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Michigan Local Government Structure, Services and Practices

Prepared as an informational resource for the Michigan Civics Institute Local Government Curriculum Development Project

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Preface

The effort to develop, produce and implement a local government curriculum in Michigan high schools has been a long and winding road. The general public's lack of knowledge regarding structure, process and services of local government has become increasingly evident over the eighteen years that I have worked in local government management and administration. It is evident that we are not educating youth to become fully knowledgeable, participating members of counties, cities, townships, villages, special districts, and local school districts. It has been said that some government texts today contain more about Marilyn Monroe than municipal government, and a comparison of today's texts with the 1928 edition of McGruder's American Government illustrates the declining importance placed on local government – the level of government citizens interact with the most.

In January 1997, the Michigan Local Government Management Association (MLGMA – then named the Michigan City Management Association) created a Community Education Committee, chaired by Michael Young, City Manager of Rockford. The new committee settled on several agenda items to improve local government education, and development of a high school curriculum topped the list.

In late 1998, to honor the 100th anniversary of its founding, the Michigan Municipal League (MML) established a Centennial Youth Committee to create a positive and lasting contribution to the youth of Michigan. This committee also ranked creation of a high school local government curriculum as a top priority. Committee membership included representation from cities, Michigan Townships Association, Michigan Association of Counties, Michigan School Superintendents Association, Michigan Education Association, Michigan Department of Education (during the committee deliberation process, MEAP staff was transferred to the Michigan Department of Treasury), and other interested groups. Michael Young, Jeff Mueller (Assistant Administrator of the City of Lathrup Village), and I (then City Manager of South Haven, now Assistant County Administrator in Kent County) were invited to be liaison members between the Community Education Committee and Centennial Youth Committee. I was asked to Chair the MML Centennial Youth Committee and have done so since that time. The committee started down the path of planning, writing, producing, distributing and funding the local government curriculum.

In late 2000, the MML Centennial Youth Committee became aware of an effort to create a state government curriculum by the proposed Michigan Civics Institute, an exciting initiative created by State Representative Douglas Hart. After the MML and MLGMA

committees reviewed the goals and plans of the Michigan Civics Institute, it became clear that both curriculum development efforts would benefit from an alliance. Ensuing discussions with Brian Berce, Executive Director of the Michigan Civics Institute, and Representative Hart resulted in a collaboration.

The Michigan Civics Institute gathered a group of 16 curriculum writers in July 2001 to conduct interviews prior to drafting the state government curriculum. Michael Young, Scott Shraeger (former Director of Legislative Activities for the Michigan Municipal League), Mayor David Hollister of Lansing, Larry Merrill, (Executive Director of the Michigan Townships Association), and I were interviewed by the panel to provide perspective on state relationships with local government. Jeff Mueller, Michael Young and I developed an outline for a local government curriculum that was presented to the panel writing the state curriculum. This document substantially expands upon the original outline and is intended to give local government curriculum writers (who will convene in July 2002) a base of information to work from. Cost of the writers panel and subsequent curriculum development is estimated at $75,000 to $80,000.

In compiling this document, I have consulted a number of references which are listed in the appended bibliography. I do not claim this as an original work; it is merely a resource for curriculum development. In many cases, sections of source material appear verbatim.

While I am the one compiling this information, recognition is due to many individuals who have spent countless hours working with the MML Centennial Youth Committee to make the local government curriculum a reality:

George Goodman, Executive Director, Michigan Municipal League
Mary Charles, Information Coordinator, Michigan Municipal League
Carol Sheets, Mayor Pro-Tem, City of Wyoming
Barbara Holt, Mayor Pro-Tem, City of Walker
Erika Rosebrook, Management Analyst, Kent County
Clara Shepherd, Commissioner, City of Muskegon
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Newnan Brown
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Ken Babich, Mayor, City of Marlette
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Cathy Gilliland, Michigan Townships Association
Debra McGuire, Michigan Townships Association
Karen Hildebrant, Public Affairs Liaison, Michigan Townships Association
Todd Lipa, Youth Coordinator, City of Farmington Hills
Dawn Wichmann, City Council Member, City of Wyoming
Marta Laron, Trustee, Northfield Township
Michael Young, City Manager, City of Rockford
Jeff Mueller, Assistant City Administrator, City of Lathrup Village

HISTORY OF LOCAL GOVERNMENT DEVELOPMENT

On March 20, 1680, Robert Cavalier de la Salle set foot across the southern part of Michigan and became the first European known to move across the interior of the Lower Peninsula. The Northwest Ordinance of 1785, adopted by Congress, authorized the survey and sale of all government owned lands ceded to the national government by various states and Indian tribes. Execution of this legislation required removal of Indians from the Ohio country where the surveys were to commence and resulted in the division of this territory into six-mile squares. This land, consisting of five future states, was surveyed, dividing the territory into six-mile by six-mile squares. The Northwest Ordinance of 1787 provided for the governance of the land. The wisdom of this Northwest Ordinance is that it created the framework for the new territory to become settled and governed. Even more important, the new territories were not held hostage by the original thirteen colonies, but were able to organize as states equal in standing. The Michigan Territory was created in 1805.

Townships

In a detailed letter to Samuel Kercheval written July 12, 1816, Thomas Jefferson set forth the plan of organization by which he believed most certain to establish and to maintain republican government.

> The organization of our county administrations may be thought more difficult. But follow principle, and the knot unties itself. Divide the counties into wards of such size as that every citizen can attend, when called on, and act in person. Ascribe to them the government of their wards in all things relating to themselves exclusively. A justice, chosen by themselves, in each, a constable, a military company, a patrol, a school, the care of their own poor, their own portion of the public roads , the choice of one or more jurors to serve in some court, and the delivery, within their own wards, of their own votes for all elective officers of higher sphere, will relieve the county administration of nearly all its business, will have it better done, and by making every citizen an acting member of the government, and in the offices nearest and most interesting to him will attach him by his strongest feelings to the independence of his country, and its republican constitution...We should thus marshal our government into 1, the general federal republic, for all concerns foreign and federal; 2, that of the State, for what relates to our own citizens exclusively; 3, the county republics for the duties and concerns of the County; 4, the ward republics, for the small, and yet numerous and interesting concerns of the neighborhood; and in government, as well as in every other business of life, it is by division and subdivision of duties alone, that all matters great and small, can be managed to perfection. And the whole is cemented by giving to every citizen personally, a part in the administration of the public affairs...

Congress authorized the organization of townships in 1825. The 1835 Michigan Constitution did not specifically establish township government even though a number of townships had already been organized under the Northwest Ordinance. The 1835 Constitution focused on forming a state government and its basic structures. Existence of townships seems to have been assumed, since several had been created by the territorial legislature in 1827. On March 11, 1836, Governor Stevens T. Mason signed the Township Act, under which the six mile square sections of land that had been delineated by the United States surveyors were organized into political units. This "cooperative county-township" system was adopted by other states, but Michigan is generally

considered the defining example. The New England model of town government, as politically altered in New York, became the basis for the form of local government that was transplanted in Michigan. New York began with independent towns and later tried to establish counties to perform judicial and other duties. The resulting form of government featured town governments and county governments wherein each town supervisor sat on the legislative body of the county called a county board of supervisors. This structure was implemented in Michigan per the Township Act of 1836.

The 1850 Michigan Constitution added much more structure to township government than the 1835 document and consisted of four main provisions:

A) established a list of several township offices including supervisor; clerk (also ex-officio school inspector), highway commissioner, four constables, a highway overseer, and up to four justices of the peace
B) designated each organized township as a corporate body with the right to sue and be sued
C) confirmed the practice of having each township supervisor be a member of the county board of supervisors
D) assigned the responsibility for organizing townships to the county board of supervisors and prescribed rules to be followed.

The Progressive Reform Movement had a significant impact on the 1908 Michigan Constitution that was amended many times through the power of citizen initiative. A 15-mill tax limit and sharing of state sales tax collections with townships are examples of two of these changes.

Members of the Michigan Constitutional Convention of 1962 voted to retain the township form of government by one vote. A State Senator from Montcalm County changed his vote late in the deliberation to give pro-township forces victory by the slimmest of margins. The 1963 Michigan Constitution did not specifically grant major new powers to townships, however the insertion of language to provide that township powers are to be "liberally construed" provided for an expansion of powers.

