



August 1, 2019

TO: Mayor and City Council

FROM: Mark C. Meyers, City Administrator *MCM*

SUBJECT: General Information Packet

Attached are general items of information you may find interesting. If you have any questions or comments regarding the information, please contact me.

MCM/co
Attachments

Administration/City Clerk (231) 798-4391	Assessing Division (231) 799-6806	Building Division (231) 799-6801	Finance/Treasurer (231) 799-6805	Fire Prevention (231) 799-6809	Fire Department (231) 798-2255
Parks/Recreation (231) 799-6802	Planning/Zoning (231) 799-6800	Police Department (231) 733-2691	Public Works (231) 799-6803	Streets Division (231) 798-2156	Water/Sewer (231) 799-6804

Court of Claims' Rejects Local Communities' Challenge to Lead and Copper Ruling

Posted on **July 31, 2019** by hrichards@mml.org

Last Friday, the Michigan Court of Claims ruled to dismiss the 2018 lawsuit challenging Michigan's lead and copper rules for safe drinking water.

The lawsuit was filed by the cities of Detroit, Livonia, Great Lakes Water Authority and Oakland County who argued the rules compromise their ability to remove lead lines in a manner that would protect the public and requires a water supply to replace every lead service line in a water system, including any portion of a privately-owned service line. The cost to local government is estimated at \$2.5 billion.

Court of Claims Judge Christopher Murray stated that, "Plaintiffs have not presented a convincing argument as to why the rules were not rationally related to the" Michigan Safe Drinking Water Act (MSDWA)'s "purpose . . . of 'assuring the long-term health of (the state's) public water supplies and other vital natural resources. As a result, the rules are not invalid in their substance."

As a result of this ruling, there will be no changes to the lead and copper rule and local communities and utilities are expected to follow the established safe drinking water rules. An appeal to this decision is possible, but it is unknown at this time. The League will continue to follow this issue, and keep our members aware of any updates.

Herasanna Richards is a legislative associate handling energy, environmental, external municipal services and election issues for the League. She can be reached at hrichards@mml.org or 517-908-0309.

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MENU

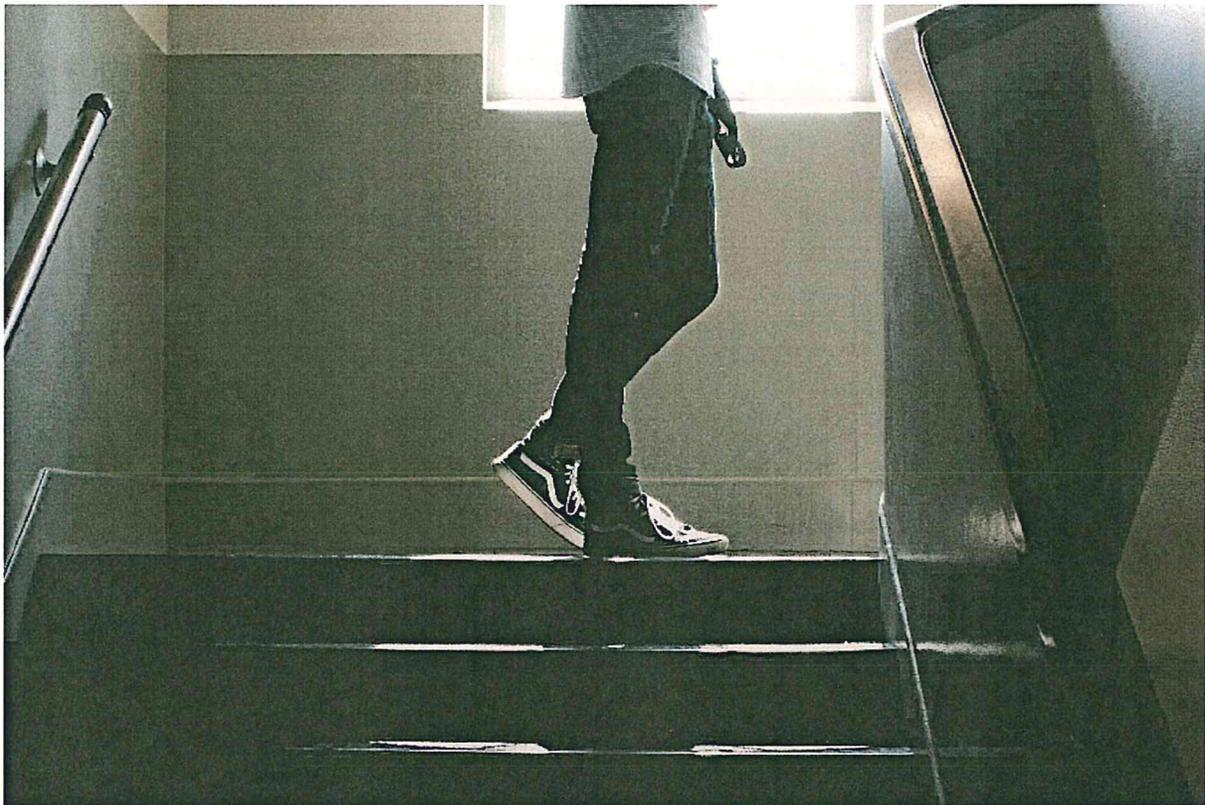
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Court: Michigan shortchanged cities for years. But windfall isn't certain.



