



City of Hamtramck

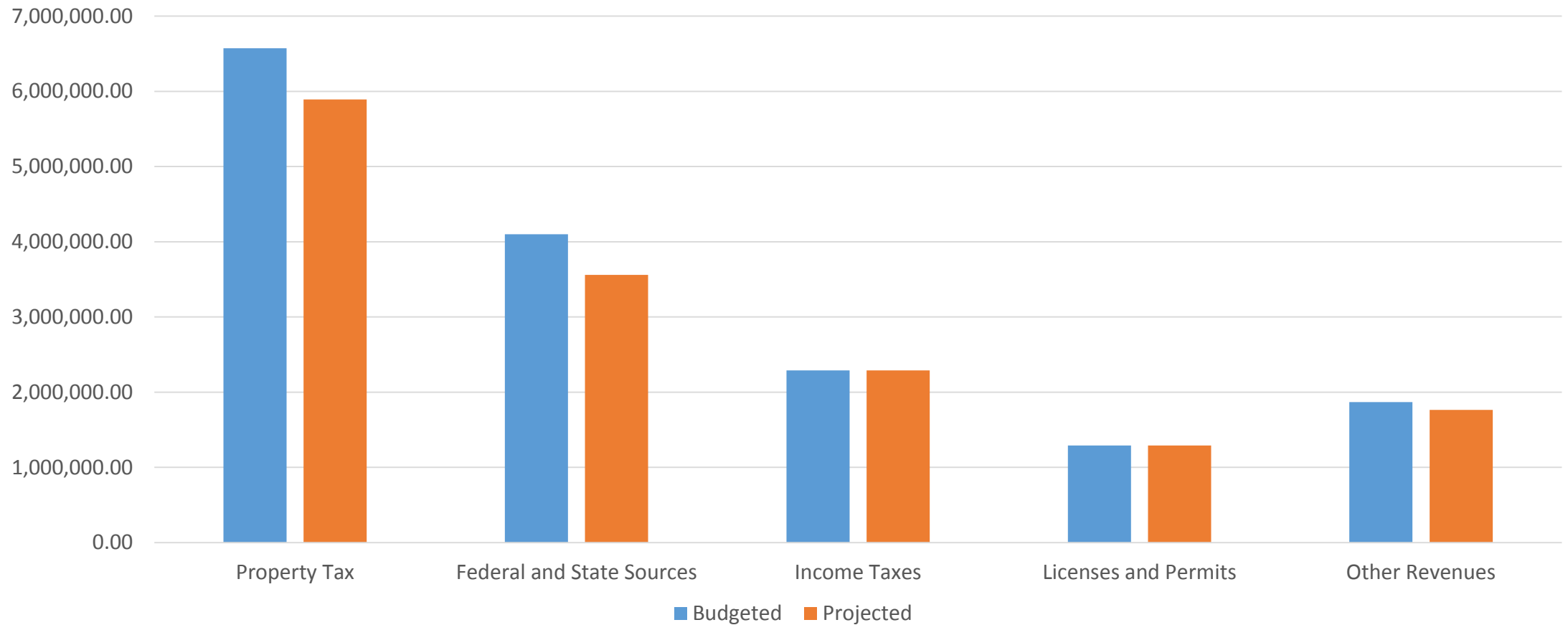
2019-2020

Budget Presentation

General Fund Revenue

February 12, 2019

Current Fiscal Year Budget Revenues vs. Future Projected Funding Sources



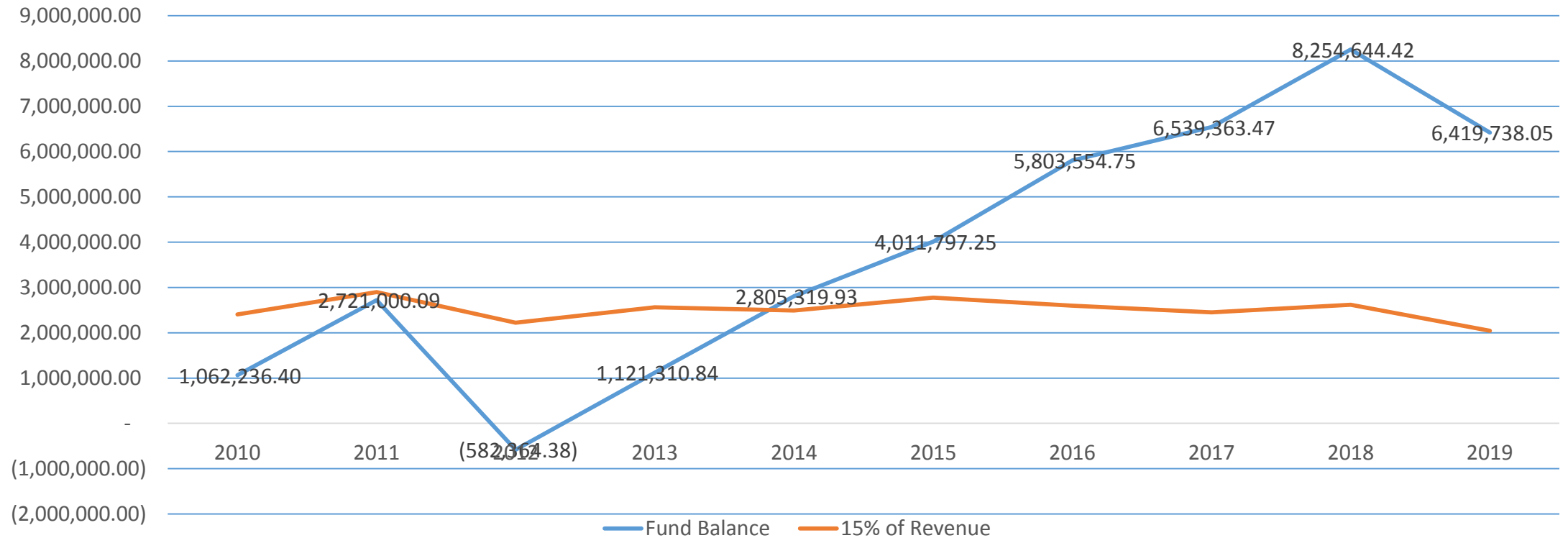
Detail of Funding Sources

	2018/2019	Future Projected
	Budget	Sources
Property Taxes	\$ 6,572,000.00	\$ 5,891,810.00
Federal Grants - SAFER	575,000.00	-
State-Shared Revenues and Grants	3,523,800.00	3,559,038.00
	\$ 4,098,800.00	\$ 3,559,038.00
Income Taxes	2,289,600.00	2,289,600.00
Licenses and Permits	1,292,000.00	1,292,000.00
Charges for Services	157,600.00	157,600.00
Fines and Forfeitures - District Court	1,200,000.00	1,200,000.00
Other Revenues	408,500.00	408,500.00
CDBG Reimbursement	103,264.00	
	1,869,364.00	1,766,100.00
Draw from Fund Balance	<u>1,834,906.37</u>	<u>-</u>
	<u>\$ 17,956,670.37</u>	<u>\$ 14,798,548.00</u>

2018/19 Use of Fund Balance

- Primary use of Fund Balance (as of 2/12/2019)
 - Capital Improvements - Alley reconstruction \$1,148,660.00
 - Lawsuit Settlements - \$148,117.00
 - Contract Negotiations - \$346,900.00
 - Emergency Loan Board loan payment (1 of 3) - \$183,500.00
- Contract negotiations
- Total use of Fund Balance 2018/19 to be determined

