

CITY OF ROCHESTER HILLS

Fiscal

Julie Jenuwine, Finance Director

DATE: February 13, 2006

TO: Public Safety Committee

RE: Police Millage Scenarios Update

Please find the Police Millage scenarios attached, as requested from the Public Safety Committee. The forecast project millage needs (based on various scenarios) starting 2008 through 2014, due to the current police millage expirations in 2007(Police II).

These attached forecasts update the forecasts from May 9, 2005, previously distributed to the Committee. The following assumptions have changed: 20% target fund balance is used rather than 15%, projected Headlee rollback, Patrol Sergeant added in 2006, taxable growth rate decrease, and FY2007 transfer from General Fund to Police Fund increased to \$2,675,020 (last year of General Fund subsidy).

Scenario A - updated 2/13/06

No additional officers are hired. A Police Millage II of 1.4370 will be necessary to maintain the 58 officers.

Scenario B - updated 2/13/06

One officer is added each year beginning in 2008 through 2015. A millage of 1.5721 will be necessary in 2008 through 2014.

Scenario C – updated 2/13/06

Eight (8) deputies are added in 2008. A Police Millage II of 1.6961 will be necessary.

Each of the above forecasts, propose to end in 2014, leaving a target fund balance of 20%. Any combined millage beginning in 2015, as Police I and II will be expiring in 2014, will need to exceed the 2014 millage in each of the forecasts.

Assumptions utilized in these forecasts to determine the minimum millage are as follow:

- *An approximate 4% annual OCSD contractual increase through 2008*
- *OCSD contract cost is unknown beyond 2008, therefore estimated at a 4% annual increase*
- *City employee wages increase 2% each year*
- *City employee health benefit costs increase to \$20,000 in 2006, based on an average, and 12% thereafter*
- *Operating expenditures increase 2% each year except for Interfund charges*
- *Interfund charges (general administration, MIS and occupancy) increase 5%*
- *Taxable Value growth rate decreases each year, as the City builds out (see table for each years details)*
- *Headlee rollback increases each year (see table for each years details)*
- *Keep a target fund balance at 20% of operating expenditures*



Assumption: G.F. Transfer-In to continue until 2007 (fy 2007 need \$2,675,020 transferred due to negative fb, GF transfer eliminated after 2007); Maintain 59 deputies

