



CITY OF FLINT  
OFFICE OF EMERGENCY MANAGER  
MICHAEL K. BROWN

## **FINANCIAL AND OPERATING PLAN JANUARY 15, 2012**

## **City of Flint Financial and Operating Plan, January 15, 2012**

### **Introduction**

This Financial and Operating Plan for the City of Flint is submitted to Governor Rick Snyder, through the Department of Treasury for the State of Michigan, in accordance with Public Act 4, Section 18 which requires plan submission 45 days after the appointment of the Emergency Manager. This report includes a summary of the financial conditions, goals for the City of Flint, a description of the planning process implemented by the Financial Manager and the planned and on-going actions being taken to resolve the financial emergency.

### **Summary of Financial Condition of the City of Flint**

In the report to Governor Snyder, dated November 7, 2011, the Flint Financial Review Team summarized the findings of the Preliminary Review conducted by the Treasury Department (August 29 – September 12, 2011) and then reported the existence of, or likely occurrence of, the specific conditions set forth in Section 13(3) of Act 4 which led to the recommendation of the appointment of an Emergency Manager.

#### **Preliminary Review Findings:**

- The City has incurred cumulative deficits in many of its funds over several years. The unaudited 2011 cumulative deficit is estimated to be \$25.7 million.
- The deficit elimination plan submitted to the Department of Treasury by city officials has not been followed and the general fund deficit has increased and is now estimated to be approximately \$11.0 million.
- The general fund expenditures have exceeded revenues since 2007.
- The City relied upon transfers from the water supply and sewage disposal fund for general city operations.
- City officials also borrowed from other funds to compensate for cash shortages including the public improvement fund, the local street fund and the self insurance fund.
- The City continued to experience a cash shortage.
- The City's ability to pay short term obligations was uncertain.
- The pension system was less than 60 percent funded.
- City officials failed to make staff reductions in accordance with the deficit elimination plan.

#### **Flint Financial Review Team Findings:**

- The City has a general fund deficit of \$14,621,546 as of June 30, 2010 which was not eliminated within the two year preceding period.

- The City previously submitted a five year deficit elimination plan for a cumulative general fund deficit of \$7,046,820 as of June 30, 2008. However, by June 30, 2010 the cumulative general fund deficit had grown to \$14,621,546. An updated plan submitted for 2010 does not purport to eliminate the cumulative deficit until 2030 and that relies upon the issuance of an additional \$12 million of debt in 2013.
- A structural operating deficit existed in the general fund as of June 30, 2007, 2008, 2009, 2010 and the general fund is projected to have a \$6,768,864 deficit as of June 30, 2011.

The Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2011 was received in December 2011. The City's General Fund, which had a \$14.6 million deficit at the beginning of the year, ended it with an \$8.9 million deficit. The reduction in the deficit was due solely to an \$8 million Fiscal Stabilization Bond issued by the city in March 2011. In total, excluding the impact of the FSB proceeds and the Genesee Towers judgment levy, expenses in the General Fund exceeded revenues.

The City's Water Supply and Sewage Disposal systems also reported losses of \$6.6 million and \$14.1 million respectively. Increases in water and sewer fees have been implemented since the end of the fiscal year in an effort to forestall additional losses. However, the increases do not appear sufficient to address past deficits.

The City had actuarial accrued liability for post employment benefits other than pension (OPEB) of \$862 million at June 30, 2011. Currently, the City is operating on a pay-as-you-go basis. In FY11, \$19.6 million was spent on premiums for health care, compared to the recommended amount of \$61.4 million.

The Auditors comments continued to note concerns with cash flow and with the timeliness of certain account and bank reconciliations.

## **Background**

Several conditions developed over a period of decades to place the City of Flint in a situation of chronic fiscal stress. The major employer, General Motors, significantly reduced operations in Flint (in 1978 GM employed over 80,000 people, by 2006 employment totaled 8,000). The population of the City declined 18 percent between the census of 2000 and 2010. Owner occupied housing decreased from a high of 73.1 percent in 1960 to a 2010 low of 44.7 percent. The jobless rate for the 2010 annual reporting period was 23.2 percent. State Shared Revenue which accounts for 31 percent of the General Fund decreased 13 percent over the past five years.



In addition to the above noted reduced State Shared Revenue, the City's two other sources of revenue, property tax and income tax, have both suffered significant reductions. Between 2006 and 2011, property tax revenue has decreased 33 percent and income tax revenue has decreased 39 percent.

As revenue decreased, the City of Flint implemented numerous cost controls. The workforce has been reduced by 50% since 2001; yet the total cost of wages, benefits, and retiree premiums have continued to increase. Note that the liability for services already rendered is essentially a fixed cost which is now borne by fewer active employees and reduced city revenues.

Note: the statistics quoted above are taken from the report by Eric Scorsone, Ph.D. titled "Long-Term Crisis and Systemic Failure: Taking the Fiscal Stress of America's Older Cities Seriously Case Study: City of Flint, Michigan" dated September 2011.

## **Goals**

The overall goals for the City are:

1. long-term financial stability;
2. an increase in revenue base to provide quality services to its residents;
3. a reduction in government costs through negotiated union contracts, consolidation and shared services, and ongoing professional development of staff;
4. continue to maintain and modernize the infrastructure of the city in alignment with the current population counts;
5. to streamline the processes necessary for businesses to locate, and continue operations, in the city;
6. to utilize the Master Plan to stabilize and then increase both the commercial and residential base of the city;
7. to provide public safety services, focusing on reducing violent crime, commensurate with cities of comparable size and resources.

## **Planning Process**

The Advisory Committee required by the terms of the Emergency Manager contract was established through Order 8 (see page 4: Actions Taken To-Date).

