

City of Flint Strategic Plan Second Quarter Report October 1 – December 31, 2015

Vision

The City of Flint's Governance will adapt to change and be a model of professionalism, transparency, and sustainability, in order to provide effective government to each of our City's residents.

Mission

To ensure that residents, businesses, students, and visitors in the City of Flint receive municipal services in a customer friendly and financially responsible manner.

Accountability and Sustainability

Throughout the second quarter of fiscal year 2016, the City of Flint administration continued to implement the strategic plan and vision of the City. These strategies are outlined in the City's strategic plan and serve as a guide to continually improve the direction of the City. Commitment to fiscal stability and maximal services delivery is one of the most important parts of this plan. The second quarter of FY 2016 has shown many accomplishments, while facing the challenges that the City strives to address. The progress that has been made this quarter is commendable and this tool ensures that the City's measured progress.

Managing Finances and Administration

Finance and Administration continued to promote the financial stability of the City through day-to-day operations of the Finance, Treasury, Assessments, Purchasing, Fleet, and Informational Technology Divisions. The Finance Department continuously monitors the financial performance of the City, comparing actual activity to budget on a regular basis. In doing so, it also ensures that the City's assets are safeguarded through the implementation of best practices, adherence to City Charter and financial stability ordinances, and reporting to external and internal stakeholders is completed in a timely, efficient manner.

As changes in events and circumstances have arisen, the Finance Department and its various divisions have responded by coordinating with external and internal partners to meet the needs of the City residents and ensure a high level of service is maintained.

Key accomplishments and events for the period October 1 through December 31, 2015 are highlighted below:

Finance

- The City's Fiscal Year 2015 Audited Financial Statements were completed and filed by December 31, 2015.
- Positive ending fund balances were reported for Fiscal Year 2015 in all of the City's governmental funds for the first time in over a decade. The General Fund began Fiscal Year 2016 with a surplus of \$3.2 million, or 7% of the required 15% reserve per City Ordinance.
- The Preliminary Injunction Issued by Honorable Judge Archie Hayman in the Case Shears v. City of Flint continues to pose ongoing financial challenges for the City's water and sewer funds. First quarter budget amendments were passed by both the City Council and RTAB reflecting the decrease in revenue. The City showed prudent response to this change in circumstance by

immediately responding to the change in circumstance and ability to make difficult decisions to postpone and eliminate capital improvement projects in order to reduce the impact on the City's financial stability.

- Genesee County and the City of Flint began working together to prepare for issuance of additional bonds in the amount of approximately \$65 million to fund the remaining construction necessary to complete the KWA pipeline.
- The City received a \$6 million appropriation from the State of Michigan and \$4 million grant pledge from the CS Mott Foundation to assist in funding the estimated cost of \$12 million to return to DWSD water supply through the end of the fiscal year.
- Budget training sessions by Michigan State University were held for both directors and Council on December 7, 2015 presenting information regarding financial trends for the City of Flint and an overview of the budget process.

Treasury

- Billing was postponed from August 7 – September 1, 2015 in order to implement new water reduced rates were as required by the Preliminary Injunction Order. Regular billing resumed on September 1 reflecting the reduced rates.
- Utility billing and collections activity has been monitored closely since the date of the verbal order on August 7. Collections have decreased substantially from 98% in August to 70% in October as a result of the inability to perform disconnections for non-payment.
- Disconnection of service for non-payment was halted on August 7, 2015. Shut off notices resumed being mailed in November with the first notices due December 1. The first week of December realized a dramatic increase in collections with the number of daily collections spiking from 322 per day from August 7-November 30 to 604 for the period December 1-14. Despite the increase resulting from issuance of shut off notices, the total number of daily transactions for the period since the date of the Order remains lower than prior year by approximately 100 payments per day.
- Approximately 68%, or \$3.8 million of the \$5.6 million projected, General Fund operating property tax revenues levied in July had been collected as of December 31, 2015.
- Income Tax Enforcement efforts remain ongoing with the purchase of the 2012 State Income Tax tapes. Other receivables are monitored closely with increased collections efforts to ensure timely receipt of all revenue sources for the City.
- Investment maturity dates are laddered between 3-5 years while maintaining 25-35% cash position at any given time. The total balance of the City's General Fund cash accounts as of December 31, 2015 increased to \$7.1 million at November 30, 2015 from \$4.4 million at June 30, 2015.

