



Thinking about the  
Wisdom and Process of  
Transitioning Newberry  
from a Village to a City

# Thinking about the Wisdom and Process of Transitioning Newberry from a Village to a City

Newberry Village Council and Planning Commission

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# Citizens Research Council

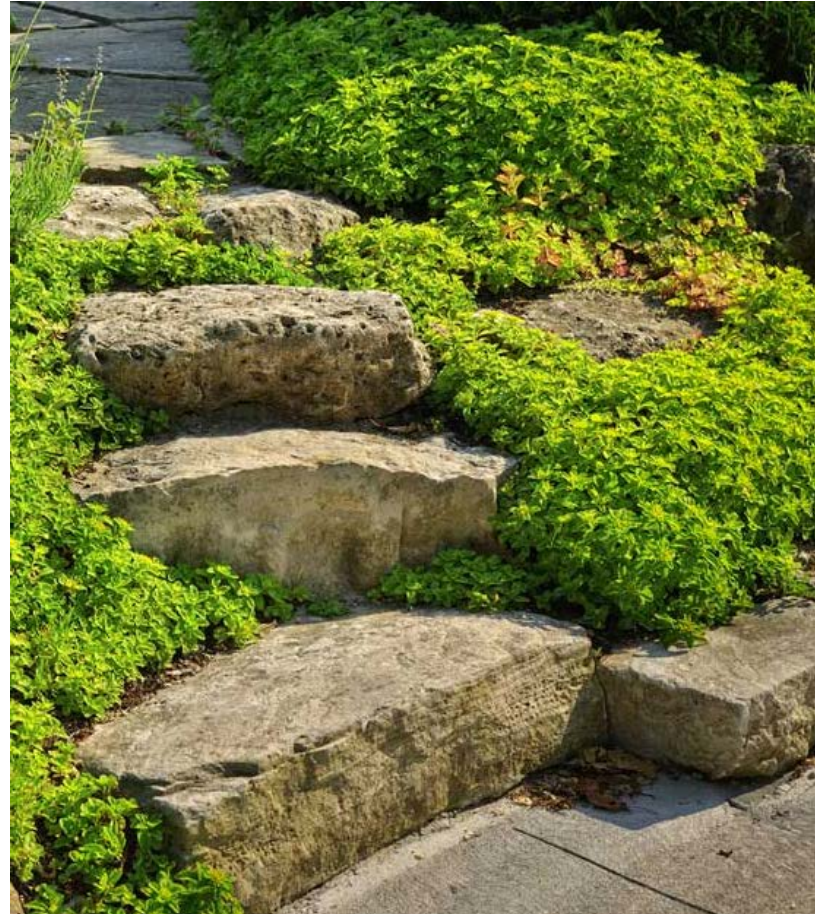
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# Michigan's Stepping Stones

