



# The Charter Township of Bloomfield

2010 –2011 Proposed Budget  
and Information about  
Proposed Millage



# The Charter Township of Bloomfield

On November 23, 2009 the Board of Trustees unanimously voted to ask residents to approve an operational millage of 1.3 mils. The election will be held on Tuesday, February 23, 2010.

The millage is necessary to restore revenue that has been lost due to our dramatically falling tax base.

All the revenue restored by this millage will stay in the Township to maintain Police, Fire/EMS and other public services.



# The Charter Township of Bloomfield

Most residents' property tax payments will be reduced in 2010 even if the millage is passed.

The average homeowner will see a reduction of \$528 in property taxes even if the millage passes.

Call the Assessor's Office at  
248.433.7710  
for the exact effect on your home.



# The Charter Township of Bloomfield

When market values recover at some point in the future, Proposal A will limit the taxable values on homes, making it impossible for Bloomfield Township's revenue to recover to the level necessary to deliver services residents need and expect.



# The Charter Township of Bloomfield

The Township has been steadily working for years to cut costs, but cost-containment alone cannot balance the budget.

Among the steps we've taken to reduce more than \$2.5 million:

- Eliminated 18 positions;
- Changed health care and pension benefits;
- Imposed pay freezes;
- Cooperated in multi-jurisdictional efforts and purchasing consortiums;
- Initiated continuing efforts to consolidate services with other communities.



# The Charter Township of Bloomfield

We have always kept our staff levels as low as possible. In fact, we have fewer employees today than we had in 1988.

We can no longer provide the same levels of services if we are forced to eliminate any more positions.

While we have been reducing our staffing, the demand for services has sharply risen. Calls for Police, Fire and Emergency Medical Services (EMS) have increased steadily over the past 20 years.

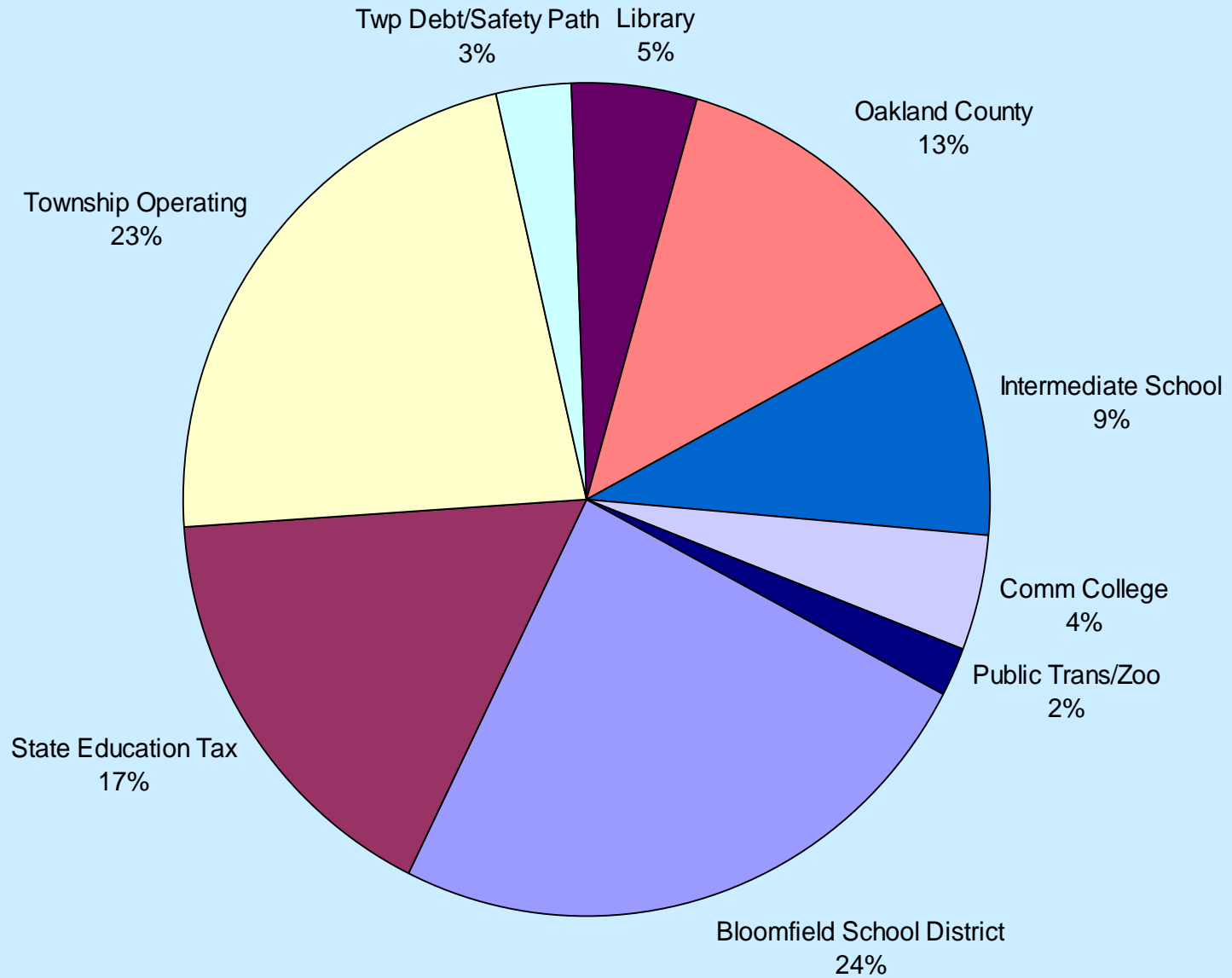


# The Charter Township of Bloomfield

This presentation will give you details about our financial situation, cost-cutting strategies and staffing needs. We hope it will give you the information you need to make an informed decision when you vote on February 23.

