

Residents: Please read this important special issue.

Scio Township

COMMUNITY REPORT

PUBLIC SAFETY STUDY COMMITTEE REPORT BY THE PUBLIC SAFETY COMMITTEE

Public Safety in Scio

Did you ever wonder why a big fire truck shows up for a medical emergency? The Scio Township Public Safety Study Committee learned the answer to this and many other questions as it studied the Township's need for police and fire services, and how best to get needed services for the right cost. The Scio Township Board of Trustees (BOT) constituted this Committee in September of 2006 to study these issues after voters defeated the public safety millage special assessment district in August of that year.

The committee's charge, in part, was to "...study and recommend future police and fire capital improvements and service levels in Scio Township through 2015..." The BOT felt that, regardless of the defeat, the Public Safety situation in Scio Township was in serious financial decline, with no relief in sight, and the Township needed to find a remedy.

The Public Safety Study Committee consists of 15 members: B.J. Alpern, Jay Barth, Gus Boutsikakis, Garth Burnside, Dave Cornish, Judy Eisner, Doug Fuller, Max Goldman, Nancy Keppleman, Randy Layton, Roger Rayle, David Read, John Roumanis, Maureen Sloan, and Donna White. The members are residents and/or business owners within the Township. The committee has held more than 35 meetings in the last 21 months. They have met with numerous public safety officials from surrounding municipalities and they recommended that the Township participate in the recently completed Regional Police Study. This newsletter is provided to Township residents in order to present the findings of the Committee.

CURRENT SITUATIONS

Police Service

The Township gets police services through a contract with the Washtenaw County Sheriff's Department. Today, we are in the third year of a four-year contract. Patrol officers cover residential neighborhoods, the business district

along Jackson Avenue, and the 32 square miles of the Township. Scio also receives core police services from the Washtenaw County Sheriff (including the detective bureau, the major crimes investigation unit, the drug enforcement unit, K-9 team, SWAT/hostage negotiation team, auto theft team, crimes against children, and other services), along with a share of the minimal countywide sheriff's patrol. The Michigan State Police also respond to emergencies and handle accidents on the freeways within the Township.

In 2006 (the last year for which we have statistics), deputies responded to 6,987 calls for assistance, or about 998 calls per deputy. This is the highest number of calls per deputy in the full time policing areas of Washtenaw County and this work load is expected to

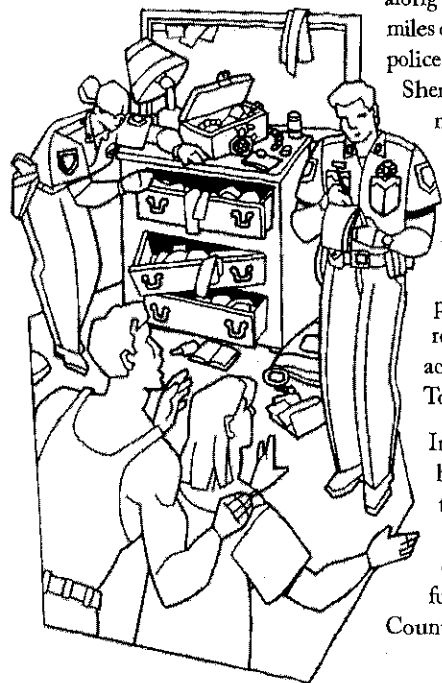
increase now that we have reduced the number of deputies (see below). In 2006, the Township paid the County \$94,218 per deputy for these services. Under the current contract, this cost increased to \$99,871 in 2007, \$136,503 (plus overtime) in 2008 and \$141,963 (plus overtime) for 2009 which includes supervision, patrol cars, equipment, liability, etc.

Reduced Coverage

Currently, Scio Township contracts for only 5 deputies – down from 7 in 2007. The reduction in coverage was necessary due to the defeat of the public safety millage and the increase in costs from the County Sheriff. This increase was a result of the restructuring of the method by which the Sheriff's Department charges for its services and the elimination of State revenue sharing for County governments. It should be noted here that one of the facts the Committee learned is that the Sheriff's Department is only required to secure the County Jail, provide Courthouse security and minimal road patrols. The extra patrol officers and core services mentioned above are not mandated by state law. However, both the BOT and the Committee believes that Township residents and businesses expect and deserve police protection.

