



Proposed Budget
2009-2010

CITY OF FLINT



WORKING TOGETHER

Acting Mayor Michael K. Brown



Michael K. Brown
Acting Mayor

CITY OF FLINT OFFICE OF THE MAYOR

April 6, 2009

Council President James Ananich, and
Members of the Flint City Council
City of Flint
1101 S. Saginaw St.
Flint, MI 48502

Dear President Ananich and Members of the Flint City Council:

Attached you will find the fiscal year 2010 Proposed Budget for the City of Flint. As you know, our primary task since coming into office has been to address the city's financial situation. To that end, we have been engaged in a number of discussions with our employees, bargaining units, our consultants, Prima Civitas, and Michigan Department of Treasury.

We are facing a combined deficit of nearly \$15 million from fiscal years 2007 through 2009. We are required to submit a Deficit Reduction Plan to the state by April 22, 2009, detailing how we will resolve this deficit over the next five years. Therefore, the budget must be structured in such a way as to have enough leftover so that the city can begin to paying down the current deficit.

It must be emphasized that the 2010 budget will be in balance, with \$2.4 million being transferred to the Deficit Reduction Fund.

In addition, we continue to pay for the financial emergency of the early 2000s, including debt service on Financial Recovery Bonds issued in 2004. We are also faced with a large structural deficit that has not been addressed and one that continues to grow. This includes the historical declines (over the last decade) in the property tax base and the income tax base; the historical increases in expenditures for health care and other legacy costs; and what has happened to the General Motors presence in Flint.

The following is a summary of the projected revenues and expenditures for fiscal year 2010.

Revenues:

- Total general fund revenues are estimated to be \$66.3 million for 2010. This represents the fifth consecutive year of declining revenues, and a drop of nearly 20 percent from fiscal year 2000.
- Income tax revenues are projected to decline for the fifth consecutive year, and are expected to be 40 percent below income tax collections in 2002. This reflects the downsizing of the automobile industry, the restructuring of Michigan's economy and the deep national recession.

- Property tax revenues are projected to decline for the third consecutive year, based on declines in the overall taxable value of property in Flint. This primarily reflects sharp declines in industrial and personal property in recent years. In fact, the taxable value of industrial and personal property in Flint has declined by over 50 percent since 1999.
- Payments in lieu of taxes and return on equity payments to the City from the Water and Sewer funds have been adjusted to reflect the contributions of the City to these funds. Michigan law allows the City to receive such payments to reflect the cost of City services received by these entities, as well as an appropriate return on the City's investments. This is a common practice across the state.
- A fee study is recommended in the budget, which also includes partial year revenues for implementing updated fees in the City Clerk's Office and the Building Department.
- Federal stimulus funding is included in the budget to the extent possible, and we intend to use such funding to underwrite the basic services included in the budget. However, keep in mind that this only a short-term gain and must be weighed against longer term obligations, such as COPS funding.

Expenditures:

- Total expenditures are budgeted at \$66.3 million, a decline of over 35 percent since 2000. This includes a transfer of \$2.4 million to the Deficit Reduction Fund.
- In order to balance the 2010 budget, we are working together with all of the city's bargaining units to achieve wage and benefit concessions. Absent such agreements, a balanced budget will require the elimination of 85 budgeted positions in the City's general fund. This will include 48 positions in police and 24 positions in fire.
- It's important to note that 80 percent of the city's expenditures are for personnel, and about 65 percent of those jobs are in police and fire. There is no painless way to reduce staff.
- Restructuring the law department will allow us to substantially reduce our expenditures for contracted legal services, saving over \$400,000.
- Another savings of nearly \$500,000 can be achieved by eliminating health care payments for retirees who have alternative coverage.
- Fringe benefits account for \$25 million of the general fund expenditures.

In closing, this budget is the beginning of what must be a continuing effort to work together with the City Council, city employees and the community to improve our overall efficiency and accountability while delivering essential services.

