



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

November 24, 2014

Governor Rick Snyder
P.O. Box 30013
Lansing, Michigan 48909

Governor Snyder,

On May 1, 2013, you appointed a Receivership Transition Advisory Board (RTAB) to serve upon the conclusion of Joyce Parker's term as Emergency Manager. This appointment also created a duty for the Board to conduct a formal evaluation of the City's operational and financial progress, noting benchmarks achieved and not yet achieved, including a list of specific recommendations, and potential resources available to the City. This report details information compiled during this evaluation process.

Background

As directed in your appointment letter, the Board is fulfilling the responsibilities outlined in the terms of E.M. Order 94. This is being accomplished by the City preparing and submitting for the monthly RTAB meetings a packet containing City Council minutes, requested agenda items, as well as supporting documentation for these agenda items. All City Council resolutions are subject to approval by the Board, which has involved the Board in all municipal matters that the City Council acts upon.

Structure of Evaluation

In consultation with the Board members, Treasury staff has developed evaluation criteria designed to gauge certain performance indicators, the degree of continued State oversight, the implementation of best practices, and the City's involvement in future planning. Treasury staff met with then City Administrator George Strand and Contract Controller Tim McCurley on July 8, 2014, and administered the evaluation questionnaire.

Summary of Findings- Financial Performance and Outlook

During the first year of the RTAB appointment, the City of Ecorse has provided adequate levels of service to its residents. This has been evidenced by the rarity of citizen complaints during public comment portions of Board meetings. Additionally, the City has largely complied with principle EM orders, though exceptions exist and are noted in the "Compliance with Final Emergency Manager Order" section of the attached evaluation questionnaire. Also, the City has operated with a substantial budget surplus, outperforming year one of EM Parker's two-year budget. While audit adjustments are still being made (which may increase expenditures) to finalize FY 2013/14, preliminary figures show revenues and expenditures as follows:

Fiscal Year 2013/2014	Original EM Budget (General Fund)	Budgeted with Amendments (General Fund)	Preliminary Actual- Unaudited (General Fund)
Revenues	\$10,475,054	\$10,748,054	\$11,171,359
Expenditures	\$9,079,797 +\$877,817(Transfers out)	\$10,275,337	\$9,541,684
Surplus	\$877,817.00	\$472,717.00	\$1,647,198.00

Despite this accomplishment, significant concerns exist surrounding the financial future of the City. A repeating annual payment of \$1M to the City resulting from a tax settlement from the City's largest corporate citizen has ceased. During the past fiscal year, the City spent 28.4% of its budget on pension and OPEB contributions. This percentage will rise as the City has recently been notified that its annual required payment to MERS is increasing. The Contract Controller has stated that, absent favorable changes, the City is projected to deviate from the 2014/15 year of EM Parker's mandated budget.

During this current period of review, the Board has requested a 5-year budget from the City, in accord with EM Order 94. The City did generate this multi-year budget and it showed alarming annual deficits beginning in FY 2015/16, which then were calculated to exhaust general fund balance during FY 2016/17. Upon receipt of this projected insolvency, the Board directed the City to submit a balanced 5-year budget. Twice the City has resubmitted the 5-year budget and twice the Board has rejected it; the first time because it effectively eliminated the fire department, and the second time because of unrealistic revenue increases. At the time of this review, no progress has been made toward an acceptable 5-year budget, largely because of the absence of a qualified City Administrator and lack of a financial vision or plan offered by elected city officials.

Summary of Findings- Operational Competencies

The City of Ecorse suffers due to a lack of continuity in its operational leadership. Since the appointment of the RTAB, the City Council has hired four different City Administrators. This fact alone has caused disruption in the administration of the City as no administrator has been retained long enough to complete any projects that they initiated. Because the City Administrator is the primary contact to the RTAB according to EM Order 94, turnover in the office of the City Administrator has caused disruptions in information and communication to the Board. The City's greatest need is a qualified, dedicated, and professional City Administrator.

The City Council has taken several actions inconsistent with an understanding of the financial challenges to the City. During the City Council meetings immediately following the release of the initial 5-year budget showing a financial decline to insolvency, the City Council saw fit to reject a \$327,150 CGAP grant for jail and dispatch consolidation. By the City's own calculations, this consolidation effort would have saved the City an additional \$775,000 over the next five years. The Board publically rebuked the City for this action and asked the City Council to reconsider before the CGAP deadline. This time, the City Council resolved to reject the grant by a greater majority. The time to accept this grant has now expired.

