



Can Two Local Governments Become One?

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Village of Onekama • Onekama Township
Manistee County





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

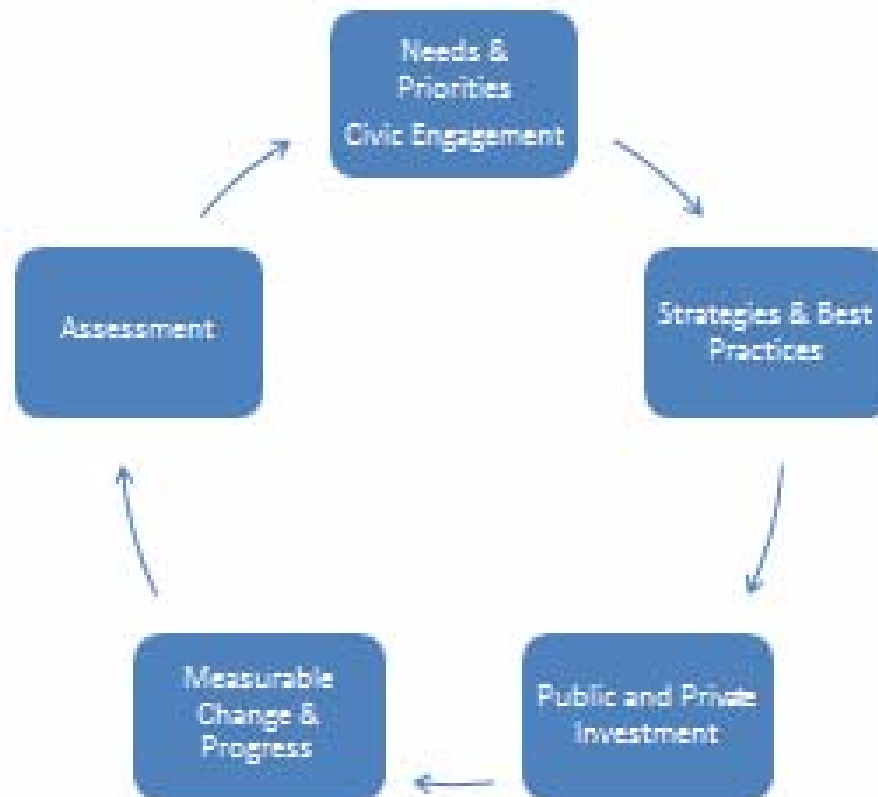


Alliance for Economic Success & Manistee Co. Community Foundation

- 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

- 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 1st 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

- 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

- 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?

- 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

- 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

- 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

- 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

- 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

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



Finding Answers

- 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

- 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

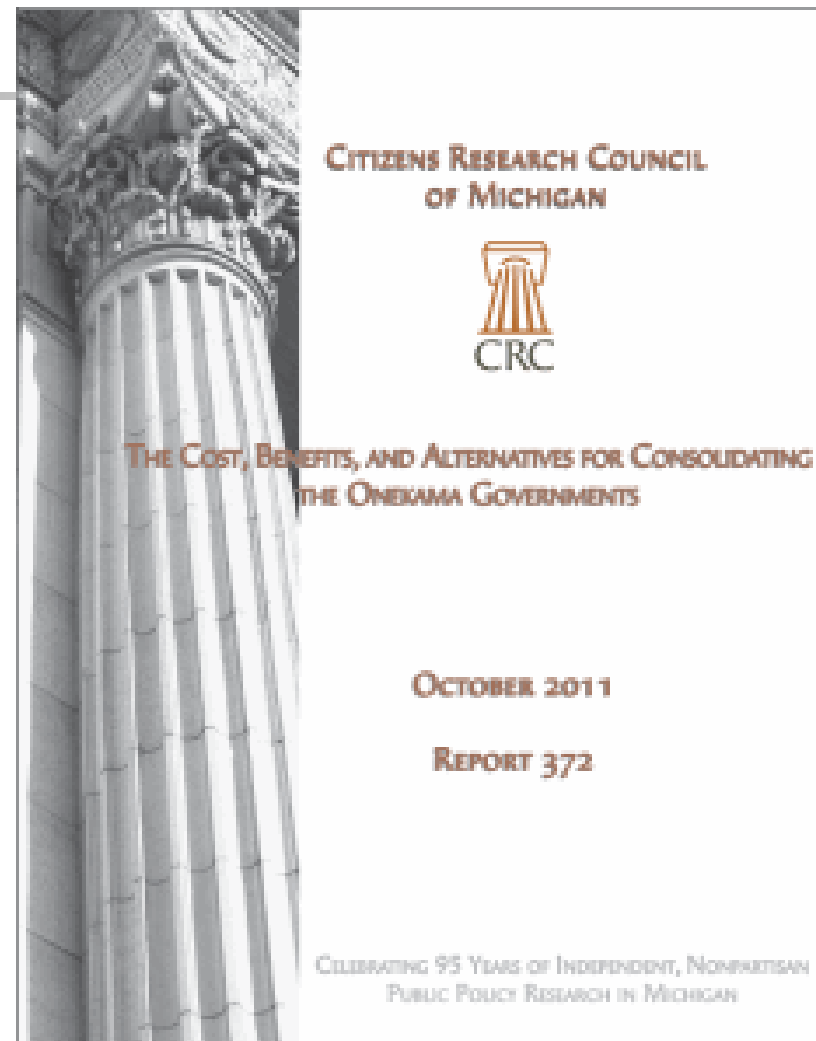


Onekama Consolidation

- 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

- 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



Onekama's Route to Merger

- 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

- 6 members (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

- 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

- 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



Disincorporation Commission

- 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?

- 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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