

LETTER TO THE Community



JANUARY 2012

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PLYMOUTH TOWNSHIP FIRE/EMS SPECIAL ASSESSMENT DISTRICT TAX INCREASE PROPOSAL

**IMPORTANT VOTER INFORMATION
FOR FEBRUARY 28, 2012
ELECTION BALLOT PROPOSAL**

Dear Neighbors,

As part of our ongoing effort to keep you informed, we are sending you this special communication on Plymouth Township Fire/EMS services. There will be a ballot proposal on the February 28, 2012 election to create and implement a Fire/EMS Special Assessment District (SAD) tax increase.

How did this millage increase proposal get on the ballot?

The issue began with The City of Plymouth terminating their participation in the joint Plymouth Community Fire Department (PCFD) effective December 31, 2011. This termination resulted in a revenue shortfall of roughly \$1,000,000 or 25% of Plymouth Township's Fire/EMS budget. As of January 1, 2012, the Township Fire Department is no longer responding to City of Plymouth Fire and EMS calls. With this change, the Fire and EMS workload has been reduced by roughly 30%.

There are several actions, (including state mandated steps the Township must follow) that lead to this potential 300% Fire/EMS Dept. millage increase:

- 1) An organization known as the Citizen Action Group initiated a petition to obtain Plymouth Township resident signatures to begin the SAD tax increase process.
- 2) After a question regarding the validity of resident signatures, a Wayne County judge ruled there were sufficient signatures on the petition to proceed with the SAD process. The next step in the state mandated process was a public hearing and development of an estimate for the proposed millage increase.
- 3) A public hearing was held December 19, 2011 in the Township Hall to hear resident concerns and present an estimate for the first year of the SAD millage increase.

This informational newsletter will give you the facts regarding the issues, estimated tax increase, specific ballot proposal language and answers to some commonly asked questions.

How much will this cost me in additional taxes?

The first year estimate calls for an assessed rate of 2.444 mills, meaning \$2.444 for every \$1,000 in taxable property value. Based on the average Plymouth Township home market value of \$222,780 the tax increase to the average household would be approximately \$269. The actual cost will vary depending on your specific property's value. Some property owners may pay \$400 or more in taxes each per year.

What are the details of potential tax increase?

Although the special assessment will be one line item on your tax bill there are two components that make up the line item total; operations and equipment. The portion of the tax increase for fire equipment can be up to 10 mills with no end date and the portion of the tax increase for fire maintenance and operations including wages and benefits is unlimited with no end date.

How long will this tax increase be in effect, and can it change?

If approved the SAD millage will be in effect **each and every year**. The only question is how much the tax will be collected each year which will be the decision of current and future Board of Trustees, NOT Plymouth Township residents. In other words, if this passes, Township residents will no longer have any voting input regarding the amount of the special assessment tax increase. That decision is set in place permanently, and any millage adjustment will be determined by future Boards, and not township residents.

If the SAD tax increase passes, what are the next steps and when would it go into effect?

If the special assessment passes, it will be included in the Winter 2012 tax bill, payable by February 14, 2013. Special assessments are collected the same as property taxes, and are listed as a line item on your Winter tax bill.

Estimated Taxpayer Costs, Firefighter Wage and Benefit Information

Estimated Taxpayer Costs

Subdivision	Average Property Value	Average Taxable Value	Average Tax Increase
Avg. Township Home	\$222,780	\$109,880	\$268.55
Trailwood	\$243,180	\$121,540	\$297.04
Ridgewood	\$283,780	\$141,880	\$346.75
Huntington Park	\$318,580	\$159,290	\$389.30
Rolling Oaks	\$347,860	\$173,720	\$424.57
Plymouth Commons	\$367,520	\$183,750	\$449.08

Firefighter Compensation, Benefits and Legacy Costs

The Plymouth Township Firefighter staff is the highest paid among all Township departments, with average compensation levels listed below for these three Firefighter job classifications:

Firefighter Classifications	2011 Average Total Cash Compensation	2011 Cash Compensation and Benefits Package
Fire Captains	\$97,960	\$136,047
Fire Lieutenants	\$95,631	\$128,081
Firefighters	\$80,922	\$108,129

Firefighter Hours – Township Firefighters work **24 hour shifts 9.3 days per month**, with **roughly 21 days off each month**. In addition, there is **no work duties scheduled evenings, Saturdays, Sundays or Holidays**.

Average Number of Fire and EMS Runs per Year – In 2010, there were 2,281 fire and EMS-related runs in Plymouth Township, or an average of just **2 per day among three Fire Stations**.

Firefighter Retirement/Legacy Costs – Township Firefighters can retire after **25 years at 70% of their pay**, and 28.5 years at **80% of their pay**. Township Firefighter retirees also continue to receive **free lifetime health, dental and optical coverage** for themselves and their spouse and **pay no out-of-pocket premium sharing costs**. The total of these “legacy” costs is expected to be **\$13,500,000**.