Property Tax Calculation	Actual 2003	Actual 2004	Budget 2005	Forecast 2006	Forecast 2007	Forecast 2008	Forecast 2009	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Headlee Rollback Percentage	99.04%	99.39%	99.41%	99.41%	100.00%	99.51%	99.52%	99.53%	99.54%	99.55%	99.56%	99.57%	99.58%
Taxable Value Growth Rate	6.46%	6.11%	5.88%	6.20%	4.68%	4.50%	4.30%	3.90%	3.50%	3.00%	3.00%	3.00%	3.00%
PROPERTY VALUE - Taxable	\$ 2,694,240,380	\$ 2,858,868,260	\$ 3,026,860,100	\$ 3,214,649,540	\$ 3,365,242,783	\$ 3,516,678,708	\$ 3,667,895,893	\$ 3,810,943,833	\$ 3,944,326,867	\$ 4,062,656,673	\$ 4,184,536,373	\$ 4,310,072,464	\$ 4,439,374,638
PERSONAL PROPERTY - Taxable	\$ 216,081,110	\$ 205,993,980	\$ 203,963,970	\$ 187,326,370	\$ 182,643,211	\$ 178,077,130	\$ 173,625,202	\$ 169,284,572	\$ 165,052,458	\$ 160,926,146	\$ 156,902,993	\$ 152,980,418	\$ 149,155,907
Estimated Collection Rate	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%
1.000 Mills =	\$ 2,680,769	\$ 2,844,574	\$ 3,011,928,744	\$ 3,384,966	\$ 3,530,147	\$ 3,676,282	\$ 3,822,313	\$ 3,960,327	\$ 4,088,832	\$ 4,202,465	\$ 4,319,732	\$ 4,440,738	\$ 4,565,588
Total Police Mill's Levied			1.2268	1.2195	1.2195	2.2226	2.2119	2.2014	2.1912	2.1813	2.1716	2.1621	2.1621
Total Police Tax Generated			\$ 3,695,034,183	\$ 4,127,966	\$ 4,305,014	\$ 8,170,905	\$ 8,454,575	\$ 8,718,264	\$ 8,959,450	\$ 9,166,837	\$ 9,380,730	\$ 9,601,319	\$ 9,871,258
PROPERTY TAX MILLAGE RATES													
OPERATING MILLAGE	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Charter Operating	1.1958	2.3350	2.3630	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169
Charter Operating / CIP (0.2500 mills)	0.2500	0.2500	0.2500	-	-	-	-	-	-	-	-	-	-
Major Roads Program (0.5000 mills)	0.5000	0.5000	0.5000	-	-	-	-	-	-	-	-	-	-
Fire Fund	2.0136	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
Special Police 1	0.8053	0.8003	0.7942	0.7895	0.7895	0.7856	0.7818	0.7781	0.7745	0.7710	0.7676	0.7642	2.1621
Special Police 2	0.4386	0.4359	0.4326	0.4300	0.4300	1.4370	1.4301	1.4233	1.4167	1.4103	1.4040	1.3979	-
Bike Path - expires 2006	0.1915	0.1903	0.1888	0.1281	0.1281	0.1274	0.1267	0.1261	0.1255	0.1249	0.1243	0.1237	0.1231
Public Improvement - Drains	0.3270	0.4110	0.3980	0.3526	0.4247	0.4474	0.4761	0.4714	0.5279	0.7211	0.7407	1.0000	1.0000
RARA	0.1619	0.1609	0.1596	0.1586	0.1950	0.1940	0.1930	0.1920	0.1911	0.1902	0.1893	0.1884	0.1876
Older Persons Special Transportation	0.0228	0.0226	0.0224	0.0900	0.0900	0.0895	0.0890	0.0885	0.0880	0.0876	0.0872	0.0868	0.0864
Older Persons Millage	0.2359	0.2460	0.2441	0.2426	0.2426	0.2414	0.2402	0.2390	0.2379	0.2368	0.2357	0.2346	0.2336
Green Space	-	-	-	0.3000	0.3000	0.2985	0.2970	0.2956	0.2942	0.2928	0.2915	0.2902	0.2889
Library	0.8053	0.8003	0.7942	0.7895	0.7895	0.7856	0.7818	0.7781	0.7745	0.7710	0.7676	0.7642	0.7609
TOTAL OPERATING MILLAGE	6.9477	8.0523	8.0469	8.3978	8.5063	9.5233	9.5326	9.5090	9.5472	9.7226	9.7248	9.9669	9.9595
DEBT MILLAGE	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Drain Debt Fund	0.6730	0.5890	0.6020	0.6474	0.5753	0.5526	0.5239	0.5286	0.4721	0.2789	0.2593	-	-
Older Persons Building Debt	0.2342	0.2183	0.2319	0.2158	0.2150	0.2134	0.2118	0.2103	0.2088	0.2073	0.2059	0.2045	0.2031
GORB Series 1993	0.5132	-	-	-	-	-	-	-	-	-	-	-	-
GORB Series 1998	1.0000	0.0593	0.0580	0.0544	0.0520	0.1212	0.4461	0.3547	-	-	-	-	-
GORB Series 2002	-	0.4492	0.4293	0.3527	0.4181	0.3261	-	-	-	-	-	-	-
TOTAL DEBT MILLAGE	2.4204	1.3158	1.3212	1.2703	1.2604	1.2133	1.1818	1.0936	0.6809	0.4862	0.4652	0.2045	0.2031
TOTAL MILLAGE RATE	9.3681	9.3681	9.3681	9.6681	9.6681	10.7366	10.7144	10.6026	10.2281	10.2088	10.1900	10.1714	10.1626

Goal Seek Here=>

1.4370

1.4370

2.1621

Millage over 2.1621 will be needed after 2014

NOTES: Assumption for Taxable Value Growth rates decreased.
 No Headlee rollback for Dec 2006
 Assumes 20% fund balance target (opposed to 15%), goal is on target in last year 2014
 2006 Patrol Sergeant added

Pathway Millage expires 2006, assumes a renewal
 RARA Millage expires 2005, assumes a renewal



