

A Brief Guide to a Proposal for the City of Zagreb 2020 Budget Revision

Other document types / Ostale vrste dokumenata

Publication year / Godina izdavanja: **2020**

Permanent link / Trajna poveznica: <https://urn.nsk.hr/urn:nbn:hr:242:697646>

Rights / Prava: [Attribution-NonCommercial-NoDerivatives 4.0 International/Imenovanje-Nekomercijalno-Bez prerada 4.0 međunarodna](#)

Download date / Datum preuzimanja: **2024-07-16**



Repository / Repozitorij:

[Institute of Public Finance Repository](#)



A Brief Guide to a Proposal for the City of Zagreb 2020 Budget Revision



June, 2020

PUBLISHER

The City of Zagreb, Trg S. Radića 1, Zagreb

FOR THE PUBLISHER

City Office for Financing, City of Zagreb

PREPARED BY

Institute of Public Finance, Zagreb

LAYOUT AND TYPESETTING

Bachrach & Krištofić

NJI₃

ISBN 978-953-8319-08-2



The aim of this guide is to present basic information on the proposed amendments to the City of Zagreb's budget (i.e. **budget revision**) to be presented at the City Assembly meeting on 9 June 2020, thereby encouraging the public to actively participate in the decision-making process regarding the City's budget. The most significant reason behind this revision proposal is the alignment of the City's planned 2020 revenues and expenditures with the changes that have arisen due to the coronavirus epidemic and the earthquake.

The exceptional epidemiological circumstances and the related measures passed by the **Government** and the **City** resulted in a decrease of the City's revenues and an increase in health-related expenditures. For this reason, on 18 March 2020 the Mayor adopted a **Conclusion on the Reallocation of Funds Planned in the City of Zagreb 2020 Budget**, which secured HRK 16m for the City Office for Health to purchase the necessary resources and equipment, as well as **Five Conclusions on the Utilization of Budget Reserve Funds**, securing HRK 3.9m for the Andrija Štampar Teaching Institute of Public Health for equipment and consumables. Furthermore, due to the 22 March 2020 earthquake that caused substantial damage to properties, additional budgetary resources need to be allocated.

In addition, pursuant to the Government's **Conclusion on the Restriction of Expenditure for Budget and Extra-Budgetary Users of the State Budget due to Changed Economic Circumstances Arising from the Coronavirus Epidemic** of 2 April, the Mayor issued **Measures for Temporary Suspension of the City of Zagreb 2020 Budget Execution**. These measures were in force between 10 April and 25 May 2020 and they restricted all expenditures and outlays that are not essential for the operation and functioning of budget users and city administration.

The scale and duration of economic disruption caused by the pandemic are still quite unclear, but state estimates predict the GDP to annually decrease by 9.4%. The City's revenues in Q1 2020 have been realised as plan-

budget revision

a modification of budget amounts, i.e. their reduction and/or increase relative to the planned amounts.

budget reallocation

when unforeseen or insufficiently planned expenditures or outlays during the year cannot be settled from the planned funds, the Mayor can decide, upon proposal of the City Office for Financing and the City's administrative body, that they should be settled through budget reallocation. Article 46 of the Budget Act allows for the reallocation of total enacted budget funds during the year, subject to the Mayor's approval. Up to 5% of expenditures and outlays under a single line item can be reallocated. Exceptionally, up to 15% of funds under a single line item can be reallocated, provided that this increases the national share in EU co-financed projects.

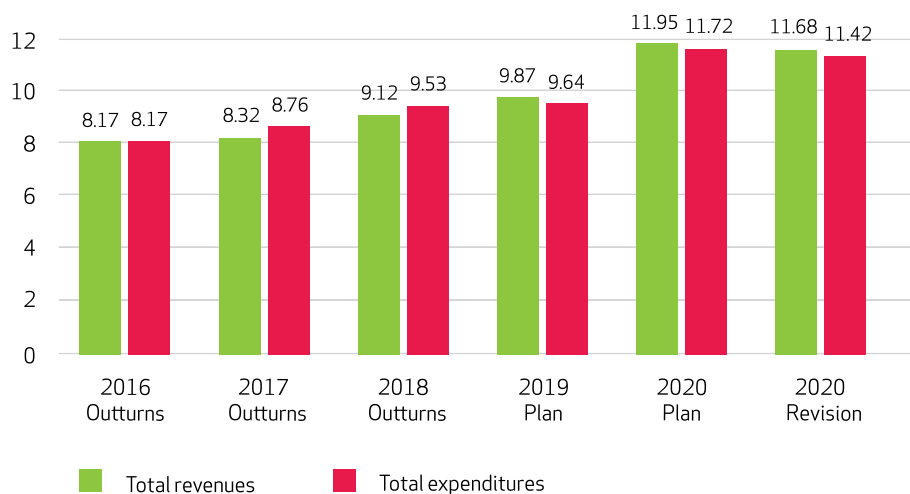
ned, with the most significant revenue originating from personal income tax and surtax in the amount of HRK 1.37bn. However, when compared to March, April revenue from personal income tax and surtax decreased by HRK 100.5m (20.7%). Since future economic trends cannot be accurately predicted, this budget revision predicts revision of the existing 2020 Budget Plan by reducing budget items which are non-essential for the City's day-to-day operation, while securing **HRK 43.2m for combatting the epidemic** as well as **HRK 113.8m for the reconstruction of earthquake damage**. The City will keep adjusting the level and structure of the Budget to new circumstances and, if necessary, will carefully reassess all payments based on current decisions of the City Assembly, signed collective agreements, conclusions of the Mayor and other legal acts.

The proposed budget revision, i.e. [Decision on the Amendments to the City of Zagreb 2020 Budget](#), is available on the City's website. For a better understanding of the document and the City's budgeting process in general, interested parties are referred to the [Guide to the City of Zagreb Budget](#) (providing general information on the City budget and the budgeting process), as well as the [Brief Guide to the City of Zagreb 2020 Enacted Budget](#).

