

Bloomfield Township  
Public Safety Special Assessment District  
(SAD) of 2.3 mills

(net increase of 1.05 mills)

Vote on August 6<sup>th</sup>, 2019



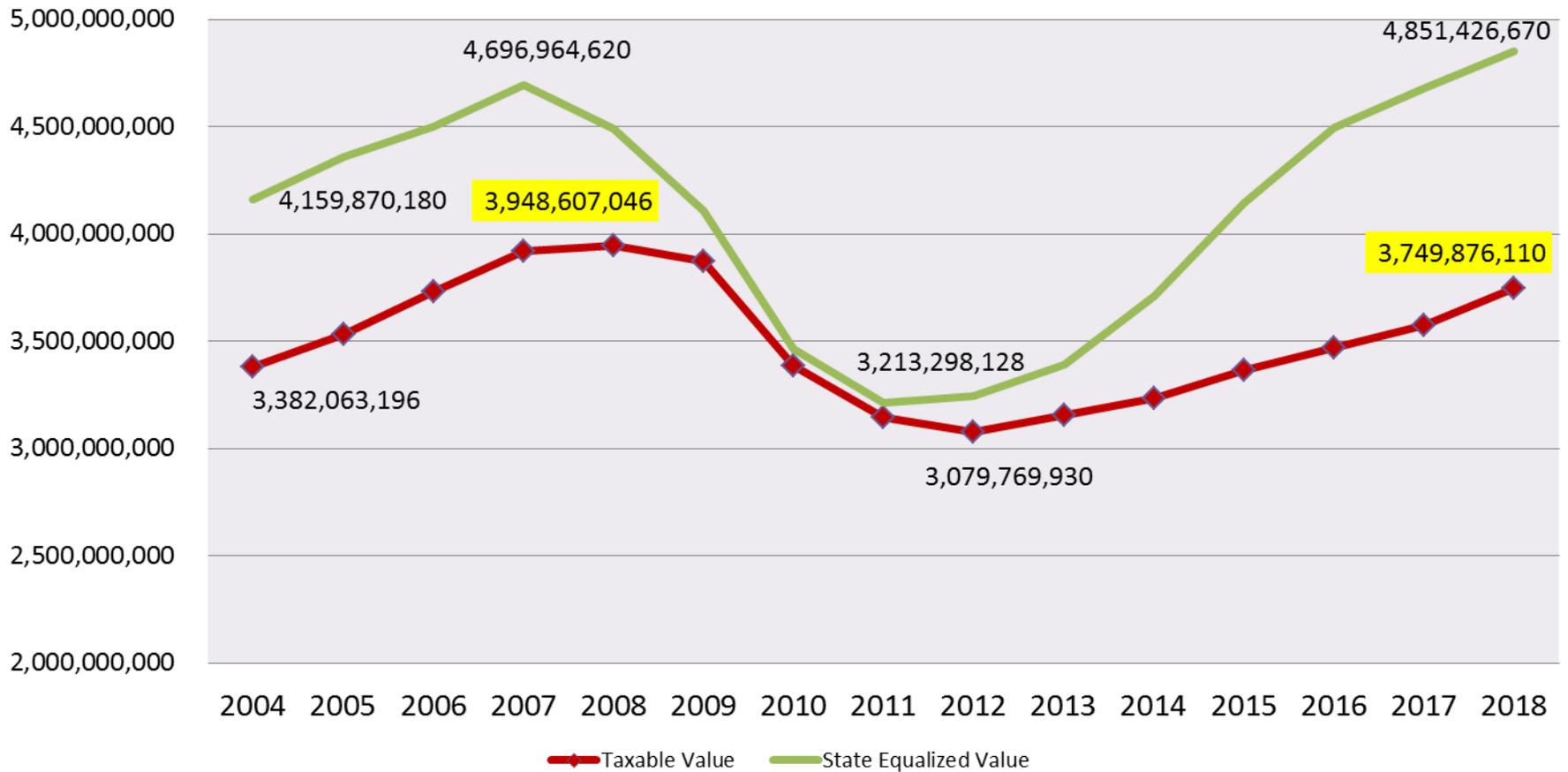
## A Quick Recap of **the Issue**

- The Township is facing a Public Safety funding shortfall due to the fact that roughly two-thirds of the employees and retirees are from Public Safety
- When funding is required for the Defined Benefit pension plan or for Other Post-Employment Benefits (OPEB), two-thirds of it will be paid from Public Safety dollars
- Michigan PA 202 of 2017 mandates a state approved funding plan for OPEB
