AGENDA

Committee of the Whole
AGENDA FOR JUNE 7, 2021 AT 5:00 PM

Access the meeting via: https://us02web.zoom.us/j/85940036219 ; ID 859 4003 6219; Dial In (301) 715-8592 email comments prior to the meeting at sherrie.boak@lansingmi.gov
All Councilmembers will participate virtually & may be contacted prior to the meeting at city.council@lansingmi.gov 483-4177

Council Member Spadafore, Chairperson
Council Member Hussain, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
   A. May 17, 2021
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentations:**
   B. Chief Strategy Officer Update
   C. MRJEA - Jonathon Butler, Esq. (Equity Manager, San Antonio, Texas)
6. **Discussion/Action:**
   D. DISCUSSION - General Fund Status Report; FY 2020/2021 3rd Quarter/Vacancy Factor Report FY 2020/2021
   E. Bond Rating Update for the City of Lansing Sewer Enterprise
7. **Other**
8. **Adjourn**

To mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this State's health care system and other critical infrastructure, it is crucial that all Michiganders take steps to-limit in-person contact, particularly in the context of large groups. Therefore, the above meetings will be conducted via audio/video conference.

The meetings are being held virtually in accordance with the Open Meetings Act, as amended in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number above, and meeting ID provided. To provide input or ask questions on any item that is listed on the agenda, members of the public may contact the email address listed above under the meeting link.

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

DRAFT

MINUTES
Committee of the Whole
Monday, May 17, 2021 @ 5:00 p.m.

https://us02web.zoom.us/j/85940036219; ID: 859 4003 6219; or Dial in: (646) 876 9923

Held virtually in an effort to protect the health and safety of the public & to mitigate the spread of COVID 19

CALL TO ORDER

Council President Spadafore called the meeting to order at 5:00 p.m.

PRESENT- via audio/video

Councilmember Peter Spadafore remotely from Lansing, Michigan
Councilmember Adam Hussain remotely from Lansing, Michigan
Councilmember Carol Wood remotely from Lansing, Michigan
Councilmember Patricia Spitzley remotely from Lansing, Michigan
Councilmember Kathie Dunbar remotely from Port Austin, Michigan
Councilmember Brandon Betz remotely from Lansing, Michigan
Councilmember Jeremy Garza remotely from Lansing, Michigan
Councilmember Brian T. Jackson remotely from Lansing, Michigan

MEMBERS PRESENT- via audio/video

Sherrie Boak, Council Staff
Mark Lawrence, Mayors Office
Lisa Hagen, City Attorney
Jim Smiertka, City Attorney
Eric Brewer, Council Internal Auditor
Robert Widigen, Finance Director
Jake Brower, Budget Director
Alec Malvetis, Public Service
Chief Green, LPD
Chief Martin, LFD

Minutes

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM MAY 10, 2021 AS PRESENTED. ROLL CALL VOTE, MOTION CARRIED 8-0.

Public Comment

No public comment on this time.

Discussion/Action:

RESOLUTION – Noise Waiver; Hoffman Brothers, Inc., CSO and Trunk Sewer Project on N. Grand River Avenue; May 22nd to October 30, 2021

Mr. Malvetis confirmed he had received comments from residents via emails and asked them to participate in the public hearing and to also forward emails. He then offered his assistance with any additional questions.
Council President Spadafore explained to the Committee that this is a timely request so it is before Committee of the Whole and Council tonight with the waiver starting on May 22nd.
Council Member Wood asked who contacted Public Service.
Mr. Malvetis then highlighted the communications he did receive, one being Brian Carter at 1620 N Grand River Avenue, and he spoke in support of the project and granting the noise waiver. The second individual was Dennis Benjamin at 2319 N Grand River who was in support of the project and working on Saturdays. Both were encouraged to email Council or attend the public hearing as well.
Council Member Wood asked if the project manager was communicating with residents that have disabilities or needs to get in and out of driveways during the project. Mr. Malvetis confirmed letters were sent to residents asking if they had mobility needs, and they did hear from a few residents. They have made plans for those that had mobility issues, and encouraged anyone that was listening to contact them.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE NOISE WAIVER FOR THE CSO AND TRUNK SEWER PROJECT ON N GRAND AVENUE. ROLL CALL VOTE, MOTION CARRIED 8-0.

<u>RESOLUTION – Fiscal Year Budget 2021/2022 and Budget Policies</u>
Council President Spadafore acknowledged the Council for providing updates ahead of time.

Council President Spadafore passed the gavel to Council Vice President Hussain.

MOTION BY COUNCIL MEMBER SPADAFORE TO AMEND THE BUDGET TO INCLUDE $20,000 INTO THE OCA BUDGET FOR A NEW EXPUNGEMENT CLINIC. FUNDS TO COME FROM THE OPERATING BUDGET OF CITY SUPPORTED AGENCIES.

Council President Spadafore spoke briefly on his proposed amendments and the language addition to the Budget Policies.

Council Member Jackson asked what the anticipated costs for the program and why was Sister Cities chosen. Council President Spadafore stated the costs will be promotional materials, and any overtime for staffing. This would be one clinic done quarterly. Regarding Sister Cities, it was not funded last year and they did fundraiser their own funds, and done good work as a regional body to support their efforts, and they can still apply for community funding. Council Member Jackson asked if this was annual and reoccurring. Council President Spadafore stated it would be up to the Mayor to put in the budget, and he also confirmed again that OCA will not be working as legal counsel.
Council Member Betz asked about expanding services and the OCA reporting to what services might need to be expanded.
Council Member Wood asked for clarification on if the task is to offer information to individuals to allow them to do the function of expunging their records. It needs to be clear that it is not seen that the City is not helping to fund someone who has limited funds to go through this process. Mr. Smiertka confirmed, and stated any report or survey would be confidential. Council President Spadafore added to the Budget Policies that "The Office of the City Attorney is requested to compile a quarterly report of the number of residents and assessment for further needs of the residents served and an assessment for the further needs of the residents served.

ROLL CALL VOTE, MOTION CARRIED 8-0.

Council Vice President Hussain passed the gavel to Council President Spadafore.

Council Member Spitzley spoke on her proposed amendments to the budget policies to the creation of the Code Case Unit within the LPD, including work between Committee on Ways and Means and Committee on Public Safety. This would target a result in the 2022/2023 budget with a report by September 1, 2021 for inclusion in the 2022/2023 budget.

MOTION BY COUNCIL MEMBER SPITZLEY TO INCLUDE THE CREATION OF A COLD CASE UNIT IN THE LPD FOR INCLUSION IN THE FY 2022/2023 BUDGET.

Council Member Betz asked why the Committee on Equity Diversity and Inclusion is not included in the group of Committees to work on. Council Member Spitzley agreed there could be an appeal for that, and the majority of the cases could be the black and brown community, but to get a deep dive into the funding the other two Committee would be best to take the lead. Council Member Dunbar asked why putting into Budget Policies now, but could just address in Committees. Council Member Spitzley stated by having it directed into the Committee and have them look into the funding which could include taking funding from the current budget, grant dollars research, and this would be a thorough review in the funding options. This would allow the research before the September work on the Budget Priorities for FY 2022/2023. Council Member Dunbar stated in her opinion there could be money in the current budget to address it now, and supported it being done, but thinks that there is a way to reallocate. Council Member Spitzley stated at Council has been told they cannot tell the Departments how to manage their staff, such as tell the LPD to take people off the street and put them into a new unit. This would allow work with the Administration to have as a budgeting item for the next budget and in the meantime also work with LPD to make sure the funding is appropriate to run the program the way it should be run. Council Member Betz asked for clarification on the Budget Policies and what those directives are, and questioned if this was calling on Council to investigate in their Committees. He then asked if it should be a separate resolution from the budget, such as when the Committee on Equity Diversity and Inclusion was created. Council Member Spitzley acknowledged she is more than happy to put forth a resolution to start this, but since Council is in the budget and this is a specific item for funding and the creation where the Council is going to investigate the process needed for the program. Council Member Wood supported including it, and it is an action Council Member Spitzley is requesting for an investigation, and not different then where policies have established Ad Hoc committees. As the report comes out then that information can be put into the Budget Priorities for next fiscal year. Council Member Hussain spoke in support of this process and investigating where the funds can be found. Council Member Betz asked to hear from the City Attorney on putting this on the Budget Policies compared to a separate resolution. Mr. Smiertka stated that the Charter requires the City Council to adopt Budget Policies and Priorities before October 1st, and there is nothing that prohibits it in this document.

ROLL CALL VOTE, MOTION CARRIED 8-0.

Council Member Wood asked about contracts. Mayor Schor stated there are dollars included for increases, but it would depend on the Teamsters unit. Council Member Wood asked about the vacancy factor, and the recent change that the factor has been taken out of individual budgets and previously looked at as specific position that will be filled, and asked if that was still correct. Mayor Schor confirmed and said they never intended to leave positions vacant. It is a specific vacancy factor.
Council Member Wood then outlined her proposed amendments and read the additional budget policies that speak to the transfer.

