



## **City of Flint Police and Fire Budget 2012 – 2017**

### **Securing Stable Funding**

#### **What is the City's objective?**

We want to reduce crime in the Flint community. To accomplish this, the city must stabilize and then strengthen its police and fire staffing levels. We want more police officers on the street and we want to maintain our fire department staffing.

#### **How are you going to improve police and fire protection?**

To improve police and fire protection for the citizens of Flint, it is necessary to obtain additional funding. There are two potential sources of funding available: a property tax and an income tax. The two taxes jointly implemented would create a stable revenue stream that would sustain the current staffing levels and leave room for expansion. An ordinance which commits 55.5 percent of all future General Fund revenues to support police and fire budgets would be adopted.

On November 6 voters will be asked to approve a 6 mill property tax increase, with the new funds guaranteed for the exclusive use for public safety. In January 2013 the state legislature will be asked to approve legislation giving Flint voters the right to vote on increasing the local income tax. The tax would increase from its current 1 percent for residents and 0.5 percent for non-residents to 1.5 percent for residents and .75 percent for non-residents.

#### **What will a 6 mill property tax increase cost the average homeowner?**

The average taxable value of a residential property in Flint is currently \$13,131. Therefore, a 6 mil increase would cost the average taxpayer approximately \$79. To determine specific costs for your property, check your Notice of Assessment, Taxable Valuation and Property Classification document received from the City. For each \$1,000 of taxable value multiply by \$6; that will be the cost for your property.

#### **What happens financially if we work with current funds only?**

To maintain a balanced budget the current staffing for police and fire would fall up to 30 percent from its current combined level of 233 to 166 by 2017. This is unacceptable.

#### **What has the City done so far to improve police and fire protection?**

Over the past several months the City has implemented several items in the Public Safety Plan. For example, police officers' redesigned schedules have increased the number of officers on patrol throughout the day. As a result, 911 response times have decreased. In cooperation with the Michigan State Police there are more road patrols in the City and we now have doubled the number of detectives assigned to investigations. The City's lock-up facility is scheduled to reopen at the end of September. The 911 technology is being upgraded along with the police and fire communications system which will now be compatible with all other Genesee County public safety agencies.

## Finance Department Analysis

Staffing for Flint Police and Fire Departments currently totals 233. This number is significantly reduced from past years and is clearly inadequate for a city with Flint's challenges. Even maintaining current staffing, let alone increasing staffing to acceptable levels, is costly. Over the next five years, current revenues supporting police and fire budgets are projected to decrease, while the cost of maintaining current staffing, in spite of actions taken to contain them, is projected to increase.

### What will it cost us just to continue the current level of staffing and services?

Even with the cost containment measures recently enacted, the costs of maintaining the current staffing levels will continue to increase.

	Budget <u>FY 13</u> <u>(in millions)</u>	Projected <u>FY14</u> <u>(in millions)</u>	Projected <u>FY15</u> <u>(in millions)</u>	Projected <u>FY16</u> <u>(in millions)</u>	Projected <u>FY17</u> <u>(in millions)</u>
Current General Fund Police (94 sworn, 21 civilian)	\$ 21.03	\$ 21.66	\$ 22.31	\$ 23.42	\$ 24.59
Current General Fund Fire (47 sworn, 7 civilian)	10.92	11.24	11.58	12.16	12.77
Current Special Police Millage (14 sworn)	1.54	1.59	1.64	1.72	1.81
Current Staffing - SAFER Grant (39 sworn)	3.45	3.55	3.66	3.84	4.04
Current Staffing - Mott Grant (11 sworn)	1.10	1.13	1.17	1.23	1.29
Current Staffing - COPS Grant (6 sworn included in GF)					
<b>TOTAL POLICE AND FIRE STAFFING OF 233 (140 POLICE;93FIRE;SWORN AND CIVILIAN)</b>	<b>\$ 38.04</b>	<b>\$ 39.18</b>	<b>\$ 40.35</b>	<b>\$ 42.37</b>	<b>\$ 44.49</b>

What revenues will we have to just continue the current level of staffing and services?

The budgets for police and fire currently consume 55.5% of the City's General Fund. In addition, the budgets for police have been supplemented with the proceeds of a voter approved 2 mill property tax levy and various grants, including a grant from the Mott Foundation. The budget for fire has been supplemented with the federal SAFER grant for the past several years. With property values continuing to decline, other General fund revenue sources remaining stagnant, and grants projected to decline if not disappear, revenues projected to be available to support police and fire budgets will be significantly inadequate to maintain current staffing.

