



CITY OF  
GRAND  
RAPIDS

FY2025 City of Grand Rapids

# Residents' Guide to the Adopted Fiscal Plan



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# Glossary of Terms

## **ACEC – Actuarially Computed Employer Contribution Rates**

The amount actuarially calculated each year that is required to be contributed by an employer to a pension plan’s pool of assets in order to ensure there will be enough funds to pay promised pension benefits.

## **Adopted Budget**

Plan of financial operation consisting of an estimate of proposed revenue and expenditures for the upcoming fiscal year. The budget is adopted by the City Commission annually in May.

## **Amended Budget**

The Adopted Budget plus changes authorized by the City Commission throughout the fiscal year. (See also **Budget Amendment**)

## **ARPA – American Rescue Plan Act**

The American Rescue Plan Act of 2021 (the Act) provides relief for individuals and businesses affected by the coronavirus pandemic. The Act also includes funding for state, local, and tribal governments as well as education and COVID-19-related testing, vaccination support, and research.

## **Appropriation**

The legal authorization granted by the City Commission to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and the time it may be expended.

## **Appropriation Lapse**

The amount of authorized spending that will go unused and effectively “fall” to fund balance. Position vacancies comprise a majority of the appropriation lapse estimate, but other expenditure categories also factor into the computation.

## **Asset**

Property owned by the City, regarded as having value and available to meet debts, commitments, legacy costs or provide some other future benefit.

## **Budget Amendment**

Used to change authorized spending or to transfer appropriations between different departments or funds. Also, used to appropriate funds for a new project or grant, or to change appropriation for an existing active project or grant. Budget Amendments must be approved by a voice vote of the Fiscal Committee.

## **Budget Stabilization Fund**

Serves as the City’s “savings” account and to assist in stabilizing revenues during periods of economic recession. The fund provides a safeguard to protect critical programs for residents when the City experiences an economic downturn.

## **Capital Expenditure** (See page 22)

## **Capital Improvement Funds**

Funds established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

## **Co-Response**

The Co-Responder model of criminal justice diversion pairs law enforcement and behavioral health specialists to intervene and respond to behavioral health-related calls for police service. These teams utilize the combined expertise of the officer and the behavioral health specialist to de-escalate situations and help link individuals with behavioral health issues to appropriate services.

## Glossary of Terms cont.

### Equity Investments

Appropriations designed to give people the tools, resources and connections necessary to be fully engaged and prepared to benefit from the opportunities they seek.

### Fiscal Plan

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Usually, the term indicates a financial plan for a single fiscal year. The City prepares both a Preliminary and a Final Fiscal Plan annually.

### FY – Fiscal Year

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

### Fund

A separate fiscal entity that is established to conduct specific activities and attain objectives in accordance with statutes, laws, regulations, and restrictions or for specific purposes.

### Fund Balance

The difference between assets and liabilities of a fund.

### GOF – General Operating Fund

A fund to account for all resources not otherwise devoted to specific activities and which finances many of the basic municipal functions.

### Liability

Legal obligations payable to a third party (i.e., a promise to make a payment on a future date is a liability).

### MOE – Maintenance of Effort

Mandates the City to continue to allocate a specified level of its financial resources in support of certain services such as Parks and the Vital Streets program. Generally, this is funding that may equal or exceed original funding levels. The concept is to ensure that new funds (i.e., millage or income tax) augment, not replace, existing City funding and levels of service.

### NOF – Neighborhoods of Focus

NOFs are 17 census tracts in the near west and south side of Grand Rapids in relation to downtown. Due to systemic and historic inequities, residents in NOFs experience the most disparate outcomes in income, educational opportunities, home ownership and wealth accumulation compared to other Grand Rapids census tracts and the city as a whole. These tracts represent 36% of the city's total 47 census tracts.

### Performance-Based Budgeting

The practice of developing budgets based on the relationship between program funding levels and expected results from that program. This approach allows the City to make and justify budgetary changes that meet community needs and advance citywide priorities.

### Property Tax Millage

A millage rate is a rate to determine property taxes. Each item on your tax bill has a set number of mills that are multiplied by every \$1000 of your taxable value. You can look up the current and recent year millage rate for Grand Rapids on Kent County's [website](#).

### Racial Equity

Racial equity is achieved when one's race or ethnicity does not determine, in a statistical sense, how one experiences opportunity, power and life outcomes.

### SEV – State Equalized Value

SEV is the assessed value that has been adjusted following county and state equalization. The County Board of Commissioners and the Michigan State Tax Commission must review local assessments and adjust (equalize) them if they are above or below the constitutional 50% level of assessment. (See also Taxable Value).

## Glossary of Terms cont.

### **Taxable Value**

Every year, the City Assessor's office does an assessment of your property based on market value. They calculate the assessed value and taxable value of your property. The taxable value is sometimes equal to or less than the assessed value. The taxable value is the amount the City uses to calculate your property taxes. (See also SEV).

### **Unrestricted Cash**

The measure of reserves that are available to be appropriated and spent in future years. In most cases, the unrestricted cash is approximately equal to the working capital (current assets minus current liabilities).



# Introduction

The City of Grand Rapids is the 2nd largest city in the State of Michigan with a land area of approximately 45 square miles and a population of 198,917 people – and growing! The City saw a 5.8% population increase from the 188,040 residents counted in the 2010 census.

The City has fully complied with Michigan Public Act 2 (“Uniform Budgeting and Accounting Act”) and has been awarded the “Distinguished Budget Presentation Award” by the Government Finance Officers Association (GFOA) for the past 36 years.

The Adopted Fiscal Plan was proposed by the City Manager within the context of a five-year plan. Five years encompasses a sufficient time frame to plan for the City’s long-range requirements and financial investments. The long-range modeling helps to prepare the City for future issues 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.

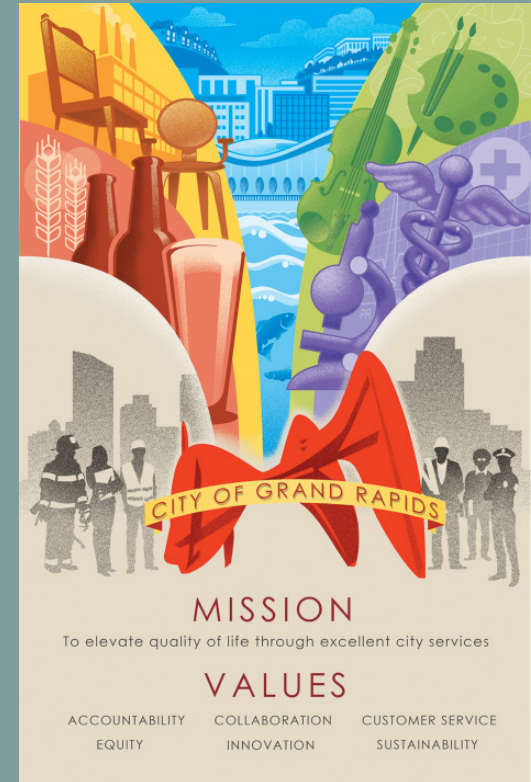
*“Helping residents understand their annual budget is a top priority. Is there a subject or concept in this report we could help explain? A subject or concept you would like considered for inclusion in future reports? We’d be happy to follow up with you. Please reach out to [contactbudget@grcity.us](mailto:contactbudget@grcity.us)”*



