



**CITY OF FLINT**  
*OFFICE OF THE EMERGENCY MANAGER*



**Darnell Earley, ICMA-CM, MPA**  
Emergency Manager

October 15, 2014

Mr. R. Kevin Clinton, State Treasurer  
Michigan Department of Treasury  
Bureau of Local Government Services  
4th floor Treasury building  
430 West Allegan Street  
Lansing, MI 48922

Dear Mr. Clinton:

I am attaching for your consideration the quarterly report of the Emergency Manager of the City of Flint as required by Section 9 (5) of P.A. 436 of 2012. The report details activities for the period of July 1, 2014 through September 30, 2014.

Respectfully submitted,

Darnell Earley, ICMA-CM, MPA  
Emergency Manager

Attachments

cc: Wayne Workman, Deputy Treasurer  
Edward Koryzno, Bureau Director of Local Government Services  
Randall Byrne, Office of Fiscal Responsibility  
James Ananich, State Senator  
Woodrow Stanley, State Representative  
Phil Phelps, State Representative  
Dayne Walling, Mayor City of Flint

**QUARTERLY REPORT TO THE STATE TREASURER  
REGARDING THE FINANCIAL CONDITION OF THE CITY OF FLINT**

October 15, 2014

This quarterly report covers the period from July 1, 2014 through September 30, 2014 and addresses the financial condition of the City of Flint.

Per P.A. 436 Section 9 (MCL141.1549) requires that you submit quarterly reports to the State Treasurer with respect to the financial condition of your local government, secondly, a copy to each state senator and state representative who represents your local government. In addition, each quarterly report shall be posted on the local government's website within 7 days after the report is submitted to the State Treasurer.

**Status of the Financial Condition of the City of Flint  
July 1, 2014 through September 30, 2014**

The City of Flint has adopted a biennial budget for fiscal years 2015 and 2016, and is committed to ongoing review of revenues and expenses.

Summary of FY15 First Quarter and FY 15 Budget Status

In summary, at the end of the 1<sup>st</sup> quarter, the financial outlook for the remaining FY15 appears to be on track. In total, revenues and expenditures are generally meeting expectations. The City continues to make timely pension contributions and healthcare premium payment for both active employees and retirees. (Attachment A: Summary and Revenue & Expense Report 1st Quarter FY15)

Some further observations on the current budget status:

- In the General Fund, actual revenues are just above 20% of budgeted revenues. At the time of the report, however, the City had not received its portion of State Shared Revenues, and when those revenues are received (approximately \$2.4 million), they will be accrued back to the 1<sup>st</sup> quarter.
- General Fund expenditures are reported at 22% of the budgeted expenditures, in line with expectations. However, it has been discovered that \$13,000 in communications expenses was inadvertently deleted from the District Court budget. It will be necessary to consider an adjustment to the District Court budget to address this shortfall.
- Also, we continue to monitor the personnel expenses in the Police and Fire budgets to determine the budgetary impact that reducing staffing levels through attrition rather than layoffs at the beginning of the year will have. It appears that attrition is moving staffing levels down to the budgeted levels, with Fire already at its reduced level of 75, and Police currently at 121 (VERIFY), with a target of 115. By the end of the second quarter we anticipate that the reduced levels will be met by then and in addition, we will have the results of the ICMA organizational and staffing study. We will also be beginning to receive a portion of the \$1 million allocated for police and fire expenditures in the state budget. We presently anticipate that these funds will be sufficient to offset any shortfall in the personnel line items in these budgets. With the second quarter report, we will provide any necessary budget amendments in these areas.
- Special Revenue Funds, Major and Local Street Funds are operating below budgeted revenues and expenditures. Major Streets, Fund 202, revenues are down due to timing in which State revenues of the Gas and Weight Tax allocations have not been received as of the date of the report. Budgets in the Grant Funds, Funds 274, 295, and 296 reflect timing differences as well. The revenues in these funds have not been received as of the date of the report. In addition, it will be necessary to create a budget for Fund 297 to reflect the final expenditure of a COPS Hiring Grant, with funds carried over into the FY15 budget year.
- Revenues in the Building Safety and Inspections Fund (Fund 542) are coming in higher than anticipated for the first quarter of the year. This was due largely to

the new construction of the paint shop on the General Motor's property expansion.

- Revenues in the Water and Sewer funds are coming in at 19% and 16% respectively in comparison to the budgeted totals. At the same time, expenditures are coming in a 13% and 11% of the budgeted totals. It appears that the trend of reduced water billings are continuing, and efforts are underway to increase compliance and to identify areas of water loss from leaks as well as from theft. Actual expenditures currently do not include many of the capital improvement projects that are budgeted this fiscal year. The DPW and the Finance Department will continue to closely monitor the Utilities revenues and expenditures to keep them in line.
- The June 30, 2014 ruling by the Federal Court which modified its injunction to allow the City to implement certain changes to retiree health care benefits should provide some financial relief to the City budget, at least for the time during which the matter is being litigated. However, at this time it is not possible to project the amount of relief from the \$5 million which was added to the budget for retiree health care as a result of the Courts initial decision prohibiting any change to retiree health care. This is because implementing the approved changes will not be effective until November 1 because of the time necessary to incorporate the changes into the current plans. With the second quarter report, we anticipate being able to project the anticipated costs in comparison to the budgeted amounts.

#### Current Cash Flow

The City's cash flow has improved significantly from the \$13 million cash on hand in December of 2011. Thirteen million dollars is less than one month's operating expenses. By comparison, the cash on hand on September 30, 2014 was in excess of \$61 million. (Attachment B Cash Flow Comparisons)

#### FY 15 AND FY 16 Budget

The FY14 budget was developed within the context of a five year projection of revenues and expenses. This exercise pointed out the continuing challenge the City of Flint will have in achieving long term financial stability. The Finance Department and the Council Finance/Administration Committee completed the FY15-19 strategic plan and financial projections. The City Council has also adopted a Mission, Vision, Goals and Budget Priorities statement. This was incorporated into the FY 14/15 and FY 15/16 Budget document (Attachment C Final FY15 & FY16 Budget Document). Consulting firm Ernst & Young assisted the City with an update to the five year financial projections. The biennial budget was adopted on June 23, 2014 via EM Order #13.

#### Attachments:

Attachment A Summary and Revenue & Expense Report 1st Quarter FY15

Attachment B Cash Flow Projection

Attachment C Final Budget Document FY15 and FY16

Attachment D Compliance Monitoring Report

**Attachment A: Summary and Revenue & Expense Report  
1st Quarter FY15**



Dayne Walling  
Mayor

## CITY OF FLINT, MICHIGAN Department of Finance

City Hall, Room #203  
1101 South Saginaw Street  
Flint, MI 48502  
(810) 766-7268 / (810) 766-8675 (fax)

Darnell Earley, ICMA-CM, MPA  
Emergency Manager

Gerald Ambrose  
Finance Director

DATE: October 10, 2014

TO: Darnell Earley, Emergency Manager  
Dayne Walling, Mayor  
Flint City Council

FROM: Jerry Ambrose, Finance Director  
Antonio Brown, Deputy Finance Director *AB*

RE: City of Flint Quarterly Financial Report  
July 1, 2014 – September 30, 2014

The City of Flint's Strategic Plan envisions 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."

Operating in a financially sustainable manner is a key component to achieving that vision. As part of this, a biennial budget has been adopted for fiscal years 2015 and 2016, and a commitment has been made to a regular and ongoing review of revenues and expenses. To this end, a quarterly report on the status of the City's budget will be provided to the Finance Committee on an ongoing basis.

Attached is a comparison of the City's budgeted revenues and expenses to actual revenues and expenses as of September 30, 2014.

In summary, at the end of the 1<sup>st</sup> quarter, the financial outlook for the remaining FY15 appears to be on track. In total, revenues and expenditures are generally meeting expectations. The City continues to make timely pension contributions and healthcare premium payment for both active employees and retirees.

Some further observations on the current budget status:

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City of Flint  
 Revenue and Expenditure Report  
 For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 101 - General Fund</b>			
Revenues			
General government	45,232,924.00	9,182,371.13	20.76
Judicial	1,697,000.00	383,198.50	22.58
Police	3,792,257.55	627,168.15	16.54
Emergency dispatch	1,189,000.00	0.00	0.00
Fire	351,700.00	34,721.00	9.87
Building inspections	36,000.00	4,657.00	12.94
Transportation	0.00	482.00	100.00
Facilities and Maintenance	21,000.00	17,786.09	84.70
Transfers in	3,777,998.00	944,499.51	25.00
Deficit Reduction	(1,000,000.00)		0.00
<b>TOTAL Revenues</b>	<b>55,097,879.55</b>	<b>11,194,883.38</b>	<b>20.32</b>
Expenditures			
General government	28,187,133.14	5,381,889.95	19.09
Legislative	356,505.00	70,281.22	19.71
Judicial	4,099,999.48	1,451,818.49	35.41
Police	12,563,432.44	3,049,912.03	24.28
Emergency dispatch	2,604,021.00	598,041.26	22.97
Fire	6,177,803.16	1,471,430.53	23.82
Building inspections	395,276.70	66,974.87	16.94
Community development	292,007.15	46,491.27	15.92
Facilities and Maintenance	9,000.00	2,522.26	28.03
Transfers out	412,701.00	103,175.25	25.00
<b>TOTAL Expenditures</b>	<b>55,097,879.07</b>	<b>12,242,537.13</b>	<b>22.22</b>
Fund 101 - General Fund:			
<b>TOTAL REVENUES</b>	<b>55,097,879.55</b>	<b>11,194,883.38</b>	<b>20.32</b>
<b>TOTAL EXPENDITURES</b>	<b>55,097,879.07</b>	<b>12,242,537.13</b>	<b>22.22</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>	<b>0.48</b>	<b>(1,047,653.75)</b>	

City of Flint  
 Revenue and Expenditure Report  
 For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 202 - Major Street Fund</b>			
Revenues			
General government	6,366,549.69	786,053.03	12.35
Transportation	657,072.15	42,462.70	6.46
TOTAL Revenues	7,023,621.84	828,515.73	11.80
Expenditures			
General government	1,619,530.00	404,882.49	25.00
Transportation	5,285,469.17	657,822.39	12.45
Debt services - interest	8,550.69	8,550.32	100.00
Debt services - principal	110,071.98	110,069.80	100.00
TOTAL Expenditures	7,023,621.84	1,181,325.00	16.82
Fund 202 - Major Street Fund:			
TOTAL REVENUES	7,023,621.84	828,515.73	11.80
TOTAL EXPENDITURES	7,023,621.84	1,181,325.00	16.82
NET OF REVENUES & EXPENDITURES	0.00	(352,809.27)	100.00
<b>Fund 203 - Local Street Fund</b>			
Revenues			
General government	1,877,827.00	181,468.92	9.66
Transportation	724,762.00	9,845.29	1.36
Unclassified	91,870.00	0.00	0.00
TOTAL Revenues	2,694,459.00	191,314.21	7.10
Expenditures			
General government	448,391.00	112,097.74	25.00
Transportation	2,246,067.39	342,527.45	15.25
TOTAL Expenditures	2,694,458.39	454,625.19	16.87
Fund 203 - Local Street Fund:			
TOTAL REVENUES	2,694,459.00	191,314.21	7.10
TOTAL EXPENDITURES	2,694,458.39	454,625.19	16.87
NET OF REVENUES & EXPENDITURES	0.61	(263,310.98)	

City of Flint  
Revenue and Expenditure Report  
For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 205 - Public Safety</b>			
Revenues			
General government	9,258,560.00	3,765,159.40	40.67
TOTAL Revenues	9,258,560.00	3,765,159.40	40.67
Expenditures			
General government	1,337,828.00	334,457.00	25.00
Police	2,690,340.00	276,200.86	10.27
Fire	5,230,392.00	888,285.16	16.98
TOTAL Expenditures	9,258,560.00	1,498,943.02	16.19
Fund 205 - Public Safety:			
TOTAL REVENUES	9,258,560.00	3,765,159.40	40.67
TOTAL EXPENDITURES	9,258,560.00	1,498,943.02	16.19
NET OF REVENUES & EXPENDITURES	0.00	2,266,216.38	100.00
<b>Fund 207 - Police Fund</b>			
Revenues			
General government	1,312,000.00	1,276,166.75	97.27
Police	93,180.00	0.00	0.00
TOTAL Revenues	1,405,180.00	1,276,166.75	90.82
Expenditures			
Police	1,378,103.87	290,299.25	21.07
TOTAL Expenditures	1,378,103.87	290,299.25	21.07
Fund 207 - Police Fund:			
TOTAL REVENUES	1,405,180.00	1,276,166.75	90.82
TOTAL EXPENDITURES	1,378,103.87	290,299.25	21.07
NET OF REVENUES & EXPENDITURES	27,076.13	985,867.50	3,641.09

City of Flint  
 Revenue and Expenditure Report  
 For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 208 - Park/Recreation Fund</b>			
Revenues			
General government	393,000.00	319,010.92	81.17
Facilities and Maintenance	4,000.00	1,190.00	29.75
Transfers in	99,140.00	24,785.01	25.00
TOTAL Revenues	496,140.00	344,985.93	69.53
Expenditures			
Facilities and Maintenance	496,140.00	88,949.02	17.93
TOTAL Expenditures	496,140.00	88,949.02	17.93
Fund 208 - Park/Recreation Fund:			
TOTAL REVENUES	496,140.00	344,985.93	69.53
TOTAL EXPENDITURES	496,140.00	88,949.02	17.93
NET OF REVENUES & EXPENDITURES	0.00	256,036.91	100.00
<b>Fund 213 - Park &amp; Recreation Senior Citizen Centers</b>			
Revenues			
General government	6,000.00	0.00	0.00
Facilities and Maintenance	60,000.00	14,760.38	24.60
TOTAL Revenues	66,000.00	14,760.38	22.36
Expenditures			
Facilities and Maintenance	60,000.00	29,871.88	49.79
TOTAL Expenditures	60,000.00	29,871.88	49.79
Fund 213 - Park & Recreation Senior Citizen Centers:			
TOTAL REVENUES	66,000.00	14,760.38	22.36
TOTAL EXPENDITURES	60,000.00	29,871.88	49.79
NET OF REVENUES & EXPENDITURES	6,000.00	(15,111.50)	251.86
<b>Fund 219 - Street Light</b>			
Revenues			
General government	2,694,869.62	2,766,715.28	102.67
TOTAL Revenues	2,694,869.62	2,766,715.28	102.67
Expenditures			
General government	12,153.00	30,288.24	249.22
Transportation	2,682,716.62	407,662.05	15.20
TOTAL Expenditures	2,694,869.62	437,950.29	16.25
Fund 219 - Street Light:			
TOTAL REVENUES	2,694,869.62	2,766,715.28	102.67
TOTAL EXPENDITURES	2,694,869.62	437,950.29	16.25
NET OF REVENUES & EXPENDITURES	0.00	2,328,764.99	100.00

