
CITY OF ROCHESTER HILLS

Fiscal

Julie Jenuwine, Finance Director

DATE: June 19, 2006

TO: Leisure Committee

RE: Estimated Parks Millage

This memo is in response to last weeks request from a City Council member for an estimated millage to support Park operations for the next ten years. Based upon the current analysis, a millage of approximately 0.8500 would be necessary. The following assumptions are utilized:

- Zero percent increases on Park (fee) revenue, with the exception of Festival of the Hills (2%)
- 2007-2012 CIP projects are included in the analysis, yet timing on many of the projects were pushed out, in order to prevent deficit situations
- Capital contributions (private funding/grants) for the Museum Barns (PK-03E, PK-03F, PK-03I), football field development, Borden Park adventure golf, and the Clinton River covered bridge projects will offset the expenditures
- Clinton River Trail surfacing and staging is supported by the millage (as opposed to 20% as indicated in CIP), incase a grant is not obtained
- 5% annual inflation is calculated on the capital projects
- \$200,000 (in today's dollars plus inflation) is added in each of the last four years of the ten year millage (as the CIP ends in 2012)
- Pine Trace golf course lease revenue is not included
- Wage increases are 2% annually
- Healthcare costs increase 7% annually
- Non-personnel operating budget line-items increase 2% annually (with the exception of the facilities charge estimated to increase 4% due to additional depreciation)
- Taxable value growth percentage declines slightly
- Headlee factor remains at 99.10%
- 20% target fund balance is utilized
- Forestry department and major road pathways are not considered in this analysis

I hope that this information is helpful. Should you need further information or wish to change any assumptions, please feel free to contact me. Thank you

Cc: Mayor Barnett