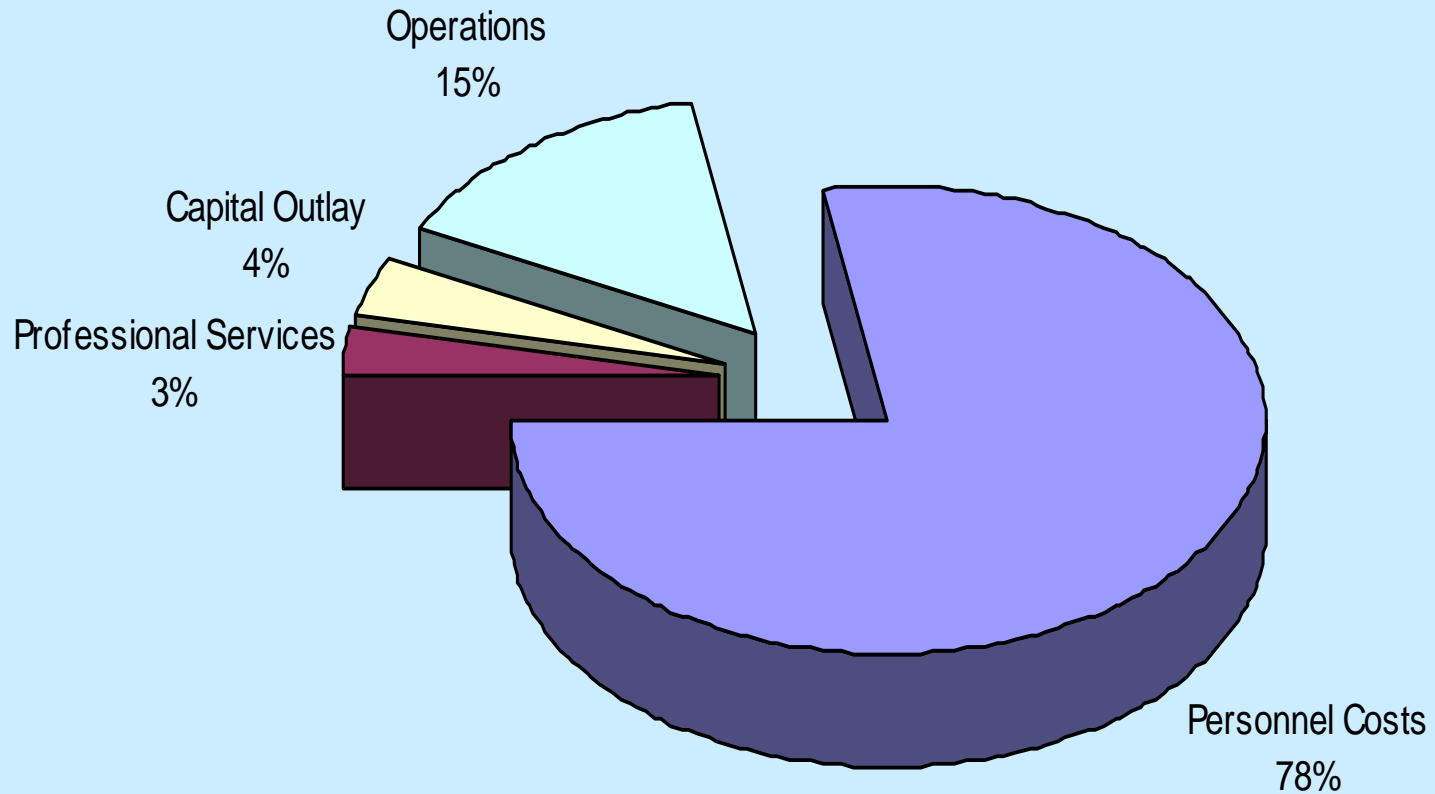


# Where Your Tax Dollar Goes

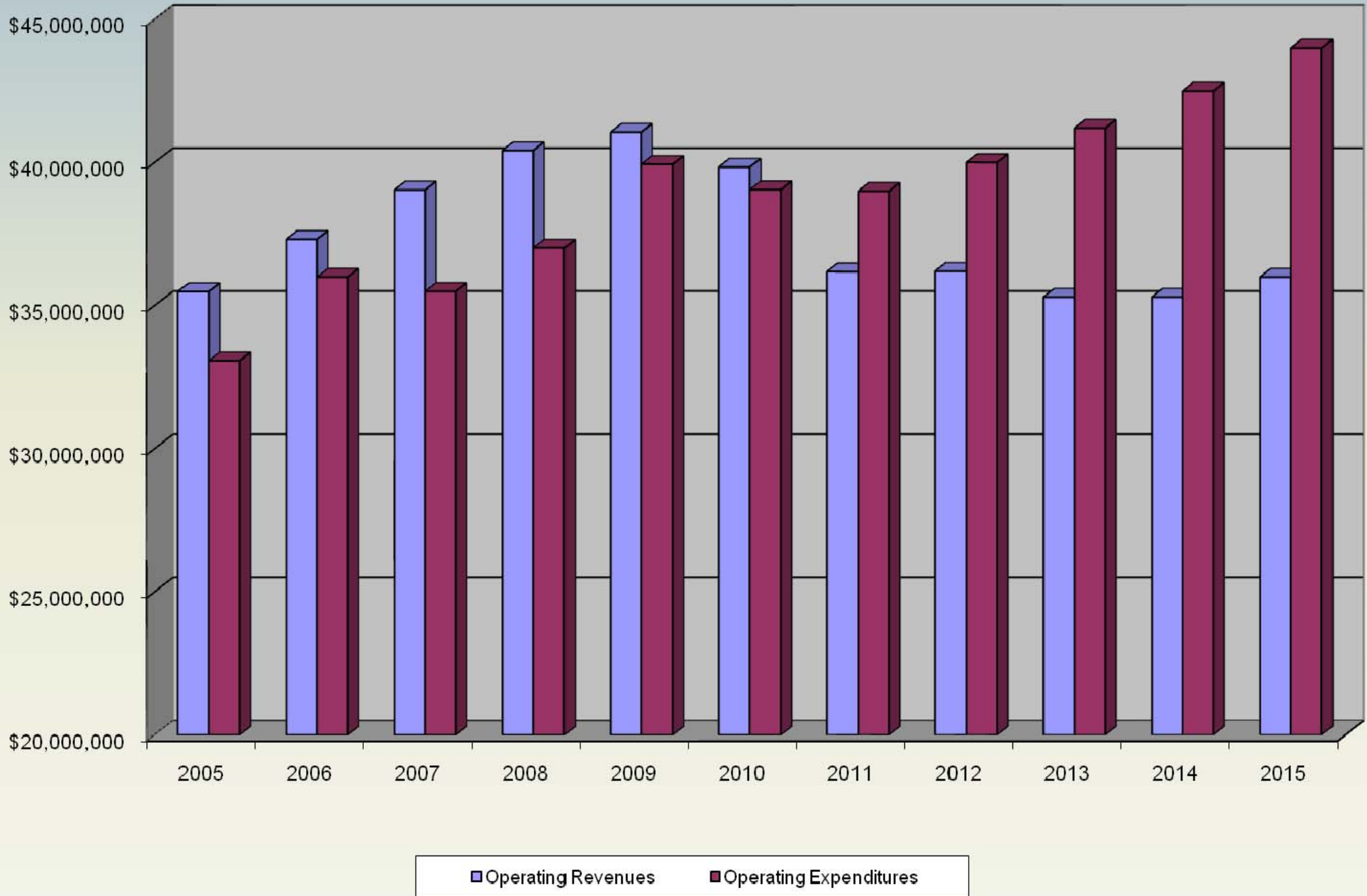




## OPERATING FUNDS EXPENDITURES 2009 - 10 BUDGET (General Fund, Road Fund, Public Safety Fund)

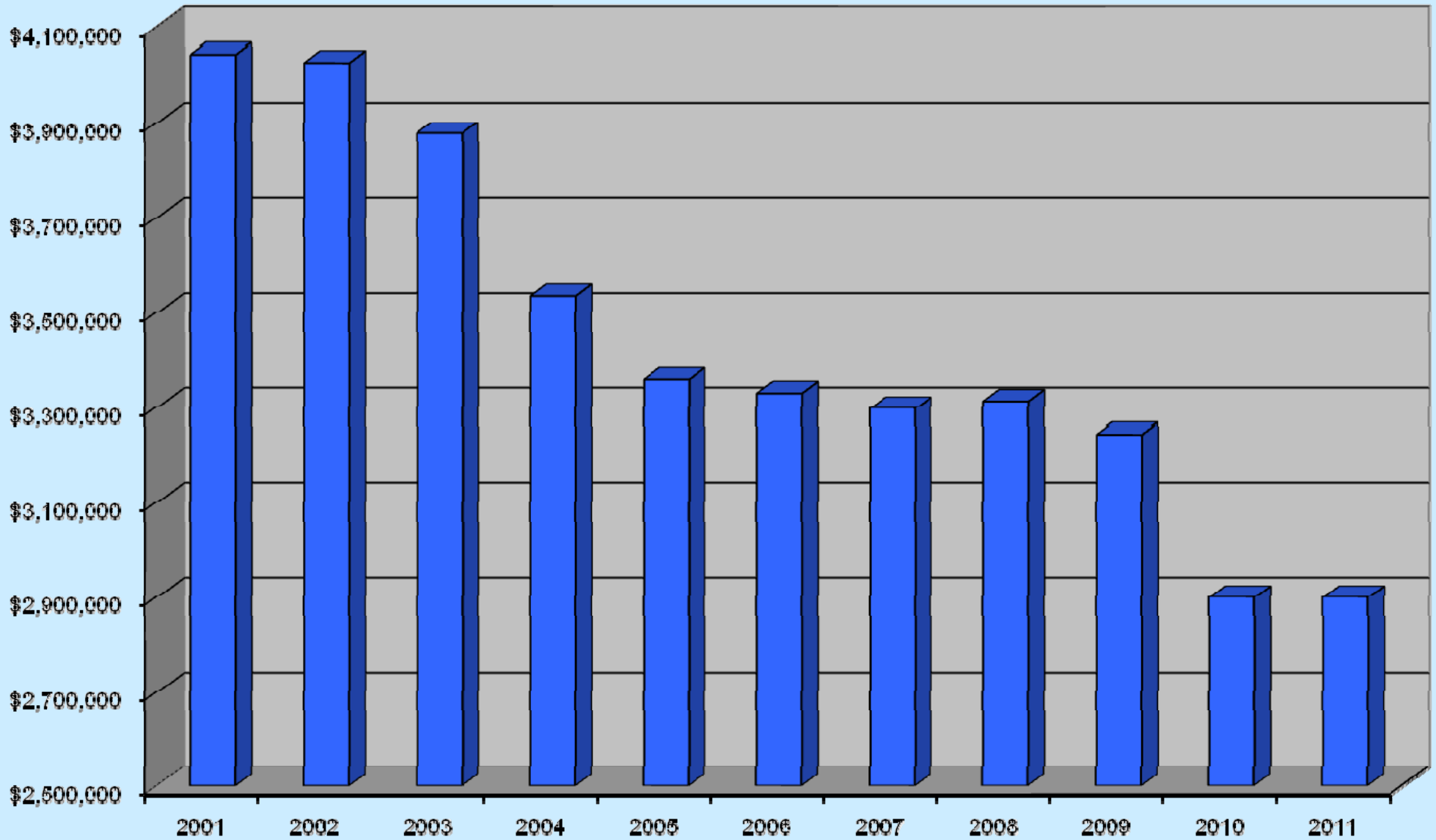


# PROJECTED OPERATING REVENUES AND EXPENDITURES FOR FISCAL YEAR END





## STATE REVENUE SHARING FOR FISCAL YEAR END



## BLOOMFIELD TOWNSHIP PROPERTY TAX RATES 2008

|  | <u>Original Levy</u> | <u>2008<br/>Max. Allowed</u> | <u>Property Taxes<br/>2008-09 Fiscal Year</u> | <u>Expiration Date</u> |
|--|----------------------|------------------------------|---|------------------------|
| <b><u>MAJOR OPERATING MILLAGES</u></b> |                      |                              |   |                        |
| General Allocated                      | 1.4100               | 0.9947                       | \$ 3,927,333.00                               | NA                     |
| Road Department                        | 1.0000               | 0.7169                       | 2,830,500.00                                  | 2016                   |
| Public Safety                          | 2.5000               | 2.3931                       | 9,448,500.00                                  | 2012                   |
| Public Safety                          | 2.8000               | 2.0085                       | 7,930,100.00                                  | 2016                   |
| Public Safety                          | 1.2500               | 1.1336                       | 4,475,700.00                                  | 2013                   |
| Public Safety                          | 1.0000               | <u>0.6941</u>                | <u>2,740,500.00</u>                           | 2015                   |
|  |                      | <b>7.9409</b>                | <b>\$ 31,352,633.00</b>                       |                        |
| <b><u>OTHER OPERATING MILLAGES</u></b> |                      |                              |   |                        |
| Library Operating                      | 2.0000               | 1.4590                       | \$ 5,760,500.00                               | NONE                   |
