Introduction

- The State of Michigan Public Act 2 of 1968 (as amended) known as the “Uniform Budgeting and Accounting Act” requires that governmental units adopt an annual budget.

- The City has fully complied with Public Act 2 and has been awarded the “Distinguished Budget Presentation Award” by the Government Finance Officers Association (GFOA) for the past 31 years.

- The annual budget is developed within the context of a five-year plan. Five years encompasses a sufficient time frame that will demonstrate the consequences of trying to fund ongoing expenditures with one-time revenues. The long range modeling helps to alert the City to future problems that may be created by decisions made today.

- Balancing the Budget. The City must live within its means. The City is supported by various financial resources and must function within the limits of these resources each fiscal year.

What’s Inside
- Strategic Plan
- About the City
- Budget Basics
- Revenues
- Expenses
- Asset Management
- Authorities
- Personnel

Jeff Dood
Chief Financial Officer
• Form of Government: Commission – Manager
• First incorporated in 1838
• 2nd largest city in the State of Michigan
• Population: 200,217 \(^1\)
• Land Area: 45.27 square miles
• Tax Base:
  • Income Tax
    – .75% (Non-Resident) 1.5% (Resident)
  • Property Tax
    – $4.9 billion of taxable value
• Diverse employer base
• Extensive cultural, entertainment and recreational opportunities
• July 1 – June 30 fiscal year

\(^1\) U.S. Census Bureau estimate as of July 1, 2018

The City’s Vision
Grand Rapids will be nationally recognized as an equitable, welcoming, innovative and collaborative city with a robust economy, safe and healthy community, and the opportunity for a high quality of life for all.

The City’s Mission
To elevate quality of life through excellent City services.

Quick Facts

Organizational Structure
Budget Basics

Process:
- Revenue forecasts
- Personnel labor cost projections
- Departments submit five year budget requests
- Budget review meetings with the Executive Team
- Capital funding request review
- Preliminary Fiscal Plan delivered in April
- City Commission conducts several study sessions
- Public hearing second Tuesday in May
- City Commission approval third Tuesday in May
- Budget amendments as needed throughout the fiscal year

Budget Guidelines:
- Balancing the budget
  - The City must live within its means
- Five year budgeting
- Spending authority assumes a budgetary lapse to account for partial year of unfilled positions
  - Amount differs by fund; $4.0 million in GOF
- Contingencies
  - Provides funding for unanticipated or unforeseen events - $1.5 million in FY2020
- Fund Balance & Unrestricted Cash policy requirements
  - General Operating Fund (GOF)
    - 15% of current spending in GOF
    - 10% of current spending in GOF reserved in the Budget Stabilization Fund
  - Other funds
    - 15% or 25% depending on fund type
- Modest income tax revenue growth based upon current trends and economic indicators
- Very slow property tax revenue growth. Growth in tax revenue mainly due to new investment, not property appreciation

Asset Management
- Capital Improvement
  - Multiple funding sources
  - 4.25% Income Tax set-aside
  - City, Village & Township revenue sharing
- Streets Capital
  - Vital Streets income tax extension
  - GOF supplemental funding ($13 million over 15 years)
  - Additional State investment approved ($3 million in FY2017; $1.5 million in FY2018; $3.5 million in FY2019)
- Parks Millage
  - Seven year capital investment plan
  - GOF Maintenance Of Effort (MOE) required
  - FY2020 MOE - $6.4 million
FY2020 Fiscal Highlights

- Our financial reserves have never been stronger
- Park conditions continued to improve and 9 parks were added to the 49 parks that have been rehabilitated and reconstructed with the voter approved Parks Millage
- Street conditions are improving rapidly and are up from a low of 37% good and fair condition in 2014 to 60% in 2018
- Housing NOW! policy changes were adopted and are in place to make change
- 46,585 persons visited city pools in the summer of 2018
- Our accredited Fire Department became the only department in Michigan to achieve the top ISO-1 rating from the Insurance Services Office
- 131 households were served through an innovative eviction prevention pilot established in collaboration with 61st District Court
- 42 projects were supported through the innovative Neighborhood Match Fund
- Third ward equity investments were identified and will launch in FY2020
- New DASH circulator routes drove a 30% increase in ridership
- Our accredited Police Department participated in the Police Policy and Procedure Review Task Force and began to implement their recommendations
- Economic growth remained strong with development or business expansion projects that resulted in job creation
FY2020 Fiscal Highlights

