



# Can Two Local Governments Become One?

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Manistee Co. Community Foundation

Village of Onekama • Onekama Township  
Manistee County





# Citizens Research Council of Michigan

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- Founded in 1916
- Statewide
- Nonpartisan
- Private not-for-profit
- Promotes sound policy for state and local governments through factual research
- Relies on charitable contributions from Michigan foundations, businesses, organizations, and individuals



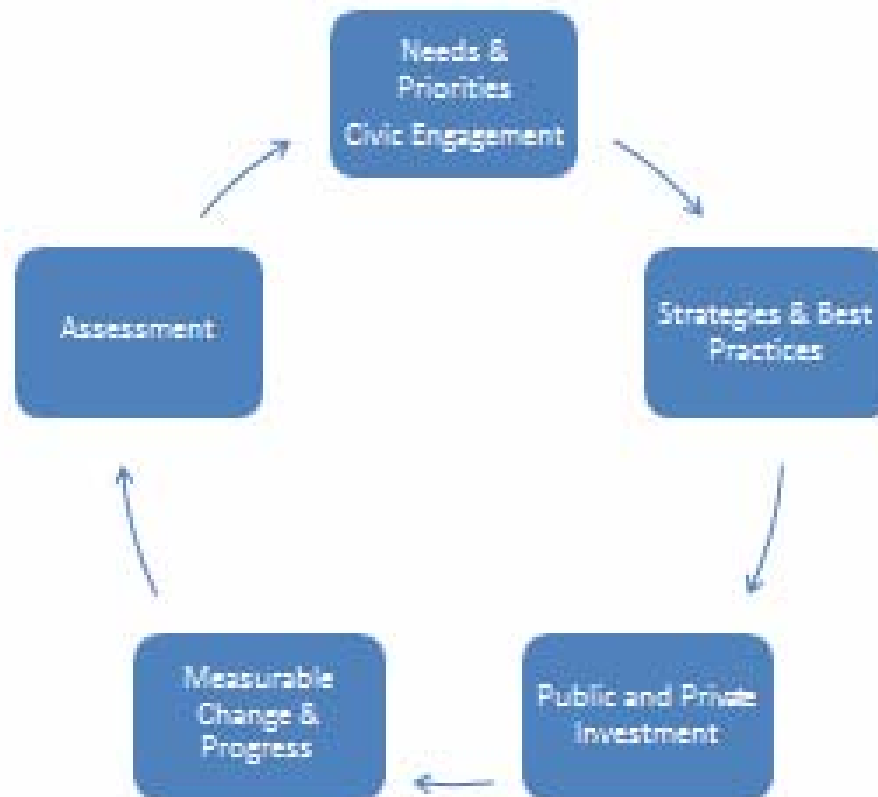
# Alliance for Economic Success & Manistee Co. Community Foundation

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- 501 (c) (3) organizations
- Economic well-being and quality of life
- Placemaking focus
- Neutral convening & fund development hub - develop & implement placemaking strategies with communities



# ALLIANCE FOR ECONOMIC SUCCESS



# Onekama, Michigan

- On Lake Michigan
- Surrounding Portage Lake
- 10 minutes north of Manistee  
1 hour from Traverse City
- Original role in lumber/sawmill  
dried up ago
- Total 2010 population: 1,329
  - 411 in Village
  - 918 in balance of township
- Growth in Township far  
outpacing growth in village
  - Vacation homes
- Relatively aged community





# Course of Events

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- 2005-2006 – Envision Manistee County
- 2007-2008 – Portage Lake Watershed Forever Plan
- 2009-2010 – Joint Village/Township Master Plan & Joint Planning Commission
- 2010 – Gateway to M-22 Economic Development Strategy & DDA Discussion
- 2010 – Michigan's 1<sup>st</sup> Township-Wide Special Assessment District for Invasive Species
- 2011 – Completion of Designs for Onekama Community Linked Coastal Parks
- 2012 – \$400,000 Funding Sought for Park Developments



# Funders

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- W. K. Kellogg Foundation
- Manistee Co. Community Foundation
- Consumers Energy Foundation
- U.S. Fish & Wildlife Service
- Oleson Foundation
- DEQ Coastal Mgmt. Program
- USDA Rural Development
- Shared Public Services Initiative – MML Foundation
- USDA Rural Development
- Village and Township
- Dept. of Treasury – Econ. Vitality Incentive Program
- CS Mott Foundation
- Personal donations





# Features

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- Community driven/volunteer led
- Funding and neutral convening hub
- Transparency
- Collaboration & partnerships
- About the community, not political boundaries
- Local leaders
- Neutral facilitation
- Consultants/best practices