Mark Washington, City Manager  
City of Grand Rapids, MI



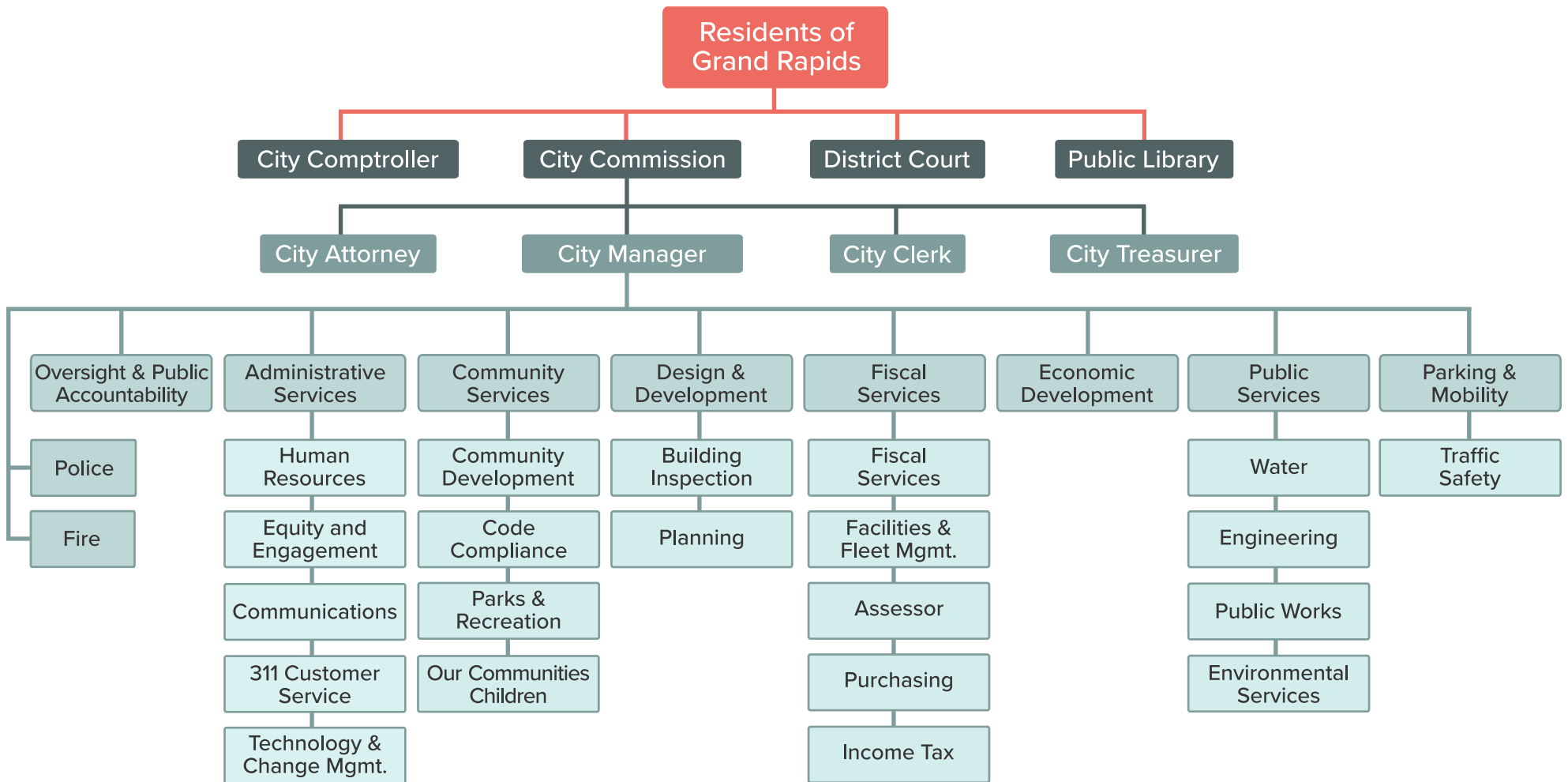
Molly J. Clarin, Chief Financial Officer  
City of Grand Rapids, MI



## 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.

# Organizational Structure



# Budget Basics



## Budget Process

The Budget process is the decision-making process for allocating public resources to the City's strategic priorities and includes the following steps:

- 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 and City Commission approval both occur in May
- Budget amendments as needed throughout the fiscal year
- Preliminary and Final Fiscal Plans
  - The Preliminary Fiscal Plan and accompanying Resident's Guide is presented annually in late April and is subject to change.
  - The Final Fiscal Plan and accompanying Resident's Guide to the Budget is published within 90 days of Commission budget adoption.

## Asset Management

The City has established a system for assessing capital assets and appropriately planning and budgeting for capital maintenance and replacement needs.

### Capital Improvement:

- General Capital property tax millage
- 4.75% 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

### Parks Millage:

- Strategic Parks and Recreation Master Plan
- GOF Maintenance Of Effort (MOE) required
- FY2025 MOE - \$8.0 million
- Permanent millage of 1.25 mills beginning July 1, 2021 (FY2022)



# Budget Basics cont.

## Budget Guidelines

*Budget guidelines provide direction on the processes and constraints within which the City prepares its budget.*

- The City must balance the budget, which means authorized spending cannot exceed available resources
- Five-year budgeting allows the City to anticipate and prepare for financial challenges well before they materialize
- The General Fund assumes a \$6.1 million budgetary lapse to account for unspent budget such as positions being unfilled for a portion of the year

## Contingencies:

- Provides \$1.5 million set-aside for unanticipated or unforeseen events

## Fund Balance Policy:

- Net worth of a fund at a point in time
- 15% of current spending in GOF (FY2024 Estimate = 34.7%)
- 10% of current spending in GOF reserved in the Budget Stabilization Fund (FY2024 Estimate = 9.4%)
- Other funds: 15% or 25% depending on fund type

- Stable property tax revenue growth. Increases primarily attributable to new investment.

## Approach to the FY2025 Fiscal Plan:

- Considers uncertainty and potential volatility of the economic and financial environment
- Continued use of Strategic Plan as roadmap
- Emphasis on the focus areas as prioritized by the City Commission
- Continuation of all basic services
- Sustained funding for core public safety services
- Focused service enhancements
- Informed by multiple points of resident feedback
- Investment in both existing and transformational capital assets
- Continuation of sustainability practices
- Competitive wages and benefits to sustain a capable City workforce
- Focus on leveraging grant opportunities to help fund programs
- Investments that have a quantifiable equity outcome or impact





## Strategic, Focused Investments Improve Long-Term Quality of Life

This fiscal plan takes into consideration the future uncertainty and potential volatility of the economic and financial environment. Operating revenues have continued to grow but this growth is partially offset by decreased purchasing power of those revenues in the face of increasing costs for goods and services, along with extended project lead times and escalating labor costs. This forecast mismatch between the rate of revenue growth and the rate of expenditure growth just to deliver the same quality of services is a structural issue not fully within our control to remedy. We are able to use excess fund balance to help address this structural issue, but if not corrected, it may require that we decrease levels of service in lower priority areas in future years. These same challenges mean the City has limited financial capacity to enhance services; therefore, the investments in this plan are strategic, focused ones anticipated to improve the quality of life in our community over the long term.

This FY2025 Adopted Fiscal Plan accommodates 37 staffing additions made by budget amendment during FY2024 and includes 27 net staffing additions in FY2025 (see page 29) to achieve strategic plan outcomes for a total of 1,755 authorized positions.

In FY2024, the City added a Grants Manager position to formalize tracking of grant opportunities and assist departments in leveraging these opportunities to help fund programs. With this position's assistance, the City has been awarded \$60 million in competitive grants over the past 12 months and has submitted an additional \$74.7 million in grant applications since November 2023. Grant opportunities are evaluated, and applications are submitted on an ongoing basis.

**\$689,974,679**

The total Citywide  
FY2025 adopted  
appropriations

**\$186,233,426**

The adopted  
appropriation for the  
General Operating Fund



## FY2025 Adopted Budget in Brief

**The assumptions used to develop the FY2025 Adopted Fiscal Plan include:**

- An increase of income tax revenues in FY2024 of 3.5%
- Income tax: 3.25% growth in FY2025-29
- Ensure the continuation of all basic services and sustained funding for core public safety services while providing focused service enhancements in other areas
- 4.75% annual income tax capital set-aside
- Follow Vital Streets and Parks Maintenance of Effort Investment Guidelines
- Police Department funding at 35.2% of GOF expenditures (38.6% in FY2021)
- Reserve a minimum \$1.5 million for contingent appropriation
- Assume annual lapse in the GOF of 3% of pre-lapse GOF expenditures for FY2025-2029 (\$6.1 million in FY2025)
- Continue to use performance measurement and key metrics to guide decision making and maintain alignment with the City Strategic Plan
- Fully fund Actuarially Computed Employer Contribution Rates (ACEC) for both City Pension Plans and the three Retiree Trust Funds

# Recommended ARPA Investments

The American Rescue Plan Act (ARPA) of 2021 is designed to facilitate the United States’ recovery from the devastating economic and health effects of the COVID-19 pandemic. The City continues to leverage its ARPA funds to support current operations as well as provide support in key focus areas. This allocation of funding must be fully obligated by December 31, 2024 and fully expended by December 31, 2026. The City’s allocable share of ARPA relief is just over \$92 million and recommended investment of these funds is summarized in this table.

