

Since our last caucus meeting I have spent a significant amount of time thinking about the proposed tax increase for the garbage levy. First off, I would like to communicate my dismay that the refuse levy is being put on the July 9, 2012 Agenda as an Emergency. The specifics of Resolution 22-2012 had only been discussed once at the July 2, 2012 Caucus meeting and the deadline to remit issues to the Board of Elections is August 8, 2012. Obviously we would have at least one more full Caucus meeting on July 16, 2012 and a Caucus / Council meeting on July 23, 2012 to discuss any other opportunities and mainly give the residents a chance to express their opinions and ideas. I believe that something as important as this merits additional discussion. Also everyone seemed to feel that Council needs to show “unity” in the passage of this Resolution. Since Councilman Barth will be absent for this vote, we have another reason to hold off until the following Council meeting. At this time I will certainly vote ‘no’ on the emergency measure.

My approach to the increased rubbish expense that we will be experiencing is consistent with my overall philosophy of running the City entrusted to us by the residents. That philosophy is:

- Doing my best to save our residents tax dollars.
- Allowing the residents to tell us what they want. (ie: leaf pick up)
- Doing all we can to inform the residents what the situation and options are. I believe the more the residents know, the more likely they are to support an endeavor.

Now with that being said....

There obviously will be much at stake with the possibility of having the refuse issue on the November, 2012 ballot at the proposed 3.90 mileage level debated at the Caucus meeting of 7-2-2012. Having the refuse issue defeated twice should certainly teach us the lesson that people just don't have the discretionary income that they have had in the past and are extremely reluctant to pass non safety tax issues. The tax increase to our residents of \$2,112,550 (see A. below) to our residents over the 2014-2018 period is extremely significant.

Without going into all the drama of cost per household, internal confrontation, and political posturing, I submit for everyone's consideration the following “thinking out of the box” two options:

OPTION #1

A levy of 2.75 mills (2.3 old and .45 new) which reflects a 50-50- split of the projected new 5 year contract increase between the taxpayers and the City. The total increase for the 5 years is \$1,220,060 or \$244,012/yr. (see B. below). With the .45 mills increase the taxpayers would absorb \$122,060/yr. and the City would also absorb \$122,060/yr.

OPTION #2

Putting two distinct levies on the ballot. Option #1 above and the discussed 3.80 mill levy that included leaf pickup on all streets. (Note: there will need to be disclosure on what the leaf pickup program will entail, such as # number of times, unlimited, etc).

Advantages to Option #1 (2.75mill levy)

- Much less of a cost to homeowners
- Shows voters City is participating in the issue and “participating in the pain”
- Chance of passage enhanced (my opinion).

Advantages to Option #2 (putting two issues on the ballot: 2.75 mills and 3.80 mills)

- Gives people a choice.
- Helps negate the perception that City Hall is ramming something through
- Lets the residents decide whether they want leaf pickup or not.

A. (Scenario of contract increase + full leaf pick up: 3.80 mills)

Leaf collection all streets revenue (3.80 mills)	\$1,149,057
Less Estimated 2013 Levy Proceeds (2.30 mills)	<u>(724,547)</u>
Increase in revenue per year (1.50 mills)	424,510
Times 5 year levy	<u> x 5</u>
Total 5 year levy increase over current 2.3 mills	\$2,122,550

B. (Scenario of 50% tax increase or .45 mills, to cover expense of new contract: 2.75 mills)

2013 Contract going forward 5 yrs. Revenue needed (3.20 mills)	\$968,559
Less Estimated 2013 levy proceeds (2.30 mills)	<u>(724,547)</u>
Increase in revenue per year (.90 mills)	244,012
Times 5 year levy	<u> x 5</u>
Total 5 year levy increase over current 2.3 mills	\$1,220,060

50% of increased expense born by tax of 2.75 mills \$610,030 or \$122,006/yr.

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I hope that we can wait until the July 23rd Council meeting to vote on this to give us a chance for further discussion with the full Council on this most important matter.

Thank you,