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May / June 2018

the official magazine of the (m) michigan municipal league

SaveMICity Builds
Momentum in First
Two Years

## A FOND FAREWELL

Bill Mathewson Brings His Distinguished Career to a Close

## the review

The official magazine of the Michigan Municipal League

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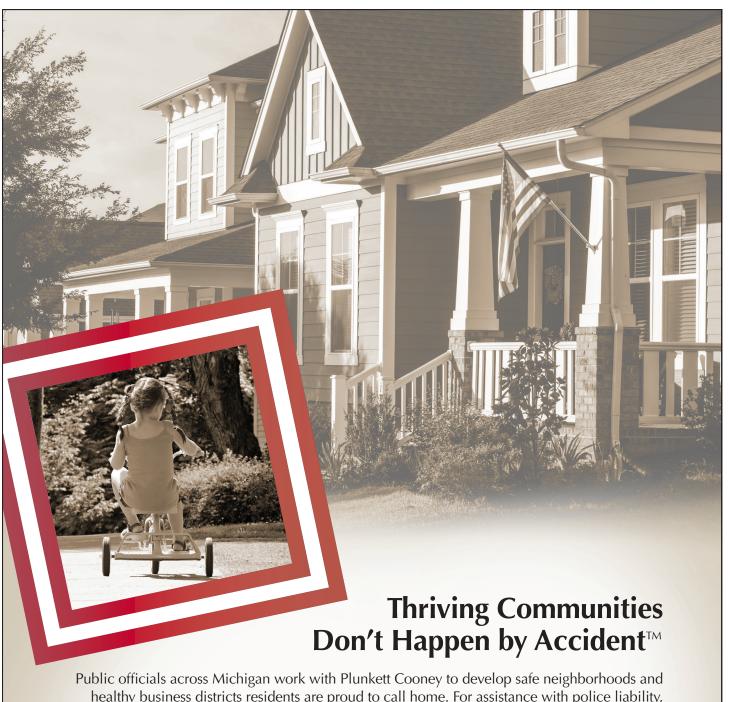


#### COVER

Bill Mathewson has been an integral part of the Michigan Municipal League for his entire 40+ year career. He will be missed!

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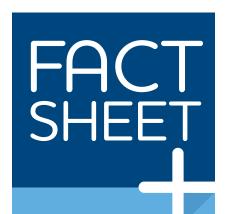
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## the review

The official magazine of the Michigan Municipal League

Volume 91, Number 3

#### We love where you live.

The Michigan Municipal League is dedicated to making Michigan's communities better by thoughtfully innovating programs, energetically connecting ideas and people, actively serving members with resources and services, and passionately inspiring positive change for Michigan's greatest centers of potential: its communities.

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#### Navigating the Potholes of Municipal Finance Reform

was having dinner with some friends a few months ago, and we started talking about the prospects of Amazon picking Detroit as their second headquarters. They were excited with anticipation, and expressed hope that Detroit would make the cut. It didn't take long for me to temper their enthusiasm. I said that it probably wouldn't happen. Although significant progress can be seen in Michigan, the state government demonstrates that it is not willing to allocate and raise funds to adequately invest in our cities and failing infrastructure. In 2016, we missed a huge economic opportunity by defeating the Regional Transit Authority ballot issue.

If we want to attract a company like Amazon—or any size for that matter—we must build places that provide what today's working generation desires. Companies need to be able to attract talented workers, which remains a hard sell in our state without amenities like transit. More leadership is needed at the state and regional levels to improve transportation infrastructure and other quality-of-life necessities. Until we get it, our state will continue to play the bridesmaid role in future site selection competitions.

This underscores the importance of continuing to push reform within our municipal finance system. It is an uphill battle. In the last issue, I wrote about our disappointment with the failure of the Legislature to make some real change with Other Post-Employment Benefits (OPEB) laws. The cost of post retiree benefits is threatening governments' ability to pay for vital services. I was pleased to see that *Governing* magazine highlighted our challenges in their March 2018 issue. Our state does not have any clear laws that allow communities to rein in costs on their own, so we must fight hard for change.

Deputy Executive Director and COO of the League, Tony Minghine provides an updated report on our ongoing advocacy work to restructure Michigan's financial model. We continue to focus on a three-pronged approach: tackle costs, allow communities the ability to raise revenue, and structure. It's a tall order, but if we don't tackle the hard issues and have the resources to make effective change in our communities, we will lose our competitive edge to other states and the world. As one of the more affluent communities, Sterling Heights is affected by the state's broken system of funding municipalities as well. City Manager Mark Vanderpool presents the reasons why.

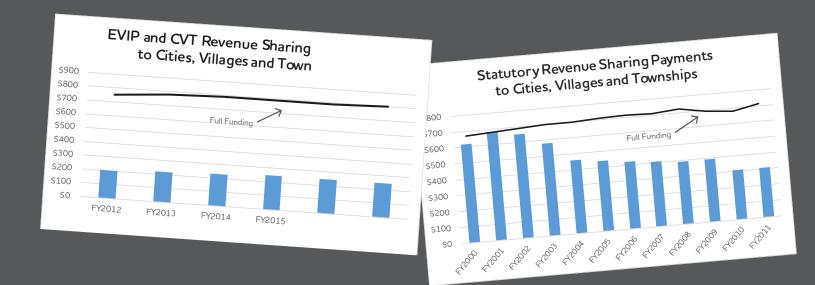
Whether you are newly elected or a seasoned elected official, I encourage you to attend the Elected Officials Academy Advanced and Core Weekenders, which will take place May 18-19 in Grand Haven. We have been providing these educational weekenders for close to 20 years now, and continue to receive enthusiastic feedback. It gives you a real opportunity to remove yourself from your day-to-day responsibilities, network with your fellow officials, and dig into municipal issues that affect your communities.

I'm sure most of you recognize the guy on the front cover for our feature story. He will retire at the end of June. The void he leaves will be palpable. Bill Mathewson has been with the League for over 40 years. He served in many different capacities over the years, bringing a high level of service and professionalism to each of them. Congratulations, Bill, we wish you all the very best!

Daniel P. Gilmartin League executive director and CEO 734-669-6302; dpg@mml.org

Daniel T. Lifmartin





# THE STRUGGLE IS REAL

We Must Fix Michigan's Broken System for Funding Municipalities

By Mark Vanderpool



"You can't cut your way out of this crisis. That's virtually impossible...
Revenue recovery must be part of this complicated equation."



Sterling Heights is Michigan's fourth largest city and could soon be the third largest city. We're growing! Housing values in the area are continuing to rise after the housing market crash and Great Recession; the unemployment rate in the area is low; and local businesses are faring well.

You would think this good

news and prosperity also applies to local governments. Unfortunately, that is not the case in most Michigan communities. Why? Because the state's system for funding municipalities is fundamentally broken. That has been the message of the League's SaveMICity initiative (savemicity.org) since it was launched in March 2016. In essence, our current system is set up in a way that it doesn't track with the economy as it should. In a robust economy, revenue is capped, and in a declining economy there is no limit on revenue reductions.

Without draconian measures, most cities were hardly able to weather the last recession. When the next recession comes, it could spell doom for even more communities. We must fix this broken system to not only enable cities to survive the next economic downturn, but also enable them to achieve long-term financial stability. Tomorrow's cities need a reliable financial structure that adequately funds infrastructure and improves quality of life for residents—both are critical for business growth.

Before we can begin to focus on solutions, we must recognize and understand the forces at play that are harming the long-term financial stability of cities. In a 2016 study, Great Lakes Economic Consulting identified three major factors leading to the economic decline of cities in Michigan, and they include:

- The 1964 Local Tax Limitation—According to the
  1963 state constitution, cities and villages have the
  authority to levy a wide array of taxes on themselves.
  Within one year of the constitution's ratification, however,
  the state legislature reversed this broad local control by
  providing that no city may levy a tax except as expressly
  permitted by law. Thus, cities and villages faced the first
  in a long series of constraints on their ability to raise
  much-needed revenue.
- 2. The Headlee Amendment—In 1978, municipal budgets were further eroded when voters approved a constitutional amendment that reduced municipal revenue by imposing a periodic recalculation of voterapproved millage to account for inflation. This legislation and later legislation took authority away from local officials and provided no way to make up for the lost revenue.

3. Proposal A—In 1994, Michigan voters approved another amendment to their constitution: Proposal A included a limitation on assessment increases for individual parcels of property, excluding new construction, to five percent or the rate of inflation, whichever is less. This provides a limit on taxable value increases but allows an unlimited decrease in tax revenue when property values decline.

#### The Perfect Storm

These three structural challenges converged in a surreal way, when in response to the recession, the Legislature decided to reduce revenue sharing. This led to the rapid decline of cities throughout Michigan.

By 2014, cities would lose over \$8 billion in revenue from the State. The U.S. Census Bureau reported that from 2002 to 2012, municipal revenue from state sources increased in 45 states and the average increase was 48.1 percent. In Michigan, municipal revenue from state sources declined by 56.9 percent from 2002 to 2012. During this same period, total state revenue for Michigan increased by 29.3 percent. As if this was not enough misery to endure, the Great Recession caused property values to nose dive.

