

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

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

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

## City vs. Village Structure

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

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

In the most recently published data from the Michigan Municipal League (2016), there were 533 cities and villages in the State of Michigan (see table 1). Compared to other communities the size of the Village of Manchester, 2,091 residents according to 2010 SEMCOG data, 74% are cities rather than villages. The trend seems to point toward eligible villages changing to becoming cities based on the Michigan Municipal League documents. The leading reason that

many villages in Michigan have not become cities is that there is a minimum population threshold of 750 to become a city.

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

**TABLE 1**

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

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

*Source: Michigan Municipal League, 2016*

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

**Potential Advantages of City Status**

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

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

## **Potential Disadvantages of City Status**

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

## **Public Safety Considerations**

### **1. Fire**

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

### **2. Police**

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

## Estimated Transition Costs

To determine the incremental costs of becoming a city, the Committee reviewed the services the Village currently provides, in addition to the services that the Village would take on if it became a city. After careful review, it was determined that there were four main functions that are not currently provided by the Village: property assessments; state, county, school tax collections/distribution; elections; and fire protection. See Table 2 for the estimated one-time and annual costs the Village could incur to become a city and provide these services. The table concludes that the annual expenses the new city would incur would be covered (except for \$32) by the new city fire millage and the new tax billing administrative fee. Please note that these are not new taxpayer costs but are currently paid to the Township and would now be paid to the City.

**TABLE 2**

<b>Village of Manchester</b>		
<b>Estimated Increased Costs to Become a City</b>		
<b>3/19/2019</b>		
	<u>One Time Cost</u>	<u>Annual Expense</u>
<b>Assessing Function</b>		
Contracted Assessor 1214 parcels @ \$20/parcel	\$ -	\$ 24,280.00
<b>Elections Administration</b>		
Annual elections		\$ 5,000.00
Purchase new equipment	\$ 15,000.00	
<b>Fire Protection Services Contract</b>		\$ 72,454.00
<b>Miscellaneous:</b>		
Legal, Boundary Survey, etc.	\$ 50,000.00	
Tax collection/distribution etc.		\$ 5,000.00
<b>Total</b>	<u>\$ 65,000.00</u>	<u>\$ 106,734.00</u>
<b>New City Fire Millage</b>		\$ (72,454.00)
<b>New Administrative Fees on Taxes Billed</b>		\$ (34,248.00)
<b>Net Annual Cost</b>		\$ 32.00

## Staffing Needs

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

## City Tax Revenue

In Table 3 below, this hypothetical City Tax Revenue breakdown shows how the Village's tax revenue would be impacted by changing to a city. The increase in tax revenue would be due to the new fire millage and the administrative fee that the Township had charged for collecting other unit's taxes. These administrative fees would now go to the City instead of Manchester Township. As previously shown in Table 2, the estimated tax revenue and administrative fee increase will pay for the additional annual expenses.

**TABLE 3**

Village of Manchester Hypthetical City Tax Revenue Using 2018 taxable values and millages				
2018 Village Taxable Value	63,195,766			
2018 Village Homestead Taxable Value	17,942,433			
Millages:	Mills	Village Tax Revenue	City Tax Revenue	Township Tax Revenue Loss
Manchester Community Schools	6.0000		\$ 379,174.60	\$ 379,175.00
Manchester Community Schools -non homestead	18.0000		\$ 322,963.79	\$ 322,964.00
Washtenaw County	7.1532		\$ 452,051.95	\$ 452,052.00
Manchester District Library	1.0452		\$ 66,052.21	\$ 66,052.00
Manchester School Debt	8.5000		\$ 537,164.01	\$ 537,164.00
Washtenaw Community college	3.3978		\$ 214,726.57	\$ 214,727.00
Washtenaw Intermediate School District	5.3641		\$ 338,988.41	\$ 338,988.00
Manchester Township: Operating	0.8939			\$ 56,490.70
Roads	0.3477			\$ 21,973.17
Fire	0.1489			\$ 9,409.85
Fire Operating	0.6500			\$ 41,077.25
Manchester Village: Operating	13.4762	851,639	\$ 851,639.00	
Sewer Debt	0.6572	41,532	\$ 41,532.00	
Bldg. Debt	1.3065	82,565	\$ 82,565.00	
Bridge Debt	1.0365	65,502	\$ 65,502.00	
Est. Fire Contract	1.1465	-	\$ 72,453.95	
		1,041,239	\$ 3,424,813.50	\$ 2,440,072.96
Administration Fee	1%	0	\$ 34,248.13	\$ 24,400.73
Distribution of Taxes Collected for Other Entities		-	\$ (2,311,121.55)	\$ (2,311,122.00)
Total Property Tax Billed		1,041,239	\$ 1,147,940.08	\$ 153,351.69
			\$ (1,041,239.00)	
Tax Revenue increase			\$ 106,701.08	
Assessing Cost Reduction				\$ (23,000.00)
Fire Contract with City of Manchester				\$ (72,454.00)
Net Loss to Manchester Township				\$ 57,897.69