Five additional advisory committees were formed in order to seek broad expertise, to ensure public engagement and to maintain a sense of continuity with the Mayor and the City Council. Mayor Walling, all nine Council Members and over fifty other citizens have participated in these advisory committees.

The Advisory Committees are:

- Finance/Administration – Chair Armando Hernandez,
- Public Safety – Chair Diana Kelly,
- Infrastructure/Development – Chair George Wilkinson,
- Grants/DCED – Chair Sue Peters,
- Pension and OPEB Underfunding – Chair Ed Kurtz.

New management appointments have been made to ensure that the essential services necessary for the public's health, safety and welfare are assured and to continue to conduct all aspects of the City of Flint's operation within the resources available. These managers and other contracted employees will work on the creation and implementation of a deficit elimination plan. All contracts were extended with the approval of the Treasury Department.

### **Actions Taken To-Date**

#### *Order 1: Termination of Appointments*

The City Administrator, Executive Secretary to the City Administrator, the Director of Human Resources and Labor Relations, the Director of the Civil Service Commission, the Ombudsman, the Citizens Services Director, and the City's Green Coordinator were all terminated on December 2, 2011.

#### *Order 2: Elimination of Salaries and Benefits of the Mayor and the City Council*

All salary, compensation and benefits, including the accrual of post-employment benefits were eliminated for the Mayor and nine City Council Members.

#### *Orders 3, 4 and 7: Procedures for Purchasing and Procedure for Submission of Resolutions and Ordinances, Budgetary Oversight and Termination of Line Item Levels.*

Together these three orders defined operating procedures for the continued functioning of City government.

#### *Orders 5 and 6: Elimination of the Office of Ombudsman and Civil Service Commission*

These orders terminated all staff associated with the eliminated offices.

#### *Order 8: Advisory Committee*

Pursuant to the Contract for the Emergency Manager, an Advisory committee of 3 to 5 members was established within 30 days of assuming Emergency Manager Responsibilities. The following individuals have been appointed: Mayor Dayne Walling, Councilman Delrico Loyd, Kenyetta Dotson, Latrelle Holmes and Tim Herman.

*Orders 9 and 10: Mayor and Council Members Responsibilities and Partial Restoration of Compensation*

Mayor Dayne Walling had 60 percent of base salary and all benefits restored with a listing of specific full-time responsibilities. City Council members will receive approximately 30% of salary and no benefits. Council will convene as scheduled by the Emergency Manager, address the concerns of their respective constituencies, host ward meetings and serve on assigned committees as directed by the Emergency Manager.

*Order 11: Procedure for Submission of Matters Involving a Recommendation by the Planning Commission*

This order establishes the procedure to be followed for taking action on matters where state or city law requires a recommendation by the City Planning Commission, including zoning ordinances, vacating a street, and street name changes.

*Order 12: Monthly Meetings with Flint City Council*

The Emergency Manager will conduct monthly meetings with Flint City Council to provide a status report and to answer Council members' questions. The meetings, which will be held the second Monday of every month, will be open to the public and will provide an opportunity for public hearings.

Over All Departments

Department Management reconfiguration:

1. Infrastructure and Development
2. Finance/Administration / IT
3. Public Safety

(See Attachment #1, Organizational Chart)

Financial/Administration/IT

Income tax processing is being handled through a joint project with the Cities of Grand Rapids and Lansing.

The Comprehensive Annual Financial Report for the year ended June 30, 2011 has been received and filed with the Department of Treasury.

The Flint Economic Vitality Incentive Program Certification of Consolidation of Services (EVIP) was filed December 30, 2011 which qualifies the City of Flint to receive State Shared Revenue as of January 2012. (See Attachment #2, EVIP Package)



City of Flint is implementing a modified prescription drug program which requires the issuance of a Generic drug unless a Name Brand Drug is determined to be medically necessary.

The City of Flint Human Relations Commission (HRC) is being reorganized to address constituent and citizen services. This reorganization is being developed in relation to elimination of departments (Ombudsman and Civil Service Commission), as well as reductions in executive staff. The HRC will now be the First Stop Office at City Hall with a targeted focus on prompt citizen response.

#### Infrastructure/Development

The year-long expired contract for water purchase by the County Drain Commission from the City of Flint has been executed; and Drain Commission withheld funds have been repaid to the city.

The EECBG grant from the U.S. Department of Energy has been resubmitted. The city will be prepared to implement projects focusing on incinerator, building retro-fits and composting.

The Smith Village housing project is funded primarily with HUD and NSP2 grants. Phase I, which includes 30 housing units, has been completed as scheduled. HUD has determined February 10, 2012 is the goal to expend 50% of the allocation. The Smith Village housing project will meet that development goal.

#### Public Safety

Based on input from the State Police, Governor's Office and a Michigan State University Criminal Justice Study, it is clear that the Genesee County Criminal Justice System and the Flint Police Department could benefit from improved coordination and policy development. The Emergency Manager has requested the restructuring and expansion of an existing criminal justice planning group.

### **Projects in Progress**

#### Financial/Administration/IT

Cash flow, which was identified in the audit as an area of ongoing concern, has been reviewed. Thanks in part to the receipt of \$8 million from the Financial Stabilization bond and the use of \$3.7 million in accumulated funds for retiree health care, cash flow should be

minimally adequate for a short time. However, little progress has been made to date in addressing the extent of inter-fund borrowing. The situation continues to be monitored to assure sufficient cash to pay for current expenses, and options for long term solutions will be developed. (Attachment #3, Cash Flow Projection)

Review of the FY12 budget – six months into the year – indicates a projected gap of \$11.3 million in the General Fund. This includes transfers from the General Fund necessary to eliminate deficits in all other funds with the exceptions of the Water and Sewer Funds. (Attachment #4, City of Flint FY12 Budget)

Recently implemented rate increases appear to have been nearly sufficient (within \$700,000) to cover current operations in the Water Fund, exclusive of OPEB liabilities. With depreciation and OPEB liabilities included, the \$12.4 million deficit at the end of FY 11 is projected to increase to \$13.2 million.

