

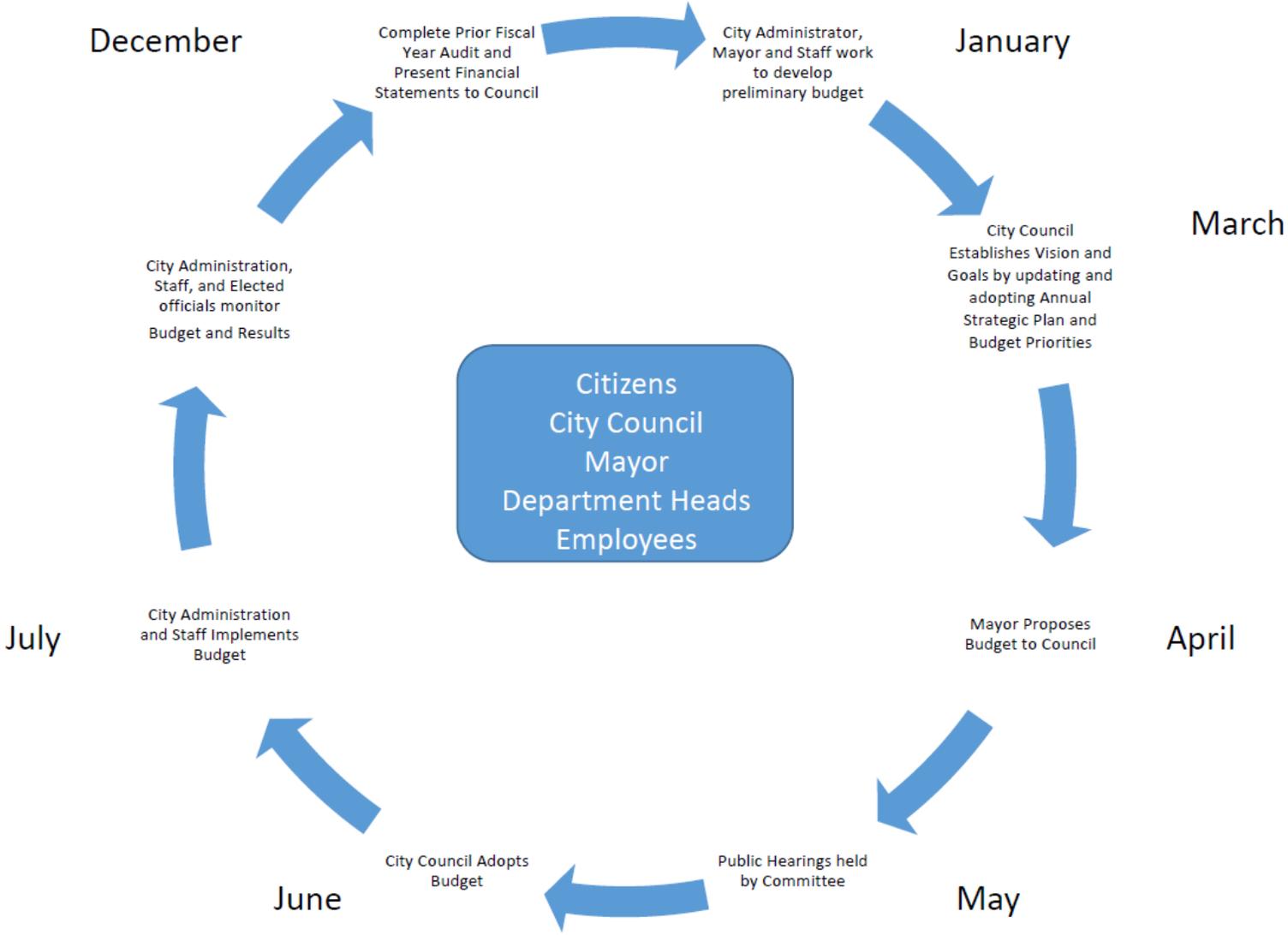


City of Flint

Special Council Meeting: Presentation of FY17 & FY18 Proposed Budget and Projections

April 4, 2016

City of Flint Annual Budget Cycle



Summary – Budget Ordinance Timeline

All dates are "no later than":

January 1, 2016: CA, Mayor and staff to begin developing five-year projections (update second year of current biennial budget (FY17), prepare succeeding year projection (FY18), and develop succeeding three year projections (FY19-21).

February 1, 2016: City Council must update the current strategic plan to become effective July 1, 2016.

March 15, 2016: City Council must provide its budget priorities for FY17 based on the strategic plan.

April 4, 2016: Mayor must present proposed biennial budget (FY17 & FY18) and financial projections.

April 18, 2016: Upon receipt of the proposed budget, the Finance and Administration Committee (as Committee of the Whole) shall hold budget hearings to review.

May 9, 2016: Budget to be recommended to Council.

BUDGET MUST BE ADOPTED BY COUNCIL BY JUNE 6, 2016 (First Monday).

CITY OF FLINT STRATEGIC PLAN

2017 - 2021

Setting a Sustainable Course for the City of Flint

The Vision for the City Government of Flint

A well managed, financially stable, and accountable government focused on creating and maintaining a vibrant and growing community which will attract and retain residents, businesses, students, and visitors and improve our quality of life

The Mission of the City Government

To assure that residents, businesses, students and visitors in the City of Flint receive municipal services in a customer friendly, financially responsible, and equitable manner in order to insure equality of opportunity for all persons.

The Goals

In order to operate per our Mission and realize our Vision, residents, businesses, students and visitors can expect that the City of Flint will:

1. The City will operate in an open and financially sustainable manner, including improving citizen access, focusing on measurable results, improving the City's financial position and maintaining positive fund balances.
2. The City will provide a highly trained and professional staff of elected leaders, appointed officials and employees.
3. The City will provide for a safe, secure, and healthy environment in which to live, work, learn and play.
4. The City will provide access to dependable, quality and sustainable water and sewer services.
5. The City will provide access to an adequate and well maintained transportation network for all modes of travel serving motorized, non-motorized, and pedestrian needs.
6. The City will foster cooperation among business, non-profit, higher education, foundation partners, and residents to create a climate that supports economic development with a focus on small business and entrepreneurs in order to build local wealth and enhance the tax base.
7. The City will seek partnerships with Local, State and Federal governmental partners, and other private entities in order to maximize efficiencies and resources in meeting its Mission.
8. The City will promote the protection of the law for each person in accordance with fundamental human rights.