MOTION BY COUNCIL MEMBER WOOD TO TAKE $300,000 FROM THE HUMAN RESOUCRCES OPERATING BUDGET AND CREATE A CONTINGENCY-MRJEA IMPLEMENTATION LINE ITEM.

Council Member Betz asked for clarification on if the Mayor was going to execute the MRJEA plan and what the intent of the Council role is in that. Council Member Wood stated Council received a proposal from the Mayor's office on what the outline for the proposed funding was going to be used for. After discussion in COW, she then proposed working on a contingency account so to be set aside and not spent until there is an additional plan from the Mayor.

ROLL CALL VOTE, MOTION CARRIED 8-0.

Council Member Wood confirmed she has spoken to the Mayor and he spoke in support to her of this account. Mayor Schor confirmed he did support the contingency account proposed. The report will be done, then out to the public for input and then back to Council with a report.

MOTION BY COUNCIL MEMBER JACKSON TO ADD TO THE BUDGET POLICIES FOR LANSING TO SEEKS TO APPROACH PUBLIC SAFETY IN A HOLISTIC, PROATIVE WAY THAT ADDRESSES THE ROOT CAUSES OF THE CRIME.

Council Member Wood asked what the action would be in this request. Council Member Jackson stated it was to add this to budget policies. Council President Spadafore explained that Budget Policies create an action, and asked what the action would be. Council Member Jackson stated it is general, and there could be action depending on how Council wants to act. He asked that possibly Council would look the actual public safety differently, and an open invitation for Administration and Council to work together. Council Member Wood then asked Council Member Jackson if he is asking the Administration to do something, or if the Committees are being asked to do something, therefore asked Council Member Jackson again what the action of this request would be. Council Member Jackson stated it was similar to what Council Member Spitzley stated for her amendment. Council Member Wood stated Council Member Spitzley was specific to an action, and this request is a broad statement without an action which does not fit in the Budget Policies. Council Member Jackson that Council could have the Committee on Public Safety and the Equity Diversity and Inclusion Committee look at reimagining the overall public safety of the City. Council Member Dunbar noted this was a broad stroke request, not based in actual dollars, and in the realm of the budget, Council could look at diverting funds away from the LPD and put them into addressing proactive crime on the front lines. This would be to create equity and reduce poverty. Council Member Jackson acknowledged her explanation of his request. Council Member Spitzley asked Council Member Jackson if the Committees is supposed to look at ways to accomplish proactive ways to address the root cause of crime, which she agreed in concept, but was trying to figure out how to do it in the Budget Polices. She then recommended him to consider amending the language to ask a Committee to address. Council Member Jackson asked Council to add to the statement that "City Council will review and reimagine policing in the City of Lansing".

MOTION TO ADD TO THE BUDGET POLICIES THE LANGUAGE LANSING TO SEEKS TO APPROACH PUBLIC SAFETY IN A HOLISTIC, PROATIVE WAY THAT ADDRESSES THE ROOT CAUSES OF THE CRIME AND CITY COUNCIL REVIEW AND REIMAGINE POLICING IN THE CITY OF LANSING. MOTION CARRIED 5-3.

Council Member Jackson then spoke on his proposed budget amendment to fund an additional social worker that would be in addition to the current, in addition to the proposed new addition by the Mayor. This proposal would take funds from LPD operating and put in LPD personnel in the amount of $22,015. He noted there are 6 unfilled positions, then one position would be for a social worker, and the net public safety effect would not be less officers on the street, but would provide another social worker.

MOTION BY COUNCIL MEMBER JACKSON TO AMEND THE BUDGET TO INCLUDE A TRANSFER OF $22,015 FROM LPD OPERATING TO THE LPD PERSONNEL TO ACCOMMODATE A 3RD SOCIAL WORKER.

Council Member Spitzley asked if this is where Council is telling LPD how to handle their personnel. Mr. Smiertka stated it can be allocated for a social worker. Council Member Spitzley pointed out to Mr. Smiertka that the language states it is taking an unfilled officer position and utilizing those funds for a social worker. Mr. Smiertka stated that would be the administrative role, and that is crossing the line. Council Member Jackson asked the OCA if Council should create a position called "Social Worker", and if all other positions Council has funded were not allowed. Mr. Smiertka stated Council can create the line item, but not go into the Administrative role. Council Member Spitzley recapped that Council cannot tell LPD to hire a social worker in place of a police officer, and referenced Council Member Jackson's resolution which clearly notes taking the funding from a vacant officer position to create the funding for this proposed position. Mr. Smiertka stated the City can amend the operating budget, but Council cannot direct the Chief to hire the social worker. Council Member Dunbar spoke in support of taking the funding from the LPD all together and putting in the LFD budget where the social worker would be housed, then asked for confirmation on that positions location. Council President Spadafore stated all social workers will be in the LPD, and Mayor Schor stated one social worker would be in the LPD and two (2) community health workers would be in the LFD. Council Member Jackson asked if Council can fund a position and defund a position. Mr. Smiertka stated through removing the full amount of the position it can be removed. Council Member Jackson stated he needs to subtract the amount of a police officer and add the amount of a social worker, and since there is a difference there needs to be a transfer of $22,015 from operating to personnel. Council Member Betz stated that all accounts are going to look like taking funds from one line item to another. The LPD could then spend the funds anyway, and Council is only allocating funds. Council Member Jackson stated it was his belief that City Council can create positions. Council President Spadafore noted that in the past there has been an "agreement" with the Administration, but with this intent there is $22,015 in personnel, at which the Chief could fill an officer position or cover overtime. In the past the "agreement" with the Administration showed the funds would be used for the intent. Council Member Wood referenced the line item budget, but what in essence Council is passing the budget, and to move the funds it is not a mandate for the Police Chief to spend or hire. The funds could stay there until the end of the year and be absorbed into the "rainy day fund" or if something is over budget they can be used to make those even.

COUNCIL MEMBER JACKSON AMENDED HIS MOTION TO STATE $22,015 FROM LPD OPERATING TO POLICE PERSONNEL BUDGET.

Council Member Betz asked Council Member Jackson for a corresponding budget policy in directing the administration, because with putting these funds into personnel it could be spent on overtime.

ROLL CALL VOTE, MOTION FAILED 2-6.

MOTION BY COUNCIL MEMBE WOOD TO DIVIDE OUT THE HRCS BUDGET. ROLL CALL VOTE, MOTION CARRIED 8-0.

COUNCIL MEMBER WOOD ASKED TO BE RECUSED FROM THE HRCS BUDGET BECAUSE OF HER ROLE AS AN EMPLOYEE OF AN ORGANIZATION THAT COULD RECEIVE FUNDS. MOTION BY COUNCIL MEMBER SPITZLEY. ROLL CALL VOTE, MOTION CARRIED 7-0, 1 RECUSSAL.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE REMAINING BUDGET ITEMS FOR THE FY 2021/2022 BUDGET. ROLL CALL VOTE, MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE BUDGET POLICES WITH THE ADDITION OF THE BUDGET POLICY LANGUAGE- EXPUNGEMENT CLINIC; RACIAL JUSTICE AND EQUITY PLAN AND THE CREATION OF A COLD CASE UNIT WITHIN THE LANSING POLICE DEPARTMENT. ROLL CALL VOTE, MOTION CARRIED 8-0.

Council President Spadafore noted he will work with the Administration on the return to work plan, and will continue to work with Council staff on being back in the office daily following the MIOSHA guidelines.

Council Member Wood referenced the General Fund report, being referred tonight and asked Mr. Brower and Mr. Widigan if there was anything in that report that Council needs to know now before they pass the budget. Mr. Brower confirmed the City did receive the final half of the Public Safety and Public Health Grant and funding from the State funding options. There have only been adjustments in the 2021 budget.

Adjourn

The meeting adjourned at 6:28 pm
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee

PRESENTATIONS

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PRESENTATIONS

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General Fund Status Report – FY 2021 3rd Quarter

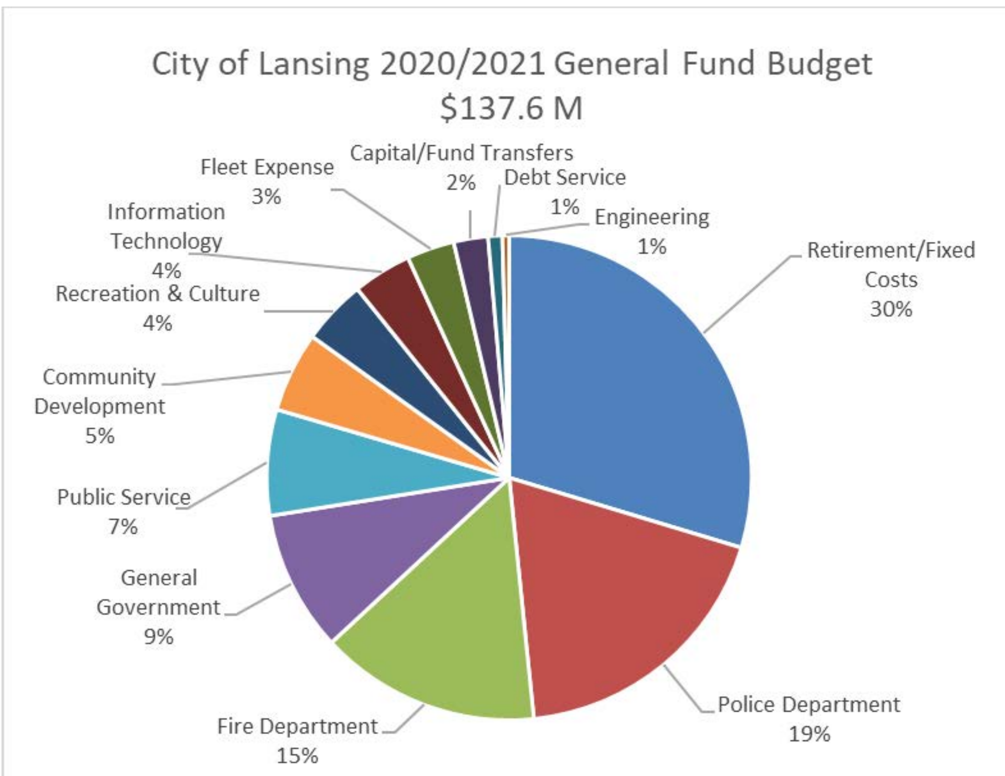
Please see accompanying summary detail (pages 4-8)