General Law Townships, those organized by the territorial legislature, state legislature or county governments, were designed to provide basic government services at the local level including elections, tax assessment and collections, road construction and maintenance, and surveying. As population continues to shift from central cities to rural areas, demand for enhanced public services continues to increase.

In 1947, the state legislature passed the Charter Township Act, which affords a township added local discretion and general taxing power. A township organized under the General Law Township Act can become a charter township either by a vote of its board or a vote of its citizens. Charter townships are for the most part more immune from **annexation** by a neighboring city.

There are 1,242 townships in Michigan today, and as of April 2000, 127 had opted for the charter township form of government. Many charter townships offer the full range of municipal services such as water treatment and/or distribution, wastewater treatment and/or collection, parks, police, fire, and emergency medical service.

Counties

The county is considered to be the basic unit of government. Virginia was divided into eight counties in 1634, Massachusetts adopted a county system 9 years later, and most colonies created counties shortly thereafter. Each county's official center is known as the county seat. In the beginning, it was important to locate the county seat within a day's travel by horse or foot from any point within the county. Development of county government in Michigan can be traced to the Northwest Ordinances of 1785 and 1787. Wayne County was established in 1796 by the acting governor of the territory, and included almost all of what eventually became Michigan and portions of Ohio, Indiana, Illinois, and Wisconsin. Additional counties were established as lands were settled.

In 1805 the Michigan Territory was created and the governor organized counties for judicial purposes. In 1825, the Michigan Legislative Council passed a law requiring the election of county commissioners, treasurers, coroners, and constables. The administration of Governor Cass (1813-1831) was important because it was during this period that many new counties were formed and that the officers of sheriff, coroner, treasurer and judge of probate were created.

The Michigan Constitution of 1835 continued many of the county offices created under the territorial government. It required the election of a county clerk, treasurer, sheriff, register of deeds, surveyor, and at least one coroner. Prosecuting attorneys were appointed by the governor.

The Constitution of 1850 reaffirmed most of the elective offices developed to that point and made the county prosecutor an elective position. This constitution also set in motion some legislative decisions that outlined and assigned the powers and duties of the elected officials and the county boards. Many of these statutes remain to this day.

The Constitution of 1908 afforded counties limited **home rule** by allowing county boards of supervisors to set their own salaries. This constitution gave counties the responsibility for health and welfare activities including charitable hospitals, sanatoria and other institutions, and an infirmary for the care and support of their indigent and unfortunate. Amendments to this constitution were very important and included giving larger counties a general debt limit of 3 percent of assessed valuation and smaller counties 5 percent. In 1914, an amendment gave the people the right of **initiative**, **referendum**, and **recall**. In 1932, during of the Great Depression, voters approved a 15-mill tax limit to be divided and shared by counties, townships and school districts.

Michigan counties gained the right to be considered as home rule by adopting charters in the Constitution of 1963. Of the 83 counties in Michigan, only Wayne has adopted home rule status.

Cities

The Michigan Constitution of 1835 makes no mention of cities. During this period no cities and only five villages were incorporated. Detroit had been incorporated in 1815 by a special act of the territorial legislature. The Constitution of 1850 directed the state legislature to provide for the incorporation of cities and villages and to restrict their powers of taxation and creation of debt. The state legislature passed the first general legislation applicable to the organization of cities in 1873. Under this law, a village with a population of 3,000 or more was authorized to incorporate as a city. It was optional for a city to adopt the entire act by vote of the electorate or to obtain a charter by special act of the legislature. Most cities preferred to obtain a charter directly from the legislature. In 1895, the Fourth-Class City Act supplanted the General Act of 1873. From 1850 – 1895, eighty-nine cities and 297 villages were incorporated mainly by local acts of the state legislature.

The Fourth-Class City Act provided for what is commonly known as a weak-mayor and council type of government. This type is characterized by the election of a number of administrative officials as well as a large and sometimes partisan legislative body. Administrative duties are divided between committees formed from the membership of the legislative body, elected officers, and/or elected or appointed boards and commissions.

The Michigan Constitution of 1908 made it mandatory upon the legislature to pass general laws for the incorporation of cities and villages. In addition, the 1908 Constitution gave the electorate power to frame a new charter, to revise or amend an existing charter, and to authorize the local legislative body to pass ordinances relating to affairs of municipal concern subject to the constitution and general laws of the state.

LOCAL GOVERNMENT STRUCTURE

COUNTIES

There are three possible configurations of county government in Michigan.

All counties have boards of commissioners elected from districts that are apportioned to make the population as equal as possible after each United States Census. County boards must have at least five members and can have as many as twenty-five members. Counties over 600,000 in population are mandated by law to have twenty-five member boards. Each county also has five or six countywide elected officials: Clerk, Treasurer, Drain Commissioner, Sheriff, Prosecutor, and Register of Deeds. Michigan law allows the combination of Clerk and Register of Deeds into a Clerk-Register position and twenty-eight counties have done so.

County Commission Form

Counties utilizing the County Commission form of organization either have elected officials perform both legislative and administrative duties or hire a professional administrator to perform administrative duties per a contract approved by the Board of Commissioners. This administrative professional is most commonly referred to as a County Administrator, though in some counties is titled County Coordinator.

The County Clerk is responsible for Accounts Payable functions in this scenario and the Treasurer is responsible for Accounts Receivable.

The County Board oversees all administrative functions including administration, finance, human resources, facilities, and information technology and the health department. Perhaps most importantly, the county board is responsible for adoption and oversight of the county budget for all county agencies, including those with a countywide elected department head.

County Controller Form

Michigan statute gives counties the option of adopting the County Controller form of organization and thereby appointing a professional administrator to manage the administrative affairs to the County. The relationship of the County Controller and Board of Commissioners is also typically encapsulated in a contract approved the Board of Commissioners. The main difference between the County Commission form and the County Controller form is that State statute specifies some of the duties of the County Controller. Accounts Payable and Accounts Receivable are removed from the County Clerk and County Treasurer and assigned to the Controller. Per this form of organization the Board of Commissioners needs a majority vote to appoint and a super-majority vote (two-thirds) to remove the Controller.

Several counties that have adopted the County Controller form refer to this position as County Administrator/Controller or as County Administrator.

County Executive

The third option for county organization is a countywide elected County Executive. The question of whether to adopt this form of government can either be placed on the ballot by the County Board of Commissioners or per initiative of the electorate. Responsibility for management of administrative functions of government is centralized in the County Executive position.

Currently, only Wayne, Oakland, and Bay Counties use the County Executive form in Michigan.

TOWNSHIPS

There are two methods of organizing townships per Michigan law: 1) Townships may be organized under the general law or 2) townships which meet a population benchmark may be organized under the Charter Township Act of 1947.

General Law Township

General law townships are governed by an elected township board consisting of the township supervisor, clerk, treasurer, and two or four additional trustees, depending on the population of the township and community preference. Many general law townships also continue to hold an annual meeting of the electorate, which has the authority to establish salaries for the township officials and may act on a few other matters as well.

The township board collectively oversees township operations and appropriates money to pay for a variety of local government services. General law townships are authorized to provide many of the same services that cities and villages may provide, except for road construction and maintenance, which is the responsibility of county road commissions.

While townships are similar to cities and villages in regards to services provided, townships and counties do not have home rule powers. Instead, townships are structured as statutory units of local government, which means that they only have those powers and authority that have been expressly provided or inferred by state law. In spite of this limitation, most general law townships provide additional funding to road commissions for road projects, provide fire protection either by operating their own department or by contract with other entities, and many also provide to their residents emergency medical services.

Township boards may also adopt ordinances to protect the community health, safety and general welfare, provide police protection either through a township operated department or through contracting for additional law enforcement from the county sheriff department, and regulate land uses through enforcement of a zoning ordinance that is guided by an adopted master plan.

Townships may also provide a variety of other local government services such as parks, recreation programs, sidewalks, water and sewer systems, lake improvements, street lights, etc.