CITY OF FLINT

Council Priorities FY2017 & FY2018

- Increase the General Fund reserve by at least \$1 million annually.
- Maintain Police and Fire staffing levels while seeking additional funding sources to increase public safety programs.
- Ensure the Department of Public Works has tools necessary to provide for street maintenance, sidewalk maintenance, snow removal, and right-of-way tree maintenance.
- Resolve the Water Lead Crisis through improvement of City infrastructure and replacement of customer service lines.
- Stabilize the financial position of the Water and Sewer Funds at the most affordable rates possible at the highest quality standards.
- Build community relationships to ensure capacity and continued implementation of Master Plan and Capital Improvement Plan; including blight elimination, economic development, parks maintenance and essential human services.
- Improve customer service across all departments through training and technology.

FINANCIAL POLICIES and BEST PRACTICES

- Ordinance # 3854: Development and Update of Strategic Plan
- Ordinance # 3855: Development and Adoption of Biennial Budgets and Three Year Forecasts
- Ordinance # 3856: Amendment of Adopted Budgets
- Ordinance # 3851: Fund Balance Policy
- Ordinance # 3853: Budget Stabilization Fund
- Ordinance # 3866: Amended Fund Balance Policy

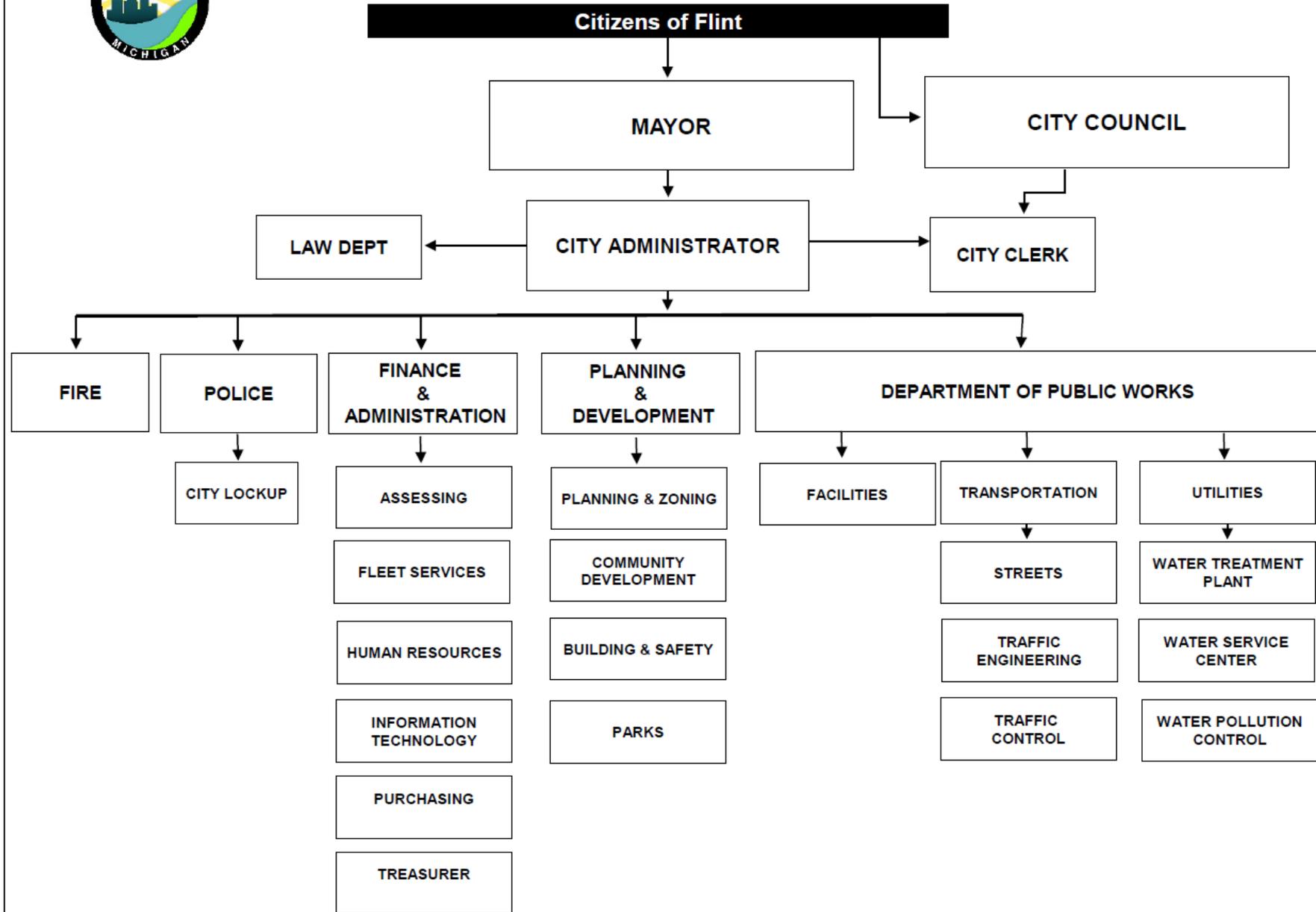
A YEAR IN THE NEWS

- AUGUST 2015 – Water Rate Litigation impacts revenue projections and results in spending freeze
- NOVEMBER 2015 – City welcomes new leadership under Mayor Karen Weaver
- DECEMBER 2015 – Water Crisis declared by City, County, State and Federal governments
- JANUARY 2016 – RTAB returns power of appointment to Mayor



CITY OF FLINT – ORGANIZATIONAL CHART

FY17-18



BUDGET ASSUMPTIONS

- REVENUES – Held constant in light of changing circumstances and unknown potential for further decline
- APPROPRIATIONS – Status quo budgets maintained
- USE OF FUND BALANCE – As needed in FY17 and FY18 to stabilize budgets

