



## **Preliminary Fiscal Plan FY 2017-2021**

300 Monroe Avenue, NW/Grand Rapids, Michigan 49503/[www.grcity.us](http://www.grcity.us)  
311 (One Call to City Hall)



# 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 28 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

- About the City
- Budget Basics
- Revenues
- Expenses
- Asset Management
- Authorities
- Personnel

A handwritten signature in black ink, appearing to read "Scott Buhrer".

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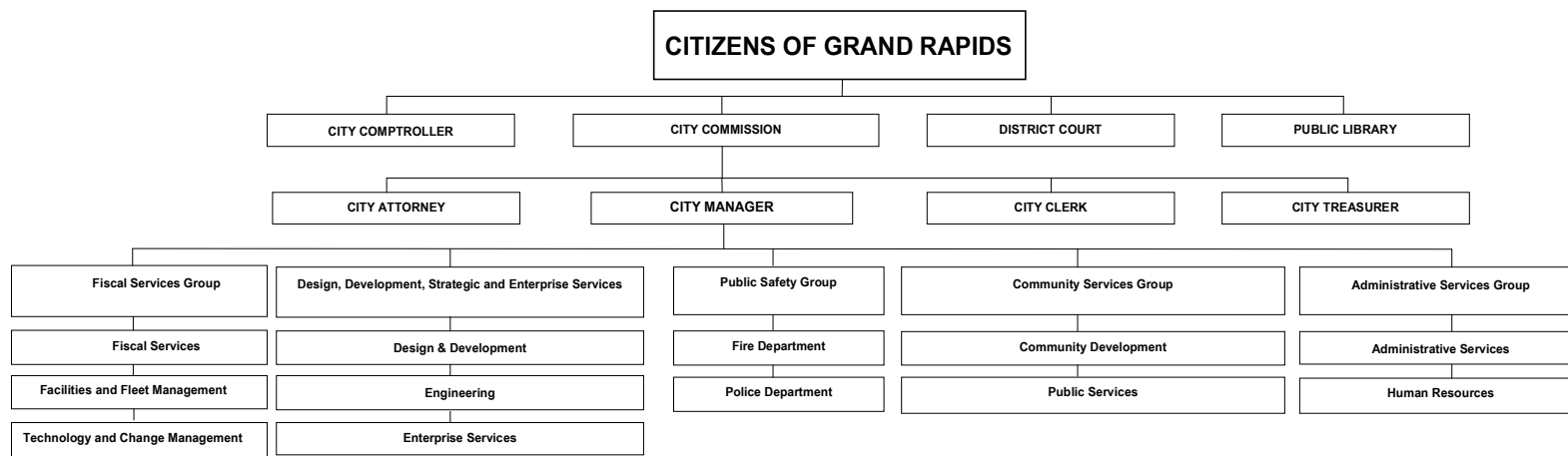
Scott Buhrer  
Chief Financial Officer

**QUICK FACTS**

- Form of Government: Commission – Manager
- First incorporated in 1838
- 2<sup>nd</sup> largest city in the State of Michigan
- 2015 Population: 195,097
- Land Area: 44.4 square miles
- Tax Base:
  - Income Tax
    - .75% (Non-Resident) 1.5% (Resident)
  - Property Tax
    - \$4.5 billion of taxable value
- Diverse employer base
- Extensive cultural, entertainment and recreational opportunities
- July 1 – June 30 fiscal year

## The City's Mission

The City of Grand Rapids believes in the dignity and worth of all people and in the right of every citizen to have equitable access to the benefits of urban life. We believe in the rights of all citizens to express their views and the responsibility of the City government to respond to those views. As government representatives, we will help shape the future to assure that the City will continue to be a place where the benefits of urban life can be enjoyed.



# 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 April 26<sup>th</sup>
- City Commission conducts seven study sessions
- Public hearing June 7<sup>th</sup>
- City Commission approval (scheduled June 14<sup>th</sup>)
- Budget amendments as needed throughout the fiscal year

## **Asset Management**

- Capital Improvement
  - Multiple funding sources
  - 5% 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)
- Parks Millage
  - Seven year capital investment plan
  - GOF Maintenance Of Effort (MOE) required
  - FY2017 MOE - \$5.7 million

## **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; \$3.5 million in GOF
- Contingencies
  - Provides funding for unanticipated or unforeseen events - \$1 million in FY2017
- 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



## FY2017 Fiscal Highlights

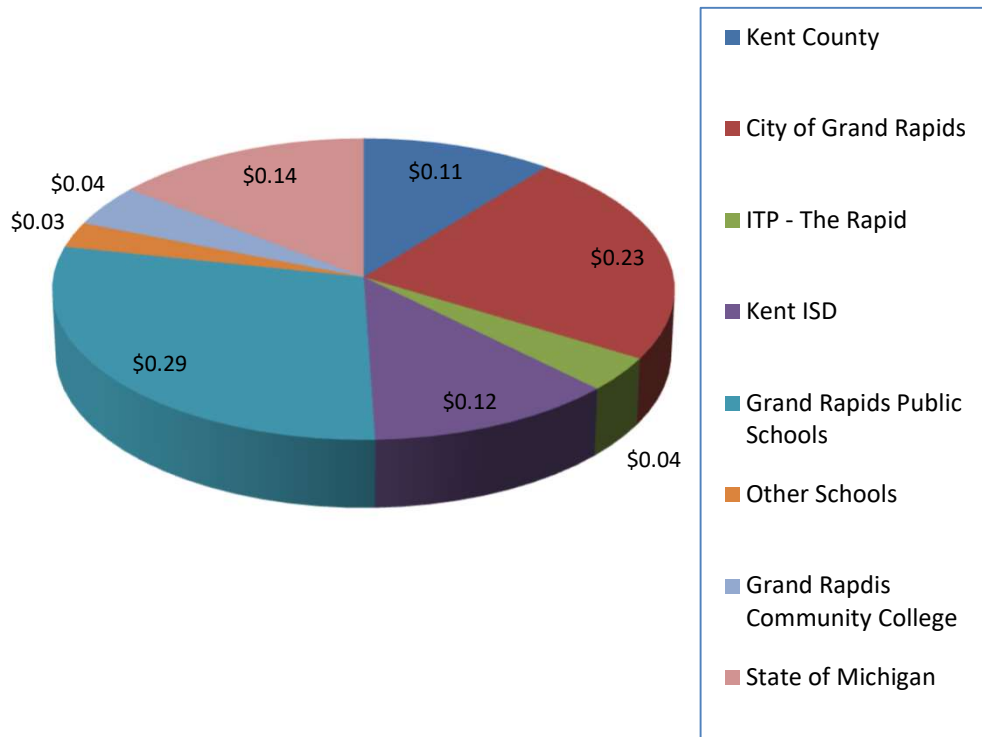
- Phase III Transformational Efforts
  - Well into 3<sup>rd</sup> phase
  - On-going revenues must match on-going expenses
  - Continue innovation
  - Transparency & customer service focused
  - Virtual City Hall
- By the close of FY2016, the City will have the highest level of financial reserves achieved in its modern history at nearly \$30M
- The City will focus energy on affordable housing and expand neighborhood engagement
- The City will concentrate on customer service in the redesign of our website and digital presence
- The City will continue to focus on police and community relations
- The Water and Sewer 2015 Comprehensive Master Plan Update contains a scope of work for the water distribution piping system
- The City will begin to close the Transformation Fund in FY2017 while retaining reserves for river park improvements and crime prevention strategies – continued transformation is essential