# Can Two Local Governments Become One?

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- Watershed Plan – recommends unity to protect and preserve resource
- Joint Master Plan – visioning – consolidation should be considered
- Joint Master Plan – consolidation recommendation
- Village and Township governance – resolve to assess consolidation and implications
- Fundraising: MML Foundation, Village, Township, Watershed Fund
- SPSI Competitive Bid Process – Citizens Research Council of Michigan – Ideal Choice



# Primary Questions

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- Is there a merger/consolidation option that disadvantages neither the Village of Township and:
  - Generates cost containment/reduction
  - Provides greater focus on strategy, goals and objectives by having 1 government vs. 2
  - Provide more focus for bringing public and private investment to community.



# CRC's Public Policy Analysis

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- Research, Publications, Presentations
  - Identify problems
  - Prepare the factual information necessary to define and understand those problems
  - Develop and evaluate alternative solutions
  - Relate information to relevant public policy makers



# Independent and Nonpartisan

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- CRC is the premier independent, nonpartisan, and objective source of factual information on state and local public policy issues
- “Better information leads to better government”
  - For elected officials
  - For civil servants
  - For interested public



# Credentials

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- CRC has 96 years experience studying state and local government in Michigan
- Dealt with just about every aspect of state and local government at least once
- Specific to Government Consolidation
  - Grand Blanc
  - Grosse Pointes
  - Plymouth
  - Jackson



# Developing the Questions

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- Developing pertinent questions
  - Experience from past efforts
  - Lessons from other states
  - Public forums



# Finding Answers

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- Providing the answers
  - What does the law say should happen?
  - Where is the law silent?
  - How have others dealt with particular issues?
  - What do peers look like?
  - Is it financially viable/preferable?





# Michigan Village Facts

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- Village government overlays Township government
  - Duplication of basic government offices and responsibilities
  - Tax at higher rates to make up for smaller tax bases
- Small Populations
  - Michigan Village Range 114 – 10,000 people
  - 1/3 of Michigan villages (83 ) have less than 500 residents
  - Average 927 residents (excludes villages in Macomb, Oakland, Washtenaw counties)
- Questionable Fiscal Sustainability for Villages
  - Little developable land remaining
  - Property tax limitations
  - State Revenue Sharing not fully funded
  - Act 51 amendment/rewrite