City of Flint  
 Revenue and Expenditure Report  
 For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 226 - Rubbish Collection Fund</b>			
Revenues			
General government	5,395,794.00	5,617,844.04	104.12
Public works	500.00	22,719.72	4,543.94
TOTAL Revenues	5,396,294.00	5,640,563.76	104.53
Expenditures			
General government	887,554.00	221,888.50	25.00
Transportation	150,000.00	2,510.00	1.67
Public works	4,358,739.36	1,067,591.49	24.49
TOTAL Expenditures	5,396,293.36	1,291,989.99	23.94
Fund 226 - Rubbish Collection Fund:			
TOTAL REVENUES	5,396,294.00	5,640,563.76	104.53
TOTAL EXPENDITURES	5,396,293.36	1,291,989.99	23.94
NET OF REVENUES & EXPENDITURES	0.64	4,348,573.77	
<b>Fund 265 - Drug Law Enforcement Fund</b>			
Revenues			
General government	321,562.82	0.00	0.00
Police	117,500.00	6,298.23	5.36
TOTAL Revenues	439,062.82	6,298.23	1.43
Expenditures			
Police	425,062.82	102,611.49	24.14
TOTAL Expenditures	425,062.82	102,611.49	24.14
Fund 265 - Drug Law Enforcement Fund:			
TOTAL REVENUES	439,062.82	6,298.23	1.43
TOTAL EXPENDITURES	425,062.82	102,611.49	24.14
NET OF REVENUES & EXPENDITURES	14,000.00	(96,313.26)	687.95

City of Flint  
Revenue and Expenditure Report  
For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 274 - HUD CDBG, ESG, &amp; HOME GRANTS</b>			
Revenues			
General government	215,349.80	100.00	0.05
Fire	14,765.50	0.00	0.00
Building inspections	782,484.86	0.00	0.00
Transportation	307,422.33	0.00	0.00
Community development	10,494,206.16	69,772.71	0.66
Unclassified	20,010.02	0.00	0.00
<b>TOTAL Revenues</b>	<b>11,834,238.67</b>	<b>69,872.71</b>	<b>0.59</b>
Expenditures			
General government	215,349.80	30,938.81	14.37
Fire	14,765.50	0.00	0.00
Building inspections	782,484.86	6,682.66	0.85
Transportation	307,422.33	6,145.68	2.00
Community development	10,494,206.16	544,772.19	5.19
Unclassified	20,010.02	0.00	0.00
<b>TOTAL Expenditures</b>	<b>11,834,238.67</b>	<b>588,539.34</b>	<b>4.97</b>
Fund 274 - HUD CDBG, ESG, & HOME GRANTS :			
<b>TOTAL REVENUES</b>	<b>11,834,238.67</b>	<b>69,872.71</b>	<b>0.59</b>
<b>TOTAL EXPENDITURES</b>	<b>11,834,238.67</b>	<b>588,539.34</b>	<b>4.97</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>	<b>0.00</b>	<b>(518,666.63)</b>	<b>100.00</b>
<b>Fund 295 - Section 108 Loans</b>			
Revenues			
Community development	664,625.00	795,541.46	119.70
<b>TOTAL Revenues</b>	<b>664,625.00</b>	<b>795,541.46</b>	<b>119.70</b>
Expenditures			
Community development	966,617.00	802,969.24	83.07
<b>TOTAL Expenditures</b>	<b>966,617.00</b>	<b>802,969.24</b>	<b>83.07</b>
Fund 295 - Section 108 Loans:			
<b>TOTAL REVENUES</b>	<b>664,625.00</b>	<b>795,541.46</b>	<b>119.70</b>
<b>TOTAL EXPENDITURES</b>	<b>966,617.00</b>	<b>802,969.24</b>	<b>83.07</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>	<b>(301,992.00)</b>	<b>(7,427.78)</b>	<b>2.46</b>

City of Flint  
 Revenue and Expenditure Report  
 For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 296 - Other Grants Fund</b>			
Revenues			
General government	14,661.97	0.00	0.00
Police	2,703,720.08	153,202.62	5.67
Community development	638,585.16	369,016.92	57.79
Facilities and Maintenance	1,057,076.23	67,523.18	6.39
Public works	50,000.00	49,730.00	99.46
TOTAL Revenues	4,464,043.44	639,472.72	14.32
Expenditures			
General government	14,661.97	0.00	0.00
Police	2,703,720.08	855,488.29	31.64
Community development	638,585.16	77,588.27	12.15
Facilities and Maintenance	1,057,076.23	14,111.08	1.33
Public works	50,000.00	0.00	0.00
TOTAL Expenditures	4,464,043.44	947,187.64	21.22
Fund 296 - Other Grants Fund:			
TOTAL REVENUES	4,464,043.44	639,472.72	14.32
TOTAL EXPENDITURES	4,464,043.44	947,187.64	21.22
NET OF REVENUES & EXPENDITURES	0.00	(307,714.92)	100.00
<b>Fund 297 - Federal Stimulus Fund</b>			
Revenues			
Community development	0.00	87,662.04	100.00
TOTAL Revenues	0.00	87,662.04	100.00
Expenditures			
Community development	0.00	87,662.04	100.00
TOTAL Expenditures	0.00	87,662.04	100.00
Fund 297 - Federal Stimulus Fund:			
TOTAL REVENUES	0.00	87,662.04	100.00
TOTAL EXPENDITURES	0.00	87,662.04	100.00
NET OF REVENUES & EXPENDITURES	0.00	0.00	0.00

City of Flint  
 Revenue and Expenditure Report  
 For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 301 - General Debt Serv(Voted Bonds)</b>			
Revenues			
Transfers in	726,953.00	0.00	0.00
TOTAL Revenues	726,953.00	0.00	0.00
Expenditures			
Debt services - interest	260,000.00	0.00	0.00
Debt services - principal	466,953.00	0.00	0.00
TOTAL Expenditures	726,953.00	0.00	0.00
Fund 301 - General Debt Serv(Voted Bonds):			
TOTAL REVENUES	726,953.00	0.00	0.00
TOTAL EXPENDITURES	726,953.00	0.00	0.00
NET OF REVENUES & EXPENDITURES	0.00	0.00	0.00
<b>Fund 402 - Public Improvement Fund</b>			
Revenues			
General government	2,083,000.00	1,595,223.34	76.58
Unclassified	767,957.00	0.00	0.00
TOTAL Revenues	2,850,957.00	1,595,223.34	55.95
Expenditures			
General government	721,900.00	0.00	0.00
Transfers out	726,953.00	0.00	0.00
Debt services - interest	407,104.00	0.00	0.00
Debt services - principal	195,000.00	0.00	0.00
Public works	800,000.00	200,000.01	25.00
TOTAL Expenditures	2,850,957.00	200,000.01	7.02
Fund 402 - Public Improvement Fund:			
TOTAL REVENUES	2,850,957.00	1,595,223.34	55.95
TOTAL EXPENDITURES	2,850,957.00	200,000.01	7.02
NET OF REVENUES & EXPENDITURES	0.00	1,395,223.33	100.00

City of Flint  
Revenue and Expenditure Report  
For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 542 - Building Inspection Fund</b>			
Revenues			
General government	400,968.00	0.00	0.00
Building inspections	1,681,000.00	1,394,384.50	82.95
Transfers in	313,561.00	78,390.24	25.00
TOTAL Revenues	2,395,529.00	1,472,774.74	61.48
Expenditures			
General government	1,127,233.00	281,772.75	25.00
Building inspections	1,268,295.98	199,584.46	15.74
TOTAL Expenditures	2,395,528.98	481,357.21	20.09
Fund 542 - Building Inspection Fund:			
TOTAL REVENUES	2,395,529.00	1,472,774.74	61.48
TOTAL EXPENDITURES	2,395,528.98	481,357.21	20.09
NET OF REVENUES & EXPENDITURES	0.02	991,417.53	
<b>Fund 590 - Sewer Fund</b>			
Revenues			
Transfers in	0.00	200,000.01	100.00
Unclassified	3,365,101.75	0.00	0.00
Utilities	28,126,894.00	5,350,096.52	19.02
TOTAL Revenues	31,491,995.75	5,550,096.53	17.62
Expenditures			
General government	5,654,386.00	1,408,436.86	24.91
Transfers out	1,860,000.00	465,000.00	25.00
Debt services - interest	695.21	0.00	0.00
Debt services - principal	6,016.23	1,665.36	27.68
Public works	1,990,000.00	0.00	0.00
Utilities	21,980,898.31	2,361,741.13	10.74
TOTAL Expenditures	31,491,995.75	4,236,843.35	13.45
Fund 590 - Sewer Fund:			
TOTAL REVENUES	31,491,995.75	5,550,096.53	17.62
TOTAL EXPENDITURES	31,491,995.75	4,236,843.35	13.45
NET OF REVENUES & EXPENDITURES	0.00	1,313,253.18	100.00

City of Flint  
Revenue and Expenditure Report  
For Year to Date ending September 30, 2014

GL NUMBER	2014-15 AMENDED BUDGET	YTD BALANCE 09/30/2014	% BDGT USED
<b>Fund 591 - Water Fund</b>			
Revenues	3,150,000.00	8,251.60	0.26
General government	37,886,000.00	6,217,326.13	16.41
Utilities	41,036,000.00	6,225,577.73	15.17
TOTAL Revenues			
Expenditures	5,762,876.00	1,435,671.33	24.91
General government	3,768,071.00	282,500.01	7.50
Transfers out	3,190,000.00	0.00	0.00
Public works	24,932,583.15	2,268,352.43	9.10
Utilities	37,653,530.15	3,986,523.77	10.59
TOTAL Expenditures			
Fund 591 - Water Fund:	41,036,000.00	6,225,577.73	15.17
TOTAL REVENUES	37,653,530.15	3,986,523.77	10.59
TOTAL EXPENDITURES	3,382,469.85	2,239,053.96	66.20
NET OF REVENUES & EXPENDITURES			
	<b>180,036,408.69</b>	<b>42,465,584.32</b>	<b>23.59</b>
<b>TOTAL REVENUES - ALL FUNDS</b>	<b>176,908,852.96</b>	<b>28,950,184.86</b>	<b>16.36</b>
<b>TOTAL EXPENDITURES - ALL FUNDS</b>	<b>3,127,555.73</b>	<b>13,515,399.46</b>	
<b>NET OF REVENUES &amp; EXPENDITURES</b>			

**Attachment B: Cash Flow Projection**

**Cash Flow 2014-2015**

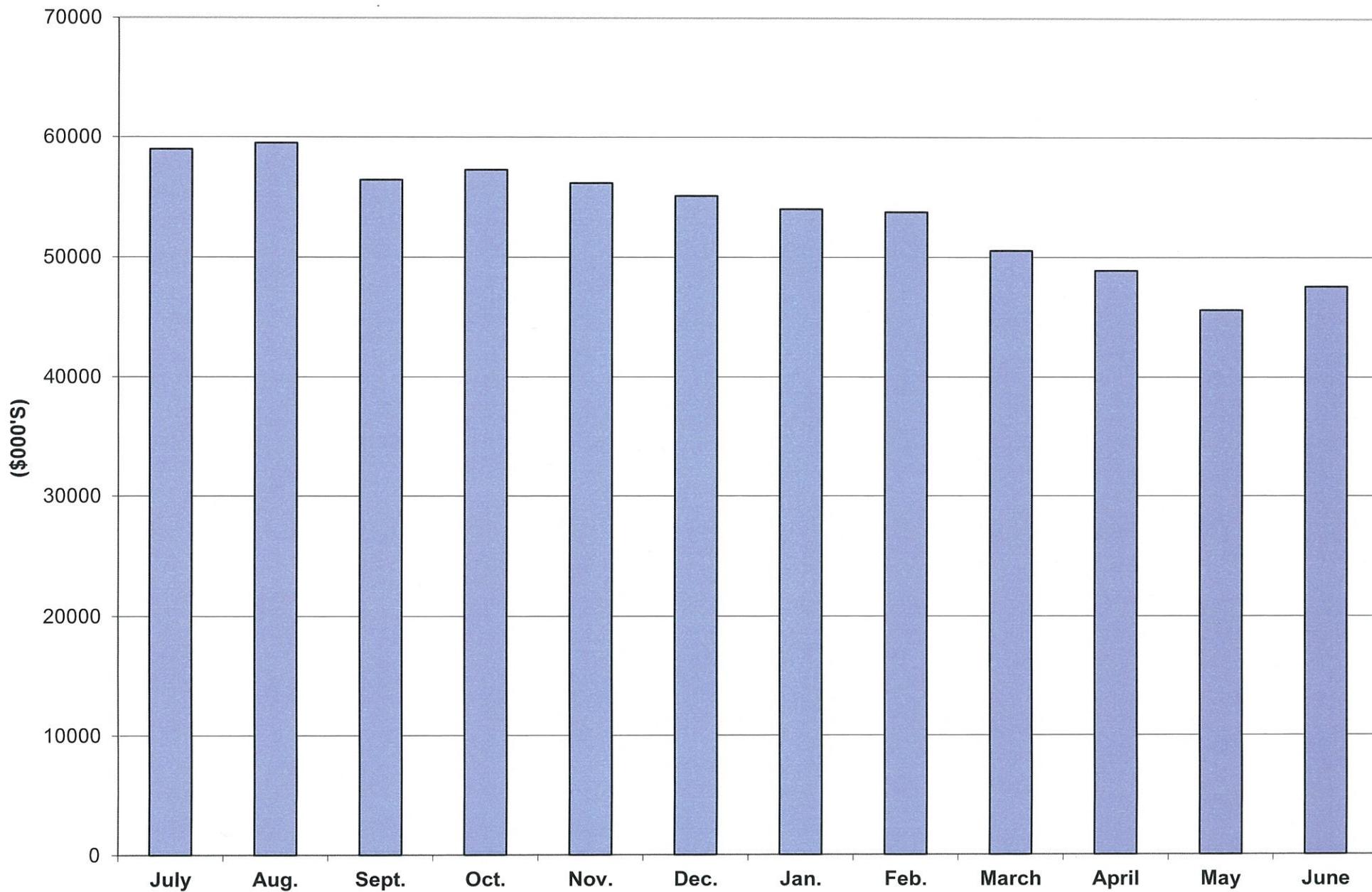
**Pooled Cash Balance — End of Month — Bar chart**

