

# the review

March/April 2017

the official magazine of the  michigan municipal league



MICHIGAN



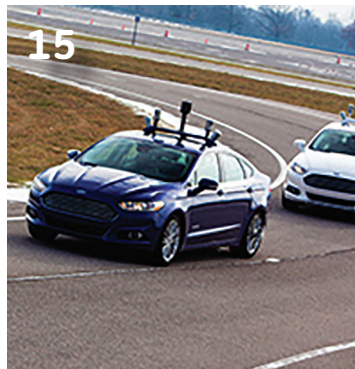
# Features

6  
**Simplified Tax Structure  
Benefits Local Governments**  
By Dr. Eric Scorsone

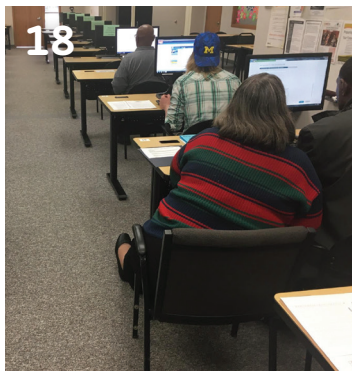
9  
**Federal Court Strikes  
Down “Gag Order” Law as  
Unconstitutional**  
By Scott Eldridge

12  
**Diving into the Dark Store  
Issue**  
By Dwight J. Brady

15  
**Planning for, Not by,  
Autonomous Vehicles**  
By Richard Murphy



18  
**What Does It Mean to be  
Welcoming? Opening the  
Door for Returning Citizens**  
By Shanna Draheim



24  
**COVER STORY  
Municipal Finance Reform:  
League Campaign Aims to  
Reset State Policies**  
By Anthony Minghine

28  
**Mayors’ Exchange Day: A  
Priceless Opportunity**  
By Lisa Donovan



# the review

The official magazine of the Michigan Municipal League



## Columns

- 5 Executive Director’s Message
- 21 Place Plans: Where Are They Now?
- 32 Maximize Your Membership
- 35 Northern Field Report
- 38 Municipal Finance
- 40 Technology Topics
- 45 Municipal Q&A
- 46 Legal Spotlight







## Thriving Communities Don't Happen by Accident

Public officials across Michigan work with Plunkett Cooney to develop healthy business districts and safe neighborhoods that residents are proud to call home.

Whether in council chambers or in the courtroom, your community can count on Plunkett Cooney for the right result.

- City Attorney Services ■ Labor & Employment Law ■ Civil Litigation
- Public Safety Liability ■ Zoning, Planning & Permitting

ATTORNEYS & COUNSELORS AT LAW

**AUDREY J. FORBUSH**

Governmental Law Practice Group Leader

810.342.7014 | [aforbush@plunkettcooney.com](mailto:aforbush@plunkettcooney.com)

PLUNKETT  COONEY

DETERMINED. DISTINCTIVE. FEARLESS.®

Bloomfield Hills

Detroit

East Lansing

Flint

Grand Rapids

Kalamazoo

Marquette

Mt. Clemens

Petoskey

[www.plunkettcooney.com](http://www.plunkettcooney.com)



# FACT SHEET



Municipal Attorneys...  
Managers...  
Department Heads...

Add to our  
growing  
collection!

Do you write one-page  
explanations of  
municipal topics for  
your council or staff?

If so, submit them to  
the League as possible

## Fact Sheets

These one-page information  
sheets offer a clear and  
concise explanation of  
a variety of municipal topics.  
The *Fact Sheet* is an additional  
piece of information, such  
as a sample ordinance,  
policy, or resolution.  
These fact sheets are  
available online at [mml.org](http://mml.org).  
Email [kcekola@mml.org](mailto:kcekola@mml.org)  
for details.



# the review

The official magazine of the Michigan Municipal League

Volume 90, Number 2

## We love where you live.

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

## BOARD OF TRUSTEES

**President:** Rosalynn Bliss, Mayor, Grand Rapids

**Vice President:** Catherine Bostick-Tullius, City Commissioner, Lapeer

### Terms Expire in 2017

Kim Corcoran, Mayor Pro Tem, Ironwood  
Ken Hibl, City Manager, Clare  
Marcus Peccia, City Manager, Cadillac  
Jeff Thornton, City Manager, Negaunee  
Adam J. Umbrasas, Village Manager, Three Oaks

### Terms Expire in 2018

Wendell Dompier, Village President, Baraga  
Maureen Donker, Mayor, Midland  
Jason Eppler, City Manager, Ionia  
Rebecca Fleury, City Manager, Battle Creek  
Melanie Piana, Mayor Pro Tem, Ferndale  
Rusty Showalter, Councilmember, West Branch

### Terms Expire in 2019

Christine Burns, Village Manager, Spring Lake  
Andy LeCureaux, Councilmember, Hazel Park  
Richard Lewis, City Commissioner, Traverse City  
Brenda Moore, Councilmember, Saginaw  
Mark Vanderpool, City Manager, Sterling Heights  
Juan Pete Zamora, Mayor, Leslie

## MAGAZINE STAFF

Lisa Donovan, Editor  
Tawny Pearson, Copy Editor  
Monica Drukis, Editorial Assistant  
Genui Forma Inc., Graphic Design

## TO SUBMIT ARTICLES

*The Review* relies on contributions from municipal officials, consultants, legislators, League staff and others to maintain the magazine's high quality editorial content. Please submit proposals by sending a 100-word summary and outline of the article to Lisa Donovan, [ldonovan@mml.org](mailto:ldonovan@mml.org). Information is also available at: [www.mml.org/marketingkit/](http://www.mml.org/marketingkit/).

## ADVERTISING INFORMATION

*The Review* accepts display advertising.  
Business card-size ads are published in a special section called Municipal Marketplace.

Classified ads are available online at [www.mml.org](http://www.mml.org). Click on "Classifieds."  
For information about all MML marketing tools, visit [www.mml.org/marketingkit/](http://www.mml.org/marketingkit/).

## SUBSCRIPTIONS

\$24 per year for six issues.  
Payable in advance by check, money order, Visa/MasterCard/American Express.  
Make checks payable to Michigan Municipal League. Phone 734-669-6371; fax 734-669-4223 or mail new subscription requests & checks to the Michigan Municipal League, P.O. Box 7409, Ann Arbor, MI 48107-7409.

*The Review* (ISSN 0026-2331) is published bi-monthly by the Michigan Municipal League, 1675 Green Rd, Ann Arbor, MI 48105-2530. Periodicals postage is paid at Ann Arbor MI. POSTMASTER: Send address changes to THE REVIEW, 1675 Green Rd, ANN ARBOR, MI 48105-2530.



Please recycle this magazine



## Changing Michigan's Financial Model is a Team Effort

As I write this, we are barely into the New Year. I always find this a good time to take a deep breath, reflect on the past year, and move forward with a vision and goals for the upcoming months.

And those goals and vision will reflect and build on what we started in 2016—advocating for fundamental change to the financial model in Michigan. The cover of this issue illustrates Michigan's need for a complete reset. This means going back to ground zero, and developing a funding mechanism that will provide stable resources that our communities need to grow and thrive.

We have laid out a detailed plan for a financial reform campaign centered around revenue, cost, and structure of government. A financial system built for the last century, does not serve the needs of today's world. Shockingly, Michigan comes in dead last in the country in shared general revenue. How are we supposed to compete economically without the capacity to maintain and grow sustainable, vibrant communities? Crumbling bridges, patched up roads, and sinkholes have become Michigan's recurrent narrative. The city of Flint has spent the past two years clinging to life just trying to procure safe drinking water for its residents, much less being able to focus on other services and growth that could enhance the quality of life and build up their economy. It isn't up for debate whether we need to change, it's a matter of how we're all going to make it happen—in other words, a total reset!

This past year, our outstanding legislative department, led by Director of State and Federal Affairs Chris Hackbarth and his team, and Tony Minghine, associate executive director & COO, have been tirelessly meeting with legislators, outside organizations, and our members to build a case for a new financial model that will give our communities the resources they need. And it is all hands on deck with staff in the events and communications departments, as well as other individuals at the League, who are also lending significant time and support to assure that this will be a successful campaign.

But we need your help if we are going to be effective in making these proposed financial reforms a reality. Reach out to your legislators and make sure that your voice is heard. Pick up the phone, write letters and emails, show

up at their office in Lansing, and organize focus groups in your community. Our legislative team is fully charged to continue working with other groups, legislators, and the governor's office to make real change happen, but we can't do it without you!

A sampling of other articles in this issue include information building on the League's webinar held in conjunction with the Department of Treasury to assist communities to move through the initial phases of implementing the state's new personal property tax system.

The conversation continues over the legal battle of taxes between big box retail stores and local governments. For a good overview, check out the video that is referenced in the article.

And fast approaching in our rear view mirrors are autonomous vehicles. They will have a significant impact on policies at the local level—how we design our communities, build our infrastructure, and provide services. It's not too early to be having these conversations. Richard Murphy, the League's program coordinator, is keeping a close watch on this topic.

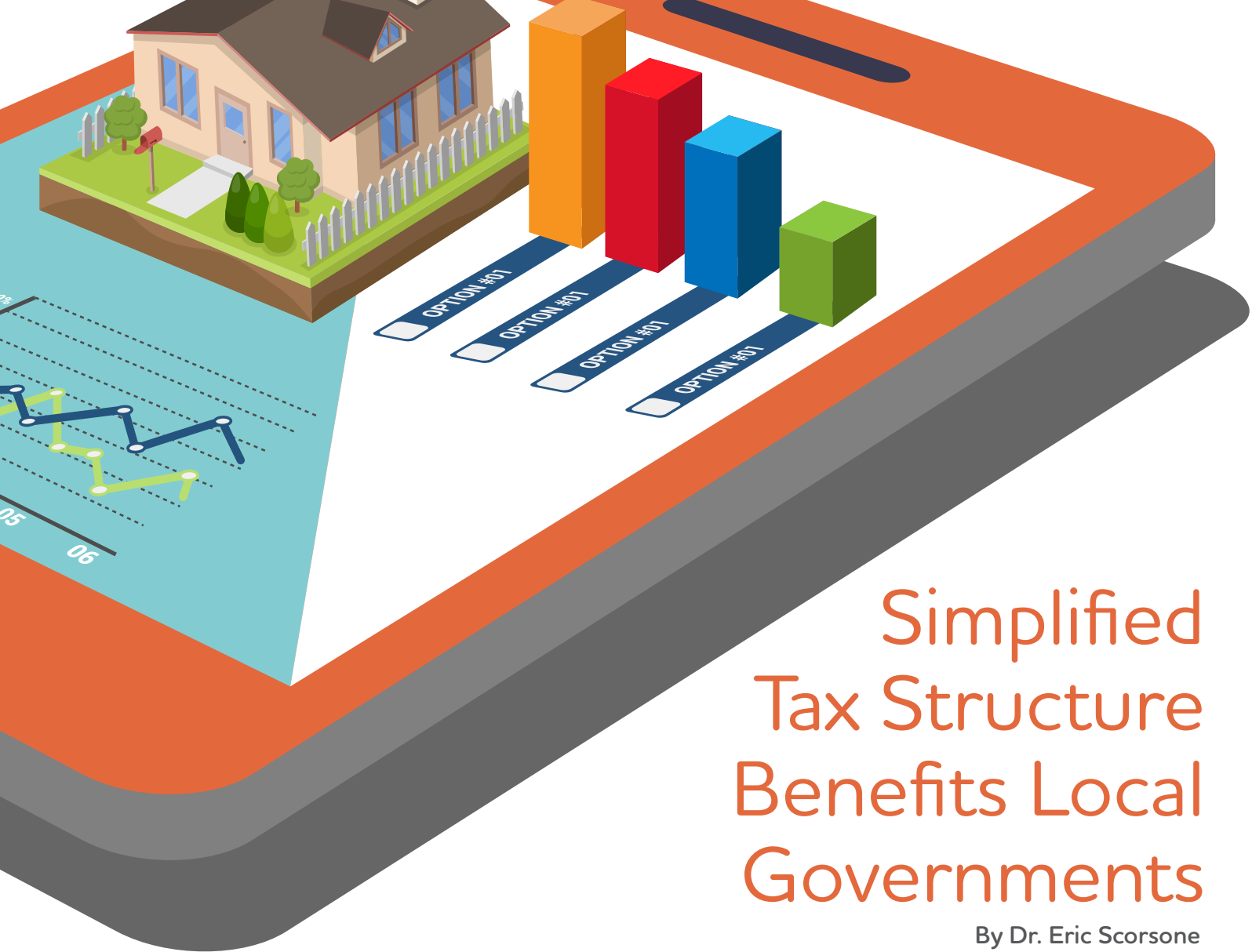
And don't forget that Capital Conference is coming right up. If you haven't registered yet, it's not too late to do so. Consider it a must-attend event. We look forward to seeing you there!



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







# Simplified Tax Structure Benefits Local Governments

By Dr. Eric Scorsone

In recent years, there have been changes in Michigan's personal property tax structure.

With the goal of making Michigan's tax structure simple, fair and efficient, legislation was passed in 2012 and 2014 to reform Michigan's Personal Property Tax (PPT) and create the Local Community Stabilization Authority (LCSA). Michigan citizens also voted in favor of the reform in 2014.

Prior to the personal property tax reform, businesses were taxed on industrial machinery and equipment through local millages, creating an uncompetitive economic climate and making communities financially susceptible to economic changes.

