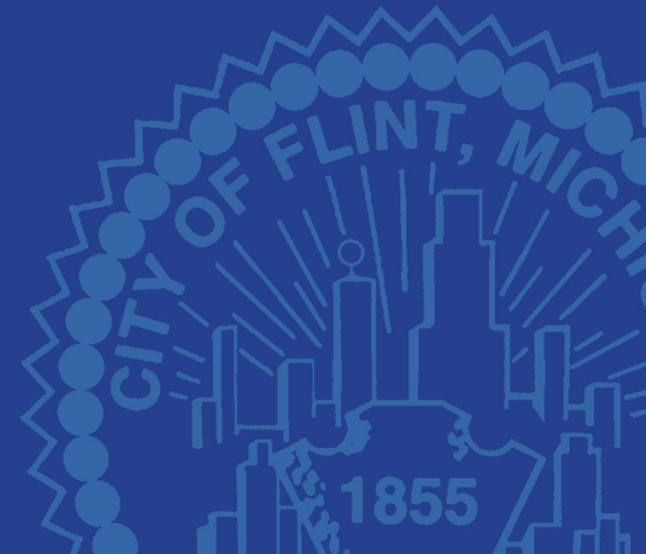


A photograph of a multi-story brick building with a green roof. In the foreground, a black metal structure supports a sign that reads "FLINT VEHICLE CITY" in white, bold, sans-serif capital letters. The sky is clear and blue.

FLINT  
VEHICLE CITY

# A ROADMAP FOR FLINT

*CITY OF FLINT*  
*March 30, 2022*



# REMEMBER LAST YEAR

- Forecasted a deficit coming in the FY23 budget
- We filled the gap — but our decades-old problems remain

Proposed Budget	FY2020	FY2021	FY2022	FY2023	FY2024
<p>Now forecasted FY24 deficit <b>\$15.8M</b></p>					
Fines & Forfeitures	106,915	69,253	75,600	52,000	52,000
Interest Income	98,105	54,959	170,700	57,307	57,307
Other Revenue	783,429	806,683	172,635	122,260	122,703
Transfer In	819,518	3,891,843	-	-	-
Total Revenue	52,569,689	60,669,743	58,106,526	50,712,081	49,987,052
<u>Expense</u>					
Personnel Services	18,432,680	18,490,723	21,585,008	23,523,177	23,523,177
Pension & OPEB	23,540,926	20,570,068	27,537,840	24,186,582	29,210,438
Supplies & Operating Expenses	17,115,590	16,157,937	20,352,443	16,842,751	16,361,662
Capital Outlay	306,955	105,634	363,500	238,000	159,100
Transfer Out	15,641	1,303	1,355,641	15,641	295,147
Total Expense	59,411,792	55,325,665	71,194,432	64,806,151	69,549,524
Change in Fund Balance	(6,842,103)	5,344,078	(13,087,906)	(14,094,070)	(19,562,472)
Internal Service Fund Reserves			8,000,000		
Beginning Fund Balance	24,437,392	17,595,289	22,939,367	17,851,461	3,757,391
<b>Ending Fund Balance</b>	17,595,289	22,939,367	17,851,461	<b>3,757,391</b>	<b>(15,805,080)</b>

# BUDGETED FUNDS

1. General Fund
2. General Debt Service Fund
3. Capital Project Fund

## Enterprise Funds

4. Sewer Fund
5. Water Fund

## Special Revenue Funds

6. Major and Local Streets Fund
7. Public Safety Fund
8. Neighborhood Policing Fund
9. Parks and Recreation Fund
10. Street Lights Fund
11. Waste Collection Fund
12. EDA Revolving Fund
13. Drug Law Enforcement Fund
14. Section 108 Loans Fund
15. Building Inspection Fund
16. Rubbish Collection Fund
17. Public Improvement Fund



# HIGHLIGHTS: FY23 Budget

- This is a balanced budget
- Protects police and fire staffing levels
- Invests in neighborhood policing
- Invests in our work to fight blight
- Invests in infrastructure improvements
- Ensuring we fulfill our Charter obligations



# REVENUE ASSUMPTIONS

- Property Tax Values (taxable value): **Up 3.47%**
- Income tax revenue projection: **Down 11%**
- Removal of **\$2.5 million** state grant expected in FY22 to help offset income tax losses
- State Revenue sharing will **drop** in FY24 due to population loss





