

Local Government Consolidation Issues in Michigan and in the Grosse Pointes

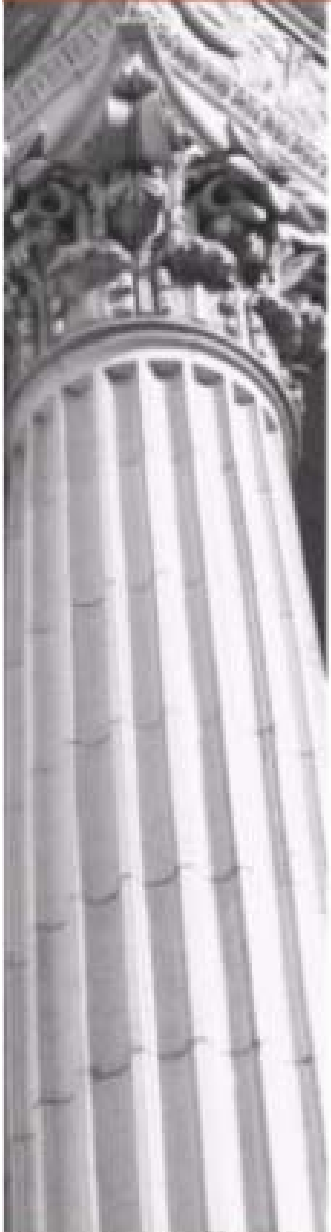
Rotary Club of Grosse Pointe
May 7, 2012

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Citizens Research Council of Michigan

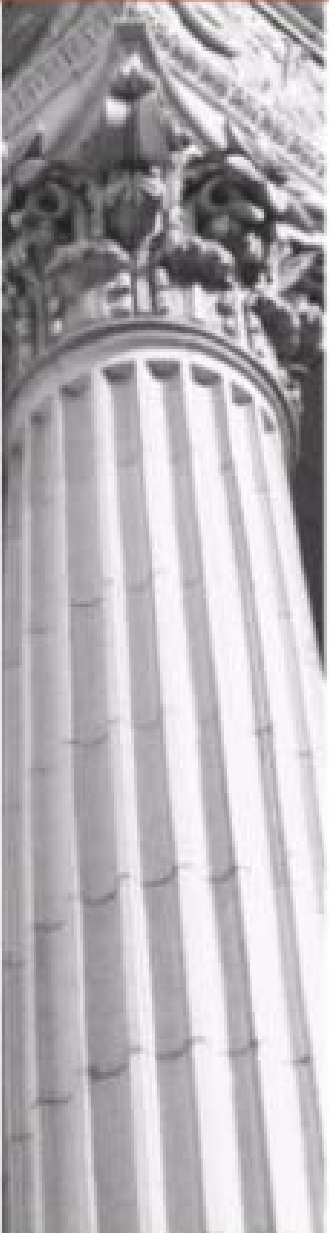
- Founded in 1916
- Statewide
- Nonpartisan
- Private not-for-profit
- Promotes sound policy for state and local governments through factual research
- Relies on charitable contributions from Michigan foundations, businesses, organizations, and individuals





State Perspective

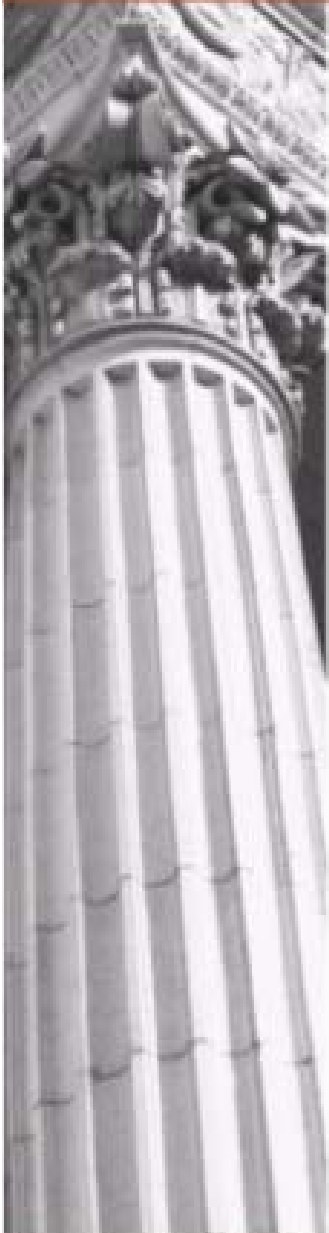
- Michigan has multitude of local governments
 - Many small in geographic area and serving small populations
- Question of efficiency
 - Especially in times of limited resources





A Multitude of Local Governments in Michigan

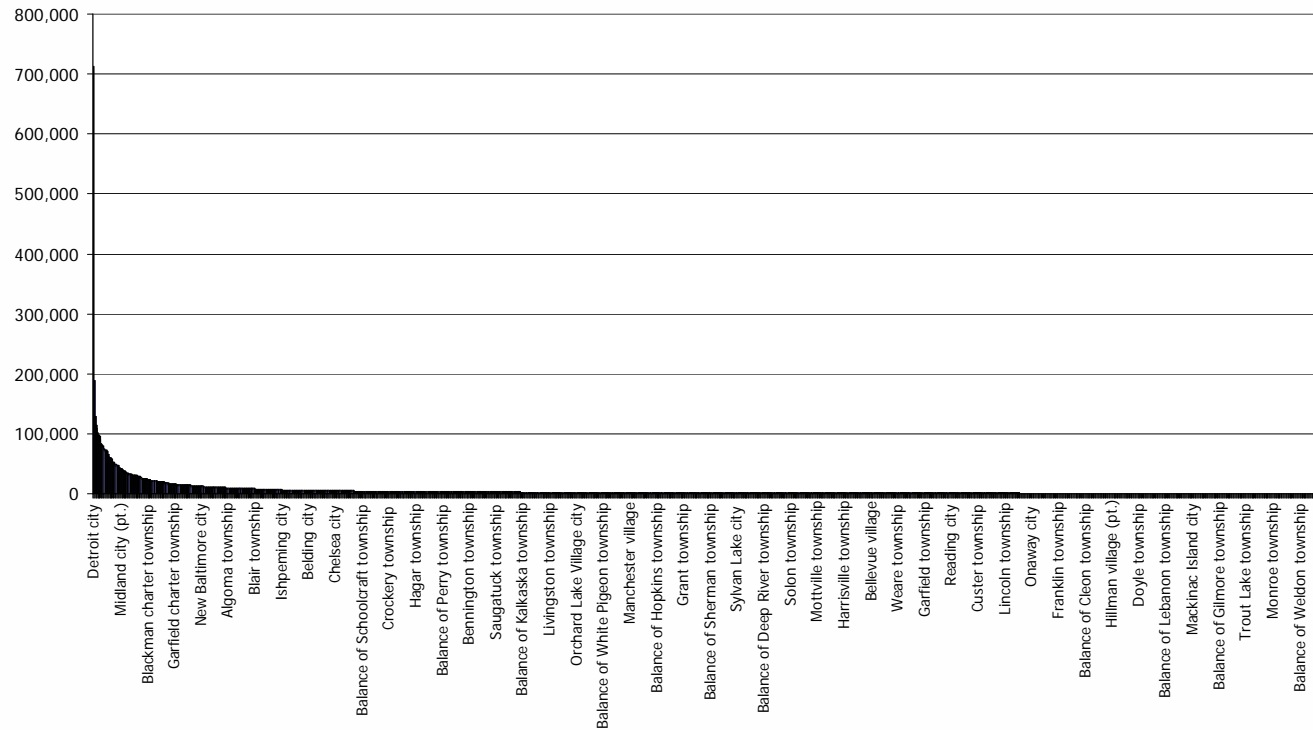
<u>Government Type</u>	<u>Number of Jurisdictions</u>	
Counties		83
Townships		1,240
Cities	275	
Villages	<u>258</u>	
Sub-Total Cities and Villages		<u>533</u>
General-Purpose Governments		1,856





