



City of East Grand Rapids

Projected 2022/2023 Budget

The following assumptions were made in preparing the FY 2022/2023 projected budget:

Revenues:

- CPI has been set at 3.3% in the calculation of property tax revenue for FY 2022/2023, which is projecting an increase of taxes of \$371,402. This is compared to a CPI of 1.4% and increase in property tax revenue of \$199,390 in FY 2021/2022.
- Funding to be received from the State is projecting to stay the same.
- Interest income remains flat with little to no increase
- Other categories, including the parks and recreation fees, have been estimated at the same levels as FY 2022/2023 for this exercise.

Expenditures:

- Salaries, payroll taxes and defined contribution payments include a 2.50% inflationary increase for non-union and union employees.
- Health insurance and workers compensation insurance expenditures were increased by 5%
- Defined benefit payments were decreased from \$1,300,000 to \$1,100,000. This is an increase of \$200,000.
- **Capital improvements outlined in the City's 5-year capital improvement plan have NOT been included in the 2022/2023 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 5-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 2020/2021	Amended 2021/2022	Projected 2022/2023
Unrestricted Fund Balance Percentage	34.2%	30.3%	27.4%

City of East Grand Rapids

General Fund Projected Budget

	2021/2022	2022/2023	Increase (Decrease)	
Revenues:				
Taxes	9,316,800	9,708,202	391,402	4.0%
Intergovernmental	1,072,000	1,154,600	82,600	7.2%
Charges for services	542,000	520,000	(22,000)	-4.2%
Fines and forfeits	33,000	28,000	(5,000)	-17.9%
Licenses and permits	75,000	75,000	-	0.0%
Interest	20,000	20,000	-	0.0%
Recreation	1,190,900	1,202,100	11,200	0.9%
Other	155,400	151,800	(3,600)	-2.4%
Total Revenues	12,405,100	12,859,702	454,602	
Expenditures:				
General government	2,905,494	2,953,681	48,187	1.6%
City services	2,035,880	2,568,724	532,844	20.7%
Public safety	4,462,854	4,446,149	(16,705)	-0.4%
Parks and recreation	2,179,997	2,134,292	(45,705)	-2.1%
Operating transfers out	1,000,000	1,000,000	-	0.0%
Total Expenditures	12,584,225	13,102,846	518,621	
Net change in fund balance	(179,125)	(243,144)	(64,019)	

	Year Ended June 30,		
	Actual 2020/2021	Amended 2021/2022	Projected 2022/2023
Unrestricted Fund Balance Percentage	34.2%	30.3%	27.4%