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 July 31, 2019

 Lindsay VanHulle

 Public Sector

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Michigan incorrectly calculated its required payments to local governments, a state appeals panel ruled Tuesday, an action that municipal advocates say has had the effect of reducing the amount of state aid local governments are owed.

But that doesn't guarantee local governments would receive more money from Lansing following a [Michigan Court of Appeals ruling](#) in a case alleging the state for years shortchanged communities by violating a tax-limiting provision of the state Constitution known as the Headlee Amendment.

That's because the court's ruling is limited to one part of the dispute, and can be appealed.

And unless the case goes to the Michigan Supreme Court and its justices give communities a clear victory, it's not yet clear whether the state would have to pay more, said Eric Luper, president of the nonpartisan Citizens Research Council of Michigan.

Absent a win at the state's highest court on the plaintiffs' biggest contention, related to funding of public schools, "it is mostly a paper win," he said. The courts are "able to slap the state on its hands and force it to change some behavior, but probably not result in new money for local governments."

At issue is whether the state of Michigan violated terms of the Headlee Amendment, which forbids the state from [paying any less in aid to local governments](#) — such as cities, villages and townships, but also school districts, community college districts and others — than it did when the amendment was adopted in 1978. Today, that equates to at least 48.97 percent of all state spending that must be paid out to local governments.

A coalition of about 20 local governments known as [Taxpayers for Michigan Constitutional Government](#) brought the suit, contending the [state has improperly counted spending](#) on traditional public schools, charter schools and funding for local governments to comply with state mandates toward its minimum local government spending requirement under Headlee.

The group argued that money Michigan [gives to local governments to comply with state mandates isn't state aid](#), and should be counted separately from what's more commonly considered revenue sharing. They contend the state incorrectly counted funding it gave K-12 public schools under 1994's Proposal A toward its local government spending minimum under Headlee, calling it a "tax shift" that has created a burden on local taxpayers through higher property taxes or cuts to services.

And, the group argued, the state shouldn't count charter schools toward its Headlee spending requirement because they don't meet the definition of a local government.

John Mogk, president of Taxpayers for Michigan Constitutional Government and a professor at Wayne State University Law School, told Bridge Magazine the group is considering whether to appeal the ruling.

So is the state, which "will take us some time before we are able to determine any next steps," state budget spokesman Kurt Weiss said.

Depending on how the case is resolved, experts say the lawsuit could have significant impacts on both state and local government funding. Mogk said billions of dollars could be at stake.

Local governments have struggled to recover from the Great Recession in the late 2000s. Property values tanked during the housing crisis, but the state constitution limits how fast they can rise. That means local revenue from property taxes fell faster than it has recovered, putting a strain on communities' ability to provide services.

