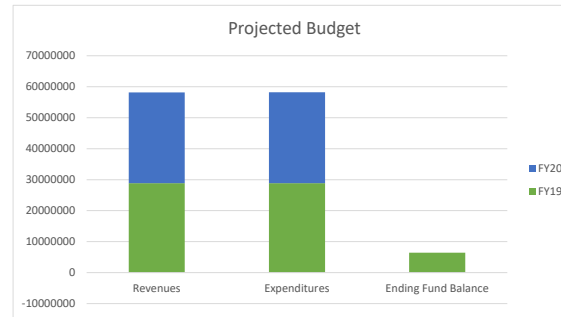


**Projected Budget Report**

Local Government Name      City of Muskegon  
 Local Unit Code:              612020  
 Current Fiscal Year End      30-Jun-19  
 Fund Name:                      General

	FY19 <u>Proposed Budget</u>	<u>Year 1</u>	FY20 <u>Estimate</u>
<b>REVENUES</b>			
Property Taxes	\$ 7,251,325	2%	\$ 7,396,352
State Revenue Sharing	\$ 4,180,392	1%	\$ 4,222,196
Income Tax	\$ 8,600,000	2%	\$ 8,772,000
Fines & Fees	\$ 419,500	1%	\$ 423,695
Licenses & Permits	\$ 3,255,043	0%	\$ 3,255,043
Interest Income	\$ -	0%	\$ -
Grant Revenues	\$ 755,000	0%	\$ 755,000
Other Revenues	\$ 4,412,906	1%	\$ 4,457,035
<b>Total Revenues</b>	<b>\$ 28,874,166</b>		<b>\$ 29,281,320</b>
<b>EXPENDITURES</b>			
Salaries & Benefits	\$ 14,807,837	2%	\$ 15,103,994
Operating Supplies	\$ 608,283	0%	\$ 608,283
Contractual Services	\$ 11,277,141	1%	\$ 11,389,912
Other Expenditures	\$ 197,675	1%	\$ 199,652
Special	\$ -	0%	\$ -
Property & Liability Insurance	\$ 268,695	2%	\$ 274,069
Contingency	\$ 100,000	0%	\$ 100,000
Capital Outlays	\$ 555,000	0%	\$ 555,000
Debt Service	\$ 229,750	0%	\$ 229,750
Transfers to Other Funds	\$ 820,000	8%	\$ 885,600
<b>Total Expenditures</b>	<b>\$ 28,864,381</b>		<b>\$ 29,346,260</b>
<b>Net Revenues (Expenditures)</b>	<b>\$ 9,785</b>		<b>\$ (64,939)</b>
<b>Ending Fund Balance</b>	<b>\$ 6,455,571</b>		<b>\$ 6,390,632</b>



**Comments on Key Forecast Assumptions**

**Property Taxes** - assumes property values will begin to grow modestly over the next several years.  
**State Shared Revenues** - assumes slight growth as the state economy continues to move along.  
**Income Tax** - assumes no recession during forecast period as local economic forecast is growing slightly.  
**Salaries & Benefits** - assumes very modest wage increases but growing increases in pension and health insurance costs.  
**Capital Outlays** - assumes flat spending on capital.  
**Transfers** - the General Fund subsidy to retire the SmartZone bonds continues.

**SUMMARY**

**The City currently has healthy general fund balance and budget stabilization reserve. However, a key factor will be the matter of assessed and taxable property values in the coming years. State shared revenues seemed to have stabilized. On the expenditure side it is assumed that the mix of general fund operations remains stable. Additional transfers to other funds may be needed to help cover Smartzone debt service unless further development on the site occurs soon. It is assumed that wage growth can be kept at modest levels; however, significant cost pressures are anticipated from pension and/or healthcare. With a slow and steady growth in Income Tax and Property Taxes and modest increases in Salaries and Benefits we are forecasting a stable fund balance.**

