

# Police Funding Proposal

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City Council District 3

What do you look for when you choose a community to live in?

- Strong Schools - Quality Education
- Strong Fire/EMS – Fast/Effective Response
- Strong Police Services – Low Crime rate
- Amenities – Park System, OPC, RARA, Green Space, Pathways, Shopping.
- City Infrastructure – Roads, Snow Plowing, Housing Values.
- Healthcare – Hospitals, Doctors
- Location – Employment, Freeway Access

## **Recent Events and Current Trends regarding Police Services**

- **Economy**
- **School Violence since Columbine, regressing Family Values, we now have 4 officers, 7% of staff devoted to schools.**
- **Identity Theft**
- **Increased Computer/Internet Crime**
- **Increased Violent Crime, Rochester Road Bank Robberies, Auburn Road Homicide and subsequent robbery, Commercial Business Assaults and Car break-ins at Northwest Section of the City.**
- **Increased Juvenile Crime, Lawn Surfing, Mailbox destruction**
- **Homeland Security since 9/11/2001**

## **Considerations for Police Services**

**Is the increase in crime in Rochester Hills a trend or spike?**

**Should Police Services be Reactive or Proactive?**

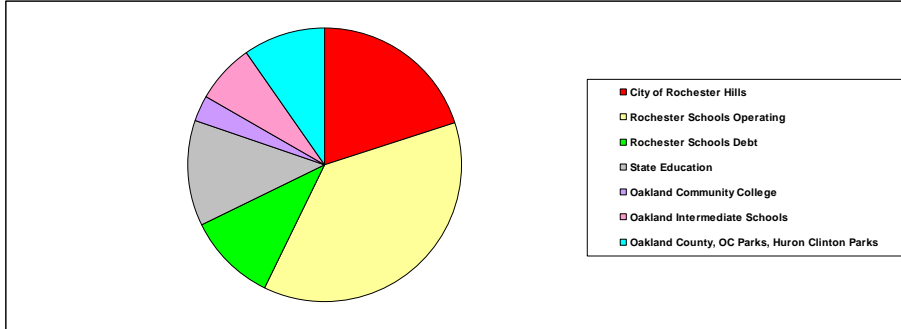
**At what spending level are the Voters of Rochester Hills willing to support for Police Services ?**

**At what crime level are the voters of Rochester Hills willing to tolerate?**

**What is an acceptable response time to your call for service?**

**We are obviously happy with having the 3<sup>rd</sup> lowest tax rate in Oakland County, should we also be happy with the Police Services that reflect the 3<sup>rd</sup> lowest tax rate?**

## Total 2006 Property Taxes in Rochester Hills for Rochester School District

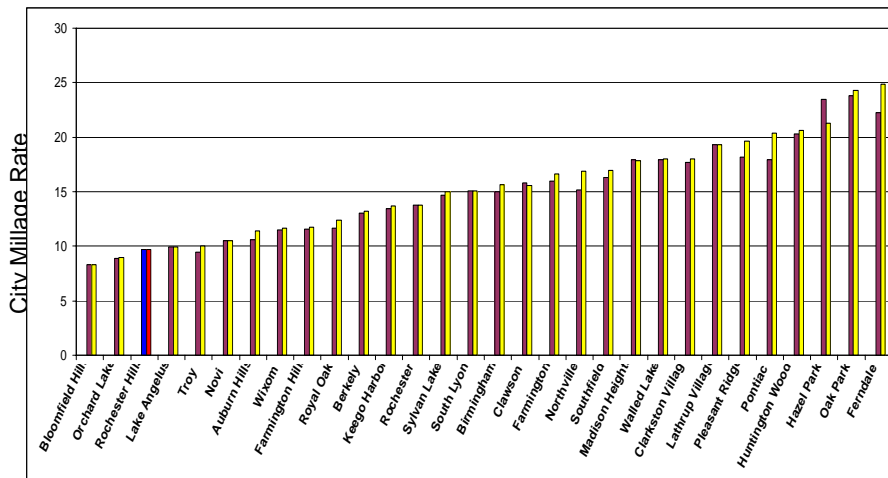


**Homestead Tax Rate is 30.487 mills**

**For an average \$250k Home that has \$125k of Taxable Value, the total taxes paid would be \$3,811.**

**The City Tax portion of \$3,811 would be \$1,213. or 31.8% for your Homestead or roughly \$100 per month.**

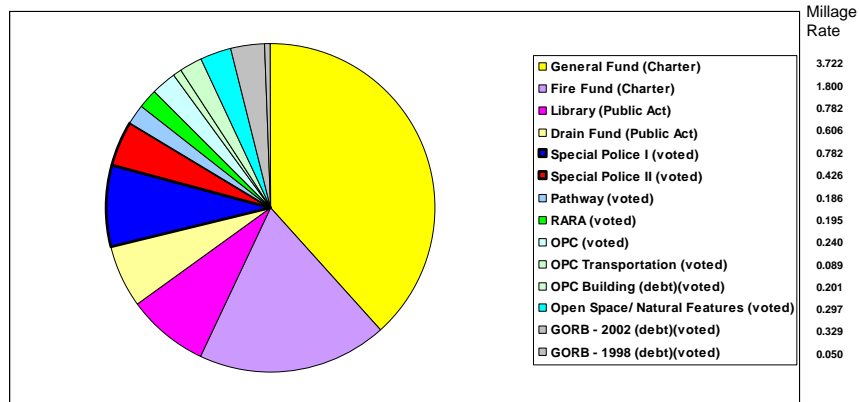
## 2005/2006 City Certified Tax Rate in Oakland County



Rochester Hills Taxing Structure is very different from most of home rule cities. The majority of Michigan's home rule cities are authorized to levy **twenty(20)** mills for general governmental services (city hall, police, fire, roads, etc...).

