



**CITY OF ZEELAND**  
**City Council Work-Study Session**  
**Agenda**

**City Hall – Council Chambers, 2<sup>nd</sup> Floor, 21 South Elm**  
**December 1, 2025, 5:30 p.m.**

**DISCUSSION ITEMS:**

1. Financial Sustainability Report

*\*Please note that City Council will end the work/study session at 6:10 p.m. to attend the Downtown Christmas Lighting Ceremony and Christmas Parade*

**UPCOMING BUSINESS:**

**OLD BUSINESS:**

Vacancies on Boards/Commissions:  
Board of Construction Appeals (1)  
Nominating Commission (5)

**ANNOUNCEMENTS:**



**CITY OF ZEELAND  
City Council Regular Meeting  
Agenda**

**City Hall – Council Chambers, 2<sup>nd</sup> Floor, 21 South Elm  
December 1, 2025, 7:00 p.m.**

**CALL TO ORDER:**

- Invocation – Councilman Jim Broersma
- Pledge of Allegiance to the Flag
- Oaths of Office – Mayor and Newly Elected City Councilmembers
- Excuse absent members (by motion and reason)
- Approve additions/deletions to the Agenda
- Consent Agenda (page 2)
- Public Comment/Visitors
  - Jacob Bonnema, County Commissioner & Patrick Waterman, County Administrator
- Communications
- City Manager's Report

**ACTION ITEMS:**

1. City Council Rules of Order
2. City Council Rules of Procedure
3. Ordinance 1044, Electric Rate Revisions
4. Ordinance 1045, Water Rate Revisions
5. Interim Fire/Rescue Chief Appointment
6. Fire/Rescue Search Committee Appointment
7. Church Street Project Scope Confirmation and Total Project Budget Approval
8. Dental Insurance 2026
9. Elect Mayor Pro-Tem
10. Appointment of Tax Incentive Committee
11. Appointment of Personnel Committee
12. Appointment of Pension Committee
13. Appointment of City Council Rep. to Planning Commission
14. Appointment of City Council Rep. to Shopping Area Redevelopment Board

**REPORTS FROM CITY COUNCIL MEMBERS**

**ANNOUNCEMENTS**

## **CONSENT AGENDA**

All items listed on the consent agenda are considered to be routine and will be enacted by one motion with a roll call vote. There will be no separate discussion of these items unless a council member, a member of the administrative staff or a citizen so requests, in which event the item will be removed from the consent agenda and considered separately in its normal sequence on the regular agenda.

1. Approve minutes of the Regular City Council meeting of November 17, 2025,
2. Approve minutes of the City Council Work Study meeting of November 17, 2025,
3. Receive for information draft minutes of the Personnel Committee meeting on November 25, 2025.

Council Meeting  
Common Council  
November 17, 2025

The regular meeting of the Common Council was held at 21 S. Elm Street, Zeeland, MI 49464 on Monday, November 3, 2025 Mayor Pro-Tem Sally Gruppen called the meeting to order at 7:00 P.M.

PRESENT: Council Members – Mayor Pro-Tem Gruppen, Broersma, Kass, Timmer, VanDorp and Lam

ABSENT: Mayor Klynstra

Staff Present: City Attorney Donkersloot, City Manager Tim Klunder, Asst City Manager/Finance Director Kevin Plockmeyer, Community Development Director Tim Maday, City Marketing Director Abby deRoo, Fire Chief Ross Tibbets, IT Director Tim Maloney, City BPW General Manager Andy Boatright, City Clerk Kristi DeVerney and Interim Deputy City Clerk Sharon Lash

The Invocation was offered by City Attorney Jim Donkersloot

The Pledge Allegiance to the Flag

It was moved by VanDorp supported by Broersma, to excuse Mayor Klynstra for personal reasons.

It was moved by Broersma, supported by Kass, to add an Engagement Letter with Miller Canfield to the action items.

### **Consent Agenda**

1. Approve minutes of the Regular City Council meeting of November 3, 2025,
2. Approve minutes of the City Council Work Study meeting of November 3, 2025,
3. Receive for information draft minutes of the November 11, 2025 BPW Board of Commissioners meeting,
4. Ratify BPW Action#25.054, Approve Cash Disbursements and Regular Monthly Transfers
5. Ratify BPW Action #25.057, Approve Request to Commit PFAS Settlement Funds,
6. Ratify BPW Action #25.058, Approve Church Street Reconstruction Project,
7. Ratify BPW Action #25.059, Approve Carlton Pump Station 3rd Pump Addition Professional Services.

## Public Comment/Visitors

Chet Seay of 8275 Adams St, read statistics on drunk driving and opposes the Sunday Alcohol sales.

## Communications

None

## City Managers Report

*November Election- Congratulations to City Clerk Kristi DeVerney, Interim Deputy City Clerk Sharon Lash, and the entire elections team as the Ottawa County Board of Canvassers certified the results of the November 2025 general election with every precinct balanced with no re-tabulations! These types of results drive further confidence in our election integrity.*

BPW Integrated Resource Plan Stakeholder Group --

The Board of Public Work's first stakeholder group meeting on the Integrated Resource Plan will be held on Tuesday, November 18 @ 4 p.m. at the Howard Miller Community Center. The BPW welcomes City Councilmember participation.

*Financial Sustainability Study* – A reminder that the Financial Sustainability Study will be shared at the December 1, 2025 work/study session. We will start that session at 5:30 p.m. to allow time to break for the Christmas Tree Lighting Ceremony and Magical Christmas Parade at 6:15 p.m. City Council will then reconvene as close to 7 p.m. as possible at which time early in the regular meeting session a “transition” will occur from the existing City Council to the new City Council

## Special Tribute

Mayor Pro-Tem Gruppen presented Councilman Broersma and Councilman Kass with Special Tributes, on behalf of Mayor Klynstra, Mayor Pro-Tem Gruppen and City Councilmembers, recognizing their many years of service to the City of Zeeland.

## Action Items

25.168 Ordinance 1044 2026 Electric Rate Revision 1<sup>st</sup> Reading

Motion was made by Councilmember Broersma and Supported by VanDorp to Approve the 2026 Electric Rate Revision 1<sup>st</sup> reading.

Ayes: Mayor Pro-Tem Gruppen, Kass, Timmer, VanDorp, Lam, Broersma

No Vote: None

Absent: Mayor Klynstra

**25.169        Ordinance 1045  2026 Water Rate Revision 1<sup>st</sup> Reading**

Motion was made by Councilmember VanDorp and Supported by Broersma to approve 2026 Water Rate Revision 1<sup>st</sup> reading.

Ayes: Kass, Timmer, VanDorp, Lam, Broersma, Mayor Pro-Tem Gruppen

No Vote: None

Absent: Mayor Klynstra

**25.170 MPPA Commercial & Industrial Demand Response Resolution and Participation Agreement**

Motion was made by Councilmember Kass and Supported by Broersma to approve the resolution authorizing participation in the MPPA Commercial & Industrial Demand Response Project and authorize the BPW General Manager to execute the Master Participation Agreement with MPPA.

Ayes: Timmer, VanDorp, Lam, Broersma, Kass, Mayor Pro-Tem Gruppen

No Votes: None

Absent: Mayor Klynstra

**25.171        Ordinance 1046 Rezoning Portion of 500 N. Centennial**

Motion was made by Councilmember Timmer and Supported by Broersma to adopt City Ordinance 1046 to rezone an approximately .48 acre portion of the property at 500 N Centennial (PIN 70-17-18-100-016) to I-2 – General Industrial District.

Ayes: VanDorp, Lam, Broersma, Kass, Timmer, Mayor Pro-Tem Gruppen

No Votes: None

Absent: Mayor Klynstra

## 25.172 Ordinance 1042 Sunday Alcohol Sales

Motion was made by Councilmember Lam and Supported by VanDorp to recommend final approval of Ordinance 1042 to permit Sunday alcohol sales between 12:00 p.m. and 2:00 a.m.

Ayes: Lam, Broersma, Kass, Timmer, VanDorp

No Vote: Mayor Pro-Tem Gruppen

Absent: Mayor Klynstra

25.173 Ordinance 1043 Parks Ordinance Amendment

Motion was made by Councilmember Broersma and Supported by Timmer to allow alcohol consumption in city parks located within the Social District, provided such activity complies with all Social District rules and regulations.

Ayes: Broersma, Kass, Timmer, VanDorp, Lam, Mayor Pro-Tem Gruppen

No Votes: None

Absent: Mayor Klynstra

25.174 Social District Management Plan Amendments

Motion was made by Councilmember VanDorp and Supported by Broersma of the updated Social District Maintenance and Management Plan dated October 2025, as presented.

Ayes: Kass, Timmer, VanDorp, Lam, Broersma, Mayor Pro-Tem Gruppen

No Votes: None

Absent: Mayor Klynstra

#### 25.175 Huntington Bank Parking License Agreement Amendments

Motion was made by Councilmember Timmer and Supported by VanDorp to approve the proposed amendments to the Huntington Bank Parking Lease Agreement, pending review by the City Attorney.

Ayes: Kass, Timmer, VanDorp, Lam, Broersma, Mayor Pro-Tem Gruppen

No Votes: None

Absent: Mayor Klynstra

**25.176 Main Avenue Cameras Bid Award**

Motion was made by Councilmember Kass and Supported by Broersma to approve the award of the Downtown Camera Installation Project to Town & Country Group of Zeeland, Michigan, in the amount of \$18,737.00 and set a project amount for \$21,000.00 to provide contingency, as recommended by the IT Director.

Ayes: Timmer, VanDorp, Lam, Broersma, Kass, Mayor Pro-Tem Gruppen

No Votes: None

Absent: Mayor Klynstra

**25.177 Driveway Repair Contract 245 Taft Street**

Motion was made by Councilmember Lam and Supported by Timmer to approve the Settlement and Release Agreement between the City of Zeeland and Kurtis and Lady Koning, authorize the City Manager to execute the agreement, and issue payment in the amount of \$10,040 upon completion of the work.

Ayes: VanDorp, Lam, Broersma, Kass, Timmer, Mayor Pro-Tem Gruppen

No Votes: None

Absent: Mayor Klynstra

**25.178 Articulated Tractor Bid Award**

Motion was made by Councilmember Broersma and Supported by VanDorp to award a contract to MacQueen Equipment for the purchase of a Trackless MT7 in the amount of \$188,840, a hydraulic driven flail axe mower in the amount of \$18,755 and accept a \$20,000 trade-in for the used MT6 unit for a total purchase price of \$187,595.

Ayes: Lam, Broersma, Kass, Timmer, VanDorp, Mayor Pro-Tem Gruppen

No Votes: None

Absent: Mayor Klynstra

**25.179        Macatawa Bank Authorizing Resolution**

Motion was made by Councilmember VanDorp and Supported by Broersma to approve the banking resolution from Macatawa Bank to update the signers as outlined.

Mayor-Richard VanDorp, Clerk – Kristi DeVerney, City Manager – Timonthy Klunder and Finance Director – Kevin Plockmeyer.

Ayes:        Broersma, Kass, Timmer, VanDorp, Lam, Mayor Pro-Tem Gruppen

No Votes: None

Absent:       Mayor Klynstra

**25.180        Engagement Letter With Miller Canfield**

Motion was made by Councilmember Kass and Supported by Timmer to approve an Engagement Letter with Miller Canfield.

Ayes:        Kass, Timmer, VanDorp, Lam, Broersma, Mayor Pro-Tem Gruppen

No Votes: None

Absent:       Mayor Klynstra

There being no further business, motion was made by Councilmember Kass and Supported by Broersma to adjourn the meeting. Motion carried by all voting aue. Time called at 7:47 P.M.

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Mayor Pro-Tem Sally Gruppen

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Sharon Lash, Interim Deputy City Clerk

MEMORANDUM OF STUDY SESSION  
Zeeland City Hall Council Chambers  
Monday, November 17, 2025  
5:30 P.M.

PRESENT: Council Members – Mayor Pro-Tem Gruppen, Broersma, Kass, Timmer, VanDorp and Lam

ABSENT: Mayor Klynstra

Staff Present: City Attorney Donkersloot, City Manager Tim Klunder, Asst City Manager/Finance Director Kevin Plockmeyer, Community Development Director Tim Maday, City Marketing Director Abby deRoo, Fire Chief Ross Tibbets, IT Director Tim Maloney, BPW General Manager Andy Boatright, City Clerk Kristi DeVerney and Interim Deputy City Clerk Sharon Lash

Mayor Pro-Tem Sally Gruppen called the Study Session to order at 5:30 P.M.

**Ordinance 1044, 2026 Electric Rate Revision 1<sup>st</sup> reading**

BPW General Manager Andrew Boatright presented for City Council's consideration materials summarizing the 2025 - 2028 Electric Rate Design and the associated Ordinance to implement updated electric rates effective January 1, 2026.

The Electric Rate Design presentation, prepared by Utility Financial Solutions, LLC, outlines a planned 1.5% annual system rate adjustment for January 1 of 2026, 2027, and 2028. The design also includes a \$0.015 Power Cost Adjustment (PCA) true-up, establishing a new PCA base rate of \$0.060 to align with increased power supply costs. These updates are part of Zeeland BPW's continued efforts to ensure cost-based, financially stable, and transparent electric rates consistent with long-term system reliability and operational sustainability.

The accompanying proposed Ordinance No. 1044 updates the City Code to reflect the new electric rate schedules, ensuring consistency with Zeeland BPW's approved rate design and cost-of-service principles. At their November 11, 2025 regular meeting the Zeeland BPW Board of Commissioners approved recommending this action item for City Council to approve the first reading on November 17 and the second reading on December 1, 2025.

**Ordinance 1045 2026 Water Rate Revision 1<sup>st</sup> reading**

BPW General Manager Andrew Boatright presented for City Council's consideration materials outlining the 2026 Water Rate Design and the corresponding Ordinance to implement the updated water utility rates effective January 1, 2026. The 2026 Water Rate Design, prepared by Utility Financial Solutions, LLC, recommends an overall 4.9% revenue increase to maintain adequate reserves, recover inflationary and debt-related costs, and ensure continued reinvestment in water utility infrastructure. This adjustment aligns with the multi-year cost-of-

service plan initiated in 2025 to sustain the long-term financial stability of the water utility. The accompanying Ordinance No. 1045 formally updates Section 40-121 of the Zeeland City Code to reflect the revised water rate schedule, including readiness-to-serve and commodity charges. These rates continue to be cost-based, equitable, and consistent for water utility customers served by the Zeeland BPW. At their November 11, 2025 regular meeting the Zeeland BPW Board of Commissioners recommended City Council approval of a first reading on November 17 and the second reading on December 1, 2025.

### **MPPA Commercial & Industrial Demand Response Resolution and Participation Agreement**

BPW General Manager Andrew Boatright presented for City Council's consideration materials related to Zeeland BPW's participation in the Michigan Public Power Agency (MPPA) Commercial & Industrial Demand Response Project, developed in partnership with Voltus, a third-party demand response implementer. The program enables Zeeland BPW's Commercial and Industrial (C&I) customers to voluntarily reduce electric demand during grid emergency events in exchange for compensation.

Participation in the program will provide Zeeland BPW with a no-cost, no- or low-risk opportunity to enhance system reliability, support sustainability goals, and strengthen the local economy by keeping performance payments within the community. The program also positions the Zeeland BPW competitively among other utilities offering similar customer options.

Presented materials included:

- C&I Demand Response Talking Points: Program overview, benefits, and structure.
- Resolution approving C&I Program: Authorizes participation and execution of agreements.
- Master Participation Agreement: Formalizes Zeeland BPW's participation in the MPPA program.

At their November 11, 2025 regular meeting the Zeeland BPW Board of Commissioners approved recommending this action item for City Council consideration and adoption.

### **Fire Apparatus Replacement**

Fire Chief Ross Tibbets stated the 1997 Spartan/Salsbury Heavy Rescue (Unit 1931) has surpassed the NFPA recommended service life of 25 years and is due for replacement. The 1997 Spartan/Salsbury was due for replacement before the recently replaced 1998 Pierce Saber (1922). In an effort to not purchase two large apparatus in the same fiscal year, the decision was made to replace 1922 first. When our recent new pumper (1922) arrived, we decided to keep the pumper that 1922 is replacing. This decision was for multiple reasons to include, but not limited to:

- A back up/spare pumper if one is down for service or maintenance
- Provides a pumper for paid-on-call members at station # 1 while the daytime crew is working
- Provides an increase in our total fire rescue department pumping capacity (6,500 GPM)

- Improve Insurance Services Office (ISO) rating

The ever-rising costs of fire apparatus has forced us to analyze our resource deployment model as well as evaluate our fleet from a practical and financial standpoint. From a resource deployment perspective, 1931 contains our onboard cascade air system to fill our Self-Contained Breathing Apparatus (SCBA) at a fire type incident. It also carries a larger supply of firefighting foam and additional rescue equipment. When looking at our fleet, we have 1931, a stand-alone rescue (no pump or water) that is due for replacement and a 1998 pumper that we are keeping for the reasons listed above. When evaluating our fleet practically, it would make sense that we would replace 1931 with an apparatus that has a pump and water.

The purchase of a new rescue–pumper will:

- Replace two aging vehicles with one versatile, multi-function apparatus.
- Reduce downtime and maintenance costs associated with aging units.
- Enhance firefighter safety through updated safety systems, improved ergonomics, and modern technology.
- Increase operational versatility, supporting both rescue and suppression incidents.
- Save taxpayer dollars by selecting a stock configuration
- Ensure compliance with current NFPA and EPA standards.

When evaluating from a financial perspective we are proposing a stock rescue pumper. A stock rescue pumper is a pre-engineered unit (“cookie cutter”), with limited items that can be changed. This approach provides substantial savings in both cost and build time compared to commissioning a fully custom-built vehicle. We are fortunate that we were able to find a stock rescue pumper that we believe will meet our needs. The department has received a proposal in the amount of \$1,058,000 for a stock rescue–pumper.

For comparison:

Apparatus Type	Estimated Cost	Operational Capabilities	Fleet Impact	Estimated Delivery
Custom Heavy Rescue	\$1,150,000 \$1,250,000	Rescue operations only (no pump or water)	Would still require maintaining a separate engine	2-3 yrs
Stock Rescue Pumper (Proposed)	\$1,058,806	Combined rescue and fire suppression functions	Replaces both 1997 & Rescue 1998 Fire Engine	1 yr

By selecting a stock rescue–pumper, the City will save an estimated \$100,000–\$200,000 compared to a custom build while significantly reducing build and delivery time. The new apparatus will have a service life of 20–25 years, ensuring long-term operational reliability and

cost efficiency. This option aligns with the department's apparatus replacement plan and demonstrates fiscal responsibility while maintaining operational readiness.

The Fire Rescue Department recommends purchasing the new apparatus through Sourcewell, a nationally recognized cooperative purchasing program that provides pre-bid, competitively awarded contracts compliant with state and local procurement laws. Using Sourcewell will:

- Ensure competitive pricing through nationally bid and vetted contracts.
- Accelerate the purchasing timeline, allowing faster delivery.
- Reduce administrative costs by eliminating the need for a local bid process

Replacing the outdated 1997 Heavy Rescue and 1998 Fire Engine with a modern, stock rescue-pumper through the Sourcewell cooperative purchasing program represents a fiscally responsible and operationally efficient solution. This purchase will

- provide a reliable, multi-functional apparatus to meet the community's needs
- reduce maintenance and operating costs,
- expedite delivery and operational readiness • demonstrate sound stewardship of public funds

This strategic "two-for-one" replacement will ensure Zeeland Fire Rescue remains well-equipped to provide safe, effective, and efficient emergency response for decades to come.

