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Ann Arbor Township News

SUMMER 2006

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ANN ARBOR
Charter Township

A letter from the Board of Trustees about the Fire and Police Protection Millage

Dear Township Resident,

On Tuesday, August 8, 2006, voters in Ann Arbor Township will make a decision that affects every resident in the Township. The issue is funding of our Fire Department and paying for police protection. There will be a millage question regarding this funding on the August 8th ballot. Part of this ballot proposal takes into account the expiration of the two existing Township Fire Department operating millages at year end. The new portion will pay for police protection. The funds generated from this new combined millage can only be used for fire and police protection.

the issues and their impact on the Township. We encourage all residents to vote on this important ballot proposal regarding our Ann Arbor Township Fire Department, the sheriff deputies, and this essential service.

Polls will be open on August 8th from 7:00 am to 8:00 pm. You can also request an absent voter ballot from the Clerk's office if you expect to be away from the community on Election Day. We encourage all residents to become well-informed on the issue and vote.

Best regards,
Ann Arbor Charter Township Trustees

In this newsletter you will find a Question and Answer section designed to help you understand

Clerk's Report - Help America Vote Act (HAVA) Helps Township Too

By Rena Basch

Ann Arbor Township was one of only a few communities in Washtenaw County to participate in a reimbursement program funded by the Help America Vote Act (HAVA). This program was part of Secretary of State Terri Lynn Land's initiative to improve the accuracy of Michigan's Qualified Voter file.

disabilities. New "AutoMARK" terminals will be available in time for the August 8th State Primary Election. Depending on their needs, voters may cast their votes without assistance using the large screen, Braille keypad or foot pedal, or they can use magnification and contrast features, headphones, or a wand to mark the ballot. Voters maintain their privacy throughout the process.

Another HAVA benefit will be new voter assistance terminals for those with physical

Planning News

By John Allison

Work has begun on an 82,000 ft² addition to the National Sanitation Foundation at 789 Dixboro Road. The Planning Commission and NSF worked out a careful stormwater management program to ensure that the increased amount of impervious surface resulting from this addition would not result in any additional stormwater flowing offsite. The program will protect the quality of Fleming Creek.

The Township Board recently approved a Conditional Use Permit for a new Recreation and Fitness Center at Washtenaw Community

College. This 70,000 ft² building will house a swimming pool and exercise facilities and will be available to students, faculty and alumni of WCC. This building is being designed to environmental and energy savings standards developed by the U.S. Green Building Council under their Leadership in Energy and Environmental Design (LEED) program. This program assesses the environmental sustainability of building designs, and WCC plans to seek the Platinum LEED rating, the highest rating given.

Ann Arbor Township News is published by Ann Arbor Charter Township. Please contact Editor Rena Basch, Township Clerk with comments or suggestions through Township Hall.

Ann Arbor Township Fire and Police Millage Ballot Proposal - Proposal A

Voters in Ann Arbor Township will have the opportunity to cast their vote on this important Fire and Police funding proposal on Tuesday, August 8, 2006:

The two current Ann Arbor Charter Township Fire Department operating millages expire at the end of this year. Shall the authorized charter millage for general ad valorem taxes on all taxable real and tangible personal property within the Charter Township of Ann Arbor, Washtenaw County, Michigan be increased for the Township in an amount not to exceed 3.98 mills (\$3.98 on each \$1,000 of taxable value) for a period of five years, 2007 through 2011 inclusive, to provide funds for the purpose of operating, equipping, upgrading, maintaining, constructing and purchasing for fire and police protection services or for any other purpose authorized by law for fire or police protection services, and shall the Township levy such new additional millage for such purpose; the estimated revenue the Charter Township of Ann Arbor will collect if the millage is approved and levied by the Township in the 2007 calendar year is approximately \$1,850,125?

Yes No

Q: Why is the Township asking for more money?

A: The cost to contract deputies from the Washtenaw County Sheriff's Department to patrol the Township has risen dramatically with the County's new contract and the County's reduced support of township policing. At the same time township revenue is down primarily as a result of the loss of state revenue sharing. In 2005, the cost for police services exceeded the total amount of property tax revenue collected by the Township. The Supervisor's Report in this newsletter gives more details on Township revenue sources and the economic reality faced by Michigan township governments.

Q: Why 3.98 mils? How was this number determined?

A: 2.49 for Fire Department operations and 1.49 to contract for County deputies. Both are required to maintain our current level of service. Our financial analysis included the estimated 5 year cost of fire and police services, decreasing tax rates due to Headlee amendment rollbacks, increasing property values, decreasing Township tax base due to City annexations, and other relevant factors.

Q: Why have the fire and police services been grouped together?

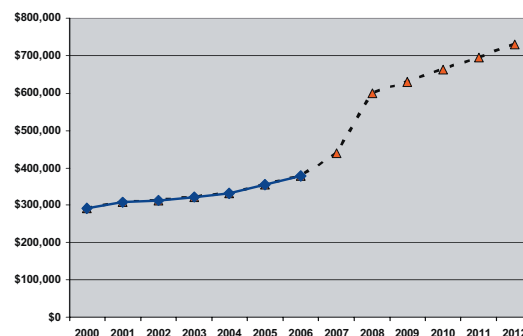
A: A single millage allows the Township to establish a new public safety fund. Although the money collected can only be used for the stated purposes listed in the ballot language - fire and police protection—a single fund allows flexibility in allocating resources between those two uses.