## Village Taxpayer Implications – Village and City Comparison

In order to understand the impact on Village resident's taxes, the Committee's Finance Committee developed a hypothetical tax scenario based on a home with a State Equalized (Taxable) Value of \$100,000 (Home Value of \$200,000). In Table 4 below, the Village tax scenario is the left column and the City scenario is the right column. The estimated tax differential, based on a home value of \$200,000, is a savings of \$73.82 annually.

**TABLE 4**

Village of Manchester Proposed City Tax Estimates Using 2018 Millages		Taxable Value of \$100,000 (homesteaded) (Home Value of \$200,000)				
Tax	Village Status			City Status		
	Mills	Taxes	\$ Billed	Mills	Taxes	\$ Billed
Manchester Community Schools	6.0000	\$ 600.00		6.0000	\$ 600.00	
Washtenaw County	7.1532	\$ 715.32		7.1532	\$ 715.32	
Manchester District Library	1.0452	\$ 104.52		1.0452	\$ 104.52	
Manchester School Debt	8.5000	\$ 850.00		8.5000	\$ 850.00	
Washtenaw Community college	3.3978	\$ 339.78		3.3978	\$ 339.78	
Washtenaw Intermediate School District	5.3641	\$ 536.41		5.3641	\$ 536.41	
Manchester Township:						
Operating	0.8939	\$ 89.39				
Roads	0.3477	\$ 34.77				
Fire	0.1489	\$ 14.89				
Fire Operating	0.6500	\$ 65.00				
	33.5008		\$ 3,350.08	31.4603		
1% admin fee			\$ 33.50			
subtotal			\$ 3,383.58			
Manchester Village:						
Operating	13.4762	\$ 1,347.62		13.4762	\$ 1,347.62	
Sewer Debt	0.6572	\$ 65.72		0.6572	\$ 65.72	
Bldg. Debt	1.3065	\$ 130.65		1.3065	\$ 130.65	
Bridge Debt	1.0365	\$ 103.65		1.0365	\$ 103.65	
Est. Fire Contract	0.0000	-		1.1465	\$ 114.65	
	16.4764		\$ 1,647.64	17.6229		\$ 4,908.32
1% admin fee						\$ 49.08
<b>Total Property Tax Billed</b>	<b>49.9772</b>		<b>\$ 5,031.22</b>	<b>49.0832</b>		<b>\$ 4,957.40</b>
Township collects						
Village collects						
City collects						
		<b>Tax Savings</b>	\$ 73.82			
		<b>Millage Reduction</b>	0.8940			

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

As a further illustration of the impact on property taxes, Table 5 below illustrates the implications based on taxable value brackets for both homesteaded residences and business owners.

**TABLE 5**

Estimated Effect on Individual Property Owners		
Taxable Value		Manchester Village est. Annual Savings
50k	Village Resident (Homesteaded)	\$ 37
75k	Village Resident (Homesteaded)	\$ 55
100k	Village Resident (Homesteaded)	\$ 74
150k	Village Resident (Homesteaded)	\$ 111
200k	Village Resident (Homesteaded)	\$ 148
100k	Business Owner	\$ 90
250k	Business Owner	\$ 226
500k	Business Owner	\$ 451
1 Million	Business Owner	\$ 903
1.5 Million	Business Owner	\$ 1,354

## Public Input

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

Throughout the process to become a city, there will be many additional opportunities for citizens to provide input and ultimately vote on city status (See Exhibit A: Timeline of Incorporation).

