



City of Warren, MI uses Munetrix in multi-year budget planning meeting to fend off the potential for fiscal stress. Bond ratings stay intact, Session broadcast live on SEMCOG University Webcast in SE Michigan.

This case study is provided by Rob Maleszyk, CFO for the City of Warren, MI, a suburb of Detroit. Warren has a resident population of 134,056, and an annual General Fund Budget of \$99,000,000.

Overview:

Although the city of Warren made some remarkable strides in efficiency after the Great Recession, and the community was starting to struggle with their ability to meet the needs of its residents while still maintaining its infrastructure and long term financial obligations.

City Goals:

The city discovered, while testing their forecast in Munetrix, their fiscal score would trend to a 7, a sign of significant fiscal stress, if they continued operating under the current assumptions. In a budget planning session, The City Council wanted to create a plan that would take their fiscal score to at least a score of 2, in 3 years.

During the budget workshop, the finance department with city council and department head input created multiple scenarios using the Munetrix algorithms and KPIs to determine what a clear path to fiscal sustainability would look like. City officials soon realized, if they did not want any degradation in levels of service, City Council would have to ask the taxpayers for help.

Turning data into Information:

Using Munetrix to transform vast amounts of data into useful information, the City Council and administration took to the streets to clearly show the public what was happening – if they did nothing – or if they were granted a millage increase. The citizen's chose to support their community, approving 2 step millage increases that would take the City back to a path of sustainability.

Using Data Effectively:

Depending on whether you are buying or selling, it is critical to have the right data at your fingertips to help you tell or sell your story. The City of Warren, being proactive with their residents, knew exactly what every budget assumption would do to them, good or bad, and used that information, in a true spirit of transparency, and "sold" their residents on the virtues of their analysis.

Conclusion:

Both millage increases passed, and the City now enjoys a fiscal score of 1, and they project a 0 in 2016. Warren's bondholders are happy; their citizens are happy; their employees are happy, and the City Council members can sleep well at night knowing their team did a great job.

Taxable values have since increased, and the city is enjoying continued economic development in their commercial & industrial base. The City survived the Great Recession well!



Rob Maleszyk is a CPA with 20 years of public accounting, external financial reporting, budgeting, analysis, and disbursement experience. He is currently the Comptroller for the City of Warren, MI

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