



# City of Midland Budget Challenges

## Summary Report

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Submitted by



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The following Midland residents participated in the community Roundtables.

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# INTRODUCTION

The City of Midland faces challenges from several sources that significantly affect its ability to deliver the array of services to which Midland citizens are accustomed. The statewide economy has limited opportunities for economic growth while costs continue to rise. Locally, the recent settlement of corporate tax appeals has meant that the City's revenues, long reliant on a strong industrial tax base, will shift to a greater reliance on residentially-based funding. The settlement means that the City has experienced a 17% reduction in property tax with which to provide City services. The 2008 - 2009 budget managed to overcome a \$5.7 million shortfall and included \$1.4 million in reduced spending and increased efficiencies. The 2009 - 2010 budget requires an additional \$3.8 million reduction.

In a continued commitment to be guided in their decisions by the preferences of Midland's citizens, the City Council and staff undertook both a random sample telephone survey of Midland residents and a series of seven community Roundtable discussions about the City budget and services. In addition, in order to take advantage of the expertise and creativity of City employees, departmental Roundtables were held to garner ideas for increasing efficiencies and / or reducing costs in the delivery of City services. The firm of KezziahWatkins was retained to coordinate the administration of the random sample survey and the employee Roundtables, and to conduct the citizen Roundtable discussions.

This report summarizes the findings from the random sample survey, the employee Roundtables, and the citizen Roundtables. It represents the beliefs and opinions of survey respondents and the informed judgment of participants in both sets of Roundtables. It does not attempt to apply financial and operational feasibility to the remedies suggested.

## Methodologies

### Random Sample Survey

The survey firm of Dan Jones and Associates (D|A) served as a subcontractor to KezziahWatkins to develop, test, administer and interpret the findings of the random sample telephone survey. The research objectives were to:

- determine respondents' perceptions of the most important issues facing Midland;
- assess residents' awareness of budgetary issues facing the City;

- determine the perceived value to the community of a variety of City-provided services;
- determine whether respondents believe there are some services that the City should no longer provide;
- investigate whether residents are willing to pay higher fees for some services, to initiate fees for service, and / or to shoulder a tax increase in order to maintain the same level of services they currently receive; and
- provide an opportunity for respondents to offer comments and suggestions about City administration.

The survey instrument was developed in conjunction with City staff and KezziahWatkins and was field-tested to ensure clarity of the questions. There was some confusion in testing as to the meaning of the word ‘value’ used to ask about City services. Asking about the ‘importance’ of each service was considered, but asking residents about the ‘value’ of the service to the community was the resolution. Generally, the questionnaire included structured questions to measure intensity of opinions and unstructured questions to assess the perceptions of respondents.

Telephone interviews were conducted between August 25 and September 4, 2008, with 401 interviews completed. Demographic questions were included to make sure that Midland’s population was matched by both age and gender. The residential zip code of each respondent was also determined, although no attempt was made to match respondents to the geographic distribution of Midland’s population.

The margin of error for survey findings is  $\pm 5\%$ , meaning that the confidence rate is 95% that if all of Midland’s residents had been polled, the results would have been the same, varying by no more than  $\pm 5\%$ .

## Employee Roundtables

Dr. Lewis Bender, Professor Emeritus of Public Administration at Southern Illinois University and organizational consultant, was retained by the City of Midland to conduct the employee Roundtables. Six half-day sessions were held on August 11, 12, and 27, 2008. Dr. Bender developed the session outline in collaboration with Paula Whittington, Deputy City Manager, Selina Tisdale, City Clerk/Community Relations Director, and KezziahWatkins. The format included a presentation by City Manager Jon Lynch about the short- and long-term financial challenges facing the City, a plenary discussion on the challenges and ideas for reducing costs and improving efficiencies, and breakout sessions by department to add and refine ideas and to determine follow-up procedures.

Employees unable to attend a Roundtable or those who wanted to offer additional ideas e-mailed responses to KezziahWatkins, who were responsible for compiling and analyzing all employee Roundtable responses.

## Community Roundtables

Participants in the seven community Roundtables were recruited by the City organization in a variety of ways including news releases, promotion in the City's *At Your Service* newsletter, through the *Midland Daily News*, the MGTV Message Board and half-hour program, sign-up information and availability on the City's website, direct mail and e-mail, and updates and reminders in meetings of City Council. As they have in the past, Midland citizens responded with enthusiasm and concern.

One hundred seventy-seven Midland residents participated in the community Roundtables. Attendees ranged in age from the 25–34 age range to over 75 years of age, with the highest number falling in the 45–54 age range. The length of residence in the City of Midland ranged from fewer than two years to 21 or more years. Participants were also asked to indicate the City ward in which they reside. Eighteen people did not respond to that question. Of those who did, 14% reside in Ward 1, 12% in Ward 2, 17% in Ward 3, 29% in Ward 4, and 28% in Ward 5.

The Roundtables were held over a four-day period, from October 7<sup>th</sup> through the 10<sup>th</sup>, with attendance at each session averaging 25 and ranging from a low of 18 participants to a high of 30. The Discussion Guide for the Roundtables was developed by Kezziah Watkins in collaboration with the City Manager and senior staff team. The intent of the sessions was to provide qualitative information to build on the quantitative data collected through the random sample telephone survey.

The sessions began with background information from the City Manager regarding the nature and extent of the budget challenges facing the City. Next, information was given regarding responses from the telephone survey, with City services divided among four tiers based on survey evaluations of the relative value of services to the community, with Tier #1 services of greatest community value. (The complete list of tiered services is on page 6). Specific financial detail about the City budget was presented next, followed by discussion centered on each of four categories of service. Finally, there was discussion about general and longer-term policy-level approaches to budgeting and revenue issues in the City of Midland.

A record was kept of all discussion. In addition, each Roundtable participant completed two response forms. The first of these asked for the ideas most preferred for dealing with the City's budget shortfall and the ideas that were least preferred. Participants were also encouraged to provide their rationale for each set of preferences, and were given the opportunity to submit additional ideas for consideration. The second form asked participants to evaluate the Roundtable experience.

## Additional Context

Whenever research is conducted or community discussions are held, respondents' and participants' opinions and judgments occur in the context of larger local, state, national, and global events. In the case of these Roundtables, the economic health of the United States and, as a consequence, of the State of Michigan, was in serious jeopardy. The federal government had recently approved a \$700 billion "bail out" of financial institutions. During the week in which the community Roundtables were held, the national economic crisis nevertheless deepened, with the Dow Jones Industrial Average losing almost 1,700 points, reflecting an overall loss of 22% of its total value. The print and broadcast media devoted a significant amount of column inches and air time to the worsening situation. There is no way to ascertain to what degree Roundtable participants' responses might or might not have differed with more optimistic national and global economic news.

## About This Report

This Summary Report captures in the Key Findings section the emerging themes found consistently across methods of research and deliberation. Further, disaggregated findings from each of the three sets of responses—from the random sample telephone survey, from the employee Roundtables, and from the community Roundtables—are summarized separately.

A complete record of the telephone survey, the employee Roundtables, and the community Roundtables is contained in the Supplemental Report. That comprehensive report includes all verbatim responses from both written and verbal responses.



## Service Ratings from Telephone Survey

Services rated according to their value to the community  
(5=highest value; 1=lowest value)

<u>Services</u>	<u>Mean Scores</u>
<b><u>Tier 1</u></b>	
Fire fighting	4.76
Refuse / trash collection	4.51
Grace A. Dow Memorial Library	4.45
<b><u>Tier 2</u></b>	
Police Patrol Bureau	4.31
Police Detective Bureau	4.25
Active parks such as Plymouth, Emerson, and City Forest	4.24
Heavy refuse collection	4.22
Fire prevention and inspection	4.21
Major and local street maintenance and repair	4.20
Traffic services such as traffic signs and signals	4.19
Curbside recycling	4.14
<b><u>Tier 3</u></b>	
Fall leaf collection	3.90
Community policing such as DARE and the crime prevention program	3.86
Dial-a-Ride Transit (DART)	3.83
Passive parks like neighborhood and block parks	3.82
Youth recreation programs such as softball and summer supervised play	3.80
Planning, zoning and land use	3.74
Building inspection and code enforcement	3.74
Sidewalk maintenance and repair	3.67
<b><u>Tier 4</u></b>	
Adult recreation programs such as softball	3.35
Forestry services, including outlawn trees	3.34
Midland Community Television (MCTV)	2.97

# KEY FINDINGS

The following Key Findings are drawn from an analysis of the random sample telephone survey, community Roundtables and employee Roundtables.

