

# Frequently Asked Questions

Updated 07.05.23

*The following questions and answers are representative of input from community members regarding the feasibility of the Village of Pentwater pursuing a city form of government.*

**Who were the public service representatives included in developing the information provided in this report?** *We consulted with township leadership, village leadership, our assessor, State Senator's office, Michigan Municipal League, past and current managers of the Village of Manchester, past and current managers of the City of Dexter, the Citizens Research Council of Michigan consultant used by the Township committee to study the impact if the village became a city, and other necessary stakeholders to compile the report. We also included input from local citizens and library representatives who came to our ad hoc team meetings. Before responding to questions from the community, we met with the library director and a representative from their board.*

**There are discrepancies between the report published by the City Feasibility Study Committee and the report prepared by the Township Committee related to the fire department funding. How will you reconcile those differences?** *Members of the village ad hoc committee reviewed the 2008 Intergovernmental agreement with the township for fire services. In the agreement it states:*

This agreement shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

*We also consulted the Michigan Compiled Law (MCL 117.14) which states*

Whenever a city, village or township is annexed to a city, the city to which it is annexed shall succeed to the ownership of all the property of the city, village or township annexed, and shall assume all of its debts and liabilities.

*We believe that given these two references, the city would continue to be bound by the intergovernmental agreement upon its transition to a city form of government.*

**How does this affect taxes and property values?** *Multiple tax scenarios are shared in Table 4 (parts C, D, E, and F) and Table 5 of our report on pages 13 and 14. Change in property values is based on so many factors, it would be difficult to isolate how, or if, property values would change.*

**I read that becoming a city includes working with the township. How is that different from the current situation?** *There are some intergovernmental agreements already in place. We currently have overlaps in our jurisdictions. If the village adopted a city form of government, both the city and township would be independent entities in future agreements. Please see page 22 of our report - Section VIII: Elements of Successful Incorporation that the committee considered as necessary should the Village decide to pursue a city form of government.*

**Won't reducing taxes to the township cause too much chaos?** *The CRC report commissioned by the township addresses the challenges the township would face and provides possible solutions. In the conclusion of their summary report, it is stated:*

Because Pentwater Township has a relatively rich property tax base and levies taxes at relatively high rates, it will have more resources than similarly sized or surrounding townships.

Other communities we spoke to who have gone through this process had the same concerns. They report that the transition was smooth and working relationships are strong.

**In the report discussion about the impact of disincorporating the village, it is stated, "Township taxes would likely increase to cover the expansion of operations and additional infrastructure cost." Where can residents see the projected calculations to show the potential change in taxes to support the statement.** *There are no specific calculations to support that statement. The statement is based on the assumption that if the village charter was dissolved and only the township remained, all village taxes would be eliminated. Subsequent to that, the township would be faced with providing services to all 1,600+ residents. Key decisions would include whether to support and maintain services such as the Department of Public Works, the marina, parks, and Park Place, trash and leaf pick up for those who live in the village area or for the whole township. To assume the financial responsibility for these services would necessitate an increase in the operating budget, which would necessitate an increase in millage for all township residents. Estimating the tax impact would be possible after the township board decided which services to provide.*

**Two of the five current township elected officials would no longer be able to hold positions. Is this true?** *Per the Michigan Townships Association ...*

To qualify for either township supervisor, treasurer, clerk or trustee, a person must be a township elector, but property ownership is not required. An elector is defined as someone 18 years of age, who is a U.S. citizen and has lived at least 30 days in the township for which they will serve.