Most Michigan Local Governments Serve Small Populations

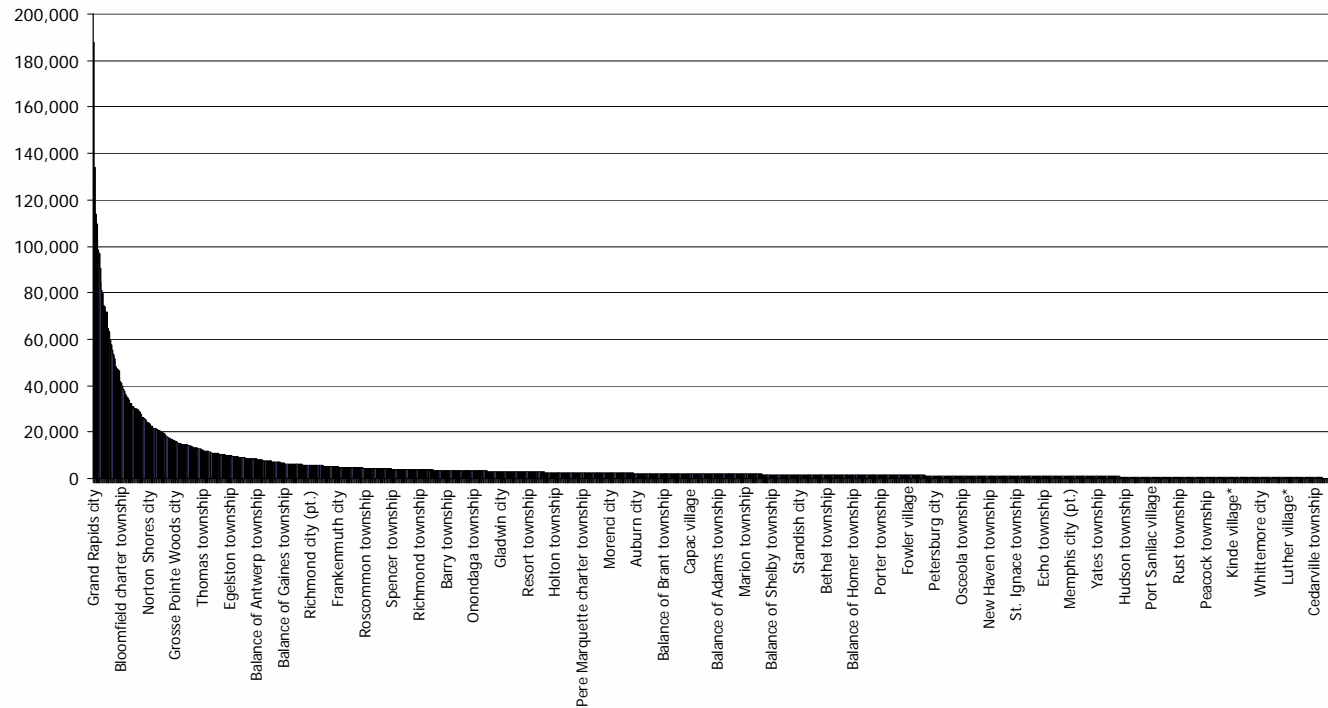
Michigan Cities, Villages, and Townships by 2010 Population





Most Michigan Local Governments Serve Small Populations

Michigan Cities, Villages, and Townships by 2010 Population





Local Government Perspective

- **Reduce Taxes**
 - Eliminate duplication
 - Achieve economies of scale
- **Operational efficiency**
 - Align tax base with service area
- **Trade power for tax base**
- **Align/Coordinate activities**
- **Increase stature**





Michigan History with Local Government Consolidations

Successful

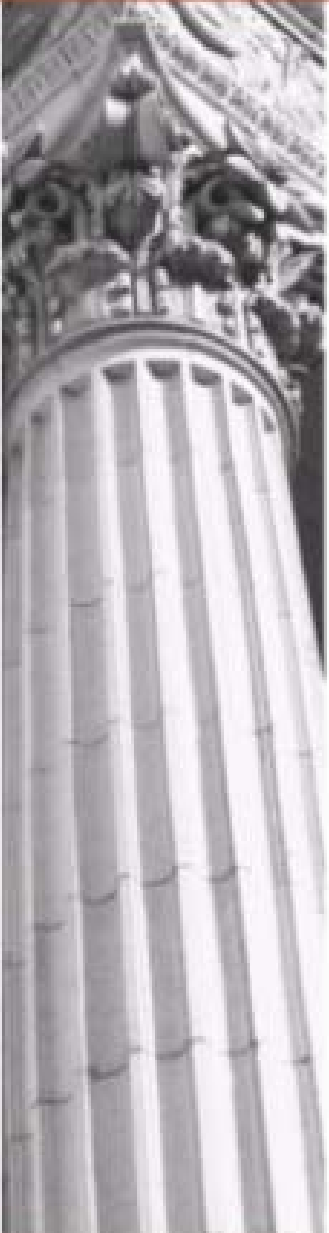
- Battle Creek – 1960s
- Iron River
 - 2 cities & 1 village
 - Approved by voters in 1999

