

CITY OF EAST LANSING

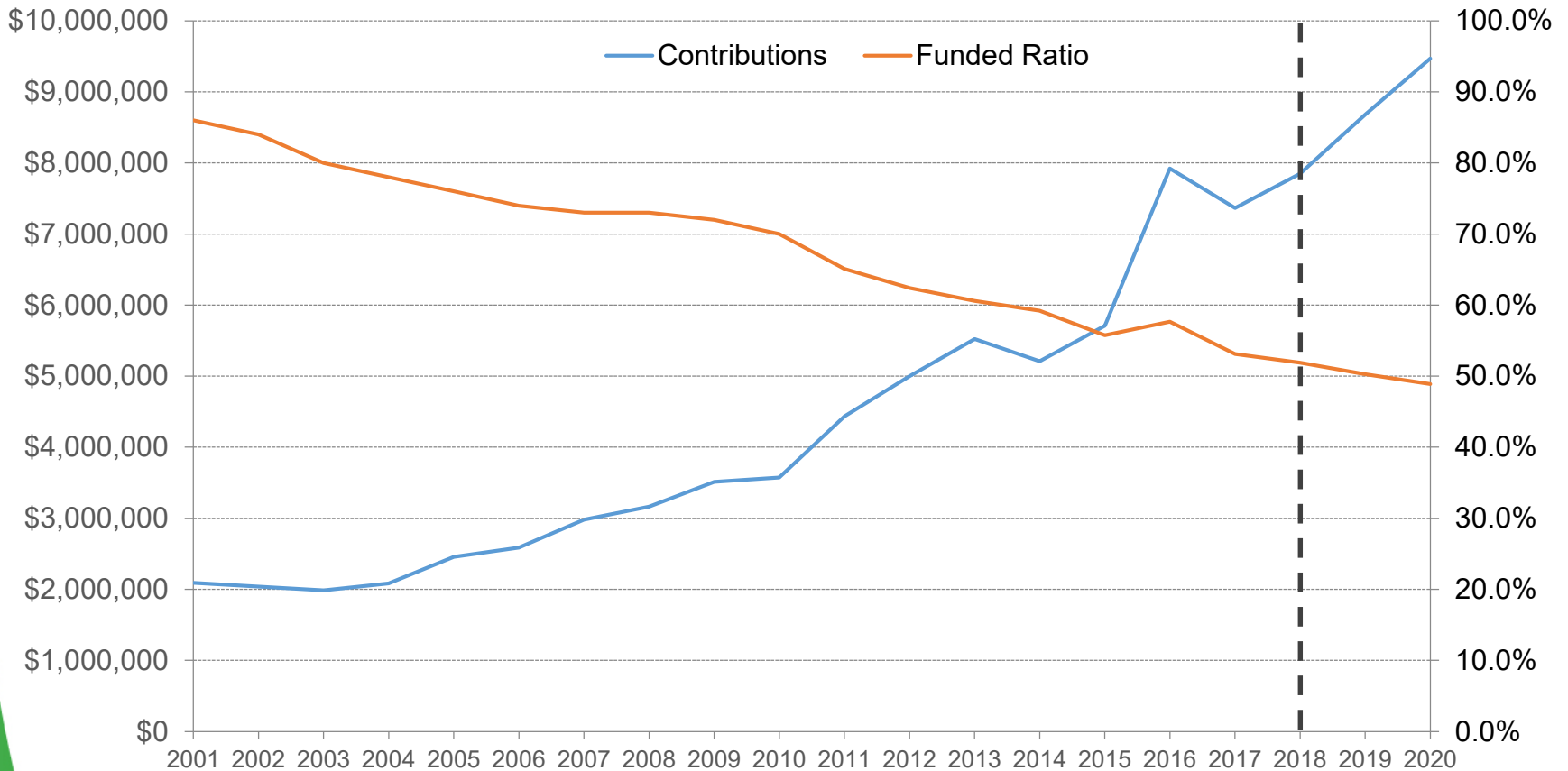
# Addressing Pension Challenges and Engaging Residents



