

Police Millage to Maintain Current Service Levels

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Absentee Ballot Mailed Approximately July 6th

Vote at the Polls August 7th

2012 Special Police Fund

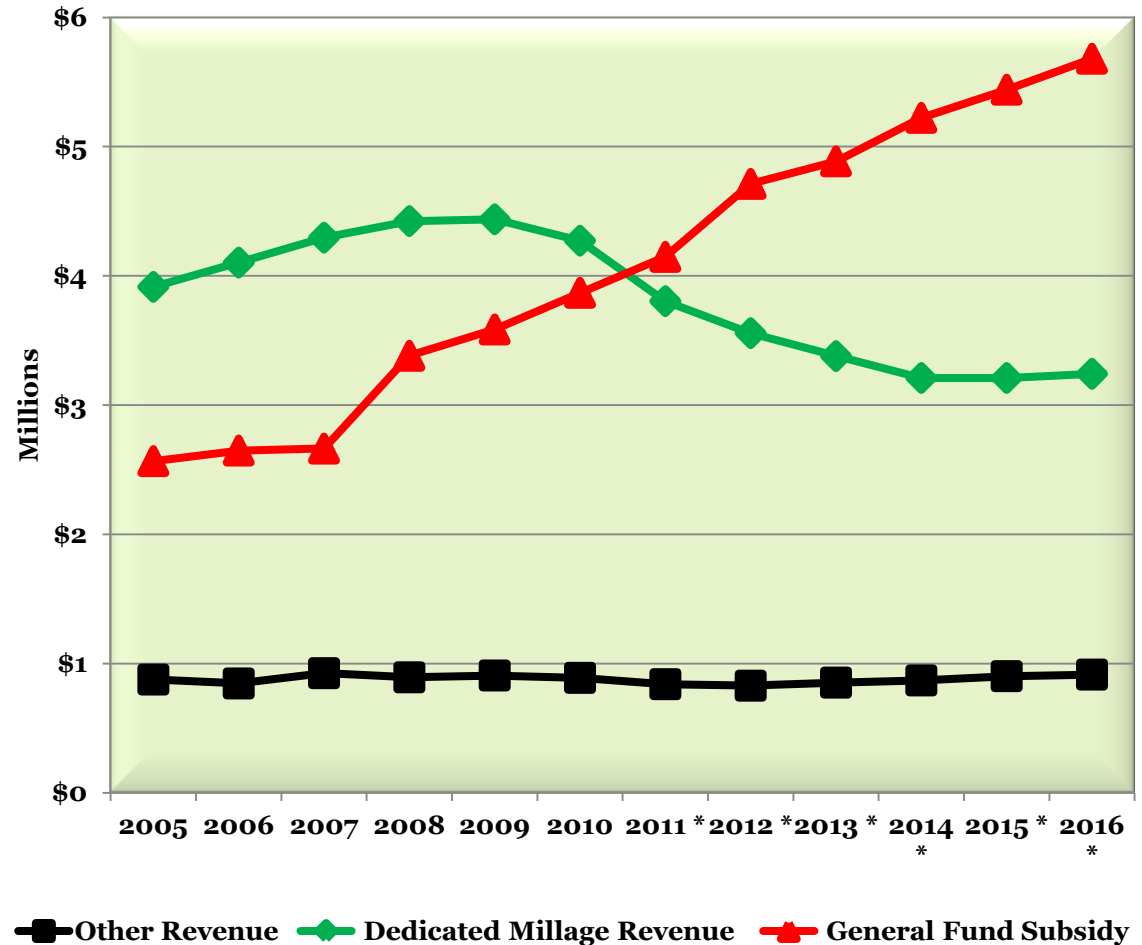
- **2012 Total Police Expenditures \$9.1 Million**
- **Less than 40% of Police Expenditures covered by Dedicated Police Taxes**
- **Dedicated Police Taxes Expire in 2013**
- **City Council, by a 6 to 1 vote, Approved a Ballot Proposal to Maintain Current Police Service**
- **Police Funding Initiative on the August 7th Ballot**