**1. Most people engaged in this process seem to understand that the status quo is not a viable option.**

There is no more willingness to eliminate services provided by the City of Midland than there has been in the past. Residents participating in the 2008 Roundtables consider Midland to be a special place, in large part because of its traditionally high level of City services. This same expectation was clearly expressed in budget discussions in both 1997 and 2004. City employees also cite the challenge of the high expectations of Midland's citizens for exceptional service. Community services and amenities well beyond the norm seem to be an integral part of Midland's identity and culture.

However, people participating in the community Roundtables now understand that this situation, as a result of the substantial shift in municipal revenues from industrial to residential sources, is not likely to change, even if the economy improves significantly in the near future.

**2. While not representing an absolute consensus, Midland residents generally prefer that the City preserve services of benefit to or used by most people in the community.**

If a service benefits the whole community, many of those participating in this process believe it's appropriate for a City general fund subsidy of its delivery. Some examples endorsed by the survey respondents as well as by citizen Roundtable participants include fire fighting, the Grace A. Dow Memorial Library, the City's active parks, and many of the sanitation services provided by the City.

**3. Participants in the community Roundtables prefer that the City preserve services that provide assistance to those who are disadvantaged or who cannot pay for those services themselves.**

This concept emerged from earlier budget discussion sessions held in 1997 and in 2004, and was specifically tested in 2008 to determine whether people believe that this recommended policy should be changed in light of changed economic circumstances. Roundtable participants continue to endorse this concept overwhelmingly as a recommendation for policy direction, and specifically recommend that the services offered by Dial-a-Ride be continued, along with City programs serving Midland's youth.

It should be noted that Dial-a-Ride was one service receiving less support than many others from respondents in the telephone survey. The discrepancy in response between these two groups – survey respondents and Roundtable participants – is likely to be the result of respondents’ opinion in the case of the survey and informed judgment in the case of the Roundtables, as Roundtable groups included people who served as advocates for Dial-a-Ride clients and customers, pointing out the dependence of many people on this City service.

Please also note that, while Dial-a-Ride is supported as a service appropriate for continued funding, there were also suggestions from the Roundtables about ways to increase efficiencies in delivering transportation services throughout the Midland area.

**4. Much of the discussion in the community Roundtables focused on a preference for shifting responsibility and / or at least some portion of the costs for those services that benefit a specific population to the population that benefits.**

Neither the telephone survey nor the employee Roundtables specifically asked about how to apply the principles above, but in the community Roundtables, specific services mentioned for consideration in applying this principle include:

- borrow-a-container;
- maintenance of pocket / block parks;
- adult softball;
- outlawn tree maintenance;
- special events; and
- building inspection and permits.

**5. Rather than eliminating services, Midland residents would prefer that service be delivered differently, even those services that are seen as of high value to the community.**

Examples of services in the high-value public safety category for which people seem to be open to change include:

- command staff realignment in the Police Department;
- elimination of some programs such as the DARE program; and
- re-thinking the community relations function.

Midland residents also express openness to change in high-value sanitation services, stating a willingness to decrease frequency of service for heavy item pick-up, for example.

With respect to services ranked lower in overall value to the community by telephone survey respondents, Roundtable participants also support changes in service delivery for services such as decreasing the frequency of sidewalk maintenance.

**6. While residents generally understand the need for service adjustments, they have concomitant expectations of the City:**

- City government must continually operate at a very high level of efficiency. Specific examples mentioned by both City employees and by Roundtable participants include:
  - paperless communication and maximizing the use of technology;
  - reduction in the number or replacement frequency of City vehicles;
  - increasing energy efficiency;
  - reduction in the maintenance of park land; and
  - consolidation of staffing levels to eliminate duplications and increase efficiencies where appropriate.

- It's important to communicate illustrations of those efficiencies clearly to Midland residents.

The City should continually look for appropriate opportunities to cut costs by privatizing, outsourcing, or delivering the service in collaboration with other agencies in order to avoid duplication of service and conserve public funds.

- The City should take a look at labor costs, including employee salaries and benefits and retiree benefits, and reduce them wherever possible.

**7. When it comes to an increase in taxation as part of the solution to the budget challenges facing the City, even among those who support a millage increase to provide additional revenue, there is very little support for a millage increase as the only piece of the solution.**

Many Midland residents, as evidenced by both the telephone survey and community Roundtable responses, seem willing to live with some level of an increase in millage to address the budget challenges. Be aware, however, that there are those who oppose any level of increase in millage.

Almost all of those who support some level of tax increase also expect the City to reduce costs, to increase efficiencies generally and through changes in service delivery specifically, and to consider fees as an additional revenue source.

# SUMMARY OF FINDINGS

## Random Sample Telephone Survey Responses

### Issues in Midland

Although residents cannot readily name in which of the five City wards they reside—two-thirds (65%) declare they don’t know their ward or who is their Council member—they can tell that they like living in Midland. In fact, four out of five residents say they would rate Midland as *excellent* (43%) or *very good* (37%) as a place to live, while just a fraction of that amount rate it as *only fair* (4%) or *poor* (1%). That’s a ratio of 16:1.

Reflecting Midland’s call for this study, two out of five residents (40%) mention subjects about the economy when asked “What would you consider to be the most important issue facing the City today?” As an unaided question, residents were able to answer with whatever concern was on their minds. Responses were then coded and are summarized. Results are shown in the table at the right.

Issues about growth are mentioned by 8% of the residents, while issues about the young people of Midland are mentioned by the same amount (8%), followed by road and traffic issues (7%).

In line with residents’ assessment of Midland as a desirable place to live, issues about safety (3%) and the environment (2%) are mentioned by far fewer people than mention economic issues.

Notably, one out of five citizens of Midland (20%) admit they don’t know what is the most important issue Midland is facing today.

<b>Economy</b>		
Finances/money/budget	12%	40%
Jobs/lack of jobs/one employer	10%	
Taxes/tax issues/property taxes	7%	
Economy	6%	
Business development	4%	
Misc. Dow Chemical comments	1%	
<b>Growth</b>		
Housing issues	4%	8%
Downtown comments	2%	
Growth comments	2%	
<b>Youth</b>		
Education/schools/school funding	7%	8%
Activities for kids/teens/families	1%	
<b>Roads and traffic</b>		
Traffic/traffic flow	4%	7%
Roads	3%	
<b>Safety</b>		
Crime/drugs	2%	3%
Police comments	1%	
<b>Environment</b>		
Coal/coal plant	1%	2%
Environment/pollution/air/water	1%	
<b>Other</b>		
Miscellaneous	8%	8%
<b>No issues</b>		
None/I like it	3%	23%
Don’t know	20%	

When asked specifically about the budget issues facing the City, 9% feel that they are *very aware*, but the majority (56%) say they are *somewhat aware*. One-third of the residents (34%) concede that they are *not aware* of any budget issues in the City of Midland.

## The Relative Value of City Services

This study asks Midland residents to rate the value of 22 services and programs on a one-to-five scale (1/ no value at all to 5/ very high value). Although the value of each of these services can be evaluated in a variety of ways, this analysis will focus primarily on the distribution of responses—especially those at both ends of the scale where opinions are the strongest—and on mean scores (or the overall value to Midland residents).

Mean scores reveal only part of the story. On a 1-to-5 scale, a mean score of 3.00 can be derived a myriad of different ways. Some examples include: 1) all of the respondents giving a rating of 3; 2) half giving a rating of 1 and half giving a rating of 5; and 3) an equal number of respondents giving ratings of 1, 2, 3, 4, and 5. The mean scores for all of these scenarios would indicate that all of the same value to residents, when in fact the details (distribution of responses) paint quite a different picture.

While the full distribution of responses can be found in the Supplemental Report, the chart on the following page illustrates the extremes—ratings of 1/ no value at all and ratings of 5/ very high value—as well as the mean scores for all 22 services and programs. Responses at both ends of the scale represent people whose opinions are very unlikely to change.

Fire fighting, with a mean score of 4.76, easily emerges as the most valued of Midland’s services and programs. Indeed, four out of five (81%) of all residents give this a value rating of 5 and none give it a rating of 1. Incidentally, even though it’s not illustrated on the chart, no one gave fire fighting a rating of 2 either.