Some data and slides provided by MSU Extension

# Pension Payments

2001-2017, Projected payments 2018-2020



Number of Actives:  
268

Number of Retirees:  
373

Total Allowance:  
\$12,708,765

Average Benefit:  
\$34,000



# General Fund Revenue Total

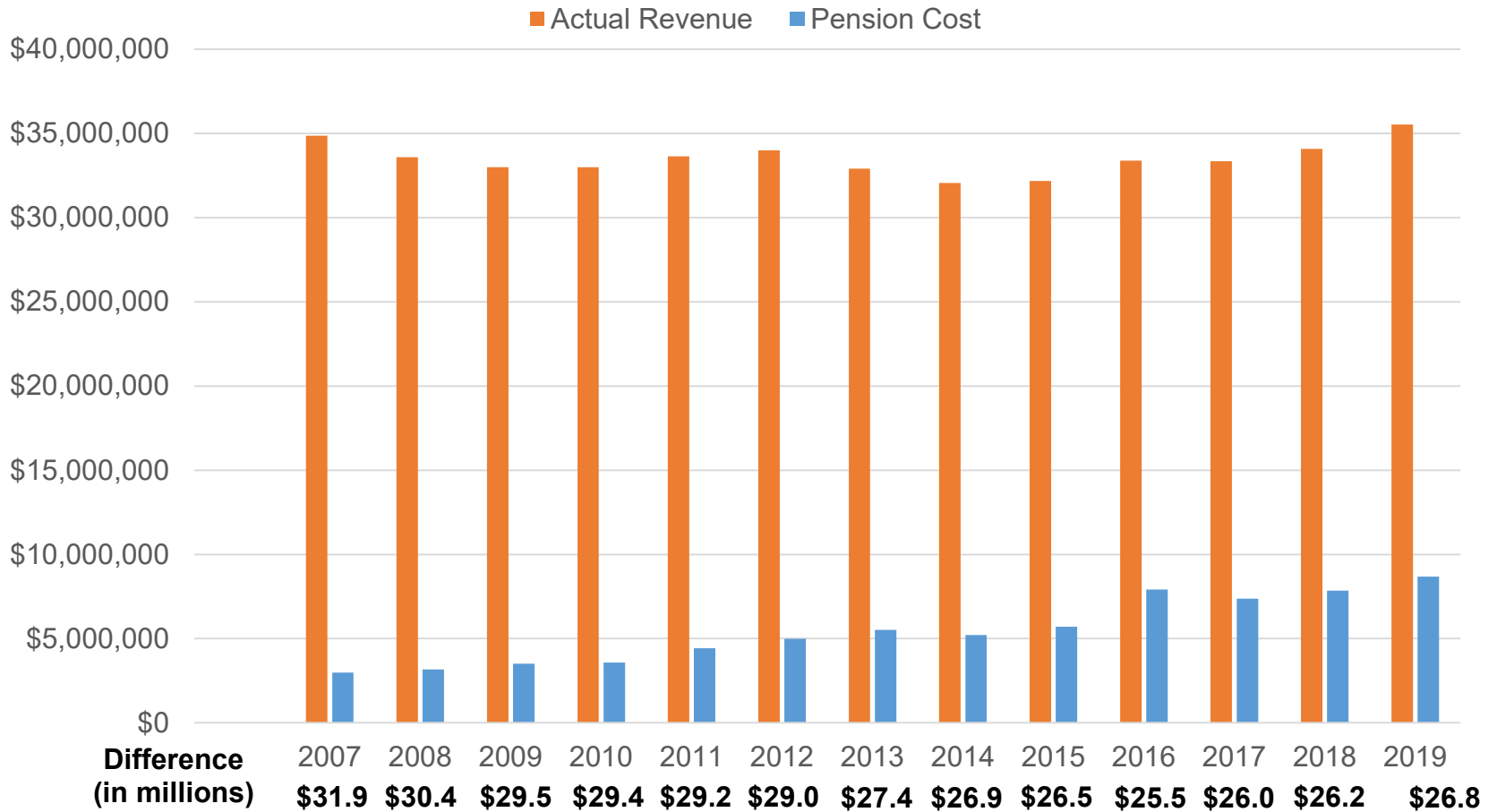
2006-2017

Fiscal Year	General Fund Revenue Total	Percent Change
2006	\$ 33,827,505	
2007	\$ 34,863,846	3.1%
2008	\$ 33,587,106	-3.7%
2009	\$ 32,990,309	-1.8%
2010	\$ 32,997,385	0.0%
2011	\$ 33,637,727	1.9%
2012	\$ 33,992,733	1.1%
2013	\$ 32,902,731	-3.2%
2014	\$ 32,062,290	-2.6%
2015	\$ 32,171,747	0.3%
2016	\$ 33,378,853	3.8%
2017	\$ 33,357,979	-0.1%
Percent change from 2006 to 2017	<b>-\$469,526</b>	<b>-1.4%</b>