Assessing

- The reappraisal RFP was submitted to Michigan Treasury for review at the beginning of December. The City is awaiting approval to release. The original scheduled release date of January 5, 2015 has been postponed until confirmation to proceed has been received.
- Tentative results of the market value review:

Commercial Real Property	+19%
Industrial Real Property.	+ 5%
Residential Real Property.	+7%

The results will be tempered as the inflation rate multiplier for calculating capped values is 3/10th of 1%.

- All staff members of the Assessment Division have met all state certification requirements and have been re-certified for 2016.

- Even with a vacancy in the clerical support staff the Division has been able to keep its customer service counter open for customary business hours. The Division is still awaiting assistance from the HR Department to address staffing needs.

Fleet

- The first snow of the season was successfully mitigated with 8 plows ready and available for use by the Transportation Department within hours of the event.
- Daily operations continue to closely monitor efficiency and ensure timely repair of maintenance of all City vehicles and equipment.

Information Technology

- After vendor related procurement delays, IT successfully completed the installation of new mobile data computers for the police fleet.
- IT assisted in developing specifications for a future police body camera project. They also deployed GIS tablets for GPS based issue reporting to support the utilities departments' objectives.
- Telecommunications continues to be analyzed and rightsized as unused circuits in have been identified and disconnected. The ROIP project has final installation scheduled for third quarter of the City's fiscal year.
- IT furthered its objective of providing a secure and reliable communication infrastructure by developing a secure VPN platform for remote access.
- Importantly, they continue to provide access to a professional group of IT leaders. The IT group has attended local training sessions on Juniper networks and Avaya phone system management.
- Overall, IT has maintained a prompt response to IT support with a 91% of tickets responded to within 1 hour of submission.

Purchasing

- During the 2nd quarter of the FY16 fiscal year, the Purchasing Department has been continuing to work with departments in assuring that request for goods and services are being processed.
- Purchasing has processed approximately 160 requisition over the 2nd quarter and as of the end of the quarter had less than 60 open requisitions to be processed.
- Purchasing continues to adhere to the purchasing ordinance in processing all department requests and by seeking competition for goods and services that have a value of over \$20,000.

Planning and Development

The department moved forward with key strategic objectives. These objectives seek to enhance the Department's responsiveness, progress toward the implementation of the City's Master Plan, more effective land use, and economic and community development.

Case Management

One rezoning application was approved to permit future business and expansion. Two Site Plans were approved for Kettering University. One was for the construction of a Jimmy Johns Restaurant, and the other was for their Automotive Research Area Track. The Planning Department also worked on the Catholic Charities Center for Hope building addition, 609 E. 5th Avenue, and an expansion Bay Logistics/Martin Transportation Systems 1721 James P. Cole Blvd.

Blight Elimination & Neighborhood Stabilization

A total of 873 complaints were received, with 470 of them resolved. Seventy-Three Violation Mailings were sent out, notifying property owners of code violations. Ten dumpsters were placed to support neighborhood cleanups (removing over 36 tons of trash and debris) and 23 sites were cleaned by Land Bank Crews. Thirty-five homes have been boarded in the effort to address blight. Completed clean-up of former CBC recycling facility at 1801 S. Saginaw Street with the removal of 22 40-yard dumpsters full of debris.

Building Safety and Inspections

A total of 1255 building & rental permits were issued resulting in \$375,635 in city revenue. The total cost for construction for the quarter equaled \$1,966,502. Key building development activities included early stage work with The Capitol Theater redevelopment and completion of construction of General Motors paint facility.

Community and Economic Development

A strategy was finalized with Genesee County Land Bank to coordinate \$600,000 worth of commercial demolition to supplement residential demolition being taken care of by Hardest Hit Fund dollars. In Smith Village 3 houses were sold, 7 have purchase agreements leaving 6 remaining to be sold. Of our NSP homes 3 houses were sold and 5 are remaining to sell. Funded key public service activities for a total of \$542,000 to help execute programs related to youth, victim advocacy, literacy, neighborhood enhancement and housing discrimination.

