FY 2015 Council Priority Areas

- City Budget and Fiscal Discipline
- Community Livability & Quality of Life
- Affordable Housing
- Economic Health
- Infrastructure Maintenance & Transportation in the Urban Core
- Public Safety
Council Priorities

• Dec 9, 2013 – Council Priorities Updated (Workshop)
• Jan 13, 2014 – Economic Health
  • Making the Case for a Healthy Michigan
  • SPARK
  • Smartzone LDFA
  • Economic Development Task Force
• Feb 10, 2014 – City Budget & Fiscal Discipline
  • Pension/VEBA update
  • Funding Policies
• Mar 10, 2014 – Affordable Housing
  • Update provided

• May 12, 2014 – Public Safety
  – Infrastructure Maintenance & Transportation in the Urban Core
• Oct 13, 2014 – Community Livability & Quality of Life
Budget process

Note: FY2015 is the 2nd year of the Two-Year Fiscal Plan.

• Feb 10, 2014 – Pension accounting, budget impact sheets, and financial projections (Working Session)
• Mar 10, 2014 – Budget Update
• Apr 21, 2014 – City Administrator’s Recommended Budget

• May 5, 2014 - Public Hearing on Recommended Budget and related resolutions
• May 12, 2014 – Budget Discussion (if necessary)
• May 19, 2014 – City Council consideration of the Recommended Budget
FY 2015 Budget Assumptions

• State & Local Economy Improving

• Revenues
  – Property tax revenues up 2.4%
  – Fees based on cost of service
  – State shared revenue from sales taxes up 4%
  – ACT 51 (Weight & gas taxes from State) flat
  – Total City millages unchanged

• Expenses
  – Pension contribution up 10%
  – VEBA up 2%
  – Employee medical up 4%
  – Other non-personnel expenses generally up inflation or less

• Utilities
  – Fees necessary for continued investment in systems maintenance and wastewater plant project
Financial Summary – General Fund

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<th>FY 2015</th>
<th></th>
<th>Rec. Better/ (Worse) Orig.</th>
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<td>Revenue</td>
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<tr>
<td>Revenue</td>
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Note: A list of items utilizing fund balance can be located in the "Budget Message" tab of the draft budget book on page 1 of the draft budget resolution for May 19, 2014.

Note: $11.2 million in revenue and expenditures were added as part of the city’s implementation of a new accounting standard (GASB #68).
Authorized FTEs

FY 2015 includes 22 Housing Commission employees previously excluded.
Recommended FY2015 Budget

• Public Safety
  • Add three police officers for proactive community engagement and traffic enforcement
  • Add one firefighter for staffing flexibility and deployment
  • Maintain three firefighters funded by federal grant
  • Add one rental housing inspector for tenant safety

• Community Livability & Quality of Life
  • Funding to amend zoning requirements for near downtown neighborhoods and an inventory of existing signs citywide

• Affordable Housing
  • Operating subsidy for Housing Commission during the RAD conversion
Recommended FY2015 Budget

• Infrastructure Maintenance & Transportation in the Urban Core
  • $1 mil. from unassigned General Fund reserves for deferred maintenance on city trees in street rights-of-way

• Budget & Fiscal Discipline
  • Recurring expenditures funded by recurring revenues
  • One-time expenditures funded with one-time revenues or use of fund balance
  • VEBA funding tied to revenue growth

• Economic Health
  • Implement the recommendations from the MEDC Redevelopment Ready review to remove barriers to desirable development
Closing Comments

• Council’s policy discipline has contributed to the City’s sound financial position

• Recommended Budget responds to City Council priorities while maintaining discipline of 2\textsuperscript{nd} year

• Restrained use of amendments after adoption of the budget improves ability to deliver the plan

• Questions/requests for information to Sara Higgins