The City of Rochester Hills, established in 1984, is authorized by charter to levy **up to five (5)** mills for general fund and two and a half mills for fire. The remaining millages are voter approved and include **Police, OPC, RARA, pathways, open space, and debt millages.**

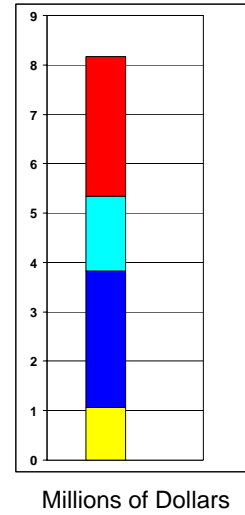
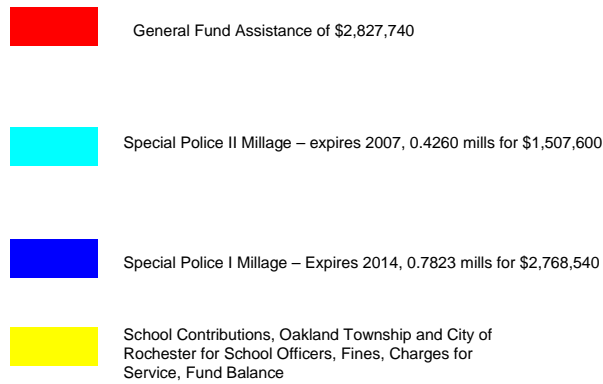
### 2006 City Certified Tax Rate in Oakland County



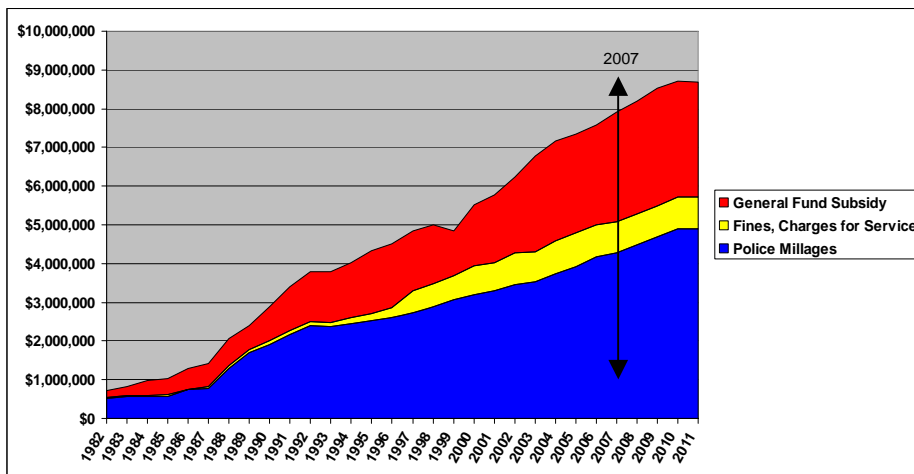
Voted Police I & II equal 12.4% of Total City Tax or roughly \$150 per year of the \$1,213 average City Tax

Total City Rate **9.706 Mills**

# How We Pay for Police Services 2007 Budget



# Historical and Projected Police Funding



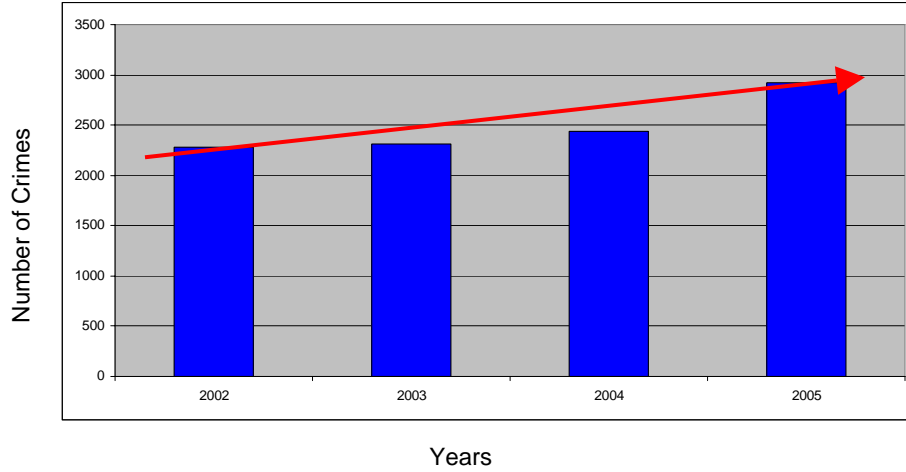
This assumes no additional deputies from 2007 to 2011