The FY11 deficit of less than \$500,000 in the Sewer Fund, however, is projected to increase to nearly \$7 million, inclusive of depreciation and OPEB liabilities.

Options for addressing these shortfalls are being developed, including the possibility of additional borrowing in concert with expenditure reductions.

Development of the FY13 budget is beginning, with the first step being the development of credible revenue estimates for all funds. While income tax revenues appear to have stabilized, and even increasing, the decrease in property values – and hence revenues- appear to continue unabated.

A Comprehensive review of all City of Flint union contracts is underway. A primary goal is to identify strategies for aligning current practices for health care and pension benefits with new requirements in state law and within the financial constraints of the City.

Effective July 1, 2011, pursuant to Public Act 54, the City of Flint began charging the increased cost of health care to all union members with expired contracts. The City of Flint is reviewing its funding options under the “Publicly funded health insurance contribution act” which will be implemented for all expired contracts effective July 1, 2012. The Risk Management Office is also currently in the process of conducting a dependent eligibility audit which is expected to be completed before the end of the fiscal year.

Perform in-depth analysis of the FY11 Audit and determine how the State Deficit Elimination Plan currently on file with the State will be updated. The audit reports "material weaknesses" in internal controls as they relate to timely bank reconciliations, water and sewer receivables, and suspense accounts. It also reports fund deficits for the General Fund, Water fund, Sewer Fund, and Central Maintenance Garage Fund. These will be addressed.

Fee increases adopted by the Flint City Council in the fall have been implemented. Additional reviews are underway and some additional increases are anticipated.



The City Attorney is continuing with efforts to improve litigation management through claim evaluation, claim reporting, attorney training and trial preparation. The City Attorney continues to emphasize the “litigation team” approach to case handling, with weekly review of pending matters and discussion of how best to protect the City of Flint’s legal interests.

The City of Flint currently has a lawsuit against Blue Cross/Blue Shield pending in Genesee County Circuit Court. The claim seeks recovery of multi-million dollar overpayments related to a hidden fee. Similar claims have been successfully resolved by several other Michigan municipalities.

### Infrastructure/Development

Determine City of Flint’s level of participation in the Karegnondi Water Authority (KWA) water pipeline project.

All departments and divisions currently assigned to the Infrastructure/Development Director are being reorganized to provide a more functional reporting structure and to allow more efficient day-to-day operation within the divisions.

An application has been made to the Michigan Department of Environmental Quality for an S2 grant to study the water pollution control infrastructure condition.

A preventative maintenance program for the entire water system is under development. Objective is to control and reduce lost water.

The Comprehensive Master Planning Process is underway. This plan will define future land use needs and will lead to the development of a coordinated capital improvement plan with associated partners such as the schools, colleges, and regional authorities.

Collaborative economic development efforts are underway with the Genesee Regional Chamber of Commerce to attract and retain businesses; and to receive and apply new tools such as the Next Michigan Development Corporation and Smart Zone designation. The city will continue to work with RACER Trust for brownfield development, including Buick City.

### Public Safety

Continue patrol assistance from Michigan State Police. This is a crime deterrent and increases traffic safety compliance.

Continue existing collaborative efforts with regional partners. Examples: Flint Area Narcotics Unit, Safe Streets Task Force, and U.S. Attorney’s Office Zero Tolerance gun

violence reduction initiative, CeaseFire, and other programs to help eliminate gang activity and prevent other violent acts.

A Request For Information (RFI) has been prepared and is being sent to prospective vendors to determine costs and capability to operate the city lockup.

Apply new technologies and information systems to improve police efficiencies and improve targeting and effectiveness including New World, CopLogic, Shotspotter and DDACTS.

## **Projects Under Assessment**

### Over All Departments

Review all departments and services for potential merger, consolidation, contracted service, shared services with other governmental entities, privatization or elimination. As a result of this review determine if these functions should be subsidized with general property tax dollars and what will be paid by the users. (Attachment #2, City of Flint EVIP Package)

A comprehensive review of current and potential revenue sources will be undertaken as part of the preparation of the FY13 budget. Methods of collections will also be reviewed.

Review current expenditures for significant reduction.

Review all city owned assets (both real property and capital equipment) and determine if disposal should be pursued.

Review necessary ordinance and charter revisions which would increase flexibility for department reorganization and budget flexibility.

Investigate appropriate investments necessary to achieve longer term savings, cost avoidance, and improved efficiencies.

Review the process for all grants to the City of Flint for appropriate use of funds, potential for continued funding, and timely reapplication.

Develop a system of benchmarking costs to determine whether to maintain City of Flint operations or outsource services.

### Financial/Administration/IT

Review the potential for alternate administration of the Pension Fund. The City of Flint is looking at options for the administration and fund investment management of the Flint Employee Retirement System (FERS).

Study potential for revisions to current employee pension plan including comparison of defined benefit versus defined contribution plans.

Request a legal opinion with regard to retiree pension and OPEB contractual versus constitutional issues.

Risk Management Office is reviewing various Employee/Retiree health care options including plan design, delivery systems, Medicare Advantage, Medicare Wrap Around, benefit carve-outs, etc. in an effort to control health care costs.

### Infrastructure/Development

Monitoring and review of the Smith Village Housing Project is underway. The Grants/DCED Advisory Committee has been reviewing issues relating to compliance with HUD and NSP2 guidelines.

Conduct a comprehensive review of water and sewer systems to identify opportunities to utilize resources and infrastructure to increase efficiencies, generate revenues, and reduce liability.