Project	FY2021 Actuals	FY2022 Actuals	Fy2023 Actuals	FY2024 Estimate	FY2025 Estimate	FY2026 Estimate	Total
Medical Expenses	\$738,080	\$756,300					\$1,494,380
PPE/Workplace Safety	\$16,951	\$101,608	\$9,675				\$128,234
Broadband Connectivity		\$5,548	\$5,697	\$200,000			\$211,245
HOT/Public Safety Response		\$3,089,801					\$3,089,801
Affordable Housing/Vulnerable Populations			\$504,017	\$7,945,983	\$200,000		\$8,650,000
Violence Reduction/Co-response			\$134,341	\$1,000,000	\$1,000,000		\$2,134,341
Special Events/Other Support		\$180,206	\$383,577	\$576,508	\$144,422		\$1,284,713
Parks, Trails & Neighborhood Investments				\$13,850,000			\$13,850,000
Enterprise Resource Planning System				\$7,000,000			\$7,000,000
Provisions of Governmental Services		\$12,227,100	\$7,208,356	\$18,704,989			\$38,140,445
ARPA Administration		\$26,213	\$70,128	\$400,000	\$400,000	\$200,000	\$1,096,341
Scribner				\$15,200,000			\$15,200,000
<b>Grand Total</b>	<b>\$755,031</b>	<b>\$16,386,776</b>	<b>\$8,315,791</b>	<b>\$64,877,480</b>	<b>\$1,744,422</b>	<b>\$200,000</b>	<b>\$92,279,500</b>



Proposed look of the new Martin Luther King Park Lodge/City of Grand Rapids

## Continuing Our Commitment to Equity

- The FY2025 adopted budget includes approximately \$63.5 million of funding towards equity investments that have a quantifiable equity outcome or impact, with a variety of funding sources.
- We continue to capture equity strategies embedded in budget requests and proposed department workplans for the upcoming fiscal year.
- The quality of submissions continues to advance and focus more on policy, practice change and direct equity strategies.
- Many of the strategies submitted do not require a direct budget allocation beyond staff time to make the policy or practice change, while other strategies require a financial investment.
- The department budget meetings with the City Manager also served as opportunities to discuss departments' equity strategies and staff diversity.

As internal capacity and accountability grows, we are seeing more proactive efforts to embed equity. A few examples include:

- Private lead service line replacement in Neighborhoods of Focus
- Reduction of Child Lead Exposure
- Indigent Defense
- Establish Kendall Street Fire Station
- Construction/renovation of Roosevelt Park and Martin Luther King Park Lodges
- Continuation of the Third Ward Equity Fund
- Transportation Pass Program and DASH (Transportation Assistance)
- Economic Development MLBE/Diverse Vendor incentives and programs

## FY2025 Investments for Outcomes

**This budget provides the resources needed to continue accomplishing strategic objectives while making transformational investments that will define the future of Grand Rapids through its 175th anniversary year and beyond. Consistent with that approach, this plan includes:**

- \$63.5 million in equity investments
- \$290.16 million in capital investment, with approximately \$760.22 million anticipated over the course of the five-year capital plan\*
- Ongoing investments in existing capital assets along with transformational capital investments related to the Grand River Greenway and redevelopment of the 201 Market property.
- Sustained funding for core public safety services – along with preventive approaches including Mental Health Co-response, homeless outreach efforts, and Fire Prevention initiatives.
- Competitive wages and benefits to sustain a capable City workforce – along with initiatives to “grow our own” next generation of diverse and talented City employees.
- Continuation of sustainability practices, including purchase of Renewable Energy Credits (RECs) – along with infrastructure improvements to pave the way for a future solar installation at the Butterworth Landfill.
- Twenty-eight position additions (a net change of 27) focused on service enhancements in emergency dispatch, customer service, cemetery maintenance, public works, traffic safety and for the future Kendall Street Fire Station. Added funding for contract subpoena process service will enable redeployment of a sworn police officer to the Detective Unit.

\* Includes amounts to be budgeted via future amendments.

## FY2025 Position Additions by Department

### Dispatch

(4) Emergency Comm. Operator Is

### Police

(1) Social Worker (Victim Services Coord.)

### Parking

(1) Parking Customer Services Rep. I

### Traffic Safety

(1) Traffic Technician

(1) Sign Fabricator I

### Cemetery

(1) Groundskeeper I

### Environmental Services

(1) Collection System Asset Technician

(1) Custodian

(1) Environmental Resource Technician

(1) Utility Maintenance Mechanic III

### Fire

(1) Fire Lieutenant

(3) Fire Equipment Operators

(6) Firefighters

### Refuse

(1) Refuse Collection Operator

### Streets

(2) Public Services Aides

### 311 Customer Service

(2) 311 Customer Service Representatives

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**28 FY2025 Additions Total**

# Selected Investments by Strategic Plan Priority



## Economic Prosperity and Affordability

\$44.6 million adopted, and an additional \$51.5 million in Corridor Improvement Districts and Special Authorities appropriations, in addition to \$200,000 in ARPA investments, including

- \$8.3 million to increase the supply of affordable housing, prevent evictions, and help meet the needs of unhoused individuals.
- \$1.2 million to support neighborhood business corridors and help meet the needs of small businesses.
- Staff support focused on designing, permitting, delivering, and ensuring equitable implementation of the Grand River Redevelopment and River's Edge Projects.
- Relocation of several City departments from 201 Market to their eventual new home on Scribner to enable construction of significant civic projects, including the Acrisure Amphitheater and a major mixed-use development.
- Partnership with Kent County, Grand Action, the Convention and Arena Authority, and Downtown Grand Rapids Inc. on transformational projects, including the Acrisure Amphitheater and downtown soccer stadium.
- \$1.1 million capital investment for design, permitting and early construction work for in-river work related to the Grand River; Greenway trail projects; and city-wide park projects.



## Health and Environment

\$232.9 million adopted, including

- \$904,000 to implement climate resilience and greenhouse gas reduction measures, including a climate action and adaptation plan; Equitable, Healthy and Zero Carbon Buildings (E.H.Zero) Initiative; energy efficiency audits; and pilot program to convert gasoline-fueled pickup trucks to compressed natural gas (CNG).
- \$460,000 to reimagine the materials management program, including the future of landfilling, waste-to-energy, recycling and composting education, cleanliness and upkeep of key commercial corridors.
- \$5.2 million to continue addressing sources of lead contamination in homes, and other environmental concerns.
- \$3.3 million to continue implementation of the urban forestry plan, especially pruning of priority trees to improve the health and safety of our urban tree canopy.
- \$133.1 million in Health and Environment capital investments including MLK Park Lodge, Greenway-related projects, park improvements, water system investments, and infrastructure extension necessary for Butterworth solar development.

## Selected Investments by Strategic Plan Priority cont.



**Mobility** \$110.6 million adopted, including

- \$3.9 million for connectivity and micro-mobility including the Downtown Area Shuttle (DASH), e-bikes, e-scooters, and carshare.
- \$690,000 for traffic and mobility safety including expansion of the sidewalk snow assist program and parking garage management.
- Competitive and sustainable parking rates, including an increase of \$3-4 in the per event rate downtown.
- \$45 million in Mobility capital investments for streets, sidewalks, neighborhood greenways, transit stop improvements, parking asset management, traffic calming, and pedestrian safety.



**Safe Community** \$146.6 million adopted, and \$1 million in ARPA investments, including

- \$3.6 million to reduce Police and Fire department vacancies, right-size to meet demand for public safety services, and augment services through partnerships and contracting.
- \$2.5 million for crime prevention and violence reduction through community partnerships and innovative approaches to improve community safety by addressing root causes of crime and violence, and by redirecting non-violent individuals toward supportive resources rather than into the criminal justice system.
- \$2 million for Oversight and Public Accountability to ensure the responsiveness of public safety services to community needs and concerns.
- \$21.1 million in Safe Community capital investments, including for the new Kendall Street Fire Station, replacement Division Avenue Fire Station, new Fire Training Center, and bomb removal robot.



## Selected Investments by Strategic Plan Priority cont.



**Engaged and Connected Community** \$24.9 million adopted, and \$144,422 in ARPA investments, including

- \$589,000 to implement the updated strategic communications plan including community media and resident publications.
- \$465,000 to create and begin implementation of a citywide framework for engagement.
- \$679,000 to improve engagement with neighborhood associations, including the Neighborhood Summit, neighborhood association support, Neighborhood Leadership Academy, and Develop with Us (project-specific engagement).
- \$175,000 for OPA staffing and programming to continue engaging with our community with a special emphasis on serving immigrant and refugee communities.

