

**Agenda**  
**Manchester Citizen Advisory Committee**  
**Tuesday- June 18, 2019**  
**7:00 pm**

1. Call Meeting to Order
2. Pledge of Allegiance
3. Approval of Agenda
4. Approval of Minutes
5. Public Participation
6. Reports
  - a. Administration
  - b. Chair
  - c. Finance Committee
7. Old Business
8. New Business
  - a. FAQ Review
  - b. Report Review
9. Adjourn

**Manchester Village Citizens Advisory Committee**  
**Regular Meeting**  
**Tuesday, June 4, 2019**  
**Unapproved Minutes**

**1. CALL MEETING TO ORDER**

Chair, Jim Keller, called the meeting to order at 7:00 p.m.

**MEMBERS PRESENT:** Scott Dunsmore, Pat Fielder, Rick Finger, Leslie Kiesel, Denise Collins, Carol LaRock, Herb Mahony, Jack Gould, Jim Keller

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Gene DeRossett, Ron Milkey, Ron Mann, Lisa Moutinho, John Seefeld, Laurie Carey, Danell Proctor, Carl Macomber, Margene Dunsmore, Sara Swanson, Susan Gleason, Chelsea, Mikel, Marin Way and George Daubner.

**2. PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF AGENDA-** A motion was made by Dunsmore to approve, Kiesel seconded. Motion passed.

**4. APPROVAL OF AGENDA CHANGE-** A motion was made by Mahony to approve switching New Business with Reports, Dunsmore seconded. Motion passed.

**5. APPROVAL OF MINUTES-** A motion was made by LaRock to approve, Mahony seconded. Motion passed.

**6. PUBLIC PARTICIPATION-**

- a. Marty Way – Village Council, feels it's time to move forward as a city. Says it feels like we are paying rent in the Township.
- b. Chelsea Michael – Sharon Township Clerk, interested in educating on how any changes might affect their township.

**7. NEW BUSINESS- Manchester Township Trustee Input**

- a. Gene DeRossett – Talks through reasons why he likes living in Manchester: schools, affordable housing, taxes. He also talks through spending from the township to the village, such as upkeep of Oak Grove and Reynolds cemetery (\$30,000), road maintenance – Buss Road improvements (\$63,000), culvert repairs (\$150,000) and Watkins Lake State Park connection and trailhead (500 acres in Manchester Township). DeRossett covers new permits and new construction with Village and Township and then goes on to mention the contract for tax assessment is \$52,000/year, then goes on to talk about elections and (215 calls to date this year to MTFD). MTFD also contracts with Clinton and Sand Lake, DeRossett goes on to cover the four different options for what fire services might look like in the case of cityhood.
- b. DeRossett speaks to an April fire report given to him by the Chief: 27% Manchester Village, 23% Freedom Twp. 16%, Bridgewater Twp. 14% Manchester Twp, 11% Sharon Twp. and four calls for mutual aid. DeRossett believes MTFD will need 2 full time fire personnel in the near future during the day. He also believes fire will need a new building sometime in the future.
- c. DeRossett goes through commenting on issues that have been brought up in past Citizens Advisory Committee meetings to share his thoughts on what the pros and cons and states a few things that would change if the Village were to become a City, such as there may no longer be a joint planning commission; yet some things would stay the same, like the library and generally the community. DeRossett goes on to say that he supports the relationship between the township and village regardless of decision.
- d. Moutinho speaks about her struggle with Village leadership not collaborating more with the Township on this issue and believes it's becoming adversarial.
- e. Laurie Carey, Manchester Township Treasurer, shares concerns and issues about the potential change to a city. Her question is why now, what is driving this decision to look into making this change? She believes working together is the best path and brings up the questions around what will happen with the fire service? Carey brings up a financial cost to moving forward on a decision such as this and whether that is a good use of money.
- f. Ron Milkey, Township Trustee, talks about Manchester as a community and its strong history. Milkey

speaks to millage dollars that come back to Manchester from the Township, states the Township improves their roads for the betterment of all in the surrounding area.

- g. Ron Mann, Manchester Township Trustee, speaks to the boundaries that already exist everywhere but echoes the sentiment that we are one community regardless of boundaries. Says that the money village residents pay for roads is a wash for "extra services" the village receives from Manchester Township Fire Department. Mann believes the biggest impact will be the Township offices having to move outside of Village limits.
- h. Carol LaRock comments that, though the word wedge has been mentioned a few times, that the purpose of a cityhood inquiry is not meant to cause a wedge.
- i. Rick Finger asks if there is a numerical projection from a Township perspective on what the financial loss would be. DeRossett says they will be talking more about it during the budget process in the coming weeks. Ron Mann says millage loss from Village income would be about a 1/3 of their budget or \$200,000. Finger asks what the everyday impact would be, and Mann says potentially salaries of elected officials or cutting back of office hours.
- j. Scott Dunsmore comments to Lisa Moutinho regarding feeling left out of communications about this process to clarify that Committee has been forward about the charge that was given, and she agreed.
- k. Herb Mahoney comments on what's been mentioned as negative affects to the community and asks specifically what those negatives entail?
- l. Carol LaRock also asks about how this decision may impact Sharon Township, since this has been brought up in the past. Chelsea Michael speaks, as a political official and resident, to the potential of annexation of property, which is possible but also states she realizes this has not been brought up as an issue.
- m. Ron Milkey asks, doesn't a city have the ability to annex property easier than a Village? Jeff Wallace answers how that process works as both a village and city.
- n. Herb Mahoney speaks to his personal opinion as to why this is a good time for the Village to consider cityhood. He believes that it's important for both village and township residents have different needs and should have their local government advocate for them.
- o. Jack Gould asks Ron Mann if he can project what a contract would look like for comparison purposes. Mann says he will work on a projection based on runs, SEVs and population.
- p. Marty Way, Council Member comments on not feeling like an equal party in the process of working with township.