**Pooled Cash Balance — Project FY15, FY14, FY14, FY13 — Bar Chart**

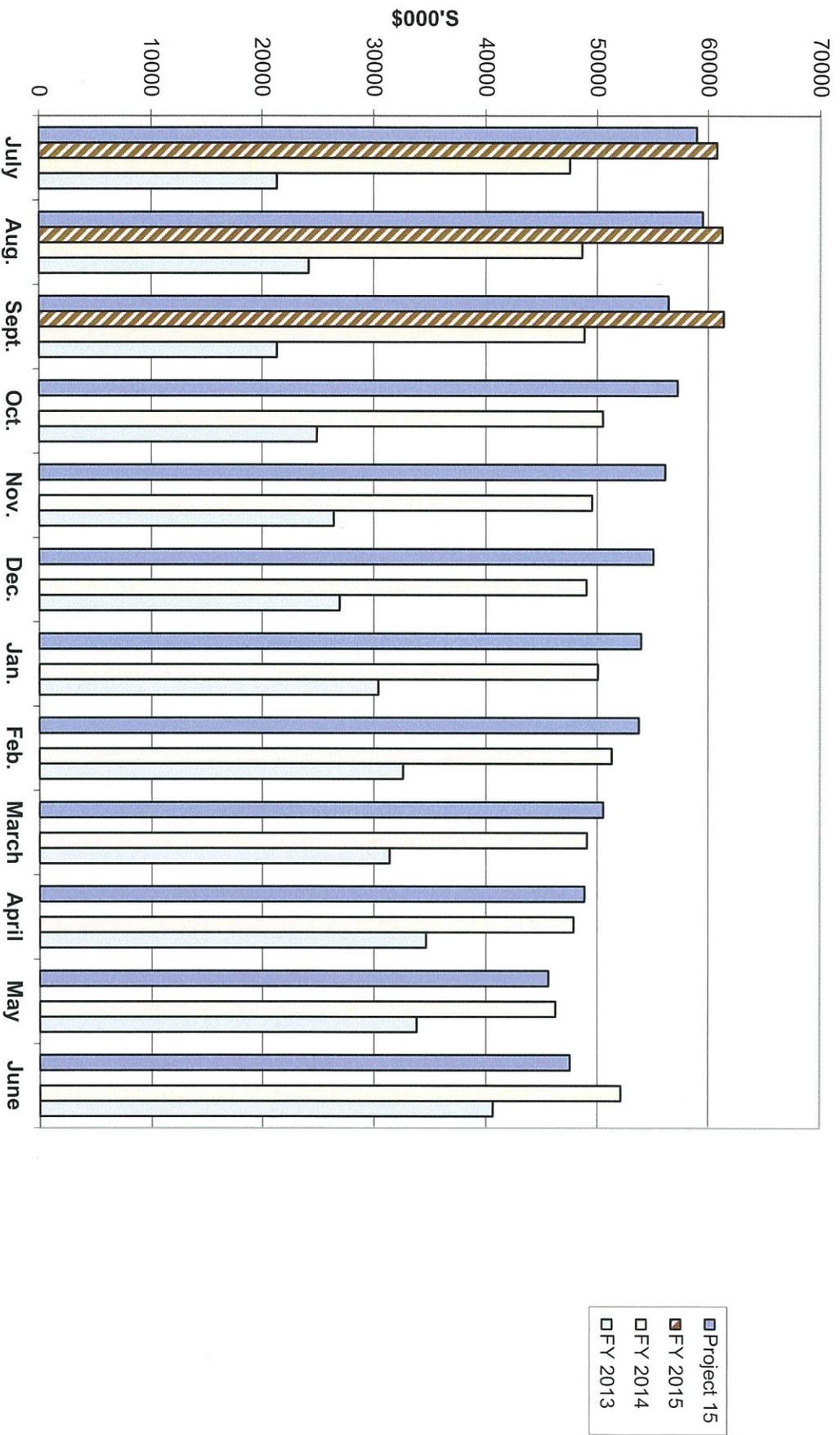
**Pooled Cash Balance - Data**

CASH FLOW 2014 - 2015													
\$000's	July	August	Sept.	Oct.	Nov.	Dec.	Jan	Feb.	March	April	May	June	Total
<b>CASH OUTFLOW:</b>													
Payroll	2,529	2,206	3,127	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	29,462
Pensions	1,342	1,676	1,626	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	19,494
Disbursements	6,114	12,811	5,278	7,700	10,000	7,700	8,800	10,000	7,500	8,000	7,000	7,000	97,903
Bond and/or Loan Repayments			1,176	900		430			1,550	420		17	4,493
Health Care Payments	1,381	1,114	1,873	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	17,418
Income Tax Refunds	56	50	16	50	50	50	100	150	350	700	450	150	2,172
Misc.-Lawsuits	0	0	0	10	10	10	10	10	10	10	10	10	90
<b>Total Cash Outflow</b>	<b>11,422</b>	<b>17,857</b>	<b>13,096</b>	<b>14,160</b>	<b>15,560</b>	<b>13,690</b>	<b>14,410</b>	<b>15,660</b>	<b>14,910</b>	<b>14,630</b>	<b>12,960</b>	<b>12,677</b>	<b>171,032</b>
<b>CASH INFLOW:</b>													
Water & Sewer-Lockbox	1,930	950	2,805	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	20,085
Property Taxes-Lockbox	9,300	1,250	208	900	1,750	400	600	1,000	1,000	0	0	0	16,408
Income Taxes-Lockbox	1,240	1,140	1,855	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	14,135
Parks & Rec.													0
Cash Register Receipts *	6,812	12,624	6,942	8,500	9,000	6,500	9,000	9,000	8,000	6,850	6,000	5,000	94,228
Parking Meter													0
DCD Reimb.-Urban Renewal	130	0	525	300	300	300	300	300	300	300	300	300	3,355
Other Misc. (including Rev. Sharing	670	2,392	873	3,097	700	3,237	700	3,432	700	2,957	700	3,128	22,586
Other-Grants/Delq Co Rtn **													0
<b>Total Cash Inflow</b>	<b>20,082</b>	<b>18,356</b>	<b>13,208</b>	<b>15,497</b>	<b>14,450</b>	<b>13,137</b>	<b>13,300</b>	<b>16,432</b>	<b>12,700</b>	<b>12,807</b>	<b>9,700</b>	<b>11,128</b>	<b>170,797</b>
<b>Net Cash Flow (Inflows less Outflows)</b>	<b>8,660</b>	<b>499</b>	<b>112</b>	<b>1,337</b>	<b>(1,110)</b>	<b>(553)</b>	<b>(1,110)</b>	<b>772</b>	<b>(2,210)</b>	<b>(1,823)</b>	<b>(3,260)</b>	<b>(1,549)</b>	<b>(235)</b>
<b>Prior Month's Ending Balance</b>	<b>52,129</b>	<b>60,789</b>	<b>61,288</b>	<b>61,400</b>	<b>62,737</b>	<b>61,627</b>	<b>61,074</b>	<b>59,964</b>	<b>60,736</b>	<b>58,526</b>	<b>56,703</b>	<b>53,443</b>	<b>-</b>
<b>End of Month Balance-Pooled Cash/Investments</b>	<b>60,789</b>	<b>61,288</b>	<b>61,400</b>	<b>62,737</b>	<b>61,627</b>	<b>61,074</b>	<b>59,964</b>	<b>60,736</b>	<b>58,526</b>	<b>56,703</b>	<b>53,443</b>	<b>51,894</b>	<b>-</b>
	July	August	Sept.	Oct.	Nov.	Dec.	Jan	Feb.	March	April	May	June	
<b>Cash increase/(decrease) 7/1/14 - 6/30/15</b>													<b>-235</b>
* Includes Tax Hold (+,-)													
** Grants included in Cash Reg Receipts													
<b>Actuals thru Sept</b>													

## POOLED CASH BALANCE END OF THE MONTH



# POOLED CASH BALANCE



Pooled  
Cash  
Balance

	Project 15	FY 2015	FY 2014	FY 2013
July	58969	60790	47532	21333
Aug.	59513	61288	48648	24186
Sept.	56423	61400	48856	21338
Oct.	57260		50534	24912
Nov.	56150		49553	26425
Dec.	55097		49061	26937
Jan.	53987		50082	30391
Feb.	53759		51330	32608
March	50549		49094	31406
April	48876		47882	34618
May	45616		46254	33808
June	47567		52129	40597

Attachment C: FY15 & FY16 Budget

# **CITY OF FLINT, MICHIGAN**

## **Setting a Sustainable Course for the City of Flint**

**Five Year Financial Projections 2015-2019**

**Adopted Budgets for FY15 and FY16**

**Future Projections for FY17, FY18 and FY19**



**Darnell Earley, ICMA-CM, MPA  
Emergency Manager**

*Prepared by*  
**Department of Finance**  
**Gerald Ambrose, Finance Director**  
**Antonio Brown, Deputy Finance Director**

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1. City of Flint 5-Year Financial Plan
  - a. Preface
  - b. Background
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  - d. Highlights
  - e. Addendum for City Council and Mayor Recommendations
2. City Council Adopted Vision and Mission Goals
3. City Council Approved Budget Priorities
4. Organization Chart
5. FY15 and FY16 Budgets and 3-Year Forecast
6. FY15 and FY16 General Fund Budget
7. City of Flint Staffing Projection
8. Projected 5-Year Facilities Improvements
9. Deficit Elimination/Reserve Accumulation Projections
10. Five Year Outlook – Pension and Retiree Healthcare Costs
11. Projected Taxpayer Impact

# City of Flint 5-Year Financial Plan

## Preface

This adopted budget for the City of Flint covers the FY15 and FY16 fiscal years which begin July 1, 2014 and July 1, 2015 respectively. Financial projections for the following 3 fiscal years are included as well.

This budget has been developed within the context of the City's recently adopted Master Plan, the Vision, Mission, and Goals for the City government as adopted by the City Council, and the Budget Priorities as adopted by the City Council. Accompanying this budget is a preliminary statement of objectives initially proposed to be accomplished during the two years.

Taken together, the budget and strategic plan will serve as a template to move the City government forward to become a well-managed, financially stable, and accountable organization focused on creating a vibrant and growing community which will attract and retain residents, businesses, students, and visitors and improve our quality of life.

However, this budget demonstrates the continuing financial challenges facing the City of Flint. Stagnant revenue growth in property tax and income tax revenues, coupled with significant increases in legacy costs, retiree health care in particular, create a significant gap between revenues and expenses which require increases in other revenues and decreases in City staffing and services including the possibility of adjustments in public safety services.

Unfortunately, the financial forecast for the next several years beyond FY16 show a continuing gap between projected revenues and expenses. Within the next few years, without significant means to identify and collect additional revenues, or to further reduce the cost base, the City of Flint will be extremely challenged to provide even the most basic of City services.

Over the last several weeks, this adopted budget has been reviewed by the City Council, which will also held a public hearing to receive citizen input. The Mayor and Council subsequently provided comments and recommendations pertaining to the budget to the Emergency Manager.

### Background

The City of Flint has been in state receivership since December, 2011, as a result of consistent deficits in the General Fund, a decline in pooled cash, unrealistic budgeting, and unfunded liabilities for postemployment benefits. Significant progress has been made in addressing these financial issues, as the \$19.1 million deficit at the end of FY12 had been reduced to \$12.9 million at the end of FY13, cash position had improved, and the FY14 budget was realistically balanced, with further reduction of the deficit anticipated.

The FY14 budget was designed and implemented with the same goals in mind – operating within the constraints of available revenues; restructuring operations and cost factors to enhance future financial stability, and continuing to reduce the remaining \$12.9 million deficit. The FY14 budget was constructed with the specific intent of further reducing the deficit by a minimum of \$1 million, by budgeting expenses at \$1 million less than projected revenues. As of January 31, 2014, seven months into the FY14 year, revenues and expenses are on target.

In order to regain and maintain financial solvency, it is not only necessary to eliminate the remaining accumulated deficit but to have an adequate amount of reserves to protect the City in the event of unexpected financial losses. Planning to accomplish this requires a continual dedication of revenues over the next several years to eliminate the remaining deficit and establish an adequate reserve level. A draft deficit elimination plan to accomplish this is currently under review by the Michigan Department of Treasury.

Making progress to date has required hard decisions and sacrifices for all. The FY13 and FY14 budgets were balanced through a mixture of significant revenue increases, significant expenditure decreases, and steps taken to reduce legacy costs. Revenue increase included a 25 percent increase in water and sewer rates, passage of a 6 mill property tax increase for police and fire, establishment of a special assessment district for street lighting, and implementation of a fee sufficient to cover the cost of waste collection. Expenditure reductions included elimination of 20 percent of the City's workforce, compensation decreases equivalent to a 20 percent wage reduction for remaining employees, and the restructuring of health and retirement benefits for current employees and retirees necessary to develop a credibly balanced spending plan.

The actions taken to-date to restructure healthcare benefits for current employees and retirees have also had a significant impact on reducing both current costs and long-term liabilities. The 20% reduction in the workforce required significant reorganizational activities focused on reducing current costs. Long term liabilities were reduced by eliminating traditional defined benefit pension programs for new employees in favor of hybrid plans; by moving the City's retirement system into the a state wide retirement system; by restructuring health insurance benefits for current employees and placing retirees into those same plans; and by eliminating the promise of retiree health care for new employees in favor of providing retiree medical savings accounts. Much of the positive financial result in FY13 came from these actions. The restructuring, which was implemented during the course of FY12, reduced the City's OPEB liabilities alone from nearly \$900 million to less than \$325 million as noted in the FY13 audit.

The efforts of the City to regain financial solvency have been aided by support from numerous Federal, State and private partners. State police troopers have been placed in the City to support local law enforcement efforts, and funds have been allocated to enhance prosecution activities and to operate the City's lock up. The Governor's proposed budget continues this support.

The steps taken to begin to restore the City to financial solvency have not been without conflict and changing circumstances. A significant legal challenge has been made to the decision to move retirees from their historical health insurance plans into the same plans offered current employees. This action resulted in an initial cost reduction in FY13 of \$3.5 million to the City and imposed deductibles and co-pays on retirees. This challenge is currently pending in federal court. If the challenge is ultimately upheld, it will pose a significant challenge to the City in its efforts to regain and maintain financial and service solvency. Due to the stay imposed by the federal court, the City must increase its budget for retiree healthcare costs in the FY15 budget by \$5 million and may even need to pay more as retirees seek reimbursement for past medical expenses. These healthcare expenses will continue to increase in subsequent years.

Legacy costs in total will continue to be a cost burden to the City of Flint. In FY 14, the City budgeted \$30.2 million for its retiree healthcare and pension costs, an amount equal to 17% of its total revenues. The General Fund alone budgeted \$16.4 million, an amount equal to 31% of its total revenues. By FY19, it is projected that the City will need to budget over \$43 million, an amount equal to 23% of its total revenues. For the General Fund alone, the amount projected to be needed will exceed \$21 million, an amount equal to 34% of General Fund revenues.

The future financial solvency of Flint will also be challenged by a continuing structural deficit. As part of the planning for future financial solvency, five year projections and a strategic plan were developed. This exercise indicated a significant financial challenge forthcoming in FY15, due to the current status of the retiree health care lawsuit and the ending of a major grant supporting firefighting resources. Future year projections also show a continuing gap between revenues and projections.

Finally, the most important challenge to be addressed in the City of Flint will be instituting structural changes in the organization of the City to foster financial solvency as a core value and to assure that future governance and management of the City is conducted in a financially responsible manner. To this end, the current Emergency Manager has created a Blue Ribbon Committee on Governance, charged with developing recommended changes to current ordinances, procedures, and the Charter. The recommendations of the Task Force are anticipated within six months.

## Overview

The City of Flint has spent considerable time planning for the community's future through the comprehensive master plan and creating an organizational framework focused on the City's new vision, mission, and goals. The 2-Year budget has been developed in a balanced manner to best meet the needs of a variety of service areas and challenges.

However, challenges to changes in retiree healthcare and the loss of grant funds have required that a new service baseline be established; this also poses significant and immediate challenges to the City's financial viability. Current court rulings in regards to the retiree health care lawsuit have increased retiree health care expenses nearly \$5 million in FY15, and the loss of the SAFER grant (\$ 3.4 million) eliminates funding for 39 of the City's 65 firefighters.

The harsh winter increased the need to remove hundreds (if not thousands) of damaged and fallen trees throughout the city, and to repair damaged roads and sidewalks. The winter also placed additional stress on the antiquated city facilities as they faced water leaks and damage to walkways and sidewalks. Implementing the master plan, and continuing to eliminate blight will also require dedicated resources going forward.

The recently completed study of the water and sewer system finances also demonstrated a shortfall in revenues needed to operate this critical service and provide for necessary maintenance. As much as the high rates for providing water and sewer services pose significant financial challenges and community implications, the alternative of not addressing basic maintenance and adjustments based on guidance in the master plan is equally challenging.

