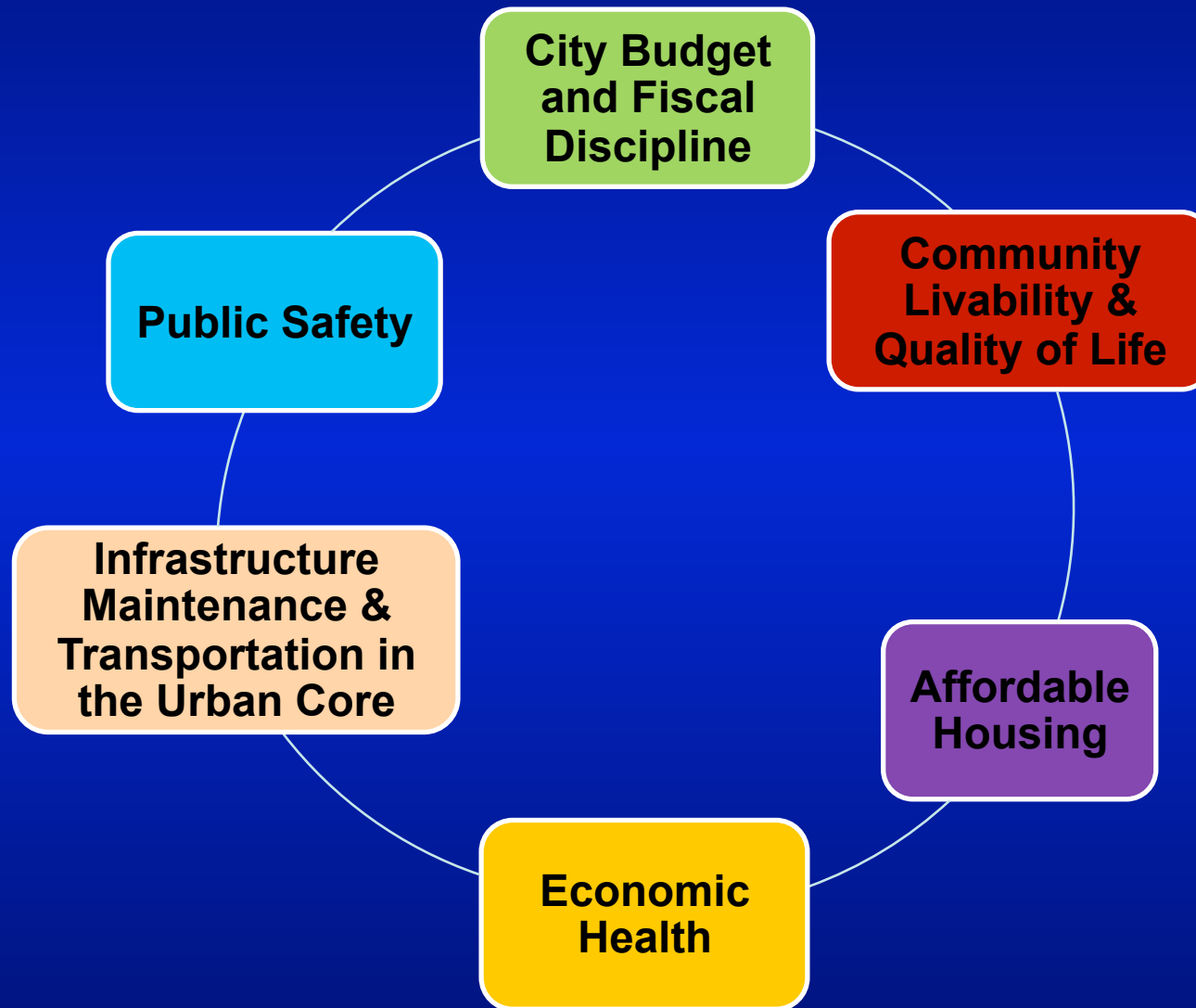




FY 2015 Council Priority Areas



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 2nd 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