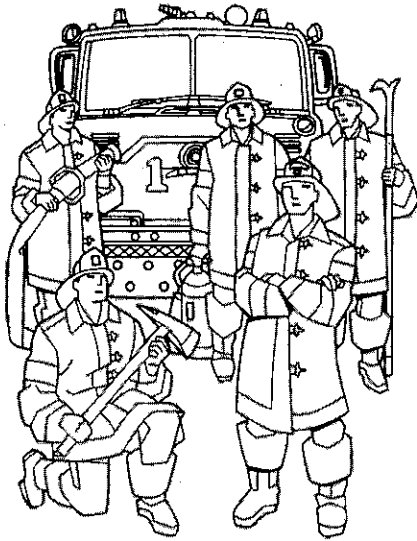
Fire Service

We also learned that, surprisingly, the Township is not legally required to have a fire department. However, the Township has had its own fire department since 1988, when the Scio Township Fire Department (STFD) split away from the Dexter Area Fire Department. The split was necessary to control costs for the Township because the funding mechanism for the Dexter Area Fire Authority put the Township at a financial disadvantage.



Equipment Recap

The STFD has three main fire engines and a brush truck that is used for grass and brush fires. The oldest, Engine 1, is 22 years old but is still used as a primary response apparatus. The other two engines, Engine 2 and Tanker 1, are 8 and 6 years old respectively. Most fire engines are replaced after 5 – 7 years. Engine 2 has responded to virtually every call received by the STFD since being placed into service in January of 2000. This extensive workload is the main contributor to the maintenance costs of the fire fleet.



Staffing is at a Minimum

A full-time Fire Chief, three full-time fire fighters, and a part time Assistant Fire Marshal regularly staff the STFD. Depending on availability, sixteen on call fire fighters (i.e.; those who are only paid for the time spent responding to calls.) participate in training and delivery of emergency services as needed. One fire fighter is in house and prepared to respond at all times. It should be noted however, that the Chief is on call 24/7 and, during regular working hours, is the second assigned firefighter, but, 30% of the time there is only one firefighter on duty. This limited staffing is below national standards.

Response time is at maximum

The Committee learned that the longest response time within the Township averages between 11 and 12 minutes. For the Township as a whole, the average response time is about 7 minutes. (These times are from when the fire station receives the call from Central Dispatch, to the time the fire truck arrives at the scene.) However, despite meeting our current needs reasonably well, the STFD is functioning at the limits of safety for firefighters. National standards suggest that at least 4 firefighters be on the scene before entering a burning structure. State and federal mandates require an increasing number of training hours to qualify to provide this service. Due to our limited staffing level, the potential exists for a single firefighter to respond to an emergency. At these times and depending on the nature of the call, an unnecessary risk is placed on the safety of our citizens and our firefighters. Additional staff would relieve a portion of this risk and help avoid liability to the Township.

Majority of Calls are Medical

In 2006 (the last year for which we have complete statistics) the STFD went on 835 calls. Of those calls, 68% were classified as either “medicals” or “motor vehicle accidents.” A fact to keep in mind is that as the population starts to age, the number of medicals increases – a trend that has already started. While the Huron Valley Ambulance (HVA) service responds to all medical calls as well, STFD arrives an average of 3 minutes earlier 90% of the time. It is necessary to use a fully equipped fire engine for a medical call to allow the company to respond directly should a second emergency occur while the company was on scene. If the STFD had a rescue truck and sufficient manpower, then medical calls could be handled more efficiently by this unit leaving a fire fighter in the house to respond in the event of a fire emergency.

