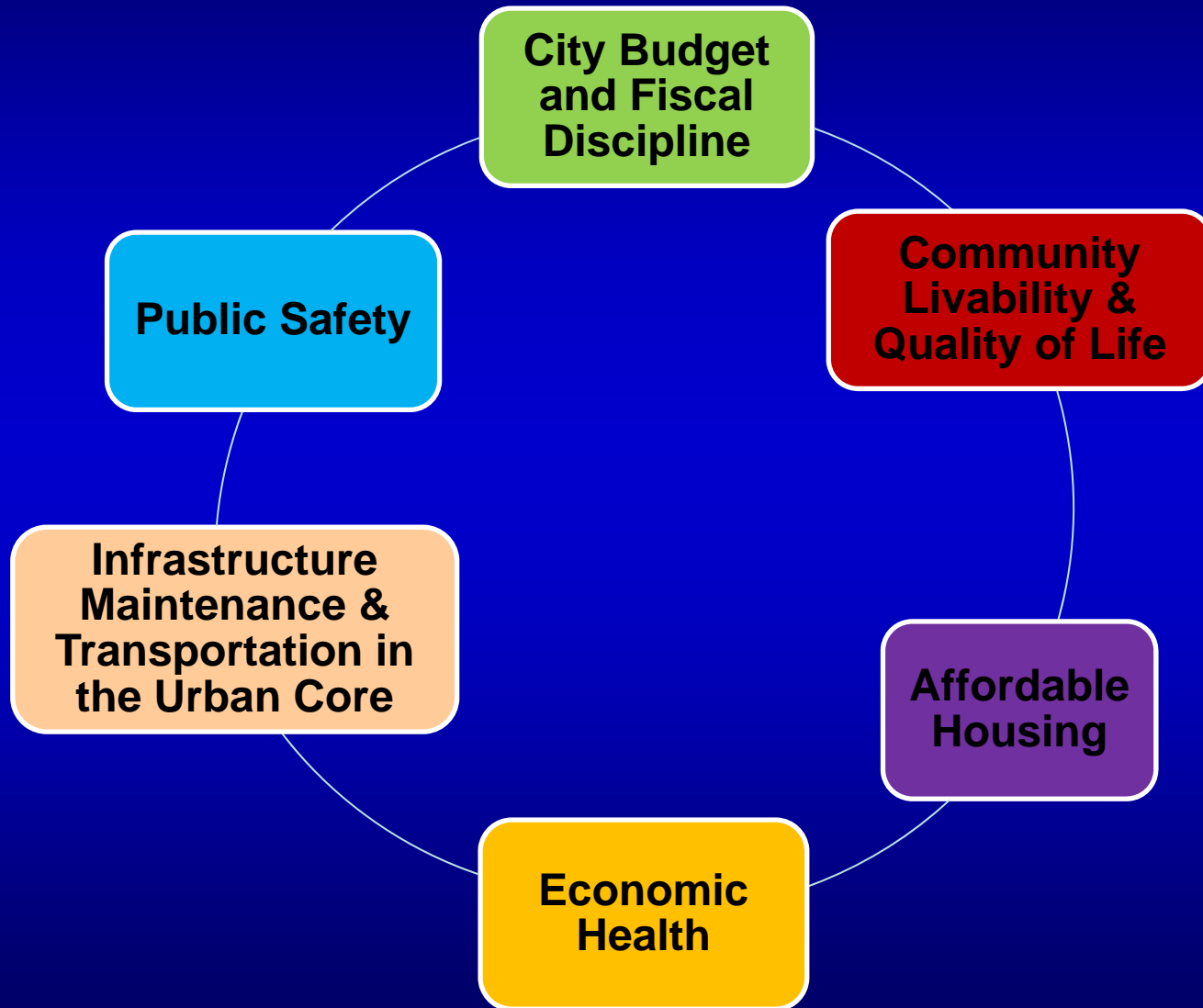




# FY 2015 Council Priority Areas



# Council Priorities

- Dec 9, 2013 – Council Priorities Updated (Workshop)
  - Jan 13, 2014 – Economic Health
    - Making the Case for a Healthy Michigan
    - SPARK
    - Smartzone LDFA
    - Economic Development Task Force
  - Feb 10, 2014 – City Budget & Fiscal Discipline
    - Pension/VEBA update
    - Funding Policies
  - Mar 10, 2014 – Affordable Housing
    - Update provided
- 
- May 12, 2014 – Public Safety
    - Infrastructure Maintenance & Transportation in the Urban Core
  - Oct 13, 2014 – Community Livability & Quality of Life

