ANNUAL BUDGET PRESENTATION

For the Fiscal Year Beginning July 1, 2021
The City Administration has presented a balanced budget for fiscal year 2021-2022 without a general operating property tax rate increase or using fund balance
Budget Summary

- City levies of 17.1801 mills for the current year compare to 17.4716 mills in the prior year, a decrease of .2915 mills. This is the second year in a row with a tax rate reduction.

- Satisfies costs related to both the Public Safety Command Contract and the Public Safety Patrol Officers contract expiring July 1, 2022.

- Budgets for a full year of retiree healthcare costs in the amount of $536,000

- Budgets increased building maintenance and utility costs for new facilities

- Budgets required Retirement Pension System contribution of $69,550

- Partially restores non-Public Safety pandemic staffing cuts. Non-Public Safety staffing levels increase by 1.5 seasonal part-timers, but still less than FY2019

- Incorporates added commitment of $50,000 for Main Street Grosse Pointe
Property Taxes & Assessments

• The average assessment (SEV) increased by approximately 4.7% reflecting 9 straight years of housing value increases. The assessment increase does not result in 4.7% increase in tax revenue.

• Under Headlee/Proposal A, the taxable value onto which tax rates are applied, cannot increase more than the rate of inflation. This year, the State of Michigan capped it at 1.4%.

• The capped increase in taxable value combined with the tax rate decrease results in this being the second straight year in a row with no City property tax increase for residents.
State Shared Revenue

- State Shared Revenue is budgeted at $526,694, an increase of $79,097 from 2020
- Already there was total loss of $2.5 million between 2003 and 2017
• Overall budget revenue increased $176,938

• General Fund fee increases for certain building items budgeted for the coming year
• General Fund expenses increased $176,937
• Most significant increase in costs is in employee compensation and benefits as well as operating costs of new buildings. Health care cost rising greater than inflation and inflationary pressures on employee wages.
Capital Projects Fund

- Tracks revenues and expenditures related to major general capital equipment, facilities and infrastructure purchases, improvements or construction
- Main Project Areas:
  - Various public safety equipment/projects
  - Various public works equipment/projects
  - Various park/city hall equipment/projects
  - Village capital projects
Capital Projects Fund

• Major Expenditures in FY 2022:

  ➢ Police Vehicles (2 SUV’s)
  ➢ Rubbish Truck
  ➢ Various police equipment
  ➢ Building, Park and Village Improvements
  ➢ Contribution to Road Fund for street construction to assist paying for the expenses of the major reconstruction projects planned
General Debt Fund

The Fund pays for:

- 2018 Unlimited Tax General Obligation Bonds for new facilities
  – mills increased from 1.3926 to 1.9473

The Neff Park pool bonds are paid off. Mills levied last year were 0.6626

The debt millage is 1.9473, compared to last year’s 2.0552
Solid Waste Fund

- Operational Expenditures to conduct refuse and yardwaste pickup are no longer covered in whole by the Solid Waste Levy. This also leaves no surplus for future capital expenditures. Solid Waste Levy is capped at maximum allowed under Headlee, and has been rolled back to 1.6784 mills.

- The existing Cushmans are budgeted to be replaced over the next several years, which are needed to continue rear yard pickup, from the Capital Projects Fund.
Water & Sewer Fund

- Water & Sewer rates will increase for fiscal year 2021-2022, due to increased price from the Farms and increase in operational costs
- Capital outlay of $1,262,000 including sewer work on Loraine, lead water service improvements as well as a water truck, a tap machine and a jetter
Parking Fund

- Includes debt payments and operational costs for the Village Parking Structure
- No increases in parking fees
- Parking revenues decreased due to COVID-19
- Proposes continued replacement of parking payment equipment with pay stations, reconstruction of Lot 4 (CVS) and enforcement equipment and software
Highway Fund

- Anticipate $579,302 in State Sharing of gas & weight taxes to pay for local road maintenance
- Insufficient state funding for local roads requires $85,672 Major Road Fund transfer to Local Roads to pay for entire cost of annual local street maintenance programs
Road Improvement Fund

- Road levy of voter approved 2.5 mills dedicated to road repairs is rolled back to 2.3630 due to Headlee
- Planned projects for 2021-2022 includes reconstruction of part of Rivard, Charlevoix, and Loraine
- This annual program was developed in December
Marina Fund

- Marina well fees to increase 3% for 2022 boating season
- Several projects planned for upcoming years as water levels decline
- Revenues continue to provide funds to repay the loan from the General Fund
Drug Forfeiture Fund

- Revenue from drug related property seizures and drunk driving offenses
- Contribution toward Grosse Pointe Farms drug dog expenses
- There are no capital purchases budgeted for fiscal year 2021-2022.
Thank You

- Mayor and City Council
- Department Directors
- City Staff