



REVISED AGENDA
Committee of the Ways and Means
Tenth Floor Conference Room – City Hall
Tuesday, February 15, 2011
3:00 p.m.

Councilmember Kathie Dunbar, Chair
Councilmember Tina Houghton, Vice Chair
Councilmember Eric Hewitt, Member

I. Call To Order

II. Roll Call

III. Approval of Minutes

IV. Public Comment

V. Discussion/Action

1. Application to MDOT for Local Bridge Funding Program; Aurelius Rd. over Pawlowski Drain and Aurelius Rd. Bridge over Grand Trunk Railroad
2. Golf Fund Deficit Elimination Plan for FY 2010 – Fiscal Year 2011 Transfer of Funds
3. Letter from State on Deficit Elimination Plan Notification State ID #33-2020
4. Approval of Ballot Proposal Language

VI. Other

VII. Adjourn

VIII. Pending

- Update on IRS New Rules on Tax Increase Prevention & Reconciliation Act
- Waste Management on Recycling and Refuse



OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

Virg Bernero, Mayor

TO: City Council President A'Lynne Robinson and Council Members
FROM: Mayor Virg Bernero
DATE: February 10, 2011
RE: Resolution—FY 2014 Construction—Local Bridge Program Applications—
Aurelius Road and Aurelius Road Bridge

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment

RESOLUTION #
BY THE COMMITTEE ON WAYS AND MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

**RESOLUTION APPROVING APPLICATION TO MICHIGAN DEPARTMENT OF
TRANSPORTATION FOR LOCAL BRIDGE PROGRAM FUNDING**

WHEREAS, the Michigan Department of Transportation (MDOT) is currently soliciting applications for candidate projects for the Local Bridge Program to be funded in the 2014 fiscal year; and

WHEREAS, May 1, 2011 is the deadline for submitting the applications; and

WHEREAS, the City of Lansing, Public Service Department, accordingly intends to submit the Local Bridge Program funding applications to the MDOT for the following two structures:

<u>Structure</u>	<u>Funding Category</u>
1) Aurelius Road over Pawlowski Drain	Replacement
2) Aurelius Road Bridge over Grand Trunk Railroad	Rehabilitation

WHEREAS, if successful, the City would receive State funding to finance 95% of construction costs, and the City would fund 5% of the construction and 100% of the engineering costs; and

WHEREAS, based on the engineer's preliminary estimate, the estimated construction cost of the above listed structures is approximately \$1,940,000; and

WHEREAS, 5% of the estimated construction cost of the structures is approximately \$97,000 and the estimated engineering costs is approximately \$485,000.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council approves the submittal of the FY 2014 funding application for the MDOT's Local Bridge Program for the following two structures:

<u>Structure</u>	<u>Funding Category</u>
1) Aurelius Road over Pawlowski Drain	Replacement - By Potter Parkzon
2) Aurelius Road Bridge over Grand Trunk Railroad	Rehabilitation - S of Jally

BE IT FURTHER RESOLVED that upon grant award, the Mayor is authorized through the Public Service Director to appropriate administratively the necessary accounts for the grant with the City match coming from Major Street funding.

Approved for Placement on
the City Council Agenda:

Brigham Smith
City Attorney

Date:



Virg Bernero, Mayor

City of Lansing
Inter-Departmental
Memorandum



TO: Mayor, Virg Bernero
FROM: Chad Gamble, P.E., City Engineer
SUBJECT: Resolution for submitting Fiscal Year 2014 Construction, Local Bridge Program funding applications
DATE: February 7, 2011

Attached please find the resolution for submitting Local Bridge Program funding applications to the Michigan Department of Transportation for FY 2014 construction for the following two structures:

<u>Structure</u>	<u>Funding Category</u>
1) Aurelius Road over Pawlowski Drain	Replacement
2) Aurelius Road Bridge over Grand Trunk Railroad	Rehabilitation

With your concurrence, please include in the City Council meeting agenda for Monday, February 14, 2011.

Thank you for your assistance in this matter.

Attachment: Resolution

CC: Dean Johnson, City Engineer
Zubair Ahmad, Project Engineer

“Equal Opportunity Employer”

City Of Lansing
Internal Audit
483-4159

TO: Kathie Dunbar, Chair Ways and Means
FROM: Arnold C. Yerxa, Internal Auditor
DATE: February 15, 2011
SUBJECT: Local Bridget Program Funding

I have reviewed the proposed resolution and the only Item I would suggest is that it seems to early in the process to have the BE IT FURTHER RESOLVED Item in this resolution.