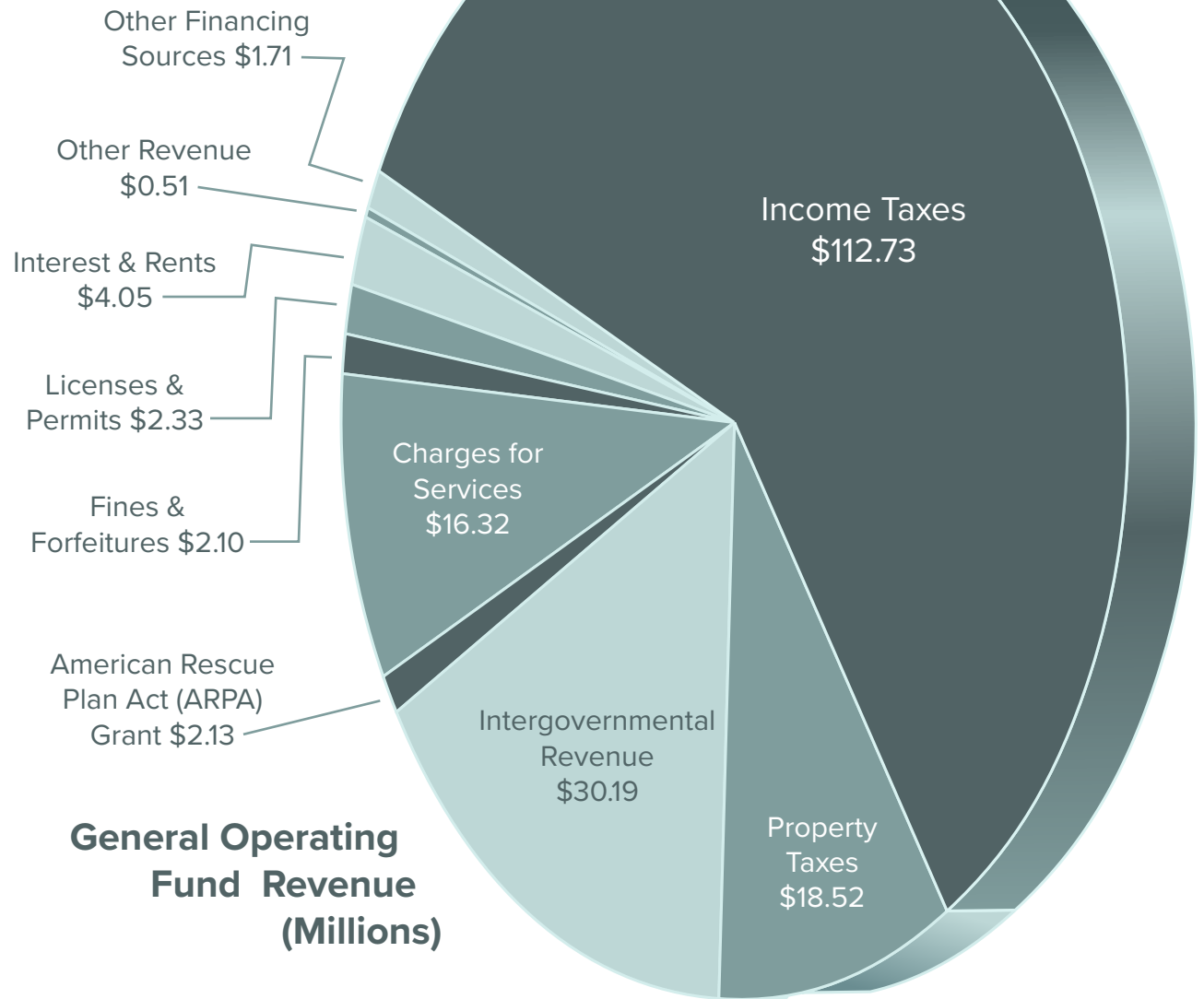


**Governmental Excellence** \$148.5 million adopted, and \$400,000 in ARPA investments, including

- \$3 million for programs and initiatives to hire and retain a talented and diverse workforce, with emphasis on the work we can do to develop individuals into City careers through internship, apprenticeship, and career development initiatives.
- \$18.9 million to sustainably fund key services, including support for the 61st District Court, Parks and Recreation, Vital Streets, Forestry, and Cemetery maintenance.
- \$460,000 enhanced investment in cemeteries to fulfill our perpetual care obligation while improving the level of maintenance and service provided.
- \$641,000 to continue leveraging legislative and grant funding opportunities.
- \$11.7 million in streets capital investments city-wide.

# General Operating Fund Revenues

The **General Operating Fund (GOF)** is where the City accounts for most tax supported activities. Several years ago, City income tax and property tax revenues were 38.6% and 16.9% of total GOF revenues respectively, but for FY2025 the proportionate shares are projected to be 59.1% and 9.7%. The shift to the more economically volatile Income Tax as the primary GOF revenue source has contributed, in part, to the ongoing GOF revenue volatility. A number of factors have contributed to this shift over the years including voter approved increases in the income tax rate as well as limited property tax growth due to “Proposal A” and the “Headlee Amendment.” Also contributing to the City’s economic challenges are reductions in the statutory revenue sharing program which has never fully recovered from earlier highs, as well as the lingering impacts of the COVID-19 pandemic, which continues to negatively impact local income tax revenues due to remote work outside the City. FY2025 GOF base income tax revenue is projected to increase by 3.25% compared to the FY2024 Estimate. American Rescue Plan Act (ARPA) revenue in the GOF is forecast at \$3.5 million over two years including \$2.1 million in FY2025.