Funding

Funding for fire and police has not kept abreast with the Township’s demographic changes over the last 10 years. The public safety problems that we face today are a result of many years of inadequate funding and budget cuts for fire and police services. It may surprise you to learn that only 3% of your total property tax bill goes to fund Township services. The other 97% is distributed to schools, the County, your local library, etc. See sidebar on page 3 for details. For years Scio Township taxpayers have enjoyed one of the lowest millage rates in the County (see Chart 1). We have been able to provide various services because we have a large Township tax base. However, due to changes in State tax policies that have restricted revenue increases, we have had to contain spending on fire and police staffing to stay within budget. If property values continue to decline, our revenue will follow

Chart 1

| Municipality | Millage (2007) | Population | Taxable Value (in millions) |
|----------------|---------------------------|------------|-----------------------------|
| Ypsilanti City | 29.5795 | 22,362 | 414 |
| Ann Arbor City | 16.7825 | 114,024 | 4,736 |
| Saline City | 15.5300 | 8,034 | 453 |
| Dexter Village | 13.5562 | 2,338 | 218 |
| Chelsea City | 15.0549 | 4,398 | 254 |
| Ypsilanti Twp | 10.4000 | 49,182 | 1,687 |
| Northfield Twp | 9.3466 | 8,252 | 358 |
| Superior Twp | 6.2672 | 10,740 | 596 |
| Pittsfield Twp | 5.1950 | 30,167 | 1,832 |
| Webster Twp | 3.6097 | 5,198 | 387 |
| Ann Arbor Twp | 5.4181 | 4,720 | 533 |
| Dexter Twp | 3.2944 | 5,248 | 322 |
| Saline Twp | 2.9146 | 1,302 | 83 |
| York Twp | 1.8206 | 7,392 | 389 |
| Lodi Twp | 1.6595 | 5,710 | 380 |
| Scio Twp | 1.446 (0.95 Gen. Fund) | 15,759 | 1,420 |
| Freedom Twp | 0.9976 | 1,562 | 91 |
| Lima Twp | 0.8191 | 3,224 | 171 |

General Fund Revenue Funds Public Safety

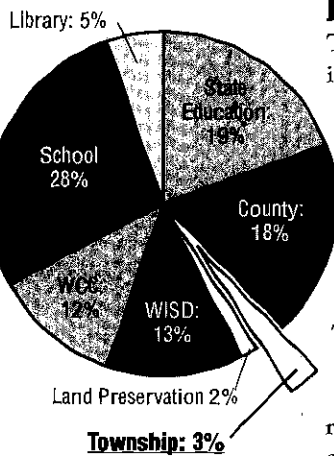
Unlike many townships in Michigan, Scio Township still pays for its public safety services from the General Fund – we have no dedicated public safety millage. The Township’s fiscal year (FY) runs from April 1st to March 31st so the budget just approved is for FY 2008/2009. See Chart 2 for the components of the General Fund’s FY2008/2009 revenue.

Chart 2

| | |
|-----------------------|--------------------|
| Property Taxes: | \$1,229,347 |
| State Shared Revenue: | \$ 925,400 |
| Tax Admin Fees: | \$ 552,861 |
| Franchise Fees: | \$ 193,000 |
| Interest: | \$ 150,000 |
| Boards & Comm: | \$ 118,250 |
| Other: | \$ 87,140 |
| Total: | \$3,255,998 |

The Township retains only about 3% of the money it collects through taxes. The breakdown of the various components is as follows:

**Scio Twp Millages
Dexter Schools**



The above equals 30.9415 mills or \$30.9415 per \$1000 of Taxable Value (TV) for a Scio Township homestead in the Dexter School system. A Scio Township homestead in the Ann Arbor School system pays slightly less - \$30.70084 per \$1000 of TV. Of that \$30+, only 95¢ stays in the Township's General Fund. Of that 95¢, 20¢ is allocated to the STFD and 22¢ is allocated to pay for police services (proportionately). To put this in perspective, a homeowner in Dexter School system whose homestead has a taxable value of \$175,000 will pay \$5,400 in taxes, \$166 of which is retained by Scio Township. Of that, \$35 is allocated to the STFD and \$38 to the Sheriff.

Chart 3 identifies the major components of the Township's General Fund expenses for the current FY.

Chart 3

| | |
|---------------------|--------------------|
| General Government: | \$885,680 |
| Sheriff: | \$759,340 |
| Fire: | \$678,100 |
| Assessor: | \$438,625 |
| Boards & Comm: | \$325,725 |
| Elections: | \$ 64,180 |
| Other: | \$122,348 |
| Total: | \$3,273,998 |

As you can see, the FY08/09 budget is in the red by \$18,000.

