



Andy Schor, Mayor

Managing Lansing Finances Through COVID-19

Robert
Widigan
Finance Director
City of Lansing

Keeping essential services with less money

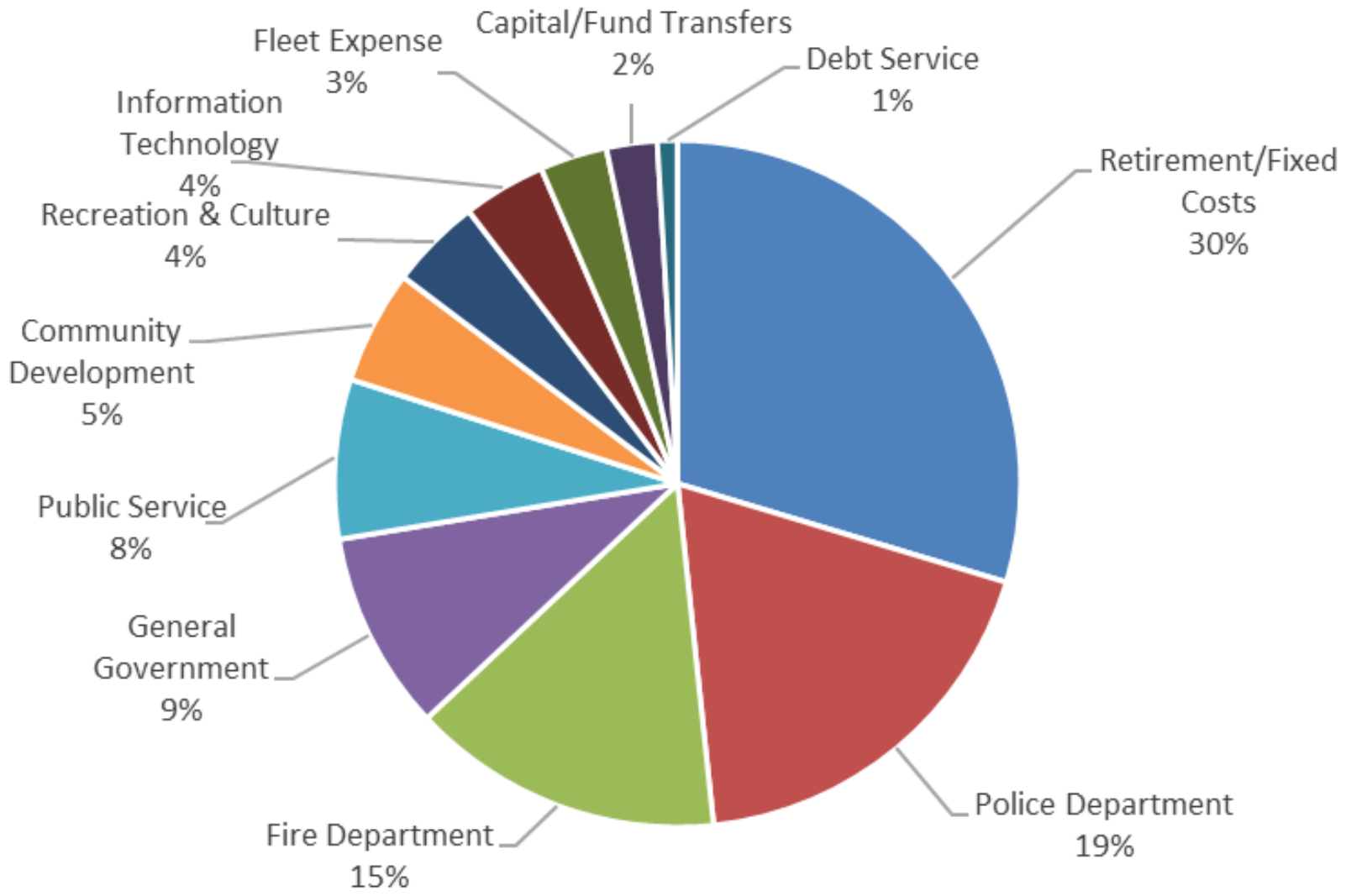
Costs of providing services are increasing

- Additional costs of COVID-19

Limitations on revenue growth

- Property Taxes
 - Headlee
 - Proposal A
- State Revenue Sharing
 - Statutory Revenue Cuts
- Income Taxes
 - Unemployment
 - Remote Work