General Fund Historical Fund Balance as of June 30



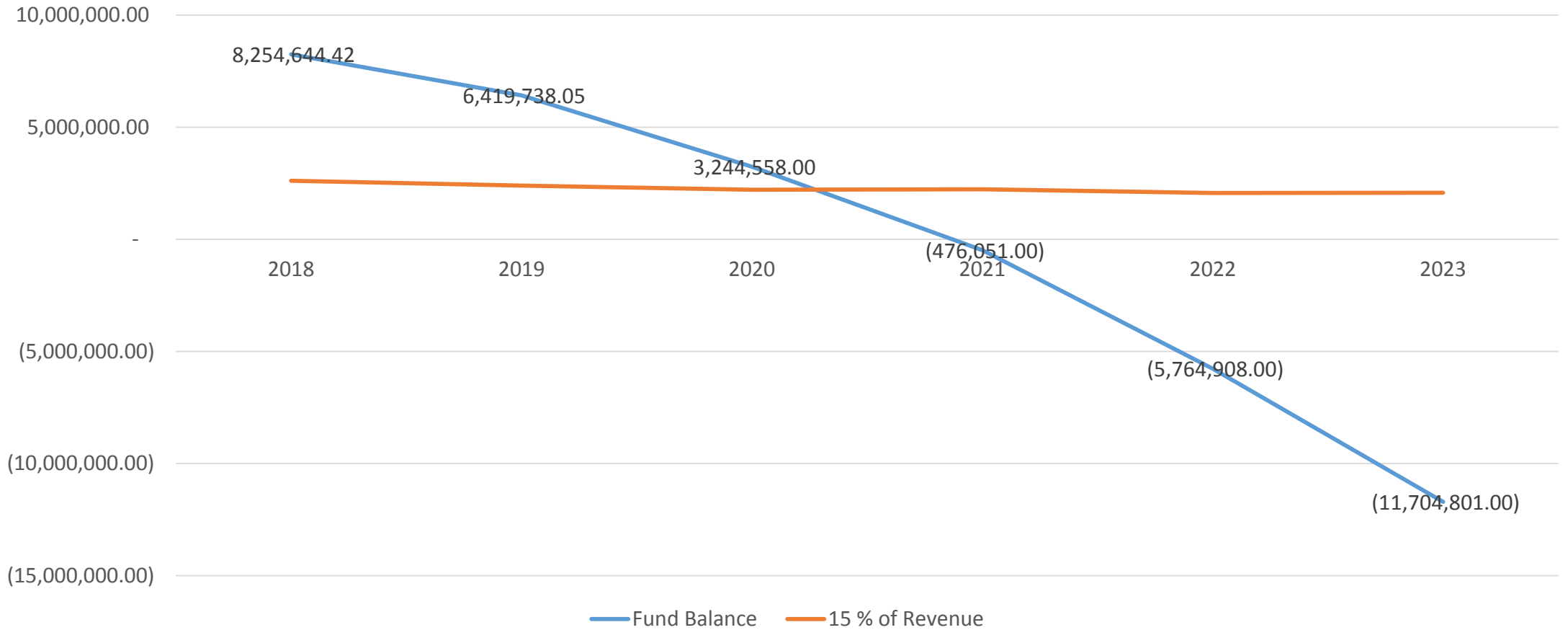
Revenue Assumptions in Projected Budget

- Property taxes increase 1%, annually – due to the pop up as homes sell post property re-appraisal
- State Share revenue increase 1% annually
- Commercial Industrial Park Project (CIPP) distribution eliminated (2 year average - \$760,000.00)
- Pilot payment from Wayne County for Dickerson Jail eliminated in 2022 (2 year average - \$1,157,797.00)
- SAFER Grant eliminated (2018/19 budget \$575,000.00)
- CDBG funding of code enforcement and administrative wages eliminated (2018/19 budget approximately \$103,000.00)
- Remaining revenues stable

Expenditure Assumptions in Projected Budget

	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Payroll	4%	1%	1%	1%	1%
Employee Insurance	3%	3%	3%	3%	3%
MERS contribution	10%	10%	10%	10%	10%
Alley program	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
All other	0.5%	0.5%	0.5%	0.5%	0.5%
Loan Payments	420,689.37	420,214.37	232,439.37	232,439.37	232,439.37

Projected Fund Balance Maintaining Current Expenditure Levels



Statutory Requirements

- P.A. 2 of 1968, as amended requires a “balanced budget”.
 - “the legislative body shall not adopt a general appropriations act...which causes estimated total expenditures,..., to exceed total estimated revenues, including an available surplus...”
- City of Hamtramck Charter, Sec. 13-17, Budget procedure
 - “...No deficit budget shall be approved...”

Next Steps

- Elected Officials and administration continue to explore options to reduce future expenditures and/or increase future revenues
- Next budget workshop with City Council, March 7, 2019 at 6:30 p.m. in Council Chambers