



City of Grand Rapids Final Fiscal Plan FY2020-2024

300 Monroe Avenue, NW/Grand Rapids, Michigan 49503/www.grandrapidsmi.gov



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

A handwritten signature in black ink, appearing to read "Jeff Dood".

Jeff Dood
Chief Financial Officer

QUICK FACTS

- 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

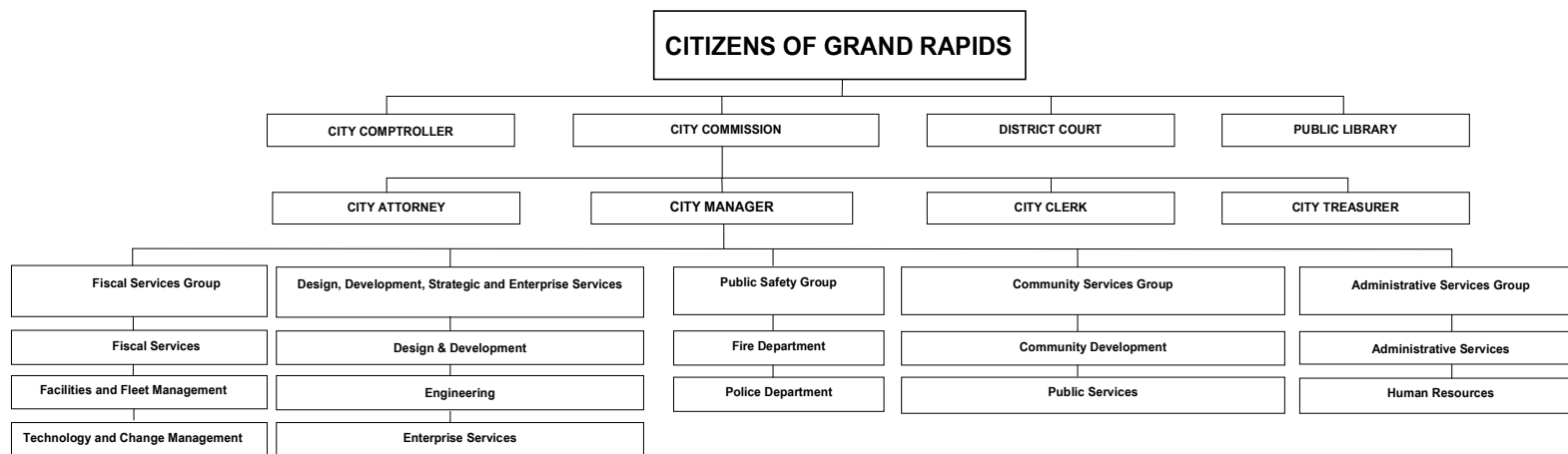
¹ U.S. Census Bureau estimate as of July 1, 2018

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.