City of Lansing 2020/2021 General Fund Budget \$136.9 M



Property Taxes – City of Lansing

Great Recession

- Taxable values capped at negative inflation rate
- Operating levy decreased \$9.1M in three years

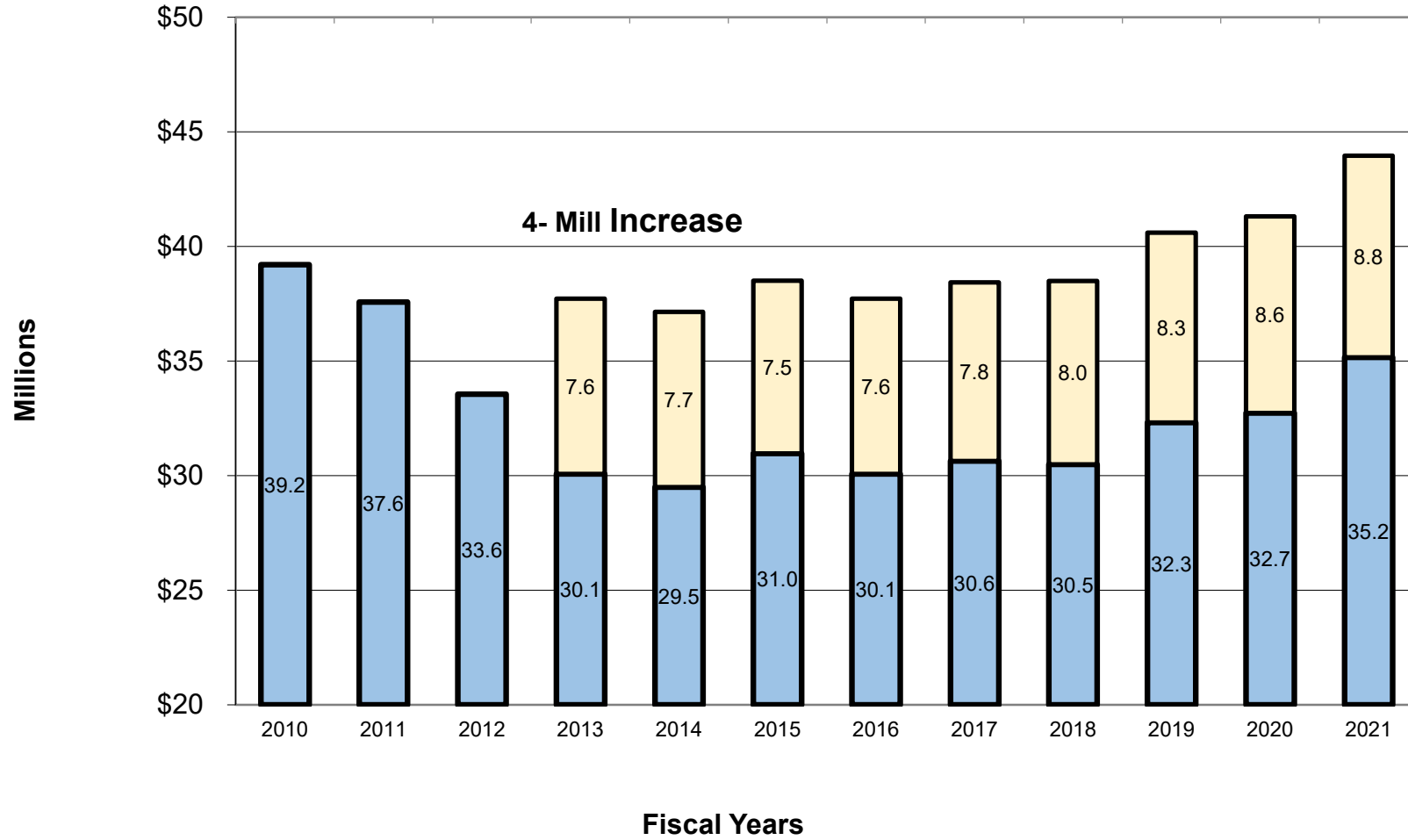
FY 2013

- Voters approve 4 mills to preserve funding for Parks, Roads, Police, and Fire
- Restores \$7.6M of lost revenue

FY 2021

- Operating levy remains \$4.0M under FY2010 levels
- Voted levy brings in \$8.8M