Respectfully submitted,



Michael K. Brown
Acting Mayor

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CITY OF FLINT

Table 1

FY10 Estimated Revenue By All Funds	FY10 Mayor's Recommended	FY10 Council's Amendments	FY10 Adopted Budget
101 General Fund	66,301,262		66,301,262
202 Major Street Fund	8,874,296	237,000	9,111,296
203 Local Street Fund	3,544,157	50,000	3,594,157
207 Police Fund	3,317,356		3,317,356
208 Parks & Recreation Fund	807,068		807,068
213 Senior Citizens Centers Fund	0		0
226 Garbage and Rubbish Fund	4,714,943		4,714,943
241 State Revolving Loan Fund	0		0
244 Economic Development Corp Fund	0		0
265 Drug Law Enforcement Fund	524,580		524,580
353 Deficit Reduction Fund	2,387,516		2,387,516
402 Public Improvement Fund	6,464,273	50,000	6,514,273
493 Drinking Water Revolving Fund	2,853,783		2,853,783
542 Building Inspection Fund	2,552,013	100,000	2,652,013
583 Oak Business Center Fund	0		0
584 Golf Fund	1,471,589		1,471,589
590 Sewer Fund	33,928,994	50,000	33,978,994
591 Water Fund	40,524,139		40,524,139
627 Fringe Benefit Fund	28,141,325		28,141,325
636 Information Services Fund	3,020,881		3,020,881
661 Fleet Central Garage Fund	6,986,151	(1,036,001)	5,950,150
677 Self Insurance Fund	3,093,066		3,093,066
731 Retirement System Fund	74,350,317	8,640,000	82,990,317
735 Retiree's Life Insurance Fund	340,400		340,400
736 Employee Health Care Fund	19,792,117		19,792,117
TOTAL ESTIMATED REVENUE	\$313,990,226	\$8,090,999	\$322,081,225

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CITY OF FLINT



Table 2

FY10 ESTIMATED EXPENDITURES BY ALL FUNDS	FY10 Mayor's Recommended	FY10 Council's Amendments	FY10 Adopted Budget
101 General Fund	66,301,262	(9,242)	66,292,020
202 Major Street Fund	8,874,296	237,000	9,111,296
203 Local Street Fund	3,544,157	50,000	3,594,157
207 Police Fund	3,317,356		3,317,356
208 Parks & Recreation Fund	807,068		807,068
213 Senior Citizen Centers Fund	0		0
226 Garbage and Rubbish Fund	4,714,943		4,714,943
241 State Revolv Loan Fund	0		0
244 Economic Develop Corp Fund	0		0
265 Drug Law Enforcement Fund	524,580		524,580
353 Deficit Reduction Fund	0		0
402 Public Improvement Fund	6,464,273	50,000	6,514,273
493 Drinking Water Revolv Fund	2,853,783		2,853,783
542 Building Inspection Fund	2,552,013	100,000	2,652,013
583 Oak Business Center Fund	0		0
584 Golf Fund	1,471,589		1,471,589
590 Sewer Fund	33,928,994	50,000	33,978,994
591 Water Fund	40,524,139		40,524,139
627 Fringe Benefit Fund	28,141,325		28,141,325
636 Information Services Fund	3,020,881		3,020,881
661 Fleet Central Garage Fund	6,986,151	(1,036,001)	5,950,150
677 Self Insurance Fund	3,093,066		3,093,066
731 Retirement System Fund	74,350,317	8,640,000	82,990,317
735 Retiree's Life Insurance Fund	340,400		340,400
736 Employee Health Care Fund	19,792,117		19,792,117
TOTAL ESTIMATED EXPENSES	\$311,602,710	\$8,081,757	\$319,684,467



