



Grand Rapids Chamber
of Commerce

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Counties in Michigan: An Exercise in Regional Government

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The Structural Problem: How Local Governments Operate is Not Working

- Financial condition of local governments remains precarious



- To close budget gaps, local governments have
 - ❖ Increased levels of intergovernmental cooperation
 - ❖ Relied on general fund balances
 - ❖ Increased employees' share of fringe benefits
 - ❖ Cut services

Counties: Regional Government as Mechanism to Relieve Fiscal Pressure across Local Government

- Problems are structural and pervasive: Time for a **new model** for local governments
- Counties offer:
 - ❖ Economies of scale
 - ❖ Economies of skill
 - ❖ Less income inequalities
- Enable local governments to concentrate efforts on developing the identity and place making that will attract people and businesses

Local Government Service Delivery Model

Need to Understand

- Governance: Counties and municipalities
- Demographics: Population and community variance
- Revenue: How services currently funded
- Service delivery: How services currently provided

Local Governments in Michigan

- 83 counties
- 533 cities and villages
- 1,240 townships
- Creatures of the state
- Overlapping geographical boundaries, service responsibility, and taxing authority – local government service provision complicated!

County Governance

- Boards of commissioners
- Election of clerk, register of deeds, treasurer, sheriff, and prosecuting attorney – plural executive
- General law counties (79 of 83)
- Optional unified counties (Bay and Oakland)
- Charter counties (Macomb and Wayne)
- Evolved from administrative arm of state government to regional local government

Core or Mandated Services

- Legislative services
- Clerk/register of deeds
- Treasurer
- Sheriff
- Prosecuting attorney
- Court system
- Corrections services and jails
- Administration and general government services
- Tax allocation and collection
- Elections
- Property assessment and equalization
- Information technology
- Buildings and grounds services
- Engineering and legal services
- Health and welfare functions
- Road commission and road services
- Drain commissioner

Public Safety Services

- Police services
- Fire services
- Ambulance/emergency medical services
- 9-1-1 dispatch services
- Public safety departments