Reforming the century-old PPT laws was critical to Michigan's economic growth and sustainability. Equally as important was ensuring that local government units did not lose crucial resources due to this change.

The state committed to reimbursing local units who relied on revenue from the PPT. Reforming the PPT has proven

to be great for job providers, with nearly 500,000 private sector jobs being created in Michigan. The PPT reform package includes three provisions: a small taxpayer exemption; an exemption for eligible manufacturing property; and an Essential Service Assessment (ESA).

## Reimbursements You Can Count On

The dollar amount local governments are entitled to share each year is specified in state law and based on Michigan Department of Treasury estimates that were made prior to the enactment of the reforms. Those estimates were calculated to fully reimburse local units for 100 percent of their tax loss stemming from the reforms.

Under the statutory reimbursement formulas, some PPT losses are guaranteed at 100 percent reimbursement, while others without the 100 percent guarantee can be reimbursed at more or less than 100 percent, depending on the remaining amount of revenue available.



PPT losses that are guaranteed to be reimbursed at 100 percent include:

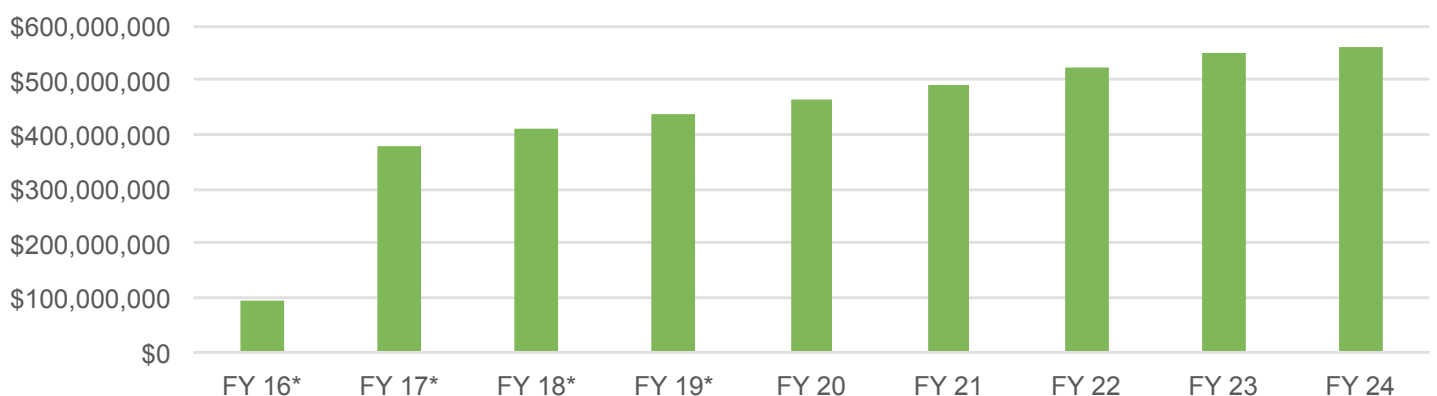
- Local and intermediate school district losses
- Millages used to fund essential services, specifically police, fire, ambulance, and jails
- Decline in Tax Increment Finance (TIF) plan captured value of commercial and industrial personal property
- 2015 small taxpayer exemption losses

*"The personal property tax reforms are a shining example of the success that can be achieved when different interest groups come together in the spirit of cooperation to solve a problem—in this case, a problem that had existed for more than 100 years."*

## 2016 PPT DISTRIBUTIONS

Amounts paid to each local government are posted on the Treasury web page at [Michigan.gov/ppt](http://Michigan.gov/ppt) and can be found by clicking on "New! Personal Property Information," then on "Personal Property Tax Reimbursements." The website also includes a calculation tool that provides the formula factors used to calculate the 2016 PPT distributions for other municipalities and a distribution calculation.

### Use Tax Money to Authority for Reimbursements



\*Up to \$0.3 million for administration





1. League PPT meeting with U.P. officials in Marquette 2. State Representative Marcia Hovey-Wright joins PPT meeting in Muskegon

In 2016, the first reimbursements were made using these formulas. Some local units saw an increase in reimbursements—all the result of the cooperative agreement worked out between local units and the state in 2014 to eliminate the onerous and job-killing PPT. Reimbursements are specified and guaranteed in state law and are not related or dependent upon the amount of revenue collected by the state from any tax.

In late November, the Local Community Stabilization Authority sent more than \$302 million in payments to local units made up of municipalities, libraries, authorities, community colleges, and school districts to reimburse for losses caused by declining PPT values.

In February, nearly \$72 million in additional funds was distributed to townships, counties, and other municipalities that only levy millages in December. The personal property tax reforms are a shining example of the success that can be achieved when different interest groups come together in the spirit of cooperation to solve a problem—in this case, a problem that had existed for more than 100 years.

To learn more about PPT, go to [www.michigan.gov/ppt](http://www.michigan.gov/ppt). Dr. Eric Scorson is the senior deputy state treasurer for the Michigan Department of Treasury. You may contact him at 517-373-4415 or [ScorsonE@michigan.gov](mailto:ScorsonE@michigan.gov).


**CARLISLE WORTMAN**  
 associates, inc.

### Community Planners



















*Committed to Michigan communities  
for more than 25 years.*

**Contact Us Today**  
[www.cwaplan.com](http://www.cwaplan.com) • 734-662-2200

**If only your  
telecom costs  
were so obvious**




Contact us at [mmi@abilita.com](mailto:mmi@abilita.com) for a free consultation



## ABILITA®

Independent Communications Expertise

 **ABILITA** | 888.910.2004 | [Abilita.com](http://Abilita.com)



# FEDERAL COURT STRIKES DOWN “GAG ORDER” LAW AS UNCONSTITUTIONAL



U.S. Rep. Sander Levin calls for a repeal of the gag order provision in Michigan's PA 269

By Scott Eldridge

For years, Michigan's Campaign Finance Act (MCFA) has prohibited the use of public funds and resources to engage in express advocacy or its functional equivalent in connection with elections, including local ballot questions and initiatives. The MCFA, however, has permitted public bodies and public officials to expend public funds and resources to educate and discuss with citizens about matters of public interest in an objectively neutral and factual manner. Thus, the MCFA has always differentiated between advocacy and neutral communications about election matters. In late 2015, however, the Michigan legislature attempted to significantly limit public bodies' and officials' ability to communicate about local ballot measures.

## Disruptive New Law

On the last day of the legislative session for 2015, the Michigan legislature amended Section 57 of the MCFA to prohibit public officials—for the first time ever—from speaking about local ballot proposals during the 60-day

period before the election. The change in the law was effectively a “gag order” on political speech. It was pushed through the legislature surreptitiously in a last-minute amendment without any substantive debate. The law passed with some Legislators later admitting publicly that they voted on the bill without knowing about the gag order provision. On Jan. 6, 2016, the governor signed the bill into law as Act 269, which provided in relevant part:

*Except for an election official in the performance of his or her duties under the Michigan election law ... a public body, or a person acting for a public body, shall not, during the period 60 days before an election in which a local ballot question appears on a ballot, use public funds or resources for a communication by means of radio, television, mass mailing, or prerecorded telephone message if that communication references a local ballot question and is targeted to the relevant electorate where the local ballot question appears on the ballot.*



*“Until this gag order, never had a public official in Michigan been prohibited from disseminating objectively neutral information about a ballot question presented to the local electorate.”*

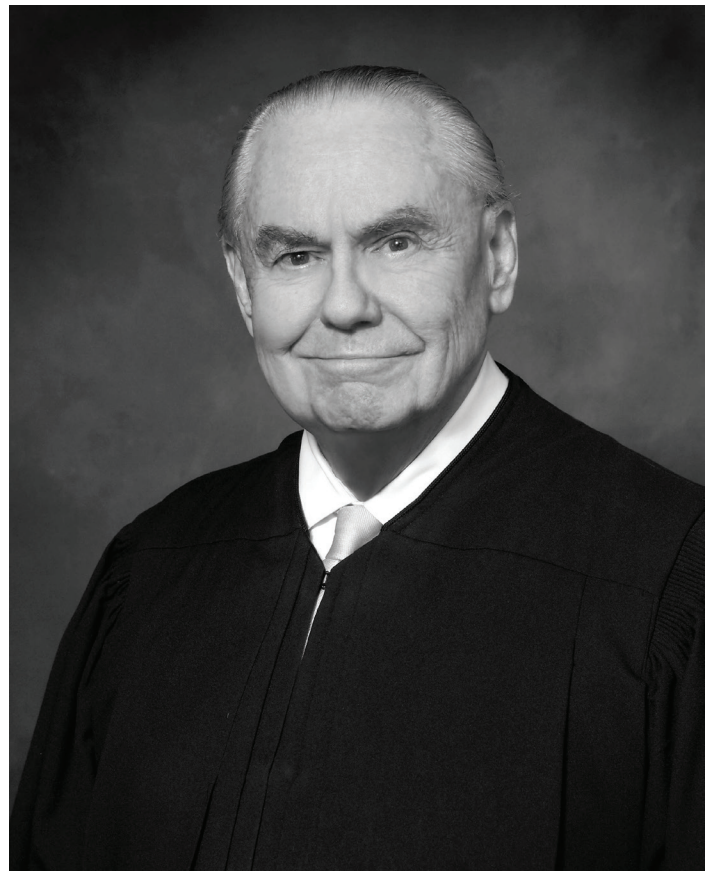
Until this gag order, never had a public official in Michigan been prohibited from disseminating objectively neutral information about a ballot question presented to the local electorate. Furthermore, the statute imposed criminal penalties against public officials for violating the 60-day gag order if they were to simply “reference” a local ballot question. No such restrictions were placed on corporations or political action committees (PACs), even if they were to disseminate false information. Thus, the statute went so far as to prohibit public officials from educating the electorate or correcting false information about a local ballot question. For example, the gag order made it a crime for public officials to use public funds to: make pre-recorded telephone calls to local citizens to simply remind them to vote on a bond proposal; or send out mass mailings detailing the pros and cons and meaning of a “mill” or a “non-homestead millage”; or make a radio announcement about how a ballot question might impact a charter amendment.

Not only would the gag order law prohibit public officials from communicating to constituents, it would negatively impact voters who rely on government officials to educate them about matters of local concern. In simplest terms, citizens have a right to hear about matters of public concern not just from corporations, nonprofits, or PACs. Local

governments and local officials play just as significant a role in the local democratic process. The U.S. Supreme Court opined 50 years ago that “[t]he role that elected officials play in our society makes it all the more imperative that they be allowed freely to express themselves on matters of current public importance.”

## Fighting Back

Neither Michigan nor federal courts have ever recognized compelling reason to regulate communication that is not express advocacy or its functional equivalent. With the support of the Michigan Municipal League, its members, and many others, the law firm Miller Canfield, PLC initiated a lawsuit in federal court on behalf of approximately 20 public officials from around the State of Michigan—including elected and appointed municipal, county, and school district officials—challenging the unprecedented gag order. Specifically, those public officials challenged the statute because it violated their First Amendment and Due Process rights under the federal constitution by subjecting them to possible criminal prosecution for simply communicating with constituents in an objectively neutral way about ballot questions, while leaving corporations or PACs free to disseminate even false information to electors about local ballot questions.



Judge John Corbett-O'Meara





Dowagiac Mayor Donald Lyons speaks at a news conference opposed to PA 269

## Prevailing In Court

On Feb. 5, 2016, U.S. District Court Judge John Corbett O'Meara agreed and blocked the enforcement of the gag order provisions. He concluded preliminarily that the new law is unconstitutionally vague and would cause irreparable harm to public officials:

*One could arguably find a communication that 'references' a ballot question to be any communication that merely 'mentions' a ballot question. This result appears absurd; it is difficult to imagine that regulators would attempt to sanction or prosecute a public official for merely mentioning a ballot question in a city newsletter, explaining the difference between a millage renewal and millage increase, or explaining what "non-homestead" means, for example.... Allowing regulators this type of unrestricted judgment call provides no check against arbitrary or discriminatory enforcement and is what the vagueness doctrine is meant to avoid."*

Shortly thereafter, the Court entered an order at the parties' request, permanently prohibiting the Secretary of State from enforcing the gag order provision. The success of the lawsuit marked a significant victory for MML members and public officials around the state. Public officials are again free to expend public resources to communicate with citizens about local ballot questions provided the messaging is objectively neutral and does not amount to express advocacy or its functional equivalent. But perhaps more importantly, the lawsuit marked a significant victory for the Constitution and the democratic process.

---

Scott Eldridge, Esq., is a principal with Miller Canfield, PLC. You may contact him at 517-483-4918 or [eldridge@millercanfield.com](mailto:eldridge@millercanfield.com).



## Attorneys are not created to fit every need

For 20 years we have been assisting local governments with labor relations and employment issues.

During this time founder Howard L. Shifman, has represented many cities, counties and townships. He has been involved in legislative initiatives including the drafting of Act 312 and other legislative reforms, as well as being recognized by the Michigan Municipal League with a Special Award of Merit for his dedication to the cause of local government.

Mr. Shifman is aided by Brandon Fournier who has extensive experience in municipal operations, including both public safety and general municipal operations. Prior to joining the firm, Brandon served as the City Administrator for the City of Southgate.

Also with the firm is Attorney Robert J. Nyovich with over 30 years of experience in public sector labor and employment law. Prior to joining the firm, Mr. Nyovich also served previously as a public safety officer and as the Oakland County Undersheriff.