General Fund Summary

The City ended FY 2020 with $10,121,010 in combined general fund reserves. For FY 2021 budget, the City originally adopted $132,189,569 in total revenues including transfers and $136,875,977 in total expenditures for an estimated ending fund balance of $5,434,602.

As part of the executive budget recommendation for FY 2022, the year-end projection for FY 2021 has been updated to account for lower than projected property and income tax, higher than projected state revenues, resolving the $2.5M IRS/ACA bills, and $7.3M in federal stimulus from the CARES act. As a result, the administration currently projects an ending fund balance of $13,860,313.

The City's fund balance policy recommends a fund balance between 12% and 15% of expenditures, a target threshold spanning $16.4M to $20.5M. The administration continues to explore options to restore fund balance and is preparing the FY 2022 Executive Budget Proposal.



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Revenue Summary

General Fund revenues collected through the 3rd quarter of Fiscal Year 2021 (July – March) are on track overall with previous year collections accounting for updated revenue projections.

- **Property Taxes** are 33.5% of general fund revenues and are largely collected at the beginning of the fiscal year. While revenue remains subject to tax appeals and other adjustments, any changes through the end of the year should be minor.

- **Income Tax** collections, 22.4% of general fund revenues, are currently above expectations for the first three quarters of the fiscal year. This is anticipated to decrease as a result of larger-than-normal refunds are being issued on a delayed filing deadline. The Finance and Treasury departments are carefully monitoring incoming revenues anticipating a 20%-24% decline relative to pre-pandemic estimates.

- **Return on Equity** is received in December and June. The current contract includes a guaranteed $25M payment to the City and 3% of the Lansing Board of Water and Light's June 1 to May 31 revenue in excess of $409,836,066. Specifically revenue from retail and wholesale sales of chilled water, electric, steam, heat, and water utilities. This is 19.1% of general fund revenues with no anticipated risk for the current year.

- **State Revenues**, currently projected to make up 15.2% of general fund operating revenue, have remained fairly strong compared to original projections. The City also received its first major distribution of recreational marijuana revenues which was not previously anticipated.

- **Charges for Services** are closely underneath expectations for this time of year with public safety charges, reimbursements, and code compliance being the largest sources. This may be adjusted as cash receipts are accounted for.

- **Fines and Forfeitures** are below previous years to date. This is largely due to restrictions that have impacted the operation of courts and collections.

- **Licenses and Permits** are just under collection rates compared to previous years. Some of this variance is due to the timing of specific licenses, which may also be impacted by the Pandemic.

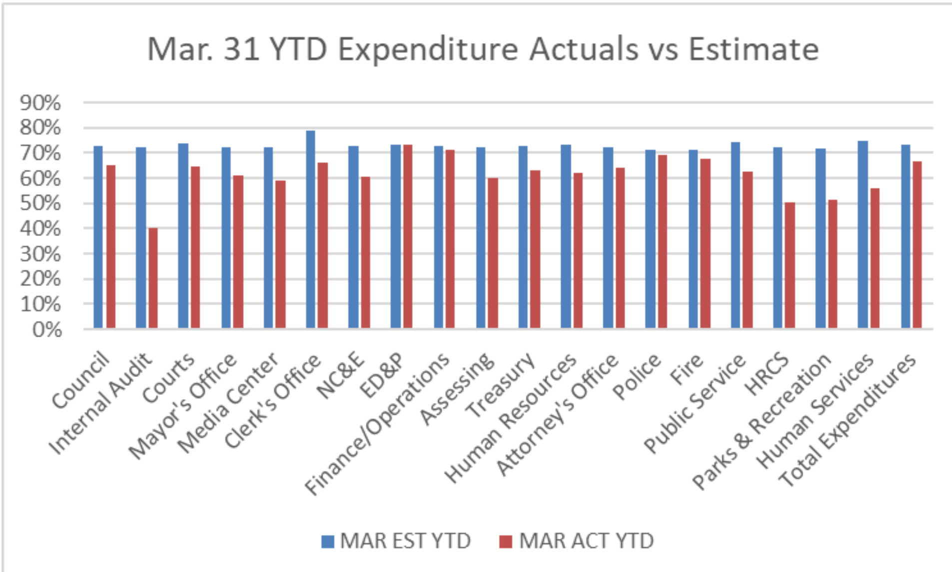
- **Interest and Rents** are less than a percent of the City's budget. Collections have exceeded the small budget anticipated for FY 2021.

- **Other Revenues** are below previous year collections for this time of year. This category makes up only 0.4% of General Fund revenues.

(continued)

Expenditure Summary

Departmental expenditures are below first quarter targets taking into account the timing of payroll and major contracts with only ED&P almost exactly in line with their year-to-date target. The City continues to monitor and respond to the many public health risks and financial challenges posed by COVID 19.



Conclusion

The Administration continues to monitor expenditures and seek out necessary savings to maintain vital services to residents and visitors to the City of Lansing. The FY 2022 executive budget recommendation takes into account the updated projections as included in this quarterly budget update, including $2.5M from resolving the IRS/ACA bills and $7.3M in federal stimulus due to the CARES act.

The general fund budget report is presented in several formats for informational value as follows. After a separate revenue and expenditure summary, the City's general fund is presented as formally adopted in appropriation detail showing personnel vs. operating expenditures, then in governmental detail it is summarized by purpose. In this last view retirement, fleet expenses, and information technology costs are displayed separately from departments to better demonstrate their costs to the City's general fund.

March 31, 2021 Revenue Summary

Fiscal Year July 1, 2019 - June 30, 2020

General Fund Revenues	FY 2021 Adopted Budget	FY 2021 Projected Budget	FY 2021 Mar. 31 Actuals	Mar. 31 Percent YTD	3 Year Mar. 31 Avg.
Property Taxes					
Non-Dedicated	33,894,000	32,955,000	32,770,806		
Dedicated - Police	3,521,250	3,300,000	3,300,000		
Dedicated - Fire	3,521,250	3,300,000	3,300,000		
Dedicated - Roads	2,347,500	2,200,000	2,200,000		
Dedicated - Parks	2,347,500	2,200,000	2,200,000		
Total	45,631,500	43,955,000	43,770,806	99.6%	100.8%
Income Taxes					
City Income Tax	31,380,800	29,380,800	20,455,559		
Total	31,380,800	29,380,800	20,455,559	69.6%	61.2%
Return on Equity					
Board of Water and Light	25,000,000	25,000,000	12,500,000		
Total	25,000,000	25,000,000	12,500,000	50.0%	51.5%
State Revenues					
Revenue Sharing	13,626,861	15,774,797	8,299,703		
Fire Reimbursement Grants	2,581,972	2,926,700	2,926,705		
Personal Property Tax Reimbursement	849,931	932,000	931,983		
Recreational Marijuana	-	280,000	280,013		
Liquor License Fee	68,003	70,700	73,295		
Total	17,126,766	19,984,197	12,511,699	62.6%	55.7%
Charges for Services					
Public Safety	4,028,400	4,028,400	2,478,507		
Reimbursements	2,398,773	2,398,773	1,852,918		
Code Compliance	1,911,000	1,911,000	956,618		
Recreation Fees	195,980	195,980	258,960		
Appeals & Petitions	70,650	70,650	66,695		
Work for Others	35,400	35,400	95,854		
Central Stores	1,500	1,500	2,615		
Subscriptions and Information	1,000	1,000	1,180		
Total	8,642,703	8,642,703	5,713,347	66.1%	69.5%
Fines and Forfeitures					
Fines and Forfeitures	1,803,100	1,803,100	910,703		
Total	1,803,100	1,803,100	910,703	50.5%	73.6%
Licenses & Permits					
Cable Franchise Fees	1,000,000	1,000,000	571,658		
Marihuana Licenses	600,000	600,000	445,000		
Business Licenses	90,800	90,800	58,409		
Non-Business Licenses	49,700	49,700	27,399		
Building Licenses & Permits	21,200	21,200	9,875		
Total	1,761,700	1,761,700	1,112,341	63.1%	50.5%
Interest & Rents					
Interest Income	140,000	140,000	187,242		
Total	140,000	140,000	187,242	133.7%	78.3%
Other Revenues					
Miscellaneous	183,000	283,000	148,664		
Sale of Fixed Assets	105,000	105,000	94,235		
Donations & Contributions	65,000	81,043	90,650		
Total	353,000	469,043	184,884	39.4%	48.6%
Total General Fund					
Operating Revenue	131,839,569	131,136,543	97,495,245	74.3%	71.5%
Transfers from Other Funds	350,000	350,000	350,000		
Total	132,189,569	131,486,543	97,845,245	74.4%	71.1%