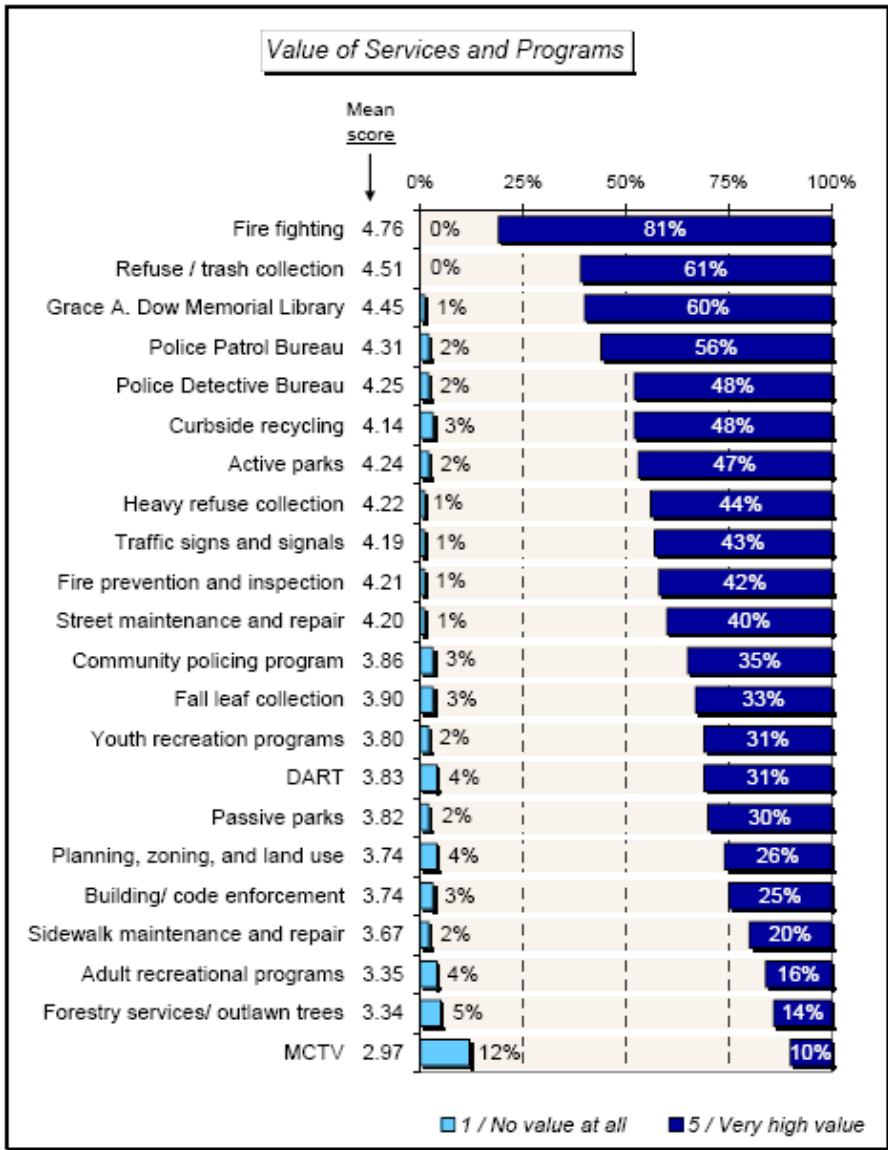
Refuse and trash collection (4.51) and the Grace A. Dow Memorial Library (4.45) also surface as highly valued services, with three out of every five residents (61% and 60%, respectively) giving ratings of 5/ very high value and virtually no one (0% and 1%, respectively) giving ratings of 1/ no value at all. Only of slightly less value than the Library and trash collection is the Police Patrol Bureau (4.31, ratings of 5: 56%, and ratings of 1: 2%).

There are seven more services with mean scores above 4.00—all of relatively high value: Police Detective Bureau (4.25), active parks (4.24), heavy refuse collection (4.22), fire prevention and inspection (4.21), street maintenance and repair (4.20), traffic signs and signals (4.19), and curbside recycling (4.14).

The next five services and programs (fall leaf collection: 3.90, community policing program: 3.86, Dial-a-Ride Transit (DART): 3.83, passive parks: 3.82, and youth recreation programs:

3.80), with mean scores between 3.75 and 4.00 (a somewhat high value) have an average of one-third (32%) of the residents giving ratings of 5 and, on the other side of the scale, only 2% to 4% giving ratings of 1.

With the exception of planning, zoning, and land use, the group of services with mean scores between 3.25 and 3.75 all have a higher percentage of residents declaring a “neutral” value of 3 (28% to 38%) than the very high value of 5 (14% to 25%). As the one exception, planning, zoning, and land use has marginally more very-high-value responses (26%) than neutral responses (23%). Mean scores for this group are: planning, zoning, and land use: 3.74; building inspection and code enforcement: 3.74; sidewalk maintenance and repair: 3.67; adult recreation programs: 3.35; and forestry services including outlawn trees: 3.34.



Standing alone among the 22 measured services is MCTV. It has the distinction of having the only mean score below the midpoint (2.97)—just barely, and it is also the only one of the services with a slightly higher percentage saying it is of no value at all (12%) than say it is of a very high value (10%). Actually, the responses for this question reveal an almost perfect bell curve, with the plurality of responses (35%) at the midpoint and sloping down both sides. Collectively, city residents are indifferent about MCTV.

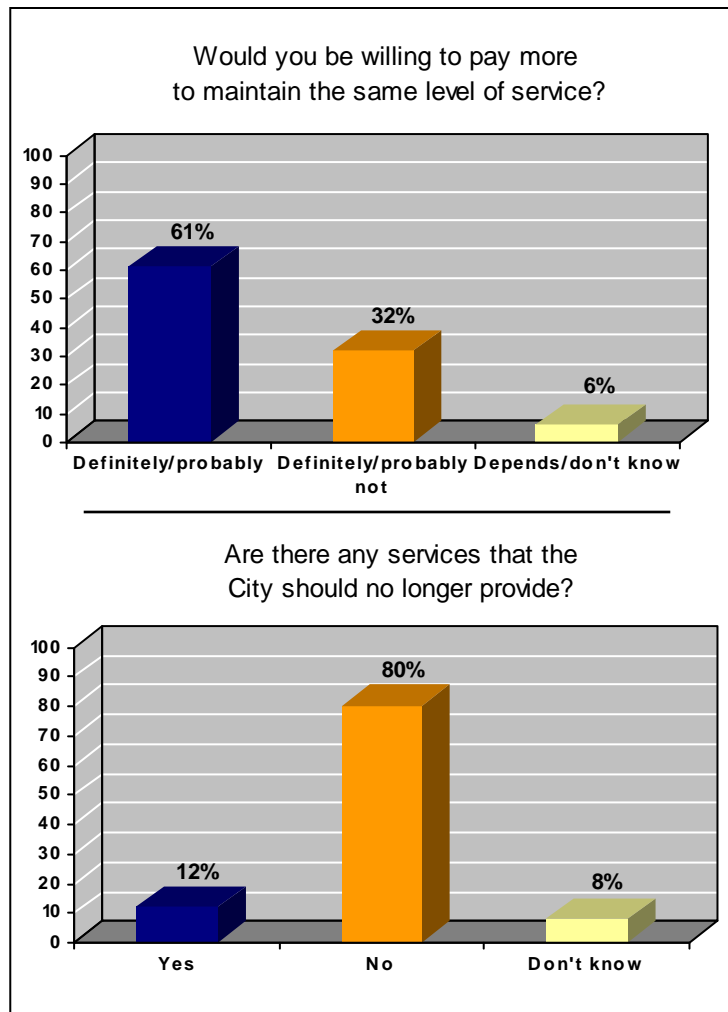
## Increased User Fees Versus Reduction of Services

Residents were asked about two methods of dealing with budget limitations in the City: increased fees and a reduction of services. According to this study, more residents (61%, combining definitely and probably responses) are interested in paying more to maintain the same level of service they now receive than are interested in having the City of Midland discontinuing some of the services they currently provide (12%). Be cautioned, however, that opinion does not always lead to behavior. While citizens reveal that they would prefer to pay more to maintain services, actually paying more may not necessarily be easily embraced.

Nearly one-quarter of Midland residents (22%) contend that they are not willing to pay any additional taxes to maintain services as they are today. One in ten (10%), however, say they would be willing to pay less than \$30 annually, 18% say \$30 to \$65, 21% say \$65 to \$100, 14% say \$100 to \$130, and 9% say they would be willing to pay more than \$130 annually to maintain services.

Delving further, and naming some specific services that could hypothetically have a fee increase, reveals that while 61% say they would definitely or probably be willing to accept increased fees in general, the percentage saying that fees for services “like reserving a park, adult softball leagues, and yard waste collection” should definitely or probably be increased drops to 42%. And actually, a higher percentage (51%) declares they would definitely or probably not be willing to accept increased fees for these services.