- **Currently we spend more for Police Services then have been authorized by the Voters in Police Millage I and Police Millage II. - result is a General Fund Subsidy.**

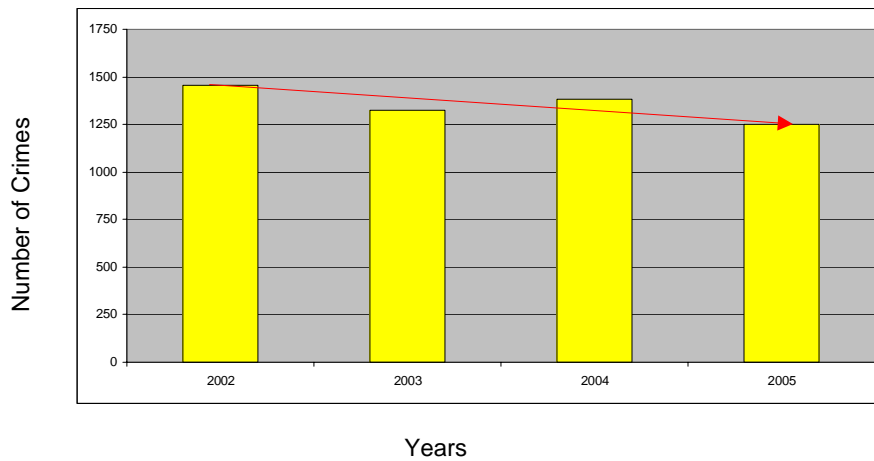
**In my opinion this is a structural problem started when our Charter Commission did not have a dedicated millage for Police Services AND a legislative problem with past City Councils when they decided to spend more \$\$ then authorized by the voters. Current research indicates that as far back as 1982 we spent \$160,000 more then authorized for Police Services.**

## **Rochester Hills Crime Statistics**

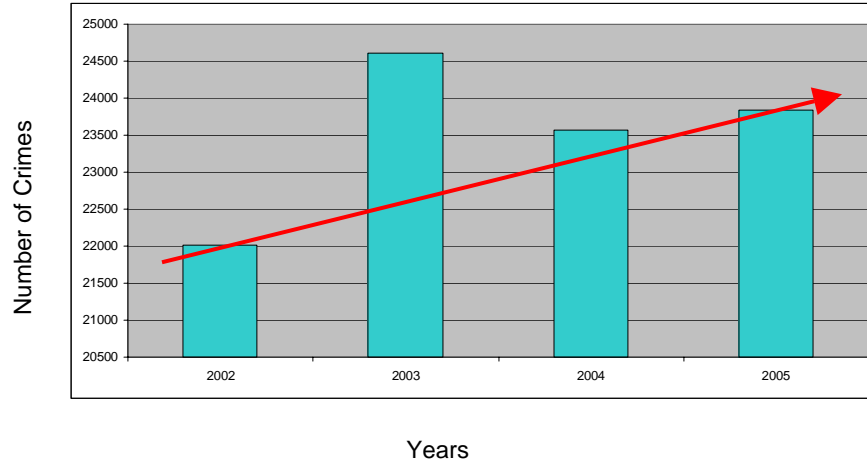
### Serious Crimes against Persons



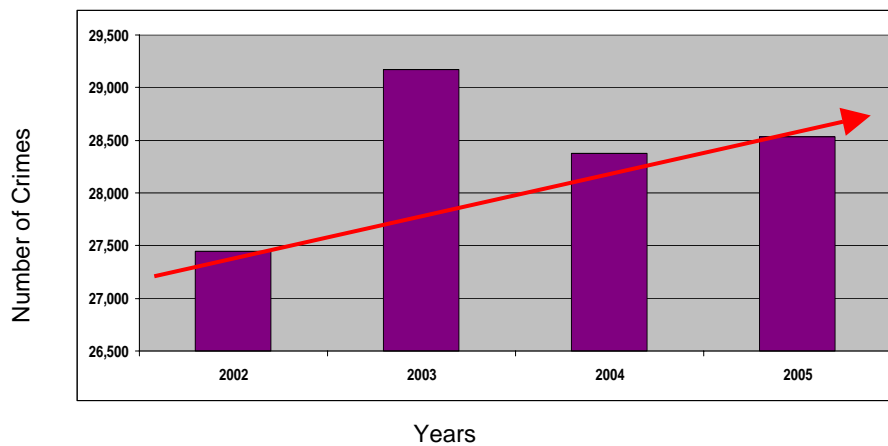
### Crimes against Property and Less Serious Crimes against Persons



## Miscellaneous Crimes



## Calls or "Demands" For Police Service

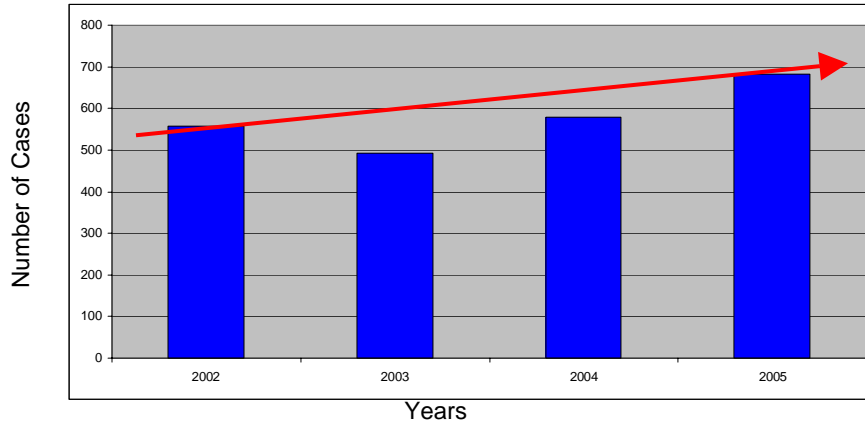


For 2006 the trend is a 5% increase over 2005.