March 31, 2021 Departmental Summary

Fiscal Year July 1, 2019 - June 30, 2020

General Fund Appropriations	FY 2021 Adopted Budget	FY 2021 Projected Budget	FY 2021 Mar. 31 Actuals	Mar. 31 Percent YTD	3 Year Mar. 31 Target
Beginning General Fund Balance	2,328,400	2,328,400	2,328,400		
Beginning Budget Stab. Fund Balance	7,792,610	7,792,610	7,792,610		
Total General Fund Reserves	10,121,010	10,121,010	10,121,010		
Revenues (detail on previous page)	132,189,569	131,486,543	97,845,245	74.4%	71.1%
Departmental Expenditures:					
Council	668,682	668,682	437,062	65.4%	73.0%
Internal Audit	170,601	170,601	68,528	40.2%	72.2%
Mayor's Office	1,230,864	1,230,864	751,567	61.1%	72.4%
Office of Community Media	540,669	540,669	318,725	59.0%	72.5%
District Court	6,154,125	6,154,125	4,166,575	67.7%	72.7%
Circuit Court Building Rental	275,655	275,655	1,276	0.5%	99.5%
City Clerk's Office	1,502,908	1,502,908	995,929	66.3%	78.7%
Neighborhood & Citizen Engagement	1,053,914	1,053,914	637,213	60.5%	72.9%
Economic Development & Planning	4,778,684	4,878,684	3,579,360	73.4%	73.2%
Finance Department	2,106,317	2,106,317	1,498,596	71.1%	72.8%
City Assessor	1,737,056	1,737,056	1,043,726	60.1%	72.5%
Treasury/Income Tax	2,260,256	2,260,256	1,432,190	63.4%	72.7%
Human Resources Department	2,260,520	2,260,520	1,409,402	62.3%	73.2%
City Attorney's Office	2,265,661	2,265,661	1,451,716	64.1%	72.3%
Police Department	46,493,846	46,534,889	32,171,676	69.1%	71.1%
Fire Department	36,704,247	36,837,947	24,946,235	67.7%	71.2%
Public Service	11,843,878	11,843,878	7,438,799	62.8%	74.2%
Human Relations & Community Services	1,725,334	1,725,334	865,346	50.2%	72.5%
Parks & Recreation Department	8,094,706	8,094,706	4,141,506	51.2%	71.8%
Human Service Agency Support	1,560,400	2,109,284	1,178,828	55.9%	75.0%
Non-Departmental Expenditures:					
Library Building Rental	150,000	150,000	121,997	81.3%	75.0%
Operating Subsidies to Other Funds	862,450	862,450	831,450	96.4%	99.1%
City Supported Agencies	102,500	102,500	70,500	68.8%	100.0%
Capital Improvements	2,429,705	2,287,705	2,429,705	106.2%	100.0%
Debt Service & Penalties	1,303,000	1,303,000	53,744	4.1%	73.9%
Vacancy Factor	(1,400,000)	(1,400,000)	-		
Expenditures	136,875,977	137,557,604	92,041,650	66.9%	73.4%
Net Impact on Fund Balance	(4,686,408)	(6,071,061)			
Federal Stimulus Reimbursement	-	7,310,364			
IRS/ACA Bills Resolved	-	2,500,000			
Ending General Fund Reserves	5,434,602	13,860,313			

March 31, 2021 Budget Appropriation Summary

Fiscal Year July 1, 2019 - June 30, 2020

Estimated Revenues	FY 2021 Adopted Budget	FY 2021 Projected Budget	FY 2021 Mar. 31 Actuals	Mar. 31 Percent YTD	3 Year Mar. 31 Avg.
Property Taxes	45,631,500	43,955,000	43,770,806		
Income Taxes	31,380,800	29,380,800	20,455,559		
Return on Equity	25,000,000	25,000,000	12,500,000		
State Revenues	17,126,766	19,984,197	12,511,699		
Charges for Services	8,642,703	8,642,703	5,713,347		
Fines & Forfeitures	1,803,100	1,803,100	910,703		
Licenses & Permits	1,761,700	1,761,700	1,112,341		
Interest & Rent	140,000	140,000	187,242		
Other Revenue	353,000	469,043	333,548		
Total Revenues	131,839,569	131,136,543	97,495,245	74.3%	71.5%

Appropriations	FY 2021 Adopted Budget	FY 2021 Projected Budget	FY 2021 Mar. 31 Actuals	Mar. 31 Percent YTD	Mar. 31 Target Exp.
Council					
Personnel	454,438	454,438	316,524		
Operating	214,244	214,244	120,537		
Total	668,682	668,682	437,062	65.4%	73.0%
Internal Audit					
Personnel	159,234	159,234	62,774		
Operating	11,367	11,367	5,754		
Total	170,601	170,601	68,528	40.2%	72.2%
Courts					
Personnel	5,007,290	5,007,290	3,469,371		
Operating	1,422,490	1,422,490	698,481		
Total	6,429,780	6,429,780	4,167,852	64.8%	73.8%
Mayor's Office					
Personnel	1,030,996	1,030,996	662,950		
Operating	199,868	199,868	88,617		
Total	1,230,864	1,230,864	751,567	61.1%	72.4%
Media Center					
Personnel	472,760	472,760	277,228		
Operating	67,909	67,909	41,497		
Total	540,669	540,669	318,725	59.0%	72.5%
Clerk's Office					
Personnel	1,064,290	1,064,290	785,141		
Operating	438,618	438,618	210,787		
Total	1,502,908	1,502,908	995,929	66.3%	78.7%
Neighborhood & Citizen Engagement					
Personnel	726,750	726,750	428,576		
Operating	327,164	327,164	208,637		
Total	1,053,914	1,053,914	637,213	60.5%	72.9%
Economic Development & Planning					
Personnel	3,148,894	3,148,894	2,128,614		
Operating	1,629,790	1,729,790	1,450,746		
Total	4,778,684	4,878,684	3,579,360	73.4%	73.2%
Finance/Operations					
Personnel	1,619,825	1,619,825	1,054,231		
Operating	486,492	486,492	444,365		
Total	2,106,317	2,106,317	1,498,596	71.1%	72.8%

Appropriations	FY 2021 Adopted Budget	FY 2021 Projected Budget	FY 2021 Mar. 31 Actuals	Mar. 31 Percent YTD	Mar. 31 Target Exp.
Assessing					
Personnel	1,512,158	1,512,158	891,168		
Operating	224,898	224,898	152,558		
Total	1,737,056	1,737,056	1,043,726	60.1%	72.5%
Treasury					
Personnel	1,808,858	1,808,858	1,064,299		
Operating	451,398	451,398	367,891		
Total	2,260,256	2,260,256	1,432,190	63.4%	72.7%
Human Resources					
Personnel	1,372,671	1,372,671	880,901		
Operating	887,849	887,849	528,502		
Total	2,260,520	2,260,520	1,409,402	62.3%	73.2%
Attorney's Office					
Personnel	2,035,289	2,035,289	1,306,243		
Operating	230,372	230,372	145,473		
Total	2,265,661	2,265,661	1,451,716	64.1%	72.3%
Police					
Personnel	39,027,047	39,027,047	27,189,660		
Operating	7,466,799	7,507,842	4,982,016		
Total	46,493,846	46,534,889	32,171,676	69.1%	71.1%
Fire					
Personnel	31,566,076	31,566,076	21,505,214		
Operating	5,138,171	5,271,871	3,441,021		
Total	36,704,247	36,837,947	24,946,235	67.7%	71.2%
Public Service					
Personnel	2,937,224	2,937,224	1,664,328		
Operating	8,906,654	8,906,654	5,774,471		
Total	11,843,878	11,843,878	7,438,799	62.8%	74.2%
Human Relations & Community Service					
Personnel	1,536,239	1,536,239	744,459		
Operating	189,095	189,095	120,887		
Total	1,725,334	1,725,334	865,346	50.2%	72.5%
Parks & Recreation					
Personnel	4,981,182	4,981,182	2,913,276		
Operating	3,113,524	3,113,524	1,228,231		
Total	8,094,706	8,094,706	4,141,506	51.2%	71.8%
Human Services					
Operating	1,560,400	2,109,284	1,178,828		
Total	1,560,400	2,109,284	1,178,828	55.9%	75.0%
City Supported Agencies					
Operating	102,500	102,500	70,500		
Total	102,500	102,500	70,500	68.8%	100.0%
Non-Departmental					
Vacancy Factor	(1,400,000)	(1,400,000)	-		
Library Lease	150,000	150,000	121,997		
Debt Service	1,303,000	1,303,000	53,744		
Net Transfers	2,942,155	2,800,155	2,911,155		
Total	2,995,155	2,853,155	3,086,896	108.2%	135.6%
Total Expenditures	136,525,977	137,207,604	91,691,650	66.8%	73.3%
General Fund balance	10,121,010	10,121,010			
Change	(4,686,408)	(6,071,061)			
Federal Stimulus Reimbursement	-	7,310,364			
IRS/ACA Bills Resolved	-	2,500,000			
Ending Fund Balance	5,434,602	13,860,313			