“General Fund” Subsidy

- “In FY 2011...General Fund’s *subsidy*...has begun to surpass the revenue generated by two (2) dedicated Police millages.”
See Page 89 of the FY2012-14 Budget
- 2012 “General Fund” *Subsidy* accounted for nearly 52% of Police Budget
- Current Funding Formula is simply *Unsustainable*

Special Police Fund - Funding Sources



Proposed Police Funding Ballot Initiative

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FY 2012 City **Tax** Dollars Generated Before (000)

| | |
|----------------------------|------------------|
| General Fund: | \$10,980 |
| Gen Fund to Police: | (\$4,710) |
| Police I: | \$2,130 |
| Police II: | \$1,420 |
| Fire: | \$5,760 |
| Library | \$2,140 |
| Debt Service | \$1,920 |
| Local Streets | \$1,040 |
| OPC: | \$970 |
| Green Space: | \$870 |
| RARA: | \$570 |
| Pathway: | <u>\$550</u> |
| Total: | \$28,350 |

FY 2012 City **Tax** Dollars Generated After (000)

| | |
|----------------------------|-----------------|
| General Fund: | \$6,270 |
| Gen Fund to Police: | \$0 |
| Proposed Police: | \$8,260 |
| Fire: | \$5,760 |
| Library | \$2,140 |
| Debt Service | \$1,920 |
| Local Streets | \$1,040 |
| OPC: | \$970 |
| Green Space: | \$870 |
| RARA: | \$570 |
| Pathway: | <u>\$550</u> |
| Total: | \$28,350 |

City Council Budgeting Commitment

- **Adopted May 21, 2012**
- **City Council agreed to reduce General Fund taxes equal to past Police subsidy**

City Council's Adopted Resolution

RESOLUTION

WHEREAS, at the August 7, 2012 primary election, Rochester Hills voters will have the opportunity to decide whether to support a special police millage dedicated to fund and maintain the current level of police services through fiscal year 2024; and

WHEREAS, the City of Rochester Hills currently funds police services through 2 voter-approved special police millages, totaling 1.2083 mills, that will expire after final levy in 2013, plus approximately 1.9 mills allocated from the City's general operating millage. The City forecasts the cost of maintaining the current level of police services will increase in the future and that additional funding through voter-approved special millage and/or a larger allocation (up to 2.5 mills) of the City's general operating millage will be necessary; and

WHEREAS, the special police millage proposal would renew the expiring police millage and authorize up to 2.5 additional mills, for 10 years, to maintain the current level of police services and allow the City to discontinue the levy and expenditure of general operating millage dollars for police services; and