## **7. REPORTS-**

- a. Administration – Gould comments on changing a sentence in #17 of FAQ. Herb notes we should move to make the revised FAQ public, but it's decided work needs to be done on #15 and #17.
- b. Chair – Keller talks about the report's current status. He states there will be a draft ready for the next meeting minus a recommendation for the Committee to review. He also talks about the need for a few more meetings beyond what is scheduled and asks for the Committee's availability.
- c. Finance Committee – None

## **8. OLD BUSINESS- None**

- 9. ADJOURN** - A motion to adjourn was made by Finger, seconded by Mahoney. Motion passed. Meeting adjourned at 8:52 pm.

Respectfully submitted,

Leslie Kiesel

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*Committee Charge: Gather, analyze and present objective facts and a recommendation in an advisory report to the Village Council regarding incorporation as a home rule city.*

## **FREQUENTLY ASKED QUESTIONS**

**June 18, 2019**

### **1. Why is the village looking to change to a city?**

The Village of Manchester has considered becoming a city at different times over the years, dating as far back as the 1970s. In Michigan, cities have more autonomy than villages due to their municipal structure, which means villages and townships are tied together in certain decision making even if it's not beneficial for both village and township residents. Plus, in certain areas, such as tax collection, there are two layers of government as opposed to one, adding an extra layer that may not be necessary. Reflecting on the needs and interests of village residents and whether the current duplicative government structure serves the community and its future in the best way possible is what led to the exploration of becoming a city. At this stage, it's an exploratory process and no decision has been made on whether to pursue such an endeavor. The Village Council has appointed a Citizens Advisory Committee to investigate the process, review the pros and cons from similar communities that have completed cityhood initiatives and give feedback on how this will impact the village and the surrounding communities. The committee will deliver its findings in a report to Village Council once complete.

### **2. How is a city different from a village?**

City status results in less duplicative government than a village. A city is considered a primary local unit of government by the state while a village is a subunit of the township. A village is not considered a primary local unit of government by the state as it does not assess or collect taxes (except its own village tax) and it does not conduct county, state and national elections.<sup>1</sup>

A city assumes the legally required duties of primary local units of government: 1. Assessing property 2. Collecting taxes for the county and schools 3. Conducting county, state and national elections. A city also provides local public services such as fire/police protection, water supply, sewage disposal, zoning, etc.<sup>2</sup>

### **3. What are the disadvantages of going from a village status to a city status?**

City residents would not be able to run for elected office in Manchester Township or vote in Township elections since they would not be residents of the Township.

### **4. What are the advantages of going from a village status to a city status?**

Under city status, residents could see a reduction in annual property taxes, would have sole control over decisions made that affect city residents and would remove the duplicative government structure that currently exists.

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<sup>1</sup> Michigan Municipal League, Municipal Report, *Impact of Changing from a Village to a City*, Updated January 2019

<sup>2</sup> Ibid.

Additionally, other communities that have been through the process have noted economic advantages in directly accessing grants and other funding sources.

**5. Will village residents vote on this?** Yes, the process includes several formal/regulated decision points for village resident registered voters: a. Petition process – once petition language is approved by the State Boundary Commission and Public Hearings and comments are concluded, the petition must be signed by 20% of village voters within 45 days asking for an election on the issue b. An election is then held for members of the Charter Commission c. An election is then held on the new proposed Charter. The results of that election determine if the Village becomes a City.<sup>3</sup>

Also please see Exhibit A *Timeline for Incorporation as a Home Rule City*.

**6. Would this change affect my property taxes?**

The change would be that village property owners would no longer pay township taxes. The city would, however, need to contract for fire protection that is currently provided by Manchester Township via township property taxes. A new city tax to fund this contract would be necessary and likely similar in amount to the current Manchester Township fire millage.

**7. How would the city pay for providing the required duties in #2 above?**

The village is currently providing many of these functions, either directly (water supply, sewage disposal, zoning), through contract (police protection) or through taxes to the township (fire protection).

Collecting county and school taxes (pass through to these entities) would utilize existing village operations

The assessment costs would be additional and would probably be contracted.

The additional costs associated with conducting county, state and national elections would be procuring voting equipment, training the clerk, staffing the polling station and publication of notices.

No additional village staff would be required in providing these functions. Expenses for the additional work would be offset by the property tax administration fees currently collected by the township.

