



November 27, 2019

TO: Mayor and City Council

FROM: Mark C. Meyers, City Administrator 

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

Signed Rep. Slagh plan localizes speed limit decision-making

Categories: [News](#), [Slagh News](#)



PHOTO INFORMATION: State Rep. Bradley Slagh, of Zeeland, displays a signed copy of House Bill 4118 (now Public Act 31 of 2019) with Gov. Gretchen Whitmer on Wednesday, Oct. 23. The new law provides greater local control, allowing municipalities to lower speed limits on non-major streets within their boundaries to 25 miles per hour.

State Rep. Bradley Slagh's plan to ensure safer neighborhood roads while saving millions of local taxpayer dollars is now law. Slagh's plan allows communities to have a standard 25 mph residential speed limit unless otherwise posted.

"Communities will now have a common-sense speed limit on their local streets to increase safety and significantly reduce costs of speed limit signage while they still have the ability to set and post other limits," said Slagh, of Zeeland.

Many Michigan communities have been forced to spend more taxpayer money because of changes made to state laws in 2016 that require costly studies and signage to have and enforce a 25 mph speed limit on residential streets.

House Bill 4118 is now Public Act 31 of 2019.



ReThink West Michigan calls young professionals home

posted Nov 25, 2019 By [Anya van Wagtendonk](#) |

avanwagtendonk@mlive.com

The Block, located on the second floor of the Russell Block building in Downtown Muskegon, will be host to a networking event for young professionals hosted across West Michigan on the night before Thanksgiving.

MUSKEGON, MI -- The night before Thanksgiving is one of the biggest travel nights of the year, as people make their way back home for food and family.

Two local organizations are hoping that young professionals and recent college grads will first stop by a networking event aimed at bringing them home for good.

Hello West Michigan and Muskegon Area First are partnering to host ReThink West Michigan, a casual networking event at the Block, 360 W. Western Ave., from 5:30-8 p.m. on Nov. 27. Job seekers will have a chance to share drinks and swap business cards with local employers, including Spectrum Health, financial services firm Edward Jones, and the County of Muskegon.

In Muskegon, employers are eager for fresh blood, said Darryl Todd, who directs talent initiatives at Muskegon Area First, a countywide economic development corporation.

"This is in response to us hearing the need from employers who are having a hard time finding the talent to fill these jobs," he said.

ReThink West Michigan is a regional initiative to attract young talent, especially people who grew up in the area and might be flirting with a hometown return. Similar events will take place in Grand Rapids, Oceana County, Ludington, Hastings and Fremont.

The project launched in Grand Rapids in 2012, and is in its third year in Muskegon. More than 1,000 people have attended its events over the last seven years, meeting with representatives from 72 companies, according to ReThink West Michigan's website.

The idea is less about creating a typical career fair environment, and more about building a network among job makers and seekers, said Todd. Attendees will receive drink tickets, hors d'oeuvres and a swag bag, and have the chance to pitch themselves and think more broadly about their personal and professional aspirations.

Now is a particularly unique time to consider a return to Muskegon, because of the development boom in recent years, Todd added.

"There's still plenty of opportunity for people who want to come to the area and be part of the transformation that's happening," he said. "It's really an opportunity to be part of a growing community."