Taxpayers for Michigan Constitutional Government contends the state has also played a role in local governments' financial strain, beyond the Legislature's [diversion of statutory revenue sharing meant for municipalities](#) to plug state budget holes.

"To the extent that we are correct as it relates to all three claims, the state's action has unquestionably contributed to the financial stress of many communities," Mogk said.

The appeals court this week unanimously agreed with Taxpayers for Michigan Constitutional Government that the state should not count spending it provides local governments to comply with new state mandates toward its Headlee requirement. The court ruled that doing so is essentially counting funding for mandates twice, and "would force units of local government to

choose between cutting services or raising taxes to make up for the funds lost to pay for the necessary costs of new mandates.”

The judges unanimously disagreed with the plaintiffs, however, on their Proposal A claims, writing that the constitution doesn't support the group's argument.

And it split on the charter school question. Two judges ruled in the majority opinion that charter schools are local governments — in this case, school districts — “for the purposes of receiving state aid. Given that, we see no reason to overrule the state's decision to count those funds as payments to local government under the Headlee Amendment.”

But appellate Judge Patrick Meter [dissented on the charter school question](#), writing that he did not consider them to be local governments under Headlee in part because they are not accountable directly to voters and because they have “a lesser capacity for self-governance” than other governmental bodies, in that they are under the control of an authorizing entity, such as a university, that can grant or revoke its charter.

“The implications of this [case] are very big, both for the state and for local governments,” said Luper. “This lawsuit alleges that the state has played some financial games to keep its own budget balanced and sustainable, but done that at the expense of local governments.”

Should the case be appealed to the state Supreme Court, a favorable ruling for plaintiffs on their Proposal A claim would have a bigger impact on local government revenue from the state because spending on public schools is likely greater than for charter schools or state mandates, Luper told Bridge. That means if the state is determined to have actually spent less than the nearly 49 percent it's required to spend on local governments, “then the state is going to have to find new money to send to local governments,” he said.

Michigan Municipal League CEO Daniel P. Gilmartin issuing a statement late Wednesday saying the ruling “will ensure transparent and proper funding for local services that improve residents' quality of life across the state.”

“We appreciate the court recognizing what we have said for years: the state has breached its duty to fully fund mandates, forcing our communities to choose between cutting the services our residents want and deserve, or raising taxes,” Gilmartin said.

Related Articles:

PUBLIC e-mail NOTICE

CITY OF NORTON SHORES
Department of Public Works
4814 Henry Street
Norton Shores, Michigan 49441
Telephone: 231-799-6803
e-mail: jmurphy@nortonshores.org

DATE: July 30, 2019

PAGES: 1, Including this Sheet

FROM: Jim Murphy, City Engineer

SUBJECT: Seminole Road Cross Walk

COMMENTS: The City of Norton Shores wishes to notify you that the cross walk work at the Padelt Street/Seminole Road Intersection to Mona Shore High School is tentatively scheduled to start Monday August 5, 2019 and continue until the end of the month. Travel thru the affected streets will remain open with work being done thru shoulder closures. Temporary lane closures via flagging operations are to be expected and will cause delays.

Updates to project progress can be found on the City's website and available on nixle.com

Questions pertaining to the closure may be addressed to the Public Works Department, City Hall, 4814 Henry Street, Norton Shores, MI 49441 Monday through Friday, 8 a.m. to 5 p.m. at 231-799-6803.

Mark Meyers

Subject: Weekly Update On Broadway Avenue Phase II

This week, the contractor completed water main installation from Madison to Vulcan Street along with new hydrants (not yet in service) at Austin, Valley and Madison.