CHALLENGES

- Property Tax Revenues – Maximum mills currently being levied, decreasing population and property values
- Declining State Revenue Sharing
- Growing retiree pension and healthcare costs

OTHER UNKNOWNNS

- Water/Sewer collection rates – Inability to raise rates for FY17 during ongoing water crisis
- State/Federal aid to resolve crisis
- Active litigation costs
 - Retiree Healthcare
 - Water Rates
 - Water Quality
 - Other/Ongoing

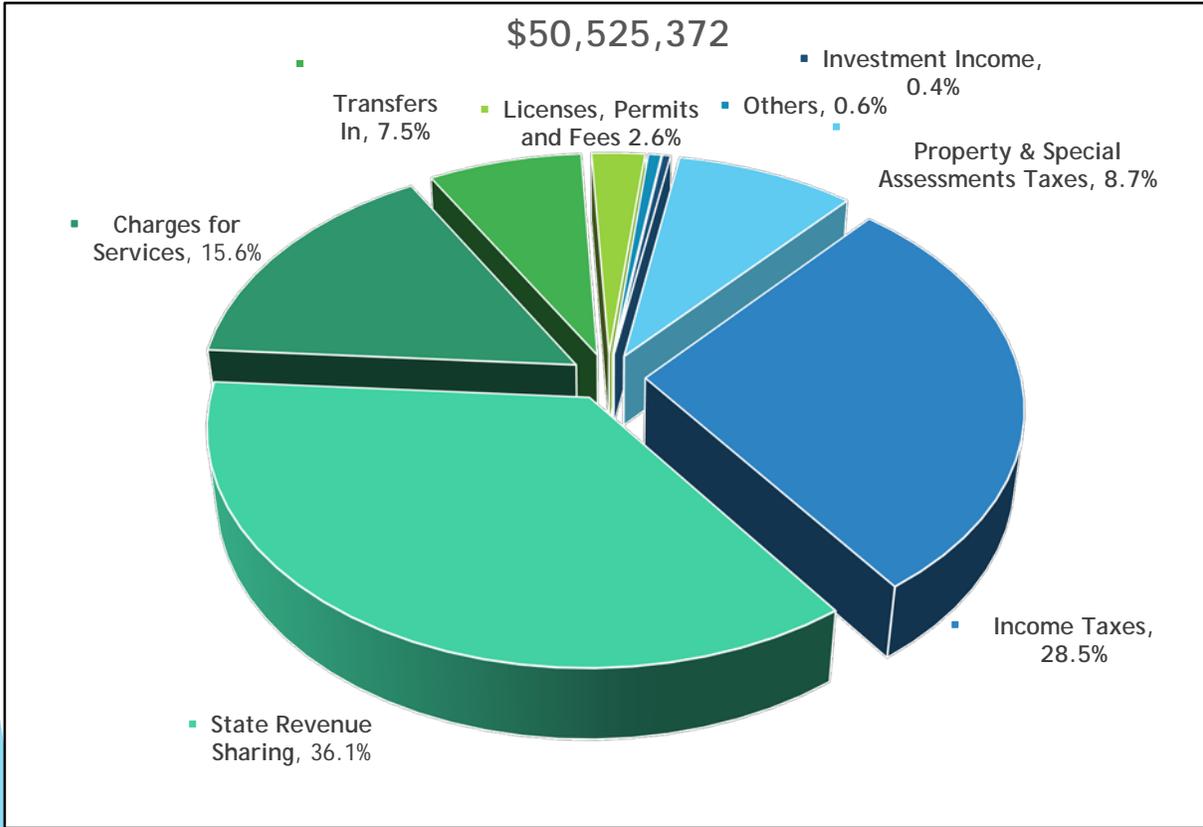
BUDGETS & PROJECTIONS BY FUND

Funds supported by General Tax Dollars or Millages:

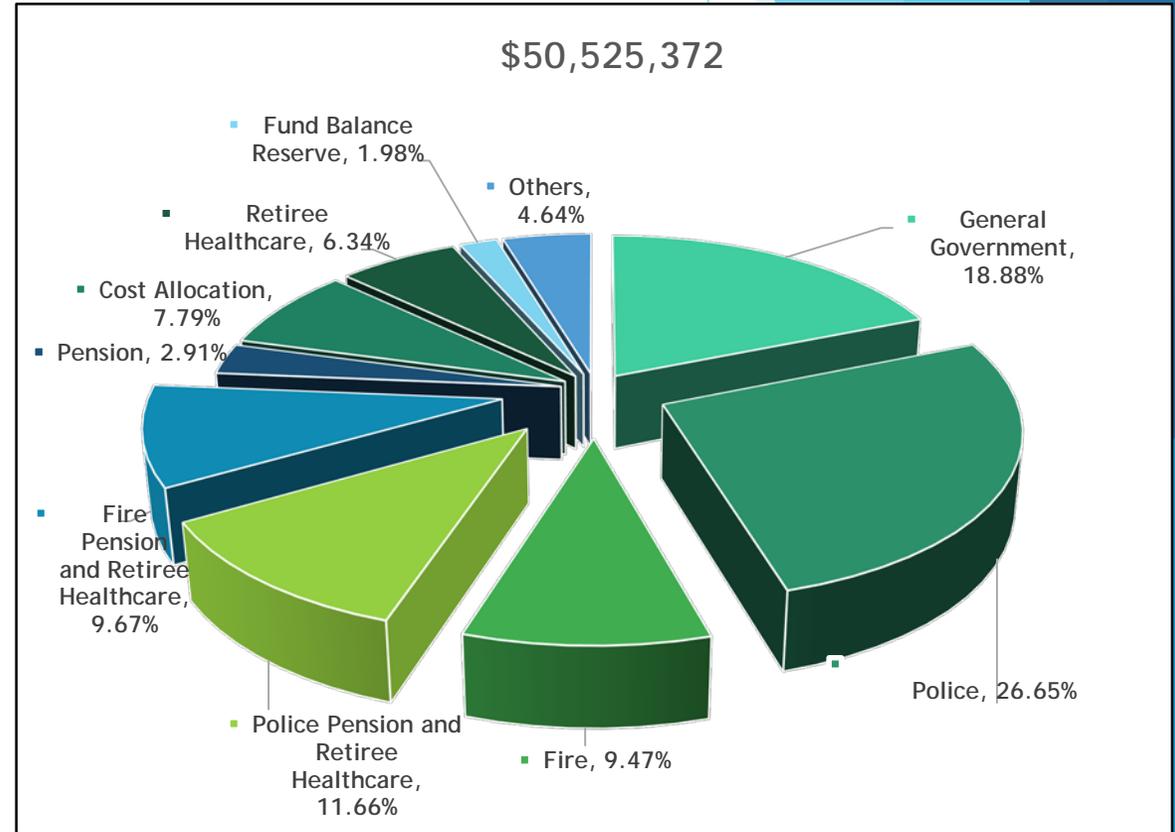
- General Fund
- Police/Fire Millage
- Neighborhood Police Millage
- Parks
- Public Improvement