City Revenue Snapshot

Revenue Trends of Michigan Cities 2002–2017

09.23.19





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Prepared for

Michigan Municipal League
Lansing, Michigan
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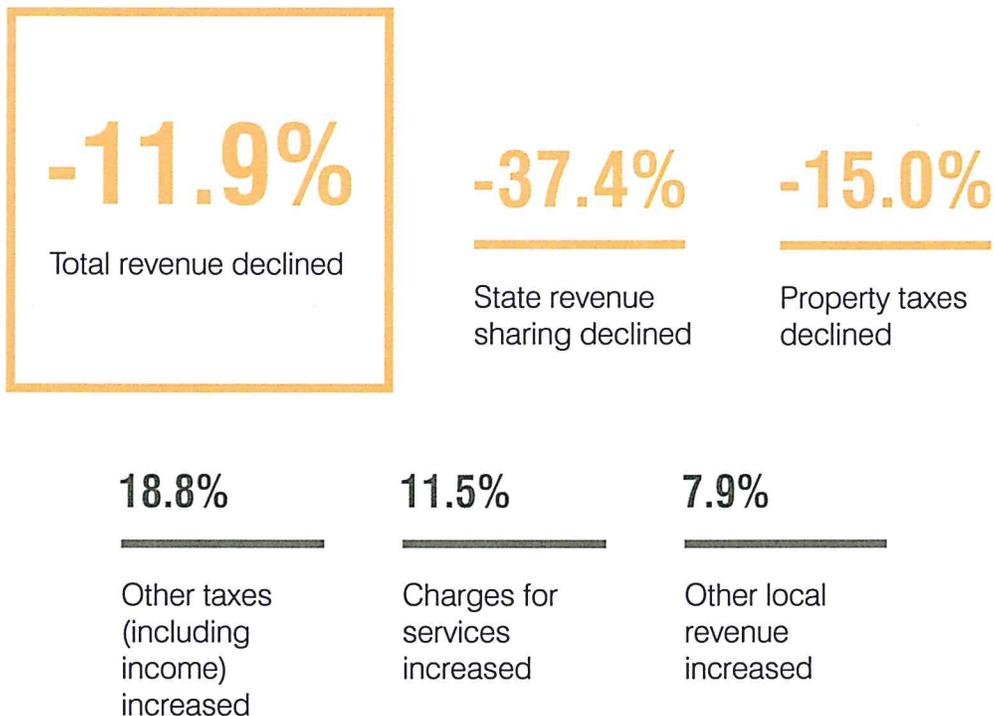
Introduction

The Great Recession of 2008 and 2009 took a toll on municipal revenues in Michigan, largely due to sharp declines in taxable value and reductions in state revenue sharing. Though Michigan's recession has long since ended, municipal revenues have not fully recovered. The implications of reduced revenue are significant. Municipalities continue to struggle with maintaining services, funding capital improvements and infrastructure, and addressing underfunded pensions and retiree healthcare plans.

This report provides a snapshot of municipal general fund revenue trends from 2002 to 2017 by analyzing data reported to the Michigan Department of Treasury for 225 cities, which were then analyzed and grouped into key revenue categories.

Key Findings

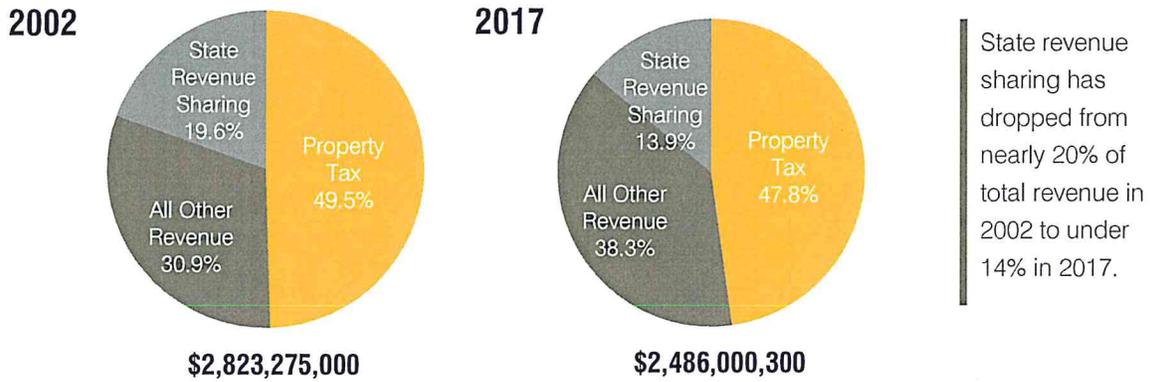
The challenges with municipal general fund revenue have been well documented by individual communities and state organizations in recent years. This analysis is consistent with those findings by confirming that municipal revenue, since the peak of state revenue sharing in 2002, continues to lag. The study found that general fund revenues for the 225 cities (excluding Detroit) from 2002 to 2017, on an inflation-adjusted basis, have experienced the following:



