



CASCADE CHARTER TOWNSHIP

5920 Tahoe Drive SE Grand Rapids, Michigan 49546-7123

November 9, 2023

To: Cascade Township Board of Trustees

From: Jade Smith, Township Manager

Subject: Public Hearing: FY 2024 Operating and Special Fund Budgets and Consider a Resolution to Adopt the FY 2024 Cascade Charter Township General and Special Fund Budgets

Overview:

The Administration is proposing the following budget for 2024 that includes the General Fund as well as all millage funds and the dedicated building fund. This budget is the first under the new Administration and is being proposed in the same manner as previous budgets with a few exceptions that are represented below and will be discussed at the budget work session. With a tight timeline a balanced is being presented with the knowledge that budget amendments may be presented throughout the upcoming year.

In subsequent years the administration will strive to present a three-year budget which is considered a best practice in the municipal industry. This will allow for proper forecasting and better capital planning.

This years budget does include capital improvements but does not have a long term capital improvement plan. In the first quarter of 2024 the administration will be working on a long-term plan to present to the Board of Trustees. The expectation is to have this capital improvement plan presented with future annual budgets.

General Fund Revenue:

Increases in property taxable values under Proposal A are limited to the lesser of the annual average increase in the U.S. consumer price index (CPI) or 5.0 percent. For the 2022-23 fiscal year, the CPI used for taxable value calculations increased by 5.0 percent. With the uncapping of taxable values on properties sold and the additions of new homes, our overall taxable value increase is expected to be 7.8 percent. In real dollars, this translates to an expected increase in general operating tax collections of approximately \$125,488 for 2024 compared to the 2023 amended budget.

Another major source of funding for local governments is state shared revenue. The revised estimate for constitutional revenue sharing for the 2024 fiscal year increased by \$40,000 to \$2,152,450.

A change to the 2024 budget is the implementation of allocating overhead revenue back to the General Fund from the dedicated millage funds and building fund. This is general governmental finance practice that supports the operations of all departments.



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Other revenue line items have been adjusted to reflect actual revenues being realized.

General Fund Expenditures:

The 2024 budget expenses are consistent with what has previously been approved with the following highlights.

A summary of highlighted changes that are being proposed in the 2024 budget for each department when compared to the current year budget are as follows.

- ◆ Parks and Recreation – The 2024 budget includes funding that is adequate to run the department and allow for additional capital improvements as well as proper maintenance.
- ◆ Planning – The 2024 budget includes funding for the installation and maintenance of trees throughout the Township.
- ◆ Personnel – The 2024 budget includes a COL increase for all employees and an estimated increase of 5% to health insurance costs.
- ◆ IT – The 2024 budget includes funding to improve the technology at the township. This funding is to be spread out among multiple funds.
- ◆ Elections – There is the possibility of 4 elections occurring in 2024 creating the need to increase the expenditures within this department. Reimbursement amounts for the elections are not known at this time.
- ◆ Greenspace/Farmland Preservation – There has been a fund started to assist with future land preservation.

Other Non-General Fund Budgetary Highlights:

- ◆ Fire Department – The 2024 budget includes the current millage rates but should be noted that the expiration of millage will occur and the renewal process will be conducted.
- ◆ Library - The 2024 budget includes the current millage rates but should be noted that the expiration of millage will occur and the renewal process will be conducted.
- ◆ DDA - The 2024 budget includes funding for corridor landscaping improvements and conceptual design costs for the village and corridor area.
- ◆ Pathways – The 2024 budget continues to include funding to expand the pathway system.