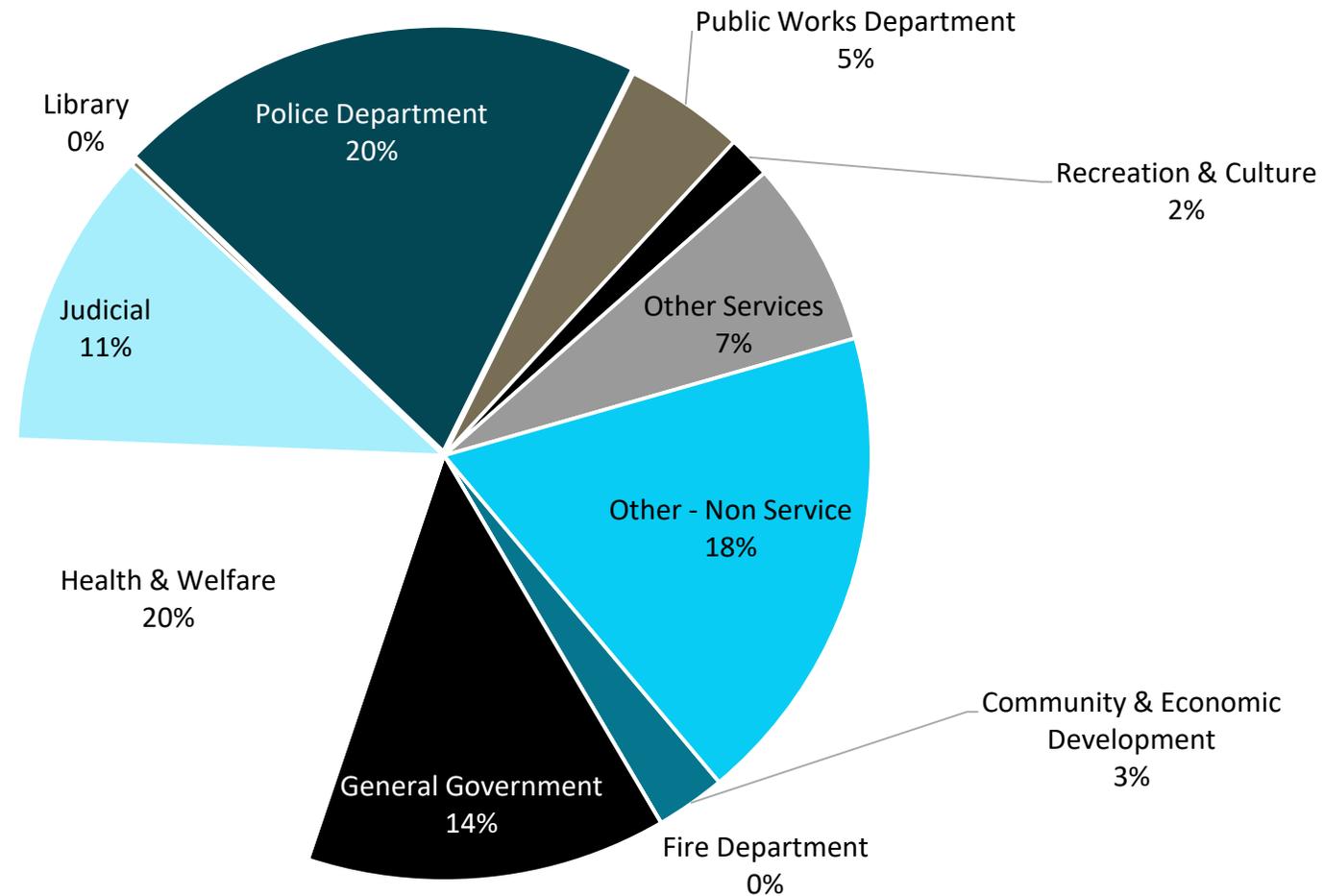
Essential Services

- Planning and zoning services
- Public works and infrastructure
- Sanitation and landfill services
- Environmental services