Compared to cities and villages, general law townships are limited in the amount of property taxes they can levy without voter approval to approximately one mill on taxable value. Unlike cities, townships have not authroity to levy an income tax. The remainder or township revenues are derived from the state of Michigan sharing its revenues, as well as imposing administrative fees for permits and licenses and interest earnings on investments.

Charter Township

The Charter Township Act of 1947 (as amended) permits general law townships with a population of at least 2,000 (excluding incorporated villages) to become charter townships. As of April 2001, 127 townships had elected to become charter townships. The township board may make the decision to become a charter township without a vote of the electorate however, the electorate can require a vote per its referendum right under state law. Townships chartered by a referendum may levy up to 5 mills of property tax, but townships chartered by a vote of the board must have a vote of the people in order to levy the same amount. All charter townships are permitted to levy up to 10 mills if so authorized by the electorate.

The charter township board has seven members. Three individuals are elected by voters to the offices of Supervisor, Clerk and Treasurer and the other four positions are Trustees. All seven positions are elected for four-year terms that are not staggered.

CITIES

Cities were formed predominantly when the residents of a densely developed area of a township desired municipal services (water, sewer, police, fire, etc.). Prior to the Constitution of 1909 and the ensuing adoption of the Home Rule Cities Act, petitioners would submit a geographic district to the State and seek approval to become a city. Per the provisions of the Home Rule Cities Act, a geographic district is submitted to eligible voters within that district, and if a majority approves, the new city comes into being after official certification of the State Boundary Commission.

Three different forms of city government have existed in Michigan, and there are five common forms in the United States. In Michigan, mayor-council and council-manager predominate and the commission plan is dormant at this time. Though similar in some ways, these plans are designed to make city government operate according to different principles and objectives.

Mayor-Council Form

This is also referred to as the "strong mayor" plan. The government consists of a mayor and a city council, both of which are independently elected through predominantly partisan elections. Both share in making policy, though the mayor has near complete authority over the executive branch of city government. Officers of the executive branch – the city attorney, assessor, treasurer-comptroller, and heads of departments – are appointed by the mayor and serve at his/her pleasure, though these appointees generally must be confirmed by the council. The city council is the legislative branch of city government, and its approval is required before appointments and ordinances can go into effect.

The objective of the plan is to strengthen the control of the mayor over the executive agencies of city government. In this sense, it appears to have been patterned after the national government, since the president's control over the cabinet is similar to the mayor's control over the executive officers in the mayor-council plan. The initiative in this system is clearly in the hands of the mayor, and the council generally plays a secondary role in developing policy. This form is used widely in the large cities of the nation. In Michigan, both Detroit and Lansing have adopted versions of the mayor-council plan.

COUNCIL-MANAGER FORM

This form of government consists of a city council (the members of which are elected predominantly in non-partisan elections), a mayor (in most cases selected from the membership of the council but elected at-large in others), and a city manager(appointed by the city council). In this system, the council determines city policy and the mayor merely presides over city council meetings. The executive branch of government is administered by the city manager, who is a professionally trained administrator. The city manager appoints executive officers, supervises their performance, develops the city budget, and administers programs. Theoretically, the city manager cannot make policy, but as a practical matter, the recommendations of the manager are usually given great weight by the council.

The objective of the council-manager plan is to take "politics" out of city government by turning over its administration to a professional manager. This plan developed in the Progressive movement as a response to the influence of parties and party politicians over city government under the mayor-council plan. Critics said that there is nothing political about cleaning streets, picking up garbage, building parks, and so forth, and believed that the system could be effectively run by a professional taking general directions from and elected city council. If the members of the council are elected in non-partisan elections, the influence of party politics is even further reduced. Most cities in Michigan have this form and range all over the state, from Monroe and St. Joseph, to Traverse City, East Lansing, Escanaba and Sault Ste. Marie.

The Commission Form

The commission system of municipal government fuses executive and legislative functions almost completely in the hands of a city commission. Members of the city commission (which is like a city council) are elected in non-partisan elections, and one member is designated mayor to preside over meetings. Again, as in the council-manager plan, the mayor has little power. The commission makes policy for the city and appoints some of the executive officers, such as the city attorney, assessor, treasurer, and chief of police. However, in this case, the commissioners themselves also act as head of the various city executive commissions, such as the park commission and the public works commission. Each commissioner is ordinarily assigned as head of one commission and is charged with its administration. The commission as a whole coordinates policy and

approves the city budget. Thus, the members of the commission act both as legislators and administrators.

The commission plan is not in use today, largely because it is difficult to find the required number of elected commissioners who are qualified to serve as full time administrators. This is particularly a problem in large cities where executive departments are comprised of large numbers of employees. In larger cities, then, some division of labor is necessary between elected policy-makers and administrators. As a consequence, this form of government was generally found among small and medium-sized cities.

Weak Mayor – Council Form

In this form, the mayor and council members both make policy and laws, and also directly oversee the administration. The mayor and each council member would each have an equal supervisory role over every administrative department.

New England Town Meeting Plan

In this form of government everyone is selected by voters. The qualified voters in the annual town meeting choose the Town Clerk, Treasurer, Assessors, Road Commissioner, Overseer of the Poor, Constable, and School Committee. The qualified voters also select the Board of Selectmen, who oversee appointive offices and boards.

Major policy decisions are made by voters present at town meetings. For example, one city had its streetlights turned off for many years after the decision was made in a town meeting that operating streetlights was too costly. However, advocates of the town meeting system contend that this "direct democracy" gives a community's residents considerable control over the affairs of local government.

While no cities or villages in Michigan use the town meeting plan, many general law townships in Michigan still hold an Annual Meeting to set the salaries for the board members.

VILLAGES

The basic difference between a city and a village is that whenever and wherever an area is incorporated as a village, it stays within the township. The villagers participate in township affairs and pay township taxes in addition to having their own village government. Incorporation as a city, however, removes an area from township government. City residents participate in county elections and pay county taxes as do villagers but are removed from township units.

Villages in Michigan are organized primarily to establish local regulatory ordinances and to provide local services such as fire and police protection, public works and utilities. Certain of the local duties required by the state are not demanded of the village but are performed by the township within which the village is located including property

assessment; collecting taxes for counties and school districts; and administering county, state and national elections.

There are two possible methods of organizing village government under Michigan law.

General Law Village

Most of Michigan's 261 villages are organized under the General Law Village Act of 1895(as amended). As of 1994, 48 villages had home rule charters and were governed under the Home Rule Village Act, companion legislation to the Home Rule Cities Act, and also adopted in 1909.

In the general law village, the chief executive, known as a president, comes closest in formal powers to a weak mayor. The president serves as a member of the council and as its presiding officer. With the consent of the council he/she appoints a marshal (police chief), a street commissioner, a surveyor and other officers the village council may establish. In addition to the president, six trustees comprise the council. Michigan law allows two possible election formats: 1) three trustees are elected annually to serve for three terms, president is elected annually; 2) three trustees are elected biennially with a term of four years or the election of all six trustees every biennial election with terms of two years each.
The village council can appoint the following appointed and *ex officio* boards, boards of registration; election commissioners; election inspectors and cemetery trustees.

HOME RULE VILLAGE

The Home Rule Village Act requires that every village so incorporated provide for the election of a president, clerk and legislative body, and for the election or appointment of such other officers and boards as may be essential. However, the president need not be directly elected by the people, but may be elected by the village council.

The home rule village form of government offers flexibility that is not found in the 1895 statewide General Law Village Act provisions. Home rule village charters are as diverse as the communities that adopt them. Village councils typically have memberships of 5 to 7 in size.

As of 1994, 13 of the 48 home rule villages had opted to contract for the services of a Village Manager, who is professionally trained in government administration and who serves as chief administrative officer for the village.

SPECIAL DISTRICTS

Special districts and special authorities are limited purpose units that exist as separate corporate entities and have substantial fiscal and administrative independence from **general purpose units** and other **special-purpose units**. These districts are created when the need exists to serve several units of government or portions of several units of

government with services, basically when natural service areas exist outside of rigid governmental boundaries.

