



CITY OF  
**MONROE**  
*Michigan*

**Five Year Budget projection through fiscal year ending June 30, 2028**

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**FIVE YEAR GENERAL FUND BUDGET PROJECTION  
THROUGH THE FISCAL YEAR ENDING JUNE 30, 2028**

**PROJECTION ASSUMPTIONS**

1. 2023-24 budget process completed for a five-year period for the General Fund. 2023-24 budget adopted and projected for four additional years.
2. Property tax revenue includes a general 5% increase for fiscal year 2023-24, 4% for 2024-25, and 2% thereafter in real property taxable value assumption, except for our largest taxpayer DTE Energy, who has several parcels that were subject to a tax appeal settlement agreement. Those parcels are projected at the taxable values included in the settlement. Personnel property tax revenue is affected by the exemptions from the personal property tax legislation that was passed in 2014. Personal property tax revenue and personal property tax reimbursement revenue for 2024 is calculated at the actual taxable value and estimated reimbursement amount plus an additional \$830,602 estimated for PPT reimbursement for capital projects. For 2025 through 2028, a 2% increase per year is estimated.
3. State revenue sharing was budgeted at the Governor's budget recommendation for fiscal year 2023-24 and an increase of 2% per year for subsequent years.
4. Interest income is projected to increase in 2023-24 to \$425,000. It is projected at \$400,000 per year for 2025 and 2026 and then reducing to \$200,000 per year for the last two years of the projection.
5. Collective bargaining agreements were in place for all bargaining groups through the 2025 or 2026 fiscal years depending on the group. Estimates were made for subsequent years.
6. Retiree healthcare – the actuarial determined contribution (ADC) for fiscal year 2023-24 was calculated at \$0.00. In June 2016, the City issued bonds to fund approximately 82% of its unfunded actuarially accrued liability (UAAL). As of December 31, 2022, the plan was 168.8% funded. Nothing is budgeted for contributions in the General Fund for fiscal 2023-24 or planned for future years. The full funding of the liability was achieved due to the implementation of a Medicare Advantage plan for Medicare eligible retirees effective October 1, 2020.
7. Employee pensions – the projection includes a general fund contribution of \$1.320 million based on a total estimated City contribution of \$1.714 million.
8. Health insurance – a 4.0% increase in cost is included. All groups now comply with hard cap limits in the state statute.
9. Full-time employment positions included in the projection increased to 183.02 from 179.82 full-time equivalent employees.
10. Capital funding was projected to be budgeted at approximately 1.0 mill of property taxes. The amount included in the projection is \$1.478 million, which included assumed additional PPT funding of \$830,602 mentioned in item 2.
11. Other miscellaneous operating line item adjustments were made for inflation purposes, such as utilities.

## **PROJECTION SUMMARY**

The budget adopted for the General Fund for the June 30, 2024 fiscal year budgeted expenditures in the amount of \$21,770,425 and expenditures were less than budgeted revenue by \$71,459 due to the use of committed fund balance for cemetery improvements.

The projection for the General Fund for the June 30, 2025 fiscal year projects expenditures of \$20,762,424. The revenues exceed expenditures by \$104,078.

The projection for the General Fund for the June 30, 2026 fiscal year projects expenditures of \$21,254,896. The expenditures exceed revenues by \$88,959 primarily due to expenditures added for an expected tax appeal.

The projection for the General Fund for the June 30, 2027 fiscal year projects expenditures of \$21,406,151. The revenues exceed expenditures by \$81,896.

The projection for the General Fund for the June 30, 2028 fiscal year projects expenditures of \$21,761,543. The revenues exceeded budgeted expenditures by \$119,012.

This projection was done as a part of a five-year budget process as the June 30, 2024 budget was adopted.

