



City of East Grand Rapids
Regular City Commission Meeting
Agenda

Special Meeting
June 6, 2016 – 7:00 p.m.
(following regular meeting)

1. Resolution adopting the FY 2016-17 budget and setting a millage rate for FY 2016-17 (approval requested).

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CITY OF EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE • EAST GRAND RAPIDS, MICHIGAN 49506

BRIAN DONOVAN
CITY MANAGER

MEMORANDUM

TO: Mayor and City Commissioners
FROM: Brian Donovan, City Manager
DATE: May 23, 2016

RE: Resolution Setting Millage Rate and Adopting Budget

Action Requested: That the City Commission approve the attached resolution to approve the 2016/2017 budget and set the millage rates as presented in the resolution

Background: The final millage rate to be levied in the General Fund is 12.8827 which is the maximum allowable by Headlee. This is a 0.2322 reduction from last year due to a Headlee rollback.

The street and sidewalk millage rate is set at 1.9646, which has also been rolled back from the initial voted millage of 2.000. In addition, the resolution sets the debt millage rate for Wealthy Pool Bond at 0.2164 and the Community Center Complex at 0.7729.

The budgeted amounts shown in the resolution are the same as the City Manager’s 2015/2016 Recommended Budget. No changes were made during the budget workshop meetings.

Follow-up from Budget Workshop Questions:

- Per further review, the Reeds Lake treatments may be closer to \$6,000 for FY 16/17. A budget amendment will be made once the exact amount has been determined.
- Of the pension (DB) increase of \$150,000 that we realized this year, \$140,000 relates to Public Safety and \$10,000 relates to a long-term employee in the City Building Department.

Historically, this employee’s cost for DB has been under \$5,000. The current cost for this employee in 16/17 is \$14,400.

RESOLUTION

RESOLVED, that there be levied a tax upon all property subject to taxation by the municipal government of the City of East Grand Rapids in the City's General Fund for FY 2016-17, the total of which said amount and the amount estimated to be necessary for such purposes is hereby declared to be the sum of \$11,080,400 of which the sum of \$8,160,000 is to be raised by such levy; and that tax rate per \$1,000 valuation is hereby determined to be the maximum allowable under Headlee at a rate of 12.8827 mills;

WHEREAS, that there be levied a tax upon all property subject to taxation by the municipal government of the City of East Grand Rapids sufficient, with other resources, to pay the principal and interest on all approved millage related municipal debts for FY 2016-17;

WHEREAS, that there be levied a tax upon all property subject to taxation by the municipal government of the City of East Grand Rapids sufficient, with other resources, to complete projects in accordance with the approved street and sidewalk millage to be raised by such levy; and that tax rate per \$1,000 valuation is hereby determined to be the maximum allowable under Headlee at a rate of 1.9646 mills in FY 2016-17;

WHEREAS, the Commission may adopt general funds and special revenue funds for FY 2016-2017 as presented in the City Commission approved budget by departmental appropriation subtotal:

	<u>Revenues</u>	<u>Expenditures</u>
General Funds:		
GENERAL FUND	\$ 11,080,400	\$ 11,350,400
Special Revenue Funds:		
MAJOR STREET	\$ 1,775,500	\$ 1,948,100
LOCAL STREET	\$ 989,900	\$ 1,085,500
MUNICIPAL STREET	\$ 1,905,800	\$ 1,905,800

WHEREAS, the Commission may adopt the non-general funds for FY 2016-2017 as presented in the City Commission approved budget by fund total:

	<u>Revenues</u>	<u>Expenditures</u>
Other Funds:		
WEALTHY POOL DEBT SERVICE	\$ 137,300	\$ 137,300
STREETSCAPE DEBT SERVICE	\$ 260,000	\$ 260,000
MUNICIPAL COMP DEBT SERVICE	\$ 487,900	\$ 487,900
WATER AND SEWER	\$ 4,225,000	\$ 4,820,400
HEALTH CARE	\$ 1,682,500	\$ 1,632,500
MERF	\$ 741,300	\$ 1,290,900
OPEB TRUST FUND	\$ 150,000	\$ 75,000
SPECIAL ASSESSMENT	\$ 9,000	\$ 9,000

BE IT FURTHER RESOLVED that the City Manager, as the Chief Administrative Officer, is hereby authorized to execute transfers within departmental appropriation subtotals of the City's general funds and special revenue funds without prior authorization of the City Council, as long as each departmental appropriation subtotal authorization is not exceeded. The City Manager is further authorized to execute the line item transfers within other City Funds as long as the total budget appropriated for each fund is not exceeded. This authorization excludes major personnel changes and new capital equipment items over \$5,000 with the exception of emergency purchases. Amendments to the adopted budget will be made quarterly with adequate documentation.