March 31, 2021 Governmental Summary

Fiscal Year July 1, 2019 - June 30, 2020

General Fund Appropriations	FY 2021 Adopted Budget	FY 2021 Projected Budget	FY 2021 Mar. 31 Actuals	Mar. 31 Percent YTD	3 Year Mar. 31 Avg.
Beginning General Fund Balance	2,328,400	2,328,400	2,328,400		
Beginning Budget Stab. Fund Balance	7,792,610	7,792,610	7,792,610		
Total General Fund Reserves	10,121,010	10,121,010	10,121,010		
Revenues (detail on previous page)	132,189,569	131,486,543	97,845,245	74.4%	71.1%
General Government					
Attorney's Office	1,446,924	1,446,924	880,564		
City Clerk	1,153,547	1,153,547	751,424		
Council	501,445	501,445	315,886		
District Court	3,837,592	3,837,592	2,430,590		
Circuit Court Building Rental	275,655	275,655	1,276		
Internal Audit	102,236	102,236	18,022		
Finance	1,450,799	1,450,799	1,028,619		
City Assessor	1,062,842	1,062,842	569,853		
Treasury/Income Tax	1,430,019	1,430,019	851,139		
Human Resources	1,673,492	1,673,492	1,002,831		
Mayor's Office	846,515	846,515	497,920		
Office of Community Media	382,823	382,823	205,968		
Library Building Rental	150,000	150,000	121,997		
Vacancy Factor	(1,400,000)	(1,400,000)	-		
Total General Government	12,913,890	12,913,890	8,676,087	67.2%	81.9%
Public Safety					
Police Department	25,699,594	25,740,637	17,379,504		
Fire Department	20,115,461	20,249,161	13,306,047		
Total Public Safety	45,815,055	45,989,798	30,685,552	66.7%	71.3%
Community Development					
Economic Development & Planning	3,289,881	3,377,781	2,493,416		
Neighborhood & Citizen Engagement	715,591	715,591	402,376		
Human Relations & Community Services	1,065,748	1,065,748	417,124		
Human Service Agency Support	1,560,400	2,109,284	1,178,828		
City Supported Agencies	102,500	102,500	70,500		
Total Community Development	6,734,120	7,370,904	4,562,244	61.9%	74.1%
Public Service					
Public Service Department	9,722,187	9,722,187	5,978,493	61.5%	74.3%
Recreation & Culture					
Parks & Recreation Department	5,938,282	5,938,282	2,817,519	47.4%	71.5%
Internal Services					
Retirement/Fixed Benefits	40,805,259	40,805,259	28,479,470		
Information Technology Expense	5,379,656	5,379,656	4,034,745		
Fleet Expense	4,353,586	4,365,686	3,028,557		
Engineering	618,787	618,787	464,085		
Total Internal Services	51,157,288	51,169,388	36,006,857	70.4%	71.5%
Non-Departmental Expenditures					
Operating Subsidies to Other Funds	862,450	862,450	831,450		
Capital Improvements	2,429,705	2,287,705	2,429,705		
Debt Service & Penalties	1,303,000	1,303,000	53,744		
Expenditures	136,875,977	137,557,604	92,041,650		
Net Impact on Fund Balance	(4,686,408)	(6,071,061)			
Federal Stimulus Reimbursement	-	7,310,364			
IRS/ACA Bills Resolved	-	2,500,000			
Ending General Fund Reserves	5,434,602	13,860,313			

Vacancy Factor Report

Fiscal Year 2021

March 31, 2021

Department	Key	PCN	Position Description	Bargaining Unit	FTE	FY 2022*	Vacancy	Vacancy Factor
Vacancies Counted toward General Fund Vacancy Factor								
COUNCIL/INTERNAL AUDIT	1012120	LEGISAUD	LEGISLATIVE AUDITOR	COUNCIL	1.00		2/20/2020	CONTRACT
NEIGH CTZN ENG	1012250	NRESCORD	NEIGHBORHOOD RESOURCE COORDINT	T214 SUPV	1.00		1/1/2021	14,052
MAYOR	1012300	PTMYRSTF	PT MAYORAL STAFF ASSISTANT	PT MAYOR	1.00	VF	6/30/2020	41,458
HR AND CS	1012500	CSUP-TBD	CONTRACT SUPERVISOR	T243SUP	1.00		CONVERTED	29,769
HR AND CS	1012500	COMMINVT	COMMISSION INVESTIGATOR	T214 SUPV	1.00		6/22/2020	43,716
ED&P/CODE COMPLIANCE	1012610	CCOFICER	CODE ENFORCEMENT WORKER	T243CTP	1.00	VF	4/3/2020	OVERTIME
ED&P/PLANNING	1012620	ASTPLMGR	ASSISTANT PLANNING MANAGER	T214 SUPV	1.00	VF	3/20/2020	CONTRACT
FINANCE/OPERATIONS	1012710	BUDGETAN	BUDGET ANALYST	T243CTP	1.00		CONVERTED	35,948
FINANCE/OPERATIONS	1012710	SRBUYER0	BUYER 32	T243CTP	1.00		11/30/2020	CONTRACT
ASSESSOR	1012720	RESAPPLD	RESIDENTIAL APPRAISER LEAD	T243CTP	1.00	VF	10/18/2019	50,521
ASSESSOR	1012720	RESAPPTR	RESIDENTIAL APPRAISER APPRENTICE	T243CTP	1.00		5/24/2019	41,458
ASSESSOR	1012720	RESIDAPP	RESIDENTIAL APPRAISER	T243CTP	1.00		10/5/2017	CONTRACT
TREASURY	1012730	CUSTSREP	CUSTOMER SERVICE REP	T243CTP	1.00		2/19/2021	4,670
TREASURY	1012730	PTCUSTRP	PT CUSTOMER SERVICE REP	T243PT	1.00		2/22/2020	27,095
HUMAN RESOURCES	1012800	PAYRTECH	PAYROLL TECHNICIAN	T243CTP	0.80		2/19/2021	6,695
HUMAN RESOURCES	1012800	PRNCRECR	PRINCIPAL RECRUITER	T243CTP	1.00		4/18/2017	CONTRACT
CITY ATTORNEY	1012900	LGLADVSR	LEGAL ADVISOR	T214 NS	1.00	VF	4/6/2018	50,662
PUBLIC SERVICE/BUILDINGS	1013140	BLDSERSU	BUILDING SERVICES SUPERVISOR	T243CTP	1.00	VF	10/16/2020	33,578
PUBLIC SERVICE/BUILDINGS	1013140	ELCTRICN	ELECTRICIAN	T243SUP	1.00	VF	12/30/2018	41,458
PUBLIC SERVICE/BUILDINGS	1013140	ELECFACW	ELECTRICAL FACILITY CTRL WKR	T243SUP	1.00	VF	11/2/2018	34,465
PUBLIC SERVICE/BUILDINGS	1013140	FACMTWKR	SKILLED TRADES WORKER	UAW	1.00	VF	3/2/2015	34,465
PUBLIC SERVICE/BUILDINGS	1013140	PLUMBSUP	PLUMBING SUPERVISOR	UAW	1.00	VF	6/10/2018	55,774
PUBLIC SERVICE/BUILDINGS	1013140	PUBWKSUP	PUBLIC SERVICE SUPERVISOR	T243SUP	1.00	VF	7/1/2017	43,590
POLICE/ADMIN	1013201	ADMSPC31	ADMINISTRATIVE SPECIALIST 31	T243SUP	1.00		12/28/2011	CONTRACT
POLICE/CENTRAL SERVICES	1013221	CNTRECOR	CENTRAL RECORDS COORDINATOR	T243SUP	1.00		3/19/2021	1,868
POLICE/CENTRAL SERVICES	1013221	POLCADET	POLICE CADET	FOP NON REP	1.00		12/11/2020	6,814
POLICE/CENTRAL SERVICES	1013221	POLTEC31	LPD FOIA ANALYST	T243CTP	1.00		10/29/2020	CONTRACT
POLICE/RADIO LAB	1013222	RADTEC34	RADIO TECHNICIAN 34	T243CTP	1.00		10/11/2019	CONTRACT
POLICE/DETENTION	1013224	DETENOFF	DETENTION OFFICER	T243CTP	1.00		12/5/2020	CONTRACT
POLICE/INVESTIGATIONS	1013224	DETECT2B	DETECTIVE IIB	FOP NS	1.00		7/1/2017	57,608
POLICE/INVESTIGATIONS	1013224	POLOFFCR	POLICE OFFICER 1	FOP NS	1.00		1/6/2021	11,462
POLICE/PATROL	1013251	POLOFFCR	POLICE OFFICER 1	FOP NS	1.00		7/1/2020	37,253
POLICE/PATROL	1013251	POLOFFCR	POLICE OFFICER 1	FOP NS	1.00		7/1/2020	37,253
POLICE/PATROL	1013251	POLOFFCR	POLICE OFFICER 1	FOP NS	1.00		12/19/2020	13,946
POLICE/PATROL	1013251	POLOFFCR	POLICE OFFICER 1	FOP NS	1.00		1/2/2021	12,036
POLICE/PATROL	1013251	POLOFFCR	POLICE OFFICER 1	FOP NS	1.00		2/13/2021	6,304
POLICE/PATROL	1013251	POLOFFCR	POLICE OFFICER 1	FOP NS	1.00		2/16/2021	5,922
POLICE/PATROL	1013251	SERGANT3	SERGEANT III	FOP SUPV	1.00		3/13/2021	3,926
FIRE/ADMIN	1013501	ASTFIRCF	ASSISTANT FIRE CHIEF	NB SUPV	1.00		1/15/2021	RETRO FY20
FIRE/ADMIN	1013501	FIRCHIEF	FIRE CHIEF	EXEC	1.00		9/4/2020	CONTRACT
FIRE/ADMIN	1013501	PTCLRK25	PT CLERK 25	T243PT	1.00	VF	7/1/2019	RETRO FY20
FIRE/OPERATIONS	1013520	CAPTAIN4	CAPTAIN IV	IAFF	1.00	VF	9/30/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRENG02	ENGINEER II	IAFF	1.00		1/16/2021	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00		1/22/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00		2/15/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00		6/6/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00		6/6/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00		7/18/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00		9/28/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00		10/29/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00		12/16/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00	VF	12/22/2020	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00	VF	2/8/2021	RETRO FY20
FIRE/OPERATIONS	1013520	FIRFIGTR	FIREFIGHTER	IAFF	1.00	VF	3/1/2021	RETRO FY20
FIRE/PREVENTION	1013520	INSPECT4	INSPECTOR IV	IAFF	1.00		2/15/2020	RETRO FY20
FIRE/PREVENTION	1013530	INSPECT4	INSPECTOR IV	IAFF	1.00		5/14/2020	RETRO FY20
FIRE/PREVENTION	1013530	SECRTY26	SECRETARY 26	T243CTP	1.00	VF	7/1/2019	RETRO FY20
FIRE/EMERGENCY SERVICES	1013580	ERGMGTSP	HAZARD MITIGATION SPECIALIST	T243CTP	1.00		2/5/2021	RETRO FY20
					58.80	17.00		783,765