These factors have a significant effect on the adopted staffing levels. Reductions in city staffing over the past two years have come almost exclusively from City services other than police, fire, and 911. As a result, those remaining city services are thinly staffed, and despite valiant efforts of dedicated employees, service levels have been reduced. In some cases, the reductions have been severe and counter-productive. For example, reductions in customer service at Treasury and staffing at Utilities has reduced capacity to effectively pursue collection of delinquent bills. Reductions in Information Technology have slowed the implementation of technology which can improve effective processing. Reductions in Human Resources have slowed the process of hiring employees. Reductions in Building Safety have slowed the process of conducting inspections and issuing permits, and have eliminated much in the way of code compliance efforts.

Therefore, balancing the budget in a financially sustainable way requires addressing the impact of these issues. It also requires that they are addressed within the context of the Mayor's and Council's stated budget priorities. The Council's stated priorities are:

- Maintaining police and fire staffing levels at the maximum level feasible
- Reducing the General Fund deficit by at least \$1 million
- Continuing efforts to reduce blight, including demolition
- Hiring an experienced City Administrator
- Assure that capacity exists to implement the Master Plan
- Add capacity in the areas of Economic Development

- Fund years 1 & 2 of capital improvements identified in the Master Plan
- Improve street maintenance
- Establish parks partnerships
- Improve customer service through training and technology
- Increase removal of dead and diseased trees
- Evaluate ways to reduce water and sewer rates for constituents in the budget process

Balancing the budget responsibly in the context of these immediate and significant financial challenges, while addressing stated priorities, is a significantly difficult task. The unplanned addition of \$5 million in expenses for increased retiree health care is a “Game-Changer” and seriously undermines the ability of the City government to move forward in becoming a positive force helping to create a vibrant and growing community which will attract and retain residents, businesses, students, and visitors and improve quality of life.

As the development of the FY15 budget began, there was a significant gap between projected General Fund revenues and General Fund expenses alone. While some revenue sources indicated a slight increase over the current year, projected expenses were significantly above the current year. The expense increases are due primarily to a nearly \$5 million increase in costs for retiree health care and an increase in the per person cost of pension contribution. In addition, there was recognition of the need to assure capacity to implement the Master Plan to continue addressing blight, to address increased costs of health care for current employees, and to address critically needed facility maintenance.

The budget presented here is balanced in a financially responsible manner, in that revenues and expenses meet. However, the consequence is that, where possible, revenues have been increased, and where necessary, expenses have been decreased. Whether the result is an acceptable result, in the context of the needs and the future of the City, is uncertain.

It is clear that proposed changes in service levels reflected in this budget are significant, and that at the same time the financial plan is being finalized within the confines of available revenues, considerable efforts will continue to mitigate the impacts. Continued efforts to achieve a satisfactory resolution of the retiree healthcare lawsuit, as well as to continue searching for additional sustainable funding, or to engage in mutually beneficial partnerships will continue. The changes necessary to achieve necessary balancing of revenues and expenses will be done in a managed way, not in a crisis response.

The financial projection for the years following FY15 and FY16 show the continuing challenge of a structural deficit. Without a means to identify a new significant revenue source or to sustain and even make further reductions in the City’s cost base, such as retiree health care, Flint will be extremely challenged to provide even the most basic of City services in future years.

## Highlights of the Adopted Budget

### Costs to taxpayers are increased....

- Property tax levies remain unchanged
- Street lighting assessment increased to \$71 in FY15 and \$74 in FY16
- Solid Waste fee increased to \$163 in FY15 and \$169 in FY16
- Water and Sewer rates increased by a total of 6.5% in FY15 and 6% in FY16

### Costs to City employees are increased....

- 20% premium share for health insurance implemented
- Premium contribution for non-Medicare eligible employees retiring after July 1, 2014 established
- 50% premium share for dental and vision insurance implemented
- Vacation and sick leave replaced with PTO, new accumulation caps established
- All new employees enrolled in hybrid pension plan
- All new employees enrolled in RMSA in lieu of promise of retiree health care

### Legacy costs are increased significantly...

- General Fund costs for retiree health care are increased 25%, from \$8 million to \$10 million in FY15, increasing on an annual basis thereafter
- General Fund costs for retiree health care and pension in total are projected to increase from \$16.4 million (31% of total revenues) in FY14 to \$21.5 million (34% of total revenues) by FY19
- For all funds, total costs for retiree healthcare and pension are projected to increase from \$30.4 million (or 17% of total revenues) in FY14 to \$43.5 million (23% of total revenues) by FY19

### City staffing is budgeted at 522 in FY15 and 523 in FY16.....

- Staffing is maintained in District Court, 911, Finance, Assessing, Transportation, IT, and Fleet
- Police Department – Total department staffing will be 115, with 7 vacant positions and 29 additional positions eliminated through attrition by end of FY15. Additionally, a recently offered COPS Hiring grant for six School Resource Officers will not be accepted. The next several months will be focused on mitigating the impact of this through reorganization with the assistance of consultants specialized in police and fire service; seeking additional funds; and obtaining assistance from law enforcement partners in order to achieve the best possible level of police response.
- Fire Department – Total department will be 75, with 19 positions eliminated as the SAFER grant expires. There are several vacant positions to be eliminated as part of this, with a goal of needed reduction no later than December, 2014. The next several months will be focused on mitigating the impact of this through reorganization and restructuring obtained with the assistance of consultants specialized in fire and police service.

- Planning and Development Department - Staffing is at 25, with adding 1 position. The department is being reorganized to assure capacity to implement the newly adopted Master Plan and continue efforts of blight management. Continued assistance in the form of grants and partnerships will be utilized, and general fund support for those activities is increased.
- Public Works Department - 6 positions are added to the Utilities division as the Water Treatment Plant begins operation as the primary source for Flint water; 1 position is added to Facilities to address critically needed maintenance issues.
- Finance and Administration Department - 3 positions are added to the Treasurer's Office to increase delinquent collections, with the added cost to be offset by additional revenues.
- Governance – As efforts to resolve the financial emergency progress, the position of City Administrator will be filled. Additionally, the salaries of Mayor and Council are partially restored as their role in governance increases.

Council budget priorities are addressed as follows:

- Maintaining police and fire staffing levels at the maximum level feasible – Due to revenue shortfall, increased retiree health care, and lack of other options, staffing is reduced. The Police and Fire millage funds will be used to fund 20 fire fighters and 26 police officers through FY15 and FY16. However, the accumulated millage funds will be fully used by the end of FY16.
- Reducing the General Fund deficit by at least \$1 million – General Fund expenses are budgeted at \$1 million less than revenues, and \$800,000 in Capital Improvement Funds will be appropriated to the Utilities, thus reducing the General Funds debt to the Utility Fund by an additional \$800,000. The plan is to continue this commitment for the next several years until the deficit is eliminated, and then the commitment will become one of building a financial reserve equal to 15% of General Fund revenues.
- Continuing efforts to reduce blight, including demolition – CDBG funds continue to be used for demolition and General Fund is assuming partial cost of the Blight Coordinator position
- Hiring an experienced City Administrator – Funds are included in budget.
- Assure that capacity exists to implement the Master Plan – General Fund is assuming partial cost of the Planning and Development Director, and Associate Planner, and a position of GIS technician is created, whose funding is shared among various city funds. Lead partners will be identified in each work area. Also, the Mayor has committed to overseeing the process of assuring that Master Plan implementation is an ongoing important part of city operations.
- Add capacity in the areas of Economic Development-The P&D Director is committed to defining a program for small business development, to be funded in FY16 through CDBG funds. Additionally, 20% of staff time of two DCED staffers and a portion of the Director's time will be devoted to economic development. Also, the Mayor has committed to leading the City's economic development efforts with partners and the assistance of this City staff.
- Fund years 1 & 2 of capital improvements identified in the Master Plan – the CIP portion of the Master Plan will be finalized in FY15, and the results will be considered for inclusion in the FY16 budget.

- Improve street maintenance – Due to minimal increases in state funding for streets, maintenance efforts will continue at the current levels. State financial support has been sought and obtained for some major street projects, in particular those related to economic development projects.
- Establish parks partnerships – The Planning and Development Department now has oversight of Parks, and as one of its strategic objectives, has committed to increase the number of parks partnerships in FY15 and FY16. Funding even the most basic of parks maintenance activities is increasingly challenging within the constraints of the parks millage funds. The goal is to eliminate General Fund support of these activities by the end of FY16.
- Improve customer service through training and technology– Human Resources, as it did in FY14, is committed to continuing ongoing training for supervisors and will be extending these efforts to all employees. IT likewise is committed to providing ongoing training for employees. Finally, most departments are including funds for ongoing training for employees. For example, the Treasury's customer service division is committed to specific customer service training for its front line employees.
- Increase removal of dead and diseased trees – Oversight of removal of trees within street right of ways is now the responsibility of the Transportation Division of Public Works, removal of trees within Parks is now the responsibility of Planning and Development; and removal of trees on other city properties is the responsibility of the Facilities Division of Public Works. Unfortunately, there is only a limited amount of funds available for these purposes, and the general effort will be focused on emergency responses. However, the Transportation Division is committed to attempting to secure assistance from other entities to increase capacity to address this problem.
- Evaluate ways to reduce water and sewer rates for constituents in the budget process-The results of the recent rate study confirm that it unlikely that water and sewer rates can be decreased at any time in the foreseeable future, and in fact, rates need to be increased. However, the actions taken to date to join KWA and to temporarily use the Flint River show that future rate increases will be less than had the City stayed with its prior provider.

Absent new sources of funding or reduced expenses in areas such as retiree healthcare, the commitments to progress and the staffing and service levels here are anticipated to continue for both FY15 and FY16. It is anticipated that the slight additional revenues in the General Fund for FY 16 will not be sufficient to cover increased costs, and it will be necessary to utilize additional funding from the police and fire millage to cover the costs of some police or fire positions in the General Fund in FY15. Depending on the rate of attrition in the Police Department, there should be sufficient remaining funds in the Police and Fire millage to avoid additional reductions in police or fire positions in FY16.



**CITY OF FLINT**  
*OFFICE OF THE EMERGENCY MANAGER*



**Darnell Earley, ICMA-CM, MPA**  
Emergency Manager

June 3, 2014

Mr. Scott Kincaid, President  
Members of the Flint City Council  
1101 S. Saginaw St.  
Flint, MI 48502

Dear Mr. Kincaid and Members of the Flint City Council:

Transmitted herewith are the final numbers for the biennial budget beginning FY14-15 and ending FY 15-16.

This budget is reflective of some of the recommended revisions offered following the Council's departmental budget hearings. All recommendations put forth by City Council were reviewed and thoroughly vetted at Treasury. The attached budget document was revised upwards by \$90,000 and includes the details of the incorporated revisions.

The budget was revised to include your recommendations, along with those of the Mayor, which I felt could be implemented without adversely impacting the organizational structure, management, and the anticipated transition of the City of Flint to a Receivership Transition Advisory Board during the course of this spending plan.

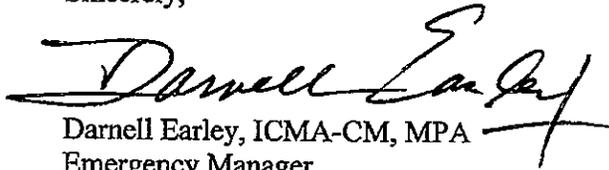
Following the public hearing and consideration of the comments received, it is my intent to execute the order adopting the budget at the next Council meeting scheduled for June 23, 2014. At that time, Council will be able to officially receive the two-year budget consistent with PA 436 and the 7 Point Transition Management Plan.

You should also be aware that effective July 1, 2014, the day-to-day operations of the departments of Planning and Development, and Public Works will be shifted to Mayor Dayne Walling. The Mayor is currently putting together a plan for the allocation of resources within those departments. Similarly, Police Chief Tolbert and Fire Chief Cox are also putting together their work plans to utilize the final resource allocations for public safety.

Mr. Scott Kincaid, President  
Members of the Flint City Council  
June 3, 2014  
Page 2

The assistance and cooperation from you and the Council given to me, the Mayor, and the Administration in this process is greatly appreciated. I think we can agree that this is a responsible and realistic snapshot of the City's financial stability over the next two years, given its myriad financial challenges.

Sincerely,



Darnell Earley, ICMA-CM, MPA  
Emergency Manager

CC: Dayne Walling, Mayor  
Inez Brown, City Clerk  
Administration

## **Proposed Changes to the City of Flint Proposed FY15 & FY16 Budget**

On April 30, 2014, Emergency Manager Darnell Earley transmitted a proposed bi-annual budget to the Mayor and City Council, with a request that the Mayor and Council review and comment on the proposed budget. Accordingly, the City Council, acting as Committee of the Whole chaired by Finance Chair Josh Freeman, met five times to review the budget. At the conclusion, a set of recommendations was adopted and given to the Emergency Manager.

This document summarizes the key recommendations of the Council and Mayor and outlines changes made to the proposed budget as a result.

### **Summary of Council and Mayor Recommended Changes to FY15 & FY16 Proposed Budget**

1. The recommendation of the Council identifies \$1,824,510 in additional funds to be used by the Police Department:

- Specifically, \$1 million of the \$2.5 million in state appropriated revenues for the Lock-Up is proposed to be moved to the Police Budget.
- In addition, \$1 million is identified by increasing the allocation in the CIP Fund for the purpose of reducing the deficit, thus freeing up the \$1 million in the General Fund which has been identified for deficit reduction. Of that \$1 million, \$763,000 (\$628,000 + \$135,000) would be moved to the Police budget. Additionally, \$61,510 is identified to be moved from the Finance Budget to the Police Budget.

2. The remaining funds from the proposed re-appropriation of the freed-up General Fund revenues (\$237,000) would be used for the following:

- \$50,000 - District Court
- \$72,000 - City Clerk
- \$50,000 - City Council Staff
- \$45,000 – Additional Pay Raises for Council
- \$10,000 – Brennen Center
- \$10,000 – Hasselbring

3. Finally, there is a recommendation to eliminate funding for the Human Relations Commission (\$22,547) and split those funds equally between Brennen Center and Hasselbring:

- Brennen - \$11,274
- Hasselbring - \$11,274

4. The Mayor has also made recommendations in other areas, including:

- Adding capacity to Economic Development by replacing the 20% of 2 DCED staff currently subsidized by the GF with CDBG funds and directing that staff to perform 100%

CDGB activities. The freed-up funds (\$51,458) would then be used to contract for economic development services.

- Reduce DCED program staff by 1 FTE and utilize CDBG administrative funds for 50% of administrative staff support in Planning and Development
- Add 1 new FTE in Planning and Development dedicated to the new Business Licensing function
- Add to the Strategic Plan a key objective under Governance and Administration: "Respond to a minimum of 500 constituent services per month, including those formerly addressed by the Human Relations Commission staff."

