

# The League's Prosperity Agenda

House Local, Intergovernmental, and Regional Affairs Committee



michigan municipal league  
1800 Lakeshore Drive, Ann Arbor, MI 48106

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## Our Goal



To create the kind of Michigan we want . . .

- ▶ With places people choose to live, work, learn and play
- ▶ Where prosperity happens (high income and low unemployment)

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## Our Goal

*"The industries I think about most ... are far more sensitive to the quality of TALENT in the AREA than they are to tax policies."*



- Bill Gates

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Our Goal Michigan Municipal League



Prosperity happens . . .

- ▶ Where high concentrations of college educated, talented and creative people live.
- ▶ These same people can choose to live, work, learn and play where ever they want.
- ▶ Metro areas and central cities are key.

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Our Goal Michigan Municipal League

What Michigan can learn from prosperous states . . .

- ▶ People choose places like Chicago, Minneapolis, Boston, Denver, Charlotte, Dallas, Austin and other communities that offer the lifestyle attributes and amenities they seek.
- ▶ These places offer ways of life attractive to talented, educated people.
- ▶ The public policies they have adopted are creating the prospering places Michigan needs . . .

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Prospering Places Offer . . . Michigan Municipal League



Significant Public Transit Systems

Buses \* Light Rail \* Commuter Rail \* Passenger Rail \* Driving Alternatives \* Extensive Networks of Bike Lanes & Walking Trails

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Prospering Places Offer . . . Michigan Municipal League

### Vibrant Downtowns & Neighborhoods

- ▶ People live, work, learn, play and shop in close proximity
- ▶ Policies foster "walkable urbanism"



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Prospering Places Offer . . . Michigan Municipal League



### Mixed-use Developments

- ▶ Buildings tend to go up instead of out
- ▶ People live, work and shop under the same roof

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Prospering Places Offer . . . Michigan Municipal League



### Green Spaces

Parks \* Trails \* Gardens \* Fountains

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Prospering Places Offer . . . Michigan Prosperity League



**Thriving Entertainment & Cultural Attractions**

Restaurants \* Cafes \* Bars \* Book Stores \* Dance Clubs \*  
Museums \* Libraries \* Theaters \* Nightclubs \* Live Music

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Prospering Places Offer . . . Michigan Prosperity League

**Economic Development Initiatives**

Growing local economies by 1, 2 and 3 jobs through strategies like economic gardening and support for entrepreneurs.



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The League's Prosperity Agenda Michigan Prosperity League

**What is our Prosperity Agenda?**

Prosperity Policies and Policy Actions so that together with the Legislature, we can create places of prosperity in Michigan.



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Prosperity Policy:  
**Significantly expand public transit in Michigan.**



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Prosperity Policy:  
**Protect public safety and other essential local services.**



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Prosperity Policy:  
**Use limited funds to restore local infrastructures first.**



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Prosperity Policy:  
Give communities all available tools to manage costs and control revenues.



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Prosperity Policy:  
Promote sustainable development, green initiatives and cultural economic development.



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We are doing our part . . .

We are educating  
Center for 21st Century Communities: Teaching local officials to create communities for the future.

- assets of 21<sup>st</sup> century communities
- member education and public outreach
- strategic partnerships
- technical services
- special projects



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Specific 2011 Reforms

- ▶ PA 312: Prevent excessive costs for communities which result in layoffs of police and fire employees by reforming mandatory binding arbitration to require arbitrators to consider, first and foremost, the ability of the community to pay the settlement and internal comparables.
- ▶ Consolidations (Urban Cooperation Act, others): Allow communities to consolidate services without costing more due to barriers in the Act that result in all bargaining units to move to the highest level.

