

Memorandum

Date: 8/18/2011
To: The DCC Finance Committee
James Perry, Executive Director
From: Kimberly Donahey
RE: 2011-2012 Budgets

The Downriver Community Conference (DCC) is requesting approval of the following budgets for fiscal year 2011-2012:

Downriver Community Conference	\$13,591,275
Downriver Mutual Aid	<u>\$ 8,068,349</u>
Total	\$21,659,624

The DCC expects a reduction of \$2,191,731 from prior year funding levels. This reduction is due to the overall reduction in government funding as well as federal ARRA grants coming to an end. All DCC Departments are impacted by this loss of funding. In anticipation of this reduction, the DCC did not replace positions as turnover occurred. DCC Management will be exploring different ways to cut back on expenses in an attempt to save as many jobs as possible. Cut backs may include changes to health insurance plans, unpaid time off, voluntary lay offs, suspension of overtime, etc.

The Downriver Mutual Aid will see an increase in funding of \$1,946,793. The increase is due the 911 system being paid off, State Forfeitures increasing and from COPS grants.

Budget pages are set up in the following manner, by department:

- *Proposed* 2011 – 2012 budgets
- *Revised* 2010 – 2011 budgets
- *Original* 2010 – 2011 budgets

Central Funds (\$565,235): Funds 10XXX

The General Fund will end with a slight surplus for the 2010-11 fiscal year and maintain a positive balance of over \$145,000. The Central funds are expected to remain constant over the next year with the exception of a foundation grant, which has not been renewed.

The DCC is requesting membership dues to remain the same for the 2011-2012 fiscal year.

The Building Fund (\$1,572,069): Fund 20150

This budget was prepared with the assumption that the sale of the building will take place in approx. June 2012. The DCC and the Creative Montessori Academy (CMA) continue to move forward with completing any outstanding issues and negotiating terms of the condo agreement.

As of August 2011, the DCC building is at 93.5% occupancy. The Building Fund is expected to have an approx. gain of \$109,000 at the end of this year as a result of long term assets being fully depreciated. During the 2011-2012 fiscal year, a \$687,402 gain is projected due to the sale of the North end of the building, a decrease in interest expense as the mortgage balance decreases and a decrease in utilities and maintenance as the Creative Montessori Academy will be responsible for a portion of those costs after the sale. Over the next year, rental income is expected to decrease due to budget cuts in the departments as well as losing tenants due to the sale of the building and the economy.

Capital improvements will be scheduled after the sale as the sale proceeds will be used to fund some of the improvements. Major projects will include a new roof on the southwest side of the building, adding a parking lot to the front of the building, replacing outdated windows and working with DTE to replace the boiler system.

Employment & Training (\$5,161,985): Funds 33XXX

As a whole, the E&T Department is expecting a decrease in funding of approx \$896,411. This is a result of two factors: A decrease in WIA funding of approx. \$383,551 and an end to the Re-Employment Services-Livonia (RES) pilot project. The decrease in WIA funding is not a result of DCC's performance, but as a result of a cut in federal funding. The RES Pilot program ended June 30, 2011.

At this time, funding allocations are not available for Welfare Reform grants; however, funding is expected to remain the same or decrease slightly.

Transportation (\$371,007): Funds 34XXX

The Transportation Department was awarded a Job Access Reverse Commute (JARC) grant and a New Freedom grant. The JARC grant assists people searching for and commuting back and forth to work, while the New Freedom grant transports customers with disabilities.

The DCC will continue to partner with The Senior Alliance to provide transportation services to senior residents. Funding is anticipated to remain the same for this grant.

Weatherization (\$3,610,479): Funds 44XXX

The Weatherization Department continues to weatherize homes for qualified low-income customers. The Weatherization program has a decrease of \$1,289,412 over last fiscal year. This is a result of ARRA stimulus funding coming to an end. The DCC received a total of \$4,882,120 in stimulus money and this will end in March 2012. At this time, the state has chosen to use LIHEAP funding for deliverable fuels rather than for weatherizing homes.

The DCC received \$1,000,000 to assist low income residents with heating bills and has been awarded the same this next fiscal year.