GENERAL FUND

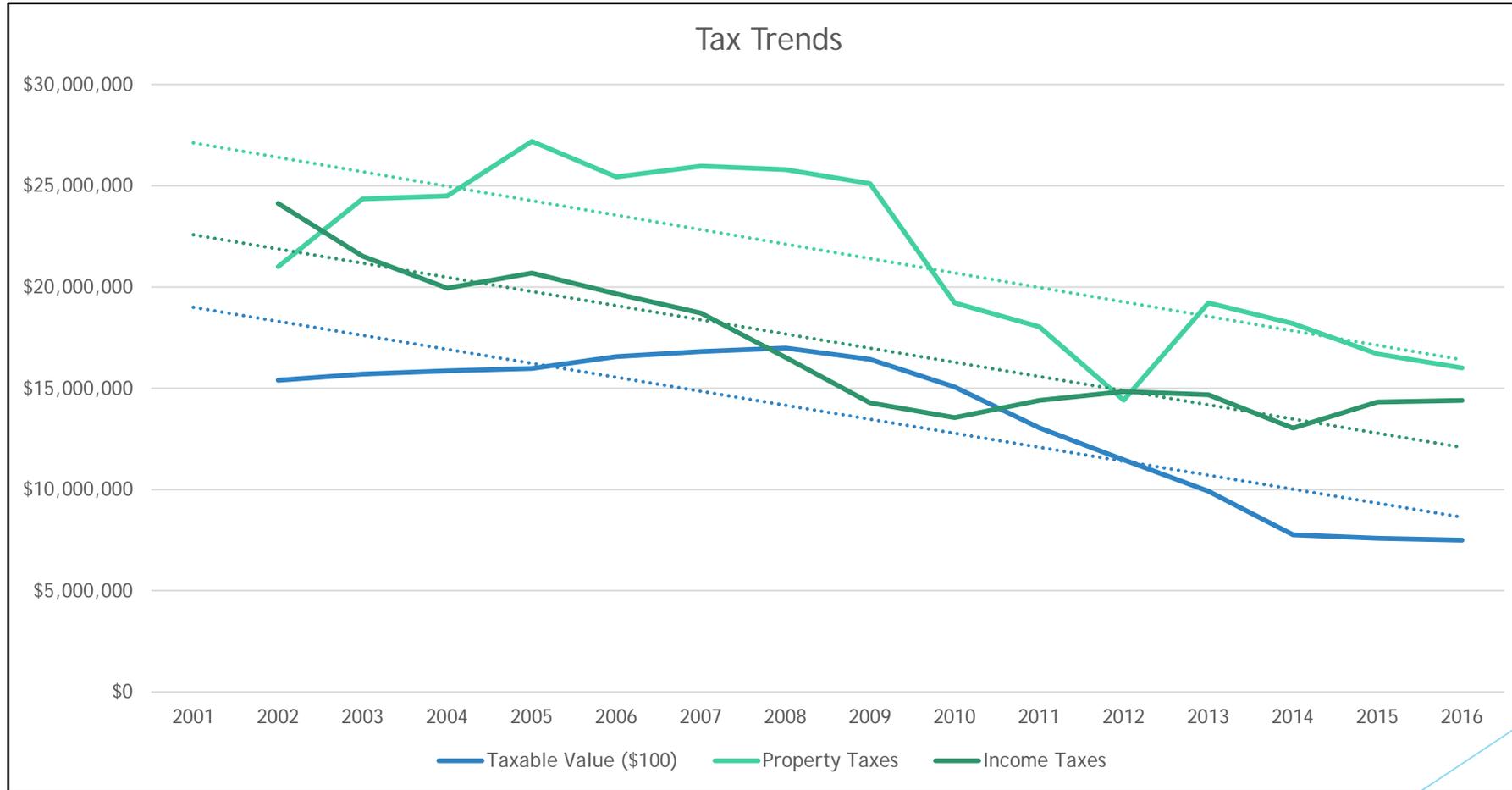
FY17 REVENUES



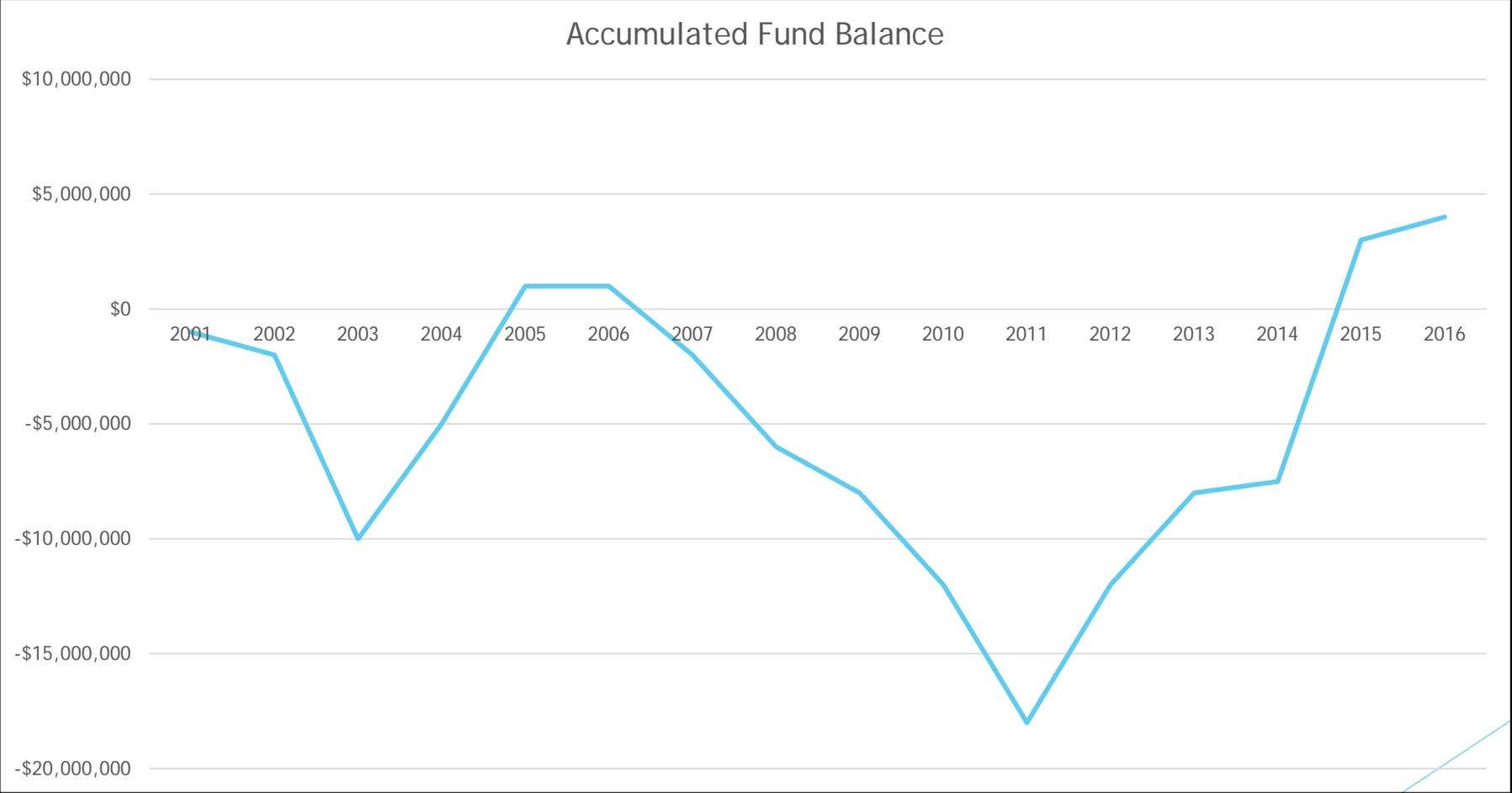
FY17 EXPENDITURES



TAXABLE VALUE AND REVENUE TRENDS



GENERAL FUND - HISTORICAL FUND BALANCE



BUDGETS & PROJECTIONS BY FUND

Funds supported by Dedicated Funds, Fees, or
Assessments:

- Major Streets
- Local Streets
- Street Light Assessment
- Waste Collection
- Drug Forfeiture
- Building Safety

BUDGETS & PROJECTIONS BY FUND

Special Revenue Grant Funds:

- CDBG, ESG, HOME, and Other Grants

BUDGETS & PROJECTIONS BY FUND

