

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

FY 2019 Report



Revenue Sharing and Grants Division
Michigan Department of Treasury
March 2019

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

Background

For FY 2019, 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 2018 Public Act 207, Section 956).

In addition, Treasury had \$0.2 million of excess FDCVT funds from the FY 2018 appropriation. This amount is derived from a \$0.2 million transfer from unexpended FY 2018 City, Village, and Township Revenue Sharing that was transferred to the grant, per 2017 Public Act 107, 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; for costs associated with a transition to shared services with another jurisdiction; or to administer other projects that move the municipality 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 2019 round of grants was on the repair and replacement of critical infrastructure and equipment, including replacement of emergency services equipment, improved street lighting, and repair of sidewalks.

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 October 8, 2018, with a due date of November 21, 2018. Treasury received 38 applications from 15 municipalities with requested funding totaling approximately \$25.9 million.

On March 22, 2019, Treasury announced that 16 applications from 11 municipalities had been awarded for a total of approximately \$2.7 million on March 21, 2019. 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 2018 PA 207, 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, 2019.

TABLE 1
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program
Grants Awarded
FY 2019

Date Awarded	Grant Recipient	Description of Project	Grant Award
March 21, 2019	City of Ecorse	Public safety enhancement through repair of the municipal building HVAC system	\$ 200,000.00
		Subtotal City of Ecorse	\$ 200,000.00
March 21, 2019	City of Hamtramck	Public safety enhancement through replacement of police department radio system	\$ 293,909.00
		Subtotal City of Hamtramck	\$ 293,909.00
March 21, 2019	City of Harper Woods	Water system enhancement through replacement of water meters	\$ 200,000.00
		Subtotal City of Harper Woods	\$ 200,000.00
March 21, 2019	City of Highland Park	Public safety enhancement through installation of surveillance cameras throughout Highland Park and Ecorse	\$ 134,030.00
March 21, 2019	City of Highland Park	Public safety enhancement through replacement of a police vehicle	\$ 42,000.00
		Subtotal City of Highland Park	\$ 176,030.00
March 21, 2019	City of Inkster	Public safety enhancement through improved street lighting	\$ 142,975.00
March 21, 2019	City of Inkster	Public safety enhancement through partial fleet replacement of police investigative vehicles	\$ 100,000.00
March 21, 2019	City of Inkster	Public safety enhancement through replacement of one ambulance	\$ 260,000.00
		Subtotal City of Inkster	\$ 502,975.00
March 21, 2019	City of Lincoln Park	Public safety enhancement through the design phase for a new facility housing the Lincoln Park Police Department and the 25th District Court, serving Ecorse, River Rouge and Lincoln Park	\$ 342,500.00
		Subtotal City of Lincoln Park	\$ 342,500.00
March 21, 2019	Village of Mayville	Water system enhancement through replacement of water meters	\$ 125,000.00
		Subtotal Village of Mayville	\$ 125,000.00
March 21, 2019	City of Melvindale	Public safety enhancement through replacement of police equipment, including Tasers, in-car cameras, and body cameras	\$ 49,733.00
		Subtotal City of Melvindale	\$ 49,733.00
March 21, 2019	City of Pontiac	Public safety enhancement through improved street lighting	\$ 163,020.00
March 21, 2019	City of Pontiac	Public safety enhancement through repair of sidewalks and installation of ADA-compliant sidewalk ramps	\$ 200,000.00
		Subtotal City of Pontiac	\$ 363,020.00
March 21, 2019	City of River Rouge	Public safety enhancement through replacement of equipment for fire fighters	\$ 271,335.00
March 21, 2019	City of River Rouge	Public safety enhancement through replacement of two police vehicles	\$ 97,246.00
		Subtotal City of River Rouge	\$ 368,581.00
March 21, 2019	City of Wayne	Public safety enhancement through infrastructure repair of the police department	\$ 100,000.00
		Subtotal City of Wayne	\$ 100,000.00
		Total Grant Funding Awarded	\$2,721,748.00