

Potential Budget Cuts with Related Costs and Notes
December 2017

<u>Fund/Service</u>	<u>Cost Savings</u>	<u>Notes of what makes up the amount</u>	<u>Commentary on Change</u>
General Fund:			
1 Close MSU Fire Station	\$ 10,000	Estimate of supplies/materials for the station. The actual building is owned and maintained by MSU.	Longer response times to South side of the City. Minimal direct savings. Facility is maintained by MSU. Some savings could result if staff and/or apparatus required is reduced. This will be discussed later in matrix. Could have unintended revenue lost \$325k-\$2.2 mil. (loss of MSU direct contribution, PA289 revenue, loss Ambulance Revenue).
2 Combine 54B District Court with County	\$ 2,776,645	54B division expenditures, less grant costs since fully reimbursed and less indirect and IT costs charged - unsure what this would mean for the revenue collected, would it go away too?	Following revenues are received and not netted against the costs savings shown: ordinance fines \$1.3 million, parking fines \$1 million and \$1 million of court costs/miscellaneous charges
3 Cut funding of Community Relations Coalition	\$ 25,000	Community advocacy budgeted amount in FY18 within the Housing division	This will include community outreach events such as ice cream socials and clean ups, as well as interns at neighborhood meetings. It will also be one less level of a contact at MSU.
4 Cut funding the Public Art Fund (1% of capital outlay per ordinance)	\$ 20,500	FY18 budget for transfer to the Public Art Fund - this is calculated using the general fund capital outlay plus amounts in the CIP fund (facility improvements, etc.)	Would need to address the ordinance currently in place.
5 Eliminate support of Human Services within the General Fund	\$ 61,700	FY18 budget for General Fund human services division	Current year amount includes \$2,000 to the Library
6 Cancel LEAP membership	\$ 15,000	FY17 actual annual dues paid	Amount is normally paid in January (so coming due soon)
7 Stop plowing sidewalks (Average expenditure \$50,000/yr) The city currently plows 61.05 miles of sidewalk.	\$ 25,000	50% reduction in costs, by only plowing city owned sidewalks (i.e. parks, right of way sidewalks, etc.) and MDOT sidewalks installed at the city's request would still require plowing (i.e. Michigan Ave crossings, etc.), reducing the length to 21.32 miles. The reduction is not linear to length as travel time comes into play with equipment traversing the city.	This may have negative impacts on pedestrians and school children walking before property owners have cleared snow from their sidewalks, potentially creating a situation where pedestrians choose to walk in the street. This may result in the reduction of 1 FTE with a corresponding reduction in summer work (i.e. contract mowing services) . This would eliminate one sidewalk plow.
8 Stop filming Council and Planning meetings	\$ 154,000	Contract service with Advanced Video Professionals	Reduces transparency if meetings are no longer televised for residents. The contract with Video Professionals expires on February 1, 2019.
9 Stop sending the annual calendar	\$ 9,000	Printing and postage costs of the annual calendar	The EL Community Photo Contest would likely end as well. The calendar, which is a functional marketing piece and serves to communicate the City's progress over the past year, would not be available to residents and would not be available for the City to distribute in new resident packets, relocation packets, at City events and at City facilities.

