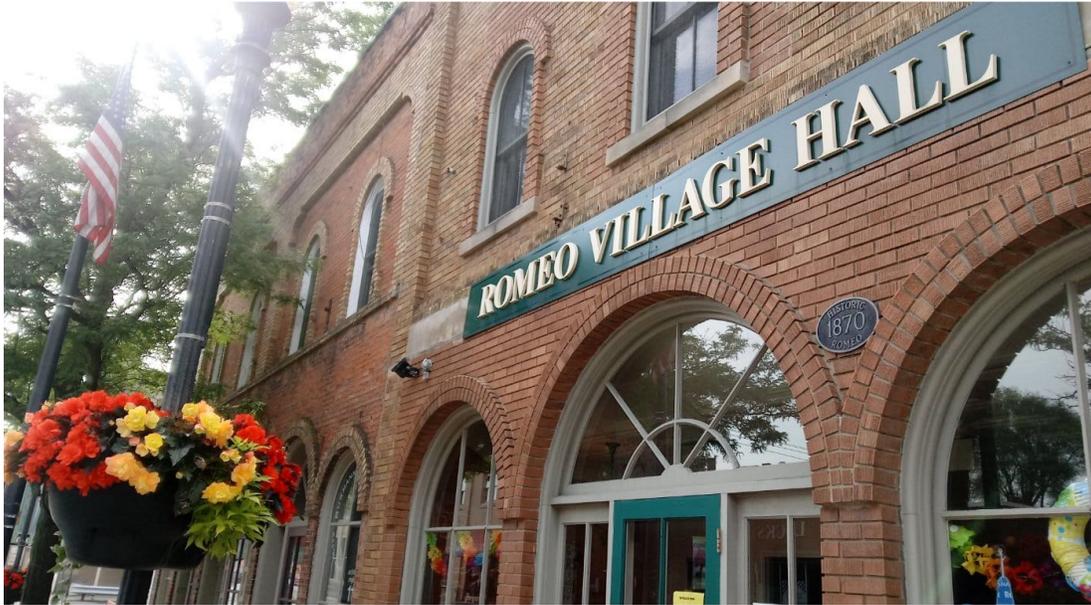


2020 Village to City Exploratory Committee



Members:

Marvin Cushingberry, Resident

Juli Grover, Resident

Andrew Hale, Resident

Elizabeth Miller, Resident

Randy Seidel, Village of Romeo Trustee

Kelley Stephens, Greater Romeo-Washington Chamber of Commerce

Thom Stephens, Romeo Planning Commission

Greg Tarr, Romeo Downtown Development Authority

Assisted By:

Christine Malzahn, Village President

Jaymes Vettraino, Facilitator - Vettraino Consulting, LLC

Steven Joppich, Special Counsel - Rosati, Schultz, Joppich, Amtsbuechler

Table of Contents

The Village to City Exploratory Committee met, both through Zoom and in person, from May through July, 2020. In addition to working with a consultant and attorney to understand the process, the committee reviewed several documents from other village incorporation efforts and publications from the Michigan Municipal League (MML). The purpose of this first-step report is to provide the Romeo Village Board of Trustees information to consider as it determines if the Village should pursue the process of incorporation as the city of the Village of Romeo.

[Executive Summary](#)

[Michigan Cities and Villages](#)

[Local Representation and Services](#)

[Demographics: Romeo Village - Bruce Township - Washington Township](#)

[Land Use and Community Character](#)

[Home Rule Charter vs General Law Village](#)

[Financials and Taxation](#)

[The Process to Consider Incorporation as a City](#)

[Committee Conclusion](#)

[Attached: Committee Meeting Minutes](#)

If you have any questions or any feedback after reviewing this report, please email Village of Romeo President Malzahn, cmalzahn@villageofromeo.org. The committee would sincerely appreciate feedback from residents of the Village.

Executive Summary

There are pros and cons the Village of Romeo must consider when deciding whether to incorporate as a city. This report primarily identifies facts and/or reasons for incorporation (pros). While the reasons to not incorporate are not as numerous (cons), they are very important and include the cost and length of time to incorporate, potential impact on political relationships with Bruce and Washington Townships, and loss of tax revenue for the Townships. In general, the Village Board of Trustees will need to determine if the pros of changing included in this report are enough to move forward with the next steps of the incorporation process at this time.

In 1994, the Village of Romeo also considered the question of becoming a city.¹ Many of the same reasons (pros) and concerns (cons) were recorded in the minutes of a Planning Commission meeting and the local press. Some of the reasons have become more apparent (i.e. concern regarding growth in the Townships), while others have remained consistent (i.e. provide a unified tax rate for the Village). The conclusion of the 1994 effort was to not pursue city incorporation at that time, but that it could be pursued in the future.

An objective of the committee was to only consider options that **would not increase the current property taxes in the Village**. The committee was also clear in its desire to not lose the name of "Village of Romeo." **Keeping "Village of" in the city's name** is a choice that other incorporated cities have made; for example, if the Village decides to proceed with incorporation, its new name could be the city of the Village of Romeo.²

The following summarizes each of the sections contained in this report:

Michigan Cities and Villages: The Village of Romeo's population and square mileage is more **consistent with median Michigan cities** than Michigan villages.