**An unparalleled and unique group of diverse backgrounds to represent the interests of local governments.**

*Howard L. Shifman, P.C.*

370 East Maple Rd. Suite 200 • Birmingham, MI 48009  
(248) 642-2383 • [hshifman@howardshifmanpc.com](mailto:hshifman@howardshifmanpc.com)

# DIVING INTO THE DARK STORE ISSUE

By Dwight J. Brady



Menards store in Escanaba involved in the Court of Appeals case

**O**n a cold afternoon in December 2015, I dipped my toe into what would become a very deep pool of information about the “dark store” issue. I was at lunch with former Marquette County Commissioner Greg Seppanen, Marquette County Labor Council President Mike Thibault, and Chris Wagner from Marquette County Citizens for a Fair Share. They had asked me to join them to see if I might be interested in having my multimedia journalism students at Northern Michigan University create a video about this topic.

Like most people in our community, I had read a few articles in the local newspaper about “dark stores,” but I hadn’t fully grasped what it was all about. However, as I listened to Greg, Mike, and Chris talk about how a ruling by the Michigan Tax Tribunal in 2010 allows corporate retailers to use blighted property, or “dark stores,” in southeastern Michigan as a means of determining taxable value for property in the Upper Peninsula, it was clear something wasn’t right with this picture. Local units of government were losing hundreds of thousands in tax revenue while large corporate



retailers in Michigan were paying one-third the amount in property taxes that they were paying in neighboring states, and it was all being done with the blessing of our court system and our state legislature.

About halfway through my club sandwich, I was already knee-deep in this classic David and Goliath struggle between local units of government, huge corporations, powerful law firms, and state government. I not only tasted turkey and mayo, I could smell a good story. It had more tension than the support cables on the Mackinac Bridge.

As I finished my lunch, I was licking my journalistic chops, but I couldn't escape the uneasy feeling in my stomach that told me this was going to be a lot of work if I actually chose to dive into the project. One month later, my students heard the splash as I introduced our assignments for the 2016 Winter Semester. At first, we were just going to do an 8-10 minute mini-documentary. But as we learned more about the history of the dark store issue and the many moving parts, we left the door open to producing a longer format documentary.



### Lights, Camera, Action!

Fortunately, Northern Michigan University strongly supports what is called Academic Service Learning. It is based on the concept that students can learn through serving their community. With help from a \$500 Academic Service Learning grant from NMU, my students and I began interviewing local officials and small business owners, and shooting footage of all things related to this topic. This process helped my students learn about pre-production planning, field production, and also how to break down a large topic into manageable pieces.

Shortly after we started production, I became aware of two other NMU students who had just started working on their own documentary about the same topic, so I set up a meeting with Michael Williams and Katlyn Fleis. They had already interviewed two local sources, and it was clear they

*"... one of the reasons the 'dark store' issue has affected Michigan for so long is due to our weak statutory law."*



1. NMU student Ann Marie Kent and Professor Brady interview State Rep. David Maturen 2. (l to r) NMU students Eric Urban, Ann Marie Kent and Julie Goldberg

had a passion for this subject but weren't quite sure how to move forward. I invited them to join me and the other students, and they gladly accepted.

To flesh out the story, we needed to make a trip to Lansing, and Williams and Fleis were first in line to go. With only a \$500 budget, I couldn't afford to pay their travel expenses, so these two students created a Go Fund Me page. Within several days, they had raised enough money for the trip. That's commitment!

While in the Lansing area, we interviewed the former Chief Justice of the Michigan Tax Tribunal, Jack Van Coevering, and the current Chief Justice, Steven Lasher, along with state representatives, lobbyists, and other stakeholders. AnnMarie Kent from my Advanced Multimedia Journalism course also joined us on the 4-day trip in early May.

"This project gave me the opportunity to do journalistic work inside and around the state Capitol. I was able to meet and interview state representatives and film a session of the House of Representatives. The education I received was priceless," said Kent.

With the acquisition nearly completed, it was time to begin editing. For nearly three months, the spare bedroom in my



1. NMU students Jaclynn Tarbell-Bringham and Ray Bressette interview State Senator Tom Casperson 2. Professor Brady turned raw footage into the "Boxed In" documentary

home became a production studio as I wrote, edited, and narrated the finished product. In the end, my students and I would devote well over 300 hours of labor to acquire footage and then stitch it all together into a 25-minute documentary.

## Michigan Is Not Alone

As I neared completion of the film, I came across an article published by Alabama lawyer Ken Webb. I contacted him, and he began to explain how the same tactics Lowe's had used in Michigan, were now being deployed in Alabama and many other states. He told me one of the reasons the "dark store" issue has affected Michigan for so long is due to our weak statutory law.

"Lowe's found Michigan law very welcoming to its 'dark store' challenges," said Webb. He also stressed that nothing

short of a legislative solution would remedy the problem in Michigan.

## Seeking a Legislative Fix

Despite the efforts of Representative David Maturen and 96 other supporters of House Bill 5578, the Michigan Senate would let the clock run out on his bill, which would have required the Michigan Tax Tribunal to use truly comparable

property when determining taxable value rather than "boarded up property hundreds of miles away." The legislation will need to cycle through the state legislature again.

To this point, our "Boxed In" documentary has been seen on WNMU-TV in Marquette and in two public premieres in Upper Michigan. It also circulated through the halls of the Capitol during the run up to the vote on House Bill 5578. As dark store legislation enters round two, we are updating the documentary for release on public television in the Lower Peninsula. For more information or to watch the entire documentary, please visit [boxedin.news](http://boxedin.news).

---

*Dwight J. Brady, Ph.D., is a professor of communication at Northern Michigan University. You may contact him at 906-227-2180 or [dbrady@nmu.edu](mailto:dbrady@nmu.edu).*

# The Law Firm For MUNICIPALITIES

CAPITAL PROJECTS & INFRASTRUCTURE  
CONSTRUCTION AGREEMENTS & LITIGATION  
DOWNTOWN/ECONOMIC DEVELOPMENT  
ELECTIONS  
ENVIRONMENTAL & REGULATORY LAW  
HOSPITALS & HOUSING

INTERGOVERNMENTAL AGREEMENTS  
LABOR & EMPLOYEE BENEFITS  
LOCAL, STATE & FEDERAL TAX  
OMA/FOIA  
REAL ESTATE  
TAX INCREMENT FINANCING

**MILLER  
CANFIELD**

[millercanfield.com/PublicLaw](http://millercanfield.com/PublicLaw)

From innovative projects and municipal bonds to collaborative agreements and tax increment financing, cities and villages and their attorneys throughout Michigan rely on Miller Canfield's 160+ years of collective wisdom and diverse expertise.

DETROIT ANN ARBOR TROY LANSING KALAMAZOO GRAND RAPIDS CHICAGO





# PLANNING FOR, NOT BY, AUTONOMOUS VEHICLES

By Richard Murphy

**T**he Center for Automotive Research (CAR) recently presented their draft findings on what connected and autonomous vehicles mean for our communities, as part of the November 2016 Stakeholder Summit for Prosperity Region 9 (the “Greater Ann Arbor Region”). The research team’s work has largely been guided by the discussion at the League’s 2016 Convention on Mackinac Island, where we used a breakout session to hear from members about the concerns they had in thinking about how to adapt to self-driving cars. A final report was expected in January, and will be the topic of a session at our 2017 Capital Conference.

## Nobody Wants To Be Betamax

Of course, many of these findings will still be hypotheticals—what Connected and Automated Vehicles (CAV) could

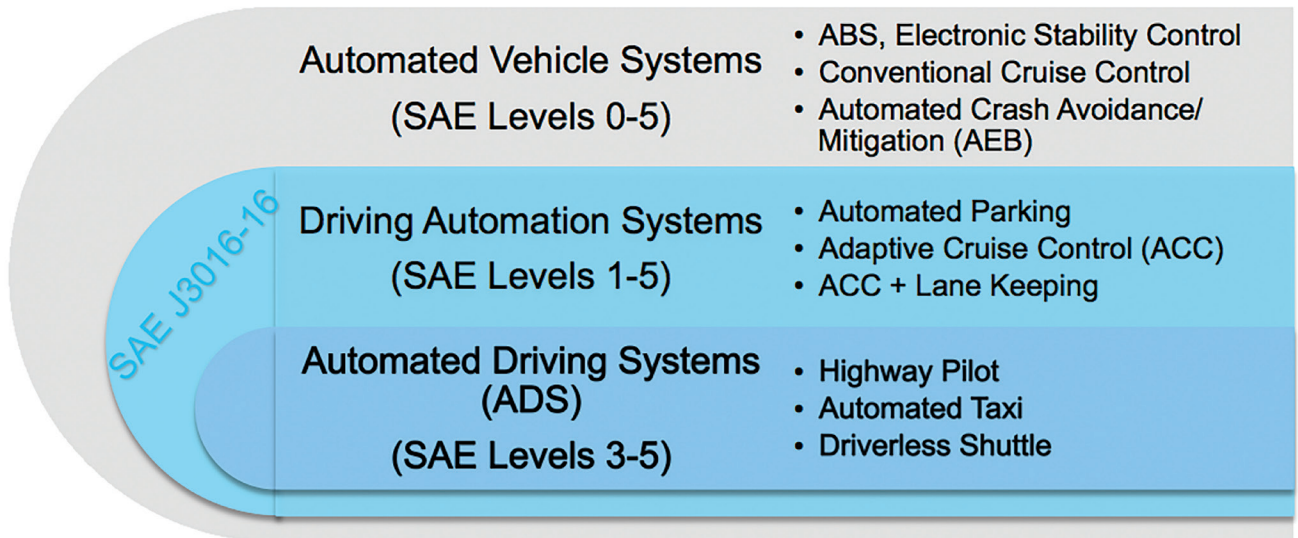
mean—since we’re still very early in the development and adoption curve. As the CAR team noted, truly automated driving is still not available on the market, even in limited and access-controlled conditions like freeway driving, let alone in wide enough use to understand people’s reactions to it.

The most ambitious promises from companies like Tesla suggest options may arrive in the next few years, but widespread use is likely years beyond that: CAR’s Eric Dennis noted that automotive technology typically takes up to 30 years to reach 90% saturation of the on-road fleet of vehicles. And, as one participant noted during discussion, “nobody wants to be the Betamax,” the road agency who invests heavily in the wrong direction by guessing too early what needs to be done.

For example, in September 2016 the question came up: Will the U.S. Department of Transportation or the Michigan

# AUTOMATED VEHICLE SYSTEMS

## SAE INTERNATIONAL TAXONOMY



*“As our cars become self-driving, we should make sure that this change works for our communities, rather than making our communities work for autonomous driving technology...”*

Department of Transportation be offering funding to pay for all the new striping needed on streets for automated driving to work? CAR's Dennis noted that striping is “beneficial, but not necessary” for current approaches to automated vehicles, and that the American Association of State Highway and Transportation Officials (AASHTO) and SAE are working on guidelines for CAV-oriented lane markings—cities and other road agencies should probably not rush out to preemptively stripe every local street in advance of such guidance.



### But Nor Should We Be Passive Observers

A wait-and-see approach to developing technology has its limits, though. Letting driverless tech alone choose the pace and direction of change, and make demands on our communities, will not yield the best results. Instead, we should be thinking ahead about how to incorporate the opportunities this tech could offer: planning, not reacting.

Is this the entrance to a great downtown, or a grand prix starting line?

We've been down the road of letting mobility tech call the shots before, by letting cars drive development patterns for the past half-century. We've built bypasses around our towns in the name of traffic flow, and watched our Main Streets dry up for lack of customers when everybody drove around town



instead. We've turned neighborhood streets into pairs of one-way multi-lane drag strips, making it potentially fatal to walk across the street to visit your neighbor. We continue to tear down historic buildings in the name of having "enough" free parking, punching holes in our communities. Sure, all of this means that we can get places 30 seconds faster, but only by making huge steps backwards away from creating great places.

## Planning For CAVs, Rather Than Letting Them Plan For Us

As our cars become self-driving, we should make sure that this change works for our communities, rather than making our communities work for autonomous driving technology—we need to plan intentionally to utilize these new technologies for our benefit, rather than simply wait and see what changes the technology wants us to acquiesce to.

Dr. Lisa Schweitzer captures this in *Choice and Speculation*, an article in a recent issue of *Cityscape*:

*According to most speculation, driverless technologies will "transform" things. Technology is always the actor, like some unalterable force that sets the terms by which cities and human life will unfold. [However,] Individuals, governments, and businesses have choices about how they create, sell, and use technology... We have choices about how we distribute the*

*benefits and burdens wrought by driverless vehicle technology. Those social, economic, and political choices can influence human life in cities just as much as, if not more than, the technology changes, and those choices will shape the technology as much as the technology will inform and influence choice.*

On this note, the work we've been doing with CAR and Public Sector Consultants helps to capture our local policymakers' concerns about driverless tech, and to compile what's known about the state and trajectory of that tech, and we look forward to presenting those findings.

Building on this foundation, though, we've got plenty of work left to do in figuring out those social, economic, and political choices ahead of us. This technology will offer monumental changes in how people might live their lives, and we have to recognize the limits of policy in societal change—but that limit is not zero.

I'll be writing more on this topic in the future, but in the meantime I welcome your thoughts.

---

Richard Murphy is a program coordinator for the League. You may contact him at 734-669-6329 or [rmurphy@mml.org](mailto:rmurphy@mml.org) or on Twitter at @murphmonkey.