*VF indicates the position is budgeted as vacant for the FY 2022 executive budget recommendation.

Vacancy Factor Report

Fiscal Year 2021

March 31, 2021

Department	Key	PCN	Position Description	Bargaining Unit	FTE	FY 2022*	Vacancy	Vacancy Factor
Non-Vacancy Factor (non-General Fund) Vacancies								
PUBLIC SERVICE/O&M	1013611	CEMATWK2	CEMETERY MAINTANCE WORKER 200	UAW	1.00	VF	5/31/2019	26,781
PUBLIC SERVICE/O&M	1013611	EQPOPWK5	EQUIPMENT OPERATOR WORKER 500	UAW	1.00	VF	10/24/2020	19,870
PUBLIC SERVICE/O&M	1013611	FRSTWKR5	ARBORIST 500	UAW	1.00		7/31/2020	30,596
PUBLIC SERVICE/O&M	1013611	FRSTWKR6	ARBORIST 600	UAW	1.00		8/13/2020	31,376
PUBLIC SERVICE/O&M	1013611	FRSTWKR6	ARBORIST 600	UAW	1.00		9/29/2020	25,101
PUBLIC SERVICE/O&M	1013611	MANTWKR4	MAINTENANCE WORKER 400	UAW	1.00		3/30/2019	31,721
PUBLIC SERVICE/O&M	1013611	MANTWKR4	MAINTENANCE WORKER 400	UAW	1.00		1/1/2020	31,721
PUBLIC SERVICE/O&M	1013611	MANTWKR4	MAINTENANCE WORKER 400	UAW	1.00	VF	2/1/2020	31,721
PUBLIC SERVICE/O&M	1013611	MANTWKR4	MAINTENANCE WORKER 400	UAW	1.00	VF	2/29/2020	31,721
PUBLIC SERVICE/O&M	1013611	MANTWKR5	MAINTENANCE WORKER 400	UAW	1.00	VF	4/25/2020	31,721
PUBLIC SERVICE/O&M	1013611	PUBWKSUP	PUBLIC SERVICE SUPERVISOR	T243SUP	1.00	VF	11/22/2019	43,590
PUBLIC SERVICE/O&M	1013611	PUBWKSUP	PUBLIC SERVICE SUPERVISOR	T243SUP	1.00	VF	8/15/2020	36,251
PUBLIC SERVICE/O&M	1013611	SNMATWKR	SIGN MAINTENANCE WORKER 400	UAW	1.00	VF	3/26/2021	647
PUBLIC SERVICE/O&M	1013611	SOLWASUP	SOLID WASTE SUPERVISOR	T243SUP	1.00		8/15/2020	38,051
ED&P/BUILDING SAFETY	2492610	BLDINSUP	BUILDING INSPECTOR SUPERVISOR	T214 SUPV	1.00		11/16/2019	50,662
ED&P/PARKING	5853641	ACCTGCLK	ACCOUNTING CLERK	T243CTP	1.00	VF	1/22/2018	35,954
ED&P/PARKING	5853641	ACCTGCLK	ACCOUNTING CLERK	T243CTP	1.00	VF	5/18/2019	35,954
ED&P/PARKING	5853642	LDPKTECH	LEAD PARKING TECHNICIAN	UAW	1.00	VF	1/3/2020	31,721
ED&P/PARKING	5853642	PKGRVCOL	PARKING REVENUE COLLECTORS	UAW	1.00	VF	9/14/2019	24,429
ED&P/PARKING	5853642	PKGRVCOL	PARKING REVENUE COLLECTORS	UAW	1.00	VF	1/24/2020	24,429
PUBLIC SERVICE/WWTP	5903670	ASPLSUPT	ASSIST PLANT SUPERINTENDENT	NB SUPV	1.00		7/31/2020	53,341
PUBLIC SERVICE/WWTP	5903670	ELECTECH	ELECTRICAL TECHNICIAN	T243CTP	1.00	VF	10/5/2006	43,590
PUBLIC SERVICE/WWTP	5903670	PLNTSUPT	PLANT SUPERINTENDENT	NB SUPV	1.00		8/14/2020	61,297
PUBLIC SERVICE/WWTP	5903670	TECH-TBD	LAB/IPP TECHNICIAN	T243CTP	0.50	VF	7/1/2017	18,847
PUBLIC SERVICE/WWTP	5903670	SUP-TBD	LAB/IPP SUPERVISOR	T243SUP	0.50		7/1/2015	20,729
PUBLIC SERVICE/WWTP	5903670	UTLELWKR	UTILITY ELECTRICAL WORKER	UAW	1.00		5/31/2013	37,695
PUBLIC SERVICE/WWTP	5903670	WWMATWK6	WASTEWATER MAINTENANCE WKR 600	UAW	1.00		5/27/2020	37,271
PUBLIC SERVICE/WWTP	5903670	WWPLTLBR	WASTE WATER PLANT LABORER	UAW	1.00		7/12/2019	28,992
PUBLIC SERVICE/WWTP	5903670	WWRESHAN	RESIDUAL HANDLER	UAW	1.00		12/18/2020	13,012
PUBLIC SERVICE/WWTP	5903670	WWSYSANL	WASTEWATER SYSTEMS ANALYST	T243CTP	1.00		10/23/2015	45,754
PUBLIC SERVICE/WWTP	5903679	TECH-TBD	LAB/IPP TECHNICIAN	T243SUP	0.50	VF	7/1/2017	18,847
PUBLIC SERVICE/WWTP	5903679	SUP-TBD	LAB/IPP SUPERVISOR	T243SUP	0.50		7/1/2015	20,729
INFO TECH	6303130	DATANLST	DATA ANALYST	T243CTP	1.00		2/16/2018	CONTRACT
INFO TECH	6303130	GISADMIN	GIS TECHNICIAN	T243SUP	1.00		8/9/2014	CONTRACT
INFO TECH	6303130	HLPDSKTN	HELP DESK TECHNICIAN	T243CTP	1.00		11/2/2018	CONTRACT
INFO TECH	6303130	HLPDSKTN	HELP DESK TECHNICIAN	T243CTP	1.00		2/29/2020	CONTRACT
PUBLIC SERVICE/FLEET	6433623	ATGARSUP	ASSIST SHIFT GARAGE SUPERVISOR	T243SUP	1.00		7/1/2017	41,458
PUBLIC SERVICE/FLEET	6433623	ATGARSUP	ASSIST SHIFT GARAGE SUPERVISOR	T243SUP	1.00	VF	7/12/2019	41,458
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	VF	3/29/2019	34,465
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	VF	5/13/2019	34,465
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	VF	8/17/2019	34,465
PUBLIC SERVICE/FLEET	6433623	SRVCSPEC	SERVICE SPECIALIST	T243CTP	1.00	VF	9/20/2019	32,693
PUBLIC SERVICE/FLEET	6433623	VEHWKR04	VEHICLE MAINTENANCE WORKER 400	UAW	1.00		11/1/2020	17,479
PUBLIC SERVICE/ENGINEERING	6453603	BPTMANGR	BUSINESS PERMITS TECH MANAGER	T243SUP	1.00		11/22/2004	CONTRACT
PUBLIC SERVICE/ENGINEERING	6453603	CTYENGNR	CITY ENGINEER	T243SUP	1.00		8/16/2019	67,957
PUBLIC SERVICE/ENGINEERING	6453603	DPPBSDIR	DEPUTY PUBLIC SERVICE DIRECTOR	NB SUPV	1.00		7/1/2017	80,877
PUBLIC SERVICE/ENGINEERING	6453603	ENGINR38	ENGINEER 38	T214 NS	1.00	VF	6/6/2019	53,234
PUBLIC SERVICE/ENGINEERING	6453603	ENGTEC34	ENGINEERING TECHNICIAN SUPV	T243SUP	1.00		6/13/2020	43,590
PUBLIC SERVICE/ENGINEERING	6453603	PLMINSPC	PLUMBING INSPECTOR	T243CTP	1.00	VF	10/1/2018	41,458
PUBLIC SERVICE/ENGINEERING	6453603	TRANSENG	TRANSPORTATION ENGINEER	NB SUPV	1.00	VF	1/1/2020	76,989
HUMAN RESOURCES	6503911	PAYRTECH	PAYROLL TECHNICIAN	T243CTP	0.30		2/19/2021	2,600
DISTRICT COURT	7602201	COLOFFCR	COLLECTIONS OFFICER	DCT NON REPR	1.00		3/18/2021	1,188
DISTRICT COURT	7602201	DPCLERK2	DEPUTY CLERK 2	T243 DCT	1.00		10/2/2020	15,325
DISTRICT COURT	7602201	DPCLERK2	DEPUTY CLERK 2	T243 DCT	1.00		3/3/2021	2,495
DISTRICT COURT	7602201	MAGISCLK	MAGISTRATE'S CLERK	DCT NON REPR	1.00		7/12/2019	24,476
DISTRICT COURT	7602201	PTCOLOFC	PT COLLECTIONS OFFICER	T243 DCT	1.00		4/14/2014	CONTRACT
					53.30	23.00		1,660,795