The original design for progressing from a township to a village to a city

# How it was supposed to work

- Growth Pattern
- Primary/Secondary Local Governments

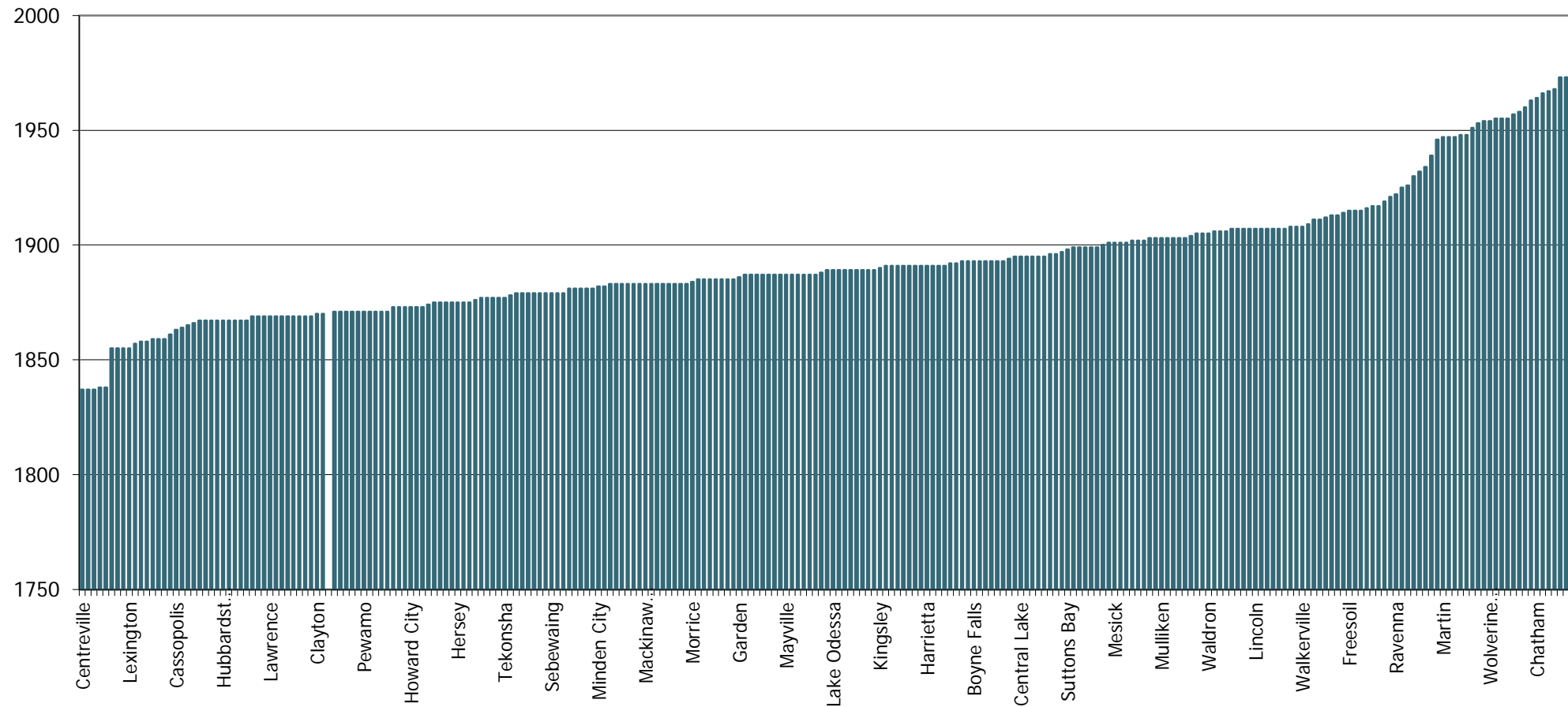


# Why it broke down

- Charter Township Act of 1947
- 1998 amendment to the General Law Village Act
- Ad Valorem Special Assessments