Township Duties are Limited

It should be noted that the only duties required by a General Law Township are to collect taxes, provide Assessing services and run elections. As shown above, the required duties of the township only account for \$552,861 of revenue (Tax Admin Fee) and \$502,805 of expenses (Assessor and Elections). Most of us would be quite upset if we eliminated the fire and police services from those services provided by the Township - yet they account for nearly half of the entire General Fund expenses and none of the revenue.

RECOMMENDATIONS

Police Service

Regionalization

The Committee recommended that the Township participate in the recently concluded Regional Police Study. This study encompassed the City of Ypsilanti as well as the Townships of Ann Arbor, Augusta, Salem, Scio, Superior and York. Washtenaw County officials participated as well.

The intent of the Study was to determine if a Regional Police Force could provide the services currently provided by the Washtenaw County Sheriff's Department but at a lower cost and with more local control. Currently, the Townships have no control over any aspect of the staffing or cost allocation provided by the Sheriff's Department. With a Regional Police Force, there would be a Police Chief who reported to a governing body made up of representatives from each jurisdiction. It was hoped that the Police Chief would be more responsive to the needs of the Townships. While this may be true, the Regional Police Study group determined that the costs involved, both start-up and recurring, were prohibitive at this time.

Other Police Options Investigated

Discussions with neighboring jurisdictions were equally disappointing. The City of Ann Arbor would have provided police services with a substantially reduced per officer cost. However, they would have required us to contract for at least 16 officers. (FBI standards call for one police officer for every 1,000 residents. At the time, Scio Township had almost 16,000 residents.)

Other jurisdictions are unwilling to discuss collaboration due to the fact that Scio Township has historically under funded its public safety services. We have been told that until we get our own house in order, collaboration is out of the question.

A Scio Township Police Department, while feasible, would be cost prohibitive at this time.

We also discussed the possibility of canceling the contract with the County and relying completely on the Michigan State Police, as do several communities in Washtenaw County - Lima, Lyndon and Freedom Townships for example. This was determined to be impractical. Scio Township is much more populated than these townships and MSP is undergoing force reductions due to increasing costs and decreasing revenue. In

addition, it appears that the cost per hour for police services under a regional police force or the other options the Committee considered would be quite close to the cost per hour for Washtenaw County deputies

Increase Number of Contracted Deputies

The committee recommended to the BOT that Scio Township immediately increase the number of contracted officers to 8 with "back fill". Back fill is the term used to describe the replacement of deputies who are on vacation or sick leave. A "back fill" officer is usually working on overtime. This increase in the number of deputies will bring our police costs to approximately \$1.2M. As the Township grows, we will need to further increase the number of deputies to keep pace.

Fire Service

It has been stated that the annual cost of the STFD outweighs the cost of replacing a home destroyed by fire. That might be true if there were only one structure fire in a year. With 19 structure fires in 2006 and more than 30 in each of the preceding 3 three years, the need for the STFD is obvious. In addition, the majority of the calls are medical - chest pain, choking, motor vehicle accidents, etc. The cost of providing fire services should be measured by what is needed and expected by the residents, not by the value of the property saved. Every call is an emergency for someone.

Cooperation

The committee discussed the idea of cooperating with the Dexter Area Fire Authority for fire services. While this would increase our coverage (and the associated cost), it would put us back into the situation that caused us to create our own Fire Department. That is, we would have one vote on a board of five members even though we accounted for better than half of the revenue and expense. There is no state provided fire service so eliminating the STFD, while certainly a possibility, was not considered due to the needs and expectations of the Township residents. Once we have our fire service fully staffed and securely funded, regionalization with Dexter, Chelsea, Northfield or Ann Arbor may be considered.

Increase Coverage

The committee recommended to the BOT that the STFD staff be increased to provide 2 firefighters in the Fire Station, 24/7 (in addition to the Chief and the Asst. Fire Marshal).