Most property values in cities across Michigan are still below where they were in 2008! Almost all cities have implemented best practices to align expenditures with declining revenue by reducing legacy costs, implementing service sharing initiatives, privatizing services, and unfortunately cutting services.

In fact, over 5,000 police and fire jobs have been lost in Michigan since 2002. In Sterling Heights alone, over 200 full-time positions have been cut and replaced with part-time, contractual services and the like. This creates a new problem of talent retention and recruitment. Cities have been forced to increase millage rates, bringing the state average for all cities to 18.07 mills. To get through the recession, Sterling Heights also eliminated pensions, retiree health care, and privatized numerous services. We were fortunate to have our voters approve two millages in recent years to support local services. Still, all these measures are not enough under this broken system.

"The State of Michigan has failed our cities," said Robert Kleine, a former Michigan state treasurer. "We have a dysfunctional system of local government organization and financing. The entire system needs to be overhauled. We cannot have a strong state without strong communities."

Since 2003, Sterling Heights has lost over \$152 million from reduced revenue sharing and property tax erosion. A small city like Utica has lost \$12.8 million and a mid-size city like Roseville has lost \$100.4 million. These staggering losses have made it difficult for cities to be proactive on infrastructure improvements and other long-term needs. It's no wonder our roads throughout the state are in such poor condition and emergency service response times are not, in many cases, where they should be.

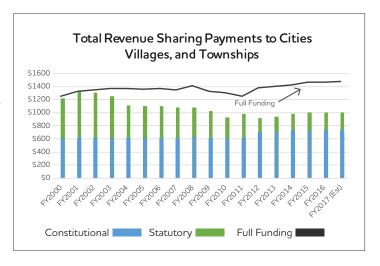
#### Where Do We Go from Here?

You can't cut your way out of this crisis. That's virtually impossible. You're not going to cut \$152 million out of an organization. Revenue recovery must be part of this complicated equation. So where do we begin fixing this problem once and for all? There are no easy answers, but we know with certainty what has caused the problem.

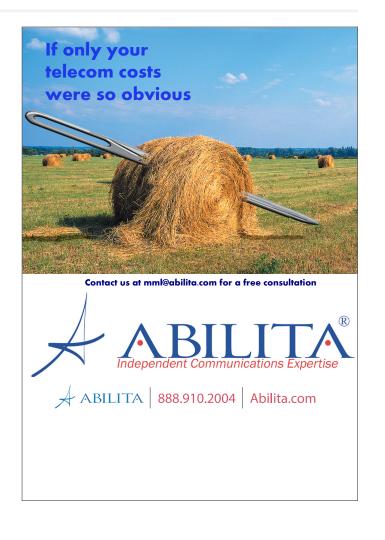
If the State Legislature is not willing or capable of finding a way to address the three critical areas mentioned earlier in this article, then the State Legislature needs to simply give cities the tools required to address the problem on our own.

In a recent *Detroit News* article, Eric Lupher, president of Citizens Research Council of Michigan, stated, "People love to hate property taxes. Granting local governments the authority to diversify their revenue streams could remove the burden on the property tax and enable local governments to sustain the services that make our communities attractive places to live and work." It is a simple step in the right direction. Let's get it done!

Mark Vanderpool is the city manager of Sterling Heights and a member of the Michigan Municipal League Board of Trustees. You may contact him at 586.446.2301 or mvanderpool@sterling-heights.net.







"The answer is that Michigan's broken municipal finance system caused this unfortunate state of affairs, adding to the long list of challenges that Michigan communities face, despite continued growth and economic development."





or years, Michigan has advocated for manufacturing investment with the idea that new or existing plant expansions will bring additional jobs and increased prosperity to a community. Under the State's current fiscal model, the reality is that everyone seems to succeed except for the community hosting the investment. In some cases, local communities are held solely responsible for providing incentives while the State collects new revenue, creating a paradox for some Michigan communities. One such case can be found in the City of Howell.

Howell is a small community located between Lansing and Detroit. We are blessed with economically diverse assets including a nationally recognized top ten downtown, a strong manufacturing and commercial base, as well as a mixture of housing options. However, during the 2008 recession, Howell's story matched most Michigan communities. We faced large losses in taxable value totaling a decline of 28 percent.

Since 2011, manufacturers in Howell have invested \$120 million in personal and real property, however the city saw only \$40,000 in annual new revenue. How does this happen? Did the city do something wrong? Did the manufacturers do something wrong? The answer is that Michigan's broken municipal finance system caused this unfortunate state of affairs, adding to the long list of challenges that Michigan communities face, despite continued growth and economic development.



### The Lasting Impact of the Recession

During the recession, many manufacturers went before the Michigan Tax Tribunal (MTT) seeking substantial reductions in valuation.
Their arguments included the premise that industrial facilities

were "unique" and should be valued as a vacant warehouse. Ironically, this is how the commercial dark store issue originated. In many cases, the Tax Tribunal ruled in favor of the manufacturers, which resulted in facilities that traditionally may have cost \$250 per square foot to build, now being reduced to \$10-\$25 per square foot in true cash value. For Howell, these rulings resulted in an economic impact of over \$1 million in refunds from the city's general fund.

As Michigan began to emerge from the recession, local facilities began investing and expanding. What was subsequently learned in many cases, particularly with large facilities, was that values determined by the Tribunal were now to be applied to the new investments. Additionally, the new personal property tax law now makes much of those investments irrelevant to the local community as they are exempt from local taxes.

Howell manufacturers have invested \$40 million in real property since 2011. In the view of the MTT and the local equalization director, however, the actual true cash value is only \$10 million (assessed value of \$5 million). The city provided local incentives through Public Act 198 Industrial Abatement, for real property—resulting in net annual revenues of approximately \$40,000. This is in striking contrast to what the math would have looked like before the recession, where an investment of \$40 million equaled \$20 million in assessed/taxable value. Applying the same abatement, \$10 million taxable value x 8 mills (1/2 our normal 16 mills), the city would have realized \$160,000 annually.

In addition to the real property, local companies also invested an additional \$80 million in personal property. Under the new state system, the city receives no additional revenue, as all of it is automatically exempt. Prior to the new personal property tax law, and assuming the city granted a typical Public Act 198 Abatement of 50 percent, the revenue the city would have received would have totaled approximately \$300,000 annually, subject to the normal depreciation of the equipment. Under the traditional system, the city would have seen \$460,000 to help fund roads, police officers, and all the critical services provided by vibrant communities.

Howell Main Street Inc. was named the winner of the 2018 Great American Main Street Award by Main Street America.





### State and Local Governments Don't Prosper Together

We are extremely proud that Howell continues to thrive economically with a strong manufacturing and commercial business base, especially regarding our small local businesses. However, the example above shows, yet again, the fundamental disconnect between a strong economy and a fiscally healthy municipality. The old premise that strong industrial investments will directly improve a community's fiscal health is no longer valid.

With that said, our businesses have not done anything wrong. These businesses have been, and continue to be, both a strong community partner and an essential piece to our vibrant community. However, this is a vivid illustration of a broken model under which Howell, and communities around the State, are forced to operate. The municipal fiscal model created in Lansing fails our communities.

Shea Charles is the city manager of Howell and a member of the Michigan Municipal League Board of Trustees. You may contact him at 517.546.3502 or scharles@cityofhowell.org.







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## Why We Failed with Amazon

By Anthony Minghine

wo years ago, the League embarked on a bold mission: to fix our broken municipal finance system. We recognized all too well that without strong places capable of attracting talent, we are incapable of creating the strong economic engine we all desire.

Fast forward two years. The hulking economic beast known as Amazon is looking for a new headquarters with a plan to invest \$5 billion and bring in 50,000 new, well-paid jobs. We all know now which state didn't make the cut. And when I say we didn't make the cut, we really didn't make the cut. If this was a baseball tryout, we are the kid wearing their glove on the wrong hand. If anyone is surprised by that, then they are not being honest when they look in the mirror. Michigan has done little to nothing to attract Amazon or any company like them. If only we knew in advance of their search what Amazon and companies like them are looking for, we might have had a chance (insert sound effect of me screaming here).

For nearly a decade, the League has carried the placemaking torch as the best way to create a strong economy. The research is overwhelming that the best local economies are the places that have made, and continue to make, investments in creating the kinds of experiences people are looking for in a place to live and work. Amazon understands this, and is seeking a place that will offer that to their current and prospective workforce. Due to Michigan's stunning disinvestment at the local level, we simply couldn't compete.

We must create a

system that invests

in our most important

strategic asset,

our communities.

#### An Incomplete Roster

So, what was Amazon looking for, and where don't we stack up?

- Site/building—Amazon was looking for existing buildings of at least 500,000 square feet and total site space of up to 8 million sq ft. Didn't lose it here.
- Capital and operating costs—Amazon is prioritizing "stable and business-friendly regulations and tax structure" in its considerations. Didn't lose it here. We have poured hundreds of millions into a favorable tax environment.
- Incentives—We practically invented the concept.
- Labor force—Hiring 50,000 skilled workers. There was
  a time that we would have crushed that category, but we
  have lost thousands of skilled workers and college graduates
  to the very places that are still in the game because they
  provide that type of life experience.
- Logistics—Amazon wanted on-site access to mass transit train, subway, or bus. Yeah... we don't do that here. Sorry.
- Time to operations—To begin construction as soon as possible. This we can do.