# Date of Incorporation for Michigan Villages



# Considerations for Transitioning from a Village to a City

Thinking about Pros and Cons



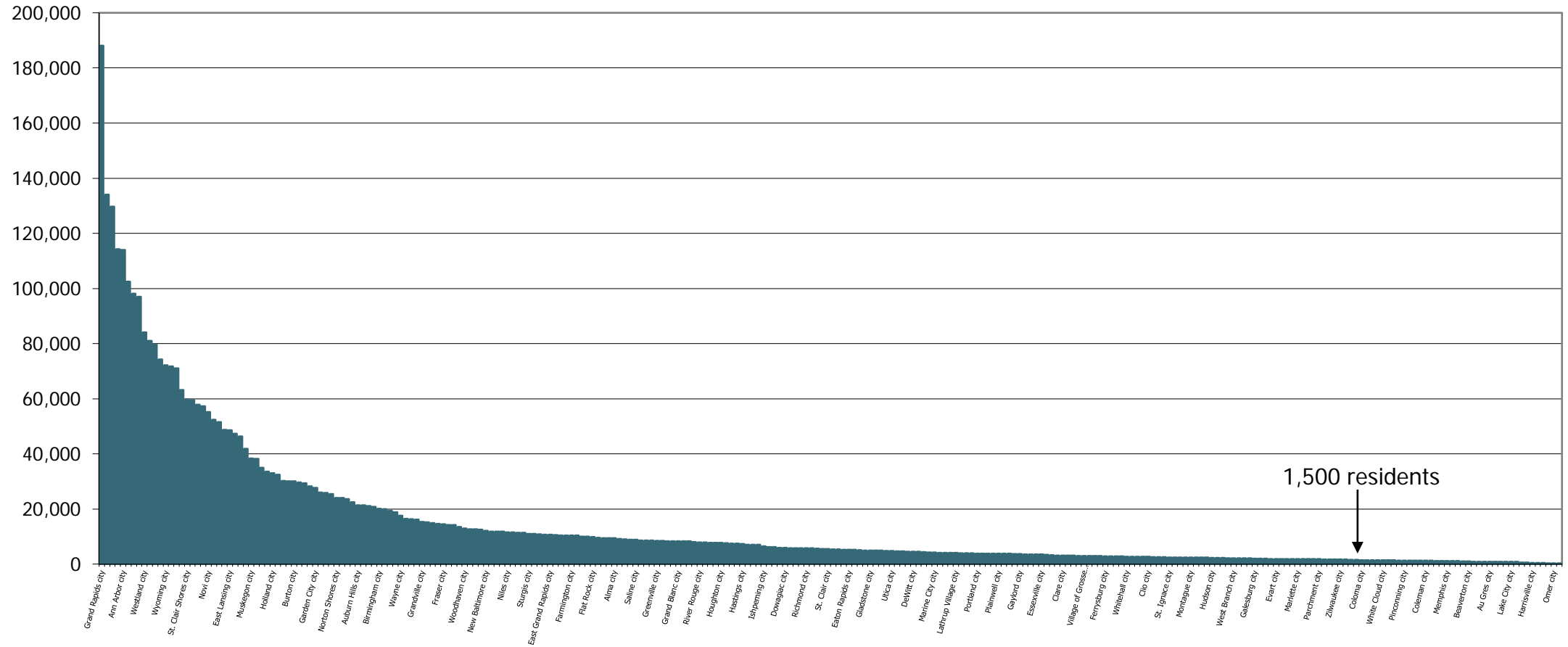
# Considerations for becoming a city

- Simplification of local government. Easier for residents to understand responsibilities.
- End duplication of offices/services
  - Village President / Township Supervisor
  - Village/Township Clerk and Treasurer
  - Village/Township governing bodies, ordinances, planning efforts, zoning rules

# Considerations for becoming a city

- Continuation of secondary services that were unique to village
  - Opportunity to collaborate with township for other services provided by township
- Vote in a single place
- Are 1,500 people enough to have your own city?

# Michigan Cities by Population



# Considerations for becoming a city

- Opportunity to draft a city charter.
  - General law villages operate under a one-size-fits-all charter in state law
- Opportunity to modernize operations
  - Budgeting and budget controls
  - Centralized purchasing
  - Controls on purchasing and contracting
  - Independent audit
  - Merit system for hiring and promotion
- Opportunity to Identify and create a governance structure best suited to Newberry
  - Weak Mayor
  - Strong Mayor
  - Council Manager
  - Election or appointment of clerk and treasurer
  - How many council members

# Considerations for becoming a city

- Assessments focused on city residential, commercial, and industrial property
  - Agricultural and forest property not part of mix
- Board of review for assessment appeals drawn solely from city residents
- Assure that taxes and state revenue sharing dollars are used in the city

# Considerations for becoming a city

- Eliminate confusion (village vs township) over planning and zoning authority
- Harder (not impossible) for state and county to preempt home rule decisions

# Considerations for becoming a city

- Will it increase the cost of government?
  - Compared to being a village
    - Transition costs and marginal increases in operating costs related to assuming previously township responsibilities.
    - Assume cost of assessing, tax collection, elections
      - Marginal cost increase if play cards right
    - Must have city residents willing to serve in elected office and on board of review.
  - General cost to taxpayers
    - Receive same services functions but pay the city to do it all instead of paying the township and the village.
  - Effect on McMillan Township and township taxpayers.
    - Township loses  $\frac{1}{4}$  of taxable value
    - No need to move township hall

# Process of transitioning from a village to a city

Petition, State Boundary Commission, Charter Commission



# Process of Transitioning to a City

- Meet criteria for criteria for incorporation
  - 1968 PA 191, Sec. 9 – MCL 123.1009
- Can take actions seeking incorporation as a city using
  - a) boundaries of existing village or
  - b) creating new boundaries

# Process of Transitioning to a City

- File petition to incorporate as a city before the State Boundary Commission (provided on SBC website) with signatures of not less than 1% of population of the territory affected
  - a) From village residents
  - b) From village residents and from township territory to be included in the new city
    - Minimum of 10 signatures from outside the village but expected to be at least 1%

