Reforming Michigan's Municipal Finance System

michigan municipal league

About the speaker

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Anthony J. Minghine
Associate Executive Director & COO

Tony Minghine is the associate executive director and chief operating officer of the Michigan Municipal League, and has devoted his career to the service of local government. He joined the League in 2006 to have an opportunity to focus on the broader policy issues surrounding local government. His tenure with the League began as the chief financial officer, and he assumed his current post in July of 2007. Tony is a regular speaker on a variety of topics effecting local government, and plays a key role in training local officials. He is a tireless advocate for local government, and frequently testifies to the state legislature on matters relating to local government finance.
With over 25 years of combined experience, Tony is an expert in operational and finance issues relating to municipalities and non-profits. He is a member of the Michigan Society of Association Executives, the Governmental Finance Officers Association, and Michigan Governmental Finance Officers Association. He is a former member of the MGFOA Board of Directors and has received awards from the GFOA for excellence in financial reporting and popular financial reporting. Tony has served on the MGFOA's legislative committee since 1998, and is a 1985 graduate of Wayne State University

What are the issues?

Michigan's municipal finance model is broken

- Municipal Funding doesn't track with the economy
- Many problems cannot be fixed locally
- Not enough tools in the toolbox
- Need a 3 tiered approach

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Growth in Municipal General Revenue (2002 - 2012)

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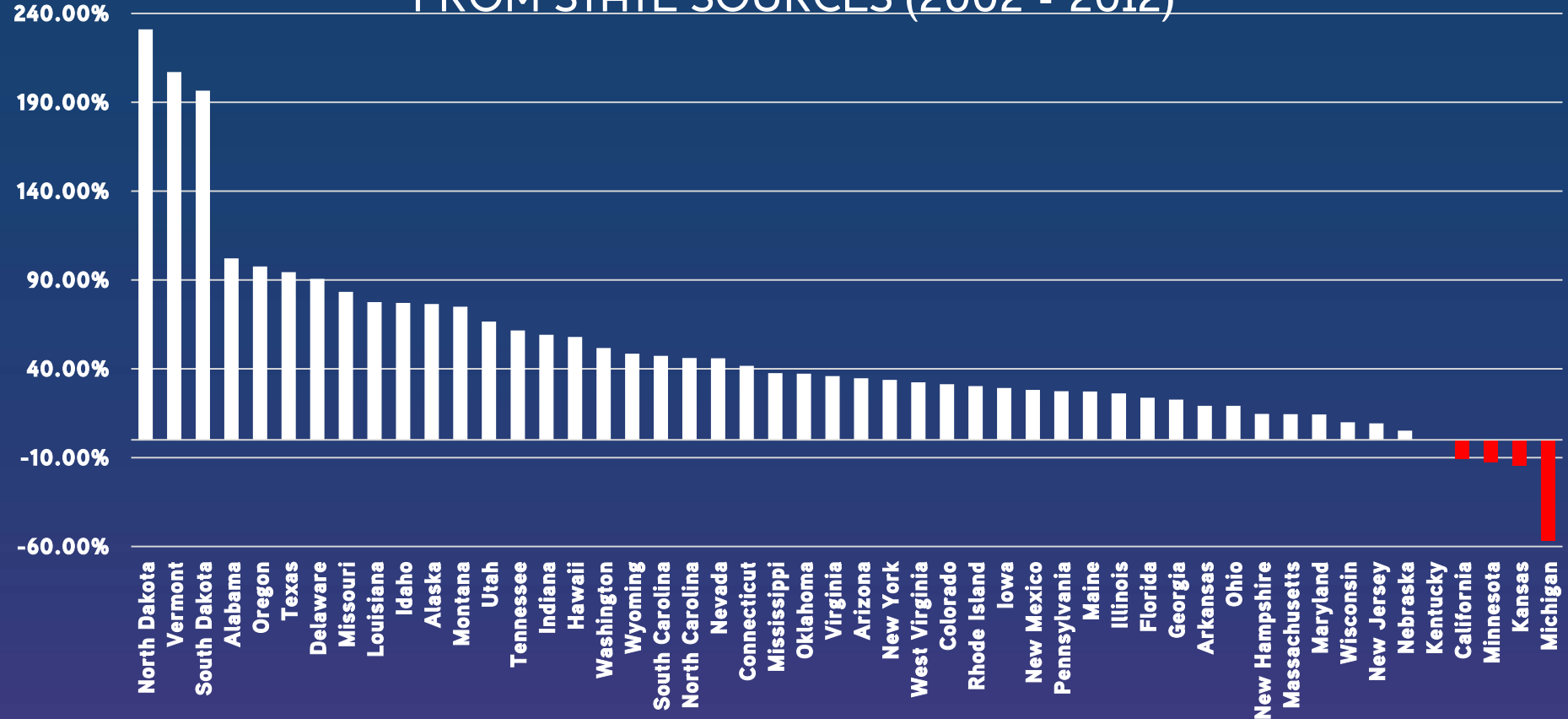
GROWTH IN MUNICIPAL REVENUE FROM STATE SOURCES (2002 - 2012)