There are other indicators of disorganization. The Board recently learned that the City has simply not implemented a reduced pension multiplier or increased retiree copays, despite being awarded these cost saving measures during a previous arbitration. Personality conflicts within City government have increased.

Conclusion

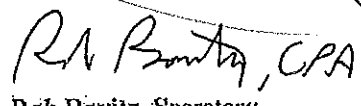
Currently, the City of Ecorse is solvent. However, the financial future of the City is uncertain. As of the writing of this report, the City does not have a RTAB approved City Administrator. Unless the City is able to appreciate and respond to the projected future shortfalls, the City will again find itself unable to honor all of its liabilities. This Board is committed to assist the City, however if the projected financials become a reality, a greater degree of State intervention may be required.

Sincerely,

Ecorse Receivership Transition Advisory Board


Edward Koryzno, Chair


Joyce Packer, Vice-Chair


Rob Bovitz, Secretary



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

Receivership Transition Advisory Board Community Evaluation Criteria

Community: Ecorse, MI

Date of RTAB Appointment: 5/1/2013

Review Date: 7/8/2014

Date of RTAB Review Approval: 11/18/2014

EXPLANATION OF CRITERIA

The Governor's RTAB appointment letter dated April 30, 2013 mandates that the Board "conduct a formal annual evaluation of the City's operational and financial progress by identifying strengths, weaknesses, benchmarks achieved, and benchmarks not yet achieved, including a list of specific recommendations, potential resources available to assist City officials, and any other constructive feedback that informs City officials, residents, and other stakeholders concerning how the City can promote and ensure its long-term sustainability."

The categories the community has been evaluated upon include:

- **Annual Performance Indicators:** Identification and measurement of the progress made by a local unit on specific criteria over the past evaluation period.
- **State Oversight:** Identification and measurement of the level of State oversight needed to be exercised by the RTAB to effectively monitor and guide local operations over the past evaluation period.
- **Best Practices:** Identification and measurement of the degree by which a local unit has implemented practices and procedures to improve its financial and operational conditions going forward.
- **Future Planning:** Identification and evaluation of those items that a local unit has implemented to improve its financial and operational conditions over a long-term period of time.

Once approved by the RTAB, the report will be transmitted to the Governor's Office.

SECTION 1. Annual Performance Indicators

Identification and measurement of the progress made by a local unit on specific criterion over the past evaluation period.

Submission of an Annual Audit

Submission of a timely and unqualified audit report is an indication of the financial strength and practices of a local unit.

	Yes	No	Optional Comments
Has an annual audit been submitted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is the submission timely?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is the audit report unqualified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Compliance with a Deficit Elimination Plan

A requirement for a local unit to file an approved Deficit Elimination Plan (DEP) could be reflective of financial weakness within the local unit.

	Yes	No	Optional Comments
Has the submission of a DEP been required?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If required, has a DEP been certified by the Department of Treasury?	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Is the community in compliance with DEP provisions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Pension/OPEB Liabilities

Pension and OPEB liabilities can be a tremendous drain on the fiscal resources of a local unit. The level of liabilities a local unit has could be reflective of a financial weakness.