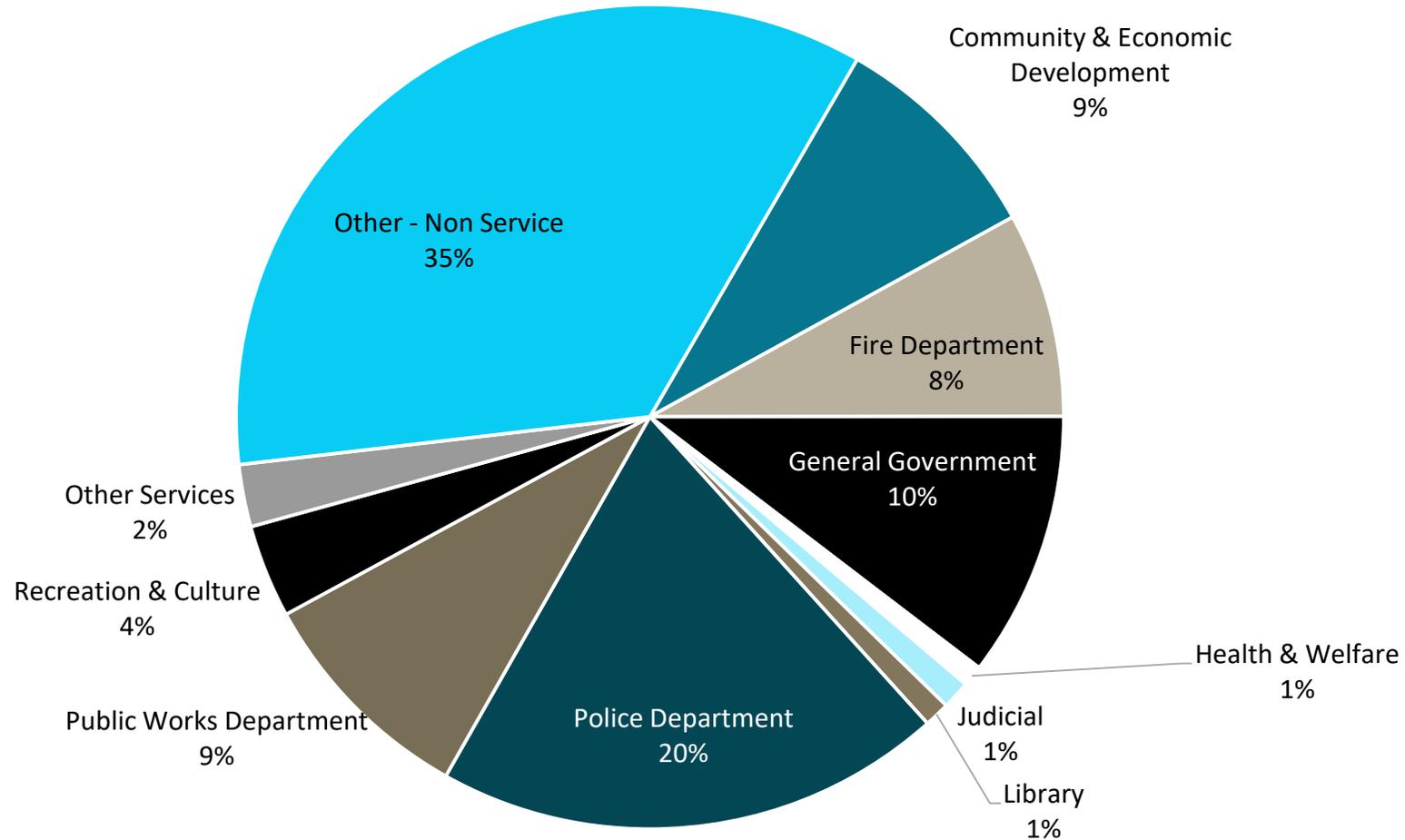
Secondary or Discretionary Services

- Parks and recreation
- Library services
- Cultural amenities
- Economic development
- Public transportation
- Animal services

County Expenditures by Percent

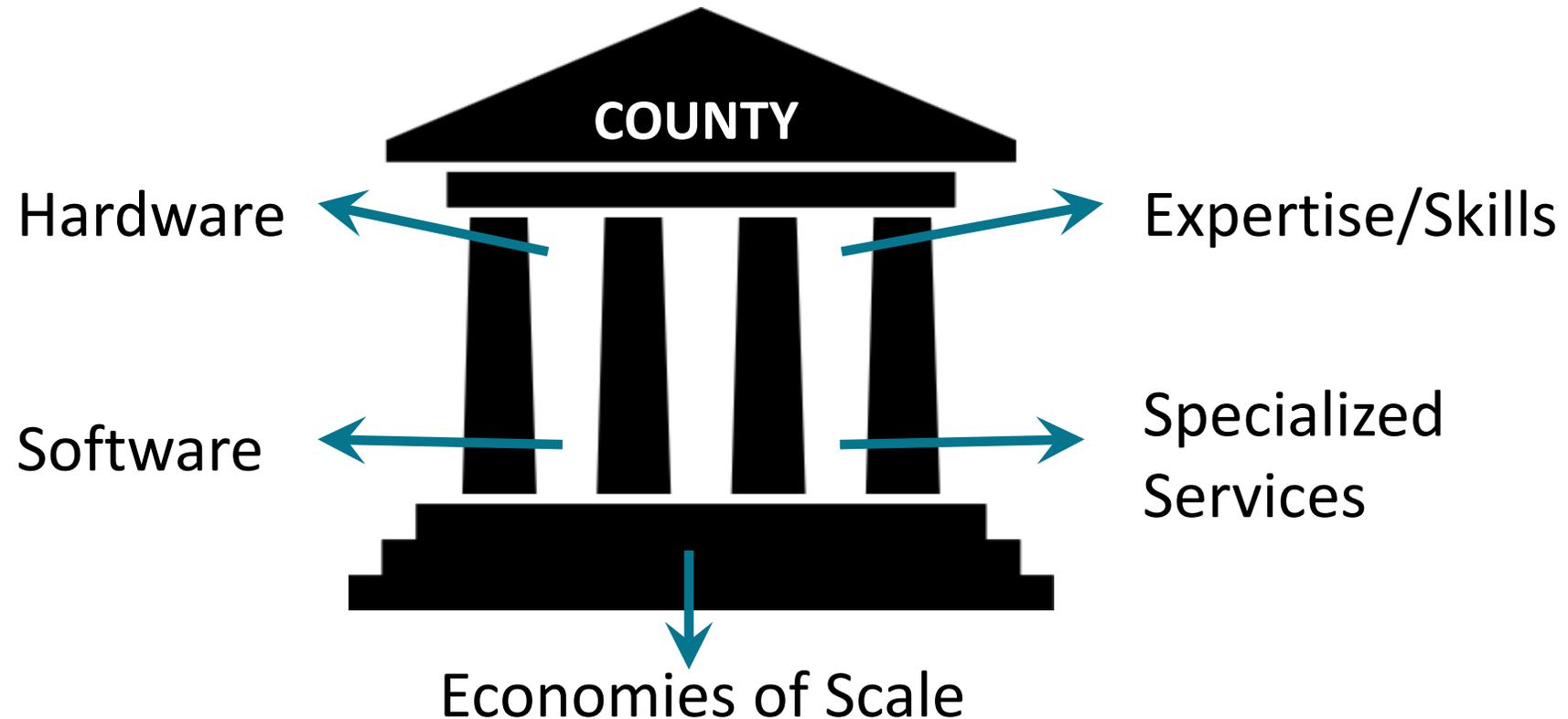


Municipal Expenditures by Percent



Recommendations for Michigan

Operate Local Government in a Quasi-Business Model



County Service Delivery

- Criteria used to make recommendations
 - ❖ Capital intensive services – horizontal collaboration
 - ❖ Technically intensive services – vertical collaboration
- Internally: Look to future of county
- Externally: Understand needs of constituent municipalities
- The State can promote collaboration or hinder it
 - ❖ Institutionalized and encouraged vertical collaboration
 - ❖ Local revenue restrictions and spending requirements

