



Leanne Scott &lt;scottl@rochesterhills.org&gt;

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## Police Millage agenda topic

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Theresa Mungioli &lt;mungiolit@rochesterhills.org&gt;

Sun, Jul 6, 2025 at 3:31 PM

To: Joe Snyder &lt;snyderj@rochesterhills.org&gt;, Leanne Scott &lt;scottl@rochesterhills.org&gt;

Joe,

Thank you for providing info on each of the proposed options. And of course I have questions:

- What is the cost behind each of the proposals? You mention the number of officers or impact to other areas, but not the dollar cost of each option.
- How are all Parks projects equal to the cost of the contract? I thought the Parks master plan requests were much higher. Same with the General Fund balance - should be higher than the OCSO contract increase.
- What is the expected amount we will pass to the residents in a tax increase to cover the cost of maintaining our current staffing? In year 1, 2, 3 of the contract? I realize we just shifted some of the costs from year 1 to year 3, however I want to be clear to the residents why we are doing this (county to blame) how much it will cost above what they are currently paying per year.
- And that this proposal does not include increasing any additional Sheriff staffing for the foreseeable future
- How was Option 4 (ask for another millage) balanced against Council breaking their word about not increasing the millage? Why would we think the residents would be confused about another millage increase and they would not think the Council was lying when we said we would not raise taxes?
- What guarantee is there that any millage increase is strictly for the OCSO contract and does not include funding for other city projects/operations?.

I am guessing we will have a millage increase this year, the first one in a long time that is not a new/expanded tax.

This is a very sensitive topic and I hope one that we can discuss openly. Thanks for your help with this.

Theresa Mungioli

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Leanne Scott &lt;scottl@rochesterhills.org&gt;

## Police Millage agenda topic

Joe Snyder &lt;snyderj@rochesterhills.org&gt;

Mon, Jul 7, 2025 at 12:01 PM

To: Theresa Mungoli &lt;mungiolit@rochesterhills.org&gt;

Cc: Leanne Scott &lt;scottl@rochesterhills.org&gt;, Bryan Barnett &lt;barnettb@rochesterhills.org&gt;

Good morning Councilperson Mungoli,

Here are my responses to your thoughtful questions:

**• What is the cost behind each of the proposals? You mention the number of officers or impact to other areas, but not the dollar cost of each option.**

The estimated cost of the OCSO rates approved by the Oakland County Board of Commissioners is:

o +\$690K over the originally approved Budget in 2025

Note: We budgeted a +10% increase for 2025 and it came in at +17.9%

o +\$1.4M over the originally projected Budget in 2026

Note: We budgeted a +5.0% increase for 2026 and it came in at +9.0%

o +\$2.4M over the originally projected Budget in 2027 (final year of contract)

Note: We budgeted a +4.0% increase for 2027 and it came in at +9.0%

o In total, we budgeted a +19.0% increase over the 3-year contract and it came in +35.9%

The cost of Option #1 = Decrease the number of OCSO officers to maintain the same bottom line millage rate is equal to the initially projected budget amounts in 2026-27, so there are no additional costs, however it was projected to reduce the number of OCSO officers by six (6) deputies in 2026 and four (4) deputies in 2027, a net reduction of ten (10) OCSO deputies, to maintain the originally budgeted amounts net neutral.

The cost of Option #2 = Decrease the number of General Fund staff to maintain the same bottom line millage rate is estimated to result in a reduction of approximately twenty-five General Fund (25) staff members between 2026-27 to reduce the General Fund budget by (\$2.4M) so that the Police Fund budget could correspondingly be increased by +\$2.4M. This would maintain the same bottom line City millage rate.

The cost of Option #3 = Eliminate all planned Parks & Facility projects and utilize Fund Balances would result in the redirection of General Fund Balance and General Fund on-going structural surplus from the Capital Improvement Fund to the Police Fund. As the increased cost of the OCSO contract in 2027 is estimated to be an additional +\$2.4M, this amount exceeds the projected General Fund on-going structural surplus so General Fund Balance would be drawn down to make up the difference. It is projected that all General Fund and Capital Improvement Fund Balance would be utilized by 2030 by redirecting those funds towards the Police Fund. After 2030 the City would be forced to (a) reduce the number of OCSO officers (b) reduce the number of General Fund staff or (c) increase the bottom line millage rate.

The cost of Options #4 & #5 are similar in nature as they both propose to increase the Police millage rate and leave the General Fund millage held harmless / status quo. Option #4 = New Police Millage would bring the new millage option to voters, and Option #5 = Increase the existing Police Millage within the level previously authorized levels each propose to increase the Police millage the same amount. It is currently projected that the net increase needed in the Police millage to breakeven in 2027 (i.e. Revenues = Expenditures the final year of this current contract) is +0.4344 mill or from the current 2.4180 Police millage levy in 2025 to 2.8524 millage levy in 2026+. The bottom line City millage rate is projected to increase from 10.8473 mills in 2025 to 11.2817 mills in 2026 an increase of 0.4344 mill or +4.0%.

Further it is anticipated that this new Police millage levy level will be able to sustain the Police Fund at the current OCSO staffing levels through 2030 (the final year of the next 3-year contract) if the next OCSO contract increases are ~ +5.25% per year over the next 3-year contract (or +15.75% total).