Calls for Service do not include traffic tickets.

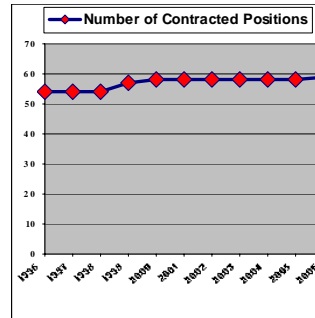


## Assigned Cases to Detective Bureau



Very time and manpower extensive  
 2006 is projecting a **17%** increase over 2005 !!

## Oakland County Sheriff's Department Staffing for Rochester Hills

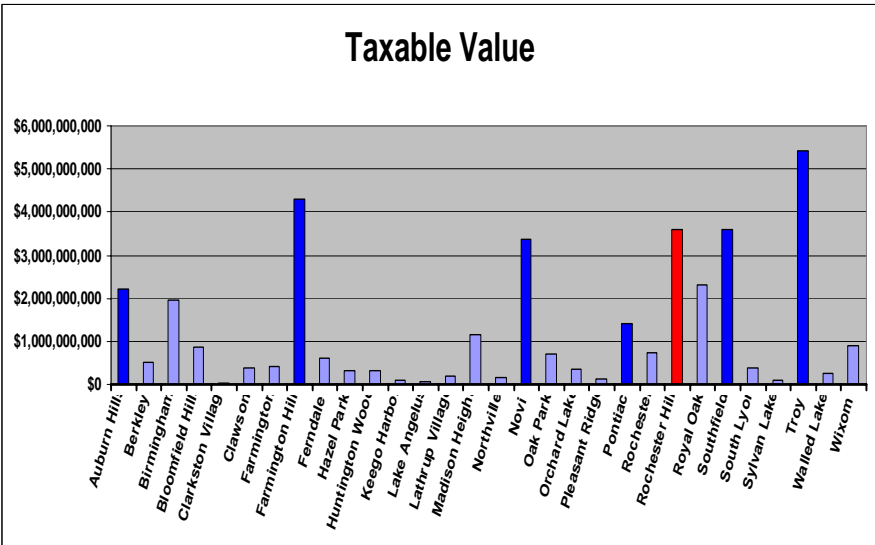


Years	Positions	Population	Ratio	
1996	54	66,365	0.81	
1997	54	67,589	0.80	
1998	54	68,501	0.79	
1999	57	68,663	0.83	3 additional under Cops Grant
2000	58	68,825	0.84	1 additional under Cops in School Grant
2001	58	68,890	0.84	
2002	58	68,915	0.84	
2003	58	68,985	0.84	
2004	58	69,001	0.84	
2005	58	69,395	0.84	
2006	59	69,380	0.85	1 additional Position added by City Council

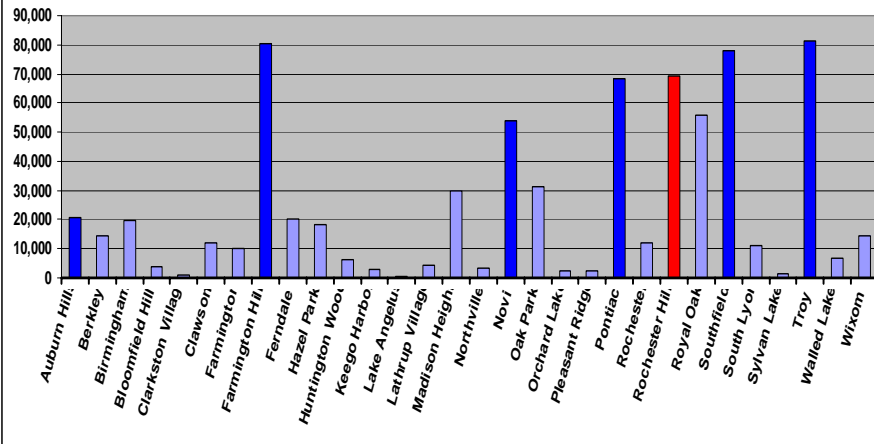
# Current Police Staffing

Captain	1
Lieutenant	2
Detective	7
Community Safety Officer	1
Substation Desk Officer	1
School Liaison – Sergeant	1
School Liaison – Deputy	3
Patrol Sergeant	5
Traffic Sergeant	1
Deputies	34
Weighmaster	2
<u>Alarm Compliance Officer</u>	<u>1</u>
<b>Total</b>	<b>59</b>