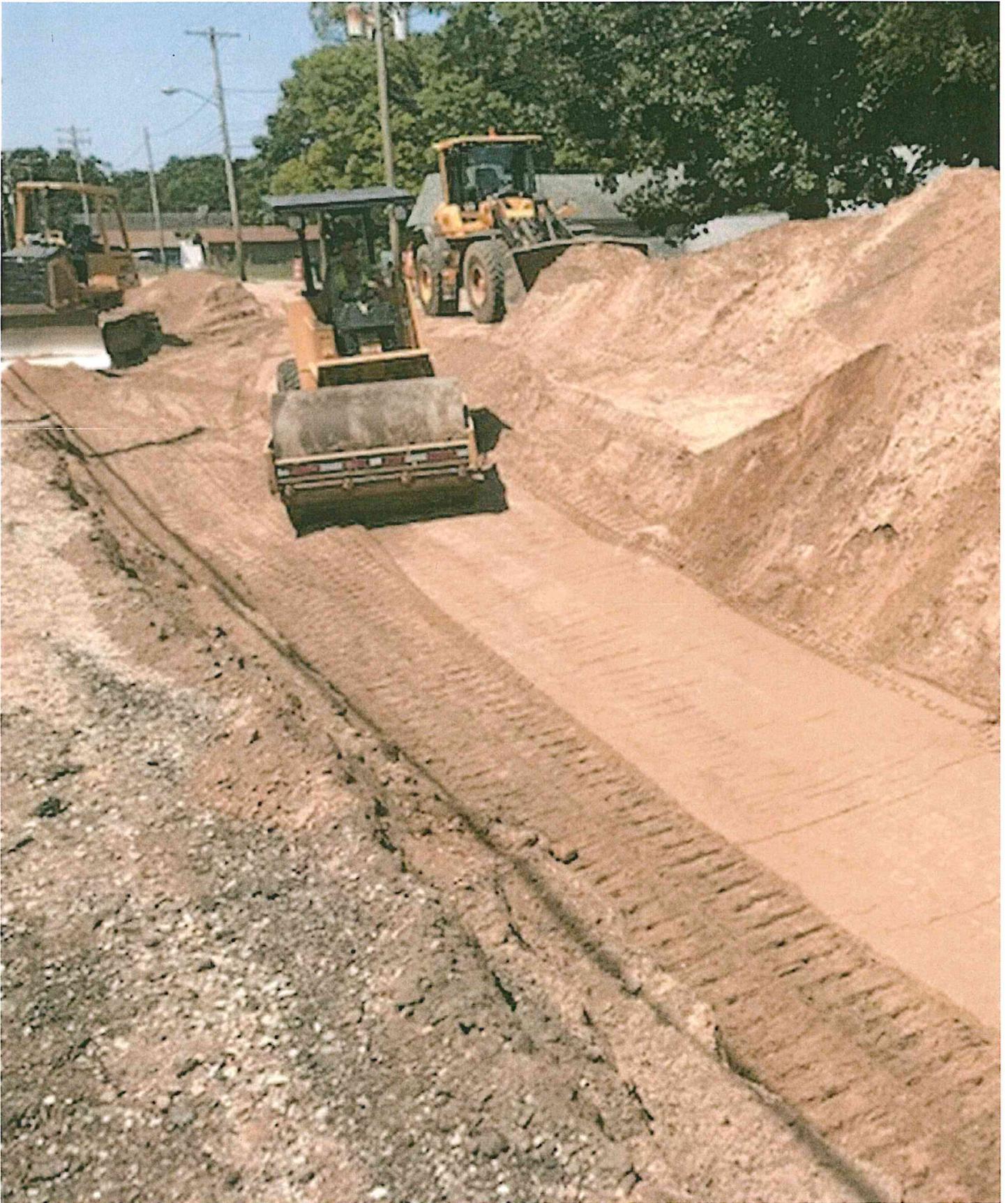
Here is what to expect next week, the week of July 29, 2019

- No work is planned for Saturday, July 27, 2019, but Saturday work may be an option to maintain the schedule in the future.
- No work is planned for Monday, July 29, 2019.
- The remaining asphalt and gravel on the south side of the road will be removed between Vulcan and Bailey
- The water main pipe installation work should wrap up next week
- The new water main will be pressure (leak) tested and then disinfected to ensure it is safe before connecting it to the City's water system
- Water main connections will likely take place the week of August 5 with brief interruptions to water service when new services are connected to the new water main

Remember that all work is weather dependent.