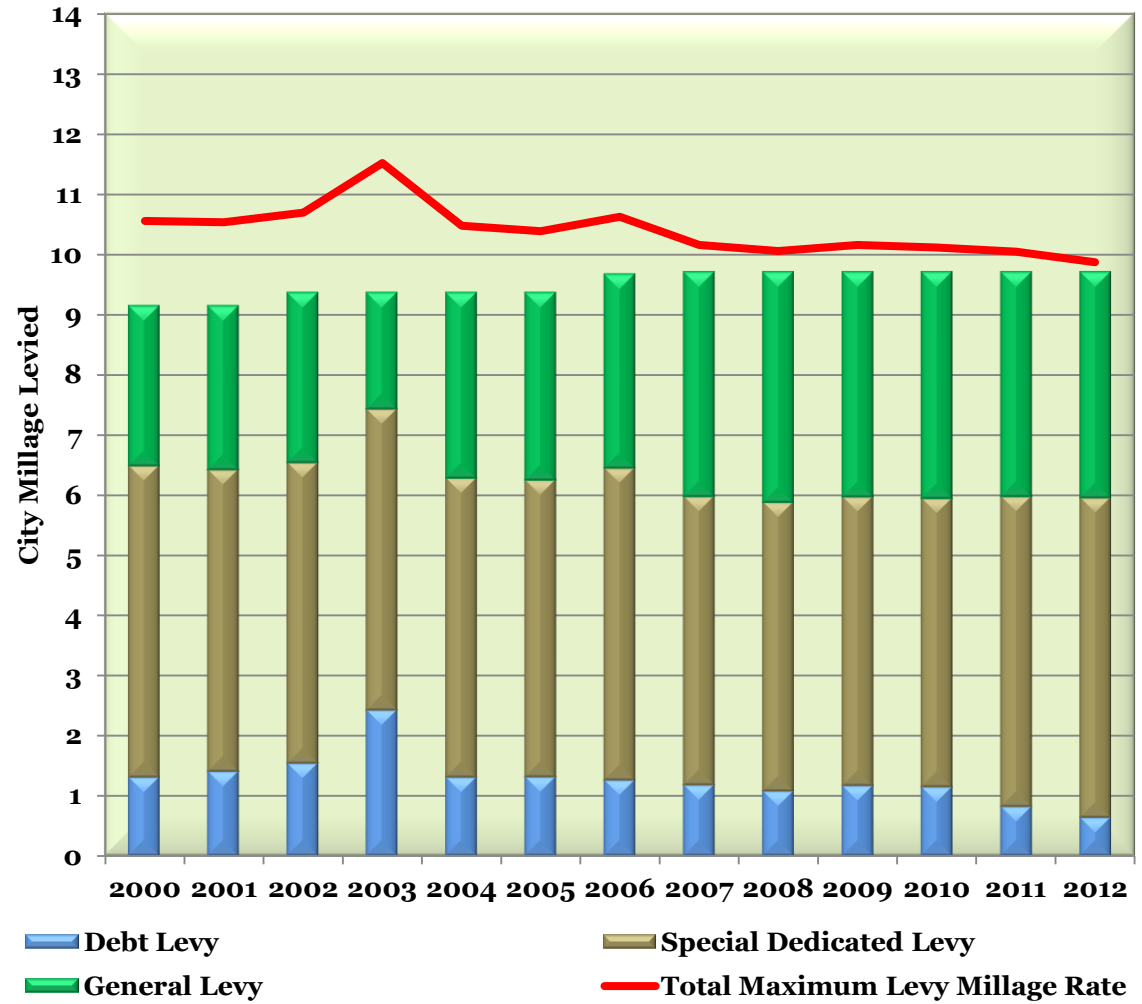
WHEREAS, the Rochester Hills City Council wants to clearly state, on the public record, that if the special police millage passes, the City Council intends to offset the additional millage levy by correspondingly reducing the City's general operating millage levy so that no net tax increase to City taxpayers will result from the approval of the special police millage.

THEREFORE, IT IS RESOLVED the Rochester Hills City Council declares that if the proposed special police millage to maintain the current level of police services passes, the City Council intends to discontinue applying general operating millage to fund police services and correspondingly reduce the City's general operating millage levy so that no net tax increase to City taxpayers will result from the approval of the special police millage.

City Council Budgeting History

The City Council of Rochester Hills has ***NEVER*** applied all available tax levies