Local Representation and Services: If incorporated as a city, citizens would communicate with **one unified government**, instead of two different local governments.

Demographics: Romeo Village - Bruce Township - Washington Township³: The Village of **Romeo is significantly demographically different from the Townships**. As Bruce commits to stay rural and Washington becomes a more populated suburb, the Village may become more divided and receive less political attention than it historically has experienced.

¹ There is some evidence the Village considered incorporation in 1986, however no primary source documents were reviewed as part of the committee's work.

² Examples include the City of the Village of Grosse Pointe Shores and the City of the Village of Clarkston

³ Note, the word "Village" (used in error) was replaced with "Township" on 07/20/20 after issuing the final report presented to the Board of Trustees.

Land Use and Community Character: Development patterns in the Townships are diverging and not consistent with the **community character** of the Village of Romeo.

Charter vs General Law Village: As a city, the Village of Romeo community members would be able to draft and adopt its own unique Charter with governing principles that are specific to the needs of the community, providing more **local control of government**, rather than being controlled by the State legislature.

Financials and Taxation: Incorporation assures all Romeo taxpayers with **equal services and equal taxation**, rather than the current separate tax rates and potential differing level of service, depending on which side of 32 Mile the taxpayer lives.

The Process to Consider Incorporation: The process to consider **incorporation is a significant undertaking**, which requires considerable public input and budget consideration.

Committee Conclusion: The Village to City Exploratory Committee took action to recommend the Village Board of Trustees consider the information in this report and **recommended the Board approve moving forward with the incorporation steps** noted in Phase 2 and Phase 3.

Michigan Cities and Villages⁴

Incorporation as a city is a question other Michigan villages have considered. A Michigan Municipal League (MML) report from 2019 noted “recent incorporation activity” of villages to cities including⁵:

Village to City	Year	Population (2010)
Chelsea	2003	4,944
Douglas	2003	1,232
Grosse Pointe Shores	2009	3,008
Caro	2009	4,229
Caseville	2010	777
Jonesville	2014	2,258
Dexter	2014	4,067
Ovid	2015	1,603

Romeo’s population of 3,596 ranks it as the 8th most populated village in the State of Michigan. Over half of the 253 villages in the State (57.7%) have fewer than 1,000 residents. The median population of Michigan villages is 751, making Romeo more than 4.5 times more populated than the median Michigan village.

There are 280 cities in Michigan, the median population of all Michigan cities 5,260. If Romeo was a city it would rank as the 177th largest city, with a similar population as the Oakland County cities of Bloomfield Hills (3,897) and Keego Harbor (2,970); and Wayne County cities of Belleville (3,991) and Village of Grosse Pointe Shores (3,008).

- continued on the next page -

⁴ Base data generated from the 2010 United States Census

⁵ <https://www.mml.org/pdf/resources/publications/MR%20-%20Impact%20of%20Changing%20from%20a%20Village%20to%20a%20City%202019.pdf>

Exhibit 1

All Michigan Villages



- Villages with more than 3,596 (larger than Romeo)
- Villages with less than 3,596 (smaller than Romeo)

All Michigan Cities



- Cities with more than 3,596 (larger than Romeo)
- Cities with less than 3,596 (smaller than Romeo)

The median square mile size of villages in Michigan is 1.01 sq/mi. Romeo, at 2.02 sq/mi is twice the median size of Michigan villages.

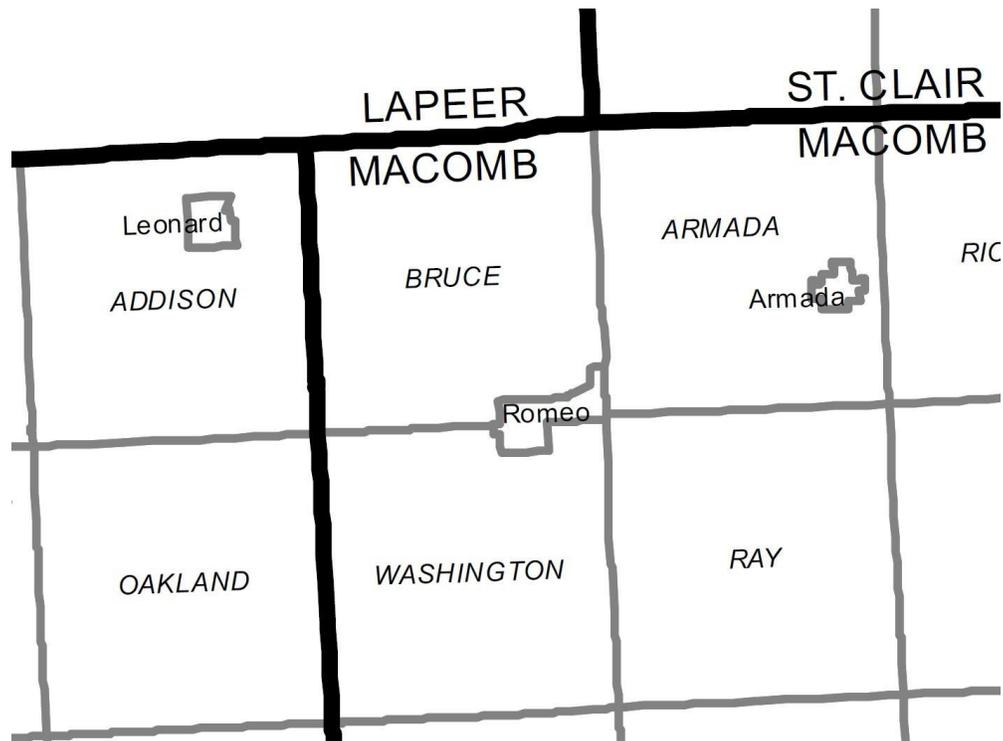
The median size of cities in Michigan is 3.32 sq/mi. Romeo is about $\frac{2}{3}$ the size of the median Michigan city. Romeo is slightly larger than the Macomb County cities of Center Line (1.74 sq/mi) and Utica (1.71 sq/mi) and slightly smaller than the Wayne County cities of Grosse Pointe Park (2.17 sq/mi) and Hamtramck (2.09 sq/mi).