Unsuccessful

- Grand Blanc City and Township
- Jackson

Pending

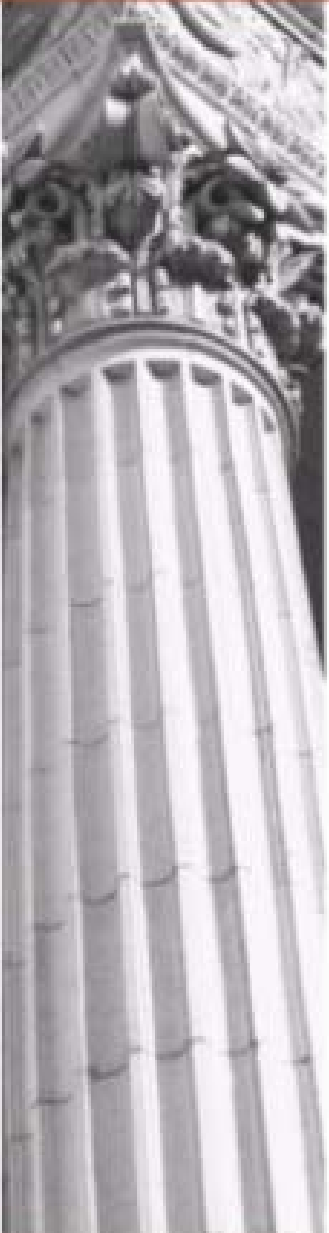
- Onekama
- Saugatuck-Douglas





Would the Grosse Pointes Benefit from Consolidation?

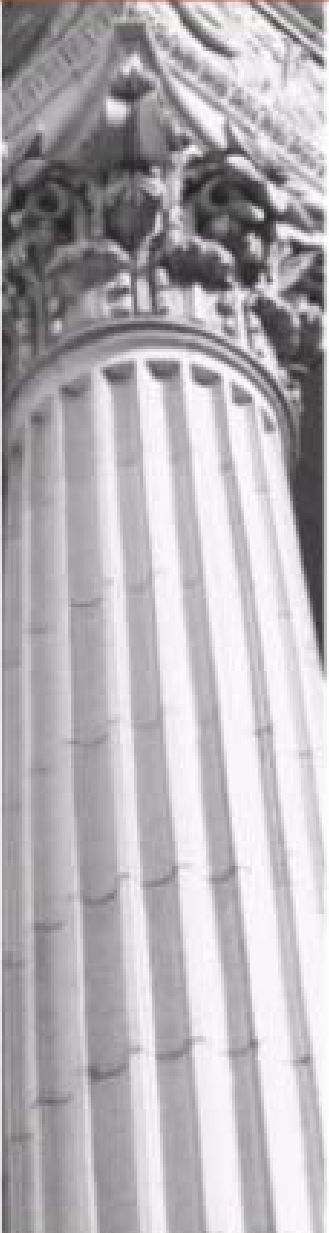
- **Reduce Taxes – Yes**
 - Eliminate duplication
 - Achieve economies of scale
- **Operational efficiency – Yes**
 - Align tax base with service area
- **Trade power for tax base – No**
- **Align/Coordinate activities – Yes**
- **Increase stature – Really?!?**





Consolidate Whole Governments

- Are there adjoining governments that are more alike than different?
- Is the menu of services provided alike?
- Are services provided at same levels?
- Are there similarities in tax base/tax effort?
- Are the people of a common character?





Creation of 5 Grosse Pointes

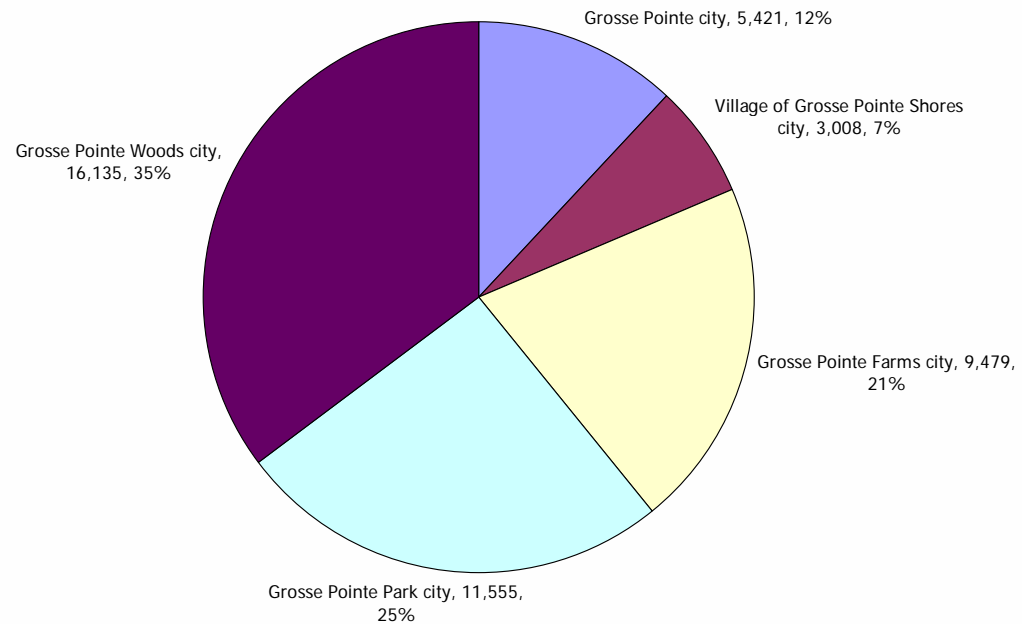
Dates of Incorporation as Villages and Cities

