

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

FY 2018 Report



Revenue Sharing and Grants Division
Michigan Department of Treasury
March 2018

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

Background

For FY 2018, the Michigan Legislature appropriated \$5.0 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 2017 Public Act 107, Section 956).

In addition, Treasury had \$0.4 million of excess FDCVT funds from the FY 2017 appropriation. This amount is derived from \$0.1 million of unspent grant funding and a \$0.3 million transfer from unexpended FY 2017 City, Village, and Township Revenue Sharing that was transferred to the grant, per 2016 Public Act 268, Section 952(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 grant funded projects or services 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 municipality; to reduce debt obligations; or for costs associated with a transition to shared services.

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 2018 round of grants was on the repair or replacement of obsolete critical infrastructure and equipment and improved street lighting.

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 August 29, 2017 with a due date of October 20, 2017. Treasury received 54 applications from 20 municipalities with requested funding totaling approximately \$39.0 million.

On March 12, 2018, Treasury announced that 14 applications from 11 municipalities had been awarded for a total of approximately \$5.4 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 2017 PA 107, 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, 2018.

TABLE 1
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program
Grants Awarded
FY 2018

Date Awarded	Grant Recipient	Description of Project	Amount of Grant
March 12, 2018	City of Allen Park	Public safety enhancement through improved street lighting and a backup power source.	\$ 319,321
		SUBTOTAL City of Allen Park	\$ 319,321
March 12, 2018	City of Benton Harbor	Public safety enhancement through replacement of a fire engine.	\$ 490,000
March 12, 2018	City of Benton Harbor	Water system enhancement through replacement of water meters.	\$ 309,500
		SUBTOTAL City of Benton Harbor	\$ 799,500
March 12, 2018	City of Ecorse	Water system enhancement through replacement of water meters.	\$ 720,000
		SUBTOTAL City of Ecorse	\$ 720,000
March 12, 2018	City of Hamtramck	Public service enhancement through ADA accessibility infrastructure improvements.	\$ 42,000
March 12, 2018	City of Hamtramck	Public service enhancement through infrastructure improvements.	\$ 212,668
		SUBTOTAL City of Hamtramck	\$ 254,668
March 12, 2018	City of Harper Woods	Public safety enhancement through improved street lighting.	\$ 150,000
		SUBTOTAL City of Harper Woods	\$ 150,000
March 12, 2018	City of Highland Park	Water system enhancement through water main replacement.	\$ 625,000
		SUBTOTAL City of Highland Park	\$ 625,000
March 12, 2018	City of Inkster	Public safety enhancement through replacement of a fire engine.	\$ 314,300
March 12, 2018	City of Inkster	Water system enhancement through water main replacement.	\$ 500,000
		SUBTOTAL City of Inkster	\$ 814,300
March 12, 2018	City of Lincoln Park	Public safety enhancement through replacement of a fire engine.	\$ 420,000
		SUBTOTAL City of Lincoln Park	\$ 420,000
March 12, 2018	City of Melvindale	Water system enhancement through replacement of water meters.	\$ 720,000
		SUBTOTAL City of Melvindale	\$ 720,000
March 12, 2018	City of River Rouge	Water system enhancement through combined sewer overflow basin repairs.	\$ 357,000
		SUBTOTAL City of River Rouge	\$ 357,000
March 12, 2018	City of Wayne	Public safety enhancement through replacement of an ambulance.	\$ 190,968
		SUBTOTAL City of Wayne	\$ 190,968
		TOTAL GRANT FUNDING AWARDED	\$ 5,370,757