Reforming Municipal Finance

SaveMiCity Par Deux
Changing the Narrative

True Growth
SaveMIcity on the Road:

• Launched at 2016 Capital Conference
• Since then:
  - Three news conferences
  - More than 50 presentations in more than 30 communities
  - Spoken to dozens of organizations, thousands of people
  - Resulting in 200+ news articles
  - News coverage worth approximately $500,000
Articles of Note: We’re Getting Their Attention

 Broken System’ Has Cities ‘Drowning’ In Fiscal Troubles

It’s no secret in Lansing that retiree health care costs are financially reality that has spurred legislative hearings and pledged action in time.

Meanwhile, Gov. Rick Snyder raised eyebrows during last week’s meetings with new revenues in the form of fees, taxes, grants, bonding and infrastructure. (See “Schmidt: Slow Down On Infrastructure

But Michigan Municipal League (MML) doesn’t want lawmakers to employ benefits (OPED) and infrastructure. The Legislature has passed the “drowning” in fiscal issues.

Cities’ property tax revenue is struggling to return to pre-recession levels. Amendment limit their ability to increase property taxes.

While property values have increased 20 percent since the last improvement economy has meant while state of Michigan revenue from the state to local government has decreased.

IARTIN.

Cities are being left behind because of the burdens of a

LANSING — Don Gilmartin has a warning for Michigan’s policymakers: The way the state funds its cities is squeezing them dry.

Local governments across the state need to do a better job at sharing services and cutting costs, said Gilmartin, executive director and CEO of the Michigan Municipal League, which advocates on behalf of cities and villages. But cities also are limited in how much money they can bring in even if residents are willing to tax themselves more -- and that, he said, is something Lansing has to fix.

Gilmartin and other leaders are floating a politically tricky fix: An update to Proposal A, the voter-approved 1994 Michigan constitutional amendment that allows property tax increases.
Revenue sharing boosts Michigan communities

Gary Wolfram  
12:07 a.m. ET March 8, 2017

Thomas Jefferson made clear that much of our governance should come at the local level. As he put it in 1816 in his letter to Joseph Cabell:

“it is by dividing and subdividing these republics from the great national one down through all its subordinations, until it ends in the administration of every man’s farm by himself, by placing under everyone what his own eye may superintend, that all will be done for the best.”

Michigan has a long history of declaring the importance of local government. The Home Rule City Act of 1909 precluded the state government from dissolving a city without a vote of the local residents. Section 34 of Article VII of the 1855 Constitution requires that provisions of the constitution concerning cities “shall be liberally construed in their favor.” One way of acknowledging the importance of local units of government was the establishment of revenue sharing, whereby the state government collects revenue statewide and returns the revenue to cities, villages, and townships.
Costs

Structure

Revenues
Growth in Municipal General Revenue 2002 - 2012
Change in Total Local Employment (Including Education)
2004 - 2014

50th
Change in Fire Dept. Employment 46th

Change in Parks & Rec Employment 50th

Change in Total Payroll 50th
Challenges to Our Success

• 43 New Legislators
• Lack of Understanding
• Can’t Do It Alone
• State Budget Limitations
• Consistent Messaging
• Sustaining the Message
What If?
What if Michigan’s Population Had Kept Pace?

In Thousands

What If?  Michigan
WE WANT YOU!
What can you do?

Sustain the message

• Sign up for our email list
• Help us host a SaveMiCity event in your community
• Talk to people outside your city sound box
• Talk to your legislator…a lot
• Stay on message