**If I am currently unsatisfied with our village government, what could change as a city?** *A city form of government decision is about the municipal structure of government and requires following the laws pertaining to that specific governmental entity. As a resident of a city, township or village, residents should report any dissatisfaction of service to their elected officials if further follow-up is needed.*

**How does entering into cooperative agreements with fire, library and cemetery services simplify and eliminate duplication of services?** *Cooperative agreements, often known as Intergovernmental Agreements, allow two municipalities to share services with very specific guidelines outlined in a contract. In the case of the village and the township, there is no duplication of services for the library, fire department, and cemetery.*

**Will the expansion of infrastructure (employees, buildings, etc.) necessitate additional assessments on residents if we become a city?** *No new building space would be required. Flexible work locations for positions such as a new assessor could be considered.*

**Will resident property owners be allowed to vote?** *Registered voters in the Village of Pentwater will be able to vote.*

**If the village votes to go to a city format and the township does not vote for it - is it going to remain a village?** *The decision of whether or not The Village of Pentwater should pursue a city form of government can only be voted upon by registered village voters. Township residents who do not live in the village will not be eligible to vote in this election.*

**There will still be two treasurers, two clerks, etc. How is that not duplicating services? Exactly what duplication is there when you add necessary qualified personnel to the city structure? Which positions will be eliminated?** *The duplication of services is related to the fact that a village resident pays for both a Village and a Township Treasurer, Clerk, Zoning Official, Manager or Supervisor, Building expense, etc. While it is true that if the village adopted a city form of government these positions would still exist in some form, the taxpayers in the newly formed city would only be paying for these positions in one municipality, not two.*

**Current Village and Township Office Staffing Ratios/Projected City Staffing (Weekly Hours)**

Position	Village	Township	Total	City Projected
Village Manager/Township Supervisor	40	21	61	40
Deputy Manager/Sewer Admin/Zoning	0	24	16	0
Treasurer	20	28	48	20
Deputy Treasurer	49	14	54	40
Clerk	20	28	48	20
Deputy Clerk	40	28	68	40
Assessor	0	14	14	14
Zoning	32	*included above	44	32
Parks and Rec	8	0	20	8
<b>Total</b>	<b>200</b>	<b>157</b>	<b>357</b>	<b>214</b>

*There would be added cost to the city for an assessor position of about 14 hours per week. In total, city budgets would be paying for 3.575 fewer full time positions (143 hours) than village taxpayers currently subsidize by paying both village and township taxes.*

*In addition to duplicate staff, current Village of Pentwater Taxpayers pay for two buildings (utilities, building repairs, custodial services, lawn care, snow removal, etc.) From a financial perspective, a large portion of the Township's \$556,901.24 General Fund Budget, paid by both village and township taxpayers, represents duplication of services for those who reside in the village.*

**Will changing to a city allow a city income tax or additional sales tax to be levied?** *There are 275 cities in Michigan and, as of 2021, only 7.2% of them levy a city tax of between 0.5% and 1%. There are 4 larger cities that levy slightly higher rates (Detroit - 2.4%, Grand Rapids - 1.5%,*

Highland Park - 2%, and Saginaw – 1.5%). At this time, Pentwater levies 13 of the possible 18.5 mills. Voters must approve the addition of a city income tax. We are well below our statutory limit, so a city income tax seems highly unlikely. Michigan sales tax is 6%. Local communities can not charge additional sales tax beyond the 6%. Communities get a portion of sales tax returned to them through revenue sharing. The amount of revenue sharing the village/city receives is based on population.

**Why is there little cooperation between the city and the village? There seems to be little sharing between the two entities?** *There is more cooperation between the village and townships than many realize, for example: we have intergovernmental agreements for fire service, to provide sewer processing for township north, and the library. We collaborate on lake boards, master plans, recreation plans, etc. We also need to remember we are different types of entities, and there are statutory obligations that the township has that the village or city does not.*

*We understand there is a level of unknown in how cooperation between the city and village would change and whether moving to a city form of government would create more or less cooperation. In our Key Elements of Successful Incorporation section on p. 22, we outline the level of cooperation many successful communities employ to best support the communities they represent. We recommend the Village Council keep these Key Elements at the forefront of any future planning. An area of collaboration that could improve is that each municipality's financial relationships would be very well defined to serve their constituents specific needs, and where they overlap, intergovernmental agreements can be specifically developed with opportunities to negotiate new agreements that are in the best interest of each constituency.*