- Cultural community fit—Like any tech company,
  Amazon cares about "culture fit." It defines this as a
  diverse population, strong higher-education system, and
  local government that is "eager and willing to work with
  the company." Amazon is asking cities to "demonstrate
  characteristics of this" in their responses. "We encourage
  testimonials from other large companies." In my view, we
  get a "try hard" award in this category. Like the kid with his
  mitt on the wrong hand, we are doing the best with what
  we have, but it's not close. Kudos to Dan Gilbert for making
  a strong pitch, but that was our star shortstop trying to get
  a new pitcher to join the team to help him rebuild and win
  a few games, but in the end, they are more excited about
  playing for a contender than helping rebuild our team.
- Community/quality of life—The new headquarters should be in a place where people want to live. Amazon is interested in daily living and recreational opportunities for people. Detroit has made huge strides, but the reality of our prolonged disinvestment in our communities cannot be ignored. Although we are seeing some cool things happening, we have a long way to go. We simply do not have a sustainable finance model that our communities can rely on to invest and deliver the services that people demand, and Amazon knows it.





#### A Winning Game Plan

We have to get honest about what it takes to compete in a global economy where anyone can work from anywhere. What are we doing to distinguish ourselves and give Michigan a competitive advantage? So far, the answer is not very much. The sad truth is that it doesn't need to be this way. If Michigan rethinks our misguided set of priorities, we can still win. We already know what it takes to win, and Amazon just confirmed it ... IN WRITING!

We must acknowledge that we cannot have a strong economy without strong communities. You cannot point to a single place on the globe that doesn't show those two things aligned. We must create a system that invests in our most important strategic asset, our communities. Tax pledges fix

nothing. Pouring money into the state's balance sheet is meaningless. Shell games for infrastructure don't move the needle. We need to transform our state, and it cannot happen without making investments in the things talented people demand. I would love to ask any person or business, "If you could choose, where would you direct your tax dollars? To Lansing, or use them to improve your community?" I bet we all know the answer. It is so intuitive that everyone understands it.

Unfortunately, we have misdirected our funds and the result is a Michigan incapable of winning the big game. Sure, we win a game here or there, but like the coach that won a 15-14 error-filled game, we know our team isn't ready to compete. We will occasionally get a top shortstop to play for us because they hope to inspire change, but most players choose the contender over the underdog.

It's time to ask ourselves if we are willing to do what it takes to make the cut. Most of the kids that get cut at tryouts never come back, but some of them take it as a personal challenge to put in the hard work it takes to compete. Which kid do we want to be: the one who didn't change and gave up, or the one who realizes that to make the team they need to learn from those who know how, change what they're doing, and work really hard? The choice is ours.

Anthony Minghine is the deputy executive director and COO for the League. You may contact him at 734.669.6360 or aminghine@mml.org.





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**ANSWER ON PAGE 34** 

## SPIRIT OF COLLABORATION

Spring Lake Village and Township Lead the Way

By Lisa Donovan



Spring Lake Township/Village Committee (I to r): Chris Burns, Village Manager, Carolyn Boersma, Township Clerk, Gordon Gallagher, Township Manager, Megan Doss, Village President Pro-tem, Jim Koster, Township Treasurer. Not pictured: Michael Duer, Village Councilmember. Photo courtesy of Kelly Ruffing Photography.

"I really applaud their efforts to reduce the tax burden on residents and businesses while still providing the services we demand."

t's a village hall. No, it's a township hall. Actually... it's both. Spring Lake Village and Spring Lake Township have been harmoniously cohabitating in the same building since 2015.

#### Laying the Foundation

The groundwork for this major joint effort was laid about a decade earlier when Gordon Gallagher assumed the role of Spring Lake Township Manager. His predecessor had begun the process of having collaborative discussions with the village, and Gallagher continued having elected officials from both communities talk about projects they could work on together. A few years later, a new village manager— Christine Burns—and a new village president joined the team. Now, the village/township committee—comprised of two elected officials from each community—meets monthly and makes recommendations to their respective boards.

"The committee members have changed over the years, but they still have the same mindset," said Burns, who is also a member of the Michigan Municipal League Board of Trustees. "Their focus is how we can do things collaboratively and save our residents money."



Gallagher has been following the advice of his predecessor, who was fond of saying that you should build a bridge before you walk over it. "The elected leaders of the communities have set the tone for being able to work together," he said. "They're willing to meet regularly and get to know each other."

#### **Building the Partnership**

The congenial relationship between the municipalities came into play in a big way four years ago, when the township was searching for a replacement for its rundown building. Conveniently, the village hall—right across the street—was in much better shape and had room to spare. They had just transitioned from having a village police department to contracting with the Ottawa County Sheriff, making the former police department area of the building available.

"I had a small staff and a lot of fixed costs. I still had to provide heat, water and lights for the huge building," said Burns. "So, the timing was good for us and the township."

True to their natures, the village and township spent a year taking the shared building idea from concept to reality. They really wanted to get all the details right. Figuring out who would occupy which rooms was the hardest part. Some people needed a bigger office, and some departments wanted to share a larger space. After five different layouts, they finally landed on the winning plan.

Fortunately, they were able to tap into the state's Competitive Grant Assistance Program (CGAP) for the \$100,000 needed to remodel the building. With the CGAP funds, the municipalities were able to create office space suitable for the township's 14 employees and overall building improvements. The facility now has fiber optic cable to modernize its computer system and subtle security enhancements. Instead of five public doors, everyone now enters through one door into the central reception area.

"When they share services, it allows you to get to know people better," said Chris Peel, an associate broker with Greenridge Realty who has developed commercial and residential projects in both the village and township. "It's kind of fun to be able to walk in one door and have someone say, 'Hey, Chris, are you here to see village or township people today?""

#### Reaping the Benefits

The shared building arrangement comes with a variety of benefits. The first thing residents may have noticed is that they no longer hear, "You'll have to go across the street for that." They now have the convenience of one-stop shopping, whether they need something from the village or township.

Perhaps more importantly, the arrangement enables both communities to save a good chunk of money. The township now leases the office space from the village for \$50,000 per year. That's revenue to the village—and it's less than 25 percent of what the township would have paid to construct



a new building. The two entities are also sharing a DPW director, which saves them another \$50,000 per year.

"I think it's pretty innovative," said Kevin Green, general manager of Spring Lake Country Club. "Combining services adds up to a big cost savings so they can focus on taking care of residents and the community." Green previously served on the township's tree preservation committee.

Other collaborations have sprung up as well. The village contracts with the township for their zoning administrator four hours a week, and with Grand Haven for planning services. The township has also tapped into some Grand Haven services.

"It's smart business," said Tony Verplank, president of Pliant Plastics Corporation. "I really applaud their efforts to reduce the tax burden on residents and businesses while still providing the services we demand." In 2017, Verplank served as chair of the Spring Lake Village disincorporation study group, which recommended that disincorporation was not in the best interests of village residents.

#### **Enjoying Each Other's Company**

Burns and Gallagher were also concerned about how their staff would fare with the shared building arrangement. In fact, when talks first began there was a concern that some people could lose their jobs. But that didn't happen. Instead, both communities look at new efficiencies that can be gained when an employee retires or leaves. That was the case when the village's zoning person left, and they latched onto the idea of sharing the township's zoning administrator.

Since move-in day, both sets of staff have gotten along very well. And coincidentally, two of the administrative assistants have so much in common they've become like sisters.

"Sometimes we're open different days and when the township people aren't here, we miss them," said Burns. "We miss the human interaction and vibrancy."

"We have fun and talk about things," added Gallagher. 'When there are hard conversations, we take a step back and put that idea in the 'parking lot' for a while. We figure out how to handle it at an easier time."

Lisa Donovan is the communications specialist and editor for the League. You may contact her at 734.669.6318 or Idonovan@mml.org.

# Public Employer By Jenny Campos and Dan Jacey Health Care

#### Several Michigan Cities Have Found an Alternative Approach

ublic Employer Sponsored
Health & Wellness Centers
have been introduced by
cities as an alternative to the
traditional health care model that
will save money and improve the
health and wellness of employees.
At the centers, high quality care
can be delivered onsite at a lower
cost to the employer than the
traditional model, and at little or
no cost to the employee.

The centers concentrate on basic health care and wellness services. The model provides quick, inexpensive service to employees, who otherwise may not have chosen to obtain health care service. The centers have been shown to be better at the identification of pre-chronic conditions and the treatment of various highly expensive chronic conditions. In addition to saving money, these centers also improve morale, presenteeism, and productivity

as employees can access and receive quality wellness-focused care in a timely manner. When the staff is healthy, productivity increases.

#### **Easy to Replicate**

The model is quite easy to replicate and has already been replicated.