| Senior Sevices                         | 0.2500               | 0.2439                       | 962,900.00                                    | 2013                   |
| Safety Paths                           | 0.5300               | <u>0.4839</u>                | <u>1,910,500.00</u>                           | 2013                   |
|  |                      | <b>2.1868</b>                | <b>\$ 8,633,900.00</b>                        |                        |
| <b><u>DEBT MILLAGES</u></b>            |                      |                              |   |                        |
| Township Campus                        | NA                   | 0.3635                       | \$ 1,435,200.00                               | NA                     |
| Library Renovation                     | NA                   | 0.3800                       | 1,500,300.00                                  | NA                     |
| Drains at Large                        | NA                   | <u>0.2500</u>                | <u>987,100.00</u>                             | NA                     |
|  |                      | <b>0.9935</b>                | <b>\$ 3,922,600.00</b>                        |                        |
| <b>Grand Total All Millages</b>        |                      | <b>11.1212</b>               | <b>\$ 43,909,133.00</b>                       |                        |



# Financial Assumptions and Projections

- 2010 – 2011 budget: Tax revenue will decline more than 10%.
- 2011 – 2012 budget: Tax revenue will decline another 6%.
- Over four years (2007 – 2011), tax revenue will have declined 20% , or \$6 million.
- Normal expenses are expected to rise at the rate of inflation.



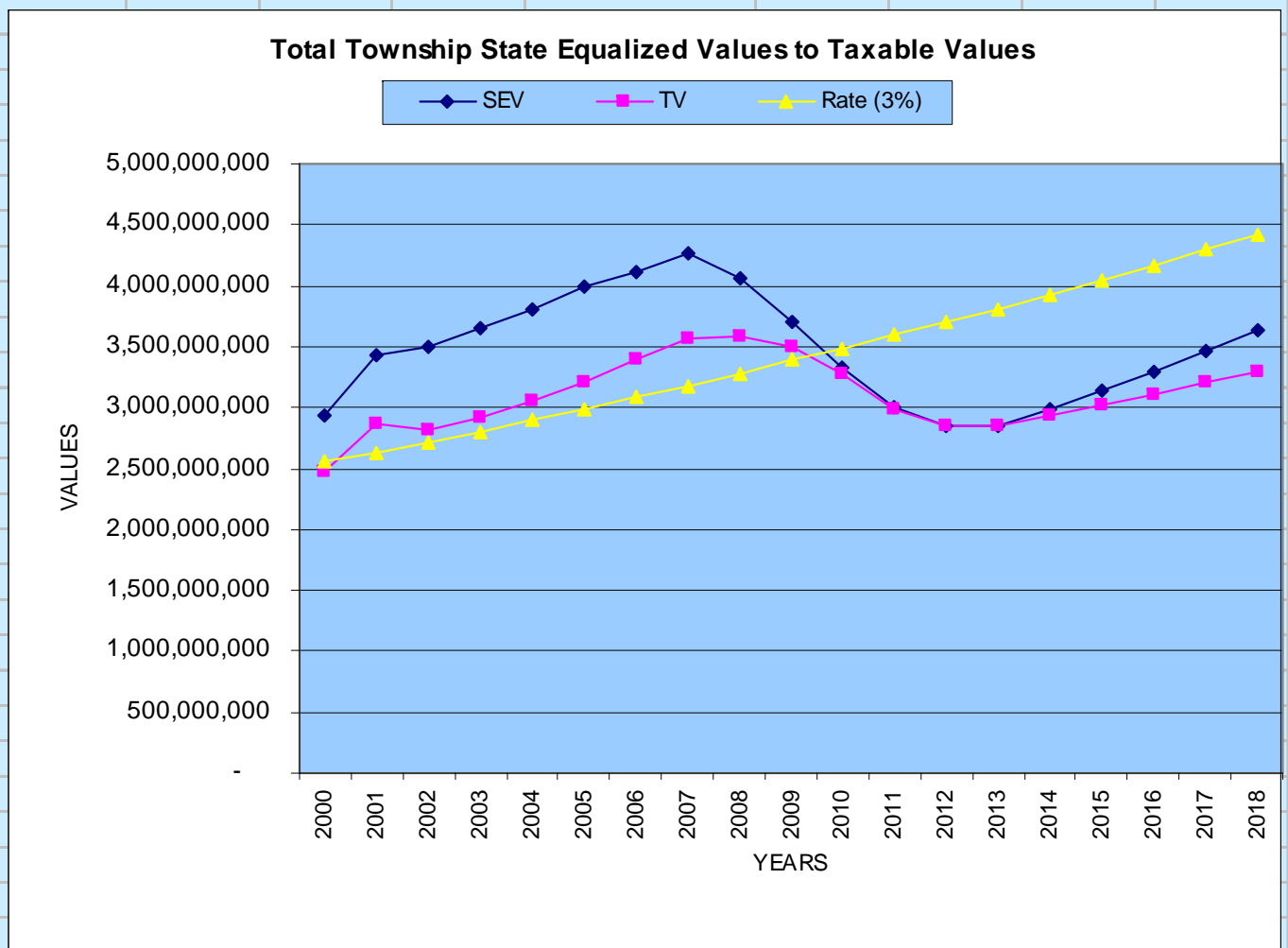
# Financial Assumptions and Projections

- Even when the housing market recovers, taxable value increases will be limited to the rate of inflation because of Proposal A.
- We will not be able to recover losses by market gains alone.
- Market values may not return to pre-2007 levels until 2019.
- Revenues generated from taxable values will not return to 2007 levels until well after 2019.