Economic Development (\$2,310,500): Funds 55XXX

The Economic Development Department continues to run grants funded by the US EPA. These grants provide loans and sub-grants to support cleanup activities at sites contaminated with hazardous substances as well as assess various sites. These funds run over multiple years.

The SBA 504b Loan Program will continue at the DCC. This program assists small companies with purchasing a building and/or machinery/equipment. The funding supports staff and associated costs. Lending institutions are responsible for loaning/funding the debt.

Ventowers has received funding through both the EPA Revolving Loan Fund and SBA 504b Loan program. Three hundred jobs are expected to be created as a result of this.

The department will continue to run the Department of Defense, Small Business and Michigan Economic Develop Corp. (PTAC) grants. Funding remains stable for these grants.

Downriver Mutual Aid Funds: Funds 91XXX

The Downriver Mutual Aid teams are requesting membership dues remain the same for the 2011-12 fiscal year.

The Police Teams are expecting to run operations the same during the 2011-12 fiscal year. The SWAT Team has applied for a new Bearcat response vehicle with Wayne County Homeland Security.

The Fire Teams expect to continue operations the same this next year. The Fire Teams hired a part time Logistics Officer to track and maintain DMA Fire vehicles and equipment. Accumulated will be paid for out of this years Fire budget.

DRANO Operations will see some changes this year. The Michigan State Police (MSP) will keep Chief forfeitures from June 2011 forward. The Chief money helped pay for DRANO operational expenses as well as cover match requirements for the HIDTA grant. The MSP has allowed the remaining balance of approx. \$1.1 million to stay in the DRANO unit. DRANO can use this money for operational expenses until the money is gone. As a result of this, state and federal forfeitures will remain with DRANO to keep it operational in future years.

The Downriver Mutual Aid continues to pursue and use COPS grants. The COPS VII grant purchased E-lights for various intersections downriver. COPS VIII will be used to purchase microwave dishes at each of the tower sites. The COPS IX grant will be used to purchase the answering position software for 911 calls, upgrades to the radio system and the remaining balance will be allocated to the police departments for equipment purchases.

911

The loan for the 911 system was paid off in November 2010. The equipment, which was purchased approximately 12-14 years ago, is no longer being supported by Motorola. An RFP is in draft form for replacing the radio system. Vendor responses will be reviewed in October and expected to go to the Board for vote in November or December 2011. \$3 million has been budgeted for the purchase of the new system. Financing options for the remaining balance will be explored.

A 911 Coordinator position is being considered by the DCC and DMA Chiefs. This position would run and maintain the 911 system and the tower sites. The two officers responsible for maintaining and running the system have both retired. Motorola will be conducting a training session in September to train more police and fire personnel on the 911 system.