**8. Would the village still provide fire protection as a city?**

Residents will continue to have fire protection services regardless of whether the community is a village or a city. If the Village of Manchester is incorporated as a city, officials would negotiate a contract for fire protection services. Manchester Township has agreed to the idea of a negotiated contract or agreement. The taxes paid for fire protection would switch from township tax collection to city tax collection.

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<sup>3</sup> Transition to Cityhood/March 18,2011/Don Beavers/Michigan Municipal League

**9. How would the ownership of fire protection-related assets such as the Fire Hall, trucks and other equipment be determined?** This would be subject to state law and working with Manchester Township.

**10. Would the village still provide police protection as a city?** Yes. Manchester, as a village or city, would continue to contract with the Washtenaw County Sheriff Department for police coverage.

**11. Would the village limits change?** The village would propose keeping its current boundaries. The State Boundary Commission may initiate a change as part of its mandatory review.

**12. Can we still be called a village?** Yes

**13. Would this affect current local events such as the Chicken Broil, Christmas in the Village, the Farmers Market, etc.?** No

**14. What effect will this have on the schools?** None

**15. What effect will this have on Manchester Township?** Responding to the invitation in the April 23, 2019 letter to Manchester Township Supervisor DeRossett, Township officials stated at their June 4<sup>th</sup> presentation to the CAC that they have not calculated the budgetary impact of this change. They plan to do so in the next few weeks. Accordingly they also stated that any operational impact is also yet to be determined.

**16. How long a process is this change likely to take?** The process includes multiple steps, some of which have specific time requirements. Most villages that have taken the process to cityhood status have taken 2-3 years. Please see **Exhibit A** attached to this FAQ for a full timeline from the State Boundary Commission.

**17. What is the experience of former villages that are now cities?** In general the villages that have converted to cities are pleased with the results and would do it again. There have been issues to deal with in every instance, but for the most part the outcomes have proven positive.

This change is relatively minor in the immediate impact upon residents. The autonomy of both recognized governmental units (the city and the township) allows each to pursue their interest where those interests may diverge.

**Timeline for Incorporation as a Home Rule City  
Outlined by the State Boundary Commission**

**Exhibit A**

**Part I. Petition Process**

<b>Action</b>	<b>Timeline</b>
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1. Pre-filing activities, e.g., task force, survey, public forums	
2. Prepare and submit draft petition for preview	Approximately 1-2 months
3. Circulate petition for signatures	
4. File petition with State Boundary Commission on forms provided by the Boundary Commission	
5. Determination of legal sufficiency by Boundary Commission	<p>Approximately 2-3 months after filing.</p> <p>If petition is determined to be legally sufficient then go on to 6.</p> <p>If petition is determined to not be legally sufficient, the process ends. A new petition must be filed, and the process would start over.</p>
6. Public Hearing conducted by Boundary Commission	Approximately 3-4 months after legal sufficiency meeting (only if approved as legally sufficient)
7. Submit additional public comment to Boundary Commission	During 30-day period following public hearing
8. Rebuttal Period (7day period on material received at public hearing and during 30-day period for involved parties (petitioner, twp, village, city) only	The 7-day rebuttal period is designated by SBC staff after the 30-day public comment period expires.
9. Adjudication (Commission deliberation and recommendation to Director based on docket evidence and record)	Approximately 2-3 months after rebuttal period
10. Adopt Findings of Fact document	Approximately 1-2 months after adjudication
11. Director of Department of Licensing and Regulatory Affairs Signs Order	Approximately 1-2 weeks after Findings are adopted

If the order denies the petition for the proposed incorporation, the process is ended.

If the order approves the petition to allow the proposed incorporation process to continue, and a referendum petition is filed, refer to Part II.

If the order approves the petition to allow the proposed incorporation process to continue, and a referendum petition is not filed, refer to Part III.

### Part II. Referendum

Action	Timeline
1. Circulate referendum petition form for signatures	

2. File referendum petition with the Boundary Commission	Within 45 days of the date the Order is signed by the Director
3. Boundary Commission determines legal sufficiency of referendum petition	Approximately 2 months after filing
4. Referendum election	Date set to coincide with Michigan Election Law
5. If the continuation of the incorporation proceedings are approved by referendum, then a charter must be adopted within 2 years of the date the approval order becomes effective.	

**Part III. Adoption of Charter**

<b>Action</b>	<b>Timeline</b>
1. Charter Commission candidates file nominating Petitions	In time for county clerks to prepare local ballots
2. Election of 9 charter commissioners	
3. Write a draft charter	Charter Commission must meet within 10 days of election; frame draft within 90 dyas
4. Charter review by the Governor's office	
5. Election on charter	
6. If charter does not pass, repeat steps 3, 4, and 5	
7. If charter is approved, the effective date of the new city is the date started in the charter	
8. If charter is not adopted within: a) three years or two attempts within three years after the date the approval order becomes effective; or b) if the charter commission does not reconvene within 90 days after the election at which the first proposed charter was defeated, the incorporation proceedings are ended.	

<sup>6</sup> State of Michigan, State Boundary Commission, Office of Land Survey Remonumentation, Bureau of Construction Codes/LARA.