Below we provide a brief presentation of the City's budget revenues, expenditures, financing account and debt for the period 2016–2020, including a detailed elaboration of the proposed revision and its comparison with the current 2020 Budget of 18 March 2020, adopted pursuant to the [Conclusion on the Reallocation of Funds Planned in the City of Zagreb 2020 Budget](#).

PLANNED REVENUES AND EXPENDITURES

On 10 December 2019, the City Assembly adopted the [City of Zagreb 2020 Budget](#), with revenue standing at HRK 11.95bn and expenditure standing at HRK 11.72bn. Due to minor alignments of the planned expenditures with the requirements of the City's administrative bodies, on 18 March the Mayor issued the [Conclusion on the Reallocation of Funds Planned in the City of Zagreb 2020 Budget](#), whereby the total planned budget amount of 10 December 2019 remained the same while certain expenditures have been reallocated between existing budget items. However, under the present budget revision, **budget revenues** are proposed **to decrease** by HRK 267m (2.2%), i.e. **to HRK 11.68bn**, while **expenditures would decrease** by HRK 301m (2.6%), to **HRK 11.42bn** (graph 1).



Graph 1: The City of Zagreb budget revenues and expenditures 2016–20 (in HRK billion)*

*Including own and **earmarked revenues** of budget users and expenditures financed therefrom.

The City's budget comprises **the revenues and expenditures of all 330 City budget users**, i.e. institutions founded and majority-financed by the City, and listed in the [Register of Budget and Extra-Budgetary Users](#). These include, for example, public health care institutions (health centres, polyclinics, hospitals and institutes), preschool, primary school and secondary school education institutions, cultural institutions, social welfare institutions, the Zagreb Fire Department, the City of Zagreb Urban Planning Institute, Public Institution Maksimir, Zagreb Zoo, the Sports Facilities Management Institution and the Zagreb Development Agency for Coordination and Promotion of Regional Development.

There are also [companies founded by the City](#) for the provision of public services and implementation of public interest activities (such as Zagreb Holding). However, as these are not City budget users, their revenues and expenditures are not shown in the City's budget.

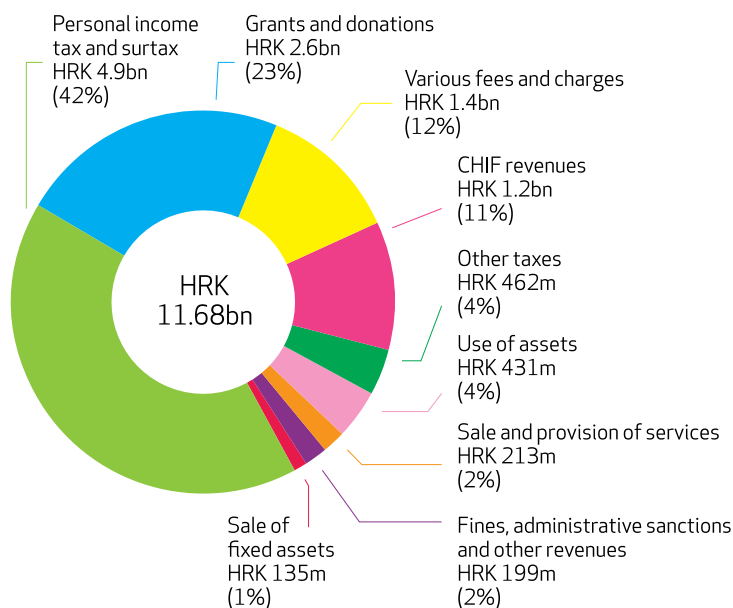
earmarked revenues revenues which have a pre-defined utilization purpose. For instance, revenues from utility charges are spent on the maintenance of the City's utility infrastructure.



Every employed person will pay an average monthly amount of around HRK 969 in personal income tax and surtax into the City's budget.

REVISED BUDGET REVENUES

Total revised revenues amount to HRK 11.68bn (graph 2). More than half of this amount will originate from **personal income tax and surtax (HRK 4.9bn)**. Considerable amounts are expected from **grants and donations (HRK 2.6bn)**, mostly from the State Budget, followed by revenues from various **fees and charges** in the amount of **HRK 1.4bn** (HRK 911m from utility contributions and charges), and budget users' revenues from the **Croatian Health Insurance Fund (CHIF)** for rendered health services (**HRK 1.2bn**).



Graph 2: The City of Zagreb's budget revenues, 2020 budget revision*

* Including own and earmarked revenues of budget users.

Major revenue differences between the proposed budget reallocations from March 2020 and the present 2020 budget revision proposal

Under the revised budget, the City's 2020 planned revenues are based on the expected decrease of economic activity following the epidemic, measures taken by the Government and City for supporting the economy and citizens and the amendments to the personal income tax that are applicable from 1 January 2020.

Under the revised budget, **total revenue shall decrease by HRK 267m (2.2%)**. The budget item most affected by the **decrease (by HRK 377m, or 6.5%)** are **revenues from tax**. Revenue from personal income tax and surtax decreases by HRK 357m, of which HRK 227.3m is due to the epidemic (estimate based on the amount allocated to the City by the Ministry of Finance in the form of **interest-free loan** in order to compensate for the measure postponing deferred payment of personal income tax and surtax), while HRK 129.7m is due to tax changes in force from 1 January 2020. Pursuant to the amendments to the **Personal Income Tax Act**, in force from 1 January 2020, basic personal allowance has increased from HRK 3,800 to HRK 4,000, which caused the City's tax revenues to decrease. This loss in revenue is to be compensated in the form of grants from the State Budget in the amount of the estimated loss in revenue, pursuant to the Act on the Execution of the 2020 State Budget. The compensation was originally planned on the budget line "Personal income tax and surtax", but in the present revision it is transferred to the item "Grants", leading to an **increase in revenue from grants** (HRK 129.7m of the total HRK 133.2m increase in this budget line). Amendments of other grants are also planned, whereby some are increased (e.g. reconstruction of the Remetinec Roundabout by HRK 59.5m), while others are decreased (e.g. Zagreb for Innovation project by HRK 32.9m and reconstruction of the Gradec Gallery by HRK 15.2m).

