

Bloomfield Township will hold an election on August 6, 2019 for residents to vote on a Public Safety Special Assessment District (SAD).

Public Safety SAD August Election Frequently Asked Questions

What is a SAD?

A Special Assessment District (SAD) is a method of financing public improvement or services by distributing the cost among the people who directly benefit from the improvement or service. This can range from a neighborhood to an entire community depending on the improvement or service.

If a Public Safety Special Assessment District is successful, how will it impact me?

If the SAD is successful, current Bloomfield Township services, programs, and departments will remain intact at their current level. Each taxpayer in the Township will pay an additional 1.05 mills on Township property. This will be identified on the winter tax bills. The proposed ballot language proposes an annual assessment of up to 2.3 mills. However, the expiration of a current general millage approved by the voters in 2010 will result in a net effect of 1.05 mills on Township property.

Why is it being called a “Public Safety SAD”?

The proposed SAD is a Public Safety SAD because roughly two-thirds of the employees and retirees are from Public Safety. In other words, when funding is required for the Defined Benefit pension plan or the Other Post-Employment Benefits (OPEB), two-thirds of it will be paid from Public Safety dollars. Current data and forecasts show that the other Township departments can pay their share of the expenses without cutting services.

What is the proposed ballot language for a Public Safety SAD?

Should the Charter Township of Bloomfield raise money to equip, maintain, and operate the Township Police/Fire Departments by annual special assessment levies of up to 2.30 mills (\$2.30 per \$1,000.00 of taxable value) on all real property in the Township that is not exempt from property taxes, for a period of 15 years, with the levies to be from 2019 to 2033 to provide funding for the 2019/2020 to the 2033/2034 fiscal years. If approved and fully levied in December 2019, the revenue from this special assessment collected in the first year would be \$9,041,317.00. In the event this ballot proposal is approved by the voters, the existing voted general millage due to expire in 2019 will not be renewed by the Township.

Why did the Township decide to hold a special election?

The Township is facing a Public Safety funding shortfall over the funding of the Defined Benefit Pension Plan and OPEB, specifically health care costs for retirees. Several options were considered. Because residents express a high level of satisfaction with the services the Township provides, a SAD was judged to be the best option for preserving those services and the quality of life, and property values, in the Township.

Why is the Township facing this deficit?

Like most communities in Michigan the Township offered a Defined Benefit Pension Plan and retiree health care benefits to retirees (OPEB). These benefits were typical and are still offered by several other communities today. For the first time since selling pension obligation bonds in

2013, the Township must make annual contributions into the defined benefit pension plan trust. In calendar year 2018, the payment due was over \$3.7 million. For calendar year 2019 the payment due is over \$3.5 million. In the past, for OPEB, the Township met the health care obligations on a “pay as you go” practice each year. In 2017, the state passed new legislation, PA 202, which requires municipal entities to have at least 40% of its retiree health care funded, and that the annual contribution make up no more than 12% of government fund revenues. The “pay as you go” system will not meet these state mandated levels. The Township Public Safety Fund must generate approximately \$4 million in new revenue in total for its share of both the OPEB and Defined Benefit Pension annual obligations. This is a situation currently being faced by most of the communities in Michigan.

What has the Township done to cut costs over the years?

In 2005, the Township eliminated the Defined Benefit pension plan, and switched to a Defined Contribution plan, which is similar to a 401K plan. In 2010, the Township moved all active employees from a traditional PPO plan to a consumer-driven high deductible HRA plan saving at least \$12 million. In 2011, the Township eliminated the Defined Benefit Healthcare Plan for new employees. In 2017, the Township moved some of the retirees from a very high cost PPO plan to the current HRA plan like active employees have. Furthermore, the Township has 23 fewer employees today than in 2008 (average savings of \$1.9 million per year since 2008), employees had a five-year pay freeze during the recession, saving at least \$7 million, and longevity pay for all new hires was ended in 2011.

How much will this cost me if it passes?