- Current data and forecasts show that the other Township departments can pay their share of the expenses and without cutting services
- Large townships like Bloomfield are limited by the 10 mill cap on property taxes and must seek additional funding sources when providing a high level of service
- In 2010, the residents approved a ten year general tax levy of 1.30 mills; as initially represented by the Board, over the past nine years 88% of the funds raised have gone to Public Safety and the rest to Roads; this millage is expiring

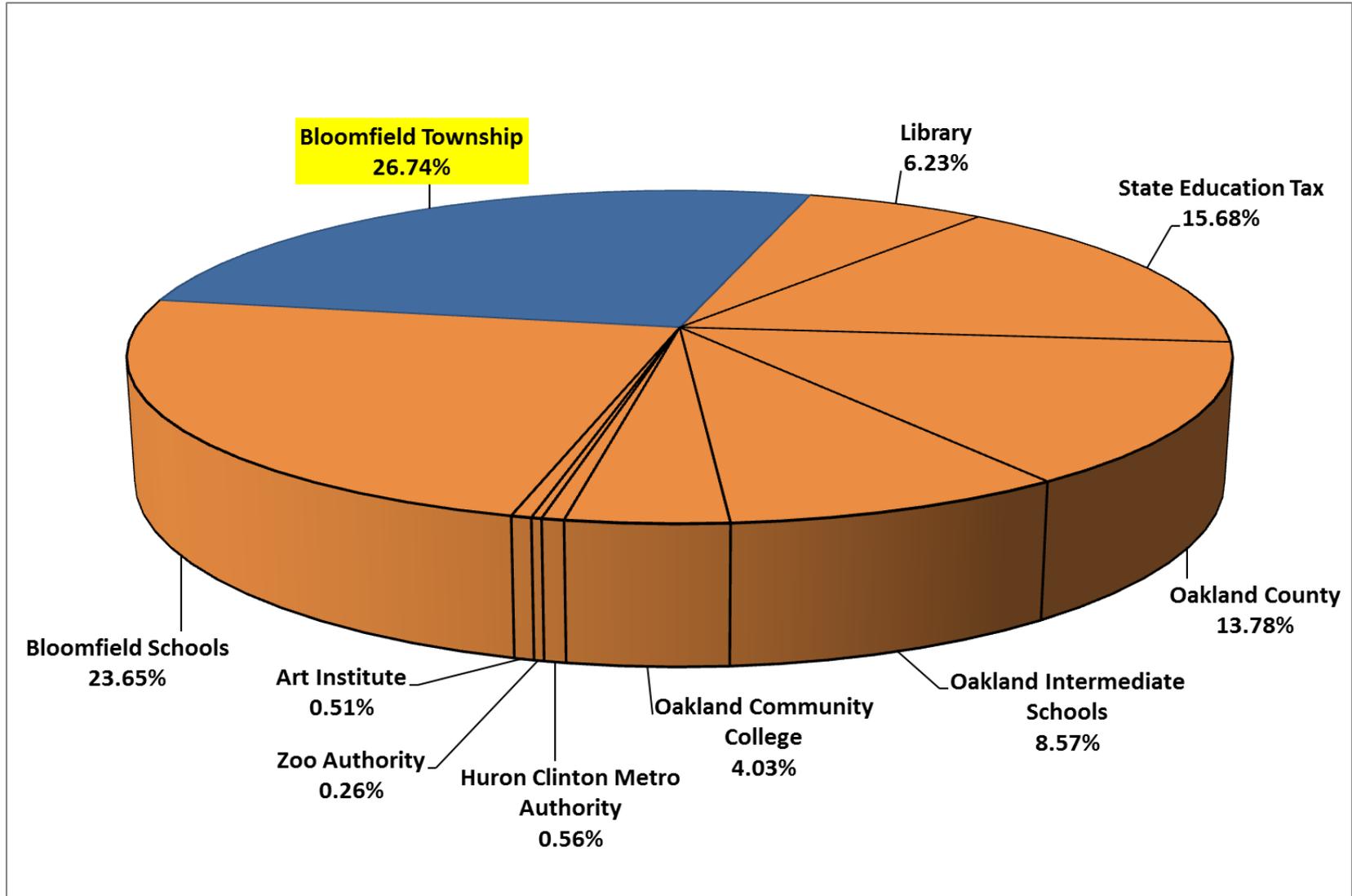


The Township's taxable value is still below 2008 levels; after 10 years there has not yet been a full recovery