# Mika Meyers

PLC

Attorneys at Law




## Legal counsel that helps local government work effectively.

For more than 50 years, skilled Mika Meyers attorneys have helped public-sector entities meet the ever-increasing demands of their constituents and communities. We provide expertise in areas as diverse as zoning and land use planning, bond issues, special assessments, tax increment financing, labor contracts and arbitration, employee benefits, elections, environmental regulation and many other matters.

For more information on how our **Local Government Law team** can assist your community, visit [mikameyers.com](http://mikameyers.com).


900 Monroe NW Grand Rapids, MI 49503 (616) 632-8000  
[mikameyers.com](http://mikameyers.com)



## Software Based on How You Do Your Job

BS&A financial management experts are focused on developing software that meets the needs of financial, utility and HR professionals with integrated, flexible and efficient applications. 1,585 municipal customers across the state have learned that BS&A provides innovative solutions backed by unmatched service and support. Our Financial Management Suite delivers real world solutions, resulting in:

- Increased efficiency through built-in, integrated and customizable features
- Instant data access through clickable reports with drill down capability
- Integrated functions for easy tracking, quick analysis and less repetition
- Improved accuracy to reduce errors and provide immediate information



(855) BSA-SOFT  
[www.bsasoftware.com](http://www.bsasoftware.com)



What Does It Mean to be

# Welcoming

*Opening the Door for Returning Citizens*

By Shanna Draheim



Hope Network's skills training program helps participants become work ready.



**J**oe Haveman wants Michigan to do a better job of prisoner rehabilitation and re-entry. Haveman, a former Holland City Council member, Ottawa County Commissioner, and state legislator, and current director at the nonprofit Hope Network, has been a long-time advocate for changes to Michigan's corrections system. A small prisoner re-entry program at his church opened his eyes to issues with our corrections system and has fostered a passion about the issue that has spanned his career. He knows from working on these issues that improving the way we help prisoners prepare for, and integrate into life after prison will pay social and economic dividends for our state. And local communities play a key part in the success of prisoner re-entry.

For several years, the League has touted the importance of communities being welcoming places in order to grow our economic and social prosperity. Research shows that communities that are inclusive of people of different races, religions, ethnicities, and sexual orientation are more attractive to talent and business. But what about welcoming residents who are returning to our communities after serving their jail or prison sentences? What does it mean to welcome and include them into the fabric of our communities?

## Returning Citizens Are In Every Community

The prison population in the U.S. has climbed since the 1980s and is now over 2.3 million people. Each year more than 600,000 people are released from prisons, and almost 11.5 million people cycle in and out of our local jails. Roughly one in three American adults has an arrest record, mostly for relatively minor, nonviolent offenses, and sometimes from decades in the past. This trend is reflected in Michigan as well, where over 43,000 people are incarcerated in state prisons, and our corrections budget has grown to over \$2 billion a year. Between 1980 and 2010 Michigan's prison population grew at 29 times the rate of its total population (see exhibit 1), although that rate of prison commitments has decreased since then. In 2014, 10,117 people were released on parole in Michigan.

While our state and counties bear much of the responsibility for incarceration and post-prison release monitoring, cities and villages are the places where successful prisoner re-entry either happens or does not. And there are real fiscal and social implications for local governments in terms of public safety, education, and social cohesion.

The sometimes lifelong impact of a criminal record can keep qualified people who have served their time from getting employment, housing, financial assistance, and higher education—even when they are unlikely to reoffend. When support systems are not in place to welcome former felons, the rates of recidivism go up (either for committing a new

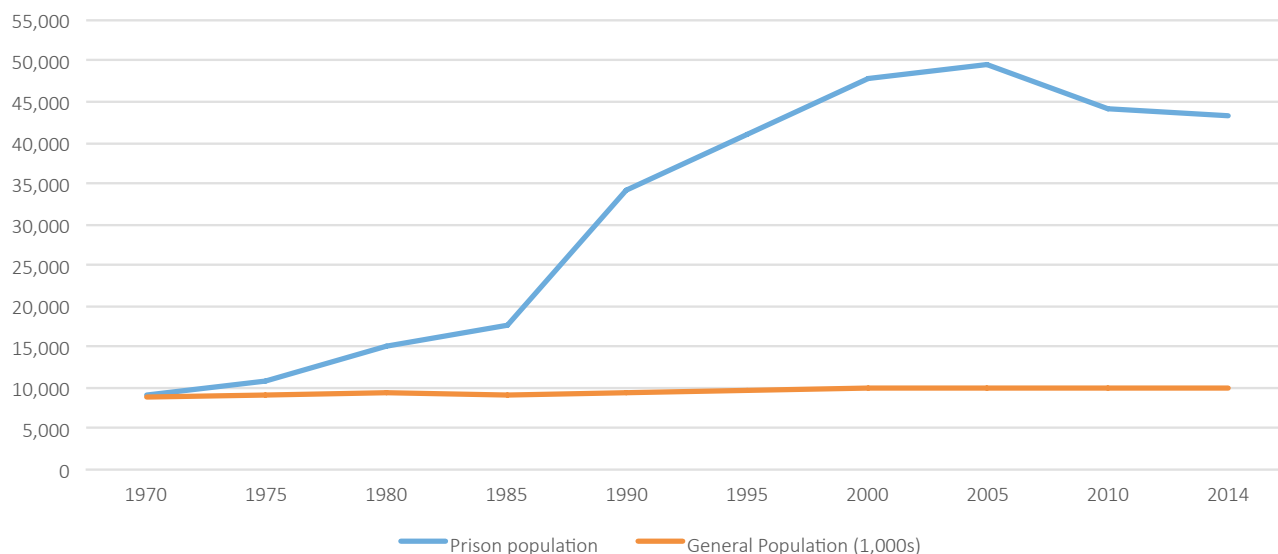
# Ensuring Opportunities for Ex-Offenders in Kalamazoo

In 2011, the City of Kalamazoo passed an ex-offender policy which “banned the box” on applications for city employment. In 2016, the city went a step further and expanded its policy to include city contractors and subcontractors. The expanded policy requires all contractors with the city to certify that they do not inquire about a person's past arrest or criminal history or that the contractor does not use an individual's past arrest or criminal history to unlawfully discriminate against them.

The purpose of the city's ex-offender policy is to “reduce unacceptable poverty, encourage rehabilitation, reduce recidivism and strengthen families in Kalamazoo.” Both its employment and purchasing policies reflect that neither the city, nor the firms it does business with, will utilize hiring practices that unfairly deny gainful employment to people with arrest and conviction records.

crime or violating terms of parole), the ability of former prisoners to contribute to the local economy is decreased, and the cycle of family poverty is often exacerbated. The research shows this can be worsened by the fact that many former prisoners are “returning to communities or neighborhoods that are already socioeconomically marginalized.”

## Michigan Prison and General Population Growth



### Michigan Re-Entry Programs Foster Success

The state of Michigan is among a few states that have implemented proactive programs in the last decade to address prisoner re-entry success, and as a result, recidivism rates have begun to drop. Thousands of people return home each year, whether to small towns in the Upper Peninsula or to our largest cities. With the hurdles they face upon returning to their communities, reducing recidivism will require partnership at all levels.

As local leaders, we need to play a stronger role in welcoming returning citizens. Local policies such as “ban the box” that prohibit municipalities from asking about conviction history on job applications have been passed by several communities in Michigan, and over 150 cities and counties nationwide. These policies ensure that employers consider a job candidate’s qualifications first, and help open employment doors for returning citizens. They do not prevent municipalities from considering criminal history for jobs where security is relevant, or from evaluating criminal records later in the hiring process. Research has shown this not only increases the local job pool, it also saves cities money by reducing the number of background investigations required.

There are also cities that are helping provide programs that offer re-entry support, including mental health and drug treatment services, job skill training, access to housing, and community-based treatment in lieu of incarceration. Some of the benefits are reduced police and jail costs and improved community safety. For example, Haveman’s organization, Hope Network, offers prisoner re-entry programs that help participants “become work ready and to match them with local employers who can benefit from their skill set and experience” by offering skills training, career assessments, support services, and transitional work experiences.

Other programs, such as the RESPIRE initiative for returning citizens in the Flint/Genesee County area, are helping address critical wrap-around support needs of former prisoners. The program assists with vocational training and skills assessments, and helps participants secure necessary documentation for employment, assess and get services for disabilities, and seek housing. Portland, Oregon and Newark, New Jersey are among a handful of cities that have passed “first hire” programs, which require the city and its contractors to hire a certain percentage of workers from the local workforce first. While not specifically targeting former inmates, the programs provide greater opportunities for returning citizens who make up a significant percentage of the local population.

These and other programs serve as examples of what cities and villages across Michigan could do to help reduce recidivism and ensure that returning citizens are able to contribute to Michigan’s long-term prosperity. The geographic distribution of prison parolees shows a clear need to provide returning citizens support throughout the state. Every community—large and small, rural and urban—is impacted by this issue. They should be evaluating hiring policies to make sure they are in line with federal civil rights laws, and adopting “ban the box” and hire first policies for relevant positions and contracts. It’s equally critical to partner with local nonprofits and faith groups to ensure returning citizens have the support systems they need to seek and hold reliable employment, including mental health and drug counseling, housing assistance, and other social services. Taking these steps could help make Michigan communities truly welcoming and help advance local well-being and prosperity.

---

*Shanna Draheim is the director of policy development for the League. You may contact her at 517-908-0307 or [sdraheim@mml.org](mailto:sdraheim@mml.org).*



# City of Kalamazoo

By Kathy Jennings



Kalamazoo  
pop. 74,262



Enjoying good food at Washington Square. Photo courtesy of Fran Dwight.



When the Vietnamese fusion restaurant Pho on the Block opens to customers in Kalamazoo in the spring of 2017, it will be one more sign the effort that has gone into bringing the commercial center of the Edison neighborhood back from years of decline is working. It's also an example of how a focus on quality places and creative civic engagement help a community reach the economic successes for which it is striving.

Through the years, Washington Square has gone from the bustling heart of the neighborhood adjacent to Kalamazoo's downtown to a place where perceived issues with crime and safety halted the will of private developers to invest there. To reverse those attitudes, the Kalamazoo County Land Bank and its partners got to work creating events and attracting new businesses that would slowly turn around the area.

## PlacePlans Pilot

That turnaround was boosted by the city's participation in the PlacePlans pilot program, a collaboration between the Michigan Municipal League and Michigan State University. The program, which has grown to include 22 communities following early successes of the pilot group, assists communities as they invest in key public spaces to drive additional economic development and help attract and retain residents and businesses. The Michigan State Housing Development Authority provides funding support.

The process is customized to each project and community, and for Kalamazoo that meant helping the city "connect the dots" or as the action plan described it: "To turn this area from a collection of destinations into an identifiable place that supports downtown and neighborhood viability."

Today a music store, a submarine sandwich shop, and a credit union are part of the new mix of businesses reviving the once-dormant retail hub. Renovated residential offerings above storefronts, a hair salon, a nutrition store, and a home for belly dance are all transforming the block at Washington Square. And the development happening in the surrounding area is equally encouraging.

In 2012, the League offered to help the City of Kalamazoo as it was working out how best to proceed with plans for a regional health and wellness district. Plans called for a district that would encompass a Healthy Living Campus by Kalamazoo Valley Community College, a redeveloped Bank Street Farmers Market, the Western Michigan University Homer Stryker M.D. School of Medicine, the new home for Kalamazoo County clinical mental health services, Disability Network of Southwest Michigan, and Bronson Hospital. Improvements to how the roads were functioning in the area were also under review.

Kalamazoo City Planner Rebekah Kik, who was a consultant when the PlacePlan was being created and then hired by the



city as it was being implemented, says the process helped the community "pull it all together."

The plan that emerged looked at balancing biking, walking, transit, and traffic options in the Edison Neighborhood, and especially at the role of Portage Street as a gateway to the neighborhood and downtown. The plan also considered the role of the farmers' market in the neighborhood, and ways to allow further growth of the market that had outgrown its facilities.

With a common understanding of the need to improve the area's pedestrian friendliness, the leaders of W-Med and KVCC decided to limit parking spaces. "KVCC could have put in 600 spaces instead of 120," Kik says.

When it comes to fostering a culture that allows for lots of transportation options, both Bronson Hospital and KVCC are onboard, she continued. "It's a culture shift."

## Bringing The PlacePlan To Life

As planning turned to implementation, the League awarded a follow-up grant in 2015 to build-out a prep kitchen in a previously-vacant commercial building owned by the Land Bank at the corner of Portage Street and Washington Avenue. The site, a five-minute walk from the market, allows for code-compliant on-site food preparation that will support food-based business development.

In late 2015, Kalamazoo pursued some of the major recommended changes on a trial basis. Portage Street was resurfaced and restriped to three lanes with a bike lane, and traffic signal timings were modified to compensate for the new traffic pattern. Those changes are scheduled to become permanent in 2017 since the street no longer needs to accommodate 24,000 cars a day. In 2019, Portage Street will be reconstructed to expand sidewalks and create improved pedestrian infrastructure.





1. The new home of Pho on the Block, 1301 Portage St. Photo courtesy of Kalamazoo County Land Bank. 2. Enjoying refreshments during Art Hop. Photo courtesy of Kalamazoo County Land Bank. 3. Art on display at Washington Square during Art Hop. Photo courtesy of Fran Dwight.

More than \$200,000 from seven different funders was invested in the renovation of the space at 1301 Portage St., on the corner of Washington Avenue, where Pho on the Block will be located. The restaurant will fill the last empty retail space on the block on the east side of Portage Street.

