



LOCAL COMMUNITY STABILIZATION AUTHORITY
Authority Council

Fiscal Year 2020-2021 Budget Notice

NOTICE OF PUBLIC HEARING

A public hearing is scheduled for 1:00 p.m. on Friday, September 11, 2020 at a regular meeting of the authority council of the Local Community Stabilization Authority (the "Authority") to be held at 201 Townsend St, 9th Floor, Lansing, MI 48933, for the purpose of discussing adoption of the budget for the Authority for its 2019-2020 fiscal year. The meeting will be held in compliance with the Open Meetings Act, 1976 PA 267, as amended, MCL 15.261 to 15.275. A copy of the proposed budget is available for public inspection at: Dykema, 201 Townsend St, #900, Lansing, MI 48933 and on the LCSA's website: www.lcsami.gov

This public hearing will be conducted via live Zoom Webinar under Executive Order 2020-154 unless otherwise amended by future Executive Orders issued by the Governor Gretchen Whitmer.

Specific instructions for public participation via a webinar will be posted on the LCSA's website: www.lcsami.gov

THE PROPERTY TAX MILLAGE RATE PROPOSED TO BE LEVIED TO SUPPORT THE PROPOSED BUDGET WILL BE A SUBJECT OF THIS HEARING*

*Note: This notice is printed in compliance with 1963 (2nd Ex Sess) PA 43, as amended, MCL 141.411 to 141.415. The Authority is not authorized to levy property taxes.

David A. Keenan
Authority Secretary



LOCAL COMMUNITY STABILIZATION AUTHORITY

DATE: September 1, 2020

TO: Authority Council

FROM: Shea Charles, Director

SUBJECT: 2020-2021 Proposed LCSA Budget

It is my pleasure to submit the 2020-2021 Proposed LCSA Annual Budget for review. The LCSA Budget is comprised of three funds: General Fund, METRO Act and Use Tax. Each of the funds serves a specific purpose.

2019-2020 Projected Budget

Overall, the 2019-2020 Projected Budget is in line with the originally adopted one. There is a proposed amendment (see other agenda item) that brings certain parts in line with actual revenues and expenditures. A significant concern is the annual appropriation from the State of Michigan as the Senate has not acted on the proposed LCSA legislation.

The General Fund does have a fund balance of \$607,197, which is a combination of being under budget previous years and interest earnings from Use Tax Revenue. If the LCSA does not receive an appropriation, Fund Balance would be reduced to \$397,082.

2020-2021 Proposed Budget

Overall revenues and expenses for all funds are similar to previous years. The General Fund assumes passage of the LCSA legislation providing an appropriation of \$300,000. It includes a recommendation to continue using Plante Moran for accounting services as well outside technical support for the METRO Act. It is recommended the LCSA eventually find a database solution for the METRO Act, but given the current pandemic situation it is advised that this be deferred to a later time.

The Use Tax Fund will receive a transfer of \$491,500,000 to be distributed to assorted jurisdictions for PPT reimbursements, Fire Grants and Health Department Funding. The amount is set by state law and is funded by an allocation of Use Tax. The allocation is not subject to the annual appropriations process.

The METRO Act Fund is budgeted to collect \$28,744,000, which assumes mild growth of the telecommunication infrastructure. One point of interest is Frontier Communications filed for bankruptcy in April 2020. They did pay their 2020 METRO Act fee of \$5.3 Million, but it is unknown how the bankruptcy will impact next year's collection.

The appropriate notices for the 2020-2021 Budget Hearing have been published and budget adoption resolution is attached for your consideration.

LOCAL COMMUNITY STABILIZATION AUTHORITY
AUTHORITY COUNCIL

RESOLUTION 2020-10
FY 2020-2021 General Appropriations Act

The authority council of the Local Community Stabilization Authority ("Authority") resolves:

Section 1. Title. This resolution shall be known and may be cited as the "Local Community Stabilization Authority FY 2020-2021 General Appropriations Act".

Section 2. Public Hearing. In compliance with 1963 PA 43 (2nd Ex Sess), MCL 141.411 to 141.415, notice of a public hearing on the proposed budget was published in a newspaper of general circulation on _____, 2020 and a public hearing on the proposed budget was held by the authority council on September 11, 2020.

Section 3. Millage Levy. The Authority is not authorized to levy property taxes.

Section 4. Use Tax Levy. For the period beginning October 1, 2020 and ending September 30, 2021, the Authority hereby levies a use tax at the rate calculated on behalf of the Authority by the Michigan Department of Treasury under section 3(5) of the Use Tax Act, 1937 PA 94, as amended, MCL 205.93(5) (the "Use Tax Act"), sufficient to generate \$4491,500,000.00. The use tax levied under this section 4 is the "local community stabilization share" as defined in section 2c(l) of the Use Tax Act, MCL 205.92c.

Section 5. Adoption of Budget by Activity. The authority council adopts the budget for the Authority for the fiscal year ending on September 30, 2021 by activity. Authority officials responsible for the expenditures authorized in the budget may expend Authority funds up to, but not to exceed, the total appropriation authorized for each activity.