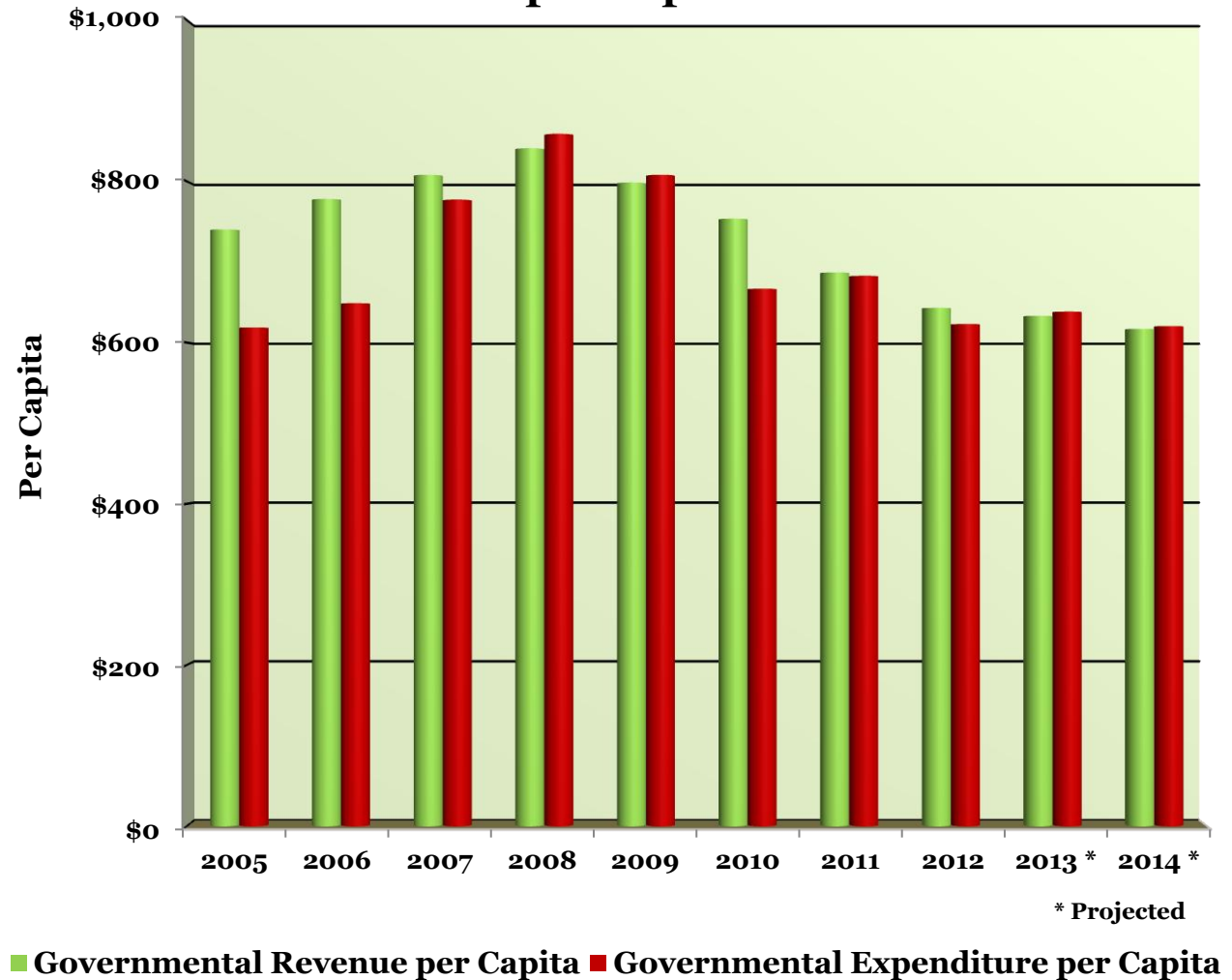
City of Rochester Hills - Actual Levy vs. Maximum Levy
(FY 2000 - 2012)



City Revenue & Expenditure History

- Demonstrates Administration & City Council's *commitment to live within our means*