Q: What are we paying today for fire and police protection?

A: Today, Ann Arbor Township levies a tax for operation of our Fire Department - 1.94 mills. An increase of 0.55 mills is needed to account primarily for increasing costs such as insurance, health care, and a projected decrease in taxable base. The other part of public safety is police protection.

The Township provides police protection by contracting with Washtenaw County for 4 deputy sheriffs. To date the

Yearly Cost to Township for 4 Sheriff's Deputies



Township has been able to pay the contract cost from our General Fund. That will no longer be possible with the increased costs shown in this chart of the new County contract.

Q: Why does the Township contract for 4 deputies?

A: In 2001, a Citizens Committee was formed to evaluate the level of Township police protection. The Committee recommended the minimum adequate service levels recommended by the Northwestern Traffic Institute, which had been commissioned by Washtenaw County. Four deputies provide for nearly 24 hour/day coverage.

Q: How does our tax rate compare to our neighbors?

A: If the ballot proposal passes, Ann Arbor Township will still have a lower tax rate than most of our neighbors.

Table 1 – Tax Rates of Local Communities

Municipality	Current Dedicated Fire/Police Millage	Proposed Fire/Police Millage	Total Tax if Proposals Pass
Ann Arbor City			16.82
Ypsilanti Twp			10.40
Northfield Twp	4.5	4.5	9.68
Superior Twp	4.78	5.53	6.36
Ann Arbor Twp	1.94*	3.98	5.45
Pittsfield Twp	3.71		5.20
Dexter Twp	2.70*	3.00	3.83
Scio Twp		1.95	3.40

*This amount expires at the end of 2006.

Supervisor's Report – Township Revenue Sources and Today's Economic Reality

By Mike Moran

The continuing decline in Michigan's economy is being felt at every level of government. The State is sharing less sales tax revenue with townships and is appropriating to itself sources of revenue that once were available to townships. The Township has carefully reviewed its financial position for the next five years.

Township Sources of Revenue

The Township's General Fund, which is used to fund general operations, has three main sources of revenue—property tax income, State revenue sharing, and commercial fees charged to non-profits to assist us in providing public safety. Last year revenue sharing was 31% of General Fund revenue, property tax 26% and commercial fees 15%.

The Township also has funds that are reserved for dedicated purposes. Fire Department operations are funded by two dedicated property tax millages that expire at the end of 2006. Utility infrastructure and service are funded by connection fees and utility rates. Likewise, tax administration is funded by fees. These funds may not be used for any other purpose. Cell towers presented another opportunity. The Township permitted the erection of cell phone towers on Township property and charges rent to the companies located on those towers. All of that money funds the purchase of fire trucks, emergency vehicles and other large equipment, so that we do not have to raise taxes for these needs.

The Economic Reality

Michigan's Constitution and statutes obligated the State to share a portion of sales tax revenue with townships. The State's attempt to balance its budget has resulted in significant reductions in State revenue sharing over the last several years. Revenue sharing with Ann Arbor Township decreased from \$336,899 in 2002 to \$294,887 in 2005. The Township anticipates economic-driven reductions in State revenue sharing to continue. The Township's revenue sharing will be further reduced by a decrease in population resulting from annexation; property tax revenue will also decline, starting in 2008 under the terms of the 1994 Boundary Agreement entered into

by the Township and the City of Ann Arbor. Annexation, however, is not the primary problem. Even with no additional annexation after today, the cost of providing police services alone already exceeds today's general fund tax revenue.

In addition to reducing revenue sharing, the State is taking for itself fees that townships previously were able to charge to utilities for use of the rights-of-way. Moreover, legislation is currently proposed that would prevent the township from charging franchise fees to cable companies. This puts at risk another 5% of General Fund revenue.

And, of course, expenses continue to rise. The most dramatic increase will be in the cost of police protection provided through a contract with the Washtenaw County Sheriff's Department. By 2008, our cost for four deputies will rise 88% over the cost in 2002. The Township is exploring other options for providing for your safety, including partnering with neighboring townships. Those solutions, however, do not appear likely to achieve significant cost reductions over the five year period for which we have projected our financial position. Regardless of the method chosen to provide for your safety, the cost of police services will rise dramatically over the current level.

We are, of course, not alone in being confronted with this problem. Of the thirteen townships that contract for police services, several already have a dedicated police millage because general fund revenue was inadequate to cover the cost of police services and general operations. Some townships have added an annual special assessment to supplement their tax revenue. To date, we have been able to finance police services from General Fund revenue, but given the reductions in revenue and the huge cost increase, we can no longer do that. If we want to continue to provide the current level of fire, emergency and police protection, we must replace the expiring fire millage and add a millage to pay for police protection.