AGENDA
Committee of the Whole
Monday, February 24, 2020 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers, City Hall 10th Floor
UPDATED 2/21/2020 A.M.

Council Member Spadafore, Chairperson
Council Member Hussain, Vice Chairperson

1. **Call to Order**

2. **Roll Call**

3. **Minutes**
   - February 10, 2020
   - February 17, 2020

4. **Public Comment on Agenda Items (Up to 3 Minutes)**
   (Sign in for public comment will end 10 minutes after the start of the meeting)

5. **Presentations:**
   - Downtown Lansing Happenings– Cathleen Edgerly
   - Briefing on Future Two-Way Street Conversions- Andy Kilpatrick, City of Lansing, Director Of Public Service

6. **Discussion/Action:**
   RESOLUTION – FY2020 Mid Year Budget Amendment

7. **Other**
   {Closed Session}
   Pursuant to MCL 15.268(e), I hereby move that we recess into closed session to consult with the City Attorney in connection with the following specific pending litigation. An open meeting will have a detrimental financial effect on the litigating or settlement position of the Lansing City Council concerning the case LE Battle Creek v. Clerk, City of Lansing, Lansing Medical Marihuana Commission, Ingham County Circuit Court case number 19-000883-AA.
   {Reconvene}

8. **Adjourn**

MINUTES
Committee of the Whole
Monday, February 10, 2020 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council President Spadafore called the meeting to order at 5:30 p.m.

PRESENT
Councilmember Peter Spadafore
Councilmember Adam Hussain
Councilmember Carol Wood
Councilmember Patricia Spitzley
Councilmember Kathie Dunbar
Councilmember Brandon Betz
Councilmember Jeremy Garza
Councilmember Brian T. Jackson

OTHERS PRESENT
Sherrie Boak, Council Staff
Samantha Harkins
Jim Smiertka, City Attorney
Lisa Hagen Assistant City Attorney/Council Research Assistant
Shelbi Frayer, Chief Strategy Officer
Jake Brower, Budget Director
Eric Brewer, Council Internal Auditor
Paul Matz, Rehman Robson

Minutes
MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM JANUARY 27, 2020 AS PRESENTED. MOTION CARRIED 8-0.

Public Comment
No public comment at this time.

Presentations
Rehman Robson; City of Lansing Comprehensive Annual Financial Report (CAFR)
Mr. Matz presented the results of the audit ending year ending June 30, 2019. Goal of the audit is the financial statements are stated accurately. At conclusion of audit, they list their opinion, but the financial statements themselves are prepared by management. Regarding

the findings and audit results, there were three items material weaknesses, and two of those have carried forward from the last couple years.

Council Member Spitzley asked Mr. Matz for the definition of “material weakness”, and she informed it is defined as deficiencies or a combination of deficiencies of internal controls such that there is a reasonable deficiency could be corrected on a timely basis.

Mr. Matz referenced the 2nd item in their letter which spoke to the submission of the pension information and it was not submitted on a timely basis near end of fiscal year, and required adjustments. He acknowledged this comment was a carry forward comment. The 3rd item speaks to the bank reconciliations, and in this case there was a gap in time when the last reconciliations had taken place. Based on the observations this year, Rehman Robson do not see issues in the future.

Council Member Wood referenced the Internal Auditors memo which noted the same issues were being mentioned back as far as 2014, and in those cases Rehman Robson stated they were felt they were being taken care of. There is a concern Council continues to hear the same thing year after year. Council Member Spitzley agreed that there is a concern that Rehman Robson continues to state that based on observations they think these will be taken over. Council Member Spitzley asked for concrete statements and steps these items will not happen again. Mr. Matz explained that in those cases, they recommended the City assess staffing and were told by the City it was being looked at. Council Member Wood pointed out another instance where the comment on bank reconciliations was made in 2014, 2015, 2016, 2017 and 2018, and again Council was told it was being resolved, but appeared year after year. Therefore, the question was asked why they assess any progress if nothing has been done. Mr. Matz explained that as the auditing firm, they follow up on the comments, and if there has not been appropriate action, they are required to repeat the comments until corrective action has taken place. It would be the City’s management tasked to address those comments.

