

GROSSE POINTE CIVIC NEWS

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OF GROSSE POINTE TOWNSHIP

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No. 3

CITY FORM OF GOVERNMENT TO SAVE MONEY FOR VILLAGE

The most important local election in recent years in the Grosse Pointe area will be held Monday, March 12, at the Grosse Pointe Village Hall, 17145 Maumee Avenue.

At this time the people will be called upon to decide whether they will change to a city form of government, thus throwing off the yoke of the township or continue to support an outmoded form of government.

More than a year ago, officials of Grosse Pointe Village, realizing the need for lowered taxes, employed the Michigan Municipal League, of Ann Arbor, to make a survey to determine ways of still further reducing governmental costs.

The council had already cut the budget requirements before the survey was undertaken. The League's report pointed out means of reducing the budget requirements by at least \$100,000. A summary of the Survey report was printed in the March, 1933, issue of the Grosse Pointe Civic News.

The candidates at the spring election a year ago who were supporting the program to save the taxpayers approximately \$100,000 were elected. The citizens showed by a decided vote they wanted governmental costs reduced and the council vigorously applied itself to the task.

Village Costs Reduced

Consolidations were made and some jobs were eliminated. The position of village treasurer, which paid \$2,600.00 in 1931-32, was made a part time position, with an annual salary of \$500.00, a clear saving of \$2,100.00 to the taxpayers. Neil Blondell, village assessor, assumed the detail office work of the village treasurer without additional compensation. Altogether, there was a net saving of approximately \$98,000.00 in the cost of operating the government of Grosse Pointe Village.

PUBLIC BUSINESS NEEDS YOU MONDAY

On Monday, March 12, it will be the duty and privilege of all citizens in Grosse Pointe Park, Grosse Pointe Village, Grosse Pointe Farms and Lochmoor to select the officials who will run their public business for them.

It is only on election day that average citizens may show their power. As Mark Twain said, "Everybody talks about the weather but nobody ever does anything about it." The people may talk of reforms but unless they also act, it will avail them nothing.

Regardless of personal business, on Monday do justice to your public business and vote.

Still greater savings are easily possible if the Village changes to a city form of government, according to Clarence Schmazel, expert on municipal affairs, who made the survey of the Village for the Michigan Municipal League.

Under a city form the municipality would withdraw from the township. This would throw the burden of the "horse and buggy days" form

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Park Condition Critical Candidates Charge

Charging that the Village of Grosse Pointe Park is in a critical financial condition, the Grosse Pointe Park Forum for Better Government recently organized and drafted three business men as candidates for Village Commissioners at Monday's election. They are: John H. Flancher, attorney; Carl Weigel, manufacturer, and Dr. Rex P. Cranson.

It is maintained that Grosse Pointe Park's sinking fund is depleted, its treasury practically out of cash and the Village's credit so impaired that it would be almost impossible to get a loan from the bank at the present time, as a lawsuit has been started by the bondholders for past due interest and is still pending (Chancery No. 222-873).

Opposing Flancher, Weigel and Cranson are the present incumbents: Louis A. Dehayes, Samuel Bastien and William P. Shoemaker. Alfred Garska is unopposed for President.

FARMS ELECTION QUIET

Grosse Pointe Farms election next Monday will be a quiet affair as there is little opposition to the present incumbents who seek re-election. President, Theodore H. Hinchman; Village Clerk, John R. Kerby, and Treasurer Cyriel Teetaert, are unopposed. The voters must choose for Village Assessor between Walter A. Allard, who received 220 votes in the primary, and James M. Rasmusen, who received 120 votes. Three Village Trustees must be selected from the field of six. The candidates and the number of votes each received in the primary are: John R. Sutton, Jr., 179; Joseph W. Snay, 178; John La Belle, 175; Philip E. Moran, 102; Ben J. Allard, 100; and Jules Verbeerst, 75.

Grosse Pointe Civic News

Grosse Pointe, Mich.

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CHARTER COMMISSION

If the electors in Grosse Pointe Village vote to become a city at the election Monday, March 12, they will be assured of an excellent charter commission.