Special districts and authorities authorized by Michigan statute include the following the following examples:

Metropolitan Councils
Convention Arena Authorities
District Library Boards
Emergency Service Authorities
    Fire
    Dispatch
    Police
Joint Hospital Authorities
Parks Authorities
Water & Sewer Authorities
Airport Authorities
Joint Agencies for Electric Power
Transportation Authorities
Irrigation/Drainage Districts
Garbage Disposal Authorities
Community Swimming Pool Authorities

PUBLIC SCHOOLS

Local School Districts

On April 3, 1869, the Legislature established a free statewide school system supported by local taxes and state aid. Prior to the act, local government had issued rate bills (tuition charges) to the parents of children who attended primary schools that had opened in most settled parts of the state. Primary schools had been established in each township and city.

Under the free statewide school system, the various townships of the state were divided into school districts, by school inspectors. The district officers were moderators, directors and assessors. School districts containing more than one hundred children, between the ages of five and twenty years, could elect a District Board to consist of six trustees. The trustees had the power to classify and grade the students in their district and establish schools or departments as deemed necessary; to establish a high school, when ordered by a vote of the district, and to perform such other duties as are usually performed by the district board.

The 1869 law made it a requirement of parents to send each child between eight and fourteen years to a public school for a period of at least 12 weeks per year or be subject to fines increasing in severity for repeat initial and repeat offenses.

Today, the primary responsibility of school districts is educating pupils in the kindergarten through 12th (K-12) grades. There are currently 663 local school districts in Michigan: 519 are K-12 districts, 58 are K – 6 or K – 8, and the remaining108 are charter schools. Their functions may include operation of preschool, lifelong education, adult education, community education, training, enrichment, and recreation programs for non-student populations. School districts may own and use property, facilities, equipment, technology, or furnishings, including operation of a public library, public museum, or community recreational facility.

Each school district is governed by a board of education. General power boards consist of between three and nine members elected at large, depending on the size of the board before 1995.

While the board is responsible for determining policies, the superintendent is responsible for executing the board's policies. The superintendent is responsible to the board for all phases of the operation of the schools, particularly for administering instructional programs.

Intermediate School Districts

Like local school districts, intermediate school districts are governed by school boards. The standard means of selecting intermediate school board members is election by representatives of each constituent school board. Constituent local school districts may also opt to have members of the intermediate school board popularly elected. Intermediate school district boards are comprised of seven members regardless of whether they are single-county or multiple-county districts. The intermediate school board elects a president, vice-president, secretary and treasurer.

Community Colleges

Community colleges were established as a step toward having the freshman and sophomore years of college turned over to the secondary (local) schools. Instead of extending high school years to include grades 13 and 14, community colleges evolved as an alternative means of obtaining two years of collegiate and non-collegiate (technical) education.

Community college districts and community college departments are limited to courses that embrace no more than two years of collegiate work. Community college districts have the power to own and operate a community college and an area vocational – technical education program. They may provide facilities necessary provide college programming, establish and operate schools, departments, courses of study, or other educational programs, and establish, equip, and maintain agricultural, trade and other vocational – technical departments.

LOCAL GOVERNMENT SERVICES

Public Safety

Law Enforcement

The County Prosecutor upholds the laws of the State of Michigan and prosecutes both individuals and organizations that violate these laws. The County Sheriff is responsible for enforcing state law at the county level, investigating law violations and for bringing those suspected of law violations to justice.

Local governments adopt municipal ordinances known as the municipal code. Ordinances are laws adopted at the county, township, village or city level. Municipal police departments are formed under a Police Chief who reports to a City Manager in the council-manager form of city government and to the Mayor in the mayor-council form. In charter townships, the police chief receives general supervision from the township superintendent, manager or supervisor, and broad policy dierction from the township board. In general law townships, the police chief is accountable to the township board. Police departments enforce the municipal code and violations of state law that occur within the border of the city. City police may have authority in areas external to the city where they are deputized by the county sheriff or have external service agreements with other local governments that do not have their own police departments.

General law and home rule villages often provide police services within their corporate limits. General law townships usually rely on the services of the county sheriff for law enforcement service, but may operate a police department. Charter townships typically contract for additional, specific law enforcement service within their corporate limits from the county sheriff, but many urban charter townships provide their own police service.

Fire

Most cities, villages and townships provide fire suppression service, either through the local unit's own department or contractual arrangement with another department. Many small cities and most townships have a "volunteer" fire department where fire fighters receive no pay whatsoever or use "on-call" employees who are paid for the time spent responding to calls for service and for time spent in training and meetings. Larger cities and urban charter townships provide full-time fire service or a blend of full-time and on-call service.

The numbers of fire calls, fatalities from fires, and property damage resulting from fires have decreased in recent years due to stricter fire, electrical and building codes, improved fire prevention education, and improved municipal water systems.

Increasing numbers of fire departments that are located near large bodies of water have trained firefighters in emergency rescue and body recovery diving techniques.

Emergency Medical Service

Several local governments offer Emergency Medical Service (EMS), typically in conjunction with a fire department though sometimes with a police department. There are several levels of EMS provision, including:

- Medical First Responder – gets to the scene of accident/injury first and stabilizes the scene until EMS personnel arrive
- Emergency Medical Technician (EMT) – Basic, able to transport and minimally treat person needing care if licensed as an ambulance service
- Emergency Medical Technician - Specialist (EMT-S) – able to intubate patient and use defibrillator to attempt resuscitation
- Paramedic-ALS (Advanced Life Support) – able to administer full range of narcotic drugs while in radio contact with emergency room doctors.

Lifeguard

Some municipalities offer lifeguard services on beach areas along lakes, rivers and Lake Michigan.

Public Safety Departments

Some communities, such as the City of Kalamazoo, have created public safety departments and cross-trained employees previously classified as police officers or fire officers into public safety officers. Results have shown that this has reduced property damage due to fire and allowed the city to operate more efficiently. Public safety departments are typically difficult to implement due to resistance from fire organizations.

Other communities have combined fire and emergency medical service (ambulance). The City of South Haven had full-time employees that were fully trained to perform both fire and EMS functions for many years and this department eventually became an authority consisting of one city and three townships.

Public Works

Water

All cities and many townships and villages provide water service to their residents, either through their own system or by contract with another municipality. Some use deep well systems to pull water from the ground. Another method is to have water intake pipes draw water from rivers, inland lakes or a Great Lake. The cities of Grand Rapids and Wyoming each have large intake pipes that traverse the distance from Lake Michigan to their respective cities. A third method is the Ranney well, which is a well sunk along the

shoreline of Lake Michigan where the sand provides a natural filter prior to water entering the plant for treatment.

Water is treated for removal of harmful elements and is treated with chlorine and flouride, which has improved dental health. In 1945, Grand Rapids was the first community in the nation to implement a water flouridation program. The Michigan Department of Environmental Quality and county health departments strictly regulate water quality and treatment.

Once collected, water is distributed through a system that begins at the water treatment facility and travels through transmission main lines (pipes) that are buried in the public street right of way. Individual homes are connected to the transmission mains by service lines.

Homes that are located outside of cities or townships that offer municipal water service use groundwater wells. There is thus an investment in development of the well but no ongoing monthly bill.

Sanitary Sewer

Another typical municipal service is sewer collection and treatment. When a toilet is flushed in a home or business, or dishwater sent down the drain, this waste travels through a system of sewer collection pipes to a sewage treatment disposal plant, often called a wastewater treatment plant. Sewage is collected from homes through a series of pipes that connect the home to the larger mains in the street that run to the wastewater treatment facility. Wastewater is treated in the facility prior to being released into rivers, lakes or groundwater. There are three basic types of wastewater treatment facilities: activated sludge, trickling filter, and lagoon systems. In most cases, the resulting outflow from the wastewater treatment to the river is clean enough to drink, though no one is likely to try it!

Storm Water

Most cities, as well as many townships and villages, provide for the collection of storm water through a storm water collection system that exists in the street right of way. Storm water systems are experiencing increasing regulation.

Most storm water drainage systems are gravity flow systems, the storm water resulting from rain drains through a tiled (pipe) or open ditch to rivers, lakes and streams. Sometimes this drainage takes salt from road areas and deposits in rivers. In farm areas, fertilizers and animal feces are sometimes washed into rivers, causing contamination. As growth in rural areas has caused sprawl, new development is causing unplanned increased runoff that in some cases is eroding ditched drain ways and overloading tiled drain systems.