Determine if current City operations can sell excess capacity.

Investigate the feasibility for utilizing available technology for remote operations.

Investigate the status of the Hamilton Dam project and consider implications for both water treatment plant volume control and storm water management.

### Public Safety

Review department day-to-day operations for more efficient utilization of personnel and other resources.

Determine how to implement mandated Public Safety (i.e. Police, Fire Department, whole response program) communications conversion to 800 MHz operation.



Determine how to provide funding to allow the City lockup to become operational. Ensure that revenue generating equipment (i.e. telephones) is utilized. (Refer to Projects in Progress, Public Safety, p.9)

Investigate potential to return automobile impound lot to a City of Flint operation.

Restructure Fire Department, 911 and emergency response operations to adjust to eliminated Federal and County revenue sources. Review options for shared services, station configurations, staffing levels, contract services and technology applications.

Develop a plan to maintain fire fighting staffing levels after SAFER grant expiration in May 2012.

Investigate 911 consolidation. Determine costs to align equipment with County 911 system; determine metrics to evaluate level of service to City of Flint; and determine process to evaluate City personnel participation in a consolidated system.

### **Next Steps**

- Restructure collective bargaining agreements.
- Implement department reorganizations, contract agreements, proposed shared services, mergers and consolidations.
- Develop and implement FY12 budget amendments to address potential deficit.
- Develop FY13 budget based on credible revenue projections not only for FY13 but also in the context of projected revenues for the next three years.
- Amend current deficit elimination plan in light of FY11 audit results.
- Implement energy block grant projects focusing on incinerator, building retro-fits and composting.
- Maintain the safety of the residents of the city during this transition and keep the citizenry informed of plans throughout this process.

### **Conclusions**

In this first 45 days of the assignment of an Emergency Manager for the City of Flint twelve executive orders have been issued which have redefined the functions of the Mayor and City Council, the processing of resolutions, purchase orders and budgetary functions; and the elimination of several departments and associated staff.

Personnel assignments have been made to ensure continued operation of the public services necessary for the citizens of Flint. The Department Directors and the members of the six Advisory Committees have reviewed the financial and operational status of the City. They have made substantial recommendations for revisions in the City's operation. Following an

in-depth review of the financial implication of these recommendations the plan to eliminate the City's long-term deficit will be developed.

The City of Flint acknowledges a financial crisis. The first steps require that both the cash and budget status are clarified. Also, the City of Flint realizes that it is a high priority to improve coordination throughout the criminal justice system in Genesee County. Aggressive efforts are being undertaken to clarify and resolve all issues presented in this report.

Opportunities will continue to be provided for on-going citizen input as plans are being developed to address the financial emergency. For example, monthly City Council meeting public comment, Town Hall meetings, Ward meetings and City of Flint employee meetings.

A second report of the City's Financial and Operating Plan is due June 1, 2012. It is expected that more detailed recommendations will be made at that time. Updates will also be provided as appropriate.