# General Fund Revenue

## 2007-2019



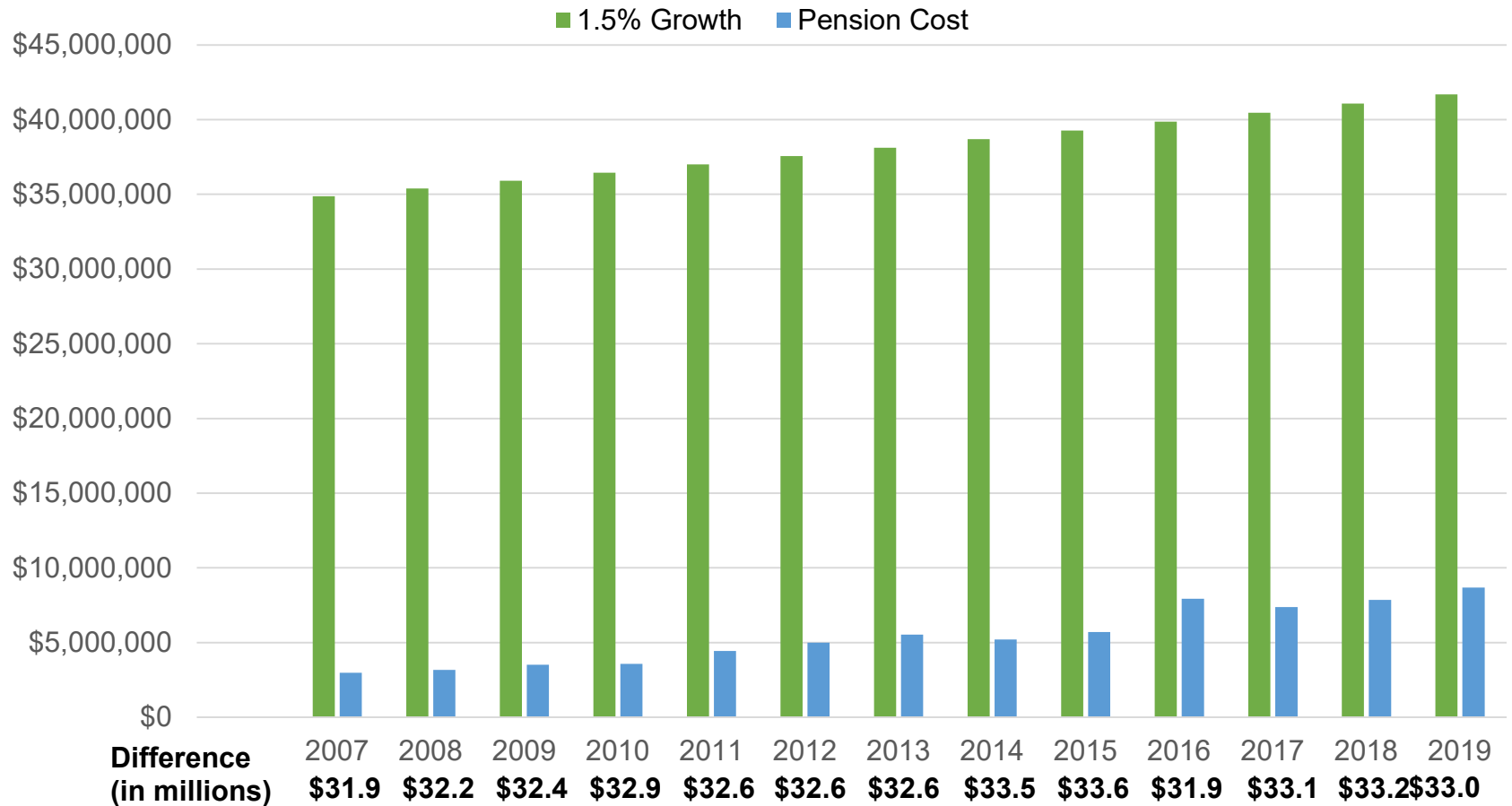
Revenue available for non-pension purposes