Mr. Matz referred the Committee to their transmittal letter, along with the management discussion and analysis section.

Council Member Jackson asked why they do not provide an opinion on internal controls, and Mr. Matz replied that they follow the accounting standards and that would be true for all audit organizations. Council Member Spitzley noted that it was stated “in our opinion”. Mr. Matz noted that their efforts are in the audit and they have a high level of confidence the audit process will be much better. Council Member Spitzley asked what the definition of “material weakness” is, and what happens after material weakness has not been addressed over multiple years. Mr. Matz stated from the audit reporting perspective, there are levels, there are other audit measures, ways to improve. The next level is “significant deficiency” there is no way to report higher than material weakness.

Council Member Wood asked how long Rehman Robson had been in contract with the City. Mr. Matz confirmed they have been with the City since 2009 but have not had a formal contract for as much as 3-5 years, but an annual agreement over the last several years.

Council Member Wood asked if they ever audit HUD funds, and Mr. Matz noted that HUD funds are subject to single audit/compliance audit. That process is scheduled to be complete by the end of March.

Council Member Wood asked what funds they search for the spot audit. Mr. Matz stated they do not have a particular fund, they touch all cash funds so that no specific funds. He was asked about the parking fund/enterprise fund and confirmed they do look at those.

Mr. Brewer was asked if he had any comments to highlight and was directed Council Members questions would be asked and answered first.

Council Member Betz asked about the pension liability reflecting 54.5 %, and the recommendation to research to reverse negative funds. Mr. Matz stated it is an assessment from communications. He was then asked what their recommendation was to rectify. Mr. Matz recommended closing plans, changing provisions, make lump sum contributions. It would all be a management decision.

Council Member Dunbar asked if it was the responsibility of the audit to point out the issues and the City to determine how to fix them. Mr. Matz agreed it was the clear rules on independence, and they can point out what observe.

Council Member Spitzley noted that usually every 3 years there is a rotate of audits and she had a concern with the City having the same auditor, Rehman Robson since 2009. Lastly, she asked for an explanation on what the Administration is doing to address the reoccurring theme in the Finance Department.

Council Member Betz asked Mr. Matz how confident he and Rehman Robson were that the City actually knows where the final finances are, given that all the material weaknesses are being pointed out repeatedly. Mr. Matz stated that part of the reason for comments and timely available of the trial balance. If the bank reconciliation is not done timely and is not taking place, it brings into question the information getting throughout the year.

Council President Spadafore asked when Ms. Bennett, the Finance Director left and Ms. Harkins confirmed August, 2019. He then asked what changes have been made in the Finance Department since then, and Ms. Harkins noted they have a new Director, Budget Director and Controller. Ms. Frayer corrected the date, noting Ms. Bennett left in September, 2019 and she will work with the administration hold Finance accountable. Council Member Dunbar asked Ms. Frayer what types of checks and balances were being done now to make sure filings are being taken care of. Ms. Frayer stated they have created a department schedule for filings with the State and Federal government.

Council Member Wood asked Mr. Matz if they audit the pension fund and it was confirmed they do. The next question that Mr. Matz was asked if it was being audited how did they not know that the City had not paid in the pension fund for 3 years. Mr. Matz stated it is difficult to audit what they do not know exists.

Council Member Dunbar stepped away from the meeting at 6:02 p.m.

Council President Spadafore asked how many vacancies were currently in the Finance Department, and was told one; and administrative assistant position.

Mr. Brewer spoke briefly on his review, referencing page 5 of his report.

