

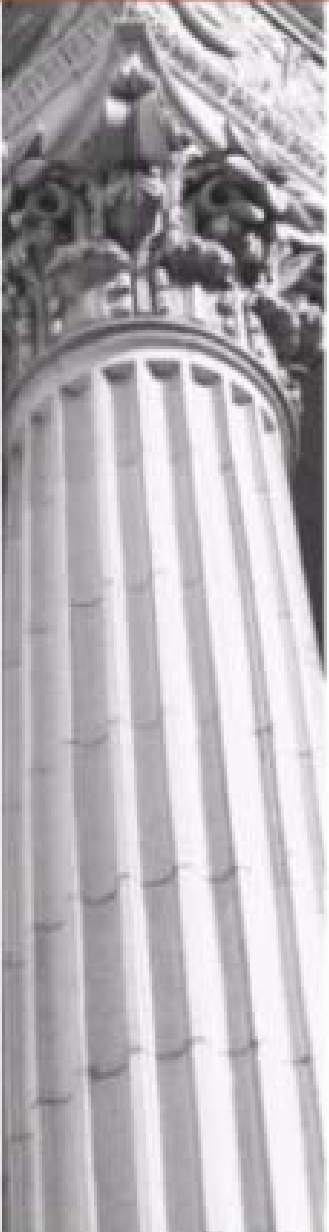


# Consolidation of the Village of Onekama and Onekama Township?

**Eric Lupher**  
**Director of Local Affairs**

**734.542.8001**

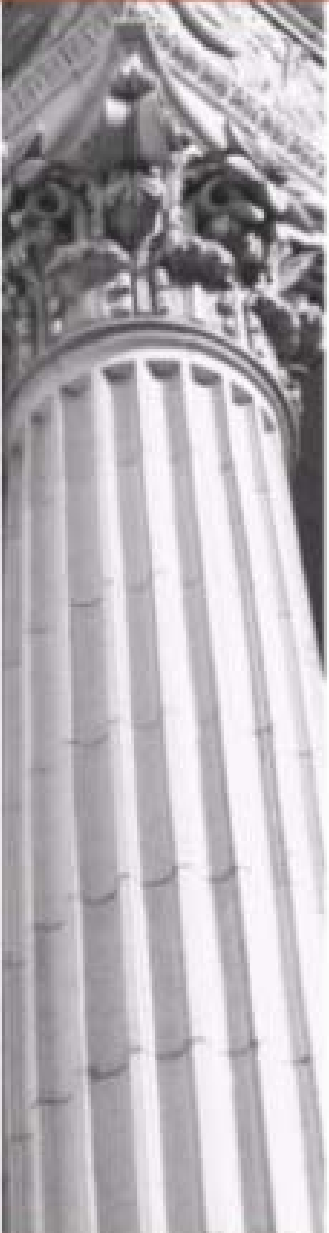
**[elupher@crcmich.org](mailto:elupher@crcmich.org)**





## 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



# Shared Public Services Initiative (SPSI)

## What is it?

- Provides access to consulting services to build a business case, communication strategies and implementation plan
- Provides a dynamic web site of tools and a Statewide Shared Public Services Catalog
- A sustainable program: program administration and fiduciary oversight provided through the Michigan Municipal League Foundation (MMLF)



# Driving Principles

- **Planning & Development Regions, ISDs, and Local Governments/School Districts**
  - own the effort
  - identify the service(s) to be shared
- **Advisors/MMLF will assist, as requested by regional entities, in preparing the business case(s) and implementation plan(s) through use of consulting services**
- **Local Governments will make “go or no go” decision**
- **To provide 50% of the cost for consulting services**
- **Implementation is the responsibility of the local governments**



# Resources

- **Funding for each project will be shared by**
  - State
  - Local governments and schools
  - Foundations
- **It provides for**
  - Facilitation
  - Development of the business case
  - Implementation plan
  - Communications plan
- **Administered through the Michigan Municipal League Foundation**





## Michigan History with Local Government Consolidations

- Jackson – 1960s (defeated)
- Battle Creek – 1980s
  - City of Battle Creek and Battle Creek Township
- Iron River – 1990s
  - 2 cities & 1 village
  - Approved by voters in 1999
- Grand Blanc – 2000s (defeated)
  - City of Grand Blanc and Grand Blanc Township
  - Not unlike Onkama on bigger scale
  - City voters defeated in 2005
- Never had a village disincorporate





**Onekama Master Plan identified consolidation as an action that should be considered**

**Options for Onekama**

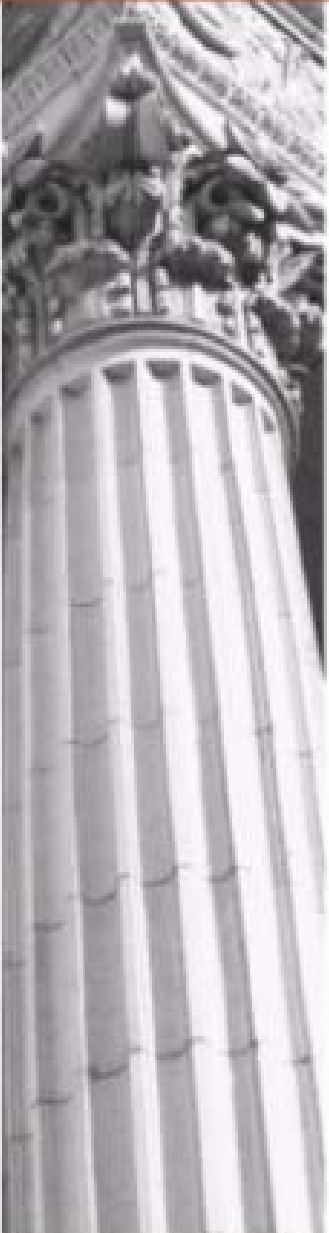
Incorporate  
as a **City**

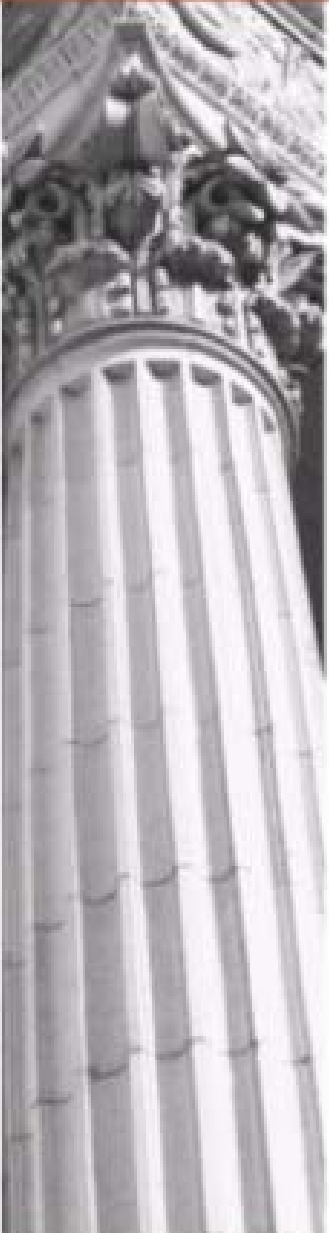
Disincorporate  
Village to leave  
only the **Township**



