

**Legislative Commission on Government Efficiency  
Public Hearing**

8:00 to 11:00 a.m. • Friday, August 7, 2009  
Cadillac Place • Room L150  
3044 W. Grand Boulevard  
Detroit, Michigan

**Members Present:**

Kevin Prokop, Co-Chair  
Georgia-Ann Bargamian  
Charles Moore  
Gary Olson

**I. Call to Order**

Co-Chair Prokop called the public hearing to order at 8:00 a.m.

**II. Public Participation**

Sixteen members of the public turned in participation request cards.

Daniel Hoekenga  
25452 Witherspoon  
Farmington Hills, MI  
Michigan Education Association

-opposed to taking away collective bargaining

Michael Moran  
3792 Pontiac Trail  
Ann Arbor, MI 48105  
Ann Arbor Charter Township

-opposed to increasing size of local government and making revenue sharing more restrictive  
-supports public health plan, but only if it is an option

Ray Holman  
State Employee

-suspicious of health care plan  
-current foster care program is inefficient – needs better monitoring  
-need to review private contracts

Miya Williamson  
17561 Avon  
Detroit, MI 48219  
UAW Local 6000-State Employees DOC

-need greater contract oversight  
-not enough staff/use St. John Center hiring model  
-need to improve technology for better communication between departments

Joshua Weston  
1436 Albany  
Ferndale, MI 48220  
Private Citizen

-collective bargaining rights need protection

Robert Callender  
Warren Education Association

-leave health care benefits in collective bargaining

Kevin Bullis  
MEA & Warren Education Association

-leave health care benefits in collective bargaining

Jeff Jenks  
13361 Ludlow  
Huntington Woods, MI  
Michigan Municipal League

SEE ATTACHED WRITTEN TESTIMONY FOR DETAILS

Jane Cassady  
20150 Briarcliff  
Detroit, MI  
Educators/MEA

-leave health care benefits in collective bargaining

Curt Carson  
5483 Waldon Center Drive  
Clarkston, MI  
Independence Township

-opposed to restricting revenue sharing  
-government should not compete with private sector in health care benefits

Nancy Strachan  
President  
Wayne/Westland Education Association

-leave health care benefits in collective bargaining

Deb Mozurkewich  
Northfield Township

-opposed to making revenue sharing more restrictive  
-increasing taxing authority just shifts tax burden  
-communities already consolidating across local governments  
-against creating the Intergovernmental Advisory Commission which  
is just another level of bureaucracy

Dave Stafford  
1216 Kendale  
East Lansing, MI 48826  
MEA

-against Dillon health proposal and any plan that takes away collective bargaining  
-school employees chose benefits over pay for years  
-supports need to prefund employee retiree health benefits  
-agrees to the need to look for efficiency of tax structure  
-consolidate administrative responsibilities

Nick Ciaramitaro  
600 W. Lafayette Suite 500  
Detroit, MI  
AFSCME

-submitted card, but will speak at Lansing hearing

Sandra Parker  
State Employees

-need to look at state contracts

Carl Solden  
5200 Civic Center Drive  
Waterford, MI 48329  
Waterford Township Supervisor

-opposed to making revenue sharing more restrictive  
-his government already collaborating and consolidating

The hearing ended at 11:00 a.m.

**Testimony of Jeff Jenks, Huntington Woods City Commissioner and Vice President of the Michigan Municipal League before the Legislative Commission on Government Efficiency on, August 8, 2009**

We appreciate the Commission looking at the structure of local government as part of this exercise.

There are many positive outcomes of your analysis and some additional things that should be highlighted.

**Corrections**

It is important as you look at correction reforms and reducing the prisoner population that you consider the impact on local government public safety. Later in the report you talk about the desire not to "cost shift" to other levels of government.

I urge you to consider that same notion in this regard as local public safety will surely be impacted by any attempts at reducing prisoner population. There was a serious cost shift to local and county governments when most State mental health institutions were shut down. Many current discussions regarding correction reforms are occurring without local public safety input.