I believe this section should be in the resolution accepting the funding if it is so approved by the State.



OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

Virg Bernero, Mayor

TO: City Council President A'Lynne Robinson and Council Members
FROM: Mayor Virg Bernero
DATE: February 3, 2011
RE: Resolution—Budget Amendment—Appropriation of Funds from Park Millage Fund to the Golf Fund

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment

BY THE COMMITTEE ON WAYS & MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City must annually file a deficit reduction plan with the State for any City fund ending a fiscal year with a deficit;

WHEREAS, failure to have the plan accepted by the State results in withholding of City State Revenue Sharing payments and the denial of our Debt Qualification Statement needed for State approval for bonding for the City, Board of Water and Light, Tax Increment Financing Authority, Brownfield Authority, and Building Authority;

WHEREAS, the Golf fund had a deficit of \$136,937 for the 2010 fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the following FY 2010/2011 budget amendment be approved:

Golf Fund Revenues:

Transfer from the Parks Millage Fund	136,937
Golf Fund Retained Earnings	136,937

Park Millage Fund Expenditures

Basketball Complex	(136,937)
Parks Millage Fund Transfer to the Golf Fund	136,937

Council agenda:

Approved for placement on the City

Brigham Smith, City Attorney

Date: _____



Virg Bernero, Mayor

City of Lansing Finance Department Interoffice Communication

TO: Nicholas Soucy
FROM: Angela Bennett, Budget Manager
DATE: February 3, 2011
SUBJECT: February 7 Agenda Item

Please process the attached budget transfer for the February 7, 2011 City Council Agenda:

- \$136,937 FY 2011 budget transfer to cover the 6/30/10 deficit in the Golf Fund. This action is required by the State to address the year-end deficit for the fund.

If you have any questions, please contact me.

Thanks!

FY 2010 and FY 2011 Golf Fund Comparison

	FY10			FY11
	Budget	Year-End Actual	Difference from Budget	Budget
<u>Revenues</u>				
Groesbeck	445,640	410,053	(35,587)	423,000
Passes	9,000	9,325	325	9,000
Miscellaneous	50,000	(43)	(50,043)	-
Sycamore	131,000	18,980	(112,020)	-
	<u>635,640</u>	<u>438,314</u>	<u>(197,326)</u>	<u>432,000</u>
Subsidies	311,382	311,382	-	275,000
Total	<u>947,022</u>	<u>749,696</u>	<u>(197,326)</u>	<u>707,000</u>
<u>Expenditures</u>				
Groesbeck	715,733	657,278	(58,455)	662,000
Miscellaneous	-	3,802	3,802	-
Sycamore	175,907	170,171	(5,736)	45,000
Total	<u>891,640</u>	<u>831,251</u>	<u>(60,389)</u>	<u>707,000</u>

FY 2010 Beginning Unrestricted Net Assets	(55,382)	
FY 2010 Surplus (Deficit)	(81,555)	(136,937)
FY 2010 Ending Unrestricted Net Assets	(136,937)	

City Of Lansing
Internal Audit
483-4159

TO: Kathie Dunbar, Chair Ways and Means
FROM: Arnold C. Yerxa, Internal Auditor
DATE: February 15, 2011
SUBJECT: Golf Fund Deficit FY 10

According to the External Audit there is a deficit in the Golf Fund of \$136,937. In order to comply with the State of Michigan this deficit needs to be corrected and the plan to correct it must be filed with the State of Michigan. The plan for this deficit is a one time adjustment to cover it.

The following is a recap of the revenues and expenditures of the Golf Fund for FY 10.

Total Revenues were budgeted at \$891,640 and actual revenues were \$749,696, this was \$91,944 short of the budget. The budget and actual revenues included Operating Transfers from General Fund of \$55,382, from the Capital Improvement Fund of \$56,000 and from the Parks Millage Fund of \$200,000.

Revenue was budget at \$107,000 and actual was \$17,783.50, thus budget was under by \$89,216.50.

Also in the budget there was a use of fund balance for -\$55,382 which reduced the total Budget and if this was combined with the \$91,944 above the short fall would be \$147,326.