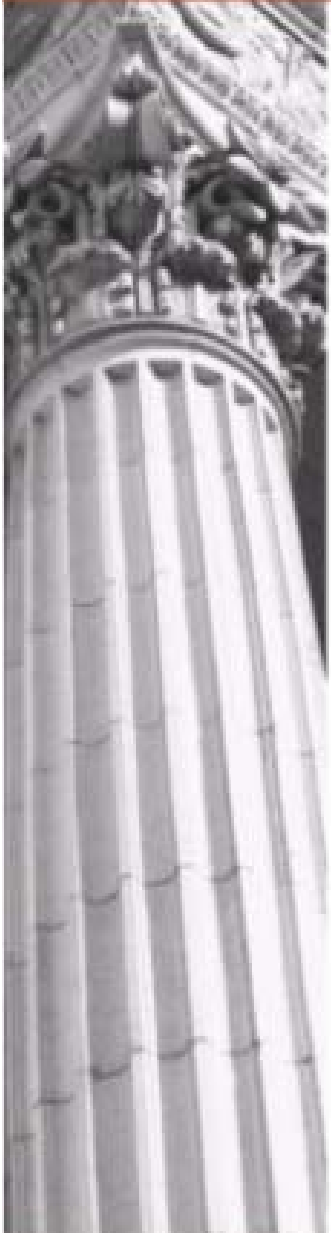




Population

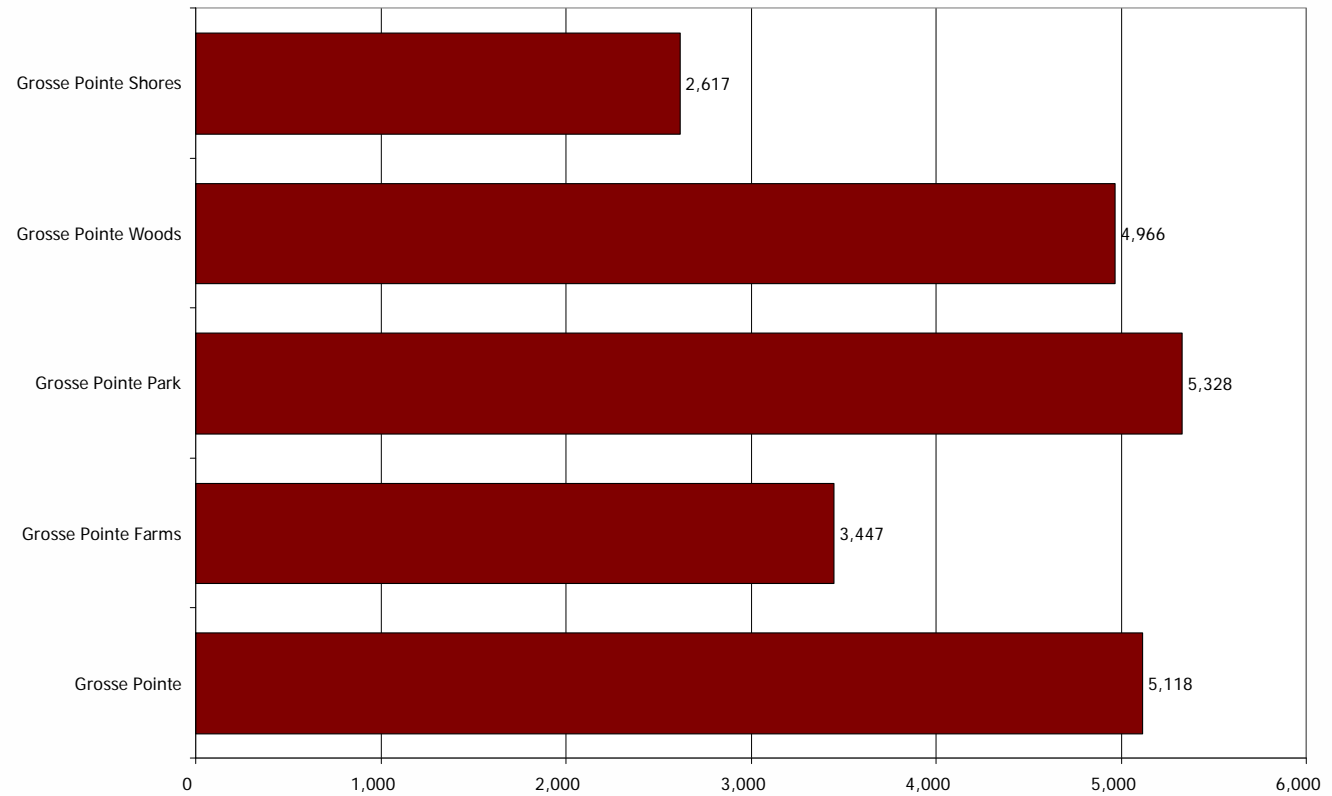
Population of the Grosse Pointe Cities, 2010
Total = 45,598