**REALITY  
CHECK  
AHEAD**

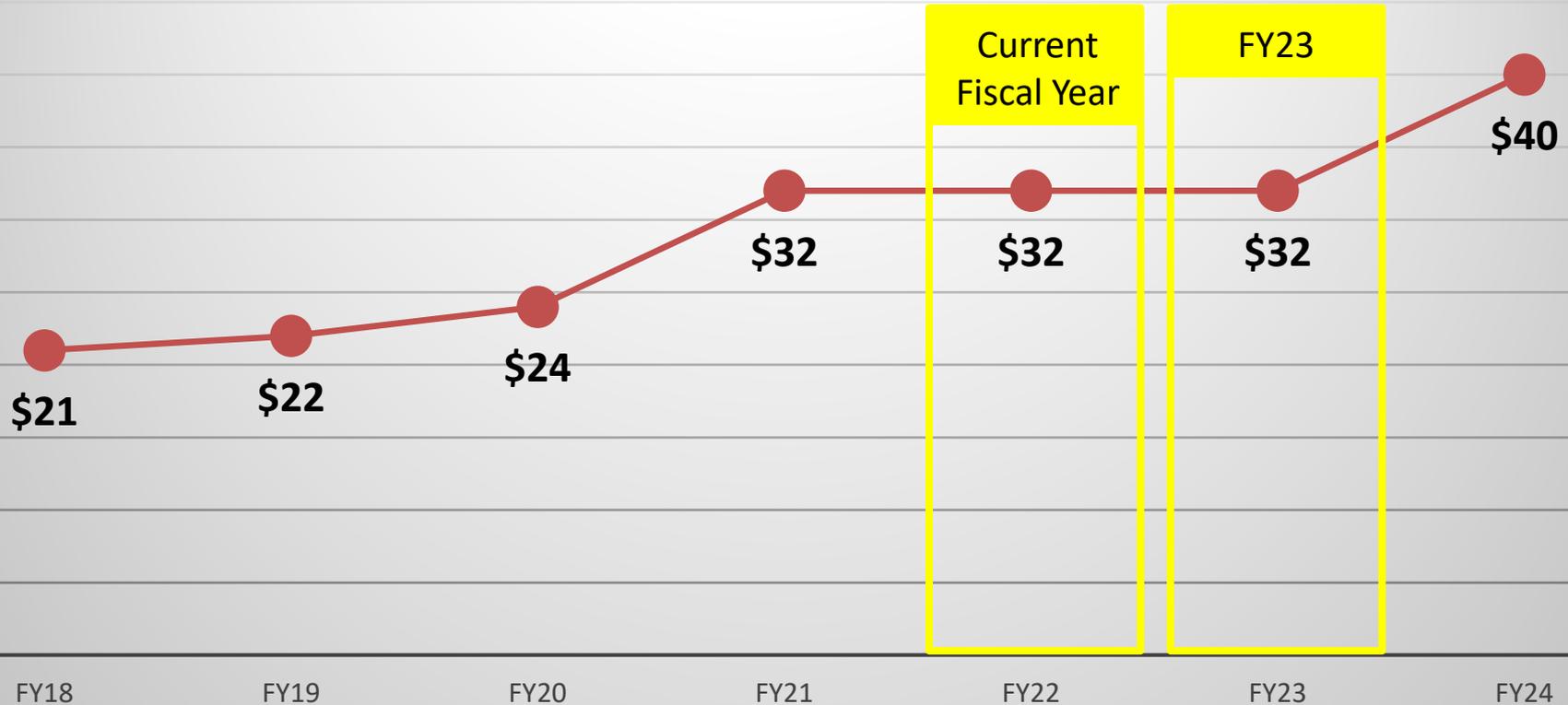
# MEETING PENSION OBLIGATIONS

- The FY23 budget pays what needs to be paid to protect the fiscal health and long-term stability of the Flint pension system
- This budget puts Flint in compliance with pension contribution requirements mandated by the state constitution
- We need to recognize that legacy costs are draining the General Fund



# PENSION COSTS INCREASING

## MERS Payments (in millions)





LEGACY

20 40 60 80

Pension Liability:  
**\$559 million**

Pension Assets:  
**\$150 million**

Pension system:  
**27% funded**



# THE REALITY

- Our pension system is seriously underfunded.
- We've lost more than **\$100 million** in the 7 years since an emergency manager transferred the city to MERS (Municipal Employees' Retirement System)
- The City of Flint has 1 active employee for every 6 retirees





**ROAD  
CLOSED**

# FLINT'S EMERGENCY MANAGERS

EM	EM	EM	EM	EM	EM	RTAB
2002-04	2011-12	2012-13	JULY-SEPT 2012	2013-15	2015	2015-2018

## LOCAL FINANCIAL STABILITY AND CHOICE ACT

### Act 436 of 2012

AN ACT to safeguard and assure the financial accountability of local units of government and school districts; to preserve the capacity of local units of government and school districts to provide or cause to be provided necessary services essential to the public health, safety, and welfare; to provide for review, management, planning, and control of the financial operation of local units of government and school districts and the provision of services by local units of government and school districts; to provide criteria to be used in determining the financial condition of local units of government and school districts; to authorize a declaration of the existence of a financial emergency within a local unit of government or school district; to prescribe remedial measures to address a financial emergency within a local unit of government or school district; to provide for a review and appeal process; to provide for the appointment and to prescribe the powers and duties of an emergency manager for a local unit of government or school district; to provide for the modification or termination of contracts under certain circumstances; to provide for the termination of a financial emergency within a local unit of government or school district; to provide a process by which a local unit of government or school district may file for bankruptcy; to prescribe the powers and duties of certain state agencies and officials and officials within local units of government and school districts; to provide for appropriations; and to repeal acts and parts of acts.

# FIXING LONG-TERM ISSUES

- The time is now to work toward **true** financial stability.
- Hard decisions, **good decisions** need to be made for the betterment of our community.
- We will work with our **partners** to create long-term solutions to legacy costs.



# KEY TAKEAWAYS: FY23 BUDGET

- **This is a balanced budget**
- Protects police and fire staffing levels
- Invests in neighborhood policing
- Invests in our work to fight blight
- Invests in infrastructure improvements
- Ensuring we fulfill our Charter obligations



# NEXT STEPS

## Per the **Flint City Charter** Sec. 7-101.A5

- No earlier than 10 business days after the presentation of the proposed budget and no later than 20 business days after the presentation of the proposed budget, the Mayor and City Council shall hold a public hearing to receive input on the proposed budget from the public.



A close-up photograph of several interlocking golden gears. The gears are highly detailed, showing their teeth and circular centers. The lighting is bright, highlighting the metallic texture and the sharp edges of the teeth. The background is a solid, light blue color. A semi-transparent blue rectangular box is overlaid on the left side of the image, containing white text.

**Let's work together.  
Together we are stronger.**