Judged solely on population and land size, Romeo is much closer to the median population and square mileage of Michigan cities than Michigan villages.

Local Representation and Services

The Village of Romeo is divided, with part of the Village located in Bruce Township and part located in Washington Township. In addition, the Village is in the process of adding a very small area in Ray Township and has received an annexation request from properties in Armada Township. Romeo's location is very unique, split by two Townships and boarding two additional Townships.⁶

Exhibit 2



Historically, the Townships of Bruce and Washington have provided nearly identical services and tax rates to the Village. Recently, the Townships have increasingly discussed and placed differing levels of service millages on the ballot. Romeo residents currently pay two different tax rates; with the potential addition of parcels in Ray Township and Armada Township the Village may include four different taxing rates and levels of service. This difference of tax rates and services (both current and potential) is inconsistent with the vision of the historic village as one unified community.

⁶ Though not confirmed, it is thought that Romeo is the only village in the State that is split by two townships. With the recent annexation in Ray it is likely the only village split by three townships. If the annexation in Armada is approved it will be likely be the only village in the State split by four townships.

Several publications identify two specific services a village does not provide, but that a city must provide: administration of elections and duties associated with assessing. These two services are provided to the Village of Romeo by the Bruce and Washington Townships.

The Village of Romeo is a unique historic full-service community. Through the Village Board of Trustees, citizens of the Village receive important municipal services including police; fire; roads; water; sewer; curbside refuse, recycling, leaf and yard waste collection; cemetery; downtown development; parking and zoning. Residents who wish to comment, question and elect local officials to provide these services direct their attention to their Village Board of Trustees. Incorporation as a city would not change any of these important local services.

Elections and assessing are also very important services a local government provides its residents. For these services, Village residents, depending on which side of 32 Mile Road they live, rely on the elected officials of either Bruce or Washington Township. In order to comment or question these services, Village residents must appeal to the Township Boards.⁷

As an incorporated city, the Village of Romeo would be responsible to provide election and assessing services. These can be provided independently by the city or provided jointly with the Townships; but the local city officials are responsible to provide all services that best match the needs of their citizens. In short, citizens would elect one body of officials to provide all municipal services in the Village, instead of three elected bodies.

Home values, density, walkability, historic downtown and community services (i.e. curbside leaf collection, curbside recycling, full service local street maintenance) are completely different in the Village than either Township. Currently, the Townships' Board of Review makes decisions regarding tax appeals from the Village, despite the fact that the properties, both residential and commercial, are completely different in the Village than Township properties. As a city, the Village would be responsible for assessing the community as a whole and would appoint a local Board of Review, consisting of Village community members.

The Townships and Village also share a number of services including: recreation, senior transportation and hazardous recycling days. The most important services for the Village to consider and work cooperatively with the Townships, as a city or as remaining a Village, are recreation and senior services. The committee made clear that regional recreation and senior services are extremely important for the Romeo community to remain unified and fully served.

The governing board of the Recreation Commission is appointed by the Townships (through a joint agreement between the Townships) and does not include representation of the Village. However, the Village owns the recreation building and surrounding properties and has entered into a 99 year lease with the Commission for these facilities. If the Village incorporates as a city,

⁷ Village residents often contact Village Hall to question assessing, real estate tax bills and election related issues; assuming that these services are provided by the Village.

the current recreation millage collected from Village properties by the Townships would instead be levied and collected by Romeo and could be used by the city of the Village of Romeo to continue to fund the joint Recreation services (see Financials and Taxation section); however it will likely require a new governing agreement that includes all three parties.

The Committee also discussed the potential of increasing efficiency and effectiveness of the services the Village provides. While this is an important topic to explore (whether the Village remains a village or incorporates as a city), this report contemplates keeping the local services provided by the Village and Townships at the level and cost they are currently provided.