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2018

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2017	6/30/2018	Annual Interest Payable
<b>Business-Type Activities Bonds and Loans Payable:</b>							
Water supply system bonds (\$4,614 unamortized premium)	4/1/2010	\$ 5,995,000	4.00%	05/01/18	\$ 740,000	\$ -	\$ -
			4.25%	05/01/19	770,000	770,000	32,725
					<u>1,510,000</u>	<u>770,000</u>	<u>32,725</u>
Type of debt: revenue bond Revenue pledged: water system net revenues							
Drinking Water State Revolving Fund	3/2/2004	\$ 13,900,000	2.13%	10/01/17	710,000	-	-
			2.13%	10/01/18	725,000	725,000	125,534
			2.13%	10/01/19	745,000	745,000	109,916
			2.13%	10/01/20	760,000	760,000	93,925
			2.13%	10/01/21	775,000	775,000	77,616
			2.13%	10/01/22	790,000	790,000	60,988
			2.13%	10/01/23	810,000	810,000	43,988
			2.13%	10/01/24	825,000	825,000	26,616
			2.13%	10/01/25	840,000	840,000	8,925
					<u>6,980,000</u>	<u>6,270,000</u>	<u>547,508</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES BONDS AND LOANS PAYABLE</b>					<u>\$ 8,490,000</u>	<u>\$ 7,040,000</u>	<u>\$ 580,233</u>
<b>Governmental Activities Bonds and Loans Payable:</b>							
Capital Improvement refunding bonds of 2016 (\$293,903 unamortized premium)	3/8/2016	\$ 4,815,000	2.00%	10/01/17	\$ 70,000	\$ -	\$ -
			2.00%	10/01/18	65,000	65,000	164,750
			2.00%	10/01/19	290,000	290,000	159,750
			3.00%	10/01/20	295,000	295,000	150,975
			3.00%	10/01/21	305,000	305,000	141,975
			3.00%	10/01/22	300,000	300,000	132,900
			3.00%	10/01/23	300,000	300,000	122,400
			4.00%	10/01/24	320,000	320,000	110,000
			4.00%	10/01/25	325,000	325,000	97,100
			4.00%	10/01/26	325,000	325,000	84,100
			4.00%	10/01/27	325,000	325,000	71,100
			4.00%	10/01/28	325,000	325,000	58,100
			4.00%	10/01/29	325,000	325,000	45,100
			4.00%	10/01/30	325,000	325,000	32,100
			4.00%	10/01/31	320,000	320,000	19,200
			4.00%	10/01/32	320,000	320,000	6,400
					<u>4,535,000</u>	<u>4,465,000</u>	<u>1,395,950</u>
Capital improvement bonds of 2011 (streets)	9/30/2011	\$ 2,000,000	2.98%	09/01/17	200,000	-	-
			2.98%	09/01/18	210,000	210,000	22,946
			2.98%	09/01/19	215,000	215,000	16,614
			2.98%	09/01/20	220,000	220,000	10,132
			2.98%	09/01/21	230,000	230,000	3,427
					<u>1,075,000</u>	<u>875,000</u>	<u>53,119</u>
State of Michigan environmental assessment loan	6/18/2010	\$ 500,000	2.00%	03/18/18	18,934	-	-
			2.00%	03/18/19	19,313	19,313	780
			2.00%	03/18/20	19,699	19,699	394
					<u>57,946</u>	<u>39,012</u>	<u>1,174</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES BONDS AND LOANS PAYABLE</b>					<u>\$ 5,667,946</u>	<u>\$ 5,379,012</u>	<u>\$ 1,450,243</u>
<b>TOTAL PRIMARY GOVERNMENT BONDS AND LOANS PAYABLE</b>					<u>\$ 14,157,946</u>	<u>\$ 12,419,012</u>	<u>\$ 2,030,476</u>

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2018

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2017	6/30/2018	Annual Interest Payable
<b>Discretely Presented Component Unit Bonds and Loans Payable:</b>							
Downtown Development Authority promissory note to Muskegon County	8/10/1989	\$ 1,000,000	0.00%	08/30/19	\$ 1,000,000	\$ 1,000,000	\$ -
					<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Type of debt: intergovernmental note Revenue pledged: DDA tax increments							
Downtown Development Authority refunding bonds	3/22/2011	\$ 2,045,000	4.00%	06/01/18	330,000	-	-
					<u>330,000</u>	<u>-</u>	<u>-</u>
Type of debt: limited G.O. bond Revenue pledged: DDA tax increments, general revenues							
Local Development Finance Authority Smartzone refunding bonds (\$78,326 unamortized premium)	3/20/2012	\$ 4,100,000	3.00%	11/01/17	355,000	-	-
			4.00%	11/01/18	375,000	375,000	81,100
			4.00%	11/01/19	390,000	390,000	65,800
			4.00%	11/01/20	395,000	395,000	50,100
			4.00%	11/01/21	245,000	245,000	37,300
			3.00%	11/01/22	255,000	255,000	28,575
			3.00%	11/01/23	265,000	265,000	20,775
			3.00%	11/01/24	275,000	275,000	12,675
			3.00%	11/01/25	285,000	285,000	4,275
					<u>2,840,000</u>	<u>2,485,000</u>	<u>300,600</u>
<b>TOTAL DISCRETELY PRESENTED COMPONENT UNIT BONDS AND LOANS PAYABLE</b>					<u>\$ 4,170,000</u>	<u>\$ 3,485,000</u>	<u>\$ 300,600</u>
<b>TOTAL REPORTING ENTITY BONDS AND LOANS PAYABLE</b>					<u>\$ 18,327,946</u>	<u>\$ 15,904,012</u>	<u>\$ 2,331,076</u>