# Village of Manchester Citizens Advisory Committee Final Report – Date 2019

Study and Recommendation of the Village of Manchester Incorporating  
and Becoming a Home Rule City

On January 7, 2019, the Manchester Village Council adopted a resolution establishing a Citizens Advisory Committee to explore the advantages and disadvantages of incorporating the Village of Manchester into a Home Rule City. The committee was tasked with recommending back to Village Council whether to proceed with becoming a City. The Committee, which was comprised of nine community members from diverse backgrounds, met eight times over a 4-month span from April 2019 to July 2019. During the meetings, the committee reviewed other city group studies, analyzed data on transition costs and tax implications, received guest speakers and held a formal meeting to hear concerns, questions and other feedback about the topic. Manchester Township was invited to present on the impacts that any change to a City government structure would have on their community. In addition, information on the process to become a city was received from The Michigan Municipal League as well as attorney Mariah Fink from regarding City status transition. The report that follows is the culmination of that effort.

## City vs. Village Structure

The State of Michigan is divided into non-incorporating **cities** and **townships**. These two units perform the majority of required duties of a local government: assessing property; collecting taxes; and conducting elections.

An area incorporated as a **village**, on the other hand, is not a primary unit of government and remains a part of the township, with the township performing the required duties and the village performing local services required by its usually denser population (water supply, sewage disposal, public safety, planning, zoning, etc.). A village continues to pay township taxes. The township continues to provide assessing services and administers all elections for the parcels and residents that remain in the village portion of the township. See Exhibit C for the basic structure of home rule cities.

In the most recently published data from the Michigan Municipal League (2016), there were 533 Cities and Villages in the State of Michigan (see table 1). Compared to other communities the size of the Village of Manchester, 2,091 residents according to 2010 SEMCOG data, 74% are cities rather than villages. The trend seems to point toward eligible Villages changing to becoming Cities based on the Michigan Municipal League documents. The chief reason that so many villages in Michigan have not become cities is that there is a minimum population threshold of 750 to be a city.

Since 2003, there have been eight successful attempts at city incorporation in Michigan, including Jonesville, Chelsea and Dexter. Conversely, there have been four unsuccessful city incorporations during the same time period, including the Villages of Holly, Bellaire and Climax and Sebawaing. In the cases of Jonesville, Chelsea and Dexter, they reported no negative repercussions from the cityhood process.

Incorporation Status for 280 Cities and 253 Villages (as of January 2016)

Population Range	Number in Range	Cities			Villages	
		Home Rule	Home Rule Fourth Class City Act	Special Charter	Home Rule	General Law
Over 50,000	23	23				
25,000-50,000	22	22				
10,000-24,999	47	46			1	
5,000-9,999	53	51			2	
2,000-4,999	111	80	2		8	21
750-1,999	140	47	0		10	82
Under 750	137	6	2	1	25	104
<b>Total</b>	<b>533</b>	<b>275</b>	<b>4</b>	<b>1</b>	<b>46</b>	<b>207</b>

Source: Michigan Municipal League, 2016

Whether a municipality chooses to become a city, or remain a village, is not dependent on a minimum population or square miles, but on the form of government that is deemed to best serve the taxpayers and residents. It is this question the committee has attempted to answer to the best of our ability after several months of research.

### Potential Advantages of City Status

1. Simplifies and streamlines government-allowing residents to deal with only one unit of government instead of two (i.e.) tax bills, tax payments, zoning and planning questions.
2. Eliminates dual taxation and results in a reduction of property taxes.
3. An Assessor and Board of Review appointed by and answerable to the city.
4. The adoption of a modern home rule charter with customizable powers and government structures.
5. Eliminates potential confusion over zoning and ordinance authority.
6. Eliminates duplicative services.

7. Permits financial flexibility and latitude to accommodate local needs for both the city and the township.
8. Cities are higher in the hierarchy of government than villages, allowing cities to have more leverage with the county and state. Specifically, legislation developed by the State is written for Cities and Townships.
9. Jointly held contracts, agreements and community events would continue as usual. There will be no effect on the Manchester Community School District.

## Potential Disadvantages of City Status

1. Residents of a City may not run for office or vote in township elections.
2. An assessor appointed by the city must be compensated by the city.
3. A Board of Review appointed by the city requires that city residents be available, willing to serve and compensated.
4. Collecting taxes for the county and schools will require additional time and expense.
5. Conducting county, state and national elections will require additional manpower and expense.

## Public Safety Considerations

### 1. Fire

Concern over the future of the fire department has been a major item of discussion. The Committee is assured that residents will continue to have fire protection services regardless of whether the community is a Village or a city. As presented by Manchester Township, there are 4 options concerning the Fire Department: (1) place the city on the same contractual basis as the townships; (2) the city takes over the Fire Department; (3) creation of a Fire Authority with the participating townships and the city; or (4) creation of a Fire Authority with the Manchester Township and the other neighboring townships would still contract). This report assumes that, if the Village of Manchester is incorporated as a city, option 1 would be utilized and the city would negotiate a contract for fire protection services. That contract would be paid for by a new city millage similar in amount to the current Township fire operating millage.

