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A NEWSLETTER FOR EAST LANSING RESIDENTS



MANAGER'S MESSAGE

East Lansing Income Tax Proposal on Aug. 7 Ballot

**By: East Lansing City Manager
George Lahanas**

Through outreach and open engagement with the community, I've had the opportunity to field many questions about the City's financial challenges and the 2017 and 2018 income tax proposals. I've hosted more than 25 public presentations, which says a lot about our community and

our citizens' willingness to understand the City's financial challenges and the facts about the previous and current proposal. Many of the same thoughtful questions and concerns have come up repeatedly at these meetings, and I'd like to take the time to address them here.

1. Why is the income tax back on the ballot? This community has taken the time to understand the City's

financial challenges and provide us with feedback. According to a series of community surveys conducted, a solution of both cuts to services and new revenue has been the most supported approach to the challenges we are facing. The surveys also indicated more support for a time-limited and earmarked income tax than an increase in property taxes. ... [continued on page 2](#)

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Manager's Message

MANAGER'S MESSAGE

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With that community feedback in mind, the East Lansing City Council decided to place a new income tax proposal on the August 7, 2018 ballot that is time-limited to 12 years and will be dedicated for public safety, infrastructure improvements and supplemental payments for unfunded pension liabilities. Residents would pay a 1% tax and non-residents would pay a 0.5% tax. Retirement income would not be taxable.

2. Will property taxes be reduced if this newest proposal passes? Yes. If this new income tax proposal passes, the City Charter amendment approved by voters in November 2017 would go into effect, reducing City property taxes from a maximum of 20 mills to a maximum of 13 mills in any year in which the income tax is levied. Given that the current operating millage is 17.5679 mills, City Council plans to reduce property taxes by a flat 5 mills down to 12.5679 mills.

3. Why are we obligated to pay for employee pensions? The Michigan Constitution states that if an entity provides a pension, it cannot be diminished and there is a contractual obligation to properly fund it. I also believe we have an ethical obligation to fulfill these benefits.

4. Why are City employees getting raises? We are an employer and must remain competitive in order to attract and retain talented employees, many who provide lifesaving services for this community. Over the past several years we have not been very competitive due to our financial situation. We've had several years where cost of living increases were eliminated, followed by modest 1% increases. If we don't offer appropriate compensation, it can affect the long-term operation of our City. On top of wage freezes, City employees' workloads continue to grow with the reduction of staff. We have eliminated 110 full-time positions since 2001.

5. Why didn't the City just accept the lump sum of money from MSU when it was offered? In 2017, former MSU President Lou Anna K. Simon and the City Council did, in fact, reach a tentative agreement: MSU would provide \$20 million over eight years and, in turn, the 2017 income tax proposal would be taken off the ballot. Simon took this tentative agreement to the MSU Board of Trustees and it was voted down 4-4. In early 2018, I formally asked if MSU would increase its funding support for the fire and EMS services we provide

on campus and that request was also formally denied.

6. What is the status of the East Lansing Hannah Community Center? Our goal is to not close this facility. Earlier this year, Council asked for recommendations for approximately \$3 million in service cuts. With some of the biggest pieces of the general fund pie being public safety and City-run facilities like the East Lansing Hannah Community Center, those services did appear on the list of suggested cuts. These are not cuts we want to make; they are cuts we will have to make if we don't raise additional revenue. An income tax will help us avoid these cuts.

7. Why aren't we taxing food and alcohol? Unfortunately in Michigan, local municipalities have very limited control over what can be taxed locally. Specifically, cities are not allowed to levy their own sales taxes. Instead, the State of Michigan charges sales tax and that money is re-distributed to communities through revenue sharing. This State allocation has declined significantly over the past 15 years, making it very difficult for the City to experience revenue growth despite all of the dollars spent in our community, especially on gamedays. In fact, gamedays cost us money because we must staff heavily to keep the City safe.

8. Why do we need more revenue when it appears there are a lot of improvements happening in the City? We do receive revenue from outside funding sources to do the major local street projects and user charges pay for water/sewer improvements. We also work hard to obtain grant funds where we can for projects and currently are funding a trail improvement project with awarded millage funds (dedicated for trails) from the county.