### **Changes to the Proposed FY15 & FY16 Recommended Budget in response to Council and Mayor recommended changes**

The changes proposed by the Mayor and Council have been reviewed, and changes made as considered appropriate within the context of maintaining a viable financial plan for the next two years. The proposed budget, as submitted to the Mayor and Council on April 30, 2014, will be revised as follows in response:

1. The Proposed Budget anticipates a reduction in public safety staffing of 36 officers and 19 firefighters. However, it also does not anticipate these reductions (other than vacancies occurring through attrition) until the comprehensive study of the police and fire departments is concluded. That study is to be completed prior to the end of 2014. At that time, depending on the study recommendations, a decision will be made as to the need for additional resources, and to the extent that funds in the General Fund which are currently targeted for deficit reduction can be used. Although the State will not agree to utilize funds appropriated for the operation of the Lock-Up to fund Flint police officers and firefighters, the Mayor and Emergency Manager will continue their efforts to obtain other state funding to support police and fire operations in Flint during this critical time.
2. The concern of the City Clerk, and supported by both the Council and the Mayor, of her inability to properly conduct the upcoming elections with the proposed staffing reduction, is acknowledged. Accordingly, the proposed budget is revised to continue FY14 budget level of staffing within the Clerk's Office. The business license position, originally moved to the Planning and Zoning Department in the FY15 and FY16 Proposed Budget, has been restored back to City Clerk's department. The new Business Licensing process is scheduled to be implemented by January 1, 2015; at which time, the responsibility for the process will be assumed by the Department of Planning and Development. Since the Clerk's Office staff will remain the same while reducing the responsibilities of the Clerks' Office, there should be adequate staff to conduct the elections and to provide additional support to the Council Office. Until such time as the

Business Licensing process is assumed by the Department of Planning and Development, the Clerk is authorized to increase the hours of the current part-time employee in the Council Office. \$15,000 in temporary wages is added to the Council's budget for FY15.

3. The concern of the Council and the Mayor that financial support be continued to assist in the transition of the senior citizen programming at the Brennen Center and Hasselbring is acknowledged. The end goal is for there to be successful senior citizen programming at these locations, supported in their entirety by the County's senior citizen millage, which has been approved by voters within the City of Flint as well as the rest of Genesee County. Instead of adding additional funding to the FY15 and FY16 budgets, however, an amendment to the FY14 budget is being prepared to make a one-time appropriation to each center in the amount of \$20,000, for a total expenditure of \$40,000. The purpose of this appropriation is to support this transition.
4. The concern of the Council to add additional resources to the District Court is noted. However, during the presentation by the Court at its budget hearing, it became apparent that the proposed strategy of the Court to utilize part time employees may not be consistent with the requirement that temporary employees working in excess of 29 hours per week must be provided access to health care to the extent that full time employees are. Thus, additional funds in the amount of \$40,000 is added to the Court's budget to address this potential problem.
5. The recommendation of the Mayor to add additional capacity to economic development as stated in #4 above is acknowledged. Additional resources for economic development was also a stated priority of the Council. The change recommended by the Mayor provides \$50,000 in financial capacity, is revenue neutral, and is incorporated into the budget.
6. The recommendation of the Mayor with respect to reducing DCED staff by 1 FTE and redistributing the funds as noted above are also incorporated into the budget.
7. The recommendation of the Mayor to add one new FTE in Planning and Development dedicated to the new Business Licensing function is also acknowledged as being valuable in helping to assure that the new process is implemented aggressively and successfully. Accordingly, \$64,000 for wages and fringes is added to the budget of Planning and Development for that purpose.
8. Finally, the recommendation of the Mayor to add an additional objective to the Governance and Administration section of the Strategic Plan is acknowledged and will be incorporated. Accordingly, while the Human Relations Commission may continue as a volunteer board, the proposed allocation is eliminated. As it has become apparent that the Human Resources Director is fully engaged with managing the Human Resources function, the portion of the Director's salary allocated to the HRC budget will be transferred to the Human Resources Budget.

Implementing the changes noted above require identifying \$119,000 in FY15 General Fund appropriations and \$104,000 in FY16 appropriations. The revenue and expense projections in the budget have been reviewed, and the necessary funds have been identified from the following sources:

**FY15:**

- \$39,000 - reduction in audit costs
- \$ 2,600 – net reduction in HRC budget
- \$38,400 - additional projected revenue - income tax revenue
- \$39,000 – additional projected revenue – delinquent income tax collections

**FY16:**

- \$31,000 - reduction in audit costs
- \$ 2,678 – net reduction in HRC budget
- \$32,000 - additional projected revenue - income tax revenue
- \$38,322 - additional projected revenue - delinquent income tax collections

Appreciation is extended to the Mayor, Council, and staff for the time and effort spent reviewing the proposed budget. The citizens of Flint will be better served by the changes made.

## Proposed Budget FY15 and FY16 Technical Adjustments

1. Included the pension expense in the Office of the Clerk - \$29,519
2. Removed wages and fringes for GIS Technician from Assessing Department because it was already budgeted in the Planning and Zoning Department - \$60,518
3. Corrected the inclusion of all salaries, wages, and fringes in the Planning and Zoning department for all the approved positions - \$123,596
4. Corrected Fund 202 FY15 and FY16 fund balance use. The indirect cost allocation was double reported in FY15. This was a \$536,000 reduction in cost in FY15. In FY16, wages in administration was entered in error causing salaries to be overstated by \$812,000. This correction was made.

**FLINT STRATEGIC PLAN**  
2015 -2019  
*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 and financially responsible manner

**The Goals:**

In order to realize our Mission, residents, businesses, students and visitors can expect that:

The City will provide a highly trained and professional staff of elected leaders, appointed officials and employees

The City will provide for a safe, secure, and healthy environment in which to live, work, learn and play

The City will provide access to dependable and affordable water, sewer, and waste collection

The City will provide access to an adequate and well maintained transportation network serving motorized, non-motorized, and pedestrian needs

The City will foster cooperation between business, non-profit, and foundation partners and residents to create a climate that supports community and economic development

The City government will also:

Seek partnerships with Local, State and Federal governmental partners and other private entities in order to maximize efficiencies and resources in meeting its Mission

Provide municipal services consistent with the City's Master Plan and also work with residents, businesses, and others to foster development of the City and its infrastructure in a manner consistent with its Master Plan

Encourage partnerships for recreation and access to open space across the City

Enforce building and occupancy codes and to aggressively work with others to address blighted conditions

Assure that City ordinances and regulatory activities are consistent with the Master plan and supportive of economic development

Operate in an open and financially sustainable manner, including improving citizen access, focusing on measurable results, improving the City's financial position, and eliminating accumulated deficits

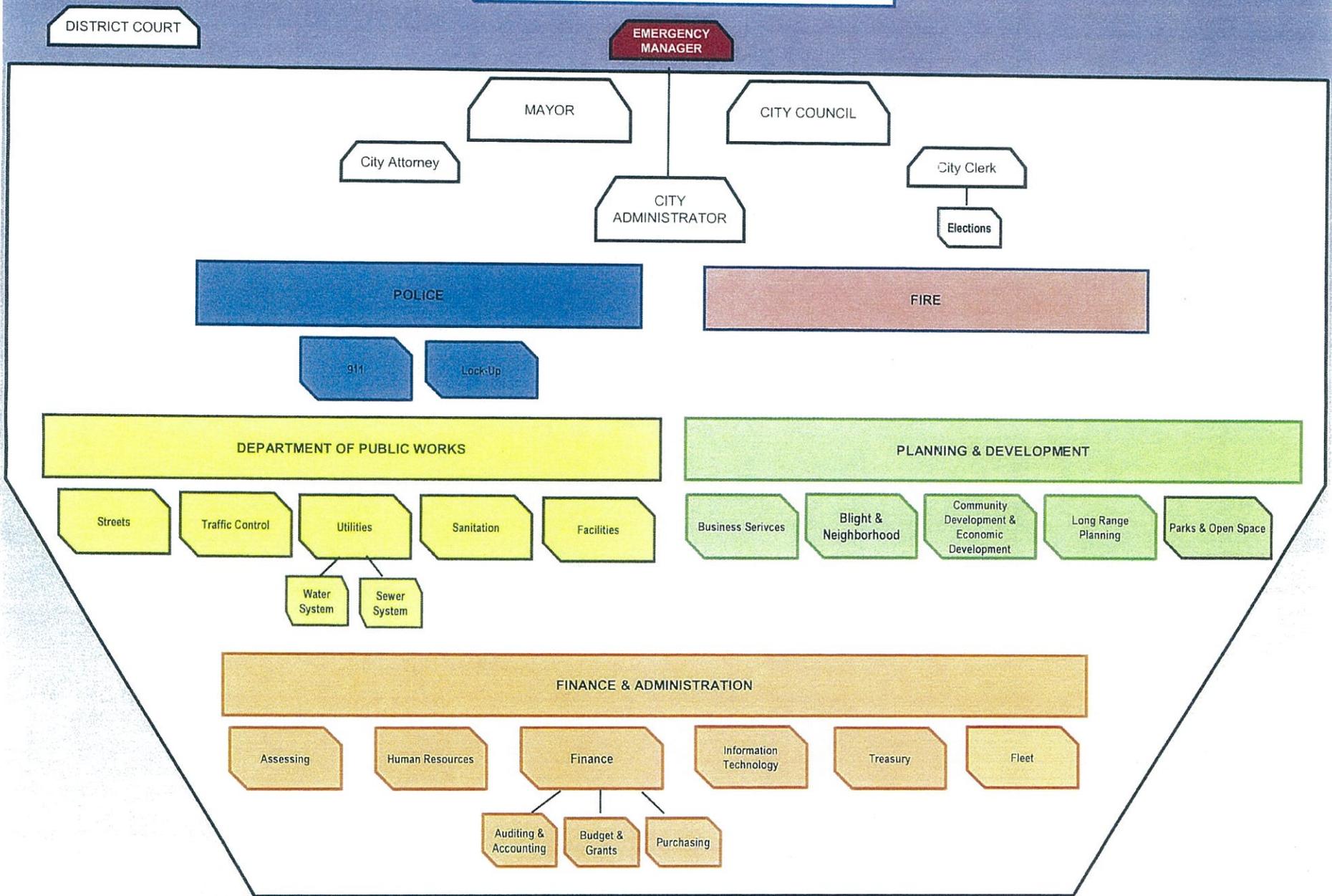
## **Mayor and Council Priorities for Developing the Two-year (FY15 & FY16) Budget**

The Mayor and Council request that the two-year budget to be developed will include a set of objective which, when achieved, will result in significant progress being made towards achieving their stated Vision, Mission, and Goals.

Additionally, the Mayor and Council request that the two-year budget to be developed address the following specific priorities:

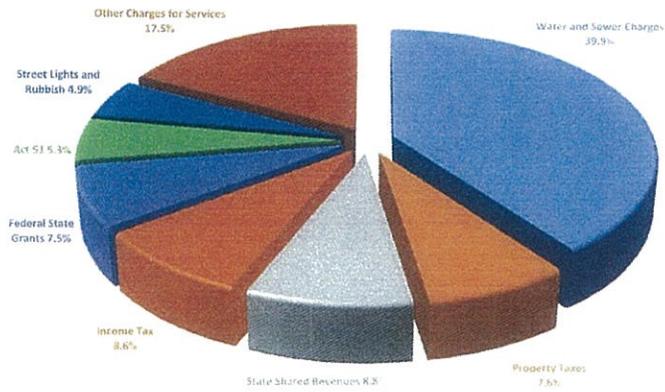
1. Maintain police and fire staffing levels at the maximum level feasible
2. Reduce the General Fund deficit by at least \$1 million
3. Continue efforts to reduce blight, including demolition
4. Hire an experienced and professional City Administrator
5. Assure that capacity exists to implement the Master Plan
6. Add capacity in the area of Economic Development
7. Fund years 1 & 2 of capital improvements identified in the Master Plan
8. Improve street maintenance
9. Establish parks partnerships
10. Improve customer service through training and technology
11. Increase removal of dead and diseased trees
12. Evaluate ways to reduce water and sewer rates for constituents in the budget process