## Putting The Focus On People

But Kelly Clarke, executive director of the Kalamazoo County Land Bank, says the work has never been solely about 1301 Portage Street. “It’s about the people. Not the building. We’re working with the Edison neighborhood to create a place where people can shop, and play, and learn. That’s our intent. This is not about getting tenants for the sake of getting tenants.”

If it were, the neighborhood might be changing a lot faster than it has been, but with less community buy-in. At neighborhood special events over the past three years, residents and attendees provided referrals and ideas, participated in art installation projects, purchased goods from vendors and took in performances—all part of building goodwill in Edison. Instead of moving quickly, the Land Bank has worked to include the neighborhood in decisions as it tries to ensure the proposed new developments are inclusive and supportive of the mixed income and racially diverse urban neighborhood.

The changes coming to Washington Square are intended to celebrate the many cultures of the neighborhood and what they have in common. Events at Washington Square have featured African dance, Middle Eastern dance, and even a Scottish bagpiper. At the December Art Hop, participants in the Zumba class had a dance-off with the young people from the Boys and Girls Club, making for what Clarke describes as a joyful evening of celebration where people were “making cross-cultural connections.”

That kind of approach helped when it came time to judge the participants in the Fare Games competition. The Edison residents were some of the most excited about being able to offer something different, having an opportunity to experience another cultural cuisine, and to interact with another business that represents the multiculturalism that has been celebrated here,” Clarke says.

The Fare Games competition was as much about engaging the community and generating excitement as it was about identifying a food-based business for a vacant and underutilized space, says Clarke. Food-based entrepreneurs were invited to compete for the opportunity to start or relocate their business to the space. The prize package includes a three-year lease that starts out low and gradually increases, and business services worth more than \$30,000.

The winners, Reggie Kaur and Nancy Tien, are currently working with Miller-Davis Company to customize the space to fit their needs. The 1,300-square foot space will be turned into a restaurant that seats 42.

It was a hard decision,” says Fare Games committee chair Becky Fulgoni, “but the committee was unanimous in its praise for Pho on the Block’s vision for the space, the strength of their business plan, and, of course, the deliciousness of the food we sampled.”

Placemaking—the process of creating quality places where people want to live, work, play, and learn—is working in Kalamazoo.

---

*For more information on the League’s PlacePlans program, please visit [placemaking.mml.org](http://placemaking.mml.org).*

*Kathy Jennings is the managing editor of Southwest Michigan’s Second Wave, and a freelance writer and editor. You may contact her at 269-366-9001 or [ekathleen28@gmail.com](mailto:ekathleen28@gmail.com).*



# MUNICIPAL

# FINANCE

# REFORM

## *League Campaign Aims to Reset State Policies*

By Anthony Minghine

**L**ao Tzu said, “The journey of a thousand miles begins with one step.” Over the last year, we have taken many steps towards reforming our municipal finance system, but a long journey still awaits us. We have travelled around the state creating awareness and trying to get outside the local government sound box, and our message is resonating. We’ve visited over 30 communities, and have seen about 150 articles written on this issue since last March.

Our message, focusing on “hitting the reset button” on the state’s long-time disinvestment in our communities, is being heard. Our research, detailed reports, and statistics illustrating the diversion of more than \$7.5 billion in revenue sharing away from our communities are strong and convincing. For example, when we show the chart depicting Michigan as the **ONLY** state in the nation that has experienced a decline in municipal general revenue since 2002, the audience is universally stunned (insert gasp here). We must change

Michigan’s municipal finance system, and we must do it now.

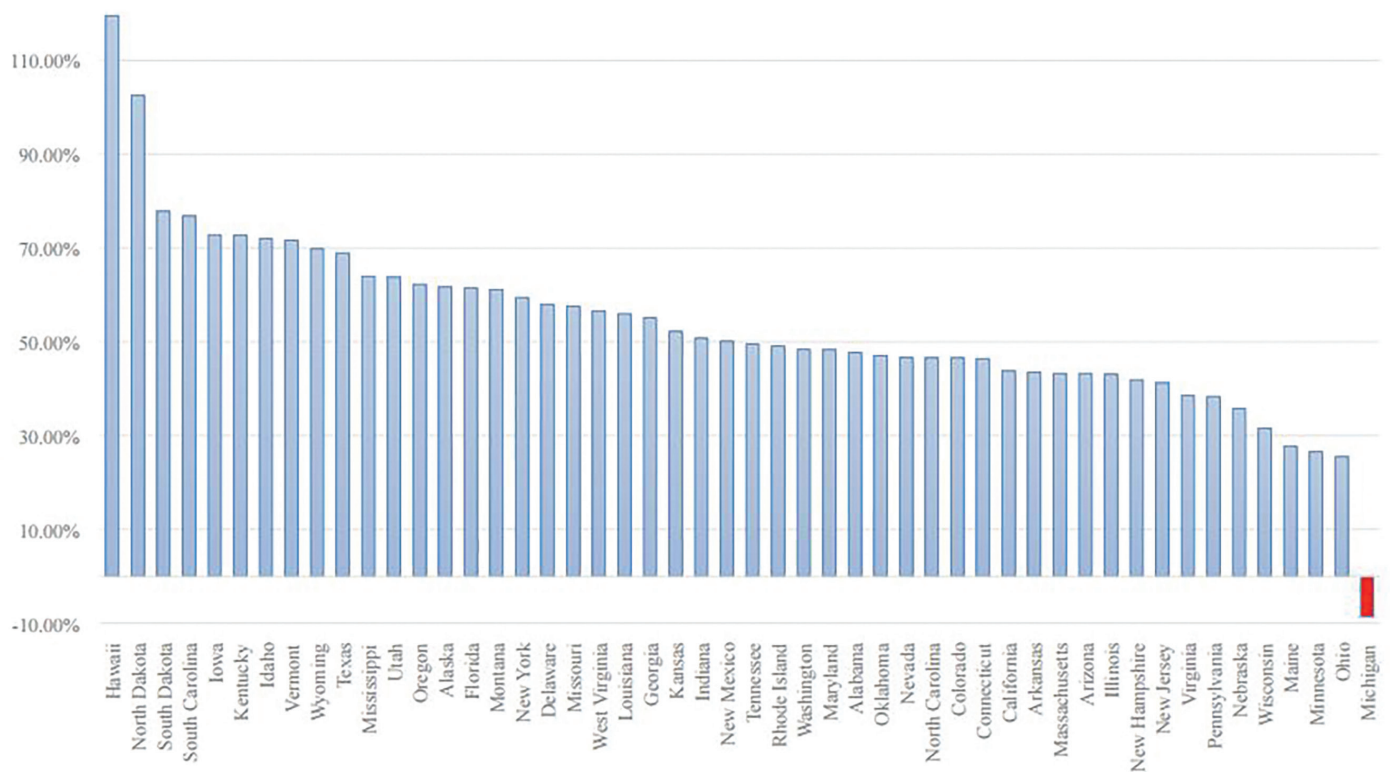
The League continues to advocate on a three-pronged agenda of costs, structure, and revenues as the way forward. To ignore any of the areas will leave open pitfalls that can undermine the future of Michigan’s communities. There are a number of potential ideas out there, but let’s look at a few specific ideas under the broader three headings.

### **Costs**

Under cost reform, we have identified the reform of other post-employment benefits—commonly known as OPEB—as a necessary consideration. Our goals for any proposed reforms have been 1) a good benefit for retirees, 2) sustainable costs, and 3) a benefit that would allow cities to attract and retain employees. During Michigan’s 2016 lame duck legislative session, the legislature took a crack at a fix that actually did try to address those points. Ideally, this is a conversation that would have occurred over several months,



Growth in Municipal General Revenue (2002 - 2012)



Source: U.S. Census Bureau, 2002 Census of Governments and 2012 Census of Governments: Finance - Surveys of State and Local Government Finances.

bringing together all sides that have a real interest in solving a real problem to craft a solution.

Unfortunately, that didn't happen in lame duck, but that does not change the need for meaningful OPEB reforms. Cities, villages, townships and counties face an unfunded obligation of over \$11 billion, and it is affecting the ability of many communities to provide services. Our current model is unsustainable.

The cost of providing OPEB benefits has skyrocketed, and the benefits that retirees receive are not necessarily what was promised. Medical advances, while amazing, have driven costs up exponentially. Those "benefits" were not available to someone that retired long ago so they could not have been "promised," but they are expected as part of modern healthcare. My point is not to deprive someone of modern medicine or technology, but the knife needs to cut both ways. We need modern healthcare design and cost sharing if we are going to be expected to provide modern healthcare benefits.

## Structure

When we speak to structure, we are referencing "how" we provide services. We think it is fiscally advantageous for us to fully utilize existing infrastructure rather than expanding it unnecessarily. For too long, we have built new infrastructure to foster development because it's across a border. WHY? Let's fully utilize the assets that already exist before permitting the construction of new facilities.

For example, cities with excess sewer treatment capacity should be allowed to extend their service area to facilitate development before we allow new construction. That would maximize our investment in that asset rather than creating new capacity that isn't needed. We must recognize that asking essentially the same number of Michigan residents to support our ever-expanding infrastructure is unsustainable.

*“Our message, focusing on ‘hitting the reset button’ on the state’s long-time disinvestment in our communities, is resonating.”*

## Revenue

Any conversation about reforming municipal finance has to include revenue. Local government in Michigan has been horribly underfunded, and our system is built in a way that will prevent our recovery. In short, our revenues do not track with the broader economy. There are several steps we could take to help improve this issue, but let’s focus on two: revenue sharing and Headlee/Proposal A reform.

Revenue sharing has been the most talked about issue in local government for the last 15-plus years. We all know the reality of what has happened to this funding source. To the tune of \$7.5 billion since 2002, the state has diverted dollars intended for local services to fund the state bureaucracy, and it has had a devastating impact. The annual diversion is in excess of \$600 million annually and is felt the hardest by communities with the least ability to absorb the effects.

The reality is that we won’t see an additional \$600 million in next year’s budget, but we can begin to restore revenues over a multi-year period. It is important that we reinvest in our communities. Over 80 percent of gross domestic product happens in our cities, yet we are starving them. It’s bad business. The states that are fostering strong communities are experiencing real growth and we need to recognize that if our communities aren’t thriving, then neither can our economy.

The great recession exposed how flawed our property tax system is and its desperate need for reform. The good news is there are some simple, common sense fixes that would not in any way hinder the spirit of either Headlee or Prop A. Our system only works in a downward direction, and that is without limitation. In theory, upward mobility is limited to inflation, but in reality it’s actually less. A couple key fixes can be accomplished legislatively. We need to allow tax rates



1. Anthony Minghine discusses municipal finance reform with participants at a saveMlcity event in Adrian

under Headlee to move in both directions. In other words, in a declining market the rate could go up to offset decline. Secondly, we need to adjust how we are calculating Headlee roll backs to exclude pop-ups from sales. This will allow full inflationary growth.

In the coming legislative session, we will be advocating for the legislature and administration to “hit the reset button” and reform our municipal finance system. To achieve this goal, we will continue our outreach and education efforts, as well as look for the introduction of reform legislation aimed at changing our current system.

At the end of the day, we must create a solid financial foundation for our communities. Our current system is horribly flawed and we must begin to take measures that are not a quick fix, but put our cities on a new trajectory. Would our cities survive another recession with this model? I would think not. We must rethink our vision for Michigan, and that must start with strong communities.

---

*Anthony Minghine is associate executive director and COO for the League. You may contact him at 734-669-6360 or [aminghine@mml.org](mailto:aminghine@mml.org).*





2. U.S. Representative Dan Kildee, Pontiac Mayor Deirdre Waterman, and Ypsilanti Councilmember Lois Allen-Richardson participated in a saveMIcity event in Flint

3. Adrian City Administrator Shane Horn shares his thoughts on municipal finance reform with attendees at the Adrian saveMIcity event.



By Lisa Donovan



“We are more alike,  
my friends, than we  
are unlike.”

– Maya Angelou

Just like people, local governments are often more similar than they are different. Their leaders face comparable challenges on a daily basis. They all need to keep their communities safe and inviting, attract businesses, plow streets, and provide a variety of other services. But that doesn't mean they handle those challenges in the same way. That's where Mayors' Exchange Day comes into the mix. This annual event offers mayors and other community officials an opportunity to get together for frank, engaging conversations where they can share ideas and feel connected to a broader network of colleagues.

“When you get to know mayors throughout the state, they become almost like a board of directors,” said Lee Kilbourn, mayor of Auburn and president of the Michigan Association of Mayors. “You start to feel comfortable with them and you can call them up and ask for advice. These relationships lay the foundation for helping us be better at our jobs.”

At last year's MAM Summer Workshop, Kilbourn and Ithaca Mayor Tim Palmer decided to team up for a Mayors' Exchange event. To make it easy on their budgets and busy calendars, they planned a one-day event.

“Probably the most beneficial thing is that I have a long-time friend in Lee Kilbourn now,” said Palmer. “It's nice to have someone who has ‘chewed the same dirt’ as you and been down the same road.”

The day began at Auburn City Hall, where Palmer and his team had an opportunity to meet Auburn staff and tour a variety of facilities including the DPW, fire station, and library. Next up was lunch, where both cities talked about some of the common problems they face. Then it was time for Palmer to play host in Ithaca for the afternoon. The itinerary included City Hall, the library, and some manufacturing companies as well as a few of Ithaca's community jewels—like the playscape and football stadium. After dinner and more conversation, the Auburn delegation was on their way home by 6:00 p.m.