Assumption: G.F. Transfer-In to continue until 2007 (fy 2007 need \$2,675,020 transferred due to negative fb, GF transfer eliminated after 2007); Add One Deputy per Year (2008-2015)

Property Tax Calculation	Actual 2003	Actual 2004	Budget 2005	Forecast 2006	Forecast 2007	Forecast 2008	Forecast 2009	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Headlee Rollback Percentage	99.04%	99.39%	99.41%	99.41%	100.00%	99.51%	99.52%	99.53%	99.54%	99.55%	99.56%	99.57%	99.58%
Taxable Value Growth Rate	6.46%	6.11%	5.88%	6.20%	4.68%	4.50%	4.30%	3.90%	3.50%	3.00%	3.00%	3.00%	3.00%
PROPERTY VALUE - Taxable	\$ 2,694,240,380	\$ 2,858,868,260	\$ 3,026,860,100	\$ 3,214,649,540	\$ 3,365,242,783	\$ 3,516,678,708	\$ 3,667,895,893	\$ 3,810,943,833	\$ 3,944,326,867	\$ 4,062,656,673	\$ 4,184,536,373	\$ 4,310,072,464	\$ 4,439,374,638
PERSONAL PROPERTY - Taxable	\$ 216,081,110	\$ 205,993,980	\$ 203,963,970	\$ 187,326,370	\$ 182,643,211	\$ 178,077,130	\$ 173,625,202	\$ 169,284,572	\$ 165,052,458	\$ 160,926,146	\$ 156,902,993	\$ 152,980,418	\$ 149,155,907
Estimated Collection Rate	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%
1.000 Mills =	\$ 2,680,769	\$ 2,844,574	\$ 3,011,928,744	\$ 3,384,966	\$ 3,530,147	\$ 3,676,282	\$ 3,822,313	\$ 3,960,327	\$ 4,088,832	\$ 4,202,465	\$ 4,319,732	\$ 4,440,738	\$ 4,565,588
Total Police Mill's Levied			1.2268	1.2195	1.2195	2.3577	2.3463	2.3352	2.3244	2.3139	2.3037	2.2936	2.2936
Total Police Tax Generated			\$ 3,695,034,183	\$ 4,127,966	\$ 4,305,014	\$ 8,667,570	\$ 8,968,294	\$ 9,248,156	\$ 9,504,082	\$ 9,724,084	\$ 9,951,367	\$ 10,185,276	\$ 10,471,632
PROPERTY TAX MILLAGE RATES													
OPERATING MILLAGE	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Charter Operating	1.1958	2.3350	2.3630	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169
Charter Operating / CIP (0.2500 mills)	0.2500	0.2500	0.2500	-	-	-	-	-	-	-	-	-	-
Major Roads Program (0.5000 mills)	0.5000	0.5000	0.5000	-	-	-	-	-	-	-	-	-	-
Fire Fund	2.0136	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
Special Police 1	0.8053	0.8003	0.7942	0.7895	0.7895	0.7856	0.7818	0.7781	0.7745	0.7710	0.7676	0.7642	2.2936
Special Police 2	0.4386	0.4359	0.4326	0.4300	0.4300	1.5721	1.5645	1.5571	1.5499	1.5429	1.5361	1.5294	-
Bike Path - expires 2006	0.1915	0.1903	0.1888	0.1281	0.1281	0.1274	0.1267	0.1261	0.1255	0.1249	0.1243	0.1237	0.1231
Public Improvement - Drains	0.3270	0.4110	0.3980	0.3526	0.4247	0.4474	0.4761	0.4714	0.5279	0.7211	0.7407	1.0000	1.0000
RARA	0.1619	0.1609	0.1596	0.1586	0.1950	0.1940	0.1930	0.1920	0.1911	0.1902	0.1893	0.1884	0.1876
Older Persons Special Transportation	0.0228	0.0226	0.0224	0.0900	0.0900	0.0895	0.0890	0.0885	0.0880	0.0876	0.0872	0.0868	0.0864
Older Persons Millage	0.2359	0.2460	0.2441	0.2426	0.2426	0.2414	0.2402	0.2390	0.2379	0.2368	0.2357	0.2346	0.2336
Green Space	-	-	-	0.3000	0.3000	0.2985	0.2970	0.2956	0.2942	0.2928	0.2915	0.2902	0.2889
Library	0.8053	0.8003	0.7942	0.7895	0.7895	0.7856	0.7818	0.7781	0.7745	0.7710	0.7676	0.7642	0.7609
TOTAL OPERATING MILLAGE	6.9477	8.0523	8.0469	8.3978	8.5063	9.6584	9.6670	9.6428	9.6804	9.8552	9.8569	10.0984	10.0910
DEBT MILLAGE	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Drain Debt Fund	0.6730	0.5890	0.6020	0.6474	0.5753	0.5526	0.5239	0.5286	0.4721	0.2789	0.2593	-	-
Older Persons Building Debt	0.2342	0.2183	0.2319	0.2158	0.2150	0.2134	0.2118	0.2103	0.2088	0.2073	0.2059	0.2045	0.2031
GORB Series 1993	0.5132	-	-	-	-	-	-	-	-	-	-	-	-
GORB Series 1998	1.0000	0.0593	0.0580	0.0544	0.0520	0.1212	0.4461	0.3547	-	-	-	-	-
GORB Series 2002	-	0.4492	0.4293	0.3527	0.4181	0.3261	-	-	-	-	-	-	-
TOTAL DEBT MILLAGE	2.4204	1.3158	1.3212	1.2703	1.2604	1.2133	1.1818	1.0936	0.6809	0.4862	0.4652	0.2045	0.2031
TOTAL MILLAGE RATE	9.3681	9.3681	9.3681	9.6681	9.6681	10.8717	10.8488	10.7364	10.3613	10.3414	10.3221	10.3029	10.2941

