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CITY OF ROCHESTER HILLS

**P**lanning and  
Development

DATE: March 24, 2009

TO: LDFA Board Members

FROM: Dan Casey, Manager of  
Economic Development

RE: Executive Director Appointment  
and Compensation

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Due to fiscal constraints, City Administration is seeking various means of cutting General Fund expenditures in the 2010 Budget and beyond. I have suggested that as chief administrator of the Rochester Hills LDFA, it would be reasonable for the LDFA to fund up to 50% of my wages and benefits. The LDFA maintains a healthy fund balance and PA 281 provides that an authority and municipality can hire an executive director to administer and manage the activities of the Board.

City Administration is very interested in pursuing this possibility and is asking the LDFA Board to discuss the issue at the April 2<sup>nd</sup> meeting. The proposal is that the LDFA fund 50% of my wages and benefits beginning with the 2010 Budget. The net effect of this change is that City General Fund expenditures will be reduced and LDFA expenditures increased by a corresponding amount; however, 40% of LDFA revenues are derived from taxing jurisdictions other than the City. This results in a net decrease in General Fund expenditures.

The Planning and Development Department would continue to fund the remainder of my salary and benefits, and no other changes would be anticipated. It's also important to point out that in the 2009 Budget, revenues exceeded expenditures by \$586,010, resulting in a projected yearend fund balance of \$2,380,640.

I look forward to the Board's thoughts regarding this proposal.