Final Citizens Advisory Committee on Cityhood Recommendation & Report

REPORT: AUGUST 5, 2025

THE VILLAGE OF SPARTA August 5th, 2025

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Executive Summary

The Village of Sparta Citizens Advisory Committee on Cityhood recommends that the village begin the process of becoming a city. This change represents a natural and necessary step forward in modernizing local governance, improving service efficiency, and delivering long-term tax savings for residents. Villages in Michigan were historically designed as transitional governments. Sparta's continued use of the 1895 General Law Village Act as its governing document is no longer reflective of the needs or size of our community. Transitioning to a city structure allows residents to shape a modern charter tailored to Sparta while eliminating overlapping jurisdictions, improving service coordination, and enhancing voter representation.

This report outlines the rationale, implications, and mechanics of the change. Based on our analysis, the change to cityhood can be achieved with:

- **A net tax savings of 1.2 mills for residents.**
- No disruption to fire protection services.
- Clear voter choice on library service models.
- Modernized governance and full local control.

This is not an expansion of boundaries or a work around for annexation. The change is entirely structural and administrative in nature. Our small-town character will remain unchanged; however, our government will better reflect our independence, efficiency, and future.

Introduction: Why Cityhood?

Sparta is one of the largest general law villages in Michigan. As a general law village, it operates under the state General Law Village Act of 1895. This act was not designed for permanent, modern governance of a municipality of Sparta's size and complexity.

Villages share jurisdiction with their underlying township. In Sparta's case, that means residents pay taxes to and receive services from both the Village of Sparta and Sparta Township. This dual layer of government results in inefficiencies, overlapping services, and diluted representation.

Key reasons to incorporate as a city:

- Greater local control over services and elections
- Modern, voter-approved charter designed by residents
- Financial savings from removing township millages
- Clearer identity and representation in regional governance

Cityhood is the natural next step for a thriving, independent, and efficient municipality.

Legal and Structural Overview

Becoming a city will:

- Establish a City Council to replace the Village Council.
- Require the formation of a Charter Commission, selected by voters, to draft a new city charter.
- Remove Sparta properties from Sparta Township's jurisdiction, including its millages and governance.
- Leave the village boundaries unchanged (this is not annexation).
- Allow the city to retain all taxing authority currently held by the village, without requiring new taxes.

The Cityhood Committee recommends that the new charter:

- Maintain the current voter approved cap on property taxes
- Prohibit a city income tax permanently
- Preserve voter control over any future tax changes

Understanding Sparta's Fiscal Share of the Township

To assess the fairness of financial contributions and asset division, the committee used two key indicators:

- **Taxable Value Split:** Based on the total taxable value of all properties, the Village of Sparta accounts for approximately **43%**, while the remainder of Sparta Township makes up **57%**. This proportion reflects how much of the property tax base lies within the village.
- **General Fund Contribution Estimate:** Because some general fund revenues (like state shared revenue, permits, etc.) are not directly tied to property taxes, a more conservative and representative method was used. By analyzing factors such as taxable value, service utilization, and millage rates, the committee determined that the village represents **15% to 18%** of the overall township general fund contributions. This ratio is being used to guide proposals for the division of cash, investments, and real estate assets currently held by the township.

This dual analysis ensures a balanced and evidence-based approach to fiscal negotiations during the cityhood transition.

Administrative Services: Assessing, Elections, and Other Services

Currently, the township provides assessing and election services to the village. As a city, Sparta would assume these functions.

Estimated costs: **$50,000 annually**
New revenue: **$58,000 in tax administration fees** (currently paid to the township)

This results in a **net gain** and allows Sparta to:

- Manage its own assessment process
- Control election timing and ballot content
- Maintain its own voter registration records
- Ensure all decisions are made by and for city residents

These services will be brought under one roof, eliminating duplication and confusion for residents.

Assessing/Property taxes in particular create a lot of confusion for residents, especially during the summer levy. This is because village residents get a bill from both the township and village on this levy. They often ask the village questions we cannot answer because the assessor works for the township. It makes it look like we are giving residents the run around, when in reality it is a consequence of our inefficient and outdated governmental structure. The change to Cityhood will fix this problem.

Concerns have been expressed by village residents that the current assessing system and board of review has the unintentional consequence of favoring properties outside of the village. Under a cityhood model the board of review members and assessing staff will be directly accountable to city voters. To the extent these concerns are valid, this change would likely help correct the situation in the committee's opinion.

The new village (city) complex that is being built is designed to accommodate elections services in the event the village becomes a city. The new meeting room is an ideal place to hold elections. There is ample parking in the front of the building, with overflow parking available in the back if needed. The new building is also equipped to handle the requirements of early voting as well. Like with the assessing services, the committee believes bringing these services under our administration will improve their delivery and reduce confusion for residents.

The new complex was designed to provide a one stop shop for services currently delivered by the Village of Sparta. This would be further enhanced under a change to cityhood by making the complex a one stop shop for all business related to the resident's local government. All issues and questions related to the city will be handle fully by the city.

Fire Protection Services

Sparta currently partners with Sparta Township for fire protection. This relationship can and should continue under cityhood. The current joint service model is functional and provides coverage to both the village and township residents. A conversation regarding updating the structure of the fire department is ongoing as well. The Joint Fire Board recently recommend that the Township and Village explore forming a joint authority for fire protection services. A new authority, much like a transition to cityhood, would modernize the governance of the fire department and make it more efficient as well.