Enterprise Funds:

- Water Fund
- Sewer Fund

WATER AND SEWER RATES

FACTORS IN RATE SETTING:

1. Operating and Maintenance Costs
2. Capital Improvements Plan
3. Fund Balance Reserve
4. Size of System
5. Number of Customers
6. Collection Rate

WATER AND SEWER RATES

CONSUMPTION RATES – Dependent upon usage

VS.

MONTHLY SERVICE CHARGES – Ready to serve fee

WATER AND SEWER EXAMPLE

**CITY OF FLINT, MICHIGAN
WATER &/OR SEWER BILL**
Service at 123 main St.

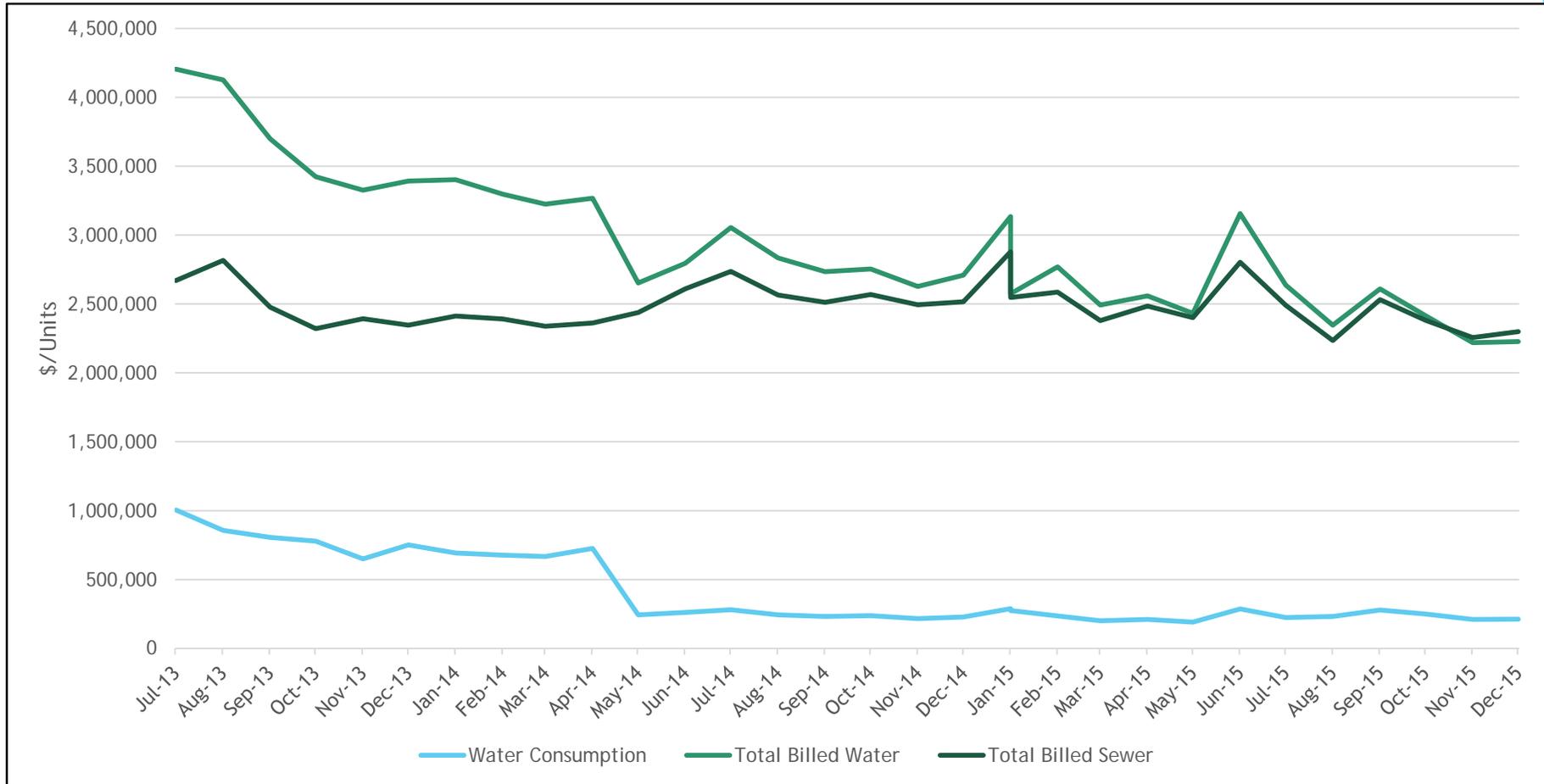
TREASURER
CITY OF FLINT
P.O.BOX 1950
FLINT, MI 48501