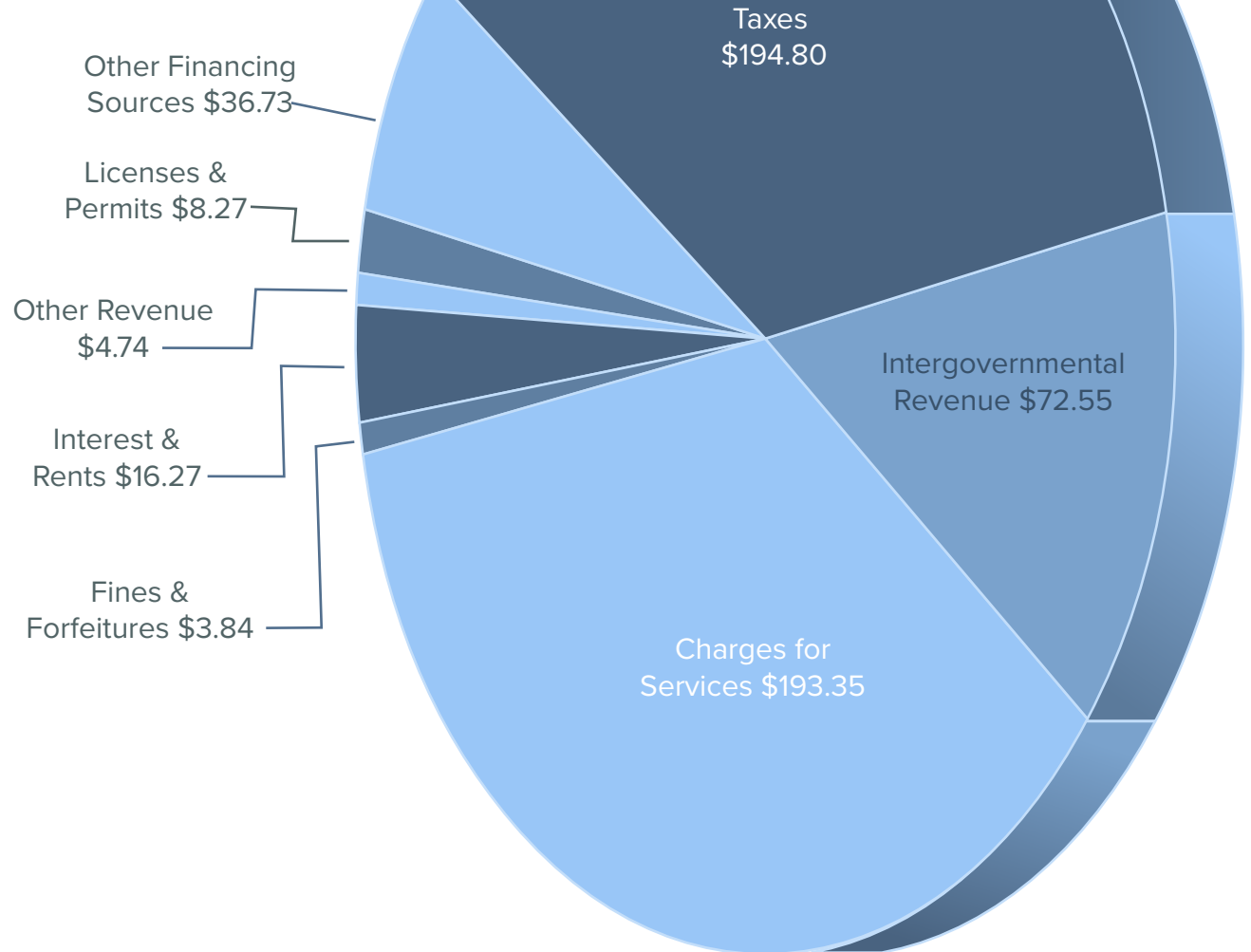


# Citywide Total Revenues

## Key Takeaways:

- FY2025 Combined Budgeted Funds Revenue: \$530.55 million
- FY2025 General Fund Revenue: \$190.59 million
- Volatility, uncertainty and complexity in the revenue forecast
- Positive and stable income tax revenue projections
- While property taxes continue to grow steadily, this growth is limited due to current state law. An overall increase of more than 9% in Taxable Value is anticipated.
- Charges for services is an increasingly larger revenue source as the City has focused more attention on full cost recovery from user charges. Unlike the private sector, state laws and related court cases limit City fees to the costs of the services provided

## Combined Budgeted Funds Revenue (Millions)



# Income Tax Allocation

*This budget anticipates a 3.5% increase in income taxes in FY2024 followed by a 3.25% increase each year thereafter for the remainder of the FY2025-29 forecast period. The income tax growth projections remain relatively conservative but more optimistic in the short term than the prior year forecast as recession fears have somewhat subsided.*

## Income Tax Rate History:

- **March 1995:** the City's voters authorized an increase in the income tax from 1.0 % to 1.3% for residents and from 0.5% to 0.65% for non-residents effective January 1, 1996.
- **May 2010:** the City's electorate authorized a temporary increase in the income tax from 1.3% to 1.5% for residents and from 0.65% to 0.75% for non-residents effective July 1, 2010, through June 30, 2015.
- **May 2014:** voters approved extending the temporary income tax increase another 15 years to pay for Vital Streets through June 30, 2030.

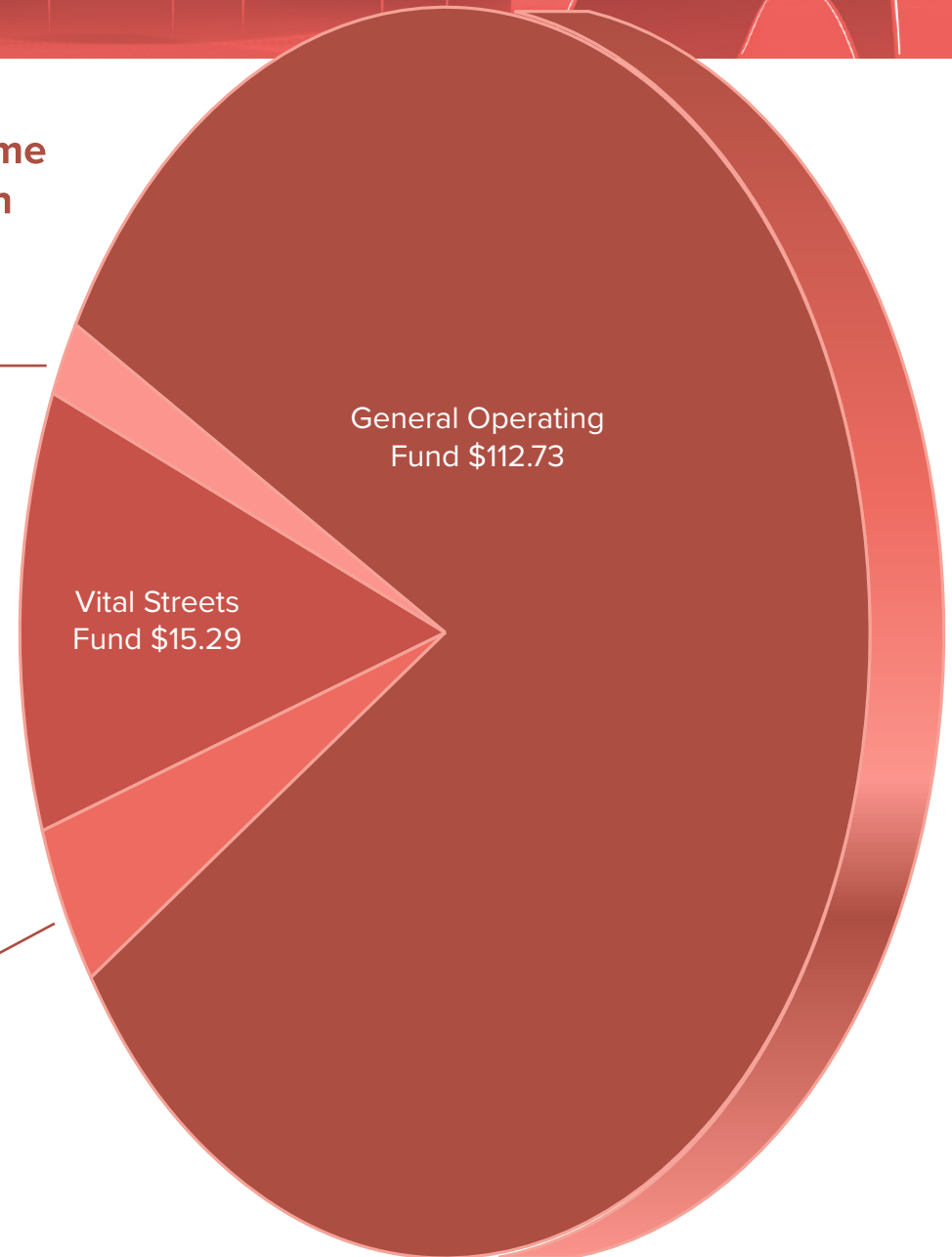
## Estimated Income Tax Allocation (Millions)

Sidewalk Repair Fund \$2.91

General Operating Fund \$112.73

Vital Streets Fund \$15.29

Capital Reserve Fund \$5.62

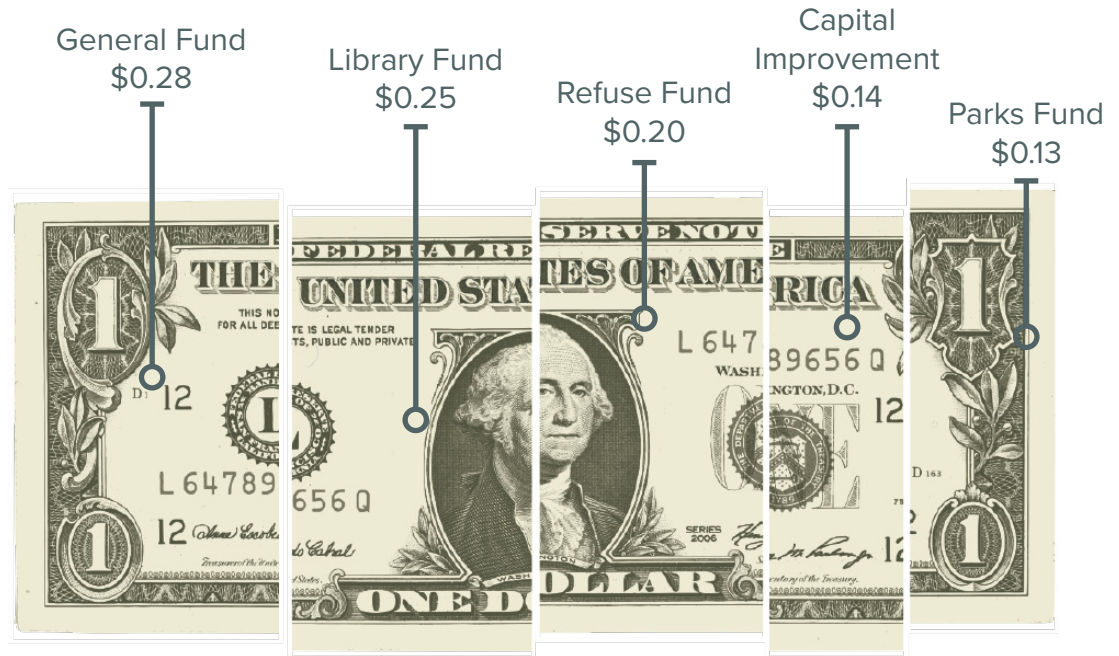


# Property Tax Distribution

**City Property Taxes are generated by applying the approved millage rates to the taxable value of a property. One mill equals \$1.00 per \$1,000 of taxable property value. The taxable value of property may be less than or equal to but cannot exceed the property's SEV. Property tax revenues are deposited into the General Operating, Library, Capital Reserve, Refuse Collection and Disposal, and Parks & Recreation funds.**

## Key Takeaways:

- Both the City Operating and overall property tax rate decreased for 2024 (FY2025). The overall tax levy decreased by 0.0781 mills to a proposed total levy of 8.9544.
- Overall taxable value increased significantly in 2023 (tax year 2024) and the City is expecting the largest increase ever for the second year in a row – adding 15% to the residential class, the assessed value is over \$11 billion for 2024.
- The inflation rate multiplier is maxed out (again) at 5% and there will be a small Headlee rollback.