Council Member Wood asked when they plan to bid out for a new auditor, and Ms. Frayer noted they intend to do an RFP in March. She then asked if the Finance vacancies were filled with full time, part time or contract employees, and Ms. Frayer confirmed all full time and one contract, which has been only for a couple months.

FY2020 2nd Quarter Budget Report and Vacancy Factor (12/31/2019)
Council Member Wood stated that in the past at multiple meetings Council has asked the report list the vacancies that are currently being filled by a contract employee, how much the contract is, what the savings are, and how long the position was vacant. Mr. Brower stated the report was a collaboration of Finance and HR, and they hope to improve the details so Council can make informed decisions.

Council Member Dunbar returned to the meeting at 6:09 p.m.

Council Member Wood reference the HRCS position of the investigator, which has been filled by a contracted employee for years, but the vacancy is not even listed on the spreadsheet as contracted, so they are not saving the $33,000 as listed. Mr. Brower acknowledged they are developing an automated information spreadsheet with HR. Council Member Wood reminded the Administration that Mr. Brewer in the Council offices has been working on this so they should communicate with him. Council President Spadafore asked why positions that have been vacant for 3-11 years are still listed and not filled. Ms. Frayer stated that some positions are harder to fill because of the pay scale.

FY2020 2nd Quarter Budget Report and Vacancy Report
Mr. Brower went through the budget amendment document in the packet.
Council Member Wood noted that during the budget process in 2019 the income tax dollars would be falling within the expectation, and asked if the East Lansing new income taxes would affect this, and were assured they would not, now the report shows a negative $2,400,000 impact. She asked for an explanation why, but Mr. Brower could not explain specifics but noted there is a current East Lansing income tax in full effect and expected to impact the City. Ms. Frayer added that it appears the property and income tax were both estimated on 3% of inflation, but she too could not explain why the affect, however they plan to take a more conservative approach. Council Member Spitzley also was concerned with the $2,400,000 adjustment in the income taxes and asked if they were working with Treasury. Council Member Betz asked if the $2,400,000 was a one time drop or if they predicted another drop in the future, and Ms. Frayer confirmed it is a recommendation based on the funding today, where it is expected today and at this point the Council could see the same number in the budget next year. Mr. Brower moved further into the revenue amendments and the expenditure amendments. He did note that the ($61,000) in Neighborhood and Citizen Engagement Personnel was moved to operating because they plan to hire a contracted employee for the position that was approved last year and not filled. Council Member Spitzley asked if they were going to eliminate a City FT position for a contractor, and Mr. Brower answered they will not be filling it for the remainder of the fiscal year. Council Member Wood asked if this was the position the Mayor established in the budget last year, and Mr. Brower stated it was a position since July 2018 and Ms. Harkins confirmed it was the position the Mayor put in the budget. Mr. Brower stated he would get more information on the position. Ms. Council Member Wood asked for details on the position to include what the duties would be, who and where would they be contracting out to.

Council Member Wood asked for the details on the ($300,000) in Public Service Personnel, and if they were not hiring or contracting it out. Ms. Frayer stated there are multiple positions they do not expect to fill in this current fiscal year. The funds were moved to operating because of a contract with Johnson Controls on the evaluation of City buildings. Council Member Wood asked why earlier stated they do not have funds to increase the salary for postings of electrical and plumbing inspectors, but have the funds in this line item. Council Member Jackson asked if the Police ($310,269) and Fire ($249,731) were funds recommended from the FHT, retirement board or the fluctuation in the market. Ms. Frayer stated the actuary does not come back until after the budget so they use assumptions and this year they were off in those assumptions so the amounts are from the actuary. Council Member Wood stated that the actuarial was recently referred to Ways and Means, and the actuarial will be presented at the Retirement Board in March and since Council Member Jackson sits on Ways and Means he can attend the Retirement Board for that presentation if he wants.

