

Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program

FY 2020 Report



Revenue Sharing and Grants Division
Michigan Department of Treasury
Revised May 2020

Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program

Background

For FY 2020, the Michigan Legislature appropriated \$2.5 million for the Financially Distressed Cities, Villages, and Townships (FDCVT) grant program to be granted to cities, villages, and townships that have one or more conditions that indicate probable financial distress, as determined by the Michigan Department of Treasury (“Treasury”) (see 2019 Public Act 56, Section 956).

In addition, Treasury had \$0.2 million of excess FDCVT funds from the FY 2019 appropriation. This amount is derived from a \$0.2 million transfer from unexpended FY 2019 City, Village, and Township Revenue Sharing that was transferred to the grant, per 2018 Public Act 618, Section 901(5).

Purpose

The purpose of the grant program is to provide grants to financially distressed cities, villages, and townships with one or more conditions that indicate probable financial distress. Grant funding is intended to be used to pay for specific projects or services that move the city, village, or township toward financial stability. The cities, villages, or townships must use the grants to make payments to reduce unfunded accrued liability; to repair or replace critical infrastructure and equipment owned and maintained by the city, village, or township; to reduce debt obligations; for costs associated with a transition to shared services with another jurisdiction; or to administer other projects that move the city, village, or township toward financial stability.

The Michigan Legislature stipulated that Treasury shall award no more than \$2.0 million to any city, village, or township.

Treasury’s focus for the 2020 round of grants was on the repair and replacement of critical infrastructure and equipment, including replacement of emergency services equipment.

Criteria

1. Michigan city, village, or township with one or more conditions that indicate probable financial distress.
2. A completed application with detailed information.
3. The city, village, or township must demonstrate how the budgeted costs will lead toward financial stability.
4. Priority is given to any applicant:
 - a. with two or more conditions that indicate probable financial distress,
 - b. in which a financial emergency has been declared in the past ten years,
 - c. that has an approved Deficit Elimination Plan for the General Fund, and/or
 - d. in which the fund balance of the General Fund has been declining over the past five years and the fund balance is less than 3% of the General Fund Revenues.

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Grant Awards

Applications were made available on November 12, 2019, with a due date of January 2, 2020. Treasury received 38 applications from 22 municipalities with requested funding totaling approximately \$22.2 million.

On May 20, 2020, Treasury announced that 15 applications from 14 municipalities had been awarded for a total of approximately \$2.7 million. Table 1 illustrates the grant applicants awarded, a description of the project, and the amount of grant funding awarded.

Reporting Requirements

Treasury is required by 2019 PA 56, Section 956(2) to release a report detailing a list by grant recipient of the date each grant was approved, the amount of the grant, and a description of the project or projects that will be paid by the grant.

The report must be submitted to the Senate Appropriations Subcommittee on General Government, the House of Representatives Appropriations Subcommittee on General Government, the Senate Fiscal Agency, the House Fiscal Agency, and the State Budget Office by March 31, 2020. As of March 31, 2020, when the report was originally submitted, the grant awards had not yet been finalized. This report has been revised to include the finalized grant awards, announced May 20, 2020.

TABLE 1
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program
Grants Awarded
FY 2020

Date Awarded	Grant Recipient	Description of Project	Grant Award
May 20, 2020	City of Allen Park	Public safety enhancement through repair of fire station roof and purchase of integrated police body and in-car cameras	\$ 189,194.00
		Subtotal City of Allen Park	\$ 189,194.00
May 20, 2020	Township of Arthur	Public service enhancement through upgrade of technology equipment and software	\$ 44,106.00
		Subtotal Township of Arthur	\$ 44,106.00
May 20, 2020	City of Benton Harbor	Public safety enhancement through replacement of self-contained breathing apparatus for public safety officers	\$ 263,973.00
		Subtotal City of Benton Harbor	\$ 263,973.00
May 20, 2020	City of Hamtramck	Public service enhancement through upgrades of technology infrastructure, equipment, and software	\$ 232,124.00
		Subtotal City of Hamtramck	\$ 232,124.00
May 20, 2020	City of Harper Woods	Public service enhancement through infrastructure replacement to city hall building	\$ 202,000.00
May 20, 2020	City of Harper Woods	Water system enhancement through replacement of water meters	\$ 315,135.00
		Subtotal City of Harper Woods	\$ 517,135.00
May 20, 2020	City of Highland Park	Public service enhancement through ADA accessibility infrastructure improvements	\$ 75,000.00
		Subtotal City of Highland Park	\$ 75,000.00
May 20, 2020	City of Inkster	Public safety enhancement through installation of surveillance cameras	\$ 145,218.00
		Subtotal City of Inkster	\$ 145,218.00
May 20, 2020	City of Ishpeming	Water system enhancement through replacement of water meters	\$ 250,000.00
		Subtotal City of Ishpeming	\$ 250,000.00
May 20, 2020	City of Lansing	Public safety enhancement through replacement of fire department equipment	\$ 210,000.00
		Subtotal City of Lansing	\$ 210,000.00
May 20, 2020	City of Lincoln Park	Public service enhancement through improved backup power source	\$ 175,000.00
		Subtotal City of Lincoln Park	\$ 175,000.00
May 20, 2020	City of Melvindale	Public safety enhancement through replacement of police equipment and two police vehicles	\$ 139,189.00
		Subtotal City of Melvindale	\$ 139,189.00
May 20, 2020	City of Pinconning	Water system enhancement through replacement of water meters	\$ 73,250.00
		Subtotal City of Pinconning	\$ 73,250.00
May 20, 2020	City of River Rouge	Public safety enhancement through replacement of two police vehicles	\$ 76,378.00
		Subtotal City of River Rouge	\$ 76,378.00
May 20, 2020	City of Wayne	Public service enhancement through upgrades of technology infrastructure	\$ 296,756.00
		Subtotal City of Wayne	\$ 296,756.00
		Total Grant Funding Awarded	\$ 2,687,323.00