



# City of East Grand Rapids

## Projected 2020/2021 Budget

The following assumptions were made in preparing the FY 2020/2021 projected budget:

**Revenues:**

- CPI has been set at 1.9% in the calculation of property tax revenue for FY 2020/2021, which is projecting an increase of taxes of \$217,900. This is compared to a CPI of 2.4% and increase in property tax revenue of \$262,100 in FY 2019/2020.
- Funding to be received from the State is projecting a slight increase.
- Due to a drop in the federal funds rate, interest income is showing a decrease in revenue.
- Other categories, including the parks and recreation fees, have been estimated at the same levels as FY 2020/2021 for this exercise.

**Expenditures:**

- Salaries, payroll taxes and defined contribution payments include a 2.50% inflationary increase, however, will be subject to collective bargaining agreements to be negotiated for FY 2020/2021.
- Health insurance and workers compensation insurance expenditures were increased by 10%
- Defined benefit payments were increased from \$1,432,600 to \$1,585,100. This is an increase of \$152,500.
- **Capital improvements outlined in the City's 3-year capital improvement plan have NOT been included in the 2020/2021 projected numbers.**

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.

	Year Ended June 30,		
	Actual 2018/2019	Amended 2019/2020	Projected 2020/2021
Unrestricted Fund Balance Percentage	25.1%	24.9%	20.8%

## City of East Grand Rapids General Fund Projected Budget

	2019/2020	2020/2021	Increase (Decrease)
Revenues:			
Taxes	8,855,000	9,072,900	217,900
Intergovernmental	1,080,300	1,102,300	22,000
Charges for services	544,000	544,000	-
Fines and forfeits	35,000	35,000	-
Licenses and permits	75,000	75,000	-
Interest	150,000	75,000	(75,000)
Recreation	1,147,200	1,147,200	-
Other	244,500	244,500	-
Total Revenues	<u>12,131,000</u>	<u>12,295,900</u>	164,900
Expenditures:			
General government	1,845,700	1,809,700	(36,000)
City services	2,012,600	1,989,000	(23,600)
Public safety	5,494,000	5,786,000	292,000
Parks and recreation	2,095,700	2,128,800	33,100
Operating transfers out	1,000,000	1,000,000	-
Total Expenditures	<u>12,448,000</u>	<u>12,713,500</u>	265,500
Net change in fund balance	<u>(317,000)</u>	<u>(417,600)</u>	<u>(100,600)</u>