Andy Schor, Mayor

FINANCE DEPARTMENT
124 W Michigan Ave., 8th Floor
Lansing, Michigan 48933
517.483.4500

To: Andy Schor, Mayor of Lansing

From: Robert J.F. Widigan, Finance Director, City of Lansing

CC: Nicholas Tate, Deputy Mayor, Operations/Chief of Staff

Date: May 10, 2021

Re: Moody's Update To Credit Analysis - City of Lansing, MI Sewer Enterprise

On March 30, 2021, Moody's Investors Service concluded their self-conducted, annual surveillance of the City of Lansing's Sewer Enterprise System and issued its Credit Opinion and affirmed the outstanding bond rating of "A1" on the City's outstanding sewer revenue bonds. The bond rating has <u>remained the same as in the past, since February of 2015</u>. The Credit Opinion is attached hereto.

Moody's reviewed the City's FY2020 CAFR and its FY2021 Budgets, which are publicly available on the City's website. The only input the City had to this process was to review the draft Credit Opinion for factual information and data prior to its publication. Moody's stated that the "A1" bond rating reflects the sewer system's ample liquidity, adequate debt service coverage on total system debt, independent rate-setting authority, and limited exposure to the City's unfunded pension and other post-employment benefit (OPEB) liabilities. The sewer system's debt ratio is expected to remain moderate despite ongoing capital needs. However, these attributes are balanced against a weak socioeconomic profile of the customer base, as well as a relatively weakened debt service coverage ratio on total sewer system debt.

Please let me know should you have any questions.

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
30 March 2021

Rate this Research

Contacts

Andrew T. Van Dyck Dobos +1.312.706.9974
AVP-Analyst
andrew.vandyckdobos@moodys.com

Genevieve Nolan +1.212.553.3912
VP-Senior Analyst
genevieve.nolan@moodys.com

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Lansing (City of), MI Sewer Enterprise

Update to credit analysis

Summary

The City of Lansing's Sewer Enterprise (A1 negative) continues to generate satisfactory debt service coverage, which in turn reflects management's willingness to use its independent rate-setting authority to regularly raise rates. The utility's sound liquidity allows for cash financing of a portion of its capital outlays, which should keep debt levels moderate despite ongoing infrastructure needs. Although the utility itself has limited exposure to unfunded pension and other post-employment benefit (OPEB) liabilities, the City of Lansing (A2 negative) has significant post-retirement liabilities. The utility is owned, operated, and managed by the city, and so changes in the city's credit quality inform our view of the utility credit.

Credit strengths

» Stable customer base and service area that anchors the regional economy, which includes the state capital of Michigan (Aa1 stable)

» Unlimited rate setting authority coupled with demonstrated track record of regular rate increases

» Strong system liquidity will enable pay-go financing of a portion of future capital needs

» Ample debt service coverage for senior lien revenue bonds

» Limited direct exposure to the city's unfunded post-retirement benefit liabilities

Credit challenges

» Customer base characterized by weak resident income levels

» Narrower coverage for all system outstanding debt, inclusive senior lien revenue debt and debt that is ultimately secured by the city's general obligation limited tax (GOLT) pledge

» Sizable outstanding capital needs required to comply with state and federal environmental regulations

» Governance and management linkages to the City of Lansing, which faces credit pressure from elevated unfunded post-retirement benefit liabilities

Rating outlook

The negative outlook reflects the outlook on the City of Lansing's issuer and GOLT ratings. As an enterprise of the City of Lansing, the city owns, operates, and manages the utility, so negative movement in the city's credit quality could lead to downward rating movement for the utility.

Factors that could lead to an upgrade

» Significant expansion of the system's customer base and strengthening of resident income metrics

» Substantial and sustained increases in debt service coverage on total system debt

» Moderation of the sewer utility's debt ratio

» Removal of the negative outlook, or an upgrade, on the City of Lansing's issuer and GOLT ratings

Factors that could lead to a downgrade

» Contraction of the customer base or weakening of resident income metrics

» Weakened debt service coverage on total system debt

» Significantly reduced system liquidity

» Increases to the sewer utility's debt ratio

» Downgrade of the City of Lansing's issuer and GOLT ratings

Key indicators

Exhibit 1

Northeast Ohio Regional Sewer District					
System Characteristics					
Asset Condition (Net Fixed Assets / Annual Depreciation)	30 years				
System Size - O&M (in $000s)	$19,315				
Service Area Wealth: MFI % of US median (Cuyahoga County)	64.7%				
Legal Provisions					
Rate Covenant (x)	1.00				
Debt Service Reserve Requirement	DSRF funded at lesser of standard 3-prong test (Aa)				
Management					
Rate Management	Aa				
Regulatory Compliance and Capital Planning	A				
Financial Strength					
	2016	2017	2018	2019	2020
Operating Revenue ($000)	$32,676	$35,054	$35,608	$36,696	$37,641
System Size - O&M ($000)	$14,067	$14,410	$15,260	$17,469	$19,315
Net Revenues ($000)	$18,610	$20,643	$20,348	$19,227	$18,326
Net Funded Debt ($000)	$139,599	$127,717	$115,652	$105,833	$101,246
Annual Debt Service ($000)	$15,909	$15,217	$14,967	$14,643	$14,519
Annual Debt Service Coverage (x)	1.17	1.36	1.36	1.31	1.26
Cash on Hand	800 days	657 days	942 days	821 days	861 days
Debt to Operating Revenues (x)	4.3x	3.6x	3.2x	2.9x	2.7x

Total Annual Debt Service Coverage (x) is inclusive of outstanding sewer supported GOLT debt and sewer revenue debt.
Sources: Moody's Investors Service, US Census Bureau, City of Lansing audited financial information

Profile

The sewer enterprise system is a city-owned and operated utility that provides collection and treatment of wastewater for the City of Lansing and portions of three surrounding townships. As of fiscal 2020 the system provided service to approximately 41,200 customers in an area with an estimated 114,000 residents.

Detailed credit considerations

Service area and system characteristics: customer base includes state capital; weak resident income indices

The Lansing sewer enterprise's service base will remain stable given the institutional support of state government. However, weak resident income levels - Lansing's median family income is just 65% of the US - and stagnant population trends remain credit challenges. The system provides wastewater treatment to approximately 41,000 customers in the Lansing metropolitan region. Usage within the City of Lansing accounts for approximately 92% of annual billed volume. Roughly 89% of the customer base is comprised of residential users, followed by commercial/industrial users at 11%. The top ten users by billings accounted for just 11% of system revenue in fiscal 2020, reflecting diversity among the customer base. Top users included two hospitals, General Motors Company (Baa3 negative), and the State of Michigan.