The nine men to compose the commission which will have the responsibility of drafting a charter to present to the people for acceptance will be:

Ben R. Marsh, 525 Rivard Blvd., commercial superintendent of the Bell Telephone Co. Samuel Den Uyal, 817 Lincoln Rd., treasurer of the Bohn Aluminum & Brass Co.; Claris Adams, 364 University Place, vice-president and general counsel of American Life Insurance Co.; Harry P. Breitenbach, 560 Cadieux Rd., advertising counsel; Eugene Lewis, 17040 E. Jefferson Ave., president of the Industrial Morris Plan Bank; Charles A. Poupard, 382 St. Clair Rd., treasurer of the Board of Education; Charles T. Winegar, 454 Rivard Blvd., personnel director of the Chrysler Motor Car Co.; Yates G. Smith, 534 Rivard Blvd., attorney and member of the law firm of Beaumont, Smith & Harris, and Julius A. Nagel, 402 St. Clair Ave., owner, Grosse Pointe Hardware Co.

BOOKS WANTED

Citizens will be asked to donate books for which they have no further use to the public and school libraries in a special drive to be started April 30. If the drive is successful, it may be carried on at regular intervals. Harry Breitenbach is chairman of the committee in charge of the campaign with Mrs. Edwin Stroh and George T. Goodell acting as vice-chairmen. Citizens wishing to donate books may call the Board of Education or the Public Library.

APPEAL

Unwanted pieces of furniture, clothing or novelties are solicited by the Thrift Shop of the Neighborhood Club, 17152 Maumee Blvd. The proceeds are used for welfare work in Grosse Pointe. For further information call Niagara 0773.

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of government on the rest of the Pointe villages, which would probably follow the example of Grosse Pointe Village.

Monday the people will again have a chance to decide whether they want a definite program of economy followed that will result in a further lowering of taxes by the elimination of the township.

Candidates Favor Economy

Candidates for election who definitely pledge themselves to a program of economy and who favor incorporation as a city are as follows:

For President: Herbert B. Trix, Councilman five years, secretary-treasurer, American Injector Co. For Clerk: Norbert P. Neff, Village Clerk for past 12 years, seeking re-election. For Trustees, 2-year term: George Beranek, broker, Wm. E. Moss & Co. Chester F. Carpenter, representative, Citizens Mutual Insurance Co. D. M. Ferry, Jr., president, Ferry-Morse Seed Co. (Both Carpenter and Ferry are seeking re-election). For Trustee, 1-year term: Edward F. Spitzer, accountant, auditor. For Treasurer: Theo. G. Osius, Treasurer 1933-34, attorney, seeking re-election. For Assessor: Neil Blondell, Assessor past four years, seeking re-election.

Those who are opposed to city incorporation and who wish to remain a village are:

For President: Sylvester Mauer, insurance salesman. For Clerk: Jerome Desrocher, unemployed laborer. For Treasurer: Albert Chisnall, clerk, Home Loan office. For Assessor: George F. Kimber, clerk, Home Loan office. For Trustee: Stanley G. Johnson, business man; Leo O. Teetaert, Township Clerk; and Stephen H. Van Tiem, gardener.

Mr. Teetaert, a former trustee in the Village, was defeated at the election last year when he opposed the program of saving proposed by the Economy Group. Mr. Mauer was also defeated. Mr. Johnson was defeated in June, 1932, when he was a candidate for trustee of the School Board.

If the proposition to change from a village to a city form of government receives a majority vote, the officials elected will serve only until the new city charter is adopted and new officers elected.

LOCHMOOR

Citizens of Lochmoor at the village election Monday will decide whether they will retain Roy Crane, of Oxford Rd., safety director of the Hupp Motor Car Corp., as president or replace him with Jules De Porie, plasterer.

Other candidates for office will be: For Commissioner (one-year term), Paul Paulsen and Al Gatsquire. For Commissioner (two-year term): Edward Van der Busch, Arthur H. Post, George A. Ross and Carl Schleicher.

Why Become a City?

Many villages throughout the state have changed to a city form of government and others are about to do so. The Michigan Municipal League, of Ann Arbor, has been carrying on an educational campaign to advise the people of the benefits in making the change.