# Budget process

Note: FY2015 is the 2<sup>nd</sup> year of the Two-Year Fiscal Plan.

- Feb 10, 2014 – Pension accounting, budget impact sheets, and financial projections (Working Session)
  - Mar 10, 2014 – Budget Update
  - Apr 21, 2014 – City Administrator’s Recommended Budget
- 

- May 5, 2014 - Public Hearing on Recommended Budget and related resolutions
- May 12, 2014 – Budget Discussion (if necessary)
- May 19, 2014 – City Council consideration of the Recommended Budget

# FY 2015 Budget Assumptions

- State & Local Economy Improving
- Revenues
  - Property tax revenues up 2.4%
  - Fees based on cost of service
  - State shared revenue from sales taxes up 4%
  - ACT 51 (Weight & gas taxes from State) flat
  - Total City millages unchanged
- Expenses
  - Pension contribution up 10%
  - VEBA up 2%
  - Employee medical up 4%
  - Other non-personnel expenses generally up inflation or less
- Utilities
  - Fees necessary for continued investment in systems maintenance and wastewater plant project

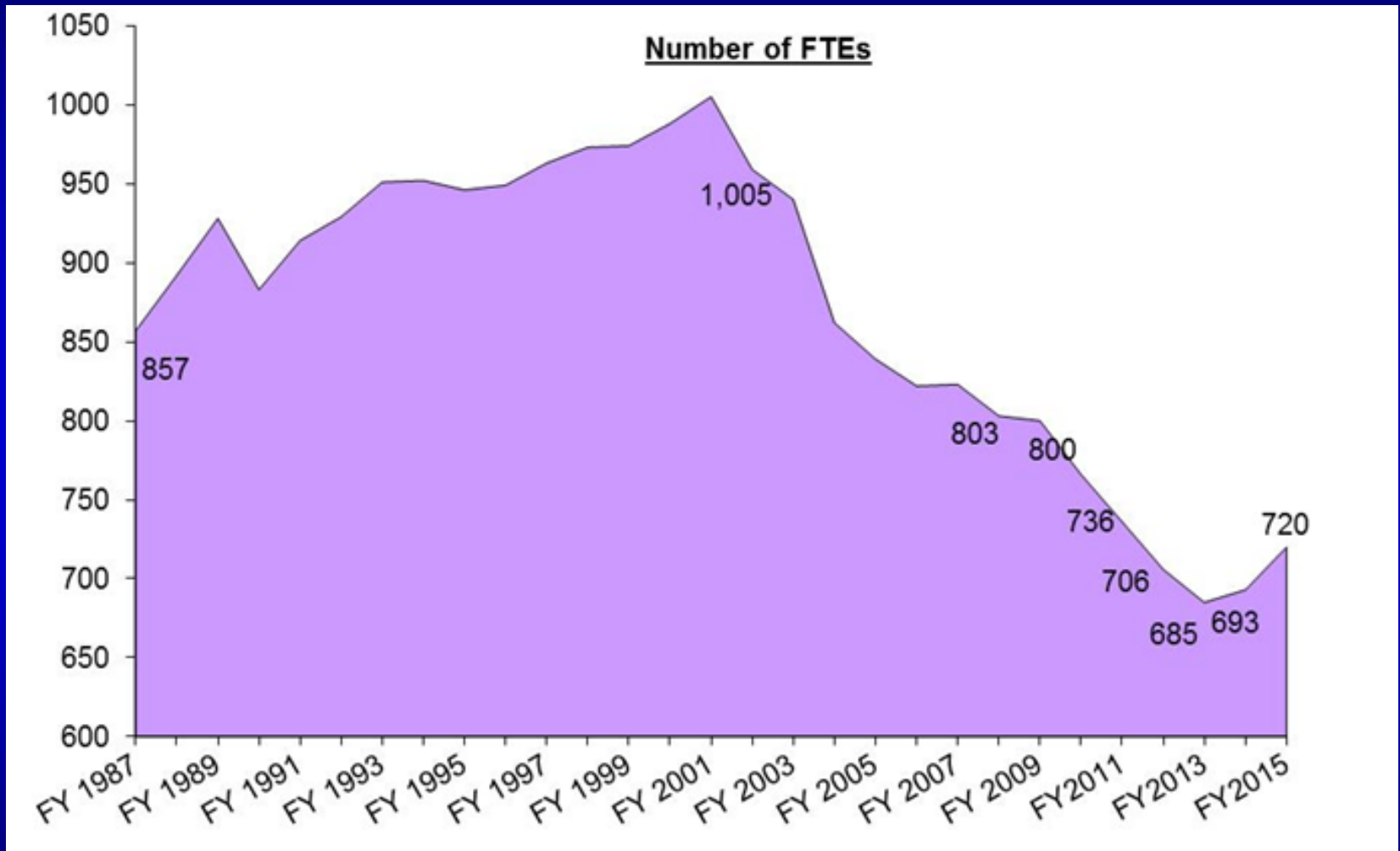
# Financial Summary – General Fund

	FY 2015		
	Original		Rec. Better/
	Plan	Recommended	(Worse) Orig.
	(Mils)	(Mils)	(Mils)
<b><u>RECURRING</u></b>			
Revenue	\$ 84.0	\$ 95.3	\$ 11.3
Expenditures	(84.2)	(95.3)	(11.1)
Net	\$ (0.2)	\$ -	\$ 0.2
<b><u>NON-RECURRING</u></b>			
Revenue	\$ -	\$ -	\$ -
Expenditures	(1.6)	(2.8)	(1.2)
Net	\$ (1.6)	\$ (2.8)	\$ (1.2)
<b><u>TOTAL</u></b>			
Revenue	\$ 84.0	\$ 95.3	\$ 11.3
Expenditures	(85.8)	(98.1)	(12.3)
<b>Add / (Use) of Fund Balance</b>	<b>\$ (1.8)</b>	<b>\$ (2.8)</b>	<b>\$ (1.0)</b>

Note: A list of items utilizing fund balance can be located in the "Budget Message" tab of the draft budget book on page 1 of the draft budget resolution for May 19, 2014.