Expenditures:

Golf Course Administration	108,498.83
Groesbeck Golf Course	581,936.18
Red Cedar Golf Course	1,846.51
Sycamore Golf Course	170,171.08
Waverly Golf Course	1,955.43
Total Expenditures	<u>864,408.03</u>
Total Revenues	749,696.44
Net Expenditures over Revenue	<u>114,711.59</u>

Within the Golf Course Fund the expenditure for Depreciation in the amount of \$107,142.64, which is a non - cash expenditure but still drives down the Golf Fund Balance.

Administrative charges have been recorded in the Groesbeck Golf Course in the amount of \$69,342 and in the Sycamore Golf Course in the amount of \$17,289, for a total of \$86,631.

Over half of the deficit is related to the Administrative charges from the General Fund and this could be viewed as subsidizing the General Fund with Parks Millage Funds.

BY THE COMMITTEE ON WAYS & MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City must annually file a deficit reduction plan with the State for any City fund ending a fiscal year with a deficit;

WHEREAS, failure to have the plan accepted by the State results in withholding of City State Revenue Sharing payments and the denial of our Debt Qualification Statement needed for State approval for bonding for the City, Board of Water and Light, Tax Increment Financing Authority, Brownfield Authority, and Building Authority;

WHEREAS, the Golf fund had a deficit of \$136,937 for the 2010 fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the following FY 2010/2011 budget amendment be approved:

Golf Fund Revenues:

Transfer from the Parks Millage Fund	136,937
Golf Fund Retained Earnings	136,937

Park Millage Fund Expenditures

Basketball Complex	(136,937)
Parks Millage Fund Transfer to the Golf Fund	136,937



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RECEIVED

2011 JAN 28 PM 1:49
ANDY DILLON
STATE TREASURER
LANSING CITY CLERK

ALL CORRESPONDENCE SHOULD REFER TO STATE ID NUMBER

DEFICIT ELIMINATION
PLAN NOTIFICATION
State ID Number
33-2020

January 25, 2011

Finance Director
City of Lansing
124 West Michigan Avenue
Lansing, Michigan 48933-1694

Dear Finance Director:

We have received an audit report from your local unit, which indicates a deficit balance in one or more funds as follows:

<u>FUND</u>	<u>AMOUNT</u>	<u>SOURCE OF INFORMATION</u>
Golf	\$136,937	Audited Financial Statements 6/30/10, p. 128
Fringe Benefits	\$2,146,007	Audited Financial Statements 6/30/10, p. 138

According to MCL 141.921 and Attorney General Opinion No. 6154, if a local unit of government ends its fiscal year in a deficit condition, the local unit of government shall formulate and file a financial plan with the Department of Treasury within 90 days after the beginning of the fiscal year to correct the deficit. The local unit of government shall file the financial plan with the Department of Treasury for evaluation and certification to ensure the correction of the deficit condition. Upon certification by the Department of Treasury, the local unit shall institute the plan.

Your deficit elimination plan is due within 30 days from the date of this letter. A complete plan should identify exactly how the deficit is to be eliminated. The following are acceptable evidence to support a plan:

1. Certified copies of board/council resolutions (describing funds and amounts) approving additional appropriations sufficient to eliminate the deficit and a copy of the journal entry that shows that the transfer has been made.

COMMITTEE WAYS AND MEANS
Introductory Draft, February 15, 2011

BY THE COMMITTEE ON WAYS AND MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City currently levies property taxes at a rate of 15.44 mills (\$15.44 for every \$1,000 of a property's taxable value); and

WHEREAS, the City is currently facing an estimated \$15 million budget deficit due, in part, to declining property values; and

WHEREAS, the City Charter, pursuant to the Home Rule City Act, being MCL 117.1 *et seq.* (the "Act"), limits the City's authority to levy property taxes to a rate of 20 mills (\$20 for every \$1,000 of a property's taxable value); and

WHEREAS, the Headlee Amendment, being Section 31 of Article IX of the State Constitution, has reduced this authorized rate to 19.1692 mills (the "Headlee Cap"); and

WHEREAS, increasing the current rate of 15.44 mills by 4 mills to 19.44 mills would amount to an estimated \$8.5 million in increased revenue to the City for the fiscal year beginning July 1, 2011; and