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10 Stop sending Dialogs	\$ 15,400	Printing and postage costs of 3 dialogs	This would impact the Curbside Journal insert as well (Curbside cost not included in Column C). A determination would need to be made about whether the Curbside Journal would still be printed/mailed separately. Both publications provide key dates and important City information to the public.
11 Stop all non-required Commissions	\$ -	Unknown - possible savings on copies, supplies, food for meetings - depends on the commissions eliminated or reduced in scope.	Reduces staff time and allows other work to be completed. May be necessary if employee cuts are made. Eliminates some of the opportunities for residents to be part of the local government/public service.
12 Eliminate Art Festival	\$ 10,100	Small General Fund subsidy of \$6,000 for DPW's actual time spent on Festival activities. ELPD spent \$4,074 on overtime expenses to provide safety/security at this event. ELPD did not bill for services provided.	Removes a well attended and almost self-sufficient festival from the City.
13 Attrition of 10 Fire/EMS employees	\$ 900,000	Fully loaded cost (wages/benefits/uniforms/etc.) of an experienced firefighter	A. ELFD has 1-vacant position currently. Annual savings of a fully loaded position would be approximately \$90,000.00 B. ELFD is budgeted for 50 FTE's. C. 10-positions would equate to a 20% reduction. D. Run volume has nearly tripled as staff reductions have decreased (since 95-96 Tri-Data study that indicated ELFD was understaffed at that time).E. would decrease response times.
14 Attrition of 10 Police Officers	\$ 920,000	Fully loaded cost (wages/benefits/uniforms/etc.) of an experienced officer	ELPD has lost (5) budgeted police officer positions this year - hiring freeze, resulting in a new minimum staffing level of (1) supervisor and (4) police officers each shift. Annual savings of \$460,000.00. The loss of (5) additional officers would increase the annual savings to \$920,000.00. The loss of (10) officers would put ELPD at an authorized strength of (44) officers. This staffing level would eliminate community policing efforts in the city. The staffing level would also force the department to concentrate on taking calls for service and responding to emergency situations with little or perhaps no uncommitted time.

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15 Draw all resources from the Library		Discount currently provided on IT charges (FY18) thus other funds (primarily General Fund) are covering that cost.	The two mills currently levied for the library are dedicated library millages and cannot be used for any other purposes. The DDA captures approximately 4% of each millage annually. The library receives no money from the city from the general revenue fund or any other funds. Currently, the library pays \$235,000 to the city for services (\$127,770 for IT, \$88,540 for indirect general government, \$17,610 to DPW for their time/equipment at the Library, and misc. building maintenance items).
16 Pass on Drain Assessments to Benefiting Properties (FY 18 Estimated cost \$142,500)	\$ 55,000	Assess benefiting properties the drain costs based on the most recent assessments provided by the County - remaining amount is responsibility of the City (City parcels or at large costs)	This is a typical practice of townships. This change will be unpopular and will only impact benefiting properties. Long term a storm water utility fund would be developed to capture costs across the city.
17 Assess for Street Lights (FY 18 Estimated cost \$900,600)	\$ 630,420	Assess benefiting properties the cost of street lights, assuming 70% can be assessed	This is a typical practice of townships. This change will be unpopular and will only impact benefiting properties. This could lead to a reduction in the demand or continued use of street lights in certain areas.
18 Allocate additional CDBG funds to City sponsored sidewalk programs if eligible OR to cover any shortfall in the Avondale Square TIF	\$ 99,975	Currently this amount is allocated to social services (56,975) as well as CAHP (40,000) and Greater Lansing Housing Coalition (3,000)	This would help alleviate any General Fund subsidy to the Avondale Square debt payments as well as allow the City to complete sidewalk projects that otherwise would likely be cut from the budget.
GRAND TOTAL GENERAL FUND	\$ 5,727,740		

Parks & Recreation Fund:

1 Close Soccer Complex	see below		
2 Close Aquatic Center	see below		
3 Close Hannah Pool	see below		
4 Reduce hours at Hannah Community Center	see below		
5 Close Hannah - lease as condos	see below		
6 Eliminate Jazz Festival and all other community events, including Farmers Market	see below		
GRAND TOTAL PARKS & RECREATION FUND	See Separate Analysis - Memo from Tim M.	Any amount reduced here would be a direct impact to the General Fund, however, there would be indirect costs that need to be removed and would cause the actual cost savings to potentially be less.	

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Major and Local Street Funds:			
1 Stop bulk leaf pick up (FY 18 Estimated Cost 202 \$68,025, 203 \$ 179,000, Total \$247,025)	\$ 185,268	The street fund covers this cost. Stopping the service would reduce Fall street leaf clean-up by 75%. Leaves on the street would still have to be removed accounting for the remaining 25% of the costs.	This would increase costs to residents for the disposal of leaves. This would also increase enforcement demands on PACE. The additional funds can be used for street maintenance.