Average Grand Rapids Property Tax Bill	GR Property Tax (City of GR Millage only)	Average Residential Taxable Value	Estimated Average Market Value
As of July 1, 2023	\$634.07	\$70,199	\$217,910
As of July 1, 2024	\$681.84	\$76,146	\$250,577
\$ Increase/(Decrease)	\$47.77	\$5,947	\$32,667
% Increase/(Decrease)	7.53%	8.47%	14.99%

# Annual Water and Sewer Costs for Grand Rapids Residents



GR Water



GR Sewer

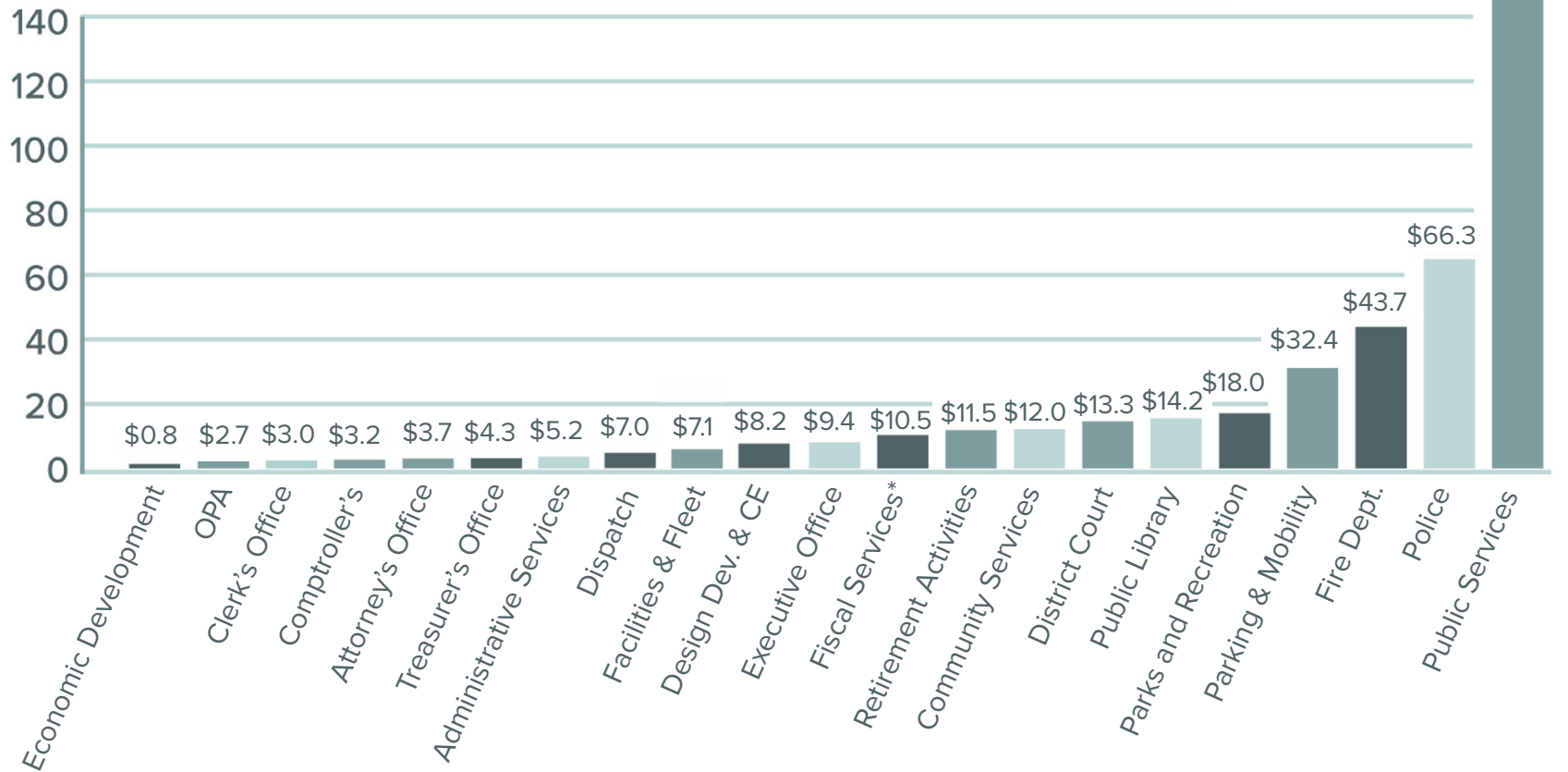
	Residential customer usage of 92,752 gallons annually	Residential customer usage of 62,832 gallons annually	Annual Impact
As of July 1, 2023	<b>\$412.08</b>	<b>\$566.04</b>	<b>\$978.12</b>
As of July 1, 2024	<b>\$448.84</b>	<b>\$572.94</b>	<b>\$1,021.78</b>
Dollar Increase	<b>\$36.76</b>	<b>\$6.90</b>	<b>\$43.66</b>
Percent Increase	<b>8.92%</b>	<b>1.22%</b>	<b>4.46%</b>

A comprehensive Water and Sewer Rate Study is prepared annually to ensure compliance with state laws and with bond covenants, and to assure the solvency of the Systems. These rates were approved by the City Commission on December 12, 2023. You can view the study [here](#).