Across the state, cities lost both property tax revenue and revenue sharing, with many attempting to make up the decline with increases in other taxes, charges for services, and other local revenue sources. Even with these efforts to increase revenue, cities fell short and had 11.9 percent fewer general fund dollars in

2017 than they did in 2002. The loss represents \$337.3 million in less revenue in 2017 alone. Declines in property tax and revenue sharing were the primary reasons, down 15.0 and 37.4 percent respectively.

The percentage of total revenue has also shifted between 2002 and 2017:



While property tax has dropped as a percentage of total revenue from 49.5 percent to 47.8 percent, it remained the single largest source of local revenue. Revenue sharing declined much more significantly as a percentage of total income, dropping from 19.6 percent to 13.9 percent. All other revenue sources increased proportionately in an attempt to offset these declines by 2017.

Revenue Analysis

Revenue Data

Data for this snapshot were taken from the Michigan Department of Treasury’s Form F65—Annual Local Unit Fiscal Report. All primary units of government (cities, villages, townships, and counties) are required by the State to provide annual financial reporting via F65. The F65 form requires data on revenue, expenditures, capital outlay, liabilities, assets, fund balances, debt, and more. The data set for this study included only general fund revenue data for 225 cities. The city of Detroit is excluded due to its substantial size and impact on overall metrics. In 2017, a total of 280 cities reported data, but data reporting inconsistencies and changes in the number of cities necessitated dropping cities from the analysis.¹

General fund revenues were the focus of this analysis because they have the most impact on core city operations, such as police, fire, elections, zoning, and related activities. Non-general funds, such as enterprise funds and component units, were excluded. All figures and comparisons referred to in this report were based on inflation-adjusted 2002 data to 2017 dollars.

In order to provide a consistent comparison between 2002 and 2017, several revenue categories from 2002 were combined to match 2017 categories. Categories were also aggregated in both years to provide the categories analyzed in this report:

- Total revenue: All general fund revenue

¹ While certain cities were dropped from the report due to missing data fields or other issues, all other data were used as is in the F65 summary files. Any existing omissions or errors with the original F65 data were not identified or corrected in this analysis.

- Property tax: Property taxes, including penalties and interest
- State revenue sharing: Statutory and constitutional
- Other local revenue: Fines, forfeits, special assessments, interest income, etc.
- Charges for services: Licenses and permits; sales, use, and admission fees; etc.
- Other taxes: Income tax, payments in lieu of taxes, trailer taxes, etc.
- Other state revenue: Fire protection, other state grants, etc.
- Federal grants: All federal income

Revenue Trends

General fund revenue varies significantly in cities across Michigan. Total reported revenue ranges from less than \$164,000 in Harrisville to over \$1.3 billion in Detroit (part of the reason Detroit is excluded). In order to gauge the impact across the state and understand the variability amongst cities, Public Sector Consultants (PSC) looked at both the aggregate changes in key revenue sources and how cities either experienced increases or decreases in those same categories.

Overall Revenue Trends

Exhibit 1 analyzes the key revenue categories for the 225 cities. Total revenue on an inflation-adjusted basis has declined 11.9 percent from 2002 to 2017. This was a total decrease of \$337.3 million across the state. A drop in property tax revenue was the single largest decline, with a loss of \$209.7 million, a 15.0 percent decline from 2002. This was followed by state revenue sharing at \$206.7 million, a 37.4 percent decline. There were also significant percentage declines in other state revenue (8.0 percent) and federal grants (24.0 percent), but those represent a much smaller dollar decrease of \$11.2 million compared to the declines in property tax and state revenue sharing.