When asked about assessing new fees for other City services, responses are similar to those about increasing fees: 42% feel that new user fees should definitely or probably should be implemented, while 47% say they definitely or probably should not.



## Conclusions

A fair percentage of Midland residents (40%) mention economic issues in the community when asked about issues in their community. When it comes to the City's budget issues, 9% declare they are very aware. The majority (56%), however, feel they are somewhat aware.

Most residents (61%), in theory, are amenable towards increased fees or taxes to maintain services as they are today. However, as soon as specific services are named, that percent willing drops by 19 percentage points to 42%.

As the City faces challenging questions about dealing with budget shortfalls, one solution is to eliminate or reduce some services that the City currently provides. According to this study's values assessment, MCTV emerges as the service least valued by City residents—not that it's of no value, but overall, residents are indifferent about this service. Forestry services and adult recreation programs are also highly valued by a lower percentage of residents and are likely candidates for budgetary actions.

There is a consensus among Midland residents that a few services are highly valued and therefore the City would face greater challenges with changes in their budgets. Foremost among them is fire fighting, followed by refuse and trash collection, the Grace A. Dow Memorial Library, and the Police Patrol Bureau.

## Telephone Survey Results At-a-Glance

### Living in Midland

Rate Midland as an <i>excellent</i> place to live .....	43%
Rate Midland as a <i>poor</i> place to live.....	1%
Most important issue facing the City (top responses)	
Don't know .....	20%
Finances/ money comments/ budget .....	12%
Jobs/ lack of jobs/ reliance on one employer .....	10%
Taxes/ tax issues/ property taxes .....	7%
Education/ school issues/ school funding .....	7%
Economy .....	6%

### Value of City services and programs

*(Scale: 1/ no value at all to 5/ very high value)*

#### Mean score

Fire fighting .....	4.76
Refuse / trash collection .....	4.51
Grace A. Dow Memorial Library.....	4.45
Police Patrol Bureau .....	4.31
Police Detective Bureau.....	4.25
Active parks .....	4.24
Heavy refuse collection.....	4.22
Fire prevention and inspection .....	4.21
Street maintenance and repair .....	4.20
Traffic signs and signals .....	4.19
Curbside recycling .....	4.14
Fall leaf collection .....	3.90
Community policing program .....	3.86
Dial-a-Ride Transit.....	3.83
Passive parks .....	3.82
Youth recreation programs.....	3.80
Planning, zoning, and land use .....	3.74
Building inspection / code enforcement .....	3.74
Sidewalk maintenance and repair.....	3.67
Adult recreational programs .....	3.35
Forestry services / outlawn trees .....	3.34
MCTV.....	2.97

## Taxes and fees

<i>Definitely</i> would be willing to pay more to maintain level of service .....	22%
<i>Definitely would <u>not</u></i> be willing to pay more to maintain level of service .....	13%
Annual additional taxes citizens would be willing to pay to maintain services	
More than \$100 .....	23%
\$65 to \$100 .....	21%
\$30 to \$65 .....	18%
Less than \$30 .....	10%
None .....	22%
The City of Midland <i>definitely should</i> increase fees for some services .....	12%
The City of Midland <i>definitely should <u>not</u></i> increase fees for some services .....	21%
The City of Midland <i>definitely should</i> initiate user fees for some services .....	10%
The City of Midland <i>definitely should <u>not</u></i> initiate user fees for some services.....	12%
Feel there are some services that the City of Midland should no longer provide.....	12%

*NOTE: The information produced from the telephone survey is copyrighted. For information about its use, please see the telephone survey section in the Supplemental Report.*

## Employee Roundtables and E-Mail Responses

Six roundtable discussions were conducted with City of Midland employees in August, 2008. At the roundtables, employees were first addressed by City Manager Jon Lynch about the 2009 City budget challenges ahead. They were then asked to work together in departmental groups to answer four questions posed to them. Those questions were:

1. What do you see as the major challenges facing the City?
2. Clearly, everyone in the City shares the challenges of reducing costs and finding even more ways to be more efficient. What are your ideas for reducing costs and/or improving efficiency in: your job? Your department? The City?
3. Please identify any other areas in which costs could be reduced and/or jobs could be done more efficiently
4. Determine, as a department, what process you will use to follow through with the ideas generated

In addition, those City employees who were not able to attend one of the roundtables were offered the opportunity to e-mail their ideas and suggestions regarding the budget to KezziahWatkins.

The comments submitted by departments and by individual employees in response to questions #1 and #3, which focus on more general concepts and suggestions, have been combined, analyzed and summarized for this report. The verbatim employee responses to all four questions can be found in the Supplemental Report.

## Responses Across Departments

### *What do you see as the major challenges facing the City?*

- Increased costs of service delivery
  - Fuel
  - Energy/utilities
  - Books
  - Author visits at the library
  - Shipping
  - Equipment

Maintenance expenses

Cost of producing services is increasing (i.e. fuel costs, energy, health care)

Increasing expenses – inflation, fuel costs, energy

- **Increased employee benefit costs**

Health care for current employees

Retiree health care

Health care costs

- **Service delivery / staffing levels**

Providing same services for less money

Increase in demand for services

Decrease in infrastructure maintenance

Maintaining quality services

Maintaining an attractive city

Calls-for-service volume vs. staffing

- **City spending / efficiencies**

Cutting and reducing spending

Policing our efficiency

Redefining jobs/cross-training

Establishing priorities

Reimbursing employees who get health insurance through their spouse's employer for what the City would have paid to the insurance company

- **Citizen expectations / communications**

Communication with citizens as to services provided

High citizen expectations

Information to citizens on City revenue/expenditures

Promote City services

- **City operations / attitudes**

- Lack of cooperation between departments

- New to the idea of budget cuts

- Ability to attract talented employees

- Uncharted waters

- Job security

- Making changes

- Stress

- Getting well-educated employees as people retire

- Continuing building employee morale

- Department budgets based on personnel costs (little to cut)

- **City revenues**

- Decrease in S.E.V. from lower property values

- Maintain existing services with declining revenue, less federal funding

- State revenue-sharing down; Community Development Block Grant (CDBG) money down too

- Decrease in wage structure

- Not unique in requiring more money (other units of government also asking for more)

- Increasing/diverse tax base

- Unwillingness of citizens to increase mills

- Non-resident user fees

- Fees for certain services

- Attracting people and businesses into Midland

- Discrepancy revenues/expenditures

- **Changes in Midland population**

- Diversification of population—growth of lower income base

- Declining population

- Keeping people and businesses in Midland

- Size of the city is growing
- Vacant homes/lack of affordable housing
- Annex limitations density shift (logistics)
- **Poor economic conditions**
  - Challenging economic times/personal income decline
  - Poor state economy – negative perception of state
  - Overcoming inflation
  - Foreclosures/credit/property maintenance
- **Union contracts**
  - Union contracts (increasingly difficult to negotiate)
- **Other**
  - Repayment of bond issue (15 years)
  - Long-term fiscal plans
  - Increase in crime and vagrancy from surrounding areas
  - Weather challenges and overtime
  - More state/federal regulations to enforce

*Please identify any other areas in which costs could be reduced and/or jobs could be done more efficiently.*

- **Reduce costs**
  - Less reliance on paper, more on technology (i.e., use of web site, imaging automation, mandatory direct deposit, pay stub online, etc.)
  - Co-modified work schedule
  - Conserve energy (turn off computers, heaters)
  - Stretch out life of equipment
  - Re-bid contracts/shop around
  - Drop programs

Reduce overtime whenever possible

Reduce hours of operation for all departments

Reduce the number of City cars

Transition to fully virtualized environment (reduce hardware cost)

Open source software versus commercial

Phase out inkjet printers

Evaluate equipment replacement policy

Keeping vehicles longer

Reduce levels of management

Use local facilities for training

Reevaluate maintenance contracts based on need

Eliminate all City cell phones that are not essential

Have people take voluntary unpaid days off

Continue promoting more use of our online services, like Auto-Pay Automatic Withdrawal of Funds (for water and sewer bill payments, and tax bills)

There are currently some large areas of City property that are mowed regularly by City staff. Some of these areas are not parks nor are they used by the public. Convert these large expanses of grass that the public does not use to prairie landscaping by tilling up the existing sod and planting prairie grasses and wildflowers. We would still mow the edges for visibility and safety

Contract employees.... upon retirement. Midland Police Department officers could be rehired on a part-time contract basis and as with most contract employees they get hourly wages only, no benefits. Huge savings

For the short term, cut employee reimbursement for furthering education until the budget issues are resolved

City of Midland employees should provide documentation (full-time student) to continue coverage beyond the age of 18 for their children attending college

■ **Increase efficiency of services / employees**

Send only needed laborers to complete a job

Consolidate services – traffic control, etc.