“As mayor and council, we're often putting out fires,” said Palmer. “It's nice to have a day when you're talking about your issues and brainstorming and having a good time.”

## Long-Standing Tradition

About 29 years ago, MAM created Mayors' Exchange Day in celebration of Michigan Week, which occurs in mid-May. The event was designed as an opportunity for members to explore and celebrate other Michigan communities. The success of the exchanges can be seen in the fact that some communities have participated almost every year since its inception.

Utica is one such place. Former Mayor Jacqueline Noonan and her staff exchanged with other cities virtually every year since she took office in 1988. In every community, they learned new things. In Muskegon Heights, they got the idea for a bike patrol. Grand Blanc's senior housing inspired Utica to build a \$3 million senior housing center. And in Monroe and Lapeer, they gathered lots of ideas on DDA activities, façade improvement, farmers markets, and working out issues with the media.

As the event's name implies, the exchange is meant to be a two-way street. Noonan was always mindful of putting her city's best foot forward and providing a rewarding experience for the visiting community.

“As a teacher, I felt strongly that when you test, you essentially learn twice. Mayors' Exchange was similar,” said Noonan. “Me and my department heads and council had to look at what we do right, what we wanted to show off, and how we could involve the community. Getting ready for Mayors' Exchange was a self-evaluation.”

## Finding the Perfect Match

Blissfield has also been an eager participant in the program. The village generally uses MAM's match service to find their exchange city. Members who register for the service specify the distance they're willing to travel and the types of programs and projects they'd like to learn about. Then they're paired with a community with similar interests. Over the years, the Blissfield delegation has been matched with cities from Constantine and Mottville to Brooklyn and Dundee.

The first year Blissfield participated, they did a one-day exchange. In subsequent years, they've planned two-day exchanges so that everyone who wants to join in can do so. In addition to the mayor, the list often includes councilmembers, administrator, clerk, police chief, DDA director, and library director.

“We really enjoy doing Mayors' Exchange,” said Blissfield Village Administrator James Wonacott. “We learn how someone else sees things and make new contacts. At municipal functions, we look for those people and talk and pal around with them.”

And Blissfield is a good host on the flip side. “We have a go-to group of locations that we show off, tailored somewhat



1. Local officials from Middleville and Fremont visit Tom Otto's Turkey Farm 2. A city tour is part of Mayors' Exchange Day in Utica 3. Middleville and Hastings officials check out unique transportation 4. Middleville President Charlie Pullen and former Hastings Mayor Frank Campbell 5. Former Utica Mayor Jacqueline Noonan was always pleased to host fellow officials

to what the visiting community is interested in," said Wonacott. They're especially proud of the award-winning Blissfield Environmental Life Lab at the elementary school.

## Side Benefits

In today's cash-strapped environment, cities may hesitate to get involved in Mayors' Exchange Day because of the potential cost. There are ways around that. In Hastings, they call on their service clubs for help. Often the Exchange Club or Rotary Club will sponsor the luncheon. In return, they have a chance to promote their club's activities to a broader audience.

The Village of Middleville gets another aspect of the community involved: the schools. Several years ago on an exchange with Mattawan, the Middleville team was invited to a high school government class, where students were encouraged to ask questions. During last year's exchange with Hastings, Middleville Village President Charlie Pullen introduced that idea into his own community. The school was thrilled with the opportunity, and so was former Hastings Mayor Frank Campbell. In fact, he was invited back to speak at the school on Veterans Day. Middleville officials now go into the high school twice a year to work with the government class.

*"The ideas that come out of Mayors' Exchange are phenomenal. It's a great tool to have..."*

"The ideas that come out of Mayors' Exchange are phenomenal," said Pullen. "It's a great tool to have as a village president."

Campbell couldn't agree more. "The whole state gets together twice a year at the League's Capital Conference and Convention, but people really remember you if you've done a Mayors' Exchange with them," said Campbell. "I think the exchange is one of the greatest things local government can do."

To learn more about Mayors' Exchange Day, visit [michiganmayors.org](http://michiganmayors.org).

Lisa Donovan is the communications specialist and editor for the League. You may contact her at 734-669-6318 or [ldonovan@mml.org](mailto:ldonovan@mml.org).



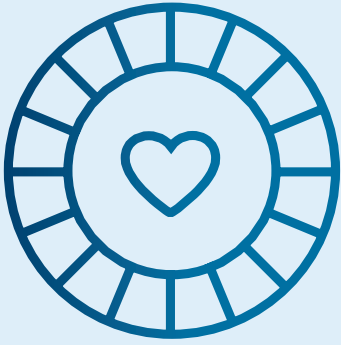
# 2017 CAPITAL CONFERENCE

March 21-22, 2017  
Lansing Center, Lansing

Register at [cc.mml.org](http://cc.mml.org)



michigan municipal league



# MAXIMIZE YOUR MEMBERSHIP

The League Offers Services to Meet Ever-Changing Needs

By Keith Van Beek

## Managers (or Municipal Executives): Are You All in with MME?

Over the past two years, the association that represents professional managers (formerly the Michigan Local Government Management Association - MLGMA) underwent a significant branding initiative to better reflect the dynamic profession that we enjoy. As a by-product of that initiative, we changed our



Keith Van Beek, Dale Kerbyson, Summer Minnick, Robert Belleman, and Robert Moffit at MME Board Meeting in January

name to the Michigan Municipal Executives (MME). It is critical that we have a brand that better speaks to young professionals who are vital to the future of our profession. We are excited to have rolled out the new brand last month at our annual Winter Institute in Kalamazoo.

If you are a manager and are not a member of MME, I strongly encourage you to join. You can learn more about our association at [www.mme.org](http://www.mme.org). Our state association is

affiliated with the International City/County Management Association (ICMA). The benefits are worth so much more than the cost to join.

### Professional Development

Professional conferences provide sessions featuring current best practices and innovations in local government management. Conferences serve as training sessions to develop managerial skills and offer ICMA Credentialed Manager credit.

### Connect with Fellow Members

**MME Newsletter** is a quarterly online vehicle for information on topics related to the profession and upcoming events.

**MME Listserv** is a confidential forum, for MME members only, to exchange ideas and share information.

**Regional Groups** hold meetings/luncheons to provide important face-to-face networking opportunities and information on pertinent topics.

### Next Generation

**Bi-Annual Professional Development** – Geared towards early to mid-career professionals, but members at all levels are welcome.

**Internship Program** – Annually, up to two paid fellows from partnering universities are placed in a host community for hands-on professional development and local government experience.

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



## Professional Standards and Support

**ICMA Code of Ethics** – Members pledge to uphold these principles in their conduct and decisions in order to merit the trust of the public, elected officials, and staff they serve.

**Senior Advisors** – Provide support to help address the personal and professional needs of individual members including career assistance and support during the entire spectrum of a member's career.

**Mentoring and Coaching** – MME is committed to bringing together Michigan municipal managers at all levels to strengthen the profession through peer-to-peer interaction. The strength of our local governments is based, in large part, on a successful partnership between the professional executives and elected officials. At MME, we're doing our part to grow and support successful executives to help facilitate that partnership. MME: we make communities go.

---

*Keith Van Beek is deputy county administrator for Ottawa County and president of Michigan Municipal Executives. You may contact him at 616-738-4642 or [kvanbeek@miOttawa.org](mailto:kvanbeek@miOttawa.org).*



A State Affiliate of **ICMA**

# Michigan Municipal Executives



Charles Marohn, founder and president of Strong Towns, presents at MME's 2017 Winter Institute

Presented by the Michigan Black Caucus of Local Elected Officials

## RACE & LAW ENFORCEMENT IN THE URBAN COMMUNITY

**Saturday, April 8, 2017**

**9:00 am - 3:00 pm**

**Lawrence Technological University**

College of Architecture & Design Auditorium  
21000 West Ten Mile Road  
Southfield, MI 48075-1058

MICHIGAN BLACK CAUCUS  
**MBC**

LOCAL ELECTED OFFICIALS

**Register Online at**

**[www.mbc-leo.org](http://www.mbc-leo.org)**





THE SUM OF ALL MY HARD WORK is the reason.

Carrying a card from Blue Cross Blue Shield of Michigan or Blue Care Network means you have a health plan that provides access to practically any doctor or hospital in Michigan. Our wide range of health plans are flexible. Simply put, it's a card you can count on.

For more information, contact your local BCBSM licensed agent or the MML Risk Management Department at 800-653-2483.

Your Association Exclusively Endorses



INDIVIDUAL PLANS | GROUP HEALTH PLANS | DENTAL | VISION | [bcbsm.com](http://bcbsm.com)

Blue Cross Blue Shield of Michigan and Blue Care Network are nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association.

R025064





Vassar residents share their comments at Taste & Talk

# CREATING VASSAR'S VISION

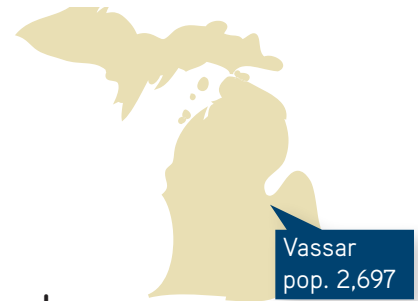
By League Staff

Vassar is a unique place. Recently, the small city had six new businesses open in just over a year. The one-block downtown now offers a variety of experiences with a historic movie theatre, coffee shop, boutique, pet groomer, ice cream shop, gym, specialty bakery, and a variety of bars and restaurants. People in Vassar are friendly, community-minded, and truly excited about the city's future.

In late 2015, the Vassar City Council hired a new city manager, Brian Chapman. He felt the community's excitement and knew he had to support existing businesses, get new ones in smoothly, and make sure the downtown would thrive. To Chapman, that meant transforming Vassar from a place people drive through, to a place people drive to. So he decided to focus on placemaking.

After completing the PlacePOP process, Vassar City Council unanimously approved supporting the Vassar Vision public space concept plan in November 2016. The League is very proud of the work we've done in Vassar and looks forward to following the public space enhancements throughout implementation.

The Vassar Vision 2016 PlacePOP Concept Plan report shares details on the project site, methodology, concept plan, implementation recommendations, and community impact. We also want to share lessons we learned while working in Vassar, which we hope can help other local leaders implement successful placemaking projects in the future.



## Lessons Learned

1. Use a steering committee and give them power – Vassar Vision was initiated by the city, but the majority of the creativity, outreach, and heavy lifting came from the steering committee. These volunteers were trusted advisors and decision-makers, and they worked hard because they felt ownership and pride in the work. Vassar Vision is their project.
2. Get business owners to the table right away – Business owners have an incredible stake in the success of Vassar's downtown. The steering committee identified that improvements to the project site needed to reflect nearby business owners' needs and hopes, as well as the needs of residents and visitors. The committee kicked off the project with a successful and unique visioning event, the Taste & Talk. Incoming and existing business owners hosted tables with samples or product displays. At each table, we had a map of the project site and asked people to write down ideas of possibilities for the space. More than 200 people attended the event, which had the feel of a festival, rather than a city



*“Working with the League allowed everyone to get outside of their norms, open their minds to new possibilities, and move forward.”*

meeting. The Taste & Talk was a perfect way to invite business owners to the table and illustrate the value the community places on supporting these important community institutions.

3. Use an outside facilitator to educate and manage the steering committee – Sometimes what people think they want and what placemaking and economic research suggests don’t always align. Bringing in an outside facilitator from the League helped bring an “expert” to the table to share research, case studies, and trends to help residents and business owners see what could happen in Vassar. Most importantly, the steering committee needed to be well managed and facilitated, something city staff or volunteers don’t always have time to do. The support the League offered allowed the project to move forward smoothly and effectively.

“Working with the League allowed everyone to get outside of their norms, open their minds to new possibilities, and move forward. I don’t think we could have imagined such a huge project without encouragement from the outside,” said Adam Barden, Vassar True Value Hardware owner and Vassar Vision Steering Committee member.

4. Create a brand and marketing campaign – After one of the first steering committee meetings, the group selected the name, logo, and color scheme for Vassar Vision. They wanted it to be identifiable and to stick out so they could use the brand throughout implementation phases. It’s quick, easy to remember, and meaningful to the community.

5. Plan events you actually want to attend – Visioning events and community meetings are rarely thrilling, unique events. It was important to the steering committee to host fun, creative,

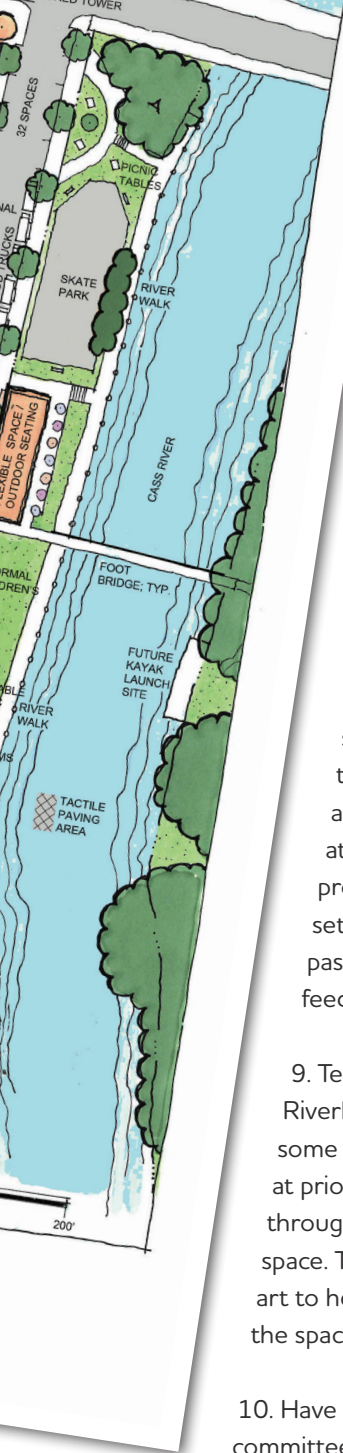
social, and engaging “meetings” that people would be excited to attend after work or on a Saturday afternoon. They successfully did this through their public engagement events like the Taste & Talk.