**Revenue Sharing**

There are serious problems with earmarking revenue sharing funds for some key services such as public safety and infrastructure. Some communities such as Auburn Hills and Novi have already earmarked millages for public safety, libraries and roads. Other communities have no public safety expenses as the county sheriff or Michigan State Police take on those functions. In addition some urban communities cover court costs and jail costs. In other communities there may be no local court costs since it may be handled at the county level. The county sheriff or State Police may handle lockups. Local control should be allowed for how revenue sharing funds are handled because of the different ways major services are paid for.

The report makes no mention of increasing the level of revenue sharing funding that is provided. Local communities have lost over \$3 billion in funding from revenue sharing because of the State needing to plug its own holes. That is money that would have directly gone to improving public safety or repairing roads and infrastructure. It has a direct impact on our daily lives and the report should indicate that we cannot sustain our communities without an increase in funding levels.

Revenue sharing was meant to level the playing field, between rich and poor communities. Increasing local taxing authority is surely a welcome recommendation. However, because any increase has to be voted on by residents - it creates a system that could again create disparities within communities. For example, those who are in significant need of funding may not have the right tax base to implement a certain type of local tax (sales tax for example) A city like Troy where there are a lot of auto dealerships could capture a large amount of additional sales tax. A city like Huntington Woods couldn't. We have virtually no businesses within the city limits.

If you provide incentives for sharing of services, those incentives must also apply to shared services that have been in place for many years. The Southeastern Oakland County Resource Recovery Authority (SOCRRA) is a municipal corporation founded in the early '50s. SOCRRA consists of twelve member municipalities with a total population of approximately 283,000 and covers an area of 75 square miles. It is a community partnership in recycling and waste management. The Southeastern Oakland County Water Authority (SOCWA) is also a municipal corporation founded in the early 1950s and consists of 11 communities serving more than 210,000 people and covering an area of 56 square miles. These two organizations provide efficiencies of scale and savings to their member communities.

We also believe that incentives for cooperation are positive. However, the biggest impediments for consolidation are within the Urban Cooperation Act of 1967 and Public Act 312 of 1969 (Compulsory Binding Arbitration). Unless the UCA is changed --allowing units to enter into new labor negotiations -- we are going to continue to nibble around the edges at this issue. When there is a consolidation of police and/or fire under PA 312 any labor management issue where they can't agree, relating to wages, benefits or working conditions, including areas under patrol and levels of staffing goes to arbitration. The interaction of these two bills on consolidation needs to be carefully understood and amended to allow consolidation to work.

#### Not Mentioned

The other structural problem with local units of government involves our property tax limitations. Due to Proposal A and Headlee, this economic downturn we are in now will be hindering local communities for years. The low taxable values will be capped at inflation or 5% whichever is less . . . which will result in a painfully slow increase in valuation when our economy turns around. SEMCOG estimates taxable values could drop 15 - 20 percent for many communities in SE Michigan between 2009 and 2011. And, every time a home sells, we will have to rollback our millage rate to make sure we don't capture "above inflationary amounts of funding." There is a need to revisit the General Property Tax Act.

*We believe you should include a revision of how the Headlee Amendment and Proposal A interact in order to assist local communities when we are in an economic recovery.*

I believe that the major cost savings in local government can be achieved by getting better control over public safety costs at the state, county and local level. Public safety costs at the local level are normally our highest expenditure. Where your community is located often affects your public safety costs. We need to understand and control who pays, for what, and how we pay. It is nearly impossible to consolidate public safety under the current Urban Cooperation Act and Public Act 312. In the Farmington/Farmington Hills proposed consolidation the savings amount to pennies per household. A study done in 1993/1994, when we tried to consolidate Berkley and Huntington Woods public safety, indicated that the savings would have been close to \$100 per household. There is a need for the establishment of a Governor's Commission on Public Safety Costs, Efficiencies, and Equalization of Services.

Thank you for your time, and I'd be happy to answer any questions.