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A constitutional test

Headlee, Ross square off on mandated programs

By MARY GNIEWEK

Farmington Hills tax critic Richard Headlee blasted state lawmakers last week over legislation he says would force local school boards and city councils to pay for state-mandated programs.

Headlee called Senate Bill 460 unconstitutional. The bill, sponsored by state Sen. Gary Corbin, D-Clio, and cosponsored by Sen. Doug Ross, D-Oak Park, would require local governments to allocate funds for programs mandated by the state or federal government.

Headlee interprets the bill as a loop-

hole in the Tax Limitation Amendment which would allow the state to force local governments to increase costs.

"For instance, the state could mandate that local governments increase the amount of overtime pay it gives to its firefighters," Headlee said.

"While local governments would be forced to increase property taxes to cover the increased costs, state politicians would reap the benefits of favorable public opinion from the action."

"We want state government out of local government's business," Headlee said, repeating a theme of last year's campaign.

Headlee, who is president of Alexander Hamilton Life Insurance Co. in Farmington Hills, spearheaded the drive which ended with voter approval last November for Proposal E, the Headlee Tax Limitation Amendment. He has fought with state lawmakers over interpretation of that amendment for months.

"THERE'S NO RATIONALE for them to change the content of the amendment," Headlee said.

Ross sees his proposal as being in line with the way in which the Headlee

Amendment was written.

"The legislature must implement the amendment as passed. We did that with the first section regarding property taxes," Ross said.

"The second part, deals with who will pay for programs. It's an internal squabble between state and local levels of government — a tempest in a teapot. But either way, taxpayers will foot the bill."

"Local officials want to go beyond the wording of the amendment so that anytime the state mandates a program, it should pay."

Ross used a hot dog theory to explain his point.

"The Oak Park Recreation Center sells hot dogs. If the state increases its standards for hot dogs, that would increase the cost."

"Local government is saying the state should pay the extra cost. But we don't require Oak Park to sell hot dogs. Local officials want to take the lid off of local government spending. That's not in the language of Proposal E."

The sole provision in the Headlee Amendment which was favored by almost all school and municipal officials required local governmental units to be

reimbursed for programs mandated by state and federal officials.

SB 460, which passed the Senate last week and is now before the state House of Representatives in Lansing, would nullify much of that provision.

"It was clearly stated (in the proposal) that mandated programs would be financed by the unit of government mandating the program," said Bill Prisk, finance director of Farmington schools.

"If that's not the case, the state would be telling local government how to spend its money. I don't think that was the intent of Headlee."

Redlining gets jolt in Lansing

BY KARRESLAFKIN

Michigan residents previously unable to buy homeowner insurance because of the location of their homes can expect some help if the Michigan Senate passes Senate Bill 128, now under consideration.

The measure would amend the Michigan Insurance Code of 1956 to provide for essential insurance and to prohibit redlining practices.

The bill would expand the services provided by the Michigan Basic Property Insurance Association, a non-profit organization which provides property damage insurance to people who have problems getting insurance from private insurance companies. The aid is referred to as the FAIR plan.

Senate Bill 128 would allow the FAIR plan to offer complete home owner's coverage to residents who cannot obtain equivalent insurance at comparable rates in the voluntary market.

The FAIR Plan is regulated by the state and requires all private insurance companies to fund the plan. The organization will insure policyholders anywhere in Michigan. Location is not the main factor in granting or denying coverage.

"The FAIR Plan is the answer to redlining," says Sam Murphy, head of the Michigan Basic Property Insurance Association.

In essence, the plan works at a loss, losses which usually exceed the premiums. "All of our losses are spread over the 310 private insurance companies in the state, who pay for the losses according to the size of the company," he explains.

"We project our fiscal losses according to previous losses, and then assess 1 percent of a private companies written premiums. The bigger the company, the more it pays into the plan."