## FY2017 Fiscal Highlights

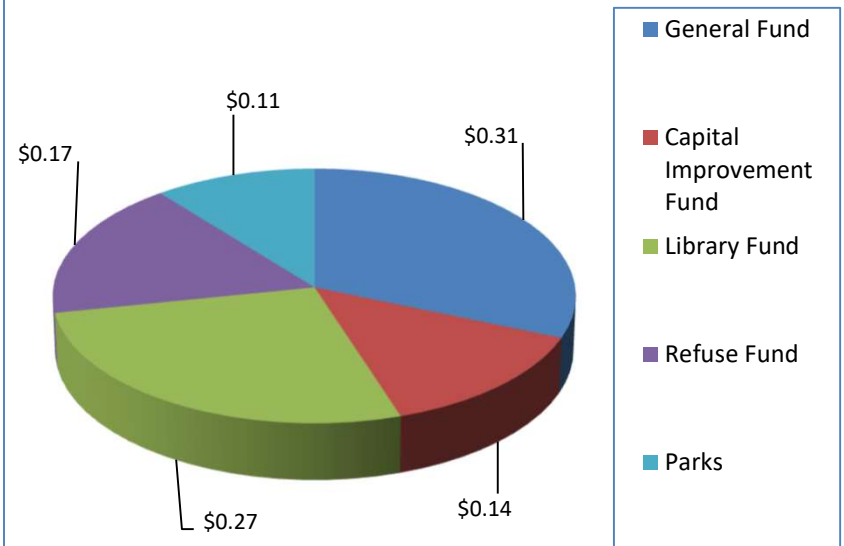
- The City leveraged State grants with a \$4.575 million investment to develop a new financial management system; ongoing implementation continues
- Workforce succession planning will be a vital part of the City's transformation journey to ensure the long-term sustainability of the organization
- As part of the City's commitment to continuous improvement, the Fiscal Plan includes investments to review procurement and code compliance processes
- The City is at work building a world-class parks system with a community swimming pool in each Ward operating the full summer
- Over the next ten years, each of the City's buildings will receive systematic investments to ensure their maximum utility at the lowest lifecycle cost
- Advanced investment in Vital Streets has improved 39 miles of streets in 2014 and 76 miles of streets in 2015 with another 76 miles planned in 2016
- The City will continue to invest in critical police and fire services to ensure the very best for our citizens
- Citizen engagement is critical to our past and future successes
- The City will continue to keep commitments

# Property Tax Distribution

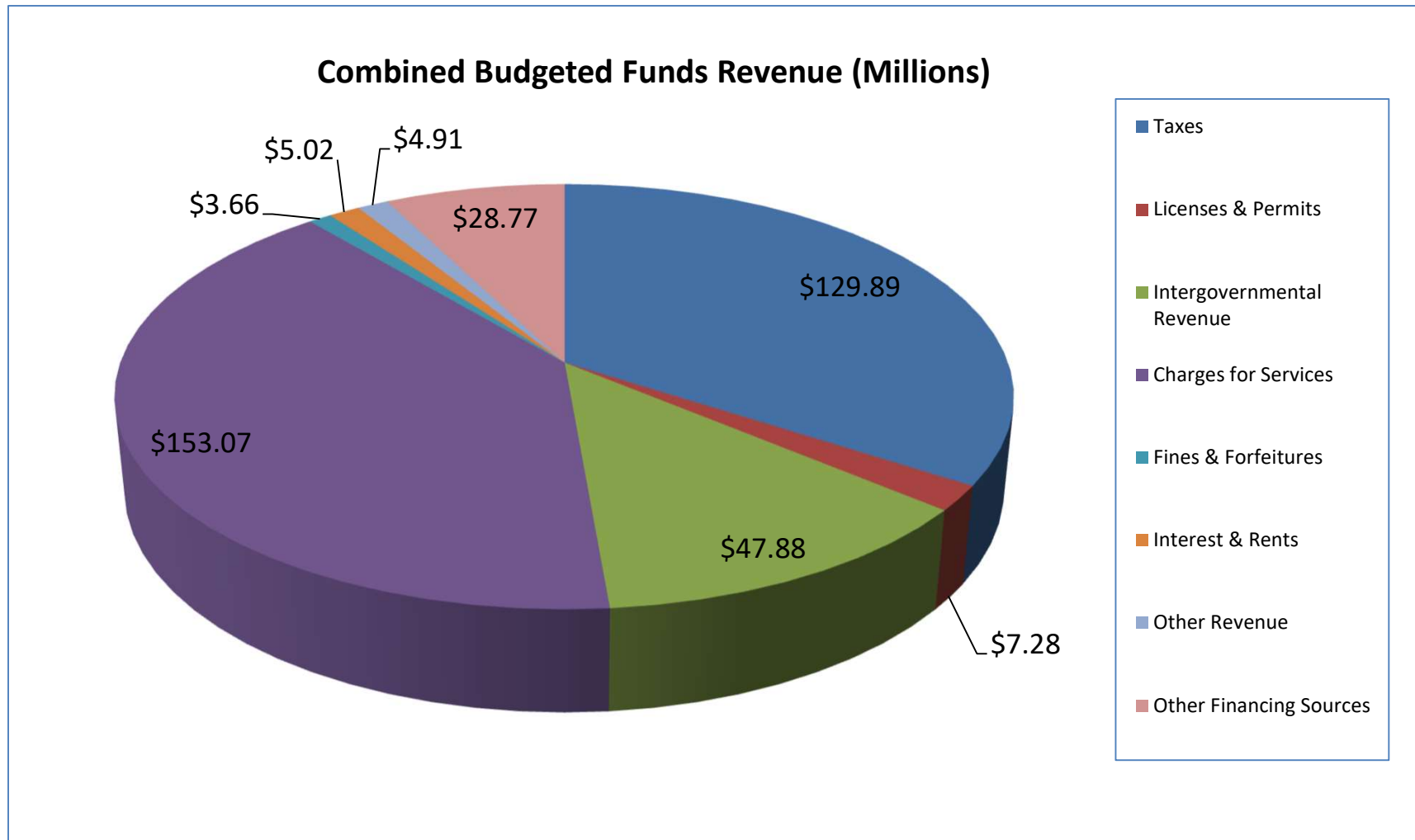
**Property Tax Allocation for Every dollar Collected**