CITY OF FLINT

Table 3

FY10 Estimated Expenditure By Departments

	<u>FY10 Mayor's Recommended</u>	<u>FY10 Council's Amendments</u>	<u>FY10 Adopted Budget</u>
General Government (000)	429,051		429,051
City Council (101)	1,131,339	64,947	1,196,286
68th District Court (136)	5,899,204	(59,000)	5,840,204
Office of Mayor (171)	329,896		329,896
City Administrator (172)	765,372	(14,213)	751,159
Labor Relations (173)	0		0
Risk/Benefits Management (174)	302,553		302,553
Human Relations Commissions (175)	323,494	(161,576)	161,918
Finance Department (191)	1,882,910		1,882,910
Budget Management (212)	96,366		96,366
City Clerk (215)	749,330		749,330
Information Services (228)	0		0
Purchasing Department (233)	318,418		318,418
Treasury/Customer Service/Income Tax (253)	1,659,029		1,659,029
Assessment (257)	1,446,509		1,446,509
City Clerk- Elections (262)	632,841	28,000	660,841
Legal Department (266)	976,305		976,305
Civil Service Commission (269)	164,936		164,936
Human Resources (270)	940,753	4,000	944,753
Ombudsman (290)	210,132	40,000	250,132
Police Department (301)	23,049,573	(116,000)	22,933,573
Emergency 911 (325)	2,851,493		2,851,493
Fire Department (337)	13,470,750	226,900	13,697,650
Transportation Development (371)	111,607	2,700	114,307
Transportation Streets (443)	2,100,000		2,100,000
Community & Economic Development (690)	346,962		346,962
Community & Economic Development (748)	0		0
Parks & Recreation (751)	2,525,998		2,525,998
Fringe Benefit - Union Reps 1600/1799 (853)	389,808		389,808
External Contributions (880)	150,000	(25,000)	125,000
Transfers (966)	3,046,633		3,046,633
TOTAL 101 GENERAL FUND	<u>66,301,262</u>	<u>(9,242)</u>	<u>66,292,020</u>
<u>202 MAJOR STREET FUND</u>			
Central Stores Management (234)	28,814		28,814
Transportation (441)	8,740,149	237,000	8,977,149
Debt Service (906)	105,333		105,333
TOTAL 202 MAJOR STREET FUND	<u>8,874,296</u>	<u>237,000</u>	<u>9,111,296</u>
<u>203 LOCAL STREET FUND</u>			
Central Stores Management (234)	28,458		28,458
Administrative Service (299)	0		0
Transportation (441)	3,515,699	50,000	3,565,699
TOTAL 203 LOCAL STREET FUND	<u>3,544,157</u>	<u>50,000</u>	<u>3,594,157</u>



CITY OF FLINT

Table 3

FY10 Estimated Expenditure By Departments	FY10 Mayor's Recommended	FY10 Council's Amendments	FY10 Adopted Budget
<u>207 POLICE FUND</u>			
Administrative Service (299)	0		0
Police Department (301)	3,317,356		3,317,356
TOTAL 207 POLICE FUND	3,317,356	0	3,317,356
<u>208 PARKS & RECREATION FUND</u>			
Administrative Service (299)	0		0
Parks & Recreation (751)	807,068		807,068
TOTAL 208 FUND	807,068	0	807,068
<u>213 SENIOR CITIZEN CENTERS FUND</u>			
Parks & Recreation (751)	0		0
TOTAL 216 LOCAL LAW ENFORCE FUND	0	0	0
<u>226 GARBAGE & RUBBISH FUND</u>			
Risk/Benefits Management (174)	500		500
Administrative Service (299)	0		0
Waste Collection (528)	4,714,443		4,714,443
TOTAL 226 GARBAGE & RUBBISH FUND	4,714,943	0	4,714,943
<u>241 STATE REVOLV LOAN FUND</u>			
EDC (735)	0		0
TOTAL 241 STATE REVOLV LOAN FUND	0	0	0
<u>244 ECONOMIC DEVELOP CORP FUND</u>			
EDC (735)	0		0
TOTAL 265 ECONOMIC DEVELOP CORP FUND	0	0	0
<u>265 DRUG LAW ENFORCEMENT FUND</u>			
Police Department (301)	524,580		524,580
TOTAL 265 DRUG LAW ENFORCEMENT FUND	524,580	0	524,580
<u>402 PUBLIC IMPROVEMENT FUND</u>			
City Clerk- Elections (262)	0		0
District Court (136)	0	50,000	50,000
Finance (191)	0		0
Information Services (228)	0		0
City Clerk- Elections (262)	0		0
Administrative Service (299)	105,406		105,406
Police (301)	75,000		75,000
Fire (338)	350,000		350,000
Parks & Recreation Department (753)	1,992,500		1,992,500
Debt Service Administration (906)	2,032,129		2,032,129
Transfers (966)	1,909,238		1,909,238
TOTAL 402 PUBLIC IMPROVEMENT FUND	6,464,273	50,000	6,514,273