Declines in property taxes have been driven by the Great Recession and the limitations of Proposal A, which both continue to suppress property tax revenue due to taxable values being capped. In addition, some communities across the state have experienced little to no population growth, resulting in properties being removed from tax rolls.

EXHIBIT 1. Changes in Key Revenue Categories 2002–2017

	2002 Revenue	2017 Revenue	2002–2017 Change	
	Dollars	Dollars	Dollars	Percent
Property tax	\$1,398,244,268	\$1,188,548,689	\$(209,695,579)	-15.0%
State revenue sharing	\$553,052,373	\$346,360,258	\$(206,692,115)	-37.4%
Other local revenue	\$310,400,131	\$334,972,666	\$24,572,535	7.9%
Charges for services	\$278,336,110	\$310,267,563	\$31,931,453	11.5%
Other taxes	\$180,359,689	\$214,215,103	\$33,855,414	18.8%
Other state revenue	\$83,892,195	\$77,205,987	\$(6,686,208)	-8.0%
Federal grants	\$18,990,244	\$14,430,055	\$(4,560,189)	-24.0%
Total Revenue	\$2,823,275,010	\$2,486,000,321	\$(337,274,689)	-11.9%

While significant revenue declines have occurred in property tax and state revenue sharing, communities have made up some of the revenue loss with increases in other local revenue, charges for services, and other taxes. Other taxes increased \$33.9 million, an 18.8 percent increase; charges for services increased 31.9 million, up 11.5 percent; and other local revenue increased \$24.6 million, up 7.9 percent.

Increases in other taxes, charges and services, and other local revenue sources have been a combination of natural increases and cities taking specific steps to increase revenue. Charges for services have been raised in many communities to keep pace with inflation and maintain services. Some of the existing sources of revenue, e.g., other taxes, and more specifically income taxes, have increased over time for some communities with growth in employment and wages.

Exhibit 2 looks at each revenue category to see how funding has shifted as a percentage of total funding. State revenue sharing dropped 5.7 percentage points from 2002 to 2017, while property tax dropped 1.7 percentage points. Increases in other local revenue, charges for services, and other taxes ranged from 2.2 to 2.6 percentage points. These percentages shifted due to the actual dollar changes. However, since overall revenue has declined significantly, the change in percentage of each category from 2002 to 2017 was not as dramatic as might otherwise be expected.

