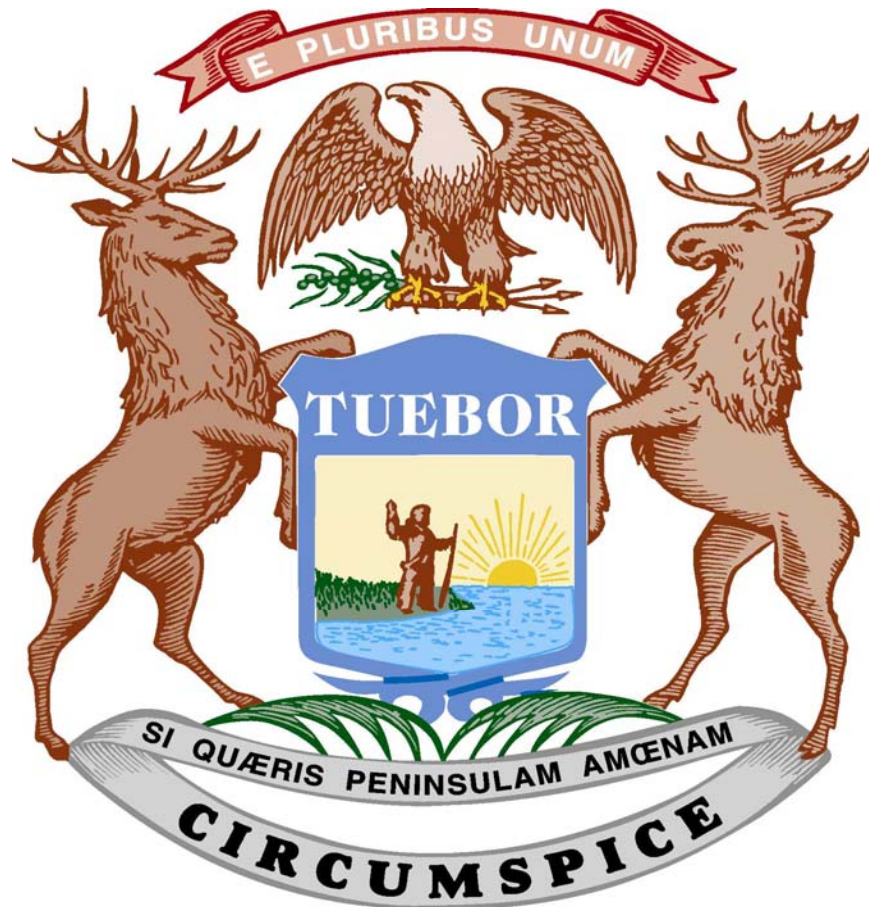


Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program

FY 2016 Report



Revenue Sharing and Grants Division
Office of Revenue and Tax Analysis
Michigan Department of Treasury
March 2016

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

Background

For FY 2016, 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 Department of Treasury (see 2015 Public Act 84, Section 956).

In addition, the Department of Treasury had \$0.4 million of excess FDCVT funds from the FY 2015 appropriation. This amount is derived from a \$0.2 million transfer from unexpended FY 2015 City, Village, and Township Revenue Sharing that was transferred to the grant and \$0.2 million from a FY 2015 FDCVT award that was not accepted by the grantee.

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 may include, but are not limited to, payments to reduce unfunded accrued liability; to repair or replace critical infrastructure owned and maintained by the municipality; to reduce general fund debt; or for costs associated with a transition to shared services.

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

Treasury's focus for the 2016 round of grants was on the repair or replacement of obsolete critical infrastructure or equipment, and service upgrades to public safety.

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 five years, and/or
 - c. That has an approved Deficit Elimination Plan for the General Fund.

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Grant Awards

Applications were made available on August 19, 2015 with a due date of October 15, 2015. The Department of Treasury received 51 applications from 22 municipalities with requested funding totaling approximately \$29.3 million.

On February 19, 2016, 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

The Department of Treasury is required by 2015 PA 84, 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, 2016.

TABLE 1
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program
Grants Awarded
FY 2016

Date Awarded	Grant Recipient	Description of Project	Amount of Grant
February 19, 2016	City of Allen Park	Provide an emergency generator for public safety.	\$ 270,187
		SUBTOTAL City of Allen Park	\$ 270,187
February 19, 2016	City of Benton Harbor	Public safety enhancement through replacement and upgrade of police camera system.	\$ 25,000
February 19, 2016	City of Benton Harbor	Water system enhancement through water main replacements.	\$ 400,000
		SUBTOTAL City of Benton Harbor	\$ 425,000
February 19, 2016	City of Ecorse	Public safety enhancement through police body cameras.	\$ 30,000
		SUBTOTAL City of Ecorse	\$ 30,000
February 19, 2016	City of Flint	Water system enhancement through reconnection to Detroit Water and Sewer Department.	\$ 2,000,000
		SUBTOTAL City of Flint	\$ 2,000,000
February 19, 2016	City of Hamtramck	Public safety enhancement through replacement and upgrade of police camera system.	\$ 90,000
		SUBTOTAL City of Hamtramck	\$ 90,000
February 19, 2016	City of Highland Park	Water system enhancement through maintenance to water system.	\$ 1,505,000
		SUBTOTAL City of Highland Park	\$ 1,505,000
February 19, 2016	City of Inkster	Public safety enhancement through deployment of a community relations police officer.	\$ 244,968
February 19, 2016	City of Inkster	Public safety enhancement through replacement and upgrade of police and fire radios.	\$ 318,993
February 19, 2016	City of Inkster	Public safety enhancement through fleet replacement of police vehicles.	\$ 218,367
		SUBTOTAL City of Inkster	\$ 782,328
February 19, 2016	City of Lincoln Park	Public safety enhancement through replacement and upgrade of fire technology.	\$ 21,000
		SUBTOTAL City of Lincoln Park	\$ 21,000
February 19, 2016	City of Melvindale	Public safety enhancement through fleet replacement of police vehicles and replacement and upgrade of technology.	\$ 94,800
		SUBTOTAL City of Melvindale	\$ 94,800
February 19, 2016	City of River Rouge	Public safety enhancement of dispatch and jail services.	\$ 171,833
		SUBTOTAL City of River Rouge	\$ 171,833
February 19, 2016	City of Wayne	Public safety enhancement through fleet replacement of police vehicle.	\$ 25,389
		SUBTOTAL City of Wayne	\$ 25,389
		TOTAL GRANT FUNDING AWARDED	\$ 5,415,537