ACM Plockmeyer ran an updated model in the Motor Pool fund with the \$1.05 Million request for the Spartan Rescue Truck Replacement. This replacement is approximately \$300,000 more than we had anticipated in our last budget scenario. Assuming we do not make any changes to the funding model, this additional cost does change the cash flow scenario in the Motor Pool Fund. The model shows a cash balance of \$512,000 and a funding ratio of 5.32% in FY2029 (the year we are planning to replace the ladder truck). Our cash balances increase to policy percentage in 2034 (33.92% and a cash balance of \$3.74 Million), but only for a year as we will likely look to replace the 2010 Pierce in 2035, but after we make this purchase the fund will recover quite quickly and should be well overfunded by 2039 (47.26% and a cash balance of \$6.5 Million). Long story short, staff feels comfortable with our current funding model and do not see the need to make drastic changes to accommodate this purchase.

ACM Plockmeyer would recommend the payment on delivery option because we can make nearly as much money in interest as the discount provided. Additionally, we like to hold onto the cash for the purposes of closely mirroring our model.

#### **Ordinance 1046 Rezoning of a portion of 500 N Centennial St.**

Community Development Director Tim Maday stated that in 1999, ODL Incorporated entered into a 25-year lease agreement with Gentex Corporation to allow Gentex to construct a portion of the parking lot for their corporate headquarters property at 600 N Centennial on a portion of ODL's adjacent 500 N Centennial Street property. With the expiration of the lease in 2025, the

property owners are preparing to transfer the portion of parking lot that is on the 500 N Centennial parcel to become a part of the Gentex parcel at 600 N Centennial Street.

The parcel at 500 N Centennial Street is zoned I-1 – Light Industrial District. The parcel at 600 N Centennial is zoned I-2 – General Industrial District. While the parcels resulting from the proposed transfer both comply with the requirements of their respective districts, before the transfer and property boundary adjustment can occur, the portion proposed to be transferred must be rezoned to the I-2 General Industrial District.

On October 2, the Planning Commission held a public hearing and initially approved the rezoning request. At its November 6 meeting, the Commission took its final action by adopting a resolution recommending that City Council rezone the requested portion of the parcel.

At the November 17th City Council meeting, proposed ordinance #1046 will come before Council for consideration and action. Staff believes that it is appropriate to approve the rezoning request to facilitate the boundary change.

### **Ordinance 1042 Sunday Alcohol 2<sup>nd</sup> reading**

City Marketing Director Abby deRoo states that City Council and staff have engaged in rich and thoughtful dialogue regarding the proposed amendments to the Alcohol Ordinance and Parks Ordinance. Following this period of discussion and community input, we have now reached the stage for second reading and final approval.

This amendment would allow on-premise and off-premise license holders to sell or serve alcohol on Sundays from 12:00 p.m. to 2:00 a.m. Monday, aligning with state law and regional norms. The social district would not be available on Sundays.

### **Ordinance 1043 Social District in City Parks**

City Marketing Director Abby deRoo states that this amendment formalizes existing Social District practices in the Elm Street Park and Vande Luyster Square by clarifying that alcohol consumption is permitted in these designated areas under all standard Social District rules. The Downtown Splash Pad will be excluded from the Social District.

### **Social District Management Plan**

City Marketing Director Abby deRoo stated that as part of the broader review of potential amendments to Zeeland's alcohol ordinance, staff evaluated the Social District Maintenance and Management Plan and identified several minor updates to improve clarity and align the Plan with current practices. A draft of these revisions was presented to the City Council for initial review on November 3. Staff is now seeking formal approval of the updated Plan. Materials presented for reference:

- The proposed draft of the Social District Maintenance and Management Plan, dated October 2025
- The existing plan, dated July 18, 2022
- Side-by-side views of the existing and proposed maps

Key provisions in the 2025 draft include:

- Social District use is not permitted on Sundays
- Social District use is prohibited within the Splash Pad area
- All other public property within the District—excluding the Splash Pad—may be used Monday through Saturday, 8:00 a.m. to 11:00 p.m.
- Removal of designations for special-event-only areas

These revisions support clear, consistent administration of the Social District and reinforce its safe and successful operation. Formal Council approval will ensure transparency and provide clear guidance for both staff and Social District permit holders moving forward.

### **Huntington Bank Parking License Agreement Amendments**

Since the approval of the original parking license agreement, with Huntington Bank, in spring of 2024, staff has continued discussions regarding opportunities to expand and improve shared parking availability downtown. Huntington has expressed willingness to increase the number of long-term public parking spaces available to the City, as well as collaborate on operational adjustments that reflect actual shared use of the lot.

Proposed lease amendments include:

**1. Increase in Number of Leased Spaces**

The total number of leased parking spaces will increase from 40 to 60. These additional 20 spaces will further expand the public parking supply in the center of downtown and directly support the City's Strategic Action Plan goals related to parking, redevelopment, and downtown vitality. The additional 20 spaces are critical as downtown development activity increases, particularly with new restaurants and redevelopment projects. With the increase in total spaces, the annual lease fee will increase from \$8,000 to \$12,000. This is consistent with the original \$200 per space per year rate, established in the 2024 lease.

**2. Snow Removal Responsibilities**

Huntington shared that snow hauling last year resulted in a new and significant expense for them. Prior to entering the lease with the City, they did not typically use their full lot and therefore had adequate on-site snow storage without the need for hauling.

In recognition of this, the City proposes to take responsibility for hauling away collected snow piles from the Huntington lot at no charge, consistent with the service we already provide in other shared lots. Given that snow hauling can be handled in-house by City Street staff, this makes for a practical and cost-effective service offering. Huntington will continue to perform

routine plowing, and the City will manage snow parking rotation procedures via signage and printed communications mailed to downtown tenants.

These amendments ensure the arrangement is fair and equitable and demonstrate the City's commitment to being a dependable and collaborative partner.

For reference, under the original March 2024 lease (effective May 1, 2024), the following terms apply:

- The initial term is 36 months, beginning May 1, 2024 and concluding April 30, 2027.
- The City may elect to renew the license for up to two (2) additional two-year periods.
- A 3% fee increase applies to each renewal term.

### **Main Avenue Cameras Bid Award**

IT Director Tim Maloney stated the City of Zeeland issued a request for Proposals (RFP) seeking qualified vendors to install security cameras along the Main Avenue corridor. The purpose of the project is to assist with maintaining the streets, parking enforcement, and public safety.

Four vendors submitted a total of five proposals. These proposals were evaluated based on coverage, equipment quality, project cost, and infrastructure reliability.

After evaluation of all proposals, Town & Country Group is recommended for award. Their solution offers the best downtown coverage for the cost, placing four cameras on four separate poles, providing dependable monitoring of three full city blocks. Their design includes redundant armored fiber, high-end Axis dual-sensor cameras, and long-term infrastructure warranties.

#### **Proposal:**

Town & Country's proposal is the strongest overall for the following reasons:

- Best video coverage per dollar spent Their four dual-lens cameras deliver eight total views across four poles, providing visibility of three city blocks.
- Future-proof infrastructure The installation includes a 6-strand armored single-mode fiber run, with redundant strands for expansion.
- High-quality, reliable hardware Uses Axis P4708-PLVE dual-lens cameras—known for excellent low-light performance and durability. Includes a 5-year Axis hardware warranty and 20-year fiber warranty.
- Local, reputable contractor Town & Country has completed large-scale camera deployments for Davenport University, Godfrey-Lee Public Schools, and Holland Hospital.

Their proposal delivers a wide-area, modern surveillance network that strengthens downtown safety while staying within the City's budget priorities.

## Final Summary

Description	Amount
Base Proposal	\$18,737.00
Optional Deduction (Remove Qognify Licensing)	- 1,270.00
Adjusted Total (if license excluded)	\$17,467.00

Qognify Licenses are required and funds are available under the FY25 IT Capital Improvement budget.

## Driveway Repair Contract – 245 Taft Street

ACM of City Services/Infrastructure and Finance Kevin Plockmeyer stated that during the City's recent street construction project on Taft Street, a significant change in grade occurred on the driveway located at 245 Taft Street. This change in elevation affected the transition between the sidewalk and the driveway, creating an uneven slope that created an inconvenience to the property owners.

In response, the City communicated with the property owners to identify a reasonable and fair resolution. The City proposed three options:

1. No action;
2. A City-performed adjustment to regrade the driveway and front lawn; or
3. A payment to allow the property owners to reconstruct the driveway independently.

After discussion, the property owners elected to complete their own driveway reconstruction and regrading. To facilitate this, the City has prepared a Settlement and Release Agreement that provides for a payment of \$10,040 to the property owners.

- Upon payment, the property owners release the City, its employees, agents, and contractors from any and all current or future claims arising from the Taft Street project and the resulting changes to their driveway or lawn.
- The agreement ensures a full and final resolution to this matter and avoids any potential for future disputes or liability claims.

The Settlement and Release Agreement has been reviewed and approved as to form by the City Attorney.

## Articulated Tractor Bid Award

ACM of City Services/Infrastructure and Finance Kevin Plockmeyer stated the Fiscal Year 2026 budget included the replacement of a municipal articulated tractor. An articulated tractor is the machine responsible for the plowing of the city's sidewalks in the winter, mowing of right-of-way in the summer, and a variety of other tasks throughout the year. To facilitate this

replacement, we solicited bids for its replacement on October 14. Included in the bid were also options for the purchase of a flail axe mower and the trade in for the 2016 MT6 this unit is replacing. Bids were received from MacQueen Equipment for a Trackless MT7 and from Brown Equipment Company for three Multihog options: the CX75, a new MXC130, and a used MXC130 package.

Trackless MT7 Proposal - The Trackless MT7 proposal includes the following pricing:

Municipal Articulated Tractor (MT7)	\$188,840.00
Flail Axe Mower	\$ 18,755.00
Less Trade-In (2016 MT6)	(\$20,000.00)
Total Purchase Price	\$187,595.00

Staff also had the opportunity to test the Trackless MT7. The equipment demonstrated excellent performance, operator comfort, and compatibility with existing attachments. Staff was highly satisfied with its operation and capabilities.

#### Comparison to Multihog Bids

Multihog CX75 - The CX75 is the smallest of the Multihog options with the following pricing:

Municipal Articulated Tractor (CX75)	\$165,000.00
Flail Axe Mower	\$ 29,995.00
Less Trade-In (2016 MT6)	(\$20,000.00)
Total Purchase Price	\$174,995.00

While the CX75 bid produces the lowest total price, staff determined the unit does not meet the City's operational needs. It is smaller, less powerful, and not sized for the type of work required.

Multihog MXC130 - The new MXC130 meets the size and power requirements with the following pricing:

Municipal Articulated Tractor (MXC130)	\$177,000.00
Flail Axe Mower	\$ 29,995.00
Less Trade-In (2016 Mt6)	(\$20,000.00)
Total Purchase Price	\$186,995.00

At first glance, the total price is similar to the Trackless MT7. However, to utilize this unit to its fullest, we would be required to purchase a substantial number of new attachments because the City's existing Trackless-compatible attachments will not fit the MXC130 platform. This would significantly increase the bid amount.

Used Multihog MXC130 Package - Brown Equipment also submitted a bid for a used MXC130 package with 98 hours and 296 miles with pricing as follows:

Municipal Articulated Tractor (Used MXC130 Package)	\$177,000.00
Flail Axe Mower	\$ 29,995.00
Less Trade-In (2016 MT 6)	(\$ 20,000.00)
Total Purchase Price	\$186,995.00

Despite being used with additional options, the pricing is identical to the new MXC130 bid. As with the new MXC130, compatibility issues remain. The City would still need to replace several attachments, making this option more expensive overall than the Trackless package.

From a budgetary perspective, we allocated \$211,756 for the purchase of this replacement unit, so when considering the purchase of the unit and flail mower we have allocated enough funds for this purchase. Based on equipment compatibility, operational capability, and budgetary requirements, staff recommends awarding the contract to MacQueen Equipment for the purchase of the Trackless MT7 and the hydraulically driven flail axe mower, with the acceptance of the \$20,000 trade-in for the used MT6 unit.

### **Macatawa Bank Authorizing Resolution**

With the appointment of a new City Clerk at our October 20 meeting and the upcoming mayoral transition at City Council's next meeting, we need to update the authorized signers on our checking accounts. Per the City Charter, the Mayor and Clerk are required to sign the city's checks. However, from the standpoint of day-to-day operations, we do not feel that this provides a sufficient number of signers. Administratively, we would also like to add the City Manager and Finance Director to the list of authorized signers. Per the resolution, the authorized signers would be:

Mayor – Richard VanDorp  
 Clerk – Kristi DeVerney  
 City Manager – Timothy Klunder  
 Finance Director – Kevin Plockmeyer

### **Pension and OPEB Plan Updates**

ACM of City Services/Infrastructure and Finance Kevin Plockmeyer stated that at the end of each fiscal year, the City's actuary, Watkins & Ross, evaluates the City's Defined Benefit Pension Plan and issues a report regarding the plan's financial health.

At the beginning of Fiscal Year 2025, the City of Zeeland's Pension Plan had an asset balance of \$10,951,904 and at the end of Fiscal Year 2025 the asset balance had increased to \$11,207,337. A pension plan's unfunded liability is a good indicator as to the financial health of a pension plan. A plan's unfunded liability measures the difference between the amount the plan is expecting to distribute in the future less the future value of the assets available to fund these

distributions. In Fiscal Year 2025, the City's Pension Plan remained overfunded. At the beginning of the Fiscal Year the plan was overfunded by \$1,572,018 or 116.8% funded, by the end of the year the plan was overfunded by \$1,768,230 or 118.7% funded.

Due to our investment results in Fiscal Year 2025, we would suggest staying the course which does not have the city contributing to the Pension Plan. We feel that this will keep us close to our 100% funding status even if the market experiences a significant downturn during the Fiscal Year or in future fiscal years.

It should also be noted that the figures presented in the actuarial report represent a best guess estimate available at this time. Changes in rates of returns, estimates on life spans, and changes to the demographics of the plan can change the liabilities as exhibited in this fiscal year's report. All else considered, the estimates used by the City are fairly conservative and represent a picture that is hopefully close to reality. The council's foresight to adopt these more conservative assumptions and the continuing effort to fund the City's unfunded liability should be commended and will only result in a more favorable position in the future.

### **Fiscal Year 2023 OPEB Report**

At the end of each fiscal year, the City's actuary, Watkins & Ross, evaluates the City's Defined Benefit Retiree Health Insurance (OPEB) Plan and issues a report regarding the plan's financial health. At the beginning of Fiscal Year 2025, the City of Zeeland's OPEB Plan had an asset balance of \$2,500,041 and at the end of Fiscal Year 2025, the account balance increased to \$2,769,781.

An OPEB plan's unfunded liability is a good indicator as to the financial health of an OPEB plan. A plan's unfunded liability measures the difference between the amount the plan is expecting to distribute in the future less the future value of the assets available to fund these distributions. While most OPEB plans face an unfunded liability, the City of Zeeland's OPEB plan is overfunded. In Fiscal Year 2025, the City's OPEB plan went from an overfunded status of \$632,484 to an overfunded status of \$1,061,540 or 165.6% funded.

The City of Zeeland has been dedicated to maintaining a fully funded status for its Retiree Health Insurance Plan as indicated by the plan's 165.6% funded status. This being the case, we recommend maintaining our current course, which is paying for Retiree Health Insurance benefits from the plan and not making any additional contributions to the plan.

It should be noted that the figures presented in the report represent a best guess estimate available at this time. Changes in rates of returns, estimates on life spans, and changes to the demographics of the plan can change the liabilities as exhibited in this fiscal year's report. All else considered, the estimates used by the City are fairly conservative and represent a picture that is hopefully close to reality. The council's foresight to adopt these more conservative assumptions and the continuing effort to fund the City's OPEB Plan should be commended and will only result in a more favorable position in the future.

**Closed Session**

Motion was made by Councilmember Broersma and supported by VanDorp to enter into Closed Session at 6:35 P.M.

Motion carried by all voting aye.

There being no further items to discuss, Work study was adjourned at 6:35 P.M.

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Sharon Lash, Interim Deputy City Clerk

## MEMORANDUM OF MEETING

Personnel Committee

November 25, 2025 – 7:00 AM

City Hall Main Floor Conference Room

**PRESENT:** Mayor Klynstra, Mayor ProTem Gruppen, BPW Chair Boerman, BPW Vice Chair Cooney, Council Member/Mayor-Elect VanDorp

**Staff Present:** City Manager Klunder, Assistant City Manager/Finance Director Plockmeyer, and Administrative Assistant Moore

**Staff Absent:** BPW General Manager Boatright

**Also Present:** Three City of Zeeland Fire/Rescue Employees: Hugo Gomez, Damon Jones & Marty Vander Velde

Mayor Klynstra called the meeting to order at 7:00 AM

### Employee Comments

No employee comments.

### Approval of October 22, 2025, Meeting Minutes

*A motion was made by Cooney and seconded by Boerman to approve October 22, 2025, meeting minutes. All in favor, minutes approved.*

### 2026 Dental Insurance Recommendation

Klunder gave some background on dental insurance (put together by HR Specialist Melanie Hellenthal). The city received a quote from the current dental insurance provider, Delta Dental, for 2026 that had no increase, which is good however, staff have received more comments from employees that their dental provider is no longer accepting Delta due to their low reimbursement rates. Staff began looking into better options last year and are recommending switching to the ADN Pool Dental Network for 2026 (it operates the same way as the city's health insurance pool, and although not perfect, ADN does offer a good network of providers in the area). Coverage would be the same as current Delta Dental coverage, ADN's premiums would also be 7% lower for the city and ZBPW.

*Motion was made by Boerman and seconded by VanDorp to change over to ADN pool dental plan for 2026. All in favor, motion passed.*

### Update on Activities of HR Specialist

Klunder then provided an update on activities by the city's new HR Specialist, Melanie Hellenthal. She's been doing a really great job. Plockmeyer noted that her taking over the process of screening applications for a new Head Custodian has been very helpful.

### Fire/Rescue Chief Vacancy

Klunder informed committee members that Fire Rescue Chief Ross Tibbets had submitted his resignation, with his last day December 12, 2025. He has accepted the position of chief for the Holland Charter Township Fire Department. His position is appointed by the mayor (with City Council approval). Klunder

said Deputy Chief Mitch Harsevoort has been asked to step in as interim Fire Rescue Chief while the city searches for Chief Tibbet's replacement & this will be brought to the December 1, 2025, City Council meeting. Klunder is working with mayor-elect VanDorp to form a search committee, hoping to have this committee appointed on December 1, 2025, City Council meeting as well. Potential members include mayor-elect VanDorp, City Manager Klunder, Deputy Chief Harsevoort (who would have to recuse if he decided to pursue the position himself), Police Chief Tim Jungel, HR Specialist Melanie Hellenthal and potentially 1 city council member. At the second round of interview stage, staff may bring in a fire fighter from an outside department and meet with current COZ Fire Rescue staff. Boerman asked if this position is posted internally and Klunder responded that typically it's posted for a few days-a week internally then posted externally.

**Other**

Klunder noted the committee may need to meet one more time before the end of the year to address some various employee handbook items.

*Motion was made by Gruppen and seconded by Cooney to adjourn the meeting at 7:17 a.m. All in favor, meeting adjourned.*

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Susan Moore, Administrative Assistant



21 South Elm Street • Zeeland, Michigan 49464 • (616) 772-6400 • FAX (616) 772-5352

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INTEROFFICE MEMORANDUM

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TO: Tim Klunder, City Manager  
FROM: Kevin Plockmeyer, ACM of City Services/Infrastructure and Finance  
SUBJECT: Financial Sustainability Report  
DATE: November 26, 2025  
CC: City Council Work Study Items Agenda December 1, 2025

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Included in the City's 2024 and 2025 Strategic Action Plans was the goal of conducting a Financial Sustainability Study. While the City is currently in an enviable financial position, changes to our concentrated tax base could create significant future headwinds. City Council demonstrated foresight in initiating this study while conditions are favorable. The study focused primarily on assessing the financial impact and the City's available responses to a potential closure of the Consumers Energy Power Generating Facility due to the age of the plant or evolving regulatory requirements.