Demographics: Romeo Village - Bruce Township - Washington Township⁸

While the Townships of Bruce and Washington share similar demographic characteristics, the Village of Romeo is significantly different from the more homogeneous Townships:

Exhibit 3

	Romeo	Average of Bruce & Washington	Bruce	Washington
Median Household Income	\$56,731	\$96,744	\$95,346	\$98,142
Median Housing Value	\$168,200	\$280,100	\$276,900	\$283,300
Population Density (persons/acre)	3.01	0.72	0.33	1.1
Percent Homes Owner Occupied	74%	90%	96%	84%
Percent Homes Multi-Family	16%	6%	2%	11%
Percent Unemployed	6%	4%	4%	3%
Percent People in Poverty	12%	4%	3%	5%
Percent White	79%	91%	91%	92%

As shown above, Romeo has significantly lower median household income and median housing value, a much higher population density and is significantly more racial diverse than the Townships. In key areas (household income, housing value, population density and people in poverty) Romeo is much more similar to nearby Macomb County cities of Utica and Richmond⁹ than Bruce and Washington Townships.

Based on this demographic comparison it can be reasonably assumed that the residents of the Village have different social and civic goals than the more affluent and less diverse Townships. While the Village is likely to remain demographically consistent in the near future (though population density may increase), both Townships will likely continue to grow to include higher median housing values and higher percentage of owner occupied houses. This is particularly true for Washington Township, which permitted 114 single-family homes in 2019, the 3rd most in Macomb County.

The regional planning agency, SEMCOG, identifies the Village as a separate entity and does not include Romeo in its population data for Bruce or Washington Townships.¹⁰ Using SEMCOG's population data, from the census and the agency's projections, a comparison of the Village population to the Townships clearly shows a change in the population ratios. As recent

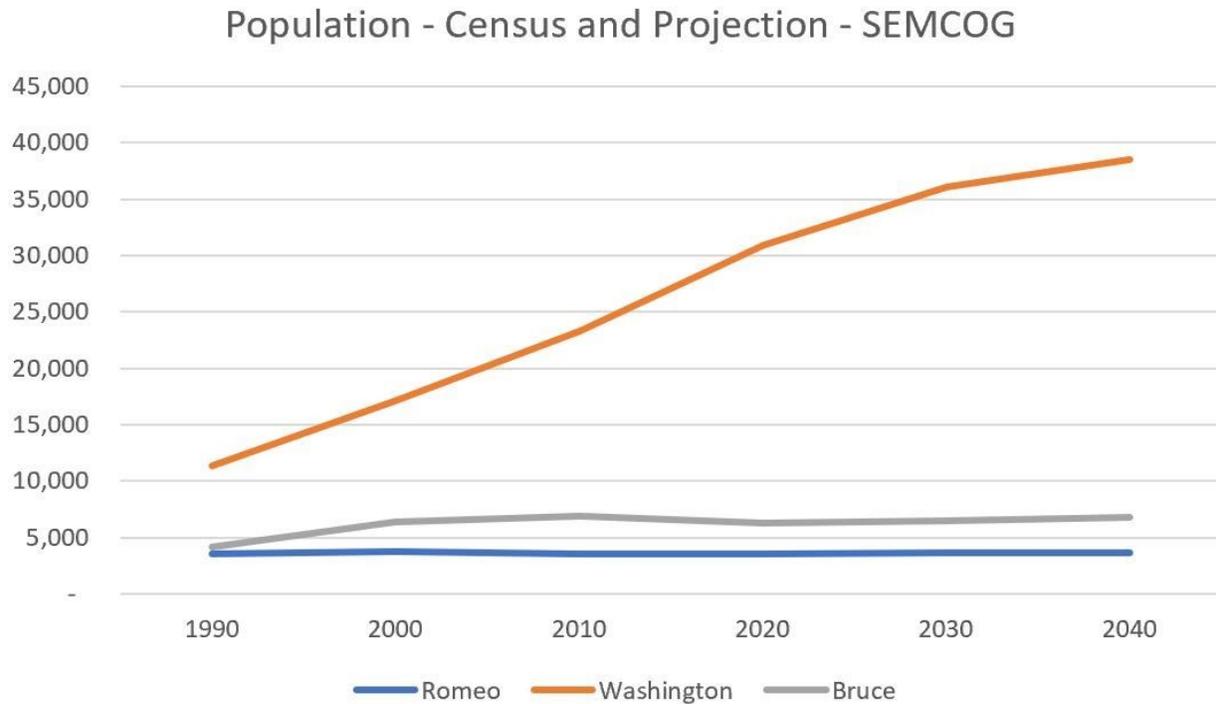
⁸ Southeast Michigan Council of Governments (SEMCOG), Community Explorer, accessed June, 2020

⁹ Utica/Richmond: Median Household Income \$53,056/\$55,332; Median Housing Value \$151,600/\$167,600; Population Density 4.3/3.7; Percent People in Poverty 10%/10.1%

¹⁰ <https://semcog.org/population-estimates>

as 1990, the Village's population was 83% of Bruce and 31% of Washington. By 2030, it is projected the Village population will be 55% of Bruce and 10% of Washington.

