

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 2025-2026 proposed budget authorizes total General Fund expenditures of \$61.6 million. When combined with the proposed expenditures of the City's special revenue, enterprise, internal service and other funds, the City's total proposed budget for fiscal year 2025-2026 is approximately \$165.4 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.

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 2025-2026 is based upon total revenues of \$60.7 million, which

is a decrease of 1% from projected revenues for 2024-2025;

\$47.4 million, or 78.0%, will be financed from the City's three primary revenue sources: income taxes, property taxes, and state shared revenues.

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 \$60.4 million, or 98.2% of the total General Fund expenditure budget for the fiscal year. The balance of the budget, slightly less than \$1.2 million, is made up of expenditures for a variety of special items including contributions to the Parking Fund, Airport Fund and Local Streets Capital Fund.

The proposed budget of \$60.7 million revenues and \$61.6 million expenditures results in a use of Fund Balance of \$848K.

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 15.196 mills. The components of the millage rate are: Operating 7.987, Capital Projects/Capital Project Debt 0.500, P&F Retirement 5.583 and Streets 1.126.

CITY OF BATTLE CREEK,
MICHIGAN

ANNUAL BUDGET

FOR THE FISCAL YEAR
ENDING JUNE 30, 2026



ADOPTED ANNUAL BUDGET

FISCAL YEAR ENDING JUNE 30, 2026

GENERAL FUND REVENUES

Taxes:	
City Income	\$ 20,752,552
Real Estate	17,505,980
Personal Property	2,441,170
Administrative Fees	<u>907,985</u>
Total Taxes	41,607,687
Licenses and Permits	872,826
Intergovernmental:	
State-Shared Revenue	7,699,203
Other	<u>2,623,334</u>
Total Intergovernmental	10,322,537
Charges for Services:	
Parks and Recreation	2,532,471
Police Services	1,625,767
Other	<u>137,665</u>
Total Charges for Services	4,295,903
Fines and Forfeitures	72,800
Interest	850,100
Other:	
Rents and leases	38,316
Miscellaneous	2,670,259
Administrative Reimbursement	<u>10,600</u>
Total Other	2,719,175
Total Revenue and Other	
Financing Sources:	\$ 60,741,028

GENERAL FUND EXPENDITURES

Administration	\$6,130,214
Community Development	981,148
Finance	3,879,838
Police Department	25,552,764
Fire Department	16,152,625
Dispatch	327,553
Public Works	2,649,801
Recreation	4,783,325
Transfers	3,748,798
Other	<u>(2,617,382)</u>
Total	\$61,588,684

SUMMARY BY FUND TYPE

<u>Fund</u>	<u>Revenue & Transfers In</u>	<u>Expenditures</u>
General	\$60,741,028	\$61,588,684
Special Revenue	15,462,398	19,724,319
Debt Service	2,524,456	2,524,456
Capital Project	3,499,331	5,325,412
Enterprise	54,296,517	48,459,687
Internal Service	33,410,771	27,684,838
Custodial	<u>69,500</u>	<u>84,500</u>
Total All Funds	\$170,004,001	\$165,391,896