We had originally hoped to present this report during the summer. However, due to subsequent developments, including the possibility of major industrial projects and the transition of City Council, we determined it would be best to deliver the report to both outgoing and incoming Council members. At Monday's meeting, the team from Municipal Analytics and Double Haul Solutions will present the study's findings and offer feedback for Council's consideration. The full report is attached.

This feedback will serve as a helpful baseline as we prepare for future strategic planning discussions. I again commend City Council for its foresight in commissioning this study, which positions the City to proactively navigate changes in the financial landscape as they arise. We look forward to beginning this discussion at Monday night's meeting.

A handwritten signature in black ink, appearing to read 'Kevin Plockmeyer'.

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Kevin Plockmeyer, ACM of City Services/Infrastructure and Finance

FEEL THE ZEEL

# City of Zeeland



## FINANCIAL SUSTAINABILITY STUDY

August 2025



Insights and applications for better financial management





**Insights and applications for better financial management**

July 25, 2025

Kevin Plockmeyer  
Assistant City Manager/Finance Director  
City of Zeeland  
21 South Elm Street  
Zeeland, MI 49464

Dear Mr. Plockmeyer:

We have completed our study of the City of Zeeland's financial sustainability options. This report contains our findings and offers suggestions on how the City could prepare for and respond to financial threats and future loss of tax revenues.

The consulting team consisted of Municipal Analytics and Double Haul Solutions, and we greatly valued the partnership with the City as we sought to gain insights and understanding of City operations, finances, policies, intergovernmental relations, economic opportunities, community perspectives, and so much more. This information, combined with research into other cities' operations and finances, and our own experience in municipal operations and finances, has informed our analysis.

We appreciate the opportunity to support the City of Zeeland with this study. Please do not hesitate to reach out if you have questions or desire additional information on any of the topics addressed in this report.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Kaczor".

John Kaczor  
Principal

PO Box 3895  
Ann Arbor, MI 48106  
Phone: 734-623-8033  
[www.MunicipalAnalytics.com](http://www.MunicipalAnalytics.com)

# **City of Zeeland**

## **Financial Feasibility Study**

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## EXECUTIVE SUMMARY

The City of Zeeland provides a full range of high-quality, effective municipal services, and it has been successful in delivering services quite efficiently with a comparatively low tax rate. The City's low tax rate is due in large part to the presence of the Zeeland Generating Station (ZGS) and other industrial and commercial taxpayers. Together, non-residential taxable value accounts for 69.4% of the City's total property tax base<sup>1</sup>. ZGS alone accounts for nearly 38% of total taxable value<sup>2</sup>.

There is a high likelihood that ZGS will be closed within the next 15 years, which will result in a loss of significant taxable value for the City. This transition is driven in part by the typical life cycle of this type of generating facility, and in part by the MI Healthy Climate Plan, an ambitious roadmap to attain carbon neutrality in Michigan by 2050, which outlines a transition away from fossil fuels towards more renewable energy sources.

In anticipation of the loss of over one-third of the City's tax base, Zeeland engaged Municipal Analytics and Double Haul Solutions to undertake a study to evaluate the City's finances and operations and to develop strategies to ensure the City's long-term financial sustainability.

Financial resilience often requires a multi-faceted approach to diversify revenues, streamline operations, seek strategic service partnerships, expand the tax base, and reduce levels of service where appropriate. It also requires a long-term perspective when considering the expansion of municipal service offerings to ensure initial costs and ongoing expenses will not put the City's finances at risk.

Key findings and recommendations from the financial sustainability study include:

1. **The City provides a high level of municipal services while levying a comparatively low property tax.** Due to the existing tax base, these seemingly contradictory conditions have been maintained for many years, and residents have come to enjoy and expect low taxes and high service levels. In Zeeland, General Fund expenditures amount to \$1,591 per capita, compared to just \$1,201 in comparable cities<sup>3</sup>. Zeeland's total local levy of 11.2347 mills is considerably less than the average levy in benchmark cities of 17.2147 mills.

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<sup>1</sup> [2025 Ottawa County Equalization Report](#), page 51

<sup>2</sup> City of Zeeland Annual Comprehensive Financial Report for the Year Ending June 30, 2024, page 102.

<sup>3</sup> [MI Community Financial Dashboard](#), retrieved June 2025

2. **Zeeland has avoided the need to levy its full general operating millage or generate much revenue from other sources such as user fees, special assessments, or special levies.** Most of the benchmark communities surveyed for this study levy the maximum allowable generating operating levy and many also have special millages for specific services, such as streets, public safety, pension, debt, and other needs. Zeeland's revenues from charges and fees are about 10% of the benchmark average, and the City has no citywide special assessments.
3. **Zeeland's pension is overfunded, while benchmark cities' average unfunded pension liability is \$10 million<sup>4</sup>.** The City has done well managing its retiree benefits, which allows it to focus available resources on current operations.
4. **The City's long-term debt is considerably lower than comparable cities.** Zeeland's outstanding debt per capita is \$394, while the average in benchmark cities is \$2,413<sup>5</sup>. Maintaining a low debt load is a benefit to current and future taxpayers, and it demonstrates the City's ability to fund capital projects with current resources.
5. **The City has a healthy General Fund fund balance and financial management policies are well-developed.** Zeeland's unrestricted fund balance is nearly 75% of General Fund expenditures. This compares to an average of 63% in benchmark communities<sup>6</sup>. A review of the City's financial management policies found the policies are well-developed and implemented consistently. Disciplined financial management is one of the best strategies for maintaining financial sustainability over the long term.
6. **Zeeland's per capita cost for police services is consistent with comparable cities.** The average cost of police services is \$291 per resident in the benchmark communities, compared to \$299 in Zeeland<sup>7</sup>.
7. **Fire expenditures in Zeeland are outpacing those in comparable communities.** As the City has transitioned from a part-time/paid-on-call department to one with some full-time firefighters, costs have increased. The City's current fire outlays per capita are \$186, compared to \$84 in the cities we surveyed<sup>8</sup>.
8. **Library costs per service population are low relative to neighboring library systems, yet the City's per capita contribution for Library services far exceeds the amount paid by the three townships served by the Howard Miller Public Library.** HMPL delivers library services to residents in four municipalities for a cost

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<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Sources: individual city's audited financial statements and budget documents; US Census Bureau, 2023 American Community Survey, report DP05.

<sup>8</sup> Ibid. Note: some comparable cities are part of regional fire departments, so their GFs do not fund fire services.

of about \$50 per service population, compared to about \$76 at the Herrick and Loutit District Libraries. Zeeland contributes the equivalent of \$105 per resident to HMPL, while the three member townships' contributions amount to about \$15 per person<sup>9</sup>.

9. **Replacing the property tax revenue from the ZGS will be challenging.** Michigan's municipal financing system has long been said to be "broken." This is due to the limited number of revenue options available to cities, and to the constraints placed on revenue generation through the Headlee Amendment and Proposal A. If the City wishes to maintain a high level of services and a low tax rate, a major development with a substantial taxable value would be required within the city limits within the next 15 years<sup>10</sup>. For fiscal year 2023-24, ZGS had a taxable value of \$208 million, which generated approximately \$2.32 million in General Fund tax revenue. To replace this revenue with the remaining tax base without ZGS would require an increase in property taxes of 6.73 mills. Replacing ZGS with a new development would be challenging, given the limited land available for development within the City.
10. **Replacing ZGS revenues through other means was explored; only one option appears to have potential to generate the funds expected to be lost when ZGS discontinues operations.** As noted, to replace the City's general operating tax revenues from ZGS would require an increase of 6.73 mills based on 2024 taxable valuations. The City has only about 2.9 mills of general operating millage capacity available (14.0672 maximum allowable levy, less 11.1354 mills currently levied). Besides major economic development or a significant increase in property taxes (which would require a special millage), the following revenue options were considered:
  - a. **Increase user fees.** Based on a survey of benchmark communities, Zeeland may be able to generate an additional \$300,000-\$500,000 per year through user fees. This would require a much broader application of user fees and charges for City services, including paid downtown parking, increased planning, zoning, and building fees, and charges for facilities use, etc.
  - b. **Increase cost recovery from utility funds.** Zeeland's City Charter includes a provision for franchise fee payments from the Board of Public Works (BPW), specifically a fee of 1% of gross sales of electricity plus 1% of the electrical system's net assets. This totals about \$650,000 in revenue to the General Fund. Additionally, about \$280,000 is paid from the Clean Water Plant Fund. The City could consider a Charter amendment to increase the franchise fee percentage applied to the electric utility and/or extend the fee to include the Water Fund. Another option would be to charge an administrative cost

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<sup>9</sup> Sources: Library websites, audited financial statements, budgets, US Census Bureau, 2023 Michigan Form L-4029.

<sup>10</sup> New development is addressed in the Subsequent Events section at the end of this Executive Summary.

recovery fee to each of the three enterprise funds, based on the amount of General Fund budget used to support those funds. These options could increase General Fund revenues by \$500,000-\$1,000,000 or more per year. Of course, any increased expenditures in the utility funds could require higher rates to fund the increased costs.

- c. **Special millage for public safety services.** To fully fund police and fire services with a dedicated millage when ZGS property tax revenues are eliminated would require a levy of about 8 mills, based on today's tax base. With an 8-mill special levy in place, the City would have sufficient revenues from its general operating levy to continue operating other General Fund services at current levels.
- d. **Special millage for streets.** The City's General Fund support of street maintenance and replacement has averaged \$1.25 million per year for the past five years. To replace this funding with an increase in taxes would require a levy of approximately 2.35 mills based on current taxable value and 3.9 mills if ZGS taxable value is not included.
- e. **Excise taxes on marijuana sales can generate significant revenue.** Cities and townships across Michigan have benefited from marijuana taxes based on operations located in their jurisdictions. As the marijuana market has matured in Michigan the construction of new facilities has led to oversupply. In response, prices and associated tax collections have diminished in the past year, and many municipalities have seen a reduction in revenue sharing. It is unlikely a large processing/grow operation with substantial taxable value would construct a new facility at this time. Locally, this highly controversial industry has not been viewed favorably by the Zeeland community, so its revenue potential is likely zero for the City.<sup>11</sup>
- f. **Renegotiate the 425 Agreement with Zeeland Township to allow the City to collect property taxes on the parcels within the 425 areas.** The existing agreement with the Township, which expires in 2043, prohibits the City from collecting taxes on properties in the Township. The agreement could be renegotiated to allow the City to tax township parcels within the areas covered by the 425 agreement, up to the City's full levy. The Township would likely continue to receive its tax revenues out of the taxes collected by the City. Based on a current estimated taxable value of \$126 million in the Township 425 areas, the City could expect to net between \$680,000-\$1,425,000 in tax revenues from Township parcels, depending on how much tax revenue is repaid to the Township. There may be some increased costs to the City to

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<sup>11</sup> The 2025-2026 State of Michigan budget includes a new 24% wholesale tax on marijuana, which will be dedicated to funding streets across the State. It is unclear how Zeeland's road funding will be impacted by this new revenue source.

expand municipal services into the 425 areas, which would reduce the net revenue available from this option.

- g. **Implement a city income tax. This option is the only available option that could fully replace the revenue generated by ZGS.** Based on a high-level analysis of publicly available data and surveys of other cities with a local income tax in Michigan, Zeeland could expect to generate between \$3.5 million and \$7.0 million from a city income tax. Our analysis suggests the most likely revenue potential is in the \$5 million to \$5.5 million range. The range of revenue potential is due to uncertainty in the data on the number of non-resident employees working in the city and the number of residents working in other income tax cities. With a local income tax, Zeeland may be able to significantly reduce its property tax, which would be a cost savings to most businesses and city taxpayers. The tax burden would shift to the significant number of employees working in the city and living outside of the city. A 0.5% non-resident income tax has the potential to generate about \$3 million in revenues. While income taxes can be a reliable source of revenue during economically stable times, they can fall sharply during a recession or with the loss of a major employer. A city income tax is best used to diversify local revenues rather than fully replacing property taxes. A city income tax does require approval of voters, and there has been a general reluctance of voters to approve this tax over the past several decades.

**11. Reducing City services to save \$2.3 million would require drastic cuts in services.** Zeeland's General Fund operations are already lean. For example, Zeeland's central office functions (Manager, Finance/Treasurer, Clerk, HR, Administrative Support) are performed by 4.5 full-time equivalent employees. This compares to an average of 7.8 FTEs in the benchmark communities.<sup>12</sup> To make significant reductions in General Fund expenditures, the City could consider the following:

- a. **Eliminate Donations in support of community events.** This could save \$60,000.
- b. **Return to part-time/paid-on-call Fire-Rescue Department.** While this could reduce expenditures by \$235,000, it would also result in an increase in response times. The ability to staff a part-time/paid-on-call department is questionable, given the national trends in fewer community members signing up for this role.
- c. **Privatize parking systems or switch to paid parking to recover costs.** The City spends about \$290,000 on municipal and satellite parking.

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<sup>12</sup> Municipal Analytics survey, March-May 2025.

- d. **Reduce spending on the cemetery.** The City has committed over \$430,000 of General Fund resources to maintaining the cemetery. Many communities perform this service for far less.
- e. **Reduce staffing and costs for park maintenance.** Zeeland's staffing for this operation is nearly three times greater than the average of the surveyed benchmark communities. Reducing staffing and some services could save the General Fund close to \$200,000.
- f. **Recover a portion of community center costs through user charges.** As noted previously, user charges could generate hundreds of thousands of dollars. Community centers are one area where many municipalities apply user fees.
- g. **Reduce General Fund transfers to street funds.** Over 13% (\$1.5 million) of General Fund expenditures are transferred to streets funds. Eliminating this support would have the greatest impact on General Fund finances. While this may benefit the General Fund, the streets funds would need a new source of funding for maintenance and improvement of the City's streets. The most likely source of funding would be a special millage to fund street maintenance.
- h. **Consider converting the public library to a district library, to be funded separately from City operations.** The City could save \$600,000 if it didn't have to commit General Fund dollars to support the library. However, taxpayers would see an increase in their tax bill with the addition of a district library levy. The millage required would depend on which areas of the surrounding townships would be included in the district, and how much the library would have to pay the City to purchase library assets and lease or purchase the library building space.

**12. Additional cost savings may be achieved through regionalization of some General Fund services.** Zeeland has considered a regional or shared service model for police and fire services in recent years. The public response to these considerations was decidedly negative. Despite public opinion, services such as these are regularly regionalized or shared between jurisdictions, and real cost savings are possible. Without a comprehensive study of the details of staffing and equipment needs, response times, governance models, and funding options, we cannot offer a dollar value of potential cost savings for the City.

The City of Zeeland is fortunate to be in a healthy financial position, and it is beneficial to have a 15-year period to plan for a major loss of tax base. Despite these conditions, the City may be required to make some difficult decisions in the coming years to avert a financial crisis. This study has identified a number of strategies the City could employ, likely in

combination, to reduce General Fund expenditures and diversify its revenues. In the coming years, consideration should be given to which strategies are most appropriate to the community and most resilient to further financial stress.

### **Subsequent Events**

Following completion of this study, the City of Zeeland received confirmation of significant investment in the community by Mead Johnson and JR Automation. These investments in industrial and commercial property developments have the potential to replace the anticipated loss of taxable value when ZGS ceases operations. While this is incredibly good news for the City, it also presents a challenge and an opportunity to Zeeland leaders for the next 10-15 years. During this period, the City can expect to receive a sizeable increase in tax revenues, and there may be temptations regarding expanding operations that could be funded with the new revenues. We would caution the City to be judicious and intentional when deciding how to utilize the funds received and consider these revenues more like one-time resources. To become reliant on the revenues to fund operations would result in the future need to implement cost-saving and revenue-generating strategies outlined in this report.

A more measured and strategic use of tax revenues received above expectations in the coming years would be to consider long-term investments in City assets that do not increase operating costs. These might include facility improvements to extend the life of municipal buildings, investments in energy efficiency, building a long-term capital reserve to fund future needs, or heightened investment in street infrastructure. Expenditures in these areas could further strengthen the City's long-term financial resiliency and extend the useful life of public assets for decades to come.

Once Mead Johnson and JR Automation are fully online, utility revenues will also increase. For the duration of time revenues are collected from ZGS and these new developments, consideration should be given to maintaining rates and using any excess revenues to build a capital reserve or fund needed capital improvements with cash over the next 10-15 years.

## BACKGROUND AND PURPOSE OF THE STUDY

The City of Zeeland (the City) engaged the consulting firm Municipal Analytics, in partnership with Double Haul Solutions (the consulting team), to evaluate strategies to ensure the City's long-term financial sustainability, particularly in consideration of the potential loss of property tax or other revenue due to the current concentration of its tax base. Of particular concern are the taxes generated by the Zeeland Generation Station, a 968-megawatt natural gas power plant owned and operated by Consumers Energy (Consumers Energy or Consumers). The loss of this substantial revenue source would have a significant impact on the City's resources and ability to provide services.

Moreover, even without such a tax base loss, the City is projecting growing challenges maintaining the high level of public services and capital investments expected by the community as the costs incurred by local governments continue to rise. As a fiscally conservative community, the City of Zeeland is working proactively to identify strategies to address the potential revenue challenges to come.

## RISK DRIVERS

The City of Zeeland is home to the Zeeland Generating Station (ZGS), a 968-megawatt natural gas power plant initially brought online in 2002. The plant is a prominent source of tax revenue for the City, and per Consumers Energy's Integrated Resource Plan, it will be retired in 2041. Exacerbating concerns around plant retirement is the MI Healthy Climate Plan, an aggressive outline to reduce Michigan's greenhouse gas emissions by moving towards more renewable energy sources and cleaner fossil fuel generation practices.

### MI Healthy Climate Plan: A Summary

The MI Healthy Climate Plan is a comprehensive roadmap designed to guide Michigan towards achieving carbon neutrality by 2050. Born from Executive Directive 2020-10, the plan's goals include:

- **Mitigate Climate Change:** The plan aims to reduce greenhouse gas emissions by 52% below 2005 levels by 2030.
- **Economic Development:** It focuses on creating good-paying jobs and spurring economic growth through investments in clean energy and sustainable practices.
- **Public Health:** By reducing pollution and promoting clean energy, the plan seeks to improve the health of Michiganders.
- **Leadership in Climate Action:** Positioning Michigan as a leader in climate action, the plan aims to set an example for other states and regions.
- **Natural Resource Protection:** It emphasizes the protection of Michigan's natural resources and wildlife.
- **Energy Independence:** The plan aims to make Michigan energy independent by increasing the use of renewable energy sources.
- **Environmental Justice:** Ensuring that at least 40% of state funding for climate initiatives benefits disadvantaged communities.

To meet the priorities outlined above, Michigan has identified a series of targets and strategies that will propel the state closer to its goals:

- **Clean Energy Transition:** The plan includes generating 60% of the state's electricity from renewable sources and phasing out coal-fired power plants by 2030.

- **Electrification of Transportation:** Building infrastructure to support two million electric vehicles on Michigan roads by 2030 and expanding public transit.
- **Energy Efficiency:** Implementing measures to limit the energy burden on low-income households to no more than 6% of their annual income.
- **Workforce Development:** Providing job training and workforce development to ensure a just transition for workers affected by the shift to a clean energy economy.

The plan includes a detailed roadmap to 2030 with specific recommendations and milestones to track progress. Annual reports are available providing updates on the plan's progress status<sup>13</sup>.

The development of the MI Healthy Climate Plan involved input from a diverse group of stakeholders, including environmental justice advocates, public transit experts, local food producers, business and labor leaders, academic experts, and concerned residents.

The MI Healthy Climate Plan is designed to have a positive impact on communities through:

#### Environmental Justice

- **Equitable Funding:** At least 40% of state funding for climate-related initiatives will be directed towards disadvantaged communities. This ensures that those who are most affected by environmental issues receive the support they need.
- **Community Involvement:** The plan was developed with input from a diverse group of stakeholders, including leaders and advocates from disadvantaged communities.