Real estate tax revenues decrease by HRK 20m since the epidemic and the earthquake are expected to cause a drop in both the real estate market turnover and the revenue from real estate tax.

Revenue from various fees and charges decreases by HRK 97m (6.3%), of which HRK 18.8m reflects the lower utility charges pursuant to the **Decision on Measures for Alleviating Negative Effects of the Coronavirus to the City of Zagreb's Economy**, whereby utility charges for entrepreneurs payable for their business premises and lands they use for their business were decreased by 30% in the period from 1 April to 30 June 2020. Decrease of HRK 21.3m pertains to lower revenue from co-financing the cost of preschool education paid by parents, due to temporary closure of kindergartens.

Revenue from sales and rendered services decreases by HRK 42.8m (14.8%), primarily due to expected lower revenue from rendered services of budget users (HRK 49.7m) – preschool institutions, primary and secondary schools, cultural and sporting institutions – all of which were unable to provide their services due to the exceptional circumstances.



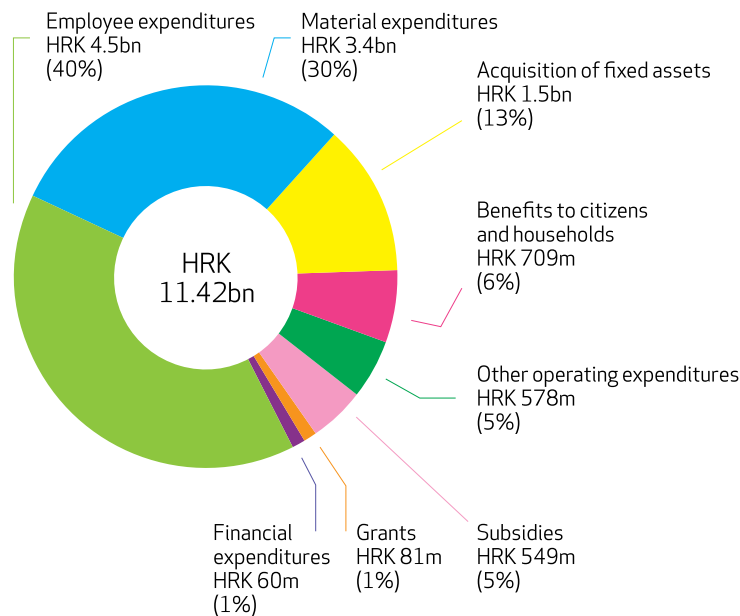
Revenue from the use of assets decreases by HRK 12.1m (2.7%), primarily due to lower revenue from the rental of business premises and public spaces, pursuant to the City's Decision on Measures for Alleviating Negative Effects of the Coronavirus to the City of Zagreb's Economy, whereby entrepreneurs conducting their business activities in City-owned premises as well as users of public spaces were released from their rent-paying obligation in the period from 1 April to 30 June 2020.

Fines, administrative sanctions and other revenues increase by HRK 118.9m (147.7%) in the section of other revenues due to the HRK 52.2m refund executed by ZET for the cable car and compensations through ZET accounts which led to the closure of the City's claim for received invoices registered in 2019 to the City's name in the amount of HRK 58.3m.

Revenue from the sale of fixed assets goes up by HRK 10m (8%) due to the sale of real estates, i.e. business buildings, to APIS, whereby, pursuant to the Purchase Contract concluded with APIS IT d.o.o., the purchase price was set at HRK 59.8m and paid in full.

REVISED BUDGET EXPENDITURES BY TYPE

Total revised expenditures stand at HRK 11.42bn (graph 3).



Graph 3: The City of Zagreb's budget expenditures by type (economic classification), 2020 budget revision*

* Including expenditures financed from own and earmarked revenues of budget users.

Expenditures for employees (HRK 4.5bn) include salaries, contributions and other employee expenses, including expenditures for employees on EU-funded projects. Out of the total amount, HRK 1.9bn pertains to employees in the City's administrative bodies and budget users who are not financed from own and earmarked funds (e.g. kindergartens and museums), and HRK 2.6bn to employees in budget users who are financed from own and earmarked funds (e.g. primary and secondary schools, hospitals, polyclinics and health centres).

The bulk of **material expenditures** (HRK 3.4bn) pertains to current and investment maintenance of utility infrastructure facilities (e.g. public spaces, public lighting, roads, cemeteries and the crematorium), the City administration's and budget users' facilities, as well as stationery, energy and service costs (e.g. telephone, postal, transportation and information services), which are essential for the day-to-day operation of the City's administrative bodies and budget users.

The amount planned for the **acquisition of fixed assets** (about HRK 1.5bn) will be spent on roads, utility infrastructure, business and other construction facilities, as well as equipment in education, health care, social welfare institutions, etc. The bulk of the amount planned for capital investment (HRK 686.9m) will be spent through the City Office for Physical Planning, Construction of the City, Utility Services and Transport, in accordance with [The Amendments to the Plan of Works Related to Capital Investments in Social Service Facilities in 2020](#) and [The Amendments to the Plan of Works in the Field of Transport and Utility Management in 2020](#).

Benefits to citizens and households (HRK 709m) comprise cash benefits for newborns and parents-educators (HRK 436m), pension supplement (HRK 73.5m), ZET public transport costs and transport of persons with disabilities (HRK 71.3m), assistance for improving the living standard of pupils and students, and support to the orphans of fallen and missing Homeland War veterans (HRK 33.2m), funds for the co-financing of long-distance public transport of pupils, purchase of textbooks and other teaching materials, as well as extra-curricular activities (HRK 23.1m), funds for the meals for socially disadvantaged citizens (HRK 16.4m), connection to communal water supply structures (HRK 15m), housing assistance to households (HRK 12.9m) and various other types of assistance to disabled and unemployed persons, volunteer blood donors and Homeland War veterans and victims, scholarships for pupils and students, etc.

