

What does disincorporation of the village mean for me and my community?

Q Will my taxes go up if we disincorporate? No. If you live in the Village of Onekama, you currently pay 5 mills on your property tax bill for the operations of the village which would be eliminated under the Disincorporation Plan. A decline in the number of village residents over the last 10 years, less state revenue sharing funds, and decreased property values would likely mean that the village would have to increase its current 5 mills tax rate if it remained its own government entity.

Q What happens to all the property that the village owns? Property—such as parks, cemeteries, and the Farr Center—would all be transferred to the township, which would continue to operate and maintain them for the benefit of the community. If disincorporation occurs, these community assets would be preserved in perpetuity, but with a new trustee—the Township of Onekama—managing them.

Q Who will be in charge of the streets in the village and how would they be maintained? The village has 6.01 miles of roads and alleys (including several that are deteriorated) that would be transferred to the Manistee County Road Commission. The township would contract with the Road Commission for enhanced snow removal services on village streets and alleys, using credited funds from the transfer of the village-owned snow plow to the Commission, and by spending down unused funds in the village Major Street Fund and Local Street Fund. When those funds are depleted, the township may utilize a special assessment district for these snow plowing expenses. The assessment would be approximately $\frac{3}{4}$ mill (still $4\frac{1}{4}$ mills less than village residents currently pay), and would require a vote of the people.

Q What about other services village residents currently enjoy? The Disincorporation Plan calls for the township to manage all existing facilities and services except the roads. The township has committed to maintaining existing level of services, including maintained street lighting, sewer system, parks, and use of the Farr Center for community activities.

Q Will disincorporation result in cost savings? Because there is currently a duplication of government-related costs from an overlapping system of both a village and township (two treasurers, two clerks, two separate elected bodies, two sets of equipment), there would be some modest cost savings for the community from consolidating and eliminating some of that duplication. The CRC report and Disincorporation Plan estimate that between \$50,000 and \$73,000 could be saved by eliminating these duplicative expenses.

Q Will the existing sewer system be expanded and will village residents end up paying for that? Village disincorporation would cause ownership and management of the sanitary sewer system to transfer to the township. The township would continue to provide quality management and oversight of the system. This transfer would not result in an expansion of the system or change the amount billed for sewer services for properties currently tied in to the system. Any future properties tied to the system would be required to pay for connection after negotiating an acceptable rate with the U.S. Department of Agriculture (as the bond holder for the sanitary sewer system construction), in consultation with the village Sewer Board, Township Board, Township bond counsel, and an independent engineering firm.

Q What happens to the existing village funds under disincorporation? The village currently has existing fund balances which would transfer to the township to be used solely for village purposes in the future. To ensure clear accountability, the status and use of village funds would be maintained and reported on separately from existing township funds.

Q How will the township pay for the additional costs of managing the village? The township has stated that it will be able to absorb the nominal additional staff requirements that would occur under disincorporation without increasing township taxes by eliminating duplication of services and through projected population growth in the township. The township does not anticipate having to raise taxes to pay for these small additional costs.

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Disincorporation of the Village of Onekama Fact Sheet

Proposed Disincorporation of the Village of Onekama

- ❖ The governing bodies of the Village of Onekama and Onekama Township resolved to investigate the options for and implications of consolidating the two governments in order to reduce and contain government costs, eliminate duplication, provide more focus for implementing community plans, and make access to government simpler.
- ❖ Disincorporation would result in a change of ownership and management of the village assets, such as village-owned buildings and parks, with the township assuming all ownership and service functions for the village and its residents.
- ❖ While the Village of Onekama would no longer be an incorporated legal entity, it would remain a distinct unincorporated village (such as Arcadia) with residential, community, and commercial activity.

Process Used to Evaluate Disincorporation

- ❖ The question of whether to disincorporate the Village of Onekama will be on the **August 7, 2012** ballot. Approval requires a 2/3 majority vote.
- ❖ The Citizens Research Council (CRC), a non-profit, non-partisan policy research group, evaluated and presented the costs, benefits, and alternatives for consolidating the village and the township. The report is available online at www.onekama.info.
- ❖ After a citizen-led petition drive among village voters in 2011 to place the matter of disincorporation before the electorate, a disincorporation commission was formed. The commission:
 - Was composed of 3 village and 3 township members
 - Developed and approved a Disincorporation Plan in accord with the General Village Act (March 26, 2012)
- ❖ The plan lays out specific actions for addressing disincorporation issues, and was developed to give voters greater certainty about the effects of disincorporation on residents, businesses, and township government.
- ❖ The plan was approved by the Township Board, but not the Village Council. While the plan is not binding because it was not approved by the village, the township has formally resolved to respect the plan should the voters approve disincorporation.
- ❖ Public education forums will be held June 21 and July 19 from 7–9 p.m. at the Farr Center.