**Reduction of \$5.1 million**



# General Fund Revenue

w/ 1.5% Growth, 2007-2019

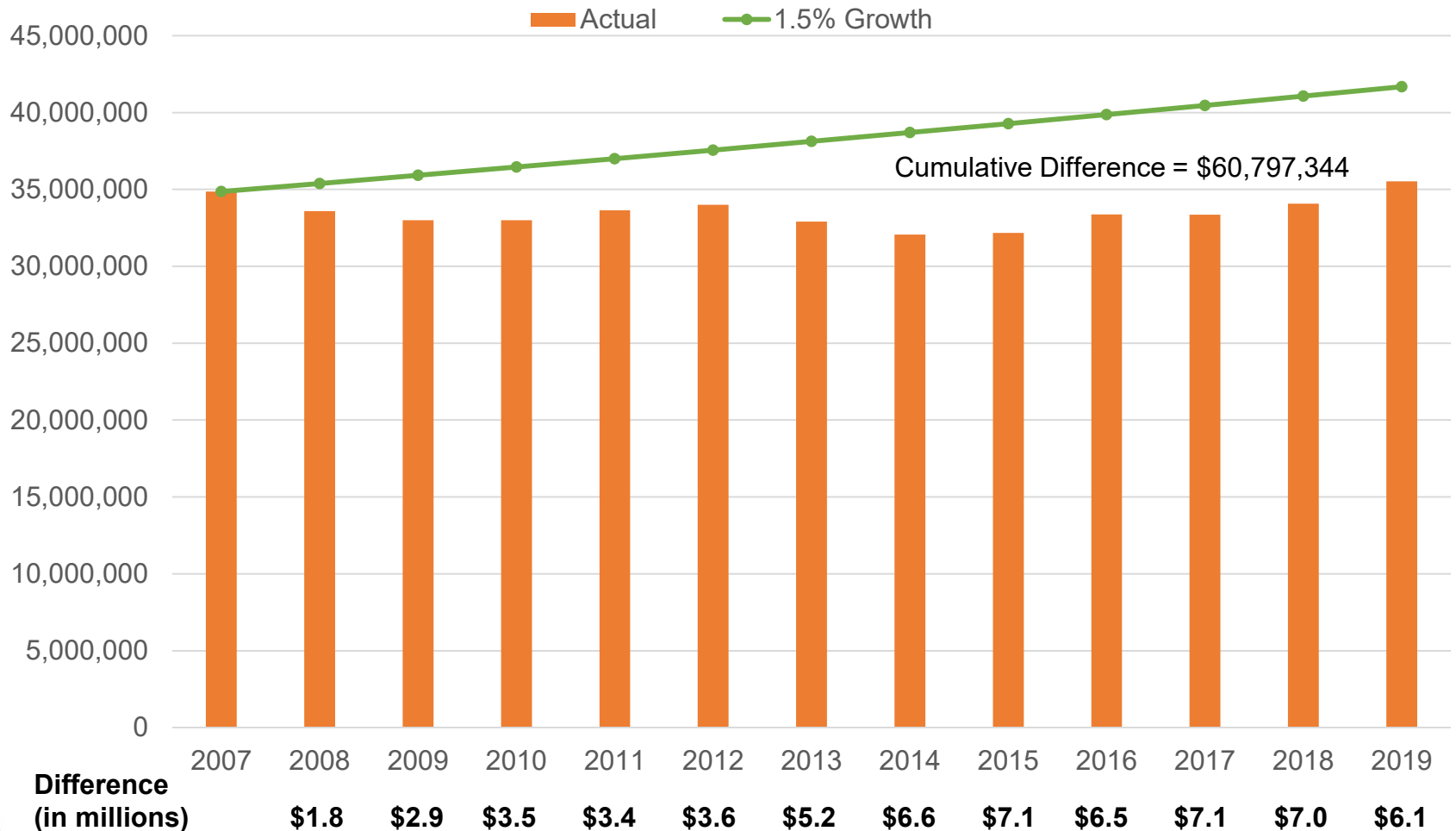


Revenue available for non-pension purposes

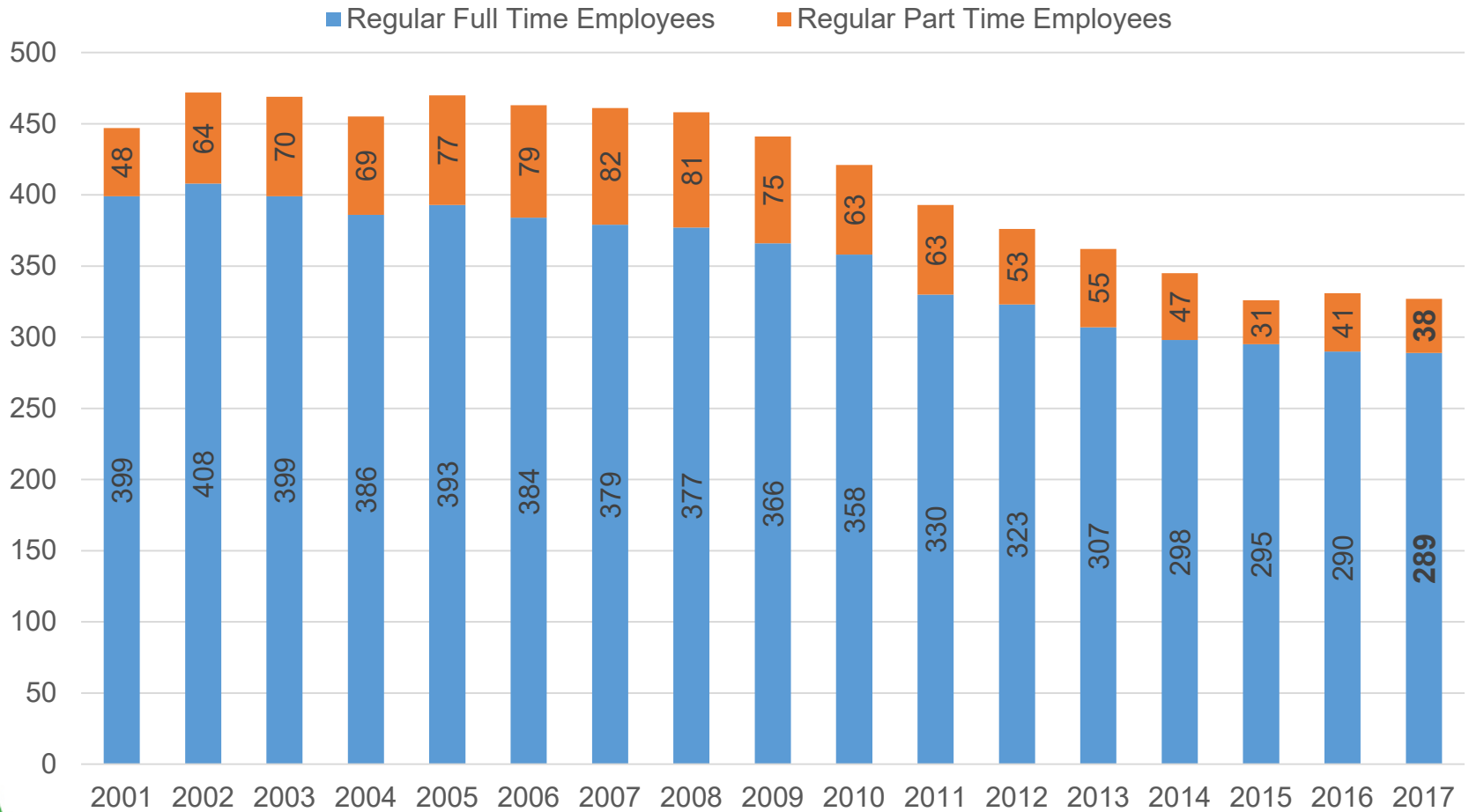
**Increase of \$1.1 million**



# Actual General Fund Revenue vs. 1.5% Growth Annually



# Employee Head Count



# Compensation and Benefits

## Employee Wage Increases

2010:	2%
2011:	0%
2012:	0%
2013:	1%
2014:	1%
2015:	1%
2016:	1%
2017:	1.5%

## Retirement and Health Care

- 1993: Began eliminating healthcare at retirement for new hires. All new public safety hires are enrolled in a defined benefit contribution and a health care savings account.
- 2010: New employees are enrolled in a hybrid plan.
- 2011: The defined benefit plan for the police and fire hires is reduced.
- The City made \$4 million in supplemental payments over the past three years, in addition to our annual required contributions.
- New hire plans cost between 7% and 11% of payroll.