Identify duplication of effort

Data sharing

Cross-train employees  
Sharing of resources (i.e., clerical staff, office supplies, equipment)  
Better cooperation between departments  
Job scheduling  
Merge duplicated committees/training  
Contractors versus in-house (look at all steps of the job)  
Employee input on purchases (will we use it enough?)  
Prioritize projects and time use  
Equipment utilization  
Evaluate services and response and inspection programs  
Process for passing along no longer used/needed supplies and equipment  
Administrative vehicles (required) possibly share  
We could team up with the Midland County Sheriff's Department to form an Accident Investigation Team  
A combination/restructuring of jobs  
Take a hard look at all the office professionals and their superiors and decide whether or not the professionals ("secretaries", etc.), are essential and how much of the work they now perform can be done by their bosses  
Do NOT allow any personal Internet or email to be accessed by employees on City websites

■ **Increase / add fees**

Set service limit and charge residents for those over limit  
Provide new and existing services to the public for a fee  
Increase fee for non-residents  
Start charging the citizens who want free City assistance with things like Santa Parades, other holiday parades and functions, Midland High athletic field prep., skate-board park, water park, softball diamond upkeep, etc.  
Probably already stated but parking tickets need to be raised to \$25 or more per incident and if not paid in a timely fashion, doubled  
Heavy pickup/dumpsters – make fee-based

Increase permit fees

Increase fee structure for rental rooms and charge for non-profits to use conference rooms

▪ **Increase energy efficiency**

Turn off lights/TV to save on energy costs

Building controls heat/AC at same time

Stop idling vehicles

Deploy energy management software to PC's

Energy audit for buildings

Efficient bulbs and ballasts

Putting in vent closures on the ceiling air vents which could be controlled at each vent.

Empty conference rooms could be closed up saving electrical costs

▪ **Reduce / change services**

Decrease services

Outlawn trees—make responsibility of homeowner

Tighten heavy item ordinance

Reduce block parks

Transfer services to County/state/other

Better public transit system (shuttle bus)

Make roads more bike-friendly (bike lanes)

Winter garbage pick-up every two weeks

Heavy refuse every two months

Increase landfill usage

Our Midland Police Department web page could be expanded to allow citizens to fill out their own reports for minor [public safety] incidents

Free 3 program—do away with

- **Revise work schedules**
  - Four ten-hour days
  - Work week evaluation
  - Move full-time [positions] to part-time
  
- **Sell City assets**
  - Sell salvaged material
  - Sell fire wood
  - Sell off the junk
  
- **Other**
  - Use landfill or other revenues to supplement general fund
  - Change mentality of “We’ll find a way to pay for it”
  - Drop-off points for recycling
  - Early buy-outs, military credit
  - City promotion and marketing
  - Why do we run an airport?
  - Eastman Road weed-pulling
  - Playground program
  - Seasonal recreation
  - Medical response by fire department (nursing homes – medical facility)

## Community Roundtable Responses

The following section describes results of the seven community Roundtable discussions held from October 7 – 10, 2008. This narrative and charts capture both responses from the groups' discussions and from the responses written by individual participants. The results are ordered alphabetically by City service.

### Dial-a-Ride

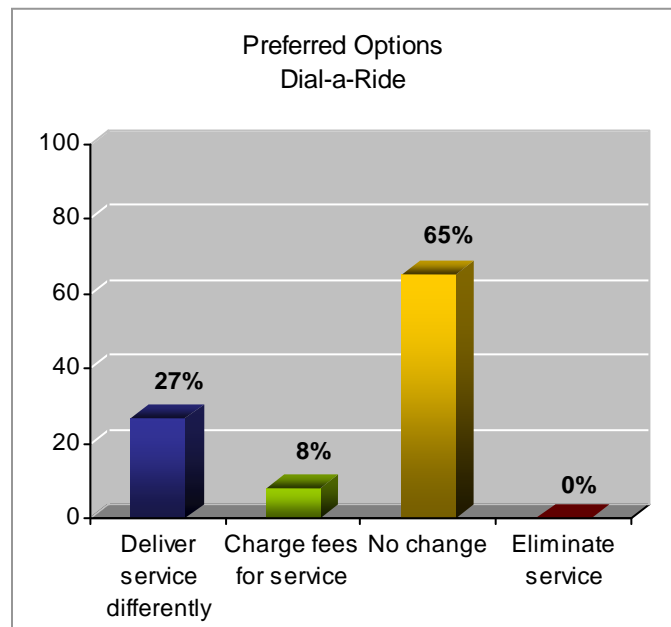
Roundtable participants' recognition of the value of the Dial-a-Ride service is apparent with a strong majority of comments focused on making no change to the transit service (65%).

There is some support for making changes to Dial-a-Ride, however. Those interested in delivering the transit service differently (27%) suggest reducing the size of the buses used to transport riders and using smaller, more fuel-efficient vehicles.

Some participants encourage the City to explore the possibility of looking for increased efficiencies and reduced costs by combining Dial-a-Ride with County Connection, the County's transit service, and possibly also coordinating or combining with the senior transit service. One resident suggests, "We need to bring all the transit providers together in one room to see what they could do to make it more efficient."

*"Don't eliminate anything for Dial-a-Ride. Those people don't have money and couldn't go to work or to see family without it. It's a wonderful service."*

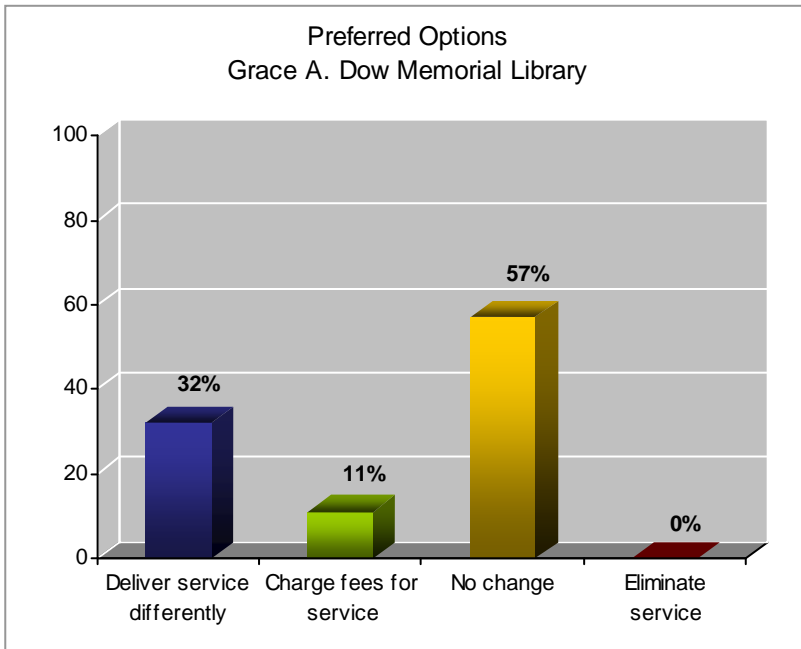
There is considerably less support for increasing the fares riders pay (8%). While some think it makes sense, illustrated by, "Increase fares. Great benefit possible for the re-structure of Dial-a-Ride. Fares could go to \$1 or \$2 and still be reasonable for users." Others are opposed: "Low-income people and people with disabilities would not be able to attend appointments, church."



There is no support for substantially reducing the transit service or eliminating it entirely. As one participant explained, “Most who use Dial-a-Ride are physically or mentally handicapped who are living on disability incomes. I think the cost is very low. It seems to make sense with the rising gas costs to increase public transit. Why do we always want to take away from the handicapped and needy?”

### Grace A. Dow Memorial Library

While some Roundtable participants support some changes in library services (32%), the majority of comments express opposition to any change from what currently exists (57%). Based on the majority of participant responses related to library services, it is apparent that the library is considered a strong community asset, as illustrated by one participant comment: “Grace A. Dow



Memorial Library is a treasure of Midland’s and I wouldn’t want its operation reduced.”

Many comments submitted, such as, “Maintain the library—heavy use by all ages” reflect the shared belief by some that reducing the level of services offered at the library or initiating or increasing fees could have a negative impact community-wide.

Of the suggestions submitted regarding

delivering library services differently, many comments are of a general nature, e.g. “Reduce services.” A few participants specifically advise reducing the hours of operation for the library.

