**2022 State of the Township**

Welcome to the seventh annual state of the township address. It is wonderful to be here in person this year after sending last year’s State of the Township out by e-mail and posting it on our website. The last two years have been very different in the way we meet. With all the changes, the township is still in decent shape. Last week I had the privilege of speaking to the local Rotary Club. I am going to use some of the information that I shared with them and even use some of their questions for tonight’s address.

For some of you this will be a review, but with some new folks on the board as well as on some committees, I would like to spend some time talking about what a township is. We serve on a township board or committee, but what is a township? In Michigan we have townships; we are one of twenty states that have townships. The 83 counties in Michigan are broken down into 1240 townships. A couple counties, like Newaygo County, have 24 townships in them, but most have 16 townships and then some along the lake shores have less. Michigan is not as easy to divide up as Kansas or one the other rectangular state. Most townships are six miles by six miles or 36 square miles. Big Rapids Township has only 32 square miles. This will vary depending if there is a city or at least part of a city in a township. Cities and villages are their own municipalities, but cities are not part of the township, while villages are. So, if you live in a city, you will not pay township taxes, but if you live in a village, you will be taxed by the township and village.

Fifty two percent of the people in Michigan live in townships. Michigan has two types of townships; general law townships and charter townships. Charter townships are usually a little larger than general law but not always. Charter townships have a few different regulations that they must follow, and they have a board of seven, a supervisor, a clerk, a treasurer, and four trustees. A general law township has a board of five, two trustees less. In Mecosta County there are only two charter townships, ours and Green Charter Township. In the state there are around 160 charter townships. Charter townships can be established in two ways, one by a vote of the people, or by a vote of the board. If voted in by the people a township can assess a higher millage without a vote of the people. We were voted in by the board. For me this is not a problem, because I think we need to have the people decide on any millage. Townships are the closest form of government to the people. This is where we can make a difference. We know most of our neighbors. We see each other at school events, church, the grocery store, or even at the gas station. If we listen to our neighbors, we will know what they want and how we can help them. If we can’t, we can make recommendations to the County Commissioners, the next step in closeness to the people. From there we can talk to our local State Rep or Senator. Usually, they will listen to us and sometimes even move ideas up the political chain, but it all starts locally with us. Talk to us, and let us know how we can help.

What is the difference between a city and a township? It certainly is not size because some townships have over 100,000 people. The big difference is services provided and therefore the amount of taxes one pays. There are only three things a township must do. What are they? We must hold elections, we must collect taxes, and we must assess properties. A township does not have to furnish fire protection, but most do. Some like us have their own department, others have joint departments, and still others contract with another department. If there are cemeteries in the township, the township is responsible for them, but you do not have to have a cemetery.

Some townships like Big Rapids offer a lot more. We have our own zoning and building department, only three townships in Mecosta County do their own. We operate a sewer system and contract with the city to process our sewage. We have ten lift stations that we operate, compared to the city with four that it operates. We have around four miles of sewer lines in the township. We have our own water plant for the industrial park and contract with the city for the rest of the water needs. We have an industrial park. We have a cemetery and a park. We are able to offer more services because we have a tax base large enough to do it; actually, our tax base is a little higher than the city.

As a township our revenue comes from three basic areas; charges for service, taxes collected, and money received from the state. We charge for lots and burials at the cemetery, we charge for building permits and inspections, and we charge for sewer and water usage. We have four different millages that we collect taxes on; our operating millage and also fire, roads and library. Many townships only have their operating millage and state shared revenue. The main money we receive from the state is revenue sharing money. This is based on the amount of sales tax the state receives. The state will start out estimating sales tax revenue, and then it will be adjusted throughout the year. A portion of the sales tax goes to the county road commissions, another portion goes to municipalities, and a portion is divided up to townships by the latest census.

The census is where the township got hurt this last year. We were expecting the 2020 census to be up 700 to 800 from the 2010 census, instead it went down 300. For the past few years, we have been receiving about $75.00 per person. This will put us down about $75,000 per year for the next ten years. The Census Bureau claimed that we have 314 vacant living quarters in the township. With all the new construction and college housing built over the last ten years there is no way that our township went down. There are ways to challenge the count, but we have to wait before we can even enter a claim. I think we would have to pay to have a mid-term census done, and we have no way of knowing it would be accurate.