EXHIBIT 2. Change in Revenue as Percentage of Overall Revenue 2002–2017

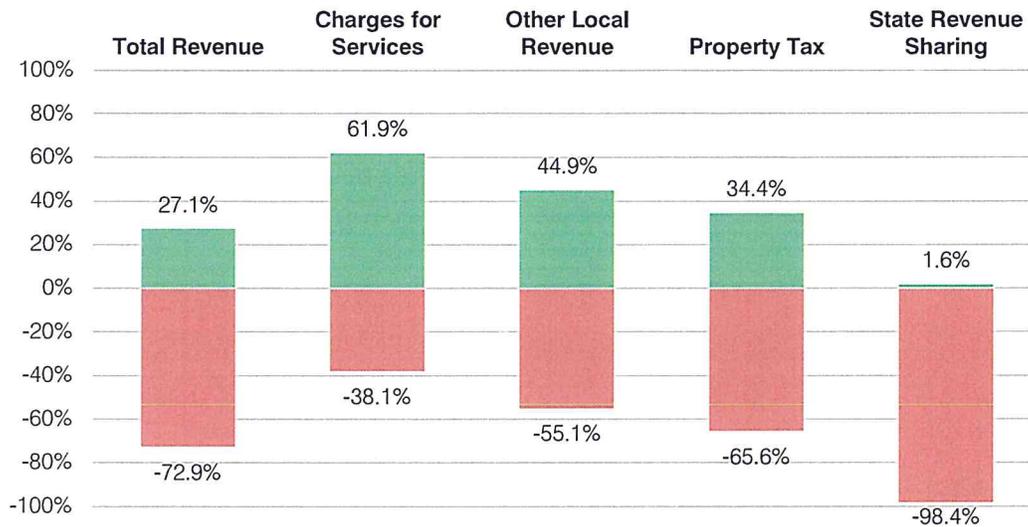


	2002	2017	Percentage Points Change
Property tax	49.5%	47.8%	-1.7
State revenue sharing	19.6%	13.9%	-5.7
Other local revenue	11.0%	13.5%	+2.5
Charges for services	9.9%	12.5%	+2.6
Other taxes	6.4%	8.6%	+2.2
Other state revenue	3.0%	3.1%	+0.1
Federal grants	0.7%	0.6%	-0.1
Total Revenue	100%	100%	

Community Trends

Exhibit 3 breaks down the percent change in select revenue categories to better understand the variability in revenue changes across Michigan cities. To determine what percentage of communities experienced increases and decreases, PSC analyzed total revenue and the four categories with the greatest change in dollar amounts. While the overall inflation-adjusted revenue trends are clear, the differences between individual communities are more nuanced.

EXHIBIT 3. Communities Experiencing Revenue Growth and Decline



Nearly 73 percent of cities experienced overall revenue declines, while 27.1 percent have experienced increases. All but a few (1.6 percent) cities have seen reductions in state revenue sharing, while 65.6 percent of cities have seen a decline in property taxes. While other local revenue increased in total, only 44.9 percent of cities experienced increases. Increases in charges for services were more common, with 61.9 percent of cities seeing increases. The variation among cities in these individual revenue categories points to a more nuanced picture, but state revenue sharing stands out as the clear factor consistent across the state.

Conclusions

The overall decline and change in city revenue sources have been significant since 2002. Declines in total revenues, property tax, and state revenue sharing are particularly dramatic when adjusting for inflationary increases. Revenue has simply not kept pace with inflation. While increases in other revenue sources, such as charges for services and other tax revenue, have helped in closing the funding gap created by declines in property tax and state revenue sharing, they have not been enough to offset the declines elsewhere. This analysis reaffirms what individual communities have identified as a primary challenge following the Great Recession—trying to grow revenue to keep pace with inflation and address the multitude of short- and long-term financial needs.



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NOTICE
AMENDED REGULAR MEETING SCHEDULE

ZONING BOARD OF APPEALS

At the November 27, 2019 regular Zoning Board of Appeals meeting Board Members unanimously approved changing the regular meeting schedule as follows:

Beginning **January 1, 2020** Zoning Board of Appeals will meet at 4:00 p.m. on the **third Wednesday** of the month.

Shelly Stibitz, City Clerk



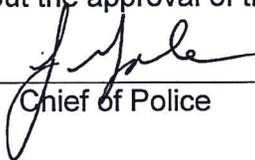
PUBLIC ASSEMBLY PERMIT

Pursuant to City of Norton Shores Code of Ordinances, Section 15-1 et sec, this Public Assembly Permit is issued to:

Organizer:	V.J.Betts
Event Name:	Mi Anglers Association Fish Derby
Nature of Event:	Fish Derby
Number of Persons	150
Date / Time:	02/01/2020 11am-02/02/2016 2am
Location:	Lakeside Eagles 2355 Sherman

Any additions, deletions, or modifications of the event details, as provided in the submitted Permit Application, are prohibited without the approval of the Chief of Police.

11/22/2020
Date


Chief of Police

CONDITIONS:

1. Participants must adhere to statutes regarding Michigan Liquor Control Commission
2. Applicant is required to obtain any necessary Health Department permits for any food concessions, camping, etc.
3. Any tents used for cooking must be fire rated and are subject to inspection by the Fire Chief.
4. Fire extinguishers must be available near any cooking equipment.