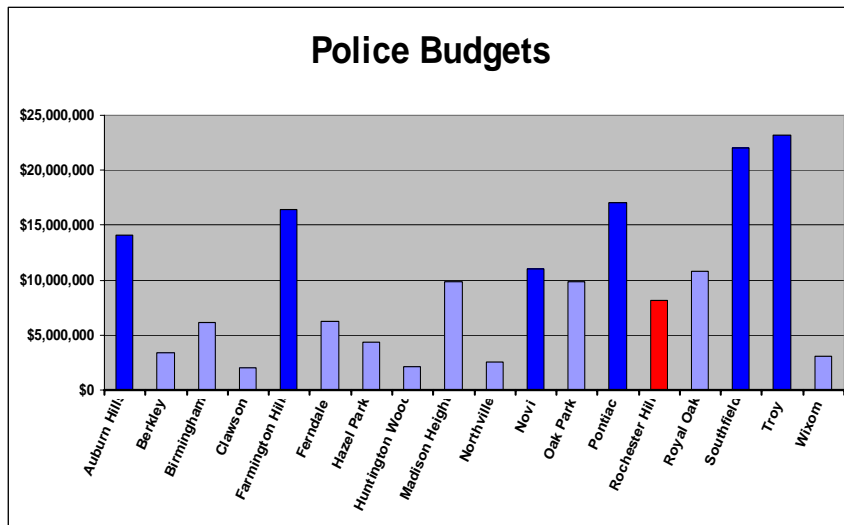
## Taxable Value



### 2006 Population

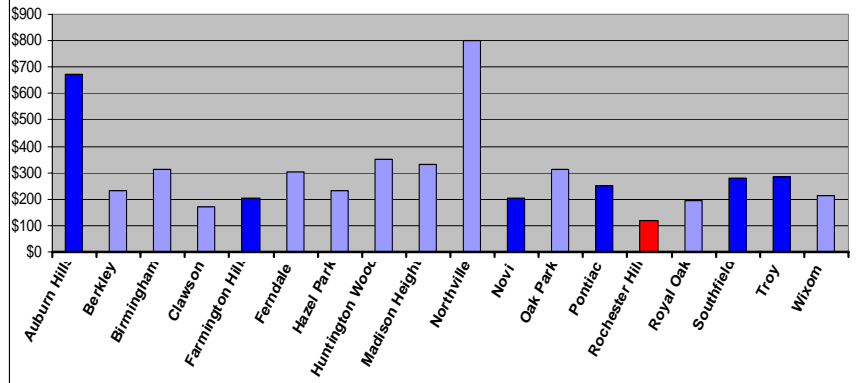


### Police Budgets



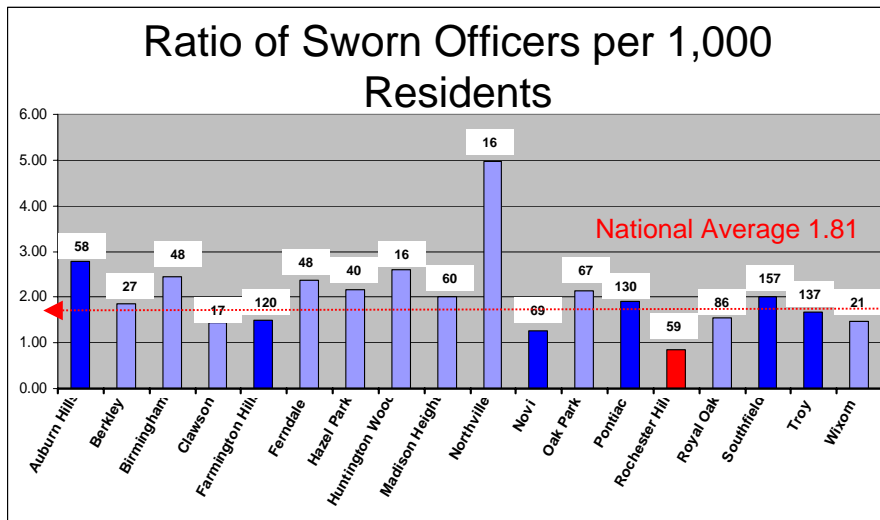
**Rochester Hills consistently spends less on Police than Comparable Oakland County Cities.**

### Police Expenditures Per Capita



Rochester Hills spends less per person on Police than any other Oakland County City.

### Ratio of Sworn Officers per 1,000 Residents



59 = Number of Sworn Officers

Rochester Hills has the Lowest Ratio of any Oakland County City !

## What should we do?

Either we ....

- Do Nothing "Status Quo", accept raising trend in crime rate/demand for police services and corresponding reduced level of service from our Police.

Or

- Add More Officers to at **least** maintain the level of service we have and possibly enhance it.

**If** we vote to add more officers, i.e. spend more on our Police Budget, how do we accomplish that?

- Revenue Enhancement

OR

- Spending Reduction in another **General Fund** area of the budget. - accept reduced or no level of service from the area of budget targeted.