Summarized, the reasons advanced by the League in their bulletin follow:

Benefits of City

"Elimination of township taxes assessed against village property is usually regarded as the greatest benefit of becoming a city. The taxes which are almost universally assessed against villages are the township contingent fund and the township highway improvement fund. The first is used principally for paying salaries in most townships, and so far as the village part of the township is concerned, these salaries are an unnecessary duplication of other expenses. The township supervisor makes a separate assessment of village property from that of the village assessor and gets paid for it; the two treasurers duplicate their tax collections rolls; the clerks duplicate the list of registered voters. It is principally for these wholly unnecessary (even thoroughly troublesome, in some cases) governmental duplications that the village taxpayer pays township contingent fund taxes.

"Township road improvement taxes are used for, or should be used for, new construction on township roads. One-half of the amount assessed against all the property of any village should be returned by the township for use on village streets, under amendment to the statute in 1925. This amendment was made in recognition of the fact that village taxpayers ought not to have to pay for township roads while taking care of their own streets without township assistance. The necessity for village taxpayers paying any township highway improvement taxes should be abolished, and this is achieved by incorporating as a city.

"However, the greatest burden of township taxes in many communities in recent years—and the most unnecessary and unjust to the village taxpayer, who pays for his own street work without any outside financial assistance—has been the Covert road tax, spread at large over the township and often also including the village in the special assessment district, while, of course, village property also pays its share of all Covert road taxes spread on the county at large through the county tax. This has frequently cost the village taxpayer more than all other township taxes taken together, when, if the village were a city, it could have escaped the Covert road spe-

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FINANCIAL SUMMARY OF POINTE VILLAGES

GROSSE POINTE PARK

Bonded Debt			\$2,745,349.19
SINKING FUND			
	June 30, 1933, State Record	January, 1934, Village Record	
Tax Notes	\$229,000.00	\$226,000.00	
G. P. P. Bonds	68,250.00	54,750.00	
Other Municipals	112,500.00	111,500.00	
Cash	735.00	23,728.44*	
Defaulted Interest		8,100.00	
Due '32 County Levy	7,611.10	7,611.10	
Total	\$418,096.10	\$431,689.54	

*This amount is considered as general fund cash as well, according to Village Clerk Waldo Berns.

SCHOOL DISTRICT SINKING FUND

The Sinking Fund, as of March 1, stands as follows:

A. Bonds held	\$433,000.00
a. Up to date on interest	\$133,000.00
b. City of Detroit	52,000.00
c. Started to pay back interest	40,000.00
d. Defaulted in interest	208,000.00
B. U. S. treasury certificates	25,000.00
C. R. A. S. D. No. 1 short term note	22,064.11
D. In closed bank	2,435.55
E. Cash on hand	91,233.47
TOTAL	\$573,733.13
Delinquent interest coupons	26,613.44
TOTAL	\$600,346.57

LOCHMOOR

Bonded Debt	\$738,830.00
Sinking Fund:	
Lochmoor Bonds	\$26,600.00
Cash	3,150.14*
Cash	12,145.01
*Frozen in Lochmoor Bank.	
Annual Payments:	
1932	1933*
Interest	\$3,825.00 \$ 3,825.00
Sinking Fund	6,944.70 6,944.70
*Due but not paid.	
Cash on Hand	\$10,884.26
Note Due	5,000.00

GROSSE POINTE VILLAGE

Bonded Debt	\$1,599,268.15
Sinking Fund:	
Gr. P. Village Bonds	\$306,500.00
Other Municipals	88,000.00
Tax Notes	49,074.61
Cash	726.23
Total Sinking Fund	
March, 1934	\$444,300.84
Total Sinking Fund	
March, 1933	398,312.84
Annual Payments:	
1932	1933
Interest	\$76,128.32 \$75,148.33
Sinking Fund	49,534.57 22,000.00
Cash in General Fund	
(Feb. 28, 1934)	\$9,551.51

GROSSE POINTE FARMS

General Bonded Debt.....	\$1,393,000.00
Water Dept. Debt	306,000.00
Gross Village Debt	\$1,699,000.00
(Grosse Pointe Farms has no Sinking Fund as all bonds are serials and are paid at maturity from the general fund of the year they fall due.)	
Annual Payments:	
1932	1933
Interest	\$48,505 \$55,505
Serial Payments	51,000 1,000
(Bonds falling due in 1933 were re-funded.)	
Cash in General Fund.....	\$51,615.65