We see a tremendous opportunity to develop a "network" of Health & Wellness Primary Care centers around the state of Michigan. Municipalities are



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uniquely positioned to partner together, leveraging their employee populations, to seek out alternative ways to deliver health care services in a more cost-effective manner.

Demonstrating success one center at a time will position municipalities to grow and invest in their most valuable asset: their employees, the public servants that make local government work. All stakeholders, employers and employees alike, have been battling over the re-distribution of the total health care dollars spent. Why not pursue a more innovative approach by creating a health care plan alternative that recognizes that employees must have access to affordable, quality care; that places the "patient" first and simultaneously saves money for the employer and taxpayers. The Health & Wellness Primary Care Centers do just that. Municipalities small and large can collaborate, pool their resources, and use the savings generated through operating a center to re-invest and expand the center. This would include the ability to explore additional medical service offerings to employees while continuing to lower overall costs and impacting the long-term health care trend.

"Demonstrating success one center at a time will position municipalities to grow and invest in their most valuable asset: their employees, the public servants that make local government work."



It has been easy to replicate due to the across-the-board understanding and support of the model itself. Our vendor, CareHere, has over 225 centers across the nation and has developed a turn-key process for getting the centers up and running. In addition, all public-sector communities involved have strongly embraced this collaboration in that we are all open to each other's ideas regarding what works, what doesn't work, what would be more efficient, etc. We hope our communities' adoption of this model, and the success we have found in it, will encourage other community leaders to consider this option for their community.

#### **Creativity and Originality**

The on-site center is an exciting but relatively new concept for municipalities in Michigan. The parties involved see this as a unique opportunity. How can we save on health care costs without sacrificing care and without increasing employee costs? Is that even possible? The short answer is yes. The successful collaboration that developed is now maintaining an alternative for not only providing health care but also reducing costs.

The Battle Creek center is comprised of the following entities: City of Battle Creek, Calhoun County Government, and Toyota Tsusho America. In January 2015, Mushashi Auto Parts and Systex Products Corp were added. The public/private nature of the Battle Creek collaborative is seen as a budget impactor and an economic development tool center.

MiLife Health and Wellness Center was created from a collaboration between the cities of Ferndale, Madison Heights, and Royal Oak through a shared services agreement. These three communities are very close in proximity, and the center is located in the lower level of the Madison Heights City Hall building. It was designed this way to provide very easy access to staff but also to save on building/lease costs.

MiLife Health and Wellness Center opened its second location in Ferndale on March 19, adding the cities of Oak Park and Hazel Park to the collaborative. Since all five of these cities are in close proximity, this second location will allow the employees from each city and their dependents greater access to care.



How are the centers unique and creative? They provide a brand new opportunity to:

- Reverse the rising healthcare trend by using a direct-cost pass through model for delivering primary care to employees/retirees
- Improve employees' health and productivity with a Wellness Program that engages them and can focus on identifying and treating chronic and pre-chronic conditions
- Provide a collaboration opportunity to partner with another city's schools or key private sector employers
- Increase collective purchasing power in order to negotiate lower pricing directly with providers and suppliers
- A more cost-effective approach to managing workers' compensation and occupational health services
- Lower or no co-pays for office visits, blood draws, and generic drugs dispensed at the center
- Provide easier and more convenient access to care for employees
- Create an environment that provides a greater opportunity to engage in wellness
- Offer a sensible alternative for seeking medical services that does NOT take the place of an employee/retiree primary plan



#### **Impact**

From a budgetary perspective, solutions that result in less funds being spent on medical costs (i.e. chronic conditions/ events), free up funding to be used in a different area within the budget. This greatly impacts the community as it can shift money that otherwise would have been used to fund health care to other services that benefit the citizens and the community as a whole.

City collaborations on Employer Health and Wellness Centers set the stage for competitive communities and cost savings. Savings within the first year of operations include:

- City Savings \$210,700
- Employee Savings \$177,294
- Occ Med Savings \$16,000+ (6 months)

From a health-related perspective, this center model has been able to serve employees who had not previously seen a physician in a long period of time. Chronic conditions have been identified and are now being treated that could have led to unknown or unforeseen major high cost situations such as a heart attack, stroke, etc. Employees

who feel better are much more likely to perform at a higher level. This impacts our communities because we are able to obtain greater productivity from the very lean staff we all have.

From a morale standpoint, this has positively impacted our communities because employees receiving these services are able to do so at no cost. Staff is thankful for this option because the implementation of this model has afforded some of our communities the ability to hold off on requiring greater employee contributions for health care, or cuts in the benefits currently offered.

From a labor relations standpoint, the center has also improved relationships with our unions, which further impacts our community as each municipality faces labor costs due to employeerelated issues.

Jenny Campos is the director of clinical services for CareHere! You may contact her at 248.546.2378 or jcampos@carehere.com.

Dan Jacey is the director of human resources for the City of Ferndale. You may contact him at 248.546.2378 or djacey@ferndalemi.gov.



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CONFERENCE 2018 HIGHLIGHTS

rom majestic chambers to small committee rooms, Michigan and U.S. legislators are continually making decisions that affect your community. The League is on the job every day tracking their activities and trying to guide them in a positive direction for our members.

At this year's Capital Conference, we gave attendees an insider's view of those activities. We opened the knowledge vaults of our lobbyists as well as state and national legislative experts. Each one provided their own unique perspective on everything from the federal budget and OPEB reform to infrastructure and upcoming elections.

We offered a full slate of sessions on other valuable topics, as well. Attendees got an update on our SaveMiCity municipal finance reform initiative, learned the latest on Michigan's Medical Marihuana Facilities Licensing Act, heard how smart infrastructure is changing cities, and much more.

They also had plenty of time to network with colleagues, meet with vendors at the Expo, and talk with their state legislators in a relaxed breakfast setting.

For more details, visit our Capital Conference website at cc.mml.org. To learn about the League's municipal finance reform campaign, visit **saveMlcity.org** 





























## AWARDS

#### 2018 CAPITAL CONFERENCE AWARDS



Honorary Life Membership Award: Bill Mathewson, General Counsel, Michigan Municipal League



Honorary Life Membership Award: Karen Majewski, Mayor, Hamtramck



Legislator of the Year Award: State Senator Ken Horn (R-Frankenmuth).



Legislator of the Year Award: House Democratic Leader Sam Singh (D-East Lansing).



Ambassador Award: Lois Allen-Richardson, Councilmember, Ypsilanti



Ambassador Award: Jim Holtrop, Commissioner, Hudsonville



Ambassador Award: Jeff Jenks, Commissioner, Huntington Woods



Outstanding Service Award: Brandon Fournier, Partner, Shiftman Law



Community Builder Award: Deborah Stuart, City Administrator, Mason



Jim Sinclair Exceptional Service Award: Steve Baker, Mayor Pro Tem, Berkley

CONFERENCE 2018 AWARDS

## Sterling Heights was honored with the MDOT/MML Better Streets, Better Michigan Award

for its "Innovating Roadways" project that involved multiple components to make the city a more welcoming and pedestrian-friendly community.

(I to r) John LaMacchia, Phil Browne, Mark Vanderpool, Barbara Ziarko, and Nate Shannon.





### Elected Officials Academy Level 1 Graduates

(I to r) Matt Waligora, Roberto Valdez, Thomas White, Melanie Piana, Charlotte Kish, Clint Bryant, and Constance Cobley. Not pictured: Jennifer Antel, Eric Hufnagel, Valerie Kindle, Yvonne Ridge, Kimberly Sims, Doris Taylor Burks, and Herbert Winfrey.

#### Elected Officials Academy Level 2 Graduates

(I to r) Sandra Howland, Saad Almasmari, Monica Galloway, Andrea Karpinski, Ian Perrotta, Joseph Greene, Roberto Valdez and Melanie Piana. Not pictured: Marlon Brown.





Elected Officials Academy Level 3 Graduate

Brenda F. Moore

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For all the photos from this year's Capital Conference and other League events, go to mml.org/flickr.

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# A Fond Farewell Bill Mathewson Brings His Distinguished Career to a Close

By Colleen Layton

"I cannot think of anyone who has been more influential or who is more respected in helping to shape municipal law and defend municipal home rule."

s General Counsel Bill Mathewson winds down his long and illustrious career at the Michigan Municipal League, he will leave a legacy of which he can be proud. Bill, quite simply, has loved the League—what it stands for and the services that it provides to Michigan municipalities. Throughout his entire career, Bill's allegiance and fidelity to the League have been unparalleled. This has been evident throughout his various roles at the League, from staff assistant to general counsel.

The League showed its high regard for Bill by awarding him with our highest individual honor—the Honorary Life Membership Award—at the Capital Conference Awards Gala in March. "It was never my intention to always work at the same organization, but I've been incredibly fortunate to work for the League in so many different capacities over the years. It's been my honor to serve this organization for so many years," said Bill. "The people I've met and the relationships I've built have meant everything to me."







