

S.M.O.R.S.A. Millage Referendum Frequently Asked Questions

What is S.M.O.R.S.A.?

The South Macomb Oakland Regional Services Authority (S.M.O.R.S.A.) is a joint collaborative public financing organization founded by the Cities of Eastpointe and Hazel Park to utilize funding options for emergency services, as outlined in Public Act 57 of 1988.

How does it work?

This is not a merger of departments, and all dollars collected in Wayne will stay in Wayne. The sole purpose and intent is to provide funding for emergency services (Police and Fire) in Wayne only. S.M.O.R.S.A. was not created to assume any role in Wayne's decisions regarding service levels, personnel, or the consolidation of public safety departments.

When is the millage referendum on the ballot?

The millage referendum will be on the ballot on Tuesday, August 2, 2016. If the millage passes, the 14 mill tax levy will be assessed for 18 years, and at that point in 2034 would expire.

Why are the 14 mills needed?

Wayne's taxable value has decreased from its high in 2008 of over \$607 million to just over \$350 million today. What this means is that the 15 operating mills the City currently receives have been reduced by \$3,855,000.

- Since 2010, the City has lost more than \$33 million dollars in tax revenue;
- Over the last 10 years, the City has lost over \$7.5 million dollars in revenue sharing from the State of Michigan;
- The City was hit with a \$590,000 Tax Tribunal settlement owed to Ford Motor Company starting in October of 2016;
- Additionally, the average homeowner in Wayne is paying 40% less in property taxes now than they were in 2008.

The 14-mill proposal would generate \$4.9 million annually, and will be 100% dedicated to police and fire services in Wayne only.

What has the City done to try and avoid raising taxes?

- The City has cut the workforce by over 54% in the last 10 years;
- Employees are contributing 20% towards their healthcare;
- Retiree healthcare has been eliminated for employees hired after January 1, 2014;
- New hire pension multipliers have been reduced;
- The City switched health insurance carriers on January 1, 2016, moving to a self-funded health insurance plan saving \$500,000 annually;
- The City has consolidated services with other communities to save money (Emergency Dispatch; Fire Services; Ordinance; and the DPW Director);
- The City has outsourced various non-essential services to save money (HYPE); and
- The City is consolidating services into fewer buildings.

Will the millage funds raised in Wayne, stay in Wayne?

YES. 100% of the funds raised in Wayne will remain in Wayne.

What happens if the millage is not approved?

In short, the General Fund will be depleted in December of 2017 and Wayne will enter into a state of insolvency, which could lead to a state-appointed emergency financial manager. The City will be forced to lay-off police officers, firefighters and outsource/eliminate certain essential services (Public Works; Buildings and Engineering). The City would also jeopardize its ability for future sustainable economic growth with limited public safety numbers.

Aren't property values increasing? Why won't that help solve the budget issues?

When it comes to assessment increases, under Michigan's Headlee Amendment, cities are limited to the rate of inflation or 5 percent (whichever is lowest). For 2016, we will be limited to a 0.3% assessment for Wayne's 5360 homes. At a 2% increase, it would take 25 years to reach 2008 taxable values.