	Yes	No	Optional Comments
Are the overall funding levels for pension and OPEB liabilities stable or increasing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Annual pension expenses are increasing
Is the local unit making its required pension and OPEB contributions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
What is the ratio between pension and OPEB contributions and overall expenditures?	Pension and OPEB compose 28.4% of total expenses.		
Are employees paying any contributions to pension or OPEB costs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Compliance with the Two-Year Budget			
<i>Adoption and compliance with a two-year budget by a local unit is required by P.A. 436 of 2012. The level of compliance will be an indicator of the success of the local unit in reestablishing full local control.</i>			
	Yes	No	Optional Comments
Is the local unit meeting its two-year budget projections?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The City is projected to negatively deviate from year two (FY 2015) of EM Parker's budget.
If no, are there documented reasons for not meeting projections?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Department of Public Works is significantly over budget.
How many budget amendments have been required?	Six total amendments; one in FY 13, four in FY 14, and one to date during FY 2015.		
Are the reasons for any budget amendments justified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Additional revenues and unforeseen but justified expenditures have led to several budget amendments.
Reduction of Debt Levels/Debt Service-to-Expenditure Ratios			
<i>Generally, declining debt levels reflect a fiscally strong local unit.</i>			
	Yes	No	Optional Comments
Is the overall debt level of the local unit declining?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is the local unit making its required debt payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Has the local unit assumed any new debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Most recent debt raised capital for a much needed sewer project.
Bargaining Unit Issues			
<i>Multiple grievances, arbitration cases, and EEOC complaints are symptomatic of local unit operational issues and a sign of unpreparedness for full local control</i>			
	Yes	No	Optional Comments
Are the numbers of labor grievances, especially arbitration cases, declining?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Are the outcomes of these actions generally favorable to the local unit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is the accumulated cost of these issues increasing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Litigation			
<i>Extensive litigation and high litigation costs can be damaging to a local unit. Minimizing litigation costs while implementing risk management programs and ensuring proper insurance coverage will greatly assist a return to full local control.</i>			
	Yes	No	Optional Comments
Is the total number of legal actions against the community declining?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are the financial impacts of litigation declining?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is the local unit implementing measures to minimize litigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The City has interest in the use of police body cameras to deter litigation.
Achievement of Identified Goals			
<i>Creation, adoption and implementation of goals are important benchmarks for a local unit to achieve in order to improve financial and operational conditions. The extent to which a local unit achieves its goals is a determinant in restoration of full local control.</i>			
	Yes	No	Optional Comments
Has the local governing body identified and adopted any specific goals that it can pursue?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EM Parker oversaw the adoption of a Strategic Plan.
Is the local unit making progress on accomplishing these goals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is the local unit prioritizing the accomplishment of these goals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the local unit established any benchmarks (either internally developed or by referencing external sources) to evaluate its operational effectiveness?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Organizational Stability			
<i>Given the nature of communities in fiscal distress, organizational stability is critical to reestablishing local control. Evaluation of organizational stability is important.</i>			
	Yes	No	Optional Comments
Is there any apparent contention among the members of the governing body that is impeding the resolution of issues, causing issues to be postponed, causing issues to be readdressed or otherwise generating a public perception of an ineffective governing body?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The hiring process for City Administrator, as well as the payment of contested invoices have appeared contentious.
Does the local unit employ a professional Chief Administrative Officer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is there any apparent strife between the local elected body and the Chief Administrative Officer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The City has had a strained relationship with the four city managers hired since EM Parker's departure.

Has there been more than 50% turnover on the local elected body in the most recent election?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the Chief Administrative Officer served in the local unit for more than two years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the local unit reduced its total workforce by more than 5% since the last evaluation?	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Operational Effectiveness			
<i>Efficient and effective service provision is also a key sign of overall improvement in fiscal and operational conditions. Evaluation of operational effectiveness is important in judging the progress of a local unit.</i>			
	Yes	No	Optional Comments
Has the RTAB received evidence of documented cases of basic services not being provided in a timely manner?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the RTAB received evidence of documented cases of significant citizen complaints not being addressed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the RTAB been informed of any cases of significant infrastructure or equipment failures? If yes, are steps being taken to address these failures?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The City is currently taking action to make improvements on its sewage system and the City Hall, as well as other capital improvements.

General Observations/Comments Regarding Annual Performance Indicators

The City has been unable to make operational and financial progress in a comprehensive manner.

Recommended Actions

City Officials need to implement cost savings regarding pension multiplier and co-pay reductions. City officials need to adhere to adopted budgets.

SECTION 2. State Oversight

Identification and measurement of the level of State oversight needed to be exercised by the RTAB to effectively monitor and guide local operations over the past evaluation period.

Compliance with Final Emergency Manager Order

A departing Emergency Manager will leave a detailed and comprehensive Final Order that will specify certain requirements and prohibitions for a local unit as it transitions back to local control.

	Yes	No	Optional Comments
Develop five-year Operating and Capital budgets	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Establish policies and procedures regarding the rules of operation for the City Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Annually review an inventory of city assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Review business licenses on an annual basis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Review insurance levels and coverage on an annual basis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Review the status of tax collections and outstanding property taxes owed to the City and report findings to the Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Review election precinct sites and approve expenses associated with elections	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Degree of RTAB Oversight

The degree by which a RTAB must exercise oversight over a local unit could be indicative of its progress toward full local control and the local unit's reliance on the RTAB to make "difficult decisions."

	Yes	No	Optional Comments
Has the local unit been providing timely and complete information to properly-made requests from the RTAB?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	With exceptions, the City has responded to RTAB requests.
Has the RTAB overruled local decisions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Many local resolutions have been declined by the Board. Some of these matters were later approved after further information was presented.
Has the RTAB rejected local proposals or requests for action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes. Several local proposals have been rejected, including the purchase of real property and equipment.