This year we, as a board, have approved road work just under $700,000. Even though roads are not our responsibility they are very important to us. **As a township we do not own any roads**, but we try to work with the road commission to keep our roads up. Over the last nine years since I have been in office, we have averaged $110,000 of general fund money going to roads. The millage we have for roads brings in about $225,000 per year. When the board back in 2015 asked for a road millage, they wanted to make sure that we would keep investing the general fund money in roads and not use the millage as a bait and switch, as we often see at higher levels of government. In 2015, when the millage passed 55% of our paved roads were in poor shape. Today 23% of our roads are in poor shape. We have come a long way but we still have a ways to go. My goal would be to get this percentage down to zero and then start working on paving some of our gravel roads. I would like to encourage the board to take a road millage renewal to the people this year.

Even though our roads are improving, the number one call I get still concerns roads. A close second is calls asking why my taxes are so high in the township or why have they gone up so much this year. The problem is most people do not understand how property is taxed and really how fair it is. Once informed most people are satisfied. There are a few things that we should all be able to share with those that ask. What is the difference between assessed values and taxable values? Who is eligible for a principal residential exemption and what does it do for taxes? What is a disabled veteran’s exemption and who can receive it? Do you have to be a disabled veteran to receive it? What does it mean when your taxable value is capped? When does it become uncapped? What does or can the Board of Review do? These are just some basic items that we should all be able to answer. The biggest concern for a lot of people is when they buy or sell a house. A good realtor usually helps with a lot of these questions, but not all do. A principal residential exemption is allowed for your principal residence if you own the property and live there. This basically allows you to not have to pay 18 mills of school taxes. To receive a disabled veteran’s exemption, you must have proof from the Department of Veterans Affairs that you are disabled, and you must own your home. A surviving spouse that has not remarried can continue to receive these benefits. A disabled veteran’s exemption can be up to all your taxes on your residence. Assessed value is half of what you should be able to sell your property for on the open market at that time. Taxable values may be the same as assessed value or less; it can never be higher than the assessed value. When property is purchased, the taxable value will be capped, meaning it may only go up the cost of living for the previous year or a maximum of five percent, whichever is lower. So, if I bought my property 40 years ago, with many years of inflation my taxable value may be a lot less than my assessed value. When property is sold, other than to a close family member, it becomes uncapped. A new home or an addition will uncap that portion of your assessed value. Once an assessor has a tax roll complete for that year, it must be turned it over to the Board of Review, and then the Board of Review is the only one that can change it at the **local level**. Many times, I have heard that if you buy property your tax will be based on the purchase price. That is not true. It is based on an average of what all homes in an area sold for and then adjusted to your size and condition of property.

When I ran for office, I had three major goals. Number one was to continue the good that the previous supervisor had accomplished and improve upon it. Number two was to get the township out of debt, and number three was to have a better relationship with the city and surrounding townships. A couple goals of the previous supervisor were to someday purchase the old Crawford’s Market building, and bring business to the industrial park.

This spring we purchased the old market building and are currently remodeling it. Our plan is to have it available for the summer and fall elections. It would be nice to have a place where we can hold elections and have enough room to spread people out without having to disrupt the fire department. The fire department has been very gracious over the years by coming in in the morning and moving trucks outside, sometimes leaving them run all day to keep up the air in them and be ready to roll in case of emergency. The other need for elections was parking, and we would call the previous owner of the market building and ask to use his parking lot. Again, they were also very accommodating. This building will also give us a larger place to hold board meetings and events like this one. Next January let’s plan on meeting in the new hall for the State of the Township address. When we are not using the building, we will be able to rent it out. We receive a lot of calls wanting to know if we have a hall to rent. We have already changed all the windows and are framing up the inside so we can put up sheet rock. We will have two handicap restrooms, a very small kitchenette, and a room that we can lock up election equipment in.

For the past six months I have been working hard trying to get someone into the industrial park; we should know if I have been successful in a month or so. There definitely has been a lot more interest in industrial property, and we will do what we need to pursue it. The Mecosta County Development Corporation has finally moved forward in hiring a company, The Right Place, not just an economic development director. The Right Place will have someone in Mecosta County full time, and this person will have a lot of backup support. I think The Right Place will be very helpful in bringing someone to the industrial park. They are based in Grand Rapids but handle several of the counties around us.

About a year ago we were approached to see if we would be interested in leasing a small piece of property behind the fire hall for a cell tower. We agreed on an option and the company has done some soil borings and have applied for their building and electrical permits. We received $3000 for a one-year option, and then they asked for another six months to complete their exploration. This was granted by the board last week for another $3000. When they go ahead with the tower it will be a fifty-year lease for a one-time price of $150,000.