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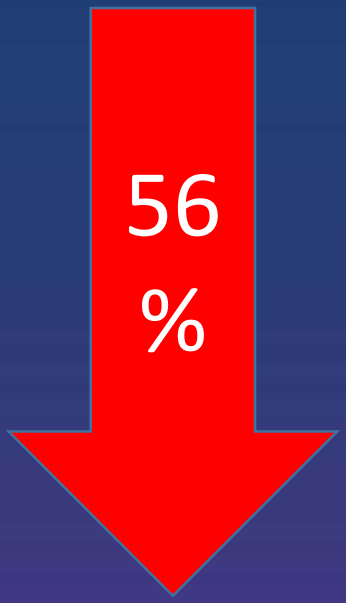
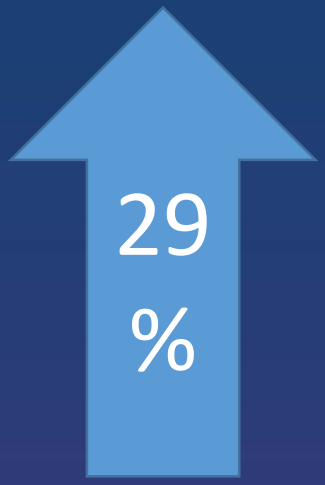
From 2002 - 2012