Mr. Brower noted that the amount in HRCS is for temporary services. Council Member Wood asked if the recent departure of the Finance Director and the HRCS Director involved any incentives or buyouts. Ms. Frayer and Ms. Harkins stated there were not. Mr. Brower concluded that the vacancy factor is being adjusted by $500,000. Council Member Wood asked if that was an estimate, and without being an adjustment would it have remained the same by the end of the year. Mr. Brower stated it would have stayed close to the original estimate, and Ms. Frayer added it would be at the $700,000.

Regarding the $268,145 net transfer, Council Member Wood asked if that funds are owed because of the soccer lease. Mr. Brower stated it was not. Council Member Wood asked if that lease was still owed, and Ms. Frayer stated that was not in this FY, but in FY2019. Council Member Wood pointed out that Council was told that not all the invoices had come in yet. Mr. Brewer could not provide any updates. Council Member Wood asked if those expenditures would be coming out of the 2019/2020 budget, and Mr. Brower confirmed there were expenditures and included in the new transfer.

Council Member Wood asked if there funds left over from the sale of the ramps and if there were any discussions on using those funds to off set the issues. Mr. Browner stated the funds from the sale of the parking still remains in the parking funds balance, at $1,300,000. Council Member Wood stated the understanding was those funds were going into the General Fund, and asked who decided to keep in the parking fund. Ms. Frayer stated they are hoping to move those funds to the General Fund.

Regarding the Recycling Fund on the last page of the document, Council Member Wood asked if there were any conditions in the agreement for the MRF for addressing the delay moving forward. Mr. Smiertka stated he would review the contract.

Council Member Jackson stepped away from the meeting at 6:45 p.m.

Discussion/Action
PLACE ON FILE – City of Lansing 2019 Annual Report
MOTION BY COUNCIL MEMBER WOOD TO PLACE THE REPORT ON FILE. MOTION CARRIED 7-0.

Adjourn
The meeting adjourned at 6:47 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary, Lansing City Council
Approved by the Committee on

MINUTES
Committee of the Whole
Monday, February 17, 2020 @ 6:00 p.m.
Lansing City Council Chambers

CALL TO ORDER
Council President Spadafore called the meeting to order at 6:00 p.m.

PRESENT
Councilmember Peter Spadafore
Councilmember Adam Hussain
Councilmember Carol Wood
Councilmember Patricia Spitzley- excused
Councilmember Kathie Dunbar- arrived at 6:05 p.m.
Councilmember Brandon Betz
Councilmember Jeremy Garza
Councilmember Brian T. Jackson

OTHERS PRESENT
Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Lisa Hagen Assistant City Attorney/Council Research Assistant
Joseph Abood, Chief City Attorney- out at 7
Heather Sumner, Deputy City Attorney
Amanda O'Boyle, Assistant City Attorney
Mary Bowen, Assistant City Attorney
Elizabeth O'Leary, HR Specialist
Greg Venker, Assistant City Attorney

Public Comment
No public present.

Presentations
Ms. O'Leary presented the video on Sexual Harassment and Non-Discrimination Policy and Complaint Procedures.

Council Member Betz stepped away from the meeting at 6:11 p.m. and returned at 6:13 p.m.

Ms. O'Leary noted that the policy how to report issues and situations. Council Member Wood asked how Council Members should handle FMLA requests, and Ms. O'Boyle referred them to Kathy Woodman in HR who can address the steps that are taken and any concerns on if an employee is violating the FMLA.

Office of the City Attorney

Council Member Garza stepped away from the meeting at 6:26 p.m. and returned at 6:29 p.m.

Mr. Abood outlined the types of Fiduciary Duties per the handouts.

Ms. Sumner outlined the presentation on Ethics per the handouts. Council Member Garza inquired to the consideration of the Lugnut and Common Ground tickets. Mr. Smiertka noted they are considered community promotion tickets. In the Lugnuts agreement they are referenced as “community relationship building” not an individual ticket to Council. Ms. Sumner spoke on the statements of financial interest and disclosure, and the Committee was informed the form has been updated and simplified this year.