9. Why can't the City just make more cuts? We've been making cuts for the past 15 years, reducing staff consistently and working toward efficiencies in all departments. At this point, further cuts will result in very tangible changes in City services for residents. The cut solution could be an option and we could strive to make our government smaller by deeply cutting public services and amenities, but we also think it's important to maintain East Lansing as a place people want to live.

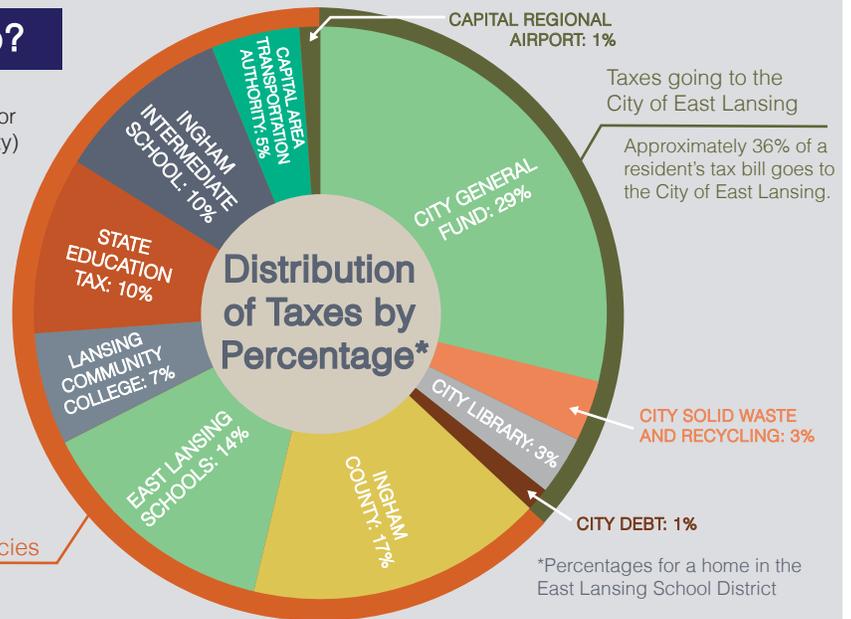
An income tax would help us to maintain core services, make necessary supplemental pension payments and reinvest in City infrastructure and public safety. You can find more information about the ballot proposal at cityofeastlansing.com/incometax.

Where do my current taxes go?

Have you ever wondered where your property taxes go? The numbers below break down the distribution of taxes for a home in the East Lansing School District (Ingham County) with a taxable value of \$100,000.

Taxable Value of Home	\$100,000
2017 Tax Millage Rate (summer & winter)	60.0410
Total Taxes	\$6,004.10
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Taxes distributed to Other Agencies	\$3,785.59
Taxes kept by the City	\$2,218.51
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Amount to City General Fund	\$1,756.79
Amount to City Solid Waste	\$182.50
Amount to City Library	\$199.76
Amount to City Debt	\$79.46
Total	\$2,218.51

Taxes going to other agencies



EAST LANSING CITY CLERK

City Clerk's Office Provides Election Information

With the August 7, 2018 Primary Election just around the corner, the East Lansing City Clerk's office would like to remind registered voters of some key dates and other important election information.

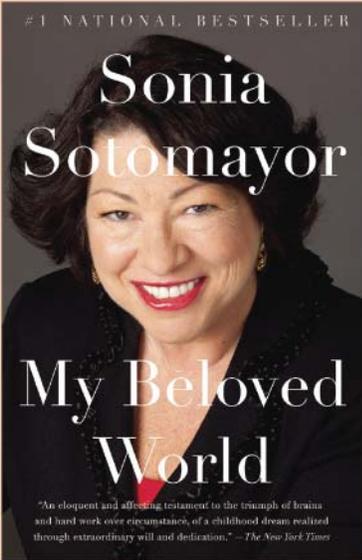
Absentee voter (AV) ballots for the August election are currently available, with an application available online at www.cityofeastlansing.com/elections or at the City Clerk's office inside East Lansing City Hall, 410 Abbot Road. In addition to regular office hours (Monday through Friday, 8 a.m.-5 p.m.), the City Clerk's office will have special hours on Saturday, Aug. 4 from 9 a.m.-2 p.m. to issue and receive AV ballots. The last day to have an AV ballot mailed is Saturday, Aug. 4 and the last day to have an AV ballot issued in person is Monday, Aug. 6 by 4 p.m. All AV ballots must be returned to the City Clerk's office by 8 p.m. on Election Day.

