



# City of Zeeland Budget Report

## **General Fund**

For Fiscal Years Ending

June 30, 2024

and

June 30, 2025

# General Fund

<b>Fiscal Year Ending June 30</b>	<b>2024 Budget</b>	<b>2025 Projected</b>
<b>Revenues:</b>		
Property taxes	\$ 6,066,826	\$ 6,248,831
Licenses and permits	240,500	240,500
State shared revenues	693,548	714,354
Charges for services	38,000	38,000
Fines	25,200	25,200
Special Assessments	40,558	0
Interest earnings - investment	75,000	75,000
Rents	35,000	35,000
Other revenues	52,500	52,500
Operating Transfers In	2,035,144	2,096,198
<b>Total Revenues</b>	<b>\$ 9,302,276</b>	<b>\$ 9,525,583</b>

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 2024 fiscal year is \$9,302,276 and is expected to increase to \$9,525,583 in fiscal year 2025. We are expecting property tax revenues to increase by a modest 3% in Fiscal Year 2025.

Following property taxes the City's next greatest source of revenue is State Revenue Sharing. We are expecting to receive \$600,000 in statutory revenue sharing, and we are also budgeting to receive \$89,148 in Economic Incentive Vitality Payments and \$2,900 in liquor license fees in Fiscal Year 2024. We are expecting slightly more in FY 2025 than FY 2024.

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, FY 2022, and FY 2023 due to COVID-19. FY2024 concludes the 5 year special assessment and there is no plan to renew it. Interest income is projected to remain static between the years. 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	2024 Budget	2025 Projected
<b>Expenditures:</b>		
General Government:		
Governing body	\$ 69,883	\$ 71,979
Mayor	17,500	18,025
City Manager	226,921	233,729
Elections	17,156	17,671
Finance & Tax Administration	230,252	237,160
Assessor	202,270	208,338
Attorney	11,683	12,033
Clerk	165,380	170,341
Personnel administration	92,291	95,060
Board of review	3,485	3,590
General services	152,500	152,500
Data processing	334,768	334,768
Public relations	60,000	60,000
<b>Total General Government</b>	<b>\$ 1,584,089</b>	<b>\$ 1,615,194</b>

The General Government function supports 13 activities in the administration of the City and represents 16.3% of the General Fund Budget. These activities are funded by property taxes and charges for services. An increase of 1.96% is expected from FY 2024 to FY 2025. In Fiscal Year 2025, we are expecting mostly inflationary cost increases.

<b>Expenditures:</b>		
Public Safety:		
Police administration	\$ 713,556	\$ 734,963
Police patrol/TEAM	1,134,584	1,168,622
Fire - Rescue department	1,295,182	1,334,037
Building & Zoning	344,819	355,164
<b>Total Public Safety</b>	<b>\$ 3,488,141</b>	<b>\$ 3,592,786</b>

The Public Safety function includes police, fire-rescue, and building and zoning activities. Public safety represents 36% 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 3% from FY 2024 to FY 2025 is projected as we are expecting all expenditure increases to be inflationary in nature.

# General Fund

<b>Fiscal Year Ending June 30</b>	<b>2024 Budget</b>	<b>2025 Projected</b>
<b>Expenditures:</b>		
Public Works:		
Municipal parking system	\$ 193,965	\$ 199,784
Municipal parking - Satellite system	36,844	37,949
Sidewalks & Bikepaths	113,038	116,429
Storm water management	38,860	40,026
Highways, streets and bridges	34,363	35,394
Street lighting	50,000	51,500
Tree management	13,999	14,419
City clean-up	135,144	139,198
Cemetery	334,310	344,339
MAX Transit Authority	75,000	75,000
<b>Total Public Works</b>	<b>\$ 1,025,523</b>	<b>\$ 1,054,038</b>

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 FY2025, with a slight decrease due to the elimination of a fixed bus route within the city.

<b>Fiscal Year Ending June 30</b>	<b>2024 Budget</b>	<b>2025 Projected</b>
<b>Expenditures:</b>		
Community & Economic Development		
Economic development	\$ 182,476	\$ 187,950
Planning commission	102,111	105,174
Construction board of appeals	1,085	1,118
Zoning board of appeals	9,455	9,739
<b>Total Community &amp; Econ Development</b>	<b>\$ 295,127</b>	<b>\$ 303,981</b>

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 FY2025, are deemed to be inflationary in nature.

# General Fund

<b>Fiscal Year Ending June 30</b>	<b>2024 Budget</b>	<b>2025 Projected</b>
<b>Expenditures:</b>		
Recreation & Culture		
Parks	\$ 505,094	\$ 520,247
Community Center	315,175	324,630
<b>Total Recreation &amp; Culture</b>	<b>\$ 820,269</b>	<b>\$ 844,877</b>

The City maintains nine parks and approximately 38 acres of municipal property. This budget includes mowing, trimming, watering, landscaping, playground and picnic equipment, and building custodial services. Inflationary costs increases are expected in FY2025.

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.

<b>Fiscal Year Ending June 30</b>	<b>2024 Budget</b>	<b>2025 Projected</b>
<b>Expenditures:</b>		
Insurance & Other		
Unallocated or other	\$ 23,500	\$ 24,205
Contingencies	0	0
<b>Total Insurance &amp; Contingencies</b>	<b>\$ 23,500</b>	<b>\$ 24,205</b>

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 board appreciation. It is not anticipated that a contingency will be needed as part of the FY 2024 budget, and costs increases are expected only to be inflationary in nature.

# General Fund

<b>Fiscal Year Ending June 30</b>	<b>2024 Budget</b>	<b>2025 Projected</b>
<b>Expenditures:</b>		
Debt Service	\$ 138,625	\$ 145,250
<b>Total Debt Service</b>	<b>\$ 138,625</b>	<b>\$ 145,250</b>

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 2025 the principal payment is \$140,000 and interest is \$5,250. The debt will be fully paid in October of 2025.

<b>Fiscal Year Ending June 30</b>	<b>2024 Budget</b>	<b>2025 Projected</b>
<b>Expenditures</b>		
<b>Transfers to Other Funds</b>	\$ 2,320,000	\$ 1,900,000
<b>Total Transfers to Other Funds</b>	<b>\$ 2,320,000</b>	<b>\$ 1,900,000</b>

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 2024 a total of \$2.32 million is budgeted to transfer to other funds. This is broken down into \$1,920,000 is being transferred to the street and snowmelt funds for capital projects and \$400,000 is transferred to the Howard Miller Library for general operating purposes. For FY 2025, \$1.9 million is projected to be transferred to other funds. As in FY 2024, much of the FY 2025 transfers will be used for capital project within our capital improvement funds.

# General Fund

<b>Fiscal Year Ending June 30</b>	<b>2024 Budget</b>	<b>2025 Projected</b>
<b>Total Expenditures</b>	<b>9,695,273</b>	<b>9,480,331</b>
Excess of Revenues Over (Under) Expenditures	(392,997)	45,252
<b>Fund Balance - July 1</b>	<b>5,038,447</b>	<b>4,645,450</b>
<b>Fund Balance - June 30</b>	<b>4,645,450</b>	<b>4,690,702</b>

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 \$3.435 million and our maximum fund balance is \$5.849 million. Based on the projections for FY2024 and FY2025, our fund balance should fall nicely within these parameters.