#### Public Health

- **Improved Air Quality:** By reducing reliance on fossil fuels and increasing the use of renewable energy, the plan aims to significantly improve air quality, which can lead to better health outcomes.
- **Healthier Living Environments:** Initiatives to limit the energy burden on low-income households and improve energy efficiency in homes will create healthier living conditions.

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<sup>13</sup> For more information and to view the annual reports: <https://www.michigan.gov/egle/about/organization/climate-and-energy/mi-healthy-climate-plan>

## Economic Benefits

- **Job Creation:** The transition to a clean energy economy is expected to create numerous good-paying jobs in renewable energy, public transit, and other sectors.
- **Workforce Development:** The plan includes provisions for job training and workforce development to ensure that workers have the skills needed for new job opportunities.

## Energy and Transportation

- **Renewable Energy:** Generating 60% of the state's electricity from renewable sources by 2030 will reduce energy costs and increase energy independence.
- **Electric Vehicles:** Expanding infrastructure to support two million electric vehicles by 2030 will reduce emissions and provide more transportation options.

## Community Resilience

- **Climate Adaptation:** The plan includes measures to protect natural resources and wildlife, which can help communities become more resilient to the impacts of climate change.
- **Local Government Support:** Building climate capacity for communities and local governments will help them implement and benefit from the plan's initiatives.

It is unclear at this time whether shifts in Federal policy following the 2024 election will have any impact on the MI Healthy Climate Plan. Based on discussions with representatives from DTE Energy, regardless of how the MI Healthy Climate Plan may change, the state's large utility companies see continued energy diversification and an increase in renewable energy over the next 10 to 40 years. Even without the MI Healthy Climate Plan, there remains market interest and a business case for more renewable energy. Growth in renewables will focus heavily on solar power as its costs have fallen considerably below wind. This refocus on renewables lends to the argument for shuttering the Zeeland Generating Station. Additionally, utility scale battery storage is projected to increase as the technology continues to improve.

## Consumers Energy and the Zeeland Generation Station

Consumers Energy has outlined a comprehensive Clean Energy Plan aimed at achieving net zero carbon emissions by 2040. This 20-year strategy includes retiring coal-fired plants, significantly reducing greenhouse gas emissions, cutting landfill waste, and minimizing water use. By 2040, 61% of Consumers' electric capacity will come from renewable sources, with nearly 8,000 megawatts of solar energy forecasted to be produced. Additionally, Consumers' aims to achieve net zero greenhouse gas emissions from natural gas production and delivery by 2050 and net zero methane emissions from operations by 2030, lending to the plan to retire the Zeeland Generating Station.

Beyond its efforts to reduce emissions and increase renewable energy capacity, Consumers Energy will support its customers by offering carbon offset programs, renewable natural gas agreements, and continued energy efficiency initiatives that have already prevented 19 million tons of CO<sub>2</sub> emissions since 2009. Like other utility companies nationally, Consumers continues to explore emerging technologies such as hydrogen energy production, carbon capture and storage, and hybrid natural gas and electric heat pump systems. In large part, Consumers was well on their way to developing and meeting many of the goals outlined in the MI Healthy Climate Plan due to other market and policy forces.

The Zeeland Generating Station is a natural gas power plant in Zeeland, Michigan, operated by Consumers Energy, with a total output of 968 MW. The plant was brought online in 2002 and acquired by Consumers in 2008. ZGS, which serves 1.9 million customers in the lower peninsula of Michigan, is expected to be retired in 2041. ZGS employs 25 full-time employees and plays a significant role in the local community as a major taxpayer and water customer. In the context of the MI Healthy Climate Plan, the plant's closure would involve a multi-year notice period and regulatory approvals. The potential for the plant to remain as a standby facility in emergencies is unknown.

A series of questions were provided to and answered by the City Assessor Edward VanderVries, MMAO IV, CEO of V&V Assessing LLC. In summary, Consumers Energy would notify the City well in advance of any decommissioning. The Integrated Resource Plan (IRP) is the City's first indicator of Consumers Energy's intent to take the plant offline. The plant decommissioning process would likely take up to three years before the plant is actually shut down. The decommissioning and demolition of the plant would open the site for other industrial development projects. Consumers, like its DTE counterpart, could look to repurpose the site to limit the level of clean up needed in order to place it on the market. As examples, with the decommissioning of the Trenton Channel Coal Plant and Belle River Coal Plant, DTE has committed to nearly 1,000 megawatts of energy storage across the two sites.

According to VanderVries, it is unlikely that the plant would remain as a standby facility unless required by the Michigan Public Service Commission. Consumers Energy would determine the best course of action, whether to demolish, sell, or replace the plant with a modern energy generation process, renewable energy assets, and/or electric storage. In any event, the taxable value of the property is expected to diminish substantially after ZGS has been decommissioned.

## CURRENT FINANCIAL POSITION: BENCHMARK ANALYSIS

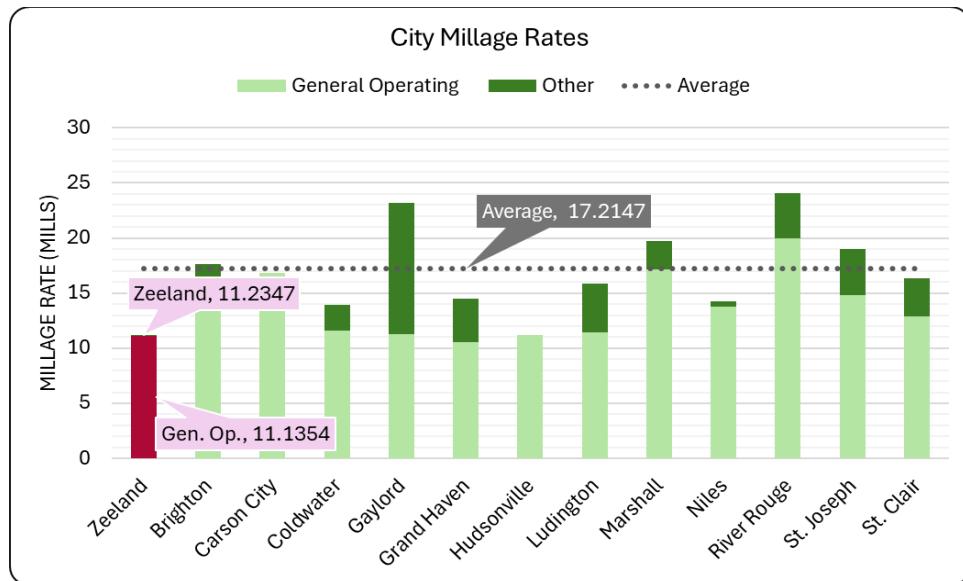
The City of Zeeland is a full-service municipality providing a high level of services at a relatively low cost to taxpayers, thanks in large part to the taxes paid by Consumers on the ZGS property. To understand Zeeland's financial position, we gathered data on a dozen comparable cities. These benchmark communities were selected in part based on proximity, size, tax base composition, and major utility assets located in the City, as seen in the chart below:

City	County	Area (sq.mi.)	Population	Total Taxable Value	% Commercial/Industrial	Median Household Income	Median Home Value	Median Gross Rent	Notes on Electric Utilities and Generation Plants in Communities
<b>Zeeland</b>	Ottawa	<b>3.0</b>	<b>5,691</b>	<b>\$569,070,481</b>	<b>69.8%</b>	<b>\$49,367</b>	<b>\$248,100</b>	<b>\$908</b>	<b>868 MW gas generation plant; municipal electric utility</b>
Brighton	Livingston	3.5	7,576	\$613,849,198	42.1%	\$81,772	\$302,800	\$1,248	
Carson City	Montcalm	1.17	1,120	\$113,230,925	82.3%	\$42,750	\$109,200	\$673	660 MW gas generation plant
Coldwater	Branch	9.7	13,847	\$383,941,286	57.7%	\$50,084	\$120,900	\$912	has electric utility
Gaylord	Otsego	5.15	4,286	\$226,108,258	76.0%	\$44,052	\$170,300	\$844	156 MW gas generation plant
Grand Haven	Ottawa	5.7	10,966	\$841,965,792	34.6%	\$60,665	\$242,400	\$961	municipal electric utility
Hudsonville	Ottawa	4.1	7,711	\$342,110,756	36.7%	\$88,606	\$260,500	\$1,170	
Ludington	Mason	3.4	7,664	\$339,779,947	23.8%	\$44,471	\$192,800	\$824	123 MW gas generation plant; 2172 MW pumped storage power plant
Marshall	Calhoun	6.4	6,797	\$307,928,383	40.9%	\$75,221	\$169,800	\$933	has electric utility
Niles	Berrien	5.95	11,968	\$273,925,063	35.6%	\$47,815	\$115,400	\$869	1084 MW gas generation plant
River Rouge	Wayne	3.25	7,224	\$135,832,371	66.3%	\$32,568	\$55,900	\$759	260 MW gas generation plant
St. Joseph	Berrien	3.2	7,805	\$610,995,180	21.6%	\$77,765	\$271,100	\$1,079	
St. Clair	St. Clair	2.9	5,581	\$258,249,727	25.9%	\$68,482	\$241,700	\$1,033	has large coal plant - converting to gas in 2026
<b>AVERAGE OF COMPARABLES</b>		<b>4.5</b>	<b>7,714</b>	<b>\$371,159,741</b>	<b>45.3%</b>	<b>\$59,521</b>	<b>\$187,733</b>	<b>\$942</b>	

The following sections provide comparative data related to key financial indicators.

### Property Taxes

Among the benchmark cities, Zeeland's property tax rate is second lowest, just 0.0044 mills higher than Hudsonville's total levy. At 11.2347 total city mills, Zeeland is nearly 6 mills lower than the average of the twelve cities included in the benchmark group. Similar to Zeeland, only four of the comparable cities levy less than their maximum allowable general operating levy. Zeeland's current levy is 2.93 mills below its maximum allowable levy, while the average difference in the other four cities is 2.01 mills. However, three of the other cities included in this group levy additional taxes averaging 2.67 mills.



Beyond the general operating levy, Zeeland levies 0.0993 mills for the regional airport. Other cities surveyed levy an average 3.3698 additional mills for special purposes such as roads, police, retirement costs, transportation, refuse, library, economic development, and other services.

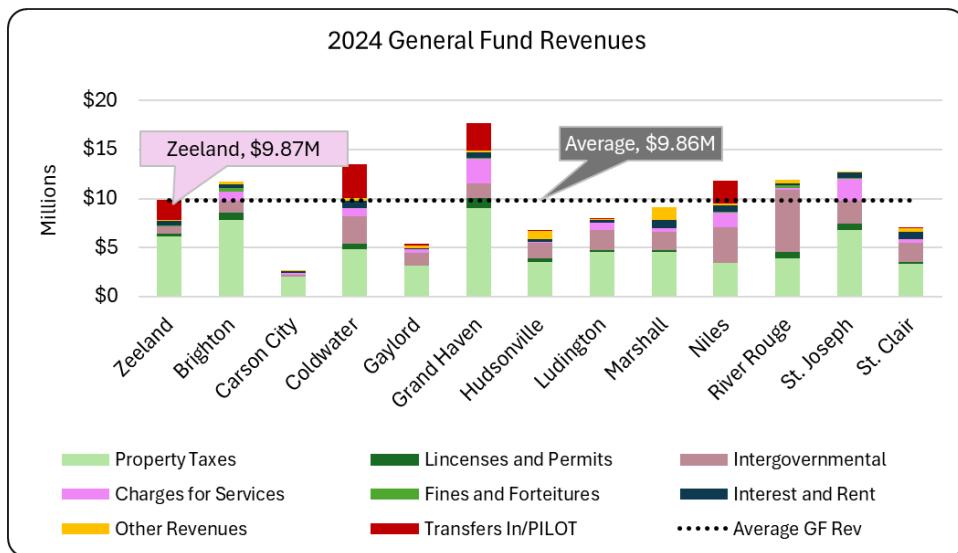
### Tax Base Composition

Zeeland's ad valorem tax base has a higher percentage of personal property value than the average in the benchmark group. Zeeland is also more reliant on industrial real property for its tax revenues than all of the cities surveyed. Only 30% of Zeeland's tax base is residential property, while the average city's tax base is nearly 58% residential. These metrics are not in themselves concerning; however, what is concerning is that the top three property taxpayers in Zeeland account for nearly 50% of all tax revenue, and ZGS itself is responsible for nearly 38% of property tax revenues. In a situation like this, the City is encouraged to consider how it might diversify its revenues to minimize the negative impacts associated with the loss of one of these major taxpayers.

	Agricultural Real	Commercial Real	Industrial Real	Residential Real	Total Real	Total Personal
<b>Zeeland</b>	0.0%	7.5%	21.1%	30.0%	58.6%	41.4%
<b>Brighton</b>	0.0%	33.0%	4.9%	57.1%	95.0%	5.0%
<b>Carson City</b>	0.2%	6.2%	1.6%	17.5%	25.5%	74.5%
<b>Coldwater</b>	0.2%	37.3%	9.4%	42.2%	89.0%	11.0%
<b>Grand Haven</b>	0.0%	23.5%	8.7%	65.4%	97.6%	2.4%
<b>Hudsonville</b>	0.5%	25.5%	6.9%	62.8%	95.6%	4.4%
<b>Ludington</b>	0.0%	15.9%	4.2%	76.2%	96.3%	3.7%
<b>Marshall</b>	0.0%	19.8%	10.9%	59.1%	89.9%	10.1%
<b>Niles</b>	0.0%	18.2%	6.4%	68.1%	92.6%	7.4%
<b>River Rouge</b>	0.0%	6.5%	19.1%	33.7%	59.4%	40.6%
<b>St. Joseph</b>	0.0%	15.0%	2.6%	78.4%	96.0%	4.0%
<b>St. Clair</b>	0.0%	13.2%	6.5%	74.1%	93.8%	6.2%
<b>Benchmark Average</b>	0.1%	19.5%	7.4%	57.7%	84.6%	15.4%

## Revenues and revenue diversification

The benchmark cities' average 2024 General Fund revenues are nearly identical to Zeeland's revenues for the same period. While the mix of revenue sources varies by community, and audit summaries are somewhat inconsistent, the chart below illustrates the relative makeup of primary revenue sources.



The percentage of General Fund revenue derived from property taxes is 62% in Zeeland, compared to an average of 51% in the benchmark cities. This again demonstrates Zeeland's relatively heavy reliance on property taxes to support General Fund operations.

The tables below summarize revenues from all sources for the General Fund, according to each city's 2024 audited financial statements. Note that Transfers In may include payments

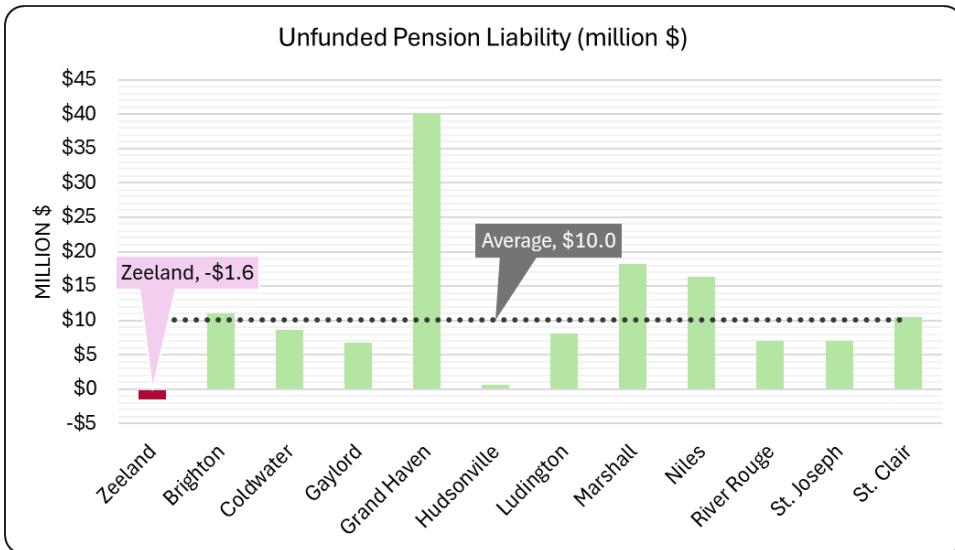
in lieu of taxes (PILOTs). For instance, Zeeland's General Fund Transfers In amount includes franchise fees (PILOT) paid by the Electric Fund, administrative charges paid by the Clean Water Fund, and a transfer from the Personal Property Stabilization Fund. In other communities, such contributions to the General Fund from other funds may be classified as Intergovernmental revenue, Charges for Services, or Other Revenues.

One revenue category that stands out is Charges for Services. Zeeland's revenues from this source were quite low relative to other cities, which suggest this may be an area of focus if the City needed to look for additional revenues.

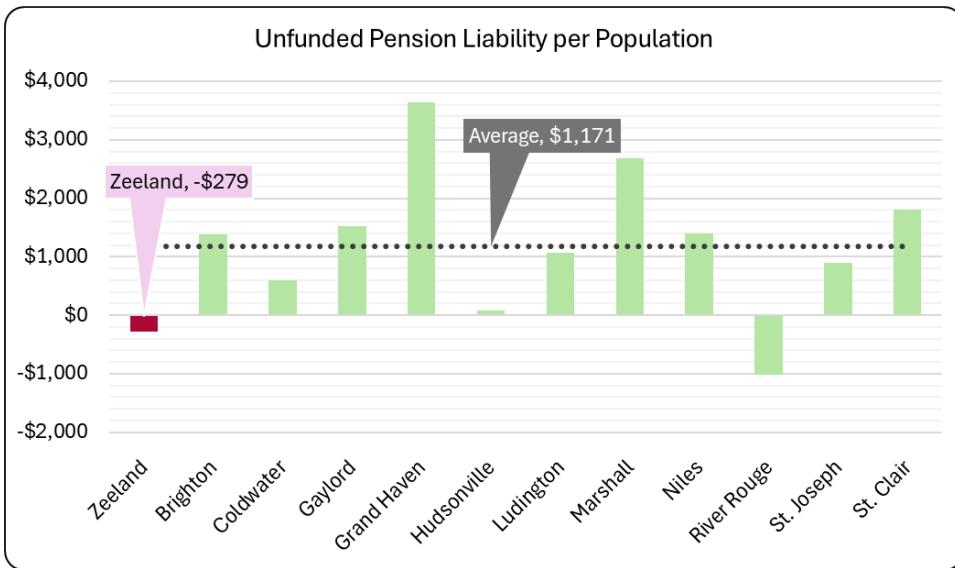
Revenue Comparison: General Fund									
	Property Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Interest and Rent	Other Revenues	Transfers In/PILOT	TOTAL
<b>Zeeland</b>	<b>\$6,137,123</b>	<b>258,338</b>	<b>736,510</b>	<b>78,508</b>	<b>28,557</b>	<b>499,337</b>	<b>100,102</b>	<b>2,035,144</b>	<b>\$9,873,619</b>
<b>Brighton</b>	<b>\$7,810,723</b>	<b>762,308</b>	<b>1,185,907</b>	<b>976,612</b>	<b>340,610</b>	<b>417,990</b>	<b>240,057</b>	<b>0</b>	<b>\$11,734,207</b>
<b>Carson City</b>	<b>\$2,044,429</b>	<b>0</b>	<b>166,800</b>	<b>167,700</b>	<b>0</b>	<b>249,916</b>	<b>19,619</b>	<b>0</b>	<b>\$2,648,464</b>
<b>Coldwater</b>	<b>\$4,800,943</b>	<b>566,503</b>	<b>2,838,562</b>	<b>804,051</b>	<b>0</b>	<b>795,273</b>	<b>268,149</b>	<b>3,384,888</b>	<b>\$13,458,369</b>
<b>Gaylord</b>	<b>\$3,188,149</b>	<b>0</b>	<b>1,322,264</b>	<b>324,587</b>	<b>0</b>	<b>131,230</b>	<b>294,478</b>	<b>145,000</b>	<b>\$5,405,708</b>
<b>Grand Haven</b>	<b>\$9,049,083</b>	<b>1,009,309</b>	<b>1,479,111</b>	<b>2,558,340</b>	<b>81,376</b>	<b>497,359</b>	<b>250,285</b>	<b>2,807,639</b>	<b>\$17,732,502</b>
<b>Hudsonville</b>	<b>\$3,527,525</b>	<b>359,075</b>	<b>1,597,309</b>	<b>95,750</b>	<b>33,340</b>	<b>295,259</b>	<b>780,603</b>	<b>22,337</b>	<b>\$6,711,198</b>
<b>Ludington</b>	<b>\$4,596,161</b>	<b>170,317</b>	<b>2,018,114</b>	<b>782,433</b>	<b>22,264</b>	<b>225,353</b>	<b>123,686</b>	<b>17,904</b>	<b>\$7,956,232</b>
<b>Marshall</b>	<b>\$4,603,178</b>	<b>165,723</b>	<b>1,807,551</b>	<b>378,502</b>	<b>14,320</b>	<b>836,929</b>	<b>1,337,639</b>	<b>0</b>	<b>\$9,143,842</b>
<b>Niles</b>	<b>\$3,428,492</b>	<b>41,949</b>	<b>3,571,984</b>	<b>1,547,277</b>	<b>41,708</b>	<b>653,101</b>	<b>190,210</b>	<b>2,309,650</b>	<b>\$11,784,371</b>
<b>River Rouge</b>	<b>\$3,954,853</b>	<b>616,566</b>	<b>6,333,318</b>	<b>130,915</b>	<b>348,882</b>	<b>154,883</b>	<b>400,500</b>	<b>0</b>	<b>\$11,939,917</b>
<b>St. Joseph</b>	<b>\$6,800,426</b>	<b>664,781</b>	<b>2,290,748</b>	<b>2,214,024</b>	<b>168,832</b>	<b>515,687</b>	<b>142,215</b>	<b>0</b>	<b>\$12,796,713</b>
<b>St. Clair</b>	<b>\$3,373,717</b>	<b>127,630</b>	<b>2,033,116</b>	<b>300,728</b>	<b>3,707</b>	<b>774,636</b>	<b>405,187</b>	<b>4,500</b>	<b>\$7,023,221</b>
<b>Benchmark Average</b>	<b>\$4,764,807</b>	<b>\$373,680</b>	<b>\$2,220,399</b>	<b>\$856,743</b>	<b>\$87,920</b>	<b>\$462,301</b>	<b>\$371,052</b>	<b>\$724,327</b>	<b>\$9,861,229</b>