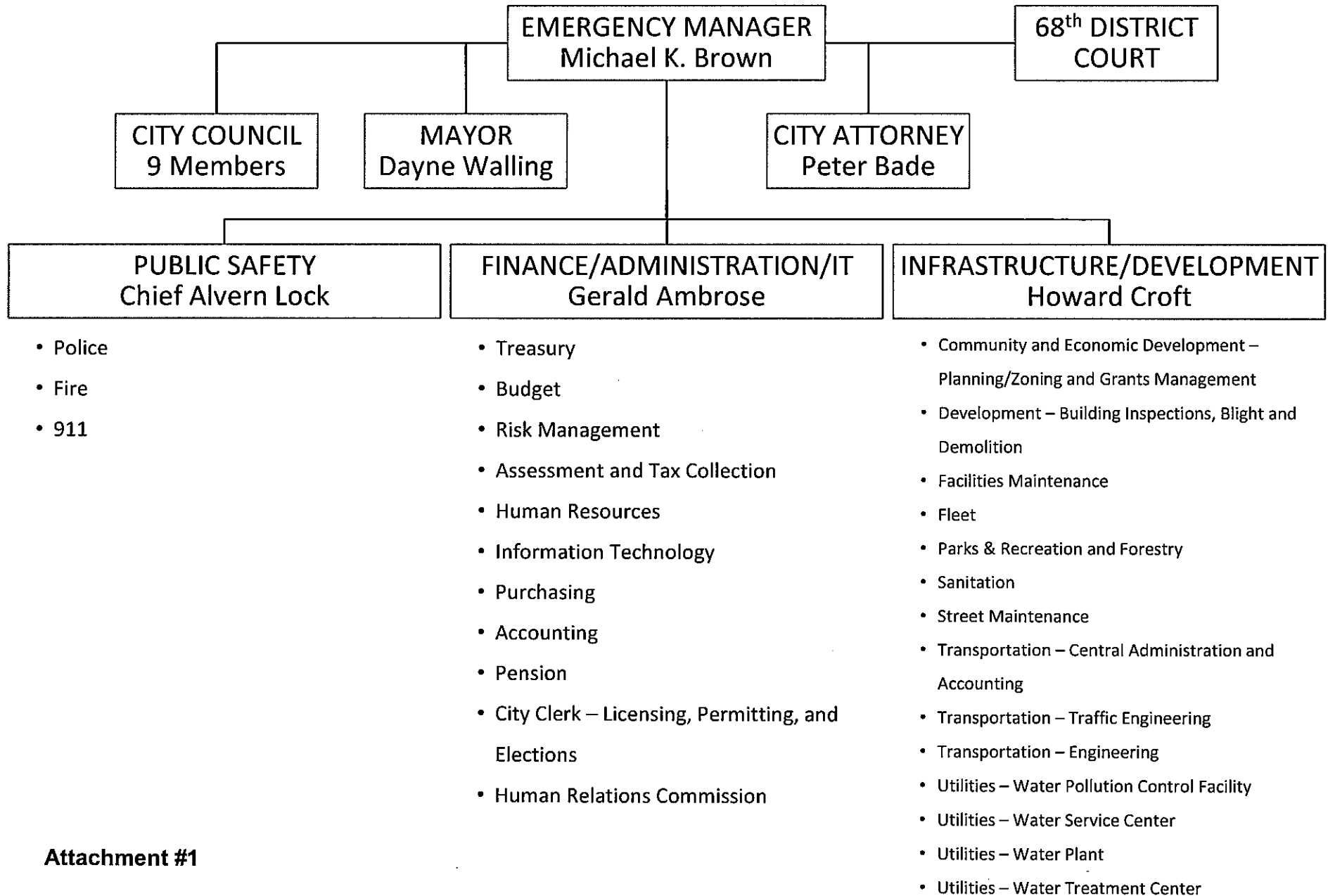


Michael K. Brown  
Emergency Manager  
City of Flint

Attachments:

- #1 Organizational Chart
- #2 City of Flint EVIP Package
- #3 Cash Flow Projections for the period ending 11/30/2012
- #4 City of Flint FY12 Budget Projections

## City of Flint: Organizational Chart





**Attachment #2**

Economic Vitality Incentive Program  
Certification of Consolidated Services

Submitted: December 30, 2011

**Economic Vitality Incentive Program  
Certification of Consolidation of Services**

**December 30, 2011**

**Summary**

The City of Flint has participated for many years in collaborative projects with other local units of government, courts and major asset management. Governor Snyder has required recipients of State Shared Revenue to identify collaborative projects currently operational and those which are being evaluated.

Several Genesee County area units of government, including the City of Flint, asked the Flint Area Reinvestment Office (FARO) to facilitate a process to re-envision local government service delivery systems. "Future Genesee" was the result.

"Future Genesee" developed a Shared Services Category of Priorities. Through two sub-committees: 1) Administrative and 2) Finance – potential services were categorized as Easy, Medium or Hard. Six initial services were further defined with a Vision describing a successful function and a listing of the Ultimate Impacts which would result from attainment of the vision. The Recommendation Summary is attached.

The City of Flint is currently operating under Public Act 4 with an Emergency Financial Manager. Implementation of shared, or consolidation of services is essential in order to resolve the current financial crisis and for long term, efficient delivery of services to the public.

The attached schedule lists the on-going consolidated and cooperative measures and those currently being evaluated. Cost savings have been noted where applicable.

Please note: Discussions have begun and are on-going for two projects listed under "Potential Future Consolidation" section: 1) County-wide 911 and 2) further consolidation of 67<sup>th</sup> District Court with Flint's 68<sup>th</sup> District Court.

**Economic Vitality Incentive Program  
Cooperation, Collaboration and Consolidation Plan  
as of: January 1, 2012  
Local Unit Name: City of Flint  
County: Genesee**

**Plan is available to the Public - [www.cityofflint.com](http://www.cityofflint.com)**

**Schedule of Cooperation/Collaboration/Consolidation of Services**

	<b>Year</b>	<b>Estimated Annual</b>
<b><u>Previous/Ongoing Consolidation and Intergovernmental Cooperative Measures</u></b>	<b><u>Implemented</u></b>	<b><u>Savings</u></b>
Bishop Airport Authority	approx. 1988	Collaboration
67th/68th District Court (McCree Project)	2011	Collaboration
Mutual Aid Pacts on Police and Fire	since 1970's	Collaboration
FANG Joint Investigations on Drug Enforcement	since 1980's	Collaboration
Genesee County CEDS	2009	Collaboration
Next Michigan	2011	Collaboration
Parks - County Parks Service mowing two city parks	2008	Collaboration
Level 4 Assessor Sharing with Lansing	2009	Collaboration
Income Tax Processing and Recordkeeping with Cities of Grand Rapids and Lansing	beginning 2012	Collaboration
NSP 1 and NSP 2	since 2009	Collaboration
Michigan State Police Road Patrol	2011	Collaboration
Karegnondi Water Authority with City of Lapeer, and Counties of Genesee, Lapeer and Sanilac	2010	Collaboration
<b><u>Potential Future Consolidation and Intergovernmental Cooperative Measures Being Evaluated</u></b>		
County-wide 911	TBD	Collaboration
Further Consolidation of 67th and 68th District Courts	TBD	Collaboration
Human Resources / Joint Benefit Administration	TBD	Collaboration
Trash and Recycling	TBD	Collaboration
Fleet Management	TBD	Collaboration
Taxation, Collection, Assessment, and Appeals	TBD	Collaboration
Parks Maintenance	TBD	Collaboration
Information Technology	TBD	Collaboration
Licensing and Permitting	TBD	Collaboration
Planning / Community and Economic Development	TBD	Collaboration
Police: County-wide Detective Bureau / Crime Lab	TBD	Collaboration
Police: Record Management	TBD	Collaboration
Multi-Juridical Fire Authority	TBD	Collaboration
GLS CEDS (4 Counties including City of Flint)	TBD	Collaboration
Existing Infrastructure Water and Sewer Collaboration with County	TBD	Collaboration
Purchasing	TBD	Collaboration
Expansion of Cooperation Between Land Bank and DCED	TBD	Collaboration