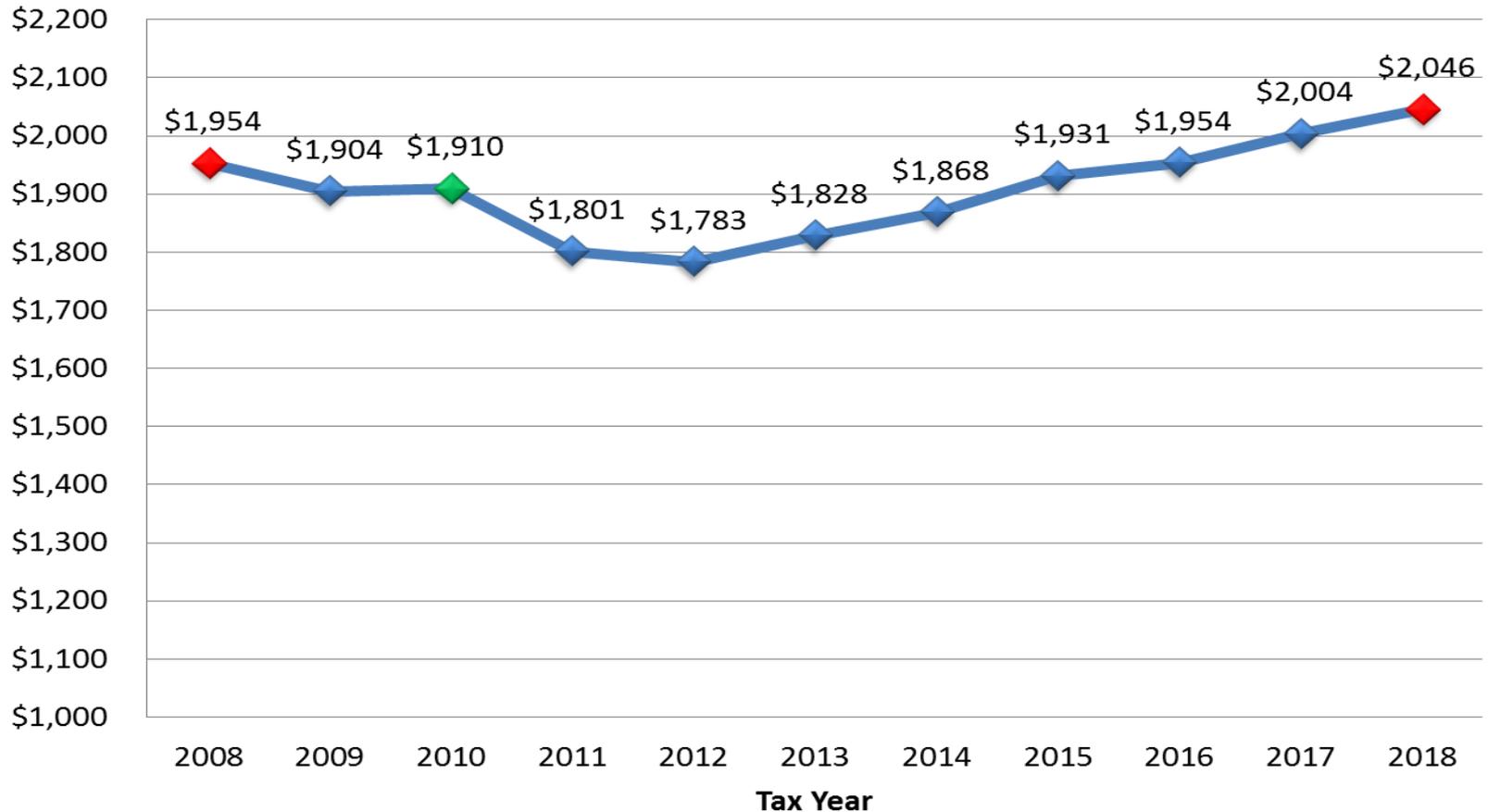
### Bloomfield Township SEV and Taxable Value 2004-2018