## Pension and OPEB

A significant financial burden in many municipalities is the unfunded liabilities associated with pension and OPEB (other post-employment benefits) programs. Michigan requires municipalities to fund their pensions at the actuarially determined contribution level each year, at a minimum. PA 202 of 2017 established a minimum funding level of 60% for municipal pensions and 40% for OPEB plans, to avoid state-mandated corrective action plans. Zeeland's funded ratio of 117% is about ideal, given the change in market values year-to-year. When compared to the benchmark group, Zeeland's pension funding far exceeds other cities. Zeeland's pension was overfunded by \$1.6 million as of 2024, while other cities faced an average of \$10 million in unfunded pension liabilities.



In Zeeland, the per capita pension liability is negative \$279, while the average liability in other cities amounts to \$1,171 per person.

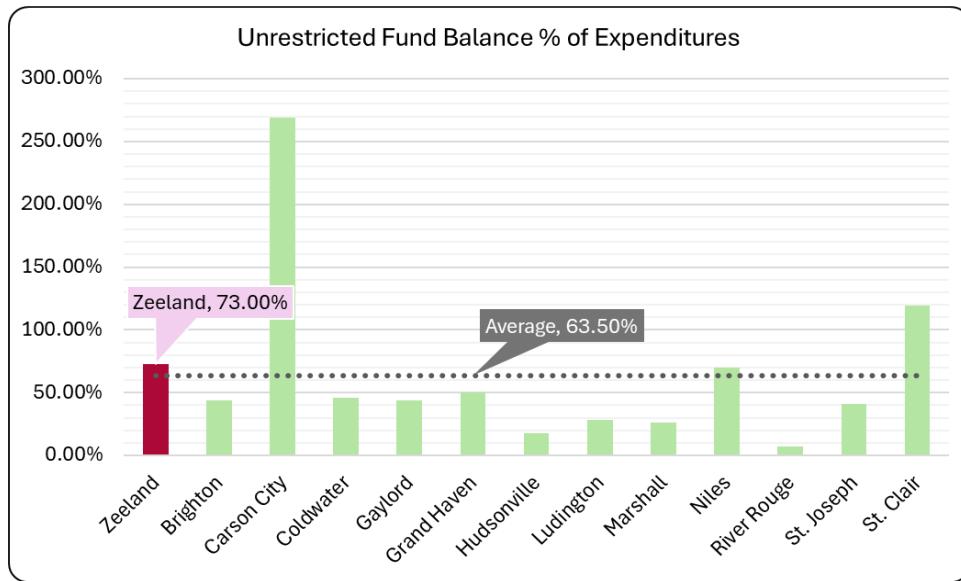


Similar to pension funding, Zeeland's OPEB plan is also overfunded by \$632,000. The funded ratio of Zeeland's OPEB is 133% as of 2024. This compares to an average underfunding of \$2.5 million in the benchmark cities.

## Fund Balance

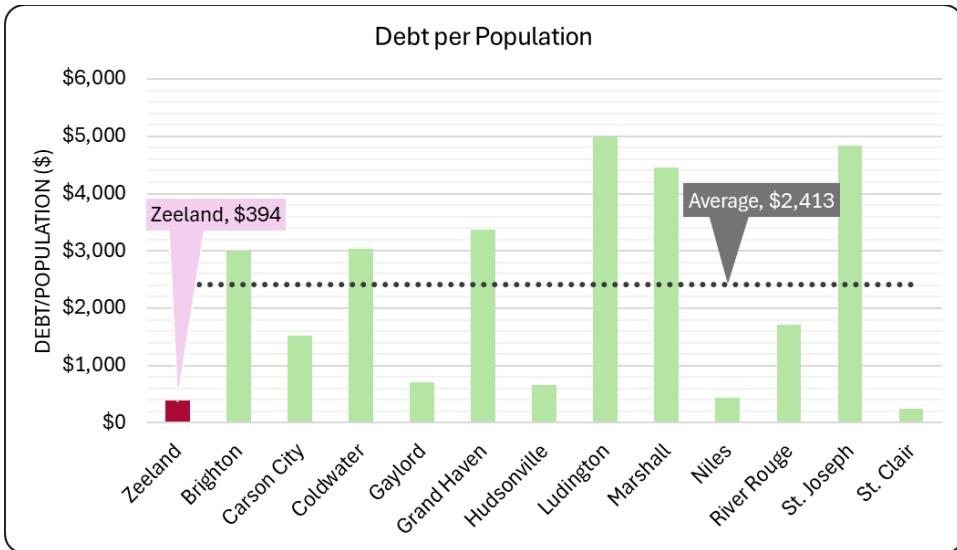
One measure of financial health of a community is its General Fund fund balance, which reflects the accumulation of net revenues over many years. In Zeeland, fund balance is about 73% of General Fund expenditures, while the average of comparable cities was 63.5%

at the end of FY 23-24. Guidelines on an appropriate level of fund balance vary considerably, but many suggest a minimum of 25%. In our experience, fund balance targets should reflect the specific needs and risks faced by individual General Funds. Zeeland's adopted fund balance policy provides a sound and effective approach to calculating the minimum and maximum fund balance targets for the General Fund. At the end of FY 23-24, fund balance was very near the maximum established in the policy.

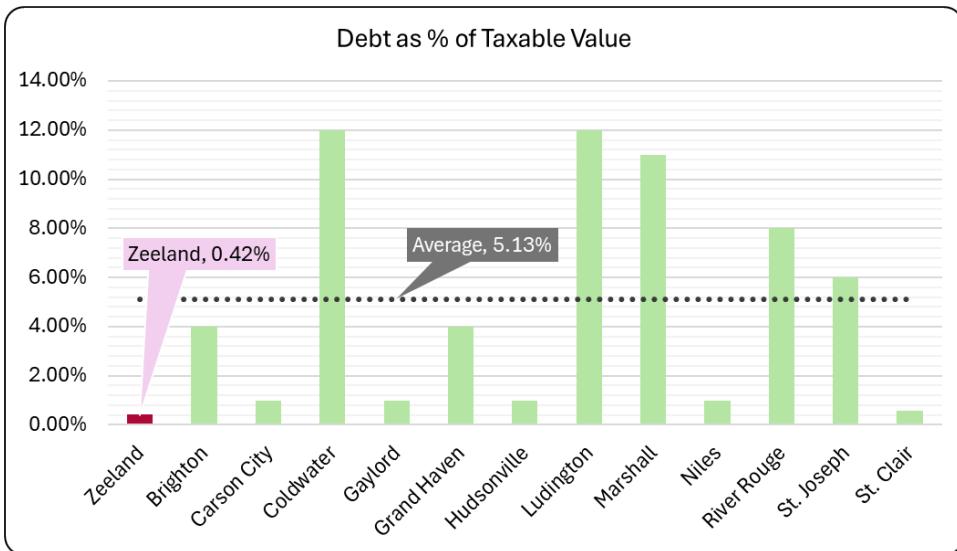


## Debt Load

Municipalities take on debt to fund a variety of projects, including building construction, streets, water and sewer systems, pensions, and other needs. While debt can be an effective tool to move forward with projects when cash funding is not an option, too much debt can be a burden to taxpayers. To evaluate debt load, we looked first at the total outstanding debt per capita in each community. Zeeland's municipal debt equates to \$394 per resident, compared to an average of \$2,413 per person in the benchmark cities. We should note that Zeeland's general government debt will be paid in full this fiscal year, and the remaining debt will be utility related.



Another way to view debt is in relation to a municipality's tax base. In the twelve comparable cities average debt amounted to 5.13% of taxable value, while Zeeland's debt is just 0.42% of its taxable value. By maintaining a low debt load, Zeeland is saving money on interest and ensuring financial resources can be deployed to fund other community needs.



## FINANCIAL SUSTAINABILITY (RESILIENCE) STRATEGIES

As indicated in the previous section, Zeeland's current financial position is quite strong. Despite this strength, there are some risk factors related to the City's finances. The primary risk factor is the potential for significant property tax revenue losses when ZGS ceases operations in the City in about 15 years. Other risk factors include rising costs that may outpace the growth of taxable value, and the high concentration of industrial property in the City.

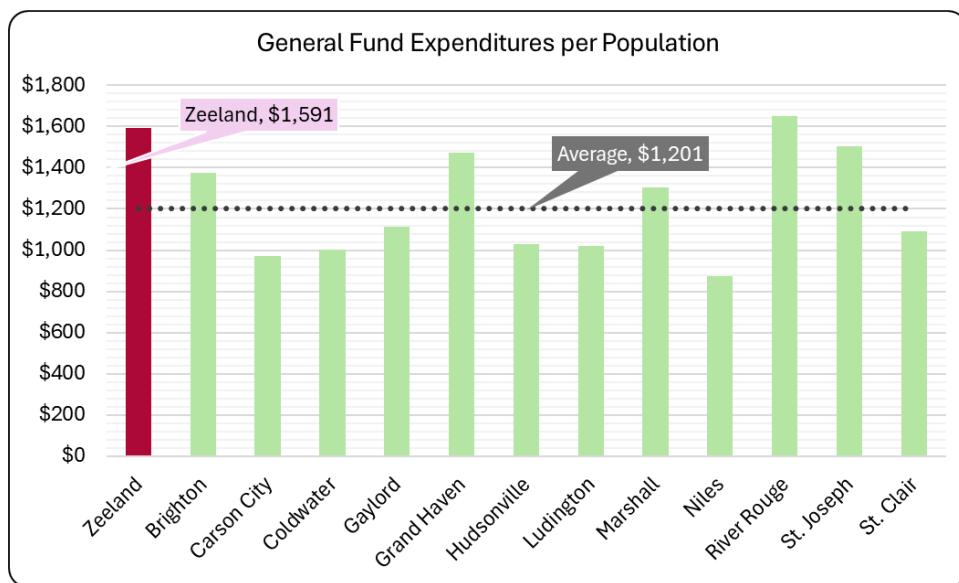
Zeeland recognizes the risks posed by the existing tax base and high levels of service provided to residents. In an effort to mitigate risks, the City commissioned this study with the goal of identifying strategies to position the City for long-term financial sustainability and build resilience to face potential threats to its finances.

In the following sections we present our findings related to City operating costs, efficiencies, and service levels, and we discuss alternative revenue options the City may consider in the short- or long-term.

## SERVICE LEVELS

As Zeeland considers how it can sustain its finances through periods of revenue decline, it is important to understand the level and cost of services provided by the City. In times of financial stress, municipal officials tend to overreact by slashing services or making “across the board” cuts to funding. A better approach is to proactively evaluate service levels and costs and prepare strategies to systematically reduce costs to optimize savings while still maintaining satisfactory service levels. In this section we summarize the City’s services and identify areas where Zeeland’s costs or service levels are disproportionately high or low. With this information, City officials can strategize how services may be modified to reduce costs when financial sustainability is threatened.

At a high level, Zeeland’s General Fund expenditures per capita are about 32% higher than the benchmark cities surveyed for this study. Actual costs and service levels are discussed in more detail on the following pages to provide a clearer picture of this disparity in spending per capita.

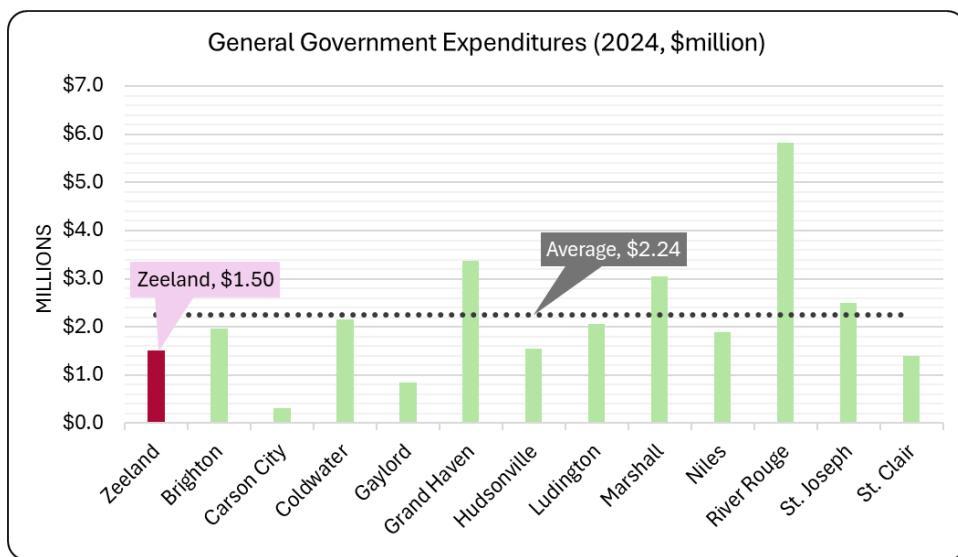


### General Government

The City of Zeeland’s operations are anchored by the City Manager’s Office, which oversees daily municipal functions and implements policies set by the City Council. The Finance and Treasury Department manages all financial transactions, including budgeting, tax billing, payroll, debt management, and financial reporting—earning consistent recognition for excellence in financial transparency. The Assessing Division is responsible for determining property values for taxation, maintaining assessment rolls, and ensuring compliance with

state property tax laws, including managing exemptions and taxable value calculations. The Clerk's Office is responsible for City records management, elections and voter registrations, licensing, recording of City Council resolutions and ordinances, and acts as the FOIA Coordinator and recording secretary for a number of committees and Boards. Additional functions included in this category are Personnel, Data Processing, and General Services. Together, these departments ensure efficient governance, fiscal responsibility, and accurate property assessments for the community.

Zeeland's expenditures for General Government operations compare favorably to the twelve benchmark cities used in this study. The chart below illustrates the 2024 General Government expenditures across all governmental funds, as reported in each city's annual financial audit report. The lower-than-average cost in Zeeland is an indication that the City's administrative operations are relatively more efficient than other cities. On a per capita basis, Zeeland's General Government functions cost \$263.78 per person, while the average of other cities surveyed was \$301.03.



## Community and Economic Development

The City of Zeeland is intentional about creating a community that is vibrant, attractive and offers a sense of community. The "Feel the Zeel" slogan and campaign reflect the vibrancy of the community and helps promote the City's economic development. On a more practical level, the City's 2024 Strategic Action Plan guides Zeeland's Community Development Services. This department oversees planning, zoning, permitting, and inspections to support responsible growth and maintain the City's character. The department facilitates building permits, rental certifications, and code enforcement, while also guiding development projects through zoning compliance and site plan reviews.

According to the City's 2024 annual financial report, expenditures on Community and Economic Development in Zeeland totaled \$426,021, or \$74.86 per capita. The average comparable expenditure in the benchmark communities was less, totaling \$52.18 per capita. The higher cost in Zeeland suggests the City is providing a higher level of service for this important municipal function.

A specific strategy related to economic development, Brownfield redevelopment, has become more active following recent changes to state policy. Very few brownfield sites remain inactive within the City, and redevelopment typically follows soon after a site is designated as a qualifying brownfield. In Zeeland, three redevelopment projects have been approved within the last year, with a majority being residential. Project support is provided through the City's local Brownfield Authority.

## Public Safety

Public safety is undoubtedly a significant component of a community's attractiveness and pride. It is also one of the costliest services provided by most municipalities. In Zeeland, public safety accounted for 46% of General Fund expenditures (excluding transfers out) in 2024. This compares to an average of 40% in the benchmark communities, as reported in annual financial statements.

Given the significance of public safety to the welfare and security of the City, and the high cost of these services, it is important to consider how these operations are structured, staffed and funded. Should the City need to consider how to adapt to future revenue losses, public safety will be the service area that offers the greatest potential for cost savings and the greatest opportunity for dedicated funding sources. To fully fund public safety operations with a dedicated millage would require a levy of about eight mills, assuming current costs and tax base.

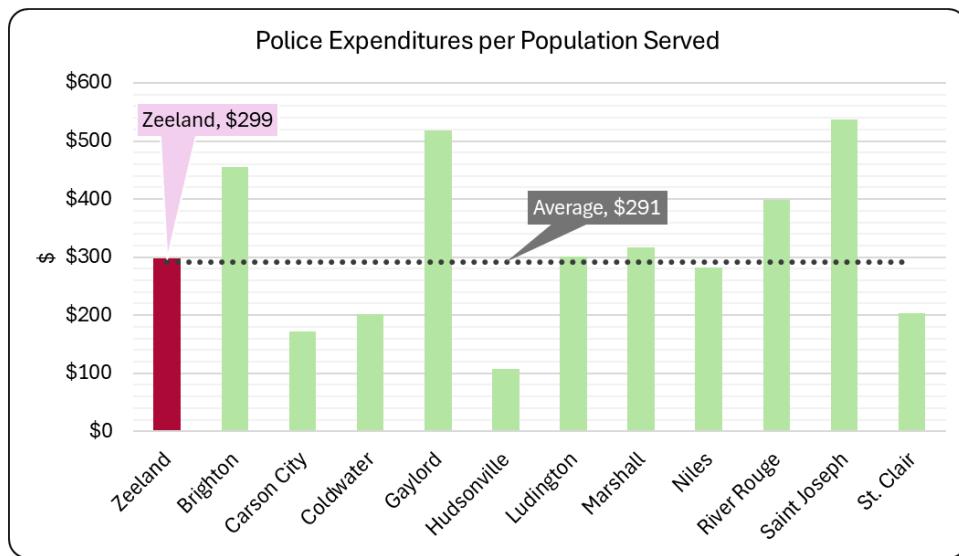
## **Police**

The Police Department is an accredited agency, consisting of ten full-time and three part-time positions, although only one part-time position was filled as of Spring 2025. The Department is proactive, focusing on traffic enforcement and dealing with more serious offenses on occasion. Like the Fire Department (as discussed below), intergovernmental collaboration with neighboring public safety departments is through existing mutual aid agreements.