There is also a relatively small level of support for initiating user fees at the library in order to make it more self-sufficient (11%). During Roundtable discussions, those opposed to initiating user fees expressed concern about the impacts on “literacy for the masses” if the City were to take away free library access.

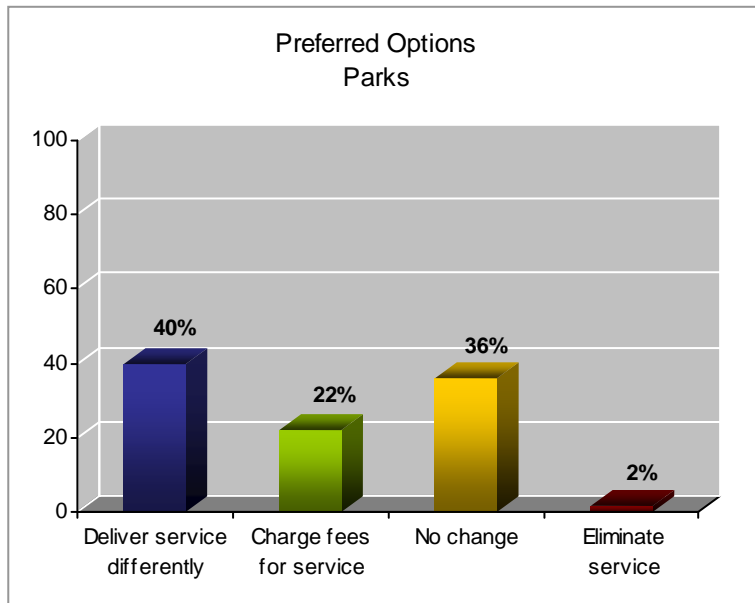
*“About \$3 million goes to the library. I’m a supporter of the library, but that seems quite high to me proportionally.”*

A few participants questioned the amount of funding the library receives, relative to the amount of funding for other services paid for through the City’s general fund. A small number of others wonder if the library could be funded differently, for example, “...I’m not against libraries at all but maybe you could fund the library specifically with its own millage and take the library out of the general fund.”

**Parks**

Responses indicate an openness on the part of Roundtable participants to consider alternatives when it comes to City parks.

Comments indicate residents are most interested in having the City deliver park services differently (40%). Among the ideas are to reduce direct City responsibility for maintenance of all parks, either by privatizing or contracting out that service, or by using volunteers. Others think having citizens adjacent to neighborhood “pocket” parks should assume maintenance responsibility for those parks or that they be charged for the parks’ maintenance. As one participant commented, “Basically, the City is mowing the backyards of people when they mow neighborhood parks.” Others disagree: “I disagree with charging adjacent homeowners for park maintenance. Neighbors aren’t the only ones who use those parks.”



*“There ought not to be a blade of grass cut by a City employee”*

A number of participants suggest that the City reduce the number of parks for which it’s responsible. Some comments submitted simply stated, “Reduce the number of parks”, while others recommend that the City reduce its park acreage by selling some of its park land. One participant said, “Sell smaller parks in neighborhoods—it’s like free land to those neighbors.” Others oppose selling City parks: “I disagree about selling the ‘private’ [pocket] parks. I live next door to one and its value is built into the value of my house. If you try to sell them, people will fight you.”

Most of the comments related to fees for parks are general in nature, such as, “Fees for park use,” however a few participants

*“Don’t eliminate parks and parks services. This is an important feature that makes our city what it is.”*

recommend that neighboring property owners be assessed fees for ‘pocket’ parks. Generally, there is a moderate amount of support for fees (22%).

Those who suggest that no changes occur in City parks services (36%), cite such things as concerns about flood safety if parks are reduced, the impact on residents’ property values, the minimal dollar impact such changes/reductions or fees would have on the City’s general fund, and the inherent value of parks in the life of the community.

## Public Safety

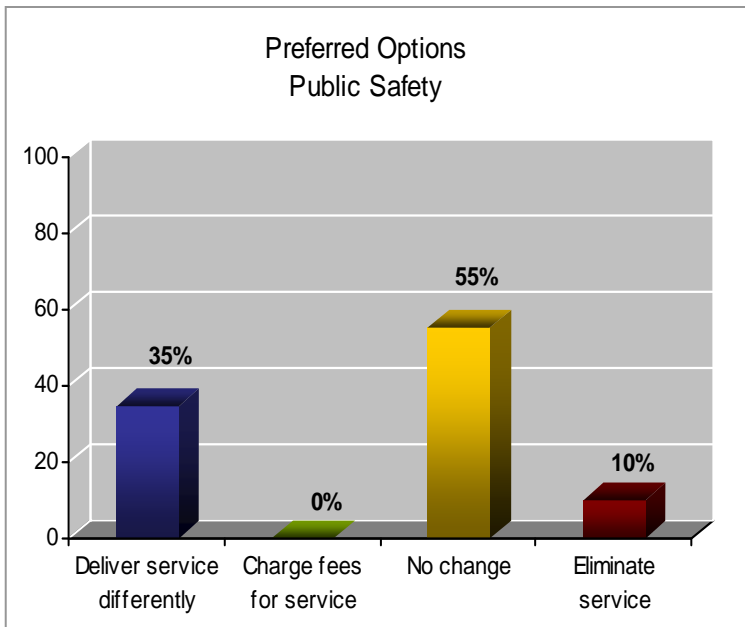
As might be expected, there is less tolerance for any change to public safety services than to some of the other City services. A considerable number of participants (55%) indicate opposition to any elimination of or change to public safety services because of concerns about personal safety, community quality of life, or insurance rates.

*“There is overkill on medical calls—multiple agencies and multiple vehicles and personnel respond and they don’t all need to.”*

However, the possibility of delivering public safety services differently is something that a significant number of Roundtable participants indicate they consider to be acceptable (35%). In considering possible changes in service, some participants were supportive of combining police and fire services into one public safety department, while others suggest that the police and County sheriff operations be combined in order to avoid duplications and increase efficiencies. Also related to changes in service delivery, some support reducing the number of vehicles and personnel which

respond to emergency calls, while others feel the police department should reduce vehicle costs by keeping vehicles longer and/or buying a different kind of vehicles.

Also of interest to participants are the suggestions by City public safety employees that the number of command, supervisory and/or management positions be reduced in order to reduce personnel costs. A number expressed support for listening to employees’ suggestions, such as, “If police employees think



they can do without command staff, let's listen to them.” Expressing the belief that it's difficult to assess one's own operation, a few Roundtable participants recommend that an outside entity be brought in to assess the police and fire departments in terms of efficiency.

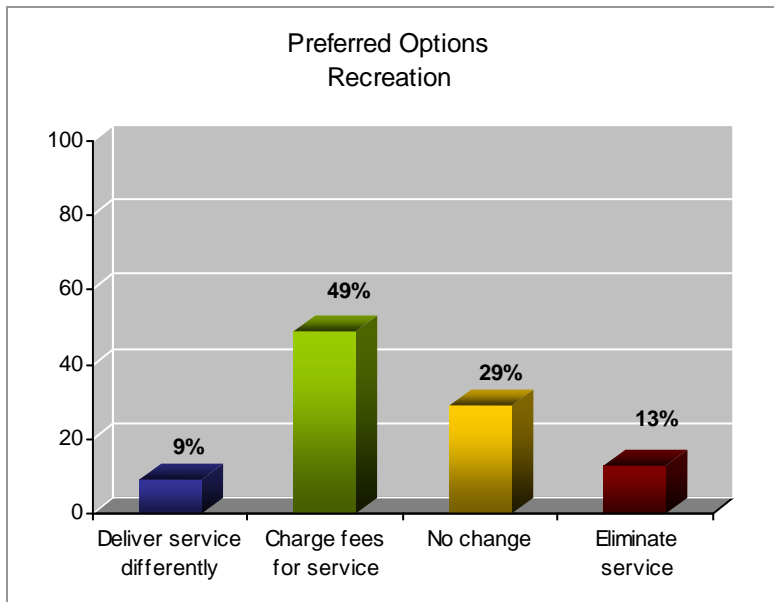
There is some support for eliminating select public safety services (10%). Participants' ideas for eliminations focus exclusively on the community relations function of the police department, including the Drug Abuse Resistance Education (DARE) program, information officer, crime prevention, and school crossing guards. The service most frequently mentioned for elimination is DARE with some participants citing research which concluded it is not effective. Some participants who recommend the elimination of City-funded school crossing guards think it would be possible to provide the service with volunteer parents. Others are strongly opposed to eliminating City-provided crossing guards because of safety concerns.