# Total Residential Projection

| YEAR | SEV           | TV            | Rate (3%)     |
|------|---------------|---------------|---------------|
| 2000 | 2,939,646,320 | 2,472,571,228 | 2,551,693,507 |
| 2001 | 3,431,204,660 | 2,868,084,628 | 2,633,347,699 |
| 2002 | 3,489,773,080 | 2,815,561,268 | 2,717,614,825 |
| 2003 | 3,660,409,480 | 2,923,690,008 | 2,804,578,500 |
| 2004 | 3,800,885,260 | 3,060,287,528 | 2,894,325,012 |
| 2005 | 3,987,677,690 | 3,207,208,070 | 2,986,943,412 |
| 2006 | 4,119,178,500 | 3,395,855,670 | 3,082,525,601 |
| 2007 | 4,268,611,590 | 3,574,219,310 | 3,181,166,420 |
| 2008 | 4,058,387,965 | 3,592,108,420 | 3,282,963,746 |
| 2009 | 3,706,395,940 | 3,498,607,800 | 3,388,018,586 |
| 2010 | 3,335,756,350 | 3,281,389,530 | 3,489,659,143 |
| 2011 | 3,002,180,170 | 2,985,613,500 | 3,594,348,918 |
| 2012 | 2,852,071,670 | 2,842,001,960 | 3,702,179,385 |
| 2013 | 2,852,071,676 | 2,843,540,383 | 3,813,244,767 |
| 2014 | 2,994,675,260 | 2,928,846,594 | 3,927,642,110 |
| 2015 | 3,144,409,023 | 3,016,711,991 | 4,045,471,373 |
| 2016 | 3,301,629,474 | 3,107,213,350 | 4,166,835,514 |
| 2017 | 3,466,710,947 | 3,200,429,751 | 4,291,840,579 |
| 2018 | 3,640,046,494 | 3,296,442,643 | 4,420,595,796 |





# The Charter Township of Bloomfield

## Cost-Containment Strategies



# Cost-Containment Strategies

Over the years, we've taken major steps that have successfully contained costs in many areas. Because we've always been careful with how we appropriate tax dollars, future cost-cutting steps are that much harder – there are no easy places left to cut.



# Cost-Containment Strategies

Some of the steps we've already taken:

- Changed to defined contribution pension plan for new employees instead of defined benefit;
- Increased employee contribution to pension plan;
- Diversified pension plan to increase the chances of higher rate of return over the long term.



# Cost-Containment Strategies

Others are:

- Several years ago, changed from traditional health care plan to a PPO.
- More recently, changed from a PPO to a health reimbursement account (HRA), a high deductible, consumer directed plan with a variety of savings;



# Cost-Containment Strategies

- Opened contracts early with unions and bargaining units and negotiated pay freezes;
- Put all general employees under a 3-year pay freeze;
- Left 18 positions vacant because of resignation or retirement since 2007;
- Overall, we have fewer employees today than we had in 1988.



# Cost-Containment Strategies

We continue to:

- Develop and maintain purchasing consortiums with other governmental entities to maximize our buying power;
- Participate in multi-jurisdictional public safety response teams to provide services we would not be able to provide on our own.



## Future Cost-Cutting Strategies: Consolidation of Services

Bloomfield Township has been leading the way in moving toward consolidation of services with neighboring communities. Some examples:

- After two years of discussions with Birmingham, we have submitted a proposal to them to provide Dispatch services under a contractual agreement.
- We are currently discussing Dispatch, Fire/EMS and Building Department services with Bloomfield Hills.



## Future Cost-Cutting Strategies: Consolidation of Services

We will continue these discussions and push for contracts that are mutually beneficial.

However, this effort is a long-term goal. Even though we have been working toward this for several years, we cannot finalize any contracts or implement any practices that will have an effect on the 2010-2011 budget.

Even if consolidation was implemented tomorrow, we would still need the millage to maintain current service levels due to the severe decline in our tax base.