That depends on the taxable value of the property you own. You can easily find out how much of an increase you will have to pay by using the simple calculator on the Township website. Go to www.bloomfieldtp.org and click on the link “August Election Facts” on the left side of the home page. That will take you to a page listing a variety of information about the election. The calculator is at the bottom of the page. Just type in your house number and choose your street from the dropdown. You will see your home’s Taxable Value and the Estimated Tax Increase for your property. The proposal asks voters to approve 2.3 mills to fund Public Safety. If the SAD passes, the general millage of 1.25 mills will be allowed to expire, resulting in a net increase of 1.05 mills.

What happens if it fails?

The Township will have to make cuts to services, programs and departments, and add an administrative fee. Significant cuts will include reducing a fire station to EMS services only, reducing the number of firefighter/paramedics by 10, reducing the number of Police Officers by a total of eight, eliminating the Animal Welfare division, hiring Oakland County to do assessment services for the Township, eliminating the Township Dispatch services and contracting with Oakland County, and eliminating the General Fund contribution to the Road Division which means no annual concrete and asphalt road repair program, among other service and employee cuts. Maintenance of the medians on Telegraph, Woodward and Square Lake Roads would be eliminated. The police officer position shared with the schools would be eliminated, and there would be no police participation in the violent gang task force, surveillance team, narcotics enforcement team, or the financial fraud team. Events such as the Township’s annual Dream Cruise, Open House, and the popular electronic recycling and household

hazardous waste disposal events would be eliminated. In addition to these cuts, the Township would impose a 1% administrative fee on all tax bills.

So why not make “non-essential” cuts?

Because of the size of the annual shortfall partially due to the state law change in 2017, making cuts to departments, programs, and services will not make enough revenue available to address the annual funding need. In fact, most departments can pay their share of the expenses without cutting services or staff. Indeed, roughly two thirds of the current employees and retirees are from Public Safety, and therefore, roughly two thirds of the Defined Benefit and OPEB expenses will be paid from Public Safety dollars. To make the annual financial obligation without a Public Safety SAD would require a renewal of the 2010 general millage in addition to implementing the significant cuts to Public Safety and the Road Fund, as described above.

I pay a lot of money in taxes. Where does it all go?

Only 26.7% or about 27 cents of each dollar, of the taxes you pay, stay in Bloomfield Township. This includes funding Bloomfield Township general operations, road and safety path millages, public safety millages, the Senior Center millage, and capital projects and drains. Of the 26.7% of tax dollars that stay in the Township, 70.7% is funding Public Safety. More information on taxes, including a pie chart showing where the dollars go, can be found on the Township website.

A survey of the township was done by the Glengariff Group, Inc. What were the results?

In January 2019, 400 random residents were surveyed. They were asked a variety of questions about the Township, their level of satisfaction with services and the financial obligation that the Township faces. The results are available for public review. Go to the Township website, www.bloomfieldtwp.org, click on “August Election Facts” at the left side of the page, which will take you to the Elections page. The survey link is under “Residents Survey.”

Where can I find more information on the topic and stay up-to-date on information regarding the election?

A primary source is the Township website, www.bloomfieldtwp.org. The website has all the facts and figures and will be updated regularly. Information regarding the upcoming Public Safety SAD election can be found here <https://www.bloomfieldtwp.org/Government/Funding-the-Budget-Deficit.aspx>

A series of Town hall meetings have been scheduled to answer questions about the Public Safety SAD. The dates and locations can be found here <https://www.bloomfieldtwp.org/Government/Funding-the-Budget-Deficit/Town-Hall-meeting-schedule-2019-05-08.aspx>

For specifics on registering to vote, obtaining an absentee ballot or precinct locations, go to <https://www.bloomfieldtwp.org/Government/Services/Clerk/Elections.aspx>

For more information follow Bloomfield Township on social media platforms including Facebook, Twitter, Instagram or sign up for the Township eNewsletter at <https://www.bloomfieldtwp.org/Resources/Social-Media.aspx>