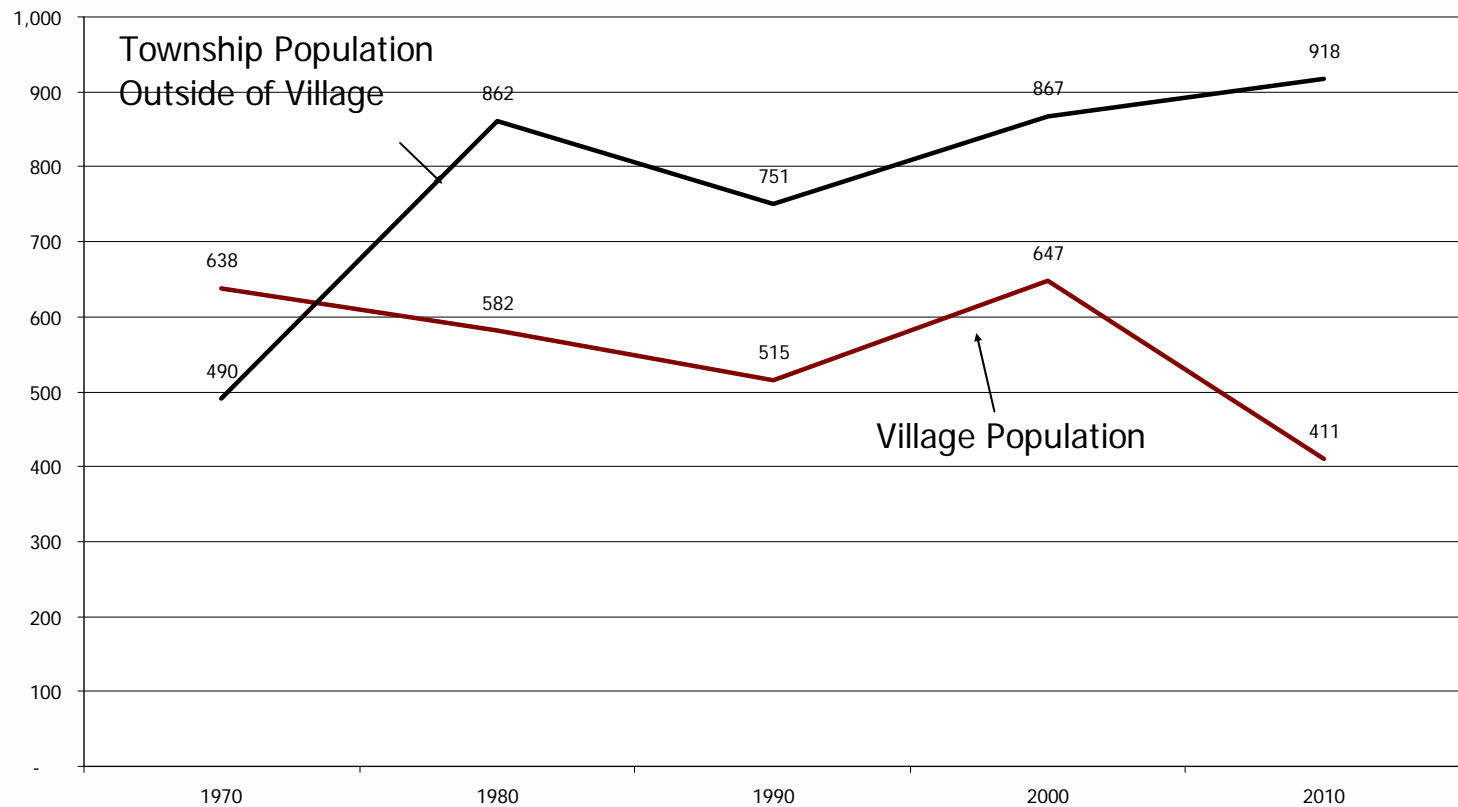
## Home Rule City Act

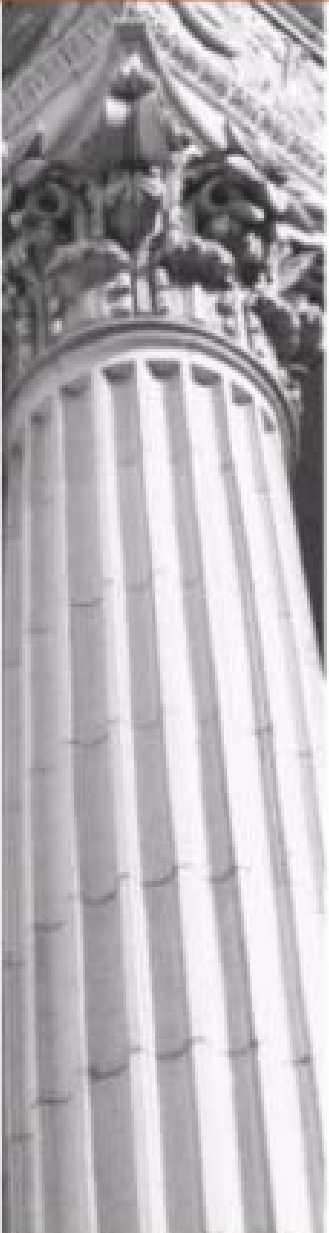
- Territory with not less than 2,000 inhabitants
  - Onkama had 1,329 people in 2010
- Territory with not less than 500 inhabitants per square mile
  - Onkama had 73.4 people per square mile in 2010



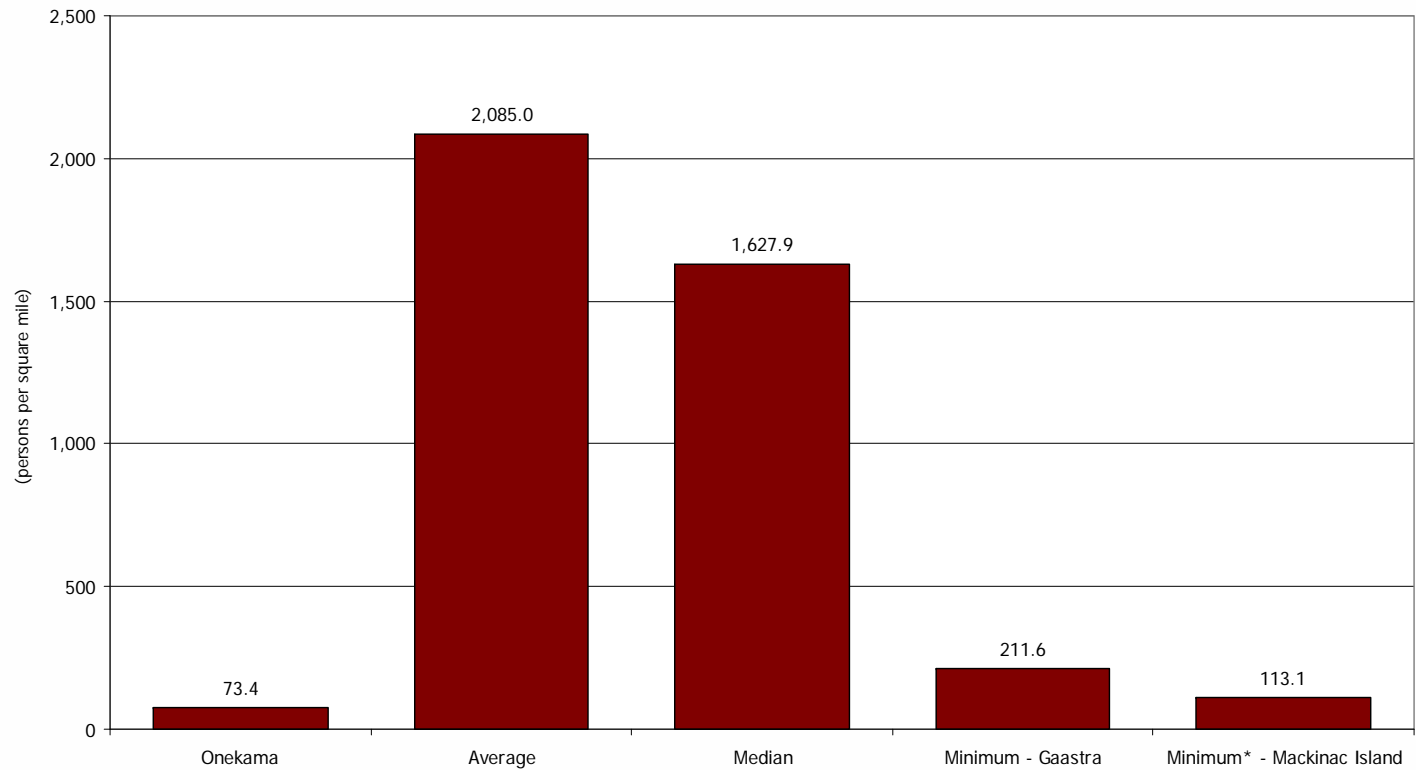


## Population





## Comparison of Population Densities, 2010





## **State Boundary Commission Act The “Back Door” to Cityhood**

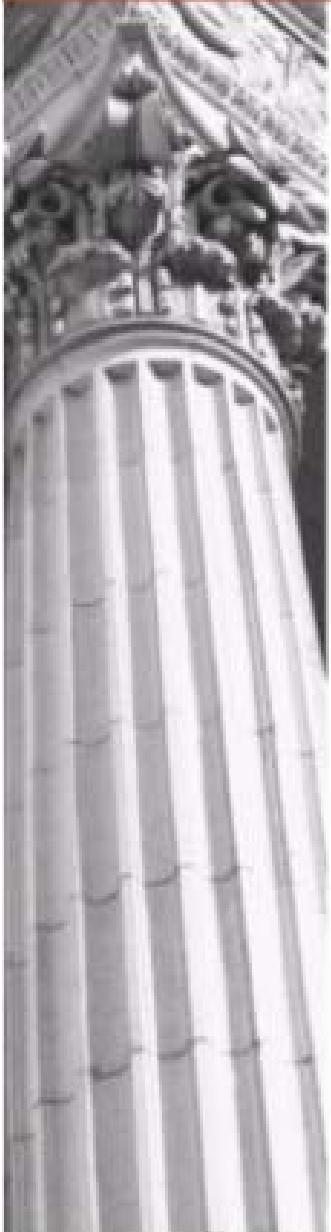
- **Except as otherwise provided in this section, incorporation under this section is not governed by the population and other incorporation requirements of Act No. 279 of the Public Acts of 1909, as amended, being sections 117.1 to 117.38 of the Michigan Compiled Laws.**





## State Boundary Commission Act The “Back Door” to Cityhood

- Villages can incorporate as a city if they are coterminous with the township in which the sit
  1. Annex the balance of Onekama Township
  2. Adopt a resolution calling for a referendum on incorporation as a city and submit to the electors of the village and township the question of changing from a village to a city
  3. Provide for the election of charter commissioners to draft a city charter
  4. Draft and adopt a city charter
  5. Provide for the transfer of assets and liabilities of the township to the city

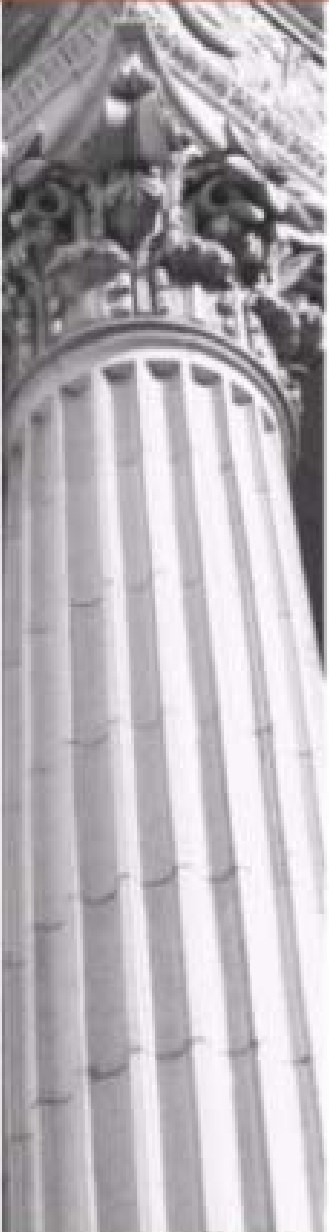




## Disincorporate the Village

- **Step #1 – Circulate a petition requesting a vote on whether village should be disincorporated**
  - **Signatures equal in number to 15 percent of the registered electors of the village**
- 1. Immediate Referendum**
- 2. Creation of a Disincorporation Commission followed by a referendum**





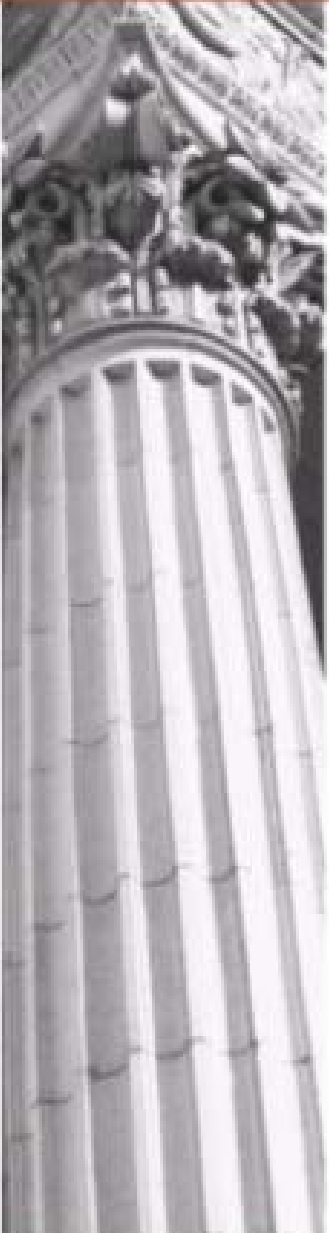
## Immediate Referendum

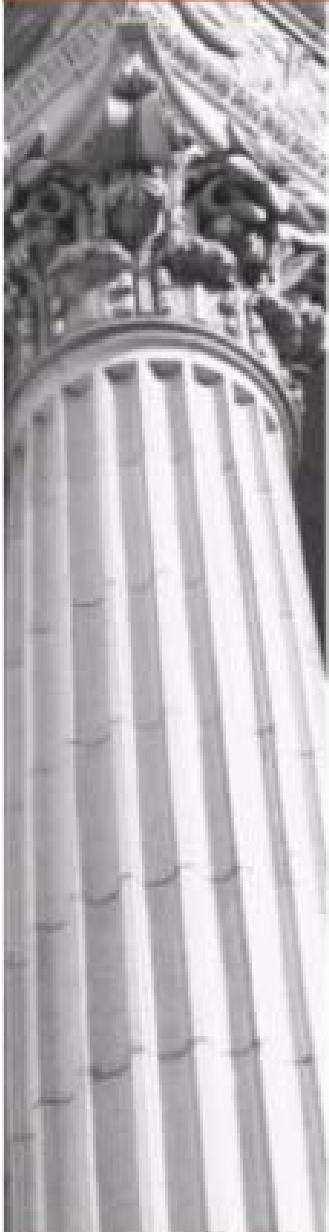
- **If taken immediately to a referendum**
  - **Separate elections in the village and in portion of township outside of the village**
  - **Disincorporation effective only if two-thirds (2/3) of the electors voting on the question vote "Yes"**