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

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

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



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

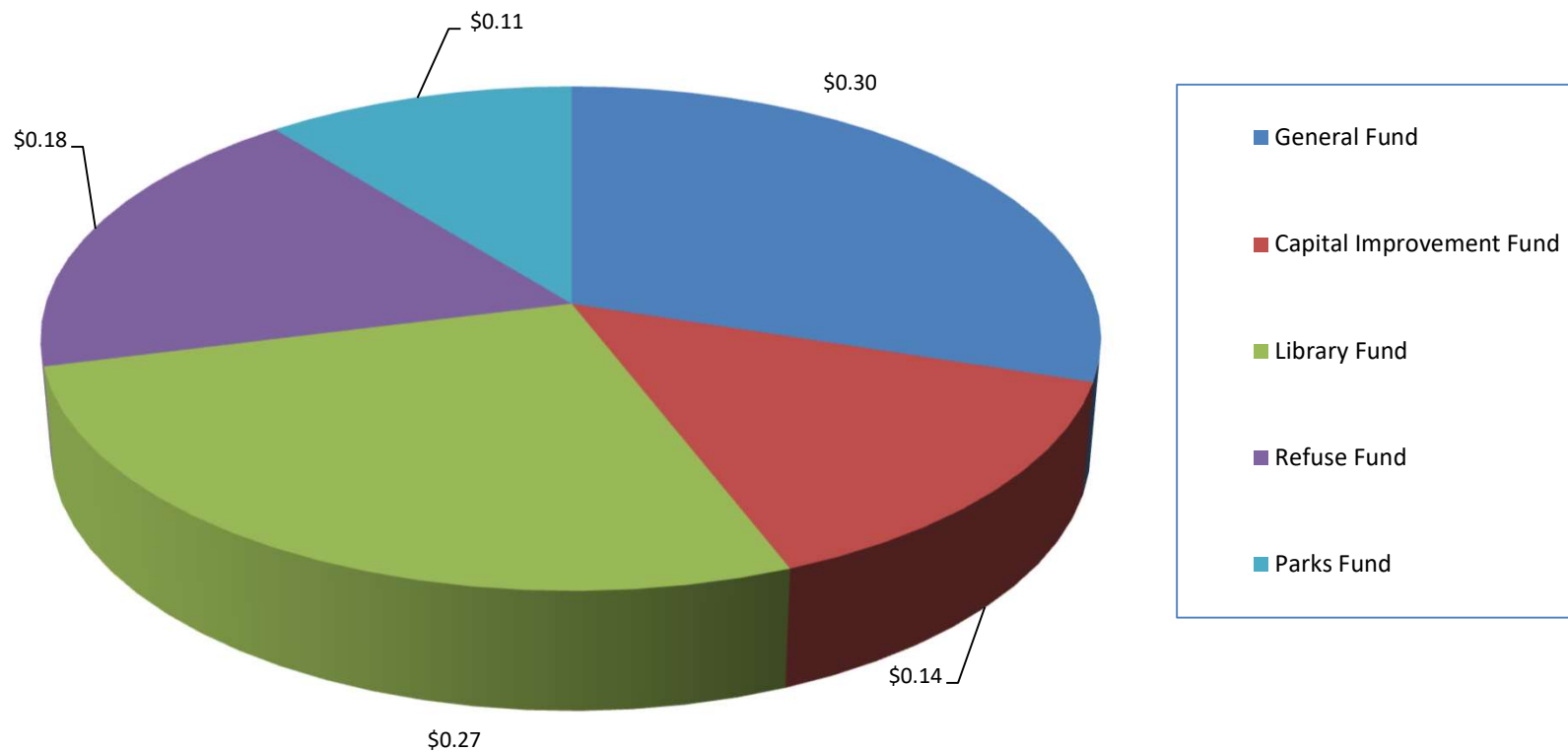
- ✓ Investments aligned to achieve the priorities outlined in the Strategic Plan
- ✓ Staffing additions to drive Strategic Plan outcomes
- ✓ Accountability is embedded in this budget; proper resources to ensure tracking and reporting are provided
- ✓ We will measure and report progress during the fiscal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