City of Flint

Cash projections Period Ending 11/30/2012

-In Millions-														
	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Total	Comment
Pooled cash Bal	\$20.07													
Less restricted cash	(\$2.72)													
Adjusted Beg cash	\$17.34	\$13.84	\$14.54	\$17.18	\$16.16	\$19.06	\$19.26	\$19.45	\$20.94	\$21.52	\$27.90	\$33.89	\$17.34	
Cash inflow:														
Operating Accts														
Income Tax	1.00	1.25	1.00	1.40	1.30	1.10	1.10	1.20	1.25	1.00	1.40	0.90	13.90	
Property tax city portion	2.20	0.43	0.65	0.20	1.10	1.10	0.00	0.00	0.00	7.20	1.05	0.00	13.93	
Water	2.70	2.56	2.55	2.81	3.19	2.87	3.03	2.61	2.60	3.50	4.00	3.95	36.37	
Sewer	1.18	1.25	1.22	1.41	1.59	1.49	1.51	1.40	1.50	1.50	1.71	1.75	17.51	
State Rev Sharing -Constitutional	1.16		1.16		1.25		1.20		1.33		1.18		7.27	2011 amt less 6%
Gas & Weight Tax	0.74	0.58	0.59	0.63	0.60	0.60	0.80	0.62	0.60	0.69	0.69	0.69	7.93	2011 amt less 6%
Charges for services rendered	0.43	0.30	0.65	0.32	0.33	0.76	0.44	0.42	0.96	0.74	0.69	0.99	7.03	
Healthcare reimbursement	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09	1.20	
Fines & forfeiture	0.13	0.20	0.16	0.10	0.14	0.20	0.21	0.11	0.23	0.16	0.10	0.11	1.85	
Cable Tv Franchise Fee		0.30			0.31		0.31				0.31		1.23	
911 surcharge		0.41			0.42		0.37				0.37		1.57	
Fed.State & Local grant revenue	2.40	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	23.30	
Miscellaneous revenue	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	
subtotal inflow	13.05	10.38	10.98	9.87	13.23	11.12	11.29	10.04	11.47	17.79	14.50	11.38	145.10	
State Rev Sharing -Statutory														
Increase in Water rate	0.47	0.90	0.89	0.98	1.12	1.00	1.06	0.91	0.91	1.23	1.40	1.38	12.26	2/3rd of 2011amt less 6%
Increase in Sewer rate	0.21	0.44	0.43	0.49	0.56	0.52	0.53	0.49	0.53	0.53	0.60	0.61	5.92	35% increas
Increase in fees	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.50	35% increas
Genesee county new agreement	0.00												0.00	1.5 million / year
subtotal mngt change	1.76	1.46	2.40	1.60	2.76	1.65	2.67	1.53	2.52	1.88	3.08	2.12	25.44	already considered
Total Inflows	14.81	11.84	13.39	11.47	15.99	12.77	13.96	11.57	13.99	19.67	17.58	13.50	170.54	
Cash Outflow:														
Operating Accts														
Wages, OT and FICA	3.63	3.87	5.46	3.49	3.33	3.41	3.34	3.47	5.91	3.30	3.51	3.42	46.14	
Unemployment											0.80		0.80	
Pension	2.86				2.60		2.60			2.75			10.81	
Active hcare, comp, ESL, final payout	1.45	1.05	1.05	1.00	1.00	1.21	1.16	0.90	1.10	1.10	0.85	0.85	12.72	
Fringes - suits&settlement	0.02	0.02	0.02	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.78	
Fringes - Retiree Hcare	3.50	1.75	1.75	1.70	1.70	2.20	1.80	1.80	1.90	1.50	1.30	2.20	23.10	
Supplies, repairs and Insurance	0.90	0.70	0.26	0.76	0.35	0.51	0.49	0.41	0.68	0.67	0.47	0.68	6.88	
Purch -Detroit water etc	1.70	1.70		3.30	1.76	1.70	1.70	1.70	1.80	1.95	2.00	2.23	21.54	Paymnt delayed by month from Dec
Professional services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	24.00	
Utilities and equipment operation	0.73	0.45	0.62	0.92	0.86	0.63	0.92	0.48	0.70	0.70	0.85	0.82	8.68	
Capital outlay	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	2.40	
Debt Service	1.95	0.01	0.01	0.01	0.18	1.60	0.45	0.01	0.01	0.01	0.50	1.35	6.09	
Miscellaneous Expense	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80	
subtotal	19.09	11.90	11.52	13.61	14.21	13.69	14.89	11.20	14.53	14.41	12.71	13.98	165.74	
Cost Recovery factor savings														
Police concessions	(0.11)	(0.11)	(0.11)	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)	(1.95)	
Fire concessions				(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.72)	
Closing 2 fire station / rank				(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.45)	
Golf outsourcing				(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.09)	
Sanitation - pay & benefit savings	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.48)	
Sanitation-increase prof services				(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(1.80)	
Postpone utilities projects				0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.54	
Janitorial service - pay & benefit	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(2.40)	30% prof serv & capital exp
Janitorial service - profes services	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.12)	
Pay & benefit over budget	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.12	
Reduction in non public safety OT	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)	(3.96)	\$3 mil(Wages+OT+Direct Fringes)
subtotal mngt change	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(1.08)	90% of nonpublic safety OT
Ending Cash Balance	\$13.84	\$14.54	\$17.18	\$16.16	\$19.06	\$19.26	\$19.45	\$20.94	\$21.52	\$27.90	\$33.89	\$34.53	\$34.53	
Month Only Inflow/(Outflow)	(\$3.51)	\$0.71	\$2.64	(\$1.02)	\$2.90	\$0.20	\$0.19	\$1.49	\$0.58	\$6.38	\$5.99	\$0.64	\$17.19	
not cumulative														

