



City of East Grand Rapids

Projected 2019/2020 Budget

The following assumptions were made in preparing the FY 2019/2020 projected budget:

Revenues:

- CPI has been set at 2.4% in the calculation of property tax revenue for FY 2019/2020, which is projecting an increase of taxes of \$274,900. This is compared to a CPI of 2.1% and increase in property tax revenue of \$240,000 in FY 2018/2019.
- Funding to be received from the State, interest income and park and recreation fees all are projecting a slight increase.
- Other categories remained at the same levels as FY 2018/2019 for this exercise.

Expenditures:

- Salaries, payroll taxes and defined contribution payments include a 2.50% inflationary increase.
- Health insurance and workers compensation insurance expenditures were increased by 10%
- Defined benefit payments were increased from \$1,276,200 to \$1,432,600. This is an increase of \$156,400.
- Capital improvements outlined in the City’s 3-year capital improvement plan have not been included.

The City is committed to maintaining unrestricted fund balance between 20-25% as a percentage of yearly expenditures. Based on the assumptions outlined above, below is an estimate of unrestricted fund balance as a percentage of yearly expenditures. Some of the planned capital improvements outlined in the 3-year improvement plan will be requested based on the expected ending unrestricted fund balance percentage and/or savings realized on operational expenditures in FY 2019/2020.

	Year Ended June 30,		
	Actual 2017/2018	Amended 2018/2019	Projected 2019/2020
Unrestricted Fund Balance Percentage	25.68%	27.75%	26.59%

City of East Grand Rapids General Fund Projected Budget

	Amended 2018/2019	Projected 2019/2020	Increase (Decrease)
Revenues:			
Taxes	8,594,000	8,868,900	274,900
Intergovernmental	1,016,300	1,056,000	39,700
Charges for services	599,700	599,700	-
Fines and forfeits	35,000	35,000	-
Licenses and permits	65,000	65,000	-
Interest	85,000	100,000	15,000
Recreation	1,184,400	1,207,500	23,100
Other	172,000	172,000	-
Total Revenues	11,751,400	12,104,100	352,700
Expenditures:			
General government	1,820,500	1,856,300	35,800
City Services	1,921,000	1,948,600	27,600
Public safety	5,399,000	5,675,300	276,300
Parks and recreation	2,075,900	2,118,600	42,700
Operating transfers out	1,000,000	1,000,000	-
Total Expenditures	12,216,400	12,598,800	382,400
Net change in fund balance	(465,000)	(494,700)	(29,700)