



A ROADMAP FOR FLINT

CITY OF FLINT
March 1, 2021



REMEMBER LAST YEAR

- Projected a deficit coming in the FY22 budget
- We filled the gap** — but our decades-old problems remain

Projected FY22 deficit
\$12 million

2,000	2,000	2,000	2,100	2,200	2,300	2,400
2,000	2,000	2,000	2,100	2,200	2,300	2,400
3,856,121	3,900,000		4,000,000	4,100,000	4,200,000	4,300,000
4,685,854	9,061,026		9,287,551	9,519,740	9,757,733	10,001,677
8,541,975	12,961,026		13,287,551	13,619,740	13,957,733	14,301,677
<hr/>						
15,641	15,641		15,641	15,640	15,640	15,640
15,641	15,641		15,641	15,640	15,640	15,640
58,241,246	72,926,795	13,410,924	76,013,538	78,402,127	80,071,798	81,460,517
(1,769,950)	(15,950,628)	(8,962,395)	(18,417,130)	(19,917,258)	(20,682,783)	(21,150,952)
	22,267,079		6,316,451	(12,100,679)	(32,017,937)	(52,700,220)

16 BUDGETED FUNDS

General Fund

Debt Service Fund

Capital Project Fund

Enterprise Funds

- Sewer Fund
- Water Fund

Special Revenue Funds

- Major streets fund
- Local streets fund
- Public safety fund
- Neighborhood policing fund
- Parks and recreation fund
- Street lighting fund
- Rubbish collection fund
- Drug law enforcement fund
- EDA revolving fund
- Building inspection fund
- Oak Business Center fund



HIGHLIGHTS: FY22 Budget

- **This is balanced budget**
- Protects Police and Fire staffing levels
- Invests in Ombudsperson's Office
- Invests in City Clerk's office
- Invests in our work to Fight Blight
- Invests in Civil Service Commission



REVENUE ASSUMPTIONS

- Property tax revenue projection: **Up 2%**
- Income tax revenue projection: **Down 6%**
- Revenue sharing projection: **Down 0.7%**
- **\$2.5 million** state grant expected to help offset income tax losses
- Eliminates transfers of **\$4 million** from Water & Sewer Fund into the General Fund



REVENUE ASSUMPTIONS

- Ends **\$4 million** in transfers from the Water & Sewer Fund into the General Fund





**REALITY
CHECK
AHEAD**

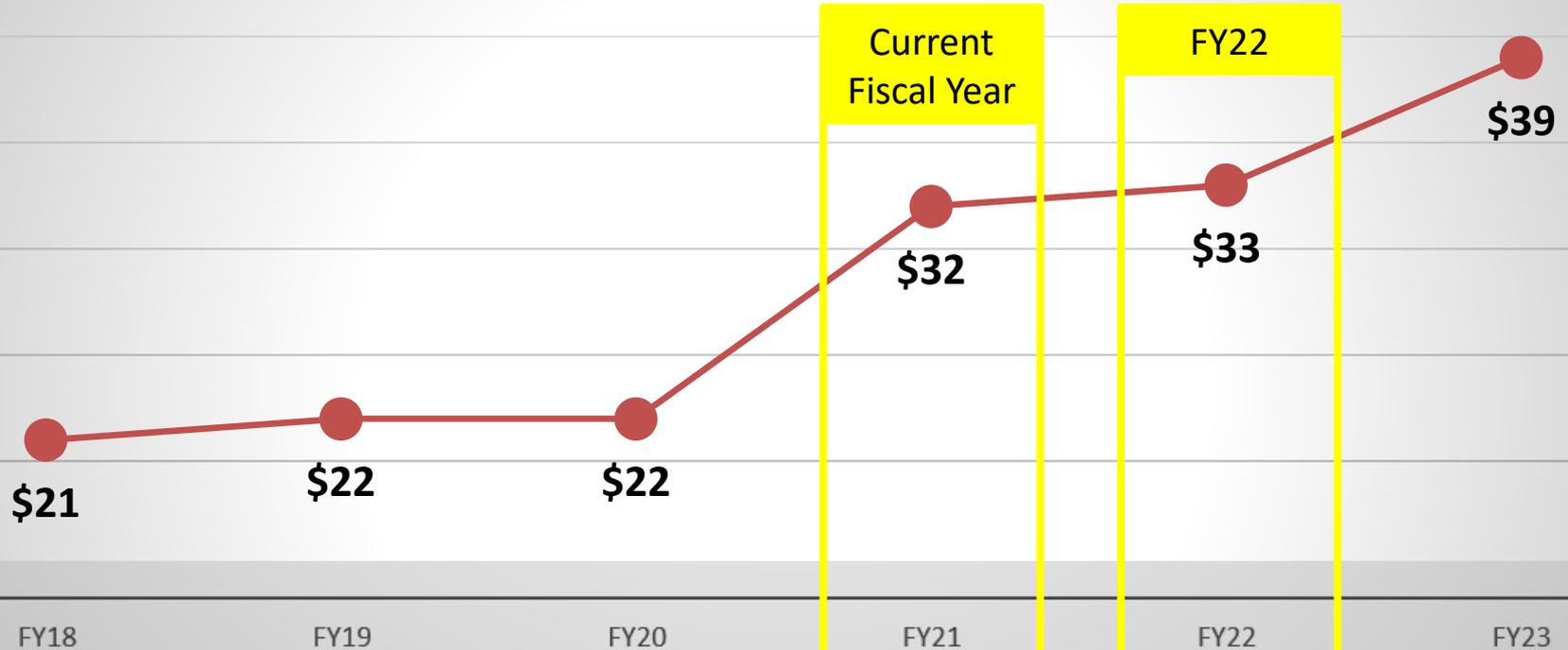
MEETING PENSION OBLIGATIONS

- The FY22 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
- We need to recognize that legacy costs are draining the General Fund



PENSION COSTS INCREASING

MERS Payments (in millions)





Pension Liability:
\$546 million

Pension Assets:
\$158 million

Pension system:
29% 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



ED
KURTZ
2002-04



MIKE
BROWN
2011-12



ED
KURTZ
2012-13



MIKE
BROWN
July-Sept 2013



DARNELL
EARLEY
2013-15



JERRY
AMBROSE
2015



RTAB
2015-2018

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: FY22 BUDGET

- **This is balanced budget**
- Protects Police and Fire staffing levels
- Invests city services
- Funds the city pension system at required levels
- Stops raiding the Water & Sewer funds



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



Prayer

Planning

Partnership

