



# City of East Grand Rapids

## Projected 2024/2025 Budget

The following assumptions were made in preparing the FY 2024/2025 projected budget:

### Revenues:

- CPI has been set at 5% in the calculation of property tax revenue for FY 2023/2024, which is projecting an increase of taxes of \$616,857. This is compared to a CPI of 6% and an increase in property tax revenue of \$613,768 in FY 2023/2024.
- Funding to be received from the State is projected to be slightly lower than last year because of a one-time payment the City received as catch up in 2023/2024 for public safety recruit training.
- Interest income was increased in 2023/2024 based on the market rate of return averaging around 4.5% API. The City wants to be conservative with its estimates and not use this as a standard return for future years.
- Parks and recreation fees have been estimated a little higher due to an increase in enrollment in the programs offered.
- Other categories have been estimated at the same levels as FY 2023/2024 for this exercise.

### Expenditures:

- Salaries, payroll taxes and defined contribution payments include a 2.5% inflationary increase for non-union and public safety union employees. ASCME union employees have a larger increased because of salary adjustments to market of 6%.
- Health insurance decreased from last year based on usage of the plan being lower than estimated.
- Defined benefit payments will decrease to \$1,100,000 because of the ARPA funding the City received from the State to help municipalities become closer to 100% of their pension plans.
- **Capital improvements outlined in the City's 5-year capital improvement plan have NOT been included in the 2024/2025 projected numbers.**

The City is committed to maintaining unrestricted fund balance between 20-25% as a percentage of yearly expenditures. Based on the assumptions outlined above, below is an estimate of unrestricted fund balance as a percentage of yearly expenditures. Some of the planned capital improvements outlined in the 5-year improvement plan will be requested based on the expected ending unrestricted fund balance percentage and/or savings realized on operational expenditures.

	Year Ended June 30,		
	Actual 2022/2023	Amended 2023/2024	Projected 2024/2025
Unrestricted Fund Balance Percentage	47.2%	36.0%	44.2%