



TO: Mayor and Council

FROM: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: DDA

DATE: February 22, 2019

Question #4: Please provide information regarding Public Act 57, payments TIF capture, etc. (Councilmember Hayner)

Response: Public Act 57 of 2018 has taken effect that creates reporting requirements for tax increment finance authorities in Michigan. The legislation combines most tax increment finance authorities in the new Public Act, requires certain information be made available publicly and sets requirements for information that must be reported to the Michigan Department of Treasury. The seven original TIF statutes, as amended, which have been combined in [Chapters 2-8 of PA 57](#) have all been repealed. The notable exception is Brownfield Redevelopment Finance Authorities (BRFAs), which continue to be subject to 1996 PA 381. PA 57 has no effect on BRFAs. New requirements include:

Public Reporting Requirements: In Section 910, the new act describes the requirement that an authority create a website or use a municipal website for the posting of the information listed in this section including budgets, audits, adopted plans, and other information.

Treasury Reporting Requirements: Section 911 of the new act describes annual reporting requirement to Treasury and the subsequent requirement that Treasury compile the information into a report that is to be submitted annually to the Michigan Legislature. Treasury is currently working on an electronic format for submission of the required information.

There was not any change that affected the City's ability to bond for DDA projects.



TO: Mayor and Council

FROM: Tom Crawford, CFO
Mike Kennedy, Fire Chief
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: Fire

DATE: February 22, 2019

Question #4: Please provide data on the Fire Master Plan and let us know what you are contemplating. (Councilmember Lumm)

Response:

- The City Administrator's Office is evaluating a possible rezoning and sale of Fire Station 2.
- Williams Architects has been selected to perform a probably cost of construction and conceptual design for Fire Station 1. The kick-off meeting occurred on February 12, 2019. This work is being funded from the FY19 fire budget. Their report will be completed by June 30, 2019.
- The Fire Station Master Plan is the accumulation of data and recommendations to this point.
- The rezoning / sale of Station 2 and renovation of Station 1 are the current priority items.
- The Office of Innovation and Sustainability is taking the lead with exploring feasibility of a solar array on Station 6. Dr. Stults has been coordinating this effort and a planning meeting has already occurred.



TO: Mayor and Council

FROM: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: General Fund

DATE: February 22, 2019

Question #2: Please provide a summary of proposed FTE changes, identifying titles and general fund impacts. (Councilmember Lumm)

Response: Attached is an FTE Summary spreadsheet.

Question #3: Please provide a communication so that public can easily understand the projected operating deficit; projected 2025 \$10 million to cover deficit; communicate structural problem. (Mayor Taylor)

Response: Please see the graphic below.

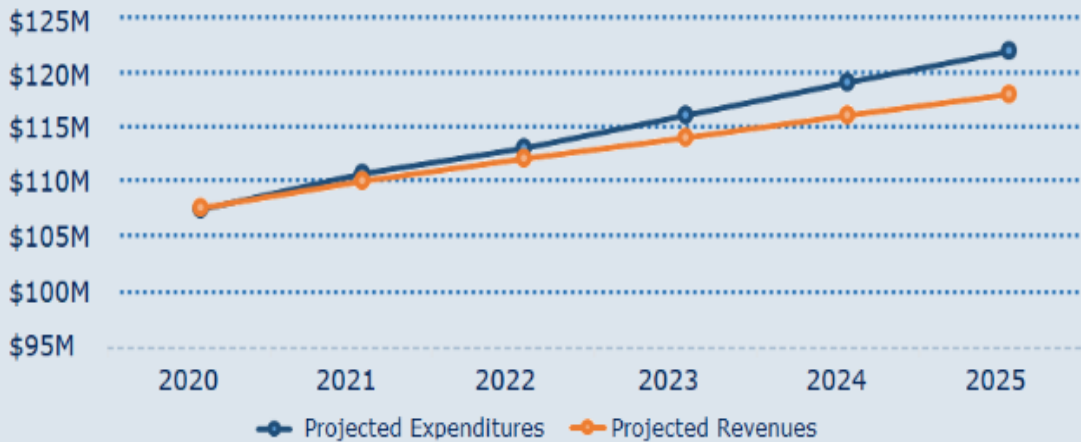


ANNUAL BUDGET CHALLENGE! COSTS EXCEED REVENUES

The City's primary operating fund is the General Fund. Without new construction, property taxes only increase at the rate of inflation. The cost of providing General Fund services increases at a rate that exceeds inflation. The City balances its budget every year. This means that every year the City needs to either expand the tax base, cut or streamline services, or both.

\$600K GAP IN FY 2021

2020-2025 FINANCIAL PROJECTIONS



	General Fund	Total City	General Fund \$ Impact	Other Funds \$ Impact
FY19 Approved FTEs (rounded)	471	743		
Mid-year adds:				
Housing Commission mid-year FTE add approved by Council resolution (See Note 1)	1	1	\$ -	
Police Commission Support Staff mid-year add approved by Council resolutions	1	1	\$ 87,227	
Staff Requests for FY20:				
Community Television Network (CTN) (See Note 2)	2			
Human Resources Benefits Staff (See Note 3)	1	1		\$ 68,256
Police Cadets	2	2	\$ 128,698	
Fire Cadet	1	1	\$ 60,000	
Reduction of Fire Inspector	(1)	(1)	\$ (176,798)	
Contract Administrator	1	1	\$ 99,093	
Construction Fund FTEs	-	3	\$ -	\$ 262,000
Park Planner	-	1	\$ -	\$ 125,000
Conversion of Executive Assistant to Full-time	0.25	0.25	\$ 29,390	
Public Services employees to be discussed at next work session	-	3		TBD
Total FY20 FTEs as requested	479.25	756.25		
Notes:				
(1) This position is being reimbursed by the Housing Commission.				
(2) CTN is moving 2.0 FTEs to the General Fund which will be reimbursed by franchise fees so the positions will be a net \$0 cost to the General Fund. This would not increase the overall FTE count.				
(3) This position would be reimbursed by the Risk Fund.				