Exhibit 4



Historically, when the Village's population was similar to Bruce's and about half of Washington, it may have been more likely that the Township elected officials would be responsive to the needs of the demographically different Village. However, with the projection of the Village's population being an extremely small portion of Washington Township, it is less likely the Township elected officials, who are responsible for election, assessing and recreational/senior services of the Village residents, will politically need to consider the Village resident's opinions on these matters.

Further, as Washington Township continues to grow and become a fully suburban municipality while Bruce Township is expected to remain a low-growth community, the services demands between the Townships will diverge, leaving the Village split between suburban tax/services (Washington) and rural tax/services (Bruce). This can most clearly be seen with Washington's recent effort to significantly expand its recreational services, leaving the traditional Village community in the unfortunate position of half the community getting one level of tax/services and the other half a different level of tax/services.

Land Use and Community Character¹¹

The land use in the Village is significantly different than the Townships:

Exhibit 5

	Romeo	Bruce	Washington	<i>Average of Bruce & Washington vs Romeo Percent Difference</i>
Single-Family Residential	26.2%	16.7%	35.8%	-0.2%
Multi-Family Residential	3.5%	0.1%	1.3%	400.0%
Retail	1.7%	0.3%	1.2%	126.7%
Office	2.9%	0.0%	0.9%	544.4%
Agricultural	0.0%	54.5%	23.1%	-100.0%
Industrial	28.9%	17.6%	0.2%	224.7%
Recreation/Open Space	2.6%	2.4%	16.6%	-72.6%
Impervious	35.3%	5.8%	10.2%	341.3%

While the percent of land use for single-family residential is similar, the type and density of the homes is very different. As noted in the Demographic section, Romeo's homes are situated in a typical village/city downtown community, while Washington is a modern suburb and Bruce remains a more large-lot rural community.

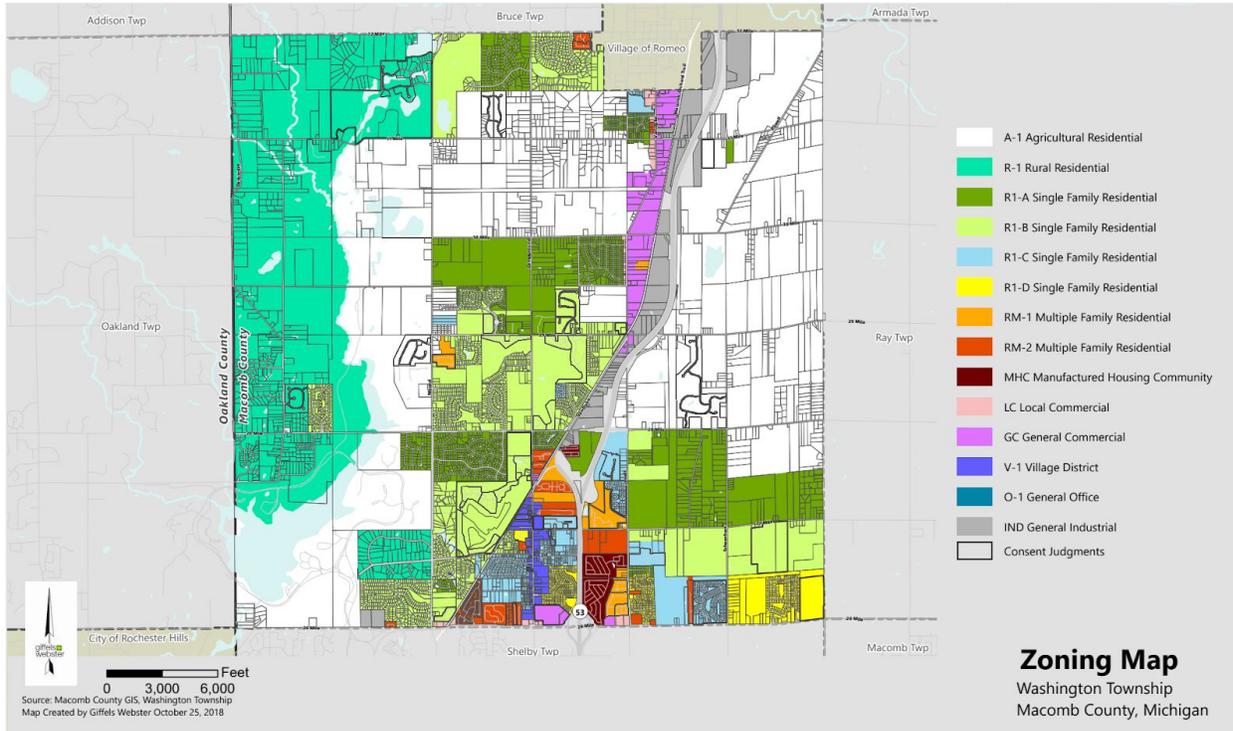
The development of the Village includes much more impervious surfaces, which require different stormwater management and environmental consideration than the Townships' relatively small amount of impervious surfaces. Modern cities are developing best practices for managing impervious surfaces and stormwater, many of these include incentives and/or fees based on real estate parcel information kept by the assessor's office. As a Village, Romeo does not have direct access/control of this parcel information.