Combined Sewers

In the past, storm water and sanitary sewer systems were combined with storm drainage systems that led to the overflow of sanitary waste into basements and rivers during major rainstorms. The state legislature subsequently adopted a law requiring the separation of combined storm and sanitary sewers. One impact of this is that homebuilders can no longer connect roof and foundation drains to the sanitary sewer, they must be connected to the storm sewer.

Electric

Forty-two Michigan communities provide electricity to residents. Municipal electric systems do not fall under the purview of the Michigan Public Service Commission as privately owned systems do. There are examples of both wholesale and retail power facilities in Michigan. The City of Lansing Board of Power and the City of Grand Haven Board of Light and Power oversee the generation of electricity through water intakes in the Grand River and the distribution of electricity to residents. The City of South Haven purchases power from American Electric Power – Indiana Michigan and redistributes it to residents on its own power grid.

Snow Removal

Most cities and county road commissions provide snow removal services from public streets, roads and alleys.

Leaf Removal

Most cities and some townships provide leaf removal service each fall.

Sidewalks & Tree Lined Streets

Residents of many local units enjoy sidewalks along residential and business streets and roads. They also prefer tree lined streets. Often, the root systems of the trees interfere with the sidewalks causing expensive repairs, usually paid for by the homeowner and local government 50/50.

Miscellaneous Utilities & Services

There are cities that operate natural gas utilities. The City of Coldwater, Michigan constructed a fiber loop to provide cable and internet service to its residents. Some cities provide telephone service. The Home Rule Cities Act does not limit the type of service that a city can provide as long as it is permissible under the city charter. The City of South Haven even operates a Bascule drawbridge that spans the Black River and must be opened each half hour during the summer to allow the passage of boats.

Economic Development

Local governments are increasingly involved with economic development attraction and retention activities. This was more the purview of local chambers of commerce but has evolved into a municipal activity. Many economic development projects require the relocation or new construction of public facilities which requires local government planning, decision making, and funding. Most manufacturing developments also require Industrial Facility Tax Abatements (IFT's) per Michigan law which reduces the tax burden on new real property improvements (building) and also personal property additions (equipment) for up to 12 years. Only the local governing body can approve and IFT.

Many times economic development projects need external success to provide "gap financing" for the proposed development to happen. The Michigan Department of Transportation, United States Economic Development Administration and the Michigan Economic Development Corporation administer federal dollars that are allocated on a competitive basis for economic development projects.

The use of tax increment financing (TIF) for downtown development authorities, created to halt and reverse decay in main street downtown shopping areas, in industrial parks to assist with public facility development (called Local Development Finance Authorities, LDFA's) and to redevelopment brownfield areas (called Brownfield Development Authorities, BRA's) is predominant.

Drain Commissioner

The early settlement of Michigan was hampered greatly by the wetlands that existed throughout much of the Lower Peninsula. The office of Drain Commissioner was created to provide for draining of the land to make it more suitable for construction and reduction of serious disease. Michigan is the only state to have such an office in its county governmental structure.

Streets and Roads

Cities and villages have street departments that are responsible for construction and maintenance of streets within their corporate limits. This includes building new streets, resurfacing streets, fixing potholes, repairing pavement cuts made due to utility service installations or repairs, snow plowing, leaf removal, street sweeping and even removal of dead animals.

Townships and the county road commission have joint jurisdiction over township roads and both fund necessary improvements in a coordinated fashion.

Parks and Recreation

Most local units of government provide park facilities for the public to enjoy. In cities, the charter details how all land is acquired and disposed of, including parkland. In most cases a super-majority vote of the governing body or a vote of the citizenry is required prior to the sale of property used for parks or non-park use of the property.

Parks are quite diverse, ranging from natural areas and nature preserves to intensely developed parks with active recreational uses such as tennis and basketball. Some local governments offer recreational programming and administer activities such as softball and volleyball leagues.

Parks departments operate golf courses, ski hills, zoos, and beaches in Michigan.

Refuse Collection and Recycling

Local governments provide solid waste collection services in many different ways. Some communities collect garbage with their own fleet of garbage trucks and employees. Others contract with a private company, or in lieu of a contract, allow for free market competition between providers. Many times, the municipality competes in the free market using municipal employees and trucks and charges a fee for service. In any system, the refuse collection may be provided at no additional cost to residents, or a fee may be charged. If a fee is charged per bag or item collected, it is called a variable rate collection system. Recycling and composting services are also provided in many areas, though programs vary by unit of government.

Many communities provide a transfer station where the garbage is brought after collection, packed into semi-tractor trailer trucks and hauled to a landfill or incinerator. Local governments can own and operate landfills. County governments have the responsibility of permitting public and privately owned landfills. Kent County owns a Waste-to-Energy facility and a percentage of garbage collected in Kent County is disposed of there. The facility incinerates solid waste and produces electricity which is sold to Consumers Power and generates steam used to heat and cool buildings in the downtown area of Grand Rapids.

General Government

One of the main purposes of local government is to provide basic governmental administrative services.

Legislative Body

Local government legislative bodies include city councils, city commissions, township boards, village boards, and county boards of commissioners. These elected bodies make policy, pass legislation and typically oversee management/administration except where previously noted.

Legislative bodies almost universally use Robert's Rules of Order for conducting public business.

Legislative bodies were allowed to meet virtually in secret prior to the early 1970s, when "Sunshine Laws," intended to allow public access to the deliberations of public bodies, were adopted. Additionally, the Michigan Open Meetings Act specifies that public meetings are to be open to the public except for certain enumerated exceptions in which it is deemed to be in the public interest for the public body to meet privately.

Similarly, the Michigan Freedom of Information Act (FOIA) requires state and local government to provide information to requesters at the cost of providing the information except when disclosure is not in the public interest. In this case, there is also an enumerated list of exceptions.

Clerk

Each local government has a clerk.

The county clerk is elected and acts as clerk of the board of commissioners. In this role, he or she must maintain a record of all of the board's proceedings, record resolutions and decisions, and record all votes. The clerk is also in charge of managing the application and approval process and for keeping and providing vital records for the county population including, birth records, marriage licenses, death records, visas, and concealed weapon permits. The clerk also administers elections. In 33 counties, the Clerk and Register of Deeds functions are combined into a single Clerk/Register position. In many counties, the Chief Judge of the Circuit Court appoints the county clerk to also serve as clerk of the circuit court.

At the city, village, and township levels, the clerk is the clerk of the governing body, maintains a record of all of the governing body's proceedings, maintains the voter roll, oversees elections, and signs most contracts along with the chief executive officer and/or the chief administrative officer.

Register of Deeds

The office of register of deeds is the repository for the official records of real property in the county. The office also registers and records deeds for every conveyance of real estate within the state. Registers ordinarily receive and record other types of related documents as well including assignments of mortgages and securities, attachments, notices or *lis pendens* (suits pending), sheriff deeds, U.S. Marshal claims, certificates of sale, and discharges of these documents.

Registers of deeds maintain a tract index that lists alphabetically the names of grantees and grantors of real property. These names provide access to the various documents that

have been recorded. Private title companies use this index and record system to research the titles to real property.

Treasurer

Each county, city, township and village has a treasurer, which is an elected position at the county and township levels. In most cities and villages, treasurer is an appointed position, though there are some notable exceptions including the City of Grand Rapids which has an elected treasurer.

The laws outlining the duties of the county treasurer have a preoccupation with accountability for public funds. This emphasis comes from a time when accounting methods were not advanced and when the banking industry was in its infancy. The legal emphasis is on a) from where money is received; b) to whom it is disbursed, and c) location of money under governmental control.

County treasurers have the responsibility to receive all moneys from all sources, however they may not make payments except upon an order of the board of commissioners signed by the clerk and the chair of the board. Treasurers are responsible for depositing funds in banks, but only banks designated by the board of commissioners. Treasurers are responsible to review checks for payment to make sure that sufficient funds exist for the payment to be made, and are responsible for investing substantial sums of money.

County treasurers also have other duties, including property tax administration, distribution and reconciliation of taxes collected by city and township treasurers, delinquent property tax accounts, operation of a delinquent tax revolving fund, and certification of the payment of property taxes.

