



City of East Grand Rapids
Regular City Commission Meeting
Agenda

Special Meeting
June 3, 2019 – 7:00 p.m.
(following regular meeting)

1. Resolution adopting the FY 2019-20 budget and setting a millage rate for FY 2019-20 (approval requested).

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CITY OF EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE · EAST GRAND RAPIDS, MICHIGAN 49506

MEMORANDUM

TO: Mayor and City Commissioners
FROM: Karen Mushong, Finance Director
DATE: May 21, 2019

RE: Resolution Setting Millage Rate and Adopting Budget

Action Requested: That the City Commission approve the attached resolution to approve the 2019/2020 budget and set the millage rates as presented in the resolution

Background: The final millage rate to be levied in the General Fund is 12.2428 which is the maximum allowable by Headlee. This is a 0.1903 reduction from last year due to a Headlee rollback.

The street and sidewalk millage rate is set at 1.7587, which has been reduced for the additional money received from the State and also rolled back from the initial voted millage of 2.000 due to Headlee. In addition, the resolution sets the debt millage rate for Wealthy Pool Bond at 0.2054 and the Community Center Complex at 0.7580.

There is a slight difference in the operating and road millage than what was posted in the City Manager’s Recommended Budget, however, the budgeted amounts shown in the resolution are the same as the City Manager’s 2018/2019 Recommended Budget. No changes were made during the budget workshop meetings.

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 2019-20, the total of which said amount and the amount estimated to be necessary for such purposes is hereby declared to be the sum of \$12,126,500 of which the sum of \$8,835,000 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 12.2428 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 2019-20;

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, less the reduction calculation for additional revenue received by the State, at a rate of 1.7587 mills in FY 2019-20;

WHEREAS, that, in accordance with the Uniform Budgeting and Accounting Act (PA 2 of 1968, as amended by PA 621 of 1978), the City Commission adopts the FY 2019-20 budget of general and special revenue funds on a department basis as shown in the details of revenues and expenditures attached to this resolution but more summarily provided for below:

	<u>Revenues</u>	<u>Expenditures</u>
General Funds:		
GENERAL FUND	\$ 12,126,500	\$ 12,436,500
Special Revenue Funds:		
MAJOR STREET	\$ 1,840,300	\$ 1,845,300
LOCAL STREET	\$ 1,400,000	\$ 1,455,000
MUNICIPAL STREET	\$ 1,802,700	\$ 1,777,700
DRUG LAW ENFORCEMENT FUND	\$ 38,700	\$ 65,300

WHEREAS, the Commission may adopt the non-general funds for FY 2019-20 as presented in the City Commission approved budget by fund total:

	<u>Revenues</u>	<u>Expenditures</u>
Other Funds:		
WEALTHY POOL DEBT SERVICE	\$ 148,700	\$ 148,700
STREETSCAPE DEBT SERVICE	\$ 260,000	\$ 260,000
MUNICIPAL COMP DEBT SERVICE	\$ 549,300	\$ 549,300
WATER AND SEWER	\$ 4,465,200	\$ 5,045,200
HEALTH CARE	\$ 2,073,500	\$ 2,173,500
MERF	\$ 824,100	\$ 1,224,100
OPEB TRUST FUND	\$ 200,000	\$ 100,000
SPECIAL ASSESSMENT	\$ 15,000	\$ 15,000

WHEREAS, the Commission may adopt a proposed schedule of various fees for services as presented in the document attached to this resolution; and

BE IT FURTHER RESOLVED that in accordance the Uniform Budgeting and Accounting Act Uniform Budgeting and Accounting Act (PA 2 of 1968, as amended by PA 621 of 1978), authority is hereby given to the City Manager, as the Chief Administrative Officer, to execute transfers within departmental appropriation subtotals of the City's general and special revenue funds without prior authorization of the City Commission, 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.