

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

FY 2023 Report



Revenue Sharing and Grants Division
Michigan Department of Treasury
Revised August 2023

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

Background

For FY 2023, 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 2022 Public Act 166, Section 956).

In addition, Treasury has \$0.1 million of excess FDCVT funds available from the FY 2022 appropriation. This amount is derived from a \$0.1 million transfer from unexpended FY 2022 City, Village, and Township Revenue Sharing that was transferred to the grant, per 2021 Public Act 87, 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 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.

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.

Grant Awards

Applications were made available on January 20, 2023, with a due date of March 31, 2023. Treasury received 40 applications from 22 municipalities with requested funding totaling approximately \$13.9 million.

On June 23, 2023, Treasury awarded 15 applications from 12 municipalities 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.

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Reporting Requirements

Treasury is required by 2022 Public Act 166, 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 Director by March 31. As of March 30, 2023, 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 June 23, 2023.

TABLE 1
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program
Grants Awarded
FY 2023

Proposed Award Date	Applicant Name	Description of Project	Proposed Award Amount
June 23, 2023	Benton Harbor City	Water system enhancement through replacement of fire hydrants	\$ 198,720.00
		Benton Harbor City Total	\$ 198,720.00
June 23, 2023	Ecorse City	Public safety enhancement through replacement of one fire engine	\$ 250,000.00
		Ecorse City Total	\$ 250,000.00
June 23, 2023	Flint City	Public safety enhancement through installation of surveillance cameras	\$ 129,720.00
		Flint City Total	\$ 129,720.00
June 23, 2023	Gaastra City	Water system enhancement through lift station repair	\$ 273,000.00
		Gaastra City Total	\$ 273,000.00
June 23, 2023	Lansing City	Public safety enhancement through replacement of one police vehicle	\$ 30,000.00
		Lansing City Total	\$ 30,000.00
June 23, 2023	Lansing Township	Public safety enhancement through replacement police equipment	\$ 91,644.00
		Lansing Township Total	\$ 91,644.00
June 23, 2023	Laurium Village	Public service enhancement through replacement of roof at Department of Public Works building	\$ 149,500.00
June 23, 2023	Laurium Village	Public service enhancement through infrastructure replacement at the village hall building	\$ 341,075.00
June 23, 2023	Laurium Village	Public safety enhancement through replacement of firefighting equipment	\$ 20,300.00
		Laurium Village Total	\$ 510,875.00
June 23, 2023	Melvindale City	Public safety enhancement through replacement police equipment	\$ 210,309.00
		Melvindale City Total	\$ 210,309.00
June 23, 2023	Mt. Morris Township	Public safety enhancement through renovation of evidence storage building	\$ 130,000.00
June 23, 2023	Mt. Morris Township	Public safety enhancement through replacement police equipment	\$ 35,000.00
		Mt. Morris Township Total	\$ 165,000.00
June 23, 2023	Muskegon Heights City	Public service enhancement through property reappraisal	\$ 217,139.00
		Muskegon Heights City Total	\$ 217,139.00
June 23, 2023	Ontonagon Village	Public service enhancement through replacement of one vacuum extractor truck	\$ 250,000.00
		Ontonagon Village Total	\$ 250,000.00
June 23, 2023	River Rouge City	Public service enhancement through replacement of the municipal building HVAC system	\$ 350,000.00
		River Rouge City Total	\$ 350,000.00
		Grand Total	\$ 2,676,407.00