## **Disincorporation Commission followed by a Referendum**

- **Village board may, by resolution, elect to create a commission with equal representation from village and township**
- **Deal with issues of property, debt, utilities, resolution of disputes, etc.**
- **Separate votes again requiring only simple majorities**





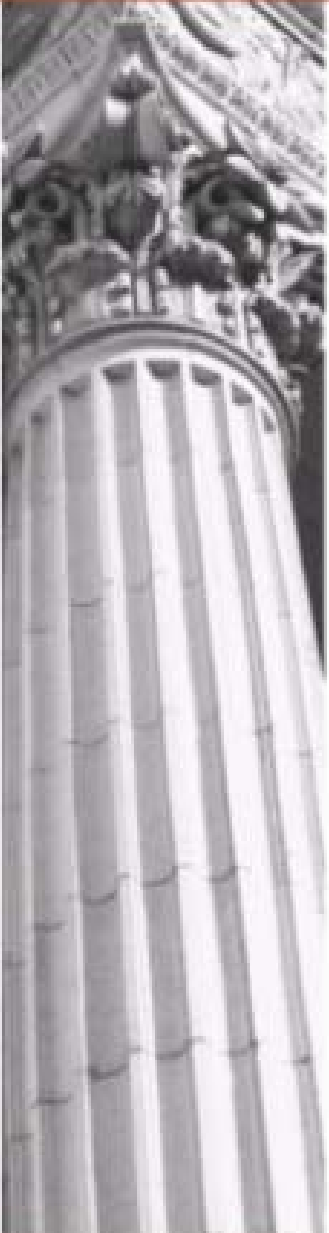
## City vs. Township

- **Image** – Cities centers of commerce, Townships lightly populated
- **Governance** – Township structure set in law, Cities can create own structure
- **Taxation** – Cities have more extensive taxing authority
- **Roads** – Cities have authority and receive Act 51 funding, Townships not eligible
- **Stature** – Cities higher stature than Townships



## **Expenses/Services that could be eliminated**

- **Council (president and trustees) - \$28,000**
- **Elections - \$450**
- **Clerk - \$16,000**
- **Treasurer - \$12,500**





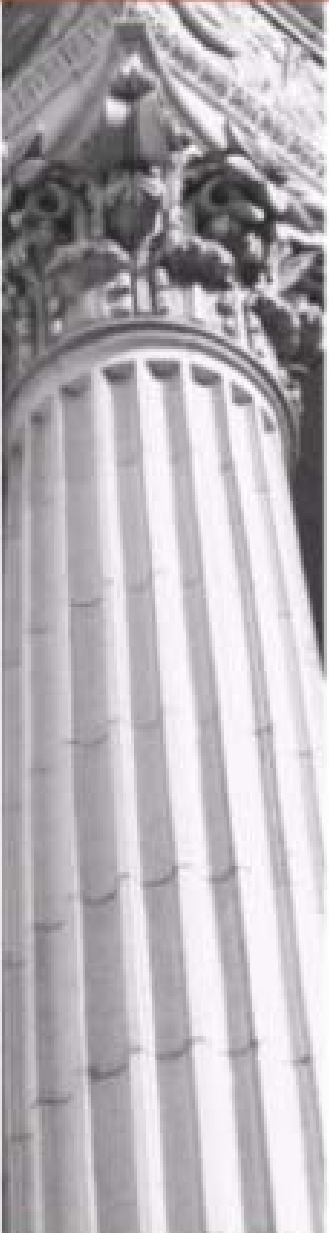
## **Services for which the township/ city would assume some or all of the costs**

### **Planning and Zoning**

- Village budgeted \$22,000
- Assume township pay ~\$5,000 more

### **Farr Center**

- offices, meeting area, library, community center
- Village budgeted \$20,000
- Assume township pay \$8,000 more

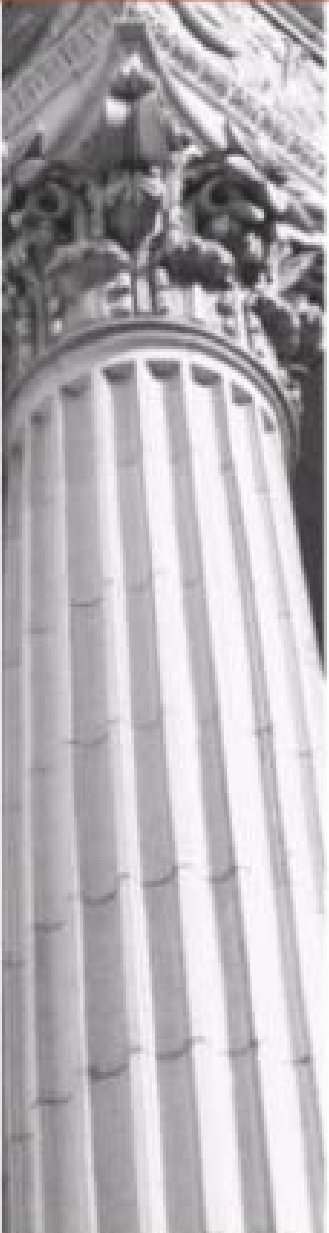




## **Services for which the township/ city would assume some or all of the costs**

### **Cemeteries**

- **grass mowing, equipment rental, insurance, labor, etc.**
- **Village budgeted \$10,500**
- **Expect revenue \$3,500**
  
- **Assume township pay \$7,000 more**

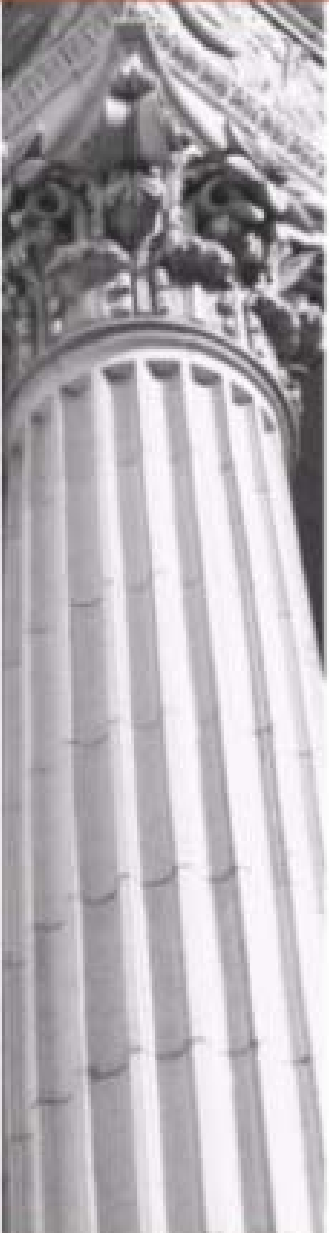




## Services for which the township/ city would assume some or all of the costs

### 4 Parks

- Onekama Village Park
- Butterfly Garden
- Turnaround
- Rotary Park
- Village budgeted \$25,000
- Assume township pay \$15,000 -  
\$25,000 more (depending on annual  
improvements)

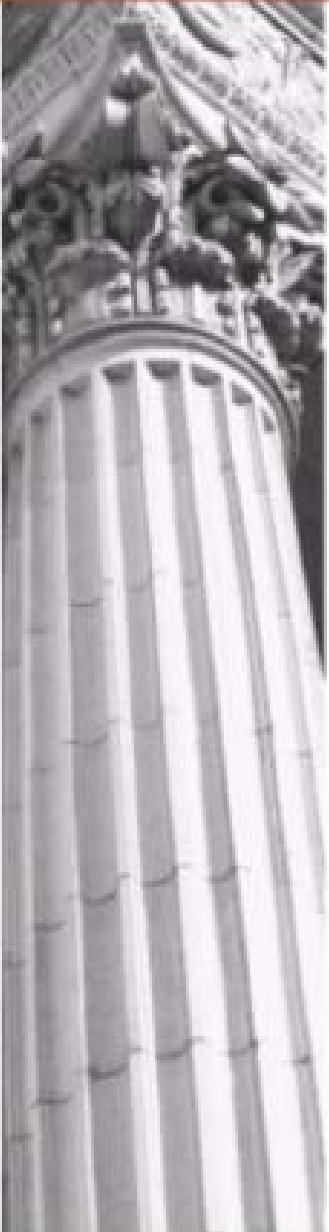




## Shared Village/Township Services

- Fire Protection
- Library Services
- Law Enforcement\*

**No Change**

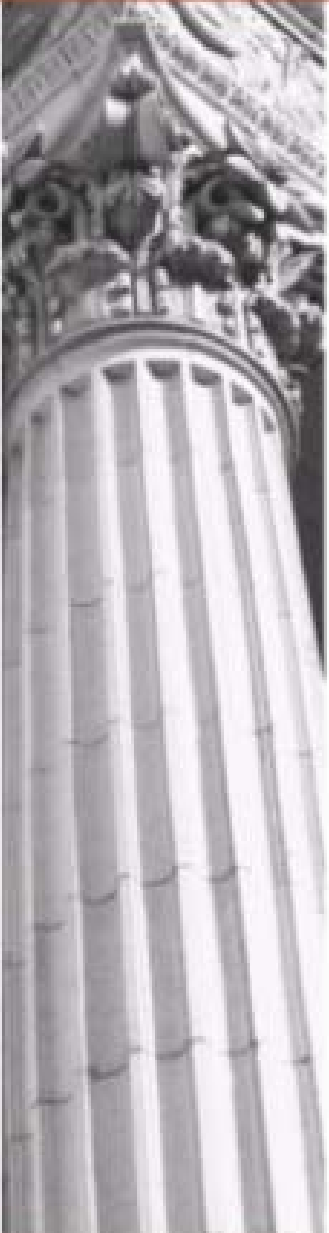




## **Services that continue at no cost to township general fund**

### **Street Lights**

- **Village budgeted \$11,000**
- **Recommend creation of a special assessment district on properties served by lighting system (village)**