City of Lansing Property Tax Revenues



■ Base Operating Levy = 15.44 Mills

■ Extra Police/Fire/Road Millages = 4 Mills

Revenue Sharing – City of Lansing

Balancing State Budget w/ Discretionary Spending FY 2002

- City revenue sharing payments peaked at \$20.5M in 2002
- Constitutional: \$6.5M; Statutory (Discretionary): \$14.1M

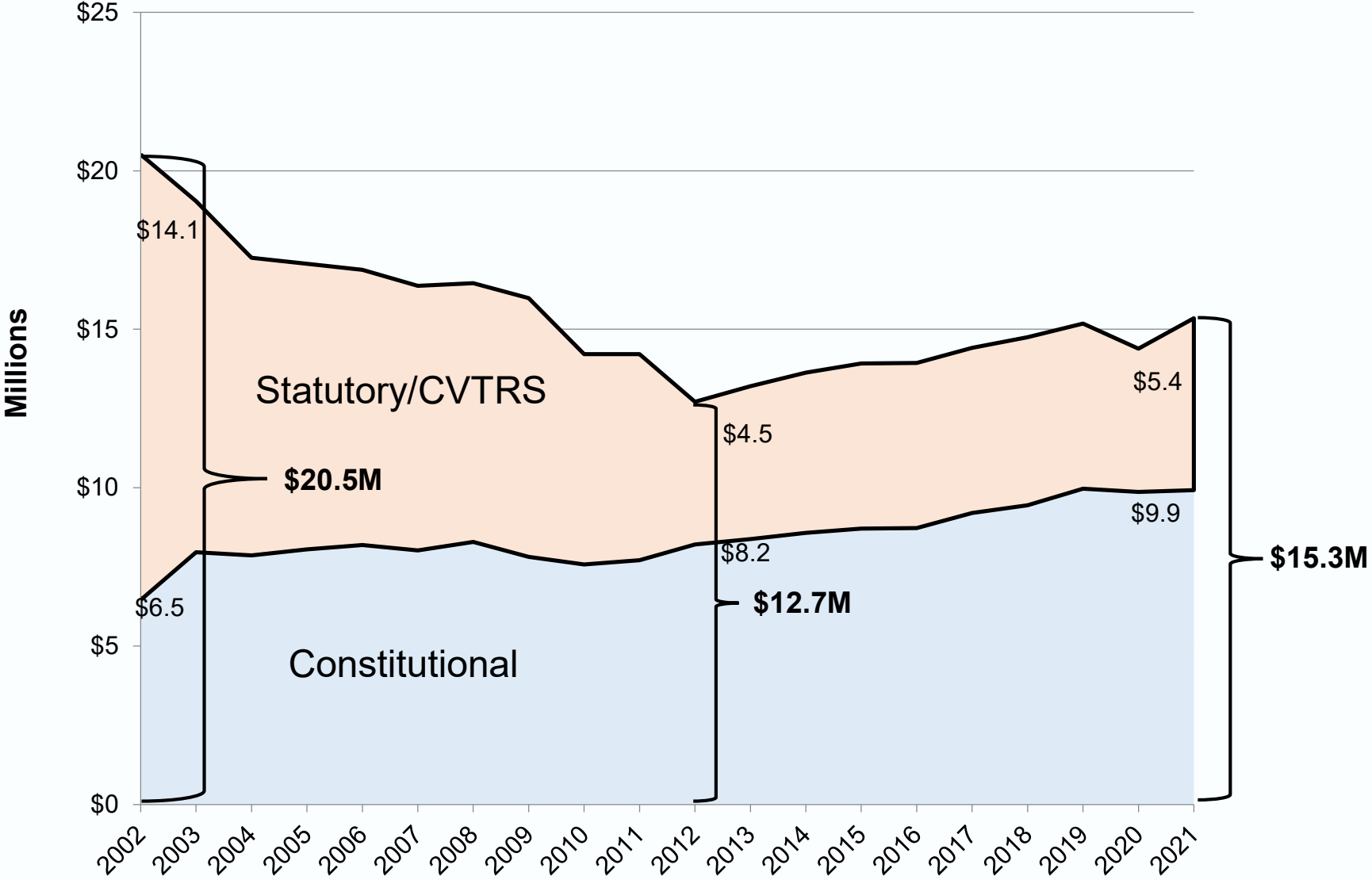
FY 2012

- Decline in revenue sharing troughed at \$12.7M in 2012