The Village of Romeo's current zoning would not be directly impacted by incorporation as a city. The process to approve a community Master Plan and adopt zoning is the identical for a village as it is for an incorporated city.

¹¹ Southeast Michigan Council of Governments (SEMCOG), Community Explorer, accessed June, 2020

This is in stark contrast to the zoning decisions of Washington. Instead of aligning its land use in support of the Village downtown, Washington has created a separate “V-1 Village District” on the opposite side of the Township from Romeo Village.

Exhibit 7



Washington’s zoning map clearly demonstrates its desire to develop its own “new downtown” area on the southern end of the Township.

Home Rule Charter vs General Law Village

One of the most important benefits of city incorporation is the Village's opportunity to create its own Charter and establish its own self-governance. The Michigan General Law Village Act, enacted in 1895, is the foundational document of all village powers and duties. Romeo's village powers have been set by a state-level document created over 125 years ago, which can be amended by politicians from across the State, from Detroit to Mackinac Island, places very different from Romeo. Further, State politicians must consider all 285 villages (97% of which have a population less than Romeo) when making changes to the General Law Village Act.

Recognizing the importance of local control of the powers and duties of municipal government, the State has provided certain local governments the power to adopt local Charters. A vast majority of villages in Michigan operate under the General Law Village Act.¹² In contrast, pursuant to the Home Rule Cities Act (HRCA), nearly all cities in Michigan operate under a home rule Charter, which is drafted and adopted by those who live and work right in the community.

If the State approves an election for the Village to consider incorporation (see incorporation steps in the last section of this report: "The Process to Consider Incorporation"), the following steps would be followed:

- 1) A local election will be held asking the electorate to approve incorporation as a city. If approved;
- 2) A local election will be held to elect individuals to serve on a Charter Commission.¹³
- 3) The Charter Commission will meet and draft the new city of the Village of Romeo Charter. The Charter Commission would be tasked with deciding on the appropriate powers and duties of the new city. The Commission would consider the unique needs of the Village of Romeo and would study best practices from Charters drafted by many other Michigan cities to draft a new foundational document for the community. This usually includes adopting a more modern form of government such as a "City Manager form" of government. Generally, most modern Charters create Clerk and Treasurer positions as hired positions, with certain education and experience requirements, rather than elected positions.
- 4) The offices of Governor and State Attorney General will comment on the new draft Charter.
- 5) A local election will be held for the electorate to approve the new Charter as drafted by the Charter Commission with input from the offices of the Governor and State Attorney General.

¹² https://www.mml.org/pdf/charter_revision/chapter1.pdf

¹³ Members of the Charter Commission may not be elected officials from the Village or Township. This would be an independent body.

Financials and Taxation

The Village of Romeo has two different tax rates, a “Bruce rate” and a “Washington rate.” Historically these two rates have been very similar and the two Townships have provided very similar services to the residents of the Village. This trend seems to be changing, and will likely continue to change given the increasing demographic and land use differences, outlined above, between the two Townships. A significant benefit of city incorporation is the Village of Romeo would have a consistent tax rate and level of service for the entire Village.

Looking at all of the property taxes in the Village, there are very few that would be impacted by incorporation:

- continued on the next page -

Exhibit 8

Example Taxable Value		\$95,000			
Romeo 2019 Total TV		\$166,401,863			
Assessed not by Twp, Village or City					
Twp Services to the Village					
Village Services					
Romeo - Bruce Twp Tax Bill			Romeo - Washington Twp Tax Bill		
Summer/Winter	Millage Rate*	Amount	Summer/Winter	Millage Rate*	Amount
State Educ Tax	6.00000	\$570	State Educ Tax	6.00000	\$570
RCS Oper Levy	0.00000	\$0	RCS Oper Levy	0.00000	\$0
RCS Debt Fund	4.30000	\$409	RCS Debt Fund	4.30000	\$409
RCS Sinking Fund	0.94380	\$90	RCS Sinking Fund	0.94380	\$90
MCC Oper	1.45310	\$138	MCC Oper	1.45310	\$138
Macomb Intermed	4.77440	\$454	Macomb Intermed	4.77440	\$454
County Oper	4.45920	\$424	County Oper	4.45920	\$424
Library Oper	1.09670	\$104	Library Oper	1.09670	\$104
Veteran	0.06740	\$6	Veteran	0.06740	\$6
Zoo	0.09770	\$9	Zoo	0.09770	\$9
DIA	0.20000	\$19	DIA	0.20000	\$19
SMART	0.99260	\$94	SMART	0.99260	\$94
HCMA	0.21170	\$20	HCMA	0.21170	\$20
RCS Oper Levy	0.00000	\$0	RCS Oper Levy	0.00000	\$0
Parks & Rec Oper	0.72900	\$69	Parks & Rec Oper	0.71480	\$68
Senior Trans	0.24290	\$23	Senior Trans	0.23810	\$23
Township	0.76280	\$72	Township	0.61980	\$59
Village Gen Fund	12.80280	\$1,216	Village Gen Fund	12.80280	\$1,216
Village Muni Streets	1.46360	\$139	Village Muni Streets	1.46360	\$139
Village Cemetery	0.75000	\$71	Village Cemetery	0.75000	\$71
Current Annual RE Tax	41.34770	\$3,928	Current Annual RE Tax	41.18570	\$3,913
*Homestead			*Homestead		