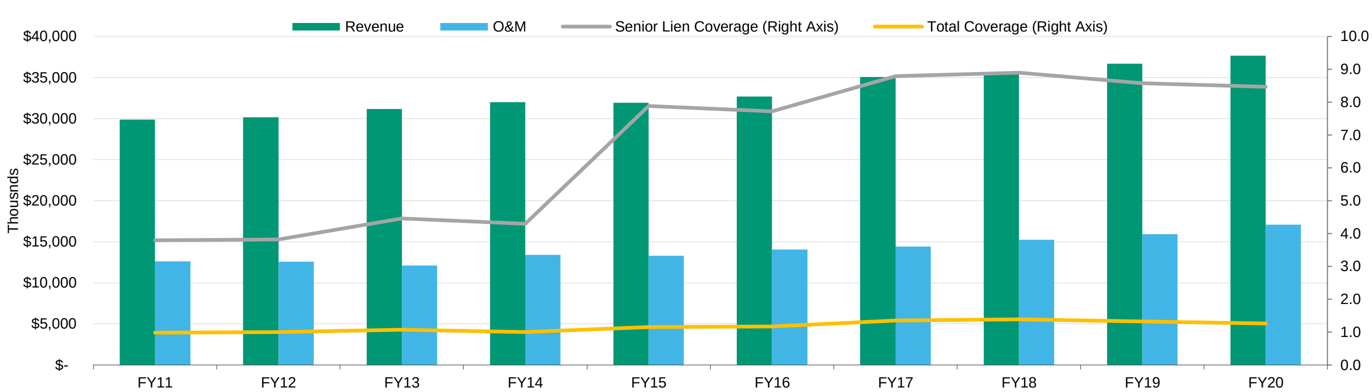
The system's scale of operations is moderate, with $19.3 million in fiscal 2020 operating expenses, which is nearly double the median size of operations for Moody's rated sewer enterprises. The system has ample capacity, with total capacity of 50 million gallons per day (MGD) compared to average daily treatment of 12 MGD. Based on reported depreciation and fixed assets, the system's useful life is estimated at 31 years. Management's long term capital plan has identified roughly $225 million in capital needs over the next ten years, including $130 million for combined sewer overflow (CSO) separation projects. Approximately 20% of the system's storm and sanitary sewers remains combined. Management reports the system remains regulatorily compliant with all state and federal mandates.

Debt service coverage and liquidity: satisfactory total debt service coverage; strong system liquidity

Management's track record of consistent rate increases points to the continuation of satisfactory debt service coverage. Lansing City Council has unlimited rate-setting authority, which it has used to increase rates by roughly 2% to 3% annually. Net revenues have provided very strong debt service coverage on outstanding senior lien revenue debt, although debt service coverage is much narrower on total system debt, which includes senior lien debt and debt that is ultimately backed by the city's GOLT pledge. Net revenues in fiscal 2020, the most recent year of audited information, provided 8.5x coverage on revenue debt, and 1.3x coverage on total debt. We anticipate similar results for the current fiscal 2021 (year-end June 30).

Exhibit 2

Strong coverage of senior lien revenue debt, adequate coverage on total system supported debt



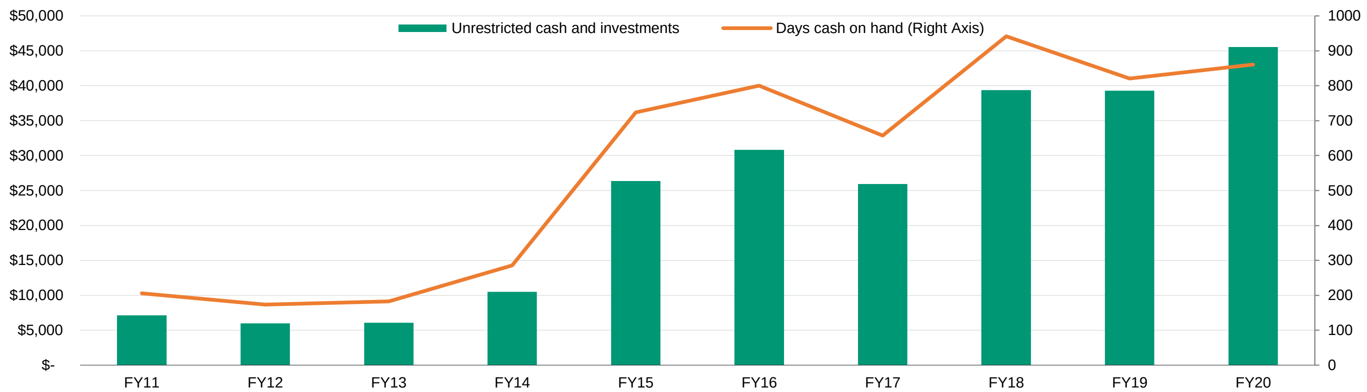
Sources: Moody's Investors Service,City of Lansing audited financial information

Liquidity

The system may be at its peak liquidity given the expected use of cash-on-hand to help finance future capital projects. At the close of fiscal 2020, the sewage enterprise fund held $45.6 million in unrestricted cash and investments, equal to a robust 861 days of operations. The rise in liquidity in recent years was made possible by satisfactory operating margins, as well as a moderate decrease in annual debt service costs. Management has previously reported that, despite plans to use a portion of its cash reserves, it will not draw down liquidity beyond $10 million, which is equivalent to a still strong 189 days of fiscal 2020 operations. However, an inability to maintain total debt service coverage above sum sufficient levels will signal credit deterioration despite high system liquidity.

Exhibit 3

Robust system liquidity may decrease going forward in order to pay-go a portion of the system's CIP



Sources: Moody's Investors Service,City of Lansing audited financial information

Debt and legal covenants: additional debt needs; adequate legal provisions on revenue debt

The system's debt ratio should remain manageable as future debt issuances will likely be offset with the retirement of current debt obligations. As noted above, the system's current long term capital improvement plan (CIP) projects roughly $225 million in capital needs for system maintenance and regulatory compliance, as well as $80 million estimated for contingency projects. The city expects to complement pay-go financing with the use of long term GOLT bonds and state revolving fund (SRF) loans.

Legal security

Debt service on the system's rated revenue debt is payable from a senior lien on the net revenues of the system, which is defined as available revenues after payment of reasonable expenses of administration, operation, and maintenance of the public improvement. The sum sufficient rate covenant on the senior lien bonds is relatively weak. The additional bonds test (ABT) is set at an adequate 1.3x maximum annual debt service (MADS) on all senior lien bonds. The bond resolution requires a debt service reserve fund fully funded at the standard three-pronged test. The sewage enterprise fund held $2.4 million restricted cash in fiscal 2020 to meet this reserve requirement.

Debt structure

All of the enterprise system's debt is comprised of long term, fixed rate obligations. Debt service on outstanding senior lien revenue bonds is roughly even at $2.3 million annually through final maturity in May 2028.

Debt-related derivatives

The enterprise is not a party to any derivative agreements.

Pensions and OPEB

Enterprise employees participate in the City of Lansing's Employees' Retirement System (ERS), which provides for pension and other post-employment healthcare benefits (OPEB) for eligible members. As of fiscal 2020, the sewer enterprise was responsible for 12.2% of both the plan's net pension liability (NPL) and net OPEB liability (NOL), respectively. In fiscal 2020 the enterprise made $2.6 million in pension and OPEB contributions, equal to 7% of operating revenue. While we expect the system will be able to absorb moderate increases to annual contributions given management's consistent track record of rate increases, indirect exposure to much larger unfunded liabilities assumed by the City of Lansing do weigh against sewer enterprise's credit given management linkages. Overlapping debt, pension, and OPEB liabilities place a burden on the system's rate payers and could affect the long term strategy of the City Council in addressing governmental and utility operating and capital needs.

ESG considerations

Environmental

Environmental considerations that factor into the sewer revenue rating include the utility's history of providing essential water services to its member communities as well as its track record of complying with regulatory mandates. Management reports the system remains regulatorily compliant with all state and federal mandates. The system's treated wastewater is discharged into the Red Cedar River and the Grand River.

Social

Social consideration impacting the sewer system include the service area and customer base's wealth and income characteristics along with demographic trends. The customer base has income metrics which trail the national medians. The City of Lansing's median family income is 65% of the national median. The need to institute steady and significant rate increases to finance the system's capital plan on a population that is stagnant to declining could become a growing credit challenge in coming years.

Governance

The Lansing City Council has unlimited rate setting authority and has a history of regular rate increases. Officials have enacted annual rate increases averaging around 3% for several years and expect that trend to continue going forward to provide cash financing for a portion of the system's outstanding capital needs. The system is open loop, though annual transfers to the city's general fund has subsided in recent years due to stronger general fund revenue performance.

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