

# City of Muskegon Recommended FY2021-22 Budget



# **FY 2021-2022 BUDGET Schedule**

- **May 25<sup>th</sup> – Present Budget**
- **June 7<sup>th</sup> – Question and Answer at Work Session**
- **June 8<sup>th</sup> – Public Hearing  
Approve Budget**
- **June 22<sup>nd</sup> – Approve Budget if not done on June 8th**



# FY 2021-2022 BUDGET

- **American Rescue Plan Act:** City's allocation is \$22,881,894. This is accounted for in the Federal and State Grant fund; only ½ in FY 21-22
- **General Fund Overview:**
  - Revenue \$33,956,579. Increase of 16% from FY2020-21
  - Expenditures \$33,835,517. Increase of 11% from FY2020-21(Operating surplus: \$121,055)
- **Legacy Cost:**
  - MERS** (defined benefit contribution) - **\$3,724,080**  
22% increase over current year
  - OPEB** (retiree health care contribution) - **\$1,819,341**  
38% increase over current year
- **Continued unknowns with the pandemic.**  
Many revenues not budgeted at pre-pandemic numbers

# **GENERAL FUND REVENUE HIGHLIGHTS**

- **Property tax will increase by 4.5%**
- **Income tax is back to pre-COVID numbers (2019-2020) at \$9,100,000**
- **State shared revenue remains relatively flat**
- **Building permits are projected to be at \$800,000, down from \$1,100,000**
- **Federal Grants drop significantly due to one-time CARES Act revenue**
- **Beach parking is estimated to bring in \$500,000**
- **Central Dispatch revenue increases based on bond payments to cover costs of expansion and new rental agreement**
- **ARPA; transferring \$900,000 from Federal and State Grant Fund: For Revenue Replacement**
- **Bond Proceeds are down from 2020-21. 2020 Capital Improvements Bonds were not fully expended in Fiscal Year 2020-21. \$1,085,275 will be allocated to 21-22 fiscal year.**

# **GENERAL FUND EXPENSE HIGHLIGHTS**

- **Pension Administration is \$2,900,000, increased from \$2,300,000**
- **Police Dept. expenditures are expected to be \$10,200,000 - if fully staffed**
- **Fire Dept. expenditures are expected to be \$3,200,000 with 29.5 employees**
- **LED Conversion; \$479,000 and this is the last year**
- **Building Code Inspections and Enforcement Department expenses are proposed to be \$2,300,000 of which \$2,000,000 is SafeBuilt's contract with the City.**
- **Debt service has increased due to additional bonds, from \$445,100 to \$1,082,000**

# **FARMER'S MARKET & KITCHEN 242**

- **Western Market Operations moved from Public Improvement Fund**
- **Anticipating fundraising revenue of \$23,000**
- **General Fund transfer of \$75,000**
- **Current Market Manager is retiring on Sept 30<sup>th</sup>, 2021**
- **Hiring Flea Market Manager**



# MERCY HEALTH ARENA

- ARPA revenue replacement - \$679,203
- General Fund transfer of \$350,000
- Proposing contract with third party for concessions
- Two concerts planned
- Working to secure weekend tournaments
- Purchase of new Olympia Resurfacer
- Likely replacement of Cooling Towers (not budgeted)

# **WATER AND SEWER FUND**

- **No sewer rate increase**
- **4% water rate increase – Approved in 2018**
- **Waste water treatment billed by the County is down 33% since November**
- **Potential for Sewer Rate Reduction in July 2022**
- **Continued work on 2019-2020 SRF & DWRF bond projects**
- **\$3,600,000 on Water Filtration projects**

