

Grand Rapids Charter Township

-- 2017-2018 --

BUDGET PROJECTION REPORT

GENERAL FUND

Property tax revenue is expected to increase by 3.4% for 2017 and the projection for 2018 is an additional increase of 6.1%. State revenue sharing will also increase due to an increased statutory allocation and a continued healthy Michigan economy.

Expenditures are expected to increase proportionately to revenue increases primarily for additional labor expense. Funding will continue to be allocated to the Endowment Funds for 2017 and in 2018 we will be accelerating road projects as we begin the process to construct a new fire station in 2019 & 2020, which is illustrated in the Township's Five Year Capital Improvement Plan.

ENDOWMENT FUNDS

The Township has established 5 endowment funds to address the long term maintenance of Township facilities. Over the next 2 to 3 years, General Fund dollars will be allocated to provide an adequate fund balance for the maintenance, repair, or replacement of the following Township assets: recreational trails, landscaping along the East Beltline median, Township parks, Courthouse plaza and Township buildings and grounds. Interest income for the endowment funds will average slightly over 1% for 2017 and 2018.

IMPROVEMENT REVOLVING FUND

The Township maintains this fund primarily for the purpose to finance water/sewer extension projects. Revenues are generated by interest income and assessments. Expenditures are at the request of property owners who require the expanded service.

BUILDING FUND

The Building Fund revenues are generated by permit fees and are expected to increase for 2017, and return to an historical growth rate in 2018.

LAKES MANAGEMENT SPECIAL ASSESSMENT FUND

The revenues are generated by 5 Special Assessment Districts and the expenses are determined by those districts with consultation with the Township.

STREET LIGHTING SPECIAL ASSESSMENT FUND

Revenues continue to exceed expenditures within the Special Assessment District due to the upgrade of the fixtures by Consumers Energy, the provider of the street light service. A review of that annual assessment fee will continue to be monitored in 2017 and 2018 to balance revenue and expenses while maintaining a 20% fund balance of the prior year's expenses.