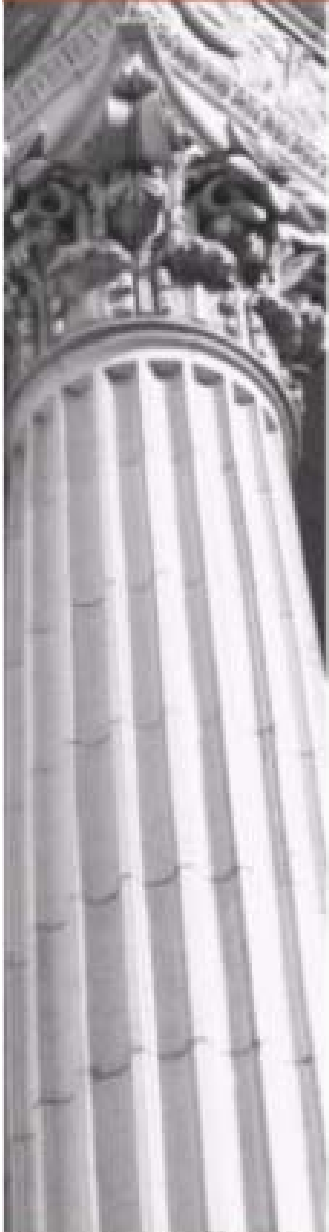




Population Density

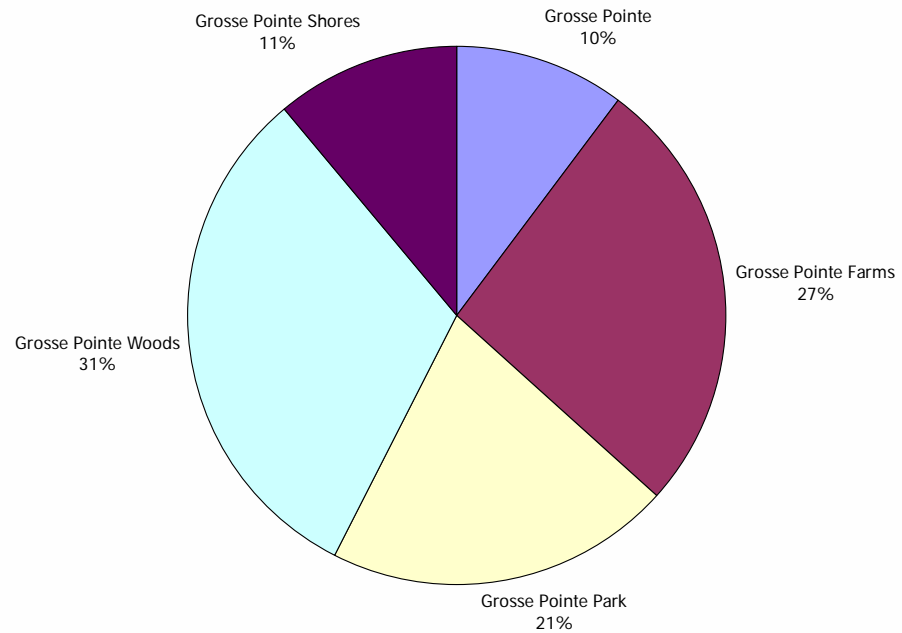
Population Density, 2010





Land Area

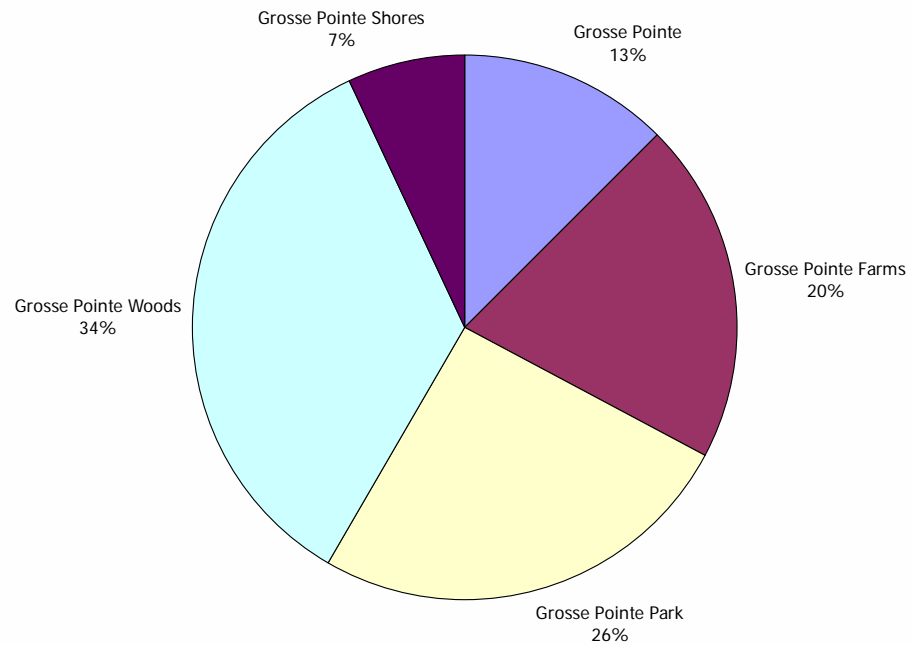
Land Area
Total = 10.4 Square Miles





Housing Units

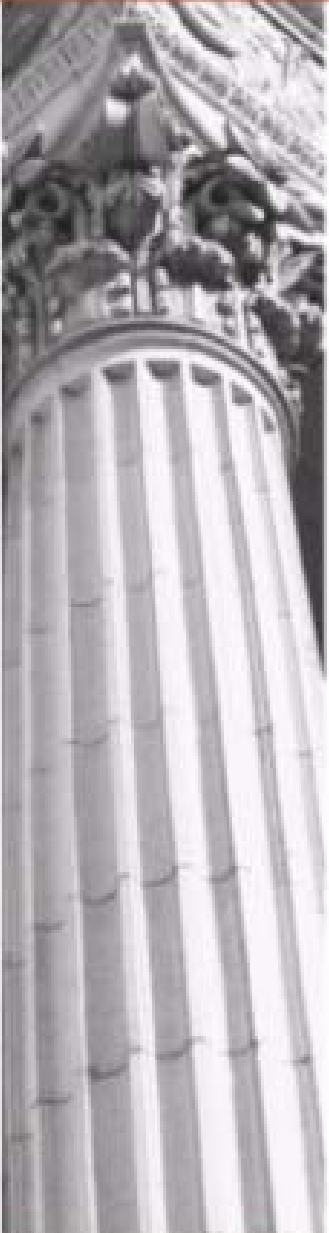
Number of Housing Units, 2010
Total = 19,564





Revenues

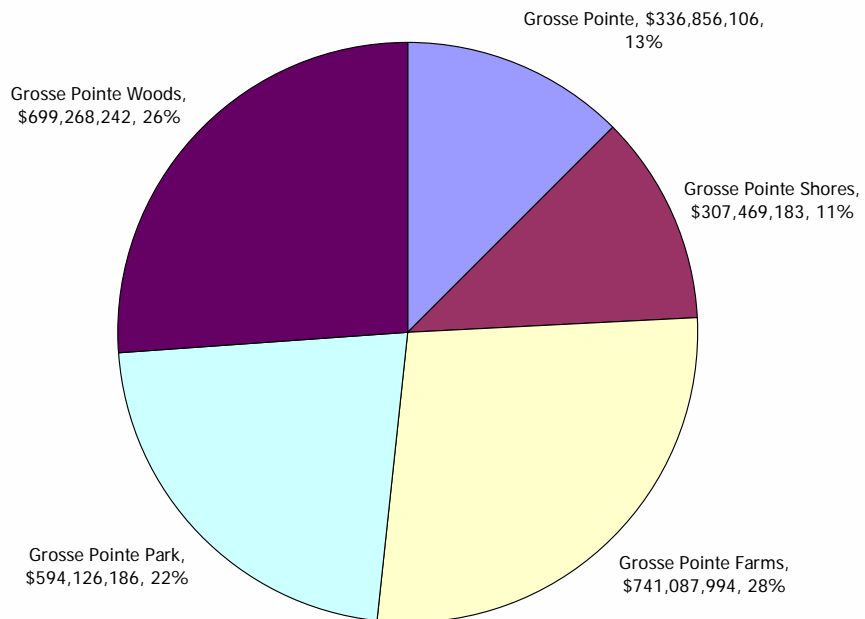
- Revenues from same sources
 - Property taxation
 - State revenue sharing
- Would residents of any individual area be subsidizing services to balance of a united city?
- Are tax rates markedly different so that consolidation would cause major tax rate increases/decreases?