VILLAGE OF GROSSE POINTE SHORES

Total Bonded Indebtedness..	\$514,000.00
Sinking Funds:	
Grosse Pointe Shores	
Bonds	\$12,000.00
Other Municipal Bonds.....	88,000.00
ANNUAL DEBT CHARGES	
1932	1933
Interest	\$23,685.00 \$23,167.50
Sinking Fund	
Accrual	9,233.33 9,233.33
Serial Bonds	11,000.00 11,000.00

What Price Welfare?

Township officials have thrown a smoke screen about the welfare work carried on by that archaic branch of the government, apparently to confuse the citizens of Grosse Pointe Village as to the cost of welfare should the Village change to a city form of government.

Naturally, township officials are opposed to the change. It would mean less revenue for the township, probably lower salaries and inevitably extinction of the township government as other villages follow the lead of Grosse Pointe Village. Fearing this, township officials have already promised the other villages in the area that even if the Village does change to a city, the township taxes will not be raised.

The only information that could be obtained from Leo Teetaert, in charge of the welfare work, was that \$64,016.67 had been spent in the year on 285 families in the township. These, he claimed, were divided as follows: Park, 98; Village, 81; Farms, 68; Lochmoor, 35, and Shores, 3. Teetaert admitted that no report is made out monthly either for township officials or anyone else but said that verbal reports were given to John F. Ballenger, district CWA administrator, on the number of men on the welfare roll.

These figures do not agree with those obtained in the Village or at the Neighborhood House. A chart made at the beginning of the CWA work when the welfare load was undoubtedly at its peak, showed a total of 179 families in the township on the welfare roll and only 43 of them in the Village. A police check of welfare men in Grosse Pointe Village showed only 33 at the time of registration for CWA work. An audit of the welfare account would disclose just how the \$64,000 was allocated.

If the change to a city form of government did nothing else but take the welfare work out of the hands of kind-hearted politicians, trained in the art of getting votes but untrained in social service work, it would be well worth while.

At least, so far as Grosse Pointe Village is concerned, it could be placed in the hands of equally kind-hearted but trained workers in the Neighborhood House who are not dependent on votes to hold their jobs.

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cial assessment districts and township at large assessments.

"The possible savings in township taxes to the taxpayers of any village upon becoming a city can readily be determined. Examination of tax payments in many townships indicates that village property pays from \$1 to \$10 per \$1,000 valuation per year, with an average of about \$4. The lower rates are in the strictly rural townships, while the highest are in the metropolitan areas, where townships have taken on many functions that should be delegated only to city or village governments, and where Covert roads have been built lavishly. . . .

"Representation on the county board is a privilege every city deems of value and one which no city would relinquish, once having had its benefits. This seems to be a universal opinion in all of the small cities in the state, where organized under the Home Rule act or under local acts by the legislature. Not only do they find representation on the county board a direct benefit to the city, but to the section of the county in which the city is located as well.

More Efficient Government

"The third important benefit of becoming a city in most cases is a more efficient governmental organization under city home rule than the village has under the general village law. This not only results in a more responsive, competent government, but frequently the reductions in the cost of running the municipality resulting from the reorganization are more important than the elimination of township taxes. Over a period of time this may prove to most villages making the change to be the greatest benefit of re-incorporation as a city, if the community takes advantage of modern charter drafting.

"Fourth in importance might be listed the general improvement in government which results from eliminating the wholly unnecessary and wasteful duplications between township and village governments. Waste, inefficiency, unwholesome politics and governmental backwardness thrive best in such a situation.

"The saving of time and trouble to citizens in not having to register in two different places, in not having to vote at so many different elections, in being able to pay all their taxes and do all other governmental business with one office instead of two, etc., should be evaluated in considering incorporation as a city. This is especially true where a village is located in two or more townships.

"Another objection to incorporation as a city frequently brought up is that the valuation of the village for state, county and school tax purposes will be raised when it is equalized alone as a city, instead of as a part of the township. This possibility, however, is not borne out in experience. There are today many municipalities in the state with a higher valuation for local purposes than for county and state purposes.