## **Services that continue at no cost to township general fund**

### **Sewers**

- **Serves 288 residential and 66 commercial properties in village + some outside village**
- **Completely funded by user charges**
- **No general fund/tax dollar support**
- **\$1.2 million in bonded indebtedness through USDA Rural Development Program**
- **Continue to be funded by user charges**
- **Transfer of bonds is a surmountable hurdle**





## Services that depend on result of change

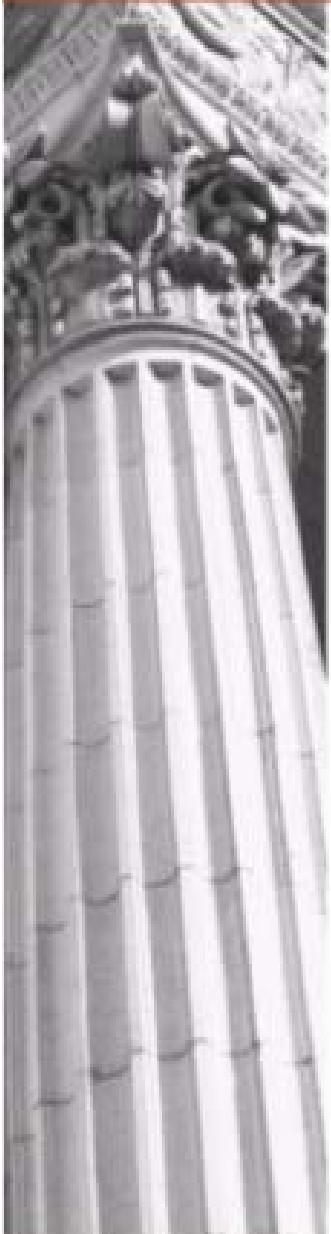
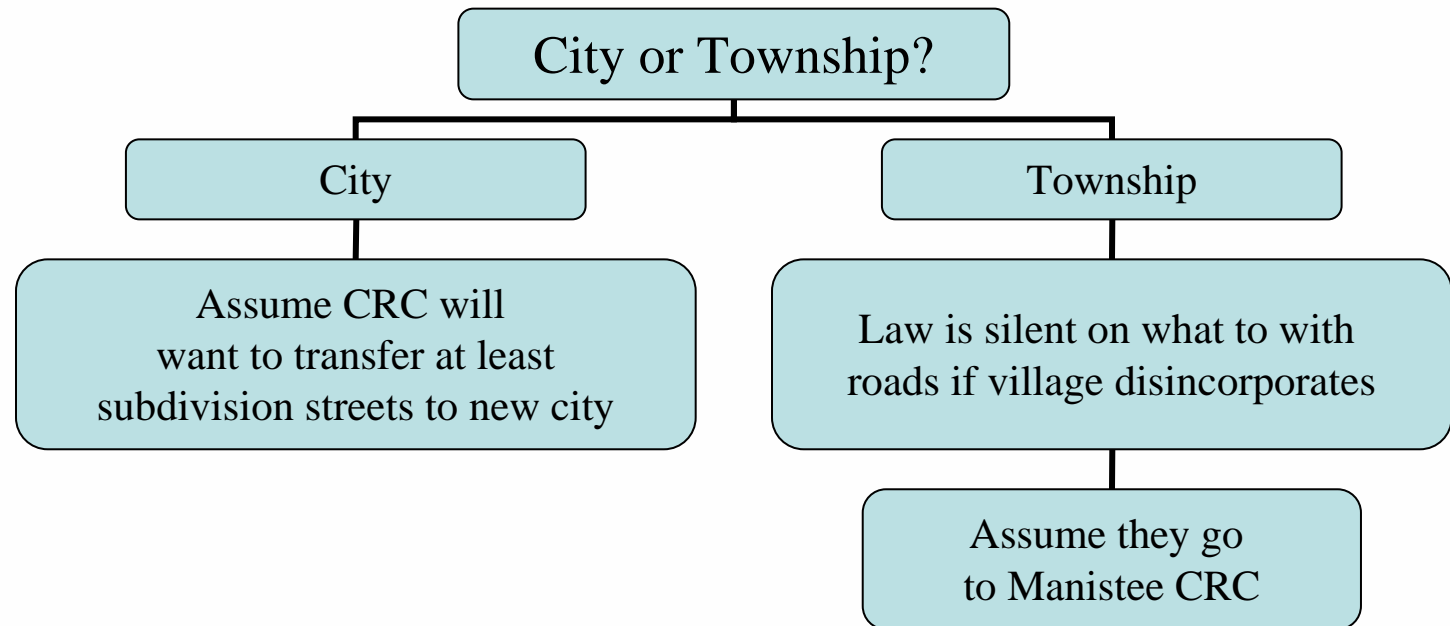
### Roads

- **Jurisdiction over roads (and eligibility for Act 51 road funding)**
  - State (MDOT)
  - County Road Commissions
  - Cities and Villages





## Roads

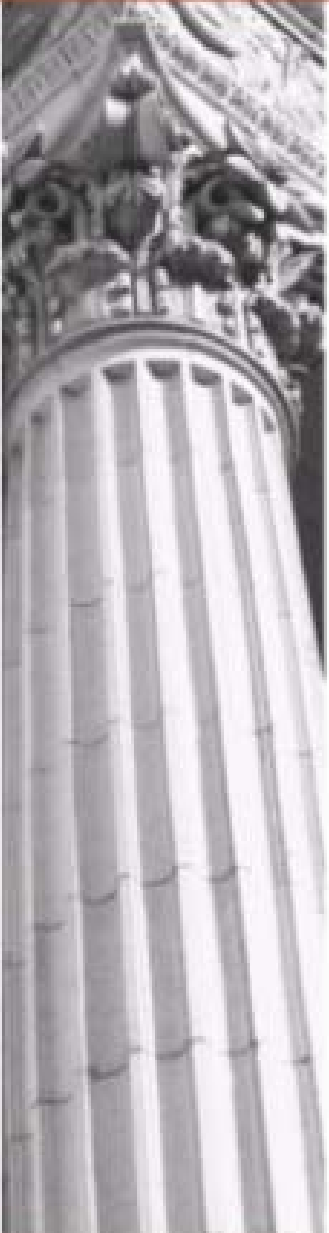




## Roads

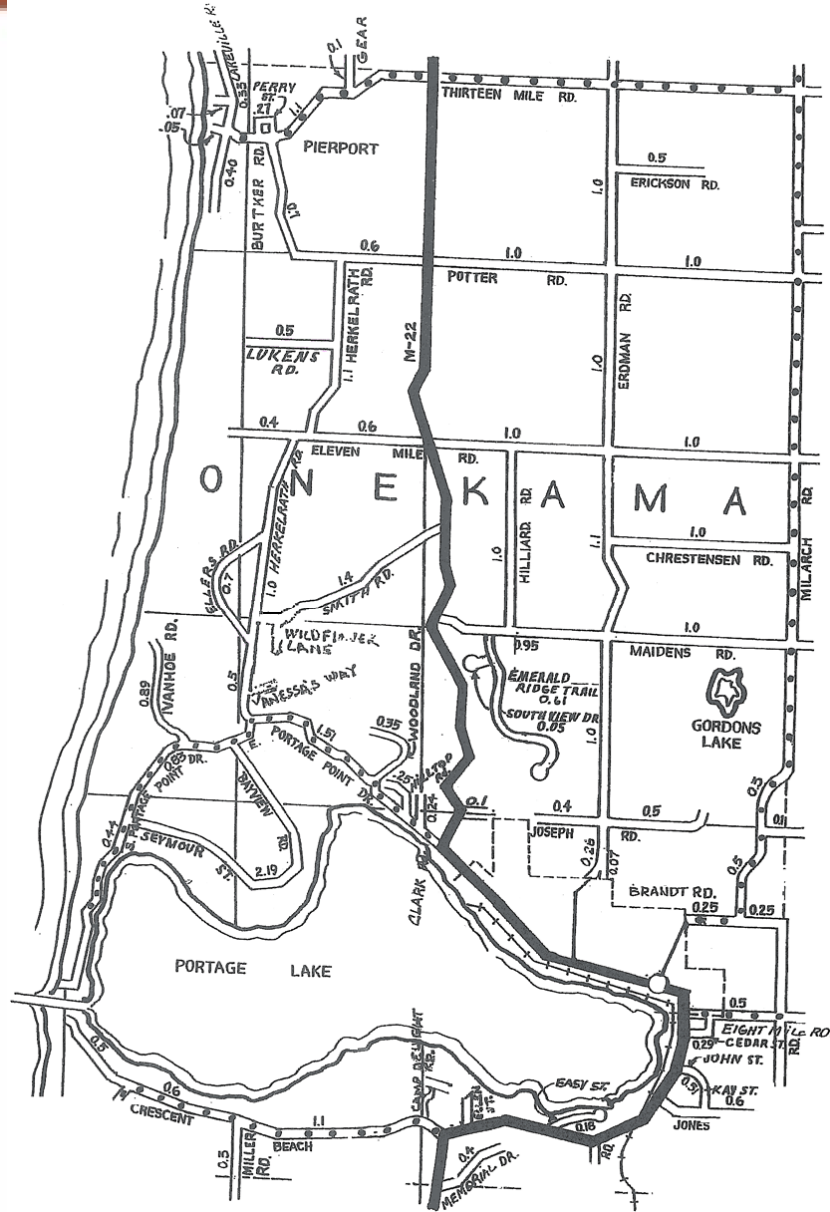
If incorporate as a city, can expect to assume jurisdiction over:

- **All of Onekama Village streets**
  - 1.4 miles primary (3<sup>rd</sup> & Mill Streets)
  - 4.1 miles local access
- **Some or all of CRC miles in Onekama Township**
  - 7.8 miles Primary
  - 31.0 miles Local