**Mills associated with village operating costs are far higher than those collected by the township. Can't we be one entity – township only?** *It is true that the village operational mills are higher than the townships due to the additional services provided to village residents (police, local road repairs and infrastructure, leaf pick up, snow plowing, dredging of the channel, parks and recreation, Department of Public Works as examples). If we were a township only, we would no longer be eligible for Act 51 (Michigan Transportation Fund) revenue. For fiscal year 2023/24, Village of Pentwater Act 51 revenue is estimated to be \$117,200 for 3.36 miles of major roads and \$77,000 for 12.14 miles of local streets. As of July 1, 2023 the village will take ownership of Hancock Street which will bring in an additional \$96,000 per year of road funding. Both the village and the township can also apply for additional funding for streets through Federal and State grants. Act 51 dollars are used for road repairs, road signs, tree trimming (including the recent work at the curve at Sixth to Monroe), matching funds for grants, road maintenance, snow plowing expense, and sewer repairs such as those being completed on Chester Street this summer.*

*In addition, the village has debt related to prior bonds for road repairs. These bonds have been sold and taxpayers are repaying that debt. If we were all one township entity, we would lose approximately \$290,200 of funding per year. Only cities and villages are eligible for Act 51 monies.*

**While the report outlines tax savings or "millage transfer" for residents, the ability for future city councils to raise taxes is significant. How will Village residents respond to any township entity (fire, library, cemetery) asking for a millage increase in the meantime? How are these factors more compelling for the feasibility of becoming a city over dissolution and becoming a township?** *Taxation rates for operations are approved by local councils that are composed of residents, Any taxation increase must be approved by a*

council. Whether we are a city, a village, or a township, the process is the same. Mills for services in addition to operations would continue to go before voters, the same as they do now. The phrase “Millage Transfer” is intended to outline a millage that is currently paid by village property owners, that, with approval of the voters should we become a city, could continue to be levied for continuity of services. Voters would still consider ballot measures based on merit whether we are a city or a village.

**How long does the city Incorporation take?** Should the Village of Pentwater Council vote to continue to explore adopting a city form of government, the process could take 3-5 years or more before voters make their final choice of adopting a city charter.

**Is it correct that a city can levy up to 20 mills without voter approval?** Villages, townships, and city councils, composed of residents of those communities, can establish taxation levels to meet their operating needs. This would not change if we adopted a city form of government. Although the 20 mill statutory limit for taxation is more than the village’s current 18.5 mill limit, village residents also currently pay township operating mills. If our current village and township levied mills up to their statutory limits, property owners would be paying more than 20 mills. Adopting a city form of government would limit that exposure to 20 mills.

**Do you have someone in the village who is good at writing grants?** We have two staff members who are trained in grant writing. Michigan Municipal League also has consultants that can be used when needed. We do write and submit grants and have several that have been approved over the years. Examples include a grant for a school resource officer, AED, safety grants through Police Department, AEDs, etc. The village currently has three grants that have been submitted and we are awaiting word about their approval.

**Can you provide the residents with a report on the current debt held by the village, over what period was that debt assumed, and what is the current rate of payoff of that debt? Also, I heard that the village has \$10,000 of debt for each resident and the township’s is much lower. Is this true?** To see a spreadsheet of current village debt, please go to [Pentwatervillage.org](http://Pentwatervillage.org) and type “debt” in the search box. All debts are listed and amortized based on expected payoff dates.

Debt	Funding Source	Balance Due	Payoff Date
2017 Capital Improvement Streets	Voted Bond	\$ 1,584,500.00	4.1.2023
2019 Capital Improvement Street	Voted Bond	\$ 996,450.00	10.1.2034
2019 Capital Improvement Street	Municipal Street Fund	\$ 1,552,200.00	10.1.2034
65 S Hancock Street	General Fund	\$ 276,892.00	10.20.2034
65 S. Hancock Street - Police Department Addition	General Fund	\$ 252,376.00	12.1.2031
Arsenic Treatment Plant - Drinking Water Treatment	Utility Bills	\$ 355,481.00	10.1.2027
Clean Water Plant - Sewer Plant	Utility Bills	\$ 2,296,108.00	10.1.2052
<b>Total Debt</b>		<b>\$ 7,314,007.00</b>	

The total debt divided by taxable parcels = \$5,922.27 per parcel to pay everything off in full today. Our improvements requiring debt have been scheduled to be paid off over time (see expected payoff dates above).