** Does not directly impact General Fund

Solid Waste Fund:

1 Suspend recycling program (FY 18 Estimated Cost \$622,745)	\$ 576,865	Eliminate 2.5 FTE equivalents (2.5 collection staff), sell excess equipment, \$45,880 in indirect costs still exists and must be covered by the GF. This would include closing the drop-off station and remove public space recycling bins or find an alternative disposal option for public space containers.	This would result in the layoff of outstanding junior employees that city has invested significant effort in developing their skills. This would violate city ordinance or require an ordinance change, and would require the collection and disposal of over 7,000 recycling carts. Trash costs would increase as 2,100 Tons of material transitions from the recycling to trash, potentially requiring an additional trash route and truck. This would increase cost distribution to other funds of remaining base line administrative, fleet and facility costs. We currently have two DEQ grants for public space recycling and resident education that may require repayment.
2 Cancel Recycle! East Lansing	\$ 12,000	Donations supplement this event.	This is a popular event that is largely volunteer driven. Without staff, this event cannot be executed.

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<p>3 Privatize Solid Waste Collection (FY 18 Estimated Cost \$2,017,995) -6774 Refuse Cart Customers (FY 17 Actual = \$125.84/yr per cart, includes storm debris clean-up, 4 free days of yard waste collection and Christmas tree collection) -7000 Recycling Customers (FY 17 Actual = \$76.37/yr, includes drop-off center operations) Base unit cost per household for both recycling and refuse is approximately \$202.18/yr (FY 17 Actual, actual charge per household varies based on assessed value), and includes basic 64 gallon refuse cart (owner is responsible for), 96 gallon recycling cart (city provided), access to drop off recycling site, 4 free yard waste collection days, storm debris clean-up, and Christmas tree collections; all other services are additional services are fee based, i.e. larger refuse carts, yellow bags, yard waste bags and stickers, and low cost bulk services, expected to gross \$267,500 for FY 18. When looking at a bill from Granger in Meridian Township, the quarterly bill is approximately \$65 (or \$260 per year) which includes weekly rubbish and bi-weekly recycling with 96 gallon carts each. This does not include any yard waste or special pickup services.</p>	\$ 1,718,675	Eliminate 8 FTEs (7 collection staff, 1/2 mechanic, 1/2 clerical position), and sell excess equipment. Costs of approximately \$300,000/yr that would have to be covered by the general fund or a reduced millage for post retirement costs, indirect charges (\$91,760) and annual landfill closure costs (\$65,000). Staff effort would be required to administer and award a city wide contract. Overhead costs are included in the projected cost for service.	This would result in the layoff of outstanding junior employees that city has invested significant effort in developing their skills, impacting succession planning and continuity. The city has three alternatives: 1. award a contract to one vendor and collect a reduced millage, 2. establish a user fee that is charged to service users, or 3. allow open market collection which would have a negative impact on roads by increasing wear and tear and neighborhoods by increasing large truck traffic. Regardless, this would reduce the flexibility of the city to respond to emergencies (i.e. storm debris collection) and service would diminish in critical areas and times (i.e. the collection of flammables before a game, cleaning up illegal dumping, etc.). This would increase cost distribution to other funds of remaining base line administrative, fleet and facility costs.

** Does not directly impact General Fund, but could reduce tax millage

Downtown Development Authority:

1 Sell the Evergreen properties	Separate Analysis underway by staff	Eliminates the City's pledge of full faith/credit for these bonds once they are paid in full. Eliminates staff time to manage the properties.	Property is not worth the amount of debt outstanding. Loss of flexibility with the property/future developments.
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** Does not directly impact General Fund

REVENUE OPTIONS - TAX MILLAGE

1 Ask voters to pass special purpose millage (public safety or parks and recreation)	\$ 982,895	Amount of 1 mill assessed based on FY18 taxable values	
2 Ask voters for Headlee override	\$ 2,390,499	Current Headlee limit is 17.5679 - override would produce an additional 2.4321 mills	