# Process of Transitioning to a City

- Petitions require petitioner to discuss the reasons why they feel the territory proposed to be incorporated should become part of the city. Recitation should touch on all of the 18 criteria that are required by statute to be discussed.
- Create a certified boundary survey (legal description) of the proposed boundary and a map to attach to the petition
  - Legal description and map of village
  - Legal description and map of expanded city (village + extra territory)
  - SBC has checklist it uses in reviewing legal sufficiency of map, drawing, or survey
- Have experienced lawyer/consultant review materials before petition circulation and submission to SBC
  - Even very minor insufficiencies can reset the process to the beginning

# Process of Transitioning to a City

- SBC reviews petition/application for conformance to PA 279
  - Non-conformance – return to village with reasons for rejection
  - Conformance – sets a public hearing on the petition to incorporate as a city
- Public Hearing not less than 60 nor more than 220 days after filing of the petition
  - Petitioners afforded 20 minutes for presentation addressing 18 criteria
  - Village is given 20 minutes for presentation if different than petitioner
  - Township is given 20 minutes for its input
  - Each participant is given 10 minutes to respond
  - SBC commissioners are permitted to ask questions
- 30-day window to submit additional, supplemental, or reply information
  - Each party is afforded 10 additional days to respond to information submitted within that 30 days

# Process of Transitioning to a City

- SBC adjudicative hearing to make findings of fact and conclusions
  - Deny the petition
  - Approve the petition
  - Revise the boundaries set forth in the petition giving reasons for revisions and approval
- Decision of the SBC is sent to the Director of the Department of Licensing and Regulatory Affairs
  - Director has discretion to approve/reject SBC's recommendation

# Process of Transitioning to a City

- If within 45 days of approval of incorporation by Director of LARA, a valid petition is filed asking for an election on the proposed incorporation, the SBC will order an election
  - Signed by 20% of the registered electors of the areas proposed to be incorporated

# Process of Transitioning to a City

- If no referendum petition is filed or upon favorable vote in referendum
  - SBC orders the election of 5 or 9 charter commissioners
  - SBC directs the clerk to immediately issue public notice of the pending election of charter commissioners and deadline to file nominating petitions
    - Must be elector in the territory to be incorporated
    - Petition signed by at least 20 qualified voters
    - Filed at least 7 weeks prior to the date of the election

# Process of Transitioning to a City

- Charter commission
  - Drafts a proposed charter
  - Sends it to the governor for approval
  - Governor
    - approves it and returns it to be voted on
    - rejects it and sends it back with suggestions on how to fix it



# Process of Transitioning to a City

- Charter submitted to the electors for approval
  - If approved, the city is formed
  - If rejected, charter commission can amend the proposed charter to address perceived weaknesses and
    - Resubmit it to the governor
    - Schedule another election to seek voter approval

# Now Newberry is a City!

- Election of City officers
- Rework legal agreements
- Adapt Newberry brand
- etc.



# Annexation Issues

# Annexation

- General Concerns taken into consideration
  - Contiguity – must be adjacent and contiguous
  - Reasonably proportionate – more than mere touching
  - Enclaves – of township territory may not be the result of an annexation

# Annexation as a General Law Village

- Notice of intent to annex territory must be published and posted for 3 weeks prior to the filing of the annexation petition with the county clerk
- Village Council adopts a resolution to petition the county Board of Commissioners to make such a change
- Petition must contain
  - A legal description of the territory proposed to be annexed and
  - The reasons for the proposed change
- County Board of Commissioners hold a public hearing and makes determination as to whether any part or all of the petitioned property shall be annexed
- County Board of Commissioners orders it done by the adoption of a resolution of a majority of the county commissioners

See MCL 74.6

# Annexation as a Home Rule City

- Residents may file a petition for annexation or the city may adopt a resolution for annexation of territory
  - Filed with the State Boundary Commission
- SBC will hold a public hearing
- SBC must give notice to property owners located in the area proposed for annexation and any property owners within 300 feet of the area proposed for annexation
  - City and/or township must provide to the SBC a list of the names and addresses of all persons the SBC is required to provide notice

# Annexation as a Home Rule City

- SBC will consider the effects of annexation on the following:
- SBC makes a determination
  - If denied, the process is over for now
  - If approved, and the area to be annexed has less than 100 people, the area is annexed to the city and the process is over
  - If approved, and the area to be annexed has more than 100 people,
    - Annexation takes effect 30 days after the date of the order, unless...
    - Registered electors of the territory to be annexed may petition for a referendum on annexation
      - Must have signatures from at least 25% of the registered electors
- Results of the election determine outcome of annexation effort

See MCL 117.9

# Questions?



# Citizens Research Council of Michigan

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