## Revenue Enhancement

- Police III Millage.
- Raise General Fund levy (appears we will be capped at Headlee Limit in 2008, 3.8941 – 3.722 = 0.17 mills of room left in 2007.)
- Add 1% administrative fee to all or part of taxes collected by the City, equals 0.38 mills-all, 0.28 mills-City. 23 / 30 (77%) O.C. Cities have this fee.
- Increase user fees, fines, charges for service.
- Add a new “service charge” for non-resident use of police services.

## Spending Reductions

- Hiring Freeze and eliminate positions.
- Health Care copays and deductible increases (requires union negotiation).
- Delay capital expenditures (residential streets).
- Outsourcing/Privatizing.
- Refinance Debt. (GORB 1998 expires 2010, GORB 2002 expires 2008)
- Curtail “General Fund” City Departments and/or services.

## Or we can do the “Status Quo”

Do neither Revenue Enhancement or Spending Reduction

Which Results in

**Reduced level of Police  
Service and Public Safety**

- Other Factors that create shortage of \$\$ for use to spend on Police Services and Roads.

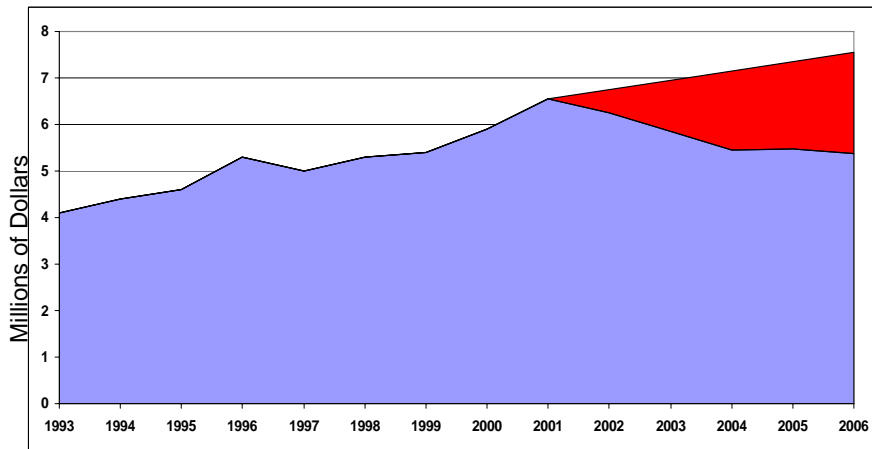
- State Revenue Sharing Reduction since 2001 along with current discussions of additional reductions to balance the State Government budget.

- Cable Franchising reduction potential hit of the \$600k we receive each year, depending on state legislature finalizing current proposed bill.

- Headlee Amendment which annually **reduces** millage rates.

- Rochester Hills is no longer a growing community, we are basically built out with revenues that can not sustain core services from a General Fund that only increases by the rate of inflation.

### State Revenue Sharing For City of Rochester Hills

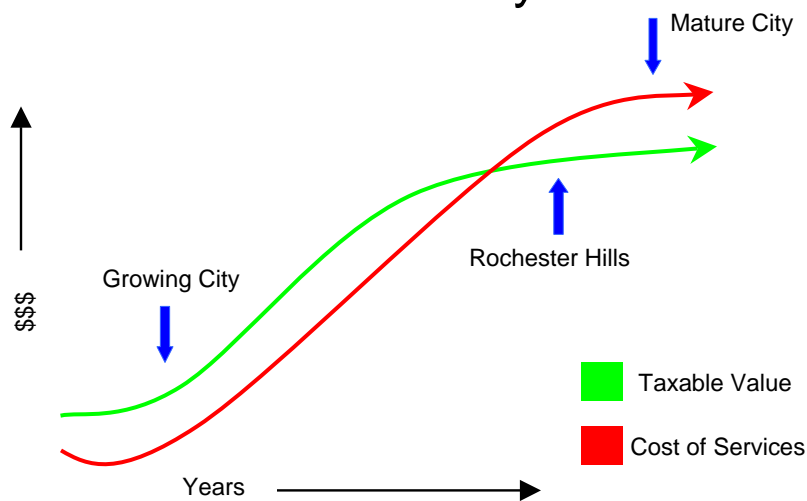


■ Inflation Adjusted Loss of Revenue

For the year of 2006, \$2.17 million Revenue reduction compared to year 2001.

Our auditors are advising that we should expect an \$800,000 reduction in the statutory share of the State Revenue Shared Formula.