	<u>Budget</u> <u>FY 13</u> <u>(in millions)</u>	<u>Projected</u> <u>FY14</u> <u>(in millions)</u>	<u>Projected</u> <u>FY15</u> <u>(in millions)</u>	<u>Projected</u> <u>FY16</u> <u>(in millions)</u>	<u>Projected</u> <u>FY17</u> <u>(in millions)</u>
Revenue Projected	\$ 36.92	\$ 37.34	\$ 35.63	\$ 35.51	\$ 35.46
<u>Expense Projected</u>	<u>38.04</u>	<u>39.18</u>	<u>40.35</u>	<u>42.37</u>	<u>44.49</u>
Difference between Costs and Revenues	\$ (1.12)	\$ (1.83)	\$ (4.72)	\$ (6.86)	\$ (9.03)
		<u>Current</u>			
Staffing Impact	233	222	203	193	166
Change from current	(11)	(30)	(40)	(50)	(67)

A continuation of the status quo in terms of current millages and revenue sources is projected to result in the need to reduce staffing for police and fire by nearly 30% or some 67 positions over the next 4 years.

What financing alternatives do we have?

In order to avoid continuing pressure to reduce the staffing for police and fire, it will be necessary to find other sources of revenue. With funding for public safety (police, fire, 911, and the courts) now absorbing nearly 70% of the City's General Fund, it is not possible to find sufficient additional funds within the General Fund.

The primary additional sources of revenue are additional property tax millages and additional income tax levies. Both can and should be supplemented with a continuing effort to solicit and obtain grants from federal, state, and local sources, but grants should not be seen as a long term funding solution.

Here are preliminary projections on the financial and staffing level impacts of 1) increasing the income tax; 2) increasing the property tax, and 3) doing both. All alternatives assume some continuation of grant funding. In addition, proceeds from the alternative revenue sources are used in a manner that stabilizes staffing over the next 5 years.

Increase the Income Tax beginning in 2014 from the current 1% resident / .5% non-resident to 1.5% resident / .75% non-resident. This will need action by the state legislature as well as voter approval.

	<u>Budget</u> <u>FY 13</u>  (in millions)	<u>Projected</u> <u>FY14</u>  (in millions)	<u>Projected</u> <u>FY15</u>  (in millions)	<u>Projected</u> <u>FY16</u>  (in millions)	<u>Projected</u> <u>FY17</u>  (in millions)
Revenue Projected	\$ 38.02	\$ 41.55	\$ 39.76	\$ 38.56	\$ 38.56
<u>Expense Projected</u>	<u>38.04</u>	<u>39.18</u>	<u>40.35</u>	<u>42.37</u>	<u>44.49</u>
Difference between Costs and Revenues	\$ (0.02)	\$ 2.37	\$ (0.60)	\$ (3.81)	\$ (5.92)
<b>Staffing Impact</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>208</b>
<b>Change from current</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(25)</b>

Increase the Property Tax by 6 mills in December 2012. This will require voter approval in the November, 2012 election, and is on the ballot.

	<u>Budget</u> <u>FY 13</u>  (in millions)	<u>Projected</u> <u>FY14</u>  (in millions)	<u>Projected</u> <u>FY15</u>  (in millions)	<u>Projected</u> <u>FY16</u>  (in millions)	<u>Projected</u> <u>FY17</u>  (in millions)
Revenue Projected	\$ 43.40	\$ 42.02	\$ 39.75	\$ 38.25	\$ 38.20
<u>Expense Projected</u>	<u>38.04</u>	<u>39.18</u>	<u>40.35</u>	<u>42.37</u>	<u>44.49</u>
Difference between Costs and Revenues	\$ 5.36	\$ 2.84	\$ (0.60)	\$ (4.12)	\$ (6.29)
<b>Staffing Impact</b>	<b>233</b>	<b>243</b>	<b>243</b>	<b>218</b>	<b>218</b>
<b>Change from current</b>	<b>10</b>	<b>10</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>

Increase the Property Tax in 2012 and the Income Tax in 2013. This will require the approvals noted above.

	<i>Budget</i> <u>FY 13</u>	<i>Projected</i> <u>FY14</u> (in millions)	<i>Projected</i> <u>FY15</u> (in millions)	<i>Projected</i> <u>FY16</u> (in millions)	<i>Projected</i> <u>FY17</u> (in millions)
Revenue Projected	\$ 43.40	\$ 46.13	\$ 43.88	\$ 42.39	\$ 42.28
<u>Expense Projected</u>	<u>38.04</u>	<u>39.18</u>	<u>40.35</u>	<u>42.37</u>	<u>44.49</u>
Difference between Costs and Revenues	\$ 5.36	\$ 6.95	\$ 3.52	\$ 0.02	\$ (2.21)
<b>Staffing Impact</b>	<b><u>Current</u></b>	<b>233</b>	<b>243</b>	<b>260</b>	<b>260</b>
<b>Change from current</b>		<b>10</b>	<b>27</b>	<b>27</b>	<b>27</b>

It is clear that neither the new property tax levy nor the income tax increase alone will provide the resources necessary to sustain current staffing for the next 5 years. However, both individually, along with continued efforts to obtain grant funding, will provide needed resources, which if deployed appropriately, can maintain (and possibly increase) staffing for the next few years.

Together, however, these additional revenue sources can enable not only a continuation of current staffing, but an increase as well. And, should the economy improve more quickly than anticipated, and efforts at cost containment continue, staffing increases can become sustainable.