6. Engage like crazy and apply the feedback to the design renderings – The Vassar Vision project spanned eight months and included about three idea generation events and at least six formal feedback opportunities. After each, the design team applied what they heard into the next version of the design and sent it back for further review. This technique takes time and patience, but fosters the best results.

7. Collect feedback in different ways – The steering committee collected ideas and feedback by hosting a stand-







alone public event, participating in an existing weekend festival, hosting meetings, sharing online surveys, having informal discussions, posting renderings in businesses, and presenting at formal council meetings. This ensured that a wide range of residents knew about the project and were able to participate in ways that best suited them.

8. Use existing community events as a way to do more engagement – The steering committee took advantage of the annual RiverFest as a way to reach a wider audience. RiverFest already attracted hundreds of people to the project site, so the steering committee set up boards and had volunteers grab passersby to share information and collect feedback.

9. Test ideas through pop-ups – At RiverFest, the steering committee tested some of the ideas people had suggested at prior events and showed what could be through temporary improvements to the space. They put out lawn furniture, games, and art to help people understand how much nicer the space could be with just a little effort.

10. Have fun – It's clear that many steering committee members enjoyed the work they were doing. They were proud of the project and had fun doing it. If people enjoy the work they're doing, they'll often work harder, longer, and create a better product. Similarly, keeping Vassar Vision on a clear timeline helped people realize the end was near. Working on forever committees can cause people to lose momentum and focus. Make sure to create benchmarks, celebrate successes, keep it social, and don't make it too much work for just one or two people.



Concept drawings on display at Riverfest

For more information on the League's PlacePOP program, visit <http://placemaking.mml.org/placepop/> or contact Luke Forrest, director of Civic Innovations for the League, at 734-669-6323 or [lforrest@mml.org](mailto:lforrest@mml.org).



**WADETRIM**

Engineering | Landscape Architecture  
Operations | Planning | Sciences | Surveying

800.482.2864 • [www.wadetrtrim.com](http://www.wadetrtrim.com)



The Vassar Vision 2016 PlacePOP Concept Plan report can be downloaded here: <http://placemaking.mml.org/wp-content/uploads/2016/11/Vassar-Vision-FULL-Report.compressed.pdf>





Hillcrest Elementary School in Big Rapids

# New Recreational Authorities Act

## A Win-Win for Cities and Schools

By Rick Haglund

**A**fter Big Rapids Public Schools closed Hillcrest Elementary School in 2014, school district and Big Rapids city officials discussed turning the vacant school into a jointly operated community recreation center.

But there was one big problem: Michigan law, which allows for municipalities to form recreation authorities and levy taxes, excluded school districts from participating.

"It seemed we could do more if we were able to partner together," said Big Rapids Mayor Mark Warba. "But we couldn't find within the existing law an ability to partner with the public schools."

That led Warba and Big Rapids Schools Supt. Tim Haist on a two-year-long journey to change the law. Working with Chris Hackbarth of the Michigan Municipal League, they succeeded when Gov. Rick Snyder signed the amended Recreational Authorities Act in August. A ceremonial signing that included bill sponsors Sen. Darwin Boohar, R-Evart, and former Rep. Phil Potvin, took place in December.

## New Capabilities

Backers say the new law will help communities better meet the recreational needs of their communities, reduce duplicative recreation services, and help with their placemaking efforts. School districts around the state are shrinking as enrollments decline, resulting in an increase of underutilized buildings that can be converted to recreational facilities jointly operated by schools and municipalities.

"I think you'll see this used in more rural areas where the school district has a broader footprint and encompasses a number of local communities," said Hackbarth, the League's director of state and federal affairs. "If a school district has a pool and the municipality wants to use it, they can team together in the operation. You've now got an augmented tool to make communities more attractive to visitors and residents."

The new law allows a school district to join with a municipality and form a recreational authority with the



*"I see our cities and public schools having a greater opportunity to do things that benefit all members of the community."*

power to levy up to one mill for up to 20 years on all taxable property within the authority's territory, subject to voter approval. Tax dollars from the levy can be used to build, acquire, improve, maintain, and operate a pool, recreation center, museum, auditorium, conference center, or park open to the public.

Currently, there are nine local government recreational authorities that assess taxes under the old law, according to the state Treasury Department. John Tramontana, a spokesman for the Michigan Association of School Boards, said he's not aware of any school districts other than Big Rapids that are currently working with a municipality to form a recreation authority. But the law is just a few months old and Hackbarth said he expects school districts will take an interest in forming authorities.

## The Winding Path To Success

The effort to allow school districts to participate in recreational authorities began in 2009 when the City of Flushing wanted to reopen a closed pool and jointly operate it with the local school district. The project was abandoned after legislation that would have allowed the arrangement failed, as did several subsequent legislative attempts to let school districts form recreational authorities with local governments.

Flushing City Manager Brad Barrett said the city, Flushing Township, and Flushing Community Schools are splitting the cost of a five-year recreation plan required to receive government grants. But he said the new law gives them the possibility of working more closely together in the future to provide community recreational services in an authority.

Hackbarth said there was little opposition to the legislation this time around. Most of the concern was about whether a

recreational authority millage would violate state limitations on property taxes, he said. The Michigan Chamber of Commerce also wanted an assurance that cities and school districts could not offload expenses for existing programs onto recreational authorities.

## Finding The Best Fit

Warba said the City of Big Rapids and Big Rapids Public Schools have approved the formation of a recreational authority and drafted proposed articles of incorporation. Officials are considering a number of projects an authority might fund before asking voters to approve a millage proposal.

Among those potential projects are a community center, a sports complex, riverwalk and park improvements, and a farmers market that could be converted to an outdoor skating rink in the winter. "We didn't think we could move forward without some idea of what we might do in a recreational authority," Warba said.

Haist said the school district wants to build a multipurpose stadium that would be used for sports and marching band events. It's weighing whether a recreational authority or a separate bond issue would be the best vehicle to finance the project.

"We're trying to figure out the best fit," Haist said. "We're still looking at the possibility of doing both a recreational authority and a bond issue. It's been a good process with the city. It's nice to be able to accomplish this together and do something that can benefit the community."

Warba said he hopes the Big Rapids recreational authority will be approved this year and a vote on a millage, which he said could raise several hundred thousand dollars, set for 2018. The law requires recreational authority millage proposals be held in statewide primary or general elections.

Many communities may find recreational authorities involving schools and municipalities as an attractive way to expand recreational offerings to residents at a time when local governments are experiencing tight budgets and shrinking school districts are trying to find new uses for excess building space.

"I see our cities and public schools having a greater opportunity to do things that benefit all members of the community," Warba said.

---

*Rick Haglund is a freelance writer. You may contact him at 248-761-4594 or [haglund.rick@gmail.com](mailto:haglund.rick@gmail.com).*

This column is designed to simplify complex technology topics for municipalities. Have an idea for a future column? Contact the League's Dene Westbrook at 734-669-6314 or [dwestbrook@mml.org](mailto:dwestbrook@mml.org).

# Cyber Security: Do You Know the Risks?

By Dene Westbrook

In this digital age, local governments are using technology more than ever before. They have computers in every office and squad car, issue mobile smartphones and GPS devices, and even have basic city services available online for residents. While these things are certainly something we'd expect in a modern community, they also create security risks that need to be considered.

Cyber security is a series of policies, procedures, and technologies that protect and defend computers, networks, data, and software from unauthorized access, attacks, intrusions, and damage. Examples could be as simple as following good password policies, requiring antivirus software on your computers and mobile devices, or something more advanced such as a top-of-the-line intrusion system. Without protections like these, we'd all be sitting ducks waiting for chaos to hit!

## Areas Of Exposure And Risk

There are many areas of exposure that should be assessed within the operations of the community. However, the greatest security vulnerability for communities are users—both staff and citizens. Users access your systems to varying degrees, and can share passwords, click on malicious links, or accidentally share private information with the click of a button.

Beyond the basic user issue, performing a security audit to evaluate and identify potential risks is extremely beneficial. Involving your IT department or consultant is a must to truly understand your exposure. Areas of evaluation should start with use and security policies, computer systems and networks, mobile device management, and building operations such as HVAC and phone systems. It could also involve online services, such as payments for utilities or parking tickets. The list of items to consider can quickly become long.

While performing your audit, ask procedural questions, such as:

1. How often are computer/server updates installed?
2. Are network firewall access logs reviewed regularly?
3. How often do staff change their passwords, and is a password policy enforced?
4. Is an antivirus/antimalware program installed on every piece of infrastructure?



## Top Computer User Vulnerabilities

**Ransomware:** A type of malware that restricts access to infected files and requires payment to clear up. These payments may be large sums of money. It typically infects a system via email attachments, software downloads, and pop-up installations.

**Malware:** Code or software that's intended to be destructive to software or computer systems. It infects a computer like ransomware does and can be time consuming to remove.

**Phishing:** A communication via email/web/message masquerading as a reputable business or organization to steal personal information such as logins or banking information. Most of these arrive in emails and can be cleverly disguised.



5. Do community-issued mobile phones require a security lock? Antivirus? What about non-community issued phones that may have access to email?
6. Do you allow the use of jump drives in the office?
7. How often are system backups run? Are the backups tested?
8. Is there a process for secure disposal of both IT equipment and media?
9. What level of training does staff receive to increase awareness of risk to community systems?

## It's Everyone's Responsibility

Cyber security in community offices should be everyone's responsibility, not just that of IT. IT can certainly put tools in place to help, but your users are your first line of defense (and weakness). Education and awareness are key to having a secure network. At the League, we periodically run phishing tests for staff to see who we can catch. There may be a bit of laughter involved, but it also teaches a valuable lesson on how easy it is to be fooled.

## Be Prepared

What would your community do if there was an issue? Start with creating a documented plan of action in case of

a security incident. It could be as simple as quarantining a single computer with malware, or a larger-scale response to a bigger intrusion. What you don't want is to waste time and resources determining what to do in the event of an emergency where your systems have been compromised. If you're unsure where to start, an IT security consultant can help.

Also, inquire about cyber security liability insurance with your insurance provider. The League's Liability and Property Pool provides basic coverage for cyber extortions, security events, network security, employee privacy, and cyber terrorism events, with new coverage enhancements in progress. Pool members should contact their account representative with questions.

## Additional Resources

- [www.staysafeonline.org](http://www.staysafeonline.org)
- [www.us-cert.gov](http://www.us-cert.gov)
- [www.dhs.gov/stopthinkconnect](http://www.dhs.gov/stopthinkconnect)
- [www.mml.org/insurance/pool/](http://www.mml.org/insurance/pool/)

*Dene Westbrook is the IT-operations manager for the League. You may contact her at 734-669-6314 or [dwestbrook@mml.org](mailto:dwestbrook@mml.org).*



# Member Insurance Programs

## Our Mission:

To be a long-term, stable, cost-effective risk management alternative for members and associate members of the Michigan Municipal League.

## Programs:

- › MML Liability & Property Pool
- › MML Workers' Compensation Fund
- › MML Unemployment Fund Group Account



[www.mml.org](http://www.mml.org)

800-653-2483

## Attorneys



**GARAN  
LUCOW  
MILLER P.C.**  
GREAT LAKES LAW FIRM SERVING CLIENTS NATIONALLY

**John J. Gillooly**  
**Municipal Law**  
jgillooly@garanluow.com  
313.446.5501  
www.garanluow.com

ANN ARBOR • DETROIT • GRAND BLANC  
GRAND RAPIDS • LANSING • MARQUETTE  
PORT HURON • TRAVERSE CITY • TROY  
AND MERRILLVILLE INDIANA

## Engineers & Engineering



**FLEIS & VANDENBRINK**  
DESIGN. BUILD. OPERATE.

**Transportation solutions that keep you moving.**



800.494.5202 [www.fveng.com](http://www.fveng.com)

## Engineers & Engineering

STATE OF MICHIGAN • CITY OF SOUTH HAVEN • CITY OF BE  
F SOUTH BEND • CITY OF KALAMAZOO • VILLAGE OF KALEV  
CALHOUN COUNTY ROAD COMMISSION • LAKE TOWNSHIP  
CITY OF ALLEGAN **WE HELP COMMUNITIES** CITY OF PORTAG  
Y OF BOYNE CITY **CREATE GREAT PLACES** CITY OF MANISTE  
E **JUST ASK OUR CLIENTS** R  
D  
ARCADIA **ABONMARCHE** LELAND T  
OF STURGIS  
CITY OF LUDINGTON • CITY OF MUSKEGON • MICHIGAN DE  
LE RIVER BAND OF OTTAWA INDIANS • BERRIEN SPRINGS P  
Y OF FENNVILLE • CITY OF FRANKFORT • CITY OF PAW PAW  
CITY OF ST. JOSEPH • CITY OF BENTON HARBOR • HABITAT  
OF DOWAGIAC **WWW.ABONMARCHE.COM** CITY OF NILES •  
STEE TOWNSHIP • CITY OF GRAND HAVEN • HARBOR SHORE



**FISHBECK, THOMPSON, CARR & HUBER**  
engineers | scientists | architects | constructors  
ftch.com | 1.800.456.3824

in   

**Dedicated to Making Communities Better**



Civil Engineering | Landscape Architecture  
Land Development Consulting | Planning  
Municipal Consulting | Surveying

www.giffelswebster.com



**engineering strong communities**  
anderson, eckstein & westrick, inc.  
www.aewinc.com 586.726.1234

engineers

surveyors

architects





**Engineering. Environment. Excellence.**  
A TRADITION OF PERSONAL SERVICE & SUCCESSFUL PROJECTS

Hubbell, Roth & Clark, Inc. provides innovative and sound solutions to today's engineering challenges.