### 2. Police

There would be no change in our police protection whether we are a Village or City. We would continue to contract with the Washtenaw County Sheriff Department for police coverage. To date, the Village has contracted and paid for police coverage within the Village limits; however, the Washtenaw County Sheriffs will continue to respond to the surrounding areas for life-threatening issues.

## Estimated Transition Costs

To determine the incremental costs of becoming a city, the Committee reviewed the services the Village currently provides, in addition to the services that the Village would take on if it became a city. After careful review, it was determined that there were four main functions that

are not currently provided by the Village: property assessments; state, county, school tax collections/distribution; elections; and fire protection. See Table 1 for the estimated one-time and annual costs the Village could incur to become a city and provide these services.

**TABLE 1 (See revision)**

Increased Costs to Become a City estimated costs 3/19/2019		
	One Time Cost	Annual Expense
<b>Appraising Function</b>		
Contracted Appraiser 1214 parcels @\$20 per parcel	0	\$ 24,280.00
<b>Elections</b>		
Running Elections Annually		\$ 5,000.00
Purchase New Equipment	\$ 15,000.00	
<b>Miscellaneous: Legal, Survey, etc.</b>	\$ 50,000.00	
Annual, name change, etc.		\$ 5,000.00
<b>Total</b>	<b>\$ 65,000.00</b>	<b>\$ 34,280.00</b>
<b>Revenue</b>	Fund Balance	\$ 33,523.54
		\$ (756.46)

The annual expense of \$756.46 could be absorbed into the budget without any difficulty.

The Village of Manchester has money in Fund Balance to cover the one time costs.

## Staffing Needs

Through discussions with the Village Manager, it appears no incremental full-time personnel would be necessary to assume the tax collection/distribution and election functions. Specialized services (i.e. appraising) would be handled by professionals hired on a seasonal, part-time, or contractual basis.

## City Tax Revenue

Table 2 shows how the Village's tax revenue would be impacted by a change to a city. The increase in tax revenue is due to the new fire millage and the administrative fee that the Township had charged for collecting other unit's taxes. These administrative fees will now go to the City. The estimated tax revenue and administrative fee increase will more than pay for the additional annual expenses.

**Insert Table 2**

# Village Taxpayer Implications – Village and City Comparison

In order to understand the impact on Village resident's taxes, the Committee's Finance Committee developed a hypothetical tax scenario based on a home with a State Equalized (Taxable) Value of \$100,000 (Home Value of \$200,000). In Table 2 below, the Village tax scenario is the left column and the City scenario is the right column. The estimated tax differential, based on a home value of \$200,000, is a savings of \$73.82 annually.

**TABLE 3 (see revision)**

Village of Manchester Proposed City Tax Estimates 4/15/2019		Taxable Value of \$100,000 (Home Value of \$200,000)					
		Village Status			City Status		
Tax		Mills	Taxes	\$ Billed	Mills	Taxes	\$ Billed
Schools		6.0000	\$ 600.00		6.0000	\$ 600.00	
Washtenaw County		7.1531	715.31		7.1531	715.31	
Manchester District Library		1.0458	104.58		1.0458	104.58	
Manchester School Debt		8.5000	850.00		8.5000	850.00	
Washtenaw Community college		3.3978	339.78		3.3978	339.78	
Washtenaw Intermediate School District		5.3641	536.41		5.3641	536.41	
Manchester Township:							
	Operating	0.8939	89.39				
	Roads	0.3477	34.77				
	Fire	0.1489	14.89				
	Fire Operating	0.6500	65.00				
		<u>33.5013</u>		<u>\$ 3,350.13</u>			
1% admin fee				33.50			
subtotal				<u>\$ 3,383.63</u>			
Manchester Village:							
	Operating	13.4762	\$ 1,347.62		13.4762	\$ 1,347.62	
	Sewer Debt	0.6572	65.72		0.6572	65.72	
	Bldg. Debt	1.3065	130.65		1.3065	130.65	
	Bridge Debt	1.0365	103.65		1.0365	103.65	
	Est. Fire Contract	0.0000			1.1465	114.65	
		<u>16.4764</u>		<u>\$ 1,647.64</u>	<u>17.6229</u>		<u>\$ 4,908.37</u>
1% admin fee							49.08
Total Property Tax Billed		<u>49.9777</u>		<u>\$ 5,031.27</u>	<u>49.0837</u>		<u>\$ 4,957.46</u>
				Est. Tax Differential	\$	73.82	
Township collects							
Village collects							
City collects							

Currently, Village taxes are assessed 2.0405 mills by Manchester Township annually. If the Village becomes a City, the city would collect the Schools, County and misc. entity taxes along with the Village taxes plus an additional millage to pay for a fire contract. The City would also collect the 1% administration fee on all taxes they bill.

As a further illustration of the impact on property taxes, Table 4 below shows the implications based on taxable value brackets.

**Insert Table 4**

## Public Input

As part of the Citizen Advisory Committee process, the May 7<sup>th</sup>, 2019 regular meeting included an invitation to the community to share their thoughts about the prospect of such a change. In attendance were residents from Manchester Village, Manchester Township and Sharon Township along with local and neighboring government officials. A detail of the questions and corresponding answers can be found in Exhibit B.

