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## **PRESS RELEASE**

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Public Information Office (989) 759-1403  
1315 S. Washington Avenue  
Saginaw, MI 48601

### **CITY OF SAGINAW APPROVES FISCAL YEAR 2021 PROPOSED BUDGET**

**May 18, 2020 SAGINAW, MI** – The Saginaw City Council approved the Proposed Budget for Fiscal Year 2021 at the May 18, 2020 City Council Meeting. The fiscal year for the City of Saginaw is from July 1 to June 30.

The FY 2021 proposed budget reflects the City's commitment to provide quality services to residents, while preserving the City's long-term financial viability. The total citywide budget is projected to be \$124.81 million which represents a \$4.56 million, or 3.8% increase from the 2020 approved budgeted levels. The General Fund Budget for FY 2021 is projected to be \$36,273,633.

The FY 2021 Proposed Budget is very conservative. The City will realize a few additions, reallocations, and reclassifications to staffing for FY 2021. The City will increase public safety staffing by adding one additional police officer and one additional firefighter in FY 2021. The City is also budgeting for the contractual wage increases, step and longevity increases for city employees, as well as increases in benefit costs such as healthcare and pensions.

Although the budget is balanced, there are many challenges that the City of Saginaw must face and overcome in order to be in a positive position for the future. One of the largest variables that will affect the FY 2021 budget is the COVID-19 pandemic. The city will closely monitor spending due to a reduction in revenues and unforeseen costs of

COVID-19 related expenses. This impact will drive budgetary decisions going forward. The FY 2021 budget also addresses funding in both water and sewer operations toward replacement of the lead and copper galvanized lines. Finally, funding for the Other Post-Employment Benefits (OPEB) and Pension Liabilities remain a concern for the City of Saginaw. The FY 2021 budget continues to address funding of these unfunded liabilities and allocates funds towards both obligations.

Yolanda M. Jones, Director of the Office of Management and Budget, commented on this year's budget, "The economy has forced everyone to make adjustments to the way they live. As our community changes so does the City of Saginaw as an organization. The budget is a fluid document, and this is an ongoing, ever-changing process. Although approved, we must constantly monitor and adjust the budget as necessary. We will continue to present these required adjustments to council for approval."

The goal of the city administration is to maintain the financial health and help build the city to become all that it can be, even in the unknown future. City Manager Tim Morales commented on these efforts, "As the city moves through these unprecedented times surrounding COVID-19, there will be changes that will occur. But I am confident that the city can navigate through this challenge. City administration has worked diligently over the last 10 years to build stability to its financial position. The city has a healthy fund balance to see us through this crisis. In addition, we are maximizing our review of all of our resources to ensure our financial health. The totality of the impact of COVID-19 on the city's revenue at this time is not known; what we do know is that there needs to be constant monitoring and adjustments to the budget and city operations."

The FY 2021 Proposed Budget is available on the City of Saginaw website at <https://www.saginaw-mi.com/pdfs/2020-2021-Proposed-Budget-Final.pdf>. To view the presentation on the FY 2020-2021 Proposed Budget, click [here](#).

For more information concerning the City of Saginaw's Proposed Budget, please contact the City Manager's Office at 989-759-1403.

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