*“Public safety represents a significant portion of the budget so if public safety is considered a sacred cow it will be hard to really cut expenses.”*

## Recreation

There is a considerable amount of support for initiating or increasing resident fees for recreation services, particularly adult recreation programs (49%). Many participants indicate they believe adult recreation programs, such as softball, should be self-supporting. However, there is very little support and expressed opposition to initiating/increasing fees for recreation programs for children. One person said, “We should support youth recreation programs—the more assets youth have the

less trouble they'll get into. You'll pay for it one way or another.”



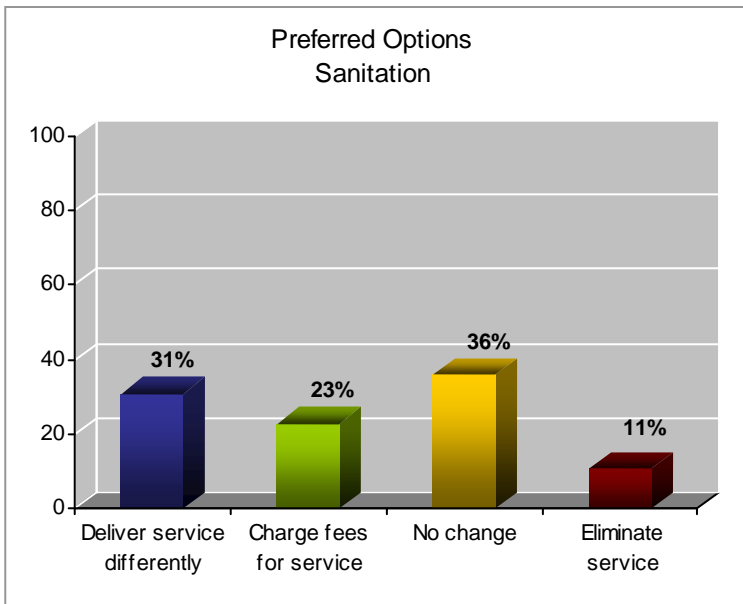
Echoing this desire, those participants who specifically want to leave recreation services as they are (29%) cited the desire to maintain recreation programs for children, such as the summer playground program. One participant offered, “Don't eliminate youth recreation—these services help our most vulnerable.”

There is less support for eliminating recreation services (13%) as well as for delivering recreation services differently (9%) than there is for initiating or increasing fees. One suggestion for a service delivery change included, “Combine the supervised playground programs to reduce costs. I only saw a couple of kids at one of the schools this summer.” Other ideas include using volunteers to assist in running facilities and privatizing some services, such as the golf course.

For those who prefer making no change to City recreation services, almost all of the comments focus on an aversion to decreasing, eliminating or charging fees for youth recreation services.

## Sanitation

Roundtable participants appear to enjoy and appreciate a higher level of sanitation services than is delivered in most communities. That said, their discussion and written comments regarding sanitation service indicate a willingness to consider changes to that service in order to help address the City’s budget challenges (31%).



Suggestions for delivering sanitation services differently focus primarily on decreasing the frequency of one or more of the services. Heavy refuse collection received the most support for a reduction in frequency of service, with some supporting the idea of quarterly or bi-monthly heavy refuse collection or having the service available by request. A few others are supportive of reducing refuse collection to every other week, while a few others like the idea of a reduction in frequencies for all

types of sanitation services. Other suggestions for service delivery changes include privatizing sanitation services, using volunteers for recycling, and more use of bags and stickers.

Some of those who oppose making any changes to sanitation services (36%) are concerned with reducing the frequency of weekly refuse collection because of sanitation and safety reasons. Others are concerned that eliminating, reducing the frequency of heavy refuse collection or making it available only

***“Don’t decrease refuse collection. When we are out of town on trash day it piles up. Weekly removal helps.”***

by request would result in some residents dumping their unwanted items around the community. A few participants are opposed to the elimination of any of the sanitation services (11%).

One area that seems to generate considerable interest and very little opposition is initiating fees for some sanitation services (23%). The majority of the comments in support of fees indicate

*“I’m just astounded that the borrow-a-container is free!”*

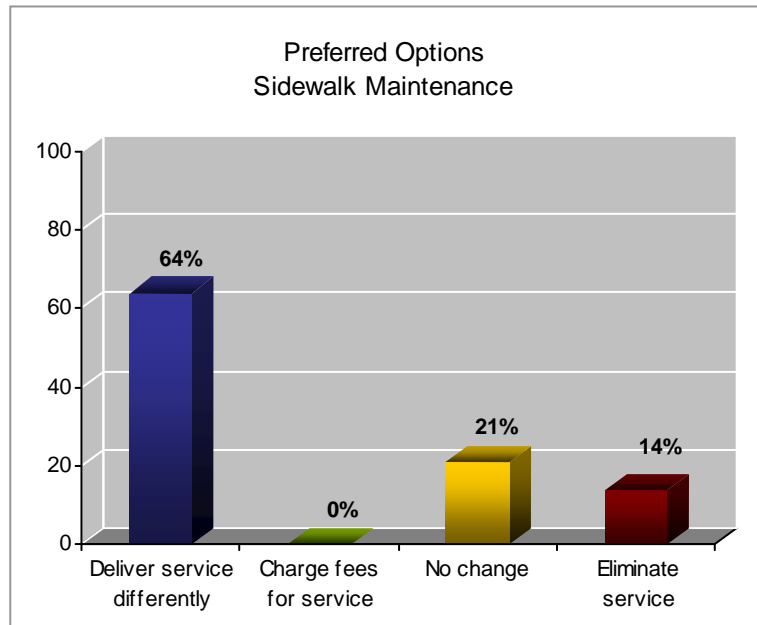
residents think it makes the most sense to charge a fee for the borrow-a-container program. Other ideas support charging fees for heavy refuse collection.

Suggestions for elimination of sanitation services (11%) deal primarily with heavy refuse collection. One participant advocated, “Heavy item collection should be eliminated. People should pay for the service if they need it,” while another said, “Eliminate heavy item collection. Lots of stuff is thrown away that could be re-used and maybe it would cut down on that.”

## Sidewalk Maintenance

While there is not as much interest in this City service as in others, the City’s maintenance of sidewalks appears to be an area where residents are very open to change (64%). Ideas for delivering the service differently focus on cutting the frequency of sidewalk repair, contracting out or privatizing the service, and making sure unnecessary sidewalk repair is not performed. One participant commented, “I’ve never seen sidewalks in such good repair in a city—you could put a moratorium on repairs for two years and be okay.”

Some participants suggest the City should save budget costs by eliminating the sidewalk maintenance service (14%). The few comments from those opposed to eliminating sidewalk maintenance or delivering the service differently (21%) are very general in nature, such as “Don’t like the idea of eliminating sidewalk maintenance.”