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Specific 2011 Reforms

- ▶ Online Public Notices: Communities are now required to post a number of legal notices in newspapers to satisfy notice requirements. The option to post these online instead would provide more transparent and effective notice and reduce local government costs.
- ▶ One-Time Tax Collection: Currently local communities levy taxes in July and December. Switching to one-time tax collection could save local governments an estimated \$60 million per year according to the Department of Treasury in 2010

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Specific 2011 Reforms

- ▶ 2 inch rule: Previous law allowed defects in a sidewalk less than two inches to have a rebuttable inference that the community maintained the sidewalk properly. The Michigan Supreme Court struck this down for cities in 2010, but asked the legislature to re-pass this law with a clearer intent. Reinstating this law would minimize the increased costs due to increased liability.
- ▶ Corrections: MDOC operated a program allowing communities to hire prisoner work crews to perform work at a significantly lower rate than other workers. It was eliminated in 2010 as a result of budget cuts. Reinstating this program (even at a higher cost to local units) would provide cost savings for communities.

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Other 2011 Issues

- ▶ Emergency Financial Managers (Act 72): provide resources for communities to get out of trouble when it is really needed - before receivership happens.
- ▶ Detroit Water and Sewer Board – the League has no position on the Detroit Water and Sewer Board legislation or issue.

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Local Government Organizations

- ▶ MML, MTA and MAC usually work together on issues
  - Revenue sharing
  - Local control
  - Energy, water, infrastructure
  - U of M CLOSUP survey project
- ▶ MML sometimes differs with MTA
  - Annexation, amount and cost of services provided, core community tools
- ▶ MML sometimes differs with MAC
  - Involvement/opt-out of economic development tools

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The League's Prosperity Agenda



Michigan Municipal League  
Since 1917

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# The Center for Local, State, and Urban Policy

Gerald R. Ford School of Public Policy >> University of Michigan

Michigan Public  
Policy Survey August 2010

## Local governments struggle to cope with fiscal, service, and staffing pressures

This report presents Michigan local government leaders' assessments of their jurisdictions' fiscal conditions and the actions they are taking in response. The report is based on statewide surveys in the Spring 2010 and Spring 2009 waves of the Michigan Public Policy Survey (MPPS).

>> The Michigan Public Policy Survey (MPPS) is conducted by the Center for Local, State, and Urban Policy (CLOSUP) at the University of Michigan in partnership with the Michigan Association of Counties, Michigan Municipal League, and Michigan Townships Association. The MPPS takes place twice each year and investigates local officials' opinions and perspectives on a variety of important public policy issues. Respondents for the MPPS include county administrators and board chairs, city mayors and managers, village presidents and managers, and township supervisors, clerks, and managers from over 1,300 jurisdictions across the state.

For more information, please contact: [clousup-mpps@umich.edu](mailto:clousup-mpps@umich.edu) (734) 647-4691.

# CLOSUP

Center for Local, State, and Urban Policy  
University of Michigan | Gerald R. Ford School of Public Policy

Gerald R. Ford  
School of Public Policy  
UNIVERSITY OF MICHIGAN

## Key Findings

- The fiscal health of Michigan's local governments has declined in the last year and has become a much more widespread problem, increasingly affecting communities of all sizes, in all regions of the state. A majority of local officials predict the problems will get even worse in the coming year.
- Declining fiscal health is due in part to decreasing tax revenues. Overall, 78% of local officials report declining property tax revenue; this grows to 95% in the largest jurisdictions. Declining state aid, federal aid, and revenue from fees and licenses are also problems spreading across the state.
- Declining fiscal health also results from increasing costs, particularly related to personnel, and increasing demands for public services such as public safety, infrastructure, and human services.
- Some of the most common strategies local governments are implementing to deal with the fiscal challenges include:
  - Increasing reliance on general fund and "rainy day" fund balances;
  - Increasing intergovernmental approaches to service delivery;
  - Increasing the share of health care costs paid by employees;
  - Increasing charges for fees, licenses, etc.;
  - Decreasing spending on infrastructure;
  - Decreasing the amount of services provided;
  - And decreasing staffing levels.
- Finally, there are other options that are generally not being as widely pursued by most governments (though there is some variation across large vs. small governments). These include:
  - Outright elimination of particular services;
  - Selling public assets such as parks, buildings, etc.;
  - Increasing property tax rates;
  - Increasing debt levels;
  - Decreasing spending on human services;
  - Outright staffing layoffs (though 55% of the largest jurisdictions expect to implement layoffs this coming year).