Mr. Venker when through the hand out presentation on Open Meetings Act, definitions and the open meetings for deliberations and decisions. Council President Spadafore asked when emails are exchanged with Council Members if they should “reply to all”, and was told by Mr. Venker it would depend on the topic. Council Member Betz asked if discussions can be held with 2-3 members, and Mr. Venker explained it would depend if they were on the same Committee and if the discussion was on items the Committee was addressing. The Committee themselves reach recommendations and send it to Council for the decision. If there deliberations at the Committee meetings, those are open to the public. If a member is proposing an idea, it should be held at the Committee meeting. Mr. Smiertka noted that is their Council Rules that speak to the number of members for discussions and on conferencing. Council President Spadafore inquired into the topic of opening up Committees to video presentations, and Mr. Venker stated they would consider changing the Council Rules. The courts look at deliberations include non-verbal cues, and if not available to be seen. Council Member Wood asked if a City employee wants to speak to Council, and they are not a Council staff person, can they request to be in closed session, and the OCA stated they could.

Ms. Hagen provided the Human Rights presentation as in the handouts.

Ms. Bowen provided the FOIA presentation as in the handouts. Council President Spadafore inquired into the specifics on when the timeline started on a FOIA, if the request was email to a Council Member directly, not the FOIA Coordinator. Ms. O’Boyle and Ms. Bowen both requested any direct emails be sent to the FOIA Coordinator when received, and they will contact the person once their office receives it. Council Member Wood asked if someone contacts Council Members directly for something as simple as meeting minutes, if they can be provided directly to them instead of a FOIA. Ms. Bowen stated they can, but all requests like that should be treated equally. It was also noted that if something is available to the public on the website, they will be referred to that with no charge. Council Member Wood asked if a FOIA has been granted already and charged to that interested party, how is a 2nd person charged for the same material. Ms. Bowen noted that they cannot bill someone for documents in a FOIA that have been released to someone else.

Ms. O’Boyle provided the Elections presentation as in the handouts.

Council Member Jackson stepped away from the meeting at 7:21 p.m. and returned at 7:23 p.m.

Council Member Wood asked if Council Members can take a position on a proposal that is on the ballot and Ms. O’Boyle informed the group that Council cannot actively endorse for or against a proposal.

Adjourn
The meeting adjourned at 7:29 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee on

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BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, adjustments are needed in the fiscal year 2019/2020 budget to reflect current year revenue estimates; and

WHEREAS, adjustments to appropriations are required to reflect anticipated changes in General Fund operations; and

WHEREAS, the most recent Actuarial Funding Valuation recommends an increased contribution to the Police and Fire Retirement System than was previously budgeted; and

WHEREAS, adjustments are required to account for additional cart and bag demand in the Refuse Fund including the purchase of additional carts; and

WHEREAS, the delayed opening of the Emterra Material Recovery Facility requires continued contractual expenditures for Recycling Fund services through the end of the fiscal year;

THEREFORE, BE IT RESOLVED that the attached FY 2019/2020 mid-year budget amendment be approved:

FY 2019/2020 Budget Amendment

February 10, 2020/February 24, 2020

Revenues	FY 2019 Actuals	FY 2020 Adopted Budget	FY 2020 Dec. 31 Actuals	Proposed Adjustment	FY 2020 Proposed Amendment
Property Taxes	40,594,677	42,875,000	43,422,167	485,000	43,360,000
Income Taxes	37,021,436	39,400,000	13,684,696	(2,400,000)	37,000,000
Return on Equity	21,110,884	23,100,000	11,769,291	-	23,100,000
State Revenues	18,330,556	19,817,000	9,399,517	(70,000)	19,747,000
Charges for Services	9,089,169	9,351,800	3,226,098	-	9,351,800
Fines & Forfeitures	2,050,717	2,149,200	776,470	-	2,149,200
Licenses & Permits	1,407,477	1,889,000	772,169	-	1,889,000
Interest & Rent	226,344	415,000	53,783	-	415,000
Other Revenue	531,597	403,000	72,742	-	403,000
Total Revenues	130,362,856	139,400,000	83,176,932	(1,985,000)	137,415,000