Parks

In our neighborhood parks Brennan Park Community Build had 132 volunteers to install a \$50,000 Playground and Max Brandon Park saw the completion of a boardwalk. Our Partnership with Keep Genesee County Beautiful resulted in \$125K in capital improvements in Mott, Sarginson, Hardenbrook and Longway Parks. A light audit was conducted on all 68 City owned Park and Open Space properties.

Human Resources & Labor Relations

The Human Resources department continued to implement strategic objectives that improved the search and selection process, and access to essential information.

Implement morale-boosting programs

In an effort to support morale among the staff, an employee discount program has been established and implemented. Employees will have access to special deals and promotions for products, services, and events as they become available. Ulliance (EAP) Posters have been posted in key areas for employees view in an attempt to improve awareness and access to important information. Additionally, emails have been sent out about Ulliance EAP information to all employees.

Increase ongoing education efforts

Educational efforts were implemented in numerous ways. Staff presented Workplace Bullying & Harassment training to the City's CORE team, during their weekly meeting. Also, the department continued the MSU Supervisor Training on various topics (Workplace Harassment September 2015, Diversity in Feb 2016).

Increase outreach efforts to employment candidates

Staff met with local college career services, representatives (Baker, Mott & U of M Flint). The department has established a relationship so that new postings are sent to these college reps and they post on their website in order to maximize the potential pool of qualified applicants. To bolster recruiting efforts, the City's HR department has created a Linked In account to advertise vacancies.

Public Safety

Flint Police Department Accomplishments

During the second quarter of fiscal year 2016, the Flint Police Department focused on Crime suppression through relationship building, this focus resulted in the following:

Implementation of Part-time Officers

The use of a part time officer allows the department to address reduced resources that are extremely over worked and deploy these resources to police duties not related to calls for service when warranted. This allow the PD to dedicate resources to calls for service.

COMPSTAT (Computer Statistics)

A combination of management philosophy and organizational management tools for police departments named after the New York City Police Department's accountability process, and has since been implemented in many other departments. We have partnered with Wayne State University and have begun the process of accessing data that will provide an internal and community CompStat in 2016.

Improved Departmental Training

The overall training of the Department has improved over 75%, to the point that all FY15 Training funds were expended.

Partner with Federal Agencies to address Specific Crime Strategies

Joint Violence Reduction Network.

VRN is a comprehensive approach to violence reduction that complements the U.S. Department of Justice's Smart on Crime Initiative by leveraging the vast array of existing resources across the following DOJ components to reduce violence in some of the country's most violent cities.

Office of Justice Programs

U.S. Drug Enforcement Administration

Federal Bureau of Investigation
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
Office on Violence Against Women
U.S. Marshals Service Services

Executive Office for United States Attorneys
Office of Community Oriented Policing

VRN brings to the table DOJ law enforcement and grant-making agencies to collaborate with the VRN sites in implementing their violence reduction strategies. Utilizing its existing training and technical assistance resources, DOJ works in partnership with police chiefs and other local partners on effective approaches to accomplish their violence reduction strategies. City leaders are given access to leading criminal justice

Researchers and practitioners and also exchange violence reduction best practices through a community of practice network model.

Increase Special Operations

The Special Operations Unit was re-tasked with a focus on individuals known to be drivers of crime and arresting these individuals. This focus saw an increase in part 1 warrants.

Established Telephone Reporting Unit

As an alternative call response protocol, FPD hired part time civilians dedicated to taking reports on incidents that do not require a police response.

Debut of new RMS and Property System

The FPD deployed a new Record Management System that will put the PD on line with all other agencies in Genesee County, this will give us the ability to exchange information. The FPD has started a major property room project that includes:

- Electronic property management
- Physical reconstruction of property room
- Using nationally recognized policy and procedures to properly store and destroy property.
- Community Police Officer Program.
- Initiated a COP in census track 3400
- Specifically designated officer for area
- Opened Community Service Center in same area
- Initiated Citizen Radio Patrol out of service center
- Meet with Convenience Store owners to address community concerns
- Initiated business partner program
- Over 50 businesses signed up
- Some allowing PD to use on site cameras
- Funding for Sexual Assault Kits
- Received grant for 1.3M to address processing and prosecution of SAKs
- Received Funding for North End Community Crime Strategy
- Through Ruth Mott Foundation and the Flint Police Foundation, developed a plan to address crime on the north end of the city. This will include community engagement and community oriented policing strategies.
- Initiated K-9 Unit

- Deployed 2 K-9 teams to the street without the use of any PD funds
- Town Hall Meetings
- Held two city wide town hall meetings
- Citizen Radio Patrol
- Expanded CRP to SE portion of city and more.
- E-Ticket process
- Developed electronic ticketing,
- Ease of communication with 67th District Court
- In car computer and video systems
- All patrol vehicles were equipped with new computer and camera
- Has already proved valuable in officer conduct allegations
- 911 Consolidation
- September 2015, the City 911 center closed and the county 911 center began dispatching all city calls for service with no issues.