One paved lane remains for accessing homes and businesses on Broadway within the construction zone. Please remember to access homes south of Broadway from Summit and homes north of Broadway from Sherman.

Water Main Trench being Compacted after Backfilled:



A new hydrant near Valley Street:



Thank you for your patience as these changes occurred this week. Construction is expected to go until the end of September 2019 and the road is currently scheduled to be **fully open to traffic on or around October 4, 2019** (weather permitting).

Where You Should Retire in the USA: States Ranked From Worst To Best

Amomedia.com

Ronda Rousey Stole The Red Carpet With This Mini Dress

Greeningz

Time Has Not Been Kind to Martial Artist Bolo Yeung At 72

Novelodge

'They killed our city': Locals feel helpless as vacation rentals overrun Sedona, Arizona

Lorraine Longhi, Arizona Republic Published 12:57 p.m. ET July 27, 2019

Julieanna Bottorff has lived in her [quiet Sedona neighborhood](https://bit.ly/32ToYGP) for 20 years. A deer path that runs behind her house and across the street was regularly trafficked by wildlife.

Then a developer moved in across the street and ripped up the path, she says.

The developer plans to build as many as five 6,000-square-foot homes to be used as short-term rentals, neighbors say. The once quiet street is now punctuated with the steady noise of construction.

The move comes as [residents of the tourist hotspot grapple with the consequences of a two-year-old state law](https://bit.ly/2YaoKMO) that restricts how cities and towns can regulate short-term home rentals advertised on websites such as Airbnb or VRBO.

On Wednesday, more than 150 people attended a city meeting. The Sedona residents grilled state Rep. Bob Thorpe, R-Flagstaff, about how the state plans to address the law's consequences.

Among them: investors moving into neighborhoods to buy up multiple homes, vacation renters driving up housing costs and the changing neighborhood dynamics.

Several homeowners supported the [recent law that allowed vacation rentals to flourish in Arizona](https://bit.ly/2YbKXV). They spoke about how the short-term rentals made it possible for them to pay their mortgages.

Vacation rental tips: [Why you should use Google Street View and pack a kitchen knife](/story/travel/advice/2019/07/26/vacation-rental-tips-even-experts-dont-know/1825945001/)

But most residents insisted that local control must be returned to the city so that it can manage the number of investors buying up homes to turn into short-term rentals.

"We have a very good city council, and the state of Arizona has emasculated them in this area," resident Avrum Cohen said.

He called Thorpe a hypocrite, comparing the law to the federal government handing down unwanted mandates to the state.

"It's the only state in the union that has done this to its cities, and it's a state that doesn't like the federal government."

Others said they appreciated the lawmaker listening to their concerns. Thorpe said he is committed to proposing legislation to address issues when the legislative session begins in January.

"Property is the pursuit of happiness. That's why I'm here today," said Thorpe, whose legislative district includes Sedona. "I believe this is not a political issue, it's a quality of life issue."

But overriding the law could be an uphill battle if this year's legislative session was any indicator.



More than 150 residents attended a city meeting Wednesday, July 24 to press Rep. Bob Thorpe about short-term rentals that they say have taken over the city. (Photo: Lorraine Longhi/The Republic)

A sea of red dots on city map shows vacation rentals

The law, dubbed "the Airbnb bill," was sponsored by now-Congresswoman Debbie Lesko, a Peoria Republican, in 2016 and enthusiastically signed by Gov. Doug Ducey.

Thorpe said that the bill was described to lawmakers as a way for homeowners to make extra money renting spare bedrooms in their homes.

"We never anticipated that somebody would go into a neighborhood, purchase a home and turn it into a mini-hotel," Thorpe said.

City leaders say that's exactly what's happening in Sedona.

Assistant City Manager Karen Osburn said the city faces a housing shortage, which has been exacerbated by the law.

The city does not have comprehensive data on the current rental market, but of the 6,500 housing units in the city, only 29 were available for long-term rentals on Zillow, Osburn said.

