



# **ANNUAL BUDGET PRESENTATION**

For the Fiscal Year Beginning July 1, 2020

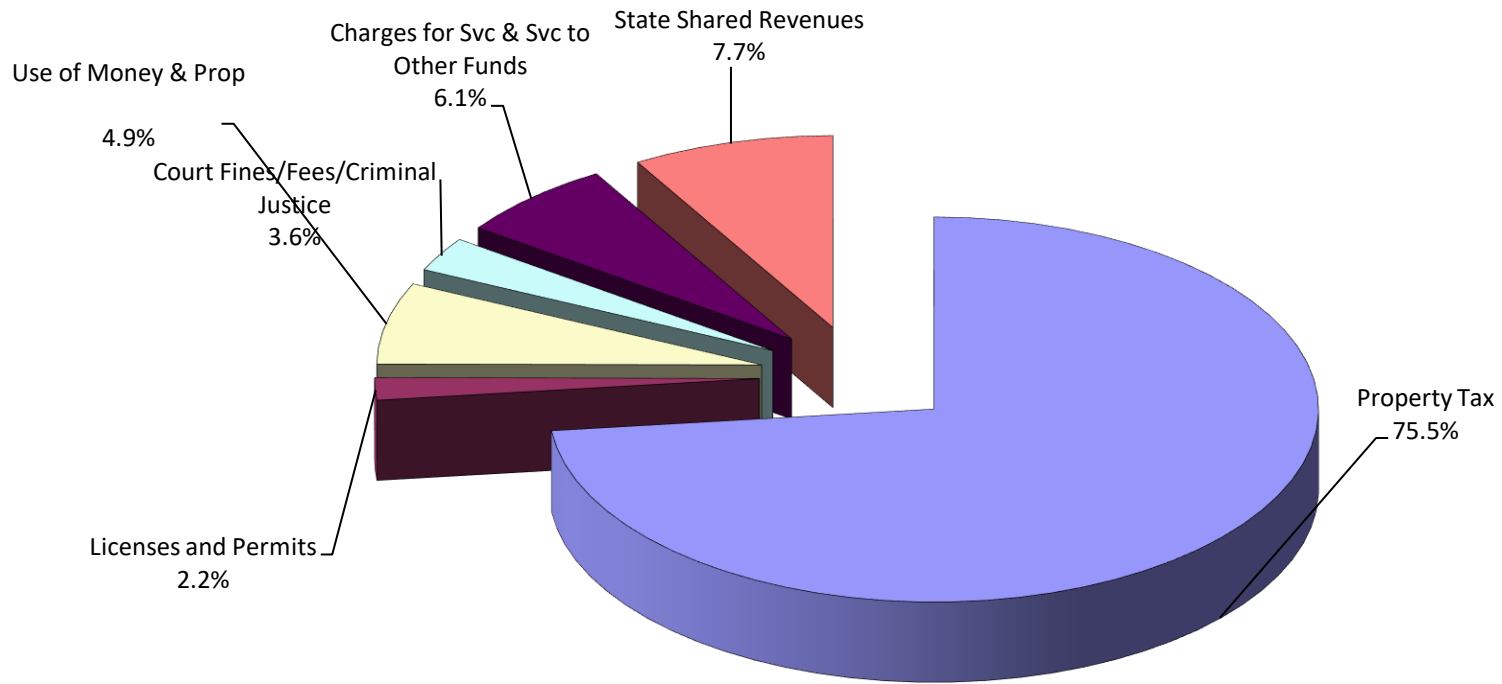
# City of Grosse Pointe

- The City Administration has presented a balanced budget for fiscal year 2020-2021 without a general operating property tax rate increase or using fund balance