# Citywide Expenses by Functional Group

## Combined Budget Funds Expenses (Millions)



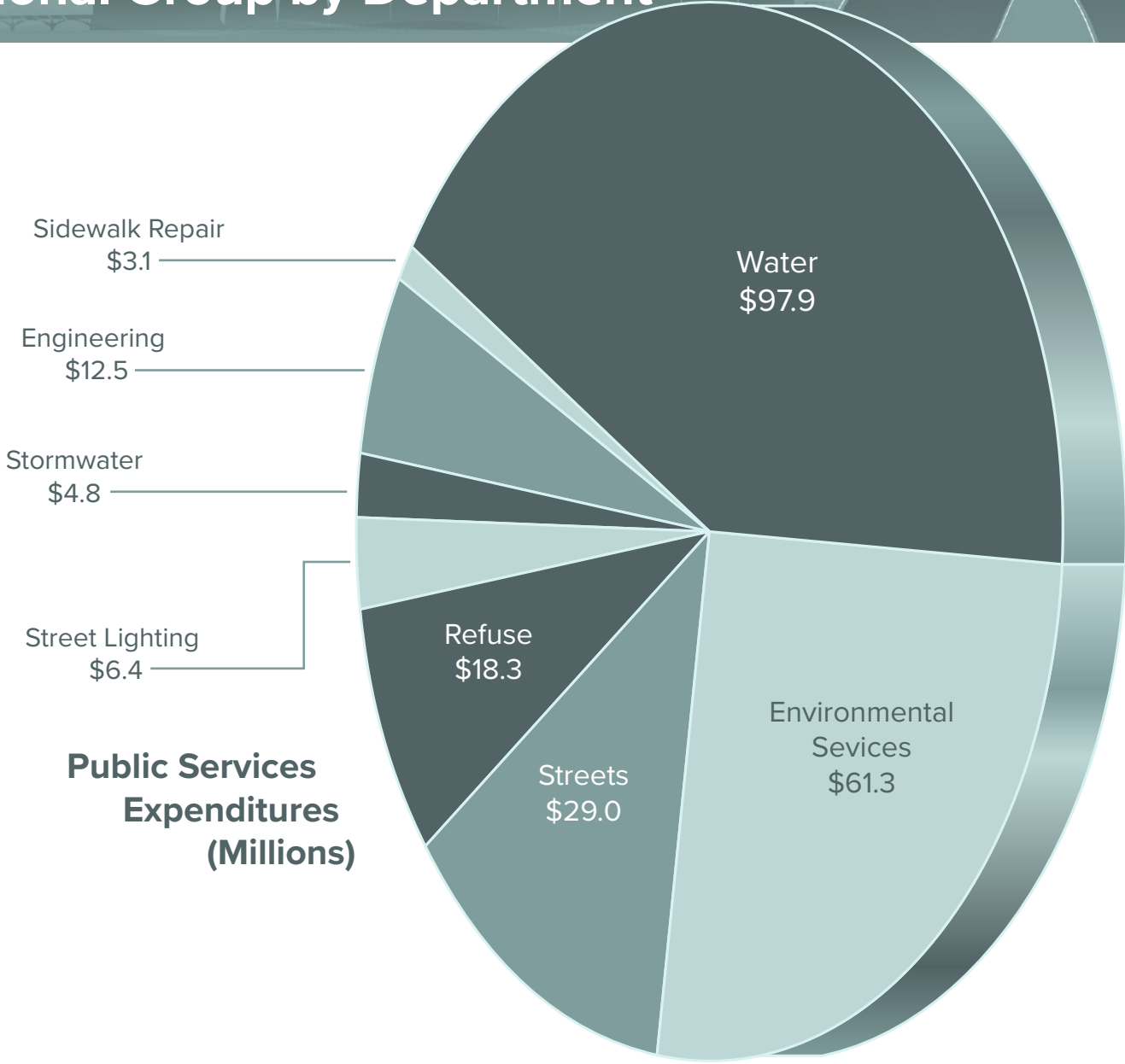
The above chart is presented by functional group. Some groups are comprised of multiple departments. For example, the Fiscal Services group includes the following departments: Fiscal Services, Purchasing, Assessor and Income Tax. A full listing of departments by functional group can be found in the *Fiscal Plan Book*.

### \*Fiscal Services (Functional Group)



# Public Services Functional Group by Department

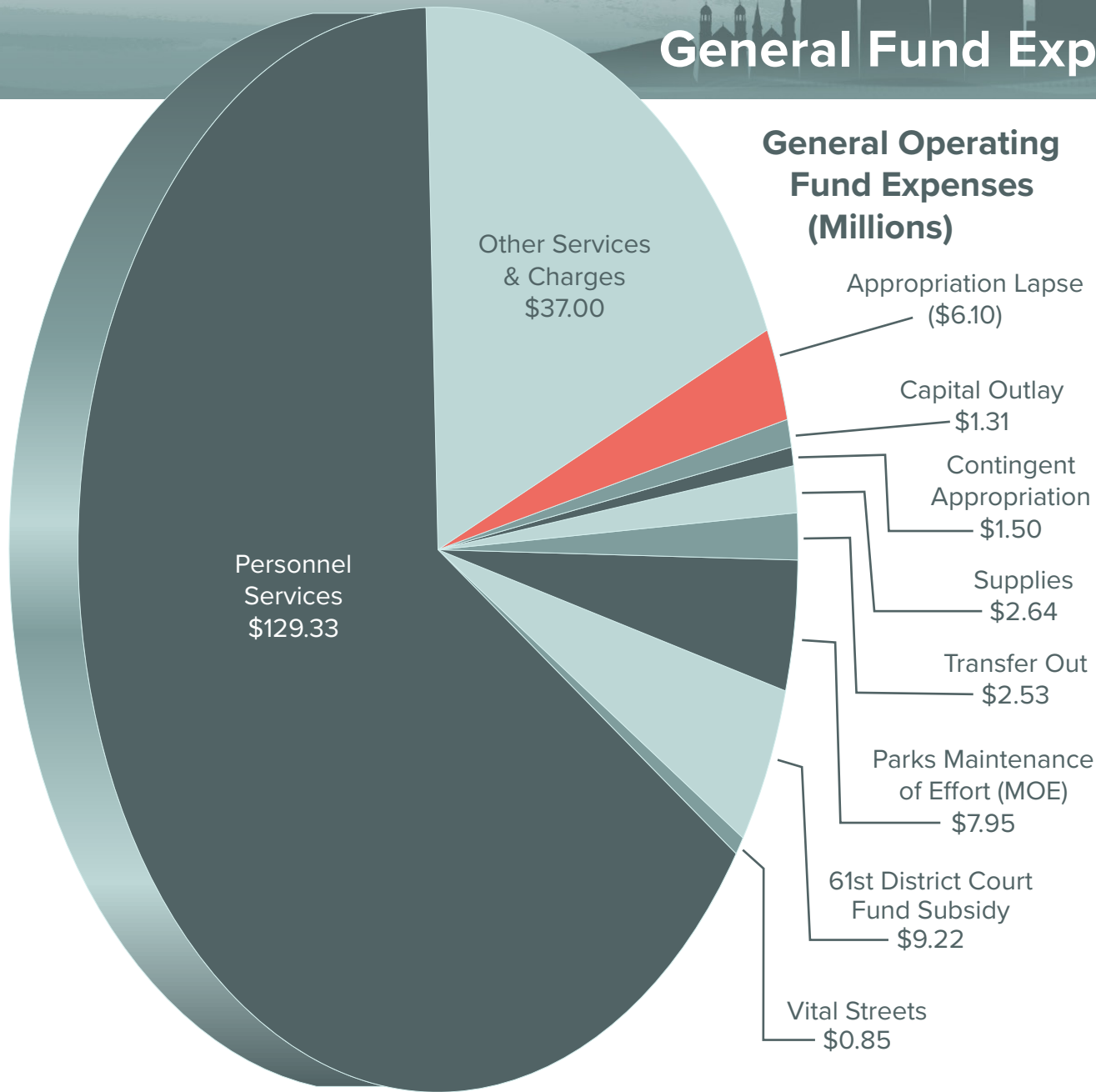
**The Public Services Functional Group** is the largest in terms of budgeted funds and is primarily comprised of the Water and Environmental Services (Sewer) utilities, Streets and Refuse Collection. These four departments account for approximately 88.5% of the \$233 million total expenditure budget for Public Services.



**Public Services Expenditures (Millions)**



# General Fund Expenses by Category



## Key Takeaways:

- The FY2025 appropriation for the General Operating Fund is \$186.23 million.
- Focus is on ensuring the continuation of all basic services and sustained funding for core public safety services while providing focused service enhancements in other areas.
- Assumption that \$6.1 million in FY2025 budgeted expenditures will remain unspent (Appropriation Lapse)
- \$1.5 million has been reserved for unforeseen expenditures that are emergency in nature (Contingent Appropriation)
- General Fund support for Parks (Parks MOE) is anticipated to grow in FY2025 by approximately \$297,000 to almost \$8.0 million.



# Capital Investments

## Budget Process

The City Manager and his Executive Team review and prioritize the proposed capital projects according to Strategic Plan priority and with the goal of maximizing equity and citywide balance and distribution. Projects are also evaluated in terms of financial capacity (including operations & maintenance impact) with some receiving multi-year allocations and/or utilizing a variety of funding sources.