#### Rising Through the Ranks

Bill first joined the League as an intern in 1977, and began his career as a full-time employee on February 1, 1978. Over the next several years, he worked in many different capacities in Lansing's State Affairs department, focusing on legal and fiscal issues. Throughout his tenure, he was closely affiliated with the Information and Research service, leading this department in the late 70s and early 80s, and again in the past two years. He was always an integral part of this service, advising the inquiry team on legal related questions. For many years, a weekly inquiry meeting was held not only to discuss member questions, but also to develop future resources for members. Staff greatly benefitted from Bill's deliberative input and support.

Bill has served as General Counsel to the League's Board of Directors for the past 20 years. He conducted his duties and commitment to the Board as its attorney with the highest degree of professionalism. His decisions and legal opinions have always been based on careful consideration of the applicable law, recognizing that the League is a unique institution within the state. Sue Jeffers, former associate general counsel, was part of the Legal Affairs Division team for nearly 13 years. She reflects on her time with Bill: "On a personal level, I was able to benefit from Bill's keen wit. I also appreciated his concern for and interactions with people. I do not recall any unkind word spoken to anyone. His deliberate and careful manner in speaking has been a model for me of how to treat others in personal and work situations."

#### A Full Docket

Bill has provided service to Michigan municipal attorneys on an individual basis and in his role as secretary to the Michigan Association of Municipal Attorneys (MAMA). Current MAMA President, John Schrier says: "Bill demanded of himself a high ethical and intellectual integrity and expected the same of others. Bill has provided thoughtful guidance and insight to many municipal attorneys, which will be missed."

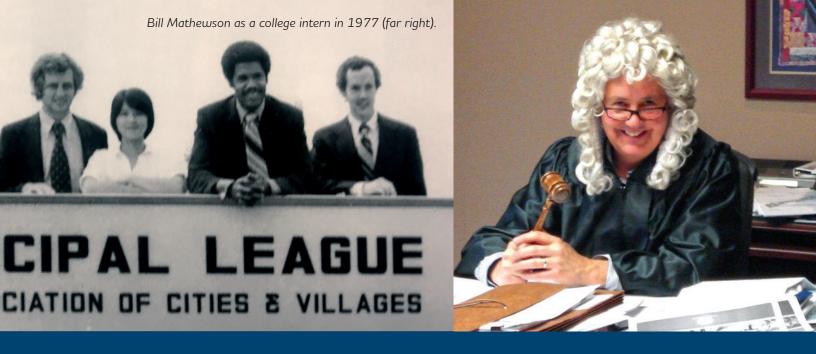
In addition, as fund administrator of the Legal Defense Fund, Bill has worked tirelessly with the Fund's Board of Directors to select an attorney to prepare and submit an amicus curiae ("friend of the court") brief in those cases affecting municipal interests in the state and federal judicial systems. Amicus briefs are significant in presenting and outlining issues, and, in these cases, municipal issues to a court. In that process, it has been Bill's role to follow through with amicus counsel once selection of cases has been made by the Legal Defense Fund Board. His attention to that process has always been thorough and timely. There is no question that the Legal Defense Fund, through Bill's efforts, has had a significant and positive impact on issues affecting municipalities in the state of Michigan.

Bill has also represented Michigan municipal legal interests through participation at the federal level with the International Municipal Lawyers Association (IMLA). He served a two-year term on the board and led the section of State League Counsel for a two-year term. Chuck Thompson, Jr. IMLA president weighs in: "Bill Mathewson has been the epitome of what one hopes a lawyer can be and has been a respected leader among municipal lawyers and his peers—those who serve as counsel to state leagues. I cannot think of anyone who has been more influential or who is more respected in helping to shape municipal law and defend municipal home rule."

#### A Gentleman and a Scholar

Bill has always taken great pleasure in being out in the field meeting members and presenting municipal related topics. He has participated in countless talks and led numerous seminars on legal and municipal issues for the benefit of League members. Hundreds of members have learned the ins and outs of the Freedom of Information Act (FOIA) and the Open Meetings Act (OMA) from Bill, among many other important topics.

As a colleague, Bill has always been well-liked and considered a vital part of the team. One of Bill's closest colleagues and friends, Mike Forster, director of risk management, says: "Bill's broad perspective, knowledge,



and wise counsel have meant so much to the MML, its risk programs and certainly to me over the years. Mostly, however, I am going to miss Bill's day-to-day friendship and outlook on life—he will be greatly missed."

Bill can lob a witty remark as skillfully as he lobs a tennis ball across the court. He is even known to be the occasional life of the party. Throughout the year, he rarely misses League staff events, which can range from holiday celebrations to staff barbecues. Not to be outdone by his fellow staff members, he recently brought in his signature Gumbo soup to celebrate Mardi Gras.

League Executive Director and CEO Dan Gilmartin, sums it up best. "Bill is the consummate professional. His work at the League, for its length of service and its quality, is unmatched. Bill really personifies what makes the League great." Bill, you will be missed. We all wish you the very best!

Colleen Layton is a consultant for the League and a former long-time staff member, most recently holding the position of director of policy development. You may contact her at clayton@mml.org.





## **EMERGENCY** VEHICLE SAFETY

PUTTING THE BRAKES ON CRASHES AND COSTS

By Lisa Donovan and Tom Wolff

he piercing sound of a siren hits your ears as the flashing lights of a police vehicle fly past your car. Up ahead, the officer goes through a red light on the way to an emergency. You hope he arrives at his destination safely.

But what if he doesn't? What if the emergency responder crashes along the way?

#### **Inherent Dangers**

As law enforcement officers rush to save lives or deter criminals, they are putting their own lives in danger in more ways than one. Between 2004 and 2014, more than 400 officers died in vehicle crashes across the U.S. In Michigan, from 2012-2016, there were over 10,000 automobile crashes involving police, ambulance, or fire vehicles. The most common driver-related factors were running off the road and driving too fast.

There are other consequences as well, such as property damage or injury to others involved in the crash. These consequences may result in legal action if they fall outside the normal realm of governmental immunity.

In many situations, government agencies exercising a governmental function—such as police protectionhave governmental immunity from tort liability. But there's a Motor Vehicle Exception that holds a government agency liable for bodily injury and property damage resulting from someone in their employ negligently operating a government-owned vehicle. Emergency personnel charged with gross negligence can face civil and criminal penalties.

There's also a financial toll. In the past few years, the League's Liability and Property Pool has paid out almost \$10 million on auto liability accidents involving high speed or careless driving by emergency response personnel. And that's on only seven claims.

#### **Exemptions**

By law, emergency vehicles—vehicles of the fire department, police vehicles, ambulances, and privately-owned vehicles of volunteer or paid firefighters —are granted certain exemptions from normal traffic rules and regulations. In particular, drivers of authorized emergency vehicles may park or stand wherever necessary, go through red lights or stop signs, exceed the speed limit, and disregard regulations governing direction of movement or turning in a specified direction.



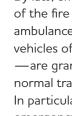
These exemptions enable law enforcement officers to reach the emergency situation as quickly as possible, but they also come with a high level of risk that needs to be managed.

#### Ramp Up Policies and Training

There are many ways to mitigate the inherent dangers of emergency vehicle response. Most important is the role that upper management plays in setting the tone for the department. It's vital that they establish clear policies regarding emergency response, and provide adequate training for emergency personnel.

The League's Law Enforcement Action Forum recommends the following actions:

- Define an emergency response—
- Within your policy, define when an emergency response by the department is appropriate; action steps required to initiate an emergency response; expectations of the officer's behavior, and driving limitations that apply in exercising the discretion to respond.
- Know the law—Train officers in the law as well as management expectations and reporting requirements for engaging in an emergency response.
- Use safety restraints—Require the use of seatbelts and provide for appropriate discipline if an officer does not comply.
- Understand vehicle dynamics— Require officers to learn the dynamics and physical forces at work while driving their emergency vehicle.
- Employ safe driving habits— Train officers to focus on safe driving habits, especially while engaged in emergency driving.





U.S. EMERGENCY VEHICLE CRASHES\* 2017: 47 officers died 2004-2014: 434 officers died

\*Source: National Law Enforcement Officers Memorial Fund



MICHIGAN EMERGENCY VEHICLE CRASHES\* 2012-2016:

10,874 crashes 28 fatalities\*\*

\*Source: Michigan State Police \*\*Some may have been general public



- Keep good records—Document all emergency vehicle training.
- Tap into technology—Use engineering controls, such as in-car video, automatic speed controlled recording, and GPS monitoring through dispatch.
- Expect accountability—Hold officers accountable for their actions.
- Apply monitoring—Require supervisors and mid-level managers to monitor emergency vehicle activity and report violations.

#### **Gear Up Technology**

Technology provides another option for handling the challenge of emergency vehicle response. Several Michigan communities—including Frankenmuth, Sturgis, and Jackson—are using tracking technology that monitors officers' driving speed, use of seat belts, and where they spend most of their time patrolling.