Note: \$11.2 million in revenue and expenditures were added as part of the city's implementation of a new accounting standard (GASB #68).

# Authorized FTEs



FY 2015 includes 22 Housing Commission employees previously excluded.

# Recommended FY2015 Budget

- Public Safety
  - Add three police officers for proactive community engagement and traffic enforcement
  - Add one firefighter for staffing flexibility and deployment
  - Maintain three firefighters funded by federal grant
  - Add one rental housing inspector for tenant safety
- Community Livability & Quality of Life
  - Funding to amend zoning requirements for near downtown neighborhoods and an inventory of existing signs citywide
- Affordable Housing
  - Operating subsidy for Housing Commission during the RAD conversion



# Recommended FY2015 Budget

- Infrastructure Maintenance & Transportation in the Urban Core
  - \$1 mil. from unassigned General Fund reserves for deferred maintenance on city trees in street rights-of-way
- Budget & Fiscal Discipline
  - Recurring expenditures funded by recurring revenues
  - One-time expenditures funded with one-time revenues or use of fund balance
  - VEBA funding tied to revenue growth
- Economic Health
  - Implement the recommendations from the MEDC Redevelopment Ready review to remove barriers to desirable development

# Closing Comments

- Council's policy discipline has contributed to the City's sound financial position
- Recommended Budget responds to City Council priorities while maintaining discipline of 2<sup>nd</sup> year
- Restrained use of amendments after adoption of the budget improves ability to deliver the plan
- Questions/requests for information to Sara Higgins