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We estimate that this will require 6 full time fire fighters. (Eventually, we will need to expand that to 3 in the house 24/7.) There would still be the need for paid on call staff, but their time may be reduced due to the number of full time staff. It was also recommended that funds be set aside each year in order to accrue enough to pay for replacement equipment. This increase will bring the cost of the STFD to approximately \$1.1M. We also discussed the need for an additional Fire Station. The Township owns a parcel at the corner of Liberty and Wagner that is designated for a future Fire Station. However, at this time, we feel that the Township should get the Department fully staffed and a secure funding mechanism identified and stabilized before we look at expansion.

Funding

Ultimately, there is only one source of revenue for a government body – the taxpayers and business owners of the community. Whether the funding comes from federal, state, county or local sources, the money originates from us. In the end, we have to decide how much we are willing to tax ourselves to provide services at a level we feel is appropriate. Figure 1 shows the revenue needed to fund the service levels for fire and police as recommended by the Committee (column labeled “Adequate”).

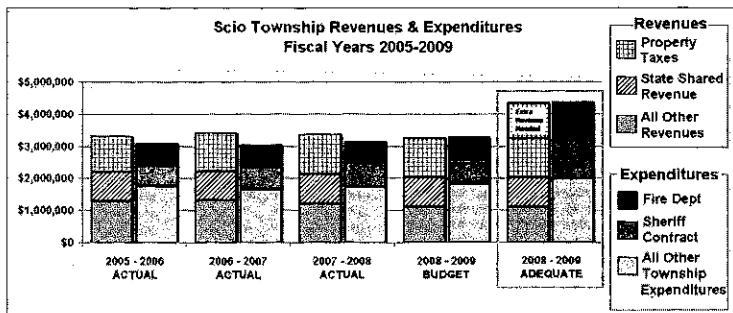
Two Methods to Raise Money

There are two methods available to a township to raise money – a township-wide millage or a Special Assessment District (SAD). For the purpose of funding public safety in Scio Township, a township-wide millage, while possible, is not practical. This type of funding would unfairly tax the residents of Dexter Village, who already tax themselves for fire and police services. So if we decide to bring our public safety departments up to minimal standards as per the committee’s recommendations, the change will have to be paid for through one or more SADs. There are two methods of implementing an SAD – through the action of the BOT or through a ballot proposal. Each of these methods has its benefits and drawbacks.

Via Board of Trustees Action

A Special Assessment District can be implemented by the vote of the Board of Trustees. This method requires two public hearings. The first public hearing would identify the district, its boundaries, its purpose and its duration. At this hearing, the public can comment on the proposed district. Also, the creation of the district by BOT action can be blocked if a petition protesting the SAD’s creation and signed by the owners of 10% of the property within the district is submitted at the first public hearing.

If this protest were successful, then the SAD would have to go to the voters for approval. If there is no protest, or the protest is unsuccessful, the SAD would be put in place and a second public hearing would then be scheduled for the purpose of setting the millage associated with this district. The second public hearing would be required each year because, with this type of SAD, the millage is only in effect for one year. So each year, the rate could be set in accordance with the actual cost budgeted for the coming year.



Via Voter Approval

A SAD can also be implemented by voter approval. However, the ballot proposal would have to state the duration of the SAD as well as the maximum rate that could be levied during its lifetime. For instance, if it is determined that a voted SAD be put in place to pay for police services and the life of the SAD will be 5 years, the requested rate would have to be sufficient to fund the highest estimated cost within that 5 year period. Even though today’s cost might need only .5 mils, if the cost in 5 years required 1.0 mil, then the ballot proposal would have to ask for that amount. The amount levied in each year could vary from nothing to a maximum of 1.0 mil depending on BOT action.

Funding for the Recommended Increases in Service Levels

It will require a millage of 1.2 by Board action or 1.5 by voter approval to fund the changes recommended in this report. The Committee recommends that the BOT propose a voter initiated, dedicated Fire Department SAD with a millage rate sufficient to fund the recommended changes in the service levels for the Scio Township Fire Department. The committee further recommends that the funds currently allocated to the fire service be allocated to fund the recommended changes to the police service.

How Does This Affect Me?

The average household today pays about 50¢ per day in Township taxes to fund about one third of Scio Township’s services. The other two thirds, or about \$1/per day per household, is funded by state revenue sharing and other sources. To fund the changes recommended by the committee, the average household’s Township taxes would increase by about 50¢ per day.



Scio Township

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