City financial contribution:

- $138,333: Contract cost for services
- $80,723: Replaces falling-off fire millage
- $46,038: Replaces township general fund support (based on 18% share)
- **Total: $265,094**

This amount maintains the village's current financial contribution under cityhood and ensures uninterrupted service. It also appropriately backfills lost revenue currently provided by the millages assessed by the Township and the factored general fund Township contribution that will be lost.

Cityhood will not create gaps in fire protection, nor require the city to start its own department. In the future the fire authority could explore a fully millage-based funding model for the fire department. If approved by voters, the city would then reduce the city millage assessments to offset the fire authority millage. Doing so will ensure that City residents will not be subjected to a tax increase for fire services if a future authority shifts to a millage only funding model.

Library Services Options

The Carnegie Library is currently owned and operated by Sparta Township. It receives the following funding indirectly from the Village of Sparta:

- $40,690 from village residents through the millage
- $32,400 from township general fund (18% village factored share of the Township General Fund)
- **Total potentially lost after cityhood: $73,090**

Post-cityhood, the city will no longer have an automatic voice or share in funding decisions unless a new agreement is reached. The committee recommends exploring the following to fund library services:

Form a Joint Library Authority with the township:

- Requires agreement on board structure and governance
- Ensures continued use of the Carnegie Library
- Gives city formal representation in library governance

If step one is done, then voters could Adopt a Dedicated City Library Millage:

- Maintains current funding levels
- Supports continued access and materials
- Must be approved by city voters

Partner with Kent District Library (KDL):

- Offers system-wide access to all KDL branches and digital resources
- Sparta's new city complex could serve as a local service hub on a limited basis if needed
- Funded either by contract or new city millage (typically ~1.1 mills)
- Voter approval is also required
- City would have a seat on the board of KDL as part of any agreement

The Committee recommends that **no city funds be contributed to library services without governance rights**. Residents should be presented with all service and cost options, and vote on the preferred model during or after the transition process.

Financial Implications Summary

Residents would immediately stop paying the following township millages:

- Township General Operating: 0.9546 mills
- Fire Millage: 0.4749 mills
- Library Millage: 0.2419 mills

Initial savings: 1.6714 mills

After adjustments for fire contributions:

- **Net savings: 1.2 mills**

If voters approve library millage (0.4345 mills):

- **Net savings: 0.7655 mills**

The KDL option at 1.1 mills would still result in a minor tax reduction from current levels (voters would have to approve this or any option).

Transition costs: (~$50,000) will be covered by Sparta's share (15–18%) of township assets.

A more detailed financial analysis was produced by the committee and made available on the village website as well. Please refer to this document for more information on the financial picture.

It is also worth noting that Sparta Township is facing significant financial challenges at the present time. They have mounting expenses related to their facilities and a large drain assessment. The village residents and also the village as an organization will also be paying assessments as part of this drain project. Because 15-18% of the townships funding comes from the village, residents are essentially paying for a share of that project outside of the village as well. This is just one of many examples of the financial drawbacks of continuing with the village model. The drain situation is not any particular person or entity's fault. Rather, it is a consequence of the structure we currently live under and a relevant/timely example of why the committee believes a change will be beneficial to residents of the new city.

Pros and Cons Summary

The committee produced an expansive and detailed Pro's and Con's list which is available on the village website. Below is a selection of the key items the committee wishes to highlight.

Pros:

- Full control over elections, taxes, assessments, and services
- Elimination of dual government oversight (village and township)
- Tax savings for residents (1.2 mills or more)
- Greater flexibility and efficiency in delivering local services
- Charter can ban city income tax and cap property tax rates
- All elected officials and ballot issues decided solely by city voters
- Stronger voice in intergovernmental partnerships
- Clarifies governmental identity for economic development
- Eliminates cross-subsidization of township-only services
- Ensures all local taxes are used to benefit city residents
- More responsive government focused entirely on City of Sparta residents
- Legal protection from township-related liabilities
- Headlee caps on properties stay in place, no pop-up tax will occur
- Transparent fiscal asset division based on village's real contribution share (15–18%)

Cons:

- Residents can no longer run for township-level offices
- One-time costs for legal work, charter development, and transition (~$50,000)
- Asset division must be negotiated or mediated (no state formula)
- May need to renegotiate roles in joint authorities

Discussions with Sparta Township

Township board members and/or staff, as well as non-village township residents attended every committee meeting and had the opportunity to speak. Representatives of each organization also met separately and communicated over the phone and email. These conversations were productive and helped set the table for the eventual division of assets and transition conversation that will be required as part of this process.

Final Recommendation

The Cityhood Committee strongly recommends the Village of Sparta begin the legal process to incorporate as a city.

This change provides:

- Long-term financial savings
- Modern, independent governance
- Clear representation for city residents
- No disruption in the delivery of critical public services
- Improved coordination, efficiency, and identity

Our recommendation is not just about governance. It is about empowering our community with the tools it needs to chart its own course, serve its residents better, and do so more affordably. Cityhood is a modern solution for a modern Sparta.