**Downriver Community Conference
Downriver Mutual Aid
2011-2012 Summary Budget**

Program	Fund	A Original Budget 2010-2011	B Revised Budget 2010-2011	C Proposed Budget 2011-2012	C - B Variance
General: Central					
Assessment	10120	95,000	104,712	107,448	2,736
TJX Foundation	10128	2,500	5,000	5,000	0
Testing	10130	17,270	29,956	29,296	(660)
Youth Assistance	10140	258,475	258,475	258,475	0
SE Michigan Community Foundation	10146	25,000	18,400	0	(18,400)
Copy & Fax	10150	146,679	146,564	150,914	4,350
Vending	10160	15,871	16,252	14,102	(2,150)
Subtotal Central Funds		560,795	579,359	565,235	(14,124)
Building & Grounds					
Building Fund	20150	879,505	920,340	1,572,069	651,729
Subtotal Building Fund		879,505	920,340	1,572,069	651,729
Employment & Training					
ESA	33102	30,000	15,480	500	(14,980)
Youth	33211	340,475	340,200	335,737	(4,463)
Adult	33212	486,509	486,509	364,882	(121,627)
Dislocated Worker	33213	969,978	699,711	727,443	27,732
Dislocated Worker - ARRA	33214	0	270,213	0	(270,213)
Aging Worker	33216	7,000	7,000	7,000	0
Employment Services	33250	1,187,473	1,187,473	1,166,044	(21,429)
Re-Employment Services -Livonia	33257	100,000	361,063	0	(361,063)
Re-Employment - Staffing	33258	52,500	47,848	0	(47,848)
Disability Navigator Program	33259	0	67,500	0	(67,500)
TAA/NAFTA Program	33288	0	280,000	250,000	(30,000)
Trade Case Management	33289	71,043	75,000	75,000	0
Jobs, Education & Training	33600	1,663,533	1,584,709	1,584,709	0
Foodstamps	33604	14,000	5,300	5,300	0
Earn & Learn	33607	0	70,000	70,000	0
General Fund/General Pool (GFGP)	33615	421,579	386,386	386,386	0
Statewide Activities	33618	0	122,752	122,752	0
DHS Supportive Services	33625	0	66,232	66,232	0
Subtotal Employment & Training		5,344,090	6,073,376	5,161,985	(896,411)
Transportation					
Fee For Service	34150	6,500	3,500	3,500	0
Jobs Access Reverse Commute (JARC)	34200	180,000	70,000	120,000	50,000
The Senior Alliance	34300	78,000	78,000	78,000	0
Specialized Services	34400	8,999	8,999	8,999	0
New Freedom	34600	80,000	214,421	148,908	(65,513)
Homeless Coalition	34700	4,800	4,800	4,800	0
Lincoln Park Transportation	34999	0	6,800	6,800	0
Subtotal Transportation		358,299	386,520	371,007	(15,513)

Program	Fund	A Original Budget 2010-2011	B Revised Budget 2010-2011	C Proposed Budget 2011-2012	C - B Variance
Weatherization					
Department of Energy	44101	486,391	486,391	266,422	(219,969)
Low Income Housing Energy Asst.	44103	73,500	367,500	0	(367,500)
Department of Energy - ARRA	44105	1,800,000	2,801,000	2,099,057	(701,943)
Energy Assistance	44700	916,400	1,000,000	1,000,000	0
Weatherization Assistance	44800	253,857	245,000	245,000	0
Subtotal Weatherization		3,530,148	4,899,891	3,610,479	(1,289,412)
Economic Development					
EPA Assessment II	55615	375,000	322,500	35,500	(287,000)
EPA PETRO ARRA	55620	300,000	555,000	325,000	(230,000)
EPA Revolving Loan Fund	55695	1,490,000	1,016,000	0	(1,016,000)
EPA Revolving Loan Fund II	55697	1,315,675	595,000	1,500,000	905,000
Department of Defense	55709	169,167	220,000	220,000	0
Michigan Economic Dev Corp.	55729	95,000	95,000	95,000	0
SBA 504 Loan Program	55750	180,000	135,000	135,000	0
Subtotal Economic Development		3,924,842	2,938,500	2,310,500	(628,000)
Total Downriver Community Conference		14,597,679	15,797,986	13,591,275	(2,191,731)
Downriver Mutual Aid					
911 Operations	10911	2,734,974	2,842,982	3,694,883	851,901
Police Teams	91510	63,850	98,496	94,346	(4,150)
SWAT Training	91511	0	1,815	2,465	650
Highway Safety	91512	259,971	259,971	259,971	0
Fire Teams	91520	114,931	212,196	182,882	(29,314)
DRANO Operations	91530	121,994	131,367	123,473	(7,894)
Chief	91535	1,613,604	1,431,366	1,139,216	(292,150)
HIDTA	91537	82,000	82,000	90,000	8,000
State Forfeitures	91538	121,780	135,775	661,725	525,950
Auto Theft	91540	17,895	37,055	0	(37,055)
DRANO Enhancement (Byrne)	91560	57,839	70,767	59,892	(10,875)
Federal Forfeitures	91570	252,490	382,766	339,496	(43,270)
COPS VI	91916	395,380	105,000	315,000	210,000
COPS VII	91917	500,000	300,000	285,000	(15,000)
COPS VIII: Microwave	91918	200,000	30,000	170,000	140,000
COPS VIII	91919	350,000	0	650,000	650,000
Total Downriver Mutual Aid		6,886,708	6,121,556	8,068,349	1,946,793
Combined DCC + DMA budget		21,484,387	21,919,542	21,659,624	(244,938)