






# GENESEE COUNTY

## General Fund Forecasting Discussions

Department of Fiscal Services



## Key Revenue Assumptions

- **Property Taxes**— Used a conservative 5.28% annual increase based on review of historical trends.
- **Investment Income**— Expected to decrease once ARPA funds are fully spent.
- **Federal Revenue** — Fluctuates and is expected to decrease once ARPA is fully spent.



# Key Revenue Assumptions

- **State Shared Revenue – ↑**
  - Allocation of \$13,514,683 for FYE 2026
  - Anticipated allocation of \$14,412,368 for FYE 2027
- Included a conservative 1% increase in revenue for the remainder of the years presented.

*"Add a short callout, resident quote, or leadership takeaway here."*



# Key Revenue Assumptions

- **Remaining Revenue – ↑**
  - Includes charges for services, fines and forfeitures, other intergovernmental, etc.
  - Estimated at 2 to 3% increases from FYE 2027 amount
  - Based on review of historical data and known changes affecting the upcoming FYE 2027 budget

*"Add a short callout, resident quote, or leadership takeaway here."*



# Key Expenditure Assumptions

- Salaries & Fringes – ↑
  - Estimated at 3.81% annually based on prior 3 year's adopted budgets
  - Items that affect annual costs include:
    - Raises
    - Medical Cost fluctuations
    - Hard cap changes
    - Fringes that fluctuate with wages

*"Add a strong capability to meet quality  
leadership challenges."*



## Key Expenditure Assumptions

- **Department Level Non-Personnel Costs**—↑ Majority of expenditures were estimated to increase 3% annually.
- **Capital Outlay**—↑ Budgeted gradual increase as needs continue to grow.
- **Bond Payments**—↑ Scheduled from amortization schedules
- **Appropriations and Transfers Out**—↑ Expected to increase as other expenses increase.



# Key Expenditure Assumptions

- **Pension Contributions—↑**
  - Expected to increase annually until everyone that is eligible has retired.
  - Will then decrease as people drop out of the plan.
- **OPEB Contributions—↑** Continuing to fund OPEB with a 2% increase each year

*"Add a short callout, resident quote, or leadership takeaway here."*



## Pressure Points

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- **Active Healthcare Fund Transfers**—↑ If higher utilization continues in this fund, transfers will be required from General Fund to cover the shortfall.
- **Animal Care Fund Needs**—↑ If fund balance is depleted in this fund, a General Fund transfer will be needed to cover the shortfall.
- **Disposal of Old Administration Building**—↑ Continued costs to take care of the building as well as to dispose of it.



# Pressure Points

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- **Inmate Healthcare – ↑**
  - Majority is currently funded by health care millage.
  - If not renewed, the cost will shift to General Fund.
- **Volatile Grant Funding – ↑**
  - Possible loss of grant funding that we have had for many years and determining how to fill gaps.
- **Continued Capital Needs – ↑** Proactive vs. reactive approach



## Pressure Points

- **Pension Contributions** – ↑
  - People falling out of the plan are offset by growth in cost as employees retire that are charged to grants while working.
  - 2027 estimated amount paid through funds other than General is \$3,485,778.
- **DTR Transfers** – ↑ Continue to work with the Treasurer for annual allocations.



## Pressure Points

- **Child Care Fund**—↑ As we continue to use fund balance, there may be a need for additional General Fund appropriations
- **OPEB Contributions**—↑
  - Current active employees eligible for OPEB that are charged to funds other than General Fund amount to \$2,368,895.
  - As they retire, we may have to increase our General Fund funding to maintain funds within the OPEB

Trust.




# Pressure Points

- **Possible Property Tax Reforms–** ↓
  - Absence of clearly defined guaranteed reimbursement mechanisms for lost revenue.
  - Potential elimination of the residential uncapping tax.
  - Expanding Personal Property Tax exemptions
  - Would eliminate taxes on all equipment, including utility equipment that is not currently exempt under Michigan law.

*“A leadership takeaway here.”*



# Pressure Points

- **Recap of Significant Budget Impact Items –** 
- Additional Pension Contributions from retirements outside of General Fund- \$3,485,778.
- Additional OPEB Contributions from retirements outside of General Fund- \$2,368,895.
- Inmate Healthcare funded from millage-\$5,551,539

*"Add a short callout, resident quote, or leadership takeaway here."*



# Pressure Points

- **Requests Forthcoming to Keep Grant Positions– ↑**
  - 2 Executive Directors of Community Engagement- \$224,018
  - 2 Lieutenants –GHOST/Interdiction Team- \$521,400
  - ARPA Positions - \$811,655 for 1/1/27-9/30/27; \$1,082,205 for full year cost
  - Prosecutor High Crimes Positions - \$3,000,000
  - TOTAL = \$4,557,073 for FYE 2027, Higher thereafter

Questions?

