

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

FY 2024 Report



Revenue Sharing and Grants Division
Michigan Department of Treasury
Revised April 2024

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

Background

For FY 2024, 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 2023 Public Act 119, Section 956).

In addition, Treasury has \$0.3 million of excess FDCVT funds available from the FY 2023 appropriation. This amount is derived from \$0.1 million of unspent grant funding and a \$0.2 million transfer from unexpended FY 2023 City, Village, and Township Revenue Sharing that was transferred to the grant, per 2022 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 October 9, 2023, with a due date of December 8, 2023. Treasury received 58 applications from 25 municipalities with requested funding totaling approximately \$17.7 million.

On April 9, 2024, Treasury awarded 22 applications from 13 municipalities a total of approximately \$2.8 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 2023 Public Act 119, 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 29, 2024, 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 April 9, 2024.

TABLE 1
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program
Grants Awarded
FY 2024

Award Date	Applicant Name	Description of Project	Award Amount
April 9, 2024	Benton Harbor City	Public service enhancement through replacement of a parking lot	\$110,890.00
		Benton Harbor City Total	\$110,890.00
April 9, 2024	Calumet Village	Public service enhancement through infrastructure replacement at the public works building	\$247,500.00
April 9, 2024	Calumet Village	Public service enhancement through infrastructure replacement at the village hall building	\$323,450.00
		Calumet Village Total	\$570,950.00
April 9, 2024	Dansville Village	Public service enhancement through infrastructure replacement at the village hall building	\$30,000.00
April 9, 2024	Dansville Village	Water system enhancement through replacement of water meters	\$21,390.00
April 9, 2024	Dansville Village	Water system enhancement through sewer system inspection	\$30,000.00
		Dansville Village Total	\$81,390.00
April 9, 2024	Gaastra City	Public service enhancement through upgrade of technology equipment and software	\$59,600.00
		Gaastra City Total	\$59,600.00
April 9, 2024	Hamtramck City	Public safety enhancement through replacement of firefighting equipment	\$88,651.00
		Hamtramck City Total	\$88,651.00
April 9, 2024	Lansing Township	Public safety enhancement through replacement of firefighting equipment	\$138,000.00
April 9, 2024	Lansing Township	Public safety enhancement through replacement of police equipment	\$81,434.00
		Lansing Township Total	\$219,434.00
April 9, 2024	Laurium Village	Public safety enhancement through replacement of fire department equipment truck	\$250,000.00
		Laurium Village Total	\$250,000.00
April 9, 2024	Mt. Morris Township	Public safety enhancement through replacement of firefighting equipment	\$200,000.00
		Mt. Morris Township Total	\$200,000.00
April 9, 2024	Muskegon Heights City	Public safety enhancement through replacement of firefighting equipment	\$53,627.00
April 9, 2024	Muskegon Heights City	Public safety enhancement through replacement of police equipment	\$92,032.00
		Muskegon Heights City Total	\$145,659.00

TABLE 1 (Continued)
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program
Grants Awarded
FY 2024

Award Date	Applicant Name	Description of Project	Award Amount
April 9, 2024	Ontonagon Village	Public service enhancement through replacement of one backhoe	\$149,126.00
April 9, 2024	Ontonagon Village	Public service enhancement through replacement of one motor grader	\$275,000.00
		Ontonagon Village Total	\$424,126.00
April 9, 2024	Owendale Village	Water system enhancement through replacement of water meters	\$100,000.00
April 9, 2024	Owendale Village	Water system enhancement through replacement of wells and pumphouses	\$110,000.00
		Owendale Village Total	\$210,000.00
April 9, 2024	Peck Village	Public safety enhancement through replacement of police equipment	\$25,000.00
April 9, 2024	Peck Village	Public safety enhancement through repair of sidewalks	\$144,250.00
April 9, 2024	Peck Village	Public service enhancement through infrastructure replacement at the village hall and community center buildings	\$64,000.00
		Peck Village Total	\$233,250.00
April 9, 2024	River Rouge City	Public service enhancement through replacement of the municipal building HVAC system	\$170,000.00
		River Rouge City Total	\$170,000.00
		Total Grant Funding Awarded	\$2,763,950.00