Local Government's Revenues





State of Michigan's Revenues

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Detroit
$827,670,297

Lansing
$63,552,853

Dearborn
$35,575,593

Kalamazoo
$38,302,529

$7.5 Billion

In Lost Revenue Sharing Since 2002

Alpena
$4,976,048

Ironwood
$2,985,492

Flint
$62,047,234

Hazel Park
$8,532,595

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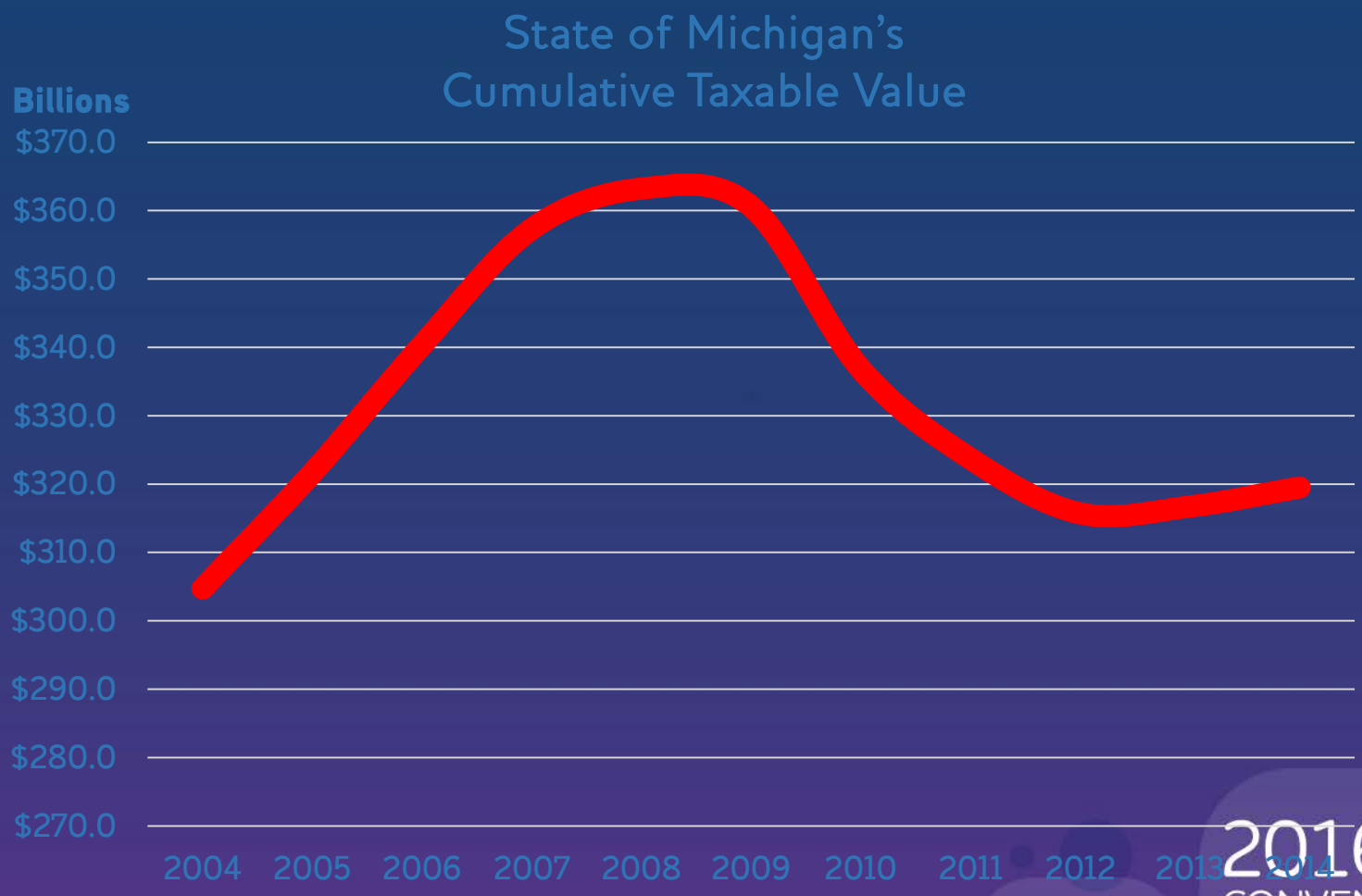