Focused Strategy

✓ A strategic plan was adopted to focus the work of the City
✓ This FY2020 Fiscal Plan aligns resources, department operations and investments in a transparent manner to implement the Strategic Plan

Investing Strategically

✓ Investments aligned to achieve the priorities outlined in the Strategic Plan
✓ Staffing additions to drive Strategic Plan outcomes
✓ Accountability is embedded in this budget; proper resources to ensure tracking and reporting are provided
✓ We will measure and report progress during the fiscal year

Advancing Equity

✓ Investing to drive equitable outcomes in each strategic priority
Property Tax Distribution

City of Grand Rapids Property Tax Revenue Allocation for Every Dollar Collected

- General Fund: $0.30
- Capital Improvement Fund: $0.11
- Library Fund: $0.18
- Refuse Fund: $0.27
- Parks Fund: $0.14
Citywide Total Revenues

Combined Budgeted Funds Revenue (Millions)

- Taxes: $167.66
- Licenses & Permits: $3.78
- Intergovernmental Revenue: $4.62
- Charges for Services: $18.22
- Fines & Forfeitures: $9.58
- Interest & Rents: $7.32
- Other Revenue: $57.03
- Other Financing Sources: $149.82
GOF Revenues

General Operating Fund Revenue (Millions)

- Income Taxes: $16.70
- Property Taxes: $2.20
- Licenses & Permits: $1.10
- Intergovernmental Revenue: $4.10
- Charges for Services: $20.00
- Fines & Forfeitures: $14.60
- Interest & Rents: $2.80
- Other Revenue: $2.00
- Other Financing Sources: $4.10

Total: $88.90
Citywide Expenses by Function/Department

Combined Budgeted Funds Expenses (Millions)
General Fund Expenses by Category

General Fund Expenses (Millions)

- Personnel Services: $95.56
- Supplies: $2.18
- Other Services & Charges: $28.48
- Capital Outlay: $1.56
- Debt Service: $0.06
- Appropriation Lapse: $(4.00)
- Contingent Appropriation: $1.50
- Vital Streets: $9.03
- Parks Subsidy: $6.39
- Transfer Out: $6.22
- 61st District Court Fund Subsidy: $0.85
# Cost of Services for Residential Customers

<table>
<thead>
<tr>
<th>Service or Fee</th>
<th>Last Year</th>
<th>As of July 1, 2019</th>
<th>$ Increase / (Decrease)</th>
<th>% Increase / (Decrease)</th>
<th>Typical Ratepayer Defined as:</th>
</tr>
</thead>
<tbody>
<tr>
<td>GR Water</td>
<td>$331.26</td>
<td>$341.52</td>
<td>$10.26</td>
<td>3.10%</td>
<td>Residential customer usage of 80,784 gallons annually</td>
</tr>
<tr>
<td>GR Sewer</td>
<td>$450.40</td>
<td>$467.46</td>
<td>$17.06</td>
<td>3.79%</td>
<td>Residential customer usage of 56,848 gallons annually</td>
</tr>
<tr>
<td>GR Property Tax Bill (City of Grand Rapids millage only)</td>
<td>$462.19</td>
<td>$482.89</td>
<td>$20.70</td>
<td>4.48%</td>
<td>Based on average residential taxable value of $54,251 and $51,520 in FY2019 and FY2018 respectively (estimated average market value $145,542)</td>
</tr>
<tr>
<td><strong>Total Yearly Impact</strong></td>
<td>$1,243.85</td>
<td>$1,291.87</td>
<td>$48.02</td>
<td><strong>3.86%</strong></td>
<td></td>
</tr>
</tbody>
</table>

$48 = $4/month
Form of Government
The City of Grand Rapids operates a City Commission – City Manager form of government. Working as a consensus, the Mayor and City Commissioners are responsible for establishing city policy and providing direction to the City Manager. The City Commission appoints the City officials above with the exception of the elected City Comptroller.

For More Information
Visit the City on the web: www.grandrapidsmi.gov

The City’s website is your source for information about City policies, services, commission meetings and events 24 hours a day, seven days a week.

Residents can take advantage of our online services:
- Download agendas and meeting minutes
- View our progress at MyGRCity Dashboard
- Find parks and download reservation forms
- Download City financial reports
- Search the municipal code
- Report a problem or request a service
- Pay parking tickets and utility bills

Follow us on Facebook at: www.facebook.com/CityofGrandRapids