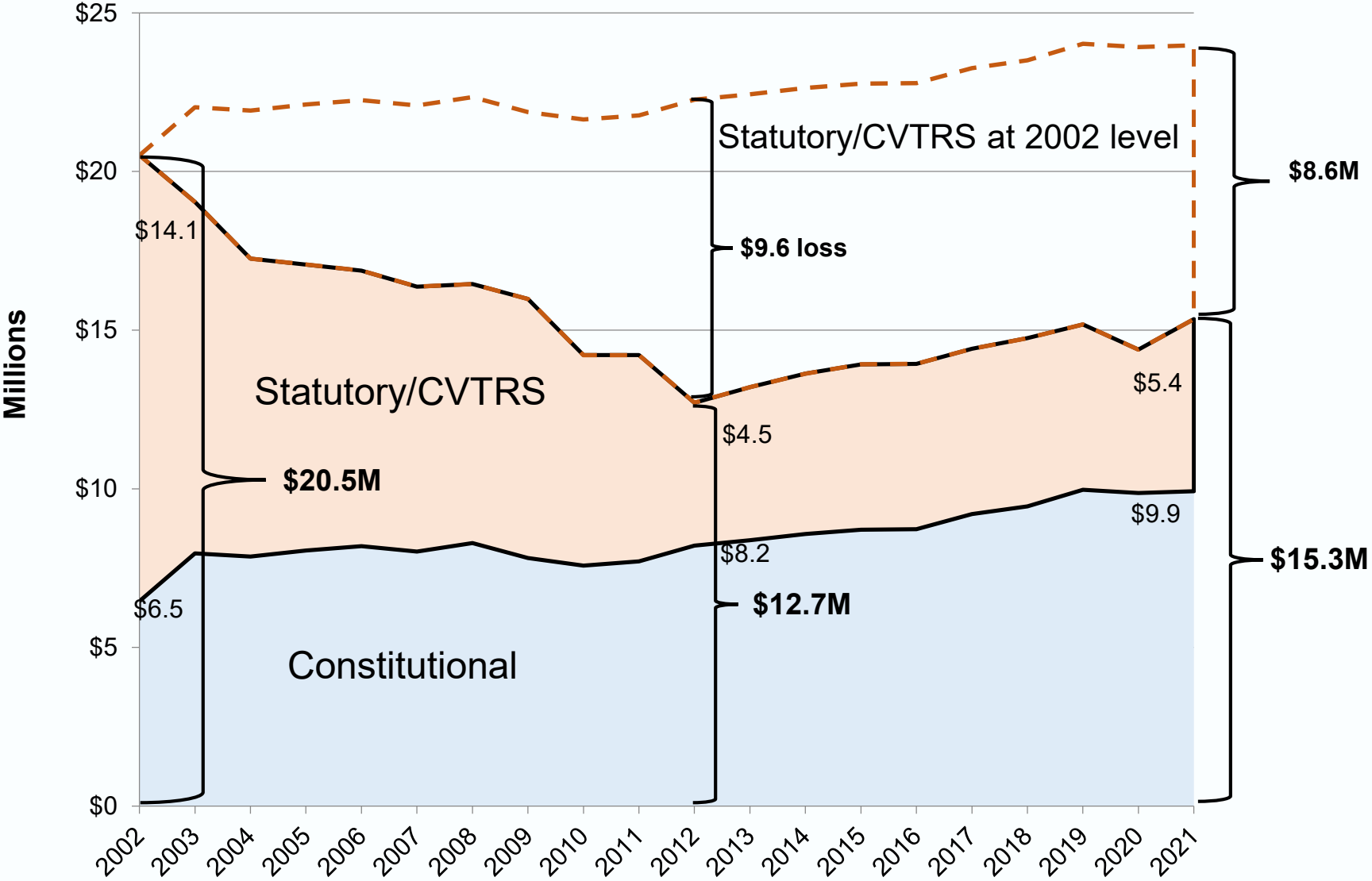
FY 2021

- Revenue sharing remains \$5.7M under FY 2002 levels
- Constitutional: \$9.9M; Statutory: \$5.4M

City of Lansing Effects of State Revenue Sharing Cuts



City of Lansing Effects of State Revenue Sharing Cuts



Income Taxes – City of Lansing

Fluctuations with Broader Economy

- Unemployment peaked 24.8% in April 2020
- Compare to 17.9% peak in Great Recession