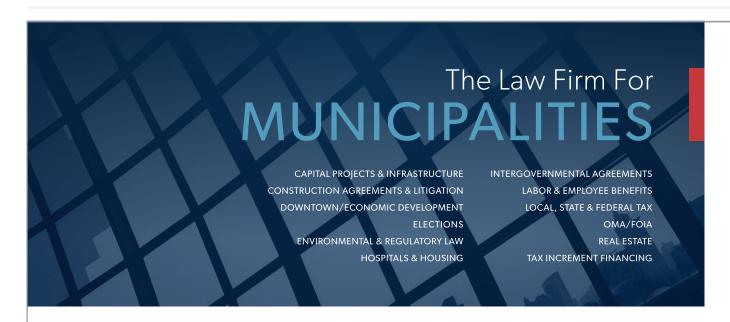
Tracking technology can also provide information on idle time, as well as hard braking and excessive acceleration alerts. Additionally, it provides diagnostic messages to identify potential mechanical problems before a driver becomes aware of the problem. Networkfleet by Verizon, Geotab by Sprint, and L-3 Mobile Vision are some of the providers of this technology.

Police chiefs in these communities have witnessed a significant decrease in instances of drivers exceeding the speed limit. They've also noticed a complete change in their department's culture, more consistent safe driving, and less resistance to using the technology.

Above all, the safety of emergency personnel and the people they protect is of paramount importance. There's no point in an officer driving to an emergency at a super high speed if he crashes before he's able to help the people in distress.

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Sue Jeffers is a legal consultant to the League. You may contact her at sjeffers@mml.org.

## Unconstitutional Dog Ordinance Provides Basis for Claim of Damages Against Detroit

#### **FACTS**:

In 2004, Detroit adopted an ordinance tightening the regulation of animals within city limits. In particular, the ordinance empowered law enforcement to enter the homes and yards of pet owners if probable cause existed that the regulations had been violated. In one specific section of the ordinance, law enforcement was permitted to enter "any... real property within the City for the purpose of capturing, collecting, or restraining any animal," whether they had a warrant or not. § 6-1-2(e).

Law enforcement officers of Detroit Animal Control, an agency of the city, seized 23 dogs as a result of a variety of incidents, including attacks on people, dogs menacing a neighborhood, neglected dogs, and unlicensed dogs. The situations involving the seizures varied: several dogs were seized on public property, several dogs were voluntarily turned over to law enforcement, and several dogs were seized pursuant to a lawful eviction. Several dogs were also seized by law enforcement who entered the owner's yard when the owner was absent. All of the dog owners sued 1) to enjoin enforcement of § 6-1-2(e) because it authorized warrantless searches and seizures of their property, and 2) for damages for violations, in part, of their Fourth Amendment right to be free from unreasonable searches and seizures.

The federal district court enjoined enforcement of § 6-1-2(e) on the grounds that it was unconstitutional. The city did not appeal that ruling. The district court dismissed, however, the claim for damages on the basis that the dog owners did not show violations of their Fourth Amendment right to be free from unreasonable searches and seizures. The dog owners appealed that ruling.

#### **OUESTION:**

With respect to their claim for damages, did the dog owners show that they suffered a constitutional violation and that a municipal policy or custom directly caused the violation?

#### **ANSWER:**

The Sixth Circuit answered "yes" as to some dog owners and "no" as to the remainder. The Court reviewed the grounds for prevailing on a § 1983 claim for damages against a local government as established by the United States Supreme Court in Monell v Dep't of Social Services.

In order to prevail, the Court noted that the dog owners must show that they suffered a constitutional violation and that a municipal policy or custom directly caused the violation. The Court held that § 6-1-2(e) of the ordinance satisfied the "policy or custom" requirement of Monell. Nonetheless, even though the ordinance section was ruled unconstitutional, in order to establish a claim for damages, each of the dog owners had to establish that the ordinance "directly caused the violation" of his or her constitutional rights. The Court held that only as to those dog owners' claims for which law enforcement illegally entered onto their property and seized their dogs was a claim for damages established. The claims of the dog owners whose dogs were seized on public property or were voluntarily turned over to law enforcement were dismissed.

Hardrick v City of Detroit, Nos. 16-2704/17-2077 (November 22, 2017)

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- **B. CRIMINAL DEFENSE**
- C. BANKRUPTCY
- D. NONE OF THE ABOVE

#### **ANSWER:**

#### D. NONE OF THE ABOVE



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## New Economy Needs Vibrant Cities

By Rick Haglund

"Communities are in a race to create places with the right conditions—high quality of life, improved amenities, even community values—that nurture, attract, retain and connect talent."



ichigan's recovery from its "lost decade," a severe economic crisis that almost wiped out the state's signature auto industry and destroyed about 800,000 jobs, has been impressive. Or has it?

Many of the numbers show that Michigan has roared back from near economic oblivion. The state has added more than 500,000 jobs since 2010. Gross domestic product, a measure of the state's economic output, is up by more than \$83 billion in the same period. Per capita income has risen by more than \$10,000 since the bottom of the Great Recession.

But those gains came off a frighteningly low base. And during this period of recovery, Michigan barely improved its position against other competing states in a number of measures. A recent Business Leaders for Michigan report found that despite the state's progress over the past decade, Michigan still only ranks 31st in per capita income and 33<sup>rd</sup> in per capita GDP. The state's jobless rate ranked 39th in January. And these low rankings come at a time when Michigan's auto industry is at its peak.

#### **Optimizing for Today's Knowledge-Based Economy**

A recent study suggests the problem is that Michigan is slipping behind other states in transitioning to a new, knowledge-based economy and failing to recognize the critical role cities play in that new economy.

Many of Michigan's cities were designed for an industrial age that no longer exists, said John Austin, co-author of "Jobs, Michigan & Leadership in the Economy of Tomorrow." Austin is president of the Michigan Economic Center, which produced the report, and is a nonresident senior fellow at the Brookings Institution.

"Our cities are factories surrounded by sprawl," he told me. "They need to be re-engineered for mixed use and higher density. It's a huge piece of work." Cities like Boston, Denver, Minneapolis, and Seattle are attracting residents and economic development with parks, transit, and a commitment to environmental sustainability.

"Communities are in a race to create places with the right conditions—high quality of life, improved amenities, even community values—that nurture, attract, retain and connect talent," Austin's report said. "These elements, much more so than overall tax burdens and traditional business climate issues, are today the most important factors driving economic development."

Michigan's industrial cities that were built around the automobile need to make investments in transit, clean industries, and amenities that appeal to today's workers, according to the report. It's a tall order for places like Battle Creek, Detroit, Flint, Jackson, Muskegon, Saginaw, and many other older communities that also must clean up decades of industrial contamination while providing services to their residents.

#### Municipal Finance Column

But Austin offers a number of ideas that could help Michigan cities become more attractive and compete for talent. He points to the state's world-class architectural and design resources in its universities and specialty schools, such as the College for Creative Studies in Detroit and the Cranbrook Academy of Art in Bloomfield Hills, that have been "largely untapped." Their expertise can "be put to work more purposefully to lead in the redesign of community form for a new era."

Smaller cities and towns can become more attractive by sprucing up historic downtowns and taking better advantage of natural resources, such as rivers and lakes, and agricultural land that can be supplemented by new activities. Austin points to Huron County in Michigan's Thumb, which has become a center of wind energy. "Why does Huron County have higher incomes than some other small places? It's the wind farms," Austin said. "People can stay on their farms because of the revenue they're getting from wind farms on their land."

#### **Developing All Aspects of the Economy**

For years, Austin's Michigan Economic Center has been urging the state's policymakers to embrace what he calls the "blue economy," increasingly utilizing its abundant water resources for recreation, research, and technologies that treat, filter, and conserve fresh water. Michigan can create thousands of new jobs and billions of dollars in new economic activity from this sector, according to Austin's study.

Many cities already are benefiting from their proximity to the Great Lakes and other bodies of water. Austin's study points to Port Huron's "Blue-Meets-Green" initiative that is reconnecting the community to its historic waterfront. And Detroit has cleaned up much of its riverfront, which was once dotted with dirty factories, and turned it into a scenic walkway with events and activities.

Perhaps the best example of a Michigan community that is making a successful transition to a new economy is Grand Rapids, Austin says. Once derisively known as "Bland Vapids," the city's former boring downtown is teeming with craft breweries, health care centers, higher education, entertainment venues, and thousands of young, talented workers.

"There it is the business community leading the way—forging community goals for reducing energy use, water use, and carbon emissions, while increasing public transportation and providing new transportation options—and Grand Rapids as a community is reaping the real economic and reputational benefits from its new profile," Austin's report said.

Goal setting is crucial in creating an innovative, sustainable economy, he said. "Grand Rapids has a well-organized business and political leadership," Austin said. "(Former Mayor) George Heartwell was a leader in building an equitable and sustainable community. If Grand Rapids can set targets (for a clean economy and achieve them) it shows that Michigan communities can be leaders in creating a sustainable economy."

#### **Encouraging State Investment**

State government also must play a crucial role in helping communities become more vibrant by investing in infrastructure, including transit and broadband access for rural areas, and allowing cities to better support themselves financially.

One idea, which would surely be controversial in the state capitol, is to allow cities to keep more of their tax revenue, rather than send it to Lansing to be redistributed, Austin said. One way that could happen is to enact a regional income tax that would replace a portion of local property taxes that go to the state. "Let's stop sending our dollars that we need for basic services to Lansing and spend it here," he said.