# The Charter Township of Bloomfield

Proposed 2010-2011 Operating Budget  
with No New Millage

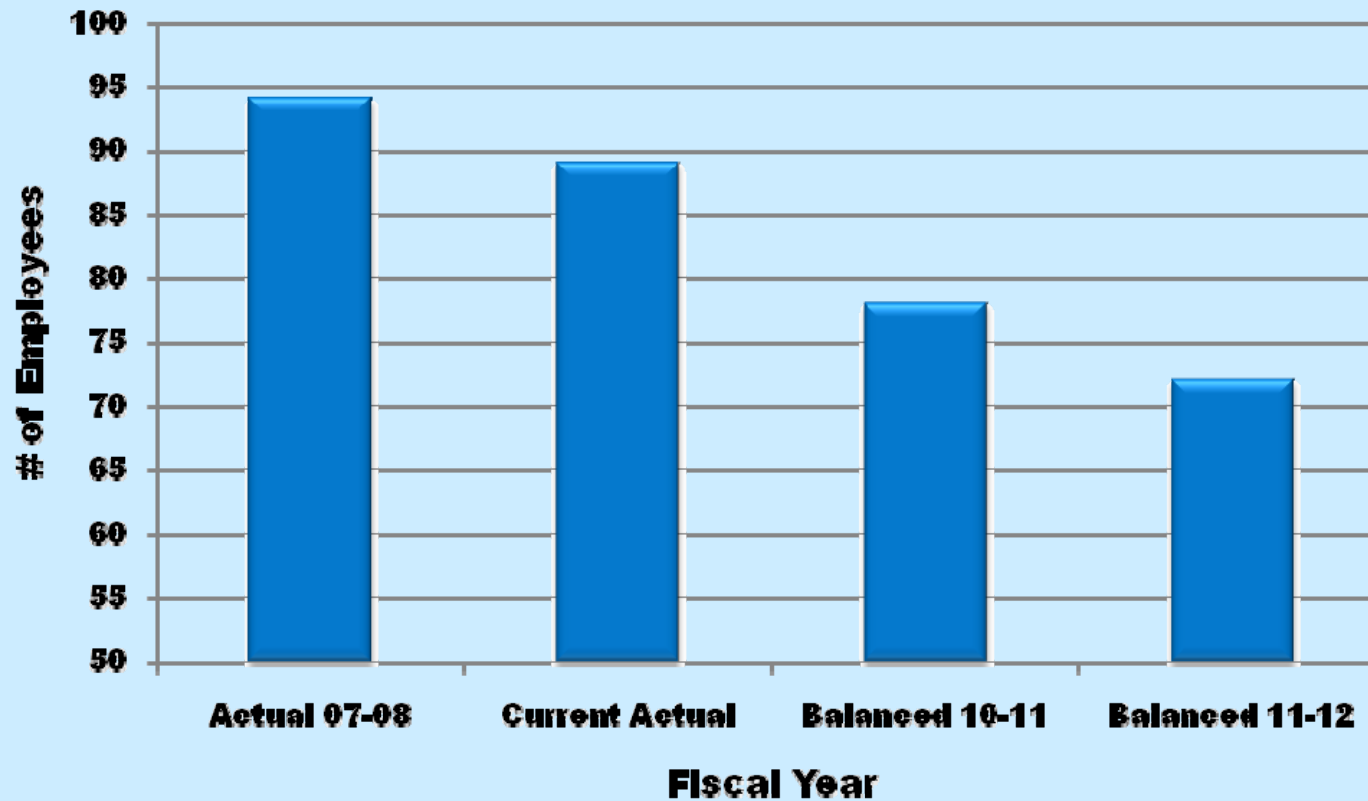


## Projected Operating Budgets No New Millage Current Manpower Levels

|                                       | <b>ACTUAL</b>                  | <b>ESTIMATED</b>            | <b>BUDGET</b>                | <b>BUDGET</b>                  |
|---------------------------------------|--------------------------------|-----------------------------|------------------------------|--------------------------------|
|                                       | <b>2008-2009</b>               | <b>2009-2010</b>            | <b>2010-2011</b>             | <b>2011-2012</b>               |
| <b><u>REVENUES:</u></b>               |                                |                             |                              |                                |
| Property Taxes                        | \$ 31,355,204.08               | \$ 31,082,000               | \$ 27,529,000                | \$ 25,415,000                  |
| State Revenue Sharing                 | 3,242,313.00                   | 2,950,000                   | 2,700,000                    | 2,700,000                      |
| Interest Income                       | 1,226,286.24                   | 600,000                     | 250,000                      | 300,000                        |
| Other Sources*                        | 5,338,044.62                   | 4,689,500                   | 5,276,500                    | 4,676,500                      |
|                                       | <b>TOTAL</b>                   |                             |                              |                                |
|                                       | <b>REVENUES</b>                |                             |                              |                                |
|                                       | <b><u>\$ 41,161,847.94</u></b> | <b><u>\$ 39,321,500</u></b> | <b><u>\$ 35,755,500</u></b>  | <b><u>\$ 33,091,500</u></b>    |
| <b><u>EXPENDITURES:</u></b>           |                                |                             |                              |                                |
| General Fund*                         | \$ 9,532,199.81                | \$ 9,401,475                | \$ 9,852,650                 | \$ 9,900,000.00                |
| Road Fund                             | 3,978,560.69                   | 3,919,600                   | 3,646,100                    | 3,750,000.00                   |
| Public Safety Fund*                   | 23,673,624.44                  | 23,633,900                  | 23,815,250                   | 23,900,000.00                  |
| Capital Expenditures                  | 2,453,095.81                   | 1,639,000                   | 1,409,000                    | 1,450,000.00                   |
|                                       | <b>TOTAL</b>                   |                             |                              |                                |
|                                       | <b>EXPENDITURES</b>            |                             |                              |                                |
|                                       | <b><u>\$ 39,637,480.75</u></b> | <b><u>\$ 38,593,975</u></b> | <b><u>\$ 38,723,000</u></b>  | <b><u>\$ 39,000,000.00</u></b> |
| <b>Transfer to I&amp;R Fund</b>       | \$ (400,000.00)                | \$ (300,000)                | \$ (150,000)                 | \$ (150,000.00)                |
| <b>Transfer to Construction Fund</b>  | \$ (300,000.00)                | \$ (550,000)                | \$ -                         | \$ -                           |
| <b>EXCESS REVENUES (Expenditures)</b> | <b><u>\$ 824,367.19</u></b>    | <b><u>\$ (122,475)</u></b>  | <b><u>\$ (3,117,500)</u></b> | <b><u>\$ (6,058,500)</u></b>   |