Goal Seek Here=>

1.5721

1.5721

2.2936

Millage over 2.2936 will be needed after 2014

NOTES: Assumption for Taxable Value Growth rates decreased.
 No Headlee rollback for Dec 2006
 Assumes 20% fund balance target (opposed to 15%), goal is on target in last year 2014
 2006 Patrol Sergeant added

Pathway Millage expires 2006, assumes a renewal
 RARA Millage expires 2005, assumes a renewal

Assumption:

G.F. Transfer-In to continue until 2007 (fy 2007 need \$2,675,020 transferred due to negative fb, GF transfer eliminated after 2007); Add Eight deputies in 2008



Property Tax Calculation	Actual 2003	Actual 2004	Budget 2005	Forecast 2006	Forecast 2007	Forecast 2008	Forecast 2009	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Headlee Rollback Percentage	99.04%	99.39%	99.41%	99.41%	100.00%	99.51%	99.52%	99.53%	99.54%	99.55%	99.56%	99.57%	99.58%
Taxable Value Growth Rate	6.46%	6.11%	5.88%	6.20%	4.68%	4.50%	4.30%	3.90%	3.50%	3.00%	3.00%	3.00%	3.00%
PROPERTY VALUE - Taxable	\$ 2,694,240,380	\$ 2,858,868,260	\$ 3,026,860,100	\$ 3,214,649,540	\$ 3,365,242,783	\$ 3,516,678,708	\$ 3,667,895,893	\$ 3,810,943,833	\$ 3,944,326,867	\$ 4,062,656,673	\$ 4,184,536,373	\$ 4,310,072,464	\$ 4,439,374,638
PERSONAL PROPERTY - Taxable	\$ 216,081,110	\$ 205,993,980	\$ 203,963,970	\$ 187,326,370	\$ 182,643,211	\$ 178,077,130	\$ 173,625,202	\$ 169,284,572	\$ 165,052,458	\$ 160,926,146	\$ 156,902,993	\$ 152,980,418	\$ 149,155,907
Estimated Collection Rate	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%
1.000 Mills =	\$ 2,680,769	\$ 2,844,574	\$ 3,011,928,744	\$ 3,384,966	\$ 3,530,147	\$ 3,676,282	\$ 3,822,313	\$ 3,960,327	\$ 4,088,832	\$ 4,202,465	\$ 4,319,732	\$ 4,440,738	\$ 4,565,588
Total Police Mill's Levied			1.2268	1.2195	1.2195	2.4817	2.4697	2.4580	2.4466	2.4355	2.4247	2.4141	2.4141
Total Police Tax Generated			\$ 3,695,034,183	\$ 4,127,966	\$ 4,305,014	\$ 9,123,429	\$ 9,439,968	\$ 9,734,484	\$ 10,003,737	\$ 10,235,103	\$ 10,474,055	\$ 10,720,385	\$ 11,021,786
PROPERTY TAX MILLAGE RATES													
OPERATING MILLAGE	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Charter Operating	1.1958	2.3350	2.3630	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169	3.2169
Charter Operating / CIP (0.2500 mills)	0.2500	0.2500	0.2500	-	-	-	-	-	-	-	-	-	-