Expenditures	FY 2019 Actuals	FY 2020 Adopted Budget	FY 2020 Dec. 31 Actuals	Proposed Adjustment	FY 2020 Proposed Amendment
Council					
Personnel	501,914	498,516	229,449	-	498,516
Operating	194,071	228,461	75,841	-	228,461
Total	695,985	726,977	305,289	-	726,977
Internal Audit					
Personnel	183,170	182,115	84,581	-	182,115
Operating	9,485	13,885	5,505	-	13,885
Total	192,654	196,000	90,085	-	196,000
Courts					
Personnel	4,886,798	5,121,945	2,298,069	-	5,121,945
Operating	1,388,609	1,395,007	422,117	-	1,395,007
Total	6,275,406	6,516,952	2,720,186	-	6,516,952
Mayor's Office					
Personnel	1,079,301	1,059,636	536,281	-	1,059,636
Operating	176,813	361,399	98,222	(134,700)	226,699
Total	1,256,114	1,421,035	634,503	(134,700)	1,286,335
Media Center					
Personnel	384,827	438,347	210,588	-	438,347
Operating	37,752	39,653	8,988	-	39,653
Total	422,578	478,000	219,576	-	478,000
Clerk's Office					
Personnel	992,581	990,367	510,557	-	990,367
Operating	363,572	411,819	155,248	-	411,819
Total	1,356,153	1,402,186	665,805	-	1,402,186
Neighborhood & Citizen Engagement					
Personnel	463,609	832,604	332,781	(61,000)	771,604
Operating	351,562	333,396	81,753	61,000	394,396
Total	815,171	1,166,000	414,534	-	1,166,000
Economic Development & Planning					
Personnel	2,614,263	3,278,728	1,405,825	-	3,278,728
Operating	2,289,507	2,455,591	1,377,213	(250,000)	2,205,591
Total	4,903,770	5,734,319	2,783,038	(250,000)	5,484,319
Finance/Operations					
Personnel	1,474,294	1,046,216	644,111	134,700	1,180,916
Operating	712,221	548,881	185,452	-	548,881
Total	2,186,515	1,595,097	829,563	134,700	1,729,797
Assessing					
Personnel	1,336,820	1,559,864	620,831	-	1,559,864
Operating	207,331	240,838	88,092	-	240,838
Total	1,544,151	1,800,702	708,922	-	1,800,702