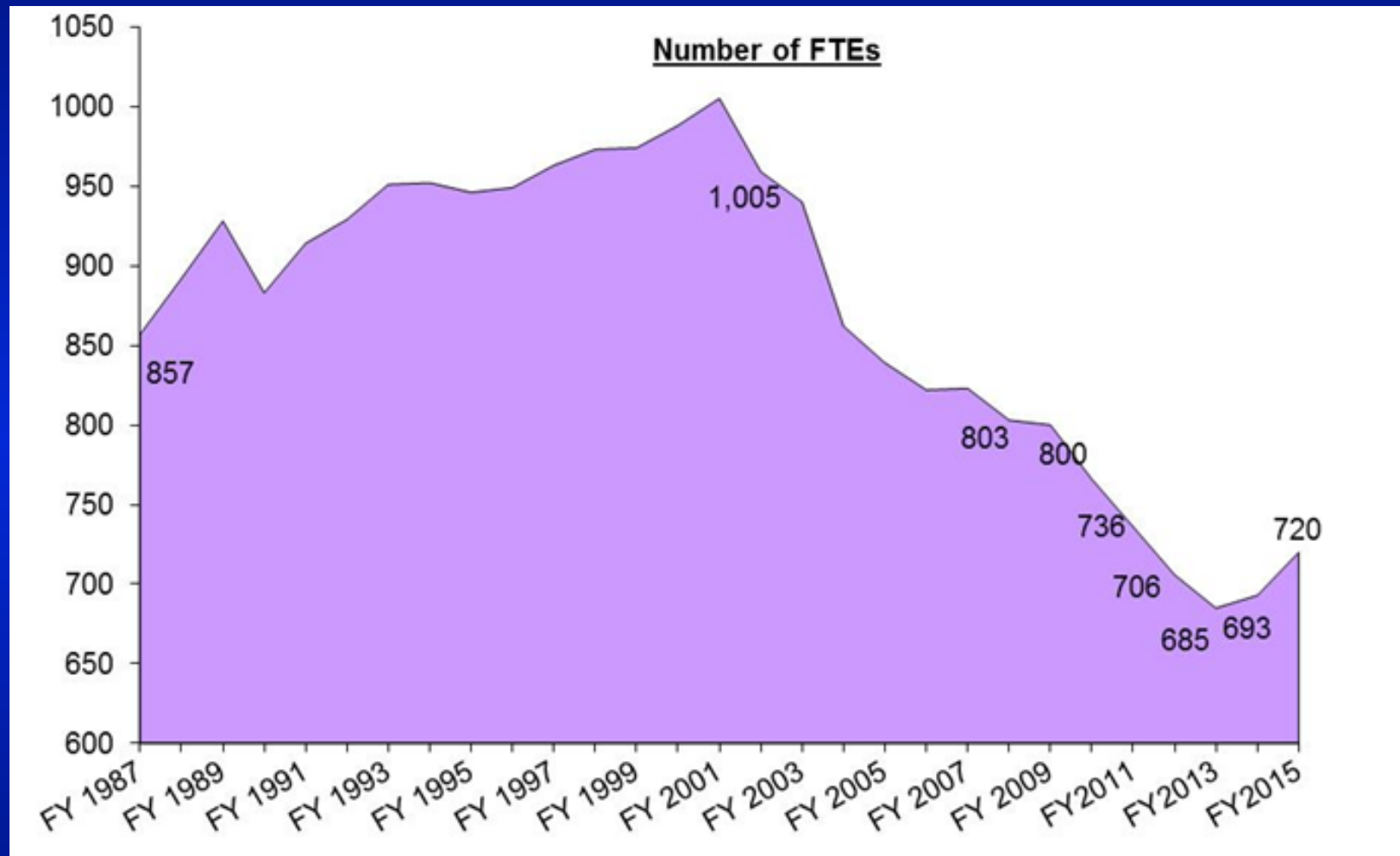
Financial Summary – General Fund

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

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 2nd year
- Restrained use of amendments after adoption of the budget improves ability to deliver the plan
- Questions/requests for information to Sara Higgins