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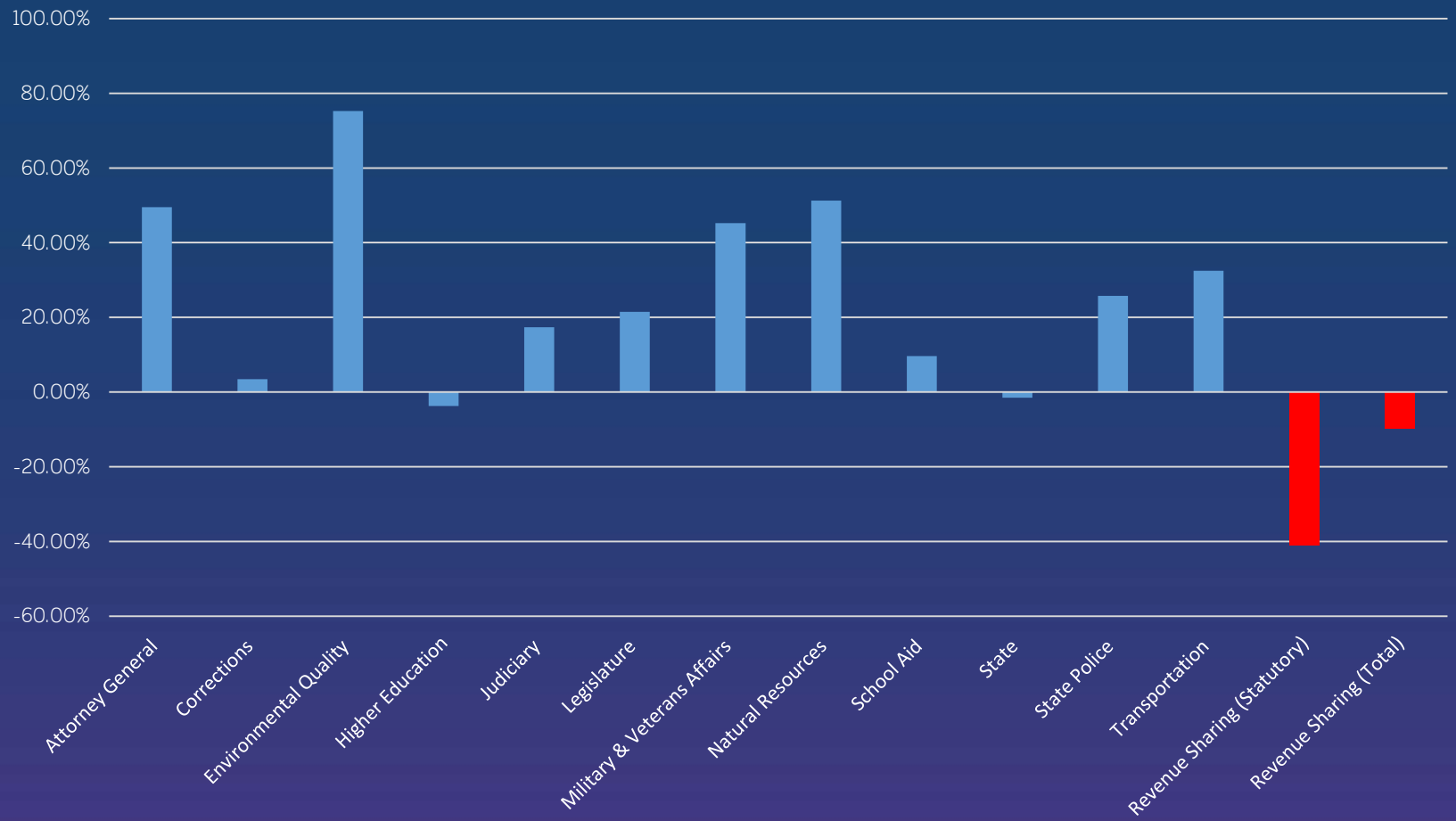
Percent Change in State Expenditures (FY 2006 - 2016)