Police staffing levels are lower in Zeeland than in the five benchmark communities that provided staffing information. The average number of command officers in benchmark cities

was 4.2, while in Zeeland the number is two. Patrol officers average 11.6 in the survey group, compared to eight in Zeeland. In recent years, the City has not had an issue with recruitment and retention. The City is confident they will be able to attract sufficient qualified candidates to replace multiple officers and departmental supervisors who will be eligible to retire around the same time in the not-to-distant future.

While staffing levels are lower, Zeeland's department responds to less than half of the average calls for service than the benchmark departments (about 5,500 calls in Zeeland vs. 12,150 average calls). Zeeland's police coverage area is about three square miles, compared to 5.7 square miles in the comparable cities. Despite these differences, Zeeland spends about the same as other cities on a per capita basis for Police services, as illustrated in the chart below. This suggests there may be some room for cost savings in the department, should cost savings be required in the future.



## Fire and Medical Response

The Fire Department merged its fire and rescue services in 2007/2008, requiring cross-training for all members. Medical transport is provided by *American Medical Response* (AMR) and occasionally by *Life EMS*. Like most departments across Michigan and nationally, the Department faces difficulty with recruitment and retention, leading to challenges with response times and meeting community service expectations. To address staffing challenges, the City has implemented a phased approach to adding full-time staff during their busiest times of the day. Evening coverage is currently expected to continue to be served by paid-on-call staff.

The Fire Department has also rolled out a five-year inspection plan, which requires additional resources. Efforts will focus on high hazards to life and property as well as the community's vast industrial operations. Plan reviews are completed in-house by the Fire Chief.

Fire & Rescue operations have been evolving over the years as service needs have shifted and increased. This is demonstrated by an approximate 58% increase in call volume between 2018 and 2022<sup>14</sup>. Today, approximately 80% of dispatched calls are EMS related. In response to changing needs, the City's Fire/Rescue Services Delivery Committee updated a 2018 Fire/Rescue staffing study in 2024. Recommendations resulting from the study included:

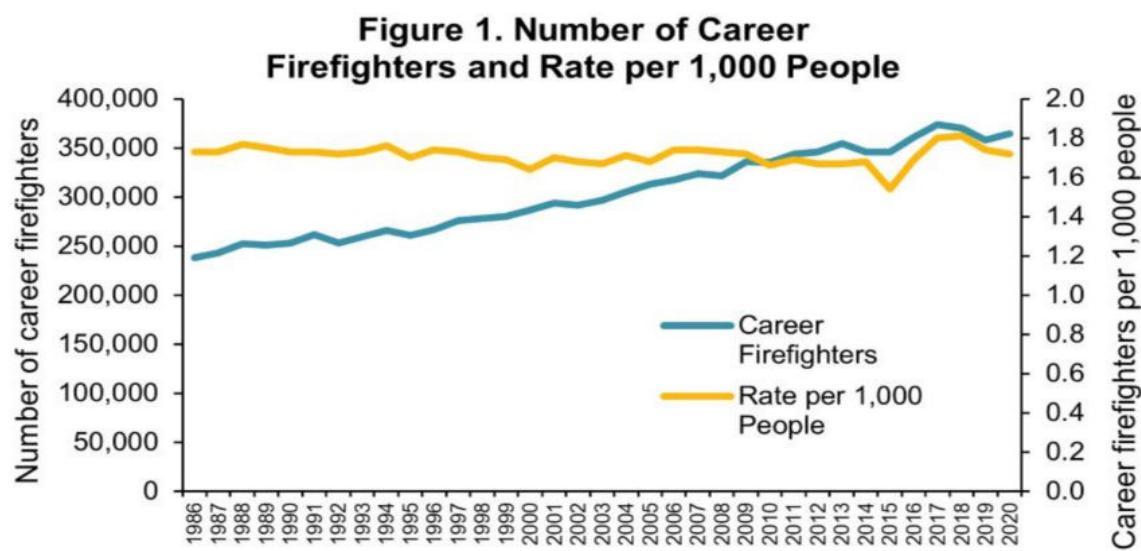
1. *Proceed with the hiring of a full-time Fire/Rescue Lieutenant position currently within the FY 23/24 and FY 24/25 budgets.*
2. *Proceed with hiring a second full-time Fire/Rescue position in the FY 24/25 budget. This position has not been included in the FY 24/25 budget. Estimated budget impact for this second full-time position is \$85,000 - \$115,000 with benefits. Funds for this position will have to come from the General Fund fund balance in FY 24/25.*
3. *Increase the number of day-time duty shift hours from 1,404 to 2,340 hours. The annual budget impact for these increased hours is projected to be \$24,000.*
4. *Consider hiring a full-time Fire/Rescue position to replace the day-time duty shift position when the day-time duty shift "position" may no longer be viable due to (1) the inability to fill the hours with part-paid members of the department and (2) analysis of metrics developed by leadership of the Fire/Rescue Department and approved by the committee, to consider the establishment of a 3<sup>rd</sup> full-time position.*
5. *Develop metrics to assist in determination of possible implementation of Phase 4 (24/7 three-person engine company).*
6. *Request City Council to have policy discussions, with assistance from Fire/Rescue leadership, on the elimination of Priority Three calls.*

The realities facing Zeeland's fire and rescue operations align with the experiences of departments across the country. In Michigan, multiple departments are looking to move towards, or add, full-time staffing capacity. However, this move towards increasing full-time operations is at a time when the number of career firefighter candidates is largely stagnant. According to the U.S. Fire Administrator's Summit on Fire Prevention and Control 2023 Fire

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<sup>14</sup> 2024 Fire/Rescue Staffing Recommendations Report, Zeeland Fire/Rescue Services Delivery Committee

Service Recruitment and Retention Bulletin, “In recent years there has been a steady decline in the number of firefighters in the nation. This decline is impacting all department types, leaving the communities they serve vulnerable to threats, and increasing the stresses among firefighters and municipalities.”<sup>15</sup>



Although many departments seek to expand operations through staffing increases to meet growing service demands, the consolidation of operations and service areas with other agencies is considered taboo. The consolidation of fire and EMS operations often sparks controversy not because it's inherently flawed, but because it challenges deeply rooted organizational identities, political structures, and community expectations. Although such discussions can be fraught with difficulty, the effective deployment of limited human, financial, and equipment resources across community boundaries necessitates this discussion.

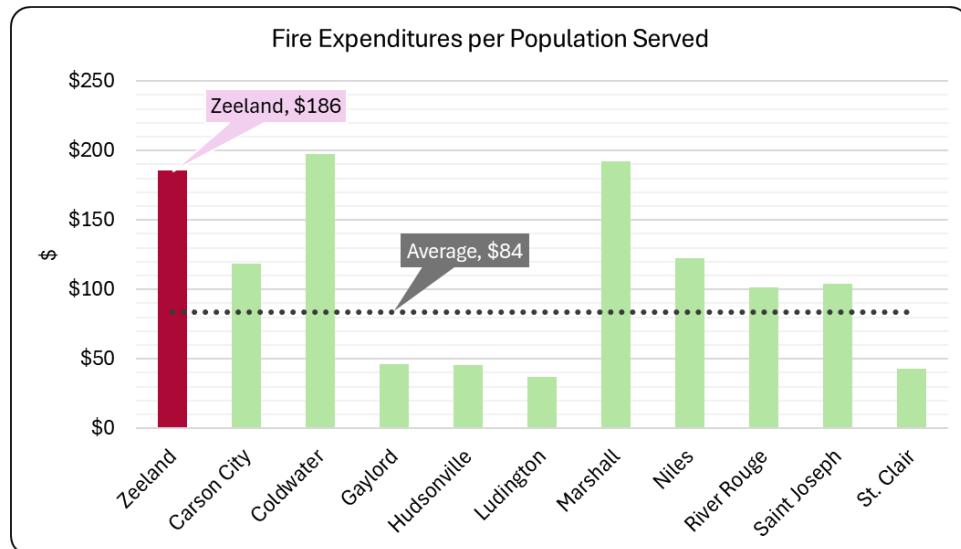
Departmental competition for oftentimes the same limited candidate pools and the pursuit of similar equipment portfolios within tight geographic areas has contributed to an increasingly unsustainable cost model. Driven in part by limited resource supply coupled with increased service area demands, the growing costs to preserve local identity will require municipalities to review consolidation opportunities closely. Given the political challenges that come with discussions surrounding consolidation, it would behoove the City of Zeeland to create an environment where said opportunities can be evaluated and discussed and where fears such as loss of identity, loss of control, uncertainty of service outcomes, and departures from tradition can be set aside. Although the demand to explore

<sup>15</sup> <https://www.firehero.org/wp-content/uploads/2023/10/usfa-2023-fact-sheet-firefigther-recruitment-retention.pdf>

consolidation may not be imminent, laying the groundwork for a thoughtful, thorough, and third-party review should be considered, particularly as service demands grow faster than available human and financial resources.

The need for greater operational efficiencies will likely be driven by costs across multiple communities. In Zeeland, annual expenditures for this lifesaving service have increased substantially over the past five years. The FY 25-26 fire/rescue budget of \$1,610,390 is nearly \$600,000 more than expenditures in FY 21-22. This represents an increase of 150% in just five years. In addition to higher staffing costs, the Fire/Rescue Department is facing increased capital costs as well. As an example, average expenditures on capital outlays, air packs and vehicle replacement over the past five years were \$235,000/yr. The prior 5-year period for the same line items averaged just \$121,000/yr.

Looking at costs from a comparative perspective, the 2024 per capita cost of fire/rescue services in Zeeland is more than double the cost in the identified benchmark communities. The higher costs in Zeeland and some other comparable cities are partially attributable to the structure of the department and the department's medical response designation, which may be higher than other communities surveyed. As the City adds additional full-time staffing, and as the number of volunteer firefighters diminishes further, consideration should be given to alternative service delivery models to prevent this department from consuming an excess amount of General Fund resources. Alternatively, the City may consider a dedicated public safety millage to fund operations.



<p>For comparison, here is a summary of the different structures and medical response levels in each benchmark city. The departments with lower per capita costs have partnered with other communities to provide fire services or equipment.</p>	
Carson City:	<i>In addition to the City, the department covers one full township and parts of three other townships. ALS/EMT medical response/certification.</i>
Coldwater:	<i>Fire Department provides fire prevention, fire suppression and responds to medical emergencies within the City of Coldwater. In addition, the fire department also provides fire suppression and emergency responses for the townships of Coldwater and Girard. Medical services provided at the EMT non-transport level.</i>
Marshall:	<i>Provides fire safety, suppression, and rescue services. Responds to medical emergencies and environmental disasters. Medical response at ALS level.</i>
Gaylord:	<i>\$200,000 GF contribution to the Otsego County Fire Authority for fire services. Includes five townships and the City of Gaylord. 40 paid volunteer firefighters. Basic life support medical response.</i>
Hudsonville:	<i>\$350,000 Fire Department operations in GF (fire vehicles not included-separate internal service fund). 20 paid-on-call firefighters. All certified FF I&amp;II and medically trained (MFR department; partners with Life EMS for all medical runs).</i>
Ludington:	<i>\$283,300 fire operating budget in GF; EMS medical response. Member of the Western Mason County Fire District Authority, which aids in providing vehicles and equipment to fire departments in three communities. Authority provides enhanced fire coverage for member communities; it does not staff fire operations; coordinates resources and mutual aid.</i>
Niles:	<i>Staffed with ten full-time and 21 on-call firefighters. Includes emergency medical response at the Basic (EMT) level</i>
River Rouge:	<i>Public safety model with separate fire division. PS Officers are dual certified in police and fire. Department provides ALS medical response.</i>
St. Joseph:	<i>Full public safety model with all officers and sergeants cross-trained in both police and fire. 20 PS Officers, 4 Sergeants, 2 Detectives, 1 Director, 1 Deputy Director, 2 Administrative Assistants. In 2024 the department did not respond to medical calls. As of May 2025, the department is expanding to ALS medical services and adding a new ambulance to their fleet.</i>
St. Clair:	<i>\$239,500 GF expenditure for fire services provided by the St. Clair Area Fire Authority which serves the city and three neighboring townships. Authority expenditures were \$525,000 in 2024. Members pay a proportionate share of budgeted expenditures based on the number of runs over the preceding three-year period. Serves 54 square miles; 34 “volunteers”; F1 or F2 Firefighters; MFR, EMT or Paramedic certified.</i>

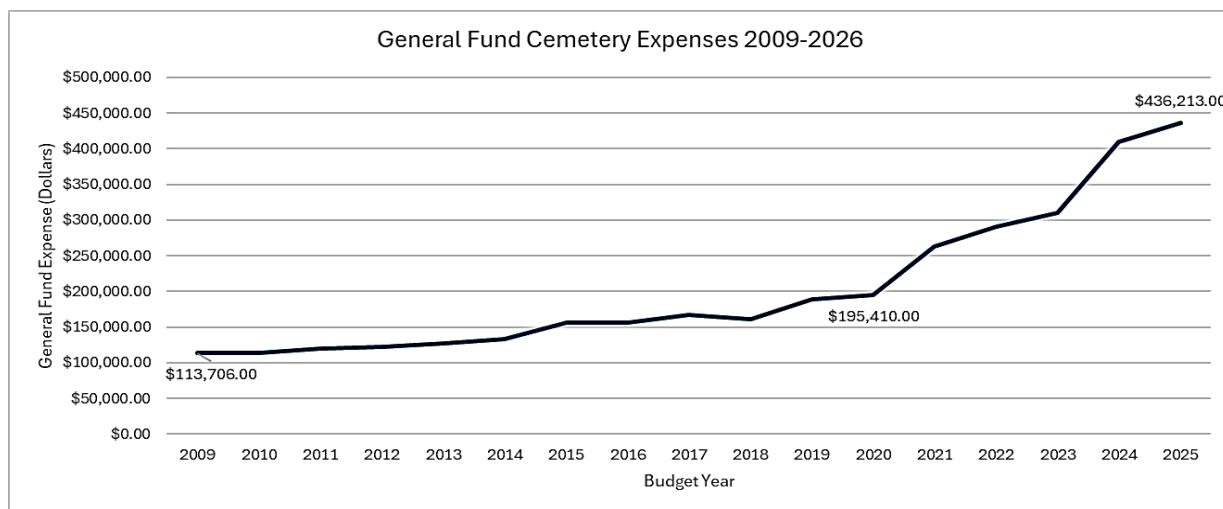
## City Services and Infrastructure

The City Services and Infrastructure Department (CSI) provides management for the construction, operation, maintenance, and repair of physical properties and services of the City, minus electric and water utilities which are maintained by the Board of Public Works. Properties and services include but are not limited to: bike paths, bridges, building construction, building maintenance services, cemeteries, the clean water plant, motor pool, parking, parks, safety, sidewalks, streets, stormwater and wastewater collection systems, traffic control, tree management, and City technology.

## Cemetery Operations

Cemetery operations are managed by the City and encompass two sites. One cemetery is at capacity, while the other began construction of the first phase of development in 2016. Staffing has increased to support expanded maintenance responsibilities, and the loss of inmate labor provided through a County partnership that ended during the COVID-19 pandemic. Burial fees generate approximately \$60,000 annually, and plot sale proceeds are non-spendable but invested, with earnings directed to cemetery operations. Contracted maintenance is minimal, and full outsourcing of operations has not been explored.

The FY 25-26 Cemetery Perpetual Care Fund budget allocates \$10,000 for headstone maintenance, and budgets \$65,000 in revenues, mostly from use sales. The General Fund allocation totals \$436,213 with the largest item outside of full-time wages being \$50,000 for contractual maintenance services with the County. This reflects a large increase in such expenses since the end of the county maintenance partnership; in FY 20-21, the City paid \$9,970 for the same item. Also since 20-21, full-time cemetery wages have increased from \$74,358 to \$120,749. In that same year, the City spent a total of \$195,410 on the care and maintenance of its cemeteries; this reflects a 123% increase in costs since budget year 20-21.



While the City and its residents are proud of their cemeteries and expect them to look good, attention should be paid to this rapidly rising cost center.

## Parks Operations and Tree Maintenance

The Parks Department currently employs four full-time staff which it shares with cemetery operations, and is supported by seasonal workers. The City does not provide recreational programming; instead, that function is administered by Zeeland Public Schools (ZRec),

which leases City fields and facilities. A 2019 organizational restructuring shifted Streets and Motor Pool services out of the Parks Department, which accounts for differences in reported FTE figures across documents. Including General Fund allocations for Parks and the Splashpad/Elm Street Park, the City's FY 25-26 budget allocates \$607,745, \$511,368 and \$96,377, respectively.

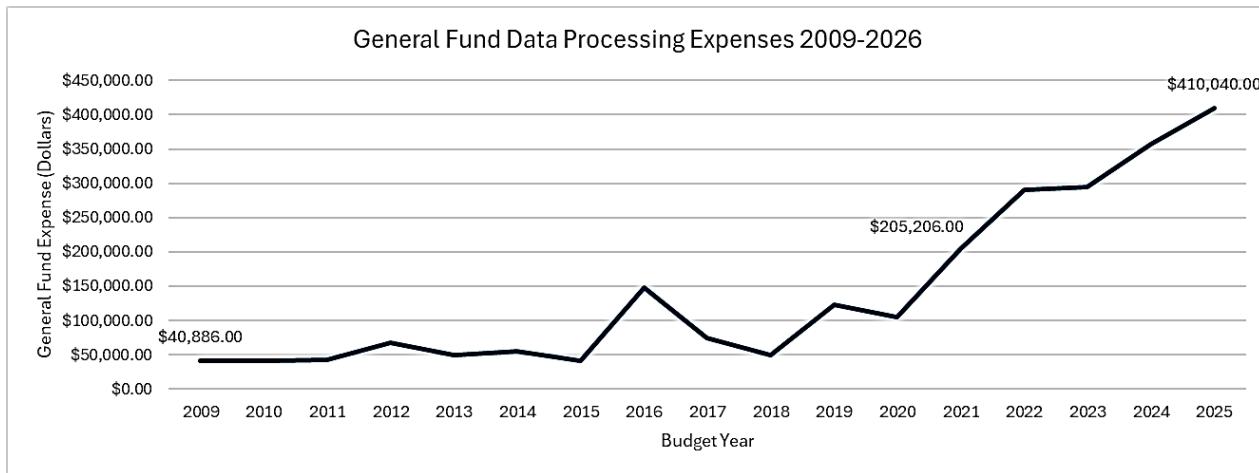
The City also maintains a separate Park Improvement Fund which budgeted \$900,000 in FY 25-26 for improvements to Hoogland Park. This expenditure will shrink the fund balance from \$958,699 to just \$63,699 this budget year.

Tree maintenance is provided in-house when feasible. More complex tree removals or trimming tasks are contracted out – in the FY 25-26 budget, the City allocated \$14,040 to cover all costs related to tree maintenance, the largest costs being \$8,000 for operating supplies and \$5,000 for contracted services. The City also manages annual brush and leaf collection throughout the City at no additional cost to residents.

### **Technology Services**

Technology services were previously outsourced but were brought in-house in 2021. The City's IT function is staffed by a three-person team that oversees both on-site systems and cloud-based tools, including Office 365. A hardware replacement cycle has been established, supported by an annual budget of approximately \$200,000. A depreciation and replacement tracking report is under development. Prior to this transition, technology oversight was fragmented and inconsistently managed.