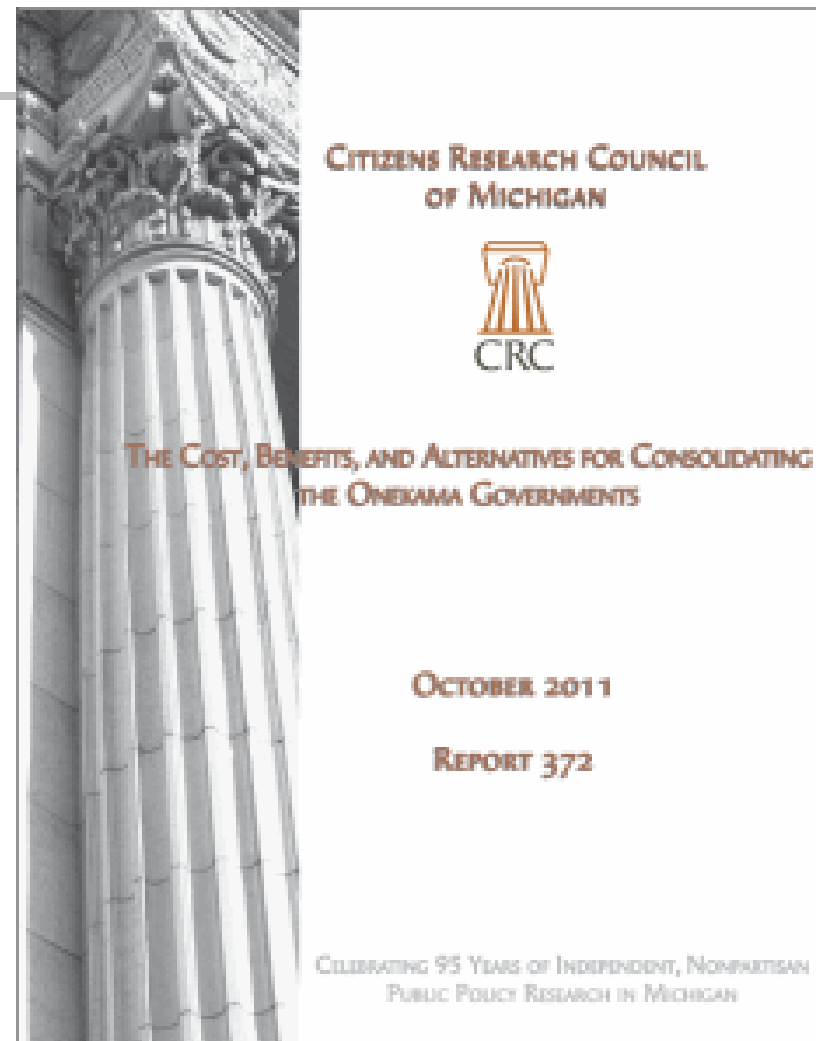
# Onekama Consolidation

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- Objective: merge two governments into one
- Options:
  1. Create a single city to replace village and township
  2. Disincorporate Village to leave only the township
  3. Village annex balance of township –  
Dismissed

# Onkama's Merger Issues

- Snow Removal / Roads
- Sewer System
- Village Assets
  - Farr Center
  - Parks
- Tax Burden / Efficiencies
- Governance (voice of village interests)





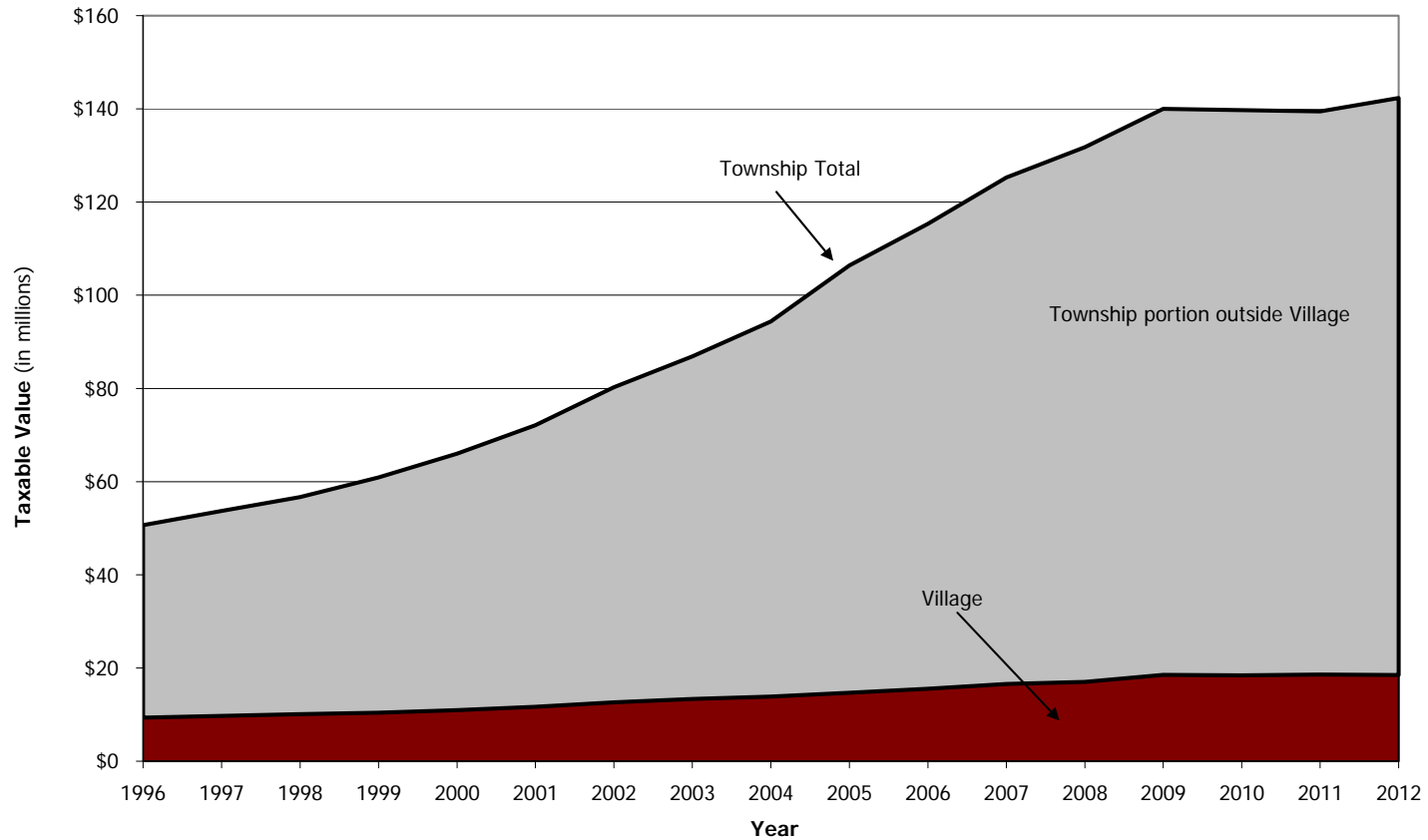
# Benefits of Village Disincorporation

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- Financial – reduced cost of government
- Additional revenues to focus on village needs
- Simplify access to government
- One vision/consistency for goals, planning, zoning, etc.
- Eliminate conflicting policies
- Streamline public participation in government
  - Fewer demands
  - Improved quality of participation
- Modernizes structure of government