CITY OF FLINT

Table 3

**FY10 Estimated Expenditure
By Departments**

**FY10
Mayor's
Recommended**

**FY10
Council's
Amendments**

**FY10
Adopted
Budget**



CITY OF FLINT

Table 3

FY10 Estimated Expenditure By Departments	FY10 Mayor's Recommended	FY10 Council's Amendments	FY10 Adopted Budget
<u>493 DRINKING WATER REVOLV FUND</u>			
Debt Service Administration (906)	2,853,783		2,853,783
TOTAL 493 DRINKING WATER REVOLV FUND	2,853,783	0	2,853,783
<u>542 BUILDING INSPECTION FUND</u>			
Administrative Service (299)	0		0
Development (371)	2,552,013	100,000	2,652,013
TOTAL 542 BUILDING INSPECTION FUND	2,552,013	100,000	2,652,013
<u>583 OAK BUSINESS CENTER FUND</u>			
Oak Business Center (735)	0		0
TOTAL 583 OAK BUSINESS CENTER FUND	0	0	0
<u>584 GOLF FUND</u>			
Administrative Service (299)	286,566		286,566
Golf Division (755)	1,185,023		1,185,023
TOTAL 584 GOLF FUND	1,471,589	0	1,471,589
<u>590 SEWER FUND</u>			
Risk and Benefits Department (174)	500		500
Central Stores Management (234)	272,244		272,244
Customer Service (253)	1,501,794		1,501,794
Administrative Service (299)	751,341		751,341
Utilities Admin (536)	9,379,801		9,379,801
Utilities WSC/Sewer (540)	6,956,160		6,956,160
Utilities WPC (550)	15,067,154	50,000	15,117,154
TOTAL 590 SEWER FUND	33,928,994	50,000	33,978,994
<u>591 WATER FUND</u>			
Risk and Benefits Department (174)	500		500
Central Stores Management (234)	174,260		174,260
Customer Service (253)	1,517,691		1,517,691
Administrative Service (299)	1,076,070		1,076,070
Utilities Admin (536)	4,234,570		4,234,570
Utilities WSC/Sewer (540)	7,755,912		7,755,912
Utilities Water Plant (545)	22,911,353		22,911,353
Transfers (966)	2,853,783		2,853,783
TOTAL 591 WATER FUND	40,524,139	0	40,524,139



CITY OF FLINT

Table 3

FY10 Estimated Expenditure By Departments	FY10 Mayor's Recommended	FY10 Council's Amendments	FY10 Adopted Budget
<u>627 FRINGE BENEFIT FUND</u>			
Risk and Benefits Department (174)	2,860,166		2,860,166
Administrative Service (299)	395,853		395,853
Fringe Benefit (853)	11,892,891		11,892,891
Pension Fund Contribution City (861)	10,399,565		10,399,565
Fringe Benefit (862)	2,592,850		2,592,850
Transfers (966)	0		0
TOTAL 627 FRINGE BENEFIT FUND	28,141,325	0	28,141,325
<u>636 INFORMATION SERVICE FUND</u>			
Information Services (228)	2,904,848		2,904,848
Administrative Service (299)	93,739		93,739
Debt Service (906)	22,294		22,294
636 INFORMATION SERVICE FUND	3,020,881	0	3,020,881
<u>661 FLEET CENTRAL GARAGE FUND</u>			
Central Stores Management (234)	198,477		198,477
Administrative Service (299)	311,997		311,997
Fleet Management (451)	6,475,677	(1,036,001)	5,439,676
TOTAL 661 FLEET CENTRAL GARAGE FUND	6,986,151	(1,036,001)	5,950,150
<u>677 SELF INSURANCE FUND</u>			
Risk and Benefits Department (174)	939,402		939,402
Law Department (266)	2,052,515		2,052,515
Administrative Service (299)	101,149		101,149
TOTAL 677 SELF INSURANCE FUND	3,093,066	0	3,093,066
<u>731 RETIREMENT SYSTEM FUND</u>			
Retirement System (000)	74,350,317	8,640,000	82,990,317
Transfers (966)	0		0
TOTAL 731 RETIREMENT SYSTEM FUND	74,350,317	8,640,000	82,990,317
<u>735 RETIREES' LIFE INSURANCE FUND</u>			
Retiree Death Benefits (000)	340,400		340,400
Administrative Service (299)	0		0
TOTAL 735 RETIREES' LIFE INSURANCE FUND	340,400	0	340,400
<u>736 EMPLOYEE HEALTH CARE FUND</u>			
Retiree Health Insurance (000)	202,360		202,360
Administrative Service (299)	19,589,757		19,589,757
TOTAL 736 EMPLOYEE HEALTH CARE FUND	19,792,117	0	19,792,117
FY08 TOTAL ESTIMATED EXPENSES	\$311,602,710	\$8,081,757	\$319,684,467