The City's Health Care Task Force has controlled plan costs for the past 12 years and consistently meets the hard caps established by the State.





# Fire Fighter/ EMS Staffing

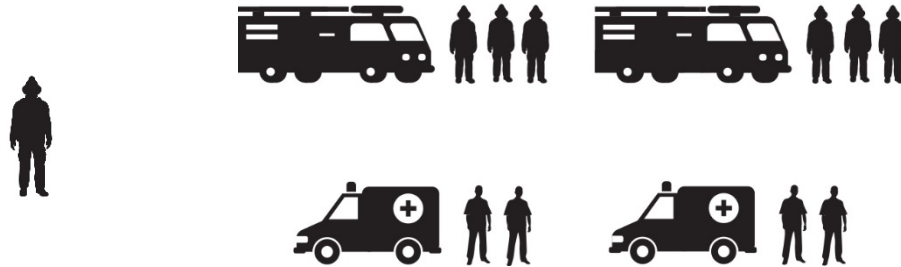
## PRE-2005

1 COMMAND OFFICER  
12 STAFF



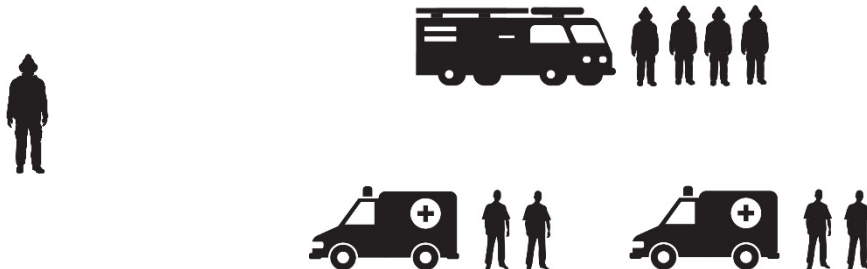
## CURRENT

1 COMMAND OFFICER  
10 STAFF



## FUTURE

1 COMMAND OFFICER  
8 STAFF



# Police Officer Staffing

2002: 67



2017: 49

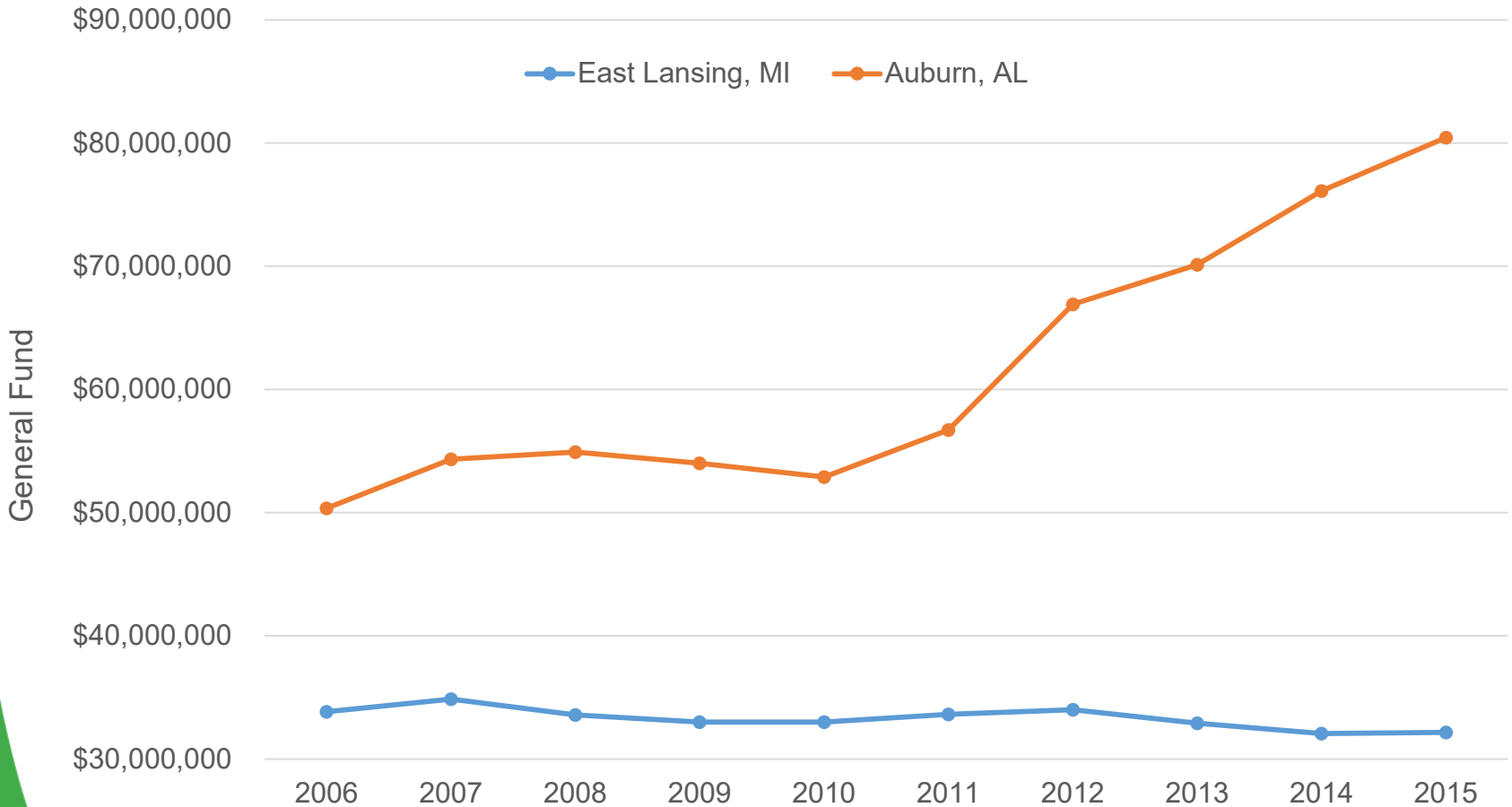


2020: 45



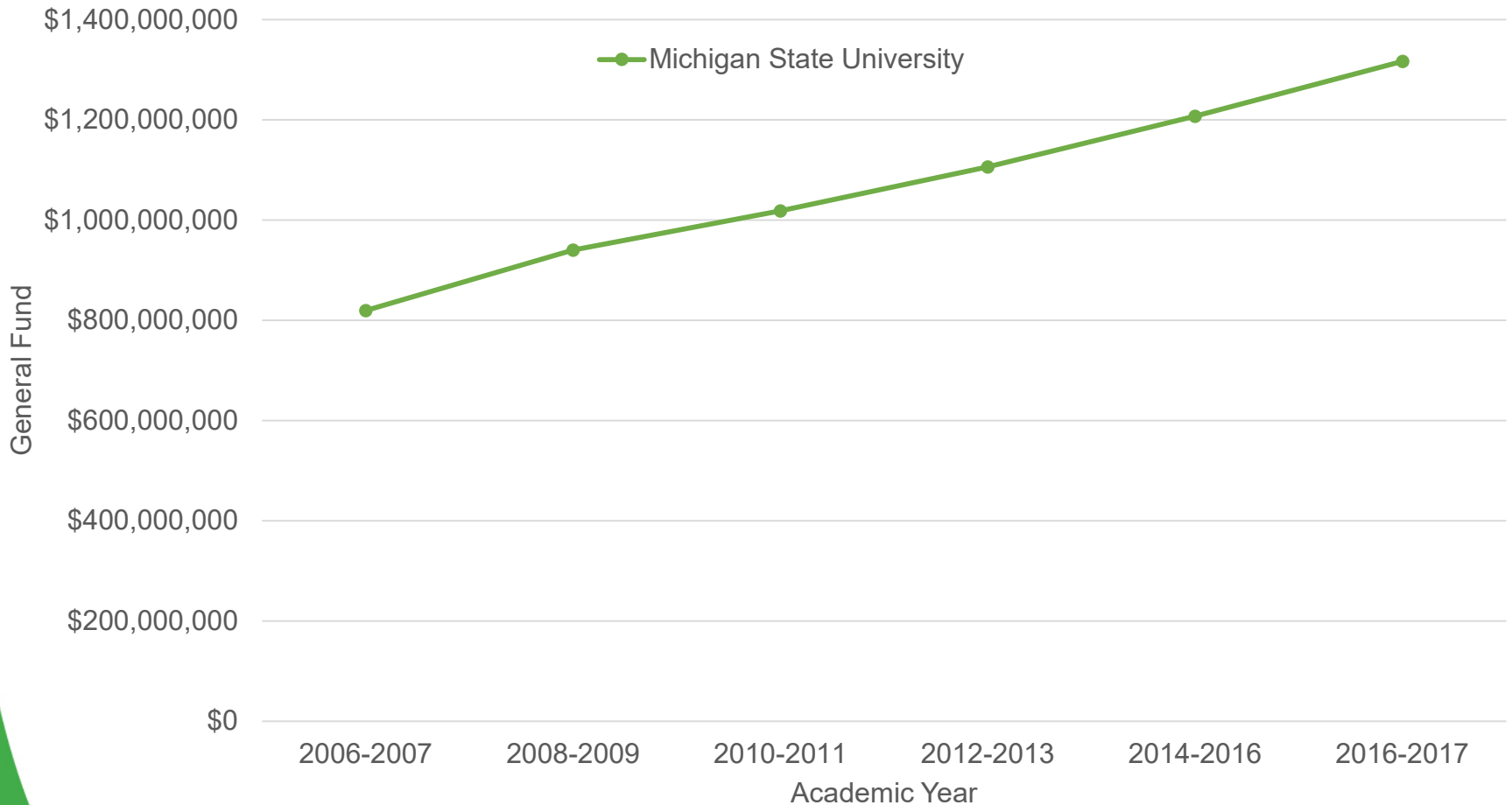
# Comparison of GF Growth

## East Lansing vs. Auburn, AL



# General Fund Growth

## Michigan State University



# 1<sup>st</sup> Income Tax Vote

November 2017

- Financial Health Team: March – December 2016
- Community Budget Presentations: January – November 2017
- 1<sup>st</sup> Income Tax Vote – Unrestricted – Failed

<u>Nov-17</u>	<u>Votes</u>	<u>%</u>
Yes	2,863	46.8
<b>No</b>	<b><u>3,249</u></b>	<b><u>53.2</u></b>