ACCOUNT NUMBER	DUE DATE
000000-0000-01	5/1/2016
	NET AMOUNT DUE
	130.87

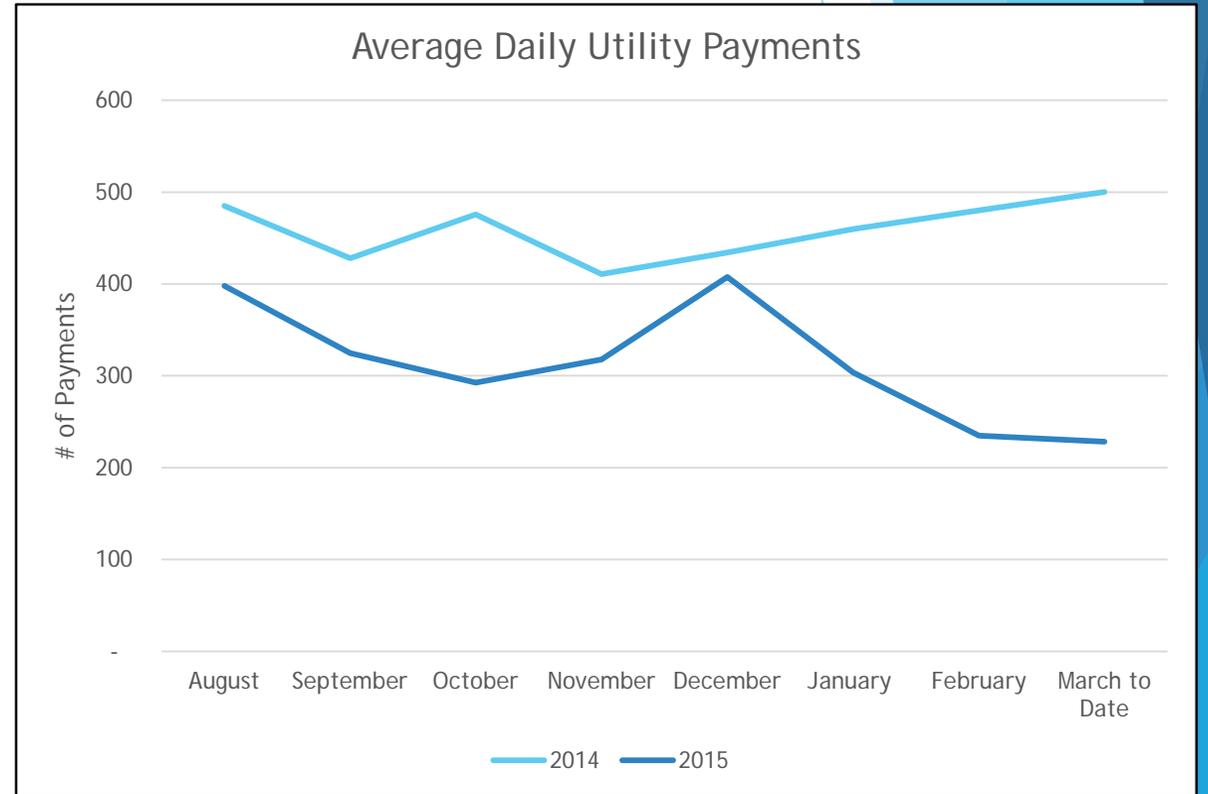
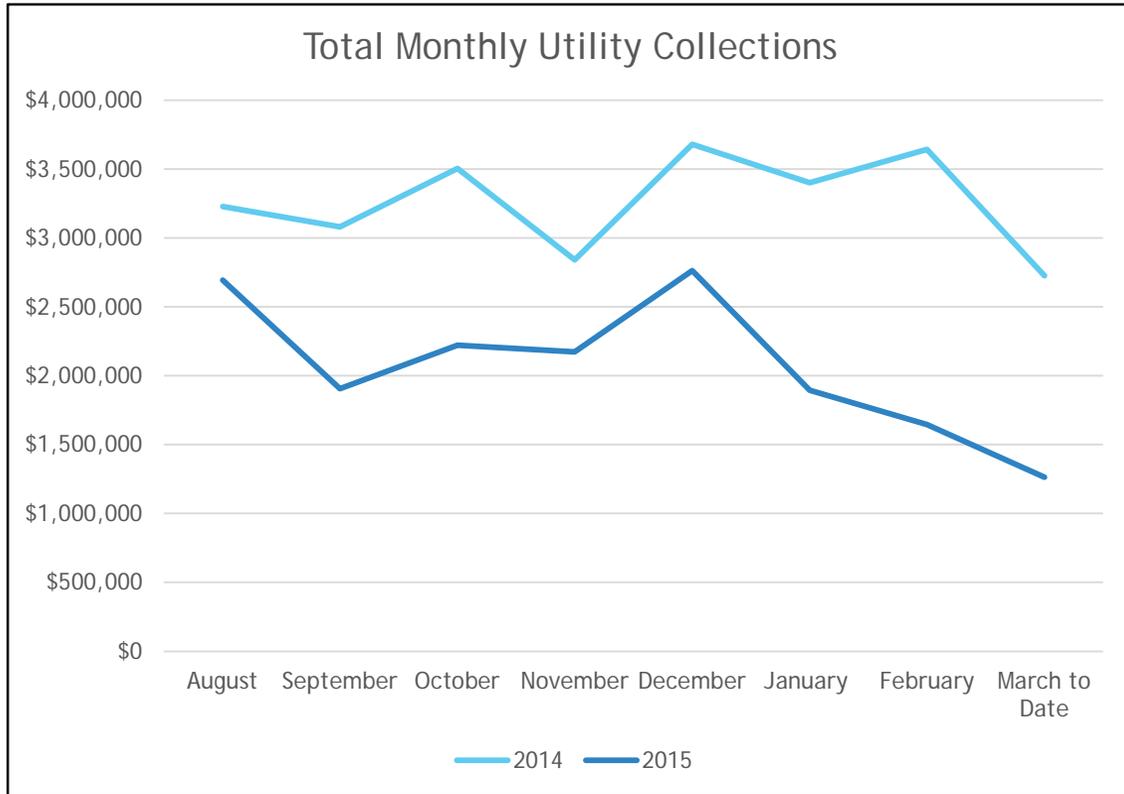
KEEP THIS PORTION FOR YOUR RECORDS