Attachment # 3



FY2012 Projected Revenue and Expenditure

Based on Trial Balance dated 01/10/12

Classification	101-General Fund			207-Neighborhood Police Fund			208-Parks Fund			226-Waste Collection Fund			402-Public Improvement Fund			542-Building Inspection Fund			590-Sewer Fund			591-Water Fund			627-Fringe Benefit Fund			677-Self Insurance Fund			661-Central Maintenance Garage			736-Retiree Healthcare Fund		
	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected	FY11 Actual	FY12 Budget	FY12 Projected
Property Taxes	\$9,001,075	\$8,950,602	\$7,553,839	\$2,259,141	\$2,225,761	\$2,072,517	\$564,636	\$556,440	\$517,780	\$3,387,454	\$3,431,022	\$3,107,471	\$2,822,945	\$2,834,176	\$2,590,332																					
Income taxes	\$14,396,335	\$13,087,563	\$14,400,000																																	
Special assessment taxes	\$106,737	\$40,000	\$40,000																																	
Federal revenues	\$2,013,861	\$2,681,626	\$2,503,966																																	
State revenues	\$16,774,308	\$9,332,751	\$16,768,121																																	
License and Permits	\$1,316,090	\$1,397,795	\$1,312,180																																	
Fines and forfeitures	\$1,896,350	\$2,182,223	\$2,182,223	\$0	\$130,000	\$107,000				\$1,400	\$0	\$820																								
Charges for service rendered	\$11,169,618	\$11,445,367	\$9,522,042	\$0	\$530,000	\$348,125																														
Local grants	\$1,940,970	\$2,169,578	\$2,029,349				\$0	\$60,000	\$60,000																											
Interest and dividend income	\$124,068	\$160,000	\$142,424	\$2,413	\$100	\$100	\$258	\$50	\$50	\$852	\$100	\$100	\$7,288	\$1,000	\$1,000				\$39,492	\$80,803	\$80,803	\$14,393	\$5,000	\$0	\$10,388	\$10,000	\$0	\$5,457	\$500	\$0	\$4,555	\$2,535,086	\$1,828,308	\$1,250,000		
Other revenues	\$8,434,495	\$205,584	\$175,288	\$207,312	\$371,590	\$371,590	\$23,000	\$10,000	\$10,000	\$1,353	\$0	\$4,085	\$668,778	\$375,000	\$668,778	\$43,525	\$0	\$0	\$621,424	\$92,217	\$169,473	\$31,120	\$20,876	\$13,767	\$318,976	\$260,627	\$276,131	\$97,993	\$54,020	\$54,020	\$162,934					
Members' contribution																																				
Employer contribution																																				
Proceeds from sale of capital ass.	\$1,750	\$5,000	\$800																																	
Proceeds from loan	\$8,000,000	\$0	\$0																																	
Gain on sale of fixed assets																																				
Transfers in	\$2,993,412	\$2,990,000	\$2,990,000	\$0	\$0	\$1,025,000	\$235,000	\$0	\$325,000	\$2,043,049	\$0	\$1,300,000				\$915,000	\$0	\$500,000				\$58,015	\$29,000	\$29,000				\$0	\$100,000	\$100,000	\$1,205,537	\$896,741	\$1,846,741			
Total Revenues	\$78,169,069	\$54,648,090	\$59,620,233	\$2,468,866	\$3,257,451	\$3,924,332	\$822,894	\$626,490	\$912,830	\$5,434,108	\$3,431,122	\$4,412,477	\$3,499,011	\$3,210,176	\$3,260,110	\$7,843,996	\$6,741,463	\$6,987,695	\$17,684,609	\$23,285,314	\$22,193,967	\$39,614,722	\$55,399,023	\$49,548,860	\$28,731,776	\$29,128,212	\$32,244,339	\$8,717,084	\$4,378,006	\$4,368,006	\$5,840,367	\$5,066,749	\$5,960,132	\$20,100,964	\$20,670,947	\$19,982,964
Cost of material or services rend	\$3,547	\$4,670	\$0																			\$20,919,987	\$22,238,516	\$21,756,787	\$26,832,260	\$26,540,755	\$29,665,705									
Salaries & wages	\$20,129,351	\$15,691,140	\$17,543,643	\$751,679	\$1,381,182	\$1,654,820	\$75,399	\$44,996	\$44,287	\$1,072,517	\$771,258	\$997,162				\$1,544,132	\$1,164,399	\$1,177,179	\$4,329,246	\$4,754,197	\$4,077,152	\$3,156,000	\$3,462,616	\$3,002,730	\$405,144	\$402,398	\$427,161	\$566,009	\$569,095	\$576,458	\$639,691	\$700,437	\$642,910			
Overtime	\$2,289,056	\$2,200,371	\$1,872,370	\$201,093	\$1,087,797	\$329,197	\$12,302	\$0	\$35,098	\$150,822	\$500	\$102,202				\$176,493	\$59,231	\$99,614	\$1,050,299	\$165,825	\$902,759	\$652,376	\$448,825	\$561,505	\$0	\$500	\$0	\$500	\$0	\$19,477	\$27,500	\$14,970				
Fringes-Pension, FICA etc.	\$6,643,463	\$7,032,446	\$7,309,577	\$171,136	\$373,402	\$505,258	\$33,261	\$23,240	\$20,350	\$493,748	\$331,135	\$535,906				\$623,289	\$557,390	\$559,081	\$2,333,651	\$2,628,843	\$2,967,452	\$1,650,817	\$2,252,182	\$1,856,427	\$147,053	\$208,097	\$189,364	\$237,528	\$294,196	\$289,337	\$275,913	\$375,980	\$320,035			