The village debt is related to voted bonds, municipal street funds, general fund, and payment through water/sewer bills. The township has very different infrastructure than the current village which supplies

*water, sewer, police, snow plowing and leaf pickup equipment, etc. Should the village be dissolved to create a township form of government only, these debts would need to be absorbed by the township as part of the dissolution.*

**If Pentwater becomes a city, will that mean we would allow franchises?** *The choice to allow franchises or not is not related to the laws we follow based on our form of government. Pentwater can choose not to allow franchises whether we are a village or a city.*

**Will one person be able to handle the role of clerk/treasurer and handle elections? Also, won't we need an assessor and a zoning officer? Wouldn't this create more bureaucracy and duplication?** *We currently employ highly qualified staffing in these areas, including a highly qualified Treasurer/Clerk, Deputy Treasurer, Deputy Clerk, and a Michigan State Extension Certified Zoning Administrator. As a city or village, the people in these positions can be cross trained to help out when either the Treasurer or Clerk duties require more time. Village residents already have to register for water and sewer services, and we already have to maintain careful records of our properties. Adding voter's registration to this process would not take much extra time. Election staffing can be shared with another municipality for early voting, or temporary poll workers may be needed periodically. We will need to add an assessor, and it is estimated that person will work about 14 hours per week.*

*After careful consideration of the additional responsibilities, our current staff has the capacity to handle the incremental additional duties, other than assessing property values.*

**How was the information gathered in the most recent Citizen Survey and Master Plan taken into consideration in making the decision to explore the feasibility of becoming a city?** *The most recent master plan available is from 2016. Although survey data and meeting minutes of the 2019 Master Plan process are online, the updated report has not yet been made public or approved by the village or township.*

**How is it an advantage for a city to run its own elections, assess, and collect taxes? Will you need to refurbish the old police station to hold elections?** *Recent legislation allows local municipalities to collaborate in early election staffing so there could be some incremental costs associated with running an election. Act 116 of 1954 states that elections may be held at school buildings, fire stations, police stations, or other publicly owned businesses like Pentwater's community center, Park Place, or in a building owned or controlled by an organization that is exempt from federal income tax as provided by section 501(c), such as churches.*

*There is an advantage for a municipality to work collaboratively between the zoning, assessing, and taxation functions of government. Assuring homes are assessed appropriately will assure equity in taxation. The village already has staff and procedures for tax collection for our village taxes. Having all of these functions working in one municipality will allow for seamless communication and administration of these functions.*

**How can the average citizen trust the information you have presented is truthful and factual?** *The citizens committee has made every effort to be factual in this report. We are composed of citizens who have been known for community service and integrity. We have sought to verify information provided through multiple sources, including referencing the Michigan Common Laws, the Michigan Municipal League, village and township audits, budgets, meeting minutes, etc.*

**What evidence in the report supports all of the factors that were identified?** *The committee looked at as many factors as we could think of and spoke to many constituents to add to our thinking. By engaging the public by posting our report online and facilitating email feedback as well as scheduling an overview to the community on June 5, 2023, we added to our report via this FAQ document. It is not possible to assure ALL factors are identified, but we executed great diligence and good faith efforts to identify factors we believed were relevant to Pentwater.*

**Why can't the obsolete sections of the current village charter be modernized without having to create a city charter? What shortcomings regarding rules/laws do you see?**

*The Village of Pentwater operates as a General Law Village like nearly 82% of all villages in Michigan. The charter of a general law village is based on statutory charter language. Pentwater could choose to rewrite its charter and become a Home Rule Village, however the process of electing a charter commission and voting on a new charter is similar to the process to become a city. With a rewritten charter as a Home Rule Village, we would still have an extra layer of government that cities and townships do not have, and property owners would continue to pay for duplicate services.*

*The General Law Village Charter outlined in the Michigan General Law Village Act, Act 3 of 1895 includes required antiquated language. For example, in the General Powers of the Council portion of the required charter language, the following powers are included:*