LAST READ/DATE/TYPER	NEW READ/DATE/TYPER	CONS	SERVICE	CHARGE	Prev. Balance	0.00
110	02/16/2016 A	117	03/16/2016 A	7 Sewer Non-metered	4.31	Payments 0.00
			Sewer Svc Chrg	34.48	Adjustments	-990.00
			Water	6.19	Current Penalty	0.00
			Water Svc Chg	22.90	New Charges	130.87
					Total Due	-859.13
Account: MAIN-000000-0000-01 SERVICE AT: 123 MIAIN ST.					Due Date	5/1/2016

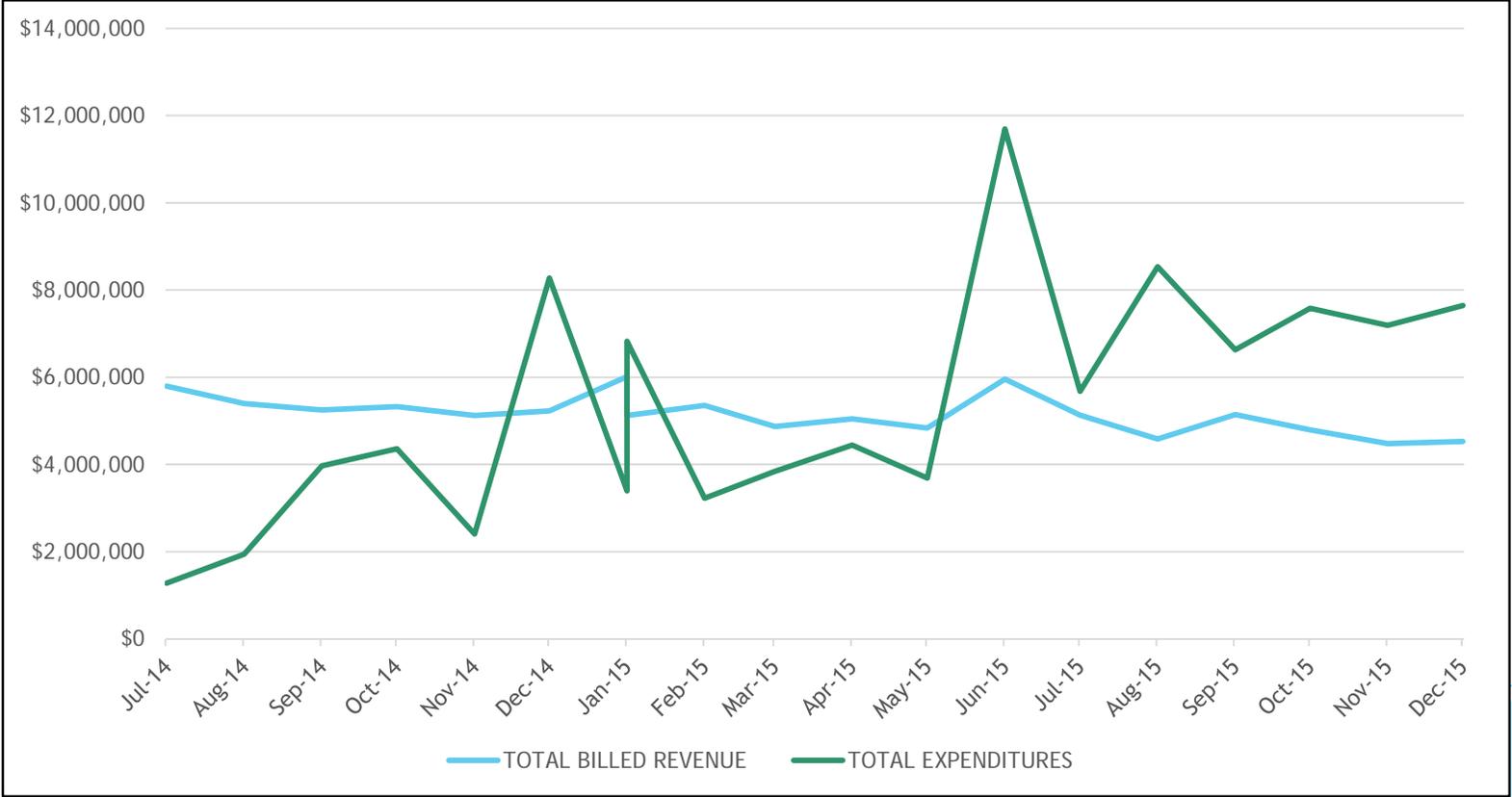
WATER/SEWER BILLING AND USE



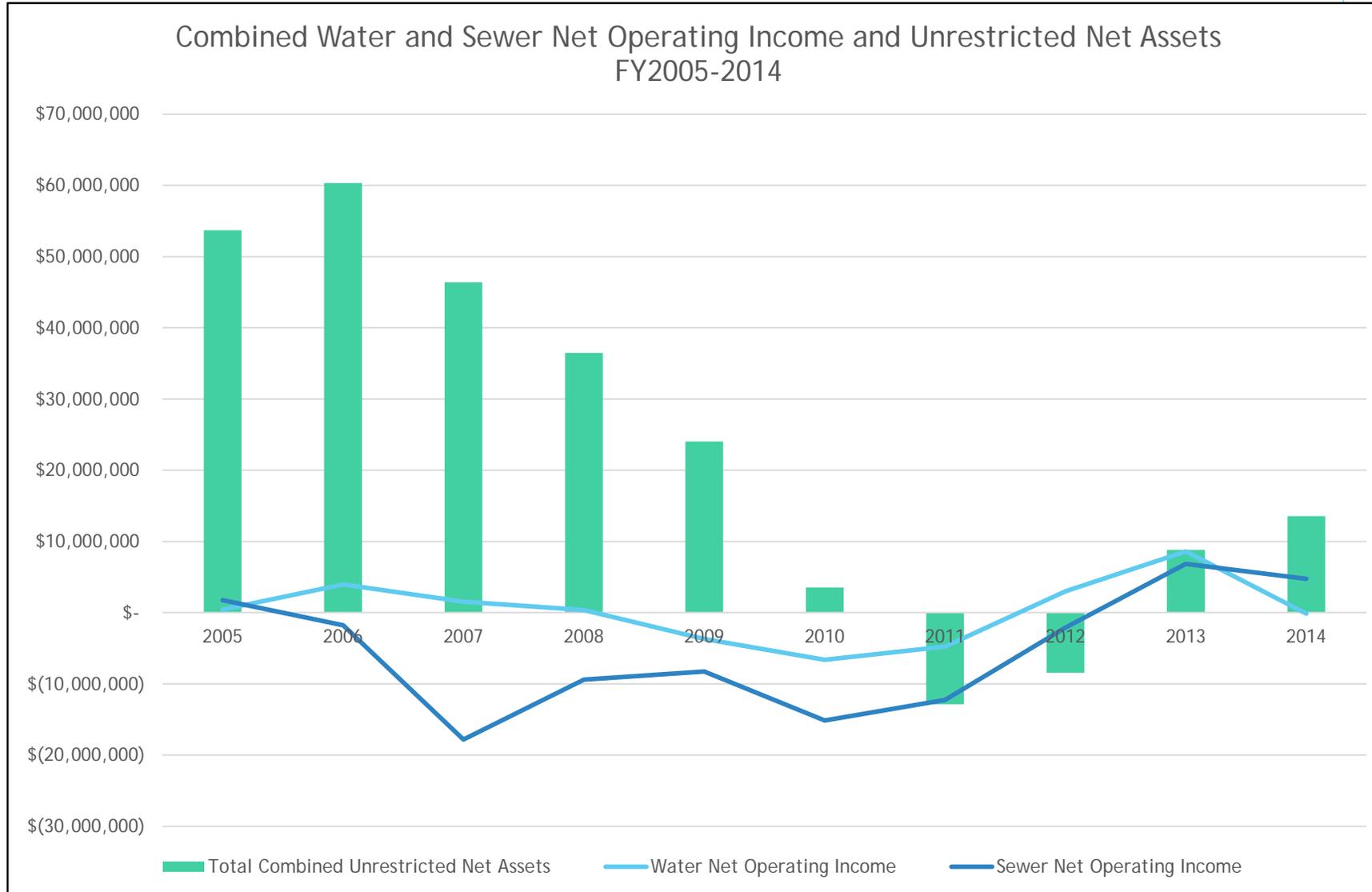
WATER/SEWER COLLECTIONS



WATER/SEWER MONTHLY REVENUES AND EXPENDITURES



WATER/SEWER History of Net Position



ENTERPRISE FUND BUDGETS

DESCRIPTION	2016-17 PROPOSED BUDGET	2017-18 PROPOSED BUDGET	2018-19 PROJECTED BUDGET	2019-20 PROJECTED BUDGET	2020-21 PROJECTED BUDGET
<u>SEWER FUND</u>					
ESTIMATED REVENUES - FUND 590	28,865,196	30,290,556	30,290,556	30,290,556	30,290,556
APPROPRIATIONS - FUND 590	37,868,621	37,259,560	37,776,047	38,302,864	38,840,217
NET OF REVENUES/APPROPRIATIONS - FUND 590	-9,003,425	-6,969,004	-6,969,004	-6,969,004	-6,969,004
<u>WATER FUND</u>					
ESTIMATED REVENUES - FUND 591	32,496,356	34,084,574	34,084,574	34,084,574	34,084,574
APPROPRIATIONS - FUND 591	58,286,392	41,661,982	42,781,393	43,389,741	44,010,256
NET OF REVENUES/APPROPRIATIONS - FUND 591	-25,790,036	-7,577,408	-8,696,819	-9,305,167	-9,925,682

WATER AND SEWER CAPITAL IMPROVEMENTS

Total Sewer Fund Requested Capital Improvements	\$	8,672,700
Total Water Fund Capital Improvements	\$	26,721,969
Total Utilities System Requested Capital Improvements	\$	<hr/> 35,394,669

SOURCES OF CAPITAL IMPROVEMENT FUNDING

- Federal Aid – Water Infrastructure Grant
- State Appropriations
- National and Local Private Organizations

**Thank you for your interest in
the financial health of the
City of Flint.**