Throughout the process to become a city, there will be additional opportunities for citizens to provide input and ultimately vote on city status.

## Effect on Surrounding Townships

The June 4<sup>th</sup>, 2019 Citizens Advisory Committee focused on the effect that becoming a city would have on Manchester Township. The Manchester Township Board was invited and attended this meeting. Manchester Township officials stated in a presentation to the CAC that they had not calculated the financial impact of this change. They plan to do so during their budgetary process. Accordingly, they also stated that any financial impact is yet to be determined.

In the absence of this information the following estimations may be helpful. Table 2 calculated Manchester Township's tax revenue loss. The reduction in property tax and administrative fee revenue is approximately \$153,000. It is estimated, though, by the assumed new fire protection services contract of \$2,500 and savings in a reduced assessing contract estimated here at \$9,000. The total revenue loss is then \$57,900, 13% of the Township's property tax and administrative fee revenue.

Manchester Township could also further reduce their general fund expenses. They will be able to reduce the number of election precincts as the City will hold elections for its residents. The Township will also have a reduced number of tax billings and receipts. It may be possible to achieve additional savings in conjunction with serving fewer residents.

The Committee understands that this reduction of revenues to Manchester Township will occur as a result of becoming a city. We also realize that a considerable amount of township taxes on village residents is used for the improvement of township roads and that no township taxes are allocated to the improvement of roads within the village portion of the Township or to maintenance of parks located in the village portion of the Township.

It has been noted that the Manchester Township Hall is located in the Village of Manchester and may need to be relocated. Information received from the Michigan Municipal League states that the Frankenmuth Township Hall is located within the City of Frankenmuth. The Committee

would assume that the City of Manchester could work with the Township so that they could utilize their existing hall for Township business.

Sharon Township also expressed the concern that annexation would be much easier for a city than a village and that they could possibly lose some of their tax base. Annexation procedures for a city are identical to those of a village with the exception of a hearing at a County Board of Commissioners meeting where the Township can present objections. Two additional items bear noting: 1. The trend in recent years has been toward the use of Public Act 425 Agreements where the two effected governments negotiate a mutually beneficial contract for the conditional transfer of property and sharing of tax revenue; and 2. Annexations are for the most part, initiated by the property owner, who, by definition, is a taxpayer of the Township, not the City.

## **Tax Rate Limits**

The Home Rule City Act is somewhat generous and less cumbersome with respect to the levying of taxes than the General Law Village Act. The General Law Village Act permits 12 ½ mills for the general fund, 5 mills for the street fund and 1 mill for cemetery purposes. This is a statutory limit of 18 ½ mills. The Home Rule City Act provides for the establishment of a tax rate limitation in the charter up to a maximum of 20 mills for all purposes to be allocated at the discretion of local officials. However, Michigan villages and cities may levy 3 additional mills for garbage collection and disposal services.

## **Municipal Boundaries**

When working on this report, all assumptions, calculations and recommendations are based on current Village boundaries with no proposed changes. Our recommendation that the Village boundaries that exist today be retained from the State Office of the Great Seal and used when submitting the application to the State of Michigan Boundary Commission to become a Home Rule City. It must be noted that the State Boundary Commission has the right to require changes to the proposed boundaries. The Village of Manchester owns property in the Township at the corner of Gieske and Barr Road that is not currently in the Village. We do not know how the State Boundary Commission will treat this.

## **Duplication of Services**

Currently Village residents are part of and pay for two local governments. They elect a Village Council and a Township Board. They employ and deal with two clerks and two treasurers. As a city all local affairs will be managed by a government consisting only citizens of the municipality and responsible only to them. This can also be said of the resulting and new Manchester Township citizenry.

## **Public Image**

The Village of Manchester boasts of a small-town feel and has a deep connection with its roots. The idea of Manchester becoming a City has caused some concern that we would give up that small-town feel. What we have found in our research of other communities, some neighboring, that have gone through the process is that their communities have not changed due to becoming a city. In fact, some openly wondered why they had waited so long because there were more benefits than anticipated. The cities of Dexter, Chelsea and Jonesville have noted the quaint feel of their communities has not changed.

There appears to be no legal limitation that would stop the use of the name of "The Village of Manchester" if Manchester becomes a city. The identity, character and heritage of Manchester would not change.

## **Modernization of Government**

The Village would no longer be a sub-unit of Manchester Township and would be in charge of all of its operations for residents. Becoming a Home Rule City would allow residents an opportunity to establish a modern organization through the adoption of a Home Rule City Charter. This would be developed by residents of the City elected to draft the charter together to be the most efficient government for Manchester with guidance of state laws. This would then need to be approved through an election of City residents. This would provide a more flexible governmental organization.

## **Division of Assets and Liabilities**

Should the Village continue the process to city status and ultimately complete a division of the Township assets and liabilities will need to be agreed upon. Assets such as cash, investments, fixtures, buildings and equipment as well as liabilities of outstanding bonds or other debts will be equitably divided by the State Boundary Commission based on practical considerations, discussions and the proportion the assessed valuation the city bears to the total township. Real property owned by the Township and located in the city would be held jointly and subject to the same division.