Expenditures	FY 2019 Actuals	FY 2020 Adopted Budget	FY 2020 Dec. 31 Actuals	Proposed Adjustment	FY 2020 Proposed Amendment
Treasury					
Personnel	1,397,830	1,848,306	718,264	-	1,848,306
Operating	457,585	429,698	94,180	-	429,698
Total	1,855,415	2,278,004	812,444	-	2,278,004
Human Resources					
Personnel	1,205,246	1,333,106	601,168	-	1,333,106
Operating	915,856	892,521	334,069	66,000	958,521
Total	2,121,101	2,225,627	935,238	66,000	2,291,627
Attorney's Office					
Personnel	1,643,584	1,941,252	813,586	-	1,941,252
Operating	232,280	239,631	102,332	-	239,631
Total	1,875,864	2,180,883	915,919	-	2,180,883
Police					
Personnel	36,465,408	37,802,547	18,434,385	310,269	38,112,816
Operating	6,367,172	7,057,235	3,078,120	-	7,057,235
Total	42,832,579	44,859,782	21,512,506	310,269	45,170,051
Fire					
Personnel	28,897,214	30,772,490	14,469,493	249,731	31,022,221
Operating	5,045,972	5,278,088	2,566,968	-	5,278,088
Total	33,943,186	36,050,578	17,036,461	249,731	36,300,309
Public Service					
Personnel	1,874,600	2,855,553	1,231,294	(300,000)	2,555,553
Operating	9,741,013	9,307,133	3,102,846	300,000	9,607,133
Total	11,615,613	12,162,686	4,334,140	-	12,162,686
Human Relations & Community Service					
Personnel	1,297,133	1,460,296	655,906	80,000	1,540,296
Operating	196,422	196,615	65,454	-	196,615
Total	1,493,555	1,656,911	721,361	80,000	1,736,911
Parks & Recreation					
Personnel	4,851,422	5,246,923	2,010,683	-	5,246,923
Operating	3,286,949	3,354,838	1,328,733	-	3,354,838
Total	8,138,371	8,601,761	3,339,416	-	8,601,761
Human Services					
Operating	1,638,162	1,725,000	704,371	-	1,725,000
Total	1,638,162	1,725,000	704,371	-	1,725,000
City Supported Agencies					
Operating	324,392	316,500	109,100	-	316,500
Total	324,392	316,500	109,100	-	316,500
Non-Departmental					
Vacancy Factor	-	(700,000)	-	500,000	(200,000)
Library Lease	151,845	150,000	46,812	-	150,000
Debt Service	2,595,828	1,265,000	300	-	1,265,000
Net Transfers	5,617,466	5,590,000	-	268,145	5,858,145
Penalties & Claims	3,806,000	-	-	-	-
Total	12,171,139	6,305,000	47,112	768,145	7,073,145
Total Expenditures	137,657,877	139,400,000	59,839,568	1,224,145	140,624,145
Beginning Fund Balance	17,326,512	10,031,491			10,031,491
Ending Fund Balance	10,031,491	10,031,491			6,822,346
	7.3%	7.2%			4.9%

Special Revenue Funds

	FY 2019 Actuals	FY 2020 Adopted Budget	FY 2020 Dec. 31 Actuals	Proposed Adjustment	FY 2020 Proposed Amendment
STADIUM FUND					
Revenues					
Operating Revenues	373,268	400,000	67,973	-	400,000
Stadium Naming Rights	125,000	125,000	125,000	-	125,000
Reimbursements	117,209	120,000	-	-	120,000
Transfers In	512,000	697,000	-	168,145	865,145
Use of/(Contribution to) Fund Balance	168,145	-	-	(168,145)	(168,145)
Total	1,295,622	1,342,000	192,973	-	1,342,000
Expenditures					
Debt Service	1,295,622	1,342,000	1,341,873	-	1,342,000
Total	1,295,622	1,342,000	1,341,873	-	1,342,000
CDBG FUND					
Revenues					
Federal Grants	2,410,092	2,204,648	485,628	778,215	2,982,863
General Fund Transfer	-	-	-	100,000	100,000
Total	2,410,092	2,204,648	485,628	878,215	3,082,863
Expenditures					
Personnel	805,577	1,015,744	259,320	-	1,015,744
Operating	1,604,515	1,188,904	962,669	878,215	1,967,119
Total	2,410,092	2,204,648	1,221,990	878,215	2,982,863
REFUSE FUND					
Revenues					
Operating Income	2,254,910	2,225,000	65,483	128,000	2,353,000
Interest Income	2,503	7,000	620	-	7,000
Use of/(Contribution to) Fund Balance	(1,222,150)	(7,000)	-	52,000	45,000
Total	1,035,263	2,225,000	66,103	180,000	2,405,000
Expenditures					
Personnel	168,869	1,365,848	548,909	-	1,365,848
Operating	851,304	859,152	335,723	180,000	1,039,152
Capital	15,090	-	-	-	-
Total	1,035,263	2,225,000	884,633	180,000	2,405,000
RECYCLING FUND					
Revenues					
Operating Income	4,082,075	4,423,950	4,214,899	-	4,423,950
Sale of Recycled Materials	-	-	-	-	-
Interest Income	36,805	-	-	-	-
Use of/(Contribution to) Fund Balance	(262,116)	428,050	-	250,000	678,050
Total	3,856,764	4,852,000	4,214,899	250,000	5,102,000
Expenditures					
Personnel	1,711,631	2,591,962	1,036,477	-	2,591,962
Operating	1,901,772	1,804,452	558,937	250,000	2,054,452
Debt Service	228,127	455,586	120,163	-	455,586
Capital	15,234	-	-	-	-
Total	3,856,764	4,852,000	1,715,577	250,000	5,102,000