CITY OF FLINT - ORGANIZATIONAL CHART

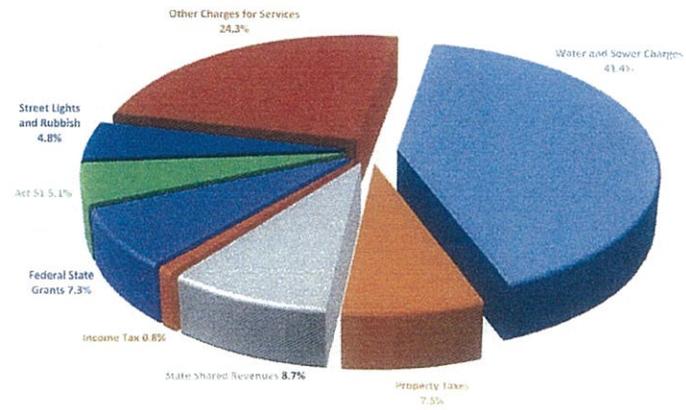


# REVENUE - ALL FUNDS

**FY15 \$165,609,588**

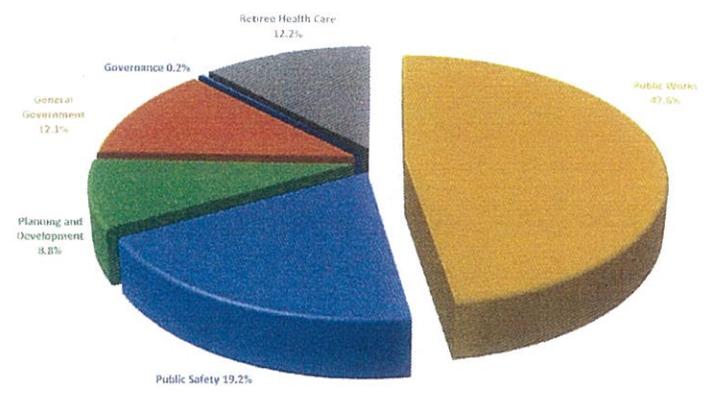


**FY16 \$169,482,080**

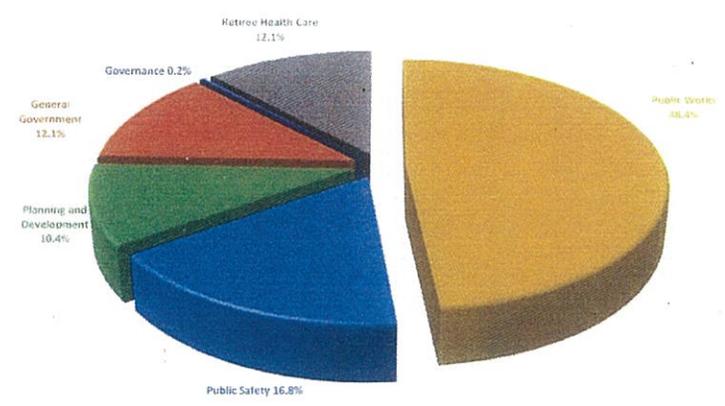


# EXPENSES - ALL FUNDS

FY15 \$162,186,042



FY16 \$166,592,999



**CITY OF FLINT - FIVE YEAR OUTLOOK**  
**All Funds Summary**

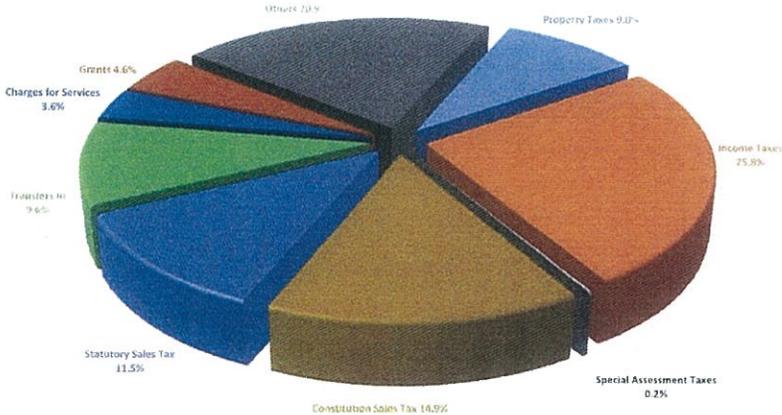
		Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
<b>General Fund</b>	<b>101</b>						
	Revenues*	\$53,558,121	\$55,097,880	\$56,308,236	\$56,815,010	\$56,985,455	\$57,498,324
	Expenses	\$53,558,121	\$55,097,880	\$56,308,236	\$58,616,874	\$61,020,165	\$63,644,033
	Cumulative Gap	\$0	\$0	\$0	(\$1,801,864)	(\$5,836,574)	(\$11,982,282)
	Annual Gap	\$0	\$0	\$0	(\$1,801,864)	(\$4,034,710)	(\$6,145,708)
*Includes \$1 million for deficit elimination							
<b>Major Streets</b>	<b>202</b>						
	Revenues	\$6,335,406	\$7,022,888	\$7,306,668	\$7,511,255	\$7,721,570	\$7,945,485
	Expenses	\$6,331,406	\$7,022,888	\$7,306,668	\$7,577,015	\$7,842,210	\$8,124,530
	Cumulative Gap	\$4,000	\$0	\$0	(\$65,760)	(\$186,400)	(\$365,435)
	Annual Gap	\$0	\$0	\$0	(\$65,760)	(\$120,640)	(\$179,034)
<b>Local Streets</b>	<b>203</b>						
	Revenues	\$2,601,090	\$2,694,458	\$2,783,112	\$2,841,557	\$2,904,072	\$2,967,961
	Expenses	\$2,601,090	\$2,694,458	\$2,783,112	\$2,880,521	\$2,972,698	\$3,067,824
	Cumulative Gap	\$0	\$0	\$0	(\$38,964)	(\$107,590)	(\$207,452)
	Annual Gap	\$0	\$0	\$0	(\$38,964)	(\$68,626)	(\$99,863)
<b>Police and Fire Millage</b>	<b>206</b>						
	Revenues	\$1,845,827	\$9,258,560	\$7,249,000	\$4,464,540	\$4,602,941	\$4,671,985
	Expenses	\$1,845,827	\$9,258,560	\$7,249,000	\$7,538,960	\$7,848,057	\$8,169,828
	Cumulative Gap	\$0	\$0	\$0	(\$3,074,420)	(\$6,319,537)	(\$9,817,379)
	Annual Gap	\$0	\$0	\$0	(\$3,074,420)	(\$3,245,117)	(\$3,497,843)
<b>Neighborhood Police Millage</b>	<b>207</b>						
	Revenues	\$1,550,180	\$1,405,180	\$1,418,300	\$1,446,666	\$1,491,513	\$1,513,885
	Expenses	\$1,550,180	\$1,378,104	\$1,408,660	\$1,465,006	\$1,525,072	\$1,587,600
	Cumulative Gap	\$0	\$27,076	\$9,640	(\$18,340)	(\$51,899)	(\$125,614)
	Annual Gap	\$0	\$0	\$0	(\$18,340)	(\$33,569)	(\$73,714)
<b>Parks Millage</b>	<b>208</b>						
	Revenues	\$373,064	\$440,140	\$344,370	\$351,257	\$362,146	\$367,579
	Expenses	\$373,064	\$440,140	\$344,343	\$358,117	\$372,800	\$388,084
	Cumulative Gap	\$0	\$0	\$27	(\$6,859)	(\$17,512)	(\$38,018)
	Annual Gap	\$0	\$0	\$0	(\$6,859)	(\$10,653)	(\$20,508)
<b>Lighting Special Assessment</b>	<b>219</b>						
	Revenues	\$2,982,960	\$2,694,870	\$2,696,300	\$2,561,485	\$2,433,411	\$2,311,740
	Expenses	\$2,982,960	\$2,694,870	\$2,696,300	\$2,696,300	\$2,696,300	\$2,696,300
	Cumulative Gap	\$0	\$0	\$0	(\$134,815)	(\$397,704)	(\$782,264)
	Annual Gap	\$0	\$0	\$0	(\$134,815)	(\$262,889)	(\$384,560)

		<u>Current FY14</u>	<u>Adopted FY15</u>	<u>Adopted FY16</u>	<u>Projected FY17</u>	<u>Projected FY18</u>	<u>Projected FY19</u>
<b>Waste Collection</b>	226						
Revenues		\$5,132,490	\$5,396,293	\$5,450,723	\$5,178,187	\$4,919,278	\$4,673,314
Expenses		\$5,132,490	\$5,396,293	\$5,450,723	\$5,559,737	\$5,670,932	\$5,784,351
Cumulative Gap		\$0	\$0	\$0	(\$381,551)	(\$1,133,205)	(\$2,244,243)
Annual Gap		\$0	\$0	\$0	(\$381,551)	(\$751,655)	(\$1,111,037)
<b>Drug Forfeiture</b>	265						
Revenues		\$435,042	\$439,063	\$439,063	\$452,235	\$465,802	\$479,776
Expenses		\$435,042	\$425,063	\$433,399	\$446,401	\$469,793	\$473,587
Cumulative Gap		\$0	\$14,000	\$5,664	\$5,834	\$11,843	\$18,032
Annual Gap		\$0	\$0	\$0	\$5,834	\$6,009	\$6,169
<b>HUD Grant 2014</b>	274						
Revenues		\$11,767,729	\$5,035,900	\$5,035,900	\$5,186,977	\$5,342,586	\$5,502,864
Expenses		\$11,767,729	\$5,035,900	\$5,035,900	\$5,186,977	\$5,342,586	\$5,502,864
Cumulative Gap		\$0	\$0	\$0	\$0	\$0	\$0
Annual Gap		\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Grants</b>	296						
Revenues		\$7,483,889	\$4,864,976	\$4,864,976	\$5,010,925	\$5,161,253	\$5,316,091
Expenses		\$7,477,931	\$4,864,976	\$4,864,976	\$5,010,925	\$5,161,253	\$5,316,091
Cumulative Gap		\$5,758	\$0	\$0	\$0	\$0	\$0
Annual Gap		\$0	\$0	\$0	\$0	\$0	\$0
<b>Federal Stimulus Grant</b>	297						
Revenues		\$4,524,108	\$0	\$0	\$0	\$0	\$0
Expenses		\$4,524,108	\$0	\$0	\$0	\$0	\$0
Cumulative Gap		\$0	\$0	\$0	\$0	\$0	\$0
Annual Gap		\$0	\$0	\$0	\$0	\$0	\$0
<b>Public Improvement Fund</b>	402						
Revenues		\$2,150,000	\$2,850,957	\$2,867,987	\$2,925,347	\$3,016,032	\$3,061,273
Expenses*		\$2,150,000	\$2,850,957	\$2,867,987	\$2,982,706	\$3,102,015	\$3,226,095
Cumulative Gap		\$0	\$0	\$0	(\$57,360)	(\$143,342)	(\$308,164)
Annual Gap		\$0	\$0	\$0	(\$57,360)	(\$85,983)	(\$164,822)
* Includes \$800,000 for deficit elimination							
<b>Building Safety Fund</b>	542						
Revenues		\$2,548,456	\$2,395,529	\$2,484,700	\$2,484,700	\$2,484,700	\$2,484,700
Expenses		\$2,548,456	\$2,395,529	\$2,484,700	\$2,584,088	\$2,687,452	\$2,794,950
Cumulative Gap		\$0	\$0	\$0	(\$99,388)	(\$302,140)	(\$612,389)
Annual Gap		\$0	\$0	\$0	(\$99,388)	(\$202,752)	(\$310,250)
<b>TOTAL General City</b>							
Revenues		\$103,288,162	\$99,596,694	\$99,249,335	\$97,230,141	\$97,890,758	\$98,794,987
Expenses		\$103,278,404	\$99,555,618	\$99,234,004	\$102,903,628	\$106,701,333	\$110,776,135
Cumulative Gap		\$9,758	\$41,076	\$15,331	(\$5,673,486)	(\$14,484,061)	(\$26,465,209)
Annual Gap		\$0	\$0	\$0	(\$5,673,486)	(\$8,810,575)	(\$11,981,148)

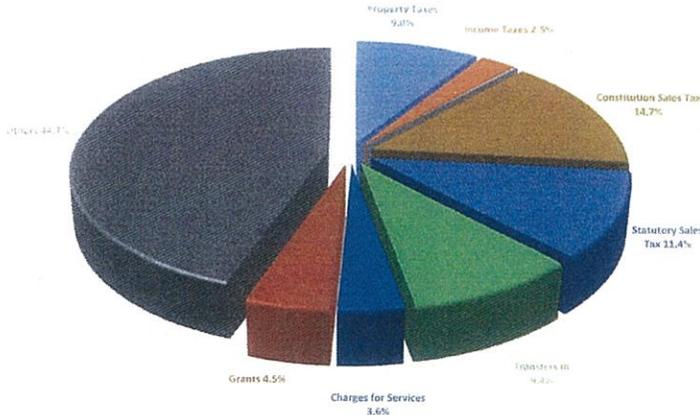
Sewer Fund	590	Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
Revenues		\$31,929,269	\$28,126,894	\$32,346,745	\$32,346,745	\$32,346,745	\$32,346,745
Expenses		\$31,929,269	\$28,126,894	\$32,346,745	\$34,609,099	\$36,149,143	\$37,216,957
Cumulative Gap		\$0	\$0	\$0	(\$2,262,354)	(\$6,064,752)	(\$10,934,964)
Annual Gap		\$0	\$0	\$0	(\$2,262,354)	(\$3,802,398)	(\$4,870,212)
Water Fund	591						
Revenues		\$47,896,872	\$37,886,000	\$37,886,000	\$37,500,000	\$37,500,000	\$37,500,000
Expenses		\$47,896,872	\$34,503,530	\$35,012,250	\$38,841,189	\$40,741,906	\$41,943,725
Cumulative Gap		\$0	\$3,382,470	\$2,873,750	(\$1,341,189)	(\$4,583,095)	(\$9,026,820)
Annual Gap		\$0	\$0	\$0	(\$1,341,189)	(\$3,241,906)	(\$4,443,725)
<b>Water and Sewer</b>	<b>590 &amp; 591</b>						
Revenues		\$79,826,141	\$66,012,894	\$70,232,745	\$69,846,745	\$69,846,745	\$69,846,745
Expenses		\$79,826,141	\$62,630,424	\$67,358,995	\$73,450,288	\$76,891,049	\$79,160,682
Cumulative Gap		\$0	\$3,382,470	\$2,873,750	(\$3,603,543)	(\$10,647,847)	(\$19,961,784)
Annual Gap		\$0	\$0	\$0	(\$3,603,543)	(\$7,044,304)	(\$9,313,937)
<b>TOTAL CITY</b>							
Revenues		\$183,114,303	\$165,609,588	\$169,482,080	\$167,076,886	\$167,737,503	\$168,641,732
Expenses		\$183,104,545	\$162,186,042	\$166,592,999	\$176,353,916	\$183,592,382	\$189,936,817
Cumulative Gap		\$9,758	\$3,423,546	\$2,889,081	(\$9,277,029)	(\$25,131,908)	(\$46,426,993)
Annual Gap		\$0	\$0	\$0	(\$9,277,029)	(\$15,854,879)	(\$21,295,085)

# REVENUE - GENERAL FUND

**FY15 \$55,097,880**

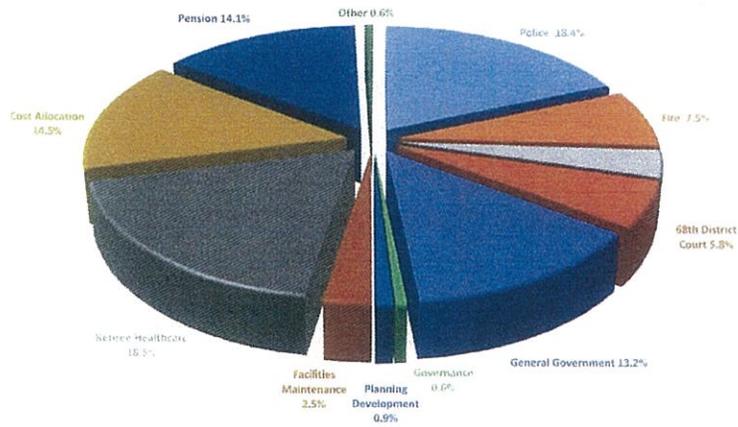


**FY16 \$56,308,239**

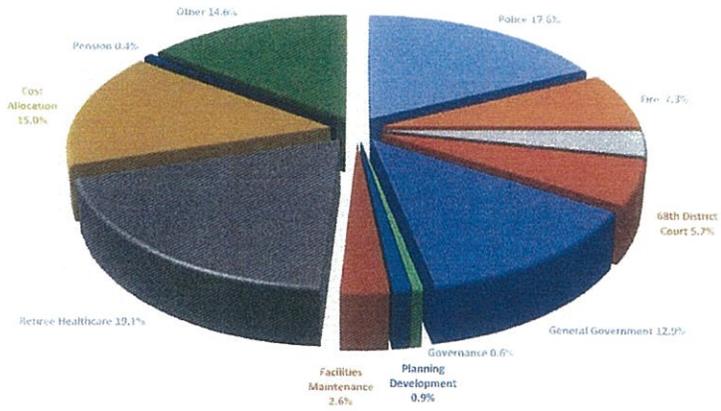


## EXPENSES - GENERAL FUND

**FY15 \$55,097,880**



**FY16 \$56,308,239**



**CITY OF FLINT PORPOSED FINANCIAL BUDGET  
FOR FISCAL YEARS 2015 AND 2016  
GENERAL FUND**

DESCRIPTION	2013-14 AMENDED BUDGET	2014-15 PROPOSED BUDGET	2015-16 PROPOSED BUDGET
<b>Fund 101 - General Fund</b>			
<b>ESTIMATED REVENUES</b>			
Function: General government			
Property Taxes	\$ 4,622,000	\$ 4,970,000	\$ 5,069,400
Income taxes	14,210,000	14,238,400	14,354,000
Special assessment taxes	97,941	89,000	89,000
State revenues	16,730,120	17,181,829	17,347,719
License and Permits	1,303,626	1,296,626	1,396,626
Fines and forfeitures	1,825,000	1,862,600	1,967,000
Charges for service rendered	9,942,485	11,161,416	11,582,811
Interest and dividend income	850,000	919,000	1,118,325
Other revenues	898,946	601,011	605,360
Transfers in	4,077,998	3,777,998	3,777,998
Drawings from fund balance	(1,000,000)	(1,000,000)	(1,000,000)
<b>Total - Function General government</b>	<b>53,558,116</b>	<b>55,097,880</b>	<b>56,308,239</b>
<b>TOTAL ESTIMATED REVENUES</b>	<b>\$ 53,558,116</b>	<b>\$ 55,097,880</b>	<b>\$ 56,308,239</b>
<b>APPROPRIATIONS</b>			
Function: Legislative			
City Council	\$ 373,220	\$ 356,505	\$ 341,080
<b>Total - Function Legislative</b>	<b>373,220</b>	<b>356,505</b>	<b>341,080</b>
Function: General governmnt			
District Court	5,194,307	4,099,999	4,167,078
Office Of Mayor	228,813	215,426	218,278
City Administrator	396,646	352,912	356,034
Finance -Admin/Accounting/Payroll	1,188,137	951,331	962,846
Finance Purchasing	130,229	139,185	141,145
<b>Total Finance and Purchasing Department</b>	<b>1,318,366</b>	<b>1,090,516</b>	<b>1,103,991</b>
Office Of City Clerk	220,645	153,145	154,955
City Clerk-License And Permits	90,850	185,408	185,651
City Clerk-Board Of Review	10,500	11,601	11,601
City Clerk-Election	403,183	391,241	399,979
Cty Clk Elec Div. - Election Workers	138,654	179,591	179,627
<b>Total City Clerk and Elections</b>	<b>863,832</b>	<b>920,986</b>	<b>931,813</b>
Customer Services-Treasury Operations	380,321	275,977	279,810
Customer Services-Income Tax	465,825	432,000	433,740
Customer Services-Water Collection	1,018,852	1,240,933	1,263,429
Customer Service-Sewer collection	1,020,102	1,243,133	1,264,475
Delinquent Collections	167,886	263,063	267,313
<b>Total Treasury Department</b>	<b>3,052,786</b>	<b>3,455,106</b>	<b>3,508,767</b>
Assessment	1,084,221	1,160,515	1,175,686
Law Office Operations	962,042	940,589	953,797