## Impact on Surrounding Townships

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

In the absence of this information, the following estimations may be helpful. Table 3 calculates Manchester Township's tax revenue loss, based on data from their 2018 audit. The reduction in property tax and administrative fee revenue is approximately \$153,400. It will be tempered, though, by the assumed new fire protection services contract of \$72,454, derived from the MTFD's contract rate with other townships, and savings in a reduced assessing contract estimated here at \$23,000. Based on our calculation, the total revenue loss would then be \$57,900 or 13% of the Township's property tax and administrative fee revenue.

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

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

It has been noted that the Manchester Township Hall is located in the Village of Manchester and may need to be relocated. Information received from the Michigan Municipal League states that the Frankenmuth Township Hall is located within the City of Frankenmuth. The Committee would assume that the City of Manchester could work with the Township so that they could utilize their existing hall for Township business.

Sharon Township also expressed the concern that annexation would be much easier for a city than a village and that they could possibly lose some of their tax base. Annexation procedures for a city are identical to those of a village with the exception of a hearing at a County Board of

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Commissioners meeting where the Township can present objections. Two additional items bear noting: first, the trend in recent years has been toward the use of Public Act 425 Agreements where the two affected governments negotiate a mutually beneficial contract for the conditional transfer of property and sharing of tax revenue. Second, annexations are, for the most part, initiated by the property owner, who, by definition, is a taxpayer of the Township, not the City.

## **Tax Rate Limits**

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

## **Municipal Boundaries**

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

## **Duplication of Services**

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

## **Public Image**

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

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



## **Modernization of Government**

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

## **Division of Assets and Liabilities**

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

## **Process**

The process of becoming a city is three-part process with 24 action items to complete. In its entirety, the timeframe of completion varies somewhere between three and five years, based on the expediency of different parts in the process. Additionally, residents will have the opportunity to vote as there are three elections at different points in the process as well as various public participation sessions. See Exhibit A, “Timeline of Incorporation,” published by the State of Michigan for a detailed outline of events.

## **Summary**

The Citizens Advisory Committees charge by the Village Council to explore the pros and cons of cityhood has proven to be insightful and educational. Over the course of four months, we have become familiar with the detailed process a municipality has to go through in order to achieve city status. We have researched other communities’ benefits and pitfalls during their attempts to incorporate as a city, asked ourselves is this what would best serve our community, and most importantly, tried to identify the impact on the Village of Manchester and Manchester Township.

Our discovery process revealed more benefits to incorporating as a city than drawbacks. While the obvious advantage of having more control over our tax dollars is evident, there are other compelling factors that brought us to this conclusion. The elimination of a duplicative government structure, the potential reduction of Village property taxes, modernization of our government structure and recognition by the state as a primary unit of government are other benefits.

This is perhaps one of the most important decisions that the Village will make. We understand that a decision to move forward will impact our community and the townships around us. However, in our research, neither the Villages that have incorporated as cities, nor have their surrounding communities, experienced major negative repercussions from their decision. We also recognize that with more autonomy comes the financial responsibility to cover those services, but we feel the Village is well suited to handle the additional work without negative financial impact.

When Manchester Township met with our committee, its leadership conveyed the thought that they would work with the Village regardless of being a city or not. Both communities would work together for the greater good of all its residents. Under a City and Township structure, both communities would be able to focus on matters most important for their respective residents and pursue their best interests. Additionally, even though Manchester Township did not directly address the financial impact of the separation, our research of public financial documents and contracts shows the financial impact on the Township to be manageable. The largest area of concern for Manchester and the surrounding townships is the fire department. We believe that fire service should not be impacted, although the structure of the fire department may be altered through negotiations.

For the average Village or Township resident, a change in municipal structure would be seamless. It is important to note, however, that Village residents will have opportunities to voice their opinion through the electoral process. While we understand the sentimental value of being a Village, the small-town feel would not change. The issue we sought to address was what form of government would best serve the taxpayers and residents of the Village.

## **Recommendation**

Based on the foregoing, The Citizens' Advisory Committee makes the following recommendation:

THE CITIZENS' ADVISORY COMMITTEE RECOMMENDS THAT THE VILLAGE COUNCIL PURSUE CITY STATUS AND TAKE THE NEXT STEPS TOWARD THE GOAL OF CITYHOOD.