Level of Effort			
<i>What level of effort has the City brought to bear in pursuit of its goals? This could be an indication of operational efficiency.</i>			
	Yes	No	Optional Comments
Is the local unit working cooperatively with the RTAB to accomplish identified priorities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Has the local unit refused to or failed to take actions required by state law or Emergency Manager Order?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are there special circumstances preventing the local unit from accomplishing particular priorities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Does the local unit lack resources necessary to accomplish particular priorities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The City needs a qualified City Administrator to be employed by the City for at least a year.

General Observations/Comments Regarding Annual Performance Indicators

Turnover in City Administrator position has resulted in operational dysfunction.

Recommended Actions

City officials need to hire a qualified permanent City Administrator.

SECTION 3. Best Practices

Identification and measurement of the degree by which a local unit has implemented practices and procedures to improve its financial and operational conditions going forward.

Adoption of Written Financial Policies

The Governor's orders currently in effect require the implementation of best financial practices, "...as adopted by the financial officers' association."

	Yes	No	Optional Comments
Has the local unit adopted written financial policies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is the local unit complying with all required procedures as set forth by the Michigan Department of Treasury <i>Accounting Procedures Manual for Local Units of Government in Michigan</i> ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Has the local unit implemented the recommendations for best practices, as set forth by the Government Officers Finance Association's "Best Practices and Advisories?"	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Adequate Risk Management and Insurance Coverage

Having an active risk management program and adequate insurance coverage will decrease the potential exposure and liability of a local unit.

	Yes	No	Optional Comments
Has the local unit implemented an active risk management program?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Does the local unit have adequate insurance coverage and loss reserves in place?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is the local unit placing litigation related losses (judgments or settlements) on its tax rolls?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
What are the current losses being experienced by the local unit?	Law enforcement litigation has been a considerable financial burden on the City.		

Establishment of Undesignated Fund Balance Levels*A local unit should establish a minimum level of undesignated fund balance that will be reserved annually.*

	Yes	No	Optional Comments
Has the local unit established a minimum level of undesignated fund balance that will be reserved annually?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the local unit adopted a written policy to set this fund balance level?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Utilization of Cash Flow Projections*A multi-year cash flow projection will be beneficial in determining the overall financial strength of a local unit.*

	Yes	No	Optional Comments
Has the local unit developed a monthly multi-year cash flow projection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the local unit taken any steps to address any concerns identified by the cash flow projection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Development of Written Policies*The development of written policies and procedures, including an employee handbook and employee job descriptions, will assist a local unit in achieving operational stability and consistency.*

	Yes	No	Optional Comments
Does the local unit have any adopted written policies and procedures?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are there any notable omissions in the local units' list of written policies and procedures?			N/A
Do employee job descriptions exist?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If yes, are the job descriptions periodically reviewed and updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Does the local unit have an employee handbook?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is the handbook periodically reviewed and updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If the local unit does not possess any of the above mentioned items, is it a priority for them to develop these items?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Training

Training objectives should be implemented annually for all staff and elected officials within a local unit. Training objectives can be focused by the development of departmental goals and objectives, however, the orders issued by the Governor require mandatory financial and managerial training for elected officials. Resources should be allocated to adequately provide needed training. A minimum number of training hours per individual per fiscal year should be required.

	Yes	No	Optional Comments
Does the local unit have a training policy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes, does the policy apply to both elected and appointed officials and employees?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is the development and implementation of annual training goals required?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are specific types or frequency of training activities required?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Consolidation/Collaboration Efforts

Efforts to consolidate services and/or collaborate on service delivery with other units of government can be both beneficial operationally and financially.

	Yes	No	Optional Comments
Is the local unit pursuing service consolidation/collaboration?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the local unit made the active or diligent pursuance of these efforts a priority?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the local unit made consolidation/collaboration efforts a priority?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are the efforts yielding operational benefits?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are the efforts yielding financial benefits?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Development of Elected Body Goals and Objectives

The elected body of a local unit should create and implement reasonable operational goals and objectives and a basic timeframe by which said goals and objectives will be implemented. The overall objective is to improve overall management and operational efficiency within the local unit and to develop accountability for implementation.

	Yes	No	Optional Comments
Has the local elected body adopted annual goals and objectives?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Do the adopted goals and objectives contain timetables for implementation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are the adopted goals and objectives periodically reviewed and reprioritized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is implementation of the adopted goals and objectives a priority?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Development of Managerial and Departmental Goals and Objectives

All departments, including the Chief Administrative Officer, within a local unit should be required to create and implement reasonable operational goals and objectives and a basic timeframe by which said goals and objectives will be implemented. The overall objective is to improve overall management and operational efficiency within the community at the departmental level and to develop accountability for implementation.