### Typical City Taxable Value/Service Cycle





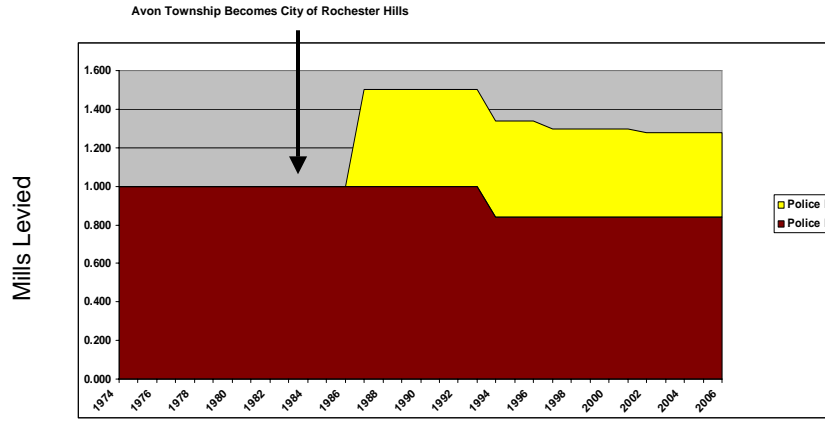
## 2007 General Fund Budget

	<u>Cost</u>	<u>Revenue Offset</u>	<u>Net Cost</u>
City Council	\$189,590		
Mayor's Office, Fiscal, Media, Purchasing	\$1,949,140		
Accounting	\$1,173,910		
Assessing, Board of Review	\$1,285,870		
Legal	\$495,000		
Clerks, Election, Cemetery	\$1,683,580	\$194,130	\$1,489,450
Human Resources	\$697,070		
Treasury	\$560,780		
Building, Ordinance, Weed Control	\$3,642,770	\$1,508,450	\$2,134,320
Planning & Development, CDBG	\$1,400,370		
Parks, Forestry	\$3,777,330	\$555,420	\$3,221,910
Miscellaneous, Wireless, SAD, Guards	\$218,290		
Retiree Health	\$47,570		
Major Roads	\$353,900		
Local Roads (residential streets)	\$3,429,300		
Police	<b>\$2,827,740</b>		
Drains	\$811,620		
City Hall Debt	\$667,580		
Capital Improvement Fund	\$954,750		
City Hall Facilities	\$504,930		
<b>Total</b>	<b>\$26,671,090</b>		

## History of Police Millages

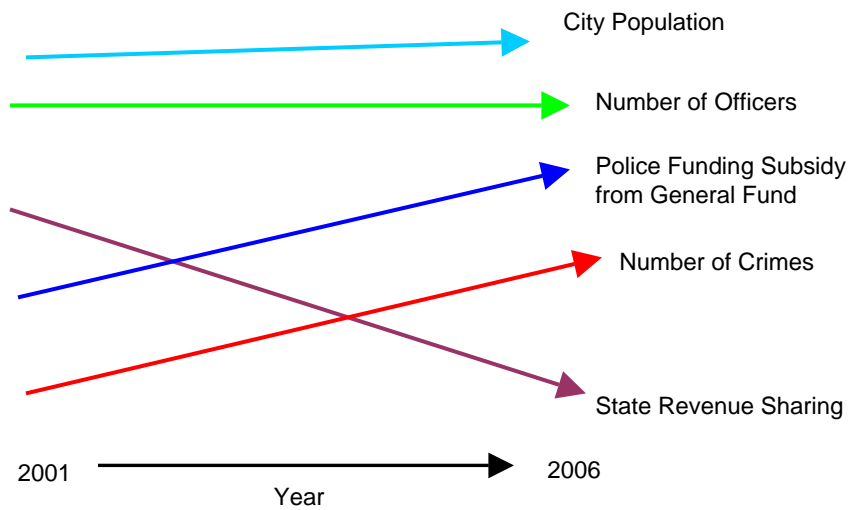
<u>Date</u>	<u>Proposal</u>	<u>Result</u>
8/8/1974	Police I, 1.0 mill, 20 Years 1974 to 1994	Yes
11/4/1980	Police II, 0.5 mill, 10 Years, 1981 - 1990	No
11/2/1982	Police II, 0.75 mill, 20 Years, 1983 - 2002	No
9/15/1987	Police II, 0.5 mill, 10 Years, 1987 - 1996	Yes
9/14/1993	Police I, 0.8405 mill, 20 Years, 1994 - 2013	Yes
9/9/1997	Police II, 0.4579 Mill, 5 Years, 1997, 2001	Yes
8/6/2002	Police III, 2.75 Mill, 12 Years, 2002-2013	No
11/5/2002	Police II, 0.4386 Mill, 5 Years, 2002-2006	Yes
11/4/2003	Police III, 0.3 Mill, 4 Years, 2004- 2007	No

# Police Millages



Within three years after Charter Commission created the City levy tax structure, voters were asked to raise taxes for Police. This indicates to me a structural defect in the Charter that did not plan for the proper level of Police Funding.