## Financial Reporting

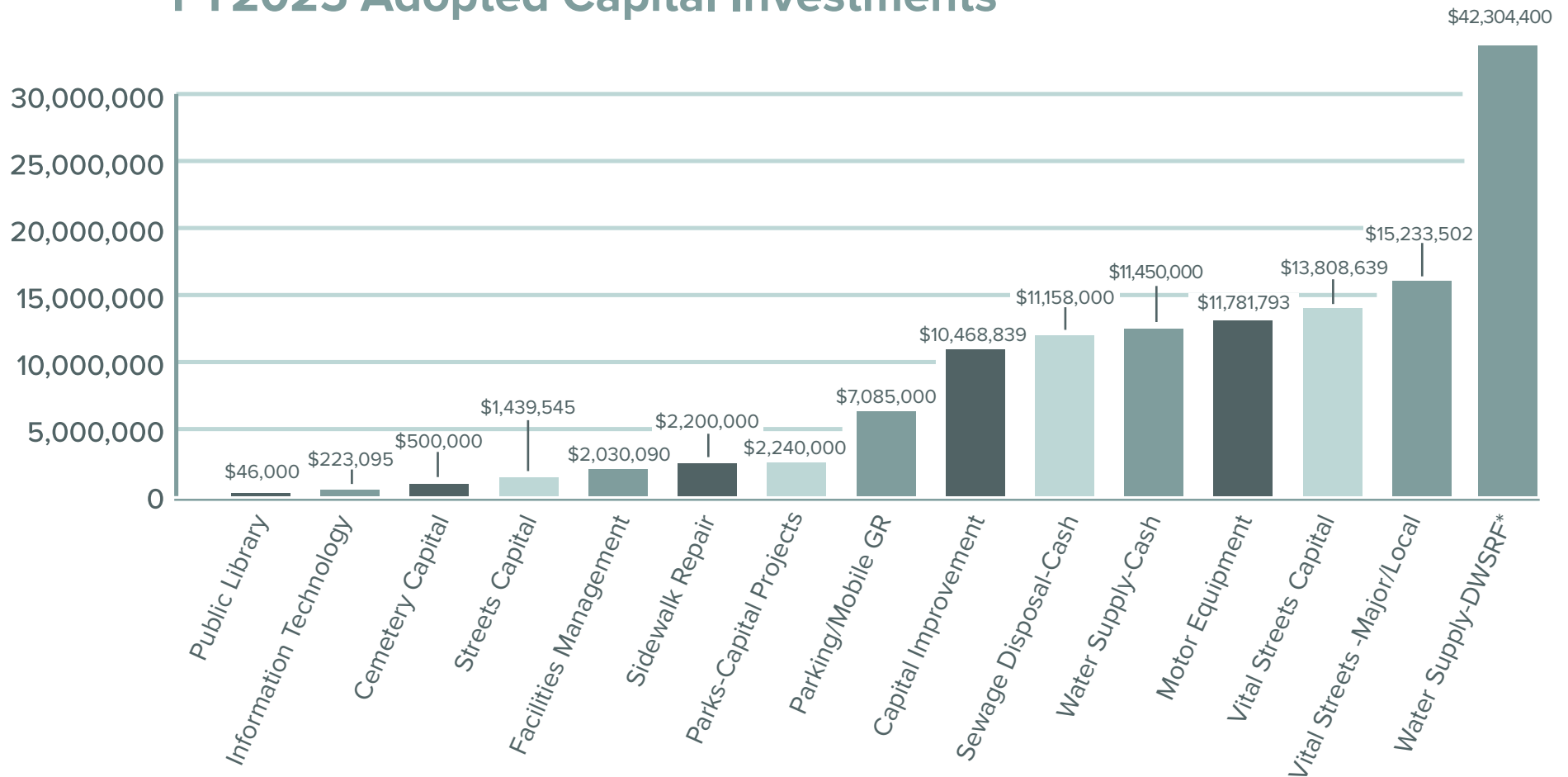
The City generally defines a “capital expenditure” as the cost of an asset that is used in operations with a price in excess of \$10,000 and a lifespan greater than one year. Capital assets include both tangible assets such as land, buildings, vehicles and equipment as well as intangible assets such as easements and software. The cost to acquire, construct or improve a capital asset is not recognized immediately as expense when incurred, but instead is deferred (capitalized) and allocated over the estimated useful life of the capital asset in the form of depreciation expense (tangible capital assets) or amortization expense (intangible capital assets).

## Funding Sources

Cash funding is generally preferred for one-time or shorter-lived capital projects when capacity exists, thereby avoiding interest expense and other financing charges. Longer-lived projects requiring more substantial investment may be debt financed when capacity is limited and inter-generational equity is desirable (i.e., large water and sewer infrastructure projects). Intergenerational equity is the concept of fairness between generations. In terms of capital investment, debt financing allows the cost to be spread over 20 or 30 years in the case of revenue bonds, thereby better matching cost to those utilizing and benefiting from the capital investment.

# Capital Investments by Fund

## FY2025 Adopted Capital Investments



\*DWSRF: Drinking Water State Revolving Fund

# Citywide Employment

## Grand Rapids Permanent Staffing History



### Key Takeaways:

- FY2025 personnel roster increased to 1,755 positions
- FY2025 is the final year of the current three-year labor contract (FY2023-25)
- 37 staffing additions made by budget amendment in FY2024
- 28 staffing additions in FY2025: Public Safety (5), Mobile GR (3), Cemetery (1), ESD (4), Fire (10), Refuse (1), Streets (2), 311 Customer Service (2)

# Citywide Employment

## Authorized Positions by Department FY2025 - FY2029 Adopted Fiscal Plan

	<b>FY2022</b> Amended Budget	<b>FY2023</b> Amended Budget	<b>FY2024</b> Amended Budget	<b>FY2025</b> Proposed Budget	<b>CHANGE</b>
Public Library	161	160	161	161	-
Clerk's office	11	11	11	11	-
Executive	30	33	33	34	1
Community Development	54	54	55	55	-
Public Services	372	375	391	397	6
Parks	41	48	49	50	1
Design and Development	42	42	47	47	-
Mobile GR Parking and Mobility	68	68	71	75	4
Economic Development	7	7	9	9	-
Administrative Services	44	43	43	44	1
OPA	4	5	5	5	-
Dispatch	49	49	49	53	4
Police	330	331	339	340	1
Fire	201	210	223	233	10
District Court	91	83	85	84	-1
Attorney's office	18	18	19	19	-
Facilities and Fleet Management	47	47	47	47	-
Fiscal Services	50	51	52	52	-
Technology and Change Management	2	2	2	2	-
Treasury	17	17	17	17	-
Comptroller's Office	16	16	16	16	-
Retirement Activities - Retirement Office (Non-Budgeted)	4	4	4	4	-
<b>Grand Total Positions (Full-time and Permanent Part-time)</b>	<b>1,659</b>	<b>1,674</b>	<b>1,728</b>	<b>1,755</b>	<b>27</b>

# Government Information

The City of Grand Rapids operates a City Commission – City Manager form of government. 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 with the exception of the elected City Comptroller.

## City Officials



**Mark Washington**  
City Manager



**John Globensky**  
City Treasurer



**Joel Hondorp**  
City Clerk



**Anita Hitchcock**  
City Attorney



**Max Frantz**  
City Comptroller

For more information about **City Officials** [click here](#)

## City Commission



**Rosalynn Bliss**  
City Mayor



**Jon O'Connor**  
First Ward Commissioner



**Drew Robbins**  
First Ward Commissioner



**Milinda Ysasi**  
Second Ward Commissioner



**Lisa Knight**  
Second Ward Commissioner



**Kelsey Perdue**  
Third Ward Commissioner



**Bing Goei**  
Third Ward Commissioner

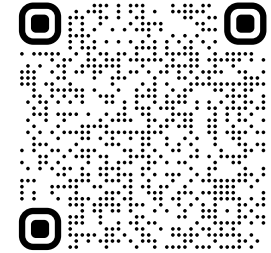
For more information about **Elected Officials** [click here](#)

# For More Information

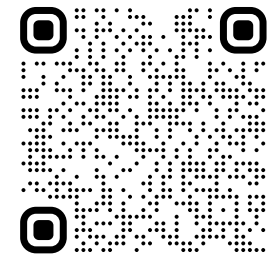
The City’s website is your source for information about City policies, services, commission meetings and events 24 hours a day, seven days a week. Visit the City on the web: [www.grandrapidsmi.gov](http://www.grandrapidsmi.gov)

## Residents can take advantage of these online services:

Download the City’s Fiscal Plan and View Budget Presentations .....	Budget Office
Download City financial reports .....	Office of the City Comptroller
Find Property Tax Information .....	Assessor’s Office
View the City’s Key Metric Dashboard .....	Key Metric Dashboard   Open Performance
View GR Open Data .....	Search & Browse   Open Performance
Download agendas and meeting minutes .....	Meeting Schedules and Agendas
Watch Live Meetings .....	Watch Live Meetings
Get Involved on Boards and Commissions .....	Boards and Commissions
Apply for a City Job .....	Apply for a City Job
View City Policies .....	Policies
Find parks and download reservation forms .....	Reserve a Park Facility
Search the municipal code .....	City Code of Ordinances
Report a problem or request a service .....	Customer Service
Pay parking tickets and utility bills .....	Payments



City of Grand Rapids  
Strategic Plan



City of Grand Rapids  
Budget Library



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Grand Rapids, MI 49503  
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