GENERAL FUND ESTIMATED REVENUES

Property Taxes adjusted up **$485,000** to reflect tax revenues and PA 425 payments to date. Property taxes remain subject to adjustments and chargebacks, with a worst-case scenario of $217,917 in revenue subject to MI Tax Tribunal cases in contention ($11,209,732 in taxable value at 19.44 mills) remaining budgeted.

Income Taxes adjusted down **($2,400,000)** in response to updated projections provided by the City Treasurer.

State Revenues adjusted down **($70,000)** to reflect updated state appropriations for statutory revenue sharing and fire protection facilities grants, balanced against better than projected constitutional revenue sharing payments.

GENERAL FUND DEPARTMENTAL APPROPRIATIONS

Appropriation for a Chief Strategy Officer transferred from the **Mayor's Office** to the **Finance Operations** department. This is also being reclassified from contractual services to personnel. This change has no impact on overall budget.

Neighborhood & Citizen Engagement includes transfers between the NCE Department and Office of Financial Empowerment. This includes transfers from salaries and fringes offset by temporary help and contracted services.

Economic Development and Planning adjusted down **($250,000)** due to a negotiated decrease in LEPFA subsidy payments.

Human Resources adjusted up **$66,000** for NEOGOV training and to include temporary contracted payroll services following a retirement.

Police & Fire Departments adjusted up a total of **$560,000** to reflect updated retirement contribution costs resulting from the most recent pension plan valuation.

Public Services includes transfers from personnel expenditures to fund contractual services.

Human Relations and Customer Service adjusted up **$80,000** to include contracted positions for Acting Director and Deputy Director.

GENERAL FUND NON-DEPARTMENTAL APPROPRIATIONS

Vacancy Factor has been reduced **$500,000**. This is to account for the fund balance policy, requiring restorative payments if the fund balance falls below 12% of expenditures. This policy will be in full effect for the FY 2020/2021 Proposed Budget.

Net Transfers have been increased by **$268,145**. This includes a transfer to the stadium fund to cover net operating loss for last year and a contingency amount for the CDBG fund if administrative costs exceed the allowable threshold for the grant funds.

GENERAL FUND SUMMARY

Overall, the adjustments to projected revenues and expenditures will decrease fund balance by (**$3,209,145)** to an ending balance of $6,822,346 or 4.9% of total expenditures. The majority of this decrease can be attributed to overestimated revenue projections and underestimated retirement estimates.

OTHER FUNDS

Stadium Fund includes a transfer from the general fund to restore the previous year operating loss.

Community Block Development Grant (CDBG) Fund includes carryforwards for previous year grant funds and expenditures. A general fund transfer is included as a contingency in the event administrative costs exceed the allowable threshold for federal funding.

Refuse Fund includes continued trash bag revenue that was not budgeted for the current year and additional refuse cart revenue. This is offset by additional appropriations required by the above higher demand for new refuse carts and higher landfill costs.

Recycling Fund includes additional costs related to the delayed opening of the Emterra Material Recovery Facility (MRF). As a result, recycling services will continue to incur costs to contracted services for processing in Detroit. This is expected to be resolved for Summer 2020.