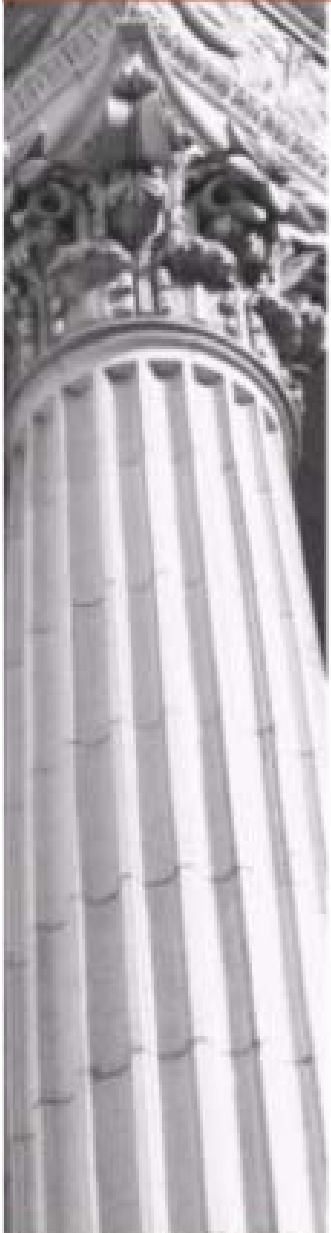




Tax Base

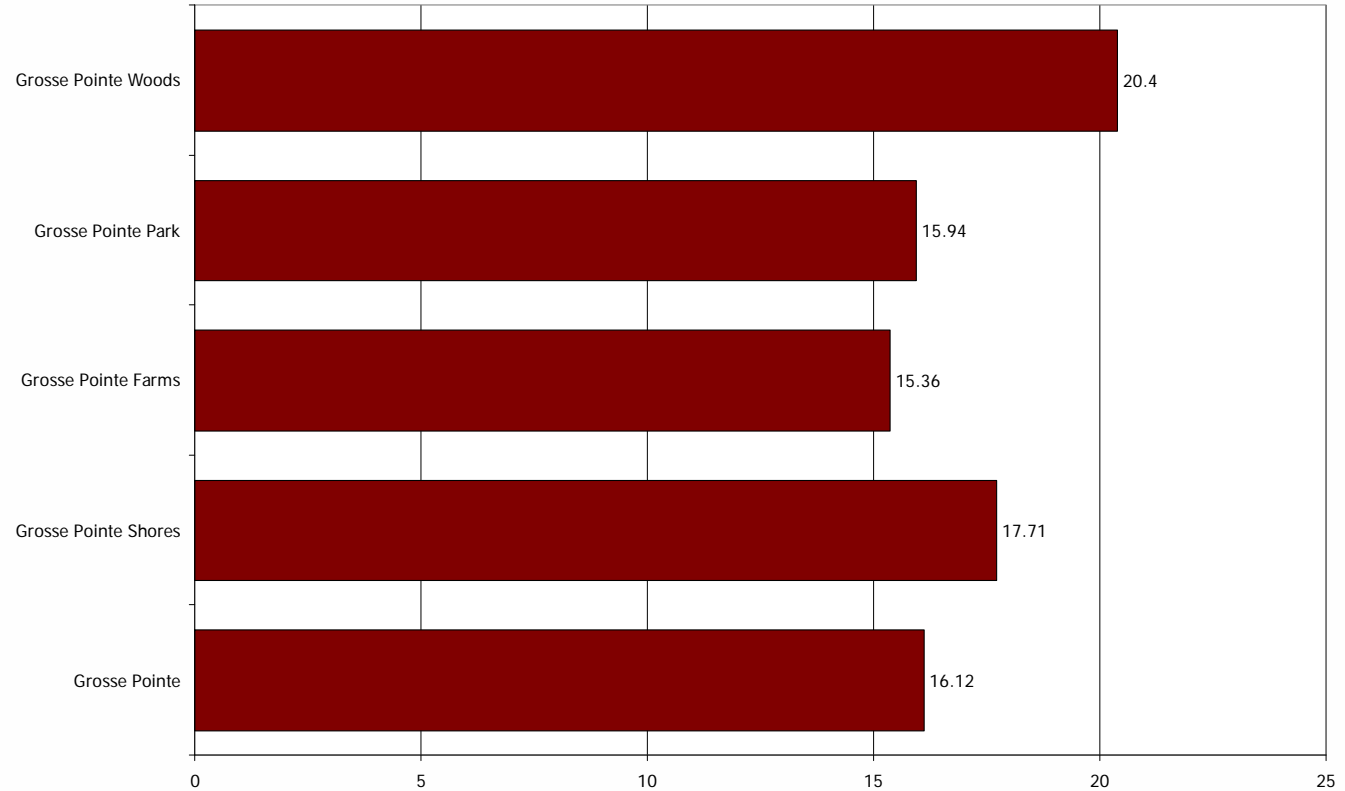
Taxable Value of Grosse Pointe Cities, 2010

