



## Message about Your City's Future

### Quick Facts

- On November 8, 2010, Romulus City Council voted to put a 2.75 millage proposal on the ballot to ask voters to choose the level of services they want the City to provide.
- The five-year renewable millage would raise \$2.75MM for the General Fund in its first year.
- This is not a permanent increase! To extend the millage beyond 2016, voters must reapprove the millage.

### Romulus Financial Status

- Romulus faces a structural \$1.6MM deficit by fiscal year 2011-2012 which starts July 1, 2011.
- Romulus is required to adopt a balanced budget by May 2011.
- The millage would be levied for ONLY five years, unless extended by a vote of the people.
- No revenue from the millage will be allowed to expand city services. Rather, the millage will maintain EXISTING services.

### Without Increased Revenue

- If the millage fails, the following services WILL be eliminated: Romulus Public Library, as well as the Recreation Department and Programs. All parks will be closed.
- If the millage fails, the Senior Center/Services WILL be reduced.
- If the millage fails, 9 full-time and 4 part time positions WILL be eliminated.

#### **1. Why did the City decide there was a need to temporarily increase the millage for the General Operating Fund?**

The increased millage will allow the City to offer the same level of services that we are currently providing. Revenues from property taxes and State revenue sharing are declining and are projected to continue to decline for the next three to five years. City tax revenue has decreased by 7.5% (\$850,000) from 2009 to 2010. Since 2002, state revenue sharing has decreased by a total of \$5.64MM.

In spite of significant cuts to the budget and changes in the way we do business (see #7 and #8), we cannot balance the budget without restoring some of the revenue we have lost and will continue to lose.

Even when the economy improves and properties regain some of their value; property taxes will be capped at the rate of inflation (CPI) because of Proposal A. (For more information on Proposal A and how it affects your taxes, [please click here](#)). It will take many years to recover the revenue the City has lost and return to the levels of previous years.

Our budget was healthy and like many other communities and businesses, the magnitude of the economic downturn due to the financial industry meltdowns in late 2008 and the housing/mortgage industry in 2009 impacted us more than anticipated.

You will see in this and future communications how the City has been working to cut costs, yet still deliver the right services to the citizens of our community.

According to a March 2010 bond/debt rating agency report from Fitch Ratings of Chicago:

# An Important Message about Your City's Future

"Romulus's unemployment rate as of December 2009 was a high 11.6%, up from 8.6% the prior year...The City's state equalized valuation (SEV) fell by about 11% in 2009 and the city expects SEV to decline another 12% in 2010 with continued contraction at least for the next three years."

Property tax appeals are at an all-time high and Romulus could potentially be required to rebate already collected property taxes to the tune of \$1.6MM, which is over 8% of the City's budget.

## **2. Why are you holding another millage election when the proposal failed in August?**

As you know, the last millage election was narrowly defeated. Many citizens have stated they were not aware of all the cuts to be made when the August 2010 election failed.

The City has decided that better communication is necessary to ensure citizens are well informed of what services will be eliminated or reduced if we do not increase the revenue.

## **3. What would happen if the millage fails?**

If the millage fails, certain services will either be eliminated or reduced to help the City maintain a balanced budget. The Romulus Public Library and Recreation Department and Programs will be eliminated and all City parks will be closed.

Senior programs offered by the Senior Center will be eliminated or reduced. The Senior Center will be closed for public use (with the exception of commodities distribution). Meals on Wheels and Chore Services will be unchanged.

An additional 9 full time and 4 part time employment positions will be eliminated.

## **4. Will this millage appear on my tax bill forever?**

NO, this is a five-year renewable millage. It will expire in 2016. The millage must be reapproved by the voters to extend beyond 2016.

## **5. Why aren't you making more cuts in Police and Fire?**

The Fire Department is currently staffed at their union contract minimum (only 8 people remain). The Police Department is also at their current union contract staffing minimum. Reclassification of employees from Special Investigation units to the patrol division will allow for additional staff reductions.

## **6. Why can't you make cuts in places other than the Senior Center/Services, Library, and Recreation?**

We are obligated to maintain essential services for the health, safety, and welfare of our citizens. While the Senior Center/Services, Library, and Recreation are critically important to your quality of life, we have to prioritize what services we can provide with the current revenue.

Just like our citizens have to prioritize home expenditures to those that are critically essential, the City of Romulus is having to make the same hard choices.