Major Roads Program (0.5000 mills)	0.5000	0.5000	0.5000	-	-	-	-	-	-	-	-	-	-
Fire Fund	2.0136	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
Special Police 1	0.8053	0.8003	0.7942	0.7895	0.7895	0.7856	0.7818	0.7781	0.7745	0.7710	0.7676	0.7642	2.4141
Special Police 2	0.4386	0.4359	0.4326	0.4300	0.4300	1.6961	1.6879	1.6799	1.6721	1.6645	1.6571	1.6499	-
Bike Path - expires 2006	0.1915	0.1903	0.1888	0.1281	0.1281	0.1274	0.1267	0.1261	0.1255	0.1249	0.1243	0.1237	0.1231
Public Improvement - Drains	0.3270	0.4110	0.3980	0.3526	0.4247	0.4474	0.4761	0.4714	0.5279	0.7211	0.7407	1.0000	1.0000
RARA	0.1619	0.1609	0.1596	0.1586	0.1950	0.1940	0.1930	0.1920	0.1911	0.1902	0.1893	0.1884	0.1876
Older Persons Special Transportation	0.0228	0.0226	0.0224	0.0900	0.0900	0.0895	0.0890	0.0885	0.0880	0.0876	0.0872	0.0868	0.0864
Older Persons Millage	0.2359	0.2460	0.2441	0.2426	0.2426	0.2414	0.2402	0.2390	0.2379	0.2368	0.2357	0.2346	0.2336
Green Space	-	-	-	0.3000	0.3000	0.2985	0.2970	0.2956	0.2942	0.2928	0.2915	0.2902	0.2889
Library	0.8053	0.8003	0.7942	0.7895	0.7895	0.7856	0.7818	0.7781	0.7745	0.7710	0.7676	0.7642	0.7609
TOTAL OPERATING MILLAGE	6.9477	8.0523	8.0469	8.3978	8.5063	9.7824	9.7904	9.7656	9.8026	9.9768	9.9779	10.2189	10.2115
DEBT MILLAGE	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Drain Debt Fund	0.6730	0.5890	0.6020	0.6474	0.5753	0.5526	0.5239	0.5286	0.4721	0.2789	0.2593	-	-
Older Persons Building Debt	0.2342	0.2183	0.2319	0.2158	0.2150	0.2134	0.2118	0.2103	0.2088	0.2073	0.2059	0.2045	0.2031
GORB Series 1993	0.5132	-	-	-	-	-	-	-	-	-	-	-	-
GORB Series 1998	1.0000	0.0593	0.0580	0.0544	0.0520	0.1212	0.4461	0.3547	-	-	-	-	-
GORB Series 2002	-	0.4492	0.4293	0.3527	0.4181	0.3261	-	-	-	-	-	-	-
TOTAL DEBT MILLAGE	2.4204	1.3158	1.3212	1.2703	1.2604	1.2133	1.1818	1.0936	0.6809	0.4862	0.4652	0.2045	0.2031
TOTAL MILLAGE RATE	9.3681	9.3681	9.3681	9.6681	9.6681	10.9957	10.9722	10.8592	10.4835	10.4630	10.4431	10.4234	10.4146

Goal Seek Here=>

-

1.6961

2.4141

Millage over 2.4141 will be needed after 2014

NOTES: Assumption for Taxable Value Growth rates decreased.

No Headlee rollback for Dec 2006

Assumes 20% fund balance target (opposed to 15%), goal is on target in last year 2014

2006 Patrol Sergeant added

Pathway Millage expires 2006, assumes a renewal

RARA Millage expires 2005, assumes a renewal