Another source of income this year was the ARPA funding. We received $253,600 last September and will receive another payment this year for the same amount. We were told that there are a lot of restrictions on how this money may be spent, so we needed to be careful how we commit this money. We have until the end on 2026 to spend the money if it is approved by the end of 2024. It can be used for a lot of infrastructure projects. It can be spent on improvements for facilities to space people out for elections and other problems related to Covid. It can also be used for improving sewer systems and improving broadband services within the township. I will work closely with our auditors to make sure what we are spending it on is an approved use. I think we will be able to use these funds for the remodeling of the new town hall building. Originally, we needed to prove that we lost income last year, this year, or next year, then, we could use the money to replace that lost income. As of last week, these restrictions have been lifted and this money will be available for any township expenses. Regardless, there are plenty of places we will be able to use the money. Most of the townships in Michigan did apply for the money, but a few did not. To me it was a no brainer, because if we couldn’t spend the money, we could always return it with no interest or penalty fees and keep the interest we earned on the money.

When I came into office nine years ago, I wanted to do something to involve more people so I asked the board to set up advisory committees. My goal was to involve people with different skill sets to help in specialty areas. This has worked well, but lately it has been harder to get people to serve and to get the ones we have together. So, with that said, I am proposing that we change our committee structure for this year and try something different. Number one, I do not want to lose any of the expertise we have. What I am recommending is that we have a committee of the whole meeting every other month and invite the individuals with expertise, that have served, to sit in with us. We would have an agenda for that evening and make sure anyone involved in that area was invited. I would imagine that every meeting would have fire department and probably even cemetery information included. Some months we would be talking about utilities or roads, but maybe not at every meeting. The entire trustee board would be there, but no decisions would be made. Everything would need to be brought up at a regular meeting, but we would all be equally informed. We will try this for a year and see how it works.

We will still have our statutory committees and still continue on with some of the temporary committees. The two temporary committees that we have going now are the sidewalk/transportation committee and the cemetery building committee. My deputy, Brian Carr, leads these two committees. This gives me a good opportunity to introduce Brian. Brian has been working with me the last three months learning some of what I do and helping out a lot on the building. I do plan on being gone a lot this month and a week in February right after our board meeting. This will give Brian a good chance to get some firsthand experience.

The township has been running very smoothly lately; we have a great team. George Dietrich, our building inspector for over ten years, retired in September, and we hired Mark Moss to replace him. Mark has been doing a great job working with all the contractors as well as individuals that are doing their own construction. Jamie Haner, our part time office manager, also left to work with her husband. When she left, Tim Kleinheksel wanted to go full time and has been doing a great job. Thanks, Tim. The cemetery and grounds have been well taken care of by Marc Veldman. This year was a different one for the cemetery. We usually slow up in August but this year we continued mowing up to the end of October. The leaves didn’t start falling until late, but yet Marc and his small crew kept up. We have even kept one of his part-time summer helpers on to help with the building. This year there has been a lot of turnover on the fire department, but Jim and Perry continue to do a great job. We are currently looking for more firefighters, but, as in any occupation, labor is hard to come by. We are very thankful to each of you that serve.

We are very fortunate to continue to have David Kirwin as our assessor. David does a great job, and that makes it easy for our Board of Review. We want to thank all of you that sit of the Board of Review. Every two years each board of review member must have several hours of training. Another group of people that serve every year are our election workers. They too must have training to work the polls. Thank you, Hannah, Cheryl, and all your election workers. You can be assured that in our county elections are fair and accurate. All elections are audited by the county clerk. A couple of groups that don’t receive a lot of attention are the Zoning Board of Appeals and the Building Board of Review. We have people that meet once a year, actually tonight, and some years that is the only time they meet, but by law we have to have them in place in case we need to call a meeting. Thank you.

I am thankful for this current board. We made one appointment to the board to fill an open trustee term. Chris Teceno is filling in until the election this year where he and anyone else interested will have to run. This board works well together. They all have the interest of the people at heart. We may have different opinions, but we work together to accomplish what is best for the township. I am very blessed to serve with each of you; you make my job easy.

To wrap this up, what will we be concentrating on for 2022? The building across the drive, to get someone into the industrial park, to fill the fire roster, and to do what we can to improve the roads in the township. **Yes, thanks to each of you, the state of the township is very good.**  Have a wonderful year.