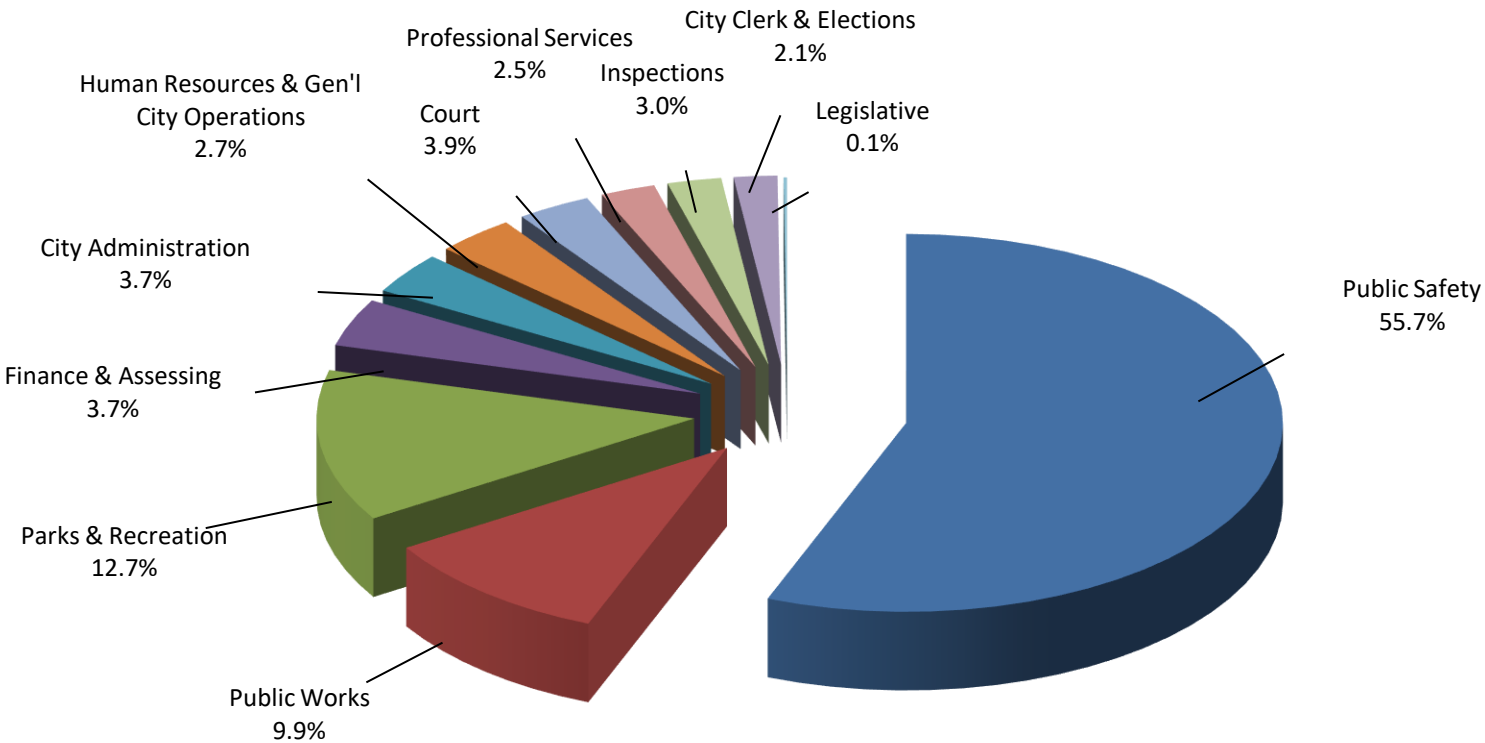
# Budget Summary

- City levies of 17.4716 mills for the current year compare to 18.2219 mills in the prior year, a decrease of .7503 mills
- 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 utility costs for new facilities
- Budgets required Retirement Pension System contribution of \$130,602
- Decreases non-Public Safety staffing levels by 2.75 FTE's

**City of Grosse Pointe  
Budgeted Revenue  
2020 - 2021**



**City of Grosse Pointe  
Budgeted Operating Expenses  
2020 - 2021**



# Property Taxes & Assessments

- The average assessment (SEV) increased by approximately 6%. The assessment increase does not result in 6% increase in tax revenue
- Under Headlee/Proposal A, the taxable value increase was capped at 1.9%
- Unless a property was recently sold, the three quarters of a mill tax rate decrease more than offsets the inflationary value increase for properties that are at the tax cap. As a result, most homeowners will see a slight decrease in actual taxes owed for City purposes

# State Shared Revenue

- State Shared Revenue is budgeted at \$447,947, a reduction of \$89,042 from 2019
- More reductions in State Shared Revenue possible due to COVID-19 impacts to State budget
- Already there was total loss of \$2.5 million between 2003 and 2017

# General Fund - Revenues

- Overall budget revenue decreased \$4,334
- No proposed General Fund fee increases for the coming year
- Decreases expected in state revenue sharing and other discretionary categories such as building permits



# General Fund - Expenditures

- General Fund expenses reduced to equal general fund revenues
- Most significant increase in costs is in employee compensation and benefits. 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 2020:
  - Police Vehicles (2 SUV's, 1 used undercover)
  - Rubbish Truck
  - Furnishings, equipment and other costs for new buildings
  - 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:

- 2011 Unlimited Tax General Obligation Bonds for the Neff Park swimming complex
  - mills increased from .6175 to .6626
- 2018 Unlimited Tax General Obligation Bonds for new facilities
  - mills decreased from 1.9349 to 1.3926

With this upcoming payment, the Neff Park pool bonds will be paid off.

# Solid Waste Fund

- Operational Expenditures just barely covered by the Solid Waste Levy. This leaves no surplus for future capital expenditures. Solid Waste Levy is capped at maximum allowed under Headlee, and has been rolled back to 1.6987 mills
- The existing Cushmans are budgeted to be replaced over the next several years, which are needed to continue rear yard pickup.

# Water & Sewer Fund

- Water & Sewer rates will increase for fiscal year 2020-2021, due to increased price from the Farms, GLWA and increase in operational costs
- Capital outlay of \$974,535 including sewer work on Loraine, lead water service improvements as well as a sewer camera

# Parking Fund

- Includes debt payments and operational costs for the Village Parking Structure
- No increase in parking fees
- Parking revenues budgeted to decrease by 10% due to COVID-19
- Replacement of parking payment, permits and enforcement equipment and software

# Highway Fund

- Anticipate \$558,562 in State Sharing of gas & weight taxes to pay for local road maintenance
- Insufficient state funding for local roads requires \$48,010 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 2.3915 due to Headlee
- Planned projects for 2020-2021 includes reconstruction of one block of Rivard, GP Court, and Goethe from University to Washington
- Annual program is developed in December

# Marina Fund

- Marina well fees to increase 3% for 2021 boating season
- No major projects planned for marina due to high water levels
- 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 2020-2021.

# Thank You

- Mayor and City Council
- Department Directors
- City Staff