Advancing Equity

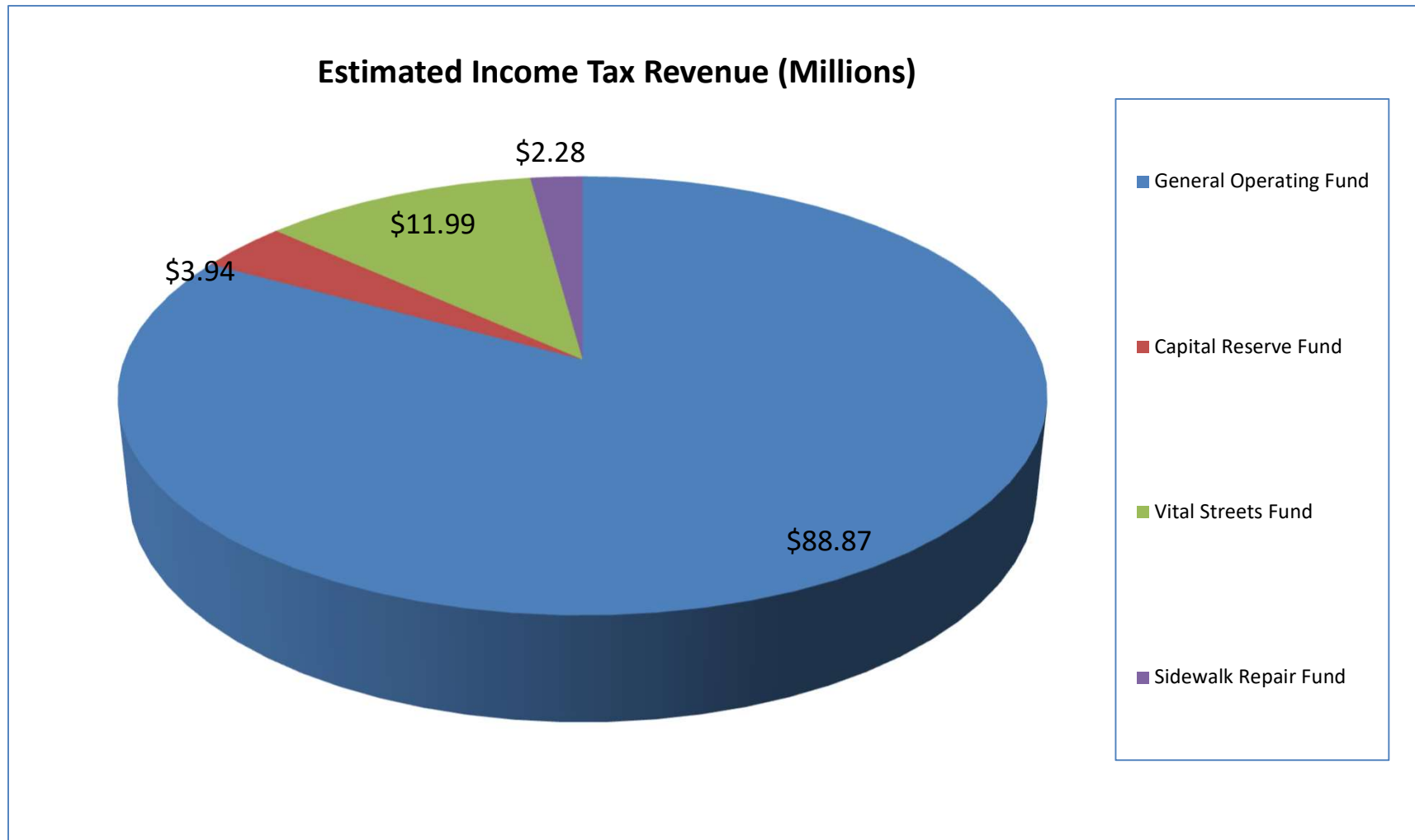
- ✓ Investing to drive equitable outcomes in each strategic priority