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

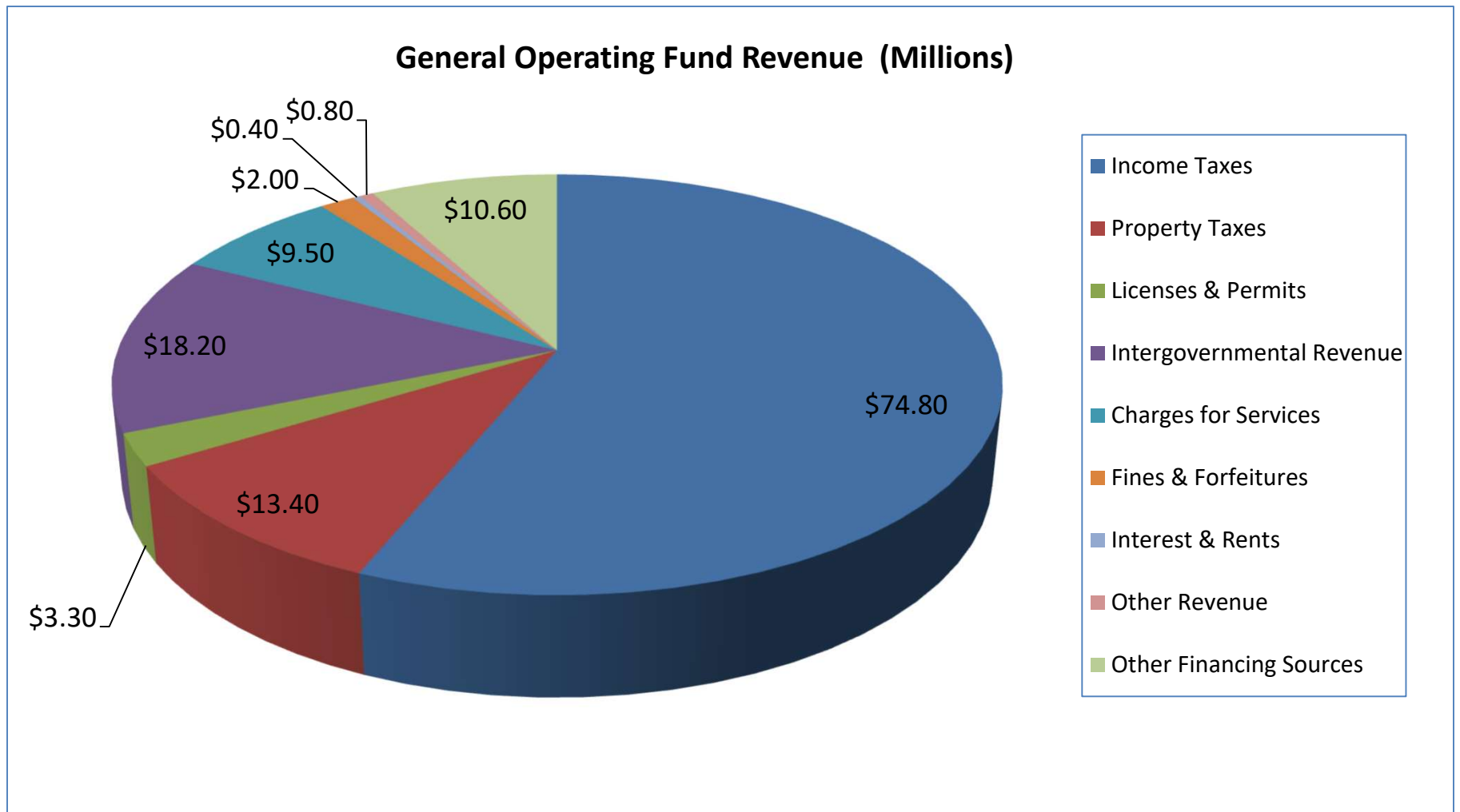