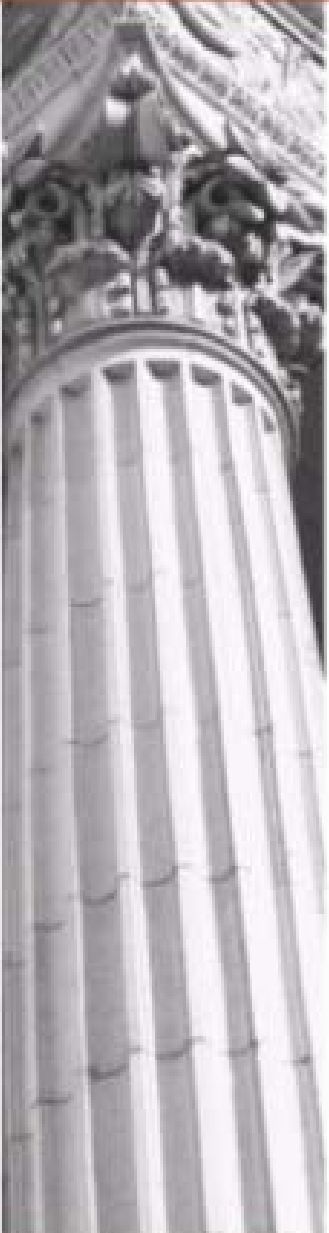
# CITIZENS RESEARCH COUNCIL OF MICHIGAN

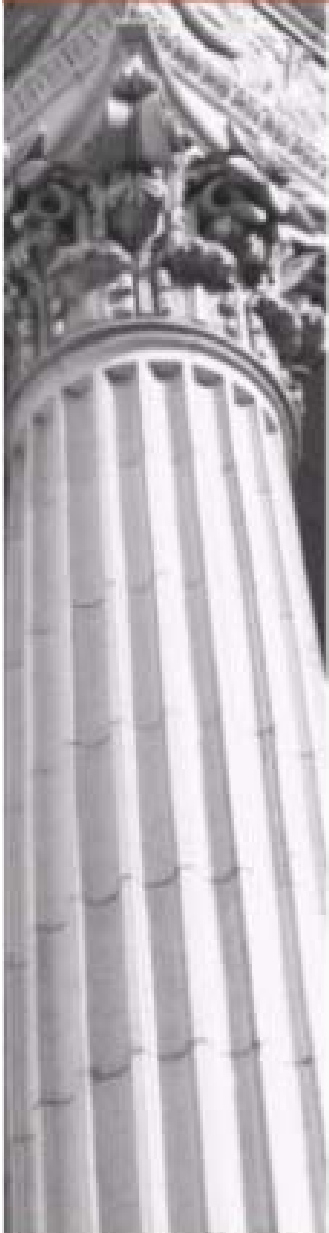




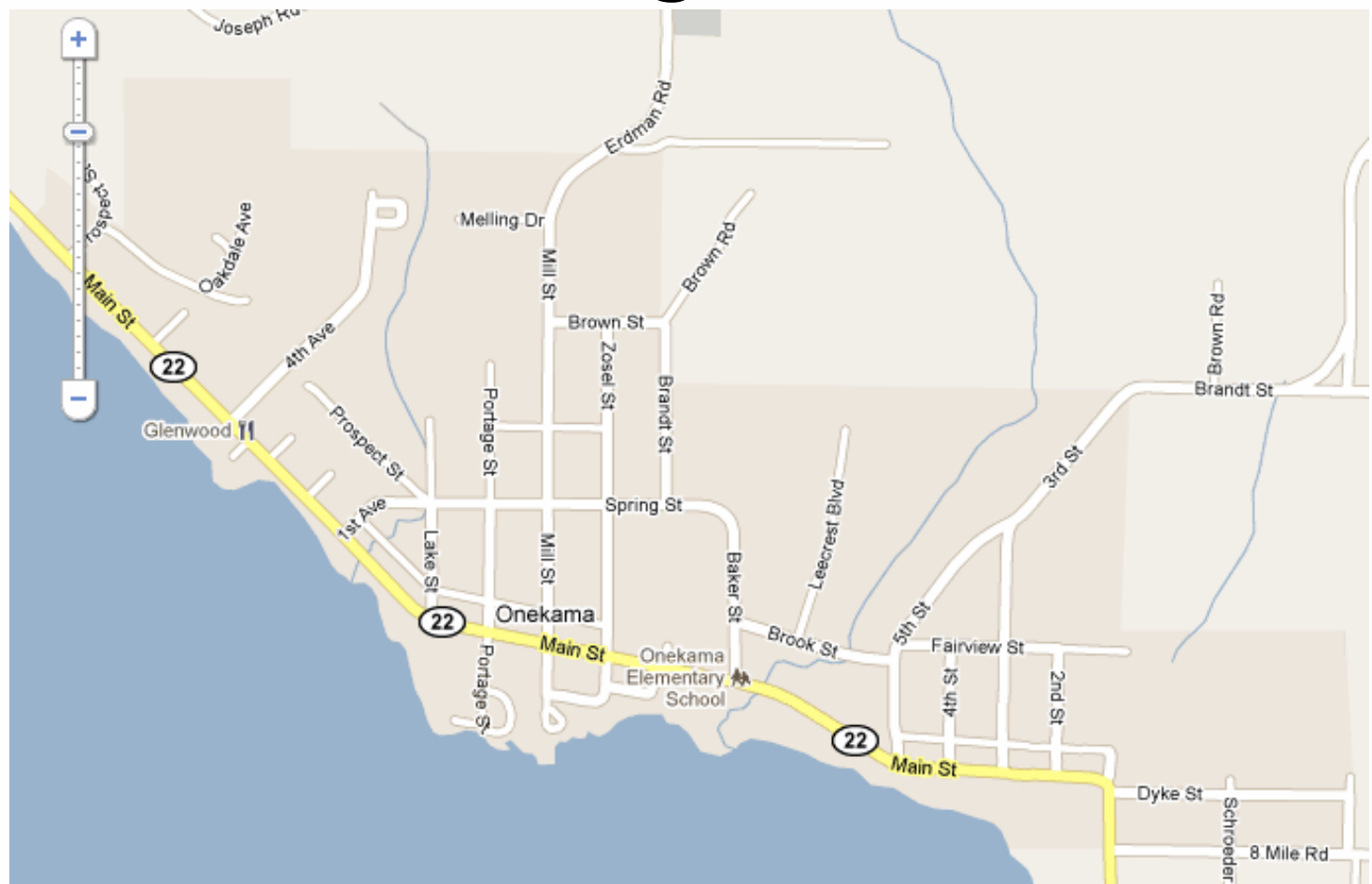
## Roads

- If disincorporate village to leave township, can assume Manistee County Road Commission would take jurisdiction over:
    - All of Onekama Village streets\*
      - 1.4 miles primary (3<sup>rd</sup> & Mill Streets)
      - 4.1 miles local access
- \* Streets would have to be brought up to standard before transfer occurs



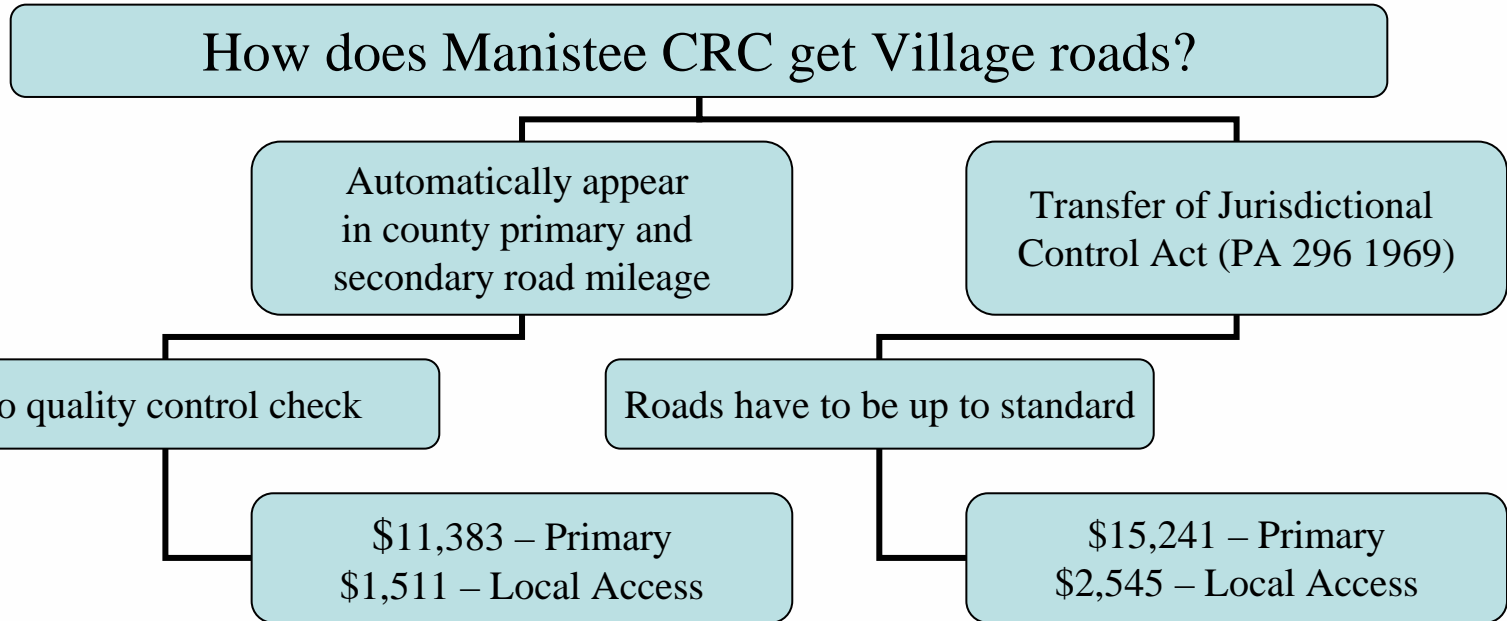


# Onkama Village Streets





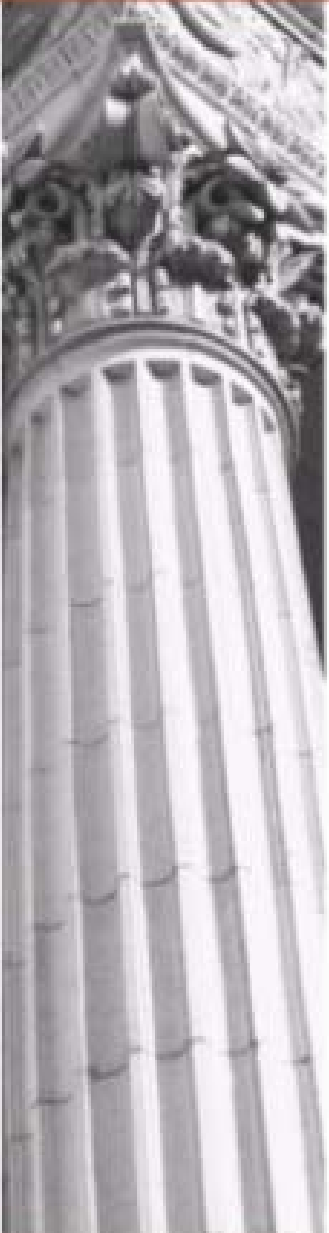
# Roads





## Roads – Snow Plowing

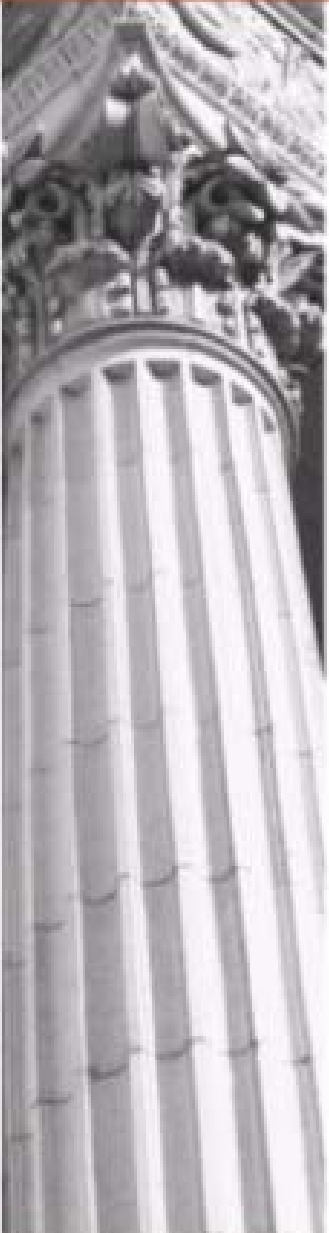
- **Manistee County Road Commission**
  1. Major Roads US-31, M-22, etc.
  2. Primary Roads
  3. Subdivision Streets
- **Grand Blanc Model**
  - Snow Plowing is township responsibility
- **Flint Township Pilot Project**
  - Subdivision Streets
  - 4 inches snow or more
  - Private contractor