**• How are all Parks projects equal to the cost of the contract? I thought the Parks master plan requests were much higher. Same with the General Fund balance - should be higher than the OCSO contract increase.**

The issue is not as much the cost of this 2025-2027 contract, but rather the succeeding costs of contracts in future years. By 2027 (the final year of the existing contract) it is estimated that there will be a (\$2.4M) annual shortfall moving forward. This annual shortfall is projected to exceed the projected General Fund on-going structural surplus currently being redirected to the Capital Improvement Fund (CIF) and correspondingly redirected towards Parks & Facilities projects. Without a funding source into the CIF moving forward, the CIF can support the current year 2025 projects and some 2026 projects before the CIF Fund Balance is utilized in full. It is projected that all available General Fund Fund Balance would

be utilized by 2030 by redirecting those funds towards the Police Fund.

**• What is the expected amount we will pass to the residents in a tax increase to cover the cost of maintaining our current staffing? In year 1, 2, 3 of the contract? I realize we just shifted some of the costs from year 1 to year 3, however I want to be clear to the residents why we are doing this (county to blame) how much it will cost above what they are currently paying per year.**

It is currently projected that the net increase needed in the Police millage to breakeven in 2027 (i.e. Revenues = Expenditures the final year of this current contract) is +0.4344 mill or from the current 2.4180 Police millage levy in 2025 to 2.8524 millage levy in 2026+. The bottom line City millage rate is projected to increase from 10.8473 mills in 2025 to 11.2817 mills in 2026 an increase of 0.4344 mill or +4.0%. This would equate to an increase of approximately \$86 per year for a household with a \$400,000 home.

Further it is anticipated that this new Police millage levy level will be able to sustain the Police Fund at the current OCSO staffing levels through 2030 (the final year of the next 3-year contract) if the next OCSO contract increases are ~ +5.25% per year over the next 3-year contract (or +15.75% total).

**• And that this proposal does not include increasing any additional Sheriff staffing for the foreseeable future**

Correct, the increased Police millage proposed and projected will maintain the same number of OCSO deputies currently contracted at sixty-five (65) officers.

**• How was Option 4 (ask for another millage) balanced against Council breaking their word about not increasing the millage? Why would we think the residents would be confused about another millage increase and they would not think the Council was lying when we said we would not raise taxes?**

While it was clearly the intent of the existing Resolution of Intent Relative to the Funding of Police Services to maintain the same bottom line millage rate, the sudden and significant increase to the OCSO contract rates approved by the Oakland County Board of Commissioners leaves the City Administration and City Council in a very difficult situation. Due to the large increase in the OCSO rates, the City would be forced to cut \$2.4M out of either the Police Fund budget by reducing OCSO officers by ten (10) officers or (15%), or by reducing General Fund staffing by twenty-five (25) staff members of (25%). Either option would maintain the same bottom line millage rate but either Public Safety levels or City Service levels would be reduced.

The existing Police millage approved by voters in November 2023 for ten (10) years starting in FY 2025 through 2034 provided the City the authority to levy up to 3.4846 mill for Policing Services. The current Police millage is set at 2.4180 in 2025 and is currently projected to increase to a 2.8524 millage levy in 2026+. So there is ample room remaining in the existing Police levy even at the higher millage level.

Further it is anticipated that this new Police millage levy level will be able to sustain the Police Fund at the current OCSO staffing levels through 2030 (the final year of the next 3-year contract) if the next OCSO contract increases are ~ +5.25% per year over the next 3-year contract (or +15.75% total). Depending upon the OCSO contractual rate increases in the next 2028-2030 contract, and the succeeding 2031-2033 contract it appears likely that the existing authorized Police millage amount will be adequate to fund Policing Services through its FY 2034 expiration.

**• What guarantee is there that any millage increase is strictly for the OCSO contract and does not include funding for other city projects/operations?**

The proposed Police millage increase will flow directly into the Police Fund and can only be used for eligible Police fund activities, which is almost exclusively related to the cost of the OCSO contract. None of this additional Police funding will flow to any other City fund besides the Police Fund.

**• I am guessing we will have a millage increase this year, the first one in a long time that is not a new/expanded tax.**

Unfortunately, if the Police millage is increased for next year (FY 2026) this would mark the first time the City has increased the City portion of the bottom-line millage rate since FY 2015 when the Fire millage was increased to hire additional Full-Time Firefighters to move the City to 24/7 coverage at all five (5) City Fire Stations. OPC increased its millage rate in FY 2021 (from 0.2316 mill to 0.3200 mill) and the Library recently increased its millage by +0.3900 mill in FY 2025.

Ultimately, the administration and City Council are in the difficult position of responding to a significant contractual cost increase imposed by the Oakland County Board of Commissioners. While the intent was to hold the bottom-line millage rate steady, the proposed alternatives of reducing police officers by 15% or City staff by 25% would lead to a noticeable decline in public safety and city services. Therefore, the recommendation Rescind the existing Resolution of Intent Relative to Police Funding and to increase the police millage within the level previously authorized by voters in 2023, and also to keep the General Fund levy status quo is presented as the most fiscally responsible option to preserve the services our residents expect and to ensure the city's financial stability through 2030.

I plan on including much of this response into my comments at tonight's City Council meeting. If you have any additional questions or comments you would like to address tonight, feel free to send those along to me this afternoon.

Thank you and see you tonight,  
Joe



innovative *by* nature

**Joe Snyder**  
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