

On Tuesday, November 7, we have the opportunity to enact a long-term solution to East Lansing's financial problems - a two-part tax proposal that would permanently lower your property tax bill by 10% and enact a city income tax (1% for residents and 0.5% for nonresidents who work here).

For nearly two decades our community has grappled with severe financial strain caused by cuts in state funding for communities, the rising costs of retiree pensions due to life expectancy and economic downturns, aging infrastructure (roads, sidewalks, water, and sewer), uncompensated costs of providing fire services for MSU, and plummeting property values due to the Great Recession. While property values have been recovering, the taxable value of property has not because of state law.

To address these budget strains, the city has shrunk its workforce by 25% over the past 17 years. We simply can't cut any further without cutting absolutely essential services and impacting our quality of life and our property values.

If these proposals fail, we will be faced with substantial cuts to infrastructure and public safety, our two most critical services. Police, fire and EMS services are our most important and expensive services, and they would have to be cut significantly. Cuts would mean longer response times and could increase the cost of our property insurance. We may also have to eliminate funding for our Parks and recreational facilities and support for our Library. We would become a much different city than the one we all know and love.

The choice is up to us. With two important votes, we can make critical investments in our infrastructure, parks, neighborhoods, public safety and collective future. Vote...

yes
for **OUR FUTURE!**
ON TUESDAY, NOV 7

STRONG INFRASTRUCTURE WONDERFUL NEIGHBORHOODS VIBRANT PARKS TRUSTED PUBLIC SAFETY OUR FUTURE

You have questions, we have answers! Visit EastLansingFuture.com to learn more!

Would retirement income be taxed?

No. Under state law, retirement income (Social Security, pensions, 401(k)s, IRAs, etc.) cannot be taxed by cities. There will also be exemptions for municipal bond income, military pay, and insurance proceeds.

How would the proposals generate net new revenue?

The proposals will raise \$5 million in new revenue annually by lowering tax rates and broadening the number of taxpayers so we can more evenly distribute the responsibility of funding the services and infrastructure we all rely on. A majority of the new revenue will come from people who work in East Lansing but don't live here.

How much is the property tax reduction?

Our city operating millage would be reduced from 17.57 mills to a maximum of 13 mills, reducing your city property taxes by 26% (a 10% reduction on your total property tax bill). The reduction is by Charter amendment, so no future City Council can undo this cap without a vote of the people.

Can the income tax rate for residents go above 1%?

No. One percent is the maximum rate for all city income taxes under state law. Someone who pays 0.5% to Lansing or another city with an income tax will only 0.5% to East Lansing. People who work here but don't live in the city will pay 0.5%.

If you have other questions, please email us at info@EastLansingFuture.com!

On Tuesday, November 7, vote YES for our future!

Why not raise property taxes?

Our property taxes are already high and increasing our operating millage to the maximum limit under state law would only raise \$2 million annually. An income tax broadens the tax base to include more people who use and rely on our services and infrastructure, and allows us to lower the city's property taxes by 26% (a 10% reduction on your total property tax bill).

Why not tax sports tickets and beer at the tap?

State law doesn't allow local sales taxes.

What will the new revenue be used for?

The new revenue will be used to invest in our most essential services: roads, sidewalks, water, sewer, parks, police, fire, and EMS. If the proposal passes we will be able to maintain the high-quality services our residents deserve by repairing and maintaining our infrastructure (roads, sidewalks, water and sewer), continue providing excellent police, fire and EMS services, reinvest in our aging parks, and meet our Constitutional obligations to retired city employees.

What will happen if these proposals fail?

We will be faced with substantial cuts to infrastructure and public safety, our two most critical services. Police, fire and EMS services are our most important and expensive services, and they would have to be cut significantly. We may also have to eliminate funding for our Parks and recreational facilities and support for our Library. We would become a much different city.