But the biggest hurdle in creating vibrant, sustainable communities is getting over the idea that we can recreate the past. "The powerful part of what communities need to do is sending a new message about who we are, and not lamenting the demise of our factories and past industrial leadership," Austin said.

Rick Haglund is a freelance writer. You may contact him at 248.761.4594 or haglund.rick@gmail.com.

## One Canoe, Many Paddles

#### How Grayling is Making Waves in Northern Michigan

By Rae Gosling



n the years leading up to 2012, Grayling experienced economic and property decay, a dwindling population, and scandal. Then, a determined bunch of champions changed the tide. After 5 years, and countless broken paddles, the rising tide has lifted Grayling to new heights.

#### 35 Sleepy Years

After the Bear Archery Factory closed in 1978, many believed Grayling would simply drift out of existence. The loss of one of the largest regional employers, with approximately 400 employees, certainly had the potential to be a lethal blow. For the next 35 years, the Crawford County seat could best be described as sleepy and unremarkable. There were few entertainment options, little was being done to draw visitors, and community involvement was low.

#### **One Canoe**

Grayling's revival story picks up speed in 2012. A band of merry, and a little looney, artists descended upon Downtown Grayling to bring art and retail back to the city. They realized they could never be successful without a stronger retail presence and an economic development strategy for the community. The artists of the AuSable Artisan Village applied to have Grayling considered as Michigan's next Main Street Community. They began promoting Grayling as "One Canoe" in need of "many paddles" to garner the financial and volunteer support needed to advance in the Main Street program.

Grayling Main Street (GMSt), was incorporated into the Grayling Downtown Development Authority (DDA) in 2014, when Michigan Main Street Center (MMS) awarded Grayling the distinction of a Select Level Community. Today, the board is collectively referred to as the Grayling DDA/Main Street Board, and they handle issues concerning both, the larger DDA district, and the nine blocks of Downtown Grayling's Main Street district.

#### Northern Field Report



The Main Street approach provided Grayling with a foundation for economic growth and historic preservation. Having a tried and true structure that was easily customized to our community's needs, and dedicated assistance from MMS and the National Main Street Center, made an incredible impact on Downtown Grayling.

In the first 3 years, the program reported 12 new businesses, nearly \$3 million in private investment, 16 façade improvements, and over 7,000 volunteer hours. These numbers indicate an increased confidence in investment in the community, and a dedication from stakeholders not seen in many years.

As a Main Street community, the city has leveraged resources from MMS including free facade design services from a certified architect for eight downtown businesses; visioning and strategy development services for the program and downtown; business assistance trainings; and brand development and implementation services for Downtown Grayling, GMSt, and the City of Grayling. We've also received preferential points on grant and loan application for various entities throughout the community.

#### **Project Rising Tide**

In 2016, Grayling's potential was recognized by state officials from the Talent and Economic Development (TED) team, and they were invited to be Region 3's first Rising Tide Community. The Project Rising Tide (PRT) Initiative further enhanced Grayling's drive to chase away the dark cloud that had been looming over it for almost 40 years.

PRT was originally pitched as a nine-month engagement with a dedicated team of staffers and consultants. During that time, Grayling also joined the Redevelopment Ready Communities® (RRC) program and used the resources of the TED team to get on track for RRC Certification and create the framework for

a sustainable economy.

In February of this year, Grayling graduated from the PRT program, as did three other communities from the inaugural cohort. Yes, that is more than nine months, but building a plane in flight is hard, even with the best pilots behind the controls. Governor Snyder and representatives from the TED team congratulated the capped-and-gowned steering committee, and community stakeholders, for their hard work and dedication to improve Grayling.

PRT influenced Grayling in ways that were unexpected. The most prevalent was creating a level of collaborative spirit not seen in generations. The PRT Steering Committee had representatives from seven local agencies and volunteers from across the entire community. Another unexpected benefit was grant funding made available to implement a community project. Grayling chose to move forward with a long-requested public canoe launch. Today, the project is in the final stages of public comment before the funds are released.

Throughout the PRT engagement period, Grayling made more anticipated, but nonetheless incredible strides toward development and long-term sustainability. Utilizing the RRC guidelines, the city ordinances were updated, permitting procedures were streamlined, and an informational marketing packet was developed. These accomplishments opened doors for Grayling's growth.

Building on those improvements, the steering and volunteer committees worked to coordinate a housing summit, where they shared market data and properties with 54 attendees. They're planning to host a second housing event this spring. Additionally, a local environmental services firm aided city staff in reactivating the county Brownfield Authority (BRA). The reactivation has resulted in one grant and loan application to the Department of Environmental Quality being awarded, and a second larger grant application is presently being vetted. These two projects have the potential of realizing more than \$5 million in investment in the City of Grayling. Another notable outcome of PRT-driven work is the proposal of a community center, and the progress made to increase the amenities available in Grayling.

These are only a few of the ways Grayling has benefitted from dedicated economic development efforts supported by the state of Michigan. Programming like Michigan Main Street, Project Rising Tide, and Redevelopment Ready Communities® provides communities with the resources they need to help build sustainable economic frameworks.

Rae Gosling is the Grayling Main Street Program Director. You may contact her at 989.390.7689 or DowntownGrayling@gmail.com.

#### THE LAB REPORT

Ideas, initiatives, and activities from the League's Civic Innovation Labs

# Michigan Green Communities Challenge

By Jamie Kidwell-Brix





or nearly ten years, communities across the state of Michigan have challenged themselves to make greater progress towards sustainability. The year 2009 marked the first time that communities participated in the Michigan Green Communities (MGC) Challenge, an annual benchmarking tool for communities to measure sustainability progress. The time to compete in the Challenge is upon us again, and communities are gearing up to complete the 2018 MGC Challenge.

The MGC Challenge is a partnership of the Michigan Municipal League, Michigan Association of Counties, and Michigan Townships Association. In 2016, MGC, with support from the C.S. Mott Foundation, revised and relaunched the MGC Challenge based on input from communities around the state. Participation is free and open to any local government in Michigan. The MGC Challenge is the only statewide tool in Michigan that helps communities track sustainability progress and share sustainability successes.

### What Are Communities Up to and How Does the MGC Challenge Help?

The MGC Challenge is a roadmap to help drive sustainability initiatives within communities. Whether a community is just getting started or has already taken several steps towards sustainability, the Challenge helps track progress and identifies areas for improvement.

Over the years, participants in the Challenge have been a driving force in taking sustainability to the next level in the state. In 2017 alone, MGC network members completed over 350 actions and reported over 200 metrics to make communities more sustainable. These communities embarked on new plans, invested in green infrastructure, benchmarked energy use, launched new composting and recycling partnerships, and incorporated sustainability into plans and capital improvements planning processes.

The City of Dearborn is hard at work tackling its 2030 Dearborn Master plan, which weaves sustainability throughout the plan. Dave Norwood, sustainability coordinator for the city, values the Challenge as a tool to gauge project success. "Dearborn has participated in the MGC Challenge for several years. Through our participation, the city is able to track progress towards our sustainability goals, and identify areas for future projects. Sustainability is integrated into the Dearborn 2030 Master Plan, and the Challenge is a useful tool to benchmark our successes," states Norwood. With the







2030 Master Plan underway, and a new bike share program launched in 2017, the city is taking big and small steps to take sustainability to the next level.

Farther north, the City of Traverse City, a first-time participant of the MGC Challenge in 2017, is gearing up to take the Challenge for a second time in 2018. For a first-time participant, Traverse City hit the ground running. The city adopted a resolution committing to use 100 percent renewable energy for municipal electricity use, and established a green team made up of public, nonprofit, and private stakeholder authorities. Fueled by winning a prize for new participants in the 2017 Challenge, Traverse City started a series of lighting upgrades at the city's Clinch Marina facilities.

The Village of Milford, a multi-year participant in the Challenge, began work to plant a riparian buffer along the Huron River in Central Park. Village Manager Christian Wuerth shared that the goal of the project is to help control runoff and bank erosion, beautify the park, and enhance a habitat for native birds, insects, and animals. The project was partially funded by a grant from the Wildflower Association of Michigan. A second planting project is scheduled for the summer of 2018 to expand the project and further diversify the species of plants in this heavily used park in the heart of Downtown Milford.

Muskegon County was awarded the most improved community in 2017. They made the most improvements from the previous year with an internal Muskegon County Sustainability Plan championing sustainability efforts.

#### How to Get Started with the 2018 Challenge

Jealous of the good work of the 2017 participants? Make sure that your community completes the 2018 Challenge. Challenge participants earn a logo to display on their website and in print materials, will be publicized at the 2018 MML Convention in September and on the MGC website, and will be included in a press release. In addition to all the shouting of good work from the rooftops, 2018 participants are also eligible for prizes. Stay tuned for details!

Getting your community started with the MGC Challenge is simple. Visit http://migreencommunities.com/challenge/ and create an account for your community.

After registering, you'll have access to an online form where you can complete the Challenge action items checklist, indicating which projects and initiatives are underway in your community and Challenge reporting metrics. Edits and changes to the form can be made at any time, as long as all final changes are submitted before the 2018 Challenge deadline. There is no cost to participate and the deadline is May 31, 2018.