Human Relations Commission	26,237		
Personnel Office	551,542	624,409	629,970
Personnel Office-Personnel-Training	70,625	55,500	56,415
<b>Total Human Relations and Personnel</b>	<b>648,404</b>	<b>679,909</b>	<b>686,385</b>
Police - Fleet	990,000	990,000	1,000,000
Police Reduction		(2,608,823)	(2,835,863)
Pol Admin Bureau - Admin	6,023,126	409,669	419,941
Pol Admin Bureau-Inspections	127,354	125,505	126,865
Pol Admin - City Lock up	2,673,649	2,554,329	2,534,329
Pol Tech Serv-Records & Identification	1,831,592	2,121,908	2,168,785
Pol Tech Serv-Planning, Research, & Trai	135,359	129,847	130,692
Pol Tech Serv - City Impound	437,323	438,575	439,969
Pol Invst Ovrhd - Criminal Invest Overh	2,469,997	2,369,062	2,398,335
Pol Invst Ovrhd - Police School Liason	764,011	751,475	760,749
Pol Invst Ovrhd - Special Operations	707,250	738,802	749,143
Patrol Bureau - Administration	5,502,823	4,263,373	4,326,180
Patrol Bureau-School Crossing Guards	267,854	285,712	285,712
<b>Total Police Department</b>	<b>21,930,338</b>	<b>12,569,434</b>	<b>12,504,837</b>
Public Safety 911 - Administration	3,745,525	2,604,021	2,540,188
Office Of Fire Chief	753,547	692,077	709,158
Fire Admin-Maintenance	116,000	412,500	424,500
Fire Admin - Training	253,400	161,541	164,771
Firefighting Division-Fire Battalion Chi	3,349,960	496,649	506,293
Firefighting Division-Fire Station Overh	5,858,149	4,101,133	4,168,260
SAFER Grant EMW-2011-FH-00843	1,083,370		
Fire Prevent - Inspection And Training	285,370	315,903	322,422
<b>Total Fire Department</b>	<b>11,699,796</b>	<b>6,179,803</b>	<b>6,295,404</b>
Development-Planning & Zoning	121,875	395,277	397,634
DCD - Administration	186,293	279,007	285,416
Golf Division - Kearsley Lake Gc	3,500		
Golf Division-Mott Park Gc		9,000	9,270
Golf Division-Swartz Crk Gc	1,600		
<b>Total Planning and Development Department</b>	<b>313,268</b>	<b>683,284</b>	<b>692,320</b>
Facilities Maint-Municipal Center	1,207,382	1,464,233	1,532,362
<b>Total - Function General government</b>	<b>52,645,726</b>	<b>36,416,733</b>	<b>36,666,940</b>
Cost Allocation and Retiree Healthcare		17,911,941	18,986,658
Transfer out to Fund 208		99,140	
Transfers out to fund 542	539,170	313,561	313,561
<b>Total - Function Transfers out</b>	<b>539,170</b>	<b>412,701</b>	<b>313,561</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 53,558,116</b>	<b>\$ 55,097,880</b>	<b>\$ 56,308,239</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 101</b>	<b>0</b>	<b>0</b>	<b>0</b>
BEGINNING FUND BALANCE	(12,895,642)	(11,895,642)	(10,895,642)
ENDING FUND BALANCE	(11,895,642)	(10,895,642)	(9,895,642)

**CITY OF FLINT STAFFING PROJECTION**

	<u>FY11 ACTUAL</u>	<u>FY12 ACTUAL</u>	<u>FY13 ACTUAL</u>	<u>FY14 CURRENT</u>	<u>FY15 PROPOSED</u>	<u>FY16 PROPOSED</u>
GOVERNANCE AND ADMINISTRATION	38.5	20	17	19	20	20
POLICE	150	148	144	151	115	115
911	25.5	23	22	23	23	23
FIRE	75	94	91	94	75	75
DISTRICT COURT	49	35	30	31	31	31
DEPARTMENT OF PUBLIC WORKS	263	207	156	166	173	173
PLANNING AND DEVELOPMENT	71	56	26	24	25	26
FINANCE AND ADMINISTRATION	<u>120.5</u>	<u>103</u>	<u>60</u>	<u>57</u>	<u>60</u>	<u>60</u>
TOTALS	792.5	686	546	565	522	523

## PROJECTED FACILITIES IMPROVEMENTS FY15-FY19

IMPROVEMENT	RANK	COST	FY15	FY16	FY17	FY18	FY19
City Hall Elevators(2 main only)	1	400,000.00	\$ 400,000.00				
Repl/Rep Chiller in city Hall - only 1.5 of 4 cmprs for air	2	155,000.00	\$ 155,000.00				
Assessing Renovations	3	65,000.00	\$ 65,000.00				
Roof Repair - Main Fire Station	4	127,400.00	\$ 127,400.00				
Roof Repair - Atherton Rd Fire Station	5	10,000.00	\$ 10,000.00				
Repair walkway between Police and City Hall Main Bldg	6	20,000.00	\$ 20,000.00				
I.S. Water Leaks PART I OF II	7	50,000.00	\$ 50,000.00				
Legal Renovations	8	40,000.00	\$ 40,000.00				
Police Station Bridge to 5th St	9	30,000.00	\$ 30,000.00				
Roof Repair - North building	10	99,384.00	\$ 99,384.00				
Motion Lights, City Hall & Police	11	100,000.00	\$ 100,000.00				
Pave City Hall Parking Lot	12	100,000.00		\$ 100,000.00			
911 Consoles & Telephones	13	330,000.00		\$ 330,000.00			
I.S. Water Leaks PART II OF II	14	50,000.00		\$ 50,000.00			
Council Chambers Renovations PART I OF III	15	116,666.67		\$ 116,666.67			
City Hall Building Facade PART I OF III	16	500,000.00		\$ 500,000.00			
Parking lot lighting - City Hall, Pol, Stevens & 7th St Lots	17	250,000.00			\$ 250,000.00		
Council Chambers Renovations PART II OF III	18	116,666.67			\$ 116,666.67		
City Hall Building Facade PART II OF III	19	500,000.00			\$ 500,000.00		
Council Chambers Renovations PART III OF III	20	116,666.67				\$ 116,666.67	
City Hall Building Facade PART III OF III	21	500,000.00				\$ 500,000.00	
Police Shooting Range	22	250,000.00				\$ 250,000.00	
Fire Station Kitchens - Remodel	23	60,000.00				\$ 60,000.00	
<b>TOTAL</b>		<b>\$3,926,784.00</b>	<b>\$ 1,096,784.00</b>	<b>\$ 1,096,666.67</b>	<b>\$ 866,666.67</b>	<b>\$ 926,666.67</b>	<b>\$ -</b>

IMPROVEMENT	RANK	COST	CUMULATIVE COST
City Hall Elevators(2 main only)	1	400,000.00	
Repl/Rep Chiller in city Hall - only 1.5 of 4 cmprs for air	2	155,000.00	\$ 555,000.00
Assessing Renovations	3	65,000.00	\$ 620,000.00
Roof Repair - Main Fire Station	4	127,400.00	\$ 747,400.00
Roof Repair - Atherton Rd Fire Station	5	10,000.00	\$ 757,400.00
Repair walkway between Police and City Hall Main Bldg	6	20,000.00	\$ 777,400.00
I.S. Water Leaks PART I OF II	7	50,000.00	\$ 827,400.00
Legal Renovations	8	40,000.00	\$ 867,400.00
Police Station Bridge to 5th St	9	30,000.00	\$ 897,400.00
Roof Repair - North building	10	99,384.00	\$ 996,784.00
Motion Lights, City Hall & Police	11	100,000.00	\$ 1,096,784.00
Pave City Hall Parking Lot	12	100,000.00	\$ 1,196,784.00
911 Consoles & Telephones	13	330,000.00	\$ 1,526,784.00
I.S. Water Leaks PART II OF II	14	50,000.00	\$ 1,576,784.00
Council Chambers Renovations PART I OF III	15	116,666.67	\$ 1,693,450.67
City Hall Building Facade PART I OF III	16	500,000.00	\$ 2,193,450.67
Parking lot lighting - City Hall, Pol, Stevens & 7th St Lots	17	250,000.00	\$ 2,443,450.67
Council Chambers Renovations PART II OF III	18	116,666.67	\$ 2,560,117.33
City Hall Building Facade PART II OF III	19	500,000.00	\$ 3,060,117.33
Council Chambers Renovations PART III OF III	20	116,666.67	\$ 3,176,784.00
City Hall Building Facade PART III OF III	21	500,000.00	\$ 3,676,784.00
Police Shooting Range	22	250,000.00	\$ 3,926,784.00
Fire Station Kitchens - Remodel	23	60,000.00	\$ 3,986,784.00
<b>TOTAL</b>		<b>\$3,926,784.00</b>	<b>\$ 3,986,784.00</b>

**DEFICIT ELIMINATION AND RESERVE ACCUMULATION PROJECTIONS**

**FINANCIAL COMMITMENT NECESSARY TO ELIMINATE THE DEFICIT AND ACCUMULATE AN APPROPRIATE BUDGET STABILIZATION  
RESERVE OF 10% -15%**

	DEFICIT REDUCTION						
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
DEFICIT	(\$12,895,642)	(\$11,095,642)	(\$9,295,642)	(\$7,495,642)	(\$5,695,642)	(\$3,895,642)	(\$2,095,642)
GF CONTRIBUTION	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
CIP CONTRIBUTION	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>
REMAINING DEFICIT	(\$11,095,642)	(\$9,295,642)	(\$7,495,642)	(\$5,695,642)	(\$3,895,642)	(\$2,095,642)	(\$295,642)
GENERAL FUND REVENUE	\$53,555,121	\$55,080,609	\$56,281,965	\$56,788,503	\$56,958,868	\$57,471,498	\$58,620,928
	RESERVE ACCUMULATION						
	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>		
RESERVE	(\$295,642)	\$1,504,358	\$3,304,358	\$5,104,358	\$6,904,358		
GF CONTRIBUTION	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		
CIP CONTRIBUTION	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>		
ACCUMULATED RESERVE	\$1,504,358	\$3,304,358	\$5,104,358	\$6,904,358	<b>\$8,704,358</b>	Equals 13%	
GENERAL FUND REVENUE	\$59,793,347	\$60,989,213	\$62,208,998	\$63,453,178	<b>\$64,722,241</b>	of GF Revenues	

**CITY OF FLINT - FIVE YEAR OUTLOOK**  
**Pension and Retiree Healthcare Costs**

		Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
<b>General Fund</b>	<b>101</b>						
Retiree Healthcare Expense		\$8,034,324	\$10,167,701	\$10,777,763	\$11,424,429	\$12,109,895	\$12,836,488
Pension Expense		\$8,401,335	\$7,981,672	\$8,439,853	\$8,946,244	\$9,483,019	\$10,052,000
<u>Other Expenses</u>		<u>\$37,122,462</u>	<u>\$36,948,508</u>	<u>\$37,090,623</u>	<u>\$38,246,204</u>	<u>\$39,427,255</u>	<u>\$40,755,548</u>
<b>Total Expenses</b>		<b>\$53,558,121</b>	<b>\$55,097,881</b>	<b>\$56,308,239</b>	<b>\$58,616,877</b>	<b>\$61,020,169</b>	<b>\$63,644,036</b>
Retiree Healthcare as % of Total Expenses		15%	18%	19%	19%	20%	20%
Pension as % of Total Expenses		16%	14%	15%	15%	16%	16%
Healthcare & Pension Costs as % of Total		31%	33%	34%	35%	35%	36%
<b>Major Streets</b>	<b>202</b>						
Retiree Healthcare		\$598,155	\$1,056,180	\$1,119,551	\$1,186,724	\$1,257,928	\$1,333,403
Pension		\$565,832	\$551,415	\$596,563	\$632,357	\$670,298	\$710,516
<u>Other expenses</u>		<u>\$5,167,419</u>	<u>\$5,415,293</u>	<u>\$6,400,554</u>	<u>\$6,597,909</u>	<u>\$6,783,353</u>	<u>\$6,981,277</u>
<b>Total</b>		<b>\$6,331,406</b>	<b>\$7,022,888</b>	<b>\$8,116,668</b>	<b>\$8,416,985</b>	<b>\$8,711,579</b>	<b>\$9,025,196</b>
Healthcare & Pension %		18%	23%	21%	22%	22%	23%
<b>Local Streets</b>	<b>203</b>						
Retiree Healthcare		\$388,761	\$200,824	\$212,873	\$225,645	\$239,184	\$253,535
Pension		\$331,106	\$330,318	\$354,959	\$376,257	\$398,832	\$422,762
<u>Other expenses</u>		<u>\$1,881,223</u>	<u>\$2,163,316</u>	<u>\$2,215,280</u>	<u>\$2,278,619</u>	<u>\$2,334,682</u>	<u>\$2,391,527</u>
<b>Total</b>		<b>\$2,601,090</b>	<b>\$2,694,458</b>	<b>\$2,783,112</b>	<b>\$2,880,521</b>	<b>\$2,972,698</b>	<b>\$3,067,824</b>
Healthcare & Pension %		28%	20%	20%	21%	21%	22%
<b>Police and Fire Millage</b>	<b>205</b>						
Retiree Healthcare		\$0	\$1,337,828	\$1,416,098	\$1,503,184	\$1,593,375	\$1,688,977
Pension		\$448,524	\$2,593,093	\$2,748,879	\$2,913,600	\$3,088,416	\$3,273,721
<u>Other expenses</u>		<u>\$1,397,303</u>	<u>\$5,327,639</u>	<u>\$3,082,223</u>	<u>\$3,122,176</u>	<u>\$3,166,267</u>	<u>\$3,207,130</u>
<b>Total</b>		<b>\$1,845,827</b>	<b>\$9,258,560</b>	<b>\$7,249,000</b>	<b>\$7,538,960</b>	<b>\$7,848,057</b>	<b>\$8,169,828</b>
Healthcare & Pension %		24%	42%	57%	59%	60%	61%
<b>Neighborhood Police Millage</b>	<b>207</b>						
Retiree Healthcare		\$0	\$0	\$0	\$0	\$0	\$0
Pension		\$379,934	\$300,795	\$318,844	\$337,975	\$358,253	\$379,748
<u>Other expenses</u>		<u>\$1,170,246</u>	<u>\$1,077,309</u>	<u>\$915,030</u>	<u>\$945,254</u>	<u>\$977,588</u>	<u>\$1,010,863</u>
<b>Total</b>		<b>\$1,550,180</b>	<b>\$1,378,104</b>	<b>\$1,233,874</b>	<b>\$1,283,229</b>	<b>\$1,335,841</b>	<b>\$1,390,611</b>
Healthcare & Pension %		25%	22%	26%	26%	27%	27%
<b>Parks Millage</b>	<b>208</b>						
Retiree Healthcare		\$0	\$0	\$0	\$0	\$0	\$0
Pension		\$5,591	\$20,663	\$20,683	\$21,903	\$23,217	\$24,610
<u>Other expenses</u>		<u>\$367,473</u>	<u>\$419,477</u>	<u>\$320,760</u>	<u>\$333,177</u>	<u>\$346,421</u>	<u>\$360,183</u>
<b>Total</b>		<b>\$373,064</b>	<b>\$440,140</b>	<b>\$341,423</b>	<b>\$355,080</b>	<b>\$369,638</b>	<b>\$384,793</b>
Healthcare & Pension %		1%	5%	6%	6%	6%	6%
<b>Lighting Special Assessment</b>	<b>219</b>						
Retiree Healthcare		\$0	\$0	\$0	\$0	\$0	\$0
Pension		\$0	\$6,029	\$6,390	\$6,773	\$7,180	\$7,611
<u>Other expenses</u>		<u>\$2,982,960</u>	<u>\$2,688,841</u>	<u>\$2,689,910</u>	<u>\$2,689,527</u>	<u>\$2,689,120</u>	<u>\$2,688,689</u>
<b>Total</b>		<b>\$2,982,960</b>	<b>\$2,694,870</b>	<b>\$2,696,300</b>	<b>\$2,696,300</b>	<b>\$2,696,300</b>	<b>\$2,696,300</b>
Healthcare & Pension %		0%	0%	0%	0%	0%	0%

		Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
Waste Collection	226						
	Retiree Healthcare	\$621,190	\$411,202	\$435,674	\$462,026	\$489,748	\$519,133
	Pension	\$25,335	\$12,988	\$13,767	\$14,593	\$15,469	\$16,397
	<u>Other expenses</u>	<u>\$4,485,985</u>	<u>\$4,972,103</u>	<u>\$5,001,082</u>	<u>\$5,083,118</u>	<u>\$5,185,716</u>	<u>\$5,248,821</u>
	Total	\$5,132,450	\$5,396,293	\$5,450,723	\$5,559,737	\$5,670,932	\$5,784,351
	Healthcare & Pension %	13%	8%	8%	9%	9%	9%
Drug Forfeiture	265						
	Retiree Healthcare	\$0	\$0	\$0	\$0	\$0	\$0
	Pension	\$122,739	\$82,406	\$87,351	\$92,592	\$98,148	\$104,036
	<u>Other expenses</u>	<u>\$312,303</u>	<u>\$342,657</u>	<u>\$346,048</u>	<u>\$353,808</u>	<u>\$361,645</u>	<u>\$369,550</u>
	Total	\$435,042	\$425,063	\$433,399	\$446,401	\$459,793	\$473,587
	Healthcare & Pension %	28%	19%	20%	21%	21%	22%
HUD Grant 2014	274						
	Retiree Healthcare	\$0	\$0	\$0	\$0	\$0	\$0
	Pension	\$230,159	\$292,418	\$292,418	\$309,963	\$328,561	\$348,275
	<u>Other expenses</u>	<u>\$11,637,570</u>	<u>\$4,743,481</u>	<u>\$4,743,481</u>	<u>\$4,877,013</u>	<u>\$5,014,024</u>	<u>\$5,154,588</u>
	Total	\$11,767,729	\$5,035,899	\$5,035,899	\$5,186,976	\$5,342,585	\$5,502,863
	Healthcare & Pension %	2%	6%	6%	6%	6%	6%
Other Grants	296						
	Retiree Healthcare	\$0	\$0	\$0	\$0	\$0	\$0
	Pension	\$40,027	\$230,605	\$230,605	\$244,441	\$259,108	\$274,654
	<u>Other expenses</u>	<u>\$7,437,804</u>	<u>\$4,634,371</u>	<u>\$4,634,371</u>	<u>\$4,766,484</u>	<u>\$4,892,145</u>	<u>\$5,041,438</u>
	Total	\$7,477,931	\$4,864,976	\$4,864,976	\$5,010,925	\$5,161,253	\$5,316,091
	Healthcare & Pension %	1%	5%	5%	5%	5%	5%
Federal Stimulus Grant	297						
	Retiree Healthcare	\$0	\$0	\$0	\$0	\$0	\$0
	Pension	\$1,355,981	\$0	\$0	\$0	\$0	\$0
	<u>Other expenses</u>	<u>\$3,168,127</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Total	\$4,524,108	\$0	\$0	\$0	\$0	\$0
	Healthcare & Pension %	30%	0%	0%	0%	0%	0%
Public Improvement Fund	402						
	Retiree Healthcare	\$0	\$0	\$0	\$0	\$0	\$0
	Pension	\$0	\$0	\$0	\$0	\$0	\$0
	<u>Other expenses</u>	<u>\$2,150,000</u>	<u>\$2,850,957</u>	<u>\$2,867,987</u>	<u>\$2,982,706</u>	<u>\$3,104,997</u>	<u>\$3,232,302</u>
	Total	\$2,150,000	\$2,850,957	\$2,867,987	\$2,982,706	\$3,104,997	\$3,232,302
	Healthcare & Pension %	0%	0%	0%	0%	0%	0%
Building Safety Fund	542						
	Retiree Healthcare	\$562,954	\$393,633	\$417,251	\$442,286	\$468,823	\$496,953
	Pension	\$151,734	\$237,628	\$251,886	\$266,999	\$283,019	\$300,000
	<u>Other expenses</u>	<u>\$1,833,768</u>	<u>\$1,764,268</u>	<u>\$1,815,503</u>	<u>\$1,874,803</u>	<u>\$1,935,009</u>	<u>\$1,997,897</u>
	Total	\$2,548,456	\$2,395,529	\$2,484,700	\$2,584,088	\$2,687,452	\$2,794,950
	Healthcare & Pension %	28%	26%	27%	27%	28%	29%
Internal Service Funds							
	Retiree Healthcare	\$300,210	\$722,428	\$722,428	\$764,504	\$809,105	\$856,382
	Pension	\$382,106	\$383,747	\$383,747	\$406,772	\$431,178	\$457,049
	<u>Other expenses</u>	<u>\$7,795,975</u>	<u>\$6,760,612</u>	<u>\$7,845,631</u>	<u>\$8,116,902</u>	<u>\$8,396,419</u>	<u>\$8,684,357</u>
	Total	\$8,478,291	\$7,866,787	\$8,951,806	\$9,288,178	\$9,636,703	\$9,997,788
	Healthcare & Pension %	8%	14%	12%	13%	13%	13%
<b>TOTAL General City</b>							
	Retiree Healthcare Expense	\$10,505,594	\$14,289,796	\$15,103,838	\$16,008,799	\$16,968,057	\$17,984,872
	Pension Expense	\$12,440,403	\$13,023,777	\$13,745,725	\$14,570,469	\$15,444,697	\$16,371,378
	<u>Other Expenses</u>	<u>\$97,288,989</u>	<u>\$87,975,619</u>	<u>\$88,920,349</u>	<u>\$91,555,874</u>	<u>\$94,241,946</u>	<u>\$97,122,057</u>
	Total Expenses	\$118,302,313	\$116,374,211	\$118,854,931	\$123,285,261	\$127,873,827	\$132,770,582
	Retiree Healthcare as % of Total Expenses	9%	12%	13%	13%	13%	14%
	Pension as % of Total Expenses	11%	11%	12%	12%	12%	12%
	Healthcare & Pension Costs as % of Total	19%	23%	24%	25%	25%	26%

		Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
Sewer Fund	590						
	Retiree Healthcare	\$2,329,983	\$2,447,566	\$2,594,420	\$2,750,085	\$2,915,090	\$3,089,996
	Pension	\$2,179,100	\$2,040,715	\$2,163,159	\$2,292,949	\$2,430,525	\$2,576,357
	<u>Other expenses</u>	<u>\$27,420,186</u>	<u>\$25,768,264</u>	<u>\$27,589,166</u>	<u>\$29,566,065</u>	<u>\$30,803,527</u>	<u>\$31,550,604</u>
	Total	\$31,929,269	\$30,256,545	\$32,346,745	\$34,609,099	\$36,149,143	\$37,216,957
	Healthcare & Pension %	14%	15%	15%	15%	15%	15%
Water Fund	591						
	Retiree Healthcare	\$1,680,062	\$2,963,588	\$3,141,403	\$3,329,887	\$3,529,680	\$3,741,461
	Pension	\$1,815,687	\$1,803,098	\$1,911,284	\$2,025,961	\$2,147,519	\$2,276,370
	<u>Other expenses</u>	<u>\$44,401,123</u>	<u>\$29,736,844</u>	<u>\$29,959,563</u>	<u>\$33,485,341</u>	<u>\$35,064,707</u>	<u>\$35,925,894</u>
	Total	\$47,896,872	\$34,503,530	\$35,012,250	\$38,841,189	\$40,741,906	\$41,943,725
	Healthcare & Pension %	7%	14%	14%	14%	14%	14%
<b>Water and Sewer</b>	<b>590 &amp; 591</b>						
	Retiree Healthcare	\$4,010,045	\$5,411,154	\$5,735,823	\$6,079,972	\$6,444,771	\$6,831,457
	Pension	\$3,994,787	\$3,843,813	\$4,074,443	\$4,318,910	\$4,578,044	\$4,852,727
	<u>Other expenses</u>	<u>\$71,821,309</u>	<u>\$55,505,108</u>	<u>\$57,548,729</u>	<u>\$63,051,406</u>	<u>\$65,868,234</u>	<u>\$67,476,498</u>
	Total	\$79,826,141	\$64,760,075	\$67,358,995	\$73,450,288	\$76,891,049	\$79,160,682
	Retiree Healthcare as % of Total Expenses	5%	8%	9%	8%	8%	9%
	Pension as % of Total Expenses	5%	6%	6%	6%	6%	6%
	Healthcare & Pension %	10%	14%	15%	14%	14%	15%
<b>TOTAL CITY</b>							
	Retiree Healthcare	\$14,515,639	\$19,700,950	\$20,839,661	\$22,088,771	\$23,412,828	\$24,816,329
	Pension	\$16,435,190	\$16,867,590	\$17,820,168	\$18,889,378	\$20,022,741	\$21,224,105
	<u>Other expenses</u>	<u>\$169,110,298</u>	<u>\$143,480,727</u>	<u>\$146,469,078</u>	<u>\$154,607,280</u>	<u>\$160,110,180</u>	<u>\$164,598,555</u>
	Total	\$198,128,454	\$181,134,286	\$186,213,926	\$196,735,549	\$204,764,876	\$211,931,264
	Retiree Healthcare %	7%	11%	11%	11%	11%	12%
	Pension %	8%	9%	10%	10%	10%	10%
	Healthcare & Pension %	16%	20%	21%	21%	21%	22%

## PROJECTED TAXPAYER IMPACT

### \$41,000 House, \$40,000 Income

<u>Values</u>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
	<u>Current</u>	<u>Adopted</u>	<u>Adopted</u>
	<u>Winter &amp; Summer</u>	<u>Winter &amp; Summer</u>	<u>Winter &amp; Summer</u>
House value	\$41,000.00	\$41,000.00	\$41,000.00
Taxable value	\$20,500.00	\$20,500.00	\$20,500.00
Annual Income	\$40,000.00	\$40,000.00	\$40,000.00
Tax rate (mills)	65.88	65.88	65.88
Street Lights	\$67.87	\$70.94	\$74.14
Garbage	\$146.00	\$162.63	\$168.84
Water Bill	\$1,800.00	\$1,917.00	\$2,032.02
<u>Payments</u>			
Property taxes	\$1,351.00	\$1,351.00	\$1,351.00
Street lights	\$67.87	\$70.94	\$74.14
Rubbish	\$146.00	\$162.63	\$168.84
Income tax	\$400.00	\$400.00	\$400.00
Water bill	\$1,800.00	\$1,917.00	\$2,032.02
<b>Total Payments</b>	<b>\$3,764.87</b>	<b>\$3,901.57</b>	<b>\$4,026.00</b>
	\$137 3.6%		\$124 3.2%

### \$61,500 House, \$50,000 Income

<u>Values</u>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
	<u>Current</u>	<u>Adopted</u>	<u>Adopted</u>
	<u>Winter &amp; Summer</u>	<u>Winter &amp; Summer</u>	<u>Winter &amp; Summer</u>
House value	\$61,500.00	\$61,500.00	\$61,500.00
Taxable value	\$30,750.00	\$30,750.00	\$30,750.00
Annual Income	\$50,000.00	\$50,000.00	\$50,000.00
Tax rate (mills)	65.88	65.88	65.88
Street Lights	\$67.87	\$70.94	\$74.14
Garbage	\$146.00	\$162.63	\$168.84
Water Bill	\$1,800.00	\$1,917.00	\$2,032.02
<u>Payments</u>			
Property taxes	\$2,026.00	\$2,026.00	\$2,026.00
Street lights	\$67.87	\$70.94	\$74.14
Garbage	\$146.00	\$162.63	\$168.84
Income tax	\$500.00	\$500.00	\$500.00
Water bill	\$1,800.00	\$1,917.00	\$2,032.02
<b>Total Payments</b>	<b>\$4,539.87</b>	<b>\$4,676.57</b>	<b>\$4,801.00</b>
	\$137 3.0%		\$124 2.7%

## **ATTACHMENT D September 30, 2014 Quarterly Report**

### **EMERGENCY MANAGER'S COMPLIANCE MONITORING REPORT**

- a) CONFIRM – That revenues recorded in the most recent quarterly financial statements are fairly stated in all material respects on a modified accrual basis of accounting, except that in the case of the water and sewer fund, revenues recorded in the most recent quarterly financial statements shall be fairly stated in all material respects on a full accrual basis of accounting.
- b) CONFIRM – That expenditures recorded in the most recent quarterly financial statements are fairly stated in all material respects on a modified accrual basis of accounting, except that in the case of the water and sewer fund, expenditures recorded in the most recent quarterly financial statements shall be fairly stated in all material respects on a full accrual basis of accounting. Accounts payable, vouchers payable, and accrued payrolls are to be included in the determination of expenditures.
- c) CONFIRM – That all appropriate inter-fund transactions have been recorded in the financial records of the City.
- d) CONFIRM – That the City is in compliance with its budget for the fiscal year on a year-to-date basis and that the budget has been amended as required by law.
- e) CONFIRM – That the reconciliation of bank accounts has been completed and appropriate adjusting journal entries have been made to the general ledger of the City. The City has completed bank reconciliations for major bank accounts up through August 2014.
- f) CONFIRM – That remittance of payroll taxes, pension payments, 401(k) payments, debt payments, and taxes collected for other governmental units were completed on a timely basis.
- g) CONFIRM – That cash flow reported for the most recent preceding month is fairly stated in all material respects.
- h) CONFIRM – That overtime is properly disclosed and recorded in the most recent quarterly financial report of the City.
- i) CONFIRM – That the originals of all source financial documents have been properly retained and preserved and that the City is in compliance with all other legal requirements, except to the extent specified in the report.