

III (a). Introduction of Current and Projected status of Police Funding

The 2012 budgeted cost of Police Services is approx. \$9.1mm, which is equivalent to more than 3-mills of tax revenue. The two police millages, which expire in 2013 total 1.2083 mills and currently generate approx. \$3.6mm or 40%. Other revenue sources provide approx. \$800,000 or 8% leaving the balance of \$4.7mm or 52% to be covered out of the General Fund.

The General Fund is close to levying its maximum allowable millage under the city charter. The General fund is also losing tax revenue due to the reduced property values, and its ability to supplement the shortfall in funding for police and provide for local roads maintenance, parks and other services is being curtailed.

The City Council and Administration have reduced costs in many areas to maintain a balanced budget. The police budget has seen some reduction and may have to be reduced further as tax receipts continue to decline. The inflationary increase in the cost of Police and other city services, combined with the reduction in tax revenues makes it impossible to maintain the current level of funding and delivery of various city services.

Our committee has been reviewing various aspects of this funding dilemma including:

- Cost and Level of police services in relation to crime statistics and population as compared to other Oakland County communities.
- Resident's perception of safety as expressed in the opinion survey.
- Priority of General Fund subsidies to competing needs.
- Forecasted levels of tax revenues and service costs
- Charter limitations and past results of millage proposals

It is the committee's belief that Police Services are a primary responsibility of city government that now requires a long term solution to stabilize and protect the funding sources.

- Our city has grown and changed significantly since our charter was written and the funding structure was established.
- Many safety, roads and quality of life services are competing for diminishing tax revenue.
- The revenue and expense forecasts indicate that City Council will be forced to continue to cut the level of general fund subsidies, thus resulting diminishing services.