For over 100 years, HRC has serviced municipal, industrial and private clients and has completed a multitude of large and complex projects, which have been widely recognized for their innovation and engineering excellence.

**HRC**  
HUBBELL, ROTH & CLARK, INC.  
CONSULTING ENGINEERS SINCE 1915  
(248) 454-6300 | [www.hrc-engr.com](http://www.hrc-engr.com)

**B R i**

**Beckett & Raeder**  
Landscape Architecture  
Planning, Engineering &  
Environmental Services

Ann Arbor  
734.663.2622

Petoskey  
231.347.2523

Traverse City  
231.933.8400

www.bria2.com

[www.manniksmithgroup.com](http://www.manniksmithgroup.com)



● Civil Engineering  
● Environmental Engineering  
● Geotechnical Engineering  
● Landscape Architecture  
● Construction Support  
● Surveying

1771 N. Dixie Hwy.  
Monroe, MI 48162  
Tel: (734) 289-2200



**OHM**  
Advancing Communities®

888.522.6711 | [OHM-Advisors.com](http://OHM-Advisors.com)

Leaders rely on OHM Advisors' forward thinking and proven expertise to create thriving places for people.





## Engineers & Engineering

RELATIONSHIPS ■ REPUTATION ■ RESULTS

Municipal | GIS | Planning / Landscape Architecture | Land Surveying  
Civil Engineering | Land Acquisition | Ecological Services



**METRO CONSULTING ASSOCIATES**  
800.525.6016 ■ [www.metroca.net](http://www.metroca.net)

**SPALDING DeDECKER**



**Engineering & Surveying Consultants**  
Infrastructure | Land Development  
Surveying  
(800) 598-1600 | [www.sda-eng.com](http://www.sda-eng.com)



Spicer's Mobile Mapping Solutions can help you map all of your Community Assets

Contact us for an efficient solution for your survey needs  
800.833.0062 [www.SpicerGroup.com](http://www.SpicerGroup.com)

**Spicer group**

**williams&works**  
engineers | surveyors | planners

[williams-works.com](http://williams-works.com) (616) 224 -1500

## Environmental Consultants

United Water is  
now SUEZ

[mysuezwater.com](http://mysuezwater.com)  
616-940-2405



**Tt TETRA TECH**

Serving Michigan's Municipalities  
for More Than 100 Years!

Ann Arbor - 734.665.6000  
Brighton - 810.220.2112  
Detroit - 313.964.0790  
Lansing - 517.316.3930  
Port Huron - 810.956.9300

[www.tetrattech.com](http://www.tetrattech.com)



**BUILDING COMMUNITIES.**



Wightman & Associates, Inc. has delivered first-class engineering, architecture and survey solutions to clients since 1946. We've made our mark by building strong, vibrant communities. Let our dynamic team of 80 professionals assist your community.

**WAI** WIGHTMAN & ASSOCIATES, INC.  
ENGINEERING • SURVEYING • ARCHITECTURE

269-927-0100  
[www.wightman-assoc.com](http://www.wightman-assoc.com)

## Financial Services

**{ A trusted advisor. }**

For over 70 years, state and local governments have trusted Plante Moran to provide independent technology, operational, and financial services. We provide practical solutions to complex issues, and you can have confidence in the objectivity of our recommendations.

**plante moran**  
audit • tax • consulting • wealth management

[government.plantemoran.com](http://government.plantemoran.com)

## Planning & Zoning

**COMMUNITY PLANNING & DESIGN**

**McKenna ASSOCIATES**

NORTHVILLE • DETROIT • KALAMAZOO • 888.226.4326 • MCKA.COM

- Economic Development
- Landscape Architecture
- Public Engagement
- Urban Design
- Zoning Administration
- Downtown Revitalization
- Zoning and Form-Based Codes
- Building Inspection / Administration

**williams&works**  
engineers | surveyors | planners

[williams-works.com](http://williams-works.com) (616) 224-1500

## Landscape Architecture

**B R i**  
**Beckett&Raeder**  
*Landscape Architecture  
Planning, Engineering &  
Environmental Services*

Ann Arbor 734.663.2622  
Potoskey 231.347.2523  
Traverse City 231.933.8400  
[www.bria2.com](http://www.bria2.com)

**B R i**  
**Beckett&Raeder**  
*Landscape Architecture  
Planning, Engineering &  
Environmental Services*

Ann Arbor 734.663.2622  
Potoskey 231.347.2523  
Traverse City 231.933.8400  
[www.bria2.com](http://www.bria2.com)

## Planning & Zoning

**CARLISLE** | **WORTMAN**  
associates, inc.

Community Planning • Zoning • Recreation Plans  
Building Department Management & Staffing

**www.cwaplan.com | 734.662.2200**

*Just what  
you need,  
just when  
you need it.*

## Water & Wastewater

**F&V operations**  
and resource management

[www.fv-operations.com](http://www.fv-operations.com) | 888.773.8806

**Water & Wastewater Operations**  
Plant Optimization | Operator Training

**Gibbs Planning Group**

**Urban Planning + Market Research**  
*Retail + Hotel + Residential*  
248.642.4800  
[gibbsplanning.com](http://gibbsplanning.com)

**giffels webster**

Dedicated to Making Communities Better

Civil Engineering | Landscape Architecture  
Land Development Consulting | Planning  
Municipal Consulting | Surveying

[www.giffelswebster.com](http://www.giffelswebster.com)

[in](#) [t](#) [f](#)



# Spotlight on Michigan's Open Meetings Act (PA 267 of 1976)

**Q.** Was there a new court case regarding email use of local government councils?

**A.** Yes, the recent case was *Markel v Mackley*. The Michigan Court of Appeals opinion was regarding email deliberations. The Court ruled that email deliberations among a quorum of public body members violated the Open Meetings Act, PA 267 of 1976 (OMA). In *Markel*, four members of a seven-member elected public body engaged in numerous email exchanges regarding matters of public policy which would soon come before the public body for consideration. Three of the members on the group emails actively exchanged thoughts and plans on how to handle the matters. The fourth member on the group emails simply received the emails but did not actively engage in the exchange. At subsequent public meetings, the matters were handled just as had been planned in the email exchanges. The Court found that the group emails constituted a "meeting" under the OMA because there was a quorum present and deliberations occurred on a matter of public policy. Furthermore, the Court found that, "Because the meeting was held privately via email, the four defendants violated [Section 3(3) of the OMA] which required such deliberations to be open to the public."

See the League's new Fact Sheet: Open Meetings Act—Email Quorum Violation at [mml.org](http://mml.org)

**Q.** Are minutes required to be taken at work sessions? Is a work session a meeting if no action is taken?

**A.** Work sessions fall under the definition of a meeting in the Open Meetings Act. They must be posted, open to the public, (except for those issues that by law are permitted to be addressed in closed session), and like all meetings defined under the OMA, minutes must be taken. The requirements are:

1) posting:

- Notice to include the name of the public body, telephone number, and address.
- Notice always be posted at principal office and any other locations considered appropriate by the public body (cable television may also be used).
- Notice to be posted within ten days after the first meeting in each calendar or fiscal year, and notice of special meetings shall be posted at least 18 hours before the meeting.

2) minutes:

- the date, time, and place; and
- members present and absent

See the League's Fact Sheet: Work Sessions — Use by Legislative Bodies at [mml.org](http://mml.org)

**Q.** Can the public speak at a special meeting?

**A.** A special meeting is considered a public meeting under the Open Meetings Act. All the requirements for a regular meeting apply to special meetings. Members of the public must be allowed to speak under the same rules your municipality has for members of the public speaking during regular council meetings.

**Q.** How do we call a closed session?

**A.** A public body calls a closed session meeting while in an open meeting. A two-thirds roll call vote is required, except for closed sessions permitted under MCL 15.268(a) (discipline, personnel evaluation, etc. of official/employee) or MCL 15.268(c) (collective bargaining) which require a majority vote. A roll call vote and the purpose for calling a closed session shall be entered into minutes of the open meeting.

See the League's Fact Sheet: Open Meetings Act—Calling Closed Meetings at [mml.org](http://mml.org)

**Q.** Are minutes required to be taken during closed session?

**A.** Yes, the Open Meetings Act requires minutes to be taken of closed sessions. According to an opinion of the Michigan attorney general, these minutes must reflect:

- the date, time, and place;
- members present and absent; and
- the purpose of the closed session. (Opinion of the Attorney (OAG) No. 6817)

See the League's Fact sheet: Open Meetings Act—Closed Meeting Minutes at [mml.org](http://mml.org).

**Q.** Who approves the minutes of a closed meeting?

**A.** The public body approves minutes of its closed session(s). The public body may meet in closed session to approve the minutes of a closed session if the decision to go into closed session to approve the minutes of the past closed session is made in an open session of the public body.

See the League's Fact Sheet: Open Meetings Act—Closed Meeting Minutes at [mml.org](http://mml.org).

---

*The League's Information Service provides member officials with answers to questions on a vast array of municipal topics. Email questions to [info@mml.org](mailto:info@mml.org) or call 1-800-653-2483.*

Sue Jeffers is a legal consultant to the League. You may contact her at [sjeffers@mml.org](mailto:sjeffers@mml.org).

# Can a tax-exempt parent corporation extend its tax-exempt status to a related entity?

## FACTS

Trinity Health-Warde Lab, LLC (the Lab), is a wholly owned subsidiary of Trinity Health Michigan (Trinity). Trinity is a charitable institution entitled to a property tax exemption under MCL 211.7o. The Lab was created for the purpose of owning real property located in Pittsfield Township and used solely as a medical laboratory by Trinity and other nonprofit hospitals under a co-tenancy agreement. The Lab filed a petition with the Tax Tribunal alleging the real property is exempt from property taxation. The township responded that the property is not eligible for tax-exempt status since the Lab is, in fact, a for-profit entity.

MCL 211.7o, known as the charitable institution exemption, provides: "Real or personal property owned and occupied by a nonprofit charitable institution while occupied by that nonprofit charitable institution solely for the purposes for which that nonprofit charitable institution was incorporated is exempt from the collection of taxes under this act."

MCL 211.7r also provides an exemption for real property owned or operated by a nonprofit trust used for hospital or other public health purposes.

## QUESTION

Is the Lab, a for profit entity, entitled to a charitable institution exemption under MCL 211.7o or MCL 211.7r since the Lab is wholly-owned by a tax-exempt entity, i.e., Trinity?

## ANSWER ACCORDING TO THE TAX TRIBUNAL:

YES. The Tribunal concluded that because the Lab is a wholly owned subsidiary of Trinity—which is a nonprofit charitable institution—it was proper to extend Trinity's exempt status to the Lab.

## ANSWER ACCORDING TO THE COURT OF APPEALS:

NO. The court of appeals found that the Tribunal's reliance upon Michigan case law was in error. The court found that the Tribunal erroneously relied upon a previous Michigan Supreme Court decision for the proposition that a tax-exempt parent corporation could extend its tax-exempt status to a related, but for profit, entity. The court found that the Lab could not utilize the tax-exempt status of its parent corporation when it is not itself a nonprofit entity.

*Trinity Health-Warde Lab, LLC v Charter Township of Pittsfield*,  
No. 328092 (November 3, 2016)

This column highlights a recent judicial decision or Michigan Municipal League Legal Defense Fund case that impacts municipalities. The information in this column should not be considered a legal opinion or to constitute legal advice.

## Michigan Association of Municipal Attorneys

### Upcoming Events

March 21, 2017

#### 31<sup>st</sup> Annual Advanced Institute

Lansing Center - Lansing

June 23-25, 2017

#### PCLS/MAMA Summer Conference

Grand Hotel - Mackinac Island

For more information and to register, visit [www.mama-online.org](http://www.mama-online.org)





 VORTEX  
**A CLEAR  
SOURCE  
OF  
FUN**

BLUE HERON BAY SPLASHPAD - INDEPENDENCE LAKE PARK | WHITMORE LAKE, MICHIGAN

# BRING COMMUNITIES TOGETHER

Bring people of all ages together with fun aquatic play. **All through the wonder of water.**

---







## FIND US AT BOOTH 309

---



**CAPITAL CONFERENCE**  
March 21-22, 2017 • Lansing Center, Lansing



World leader in aquatic play solutions with over 6,500 installations worldwide  
1.866.586.7839 (USA/CA) | [info@vortex-intl.com](mailto:info@vortex-intl.com)  
[VORTEX-INTL.COM](http://VORTEX-INTL.COM)      

Show us the  
creative ways  
you make vibrant  
communities!

Michigan Municipal League

# COMMUNITY Excellence Awards

March 21 – Start Submitting Projects

June 30 – Start Voting Online

Get all the details at [cea.mml.org](http://cea.mml.org)

