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DASHBOARD & CITIZENS GUIDE

Dear Caro Residents,

The city of Caro, along with other local jurisdictions, the states, and the federal government (and business and nonprofits) is facing an exceptionally challenging economic environment. For us, sharp declines in property tax revenue, state revenue sharing, and proposed legislation eliminating personal property tax serve as the unfortunate backdrop for the spring. Consequently, the city is faced with the necessity of making painful decisions that will affect employees, residents, and businesses alike.

I can assure you the city of Caro has positioned itself to thrive through this severe economic downturn rather than just survive. However, the real difference is that we can't be planning for a return to normal. Instead in our decisions we need to be laying the foundations for a sustainable future. The attached Dashboard and Citizen's Guide are a means to illustrate accounting and transparency in government. The Dashboard shows progress and key trends in several key areas and the Citizen's Guide describes the financial condition of the city.

The city of Caro staff, administration and council have been working together on this foundation a brick at a time over the last 30 years. Over the last two years we have reduced the city's workforce by five (5) full time equivalents and one (1) halftime. This was done without layoffs and equates to an approximate 18% reduction in the city workforce. Numerous intergovernmental agreements and contracts exist such as:

1. Tuscola County Equalization Office for Assessing Services
2. County for Building Inspections.
3. Caro Fire Department that contracts with five (5) townships for service.
4. Economic Development Corporation.
5. Airport Authority.
6. Brownfield Redevelopment Authority.
7. Village of Cass City for Parks & Recreation Programming.
8. Tuscola Community Foundation for Office space at City Hall.

9. Chamber of Commerce.
10. Tuscola County Fair Board.
11. Tuscola County Conservation Club (Gun Club).
12. Tuscola Area Center for the Arts.

In essence, all of this equates to compounded savings over the years, an increase in effectiveness and efficiencies in city services or to be put in “layman” terms doing more with less. However, we are constantly reinforcing the foundation by leveraging grant dollars, exercising fiscal prudence, and striving to go beyond our current service baseline of services we provide to residents.

The City of Caro 2011 – 2012 Budget in regards to revenues takes into account a decrease of Property Tax Revenues of approximately 4.7% or \$73,306 and an anticipated elimination of Statutory Revenue Sharing of approximately \$96,000. In regards to expenditures it accounts for only a 5% increase in health care costs, holds both the Police Department and Sewer Operation Maintenance Fund at or below the current service baseline for FY 2010 – 2011.

The City of Caro will remain committed to performing capital improvement projects and in collaboration with the Downtown Development Authority are recipients of a Michigan Strategic Fund Community Development Block grant for improvement to the East Burnside Parking Lot in the amount of \$153,813 with a cost of only \$51,271 being funded from the Downtown Development Authority.

I thank you in advance for taking the time to review the attached documents to gain a better understanding of not only the costs associated with government service but our fiscal health which will ensure our city will thrive rather than just survive.

Respectfully,

BD Morgan

Brent D. Morgan
Caro City Manager