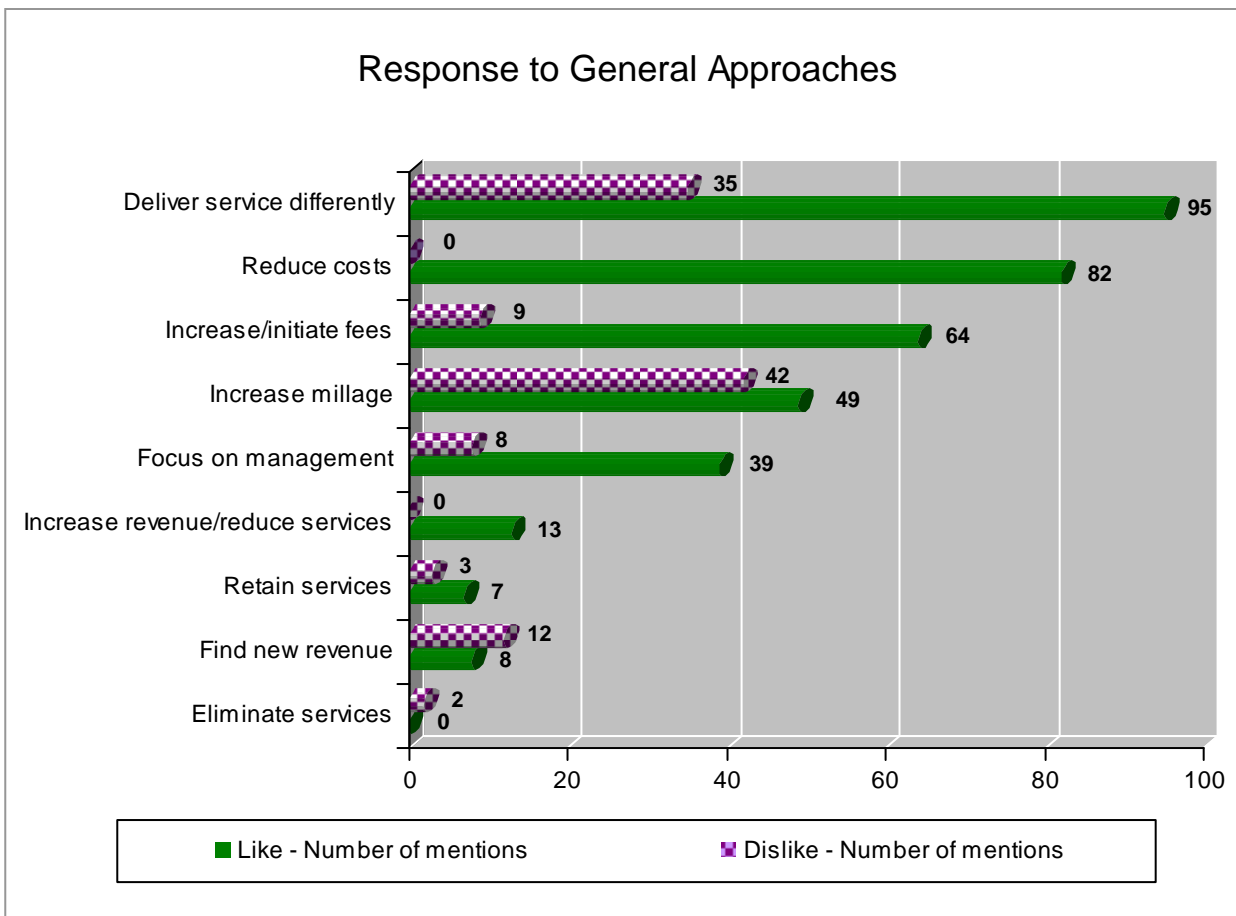


## Other Services

Roundtable participants also made the following suggestions related to other City services:

- Make the cemetery an enterprise fund
- Privatize forestry services or allow homeowners to be responsible for outlawn trees
- Make the Civic Arena self-sufficient by increasing fees
- Reduce street maintenance and maintenance of public spaces
- Privatize or contract out public works services

## General Approaches



During discussions Roundtable participants were asked for their ideas and suggestions related to general government as well as overall service changes and policy-level issues. In addition, the following question was included on the response form completed by each participant: “Do you have any other ideas you would like the City to consider?” All of those discussion and written

responses have been combined and major categories of response appear are charted on the previous page according to the number of mentions by participants with descriptive narrative below.

## Deliver services differently

Mentioned more frequently than any other idea for addressing the City’s budget challenge is the approach of delivering City services differently. Among the many general suggestions consistently submitted are:

- decreasing the level or frequency of services;
- privatizing services;
- outsourcing services;
- reducing maintenance cycles;
- using volunteers to deliver services; and
- approaching service delivery on a regional basis through cooperation/consolidation with the County on services where appropriate, such as public safety and transit.

***“[I don’t like] cutting any services. One of the few advantages Midland has is the services it provides.”***

Those opposed to delivering services differently cite concerns about losing amenities and lessening the level of City services “that makes Midland special.” Others voice concerns for people with disabilities, seniors, and the economically disadvantaged if services are cut or fees for services are initiated or increased.

## Reduce costs

One approach that is widely supported without opposition is that of reducing City government costs. Many suggestions support reductions in labor costs, including the elimination of City employee positions, consolidation of positions, decreases in salaries and benefits for current City employees and in retiree benefits. Other suggestions are more general in nature, such as “Reduce expenses where reasonable.”

Other participant ideas for reducing costs include such things as reducing the number of City vehicles and converting vehicles to run on compressed natural gas. Other ideas are converting to a paperless system for communication in City Hall, reducing out-of-town travel costs for employees and generally reducing operational expenses throughout City departments.

***“I enjoy living in Midland but the country’s in a financial crisis and we just can’t keep paying more. We’ve got to do something about reducing the people costs in the City budget.”***

## Increase / initiate fees

Many of the suggestions related to fees are very general, such as, “Increase fees where appropriate and useful,” but others are more specific. Some participants advocate fees be charged for services

***“Go to user fees whenever possible—we need to move the cost of services to the people who use them as much as possible.”***

that appeal to small segments of the population, while others voice support for fees for services for adults but not for services for youth. There is also some support for having the City charge fees for special events and for building inspections.

Those who oppose increasing or initiating fees express concern about some community residents’ ability to pay increased fees and a fear that fees could prevent use of some services. Others worry that relying on more fees could be a disincentive for budget cuts and that fees could result in creating more City bureaucracy.

## Increase millage / property taxes

Roundtable participants are almost evenly split when considering generating additional City revenues through increased property tax millage. Just over half of the comments regarding a property tax increase are supportive, with a number of those expressing the belief that it’s important to maintain Midland’s high level of service, such as, “Raise taxes one mill. You can’t find enough places to save \$4 million without reducing services that will really hurt,” and, “We do need to pay more—we’ve had a free ride for a long time.” Some participants supporting an increase in property taxes advocate a 2-mill increase while others are comfortable with a 1.5 mill or 1.0 mill increase.

***“We have an amazing community and we need to be responsible for paying for the privilege of living here.”***

***“In this economy people can’t afford more taxes. We have a way of life here we just can’t afford anymore.”***

Just under half of the comments related to an increase in property tax millage are in opposition. Many comments are general in nature, such as, “Increasing taxes—yuck!” and, “[No] additional taxes. We pay enough in taxes.” Others are more specific: “I think the City has a lot of gall to even suggest a tax increase without first cutting staffing levels and reducing services,” and, “As a single mother with four kids at home I cannot have my taxes raised.”

## Focus on management

A significant number of participants believe the budget situation could be improved by an increased focus on management issues such productivity, duplications in service, and evaluation of

staffing levels. Others talk in general terms about the need for increased efficiencies in City service delivery and eliminating waste, such as, “We need to look at running the City more efficiently rather than cutting services.”

Those who do not like the ideas related to management expressed concern about an across-the-board reduction of City employees and a belief that the City already does a good job of operating efficiently.

*“[I dislike] cutting staff. City is running very efficiently. The services we receive for what we pay for is phenomenal. Thank you!”*

## Combine revenue increase and service reductions

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*“We can do anything we want to but not everything we want to.”*

While some participants are not totally opposed to an increase in taxes, their preference is for a balance between a revenue increase accompanied by cuts in services and/or increased efficiencies in service delivery. Some suggest a 50-50 split, with a small tax increase accompanied by reductions in services and costs. Others are more general: “I am willing to pay more but would like to see some cuts.” Some participants prefer a combination of a small revenue increase, cuts in service and an increase in fees.

## Retain services

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A small number of residents do not want solutions to the City budget challenge to include any cuts in service. They expressed appreciation for the services they receive and reluctance to give up any of them: “Citizens of Midland do not want services eliminated, nor any great reduction [in services]. Our quality of living is the standard that citizens want. We need to contribute to it accordingly,” and, “Services in Midland are very important; City is run efficiently now.”

## Find new revenues

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The suggestion that the City find ways to generate additional revenue, such as by initiating a City income tax, selling City services to townships or by obtaining grants, is advocated by a few participants. One Roundtable participant who is also a business owner said, “Raising taxes

*“Unless we address revenue we won’t get anywhere. Why don’t we have an income tax?”*

*“City income tax encourages people to live outside the city and you lose that revenue base. I’m violently opposed to an income tax.”*

on small businesses is tough. The fair way to pay for services is an income tax.”

However, more spoke out against an income tax than spoke for it. One resident simply stated, “The number one way to ruin Midland is to have an income tax.”

## **Eliminate services**

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In general, there is no support for eliminating any City services. One person submitted the following comment: “[I don’t like] eliminating services that serve the whole city: trash, leaves, heavy pick-up, police, fire, library, recycle.” Another simply stated, “[I don’t like] complete elimination of any given service.”

## **Business Responses**

For the first time, a separate Roundtable group was devoted to participants with a particular orientation toward Midland’s business constituency. This group, made up of representatives from small businesses as well as business organizations and larger corporate interests, expressed responses not significantly different from ideas heard in the other general constituency groups.

The discussion of business participants did tend to encompass a broad, long-range, community-wide view, emphasizing a need for investment in Midland’s future to ensure a viable local economic base. There was no greater support for a millage increase among members of this group than among members of the other Roundtable groups, despite the recognition that Midland’s quality of life is closely and directly linked to its economic vitality.