# Citywide Total Revenues

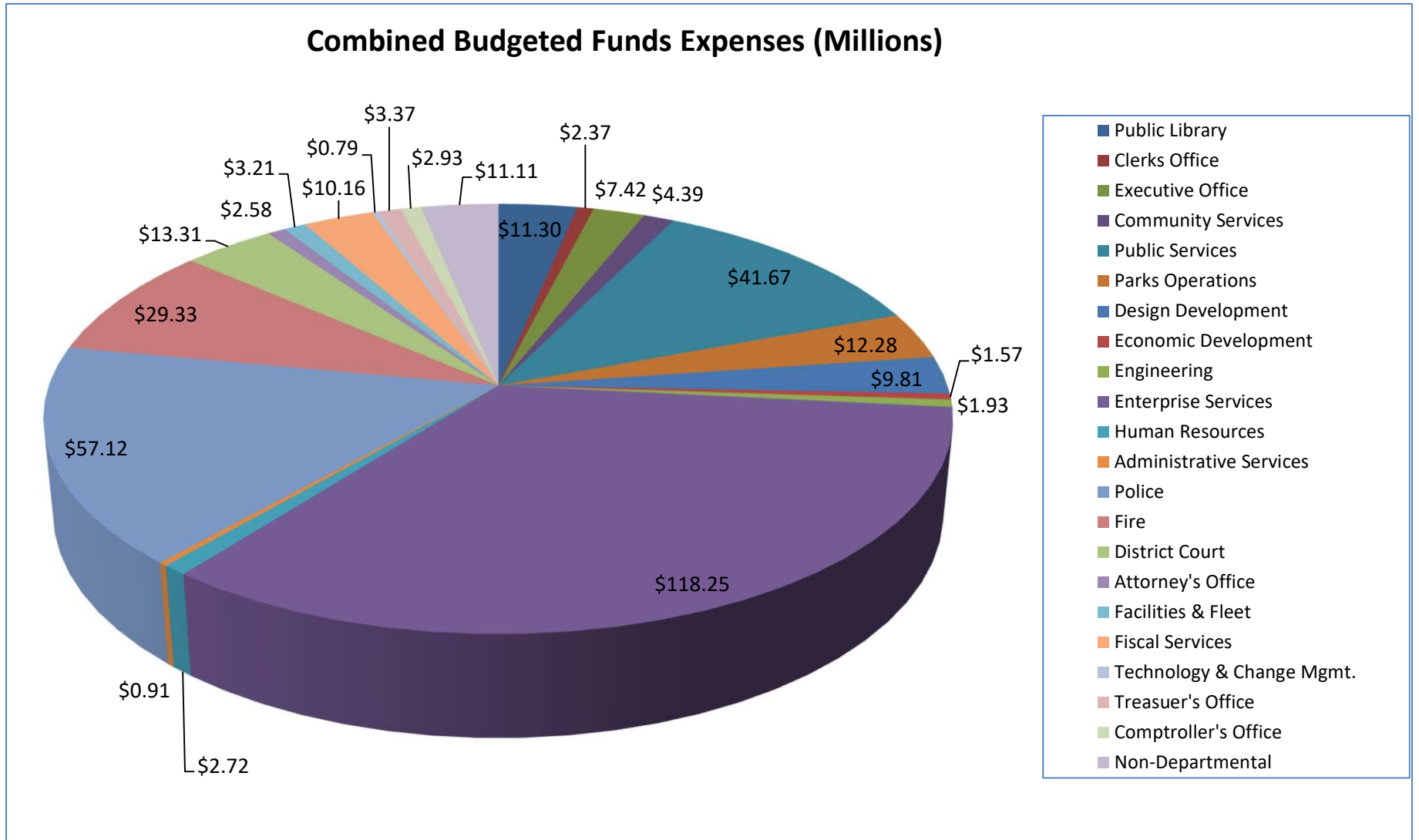




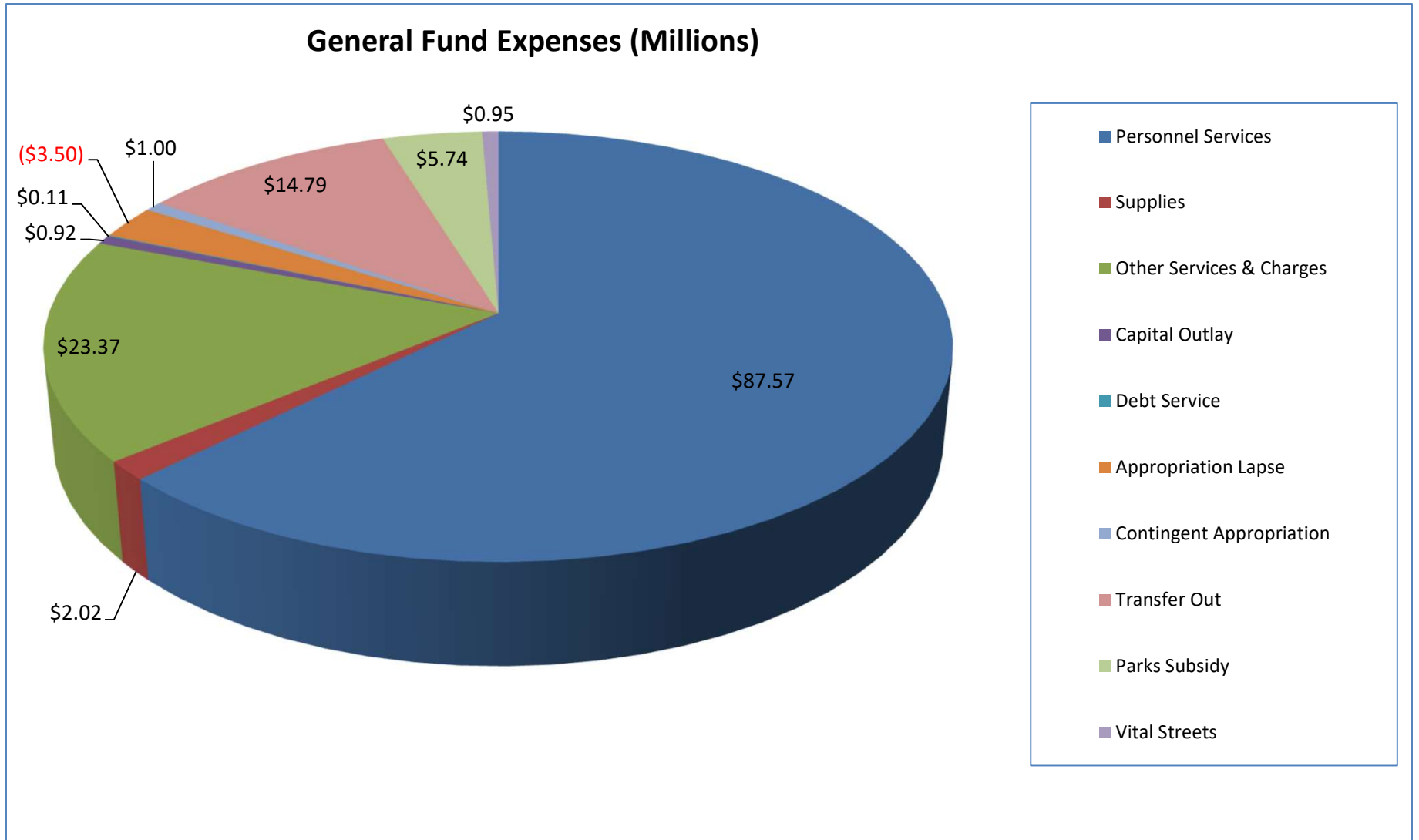