# Growth Patterns and Sizes of Tax Bases of Onekama Village and Township

Taxable Value of Onekama Township and Onekama Village, 1996 - 2012





# Onekama's Route to Merger

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- Chose to Disincorporate Village
  - Option 1 → Straight to ballot (2/3 majority in each jurisdiction)
  - Option 2 → Create disincorporation commission to create plan then seek voter approval (simple majority in each jurisdiction)



# Disincorporation Commission

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- 6 members (non-government official – 3 from village, 3 from township)
- Met every Monday for 3 months
- Create a plan to follow in the event voters approve ballot question
  - Also better inform voters what they are getting if they vote yes on question of disincorporation
- Must be ratified by village and township boards
- Submitted to voters on August 7, 2012
- Village would cease to exist on October 31, 2012 if approved by voters



# Required Issues in GLVA

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- a) **land use planning and zoning** within the village
- b) **payment of indebtedness** of the village
- c) disposition of the village's **real and personal property** and other assets
- d) disposition of all **public records** of the village
- e) the transfer or termination of **village employees**
- f) jurisdiction over the village's **roads, sidewalks, and any public easements**, including street lights and snow removal
- g) jurisdiction over **traffic control**
- h) provision for any **special assessments** within the village
- i) the transfer or termination of **public utilities and public services** of the village
- j) the regulation or orderly transfer of responsibility for any **special districts** (such as historic districts, downtown development districts, TIF districts, and land subject to PA 325 agreements)
- k) provision for any **special authorities** that the village has established or is a member
- l) the **fiscal impact** of dissolution upon the township and the residents of the village
- m) a process for **resolution of any disputes** that may arise in the process of disincorporating
- n) the effect disincorporation may have on **property values, public service levels and costs, and local property tax rates**





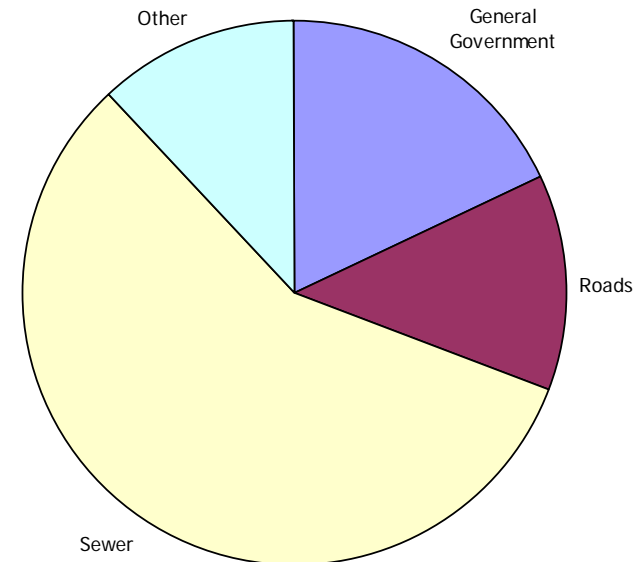
# Highlights of the Onekama Disincorporation Plan

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- Eliminate Village's 5-mill tax
- Township becomes conservator of village assets
- All current village assets used solely in the village
- Still get enhanced snow removal
- Sewer system run by township but serve same properties
- Village ordinances have to be adopted by township to affect only village

# How can Township absorb Village without higher costs?

- Township has bigger tax base with faster expected growth
- Eliminate duplication
- Capitalized on excess capacity of township officials
- Taxpayer funded activities (prop tax and SRS) only 30% of total Village expenditures





# Disincorporation Commission

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- Commissioners from outside of government could not do this alone
  - CRC to walk through findings of study
  - Legal counsel to deal with legal tangles
  - Village president and Township supervisor supportive of process and engaged in discussions



# Why should you care?

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- Several villages watching Onekama
- Place making at what cost?
  - Village officers, millage, etc.
  - Few low-cost GF public services (parks, street lights, zoning, etc.)
  - Provide high-cost special revenue activities (roads, water, sewer, cemetery, etc.)



Thank you for your attention

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