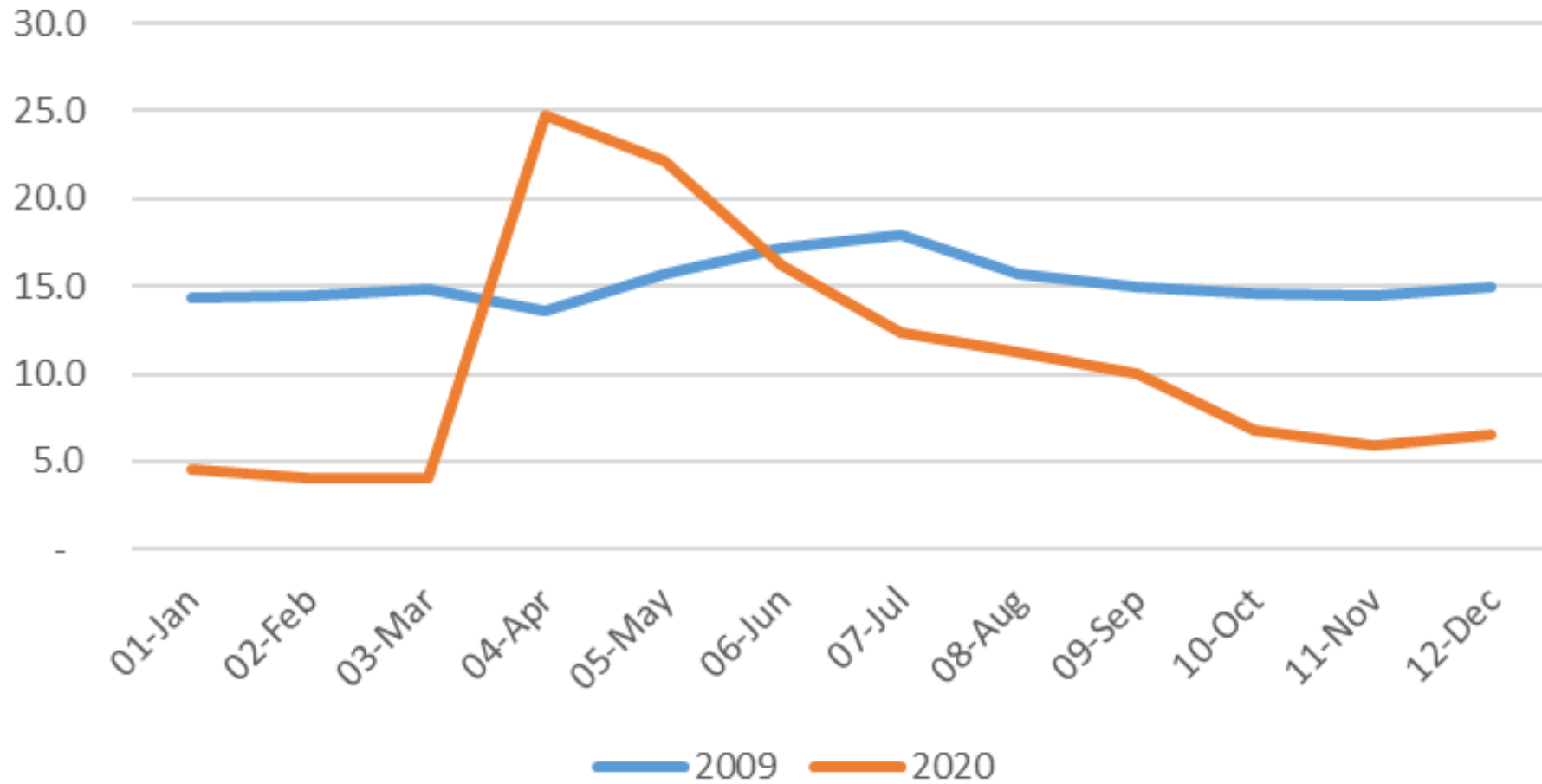
Residents vs Non-Residents

- Residents pay 1.0% (less income tax for other cities)
- Non-residents pay 0.5%

Non-Taxable

- Unemployment benefits
- Non-resident remote work

Unemployment Rates (%)



COVID-19– City of Lansing

Budgetary Impacts

- Income Tax reduced \$7.9M (20%)
- State Revenue reduced \$3.0M (15%)
- Other Revenues reduced \$1.6M
- Total Projected Loss of \$12.5M

Credit Rating

- S&P lowered rating A+ to AA- on GO Bonds
- S&P lowered ratings from AA- to AA on MTF Bonds

COVID-19– City of Lansing

Year to Date Actuals (December)

- Income Tax underperforming
- Revenue Sharing over performing
- Parking revenue loss ~\$8M