Section 6. Payment of Bills. All claims or bills against the Authority must be approved by the authority council before payment by the Authority. However, the treasurer may pay certain claims or bills before payment is approved by the authority council to avoid late penalties, service charges, or interest. Any claims or bills paid before approval by the authority council must be reported by the treasurer to the authority council for approval at the next meeting of the authority council.

Section 7. Estimated Revenues and Expenditures. Estimated total revenues and expenditures for the various funds of the Authority are:

<u>Fund</u>	<u>Revenue</u>	<u>Expenditures</u>
General Operating Fund	\$300,000	\$267,900
METRO Act Fund (special revenue)	\$27,122,000	\$27,122,000
Use Tax Distribution Fund (special revenue)	\$491,500,000	\$491,500,000

Revenue and Expenditure Report		FY 2021 Proposed Budget
Fund 101:	GENERAL OPERATING FUND	
REVENUES		
101-100-401.000	TAXES	300,000
101-100-664.000	INTEREST EARNED	-
101-100-671.000	OTHER REVENUES	-
TOTAL REVENUES		300,000
EXPENDITURES		
101-100-726.000	OPERATING SUPPLIES	1,200
101-100-800.000	PROFESSIONAL AND CONTRACTUAL SERVICES	150,000
101-100-801.000	ACCOUNTING SERVICES	30,000
101-100-802.000	AUDITING SERVICES	15,700
101-100-803.000	LEGAL SERVICES	32,000
101-100-804.000	IT SERVICES	30,000
101-100-901.000	INSURANCE	3,000
101-100-956.000	MISCELLANEOUS FEES	1,000
101-100-960.000	BANK FEES	5,000
101-100-999.000	TRANSFER OUT	-
TOTAL EXPENDITURES		267,900
TRANSFERS		
101-100-699.000	TRANSFER IN	-
TOTAL TRANSFERS		
FUND BALANCE		
101-100-390.000	FUND BALANCE	32,100
TOTAL FUND BALANCE		
BEGINNING FUND BALANCE		411,297
CHANGE IN FUND BALANCE		32,100
ENDING FUND BALANCE		443,397

Revenue and Expenditure Report		FY 2021 Proposed Budget
Fund 280:	METRO ACT FUND	
REVENUES		
280-100-607.000	TELECOM FEES	27,122,000
280-100-664.000	INTEREST EARNED	-
TOTAL REVENUES		27,122,000
EXPENDITURES		
280-100-955.000	LOCAL UNIT DISBURSEMENT	27,122,000
TOTAL EXPENDITURES		27,122,000
FUND BALANCE		
280-100-390.000	FUND BALANCE	-
TOTAL FUND BALANCE		
BEGINNING FUND BALANCE		1,554,293
CHANGE IN FUND BALANCE		-
ENDING FUND BALANCE		1,554,293

Revenue and Expenditure Report		FY 2021 Proposed Budget
Fund 281:	USE TAX DISTRIBUTION FUND	
REVENUES		
281-100-401.000	TAXES	491,500,000
281-100-664.000	INTEREST EARNED	-
281-100-671.000	OTHER REVENUES	-
281-100-699.000	TRANSFER IN	-
TOTAL REVENUES		491,500,000
EXPENDITURES		
281-100-955.000	LOCAL UNIT DISBURSEMENT	491,500,000
TOTAL EXPENDITURES		491,500,000
TRANSFERS		
281-100-999.000	TRANSFER OUT	-
TOTAL TRANSFERS		
FUND BALANCE		
281-100-390.000	FUND BALANCE	-
TOTAL FUND BALANCE		
BEGINNING FUND BALANCE		95,953,736
CHANGE IN FUND BALANCE		-
ENDING FUND BALANCE		95,953,736

Section 8. Periodic Financial Reports. The treasurer shall provide the authority council at its meeting immediately following the end of each fiscal quarter, and at the final meeting of the authority council of the fiscal year, a report of fiscal year to date revenues and expenditures compared to the budgeted amounts for the fiscal year.

Section 9. Budget Monitoring. Whenever it appears to the MMSA Administrator of the Authority that the actual and probable revenues in any fund of the Authority will be less than the estimated revenues upon which appropriations from the fund were based, and when it appears that expenditures will exceed an appropriation, the MMSA Administrator shall present recommendations to the authority council to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. The recommendations must include proposals for reducing appropriations, increasing revenues, or both.

Section 10. Adoption. Motion made by _____. Seconded by _____ to adopt this resolution as the general appropriations act for the Authority for the fiscal year ending September 30, 2020. Upon a roll call vote, the following members of the authority council voted yes:

The following noted voted no:

Secretary's Certification:

I certify that this resolution was duly adopted by the authority council of the Local Community Stabilization Authority at a properly-noticed open meeting held with a quorum present on September 11, 2020.