Ayes: 6

Nays: 0

Absent: 3

Recommendation adopted on 25 June 2019



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James Keller  
Citizens' Advisory Committee Chairman

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

**Part I. Petition Process**

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

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

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

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

## Part II. Referendum

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

## Part III. Adoption of Charter

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

**Manchester Village Citizens Advisory Committee  
May 21, 2019 Meeting – Public Comments**

At the May 21<sup>st</sup> Citizens Advisory Committee Meeting, the public was invited to give comments and feedback regarding a change from Village to City status. The following comments, concerns and questions were raised from residents, business owners and neighboring township leaders:

**1. How would the fire department be handled, and which municipalities would control it?**

As presented by Manchester Township, there are 4 options concerning the Fire Department: (1) place the city on the same contractual basis as the townships; (2) the city takes over the Fire Department; (3) creation of a Fire Authority with the participating townships and the city; or (4) creation of a Fire Authority with the Manchester Township and the City (neighboring townships would still contract).

**2. What is the background on why the Village is looking at potentially changing to a city?**

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

**3. How will the committee be answering questions?**

The committee conducts public participation at all public meetings to hear comments and concerns. Anything that can be answered during that time is directly addressed and anything that needs researched is published at a later date in the Frequently Asked Questions (FAQ). The idea behind the FAQ was to compile common questions and answers to publish for all residents to access.

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

Based on the Committee's research and documentation from State Boundary Commission, the timeline for City Incorporation can take 3-5 years to complete the 24-step process.

**5. What are the advantages to becoming a city?**

- a. Simplifies and streamlines government-allowing residents to deal with only one unit of government instead of two (i.e.) tax bills, tax payments, zoning and planning questions.

- b. Eliminates dual taxation and results in a reduction of property taxes.
- c. An Assessor and Board of Review appointed by and answerable to the city.
- d. The adoption of a modern home rule charter with customizable powers and government structures.
- e. Eliminates potential confusion over zoning and ordinance authority.
- f. Eliminates duplicative services.
- g. Permits financial flexibility and latitude to accommodate local needs for both the city and the township.
- h. Cities are higher in the hierarchy of government than villages, allowing cities to have more leverage with the county and state. Specifically, legislation developed by the State is written for Cities and Townships.
- i. Jointly held contracts, agreements and community events would continue as usual. There will be no effect on the Manchester Community School District.

**6. Taxes are high so the concern is that the switch could end up meaning more taxes. As a building owner downtown, will I have a right to vote if I don't live in the Village?**

If Council votes to pursue city status, business owners will only be allowed to vote if they are Village residents as well. It should be noted that the analysis from the Committee indicates that taxes will not increase due to this change.

**7. FAQ mailing should have included Township residents.**

An FAQ mailing did go out to Village residents regarding this issue. It also was posted online, published in the paper and discussed at public meetings. The goal is to keep communicating about any changes and potential impact as the process moves forward.

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

The General Law Village Act permits 12 ½ mills for the general fund, 5 mills for the street fund and 1 mill for cemetery purposes. This is a statutory limit of 18 ½ mills. The Home Rule City Act provides for the establishment of a tax rate limitation in the charter up to a maximum of 20 mills for all purposes to be allocated at the discretion of local officials. However, Michigan villages and cities may levy 3 additional mills for garbage collection and disposal services. Regardless of city or village, there are limits on total taxable mills, and the pursuit of city status is to decrease taxes where possible, not increase them.

## Basic Structure of Home Rule Cities

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

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

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

The most significant mandatory charter provision includes the following:

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

Other permissible Charter Provisions include, but are not limited to the following:

1. Borrowing power
2. Limitations on borrowing power
3. Zoning and condemnation
4. Sewer
5. Lighting
6. Transportation
7. Street plans
8. Water courses
9. Acquisition, lease and sale of property
10. Bonds
11. Voter referendums

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

1. Assessing property – The community can hire or contract for city assessing services

2. Collecting County, School, and special taxing authorities taxes
3. Conducting County, State and National Elections
  - a. Maintain voter registration lists
  - b. Provide voting facilities and equipment