# Summary of what we know



## Police Funding Proposal

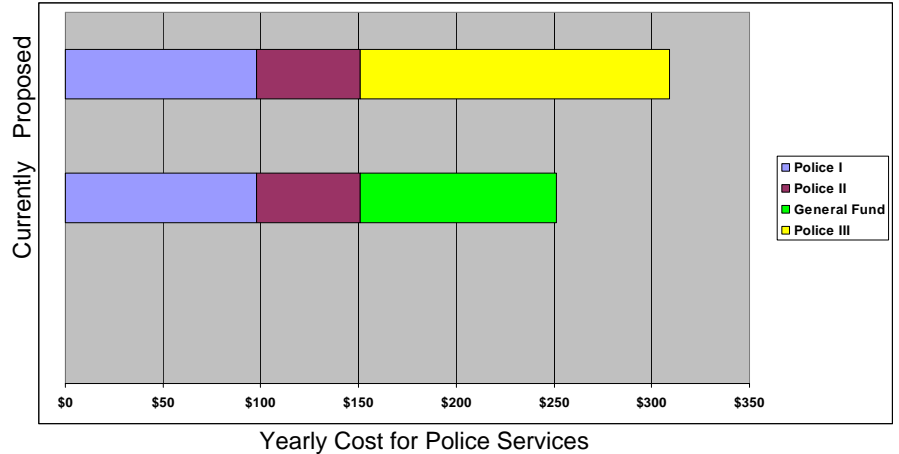
- 1) **Renew existing Police II for seven(7) years** to expire at the same time that Police I does, approx. 2014. Place Police II at the September Election so that there are not two (2) proposals at the same time.
- 2) **Propose Police III of 1.26 mills for seven(7) years** to sunset with Police II in 2014. Place Millage request in November 2007 election. The amount would equal the General Fund Subsidy along with eight (8) additional officers over the 7 year timeframe of the millage. This would not include the cost for the Police substation which continues to be paid for from the General Fund. Substation cost was \$391,090 for 2006.
- 3) **Propose a charter amendment in 2014 for Police Services.** Millage rate to be studied for a year prior and recommend Police Funding/staffing starting in 2014 onward.

## Potential Staff Additions

Subject to Captain Smith's determination, additional staff could consist of:

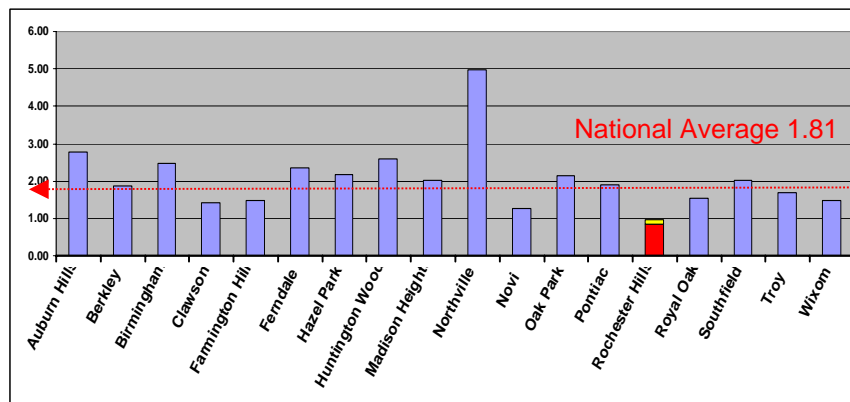
- Detective            1 – 2
- Staff Sergeant      1
- Deputies             5 - 6

Resultant cost of Police Services for a Rochester Hills Homeowner, with \$125k Taxable Value would be:

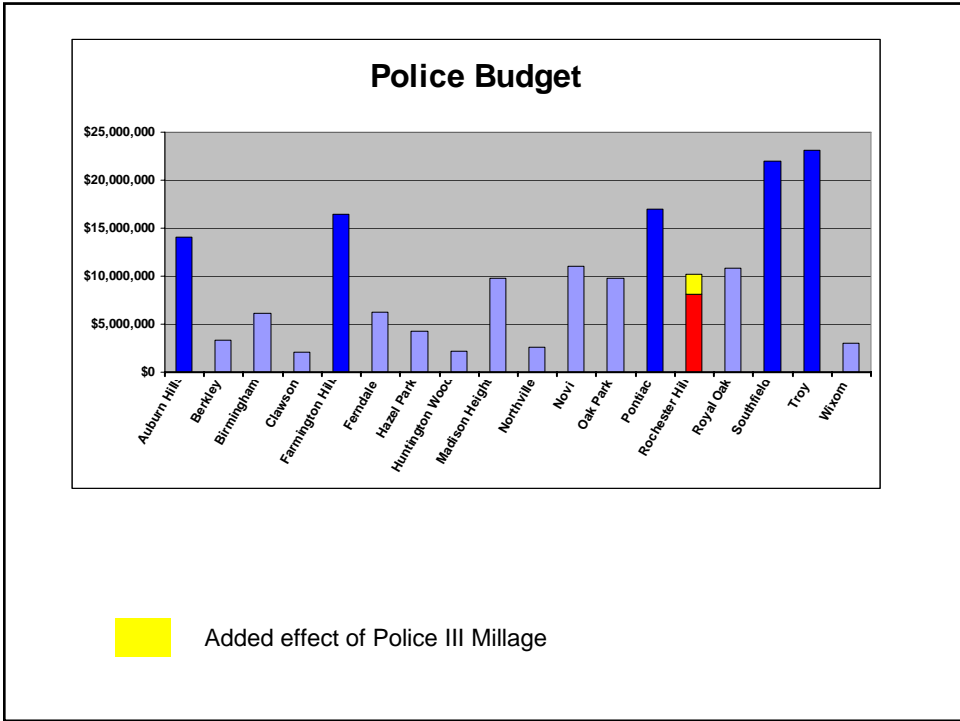


Police III Millage would equal \$158 per year or \$3 per week (1 Latte or 1.5 gallons of gas or DVD rental).

Ratio of Sworn Officers per 1,000 Residents



Added effect of 8 additional officers (Police III Millage)



These are the facts  
 along with my  
 thoughts, what are  
 your solutions to our  
 very serious problem  
 of Police Funding?

