

**City of Ann Arbor  
General Fund  
Projected Budget Report**

	<u>Adopted Budget</u>	<u>Estimated Future Years</u>					
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b><u>Revenues</u></b>							
TAXES	67,143,197	71,966,334	76,019,569	77,539,985	7.18%	5.63%	2.00% (a)
LICENSES, PERMITS & REGISTRATION	1,956,763	2,470,589	2,565,203	2,565,203	26.26%	3.83%	0.00% (a)
INTERGOVERNMENTAL REVENUES	15,243,261	15,936,046	18,641,444	18,659,563	4.54%	16.98%	0.10% (a)
CHARGES FOR SERVICES	10,406,995	10,735,345	11,294,791	11,414,516	3.16%	5.21%	1.06%
FINES & FORFEITS	4,013,038	3,861,068	3,754,546	3,787,424	-3.79%	-2.76%	0.88% (a)
INVESTMENT INCOME	386,232	1,000,350	1,000,350	1,000,350	159.00%	0.00%	0.00% (a)
MISCELLANEOUS REVENUE	1,028,596	1,248,675	1,120,109	1,157,741	21.40%	-10.30%	3.36% (d)
INTRA-GOVERNMENTAL SALES	18,374,337	19,169,954	20,341,853	20,952,109	4.33%	6.11%	3.00%
OPERATING TRANSFERS	1,129,379	1,047,792	1,002,433	971,336	-7.22%	-4.33%	-3.10% (e)
<b>Total revenues</b>	<b>119,681,798</b>	<b>127,436,153</b>	<b>135,740,298</b>	<b>138,048,227</b>			
<b><u>Expenditures</u></b>							
PERSONNEL	47,748,558	50,327,305	51,387,399	52,895,816	5.40%	2.11%	2.94%
FRINGES	26,900,322	27,518,868	30,110,404	32,155,687	2.30%	9.42%	6.79% (b)
OTHER SERVICES	12,389,313	13,813,724	13,907,383	13,558,858	11.50%	0.68%	-2.51%
MATERIALS & SUPPLIES	1,460,446	2,235,214	1,614,803	1,663,247	53.05%	-27.76%	3.00% (f)
OTHER CHARGES	15,332,053	16,846,846	16,718,649	17,552,304	9.88%	-0.76%	4.99%
PASS THROUGHS	16,424,409	17,389,997	17,777,828	18,501,943	5.88%	2.23%	4.07%
CAPITAL OUTLAY	764,920	838,905	120,290	-	9.67%	-85.66%	-100.00% (c)
GRANT/LOAN RECIPIENTS	1,754,665	1,467,212	1,326,329	1,326,329	-16.38%	-9.60%	0.00%
<b>Total expenditures</b>	<b>122,774,686</b>	<b>130,438,071</b>	<b>132,963,085</b>	<b>137,654,184</b>			
<b>Total surplus (shortfall)</b>	<b>(3,092,888)</b>	<b>(3,001,918)</b>	<b>2,777,213</b>	<b>394,043</b>			

- (a) Budget was adjusted to match historical trends and market conditions.
- (b) Increased medical and pension costs.
- (c) Other transfers to other funds and Capital Outlay are mostly non-recurring items, such as capital projects and purchases of equipment.
- (d) Includes known one-time reimbursements.
- (e) Planned reduction in transfers from other funds
- (f) One-time expenses for elections and court recording system in FY24.

**The assumptions used in the above forecast are as follows:**

**Revenues**

Tax Revenues are forecasted to grow modestly per estimated change in Taxable Value from the City Assessor. The other revenue sources are forecasted for moderate increases into future years.

**Expenditures**

Personnel costs are forecasted to grow approximately 3% each year for inflation and fringes are anticipated to increase approximately 6%. The City added 17 FTEs in FY23, 27 FTEs in FY24 and an additional 5 FTEs are anticipated for FY25. The remaining expenditures are forecasted with known increases/decreases based on projected operations with minimal increases based on inflation for future years.