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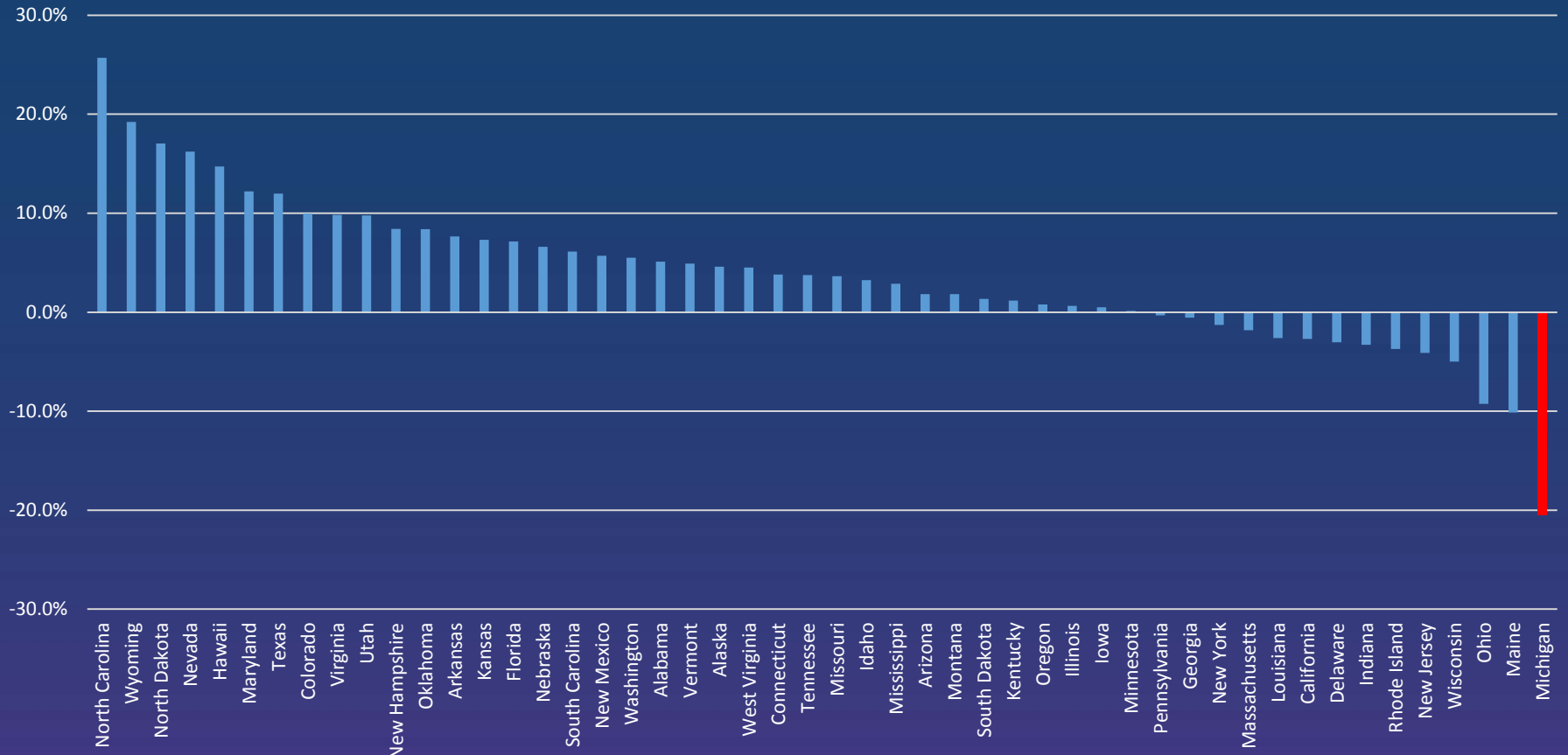
Change in Total Local Employment (Including Education)
2004 - 2014



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What do local officials think?

CLOSUP Survey

- 64% think our system is broken
- 82% feel the state should be compelled to address unfunded mandates
- 76% support Headlee reform
- 66% support more local revenue options

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What does the public think?

EPIC-MRA poll

- 48% feel that local government is underfunded
- 52% would support higher taxes to maintain their current service levels
- 65% disapprove of the State's diversion of revenue sharing
- 48% feel that property taxes should go up in a strong economy

