PUBLIC SAFETY MILLAGE RENEWAL FACT SHEET

Upcoming Primary Election Vote: August 4
City of Oak Park, MI

Important Legal Reminder: *It is illegal to tell a resident how they should vote. This document is strictly intended to provide objective, factual information regarding the upcoming Public Safety millage renewals.*

Ballot Proposal No. 26-01: Renewal of a Millage to Fund the Public Safety Retirement System

Not a Tax Increase: This proposal asks voters to renew an existing Public Safety millage. It is a renewal, not a new tax.

- **The Rate & Timeline:** The proposal asks to renew the current Public Safety millage at a rate of 7.0000 mills (which is about $7.00 for each $1,000 of taxable value) for a period of seven (7) years (2027 through 2033).
- **Where the Money Goes:** Revenue from this millage is restricted to funding long-term retirement benefits for public safety officers (pursuant to Act 345 of 1937), such as Public Safety pensions and Public Safety retiree healthcare.
- **Expected Revenue:** It is estimated that $5,623,000 would be raised in the first year. A portion of this Public Safety millage may be used/captured by the City of Oak Park Brownfield Redevelopment Authority and Corridor Improvement Authority.
- **Why it Matters:** Voters originally approved this Public Safety tax in 2018. If voters do NOT pass this renewal, the City will face severe budget constraints and may be forced to make deep cuts across various City departments to fulfill these state-mandated Public Safety retirement obligations.

Ballot Proposal No. 26-02: Renewal of Partial Headlee Override Millage for Public Safety Purposes

Not a Tax Increase: This proposal asks voters to renew an existing operational Public Safety millage.

- **The Rate & Timeline:** It authorizes the renewal of 0.9850 mill on each dollar ($1.00 per $1,000) of taxable value for a period of ten (10) years (2028 through 2037, inclusive).
- **Note on Headlee Rollback:** Due to the Headlee Amendment, this rate had been reduced to a rollback rate of 0.8277 mills (about $0.83 per $1,000). This vote restores the charter-authorized Public Safety millage back to its full 0.9850 mill rate.
- **Where the Money Goes:** Revenues are strictly restricted to funding personnel, equipment, and operations of the Oak Park Department of Public Safety. This includes, but is not limited

to, hiring/paying public safety officers, purchasing Public Safety patrol vehicles, and updating fire equipment.
- **Expected Revenue:** The renewal will raise approximately $791,297 in the first year. A portion may be subject to capture by the City's Brownfield Redevelopment and Corridor Improvement Authorities.

Why the Renewal of BOTH Public Safety Millages is Critical

- **The Lingering Impact of the Great Recession:** During the recession, Oak Park's taxable property value plummeted by 40% at its lowest point. Because of this, the revenue generated from a single mill dropped drastically.
- **State Caps on Recovery:** Even though current property market values are rising, Michigan's Proposal A and the Headlee Amendment limit the annual growth of a property's taxable value to the rate of inflation or 5% (whichever is less). Because of these strict state limits, Oak Park's tax revenue lost during the recession is not projected to fully recover to previous levels until 2034.
- **Drastic Cuts in State Funding:** In 2002, Oak Park received $4.7 million in State Revenue Sharing. By contrast, recent years have seen that number hover significantly lower (e.g., $3.9 million). Cumulatively, the City has lost over $25 million in projected state revenue sharing since 2002.
- **Rising Liability Costs:** The structural costs associated with long-term liabilities, including state-mandated Public Safety pensions and Public Safety retiree healthcare, continue to rise faster than standard city revenues.

What This Means For Your Tax Bill

- **A "Yes" Vote is NOT a Tax Increase:** Both proposals are renewals of existing Public Safety structures. Total city mills have historically trended downward over the years, resulting in lower tax bills compared to pre-recession eras.

What happens if these Public Safety renewals fail?
If voters do not approve these renewals, the City will be forced to divert over $6.4 million currently used for regular city services (like parks, DPW, and infrastructure) just to cover mandatory Public Safety operations and Public Safety retirement liabilities.

Proactive Steps the City Has Taken to Cut Costs

- **Debt Refinancing:** Refinanced voter-bonded debt to secure lower interest rates, directly lowering property taxes for residents.
- **Employee Concessions:** Active employees (including Public Safety personnel) must now contribute significantly more toward their own retirement costs.
- **Structural Reform:** Completely eliminated traditional pensions for new general City employees and eliminated retiree healthcare for all new hires.

- **Health Care Savings:** Transitioned to a self-funded health care system, increased co-pays, and passed future cost increases on to employees.
- **Alternative Revenue:** Created an Economic Development Department to grow the local tax base, maintained steady level workforce and in some cases decreased number of staffing in departments, and continuously applied for outside grants.
- **Community Partnerships:** Shared services and entered into resource partnerships with neighboring communities to cut redundant costs.
- **Sponsorships:** Solicited private sponsors to fully or partially cover the costs of community programs (such as the Public Safety Ice Cream Truck, Library events, and the Façade Improvement Program).

How to Find Out More

The City is hosting informational Town Hall sessions where City Administration will explain the Public Safety millage renewals in detail and answer resident questions.

- **Public Information:** FAQ and resident letter available via OakParkMI.gov and various city social channels, resident mailer, eblast inclusion and more.
- **Community Engagement** event presence and tabling (Farmers Market, Fun Fest, July 4)
- **City Council Updates:** Agendized items for discussion via public meeting process.