In January, City Manager Justin Clifton told The Arizona Republic there were more than 1,000 vacation rentals in the city, or about 20% of Sedona's total housing inventory.

Housing costs continue to rise at a level outpacing the rest of the country, Osburn said.

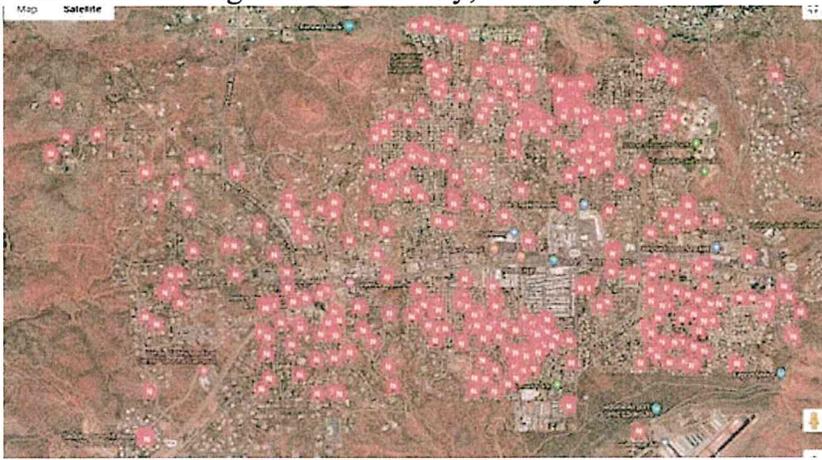
Debra Donovan, who has rented in Sedona for 19 years, said that she fears the owner of her current rental will turn it into a short-term rental when her one-year lease is up.

Donovan says loyal, long-term renters in Sedona are passed over as homeowners seek to capitalize on the short-term rental market.

"I've lived here 20 years," she said. "That's a commitment."

The crowd erupted in anger as Osburn displayed a map flooded with red dots indicating the short-term rentals operating in west Sedona.

"I'm certainly a person that believes in the free market," Thorpe told The Republic after the meeting. "That map though is kind of disturbing."



A map of short-term rentals operating in West Sedona as of July 2019. (Photo: City of Sedona)

Will Ducey go for it?

Residents across Arizona have raised complaints about increased noise, trash and traffic in their neighborhoods from the growing number of vacation rentals.

The Legislature passed House Bill 2672 (<https://bit.ly/2WV3vdu>), sponsored by Rep. John Kavanagh, R-Fountain Hills, this spring to address "party houses" and the use of short-term rentals for special events that bring in crowds.

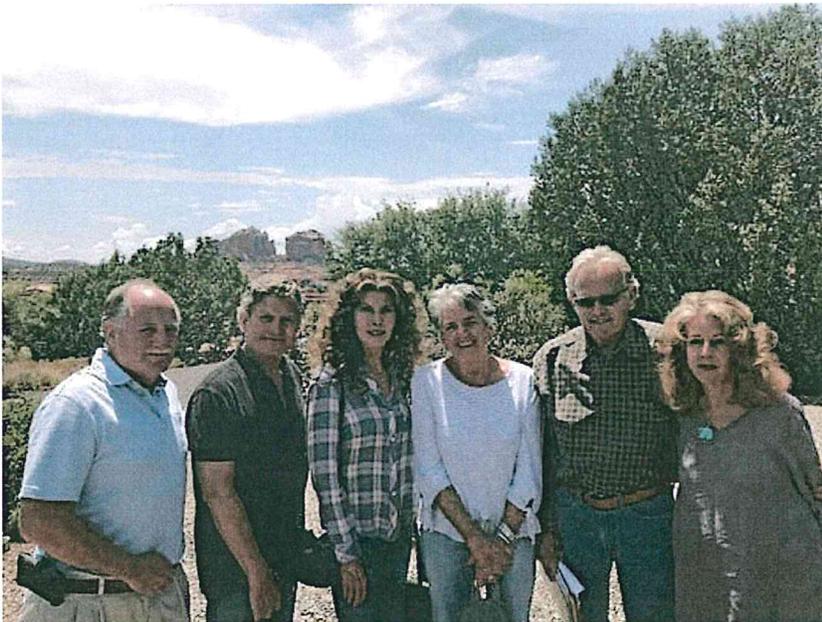
To get it through the Senate, Kavanagh's bill was stripped of restrictions on investor-owned vacation rentals and limits on the number of guests.