# GOF Revenues



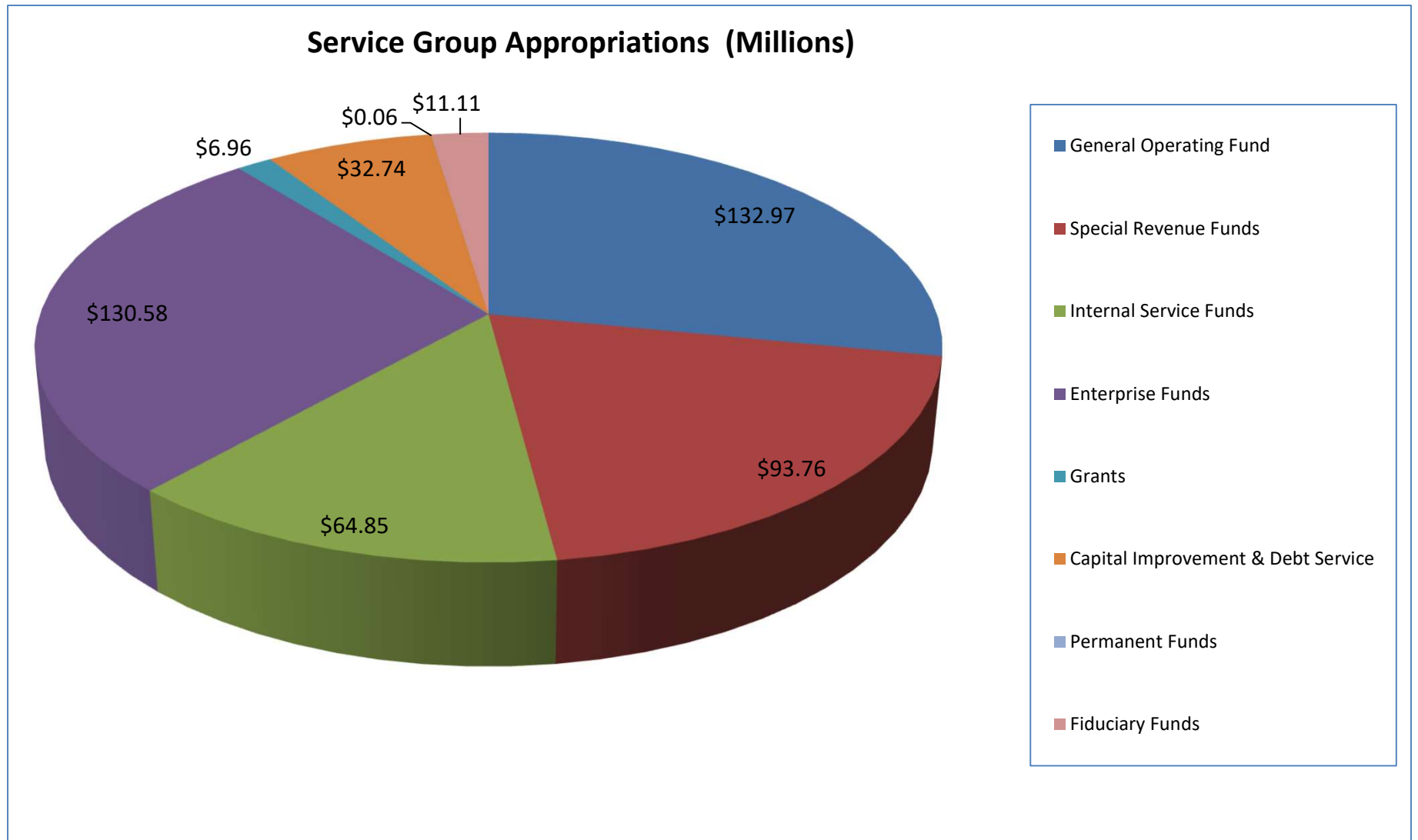
# Citywide Expenses by Function/Department