In city government, the office of treasurer has become synonymous with the office of finance director. In many small cities, the office of treasurer and finance director are held by the same individual and in some cases the offices of clerk and treasurer have been combined.

In township government, the treasurer is elected and has similar duties regarding the collection of revenue, payment of expenses, and investment of funds.

Assessing

City and township governments are responsible for assessment of all property in their jurisdiction. City and township assessors determine the value of all agricultural, residential, commercial and industrial property for taxation purposes. Township assessors perform this work for all village property contained within their boundaries. Cities and townships typically hire professional staff to perform assessment work. In some cases, county governments or private firms perform this work for cities and townships on a contractual basis.

Equalization

State law requires the county board of commissioners to perform the equalization function and to create an equalization department to carry this out. The purpose of this department is to survey the assessments and to assist the county commissioners in equalizing assessments.

The equalization process begins when the state tax commission, based on its study of changes in value in various counties, determines what it believes the assessed values by class are for each county. The purpose of state equalization is to assure that counties across the state have their assessments set at appropriate levels in relation to the market values. At the county level, the purpose of equalization is to ensure that all assessors within the county are reflecting properly the taxable properties and values in their respective assessing units. Counties, through their departments of equalization and ultimately through a vote of the county board, exercise a kind of supervising control over the individual township and city assessors. When all of these adjustments have been made, the sum of all the assessments in each class will correspond to the figures issued by the state tax commission.

Management/Administration

The activity of appointed city managers/administrators, village managers/administrators, township supervisors/managers and county administrators/controllers/executives are included in general government.

Engineering

Most if not all cities, villages and townships require engineering services due to the services that they provide. Cities in particular, even smaller cities, have included engineering positions since the early 1900s. This position oversees the design, construction and maintenance of major municipal facilities such as streets, water, sewer, parks, etc.

Many smaller cities, villages and townships utilize contractual services for engineering duties or for large projects that exceed the capacity of the local government staff.

Planning, Zoning & Building Inspection

The various State Planning Acts authorize Michigan cities, townships and villages to develop master land use plans for all property contained within their respective jurisdictions. The master plan lays out the most appropriate future uses of all property in the community, regardless of its current use.

Zoning codes are adopted in order to enforce the land use designations contained in the master plan and to provide for safe, efficient development.

Cities, townships and villages are required to adopt the state building code if they intend to enforce building codes locally. The State of Michigan performs this function in all communities that have not adopted the code. This insures that structures are constructed to standards of safety which greatly reduce the possibility of structural failure or destruction of the structure by fire. Building inspectors are either hired or contracted to review and approve building applications and perform frequent site visits to ensure compliance. Local units are also required to adopt the state electrical, plumbing, and mechanical codes and also hire employees or contract with firms to ensure compliance. A fire code may also be adopted and this is typically administered by the local fire department.

Considerable due process is built into these processes as communities that have zoning codes are required to have a zoning board of review. A construction board of appeals exists to hear appeals of building inspector decisions. Decisions of these semi-judicial boards can be appealed to the circuit court.

Counties have statutory authority to create a countywide master plan but no statutory authority to implement it or to engage in zoning activities. Some county planning commissions perform zoning on a contractual basis for townships.

Ordinances

Cities, townships and villages frequently adopt their own laws, referred to as ordinances. Some of these ordinances, such as drunken driving laws, mirror state statutes. Adoption of ordinances that mirror state laws allows local units to be eligible for cost reimbursement when someone is found guilty in a court of law for certain violations. Additional ordinances are adopted to address junk cars parked in private residence yards, long grass, barking dogs, etc. These ordinances are typically enforced by a municipal code enforcement officer.

Many local governments have adopted housing codes that address housing standards inside and outside of dwellings. Much of the same information can be found in the state building code. Some housing codes are more restrictive and require that the painted exterior of a dwelling be kept in good condition. Most housing codes are concerned with access and safety.

Michigan Court System

Supreme Court

The highest court in the State is the Michigan Supreme Court, which has seven non-partisan justices elected on a statewide basis. Though they are officially non-partisan elections, Republicans and Democrats work hard to elect candidates that formerly shared their party affiliation or whom they believe will act according to their respective political philosophies. Some believe that the Supreme Court justices should be appointed and not elected, similar to the federal Supreme Court.

Court of Appeals

The Michigan Court of Appeals was created by the 1963 Constitution and currently has 28 Judges. The Court of Appeals' mandate drives its continued evolution as a critical element of the justice system in Michigan: "To secure the just, speedy, and economical determination of every action and to avoid the consequences of error that does not affect the substantial rights of the parties.

Circuit Court

The next level is the Circuit Court system. The state is divided into judicial circuits along county lines. The number of judges within a circuit is established by the legislature to accommodate required judicial activity. There are currently a total of 57 circuits and 210 circuit judges in Michigan. Some circuits are multi-county circuits and judges travel from one county to another to hold court sessions.

The circuit court is a trial court of general jurisdiction in Michigan because of its very broad powers. It has jurisdiction over all actions except those given by law to another court. Traditionally, the circuit court had original jurisdiction in all civil cases involving more than $10,000, in all criminal cases where the offense involves a felony or certain serious misdemeanors, and in all domestic relations cases, including divorce and paternity actions. The legislature raised the civil jurisdiction from $10,000 to $25,000 and created a family division in circuit (also referred commonly to as **Family Court**) effective January 1, 1998. The family division handles divorces and ancillary matters, custody, parenting time, paternity, juvenile offenses, abuse and neglect, status offender minors, personal protection orders, name changes, adoptions, parental consent waivers, guardianships (ancillary) and mental health commitments (ancillary). Many of these areas were formerly the jurisdiction of the Probate Court. The family division is staffed with both probate and circuit judges.

The circuit court handles civil cases over $25,000, criminal cases, appeals from district court, probate court and administrative agencies, and drain code condemnation cases.

Circuit judges are elected for terms of six years in non-partisan elections. A candidate must be a qualified elector, a resident of the judicial circuit, a lawyer and under 70 years of age. The legislature sets salaries and retirement for circuit judges, which may be supplemented by counties.

The Ingham County Circuit Court serves an additional role under Michigan law as the Court of Claims and in this role hears claims against the state.

Probate Court

There is a probate court in each Michigan county with the exception of ten counties that have consolidated to form five probate court districts. Each district has one judge, and

each of the remaining counties have one or more judges depending in large part on the population and caseload within the county. There are currently 78 probate courts in Michigan and a total of 106 probate judges.

The probate court is a court of original jurisdiction. It has traditionally had exclusive jurisdiction in such matters as juvenile delinquency, neglect, abuse, and adoption proceedings, supervision of "probating" of wills, the administration of estates and trusts.

In 1998 as previously noted, the legislature created the family division in the family court and moved delinquency cases, abuse and neglect cases, adoption proceedings, name changes and other ancillary family matters from the probate court to the circuit court.

The probate court also hears cases pertaining to guardianships, conservatorships, the commitment for hospital care of mentally ill persons, the mentally handicapped, addicted persons, and condemnation of land.

Probate judges are elected on a nonpartisan ballot for six-year terms, subject to the same requirements as the other judges.

District Court

Citizens have more contact with district court than any other court. There are currently 104 districts in Michigan with a total of 259 district judges. District Court has exclusive jurisdiction of all civil litigation up to $25,000 and handles garnishments, eviction proceedings, land contract and mortgage foreclosures, and other proceedings. In the criminal field, district court handles all misdemeanors where punishment does not exceed one year, including arraignment, setting and acceptance of bail, trial and sentencing, and conducts preliminary examinations in felony cases.

A small claims division (commonly referred to as Small Claims Court) for civil cases up to $1,750 is provided in district court. In these cases litigants agree to waive their right to a jury, rules of evidence, representation by a lawyer and the right to appeal from the district judge's decision. If either party objects, the case will be heard by the general civil division of the district court.

District judges may appoint magistrates. Magistrates may set bail and accept bond in criminal matters; accept guilty pleas; and sentence for traffic, motor carrier, and snowmobile violations and dog, game, and warrants authorized by the prosecutor or municipal attorney. Attorney magistrates may hear small claims cases. Magistrates may, at the direction of the chief judge, perform other duties allowed by statute.