Gov. Doug Ducey, in a [statement accompanying his signing of the bill \(https://bit.ly/2WV3vdu\)](https://bit.ly/2WV3vdu), said he would take corrective action if the new restrictions were applied too broadly.

"In Arizona, we respect the right to do what we want with our property without undue government interference," Ducey wrote.

Thorpe told Sedona residents that he would reach out to the governor's staff and suggest Ducey visit the city himself to talk with residents.

"Getting things accomplished down at the Capitol, if you have the governor on your side, it certainly helps," Thorpe said.



Sedona residents are pushing back against a state law that has brought an influx of short-term rentals into the city. (Photo: Lorraine Longhi/The Republic)

One group that has managed to retain its regulatory power over short-term rentals is homeowners' associations.

The 2016 law only curbs cities and towns ability to regulate short-term rentals, but says nothing about HOAs and individual neighbors taking action.

As a result, several HOAs have managed to ban short-term rentals from operating (<https://bit.ly/2YsgYcN>) in their neighborhoods through their Covenants, Conditions and Restricts, or CC&Rs, the rules that govern homeowners in HOA communities.

But Sedona resident Jennifer Tanner says she is locked in a dispute with realtors who are selling homes in her neighborhood.

Tanner says the brokers instructed buyers to ignore the CC&Rs restricting short-term rentals, saying the new law supersedes those rules.

Tanner told Thorpe she plans to sue, but recognizes that most people would not have the resources to bring a lawsuit against misinformation like this.

The experience has forced Tanner to reflect on the changing dynamics of her neighborhood.

"People buy into a community to live there and be a part of a community, but now it's an investment," Tanner told The Republic. "They killed our city. What right do they have to just do that?"

'Most of us can't come home'

Danielle Donovan said she is one of only a handful of students from her graduating class who was able to move back to Sedona after college. She attributes that to the high cost of housing.

The median cost of a home in Sedona was \$518,000 at the beginning of 2018, according to Osburn. That number climbed to \$562,000 in 2019.

The median wage in Sedona is approximately \$13 an hour, and the median income for a family of four is \$56,000, which makes purchasing a home "simply not attainable," Osburn said.

Now 32, Donovan mourns for the community that she grew up in, one that she says has been lost with the influx of vacation renters descending on the city.

"Most of us can't come home," Donovan said. "It's not a place that I can make a home."

The city closed one of its two elementary schools last year after enrollment in the district dropped from 1,300 students in 2009 to 766 students in 2019.

Osburn said the city didn't have enough children to field peewee football or little league teams this year.

It all comes down to the unsustainable housing situation, she said.

"When you have this kind of saturation, homes are converted to short-term rentals, when you leave your home and you go for a walk in your neighborhood, you don't recognize people anymore," Osburn said. "You don't have community."

Randy Hawley, president of the Sedona-Oak Creek Unified School District governing board, said young families don't move to Sedona anymore because of the high home prices.

Hawley said that 20% of the new teachers the district hired for the 2019-2020 school year ultimately resigned after being unable to find housing in the area.

The district's new superintendent bid on four houses, but was outbid each time by someone who paid \$30,000 to \$40,000 more in cash, Hawley said.

Hawley, like most residents at the meeting, asked state lawmakers to give cities back the control to regulate vacation rentals.

He referred to an old saying that no matter how far one goes down the wrong road, they should turn around and go back.

"It's time to turn around and go back," he said.

Follow Lorraine Longhi on Twitter: [@lolonghi](https://twitter.com/lolonghi) (<https://twitter.com/lolonghi>).