These accomplishments put us on the path to the Police Department's goal of reduction in crime; there was a 71% rise in homicides. With this increase there was still a 13% decline in all violent crime and a 10% decline in all property crime. As we move forward in 2016 we will strive for an additional 3-5 % decline.

Fire Department

The Fire Prevention Bureau will continue to educate children, churches and block clubs about fire safety. Free smoke detectors are still available to homeowners in the city of Flint. Fire suppression crews will continue training. Fire injuries are down significantly due to physical training activities. The department has been operating continuously with four (currently open) out of five fire stations. The Knock and Speak program will begin in spring 2016. Our partnership with Universal Ambulance seems to be a seamless operation.

Public Works

Improving Infrastructure & Water Quality

The Department of Public Works continues to address issues with infrastructure and related water quality on a continual basis. The following is a list of 2nd quarter items that have been completed.

- Switched from treating Flint River water to purchasing water from the Great Lakes Water Authority (GLWA).
- Installed phosphate chemical system at the Water Treatment Plant to increase the level of corrosion control in GLWA purchased water.
- Exercised and performed assessment of 8,200 water distribution and fire hydrant valves.
- Completed leak detection on 550 miles of water mains.
- Completed construction of the solids load out facility at the Wastewater Treatment Plant which will allow for the decommissioning of the incinerator and result in a substantial cost savings.
- Continued Water Treatment Plant construction and upgrades in preparation of KWA source water from Lake Huron.

The Department will continue to make plans for improving the water and wastewater infrastructure. The results from valve assessment and data obtained from leak detection in the water distribution system will be used to determine a priority list of repairs and replacements that will help improve system reliability and water quality.

Law Department

The Law Department continues to make strides in its key strategic objectives as set forth below. Most importantly, the department continues to assertively prosecute code violations as demonstrated in the 68th District Court Caseload Report.¹ Of the nearly 41,000 cases handled by the 68th District Court, the satellite office of the Law Department handled upwards of 15,000 traffic and non-traffic misdemeanor code violations for the City. Although the 2nd quarter status is listed as complete, the process of handling the prosecution of these matters is an ongoing day-to-day process.

The process for pursuing the collection of unpaid taxes and utility payments has been completed and has proven to be a successful venture for the Law Department. The Department has selected an outside attorney to pursue these collections, who has proven to be aggressive in her actions. To date, the Department has collected \$238,828.90 in past due taxes. This project is also an ongoing responsibility of the Law Department.

The Freedom of Information Act (FOIA) was recently updated, which involved a massive change in the previous procedure used by the Law Department. All FOIA changes have been successfully implemented and are now fully operational. Presently, the FOIA process is being handled digitally rather than the paper copy method formerly used. This procedural change falls in line with the Law Department's goal of having a fully digital filing system by the end of 2016 calendar year. On a daily basis, approximately 8 to 10 FOIAs per day are handled.

Extraordinary strides were made to update the City Code. Two chapters were fully updated, Chapters 12 and 30. All 302 revisions have been published to the City's website. The Department is presently working on revisions to Chapters 1 and 8. Ultimately, the Law Department's goal is to review all chapters of the City Code to ensure that all statutory requirements are being met at the municipal level. This objective is ongoing.

During the last quarter, 9 litigation matters were opened and assigned to in-house attorneys, which surpasses our overall goal of keeping 95% of litigation in-house. For the fiscal year, we have had only one case assigned to outside counsel – that being *Shears v City of Flint, et al.* Following is a brief update on the *Shears* case.

Larry Shears v. City of Flint, Darnell Earley, and Douglas Bingaman

Plaintiff filed an alleged class action lawsuit against the City of Flint and named defendants on September 15, 2014. Plaintiff claimed the City acted improperly when it set water and sewer rates on September 16, 2011, when it did not follow City ordinances when implementing new rates. Furthermore, the Plaintiff claimed this amounted to an unconstitutional deprivation of property without due process. Lastly, Plaintiff sought refunds for the alleged overcharges.