WHEREAS, a property tax rate of 19.44 mills would exceed the Headlee Cap, and therefore require voter approval; and

WHEREAS, restoring the total authorized millage to the maximum 20 mills authorized under Charter and the Act would help the City preserve its positive credit rating by allowing additional room to levy taxes under exigent circumstances; and

NOW, THEREFORE, BE IT RESOLVED that a special election shall be held on Tuesday, May 3, 2011 for the purpose of submitting the following ballot proposal to the qualified electors of the City of Lansing in a manner and form substantially as follows:

MILLAGE PROPOSAL

This ballot proposal, if approved, will authorize a new additional millage of .8308 mills for a period of 5 years (from current year 2011 through 2015, inclusive), permitting the City of Lansing to levy a property tax in excess of the limitation imposed by the "Headlee Amendment," being Section 31 of Article IX of the State Constitution of 1963 (the "Headlee Cap"). Pursuant to the Home Rule City Act (the "Act"), being MCL 117.1 *et seq.*, the City Charter permits the City to levy property taxes at a rate of 20 mills (\$20 for every \$1,000 of a property's taxable value). The Headlee Cap has reduced the City's maximum taxing authority to 19.1692 mills.

This ballot proposal would restore the limitation on the City's taxing authority to the maximum of 20 mills permitted under Charter and the Act. This is .8308 mills in excess of the Headlee Cap of 19.1692 mills. If this ballot proposal is approved, the City could levy a 4 mill increase over the current rate of 15.44 mills (\$15.44 for every \$1,000 of a property's taxable

COMMITTEE WAYS AND MEANS
Introductory Draft, February 15, 2011

value), resulting in a millage rate of 19.44 mills (\$19.44 for every \$1,000 of a property's taxable value), which is in excess of the 19.1692 mills currently authorized under the Headlee Cap.

For the Fiscal Year beginning July 1, 2011, the 4 mills of new additional millage to be levied is estimated to result in an additional \$8.5 million of revenue to be disbursed to the City of Lansing. If approved, and the City levied an additional .8308 mills in excess of the Headlee Cap of 19.1692 mills to the maximum amount of 20 mills, this would result in \$1.77 Million in estimated revenue to be disbursed to the City.

Shall the City restore its property taxing capacity to 20 mills for the next 5 years (from current year 2011 through 2015, inclusive), which is .8308 mills in excess of the current limit, and within which the City may raise the current levy of 15.44 mills by 4 mills to 19.44 mills for the purpose of funding essential services, including police, fire, and local road maintenance?

Yes _____

No _____

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized to cause the above proposal to be placed on the ballot at the election to be held on May 3, 2011.

BE IT FURTHER RESOLVED that the ballot wording is hereby certified to the City Clerk and the Clerk of the Counties of Ingham and Eaton for submission to the City's electors at election to be held on May 3, 2011.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to give notice of the election and notice of registration therefore in the manner prescribed by law and to do all things and to provide all supplies necessary to submit the ballot proposal to the vote of the electors as required by law.

BE IT FURTHER RESOLVED that this resolution be posted in a conspicuous place in each polling place in the City of Lansing.

BE IT FINALLY RESOLVED that the canvass and determination of the votes of said question shall be made in accordance with the laws of the State of Michigan and the Charter of the City of Lansing.

Approved for placement on the City Council agenda:

Brig Smith, City Attorney

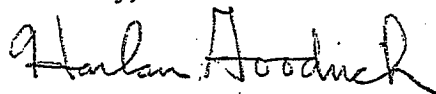
Dated: _____

City of Lansing
Page 2
January 25, 2011

2. Projected budget approved by the legislative body as evidenced by a certified resolution itemizing yearly revenues by source, expenditures/expenses by activity, and changes in the fund balance/retained earnings through the year of the deficit's eventual elimination. There is a five-year limit for an approved plan; the plan must be amended if the deficit increases or the plan is not otherwise followed.

After receiving your plan, we will notify you in writing if additional information is needed or that your plan has been certified. If you have any questions or concerns, please do not hesitate to contact Gene Arlt at (517) 241-4234. Our mailing address is Michigan Department of Treasury, Local Audit and Finance Division, P.O. Box 30728, Lansing, MI 48909-8228.

Sincerely,



Harlan Goodrich, Manager
Local Audit and Finance Division

c: City Clerk