**GENERAL FUND BUDGET PROJECTION  
THROUGH FISCAL YEAR ENDING JUNE 30, 2028**

	Actual 2021-22	Actual 2022-23	Adopted Budget 2023-24	Projection 2024-25	Projection 2025-26	Projection 2026-27	Projection 2027-28
<b>REVENUE</b>							
Property Taxes	\$ 14,417,022	\$ 14,545,978	\$ 14,650,693	\$ 14,703,053	\$ 14,906,108	\$ 15,356,020	\$ 15,641,094
Licenses and Permits	325,706	346,299	340,200	335,200	330,200	325,200	320,200
Federal and State Revenue	4,132,312	5,023,489	4,429,722	3,494,908	3,563,022	3,632,488	3,703,334
Charges for Services	281,126	297,192	238,613	240,860	243,152	244,250	246,250
Fines and Forfeitures	79,084	76,274	95,000	95,000	95,000	95,000	95,000
Investment Income	(118,537)	464,301	425,000	400,000	400,000	200,000	200,000
Rental Income	34,160	46,778	48,324	49,372	50,374	51,201	52,045
Other Revenue	1,400,665	1,441,755	1,456,414	1,533,109	1,563,081	1,568,888	1,607,632
Other Financing Sources	28,494	21,501	15,000	15,000	15,000	15,000	15,000
<b>TOTAL REVENUES</b>	\$ 20,580,032	\$ 22,263,567	\$ 21,698,966	\$ 20,866,502	\$ 21,165,937	\$ 21,488,047	\$ 21,880,555
<b>EXPENDITURES</b>							
<b>GENERAL GOVERNMENT</b>							
City Council	\$ 164,788	\$ 140,653	\$ 151,662	\$ 152,419	\$ 152,754	\$ 151,692	\$ 151,860
City Manager	357,435	348,966	349,620	364,190	373,619	383,527	391,127
Communications, Culture, Promotion	134,049	155,798	243,440	251,278	259,658	265,229	270,959
Assessor	368,224	301,069	328,793	342,149	355,123	368,844	379,230
Attorney	173,590	190,082	177,660	182,660	232,660	182,660	187,660
Clerk	396,440	470,768	296,927	306,436	307,296	313,391	319,651
Treasurer	-	-	216,306	225,353	234,044	239,928	245,974
Finance	489,626	527,062	535,230	550,504	554,096	568,476	582,866
Human Resources	434,948	371,960	342,983	350,882	386,400	392,678	369,081
Engineering	280,043	332,489	309,790	321,171	335,678	346,773	355,473
City Hall Grounds	289,677	298,713	314,833	321,775	328,102	334,907	341,854
<b>TOTAL GENERAL GOVERNMENT</b>	3,088,820	3,137,560	3,267,244	3,368,817	3,519,430	3,548,105	3,595,735
<b>PUBLIC SAFETY</b>							
Public Safety - Police and Fire	9,947,463	4,505,652	9,123,768	9,654,512	9,872,255	9,922,645	9,851,007
Zoning/Code Enforcement	213,720	347,960	370,322	354,099	362,382	368,800	375,078
<b>TOTAL PUBLIC SAFETY</b>	10,161,183	4,853,612	9,494,090	10,008,611	10,234,637	10,291,445	10,226,085
<b>PUBLIC WORKS</b>							
	2,677,397	4,627,933	2,928,221	2,933,887	3,003,047	3,052,407	3,100,893
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>							
	1,385,507	504,896	559,155	574,540	591,055	605,547	616,767

	Actual 2021-22	Actual 2022-23	Adopted Budget 2023-24	Projection 2024-25	Projection 2025-26	Projection 2026-27	Projection 2027-28
<b>CULTURAL-RECREATION</b>							
Library	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Social Services	200,250	207,000	207,000	207,000	207,000	207,000	207,000
Public Access TV	143,059	135,512	135,500	133,000	130,500	128,000	125,500
Parks and Recreation	1,462,465	1,433,225	1,385,062	985,520	1,007,805	1,022,437	1,039,856
<b>TOTAL CULTURAL-RECREATION</b>	<b>1,870,774</b>	<b>1,840,737</b>	<b>1,792,562</b>	<b>1,390,520</b>	<b>1,410,305</b>	<b>1,422,437</b>	<b>1,437,356</b>
<b>CONTINGENCIES</b>	-	-	100,000	100,000	100,000	100,000	100,000
<b>DEBT SERVICE</b>	1,933,934	1,938,412	1,891,087	1,886,049	1,896,422	1,886,210	1,884,707
<b>OTHER FINANCING USES</b>	1,435,634	5,100,166	1,738,066	500,000	500,000	500,000	800,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 22,553,249</b>	<b>\$ 22,003,316</b>	<b>\$ 21,770,425</b>	<b>\$ 20,762,424</b>	<b>\$ 21,254,896</b>	<b>\$ 21,406,151</b>	<b>\$ 21,761,543</b>
<b>REVENUE OVER(UNDER) EXPENDITURES</b>	<b>\$ (1,973,217)</b>	<b>\$ 260,251</b>	<b>\$ (71,459)</b>	<b>\$ 104,078</b>	<b>\$ (88,959)</b>	<b>\$ 81,896</b>	<b>\$ 119,012</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 9,667,908</b>	<b>\$ 7,694,688</b>	<b>\$ 7,954,939</b>	<b>\$ 7,883,480</b>	<b>\$ 7,987,558</b>	<b>\$ 7,898,599</b>	<b>\$ 7,980,495</b>
<b>ESTIMATED ENDING FUND BALANCE</b>	<b>\$ 7,694,691</b>	<b>\$ 7,954,939</b>	<b>\$ 7,883,480</b>	<b>\$ 7,987,558</b>	<b>\$ 7,898,599</b>	<b>\$ 7,980,495</b>	<b>\$ 8,099,507</b>
<b>LESS UNSPENDABLE FUND BALANCE</b>	1,089,840	1,113,719	1,113,719	1,113,719	1,113,719	1,113,719	1,113,719
<b>LESS ASSIGNED FUND BALANCE</b>	826,378	86,422	86,422	86,422	86,422	86,422	86,422
<b>LESS RESTRICTED FUND BALANCE</b>	137,412	80,285	-	-	-	-	-
<b>LESS CEMETERY COMMITTED FUND BALANCE</b>	533,851	533,851	462,392	462,392	462,392	462,392	462,392
<b>ADD BUDGET STABILIZATION FUND BALANCE</b>	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>ESTIMATED UNASSIGNED FUND BALANCE</b>	<b>\$ 3,107,210</b>	<b>\$ 4,140,662</b>	<b>\$ 4,220,947</b>	<b>\$ 4,325,025</b>	<b>\$ 4,236,066</b>	<b>\$ 4,317,962</b>	<b>\$ 4,436,974</b>
<b>UNASSIGNED AS A PERCENTAGE OF EXPENDITURES</b>	13.78%	18.82%	19.39%	20.83%	19.93%	20.17%	20.39%