Fringes - Active hcare etc.	\$6,301,359	\$5,584,330	\$6,540,008	\$425,967	\$259,660	\$313,102	\$0	\$16,343	\$18,976	\$523,119	\$447,799	\$519,939				\$337,192	\$362,855	\$427,502	\$1,442,221	\$1,689,201	\$1,961,330	\$1,054,923	\$1,199,164	\$1,392,349	\$179,841	\$220,631	\$256,175	\$140,087	\$138,916	\$161,295	\$214,238	\$219,650	\$255,035			
Fringes - Suits & Settlements	\$5,045,783	\$2,281,437	\$2,281,437	\$284,143	\$82,907	\$82,907	\$0	\$11,436	\$11,436	\$294,532	\$156,666	\$156,666				\$284,714	\$158,954	\$158,954	\$1,084,580	\$584,323	\$584,323	\$824,780	\$410,020	\$410,020	\$50,115	\$84,074	\$84,074	\$34,483	\$48,601	\$48,601	\$96,970	\$78,734	\$78,734			
Fringes - Retiree Hcare	\$7,668,923	\$10,029,129	\$10,029,129	\$431,025	\$364,253	\$364,253	\$0	\$50,242	\$50,242	\$447,603	\$688,312	\$688,312				\$432,683	\$698,361	\$698,361	\$1,648,246	\$2,567,217	\$2,567,217	\$1,253,424	\$1,801,418	\$1,801,418	\$216,364	\$369,378	\$369,378	\$148,874	\$213,527	\$213,527	\$243,152	\$345,915	\$345,915			
Fringes - OPEB																																				
Utilities	\$3,960,323	\$2,851,885	\$3,894,080	\$11,857	\$16,000	\$13,463	\$123,619	\$40,000	\$141,563	\$283,360	\$175,000	\$314,756							\$1,648,246	\$2,567,217	\$2,567,217	\$1,253,424	\$1,801,418	\$1,801,418	\$216,364	\$369,378	\$369,378	\$148,874	\$213,527	\$213,527	\$243,152	\$345,915	\$345,915			
Equipment operations	\$672,796	\$569,000	\$659,945				\$137,192	\$0	\$161,556	\$463,905	\$200,000	\$474,319				\$423,848	\$307,900	\$423,444	\$583,778	\$428,000	\$359,409	\$398,404	\$321,900	\$304,737	\$9,434	\$10,000	\$1,893	\$5,465	\$4,000	\$4,895						
Repairs & maintenance	\$482,897	\$628,602	\$613,702				\$3,452	\$0	\$0				\$10,953	\$700,000	\$700,000	\$0	\$3,600	\$3,600	\$358,033	\$343,340	\$343,340	\$144,151	\$359,200	\$359,200	\$0	\$600	\$600	\$0	\$1,000	\$1,000	\$156,860	\$120,000	\$120,000			
Supplies	\$459,303	\$607,518	\$605,090	\$6,377	\$10,000	\$10,000	\$3,688	\$5,000	\$5,000	\$7,595	\$9,000	\$9,000				\$67,760	\$63,661	\$64,112	\$1,452,784	\$1,222,903	\$1,156,565	\$681,848	\$1,305,200	\$1,272,549	\$3,808	\$5,825	\$5,825	\$2,407	\$4,400	\$4,400	\$761,475	\$565,410	\$565,410			
Insurance	\$0	\$28,000	\$28,000																																	
Depreciation & amortization	\$0	\$240,000	\$0																																	
Bad debts																			\$5,120,057	\$5,450,560	\$5,450,560	\$3,969,753	\$4,100,000	\$3,850,000												
Professional services	\$4,338,084	\$3,903,994	\$3,673,459	\$10,212	\$475,220	\$473,625	\$101,582	\$309,781	\$309,781	\$379,720	\$348,845	\$381,519	\$200,671	\$47,580	\$47,580	\$3,079,418	\$3,174,589	\$3,167,649	\$1,041,852	\$1,747,158	\$1,709,104	\$701,890	\$4,756,587	\$4,730,962	\$291,333	\$392,318	\$391,255	\$1,127,401	\$938,857	\$936,374	\$50,975	\$45,232	\$42,311	\$0	\$15,000	\$15,000
Benefits payment																																				
Claims & settlements	\$6,798,617	\$640	\$640																\$54	\$0	(\$267)															
Administrative costs	\$0	\$56,977	\$56,977	\$190,341	\$156,749	\$156,749	\$127,653	\$125,452	\$125,452	\$285,504	\$300,807	\$300,807	\$144,041	\$351,900	\$351,900				\$885,601	\$837,810	\$837,810	\$1,132,511	\$1,215,447	\$1,215,447	\$439,985	\$569,374	\$569,374	\$113,960	\$82,464	\$82,464	\$264,173	\$204,310	\$204,310	\$200,441	\$328,123	\$328,123
Miscellaneous expenses	\$1,108,465	\$1,918,550	\$1,348,239	\$10,760	\$19,281	\$25,400		\$2,690	\$1,800	\$6,407	\$54,000	\$27,000	\$27,000	\$284,522	\$191,023	\$191,023	\$1,537,581	\$1,564,675	\$1,564,675	\$923,945	\$969,210	\$969,210	\$171,739	\$221,262	\$173,762	\$2,170	\$7,400	\$7,400	\$2,509	\$4,750	\$7,850					
Capital outlay	\$1,442,655	\$1,467,878	\$1,462,129	\$2,495	\$0	\$0													\$304,957	\$53,379	\$53,379	\$1,605	\$0	\$0	\$25,600	\$435,829	\$435,829	\$293,219	\$1,273,000	\$1,273,000	\$0					
Interest expenses	\$0	\$6,090	\$5,190	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,770	\$400,000	\$400,000	\$401	\$500	\$500												
Debt service																			\$1,489,847	\$185,000	\$185,000															
Transfers out	\$3,479,041	\$5,000	\$4,105,000																\$1,860,000	\$1,860,000	\$1,860,000	\$3,902,253	\$3,932,907	\$3,932,907	\$0	\$100,000	\$100,000				</					