## Roads – Snow Plowing

- Recommend creation of a special assessment district on properties served by enhanced snow plowing (village)
- In magnitude of \$20-25K/year





## Village Personnel

### Elected

- President
- 6 Trustees
- Clerk
- Treasurer

### Contracted

- Zoning Administrator
- 2 Maintenance
- Cleaning
- Liquor Enforcement



## Village Property

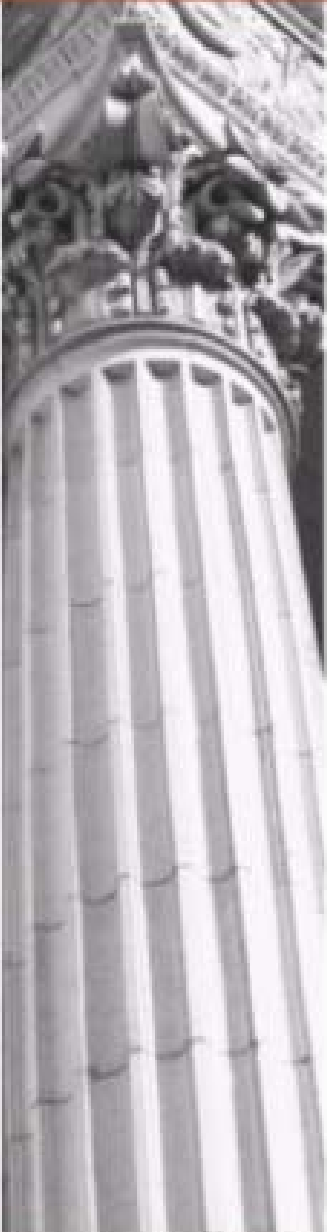
- Farr Center
- 2<sup>nd</sup> Street Garage
- Land for 4 parks
- Land for 2 cemeteries
- Sewer system (pipes, lagoons, etc.)
- 2 vehicles
- Office equipment, machines, supplies
- Transferred to Township, excess sold

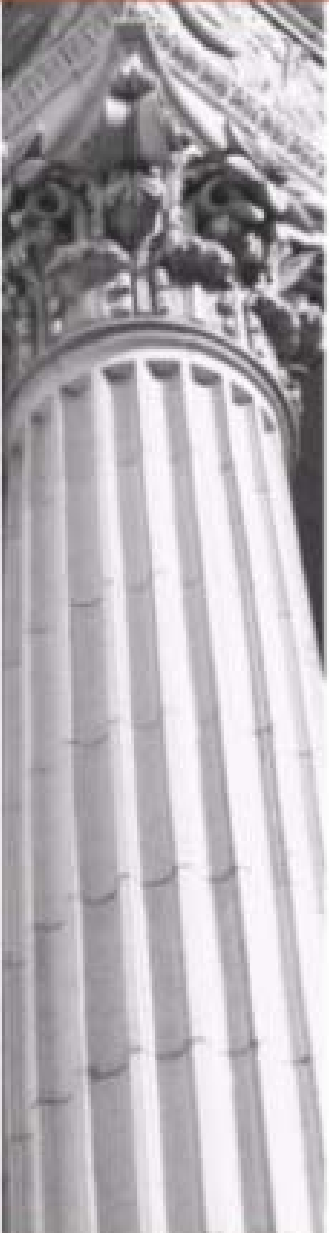


## Finances

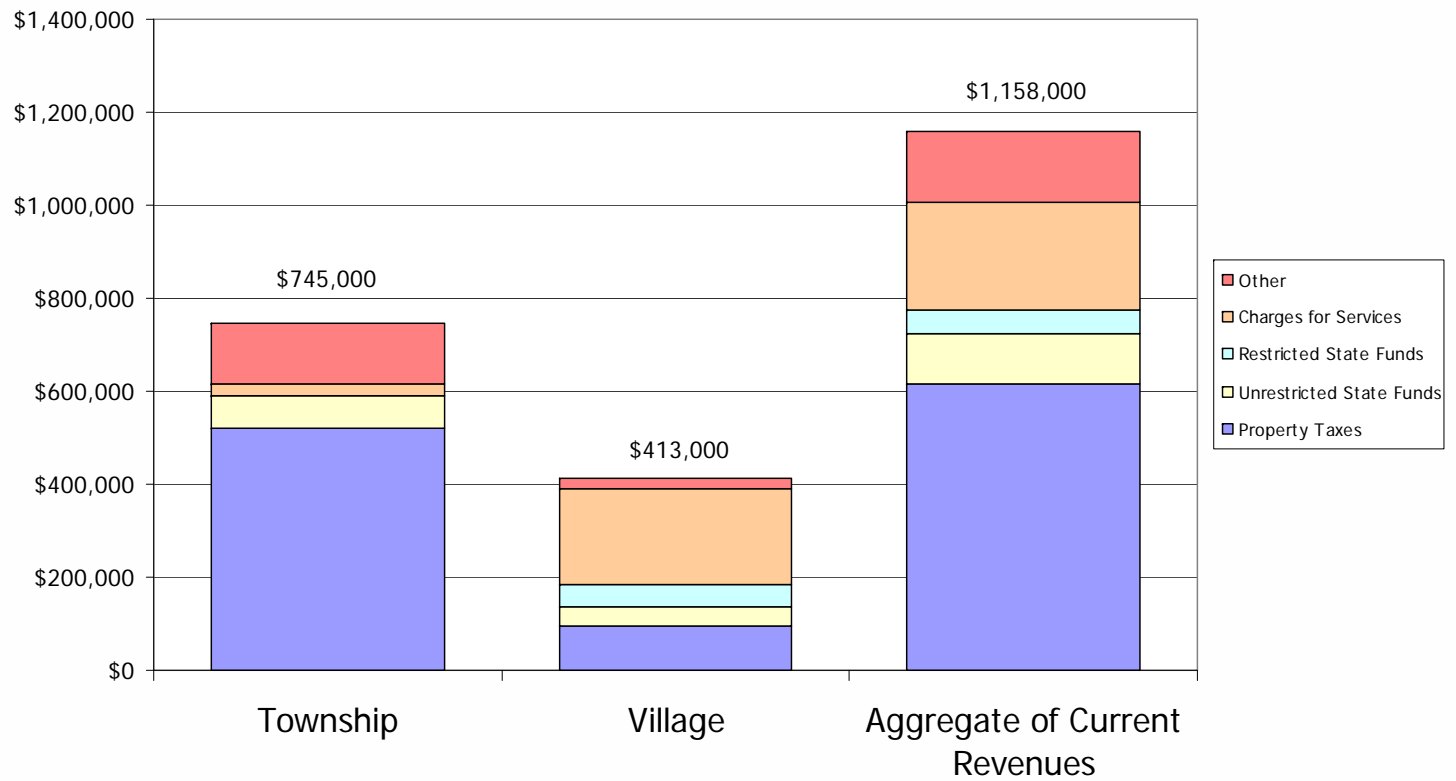
### Revenue Sources:

- **Local Taxes**
  - Property taxation
  - Income Taxation
  - Special Assessment
- **Unrestricted State Revenue Sharing**
- **Restricted State Revenue Sharing**
  - Act 51 Highway funding
  - Liquor Enforcement funding
- **Charges for Services**
- **Other**