Valuations Reduced

"In at least two of the seven fifth class cities organized in the state prior

to 1931, the fact that the city was separated from the township was a distinct advantage in this respect. During 1929, when the state tax commission made a general re-valuation of Oakland county property, Farmington township was given a much higher valuation than formerly, while the city was raised very little. If the city had still been a part of the township, it certainly would have had a goodly portion of the increased township burden put upon it, even though the state officials felt that the city property was already carrying its fair share of the county and state tax load.

"The question of valuation is also sometimes brought up in connection with bonding and taxation limitations. The bonding limit phase is already eliminated; among other changes in the municipal bonding law, made by the 1931 legislature, was a new provision that the valuation of a village for state and county tax purposes, not that for local purposes, should be its valuation for purposes of limiting its bonded indebtedness.

"The question of being able to maintain a relatively high local valuation, temporarily at least, so that at the maximum legal tax rate of \$20 per \$1,000 valuation will raise the necessary funds, is of more importance in those villages of high bonded indebtedness. It may be necessary to maintain a certain amount of valuation inflation for local purposes until debt charges can be reduced.

"While the duties and powers of a city differ somewhat from those of a village, these changes are few and do not increase the cost of the municipal government, but reduce it instead. The additional duties of a city are to: provide for a justice or municipal court; keep a registry of chattel mortgages; collect state, county and school taxes; conduct state and county elections.

No Added Expense

"Of these four items, the first three are self-supporting or more, and the last can be so consolidated with municipal elections under a city home rule charter that it is no more expense than the present cost of conducting village elections. A justice court can be set up under a city charter under which justices are paid by fees, just as in townships; or a municipal court can be set up with the judge's salary fixed at less than the amount of the annual receipts from fees. Fees for registering chattel mortgages exceed the cost of that activity, and the one per cent collection fees on state, county and school taxes more than reimburse the city for the additional work in spreading these additional sums on the assessment roll and collecting them. . . .

"In considering incorporation as a city, questions are frequently asked in relation to the financing of the school district. School districts are not modified by the fact that a village becomes a city. Both the city and the area outside the corporation limits continue to support the same district. The only difference is that city taxpayers pay their school taxes to the city treasurer, instead of the township treasurer, to be transferred to the school district treasurer.

Farms Solves Problems

When the new set of officials, headed by President Theodore H. Hinchman, entered office in Grosse Pointe Farms a year ago, they immediately attacked their particular financial problems. Tax delinquencies were on the increase in the Farms as well as elsewhere. Bonds had to be defaulted.

However, guided by Emmet F. Connely, chairman of the finance committee, the Farms officials solved the puzzling problem. A refunding plan was worked out for all bonds due from October 15, 1932, to January 1, 1934. New bonds, maturing in from two to 10 years, were offered in exchange for the defaulted bonds and all delinquent interest was paid to date. A program of rigid economy has been followed in the operation of the Farms Village government. Street lights were curtailed and salary cuts put into effect.

A definite system of collecting delinquent taxes was started under the direction of Treasurer Cyriel Teet-aert. Up to March 1, \$272,012.00, or 74 per cent of the current year's taxes, had been collected. There will be a marked reduction in village taxes, if all taxpayers who can pay their back taxes will do so, according to John Kerby, village clerk.

Business Administration In Lochmoor

Lochmoor, operated for some time like a country grocery with all funds put into one account, now has something more like a business administration since the election as Village President a year ago of Roy Crane, of Oxford Road.

Facing a suit by the City of Detroit for failure to pay its water bill, Lochmoor was in danger of having its water supply cut off or all village funds tied up. Holders of defaulted bonds also were threatening to tie up village funds.

Largely through Mr. Crane's efforts, a compromise was reached with the Detroit water board officials. All current water bills are paid as they fall due and a plan of taking care of the old balance is being worked out.

The suit of the bond holders has been set aside until January, 1935, and a decision made that any other bond holder bringing suit will have to be a party to the original suit. In the meantime, it is hoped that financial conditions will so improve that a satisfactory plan for refunding can be worked out. Past due interest on some of the bonds is being paid.