District judges are elected for six-year terms on non-partisan ballots, under the same requirements as circuit judges.

Municipal Court

Municipal Court civil jurisdiction is limited to $1,500. Five municipalities have chosen to retain a municipal court, rather than change to district court (per the provisions of the Constitution of 1963). Its criminal jurisdiction is similar to district court. Municipal judges must be lawyers, residents and electors of their cities. They are paid by the municipality and are elected for four-year terms as provided by city charter. They are part-time judges and may practice law.

State Court Administrative Office (SCAO)

The SCAO provides leadership and promotes effective, efficient, equitable, uniform and accessible court and justice system services to advance the highest quality of justice in Michigan. The SCAO provides administrative oversight and management of technical assistance to the more than 600 judges of Michigan's 244 trial courts and trial court staff on matters relating to management of judicial functions.

FINANCING LOCAL GOVERNMENT

Local government operates through a system of fund accounting. With a private business, all revenue is typically accounted for in one place and all expenditures are accounted in one place with the exceptions sometimes of capital project accounts. Local government receives funds from many different sources and spends funds on diverse programs and services. The state has a chart of accounts which details how different funds are accounted for in budgets, audits and other financial reporting. A number of different fund categories have been created including general fund, special revenue fund, enterprise fund, debt service fund, trust & agency fund, and internal service fund. Many full service local units of government have in excess of 30 funds.

General Fund

The general fund is where the cost of basic services that benefit the entire population of a jurisdiction is paid. The **ad-valorem property tax** is often the largest single source of general fund revenue. Property tax is levied on all non-government owned and non-church property. The unit of taxation is a mill, which is defined simply as a unit of measurement equal to 1/1000, or .001. Michigan law requires that a property owner pay no more nor no less that 50% of assessed value, or taxable value, multiplied by the approved millage rate in property taxes.

Thus, for a property owner with a house that the assessor determines has a true cash value of $150,000, the calculation would be as follows, assuming a total millage levy of 50 mills:

$150,000 (True Cash Value) x 50% (taxable limit) = $75,000

$75,000 multiplied by .050 = $3,750. This total would be apportioned to the county, city, village or township, schools, intermediate schools and any other taxing jurisdiction such as libraries, special districts, etc.

Special Revenue Funds

Funds allocated for a specific purpose by state or federal agencies or by a special millage, are accounted for in a special revenue fund. For example, State Act 51 provides funding for city street departments and county road commissions for maintenance of Major and Local streets that are identified for each community on maps created and maintained by the Michigan Department of Transportation. These Act 51 funds are accounted for in a special revenue fund.

If a local government has a millage targeted to a specific purpose such as narcotics enforcement or senior services, revenue realized from the millage must be accounted for in a special revenue fund.

State Revenue Sharing

The second largest revenue in many municipal budgets is State Revenue Sharing. The Michigan Department of Treasury distributes sales tax collected by the State of Michigan to cities, counties, villages and townships. These sales tax distributions are unrestricted revenues and can be used for any legally permitted purpose as determined by the governing bodies of local units of government.

State Revenue Sharing funds are derived from two sources:

- Constitutional – 15% of the 4% gross collections of the state sales tax;
- Statutory – 21.3% of the 4% gross collections of the state sales tax.

Single Business Tax

The Michigan Department of Treasury collects the single business tax that is levied by the State of Michigan on all business whose adjusted gross receipts exceed $250,000 annually. A portion of this revenue is disbursed to cities, counties, townships, and villages using a **relative tax effort formula** using the state equalized value (SEV) of the local community. The local units of government are in turn required to distribute a portion of the Single Business Tax revenues received to other local units of government which levy millage (such as district libraries). Monies not distributed to other local units on a relative tax effort are available for unrestricted use by cities, villages, counties, and townships.

Fees/Charges for Service

Examples of fees include the following:

- Purchasing a dog license from the County Treasurer
- Purchase of a parcel map, tax map, subdivision plat map from your township, city, village or county
- Purchase of a library card
- Purchase of a dog license
- Payment of a fee to use a park shelter for a family gathering
- Payment to a Mayor for performing a marriage ceremony
- Payment to a township for dropping off garbage at a transfer station
- Purchase of a bicycle license from a township, city or village police department

Fines

Examples of fines include the following:

- Fine for overdue library books
- Fine for speeding in an automobile
- Fine for a municipal code violation such as long grass, abandoned vehicles, violation of noise ordinance
- Fine for illegal parking such as parking in a handicapped space without a handicapped parking permit.

Intergovernmental Revenue

Examples:

- A township, city or village may contract for services from a neighboring city, township or village. This payment from one government to another would show up in the Intergovernmental Revenue line item in the budget.
- State or county government will occasionally fund or contract initiatives at the city, township and village level and these payments would be considered Intergovernmental Revenue.
- A grant from the state or federal government such as the US Department of Justice Cops More program, which funded police officers for three years for counties, cities, townships and villages is an example of Intergovernmental Revenue.

Administrative Fees

Departments not funded by general funds are usually charged an administrative fee by the general fund. This is to recoup a portion of the general services provided by the governing body, executive, finance department, human resources department, and information technology that are budgeted for and paid from the general fund but benefit

departments and services funded completely out of funds separate from the General Fund.

Use of Fund Balance

In Michigan, a city, county, township or village general fund must be *balanced,* i.e., revenues must at least equal expenditures. If expenditures exceed revenue, a budget deficit results. If revenue exceeds expenditures, a surplus results. General Fund *Fund Balance* includes funds derived from multiple years of surpluses. Surplus funds from the General Fund can be used as revenue in order to balance a current fiscal year budget.

Special Revenue Funds

Two of the most important special revenue funds for cities are the Major Street Fund and the Local Street Fund. The Michigan Department of Transportation (MDOT) has developed maps of *major* and *local streets* as defined by MDOT. These funds serve as the repository for Act 51 (Public Act 51, of 1951) funds.

The Michigan Transportation Fund is the depository for motor vehicle license revenue and gasoline tax revenue. After various statutory distributions, the revenue is distributed to the State (39%, for MDOT), to counties (39.1%, to county road commissions), and to cities and villages (21.8%, typically to city/village street departments). The allocation to these local units is based on mileage, population, and vehicle restrictions. County road commissions receive and spend Act 51 allocations on behalf of townships within their jurisdictions. Many townships levy a street/road millage that enhances development and maintenance of roads within their corporate limits. Act 51 funds must be used for designated purposes including road construction, road maintenance, and snow removal.

Special tax levies outside of the levy used for general fund operations are accounted for in a special revenue fund. Special levies must be approved by the voters and can be approved for a wide variety of purposes. It may be a levy dedicated to streets or to public safety. One community levied a millage, with voter approval, to fund a narcotics unit to reduce the incidence of dealing and use of illegal narcotics in that community.

Enterprise Funds

Enterprise funds support municipal operations that are intended to operate like "businesses", i.e. where all revenue necessary to provide the service is derived from fees charged for the service and no government subsidy from property taxes or other sources is used to fund the service provision. There are many examples of enterprise funds in Michigan:

Municipal Water

Water systems are paid for predominantly by the usage fees that resident customers pay, typically by the gallon or by the cubic foot. The typical resident uses about 200 to 300

gallons of water per day. In South Haven, the current water charge is $1.20 per 100 cubic feet which translates roughly into $1.20 for 750 gallons of water. Water systems also collect minor revenue for service connection and service cut-off fees, filling swimming pools with water each spring, etc.

Sanitary Sewer

Fees for wastewater treatment are typically also calculated on the cubic feet or gallons of water used. In South Haven, the current sewer charge is $2.00 per 100 cubic feet (750 gallons) of water used. Some communities give residents a summer price break on sewer rates in order to encourage or at least not penalize homeowners for watering their lawns. Water used to water lawns does not flow through the sanitary sewer system and thus is not treated in the wastewater treatment process. Miscellaneous revenue is similar for sanitary sewer as water with revenue realized primarily from new service connections.