Other business expenditures (HRK 578m) mainly include current donations and capital grants. Current donations (HRK 372.3m) pertain to the co-financing of sports (HRK 170.1m), religious and private kindergartens and schools (HRK 83.1m), culture (e.g. libraries, museums, theatres, as well as music, visual arts and film-making activities), the Zagreb Fire Fighting

Association, and non-profit organisations (such as associations, social and development programmes, etc.). The most substantial capital grants pertain to intervention measures within the waste management plan (HRK 120m), renewal and reconstruction of ZET's vehicle fleet (HRK 12.2m) and the Zagreb Waste Management Centre (HRK 10m).

Subsidies (HRK 549m) are earmarked for stimulating production and services of companies, sole traders, farmers and SMEs. The bulk of the amount relates to the Zagreb public transport, i.e. ZET (HRK 420.6m), the Arena sports hall rental fee (HRK 62.4m), employment of disabled persons (HRK 29m) and promotion of trades and SMEs (HRK 13.5m).

Major expenditure differences between the proposed budget reallocations from March 2020 and the present 2020 budget revision proposal

Under the revised budget, **total expenditures** are proposed to **decrease by HRK 301.1m (2.6%)**. The major changes pertain to the renovation of property damaged in the earthquake and combatting the epidemic. The funds are secured from the savings of the City's administrative bodies and through reallocation within budget lines.

The greatest **reduction is evident in material expenditures – by HRK 110m (3.1%)**. The City's material expenditures are reduced by HRK 46.9m, while expenditures of budget users are reduced by HRK 63.1m. The major reduction pertains to the City's Office for Education due to temporary suspension of preschool and school activities – HRK 30.3m in preschool education, HRK 28m in primary education and HRK 14.7m in secondary education. Material expenditures are also reduced for the maintenance of unclassified roads (by HRK 17.4m), public spaces (by HRK 10m) and sporting facilities (by HRK 9.8m).

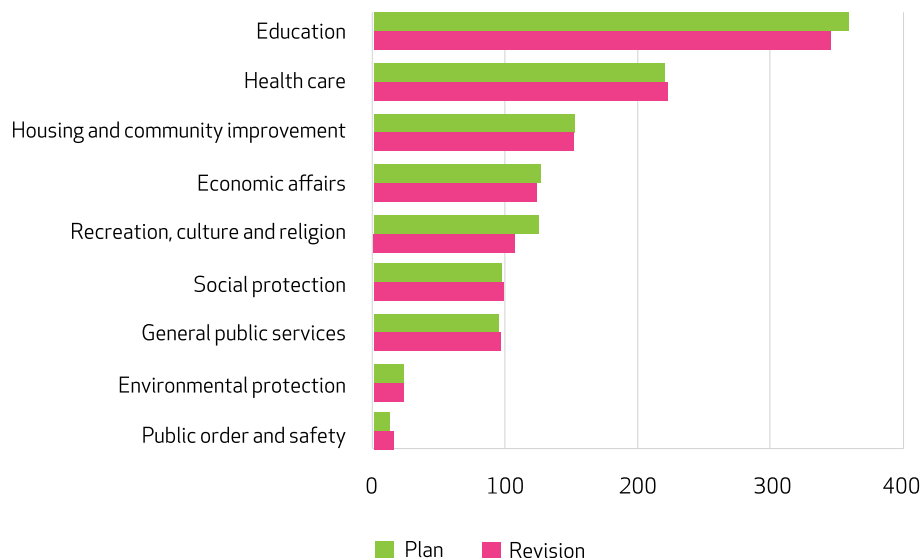
Expenditures for the acquisition of fixed assets decrease by HRK 97.5m (6.1%). Projects whose expenditures are reduced include, inter alia, the project "Zagreb for Innovation" (by HRK 34.1m) since activities which require a public procurement procedure will not be implemented by end-2020 as well as the projects "ZagEE" (HRK 11.8m) and "Energy Efficiency Renovation of Public Buildings" (by HRK 18.6m) as no further investments will be initiated and the energy efficiency renovation will continue at a slower pace. Other modifications are planned in line with the proposed Amendments to the Plan of Works Related to Capital Investments in Social Service Facilities and Works in the Field of Transport and Utility Management in 2020, which are presented in greater detail in the chapter "Major City Investments".

Other business expenditures decrease by HRK 93.3m (13.9%), primarily with respect to current donations (by HRK 80.6m) and capital grants (by HRK 22m), whereas expenditures for fines, penalties and compensations increase by HRK 15.3m. The major decrease in current donations pertains to the co-financing of sports (by HRK 40.9m) due to absence of sporting activities, for culture (by HRK 12.5m) due to lower actualization of independent production programmes and for religious and private kindergartens (by HRK 12m) due to reduced donations in a three-month period. The most significant reduction in capital grants pertains to ZET (HRK 19.8m) and Zagreb Waste Management Centre (by HRK 2.2m) as it is estimated that these funds would not be spent by the end of the year.

REVISED BUDGET EXPENDITURES BY PURPOSE

Under the revised budget, **the average monthly per capita spending is planned at HRK 1,183, which is HRK 31 less** than in the original budget plan (graph 4). Most of the average monthly spending is planned to be used on education (HRK 347), followed by health care (HRK 222), housing and community improvement (HRK 152), economic affairs (HRK 123) and recreation, culture and religion (HRK 107). The largest decrease in average monthly per capita spending will be in recreation, culture and religion (down by HRK 19) and education (down by HRK 13).