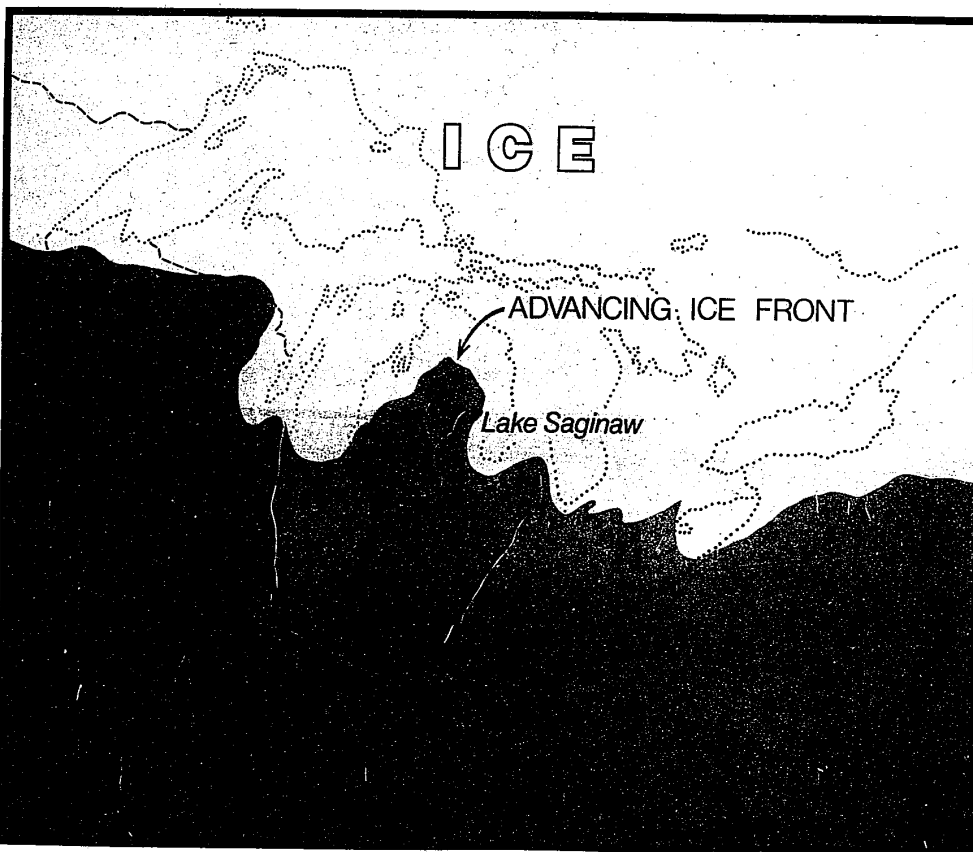
Eventually, the cost of the FAIR Plan is passed on to the private insurance company. Neither the state nor the federal government picks up the tab, says Murphy.

The FAIR Plan seeks to insure homeowners under a market value policy, as opposed to a cost-replacement policy. The present concept of cost-replacement requires policyholders to pay 80 percent of the cost of replacing damages, and must buy a policy in the amount of that cost.

For example, a \$100,000 home requires a policy of \$80,000. Yet, if the market value of the home is only \$50,000, the homeowner must still carry an \$80,000 policy. The individual can collect \$80,000 should disaster strike, even though selling the home would bring only \$50,000.

"This could turn honest people into potential arsonists," says Murphy. This potential dishonesty prevents many insurance companies from insuring urban area dwellers, whose market value

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If you were flying in a satellite across the American Midwest 13,000 years ago, you would see glaciers forming the early Great Lakes. The lakes drained not south and east to the St. Lawrence River, as they do today. Lake Whittlessey's waters drained into Lake Saginaw,

then through the ancient Grand River to Lake Chicago, the early Chicago River and the Mississippi basin.

Where we live

This area was lake bottom made by Ice Age glaciers

By TIM RICHARD

You can take a trip on a Great Lake shoreline — and never leave Oakland County.