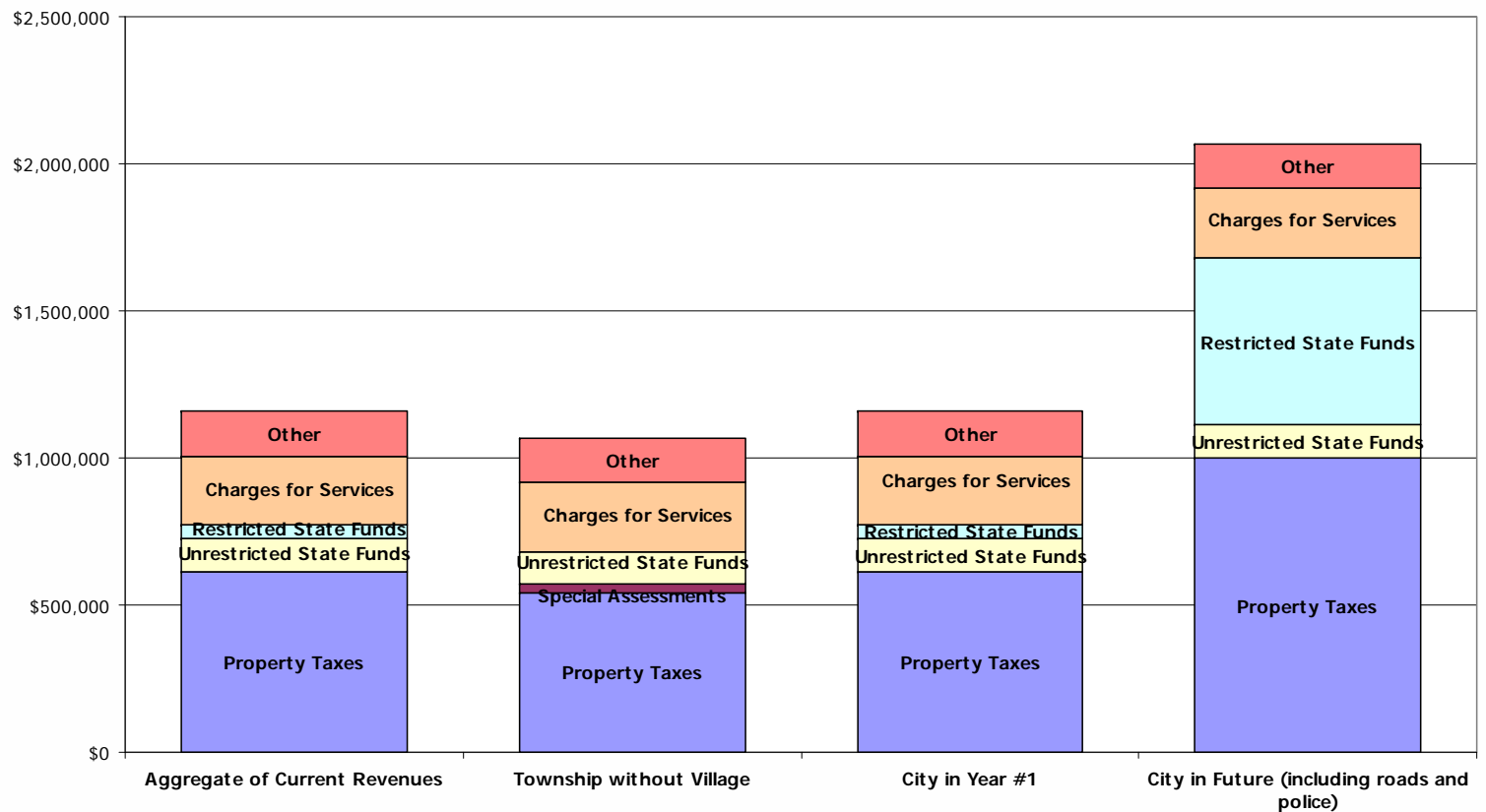


## Current Revenues





## Projected Revenues in Township or City

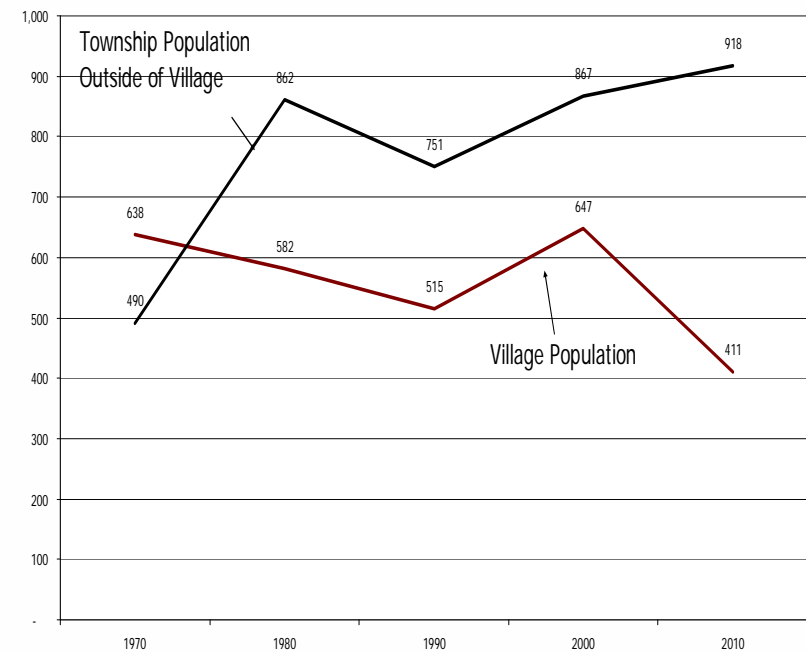




## Is Onekama Village Sustainable?

### Population

- Lost 1/3 population between 2000 and 2010
- Township population growing outside of village
- Relatively old population in village

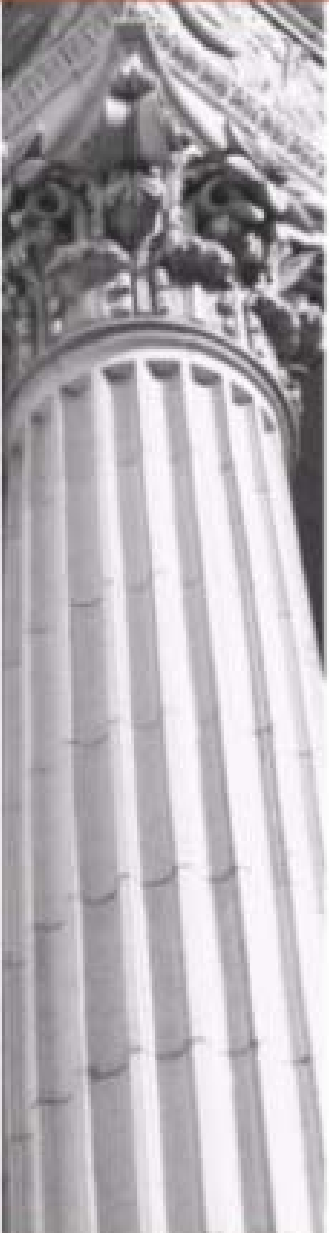




## Is Onekama Village Sustainable?

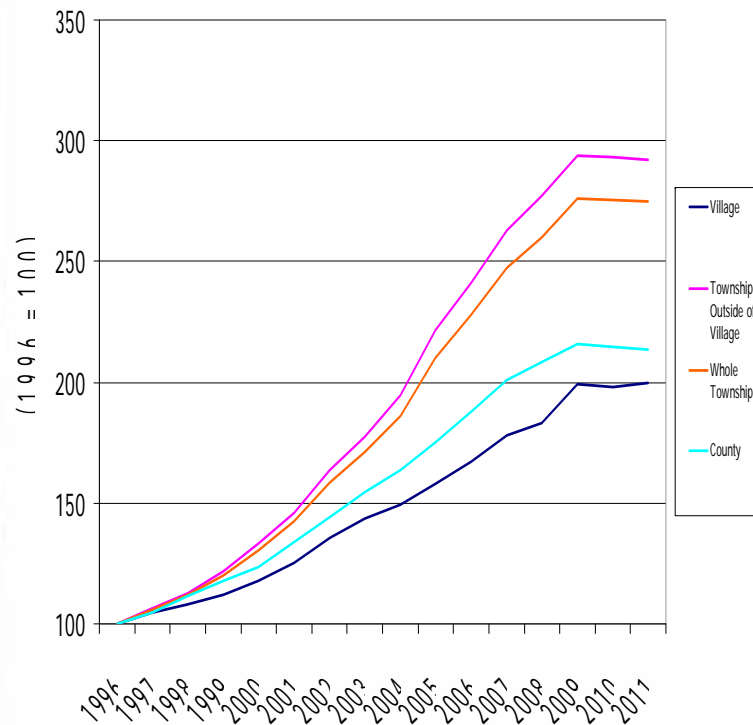
### Tax Base

- Reduction in state revenue sharing is putting more emphasis on local taxation
- Residential properties generally not capable of paying for services they consume
- Onekama Village tax base 82% residential, 16% commercial

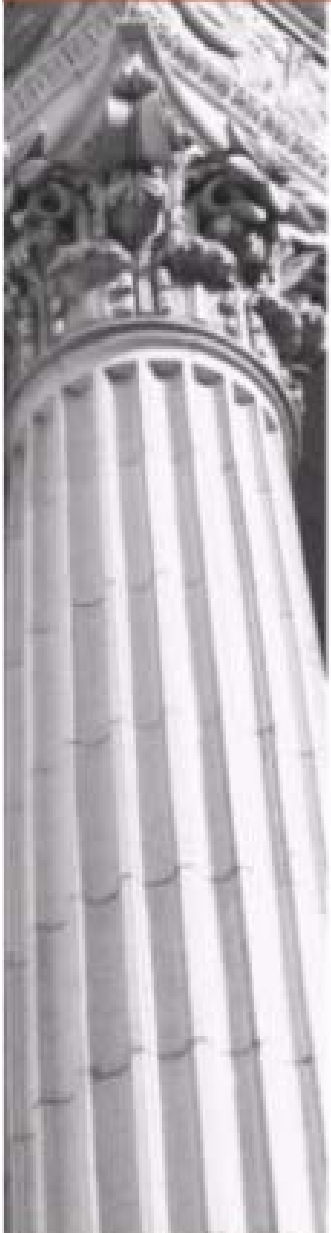




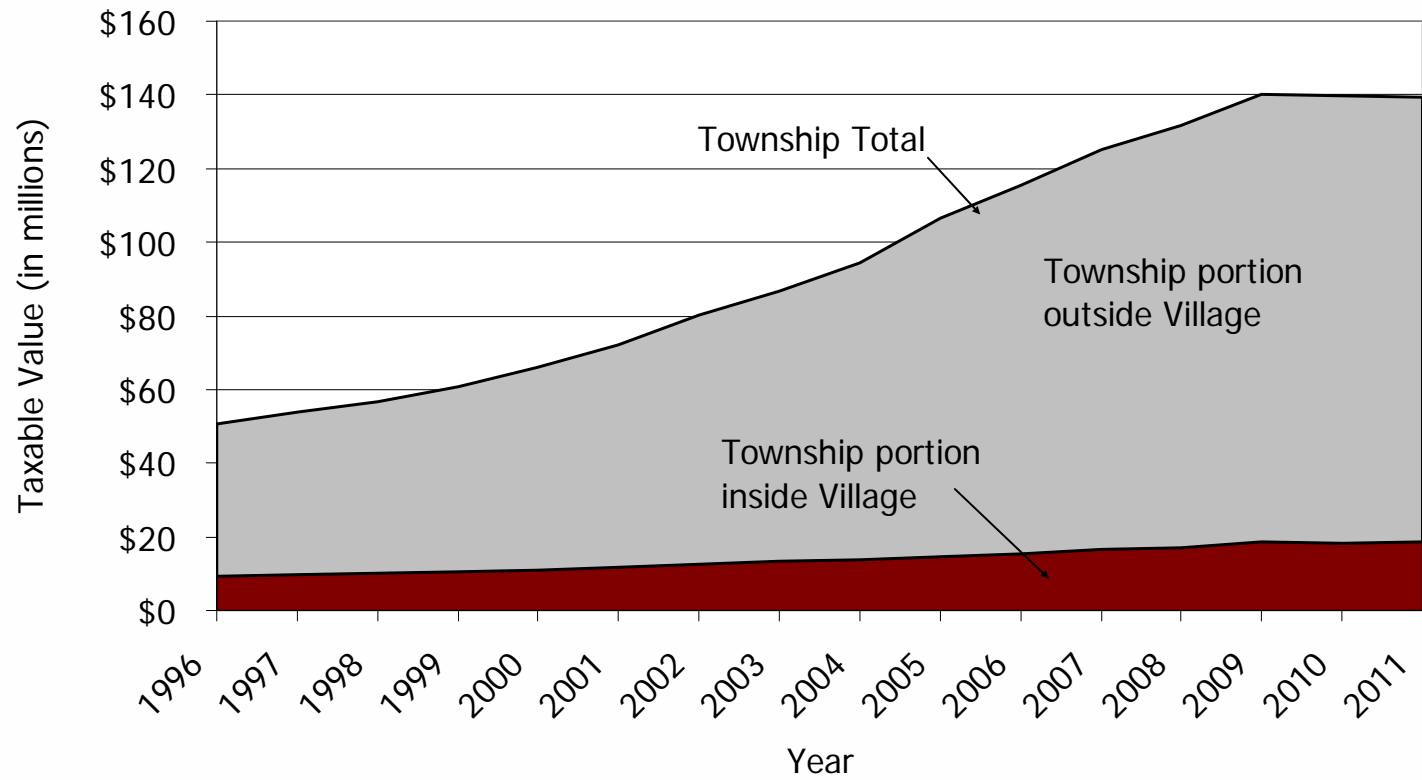
## Village Taxable Value not growing at rapid pace