Graph 4: Average monthly per capita spending per purpose (functional classification), 2020 (in HRK)*

* Including expenditures financed from own and earmarked revenues of budget users.

Expenditures for education pertain to preschool education (staff costs in city kindergartens and kindergarten fee subsidies), as well as primary and secondary school education (including employee salaries, material expenditures and the acquisition of fixed assets).

Expenditures for health care pertain to health protection, the development and implementation of health protection programmes and strategies, promotion of health as well as addiction prevention and suppression, providing support for health programmes and projects implemented by associations and other forms of organised health-oriented activities, as well as the coordination and control of City-owned health care institutions.

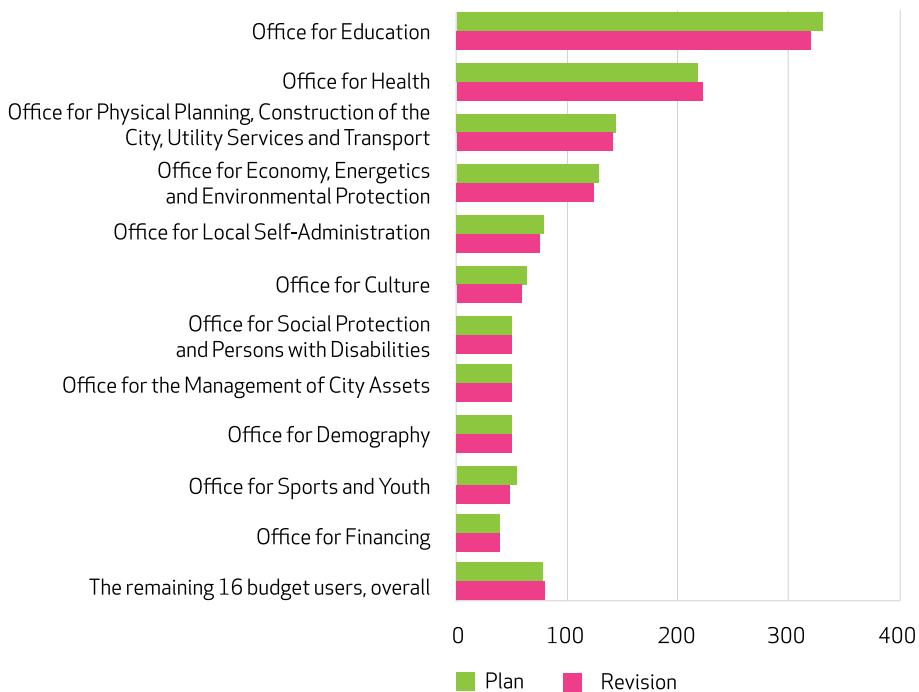
Housing and community improvement services pertain, for the most part, to the maintenance of City property and public space (e.g. public lighting, etc.).

Economic affairs generally include Zagreb public transport, road construction and maintenance, agriculture and tourism.

Expenditures for recreation, culture and religion pertain to the funding of cultural institutions, support for various cultural programmes and activities, co-financing of sports activities, subsidising the Arena sports hall rental fees, etc.

REVISED BUDGET EXPENDITURES BY USERS

The three most important City offices, namely the Office for Education, Office for Health and City Office for Physical Planning, Construction of the City, Utility Services and Transport, are planned to jointly spend more than half of the City's budget, i.e. **a monthly average of HRK 687 per capita (down by HRK 11 from the originally budgeted amount)**.



Graph 5: Average monthly per capita spending per budget user (organisational classification), 2020 (in HRK)*

* Including expenditures and outlays financed from own and earmarked revenues and receipts of budget users.





financial assets

money, deposits, bonds,
loans, etc.

FINANCING ACCOUNT

In contrast to the terms *revenues* and *expenditures*, which are used in the revenue and expenditure account with respect to business operations and the sale and acquisition of fixed assets, the financing account uses the terms *receipts* and *outlays* when referring to **financial assets** and borrowing, lending and repayment of loans. *Receipts* are monetary inflows, e.g. repaid principals of granted loans, proceeds from the sale of shares and bonds, and funds from borrowing, whereas *outlays* are monetary outflows of the same kinds. The difference between receipts and outlays represents *net financing*, which should be the amount equal to the surplus/deficit from the revenue and expenditure account.

	2016 Outturns	2017 Outturns	2018 Outturns	2019 Plan	2020 Plan	2020 Revision
Revenue and expenditure account						
Total revenues	8,169.7	8,322.3	9,122.6	9,871.4	11,946.0	11,679.1
Total expenditures	8,168.4	8,762.2	9,530.4	9,640.3	11,722.8	11,421.7
Deficit/surplus	1.3	-439.9	-407.8	231.1	223.2	257.4
Financing account						
Receipts from financial assets and borrowing	221.3	394.8	633.3	353.3	544.1	537.4
Outlays on financial assets and loan repayment	282.8	404.0	364.1	569.5	727.3	754.8
Net financing	-61.5	-9.2	269.2	-216.2	-183.2	-217.4

Table 1: The City of Zagreb's budget revenue and expenditure account and financing account, 2016–2020 (in HRK million)*

* Including own and earmarked revenues and receipts of budget users and expenditures and outlays financed from those revenues and receipts.

Revised **receipts** for 2020, including own and earmarked revenues and receipts of budget users, are estimated at **HRK 537.4m**, of which HRK 366.8m is derived from a new borrowing and HRK 137m from the sale of the City's share in APIS. In comparison to the March 2020 plan, the present revision estimates **HRK 6.7m (1.2%) less in receipts**, derived from the loan at HBOR for the projects "Energy Efficiency Renovation of Public Buildings" (HRK 5m) and "ZagEE" (HRK 1.7m).