Spending Reductions

- Reduced Personnel Time
 - Restrictions on hiring
 - Work Share/Reduced hours
- Reduced Discretionary Spending

Stimulus and Other Support– City of Lansing

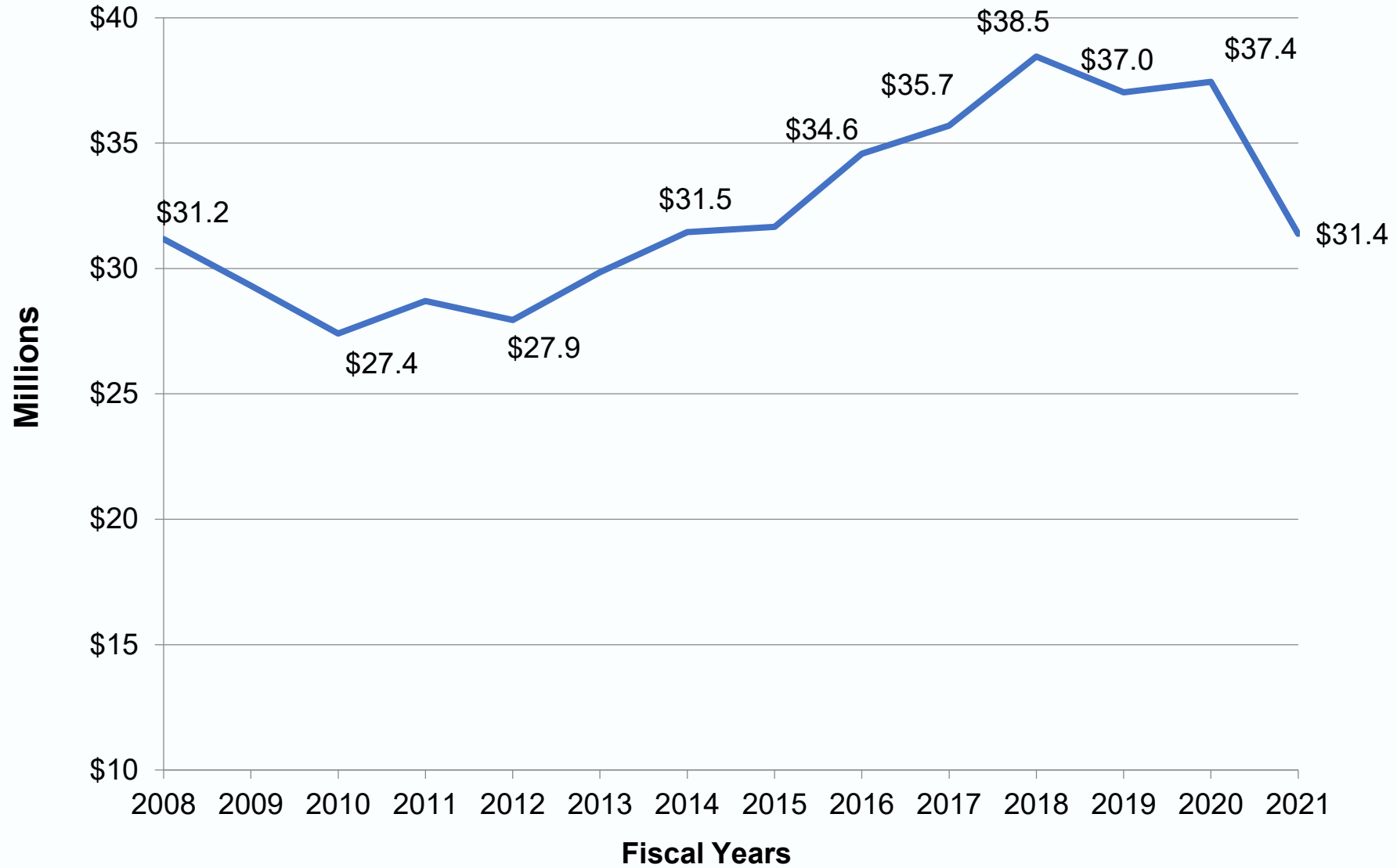
CARES Act

- PSPHPRP \$5.9M
- CRLGG \$1.4M
- FRHPPP \$380K

Other support

- FEMA (75%, then 100% of eligible expenditures)
- Safe Voting Grants \$443k
- Bureau of Justice Admin Grants \$86k

City of Lansing Income Tax Revenue





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