Sign up today and take the first step to becoming a more sustainable community. If your community has not participated in the Challenge before, seeking bronze-level certification is a great place to start. The MGC Challenge is divided into two sections—Section 1: Challenge Action Items and Section 2: Reporting Metrics. To achieve bronze-level certification, communities only need to complete Section 1 and do not need to submit any reporting metrics.

#### **Certification Levels**

**Bronze** 



• Complete 6 of 12 bronze action items

Silver



- Complete 6 of 12 bronze and 6 of 12 silver action items
- Complete 10 of 22 reporting metrics

Gold



- Complete 6 of 12 bronze, 6 of 12 silver, and 6 of 12 gold action items
- Complete 15 of 22 reporting metrics
- Complete one of the following: participate on the MGC Steering Committee, serve on an MGC resource team, or complete an MGC case study

The benefits to participating in the MGC Challenge go beyond recognition and prize money, however. An active network of MGC member communities regularly share their successes and challenges, and network participants find this peer learning to be incredibly valuable. How does the network work? Communities share their experiences over conference calls, webinars, and in-person meetings. Participants in the MGC Challenge may attend the annual MGC Conference at no cost.

Learn more about the Michigan Green Communities

Challenge at http://migreencommunities.com/challenge/.

Jamie Kidwell-Brix is the MGC network coordinator. You may contact her at 734.249.8055 or migreencommunities@gmail.com.







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#### MAXIMIZE YOUR **MEMBERSHIP**



#### By John C. Schrier

- he right to criticize government is also an obligation to know what you are talking about," wrote Lent Upson, the first executive director of Citizens Research Council. Upson's admonishment is equally applicable to the electorate, elected state and national officials, Michigan's city and village officials, and the attorneys that advise them. Because of that need, the Michigan Association of Municipal Attorneys' (MAMA) principal purposes are to:
  - Strengthen the quality of legal representation of municipal corporations through continuing education and the publication of newsletters and other works of interest in the field of municipal law;
  - 2. Be an educational and research organization for the benefit of corporate counsel representing Michigan cities and villages which are members of MML; and
  - Provide corporate counsel representing public entities the opportunity to exchange ideas, to consult with one another, and to meet with persons in or associated with public corporation law.

MAMA takes this responsibility seriously and endeavors to provide timely and exceptional educational opportunities to its members.

#### Who Can Join MAMA?

As an affiliate association of the Michigan State Bar and a Section of the Michigan Municipal League, MAMA prides itself on its history and origin. Consistent with its purpose, membership in MAMA is limited. Every city and village attorney, and their deputies and assistants, are eligible for membership. Attorneys with a demonstrable and principal portion of their employment in municipal law may apply to become an associate member. While MAMA does not want to be viewed as a clique, it does want to ensure that MAMA members can communicate openly and freely. While there is a nominal membership fee, the annual fee of \$60 should not dissuade anyone from joining.

#### What Does MAMA Offer?

To fulfill MAMA's educational priority, MAMA offers a variety of educational opportunities and methods to stay informed:

- Seminars—MAMA, through its Education
   Committee, offers three seminars every year.
   The Mid-Winter Conference is held each March immediately prior to the Michigan Municipal League
   Capital Conference. During the summer, usually in June, MAMA and the Government Law Section
   (formerly Public Law Section) hold a joint seminar.
   MAMA's Annual Meeting is held in the fall, usually near the dates and location of the Michigan Municipal League's Convention. In addition, MAMA hosts an
   Upper Peninsula seminar, which this year will be held jointly with the Michigan Townships Association on
   July 31 in Harris, Michigan.
- Legal Briefs—MAMA, through its Publications
   Committee and the excellent assistance of the MML
   staff, publishes Legal Briefs. This quarterly publication
   provides a summary of recent federal and state court
   opinions and articles of timely importance. Legal Briefs
   is emailed to all members. The Publication Committee
   is always looking for timely articles, so if you have
   an idea or wish to write an article, please let the
   Education Committee know.
- White Papers—The Board of MAMA has authorized a number of white papers and lengthy publications over the years. For instance, MAMA and the MML published Local Government Law and Practice in Michigan, a 19-chapter treatise on local government law, in 2005 and Michigan Local Government Ethics in 2012. Both were intended to be used by anyone interested in municipal law. More recently, the Michigan Municipal League Legal Defense Fund authorized the preparation of Medical Marihuana Facilities—Opt In/Opt Out, which was authored by MAMA member and Director Thomas Schultz. Coming soon is a publication compiling federal and state statutory cites allowing municipalities to exempt certain information from disclosure.



MAMA has and will continue to review and offer other seminar and webinar opportunities throughout the year as topics arise.

While anyone can attend a MAMA seminar, Legal Briefs and White Papers are forwarded to MAMA members immediately upon release. In addition, and perhaps most importantly, MAMA members have access to its Listserv. The Listserv provides a means to share ideas, concepts, and conclusions with other municipal attorneys concerning critical and time-sensitive issues. It also offers an opportunity for feedback without being concerned that the information will be viewed by non-MAMA members. But beyond providing education opportunities for MAMA members and interested individuals, MAMA is proud to assist the MML and its staff in several important areas. MAMA's Legislative Committee acts as a resource for MML's State & Federal Affairs staff in reviewing proposed

legislation and legislative opportunities. The Committee's role is to support the League's legislative goals. Also, the MAMA Board of Directors, with the addition of the MML president and executive director, act as the Board of the Legal Defense Fund. The Legal Defense Fund provides monies for amici curiae briefs in appellate cases of state-wide importance. The Board takes its responsibility seriously and endeavors to assist and protect cities and villages in pending litigation.

We look forward to seeing you at a future event.



John C. Schrier is an attorney with Parmenter Law, Muskegon city attorney, president of the MAMA Board of Directors, and chair of the Michigan Municipal League Legal Defense Fund. You may contact him at 231.722.5401 or John@parmenterlaw.com.







#### Municipal Q&A

Q: . I've heard conflicting answers on whether the notice for a special meeting has to contain the subject matter of the special meeting. Also, if the subject matter has to be posted, can other topics be discussed in addition to what is posted as the subject of the meeting?

A. You may have heard from a township official that only the topic/subject matter stated in the notice of the special meeting can be discussed at the special meeting. Township law says this—but cities and villages don't follow township law. The requirements for a special meeting notice may be in your charter if you are a home rule city or home rule village, or in council rules of procedure in any type of city or village. For instance, some city charters say, "only the subject matter of the notice may be discussed." But not all city charters have this provision. Neither the General Law Village Act (which serves as the charter in general law villages) or the Fourth Class City Act cover special meeting requirements other than who can call a special meeting.

#### General Law Village Act

The president or three members of the council may appoint special meetings. (MCL 65.4).

#### Fourth Class City Act

The president or three members of the council may appoint special meetings. (MCL 65.4).

A vote of the council shall not be reconsidered or rescinded at a special meeting, unless there are present as many aldermen as were present when that vote was taken. (MCL 88.7(3)).

#### New

League Medical Marihuana Report

Aims to Help Communities Choose



**AVAILABLE AT:** mml.org/resources/information/i-med-marihuana.html

Here is a sample charter provision on a specific city's special meeting rules:

A special meeting shall be called by the clerk upon the written request of the mayor or any two members of the council on at least 24 hours written notice to each member of the council served personally or left at the councilmember's usual place of residence. Such special meetings may be held on shorter notice if all members of the council do, in writing, consent thereto. No official action shall be transacted at any special meeting of the council unless the item has been stated in the notice of such meeting.

Q. What are the notice requirements for a budget public hearing? Also, what is a 'Truth in Taxation' hearing?

A. The requirements for a budget public hearing are found in PA 43 of 1963 (2nd Ex. Sess.) Budget Hearings of Local Governments:

"A local unit shall hold a public hearing on its proposed budget. The local unit shall give notice of the hearing by publication in a newspaper of general circulation within the local unit at least 6 days before the hearing. The notice shall include the time and place of the hearing and shall state the place where a copy of the budget is available for public inspection. The notice shall also include the following statement printed in 11-point boldfaced type: 'The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing."

A 'Truth in Taxation' hearing must be held if you intend to raise the millage rate. Notice may be published alone or included in the budget public hearing notice. The League has a sample budget public hearing notice and a sample 'Truth in Taxation' hearing notice.

Q. Council is thinking about changing our fiscal year from calendar year to a July 1-June 30 fiscal year. What do other cities do?

A. City fiscal years range from April-March (10); August-July (1); December-November (5); January-December (22); July-June (222); June-May (2); May-April (8); October-September (5); set by Resolution (1).

General law villages have a March-April fiscal year unless they change it by ordinance (MCL 69.7a).

Fourth class cities have a March-April fiscal year, or when the council has decided to have the taxes collected in 2 installments, the fiscal year shall be October-September of each year. (MCL 110.1).

The League's Information Service provides member officials with answers to questions on a vast array of municipal topics.

Call 1.800.653.2483 or email info@mml.org or inquiry@mml.org.



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