Concurrently, **outlays are estimated in the amount of HRK 754.8m** for financial assets and debt repayment, the bulk of which pertain to the repayment of current loans (HRK 685.7m). In comparison to the March 2020 plan, the present revision estimates **HRK 27.4m (3.8%) more in outlays** for the repayment of received loans. This amount pertains to an increase in commitments of the Zagreb Wastewater company (by HRK 129.5m),

paralleled by HRK 102.2m decrease in commitments of ZET as all commitments arising from the Cession Agreements have been settled.

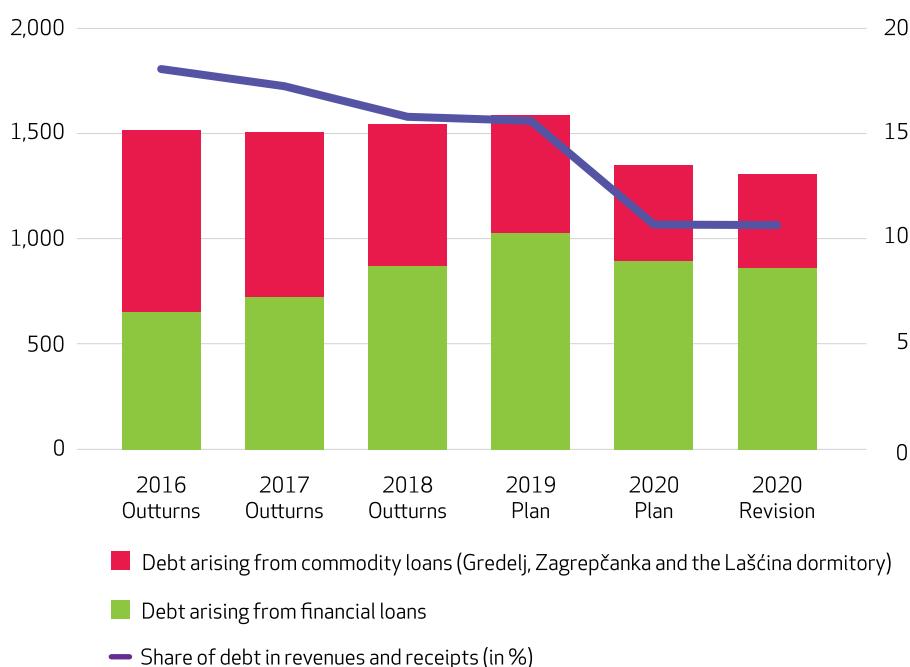
The present revision estimates revenues to exceed expenditures by HRK 257.4m. This difference is to be used to finance outlays for financial assets and loan repayment as well as for covering the deficit of budget users in the amount of HRK 40m. The planned deficit coverage leads to the differences in the deficit/surplus amounts in the Revenue and Expenditure Account and the amounts of net financing in the Financing Account for 2020 (table 1).



THE CITY BUDGET DEBT

By **end-2020**, The City of Zagreb's **direct debt** will stand at **HRK 1.31bn** (graph 6). The present revision reduces the total amount of the planned direct debt at end-2020 by HRK 34.1m, when compared to the March 2020 plan, while **the share of debt in the overall budget revenue and receipts drops from 10.79 to 10.75%**. The City's debt level remains relatively low compared to total revenues and receipts, so that the direct debt can be easily serviced from regular revenues and receipts. It should be noted that, according to the [Budget Act](#), any long-term borrowing by the City requires the Government's approval. Graph 6 therefore shows the planned level of debt, while the real debt will depend on such approval.

Direct debt is the sum of all budget deficits incurred in the current and in earlier periods that were financed by borrowing.



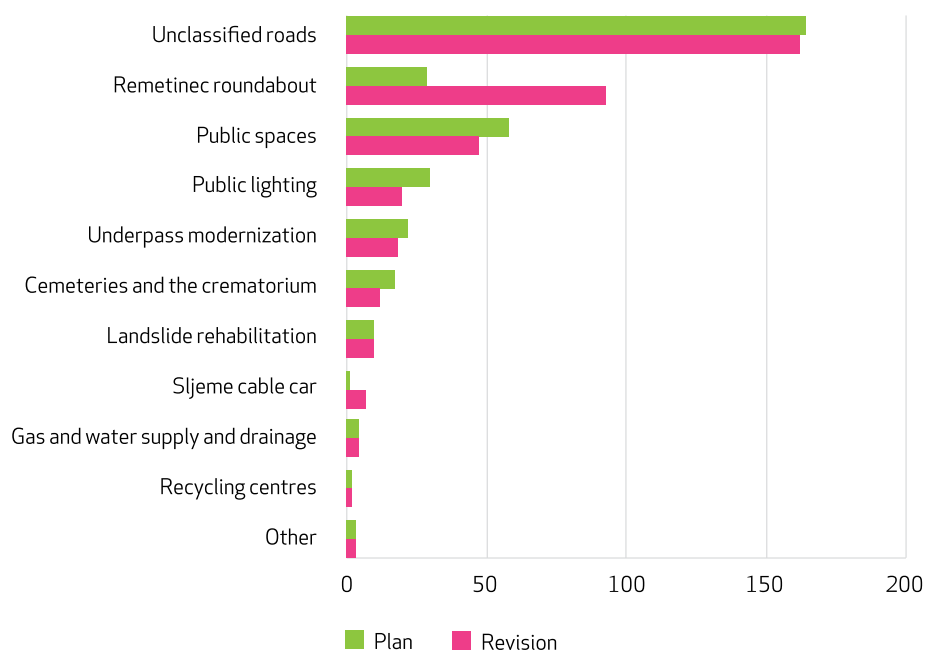
Graph 6: The City of Zagreb's debt (in HRK million, left-hand scale) and the share of debt in budget revenues and receipts (in %, right-hand scale), 2016-20*

*The revenues and receipts include own and earmarked revenues and receipts of budget users.