## **Process**

The process of becoming a city is a three-part process with 21 action items to complete. In its entirety, the timeframe to complete varies somewhere between three and five years, based on the expediency of different parts in the process. Additionally, residents will have the opportunity to vote as there are three elections at different points in the process as well as various public participation sessions. See Exhibit "Timeline of Incorporation" published by the State of Michigan for a detailed outline of events.

## **Conclusion**

## **Resolution**



**Timeline for Incorporation as a Home Rule City  
Outlined by the State Boundary Commission**

**Part I. Petition Process**

Action	Timeline
1. Pre-filing activities, e.g., task force survey, public forums	
2. Prepare and submit draft petition for preview	Approximately 1-2 months
3. Circulate petition for signatures	
4. File petition with State Boundary Commission on forms provided by the Boundary Commission	
5. Determination of legal sufficiency by Boundary Commission	<p>Approximately 2-3 months after filing.</p> <p>If petition is determined to be legally sufficient then go on to 6.</p> <p>If petition is determined to not be legally sufficient, the process ends. A new petition must be filed, and the process would start over.</p>
6. Public hearing conducted by Boundary Commission	Approximately 3-4 months after legal sufficiency meeting (only if approved as legally sufficient)
7. Submit additional public comment to Boundary Commission	During 30-day period following public hearing
8. Rebuttal Period (7-day period on material received at public hearing and during 30-day period for involved parties (petitioner, twp, village, city) only)	The 7-day rebuttal period is designated by SBC staff after the 30-day public comment period expires.
9. Adjudication (Commission deliberation and recommendation to Director based on docket evidence and record)	Approximately 2-3 months after rebuttal period

10. Adopt Findings of Fact document	Approximately 1-2 months after adjudication
11. Director of Department of Licensing and Regulatory Affairs Signs Order	Approximately 1-2 weeks after Findings are adopted

If the order denies the petition for the proposed incorporation, the process is ended.

If the order approves the petition to allow the proposed incorporation process to continue, and a referendum petition is filed, refer to Part II.

If the order approves the petition to allow the proposed incorporation process to continue, and a referendum petition is not filed, refer to Part III.

**Part II. Referendum**

Action	Timeline
1. Circulate referendum petition form for signatures	
2. File referendum petition with the Boundary Commission	Within 45 days of the date the Order is signed by the Director
3. Boundary Commission determines sufficiency of referendum petition	Approximately 2 months after filing
4. Referendum election	Date set to coincide with Michigan Election Law
5. If the continuation of the incorporation proceedings are approved by referendum, the charter must be adopted within 2 years of the date the approval order becomes effective.	

**Part III. Adoption of Charter**

Action	Timeline
1. Charter Commission candidates file Nominating Petitions	In time for county clerks to prepare local ballots
2. Election of 9 charter commissioners	
3. Write draft charter	Charter Commission must meet within 10 days of election; frame draft within 90 days
4. Charter review by the Governor's office	
5. Election on charter	
6. If charter does not pass, repeat steps 3, 4, and 5	
7. If charter is approved, the effective date of the new city is the date started in the charter	
8. If charter is not adopted within: a) three years or two attempts within three years after the date the approval order	

<p>becomes effective; or b) if the charter commission does not reconvene within 90 days after the election at which the first proposed charter was defeated, the incorporation proceedings are ended.</p>	
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**Exhibit B**

**Manchester Village Citizens Advisory  
Committee May 21, 2014 Public Input  
Forum**

At an open forum to public input regarding a change from Village to City status, the following comments, concerns and questions were raised from residents, business owners and neighboring township leaders:

1. How would the fire department be handled and which municipalities would control it?
2. **What is the background on why the Village is looking at potentially changing to a city?**

While this isn't the first time the Village has considered City Incorporation, the timing seems to be right for investigating the advantages vs. the disadvantages. Cities have more leverage than Villages and are able to best utilize dollars for the long-term gain for residents.

How will the committee be answering questions.

How long would it take for the process, if it did go through?

Based on the Committee's research and documentation from State Boundary Commission, the timeline for City Incorporation can take 3-5 years to complete the 14-step process.

5. **What are the advantages to becoming a city?**
6. **Taxes are high so the concern is that the switch could end up meaning more taxes. As a building owner downtown, will I have a right to vote if I don't live in the Village?**
7. **FAQ mailing should have included Township residents.**

8. Michigan Municipal League information indicates that mills for cities and villages is not the same as reported.

## Exhibit C

### Basic Structure of Home Rule Cities

One of the tasks undertaken by the Citizen Committee is to detail the basic structure of a Home Rule City. The concept of Home Rule Cities was established by the Michigan Constitution of 1908 and implemented by the enactment of the Home Rule Cities Act, Public Act 279 of 1909. The Act provides for a general grant of rights and powers. The Act grants broad powers to all cities and allows each one the flexibility and latitude to accommodate its own local needs. Becoming a Home Rule City affords the citizenry and opportunity to establish a modern governmental organization by the adoption of a Home Rule City Charter.

The predominate advantage of Home Rule is that the local citizenry can best address the needs of the community and thereby formulate a governmental organization that will best establish economic efficiency and promote the specific needs of the community.