	6,112	100



# Citizen Engagement

## 1<sup>st</sup> Session

- Two meetings, open to the public.
- Learn about financial challenges.
- Small group exercise on prioritizing services.
- Participants completed a “leave behind” survey on priorities.



# Citizen Engagement

## 2<sup>nd</sup> Session

- Report on prioritized services from first sessions
- Present service reduction and revenue options
- Participants completed a “leave behind” survey on service reductions and revenue options.



# Options for Residents

## Add Revenue:

- 1% Residents
- 0.5% Non-Residents
- 12 Year Duration
- Allocated in City Charter:
  - 20% Public Safety
  - 20% Infrastructure
  - 60% Supplemental Pension Payment

## Reductions of \$3 million over two years:

No Revenue Solution-Proposed Cuts	2019	
Eliminate CRC Funding	\$25,000.00	
Eliminate Community Agency Funding	\$46,700.00	Maintain Tri County at \$15k
Stop Plowing Private Sidewalks	\$25,000.00	No longer clear interior neighborhood streets
Reduction of 4 Fire/EMS employees	\$360,000.00	Through attrition (reduce to 42)
Reduction of 5 ELPD Officers	\$450,000.00	Through attrition (reduce to 49)
Allocate CDBG funds to Infrastructure		\$103k to be used for infrastructure; Eliminates staff intensive process for funding and oversight
Reduce \$150k from 54B	\$150,000.00	To be specified by the Court
Reduce PACE Officers	\$60,000.00	Eliminate 2 P/T staff
Reduce Aquatic Center Hours	\$18,000.00	Open one hour less per day
Televising Council & Planning	\$150,000.00	
<b>Total</b>	<b>\$1,284,700.00</b>	





# 2<sup>nd</sup> Income Tax Vote

August 2018

- Community Engagement: January – March 2018
- Community Budget Presentations: April – August 2018
- 2<sup>nd</sup> Income Tax Vote – Restricted – Passed

<u>Aug-18</u>	<u>Votes</u>	<u>%</u>
<b>Yes</b>	<b>4,522</b>	<b>61</b>
No	<u>2,891</u>	<u>39</u>
	7,413	100





**Questions?**