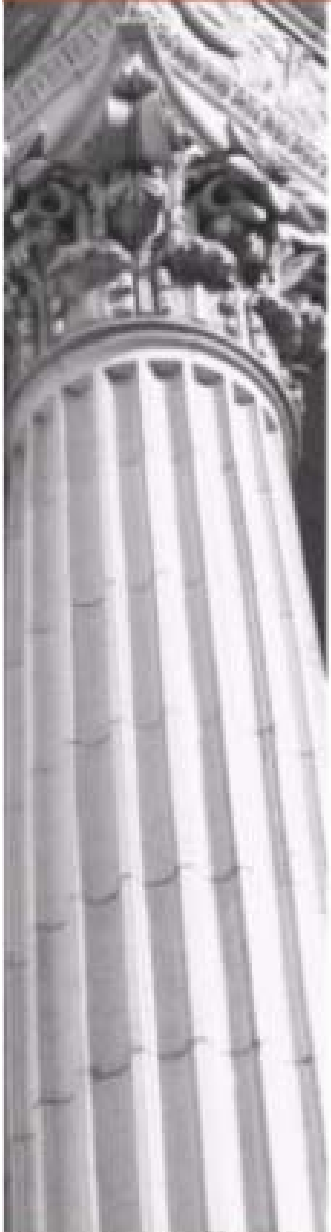




Tax Rates

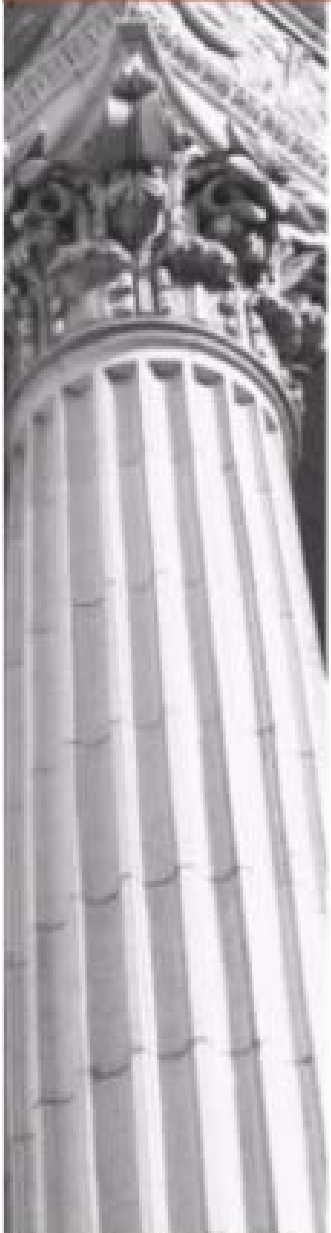
Tax Levy for City Purposes, 2010



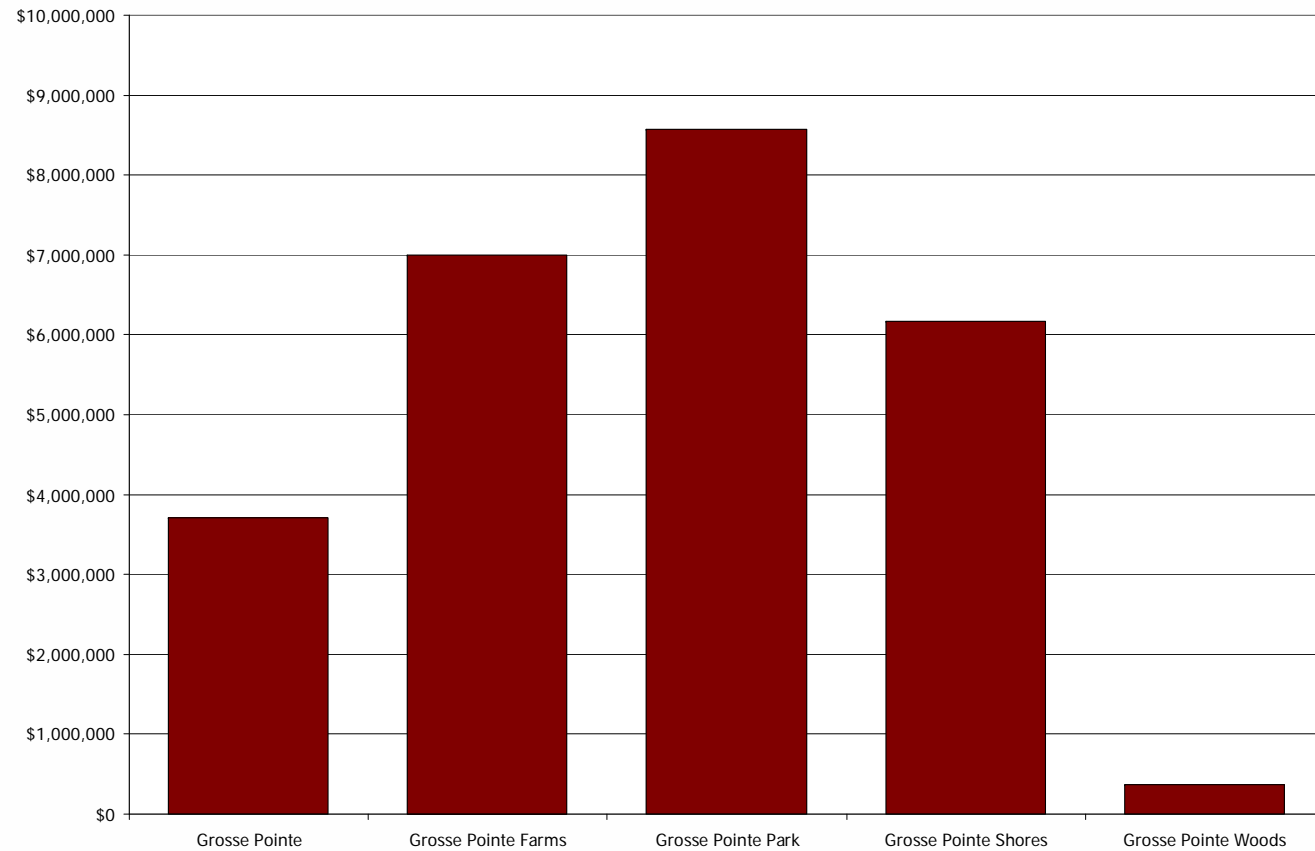


Expenditures

- **Common approach to public safety**
- **Commonality in provision of water and sewer services**
- **Duplication in administration**
- **Other major cost centers:**
 - **Roads**
 - **Parks and Recreation**
 - **Public Works**



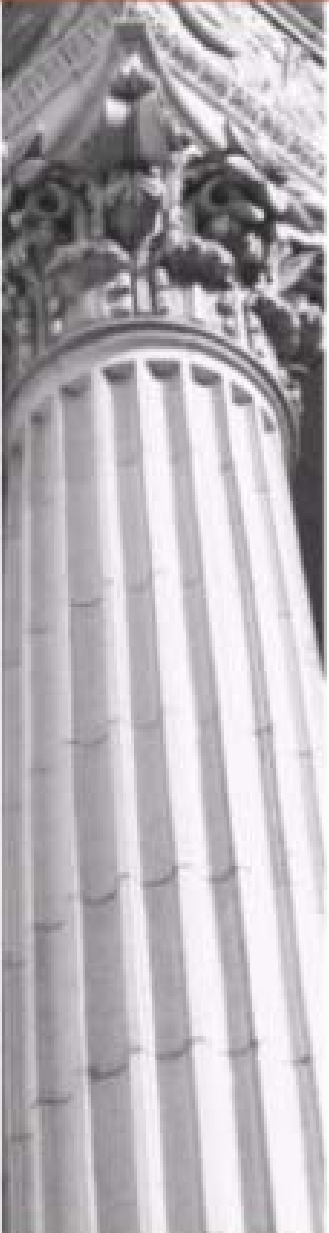
Long-Term Debt





Collaboration as an alternative

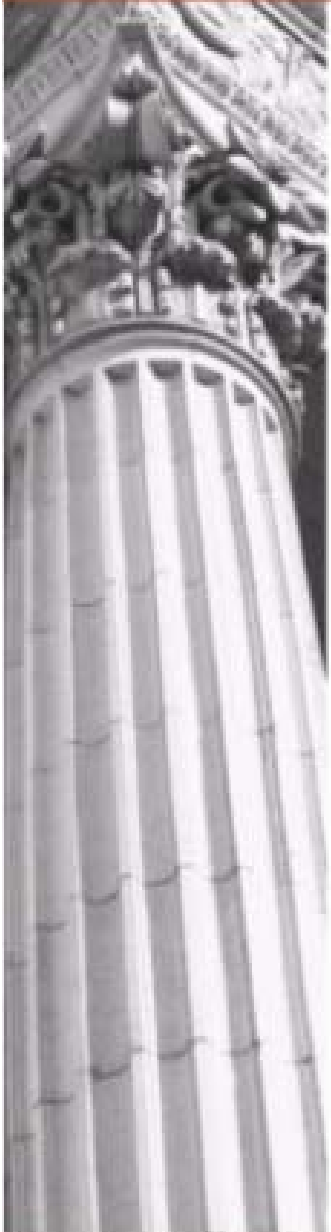
- **Enjoy the benefits of consolidation without surrendering individual identity**
- **Mix and match services and partners to meet individual needs**
- **Identify potential partners based on nature of the services**
 - **Capital intensive**
 - **Technically intensive**
 - **Labor intensive**