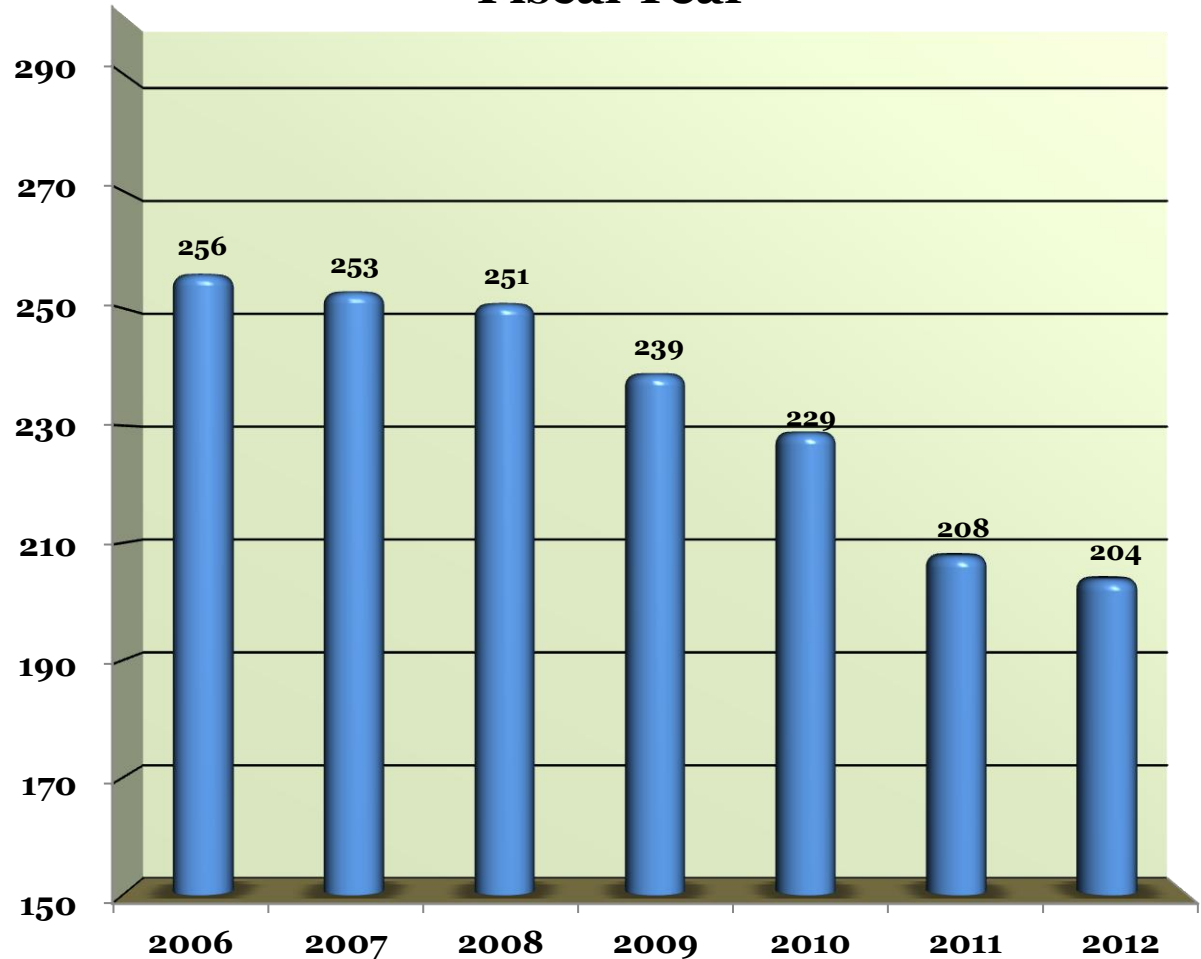
Governmental Revenue & Expenditure per Capita



Can't City Council find *other* savings?

- **Employee Reductions:**
256 in 2006
204 in 2012
Reduction of 52 FTE or -20%
- **Law Enforcement Reductions:**
60 Officers in 2007
57 Officers in 2012
Reduction of 3 Officers or -5%
- **Health Insurance Savings:**
New Employee Coverage saves \$650,000/yr for every year starting in FY 2012.
- **City services “sharing” agreements with Rochester, Oakland Township, Auburn Hills, Shelby Township, Sterling Heights**