Municipal Electric

Forty Michigan cities provide electric service to their residents. Electric service is paid for primarily by a charge per Kilowatt Hour (kwh) of less than 10 cents. The typical residential bill for electric service in South Haven is currently approximately $35 per month.

Some communities generate their own electricity such as Lansing. Others like South Haven, purchase the electricity from another power source and distribute the power through their municipally owned primary and secondary power grid.

Parking Systems

Many municipalities have fee based parking systems where the fees generated from persons parking on street or in parking structures, fund the system that provides the parking.

Parks & Recreation

Some local governments charge for use of parks or for parking near beaches, use of boat launches, recreational programming, etc. The intent of these charges is typically that they cover the cost of providing the service.

Solid Waste

Some communities provide garbage pickup, transfer to and deposit in a landfill or an incinerator as a general fund, taxpayer expense. Others either provide the service for residents and charge them on a volume basis or allow any number of private services to vie for resident business within the corporate limits of the local government.

Miscellaneous

The City of Coldwater has a municipal electric utility and has extended services through construction of a fiber loop. Coldwater residents can purchase local telephone service, internet service and cable television service from the city. Some local governments in other states provide natural gas utilities for residents.

Internal Service Funds

Internal service funds are used for the service provision departments contained within the municipal organization. A good example of an internal service accounted for in an internal service fund is a *motor pool fund.* A motor pool fund often "owns" all vehicles owned or leased by the municipal organization. The motor pool fund purchases the vehicles and "rents" them to each department and includes a charge for maintenance, gas & oil, and replacement.

Trust & Agency Funds

Trust & Agency Funds are used to account for money held by a county, city, township or village as a trustee, which is later to be distributed.

Capital Improvement Funds

Monies are allocated to Capital Improvement Funds (CIP) when a project is expected to last more than one fiscal year and when revenue for the specific project might come from more than one or several sources.

Debt Service Fund

When bonds are sold to finance public projects, the annual principal and interest payments necessary to retire the bond are accounted for in a debt service fund.

CITIZEN INTERACTION WITH LOCAL GOVERNMENT

Citizens interact with local governments in a number of ways.

Citizens interact with their elected local government township boards, county boards of commissioners, city councils and commissions and village boards both formally when they attend formal meetings and also informally when they call for assistance with problems or to give their opinion on a current issue. Unfortunately, it seems that most citizens become active when government is about to impact them in a way that is perceived by them to be negative such as when a municipal project is planned in the vicinity of their home. Such involvement is characterized sometimes as NIMBY, "Not In My Back Yard", or NOPE, "Not On Planet Earth."

Citizens increasingly want to be involved in the local government-decision making process and increasingly want more information out of local government. In the wake of the Watergate scandal, two very important pieces of legislation were adopted in Michigan as part of a national trend to approve "Sunshine Laws." Public Act 442 of 1976, the Michigan Freedom of Information Act was adopted in order to require state and local government to provide information requested by residents and standardized the process and fees for requested information. The act requires local governments to respond to a request for information within five working days. If staff resources are thin and the local government is unable to respond within five working days, the act gives the local government the authority to invoke an additional ten working day period to fulfill the request and this must be communicated to the requester in writing. Citizens can be charged reasonable fees defined under the law for provision of information. A record must exist in order for it to be requested, a local government does not have to create a record where one does not exist. The law does contain exemptions to what information the local government is required to provide. Personal employee medical information, information related to pending litigation and labor negotiations, and information related to pending property purchases are examples of exemptions.

This act was revamped in 1996. The new act included an ability for citizens to request information that exists in a digital format and also empowered local governments to charge a fee that helps offset the development cost of expensive computer systems such as geographic information systems.

The second major piece of "sunshine" legislation is Public Act 267 of 1976, the Open Meetings Act. This act was passed in order to require the State of Michigan and local governments to hold their meetings publicly. Local governments are required to give notice of meetings that must be held at a place available to the general public. Regular meetings for the year are typically scheduled before January 1st and the schedule approved by the public body at their first meeting of the new year or even prior to the new year. Special meetings must be posted publicly at least 18 hours to the start of the meeting. Typically proper public notice includes posting a meeting notice in one or more public areas and also notifying the media of the meeting.

Local governments include a place on their agenda for public comment or accept public comment on each agenda item as the meeting progresses.

Per the Americans with Disabilities Act, (ADA), local governments must make meeting facilities available and to those who are physically disabled or are blind or deaf.

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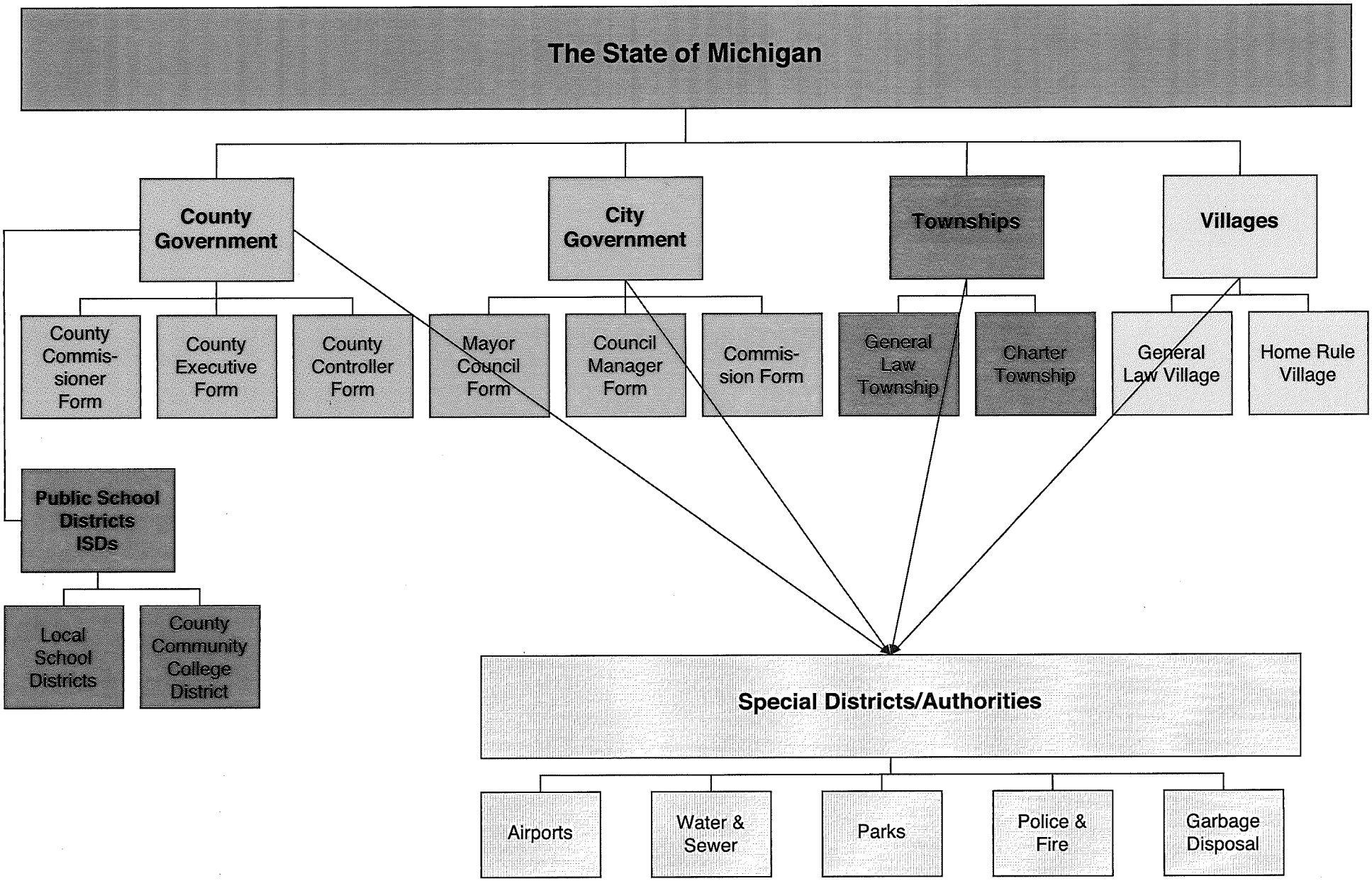
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