Plaintiff filed a motion for a preliminary injunction and a hearing was held in August 2015. Initially, a preliminary injunction enjoined the City from charging the September 2011 rate increases and from engaging in disconnects or placing liens on customer's property. Additionally, the Court determined a 15.7 million dollar transfer (related to sewer claims against the City) from the water/sewer fund was improper and ordered it be returned from the general fund. The City was ordered to set up water/sewer funds to come into compliance with the Revenue Bond Act. The City was prohibited from using any water/sewer funds to pay general obligations of the City. Lastly, the parties were ordered to meet and negotiate the repayment of the 15.7 million transfer from the general fund to the sewer fund. The City also moved from summary disposition, which the Court denied. This order is currently on appeal before the Michigan Court of Appeals.

In the interim, Plaintiff alleged that the City did not comply with the injunction and called for a motion to show cause why the City should not be held in contempt. The hearing took place over three days. The City was found to be in contempt because, although an attempt was made, the Court determined the City did not set up the water/sewer funds as ordered by the Court. However, after an oral motion by the City during the show cause hearing, the Court orally modified its preliminary injunction, to the benefit of the City.

It is expected that the written order will: 1) only limit the City's ability to collect delinquent payments for those that arose during the 9 month period between Sept 16, 2011 and July 1, 2012, 2) hold that all rate increases set after July 1, 2012 are valid and enforceable, 3) accept the retroactive resolution of the Flint City Council to transfer the 15.7 million dollars from the water/sewer fund to the general fund (thus eliminate the requirement that the City repay that money from the general fund), 4) require the City to set up separate bank accounts for the Water Fund as set forth by the Revenue Bond Act, 5) continue to preclude the City from using water/sewer funds to pay general obligations.

The Law Department has been very effective in its defense of the City. During the last quarter, The Department was successful in six litigation matters, which are more particularly described below.

[Bigfoot v. City of Flint \(Court of Appeals – Case No. 314212; Trial Court 12-099337\)](#)

Contractor filed for binding arbitration against City for violation of contract in amounts greater than \$300,000. At arbitration, City argued Contractor had no valid cause of action because the contract was not a requirements contract; Arbitrators agreed and awarded \$0. (*November 2015*)

[Shawn Borowicz v. City of Flint, Chief David Cox – \(Genesee County Circuit Court - Case No. 15-104404-CZ\)](#)

A suit brought under Michigan's Whistleblower Protection Act. Plaintiff alleged that he was demoted from the position of provisional primary captain to lieutenant because he participated in an HR investigation. The case settled without any monetary effect on the City. (*November 2015*)

Coalition for Clean Water v. City of Flint (Genesee County Circuit Court – Case No. 15-101900-CZ)
Plaintiff alleged various claims under multiple statutes and theories of recovery, seeking both damages and injunctive relief, whose cost to the City were estimated to be in excess of \$10,000,000. The City was successful in getting the case dismissed. (*October 2015*)

Anthony Carter v. City of Flint (Genesee County Circuit Court - Case No. 14-103369-NO)
Plaintiff alleged injuries resulting from a fall on a City sidewalk and sought damages in excess of \$30,000.00. The City was successful in obtaining summary disposition and the case was dismissed with prejudice. (*December 2015*)

Adam Gerics v. Gerald Ambrose (United States District Court Eastern District – Case No. 15-12991; Trial Court Case No. 15-105326-CZ)
Federal lawsuit where Plaintiff sought injunctive relief and punitive damages for alleged due process violations. The City was successful in getting the case dismissed. (*October 2015*)

Kevin Smith v. City of Flint (Court of Appeals – Case No. 320437; Trial Court Case No. 13-100532-CZ)
Plaintiff police officer alleged whistleblower and ELCRA violations in excess of \$300,000. The City was granted motion for summary judgment based upon failure to state an adverse employment action within statute of limitations. Plaintiff appealed, COA denied appeal without allowing briefing. Plaintiff appealed to MSC, which remanded to COA without briefing ordering determination of whether an adverse employment action was taken by City. The City was successful in getting the case dismissed. (*November 2015*)