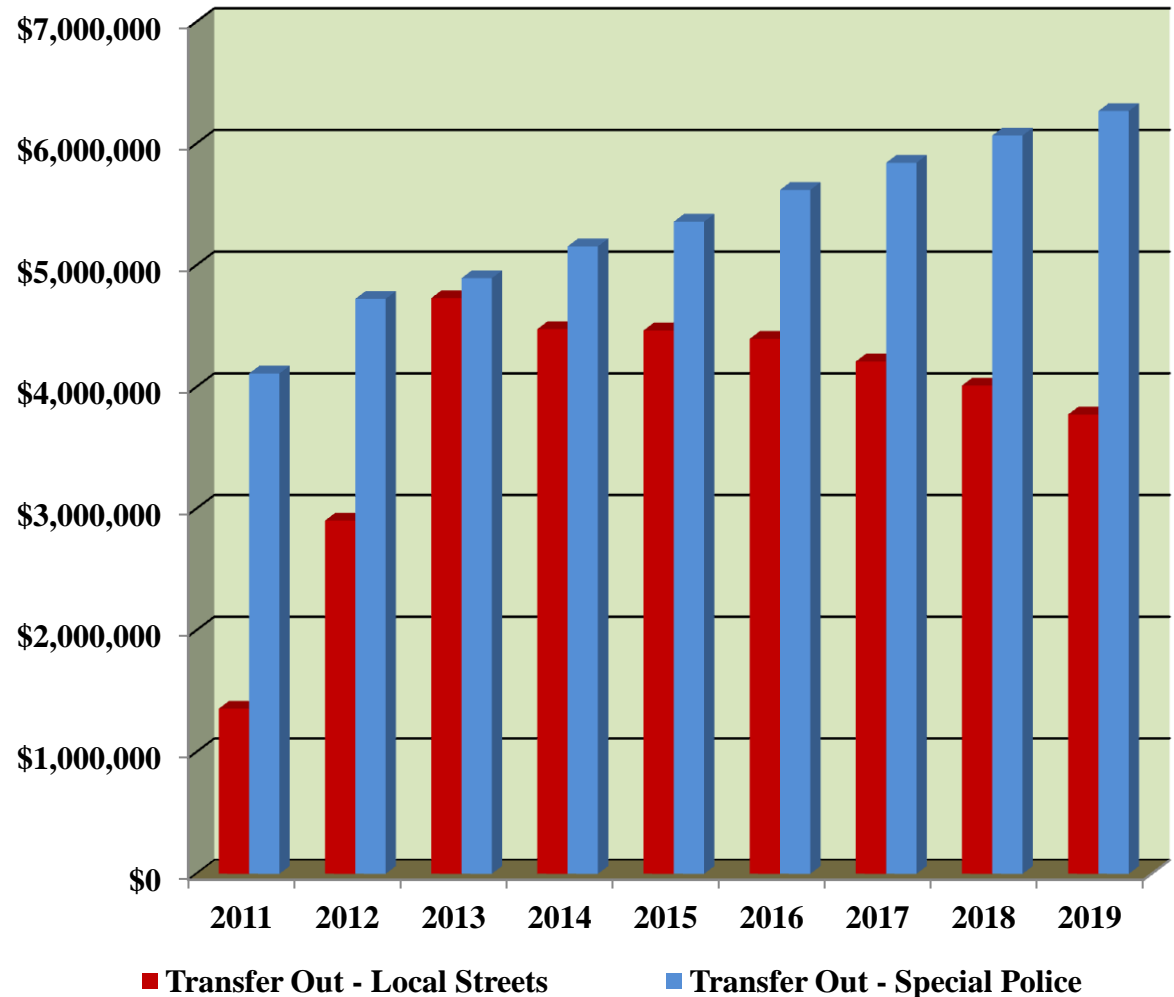
Budgeted Full-Time Employees per Fiscal Year



Why not just renew *expiring* millages?

- **General Funds *transfers* “crowd out”:**
 - Local Road Operations and Reconstruction
 - Drain Maintenance
- **General Fund Flexibility *Increases* Budget Security**
- **Fire / EMS at *Maximum* Taxing Authority, today**
- **Pending State Legislation *could end* Personal Property Tax**

General Fund – Transfer-Out



Perfect Time to Act

- **FY2013 – 15 Budgeting Process Begins in August**
- **August 7th Election Expenses will be Reimbursed by the State**
- **City Council and Administration, along with the residents, gain several months to prioritize and/or reorganize Expenses**



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**DON'T FORGET TO VOTE ON
AUGUST 7TH**

Police and Road Technical Review Committee Members:

Don Cline, Chairperson, Dale Hetrick, Vice Chair,
Walter Johnson, Linda Raschke, LeAnne Rogers, Nancy Soisson and Tom Stephens