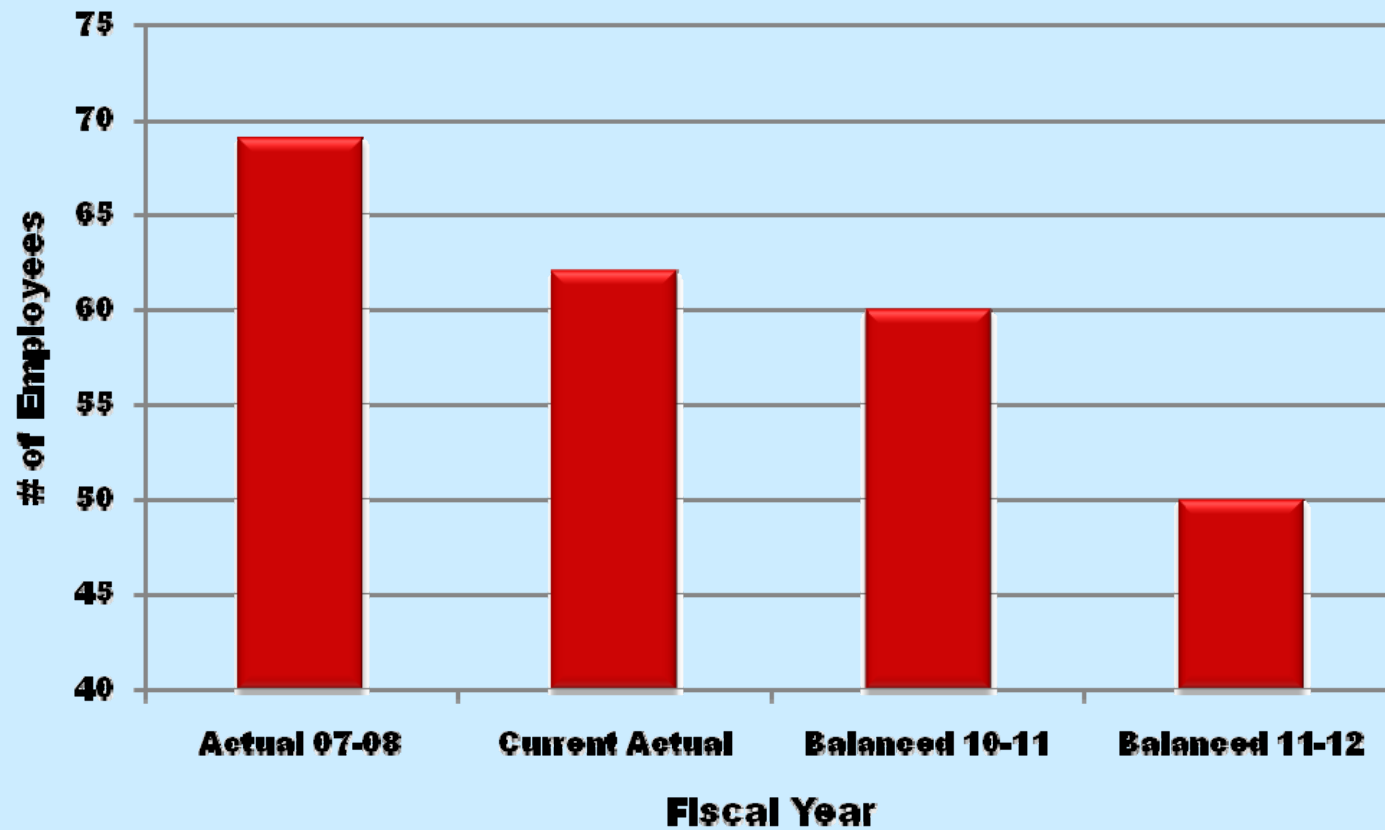


## Reduction in Police Dept Employees Without New Millage



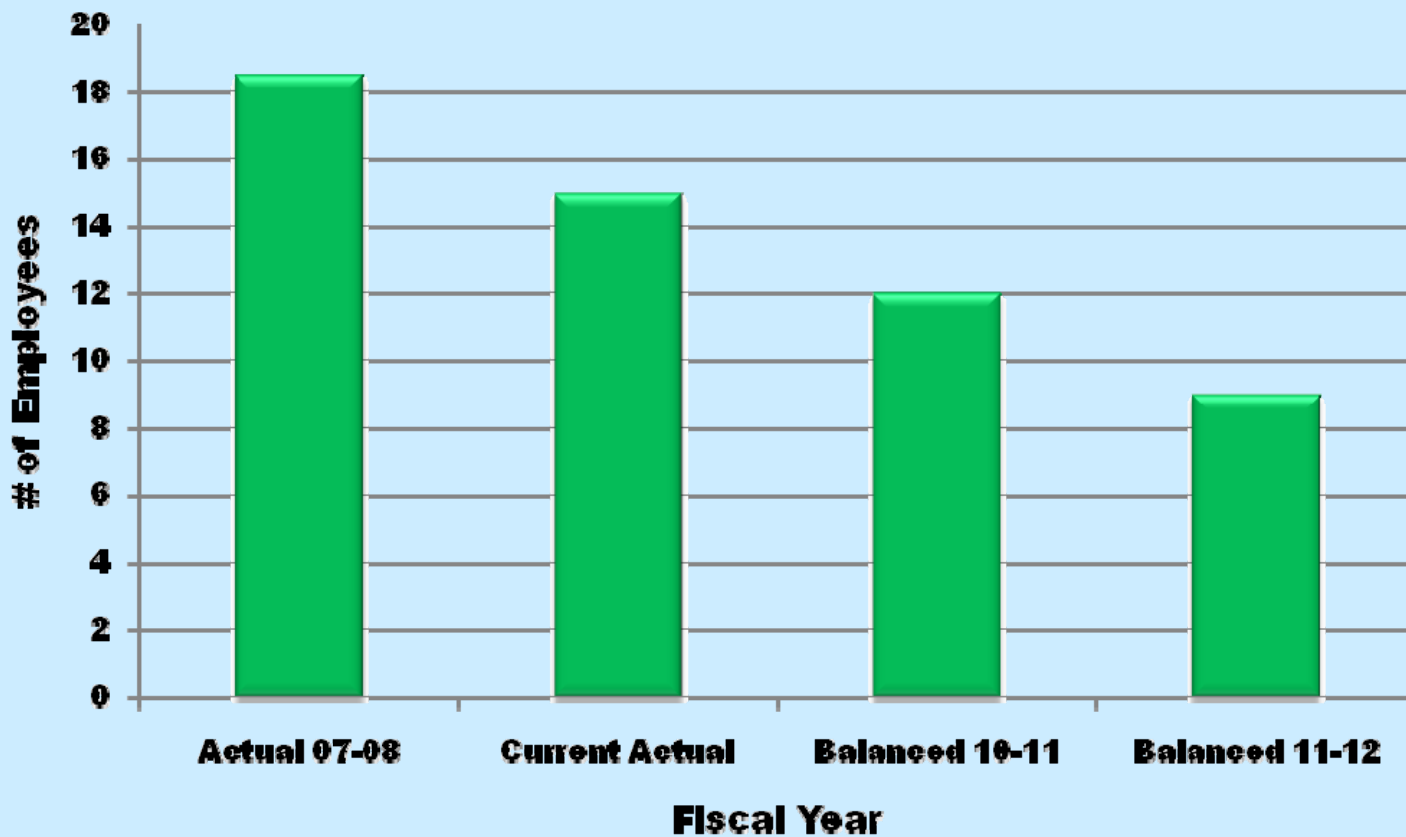


## Reduction in Fire Dept Employees Without New Millage



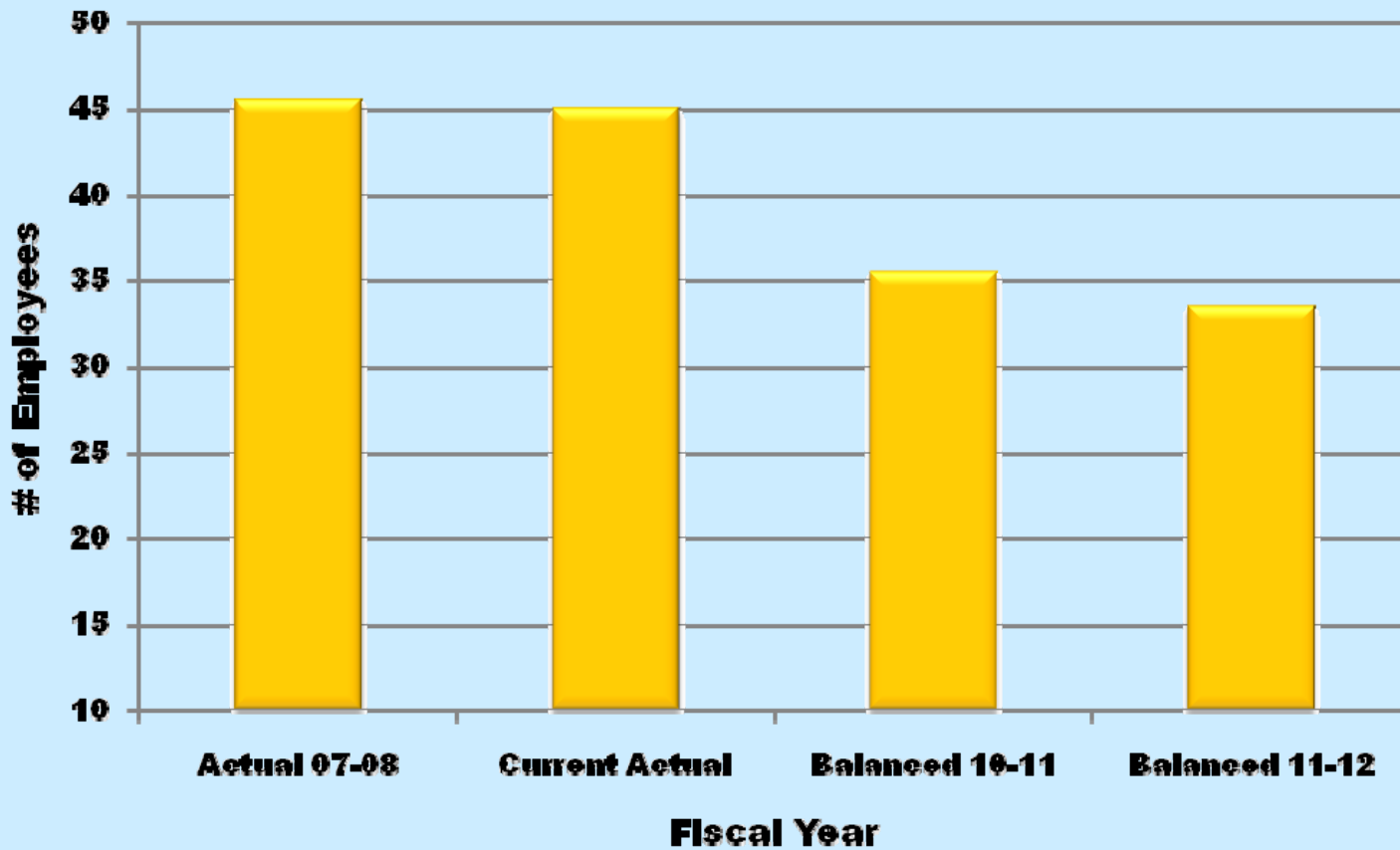


## Reduction in Road Dept Employees Without New Millage



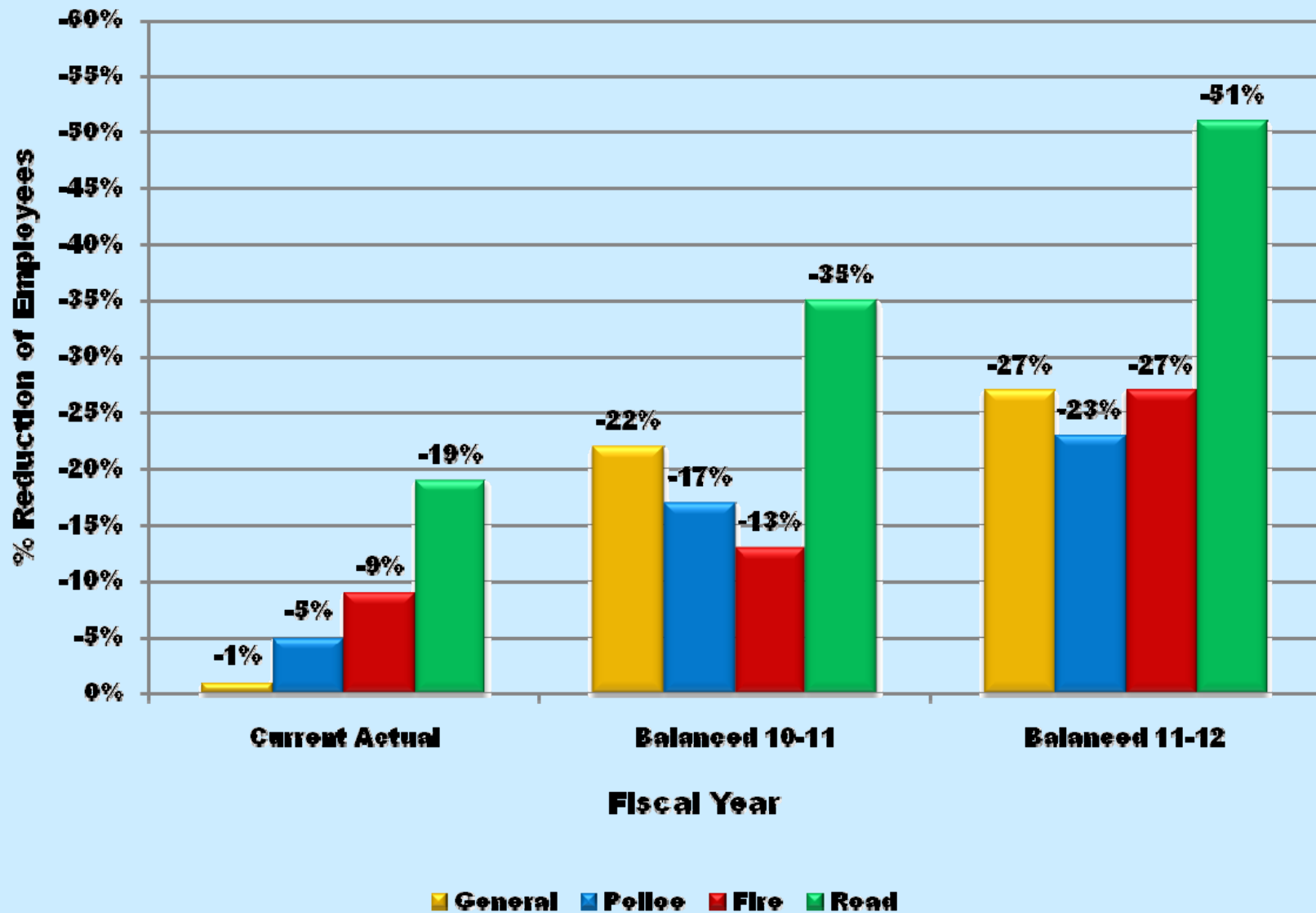


## Reduction in General Employees Without New Millage





## % Reduction in Employees Without New Millage





## Employee Level Comparisons Necessary to Balance Budget Without New Millage

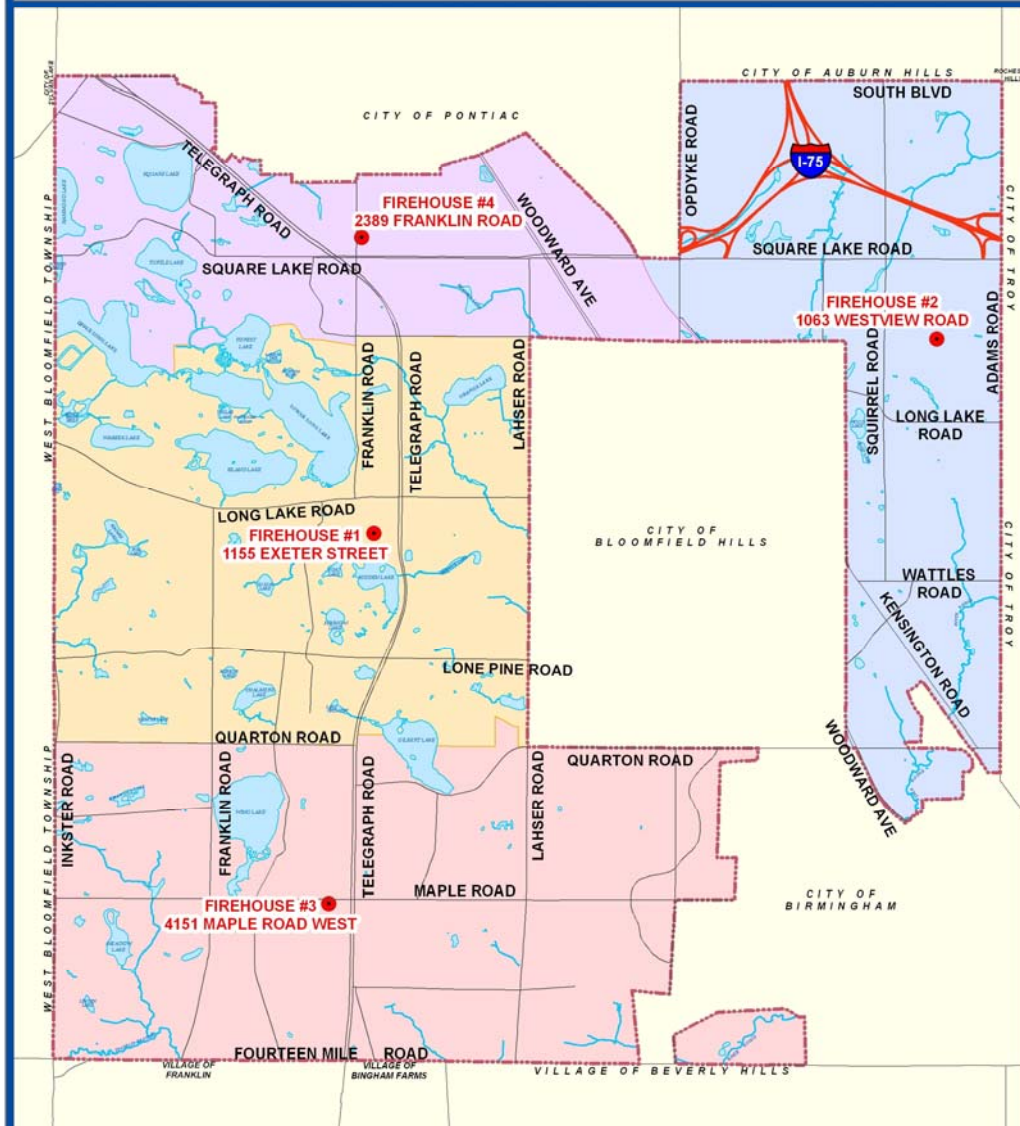
| POLICE DEPARTMENT<br>FULL TIME EMPLOYEES WITH BENEFITS | Manpower              | Current Manpower      | To Balance Budget<br>Without new millage | To Balance Budget<br>Without new millage |
|--|-----------------------|-----------------------|--|--|
|  | <u>Fiscal 2007-08</u> | <u>Fiscal 2009-10</u> | <u>Fiscal 2010-11</u>                    | <u>Fiscal 2011-12</u>                    |
|  | Sworn Police Officers | 70                    | 68                                       | 59                                       |
| Civilian Personnel                                     | 11                    | 8                     | 7  | 7  |
| Dispatchers  | 13                    | 13                    | 12                                       | 11                                       |
| <b>TOTAL</b>   | <b>94</b>             | <b>89</b>             | <b>78</b>                                | <b>72</b>                                |
| <b>Reduction from 2007-08 level</b>                    |                       | <b>-5%</b>            | <b>-17%</b>                              | <b>-23%</b>                              |