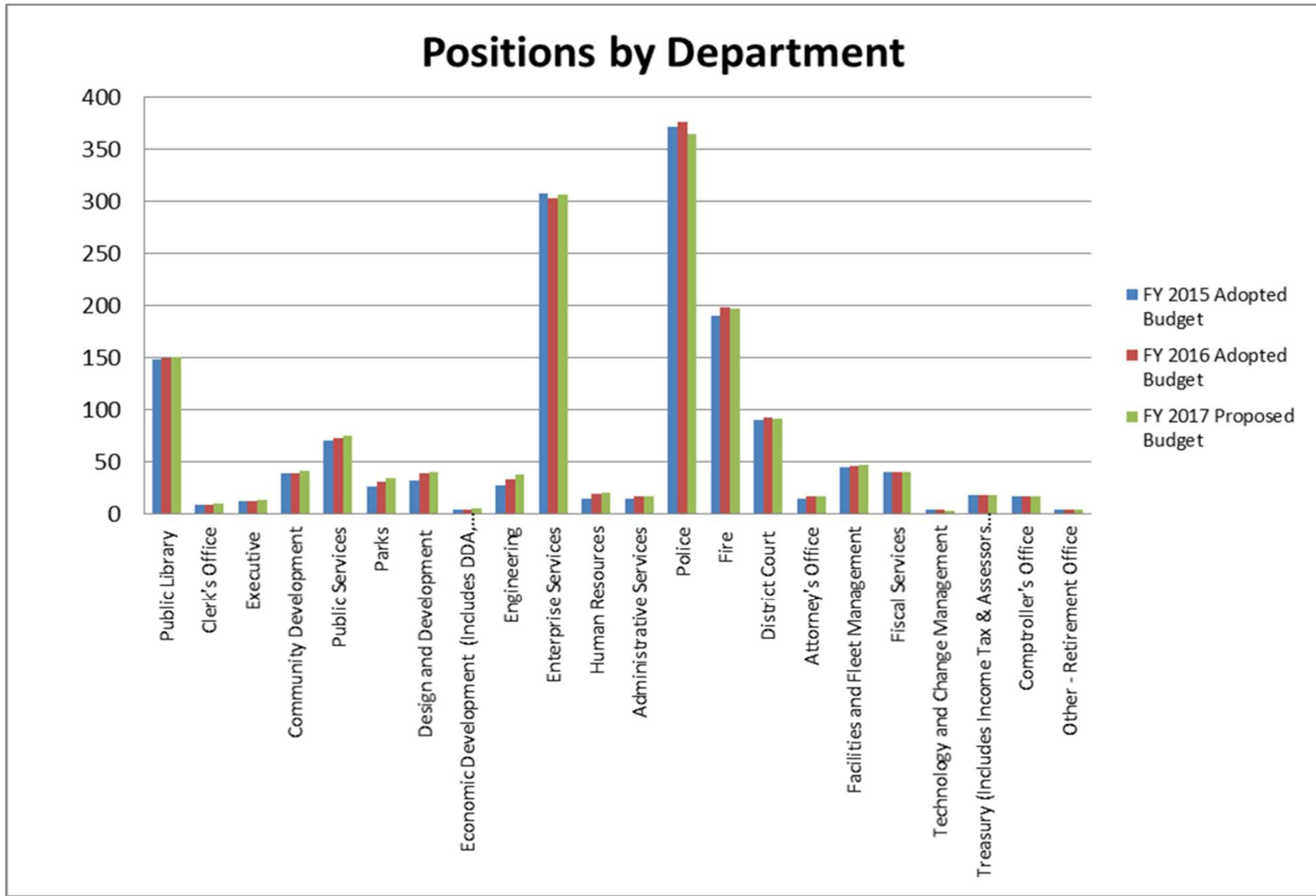
# General Fund Expenses by Category



# Citywide Appropriations by Fund Type



# Citywide Employment



## Parks Pools & Playgrounds

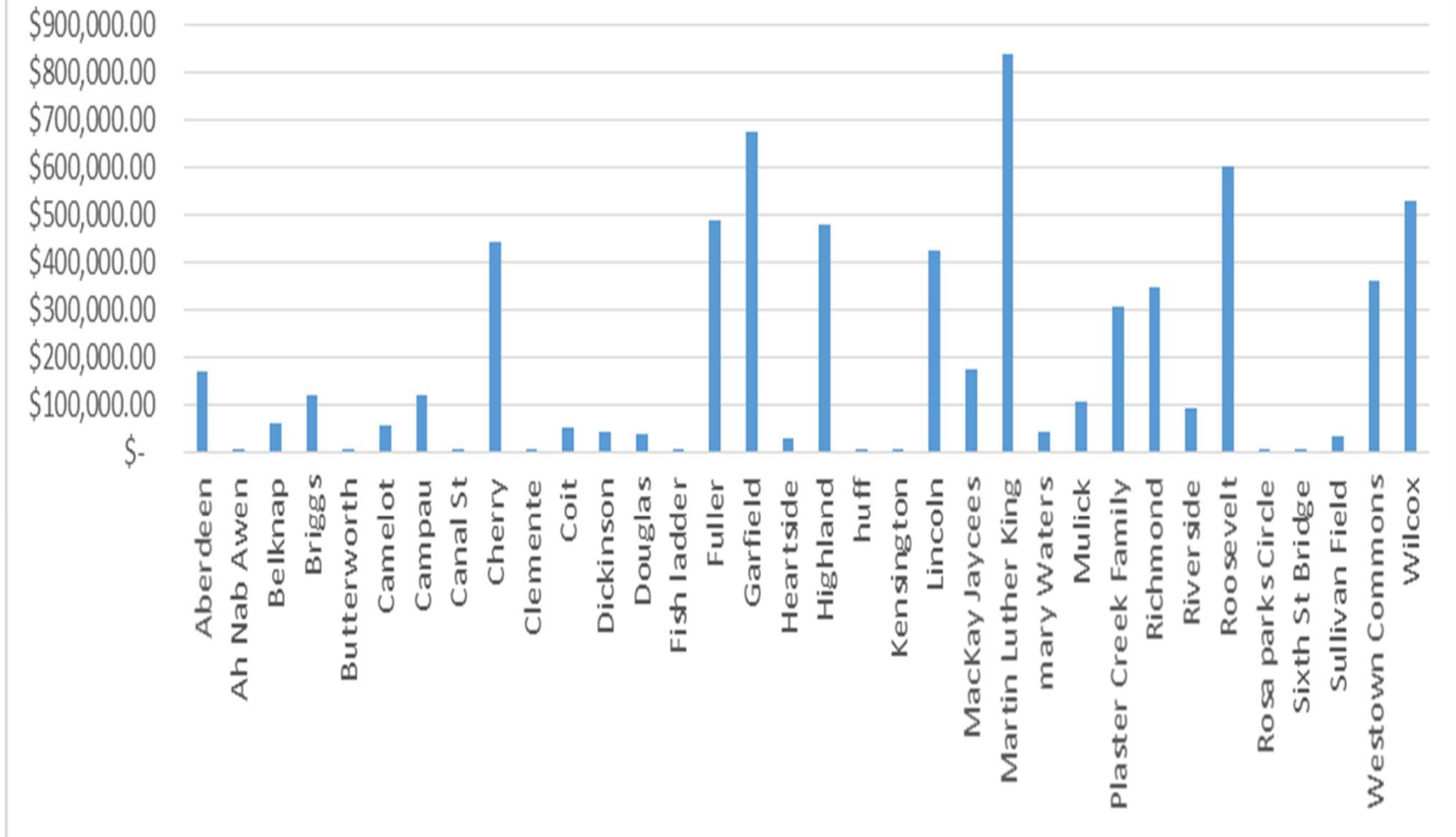
### Proposed Millage Investment Plan

- In 2014 voters approved a seven year millage
- Parks and Recreation Advisory Board
- Extended pool season: June 10 to August 28 – Open 7 days per week
- General Operating Fund Maintenance of Effort: FY17 increased 6.1% to \$5.7 million