David Keenan,
LCSA Secretary

Local Community Stabilization Authority

Revenue and Expenditure Report

Fund 101: GENERAL OPERATING FUND

REVENUES

	FY 2020 Original Budget	FY 2020 Amended Budget	FY 2020 Year To Date Actual (through July 31, 2020)	FY 2020 Projected	FY 2021 Proposed Budget
101-100-401.000 TAXES	303,000	-	-	-	300,000
101-100-664.000 INTEREST EARNED	-	5,000	4,895	4,025	-
101-100-671.000 OTHER REVENUES	-	-	-	-	-
TOTAL REVENUES	303,000	5,000	4,895	4,025	300,000

EXPENDITURES

101-100-726.000 OPERATING SUPPLIES	1,200	1,200	-	1,200	1,200
101-100-800.000 PROFESSIONAL AND CONTRACTUAL SERVICES	150,000	150,000	112,500	150,000	150,000
101-100-801.000 ACCOUNTING SERVICES	30,000	30,000	22,957	30,000	30,000
101-100-802.000 AUDITING SERVICES	15,200	15,200	15,200	15,200	15,700
101-100-803.000 LEGAL SERVICES	32,000	32,000	25,143	32,000	32,000
101-100-804.000 IT SERVICES	30,000	30,000	132	30,000	30,000
101-100-901.000 INSURANCE	3,000	3,000	2,085	3,000	3,000
101-100-956.000 MISCELLANEOUS FEES	1,000	1,000	-	1,000	1,000
101-100-960.000 BANK FEES	5,000	11,000	6,785	11,000	5,000
101-100-999.000 TRANSFER OUT	-	-	-	-	-
TOTAL EXPENDITURES	267,400	273,400	184,802	273,400	267,900

TRANSFERS

101-100-699.000 TRANSFER IN	-	58,285	-	58,285	-
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TOTAL TRANSFERS

FUND BALANCE

101-100-390.000 FUND BALANCE	35,600	(210,115)	(179,907)	(210,115)	32,100
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TOTAL FUND BALANCE

BEGINNING FUND BALANCE

CHANGE IN FUND BALANCE

ENDING FUND BALANCE

BEGINNING FUND BALANCE	607,197	607,197	607,197	607,197	397,082
CHANGE IN FUND BALANCE	35,600	116,570	(179,907)	(210,115)	32,100
ENDING FUND BALANCE	642,797	723,767	427,290	397,082	429,182

Local Community Stabilization Authority

Revenue and Expenditure Report

Fund 280: METRO ACT FUND

REVENUES

	FY 2020 Original Budget	FY 2020 Amended Budget	FY 2020 Year To Date Actual (through July 31, 2020)	FY 2020 Projected	FY 2021 Proposed Budget
280-100-607.000 TELECOM FEES	26,790,000	27,122,000	27,121,671	27,122,000	27,122,000
280-100-664.000 INTEREST EARNED	-	21,300	20,492	21,300	-
TOTAL REVENUES	26,790,000	27,143,300	27,142,163	27,143,300	27,122,000

EXPENDITURES

280-100-955.000 LOCAL UNIT DISBURSEMENT	26,790,000	27,350,000	27,346,701	27,350,000	27,122,000
TOTAL EXPENDITURES	26,790,000	27,350,000	27,346,701	27,350,000	27,122,000

FUND BALANCE

280-100-390.000 FUND BALANCE	-	(206,700)	(204,538)	(206,700)	-
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TOTAL FUND BALANCE

BEGINNING FUND BALANCE	1,760,993	1,760,993	1,760,993	1,760,993	1,554,293
CHANGE IN FUND BALANCE	-	(206,700)	(204,538)	(206,700)	-
ENDING FUND BALANCE	1,760,993	1,554,293	1,556,455	1,554,293	1,554,293

Local Community Stabilization Authority

Revenue and Expenditure Report

Fund 281: USE TAX DISTRIBUTION FUND

REVENUES

		FY 2020 Original Budget	FY 2020 Amended Budget	FY 2020 Year To Date Actual (through July 31, 2020)	FY 2020 Projected	FY 2021 Proposed Budget
281-100-401.000	TAXES	465,900,000	465,900,000	388,250,000	465,900,000	491,500,000
281-100-664.000	INTEREST EARNED	-	58,285	55,129	58,285	-
281-100-671.000	OTHER REVENUES	-	-	-	-	-
281-100-699.000	TRANSFER IN	-	-	-	-	-
TOTAL REVENUES		465,900,000	465,958,285	388,305,129	465,958,285	491,500,000

EXPENDITURES

281-100-955.000	LOCAL UNIT DISBURSEMENT	465,900,000	465,900,000	460,072,706	465,900,000	491,500,000
TOTAL EXPENDITURES		465,900,000	465,900,000	460,072,706	465,900,000	491,500,000

TRANSFERS

281-100-999.000	TRANSFER OUT	-	-	-	-	-
TOTAL TRANSFERS		-	-	-	-	-

FUND BALANCE

281-100-390.000	FUND BALANCE	-	58,285	(71,767,577)	58,285	-
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TOTAL FUND BALANCE

BEGINNING FUND BALANCE

CHANGE IN FUND BALANCE

ENDING FUND BALANCE

95,881,236	95,881,236	95,881,236	95,881,236	95,939,521
-	58,285	(71,767,577)	58,285	-
95,881,236	95,939,521	24,113,659	95,939,521	95,939,521