Service Recommendations

- Information technology: Backbone of expanded county services
- Administration and general government (HR, fiscal, document)
- Tax collection
- Elections
- Property assessment and equalization
- Road commission and road services
- County sheriff and public safety (especially administrative and special services)
- Additional services

Ottawa County Collaborations

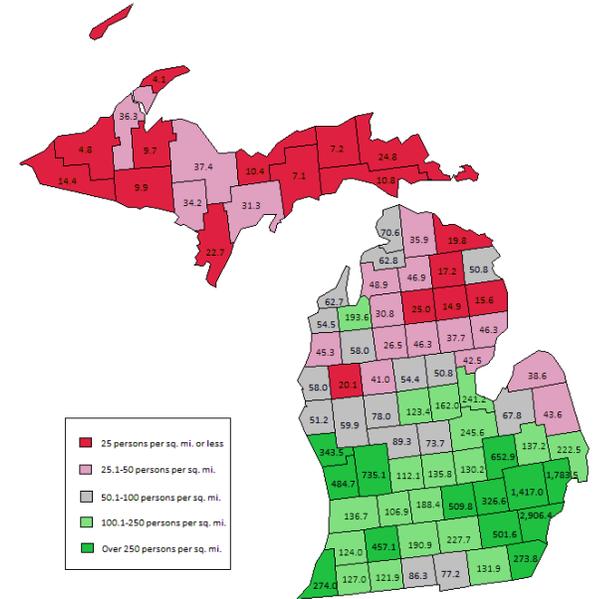
- Sheriff's office contract for community policing deputies: majority of townships; cities of Ferrysburg, Coopersville, and Hudsonville; Spring Lake Village
- Assessing services for City of Grand Haven and Crockery Township
- Finance director services for Spring Lake Village and Crockery Township
- Fiber optimized government (FOG)-Net: views various county, school, city, BPW fiber as an interconnected system allowing for integration and service sharing
- Server hosting and IT support for City of Ferrysburg, Spring Lake Village, and Spring Lake Township (in discussions with other local units)
- HR training opportunities for county staff are offered to local units at cost

Kent County Collaborations

- Equalization director and staff shared with Allegan County (exploring several options to collaborate with local assessors)
- Financial management system/software shared with City of Grand Rapids, Genesee County, and the Michigan Municipal Services Authority (MMSA) to allow each unit's system to operate on same platform and open up opportunities for greater collaboration
- Kent County Parks Dept regularly collaborates with other units, including MDEQ, MDNR, Walker and Kent County Road Commissions, Caledonia Township, Calvin College, and foundations
- Sheriff dept works with local school districts to jointly fund school resource officers
- County provides access to the State of Michigan's Law Enforcement Information Network (LEIN) to a number of municipalities and agencies, including the City of Grand Rapids
- Police and fire dispatch services for all local units, except Grand Rapids

Prerequisites for Change at County Level

- Counties have potential to provide expanded regional service delivery
- Change cannot happen in a vacuum
- County governments are not uniform
 - ❖ Have to understand variance across counties
 - ❖ Population densities vary from red (very rural) to green (very dense)
 - ❖ Have to be able to tailor recommendations to meet their abilities and needs
 - ❖ Not one-size-fits-all



Modernize County Government

- Hindered by governance structure
 - ❖ General law counties: Plural executive and diffused accountability
 - ❖ Stand-alone government without regional emphasis
- Adopt a charter or organize as an optional unified county
 - ❖ Mirrors federal/state systems
 - ❖ Provides checks and balances
 - ❖ Increases accountability
- Change culture of county government to view county capabilities as an asset to share with the region
- Strong county leadership needed

Need More Resources at County Level to Support Expanded Services

- Authorize levy of more local-option taxes at county level
 - ❖ Less administratively burdensome
 - ❖ Limit negative externalities
- Redirect state revenue sharing to counties by a formula that accounts for variances in fiscal capacity
 - ❖ Problem: Creates winners and losers
 - ❖ May be more palatable if used to distribute larger pot of money
- Payments from governments receiving services

Conclusion

Regional Government in Michigan

- Local governments face structural problem
- One potential solution: Move more local government services to regional level
- Prerequisites for change
 - ❖ Modernize county government
 - ❖ Need resources to meet additional needs
 - ❖ Need to change county mindset to one of service provider

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