	Yes	No	Optional Comments
Have the Chief Administrative Officer and department heads developed and adopted annual goals and objectives?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Do the adopted goals and objectives contain timetables for implementation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are the adopted goals and objectives periodically reviewed and reprioritized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is implementation of the adopted goals and objectives a priority?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

General Observations/Comments Regarding Annual Performance Indicators

Lack of a Human Resource Director has created problems.

Recommended Actions

City officials need to implement policies & procedures regarding risk management. City officials need to evaluate service sharing opportunities and pursue them if economically feasible. City officials need to participate in a goal setting exercise and adopt resulting goals.

SECTION 4. Future Planning

Identification and evaluation of those items that a local unit has implemented to improve its financial and operational conditions over the long-term.

Utilization of a Capital Improvements Plan

A six-year capital improvements plan (CIP) is required under the provisions of the Michigan Planning Enabling Act (PA 33 of 2008). The use of a CIP can identify needed capital and physical improvements and be tied to an annual budget process to allocate available resources for identified needs.

	Yes	No	Optional Comments
Has the local unit adopted a Capital Improvements Plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are department heads involved in the CIP development process?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Efforts underway to develop a CIP.
Does the CIP conform to the provisions of the Planning Enabling Act?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Does the local unit of government utilize the CIP in its annual budget process?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Pursuance of Tax Base Enhancement

True recovery of communities in financial emergencies will be through economic development and community revitalization efforts that result in an enhancement to the local tax base.

	Yes	No	Optional Comments
Is the local tax base is growing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is the local unit actively engaged in or supportive of economic development efforts?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Budget Forecasting

Adoption of an annual budget is a key function of the local unit and indicative of the allocation of available resources. The adoption of a multi-year budget is recommended to produce a longer term view of the financial stability of the LUG. A multi-year budget of 3-5 years in length is recommended as optimal.

	Yes	No	Optional Comments
Has the local unit adopted a multi-year budget beyond the required two-year budget?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not RTAB Approved.
Is the local unit adopting its budget in a timely manner?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Are department heads involved in the budget development process?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is the local unit adopting a balanced budget?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	However projecting sizable deficits in FY 15/16.

Adoption of Model Charter Provisions			
The orders issued by the Governor call for the adoption of model charter provisions that are "...in the City's best financial interests." Some specific charter amendments could be identified in a Final EM Order. Others may need to be independently identified. A process to propose and move forward with adoption also needs to be identified and pursued by the local unit.			
	Yes	No	Optional Comments
Has the Governor required a local unit to adopt model charter provisions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If no, has the local unit independently initiated a charter revision process?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has a determination been made of what charter amendments need to be considered?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the local unit moved forward with adoption?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Have any proposed amendments been adopted?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

General Observations/Comments Regarding Annual Performance Indicators:

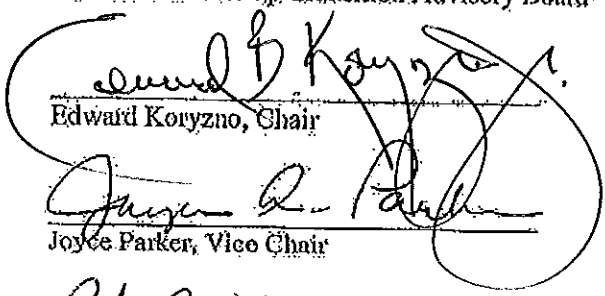
5-year budget adoption process has been inadequate.

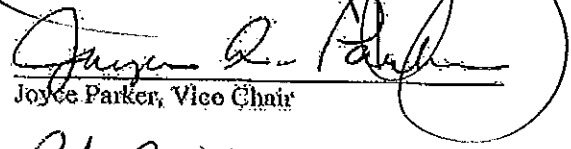
Recommended Actions

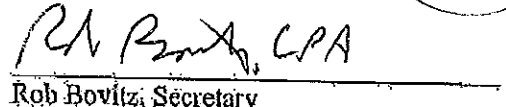
City officials need to adhere to the City's strategic plan. City officials need to adopt a realistic 5-year budget.

Final Recommendations

The City needs to hire a qualified permanent City Administrator who can work cooperatively with the Mayor and City Council to prioritize the significant issues the City faces and develop action plans to address the City's organizational and financial challenges.
Egorse Receivership Transition Advisory Board.


Edward Koryzno, Chair


Joyce Parker, Vice Chair


Rob Bovitz, Secretary

11/24/2014
Date