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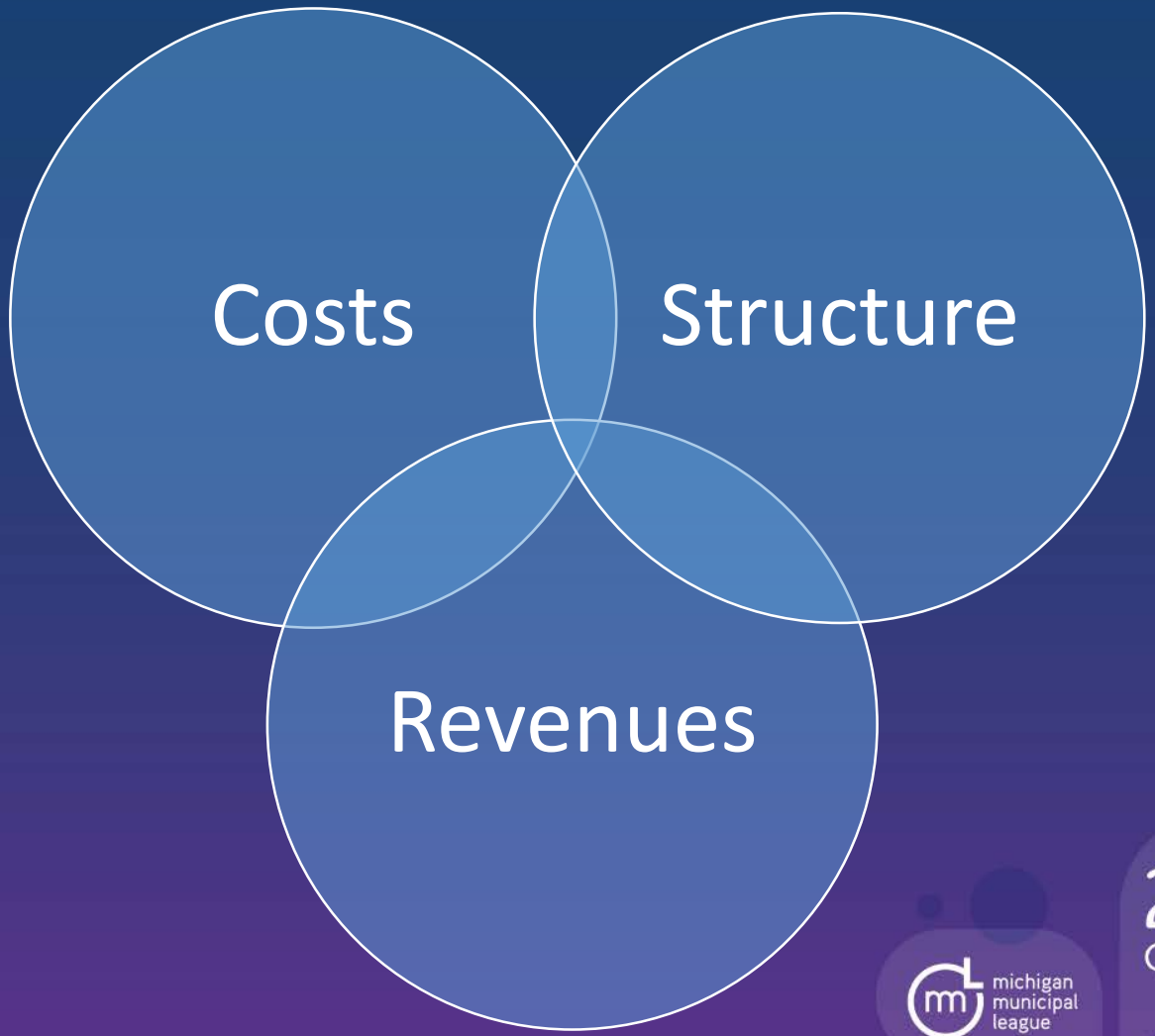
What do we do?



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Address Unfunded
OPEB Obligations

Don't Build and
Abandon Infrastructure

Provide Investment Tools
Cut Only Strategy

Invest in Communities

True Growth

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What have we been doing?

- Meeting with the administration and legislators
- Speaking to influential groups
- Policy development
- Drafting legislation
- Education and outreach
- Commissioned Independent reports

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Great Lakes Economic Consulting • April 2016

MICHIGAN'S GREAT DISINVESTMENT

HOW STATE POLICIES HAVE FORCED OUR COMMUNITIES INTO FISCAL CRISIS

Eight Assets that Create 21st Century Communities

Making the economic case

Prepared by
Public Sector Consultants
www.pscinc.com

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saveMIcity.org

- Revenue Sharing lost calculator
- Research
- Reports
- saveMIcity blog
- Surveys

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Municipal Finance Meet Up

Want to continue the conversation?

Join me from 5:30 – 6:00 for the Municipal Finance Meet Up at The Jockey Club

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