| FIRE DEPARTMENT<br>FULL TIME EMPLOYEES WITH BENEFITS | Manpower                | Current Manpower      | To Balance Budget<br>Without new millage | To Balance Budget<br>Without new millage |
|--|-------------------------|-----------------------|--|--|
|  | <u>Fiscal 2007-08</u>   | <u>Fiscal 2009-10</u> | <u>Fiscal 2010-11</u>                    | <u>Fiscal 2011-12</u>                    |
|  | Unit Medic/Firefighters | 60                    | 54                                       | 52                                       |
| Day Personnel  | 7                       | 6                     | 6  | 6  |
| Office Personnel                                     | 2                       | 2                     | 2  | 2  |
| <b>TOTAL</b>   | <b>69</b>               | <b>62</b>             | <b>60</b>                                | <b>50</b>                                |
| <b>Reduction from 2007-08 level</b>                  |                         | <b>-9%</b>            | <b>-13%</b>                              | <b>-27%</b>                              |



**Bloomfield Township  
FIRE DEPARTMENT**

# EXISTING FIRE STATION LOCATIONS



**LEGEND**

**Response Areas**

- Station #1
- Station #2
- Station #3
- Station #4
- Township Boundary
- Lakes
- Rivers / Streams
- Fire House

- Interstate
- State Highway
- US Highway
- Major Arterial
- Minor Arterial

December 10, 2009



The information provided here is intended for reference purposes only. It was compiled from a variety of available sources and is subject to change without notice. The user assumes all responsibility for errors that may appear from the use of this data.



# Personnel Facts and History

Public safety responses have increased dramatically, but we have 17 *fewer* police, fire and EMS personnel now than we had in 1988.