# Bloomfield Township keeps **27 cents** of each property tax dollar you pay



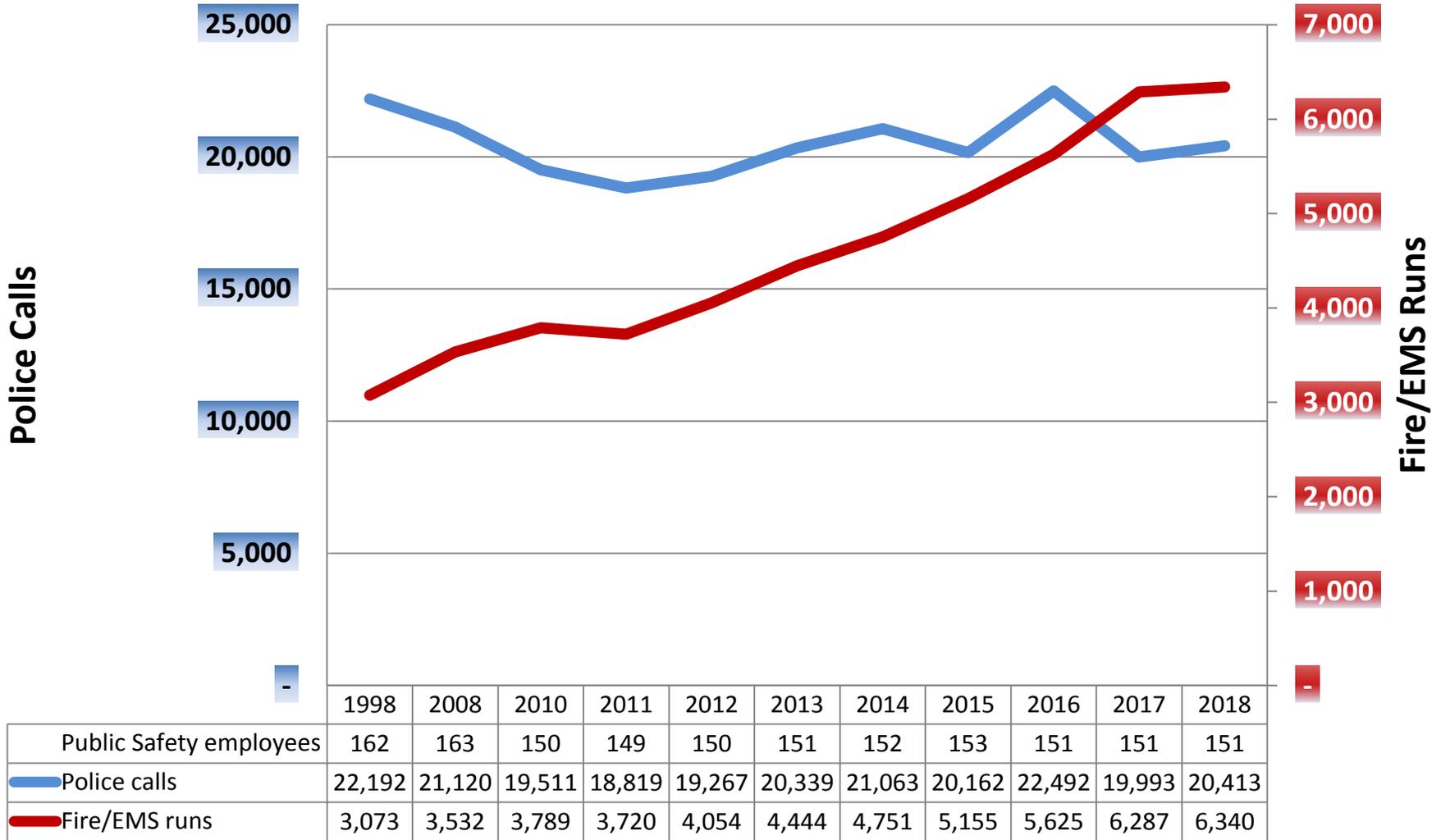
## Average Residential Tax Bill - Township Millages Only



