



City of Zeeland Budget Report

General Fund

For Fiscal Years Ending

June 30, 2021

and

June 30, 2022

General Fund

Fiscal Year Ending June 30	2021 Budget	2022 Projected
Revenues:		
Property taxes	\$ 5,240,085	\$ 5,750,000
Licenses and permits	172,500	172,500
State shared revenues	578,378	550,000
Charges for services	47,500	45,000
Fines	27,200	30,000
Special Assessments	0	36,000
Interest earnings - investment	150,000	125,000
Rents	32,000	30,000
Other revenues	56,500	75,000
Operating Transfers In	1,861,980	1,900,000
Total Revenues	\$ 8,130,143	\$ 8,713,500

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 2021 fiscal year is \$8,130,143 and is expected to increase significantly to \$8,713,500 in fiscal year 2022. We are expecting a significant increase as a result of the reinstatement of a one mill tax decrease which was implemented in FY2021 due to COVID-19. This increase can be seen in the in the property tax revenue line.

Following property taxes the City's next greatest source of revenue is State Revenue Sharing. We are expecting to receive \$465,000 in statutory revenue sharing, and we are also budgeting to receive \$83,000 in Economic Incentive Vitality Payments and \$2,000 in liquor license fees. We are expecting slightly less in FY 2022 as a result of the uncertain economy.

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. This revenue line item is increasing because we choose to suspend this special assessment in FY2021 due to COVID-19. Interest income is showing a decrease over prior years due to the falling interest rate environment. 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	2021 Budget	2022 Projected
Expenditures:		
General Government:		
Governing body	\$ 82,569	\$ 85,050
Mayor	14,624	15,065
City Manager	203,910	210,025
Elections	26,539	8,000
Finance & Tax Administration	203,378	209,500
Assessor	162,128	167,000
Attorney	9,345	9,625
Clerk	157,382	162,100
Personnel administration	111,221	63,050
Board of review	2,395	2,500
General services	147,500	150,000
Data processing	181,500	250,000
Cemetery	209,400	215,700
Storm Water Management	37,899	39,050
Tree management	12,559	12,900
Public relations	55,000	55,000
Total General Government	\$ 1,617,349	\$ 1,654,565

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 2.3% is expected from FY 2021 to FY 2022. In Fiscal Year 2022, we are expecting mostly inflationary cost increases, except for the hiring of a new full-time IT director which will be partially funded by these activities within the General Fund.

Expenditures:		
Public Safety:		
Police administration	\$ 563,911	\$ 580,030
Police patrol/TEAM	997,617	1,027,550
Fire - Rescue department	1,026,025	1,056,800
Building & Zoning	251,090	258,625
Total Public Safety	\$ 2,838,643	\$ 2,923,005

The Public Safety function includes police, fire-rescue, and building and zoning activities. Public safety represents 34.9% 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. An increase of 2.97% from FY 2021 to FY 2022 is projected as we are expecting all expenditure increases to be inflationary in nature.

General Fund

Fiscal Year Ending June 30	2021 Budget	2022 Projected
Expenditures:		
Public Works:		
Municipal Parking System	\$ 223,518	\$ 230,225
Municipal Parking - Satellite System	19,874	20,475
Sidewalks & Bikepaths	74,358	126,575
Highways, streets and bridges	35,222	36,275
Street lighting	50,000	50,000
City clean-up	115,677	119,150
MAX Transit Authority	120,000	120,000
Total Public Works	\$ 638,649	\$ 702,700

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. Generally speaking, all expenditure increases are deemed to be inflationary in FY2022, expect for a new initiative for increased bikepath maintenance.

Fiscal Year Ending June 30	2021 Budget	2022 Projected
Expenditures:		
Community & Economic Development		
Economic development	\$ 166,585	\$ 171,585
Planning commission	84,718	87,560
Construction board of appeals	1,095	1,100
Zoning board of appeals	7,085	7,300
Total Community & Econ Development	\$ 259,483	\$ 267,545

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. All expenditure increases in FY2022, are deemed to be inflationary in nature.

General Fund

Fiscal Year Ending June 30	2021 Budget	2022 Projected
Expenditures:		
Recreation & Culture		
Parks	\$ 454,343	\$ 467,975
Community Center	276,491	284,800
Total Recreation & Culture	\$ 730,834	\$ 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. No cost increases are expected in FY2022.

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 \$32,000 or approx. 11% of its budget, from room rentals.

Fiscal Year Ending June 30	2021 Budget	2022 Projected
Expenditures:		
Insurance & Other		
Unallocated or other	\$ 19,500	\$ 25,000
Contingencies	82,000	0
Total Insurance & Contingencies	\$ 101,500	\$ 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. It is not anticipated that a contingency will be needed as part of the FY 2022 budget, and costs increases are expected only to be inflationary in nature.

General Fund

Fiscal Year Ending June 30	2021 Budget	2022 Projected
Expenditures:		
Debt Service	\$ 143,244	\$ 142,344
Total Debt Service	\$ 143,244	\$ 142,344

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 2022 the principal payment is \$125,000, interest is \$16,444, and administrative fees are \$900. The debt will be fully paid in October of 2025.

Fiscal Year Ending June 30	2021 Budget	2022 Projected
Expenditures		
Transfers to Other Funds	1,800,000	2,100,000
Total Transfers to Other Funds	1,800,000	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 2021, a total of \$ million is budgeted to transfer to other funds. This is broken down into \$1,100,000 is being transferred to the street funds for capital projects, \$500,000 is transferred to the Howard Miller Library for general operating purposes and building improvements, \$200,000 to the Park Improvement Fund for Capital Improvements to Huizenga Park. For FY 2022, \$2.1 million is projected to be transferred to other funds. As in FY 2021, much of the FY 2022 transfers will be used for capital project within our street funds.

General Fund

Fiscal Year Ending June 30	2021 Budget	2022 Projected
Total Expenditures	8,129,703	8,476,159
Excess of Revenues Over (Under) Expenditures	-441	-237,341
Fund Balance - July 1	4,528,200	4,528,641
Fund Balance - June 30	4,528,641	4,765,982

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 FY2021 and FY2022, our fund balance should fall nicely within these parameters.