DID YOU KNOW ?

This SAD proposal accounts for a 300% tax increase in the Fire/EMS millage, and over 75% of that cost is in wages, benefits and legacy costs for a Fire Department that will have a smaller workload. As a matter of fact, Township fire runs are down 35% since 1994.

Special Assessment District (SAD) Ballot Background and Proposal Language

What is a Special Assessment District (SAD) tax?

According to Michigan law (MCL 48.801), Township residents can petition for additional Fire Department funding through a Special Assessment District (SAD) tax increase.

What led to this potential SAD tax increase?

- 1) An organization known as the Citizen Action Group initiated a petition to obtain Plymouth Township resident signatures to begin the SAD tax increase process.
- 2) After a question regarding the validity of resident signatures, a Wayne County judge ruled there were sufficient signatures on the petition to proceed with the SAD process. The next step in the state mandated process was a public hearing and development of an estimate for the proposed millage increase.
- 3) A public hearing was held December 19, 2011 in the Township Hall to hear resident concerns and present an estimate for the first year of the SAD millage increase.

When will the vote take place?

The SAD proposal is on the February 28, 2012 election ballot.

How will the Fire SAD be presented on the ballot?

Below is the specific language of the proposal as it will be presented on the ballot:

A proposal to create a special assessment district for fire services comprising all of the land of the Charter Township of Plymouth except tax exempt property under Public Act 33 of the Public Acts of 1951, MCL 41.801 et seq., thereby authorizing the Charter Township of Plymouth Board of Trustees, after public hearing, to annually assess and levy on the lands specially benefited an ad valorem special assessment based on the taxable value of the property in the special assessment district, in an amount not to exceed .10 percent of the taxable value of the property assessed (10 mills) for fire vehicles, equipment, apparatus and housing; and further authorizing the Charter Township of Plymouth Board of Trustees, after public hearing, to annually assess and levy on the lands specially benefited an ad valorem special assessment based on the taxable value of the property in the special assessment district, in the amount necessary for operation and maintenance of fire services.

Shall the proposed Special Assessment Fire District be created and the assessment be authorized?

Yes No

How are the Township Fire Dept tax funds allocated in the proposed millage increase?

Here is a breakdown of the Fire Dept expenses and revenue estimate of additional funds required through the SAD millage.

EXPENSES

Fire Equipment	\$600,000
Fire Operations	
Operation	\$969,500
Wages & Benefits	\$3,317,500
Legacy Costs	\$1,400,000
TOTAL EXPENSES	\$6,287,000

REVENUES

Existing Millages	\$2,325,000
Other Revenue	\$125,000
TOTAL REVENUES	\$2,450,000

SAD – Amount to be Assessed	\$3,837,000
Millage Rate Increase	2.444 mills

Would this Special Assessment tax affect all Township land and property owners?

Yes, it would. Every single home, condo, business and property owner currently paying property taxes in Plymouth Township would be required to pay any SAD tax increase.



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TAX INCREASE PROPOSAL

Be sure to vote
Tuesday February 28, 2012

Brief Overview | FAQ's

How did this get on the ballot?

- There was a petition generated by the Citizen Action Group and a Wayne County judge ruled there were sufficient signatures that initiated the state mandated SAD process including a first year estimate and ballot language.

Why is there a revenue shortfall and workload reduction?

- The City of Plymouth terminated its partnership with Plymouth Township in operating a joint Fire Department, effective December 31, 2011.
- This termination resulted in a revenue shortfall of roughly \$1,000,000, or 25% of the total Fire/EMS budget in Township.
- As of January 1, 2012, the Township Fire Department is longer responding to City of Plymouth Fire and EMS calls. With this change, the Fire and EMS workload has been reduced by roughly 30%.

How much will this cost me in additional taxes?

- The proposal calls for a first year assessed rate of 2.444 mills, meaning \$2.444 of every \$1,000 in taxable property value.
- Based on the average Plymouth Township home value of \$222,780 the tax increase to the average household would be approximately \$269. The actual cost will vary depending on your specific property's assessed value.
- Some property owners may pay \$400 or more in taxes each per year, with no limit on the annual increases.

Will this Special Assessment District tax increase be up to voter approval each year?

- No, it will not. If the SAD passes this year, it will be in place permanently. There is no law to eliminate the SAD.
- The only question will be HOW MUCH tax could be collected, and that decision will be made by future Board of Trustees, NOT by Township voters.

DID YOU KNOW ?

If this SAD tax increase passes, it will remain on each year's Winter tax bill for current as well as future Board of Trustee members to determine rate adjustments. This will effectively take residents out of the decision making process regarding future tax increases. Future SAD Fire Department tax increases will not be a matter of if, only how much.

Please look inside for more details, and we encourage your feedback and suggestions.