Only the “yellow” and “purple” property taxes would be impacted by city incorporation,¹⁴ these would be combined to become the city of the Village of Romeo tax rate. City of the Village of Romeo property owners would only receive two (summer and winter) local tax bills instead of

¹⁴ In addition, Bruce charges 0.75% tax collection fee, while Washington does not charge a tax collection fee. Townships (and cities) may charge up to 1.0% tax collection fee for the administration of property tax collection and disbursement. If incorporated, the city of the Village or Romeo would have the option to charge this fee.

three (summer, winter and Village) currently received by property owners. Property owners in the Village would no longer receive a tax bill from either of the Townships.

Below would be a sample of the city of the Village of Romeo property tax:

Exhibit 9

Romeo - CITY Tax Bill - Using WASH as base		
Summer/Winter	Millage Rate*	Amount
State Educ Tax	6.00000	\$570
RCS Oper Levy	0.00000	\$0
RCS Debt Fund	4.30000	\$409
RCS Sinking Fund	0.94380	\$90
MCC Oper	1.45310	\$138
Macomb Intermed	4.77440	\$454
County Oper	4.45920	\$424
Library Oper	1.09670	\$104
Veteran	0.06740	\$6
Zoo	0.09770	\$9
DIA	0.20000	\$19
SMART	0.99260	\$94
HCMA	0.21170	\$20
RCS Oper Levy	0.00000	\$0
Parks & Rec Oper		
Senior Trans		
Township		
City Tax*	16.58910	\$1,576
		\$0
City - Annual RE Tax	41.18570	\$3,913
*Homestead		

The city of the Village of Romeo would need to consider the implications of creating one tax rate from the Washington and Bruce rates.¹⁵ The above example uses the lower of the two rates (Washington). The “blue” City Tax rate of 16.58910 is the same as the current Village plus Washington Township rate (“yellow” and “purple” from Exhibit 8).

¹⁵The process of blending the two township property tax rates for Parks & Rec and Senior Transportation will need to be further researched. Neither of these millages are tied to debt, so it may be that the new city will have rate setting prerogative for these two services; however this will need to be confirmed through legal research. Further, with the very recent addition of Ray Township property and the possibility of Armada Township property being part of the Village at the time of city incorporation, further research will need to be done regarding the tax rates in those townships.

Assuming the city of the Village of Romeo would continue to assign the same millage and revenue to Parks and Recreation Operation and Senior Transportation, the city of the Village of Romeo would have 0.6198 mills, equating to an additional \$103,136 to provide local services. This revenue would be used to provide the assessing and election services previously provided separately by the two Townships. Based on a review of annual costs for contracted assessing services, board of review and the costs of a city clerk administering elections, this revenue is projected to be enough to provide these services.

If incorporated, the city of the Village of Romeo would have more flexibility with the use of its tax revenue. The General Law Village statutes are more restrictive than the laws governing use of property taxes in cities. The Charter Commission could place certain limits on property tax revenue as part of its drafting of a Charter, and, in general, cities have more revenue flexibility to meet the needs of the community than villages or townships.

From the Townships' perspective, they would lose general operating revenue generated from the property taxes they currently impose on the Village parcels.¹⁶ It is estimated Washington Township would lose 4.7% of its taxable value, resulting in a loss of \$44,837 for its general operating revenue; it is estimated Bruce Township would lose 18.25% of its taxable value, resulting in a loss of \$72,499.¹⁷ However, both Townships will likely realize some savings from not having to provide assessing and election services to the Village after city incorporation, but it is possible that they will lose more revenue than they would save in expenses.

From its 2018 Audit, Washington collected \$808,461 in general real estate tax and an additional \$6,674,552 in special use taxes equaling total real estate tax revenue of \$7.48 million. Therefore, it is likely the loss of \$44,837 would be de minimis based on Washington's total property tax revenue. In contrast, from Bruce's 2018 Audit, the Township collects \$492,410 in general real estate tax and \$757,746 for its fire fund, for a total of \$1.1 million. Therefore, the loss of \$72,499 of Village tax has a higher likelihood of impacting the Township. The city of the Village of Romeo should be aware of this potential impact and consider opportunities to partner with Bruce to provide services to the new city and the Township. Currently, the Village contracts with Bruce Township for fire services, this service sharing could be a model to follow going forward.

A preliminary review of shared assets and liabilities has been undertaken, though a more thorough review will be required as part of an incorporation process. The initial review identified only a few shared assets and liabilities that may or may not need to be worked out. This will require further review and consideration if the Village decides to proceed with the process of incorporation.