- (e) To regulate, license, or suppress billiard tables and ball alleys, public dance halls, and soft drink emporiums*
- (k) To regulate or prohibit bathing in the rivers, ponds, streams, and waters of the village.*
- (o) To require horses, mules, or other animals attached to any vehicle or standing in any street, lane, or alley in the village to be securely fastened, hitched, watched, or held.*
- (q) To prevent the running at large of dogs, to require dogs to be muzzled, and to authorize the destruction of dogs found at large in violation of an ordinance of the village.*

*This is just a sampling of some of the antiquated language we are required to include in our general law village charter. A Home Rule City charter written by elected Charter Commissioners and voted on by the registered voters in the village could be customized to our specific needs.*

**Much of the report surmises that the results of becoming a city will provide potential benefits. What is the committee's level of confidence in these potential benefits? Unintended consequences? The known benefits vs. the potential benefits?**

*The known benefits are that we would be reducing a layer of government without impacting services to residents and property owners in the village/city. Removing the duplication of services will reduce the operational costs we currently pay to both the village and the township. Our taxes would either go down some, or, if our taxes remained the same, more tax dollars could be directed to the needs of the village/city residents.*

*In section VII parts A and B (page 20), potential advantages and disadvantages of city status are addressed. Through our community forum a few other disadvantages were shared by the community. Among these are that the process might be politically painful, the costs associated with holding elections and collecting taxes, and that the process is lengthy and legally detailed. These additional points are addressed through answers to questions in this FAQ.*

**What did your research find regarding why the unsuccessful attempts failed?** *Failed attempts happened years ago, and current staff have little or no information. We looked for old newspaper clippings and found reference to only one election, Sebewaing in 2008.*

**What is the total cost for attorney fees?** *Estimated on-going and one-time costs are outlined in Section III, parts A and B on page 8. Costs would be paid for out of Village/City operational mills.*

**Why is Chester Street considered part of the Village AND Township? How can this be?** *All village residents are also residents of the township. This is the nature of how villages function in the State of Michigan. The township is the primary unit of government, and villages can be formed when there is a more densely populated area in a township for the purpose of providing additional services such as police, Department of Public Works, water and sewer, trash and leaf pick up, etc. Property owners within the village currently pay village taxes once per year and township taxes twice per year.*

**Is the right choice a function of population? If so, what is the ideal population range for such a transition? Since both entities (Township and Village) are so small, potential efficiencies of scale raise the question: what is the cost of not moving forward?** *The smallest city in Michigan is Lake Angelus, population 290. There are 15 cities with a population of 900 or less. We found no evidence that there is an ideal population range.*

*By not moving forward, village residents continue to pay taxes to both the Village of Pentwater and Pentwater Township for services and staff. As independent governmental agencies, there are opportunities for the municipalities to work together to maximize efficiency in any service overlap. For example: with new election laws allowing for nine days of early voting, if the Village of Pentwater adopted a city form of government, the city and the township could develop an agreement to share the early voting costs for all but the actual election day when each entity would need to have their own polling place.*

**It would be good to get more detail on the Rural Task Force from a qualified MDOT representative - Being a city will not increase RTF to PTW.** *It is true that the Rural Task Force funding would remain unchanged. The Rural Task Force provides funding to counties with fewer than 400,000 residents (78 out of 83 counties). The village is very involved with the Rural Task Force. Our Village Manager sits on their board. The recent improvements to Park Street were funded with matching funds from the Rural Task Force.*

**Has an independent auditor been consulted to show the projected cost savings/increases for residents to make an informed decision?** *This report has been developed by a citizens committee appointed by the Village of Pentwater Council. This is the required first step (step 1.a) of a 23 step process. The Village Council may decide to employ consultants (step 1.c) as they prepare additional documentation to inform voters prior to any ballot question should they move forward in considering a city form of government. The entire process can be found in Appendix C on page 29 of the report.*

**Is there an opportunity to go back to being a village if residents are not satisfied?** *Once the decision is made to adopt a city form of government, the decision stands. There is not an option to revert back to a village.*