Property Tax Distribution

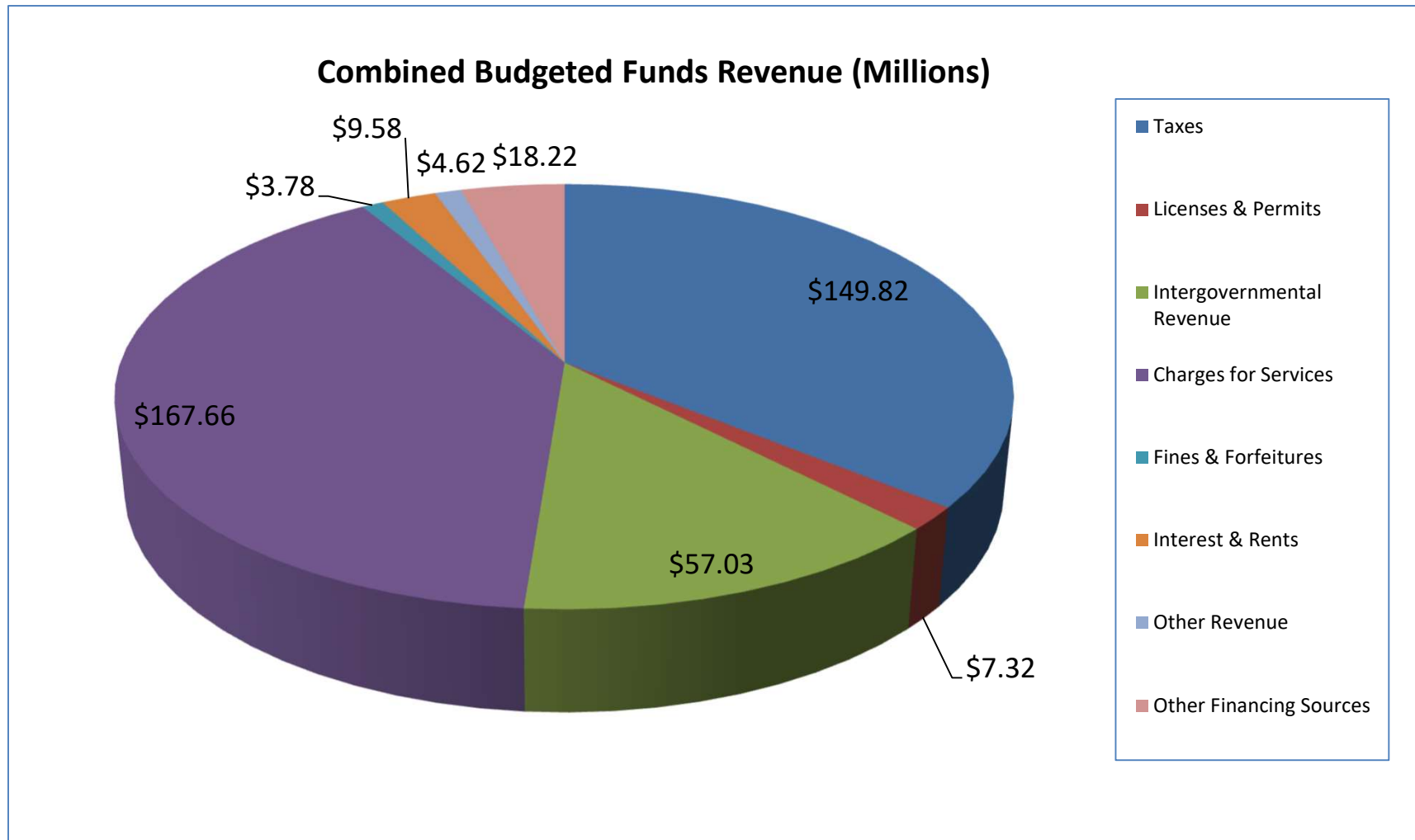
City of Grand Rapids Property Tax Revenue Allocation for Every Dollar Collected