¹⁶ Data generated from 2020 Form 4021s

¹⁷ Combined loss of revenue for the Townships is greater than the projected gain for the city of the Village of Romeo because the lower of the two Township tax rates (Washington) was used to project the gain for the city.

The Process to Consider Incorporation as a City

The process of changing from a village to a home rule city is a lengthy and time-consuming process that can take anywhere from two years to over five years depending on how prepared the municipality is, the level of opposition, if any, and any unique issues uncovered during the process.

As of the date of this report, the State Boundary Commission (SBC) is updating the procedures for incorporation but the most up-to-date steps are as follows (all steps may not be required, but are recommended by the State Boundary Commission and/or the Michigan Municipal League):

Exhibit 10

		Activity
Phase 1	1	Establish a committee or task force to discuss the possibility of incorporating into a city and provide a recommendation to the Village Board of Trustees.
Phase 2	2	Give the committee's recommendation to the Village Board of Trustees at a public meeting and receive feedback. If the Village Board approves, launch the formal incorporation project and proceed with the remaining steps. Includes presentations to the Village Board and public, and follow-up meetings (as needed).
	3	Create a certified boundary survey (legal description) and map of the proposed Village boundary to be attached to the circulating petition.
	4	Develop an inventory of any shared assets and liabilities of the Village and two townships and develop a settlement plan, if necessary
	5	Prepare the petition language and form. Submit draft petition with survey map materials to the State Boundary Commission (SBC) for a pre-review and input. Work with SBC, as much as they are willing, to finalize the petition before circulation.
	6	Circulate the petition for signatures. The number of signatures required are the greater of 100 or 5% of the population of the city to be incorporated (MCL 123.1007). The petition must have a certification by the village clerk (or township clerk if annexing additional land) of the number of residents living within the proposed area of incorporation.

	7	File the petition with the SBC.
	11	Prepare to provide reasons for incorporation – cover all criteria contained in the statute MCL 123.1009 and the Home Rule Cities Act
	12	Office of Land Survey and Remonumentation (OLSR) notifies the village and affected township clerks that a petition has been filed.
<hr/>		
Phase 3	13	SBC reviews the petition for “Legal Sufficiency” and holds a public hearing in or near the area shown on the petition map within 220 days of filing for representatives and public to speak on the issue. Petitioner typically submits a legal briefing of its reasons, positions and arguments for incorporation.
	14	Public and involved parties are provided an opportunity to file written comments within 15 days of the public hearings and are allowed a rebuttal period specified by the SBC.
	15	SBC makes a recommendation to the director of Licensing and Regulatory Affairs (LARA). LARA Director issues an order that approves, denies, or approves with revisions.
	16	If approved, the order is subject to a petition for a referendum during a period of 45 days.
	17	If a referendum petition is filed, the SBC will review and if valid, will recommend to the LARA director to order a referendum election to continue the process.
	18	If the LARA director orders the election, a proper election must be held and a majority of the registered voters in the Village must vote to continue the incorporation process.
	19	If approved, an election of a charter commission must be held (if not already done during the incorporation vote). Draft and process ballot materials.
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Phase 4	20	The charter commission must draft a charter, with assistance from consultant and legal counsel, as requested by the elected charter commission
	21	The draft charter must be submitted to the Governor and the State Attorney General for conformance with law and approval. The attorney working with the charter commission will coordinate with the Attorney General’s office to work through this process and any issues encountered.

	22	The proposed draft of the city charter must be voted on and approved by the voters in the proposed city. Ballot language will need to be drafted and processed for this purpose.
	23	If approved, the charter must be submitted to the Secretary of State and the city is created.

It is difficult to estimate costs for each phase of the process. There are certain items that will need to be completed by professionals (i.e. boundary map and State Boundary Commission petition), while other activities can be completed by community volunteers. A significant cost factor will be how contentious the process is, specifically if the Townships contest the incorporation. Assuming a straightforward process with limited challenges, the cost estimate for outside assistance for phases two and three is \$30,000. About half of this amount is estimated for legal work, one quarter for survey and audit, and one quarter for general consulting. The budget for the project could be planned over two to three fiscal years. It is very important to note that the needed budget amount could be lower through the use of volunteer committee work/research; or more if there are challenges raised by outside parties during the process.

Regarding phase four, seating of the Charter Commission and drafting of the Charter, the process could be fairly limited if the commission identifies a model Charter it prefers to adopt, or could be quite involved if the Commission decides to write much of the Charter from scratch. Even if a model Charter is used, it will be important to consider a functional and legal review of the draft Charter by local government professionals.

Committee Conclusion

On July 13, 2020, the Village to City Exploratory Committee met to review and consider a draft of this report. As noted in the attached meeting minutes, the Committee took action to **recommend the Village Board of Trustees consider the information in this report and recommended the Board approve moving forward with the incorporation steps noted in Phase 2 and Phase 3.**

Attached: Committee Meeting Minutes

May 18, 2020
June 1, 2020
June 15, 2020
June 21, 2020
July 13, 2020