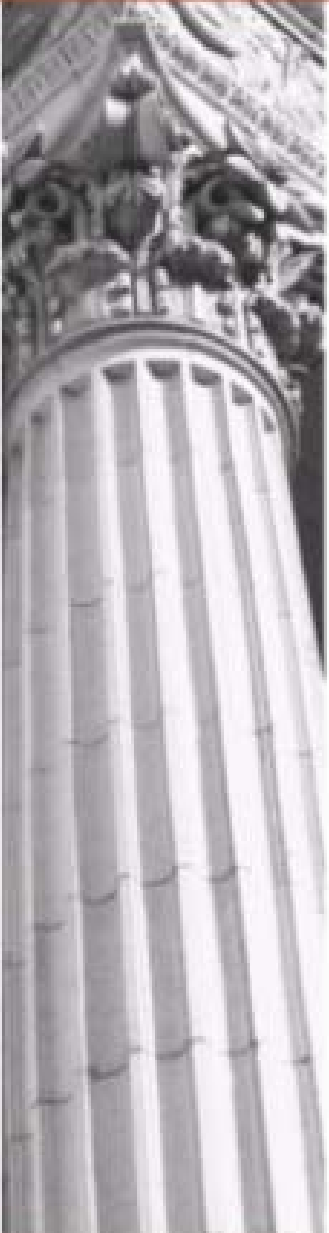
Horizontal Collaboration

- Michigan's laws authorize allow two or more local governments – cities, villages, townships, counties, school districts, special authorities, and special districts – to collaborate with each other to jointly provide any service that each is authorized to provide individually
- May be harder to accomplish in Lenawee County because of differences between local governments



Services with the Highest Levels of Horizontal Collaboration

1. Water Treatment
2. Library
3. Sanitary Sewer Treatment
4. Fire Fighting/Rescue
5. Public Bus System
6. Stadiums/Arenas
7. Water Distribution
8. Sanitary Sewerage Coll
9. Fire Fighter Training
10. Building Inspection



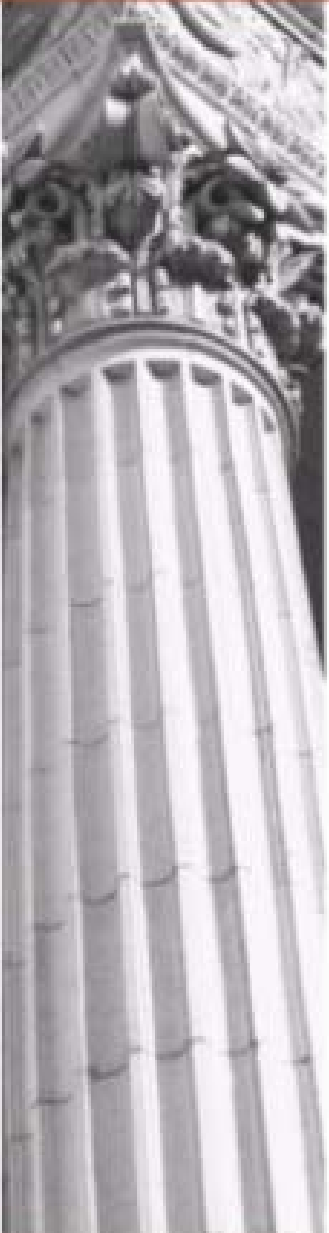
Vertical Collaboration

- Municipalities sharing the cost of functions performed by their counties
- Municipalities contracting with their counties or the state to have functions performed
- The county and state governments simply assuming responsibility for the performance of specific functions, thus relieving the municipalities of any function performance duties



Services with the Highest Levels of Vertical Collaboration

1. Police Patrol - Marine
2. Restaurant/Food Reg
3. Police Patrol – Helicopter
4. Jail(s)
5. Police Patrol - Horse
6. Crime Laboratory
7. Air Quality Control
8. Detention Center(s)
9. Septic Permitting
10. Well Permitting

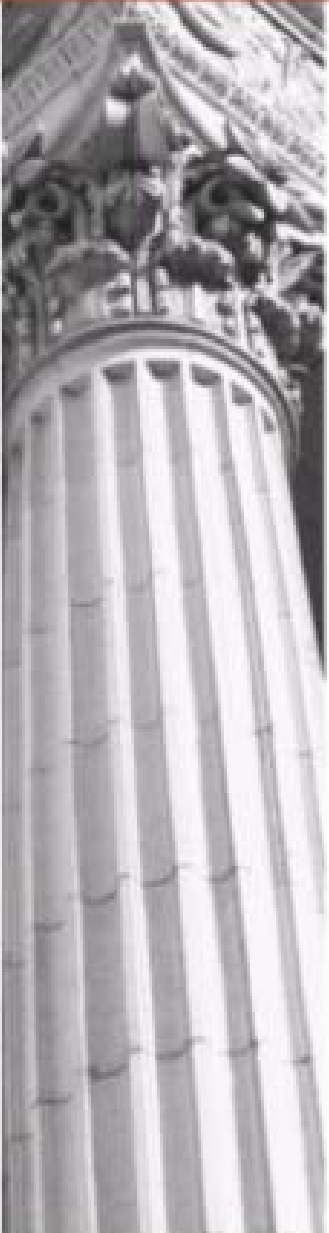




Are the Grosse Pointe Cities Collaborating?

- 2005 CRC survey
 - 4 of 5 Grosse Pointes participated
 - Less collaboration among these communities than in other parts of the state
- Look at Grand Rapids communities for example of horizontal collaboration
- Look at Oakland County for example of vertical collaboration





Thank You for your attention

Questions?

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