## **7. What have you done to reduce expenses?**

### Prior to August 2010 Millage Election

- Over the last five years, 60 positions have not been filled (Deputy Fire Chief, Deputy Police Chief, Fire Marshall, Emergency Management Coordinator, Assistant Building Director, etc.). See the complete list at [www.romulusgov.com](http://www.romulusgov.com)
- 5% wage cut for Department Heads and all other non-union employees and elected officials (Mayor, Treasurer, Clerk, and City Council)
- Benefit reduction for all non-union employees and elected officials
- Eliminated outsourced contract for delinquent personal property tax collector and brought in-house
- Every city department cut their forecasted expenditures by 10% or more
- Eliminated chipper service
- Closed the summer Recreation Program
- Reduced hours at the Library
- Cut expenditures for holiday offerings, such as the Sounds in Downtown, as well as the Fourth of July fireworks
- Reduced energy costs by implementing a system that allows us to control energy output in city buildings

# An Important Message about Your City's Future

## After August 2010 Millage Rejection

- Eliminated all building and grounds crew positions
- Eliminated 3 clerical positions
- Eliminated 2 non-union positions
- Laid off 4 police officers
- Laid off 7 fire fighters
- Laid off children's librarian
- 5% wage cut for all AFSCME and Teamster employees
- Benefit reduction for all AFSCME and Teamster employees
- Cut expenditures for holiday offerings, such as the Pumpkin Festival. City Employees and other volunteers have donated their time to decorate the City Christmas Tree and put up holiday decorations in our downtown area.
- Reduced three fire stations to "paid on call," leaving ONLY 1 fire station staffed 24 hours
- Reduced hours for City Hall offices
- Reduced snow removal and street sweeping services
- Shut off city sprinklers and cutting grass less frequently

These and other cost-cutting steps will continue to be identified, implemented, and reviewed for effectiveness. While they create significant savings, they are not enough to maintain current levels of public service.

Only a restoration of revenue can keep Library, Senior Services/Center, Recreation, Police, and other Public Services at the level they are today.

## **8. Have you considered consolidating services with other communities or agencies?**

Yes, we have implemented share services and plan to do even more. Some examples follow:

- Romulus started a shared purchasing program that was instituted through the Downriver Community Conference (DCC) for water and street sign supplies
- Share a street sweeper with the City of Taylor
- Share GPS units with the cities of Westland and Livonia
- Participate in Downriver Mutual Aid to provide secondary support services for police and fire protection
- Will be providing fee-based road rating services for City of Gibraltar
- Provide fee-based sign making services for City of Gibraltar

## **9. Why are you spending money on the animal shelter or the Romulus Athletic Center (RAC)?**

Our previous recreational facility and current animal shelter were in terrible condition and replacement was desperately needed. Building the new animal shelter was made possible by the generous donations of time, materials, and money from citizens and local businesses, with additional funding from the Tax Increment Finance Authority (TIFA) district. The RAC was also built using TIFA funds. Tax money captured in these areas can only be used for specific expenditures in the TIFA district. Note that we are prohibited by law from using TIFA funds to balance the general budget.

*NO General Fund dollars were used to build either the RAC or the Animal Shelter.*

## **10. Will my taxes go down even if the millage is passed?**

This is a difficult question to answer. There are many variables used to calculate your tax bill. These include your taxable value and the millage rates from the different taxing jurisdictions for which the City collects.

While property values continue to decrease, many property owners may not have seen a decrease on their tax bill due to the disparity between their state equalized value and taxable value ([click here for Proposal A information](#)).

The City collects tax dollars for the City, School, State, and County and distributes the money to these entities. The City does not and cannot use the other taxing jurisdictions' money to fund the general budget.

The City has no control over what millage rates the other jurisdictions levy and therefore cannot say with certainty whether the millage rates (and thus the taxes) will decrease or increase from year to year.

## An Important Message about Your City's Future

### **11. Many businesses must cut expenses without raising their revenue. Why can't the City of Romulus do the same?**

We have already done that. Just like businesses in the private sector, we have cut spending by making the same tough decisions the business community has made, including:

- Reduced staffing
- Renegotiated labor contracts
- Changed employees' benefits packages

Private businesses are forced into making cuts because the demand for their products or services is falling. However, here in Romulus, we have had **a rising demand for our services** at the same time that our revenues have been falling:

- Fire department run volume has increased 400% over the last 20 years
- In 2010, 2/3 of the calls to the Fire Department are medical runs as compared to 1990, where only about half of the calls were due to medical runs
- Police incidents have risen 210% in the last 15 years
- Water and sewer systems have needed many expensive repairs
- Roads have also had many repairs

*We are at the point now where the only option left, if we want to adequately protect and preserve the community and its assets, is to restore revenue.*

If you have questions, please email us at [knowthefacts](#).