| FY16/17        | FY18          | FY19          | FY20           | FY21                          |
|----------------|---------------|---------------|----------------|-------------------------------|
| Mary Waters    | Bike park     | Ah Nab Awen   | Aman           | Belknap                       |
| Aberdeen       | Cambridge     | Briggs        | Butterworth    | Canal Street                  |
| Huff – Phase 1 | Cheseboro     | Coit          | Calder Plaza   | Caulfield                     |
| Mulick         | Clemente      | Lexington     | Eastern Park   | Fish Ladder                   |
| Camelot        | Huff– Phase 2 | Look Out      | Ken-O-Sha      | Heartside                     |
| Campau         | Mooney        | Mackay-Jaycee | Kensington     | Hillcrest                     |
| Dickinson      | Plaster Creek | Oxford        | Riverside      | Mid Town Green                |
| Douglas        | Reservoir     |               | Sullivan Field | Nagold                        |
|                | Ball Perkins  |               |                | Sweet Street                  |
|                | Alexander     |               |                | Riverwalk Trails              |
|                | Ottawa Hills  |               |                | 6 <sup>th</sup> Street Bridge |

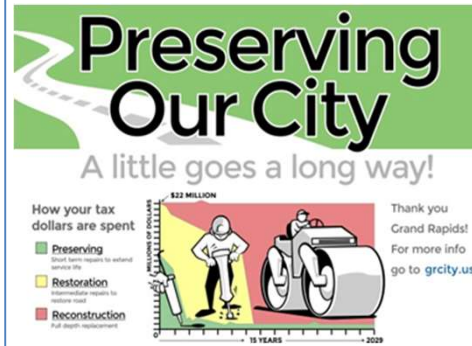
## Parks Pools & Playgrounds

Total Millage Investment by Park as of March 31, 2016



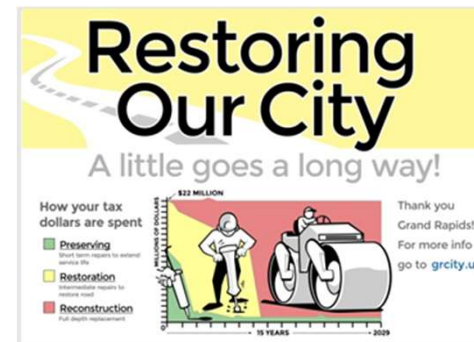
## Vital Streets

- Sustainable Streets Task Force Report, August 13, 2013: Made recommendations for Goals and Needed Investment
- Vital Streets Investment Guidelines Approved by City Commission
- Voters approved 15 year income tax extension in 2014
- Vital Streets Oversight Commission Appointed
- \$13 million over 15 years GOF commitment
- Systematic asset management plan focusing primarily on preventative maintenance first
- To date, advanced investment has improved 39 miles of streets in 2014 and 76 miles of streets in 2015
- City assumed responsibility for sidewalk improvements in May 2014



RAPID ACTION, RAPID INVESTMENT OUTCOMES

39 Miles - 2014  
76 miles – 2015  
76 miles planned - 2016







# Stormwater

## Projects Completed in 2015

- Jeanette Ave NE at Indian Mill Creek
- Brooklyn Ave SE
- Eastcastle Drive SE
- Colton Drive SE
- Waterford Court NE

## FY2017 Areas of Improvement

- Broadway/Alpine Sewer
- Fulton/Fuller Sewer
- Burton/Breton Sewer
- Eastern/44th Sewer
- Whiskey Creek Sewer



| Fiscal Year        | 2017       | 2018      | 2019       | 2020        | 2021        |
|--------------------|------------|-----------|------------|-------------|-------------|
| Capital Investment | \$623, 143 | \$774,712 | \$926, 286 | \$1,077,857 | \$1,229,429 |

# <img alt="Code for America logo" data-bbox="142 98 215 172"/> Budget Visualization

See the screenshot below for an example of the budget visualization tool being created for the City of Grand Rapids

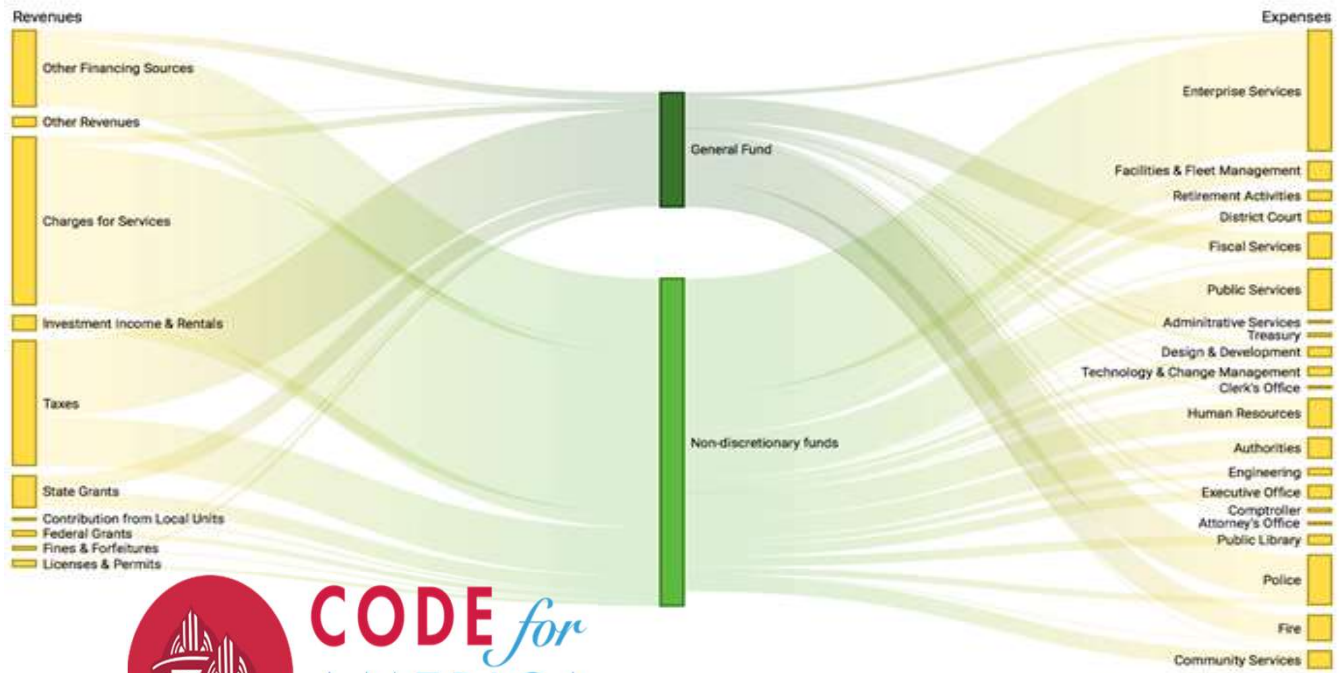
## Cash Flow: The Preliminary 2017 Budget