Incorporation as a Home Rule City and the adoption of a Home Rule Charter guarantees the highest degree of self-determination and control of the community's destiny. The Home Rule Cities Act required that certain mandatory charter provisions must be provided for in a Home Rule City Charter.

The most significant mandatory charter provisions includes the following:

1. City government organization
2. Election procedure
3. Tax levies and procedures
4. Public records
5. Annual appropriation
6. Levy, collection and return of state, county and school taxes
7. Provide for peace, health and safety
8. Uniform system of account

Other permissible charter provisions include, but are not limited to the following:

1. Borrowing power
2. Limitations on borrowing power
3. Zoning and condemnation
4. Sewer
5. Lighting
6. Transportation
7. Street plans
8. Water courses

9. Acquisition, lease and sale of property
10. Bonds
11. Voter referendums

The primary change in status from a Village to a City results in new legal responsibilities formerly carried on by the township:

1. Assessing property – The community can hire or contract for city assessing services
2. Collecting County, School, and special taxing authorities taxes
3. Conducting County, State and National Elections
  - a. Maintain voter registration lists
  - b. Provide voting facilities and equipment

**DRAFT**

Village of Manchester  
Hypthetical City Tax Revenue  
Using 2018 taxable values and millages

**TABLE 2**

2018 Village Taxable Value 63,195,766  
2018 Village Homestead Taxable Value 17,942,433

Millages:	Mills	Village Tax Revenue	City Tax Revenue	Township Tax Revenue Loss
Manchester Community Schools	6.0000		379,175	379,175
Manchester Community Schools -non homestead	18.0000		322,964	322,964
Washtenaw County	7.1532		452,052	452,052
Manchester District Library	1.0452		66,052	66,052
Manchester School Debt	8.5000		537,164	537,164
Washtenaw Community college	3.3978		214,727	214,727
Washtenaw Intermedlate School District	5.3641		338,988	338,988
Manchester Township: Operating	0.8939			56,491
Roads	0.3477			21,973
Fire	0.1489			9,410
Fire Operating	0.6500			41,077
Manchester Village: Operating	13.4762	851,639	851,639	
Sewer Debt	0.6572	41,532	41,532	
Bldg. Debt	1.3065	82,565	82,565	
Bridge Debt	1.0365	65,502	65,502	
Est. Fire Contract	1.1465	-	72,454	
		1,041,239	3,424,813	2,440,073
Administration Fee 1%		0	34,248	24,401
Distribution of Taxes Collected for Other Entities		-	(2,311,122)	(2,311,122)
Total Property Tax Billed		1,041,239	1,147,940	153,352
			(1,041,239)	
Tax Revenue Increase			106,701	

Village of Manchester  
Proposed City Tax Estimates  
Using 2018 Millages

Taxable Value of \$100,000 (homesteaded)  
(Home Value of \$200,000)

TABLE 3

Tax	Village Status			City Status		
	Mills	Taxes	\$ Billed	Mills	Taxes	Billed
Manchester Community Schools	6.0000	\$ 600.00		6.0000	600.00	
Washtenaw County	7.1532	715.32		7.1532	715.32	
Manchester District Library	1.0452	104.52		1.0452	104.52	
Manchester School Debt	8.5000	850.00		8.5000	850.00	
Washtenaw Community college	3.3978	339.78		3.3978	339.78	
Washtenaw Intermediate School District	5.3641	536.41		5.3641	536.41	
Manchester Township:						
Operating	0.8939	89.39		0.8939	89.39	
Roads	0.3477	34.77		0.3477	34.77	
Fire	0.1489	14.89		0.1489	14.89	
Fire Operating	0.6500	65.00		0.6500	65.00	
	33.5008		\$ 3,350.08	33.5008		\$ 3,350.08
1% admin fee			33.50			33.50
subtotal			\$ 3,383.58			\$ 3,383.58
Manchester Village:						
Operating	13.4762	\$ 1,347.62		13.4762	1,347.62	
Sewer Debt	0.6572	65.72		0.6572	65.72	
Bldg. Debt	1.3065	130.65		1.3065	130.65	
Bridge Debt	1.0365	103.65		1.0365	103.65	
Est. Fire Contract	0.0000			0.0000		
	16.4764		\$ 1,647.64	16.4764		\$ 1,647.64
1% admin fee			16.48			16.48
Total Property Tax Billed	49.9772		\$ 5,031.22	49.9772		\$ 5,031.22
Township collects						
Village collects						
City collects						
		Tax Savings	\$ 73.82			
		Millage Reduction	0.8940			

**TABLE 4****Estimated Effect on Individual Property Owners**

		<b>Manchester Village</b>
<b>Taxable Value</b>		<b>est. Annual Savings</b>
75k	Village Resident (Homesteaded)	\$ 55
100k	Village Resident (Homesteaded)	\$ 74
150k	Village Resident (Homesteaded)	\$ 111
200k	Village Resident (Homesteaded)	\$ 148
100k	Business Owner	\$ 90
250k	Business Owner	\$ 226
500k	Business Owner	\$ 451
1 Million	Business Owner	\$ 903
1.5 Million	Business Owner	\$ 1,354