



City of Zeeland Budget Report

General Fund

For Fiscal Years Ending

June 30, 2020

and

June 30, 2021

General Fund

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Revenues:		
Property taxes	\$ 5,619,720	\$ 5,600,000
Licenses and permits	175,500	150,000
State shared revenues	549,549	550,000
Charges for services	47,800	45,000
Fines	32,200	30,000
Special Assessments	26,000	26,000
Interest earnings - investment	75,000	75,000
Rents	30,000	30,000
Other revenues	67,000	75,000
Operating Transfers In	1,794,210	1,900,000
Total Revenues	\$ 8,416,979	\$ 8,481,000

The General Fund is the chief operating fund of the City of Zeeland. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. General Fund budgeted revenue for the 2020 fiscal year is \$8,416,979 and is expected to increase only slightly to \$8,481,000 in fiscal year 2021. Property tax revenues continue to decrease due to the phase out Personal Property Tax. We do expect reimbursement of this loss by the State of Michigan and this reimbursement is reflected in the increase of Operating Transfers In.

Following property taxes the City's next greatest source of revenue is State Revenue Sharing. We are expecting to receive \$473,000 in statutory revenue sharing, and we are also budgeting to receive \$75,000 in Economic Incentive Vitality Payments and \$2,000 in liquor license fees.

Other sources of revenue are projected to be relatively flat. Licenses and permits accounts for building inspections. Charges for services revenue is derived chiefly from cemetery grave openings. Fines are received for various ordinance violations, like parking fines and other ordinance violations. Special Assessments are paid by property owners in the downtown and are used to defray the cost of maintaining parking lots and sidewalks. Interest income is showing an increase over prior years due to increased interest rates on long-term investments. Rental income comes from public use of park pavilions and band shell, also room rentals at the Howard Miller Community Center.

Transfers from other funds is an internal charge to City owned utilities and a transfer from a personal property tax stabilization fund. Utilities operate as a business enterprise but do not pay taxes. They are charged administratively in lieu of taxes to account for the various City services provided to them. The personal property tax stabilization fund transfer has been set up to prevent budget impacts from large swings in reimbursement from the State of Michigan for lost personal property tax revenue.

General Fund

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Expenditures:		
General Government:		
Governing body	\$ 81,972	\$ 86,075
Mayor	16,276	17,100
City Manager	200,994	207,025
Elections	8,991	25,000
Finance & Tax Administration	221,573	228,225
Assessor	155,096	159,750
Attorney	9,345	9,625
Clerk	150,728	155,250
Personnel administration	60,213	62,100
Board of review	2,387	2,500
General services	125,500	129,300
Data processing	116,500	120,000
Cemetery	189,001	194,700
Storm Water Management	27,828	28,700
Tree management	12,560	12,900
Public relations	48,000	50,000
Total General Government	\$ 1,426,964	\$ 1,488,250

The General Government function supports 16 activities in the administration of the City and represents 17.4% of the General Fund Budget. These activities are funded by property taxes and charges for services. An increase of 4.29% is expected from FY 2020 to FY 2021. In Fiscal Year 2021, we are expecting mostly inflationary cost increases, and are not expecting any significant expenditure changes between the fiscal years.

Expenditures:		
Public Safety:		
Police administration	\$ 565,833	\$ 565,800
Police patrol/TEAM	1,015,128	995,000
Fire - Rescue department	899,343	926,300
Building & Zoning	251,808	300,000
Total Public Safety	\$ 2,822,112	\$ 2,787,100

The Public Safety function includes police, fire-rescue, and building and zoning activities. Public safety represents 34% of the general fund budget. These activities are supported by property taxes, licenses and permits, fines and, beginning in FY 2016, the State Essential Services Assessment. A decrease of 1.24% from FY 2020 to FY 2021 is projected largely due to smaller pension contributions in the police activity due to our Pension Plan being fully funded.

General Fund

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Expenditures:		
Public Works:		
Municipal Parking System	\$ 176,142	\$ 181,425
Municipal Parking - Satellite System	19,683	20,275
Sidewalks & Bikepaths	88,364	91,000
Highways, streets and bridges	33,172	34,000
Street lighting	50,000	51,500
City clean-up	101,866	104,900
MAX Transit Authority	116,000	120,000
Total Public Works	\$ 585,227	\$ 603,100

The budgets for the parking systems, sidewalks and bikepaths are spent on routine maintenance, the largest part of which is for snow removal. Highways, streets and bridges covers expenses such as curb cuts, drainage improvements, safety, and services associated with community events, parades, and festivals. City clean-up funds the Riley Street drop-off, city-wide brush and leaf pick-up, Spring Clean up at Autumn Hills, and the annual household hazardous waste collection. A 3% increase is projected for FY 2021 as we are not planning any new initiatives in FY 2021 and cost increases are deemed to be inflationary.