In addition to the direct debt shown in graph 6, the City is potentially exposed to an **indirect debt** (in the form of provided guarantees), **in the amount of HRK 2.66bn** (21.7% of the total revenues and receipts planned for 2020). The bulk of that amount (HRK 2.3bn) relates to a guarantee for bonds of Zagreb Holding issued for the purpose of refinancing a 2007 debt. The bonds were issued in two tranches (HRK 1.8bn in mid-2016 and another HRK 500m in July 2017), and the City has obtained the Finance Minister's approval for that guarantee.

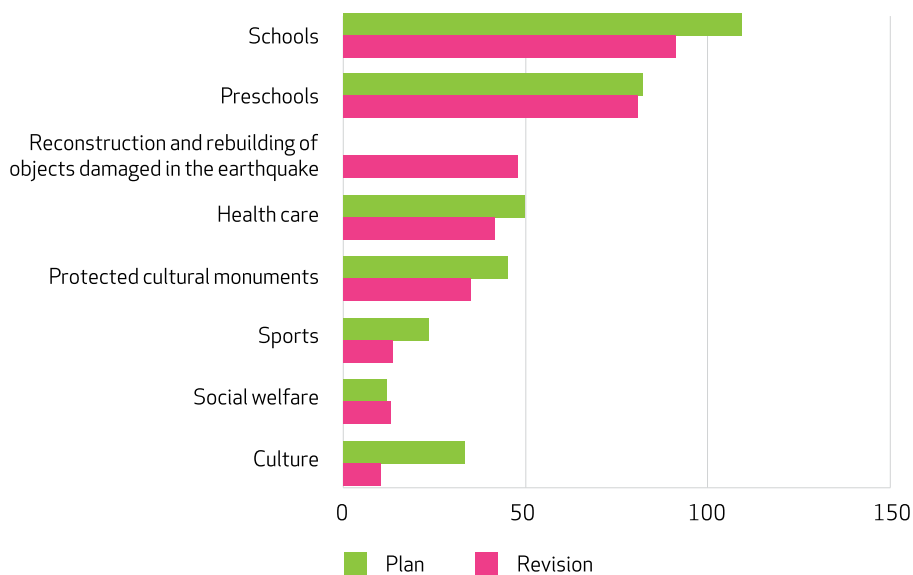
MAJOR CITY INVESTMENTS

Investments in the construction of **utility infrastructure** facilities and equipment are increased from HRK 345.3m to HRK 383.9m, i.e. by HRK 38.7m or 11.2% (graph 7), primarily for the Remetinec Roundabout (by HRK 64.1m) in order to align them with the execution dynamics of the concluded procurement contracts and the implementation of procurement procedures for the remaining project activities with respect to the dynamics of the non-refundable grants. On the other hand, when compared to the initial plan, the following investments are reduced due to the epidemic and earthquake as well as the temporary suspension of the execution of the 2020 City Budget: investments in public spaces (by HRK 10.6m), public lighting (HRK 10m), cemeteries and the crematorium (HRK 5m), underpass modernization (HRK 4.2m) and unclassified roads (HRK 2.2m).



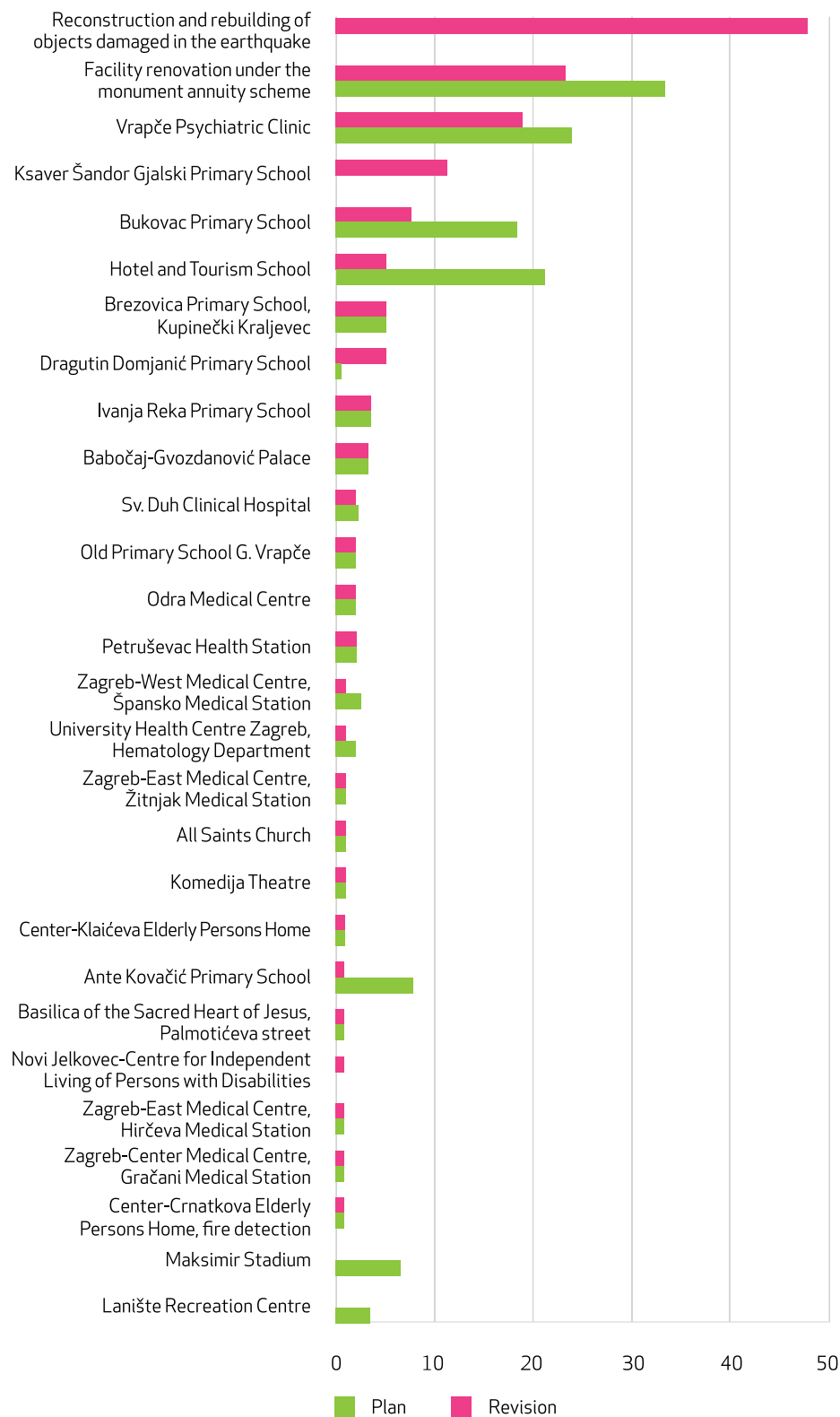
Graph 7: Capital investments in the construction of utility infrastructure facilities and equipment, 2020 (in HRK million)