Polling locations will be open from 7 a.m.-8 p.m. on Election Day. Community members can view their voter registration status, polling location and sample ballot at www.Michigan.gov/vote. Precinct 15 voters should note that their polling location has changed (for the August election only) from IM Sports West to the MSU Union, 49 Abbot Road.

Visit cityofeastlansing.com/elections for more information, including a precinct/polling location map and voter i.d. details. Voters can also call the City Clerk's office at (517) 319-6914 with any questions.



PRESENTS



Sonia Sotomayor
My Beloved World

"An eloquent and affecting testament to the triumph of brains and hard work over circumstance, of a childhood dream realized through extraordinary will and dedication." — The New York Times

AN EVENING WITH ASSOCIATE JUSTICE SONIA SOTOMAYOR, SUPREME COURT OF THE UNITED STATES

Sunday, August 26, 2018 • 6 p.m.
East Lansing High School Theater
509 Burcham Drive • Open to all • FREE

MSU ACADEMIC WELCOME

Monday, August 27, 2018 • 9 a.m.
Jack Breslin Student Events Center
534 Birch Road • Open to all • FREE

For important admission information, visit onebookeastlansing.com

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City Council

410 Abbot Road, (517) 319-6904

Mayor Mark Meadows

Mayor Pro Tem Erik Altmann

Councilmember Ruth Beier

Councilmember Shanna Draheim

Councilmember Aaron Stephens

City Manager George Lahanas

Published for the information of East Lansing residents. If you have any questions, please email mfrey@cityofeastlansing.com or call (517) 319-6873. Visit cityofeastlansing.com/eNews to sign up for the bi-weekly Dialog e-newsletter.

Get social with us! Facebook: [@cityofeastlansing](https://www.facebook.com/cityofeastlansing), Twitter: [@CityofEL](https://twitter.com/CityofEL), Instagram: [@cityofeastlansing](https://www.instagram.com/cityofeastlansing). Sign up for emergency notifications via Nixle at local.nixle.com/register.



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community events

More info at cityofeastlansing.com/communityevents.

EL Farmers Market Sundays through Oct. 28

The East Lansing Farmers Market is open on Sundays from 10 a.m.-2 p.m. in Valley Court Park, 280 Valley Court. The market features locally grown Michigan produce and products, sold in an open-air, inviting park setting.

Summer Concert Series Fridays through Aug. 31

The Summer Concert Series features free, live musical performances on Friday nights from 7-9 p.m. in downtown East Lansing's Ann Street Plaza. View the 2018 lineup at cityofeastlansing.com/summerconcerts.

National Night Out Aug. 7, 6-8 p.m.

This popular event, taking place at the East Lansing Public Library, promotes community safety and awareness, while also featuring free, family fun! There will be plenty of vehicles for children to explore, ELPD K9s, a bounce house & more!

OBOC Kickoff Aug. 26, 6 p.m.

The One Book, One Community kickoff will feature An Evening with Associate Justice Sonia Sotomayor, Supreme Court of the United States, at the East Lansing High School Theater. More info: onebookeastlansing.com.

MSU Homecoming Parade Oct. 5, 6 p.m.

Spartan fans are invited to don their green-and-white gear and line the streets of East Lansing for this popular community event. The parade route is available at <https://alumni.msu.edu/traditions/homecoming/parade.cfm>.

Great Pumpkin Walk Oct. 30, 5-7 p.m.

Families can bring their costumed children to downtown East Lansing to trick-or-treat with more than 50 participating businesses. Please note that this event is now held on the evening before Halloween each year.