It takes only a little imagination and some knowledge of geology.

In your mind, you have to turn back the clock 13,000 years. As you cross Oakland County, you can visualize what things were like back then. And you can learn a few things about modern civilization and property values.

There will be no Indians or cave men to guide you. Humans won't be around until 2,000 years later.

THE WORLD picture looks like this:

Ice in the form of glaciers has been covering Canada, the northern United States and northern Europe in waves for about two million years.

In our land there were four advances and retreats of glaciers. The glaciers' center is east of Hudson Bay.

Now, a glacier is part bulldozer, part sponge. It plowed 550 million years worth of Michigan rocks down toward the Ohio River. As it melted, it deposited rocks and gravel it had picked up in the north country to make our hills and soils of today.

As you begin your trip of 13,000 years ago, the fourth glacial sheet — the Wisconsin — is retreating. It still covers most of Canada and the northern half of Michigan. It will be another 6,000 years before the last remnant of the glacier melts.

Your trip will be a cool, moist one. The climate will be like modern Canada's above Lake Superior. There's not a lot of vegetation yet — grass in the clearings, such "pioneer" trees as white and black spruce. Inland they may be a few musk ox.

THE AMAZING thing will be a gigantic lake, the forerunner of Lake Erie, that extends entirely over Detroit and the southeastern third of Oakland County.

"Lake Whittlessey" it will be called by geologists of the 20th century. Our lake of 13,000 years ago consists mainly of melt waters from the retreating glacier. The lake stretches from modern Buffalo, N.Y. to Port Huron and reaches several dozen miles inland over modern Ohio and Michigan.

Lake Whittlessey's shoreline is a gravel ridge 10-15 feet thick. You can stand on it in many parts of Oakland County in 1979 and see almost exactly where its waters lapped. In some spots,

especially in Southfield, the bulldozer and developer have obscured the old shoreline, however.

STAND ON EIGHT Mile east of Halstead Road in Farmington Hills, and you can see vividly a lake bottom to the east, a rising shoreline to the west.

Looking south to Livonia, you see a cemetery today. That is significant. A half-dozen times on this shoreline trip, you will see cemeteries on what used to be Lake Whittlessey's beach. The sands and fine gravels are easier to dig in than the coarser gravels inland or the clay of the old lake bottom.

Go north along Farmington Road into Farmington and you find yourself rising from lake bottom to the old Whittlessey shoreline.

Then it strikes you: Ann Arbor is on that old shoreline; Plymouth is on it; Northville is a few miles inside it; Franklin Village is on it; Birmingham is on the old shoreline; Rochester is just inside it.

In short, pioneers picked the well-drained gravel shores of old Lake Whittlessey for some of the most desirable residential establishments in modern Michigan.

White 19th century pioneers, it turns out,

weren't the only persons who favored the Whittlessey shoreline. Indian trails followed the shore. A thousand years before the white man, a group we call the Hopewell Indians settled along rivers such as the Raisin, Huron and Clinton where they reached the old Whittlessey shoreline. But we're getting ahead of our trip.

IT'S 13,000 YEARS ago in your mind's eye. You are on 13 Mile Road just east of Telegraph, in Bingham Farms, and again you can see the lake bottom stretching east before you.

Turn north on Lahser and you'll run into the old beach again just before 14 Mile. Turn east on 14 Mile and you'll be traveling first on the beach, then along the lake bottom parallel to the beach on your left.

As 14 Mile terminates at Cranbrook Road, the beach crosses in front of you. A funny thing is happening. A sand spit is extending southward from the shoreline into Lake Whittlessey. Travel east on 13 Mile, and just before you reach the Southfield Road intersection, note a house on the north side with blue glass windows. It was built on the end of a Whittlessey beach spit.

Travel to Woodward Avenue and go north (Continued on page 8A)

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