- When the 2010 general millage was passed, the average homeowner's Township taxes increased by **\$6**
- Over the last 10 years, the average homeowner's Township taxes have increased by only **\$92** or 4.7%



## Historical Police Calls and Fire/EMS Runs



Over the last 10 years, the number of Public Safety employees has decreased, while demand has increased



# The Bloomfield Strategy

- Maintain a high level of community service, especially in Public Safety
- Maintain and attract a best in class professional workforce
- Provide full value for every dollar received and spent
- Continue to seek, evaluate, and implement cost-saving measures and efficiencies



## The Solution: Public Safety SAD of 2.3 mills (net 1.05 mills)

- Average home = \$219 net increase
- Median home = \$169 net increase
- Two-thirds of residents will pay less than \$219
- Provides \$9M to Public Safety (net \$4.1M)
- Eliminates tax revenues of \$4.85M by allowing the 2010 general millage to expire and not be levied in its last year
- Allows a \$2M annual contribution towards the OPEB liability
- Could meet the OPEB state mandated minimum funding level of 40% by 2033 (PA 202 of 2017)





# The Township History of Implementing Cost-Saving Measures and Efficiencies

- Number of Employees and Pay:
  - **23 fewer employees** today than in 2008; saving an average of **\$1.9M** each year since 2008
  - **5 year pay freeze** for employees during the recession; saving at least **\$7M+**
  - **Removed longevity pay** for all new hires in 2011; providing long term savings after 2025
- Health Care Plans:
  - In 2010, moved all active employees from a traditional PPO plan to a consumer-driven high deductible HRA plan; saving at least **\$12M+**
  - In 2011, closed the Defined Benefit Health Care Plan for all new hires
    - Today 33% of our full-time employees have a retirement health savings plan
  - In 2017, moved some of the retirees from a very high cost PPO plan to the HRA plan
  - In 2018, changed healthcare consultants who are currently taking a deep dive into all aspects of the employee and retiree health care plans



# The Township History of Implementing Cost-Saving Measures and Efficiencies (continued)

- Defined Benefit Pension Plan:
  - In 2005, closed the Defined Benefit Pension Plan for all new hires
    - Today 45% of our full-time employees have a 401k style plan
  - In 2016, created substantial savings by removing Prudential as the guarantor of the annuity payments; saving at least **\$13M+**
  - In 2018, through mediation, lowered the fees being charged by Prudential as well as negotiated a more favorable funding calculation
  - All of these items contributed to allowing a more diverse portfolio leading to higher earnings on the Trust assets
- Contributed and Invested OPEB Funds into diversified equities portfolios to allow long term growth of the assets since 2011
- Implementing Efficiencies - The departments continually search for and implement efficiencies and cost-saving measures year over year



## Ballot Language

- 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.

\*PLEASE NOTE – while the new SAD is 2.3 mills generating over \$9M of revenue, the 2010 General millage will not be levied in 2019 and will expire. This net effect of the new SAD is 1.05 mills with \$4.1M of revenue.



# What Can You Do??

Educate yourself with the facts and frequently asked questions:

- Visit the Township website:  
<https://www.bloomfieldtpw.org/Government/Funding-the-Structural-Deficit.aspx>
- Call the Township with your questions, or set up a meeting for a discussion
- Attend one of the Q&A Town Hall meetings on the following dates:

Senior Center, 4315 Andover Rd	Town Hall, 4200 Telegraph Rd
Thursday, May 16 <sup>th</sup> @ 1:30pm	Wednesday, May 29 <sup>th</sup> @ 3:00pm
Thursday, May 16 <sup>th</sup> @ 3:00 pm	Thursday, June 27 <sup>th</sup> @ 7:00pm
Monday, June 17 <sup>th</sup> @ 9:30am	Wednesday, July 10 <sup>th</sup> @ 3:00pm
	Wednesday, July 31 <sup>st</sup> @ 7:00pm

## Please vote on August 6<sup>th</sup>, 2019

