSONAL OR FAMILY EXPENSES WHICH WILL AFFECT YOUR INCOME, THE BOARD OF REVIEW MAY CONSIDER ADJUSTMENTS TO YOUR INCOME LEVEL.

- 9) The MAXIMUM allowed reduction for hardship exemption shall be 50% of the net property taxes due after the State Homestead Credit is applied based on Taxable Value of the homestead for the current tax year.
- 10) All hardship exemptions shall be granted for the current tax year only.
- 11) Applications may be reviewed and acted upon by the Board of Review without applicant(s) being present. However, the Board may request that any or all applicants be physically present to respond to any questions the Board of Review or Assessor may have. This means that an applicant may be called to appear on short notice.
- 12) Applicant(s) should be prepared to answer questions regarding their financial affairs, health, the status of people living in their home, etc.
- 13) Pursuant to state law, applicant(s) may apply for Hardship Exemption to only one (1) session of the Board of Review (March, July **OR** December) and any appeal of the Board's decision shall be made to the Michigan Tax Tribunal.
- 14) The Board of Review shall have the authority to grant an exemption to applicant(s) who do not meet the residency requirement of the exemption guidelines of the City of Pontiac if they are paraplegic, quadriplegic, hemiplegics, or totally and permanently

disabled AND have owned and occupied the property in the City of Pontiac prior to becoming handicapped or permanently disabled.

NOTE: THE BOARD OF REVIEW MAY DEVIATE FROM THIS POLICY ONLY WHEN THERE ARE SUBSTANTIAL AND COMPELLING REASONS WHY THERE SHOULD BE A DEVIATION FROM THE POLICY AND GUIDELINES. IF SUCH DEVIATION IS MADE, THE BOARD OF REVIEW SHALL COMMUNICATE THE SUBSTANTIAL AND COMPELLING REASONS FOR THE DEVIATION FROM THE GUIDELINES IN WRITING TO THE CLAIMANT (MCL211.7(U)5). See STC Bulletin 7 of 2010.

**CITY OF PONTIAC
47450 WOODWARD
PONTIAC, MI 48342**


REQUIRED DOCUMENTS

Hardship Exemption applicants shall submit **COPIES** of the documents listed below in order to be considered for eligibility. Please attach these **COPIES** to your application.

1. FEDERAL INCOME TAX RETURN – 1040, 1040A, OR 1040EZ
2. MICHIGAN INCOME TAX RETURN – 1040, MI-1040A, OR MI-1040EZ
3. SENIOR CITIZENS HOMESTEAD PROPERTY TAX FORM MI-1040CR-1
4. GENERAL HOMESTEAD PROPERTY TAX CLAIM MI -1040CR-4
5. SOCIAL SECURITY CARD (ALL PERSONS 18 OR UNDER IN THE HOUSE)
6. TREASURY FORM 4988 (AFFIDAVIT) FOR ALL PERSONS RESIDING IN THE HOUSE WHO WERE NOT REQUIRED TO FILE FEDERAL OR STATE INCOME TAX RETURNS IN THE CURRENT OR IMMEDIATE PRECEDING YEAR
7. WARRANTY DEED OR LAND CONTRACT OR QUIT CLAIM DEED
8. HOMEOWNER'S INSURANCE POLICY
9. EMPLOYER'S NAME AND ADDRESS
10. STATE OF MICHIGAN DRIVERS LICENSE
11. EVIDENCE OF INCOME FOR ALL PERSONS LIVING IN THE HOME:
 - ❖ ADC BUDGET LETTER
 - ❖ PENSION BENEFITS
 - ❖ SOCIAL SECURITY STATEMENT
 - ❖ ALIMONY
 - ❖ CHILD SUPPORT
 - ❖ FIP
 - ❖ DHS
 - ❖ DISABILITY
 - ❖ WORKERS' COMPENSATION
 - ❖ OTHER INCOME
 - ❖ W-2 (WAGES UNDER \$5,000)

Memorandum

To: Pontiac City Council

From: Joseph M. Sobota, M.P.A., City Administrator 

Date: January 19, 2016

Re: Universal Income Tax Withholding

House Bill 4829 is presently pending before the state legislature. If adopted into law, the bill would require any business that meets certain criteria and has a resident of a city with a population over 600,000 to withhold from the employee's paycheck the resident's city's local income tax. When this legislation was first discussed, the limit referencing population of a city was not under consideration. The City of Detroit, recognizing that this legislation would only effect its residents, believes that such treatment is unfair to the other 21 cities in Michigan that levy a local income tax, and fully supports legislation that would require universal withholding from residents that live in any city that levies a local income tax. In Pontiac, according to information supplied by the Michigan Department of Treasury, this amounts to nearly \$2.2 million per year in unreported income tax revenue.

The attached resolution is being presented to the city council of every city that levies a local income tax. Each council is being requested to pass the resolution.

RESOLUTION TO SUPPORT

UNIVERSAL INCOME TAX WITHHOLDING

- Whereas** At the time of enacting the City Income Tax Act (*Public Act 284 of 1964*)(CITA), a substantial majority of residents worked within their own city limits; however, demographic and census data show a substantial majority of residents of income tax-levying cities now work outside their home city;
- Whereas** CITA does not require employers situated outside of income tax-levying cities to withhold local tax from the paychecks of their employees who live in those cities and remit said resources to the jurisdictions;
- Whereas** Withholding is the most effective mechanism for income tax payments. Data show the city income tax collection rate is about 98 percent among taxpayers who are subject to withholding. Federal and state agencies have similar experience data.
- Whereas** Employers can help their employees to pay taxes through their withholding. Residents working outside our respective municipalities often fail to file income tax returns because they cannot pay the lump sum tax owed at the end of the year; employees would benefit from their employer withholding directly so they do not become delinquent and incur added penalty and interest;
- Whereas** Nearly all leaders of the 22 Michigan cities that levy an income tax agree that employers with annual payrolls of over \$500,000 and 10 or more employees should be required to withhold local income tax for employees residing in jurisdictions imposing a tax;
- Whereas** The proposed changes to state law would not raise income tax rates in any of the 22 cities with such a levy, but, rather, only seek to enhance overall collections and yield the locals' payment for services from residents who used them;
- Whereas** The proposed amendment to CITA would provide millions in additional income tax money for cities to expend on basic city services, including policing and fire protection;
- Whereas** The Michigan Department of Treasury supports this public policy endeavor, as does the Michigan Municipal League; **Now Therefore Be It**
- Resolved** That the honorable Pontiac City Council respectfully asks the Michigan Legislature to pass an amended HB4829 to help **all** income tax-levying cities augment their collection rates; **Be It Further**
- Resolved** That Governor Rick Snyder expeditiously approve said legislation once it is presented to him for his signature into law; **and Be It Finally**
- Resolved** That a copy of this resolution be sent to Governor Snyder; legislative caucus leaders; members of the House and Senate Local Government committees; members of the House and Senate Government Operations committees; members of the House Tax Policy Committee; and members of the Senate Finance Committee.

NOTES