Under the revised budget, capital investments in **social service facilities** are proposed to decrease from HRK 355.5m to HRK 333.2m (down by HRK 22.3m or 6.3%), as shown in graph 8. These reductions arise from the need to align the revenue and expenditure sides of the budget due to the changes resulting from the epidemic and the earthquake, dynamics of drafting project documents and actualization of constructed works based on implemented public procurement procedures. The sharpest investment cuts pertain to cultural objects (down by HRK 23.3m) and schools (down by HRK 18.1m), while the strongest uptick is provided for the reconstruction and rebuilding of objects damaged in the earthquake (HRK 47.7m).



Graph 8: Capital investments in social service facilities, 2020 (in HRK million)

Graph 9 shows some of the most important investments in social service facilities planned for 2020. Depending on individual projects, the investments relate to the costs of creating project documentation, obtaining construction permits, the conversion, remodelling, renovation, construction and furnishing of spaces, as well as resolution of property relations.



Graph 9: Some of the most important planned capital investments in social service facilities, 2020 (in HRK million)



WHAT CAN CITIZENS DO?

The City Assembly, as the citizen representative body, will discuss the 2020 budget revision on 9 June 2020. The revised budget consists of revenues in the amount of HRK 11.68bn and expenditures in the amount of HRK 11.42bn. Under the present revision, budget revenues are proposed to decrease by HRK 267m (2.2%) while expenditures are proposed to decrease by HRK 301m (2.6%). In 2020, every employed person is expected to pay an average monthly amount of around HRK 969 in personal income tax and surtax into the budget, while the average monthly per capita spending by the City would amount to HRK 1,183.

With the help of this brief guide, as well as [A Brief Guide to the City of Zagreb 2020 Enacted Budget](#) and [A Guide to the City of Zagreb Budget](#), citizens can examine the City's budget, i.e. the original budget plan from December 2019, reallocations made in March 2020 and amendments proposed by the present revision. This will enable citizens to contribute to the Assembly's discussions and better allocation of the City's funds in accordance with its needs and financial capacity.



USEFUL WEBSITES

[City of Zagreb](#) – The official website of the City of Zagreb

[City of Zagreb – Finances](#) – City budget, City credit rating, forms

[City Office for Financing](#) – Contacts, competence and activities

[City offices, institutes and professional services](#) – Detailed data, contacts, competence and activities

[City Assembly](#) – Organisation, competence, working bodies and regulations

[City districts](#) – Basic information, territorial boundaries, bodies and powers

[Local committees](#) – Territorial boundaries, seats, bodies and powers

[Zagreb Holding](#) – Organisation, services, topical issues, contact information

[Official Journal of the City of Zagreb](#) – All City regulations

[Ministry of Finance – local budgets](#) – An archive of the budgets of all municipalities, cities and counties

[The Budget Act](#)

[Institute of Public Finance](#) – Transparency of the budgets of counties, cities and municipalities

PREVIOUSLY PUBLISHED GUIDES

[A Guide to the City of Zagreb Budget](#)

[A Brief Guide to the City of Zagreb 2014 Budget Execution](#)

[A Brief Guide to the City of Zagreb 2015 Budget Proposal](#)

[A Brief Guide to the City of Zagreb 2015 Enacted Budget](#)

[A Brief Guide to a Proposal for the City of Zagreb 2015 Budget Revision](#)

[A Brief Guide to the City of Zagreb 2015 Budget Execution](#)

[A Brief Guide to the City of Zagreb 2016 Budget Proposal](#)

[A Brief Guide to the City of Zagreb 2016 Enacted Budget](#)

[A Brief Guide to a Proposal for the City of Zagreb 2016 Budget Revision](#)

[A Brief Guide to the City of Zagreb 2016 Budget Execution](#)

[A Brief Guide to the City of Zagreb 2017 Budget Proposal](#)

[A Brief Guide to the City of Zagreb 2017 Enacted Budget](#)

[A Brief Guide to a Proposal for the City of Zagreb First 2017 Budget Revision](#)

[A Brief Guide to a Proposal for the City of Zagreb Second 2017 Budget Revision](#)

[A Brief Guide to the City of Zagreb 2017 Budget Execution](#)

[A Brief Guide to the City of Zagreb 2018 Budget Proposal](#)

[A Brief Guide to the City of Zagreb 2018 Enacted Budget](#)

[A Brief Guide to a Proposal for the City of Zagreb 2018 Budget Revision](#)

[A Brief Guide to the City of Zagreb 2018 Budget Execution](#)

[A Brief Guide to the City of Zagreb 2019 Budget Proposal](#)

[A Brief Guide to the City of Zagreb 2019 Enacted Budget](#)

[A Brief Guide to a Proposal for the City of Zagreb 2019 Budget Revision](#)

[A Brief Guide to the City of Zagreb 2020 Budget Proposal](#)

[A Brief Guide to the City of Zagreb 2020 Enacted Budget](#)