Since bringing this service in-house, costs have increased significantly for Data Processing. The 2025-2026 Adopted Budget projects \$410,040 in expenses. The 2020-2021 budget, the last year of contracting, had \$104,252 in activity. Since bringing in house, the City has incurred personnel costs but has also established consistency in hardware replacement.



Moreover, the City maintains a separate Information Technology Internal Service Fund with total appropriations of \$1,534,479 in FY 25-26. Revenues for this fund are derived from charges for services to the City's operating funds, including the General Fund, Library, Police, Fire, CSI, Electric, CWP, Water, and the Community Center.

### **Motor Pool**

Motor Pool services are provided by a single full-time mechanic who services a range of vehicles—including fire, police, administrative, and street equipment, excluding BPW and clean water assets. Major mechanical repairs are outsourced. The City is developing a formal replacement schedule. Currently, light vehicles are typically replaced every 10 years, plows every 12, and the fire apparatus is on a 25-year cycle. Police vehicles are rotated annually. Rising equipment costs have placed strain on replacement timelines; for example, fleet investments have increased from \$600,000 five years ago to approximately \$1 million today. The City considered, but did not pursue, equipment leasing as a means of saving money. Leasing limits the modifications that can be made to equipment, and there was a perception of community resistance to this option. Internal equipment rental rates are calculated based on full lifecycle costs.

The Motor Pool Fund has maintained a budget of about \$1,000,000 since FY 23-24. The current budget appropriation is \$1,046,587.

### **Facilities**

City-owned buildings are generally well-maintained and fall within the 20–30-year range for major rehabilitation. A recent facilities study estimated \$20 million in capital needs over the next 5–10 years, though that figure is being evaluated further and is viewed with some

skepticism by staff. The City's Facilities Maintenance Fund appropriates \$974,801 in the current budget, with the largest expense being the Community Center Building at \$239,181.

Revenues for this fund are derived almost entirely from building rental fees with the largest totals being the Community Center, the Library, City Hall, and the Street Garage. For the last fiscal year, the City ran a projected deficit of almost \$480,000, shrinking its net position from just over \$750,000 to \$266,559.

The City also maintains a City Building Fund. Total appropriations for FY 25-26 are \$295,000, \$45,000 for contracted service, and \$250,000 for a chiller update. With only \$5,000 in investment income allocated to revenues, this fund is operating in a deficit of (\$290,000), shrinking the fund balance to \$744.

As the City contemplates its long-term financial sustainability, facilities maintenance should be funded at a level to avoid an accumulation of deferred maintenance. In the long run, deferring maintenance often ends up costing more than following a regular maintenance program and addressing issues before they become critical.

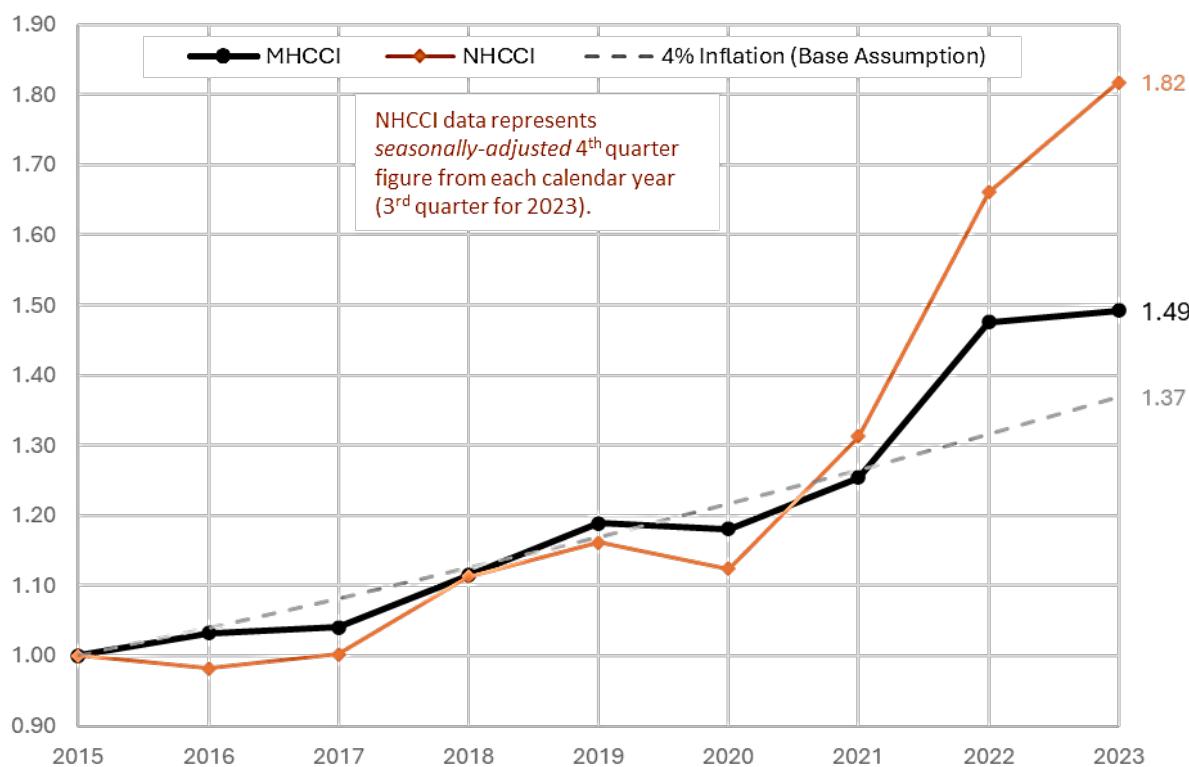
### **Streets**

Zeeland has three street-related operating funds: Major Streets, Local Streets, and Street Construction. Streets are maintained according to a capital plan that integrates utility replacements and other underground infrastructure needs in addition to street surface maintenance. Approximately 40% of Zeeland's streets are currently rated as "poor," though most require resurfacing rather than full reconstruction. Zeeland's only bridge was recently reconstructed and is in good condition.

As seen in the table below, Zeeland funds its street maintenance and replacement costs from three primary sources and several lesser sources. Over the past five years, including the current budget year, the General Fund has been the largest source of funding for streets.

<b>5-Year Total of Street Funds Revenues (FY 2022-2026)</b>				
<b>Revenue Source</b>	<b>Major</b>	<b>Local</b>	<b>Construction</b>	<b>Totals</b>
Transfers In - General Fund	\$ 1,800,000	\$ 300,000	\$ 3,900,000	\$ 6,000,000
State Gas & Weight Tax (Act 51)	\$ 2,981,427	\$ 1,050,548		\$ 4,031,975
County Road Millage	\$ -	\$ -	\$ 1,798,702	\$ 1,798,702
State Grants	\$ 410,000	\$ -	\$ -	\$ 410,000
State Shared Rev.-Snow Removal	\$ 40,564	\$ 83,285	\$ -	\$ 123,849
Metro Act.	\$ 58,271	\$ 58,271	\$ -	\$ 116,542
Interest Earnings - Investment	\$ 41,418	\$ 25,834	\$ (24,245)	\$ 43,007
Charges for Services - Costs	\$ 4,225	\$ 2,800	\$ -	\$ 7,025
<b>Totals</b>	<b>\$ 5,335,905</b>	<b>\$ 1,520,737</b>	<b>\$ 5,674,457</b>	<b>\$ 12,531,099</b>

Over the same five-year period, the City has spent \$12,687,332 on street maintenance and replacement. To maintain municipal streets in fair condition will likely require consistent investments of at least the amount seen in recent years. While the number of miles of street that needs to be maintained remains constant, the cost per mile for street construction has increased substantially in recent years, and this trend is expected to continue for the foreseeable future. According to a 2024 report by the Citizen's Research Council of Michigan, "Construction cost inflation has increased at an unexpected and unprecedented rate since 2020."<sup>16</sup> This fact is illustrated in the chart below, which shows Michigan's costs for highway construction have outpaced the forecasted 4% annual inflation rate, although Michigan's rate of increase has not been as high as the national average.



As the costs of municipal operations continue to increase, most notably costs associated with public safety related operations, the reliance on general fund dollars to fund street-related capital improvements will grow increasingly unsustainable. Should construction-

<sup>16</sup> "Michigan's Highway Funding is Undermined by Recent Construction Cost Inflation," Citizen's Research Council of Michigan, May 8, 2024. [https://crcmich.org/construction-cost-inflation\\_20140508\\_dennis](https://crcmich.org/construction-cost-inflation_20140508_dennis)

related inflation continue to grow at the above average rates seen over the last few years, the lack of sustainability of this General Fund practice is a certainty.

As the City of Zeeland leverages this report to assess its long-term financial strategy, a designated funding source for street-related capital should be considered. A voted millage or voted bond are the two most common ways to fund street-related capital. The level of funding to be targeted should be informed by the citywide PASER ratings, and the City Council's and community's expectations for street conditions and ongoing maintenance. For planning purposes, the City can expect a minimum 24-month period from initial policy discussion, through community engagement and education, culminating with the targeted election and vote.

Given the City's conservative nature and the precedent for low taxes, the 24 months outlined above should be considered to be the minimum timeline. A 2.35 mill increase, based on current taxable values, would replace the existing approximately \$1.25 million General Fund contribution. To hedge against inflation, a 2.5 to 3.0 mill increase would be a stronger strategy to consider. A voted bond could also be a worthwhile approach that can provide for more tangible outcomes to skeptical voters and community members. However, a bonding strategy can be more susceptible to inflation.

Whether a streets millage or a voted bond, the City will need to allocate sufficient time and resources to explore its options and the overall need to reduce reliance on the General Fund for major capital improvements relating to streets.

### **Pathways**

The City of Zeeland's bike pathway system is distributed throughout the City and connects to major destinations, including the local parks. The City is fully responsible for both the maintenance and capital costs of the system. While pathways are cleared during the winter, they are not salted. Usage data of the pathway is maintained, though revenue generation strategies—such as sponsorships—have not been pursued. The prevailing view is that infrastructure of this nature should remain publicly funded through taxes rather than private contributions.

Sidewalks follow a similar model. Maintenance responsibility rests entirely with the City, with no special assessments utilized. While a full user survey has not been completed, a partnership has been initiated to collect pedestrian traffic data via pedestrian counters. Total pathway maintenance (inclusive of both sidewalks and bike paths) was approximately \$87,000 in FY 23-24 and is projected to increase to \$234,400 in FY 25-26, with \$40,000 going to contracted services, and \$133,500 contributed to the new Snow Melt Fund. This level of

General Fund support for sidewalk and pathway maintenance may need to be evaluated for alternative funding if the City's financial outlook weakens substantially.

## **Parking**

Parking is free throughout the City. Although paid parking existed briefly in the early 1990s, it has not been considered favorably in recent years. The downtown parking supply is supplemented through lease agreements with nearby churches and businesses. With the addition of 100 new residential units in the downtown area, demand for parking continues to increase. With this demand, a formal parking study has been completed.

The General Fund allocation in the 25-26 budget for both the Municipal Parking System and the Satellite System is \$290,903, which amounts to 2.7% of total General Fund expenditures. While free parking is a nice benefit for the community, this level of funding may not be sustainable if the City faces a substantial loss of property tax revenues.

The consulting team has been advised that the City of Zeeland has begun discussing municipal parking and the potential for the construction of a municipal parking deck. Although there are many merits to "stacking cars" versus parking them across fields of asphalt, there are many other considerations that should be given attention.

The construction costs of a parking structure can vary significantly based on site specific needs and the construction strategies used. According to WGI Engineering, an engineering firm with locations across the United States, the national median cost for above-ground structured parking is approximately \$29,900 per space as of 2024.<sup>17</sup> Underground spaces can cost two to three times more per space due to excavation, waterproofing, and structural complexity. Construction-related inflation has increased significantly over the last few years. A site-specific feasibility study by an experienced parking engineering firm should be considered if the City seeks to continue this discussion.

Maintenance costs are often underestimated in early planning but represent a substantial long-term investment and commitment. These include operational maintenance (e.g., lighting, cleaning, snow removal), aesthetic upkeep (e.g., painting, landscaping), and structural system maintenance (e.g., waterproofing, concrete repair). Structural maintenance alone can require a reserve fund for major repairs over a 30-year lifespan, with costs varying by construction type—cast-in-place, precast, or steel. According to a scientific paper presented at the World Conference on Transport Research conference, the

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<sup>17</sup> "Parking Structure Cost Outlook for 2024," WGI. <https://publications.wginc.com/parking-structure-cost-outlook-for-2024>

average annual maintenance costs per parking space are about \$1,000, with a low of \$600 for basic surface parking to \$5,000 for high-amenity structured parking.<sup>18</sup>

Should the City consider pursuing the construction of a parking structure, caution is advised, particularly if efforts are pursued without the identification of a long-term and designated funding strategy such as a special assessment, paid parking, or a combination of both. Other strategies to help fund the construction and maintenance of a parking structure could be explored, including public-private partnerships (typically as a part of a major redevelopment project), long-term parking leases, and parking fees based on estimated parking spaces required for downtown business.

## **Solid Waste Management**

Solid waste collection is privatized. At least four private haulers serve Zeeland residents directly. Previous efforts to introduce a single-hauler model, including a recent attempt, have not advanced due to community resistance. Residents and Council members have expressed a strong preference for maintaining market choice in service providers. Allowing multiple haulers to service customers throughout the city does have a deleterious impact on road conditions and quality of life. The weight and frequent stopping and accelerating of refuse trucks, combined with their air and noise pollution impacts, suggests the City should minimize the number of trucks on City streets.<sup>19</sup> A single hauler model could result in significant cost savings in street maintenance and repair.

## **Community Events**

Community events hosted on City property are structured as a public service rather than as a revenue stream. Rental fees for facilities—such as the community center—are intentionally set below cost-recovery levels. This subsidized approach is deliberate and supported by the City Council. A formal community special events policy is in place, and fee schedules are publicly available.

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<sup>18</sup> “Comprehensive Parking Supply, Cost and Price Analysis,” Todd Litman.  
<https://www.sciencedirect.com/science/article/pii/S2352146524004496>

<sup>19</sup> A 2014 report, “Assessing the Effects of Heavy Vehicles on Local Roadways,” published by the Minnesota Department of Transportation cites a number of studies on the impact of garbage trucks on local roads. Conclusions included: “limiting the number of garbage trucks...to only one hauler could extend the usefulness of the street 5 to 10 years.”; and “one garbage truck trip is equal to 1,000 car trips and...pavement design manuals show cars have a load factor of 0.0007 and that garbage trucks load factor can be as high as 1.6.”

## Library

Zeeland hosts the Howard Miller Public Library (HMPL), which is run as a department of the City. The Library serves residents of the City of Zeeland, Blendon Township, Olive Township, and Zeeland Charter Township. Each of these four communities and two adjacent district libraries (Herrick and Loutit) contribute revenues to the Library, based on library use by residents in the townships. Other revenue sources include penal fines, State revenue sharing for libraries, charges for services, interest earnings, and other miscellaneous revenues.

When comparing Herrick District Library, Loutit District Library, and the Howard Miller Public Library, HMPL appears to operate at a cost per service population that is two-thirds that of the other two libraries.

While the HMPL's costs compare favorably to other libraries, the costs paid by the four HMPL member communities reveal a considerable disparity. The City of Zeeland's contribution per capita is nearly seven times the amount paid by Blendon, Olive and Zeeland Townships. Similarly, the effective millage rate paid by the City is considerably

**Regional Libraries  
Cost per Capita**



**Howard Miller Public Library  
Cost per Capita**



higher than that paid by the other three communities. Blendon and Olive Townships have dedicated library millages (0.2744 and 0.246 mills, respectively). Zeeland Township's contribution equates to about 0.3551 mills. The City's \$600,000 General Fund contribution to the Library equates to approximately 1.13 mills, which is four times the average tax burden of the other three communities.

Despite these disparities in library funding, it appears this structure has been consistent over the past 15 years. A review of library revenues back to 2011 shows the City's contribution has been relatively close to 65% of the contributions from the four member communities. Since HPML is a City Library, contributions from other communities could be viewed as a cost savings to City residents, since without those contributions, Zeeland taxpayers would be paying the full cost of library operations.

During the 15-year period noted above, the City's contribution as a share of total Library revenues has fluctuated between 35% and 55%, with an average of 45%. Considering the Library's costs have increased an average of 5.5% per year over the past 15 years, The City can expect an increasing portion of its GF revenues being dedicated to supporting Library operations.

In light of these findings, and with a focus on financial sustainability, the City may want to consider evaluating the option of moving to a district library model. This option would remove the General Fund contribution to the library, saving over \$600,000 per year. A district library would also equalize the costs of the library across all communities served, but the net cost impact on Zeeland residents would be higher due to a new library millage to fund the district library.

### Clean Water Department

Zeeland owns and operates a wastewater collection and treatment system serving the residents and businesses of the City, as well as parts of neighboring Zeeland and Holland Townships. The Clean Water Plant was expanded in 2016 and has received more than \$4 million in capital investment in the years since. The collection system is reported to be in good condition.

The Clean Water Plant Fund is operated as an enterprise fund, and all costs of operations, maintenance and capital replacement are recovered through rates and charges to customers connected to the utility. The Fund contributes about \$280,000 per year to the General Fund for administrative support. This revenue may be reduced slightly if ZGS ceases operations in the City, but the change would be immaterial to the General Fund budget.

### Board of Public Works

The Zeeland Board of Public Works (ZBPW) is a municipally owned utility that provides water and electric services to the City of Zeeland and surrounding areas. Established in 1952 as a semi-autonomous entity, ZBPW operates under a five-member board appointed by the City Council. It is committed to delivering reliable, safe, and cost-effective services, with both its electric and water enterprises operating debt-free. ZBPW emphasizes sustainability through renewable energy initiatives and energy efficiency programs. ZBPW maintains transparency and financial independence, funding operations solely through utility revenues.

## Water Department

ZBPW purchases its municipal water from the City of Holland and operates its own distribution system to provide clean, safe, and reliable drinking water to the Zeeland community. Lead service line replacements are expected to be completed within two years, with goosenecked connections addressed in a five-to-ten-year window.

The Zeeland Generating Station is a major water customer. In 2024, ZGS water usage accounted for over 40% of total water usage of the City's system. With the closure of ZGS, total water usage would decline considerably. The water utility can expect a substantial loss of revenue. However, the wholesale cost of water supplied by Holland would also decrease. The actual net revenue loss from ZGS would be the annual receipts from fixed monthly fire protection charges and capacity reservation charges, plus the 15% usage charge paid above the wholesale cost of water provided by Holland. The BPW can begin forecasting the financial impact of the loss of ZGS 5-8 years before the facility ceases operations and begin transitioning rates to meet revenue requirements without ZGS.

## Electric

The Zeeland Board of Public Works' electric distribution system consists of approximately 147 miles of primary line to service its 6,800 customer accounts and has annual sales exceeding 390,000 megawatt-hours. The Board's electrical programs focus on energy efficiency, renewable energy, and community engagement. In 2023, its Energy Smart Program™ saved over 2,679 megawatt-hours of electricity, reducing greenhouse gas emissions by an estimated 1,350 metric tons. ZBPW also sourced 17.2% of its electricity from renewable sources like wind and solar. The utility offers residential and business incentives for energy-efficient upgrades and maintains a \$0.50 monthly charge to fund these efforts.