This diagram depicts the flow of money through Grand Rapids' budget: from revenue sources (on the left), to the General Fund or various non-discretionary funds (in the center), and finally to the various city departments' expenses (on the right).

Mouse over a flow line to highlight it; click on a bar to highlight all its flows.

Fiscal Year

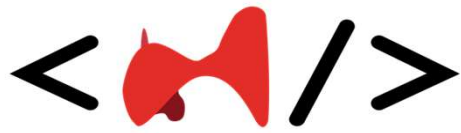
FY17



The City of Grand Rapids utilized open source code developed by the Code for America Brigade in Oakland, California. These efforts have resulted in the development of interactive graphics that help citizens better visualize where the City gets its money and where the City spends its money. This open budget concept promotes a deeper understanding of the City budget so that citizens, officials and other stakeholders can engage in more informed dialogue about how the City currently operates and how it should operate in the future.

For more information and to utilize the City's interactive budget visualization tool please visit the following link on the web:  
<http://www.openbudgetgr.org/>

*Open Budget: Grand Rapids* is an open source project led by Allen Clark and Jace Browning to help citizens better understand the spending and budget process of the City of Grand Rapids.



# Budget Visualization



**CODE** for  
**AMERICA**  
B R I G A D E

## City of Grand Rapids Preliminary 2017 Budget

Select account (revenues or expenses). Click on a fund to see the departments that receive its funding. Click on that department to see its spending or revenue.

The **General Fund** — roughly 25% of Grand Rapids' total budget — is decided by a budget process that includes private and public meetings, surveys, and negotiations. The other 75% of the budget comes from taxes, ballot measures, grants, fees, and other sources.

Budget > FY17

FY17

Year

FY17

Account

Expense

|   |  |                                      |  |   |  |                                  |  |  |  |   |  |                                      |  |  |  |
|---|--|--------------------------------------|--|---|--|----------------------------------|--|--|--|---|--|--------------------------------------|--|--|--|
| \$132,966,366<br>General Fund Operating   |  |                                      |  | \$25,359,453<br>Health Insurance            |  |                                  |  | \$6,404,288<br>General Retiree Health Care Fund  |  |   |  |                                      |  |  |  |
|   |  |                                      |  |   |  |                                  |  | \$6,368,756<br>Capital Improvement               |  |   |  |                                      |  |  |  |
|   |  |                                      |  | \$18,992,537<br>Major Streets               |  |                                  |  | \$6,225,626<br>Parks & Recreation                |  |   |  |                                      |  |  |  |
|   |  |                                      |  |   |  |                                  |  | \$5,920,000<br>Parking Capital Projects          |  |   |  |                                      |  |  |  |
|   |  |                                      |  | \$17,622,120<br>Parking Operating           |  |                                  |  | \$5,740,476<br>Information Technology-Operations |  |   |  |                                      |  |  |  |
| \$48,604,973<br>Sewer Disposal Operations |  |                                      |  | \$30,775,284<br>Water Operations            |  |                                  |  | \$5,719,900<br>Community Dispatch                |  |   |  |                                      |  |  |  |
|   |  |                                      |  |   |  |                                  |  | \$5,711,504<br>Vital Streets Operating           |  |   |  |                                      |  |  |  |
|   |  |                                      |  |   |  |                                  |  | \$5,478,891<br>Engineering Services              |  |   |  |                                      |  |  |  |
| \$12,868,236<br>Capital Reserve           |  | \$11,369,039<br>Refuse Collection    |  | \$10,786,891<br>Vital Streets Capital-Bonds |  | \$9,902,140<br>Sewer Improvement |  | \$9,336,628<br>Public Library Operating          |  | \$7,910,420<br>DDA School Tax Increment |  | \$5,068,707<br>Brownfield Operations |  |  |  |
|   |  |                                      |  |   |  |                                  |  |  |  |   |  | \$4,950,696<br>Local Streets         |  |  |  |
| \$4,938,011<br>Facilities Mgmt-Operating  |  | \$4,816,212<br>Community Development |  | \$4,783,054<br>Other Reserves-Insurance     |  | \$4,221,320<br>Motor Equipment-  |  |  |  |   |  |                                      |  |  |  |

## CITY COMMISSION

Rosalynn Bliss  
Mayor

Jon O'Connor  
First Ward Commissioner

Dave Shaffer  
First Ward Commissioner

Ruth Kelly  
Second Ward Commissioner

Joseph Jones  
Second Ward Commissioner

David Allen  
Third Ward Commissioner

Senita Lenear  
Third Ward Commissioner

## CITY OFFICIALS

Greg Sundstrom  
City Manager

John Globensky  
City Treasurer

Darlene O'Neal  
City Clerk

Elizabeth White, Interim  
City Attorney

Sarah VanderWerff  
City Comptroller

## For More Information

Visit the City on the web:

[www.grcity.us](http://www.grcity.us)

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

## 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.



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