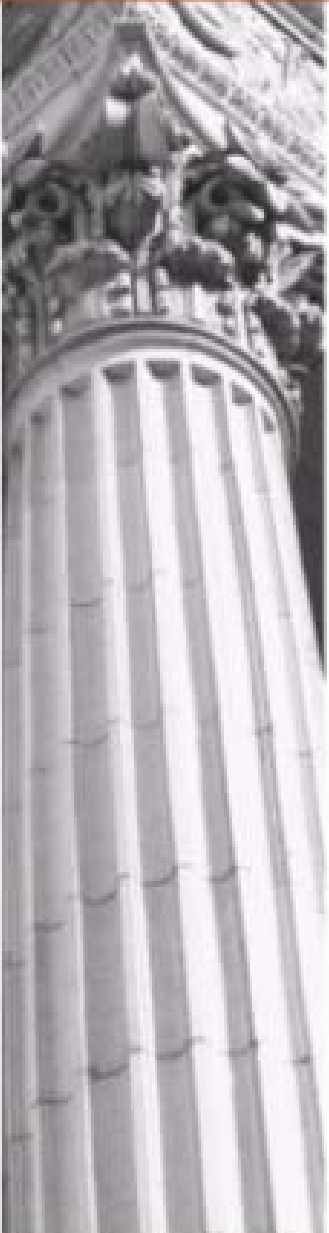


- Over past 15 years the village TV has not kept pace with township or county
- Village TV 76% of SEV so little opportunity to gain from “pop ups”
- Village taxes likely to go up soon
  - Especially to pay for road improvements



## Taxable Value





## Next Steps

- **Completion of CRC study**
- **Community Decisions –**
  - 1. 1 government?**
  - 2. City or Township?**



## Community Decision #1

**Would Onkama be served as well or better with a single unit of government?**

Do you feel township and village sufficiently coordinate activities?

Is the additional cost justified?

No  
End of Discussion

Yes  
Proceed to Next Question



## Community Decision #2

Should Onekama become a city or a dissolve the village to leave only the township?

Image  
Governance  
Taxation  
Roads  
Stature

City

Disincorporate Village  
to leave only the Twp



## Next Steps – City Option

- 1. Annex the balance of Onekama Township**
  - Village adopt a resolution to petition the county board of commissioners to change village boundaries
  - County board of commissioners adopts a resolution approving or denying the petition
- 2. Adopt a resolution calling for a referendum on incorporation as a city and submit to the electors of the village and township the question of changing from a village to a city**
  - Single vote (village and township voters are the same at this point)





## Next Steps – City Option

- 3. Provide for the election of charter commissioners to draft a city charter**
    - 9 electors chosen to create document
  - 4. Draft and adopt a city charter**
    - up to 2 years
    - submitted to the voters for approval
    - become a city with positive vote
  - 5. Provide for the transfer of assets and liabilities of the township to the city**
- **2-4 year process, 2 votes, approval from county board of commissioners**

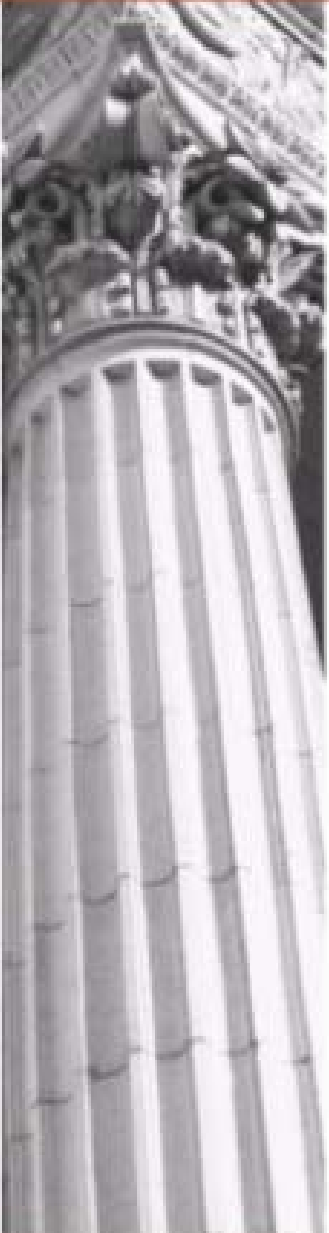


## Next Steps – Township Option

- **Circulate a petition in the village requesting a vote on whether village should be disincorporated**

Shall incorporation of the Village of Onekama be vacated?

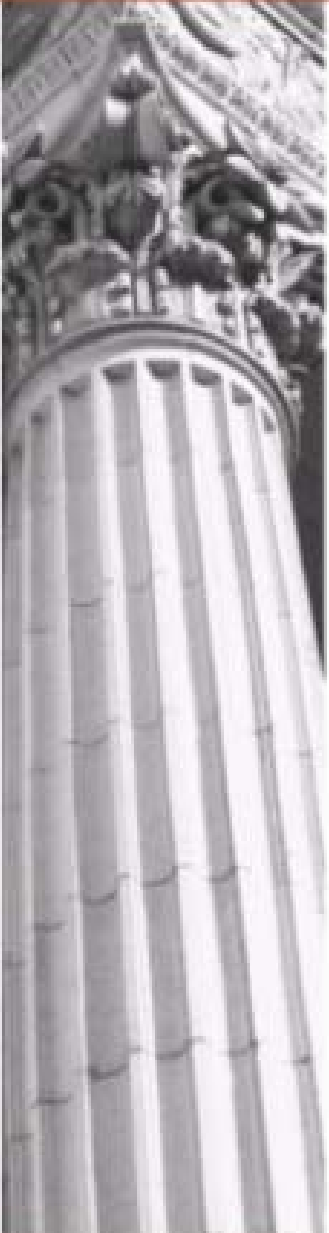
- **Signatures equal in number to 15 percent of the registered electors of the village**
- **Township clerk determines legal sufficiency of petition (wording, validity of signatures, etc.)**





## Next Steps – Township Option

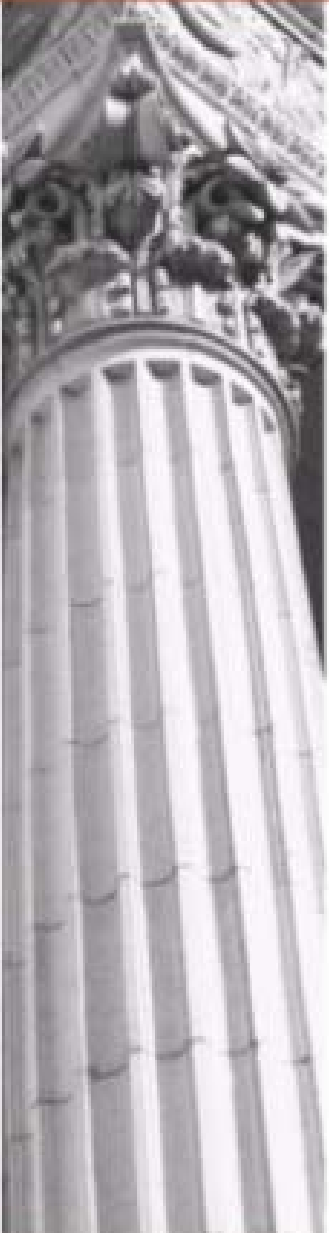
- **Village board adopts resolution to create a disincorporation commission**
  - **Equal representation from the village and township**
  - **Disincorporation Commission charged with addressing the following issues:**





## Issues to be addressed in a disincorporation study

- method for dealing with land use planning and zoning within the village
- payment of indebtedness of the village
- disposition of the village's real and personal property and other assets
- disposition of all public records of the village
- the transfer or termination of village employees
- jurisdiction over the village's roads, sidewalks, and any public easements, including street lights and snow removal
- jurisdiction over traffic control
- provision for any special assessments within the village





## Issues to be addressed in a study (continued)

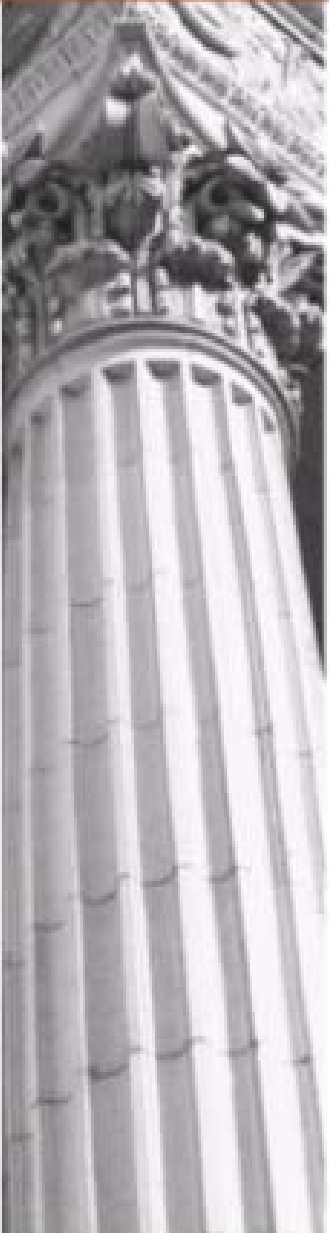
- the transfer or termination of public utilities and public services of the village
- the regulation or orderly transfer of responsibility for any special districts
- provision for any authorities that the village has established or in which the village is a member
- findings as to the fiscal impact of dissolution upon the township and the residents of the village
- a process for resolution of any disputes that may arise in the process of disincorporating
- the effect disincorporation may have on property values, public service levels and costs, and local property tax rates





## Next Steps – Township Option

- Put the question to a vote
- Separate questions asked in the village and the township outside of the village
- Simple majority prevails in each vote





**Thank You for your attention**

**Questions**

**Eric Lupher**

**[elupher@crcmich.org](mailto:elupher@crcmich.org)**

**734.542.8001**