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Expenditures:		
Community & Economic Development		
Economic development	\$ 133,740	\$ 150,000
Planning commission	83,167	85,700
Construction board of appeals	1,095	1,100
Zoning board of appeals	7,084	7,300
Total Community & Econ Develop-	\$ 225,086	\$ 244,100

Community and Economic Development includes all in-house City marketing activities as well as contributions to the activities of Lakeshore Advantage and the Zeeland Community Development Corp. The Planning Commission is responsible for future land use planning, zoning, and site-plan reviews. The Construction Board of Appeals convenes to hear appeals from persons seeking relief from building codes and the Zoning Board of Appeals hears requests for zoning ordinance interpretations or variances. An increase of 8.4% is expected over FY 2020 due to general increases of wages and benefits and also contracting with a third party contractor to assist in managing our City's branding and marketing efforts.

General Fund

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Expenditures:		
Recreation & Culture		
Parks	\$ 407,933	\$ 336,000
Community Center	314,610	325,000
Total Recreation & Culture	\$ 722,543	\$ 661,000

The City maintains nine parks and approximately 38 acres of municipal property. This budget includes mowing, trimming, watering, landscaping, playground and picnic equipment, community garden, and building custodial services. Costs are expected to decrease as we intend to complete some capital projects in Fiscal Year 2020.

The Howard Miller Community Center is available to the public for meetings, banquets, and other community related events. It is chiefly supported by property taxes but it does receive some revenue, approximately \$25,000 or approx. 8% of its budget, from room rentals.

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Expenditures:		
Insurance & Other		
Unallocated or other	\$ 192,500	\$ 25,000
Contingencies	0	0
Total Insurance & Contingencies	\$ 192,500	\$ 25,000

Functions that recognize Board, committee, and staff contributions in service to the City are budgeted in Unallocated or Other. These include an annual employee and a biennial (every other year) Board appreciation event. Our projected expenditures are expected to decrease because our Pension is fully funded and additional contributions to fund our unfunded liability are not required in FY 2021. It is not anticipated that a contingency will be needed as part of the FY 2021 budget.

General Fund

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Expenditures:		
Debt Service	\$ 145,806	\$ 143,244
Total Debt Service	\$ 145,806	\$ 143,244

In 2006 the City sold \$2.1 million in Capital Improvement Bonds for acquiring land and constructing the Street Maintenance Facility on Roosevelt Avenue. The debt was refinanced in August of 2015 for a savings of \$117,667. In FY 2020 the principal payment is \$125,000, interest is \$19,906.25, and administrative fees are \$900. In FY 2021, the principal payment is remains at \$125,000 and the interest payment declines to \$17,344. The debt will be fully paid in October of 2025.

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Expenditures		
Transfers to Other Funds	2,100,000	2,100,000
Total Transfers to Other Funds	2,100,000	2,100,000

Transfers from the General Fund to other funds are made to supplement tax revenue, grant funding, user fees and charges, or, in the case of street funds, State Revenue Sharing. In FY 2020, a total of \$2.1 million is budgeted to transfer to other funds. This is broken down into \$1,400,000 is being transferred to the street funds for capital projects, \$550,000 is transferred to the Howard Miller Library for general operating purposes and building improvements, \$150,000 to the Park Improvement Fund for Capital Improvements to Huizenga Park. For FY 2020, \$2.1 million is again projected to be transferred to other funds. As in FY 2020, much of the FY 2021 transfers will be used for capital project within our street funds.

General Fund

Fiscal Year Ending June 30	2020 Budget	2021 Projected
Total Expenditures	8,220,238	8,051,794
Excess of Revenues Over (Under) Expenditures	-196,741	-429,206
Fund Balance - July 1	4,054,348	4,251,089
Fund Balance - June 30	4,251,089	4,680,295

The City's Fund Balance Policy is to maintain a minimum fund balance of the greater of 25% of our General Fund revenue or the sum of tax revenue from our two highest taxpayers. Our maximum fund balance is the calculation of our minimum fund balance, plus \$1 million of emergency infrastructure reserve, plus a 15% operating reserve of expenditures. Based on this criteria our minimum fund balance is \$3.281 million and our maximum fund balance is \$5.513 million. Based on the projections for FY2020 and FY2021, our fund balance should fall nicely within these parameters.