

CITY OF BATTLE CREEK

ANNUAL BUDGET

THE BUDGET PROCESS

The annual budget is developed over a several month period beginning in January and concluding with the adoption of the budget by the City Commission in June. The process is directed and coordinated by the Finance Department on behalf of the City Manager with extensive involvement from the directors and managers of the City's service areas and programs.

The fiscal year 2020-2021 adopted budget authorizes total General Fund expenditures of \$49.8 million. When combined with the authorized expenditures of the City's special revenue, enterprise, internal service and other funds, the City's total budget for fiscal year 2020-2021 \$131.0 million.

Effectively managing the financing of City operations requires consideration of many factors, and the City is heavily influenced by developments in the state and national economies.

CITY MILLAGE RATE

The City's General Fund revenue budget is based in part upon local property taxes. The City's total millage rate is 15.934 mills. The components of the millage rate are: Operating 7.987, Capital Projects/Capital Project Debt 0.500, P&F Retirement 5.947 and Streets 1.500.

THE GENERAL FUND

The General Fund is used to account for all resources and expenditures not specifically accounted for in other funds. Most of the current activities of the City are accounted for through this fund, which covers a wider range of activities than other funds and includes police and fire.

The General Fund budget for fiscal year 2020-2021 is based upon total revenues of \$44.8 million, which is a decrease of 6.2% from projected revenues for 2019-

2020, primarily due to the COVID-19 pandemic and its impacts on income taxes and state shared revenues. \$30.1 million, or 67.1% will be financed from the City's three primary revenue sources, income taxes, property taxes, and state shared revenues. Due to the pandemic, adopted budgeted revenue for income taxes reflects a 20% (\$3.4M) decline from the 2019-2020 budget.

The General Fund expenditure information for departmental budgets are combined into the following components: Administration, Community Development, Finance, Police Department, Fire Department, Dispatch, Public Works, and Recreation.

These major budget components account for a total of \$46.4 million, or 93.3% of the total General Fund expenditure budget for the fiscal year. The balance of the budget, \$3.4 million, is made up of expenditures for a variety of special items including a contribution to the Transit Fund which has been reduced by 75% from two years ago. Transit revenues have been supplemented with Federal CARES Act funding during this COVID-19 pandemic period.

The adopted budget of \$44.8M revenues and \$49.8M expenditures results in a use of Fund Balance of \$5M. Recognizing that this is unsustainable, the City Commission directed staff to closely monitor revenues and expenditures to minimize the use of fund balance.

FY 2020-2021 Mid Year Budget Amendment

In November 2020 the City Commission approved a mid year budget amendment to increase revenues \$4M (including \$2.4M of one-time COVID-19 related revenues) and reduce expenditures \$398,796 for the remaining 7 months of the fiscal year. The expenditure reduction includes 26 position eliminations across the organization, primarily in the heavily-impacted general fund. This results in an amended budgeted use of Fund Balance of \$553,328 for the 2020-2021 fiscal year.

CITY OF BATTLE CREEK,
MICHIGAN

ANNUAL BUDGET

FOR THE FISCAL YEAR
ENDING JUNE 30, 2021



ANNUAL BUDGET

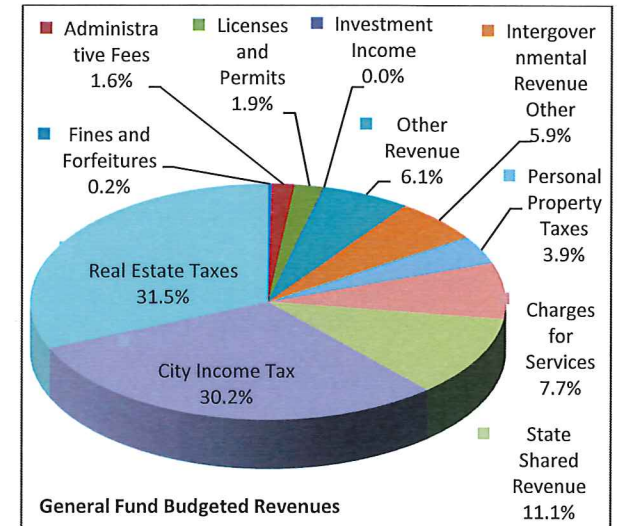
FISCAL YEAR ENDING JUNE 30, 2021

GENERAL FUND REVENUES

Taxes:	
City Income	\$ 13,540,000
Real Estate	14,086,395
Personal Property	1,734,224
Administrative Fees	700,127
Total Taxes	30,060,746
Licenses and Permits	856,731
Intergovernmental:	
State-Shared Revenue	4,952,548
Other	2,630,851
Total Intergovernmental	7,583,399
Charges for Services:	
Parks and Recreation	2,012,337
Police Services	1,350,126
Other	79,897
Total Charges for Services	3,442,360
Fines and Forfeitures	110,000
Interest	21,000
Other:	
Rents and leases	51,751
Contributions/Donations	4,722
Miscellaneous	172,769
Administrative Reimbursement	2,481,795
Total Other	2,711,037
Total Revenue and Other Financing Sources:	\$ 44,785,273

GENERAL FUND EXPENDITURES

Administration	\$ 4,107,641
Community Development	727,708
Finance	3,750,089
Police Department	19,523,467
Fire Department	11,342,985
Dispatch	939,239
Public Works	2,300,793
Recreation	3,706,759
Transfers	2,358,892
Other	997,525
Total	\$ 49,755,098



SUMMARY BY FUND TYPE

<u>Fund</u>	<u>Revenues & Transfers In</u>	<u>Expenditures</u>
General	\$ 44,785,273	\$ 49,755,098
Special Revenue	10,756,300	11,776,520
Debt Service	3,991,141	3,991,141
Capital Project	1,583,140	1,479,908
Enterprise	43,258,928	36,344,801
Internal Service	25,274,281	27,619,626
Trust & Agency	64,000	70,000
Total All Funds	\$ 129,713,063	\$ 131,037,094