## Police

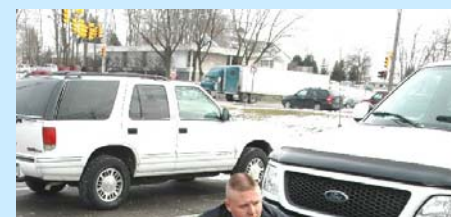
| <u>Year</u> | <u>Sworn Officers</u> | <u>Incidents</u> |
|-------------|-----------------------|------------------|
| 1988        | 71                    | 18,263           |
| 2008        | 70                    | 21,170           |

*Incidents up by 2,907*

## Fire and EMS

| <u>Year</u> | <u>Personnel</u> | <u>EMS</u> | <u>Fire</u> | <u>Total</u> |
|-------------|------------------|------------|-------------|--------------|
| 1988        | 76               | 1358       | 995         | 2353         |
| 2008        | 60               | 2265       | 1721        | 3986         |

*Total Incidents up by 1,633, or 69%*





## Employee Level Comparisons Necessary to Balance Budget Without New Millage

| GENERAL ADMINISTRATION<br>FULL TIME EMPLOYEES WITH BENEFITS | Current Manpower                 |                       | To Balance Budget<br>Without new millage | To Balance Budget<br>Without new millage |
|---|----------------------------------|-----------------------|--|--|
|   | <u>Fiscal 2007-08</u>            | <u>Fiscal 2009-10</u> | <u>Fiscal 2010-11</u>                    | <u>Fiscal 2011-12</u>                    |
|   | Full Time General Fund Personnel | 45.5                  | 45                                       | 35.5                                     |
| <b>Reduction from 2007-08 level</b>                         |                                  | -1%                   | -22%                                     | -27%                                     |
| Non-benefit Personnel                                       | \$ 244,000.00                    | \$ 216,000.00         | \$ 149,000.00                            | \$ 110,000.00                            |
| <b>Reduction from 2007-08 level</b>                         |                                  | -12%                  | -39%                                     | -55%                                     |

| ROAD DEPARTMENT<br>FULL TIME EMPLOYEES WITH BENEFITS | Current Manpower         |                       | To Balance Budget<br>Without new millage | To Balance Budget<br>Without new millage |
|--|--------------------------|-----------------------|--|--|
|  | <u>Fiscal 2007-08</u>    | <u>Fiscal 2009-10</u> | <u>Fiscal 2010-11</u>                    | <u>Fiscal 2011-12</u>                    |
|  | Full Time Road Personnel | 16.5                  | 14                                       | 11                                       |
| Office Personnel                                     | 2                        | 1                     | 1  | 1  |
| <b>TOTAL</b>   | <b>18.5</b>              | <b>15</b>             | <b>12</b>                                | <b>9</b>                                 |
| <b>Reduction from 2007-08 level</b>                  |                          | -19%                  | -35%                                     | -51%                                     |
| Non-benefit Personnel                                | \$ 115,000.00            | \$ 135,000.00         | \$ -                                     | \$ -                                     |



# Bottom Line Without Proposed Millage

To eliminate a \$3.1 million deficit in the fiscal year budget that begins April 1, 2010 we would have to reduce the number of employees even more:

25 positions by April 1, 2010.

To eliminate a \$6 million (20%) budget in the fiscal year that begins April 1, 2011, deeper cuts would still be necessary. Cumulative staff reductions would have to total:

45 – 50 positions by April 2011.



# Millage Proposal

On November 23, 2009, the Bloomfield Township Board of Trustees voted unanimously to ask voters to approve an operational millage of 1.3 mils.

The 10-year millage would raise \$4.4 million in its first year.

The election will take place on Tuesday, February 23, 2010.



# Millage Proposal

All of the revenue raised by the new millage would stay in Bloomfield Township to keep local services at current high levels.

The millage would prevent the permanent elimination of Police and Fire/EMS positions that would be necessary without restored funds.

Police and Fire/EMS services, and all other necessary public services, would remain at current high levels.

All other cost-cutting strategies detailed in the Strategic Plan would stay in place.



# Millage Proposal

The vote must be held in February in order to have a balanced budget by the beginning of the fiscal year that begins on April 1, 2010.

If we waited until August or November to hold the election, we would have no choice but to permanently eliminate 25 positions in March 2010.



# Effect of Millage on Taxes

Many homeowners have already experienced lower property taxes over the past several years. Almost all homeowners will see their property tax decrease next year, even if the millage is passed.



## Effect of Millage on Taxes

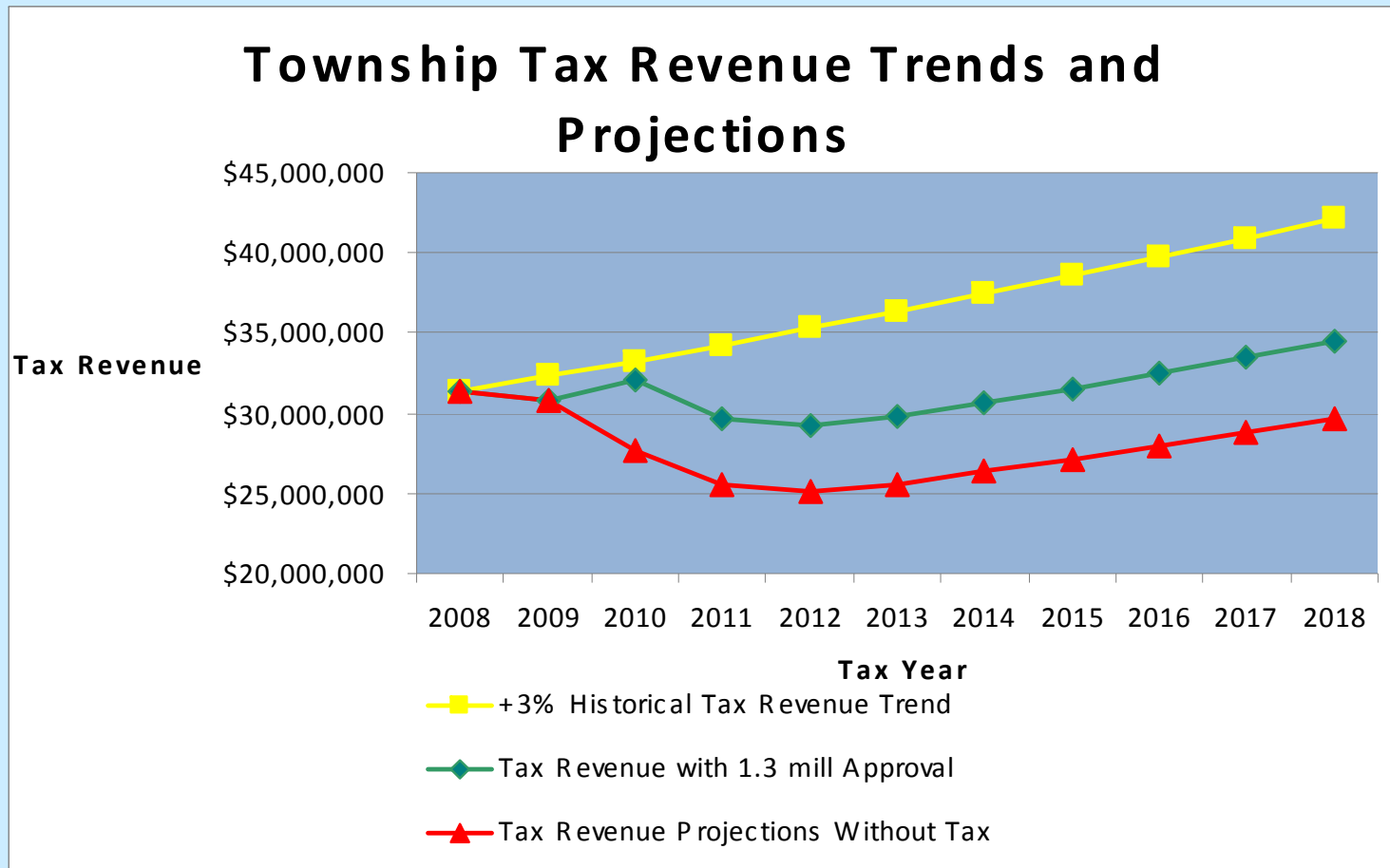
The average taxable value of a house in 2009 was \$205,133, making its taxes \$7,492.

If the millage is not passed, the 2010 taxes on that house would be \$6,724, resulting in a decrease of \$768 from 2009.

If the millage is passed, the 2010 taxes on that house would be \$6,964, resulting in a decrease of \$528 from 2009.



# Effect of Millage on Taxes





# The Charter Township of Bloomfield

If the proposed operational millage is approved on February 23, revenues will be restored to a level sufficient to maintain current staffing levels, keeping Bloomfield Township public safety and other public services intact.

If the millage fails, it will be necessary to permanently eliminate 25 positions by April 1, 2010, and a cumulative total of 45-50 positions by April 1, 2011, which will have a drastic effect on public safety and other public services.