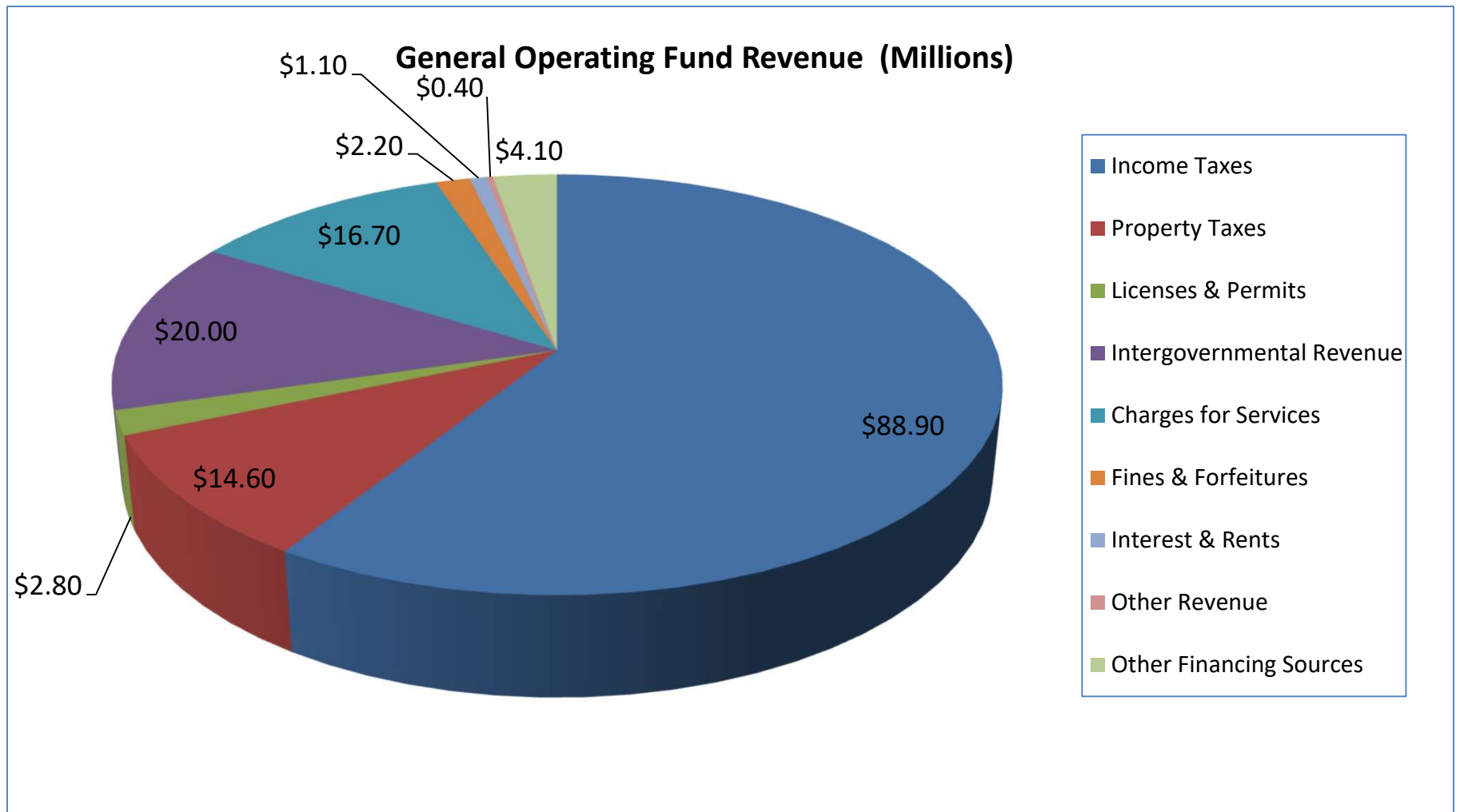
Income Tax Allocation



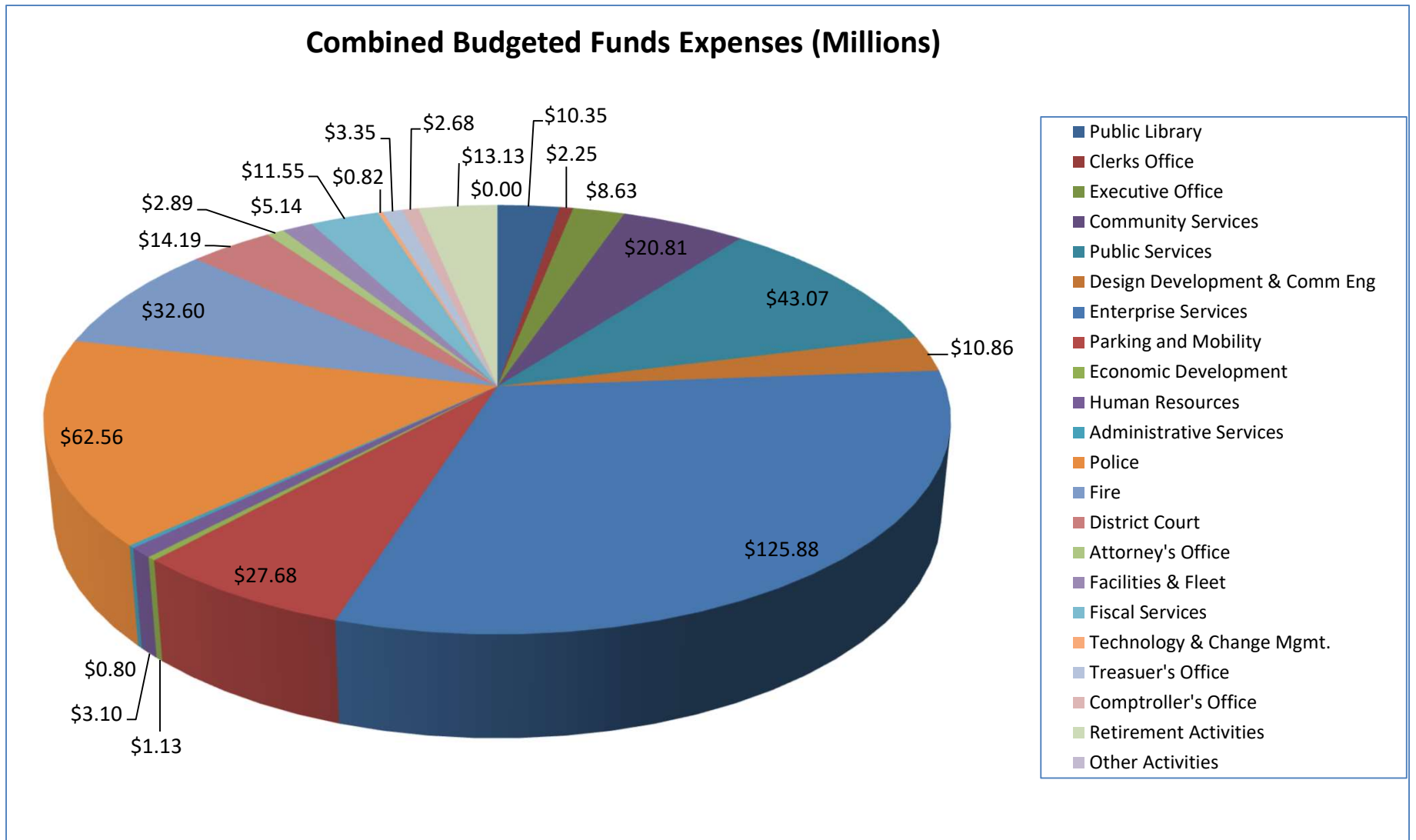
Citywide Total Revenues



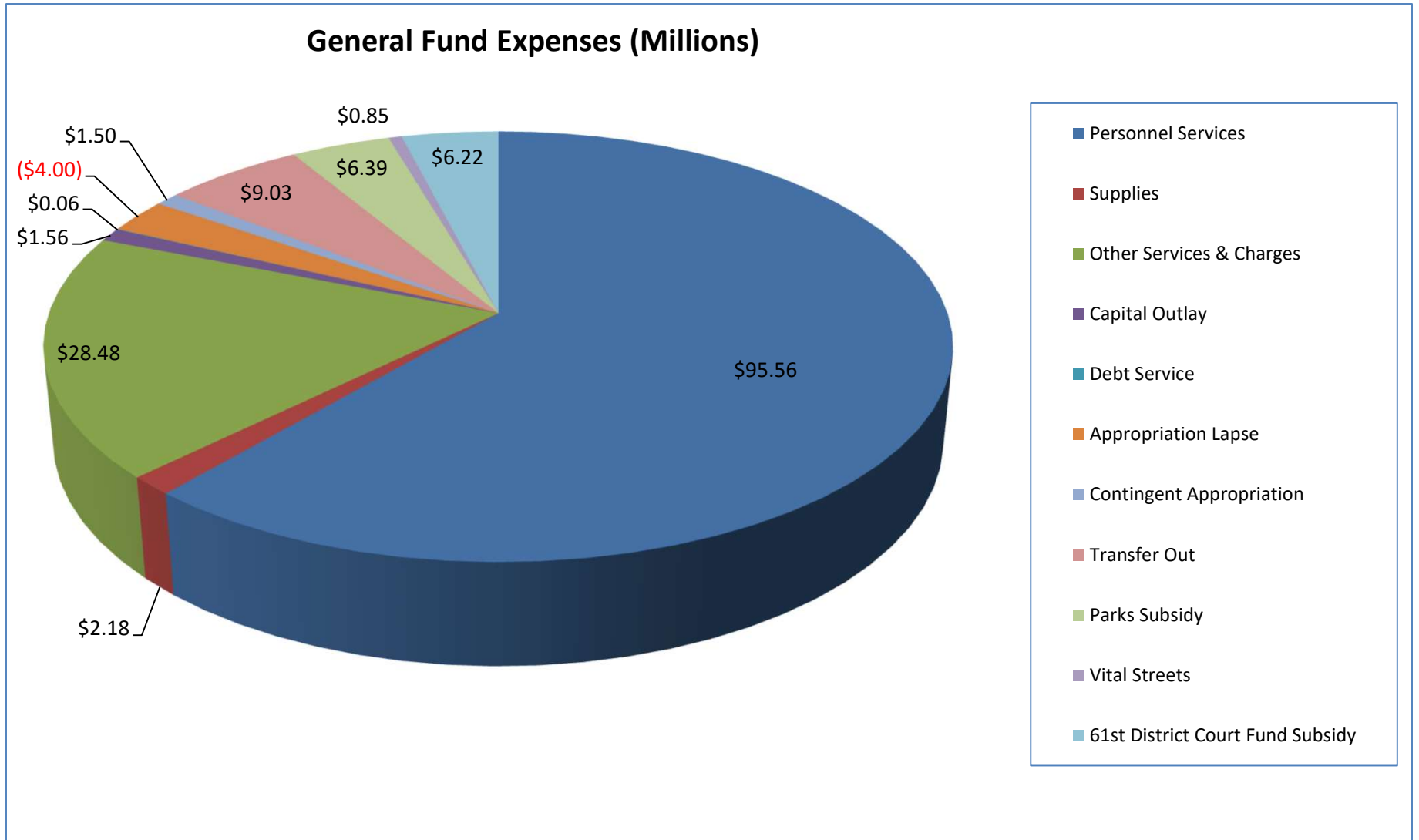
GOF Revenues



Citywide Expenses by Function/Department

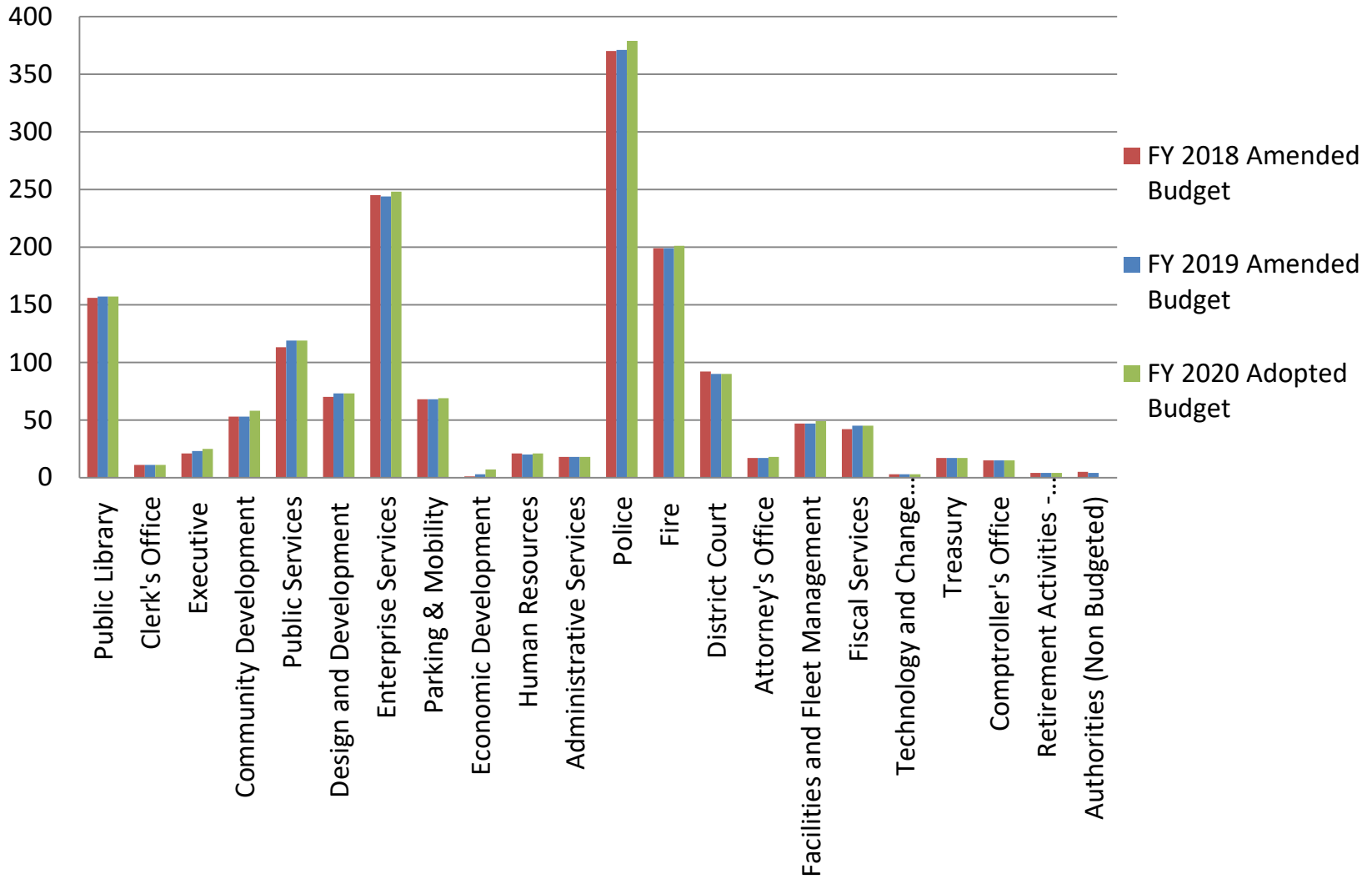


General Fund Expenses by Category



Citywide Employment

Positions by Department



Cost of Services for Residential Customers

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

\$48 = \$4/month

CITY COMMISSION

Rosalynn Bliss
Mayor

Jon O'Connor
First Ward Commissioner

Kurt Reppart
First Ward Commissioner

Ruth Kelly
Second Ward Commissioner

Joseph Jones
Second Ward Commissioner

Nathaniel Moody
Third Ward Commissioner

Senita Lenear
Third Ward Commissioner

CITY OFFICIALS

Mark Washington
City Manager

John Globensky
City Treasurer

Joel Hondorp
City Clerk

Anita Hitchcock
City Attorney

Sarah VanderWerff
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

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.



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