The Electric Fund pays an annual franchise fee to the City's General Fund, as required by the City Charter:

*A monthly payment shall be made to the general fund of the City of Zeeland, beginning with the fiscal year starting on July 1, 1991. Such monthly payment shall be equal to one percent times the gross revenues of accrued sales of electricity for the fiscal year two years prior to the year in which the fee is to be paid as reported in such fiscal year's annual report, divided by twelve, plus an amount equal to one percent times the electrical system's total net fixed assets as reported in the fiscal year's annual financial report for such fiscal year two years prior to the year in which the fee is to be paid less any franchise fee to be paid in the fiscal year in which the payment is to be made, divided by twelve.*

Based on this formula, the General Fund receives nearly \$700,000 per year from the Electric Fund. This revenue would not be impacted by the loss of ZGS. However, the City is heavily reliant on two major industrial customers for its electric utility revenues. One customer alone accounts for nearly 42% of electric usage, and another accounts for nearly 12%. These customers are also the 2<sup>nd</sup> and 3<sup>rd</sup> largest taxpayers in the City. The loss of one or both of these industries would have significant impacts on electric utility revenues and property tax collections, resulting in substantial loss of General Fund dollars. The City should consider the cost-saving and alternative revenue options presented in this report if these industries were to reduce operations or leave the City entirely.

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Overall, the City of Zeeland operates within a fiscally conservative framework. Low tax rates are paired with high service expectations, made possible by a large industrial tax base. This allows the City to fund capital improvements and maintain service levels that would be atypical for a municipality of its size. Across departments, there is a clear emphasis on data-driven decision-making, long-term planning, and an ethos of getting things right the first time.

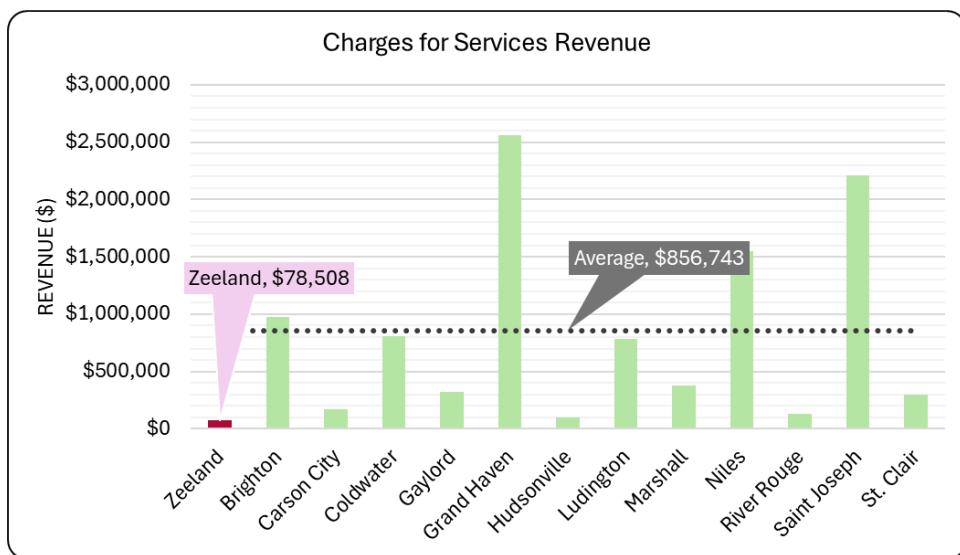
## REVENUE OPTIONS

Michigan cities have a limited number of revenue options available to fund government operations. Appendix A includes a summary of the key revenue options available. In this section we will present some of the possible revenue options Zeeland may consider in its efforts to remain financially sustainable and resilient in the face of potential risks to revenue stability.

### Increase User Fees

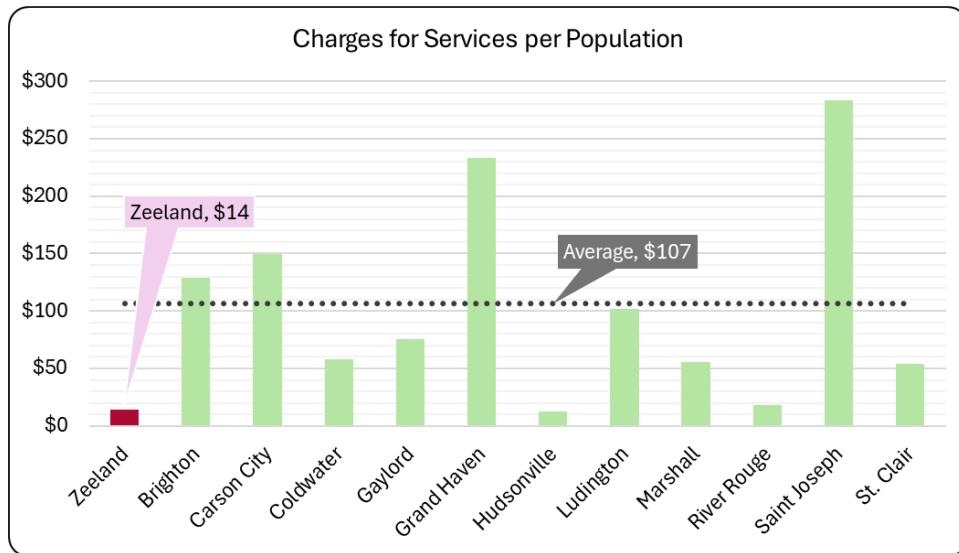
As noted previously, Zeeland's revenues from Charges for Services (\$78,400 in 2024) are substantially less than revenues in comparable cities (\$856,700). Zeeland prides itself on its high level of service and low cost to residents, and this philosophy extends to cost recovery for services provided. The chart below illustrates the variability in revenue from Charges for Services. While some other cities also have low revenues from this source, Zeeland is clearly the lowest.

If Zeeland were to match the average revenues of the comparable cities excluding the three highest (Grand Haven, Niles, St. Joseph), it could see revenues in this category increase to \$500,000.



On a per capita basis, Zeeland's Charges for Services revenues are just \$14, compared to the average of \$107 in other communities. If the three highest cities are removed from the comparison, the average per capita revenue is \$60. At this level, Zeeland could generate just over \$300,000.

Should the City wish to consider this option, we recommend reviewing the user fee schedules for comparable communities closest to Zeeland. This would provide an initial framework and reference for how Zeeland might restructure its user fees and other charges for service.



Some examples of user fees Zeeland could adopt, expand or increase:

- Planning and zoning fees
- Paid parking in high demand areas downtown
- Facility use rental charges
- Building trades fees
- Dog licenses
- Business licenses

### Increase Property Taxes

The most common and often most impactful option for increasing revenues is to increase local property taxes. Zeeland has about 2.93 mills of available taxing capacity before it reaches its maximum allowable general operating levy. Applying the available mills to the City's 2024 taxable value of \$531,417,171 would generate about \$1.65 million in additional tax revenue. While the City does not require additional tax revenue at this time, levying up to the maximum allowable millage rate option would be the fastest approach to generating additional revenue in a time of financial stress. Voter approval is not required to increase this levy, since it falls within the limits of the City's Charter.

Additional special or debt millages could be pursued for specific purposes, such as public safety, streets, debt, library, or capital. Special millages require voter approval, and the levy

would be for a specified, limited time. The advantage of renewing special millages every 5, 10, 15 or 20 years is each time the millage is up for renewal, the City can ask voters to reset the levy to the previously approved level, thereby countering the effects of any Headlee reductions that may have been applied during the years the levy was in place. The City would also have the option of reevaluating its needs prior to a millage renewal, and to request voters approve the levy required to fund anticipated expenditures.

As noted in the section on public safety earlier in this report, to fully fund public safety with a special millage would require a levy of about eight mills based on today's costs and taxable value. Our analysis of future costs and tax base suggest a levy closer to six mills in 2043 may be sufficient to generate revenue required to adequately fund operations after the departure of ZGS. The actual levy required in 17 years cannot be known until closer to the time the special levy may be required.

A special millage to fund the annual \$1.25 million in street improvements currently paid by the General Fund would require a levy of 2.35 mills today. If ZGS taxable value is excluded, the levy would need to be 3.9 mills to generate the same revenue.

### Renegotiate 425 Agreement with Zeeland Township

The City's existing 425 agreement, effective 1993, is highly irregular. In summary, Public Act 425 of 1984, also known as the "Intergovernmental Conditional Transfer of Property by Contract Act," allows local units of government to conditionally transfer property between each other through a contract. This Act is often used to facilitate development and share tax revenues between cities and townships. It is oftentimes informally referred to as "annexation light."

Key highlights of the Act include:

- **Conditional Property Transfers:** Property can be transferred temporarily, rather than permanently annexed and/or property can revert to a municipality after a predetermined period of time. The terms of such permanent or temporary property transfers are negotiated and approved by the elected bodies of each jurisdiction.
- **Jurisdiction and Service Provision:** The agreement defines the responsibilities of each party, such as tax collection and municipal services. Municipal services can be applied as broadly as those currently provided by the city, or they can be more limited in nature. For the purpose of tax collection, it is not uncommon for a city's full levy to be applied to the parcels

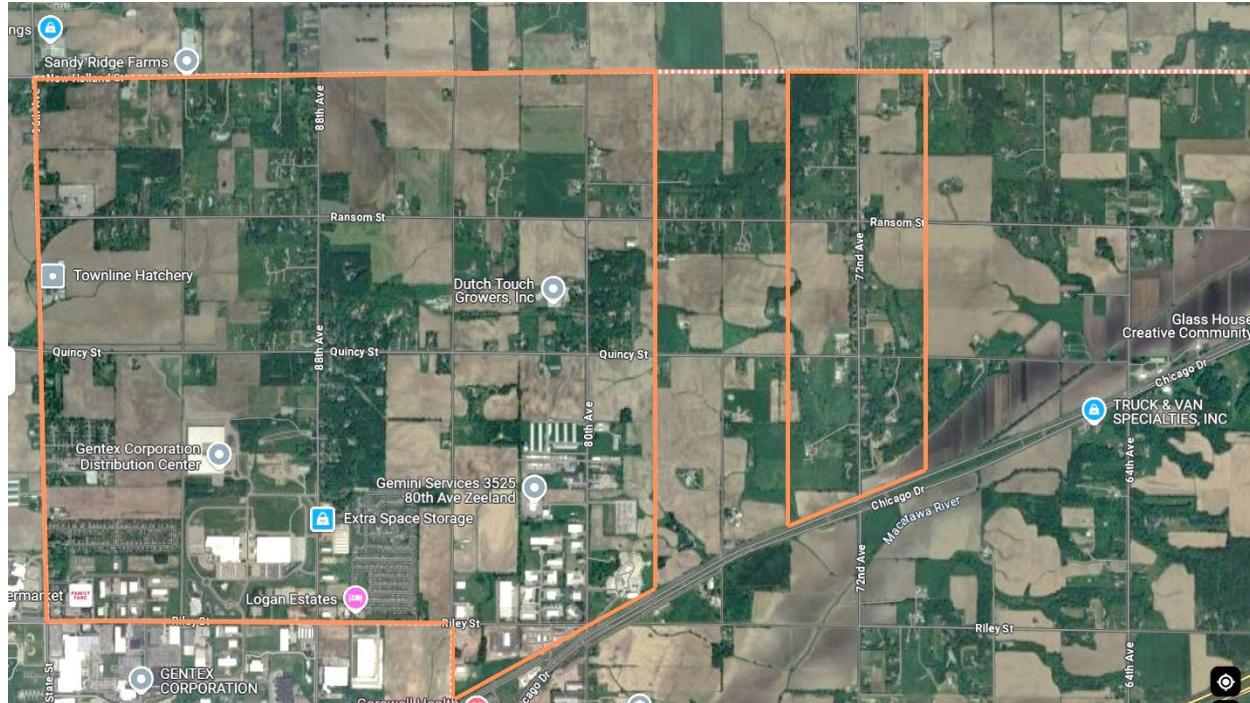
in the 425 area, with an amount equivalent to the township's levy distributed back to the township.

- **Duration and Termination:** Agreements can last for decades and specify what happens to the property at the end of the term.

When properly structured, such agreements can be highly beneficial to the cities and the townships involved.

Upon review, the City of Zeeland's 425 Agreement with Zeeland Township seems to be very one-sided and nothing more than an interlocal agreement to provide water and sewer services. There appears to be no *true* "conditional transfer of property" between the Township and the City. Per the agreement, not only is there no tax share between the Township and City, or vice versa, the City is exempted from providing any services to the Township areas outside of water and sewer services. At the termination of the agreement, either by mutual agreement or its 50-year term (2043), property reverts back to the Township.

The existing 425 areas are outlined in the map below. Using Ottawa County's publicly available GIS platform, we estimate there are approximately 712 Township parcels with an estimated taxable value of \$126 million within the 425 areas.



With the structure of the current 425 Agreement, and if this is the model to be used in any future potential 425s, the City has placed significant restraints on its ability to raise revenue

or benefit from economic development that it has helped to enable adjacent to the City border. Such restraints do not benefit the City and provide substantial benefit to the Township. Of interest for future study would be an analysis of mutual aid runs to the 425 service areas and the frequency of City resources arriving prior to Township public safety resources.

Renegotiating the City's 425 with the Township, to be more in line with traditional terms, would be an effective revenue strategy that would not result in a tax increase on current City taxpayers. Such an agreement would include the application and sharing of the City's millage rate on said properties at a minimum, and possible permanent transfer at the conclusion of the initial agreement. If the agreement were renegotiated this year, the City could realize an additional \$680,000 to \$1,425,000 in additional General Fund tax revenues. Unknown is the political viability of such an approach and the effects on City/Township relationships.

Assuming the City and Township agree to extend the 425 agreement in 2043 with new terms more beneficial to the City, the estimated revenue received by the City would be between \$1.2 million and \$2.5 million. While this is not enough revenue to fully replace the estimated loss of ZGS tax revenue (approximately \$3.5 million in 2043), it would provide a significant amount of revenue for Zeeland.

### Excise Tax from Marijuana Sales

Cities and townships across Michigan have benefited from marijuana taxes based on operations located in their jurisdictions. In the initial years of Michigan's legalized recreational marijuana retail and grow operations, demand for sites across the state was high. Revenue from the State excise tax on marijuana sales was distributed to the relatively few communities that hosted retail and grow operations, and those communities saw large payments from the State. As the marijuana market has matured in Michigan the construction of new facilities has led to oversupply. In response, prices and associated tax collections have diminished in the past year, and many municipalities have seen a reduction in revenue sharing. It is unlikely a large processing/grow operation with substantial taxable value would construct a new facility at this time. In conversations with City leaders, we learned this highly controversial industry has not been viewed favorably by the Zeeland community, so its revenue potential is likely zero for the City.

## City Income Tax

### **Background**

Michigan's City Income Tax Act (CITA/Public Act 284 of 1964) allows cities to levy an income tax that applies to anyone who lives or works in the city, and all businesses operating within the city. Currently, 24 Michigan cities have an income tax. Most cities have a resident tax rate of 1% on all taxable income, a nonresident rate of 0.5% on income earned in the city, and a corporate rate of 1% on profits earned in the city. Four cities impose higher rates (Detroit, Highland Park, Grand Rapids, Saginaw). The most recent cities to have approved a local income tax were Benton Harbor in 2017 and East Lansing in 2018. Many cities direct income tax revenues to the General Fund, while some earmark revenue for specific purposes such as capital improvements or public safety.

### **Data and Assumptions**

This preliminary analysis uses data from the US Census (2020 Census, 2020 OnTheMap, 2022 Economic Census, 2023 American Community Survey), the Michigan Treasury, business information provided by the City, and a survey of income taxing cities conducted by Municipal Analytics. The nine comparable cities surveyed were Albion, Benton Harbor, Big Rapids, Ionia, Lapeer, Muskegon, Muskegon Heights, Portland, and Springfield.

Exemption amounts range from \$600 to \$3,000, with the majority of cities allowing \$600 exemptions. The CITA sets personal and dependency exemptions (taxpayer, spouse, dependents, senior, disability) at a minimum of \$600 each. This analysis assumes an exemption level of \$600.

To approximate the cost to administer a city income tax, we analyzed survey responses and data from municipal financial reports and found administrative costs average 6% of revenue. Having the State administer the income tax is also an option. In 2023, an amendment to the CITA allows for any income taxing city to enter into an agreement with the Michigan Treasury to have the state administer, enforce, and collect the tax. The Michigan Treasury currently only administers Detroit's income tax.

### **Possible Revenue**

Our preliminary assessment of city income tax revenue potential in Zeeland estimates total net revenue in the range of \$3.5 million to \$7 million, with the most likely revenue potential closer to \$5 million to \$5.5 million per year. The most likely estimate includes approximately \$1.4 to \$1.8 million from a 1% resident tax rate, \$3 million from a 0.5% nonresident tax rate, \$1 million from a 1% corporate tax rate, less 6% of total revenue for administrative costs.

To determine average income for a **resident** taxpayer, we used 2023 median household income for Zeeland (\$49,367) and per capita income calculated by the City from Census and BEA data (\$62,131). From Census data, we estimated the number of exemptions **residents** may claim to be approximately 6,149.

SCENARIO	RESIDENT					
	# Resident Workers	Income	Number of exemptions	Total exemptions	Taxable income	1% of taxable income
<i>Adjusted OnTheMap 2020, ACS Median Household Income, City of Zeeland business survey</i>	2985	\$49,367	6149	\$3,689,400	\$143,671,095	<b>\$1,436,711</b>
<i>Adjusted OnTheMap 2020, City of Zeeland Per Capita Income, City of Zeeland business survey</i>	2985	\$62,131	6149	\$3,689,400	\$181,771,635	<b>\$1,817,716</b>

To determine the number of **commuters** into Zeeland, the analysis uses data from the US Census OnTheMap tool that shows where workers are employed and where they live. We also used the City's business survey information that shows businesses in Zeeland employed approximately 12,832 people in 2024. The largest company, Gentex, employs approximately 5,000, followed by Herman Miller at about 1,400 people. It should be noted that the count for Gentex includes all locations, not only City locations. *The actual number of non-resident workers in the City is the largest unknown variable and the primary reason for a wide range of revenue potential in our analysis.* The US Census Annual Business Survey was used to determine average nonresident income to be \$48,591. The number of total exemptions for **nonresidents** was estimated using average family size in Ottawa County.

SCENARIO	NON-RESIDENT					
	# Commuters	Income	Number of exemptions	Total exemptions	Taxable income	0.5% of taxable income
<i>Adjusted OnTheMap 2020, ACS Median Household Income, City of Zeeland business survey</i>	12734	\$48,591	32472	\$19,483,020	\$599,280,931	<b>\$2,996,405</b>
<i>Adjusted OnTheMap 2020, City of Zeeland Per Capita Income, City of Zeeland business survey</i>	12734	\$48,591	32472	\$19,483,020	\$599,280,931	<b>\$2,996,405</b>

The amount and percentage of corporate income tax revenue vary greatly from community to community. The table below summarizes estimated total revenues from residents, nonresidents, and corporations.

SCENARIO	RESIDENT	NON-RESIDENT	CORPORATE	ADMIN COSTS	ESTIMATED REVENUE
<i>Adjusted OnTheMap 2020, ACS Median Household Income, City of Zeeland business survey</i>	\$1,436,711	\$2,996,405	\$908,789	-\$320,514	\$5,021,390
<i>Adjusted OnTheMap 2020, City of Zeeland Per Capita Income, City of Zeeland business survey</i>	\$1,817,716	\$2,996,405	\$986,895	-\$348,061	\$5,452,955

## Other Considerations and Further Analysis

A more detailed estimate of income tax potential in Zeeland requires further in-depth analysis. Variables that may impact revenues are collection rates, other tax credits and deductions, 425 agreements, and payments to other income taxing jurisdictions. A city resident who commutes to and pays taxes to another income taxing city can claim credit for taxes paid to the other Michigan city. Approximately 2,300 residents work outside Zeeland but determining the number who work in an income taxing city, such as Grand Rapids or Walker, requires further study.

## Economic Development

Zeeland is approaching fully-built-out status, with limited large parcels of land available for development. Most available parcels that are zoned industrial, and the City is working diligently to identify industries to fill those sites. Residential and commercial redevelopment opportunities are being pursued in the downtown area, with current focus on several multifamily developments. At this time, Zeeland is not seeking to increase housing density, so economic development activities are centered on available industrial land and infill projects for commercial and residential uses.

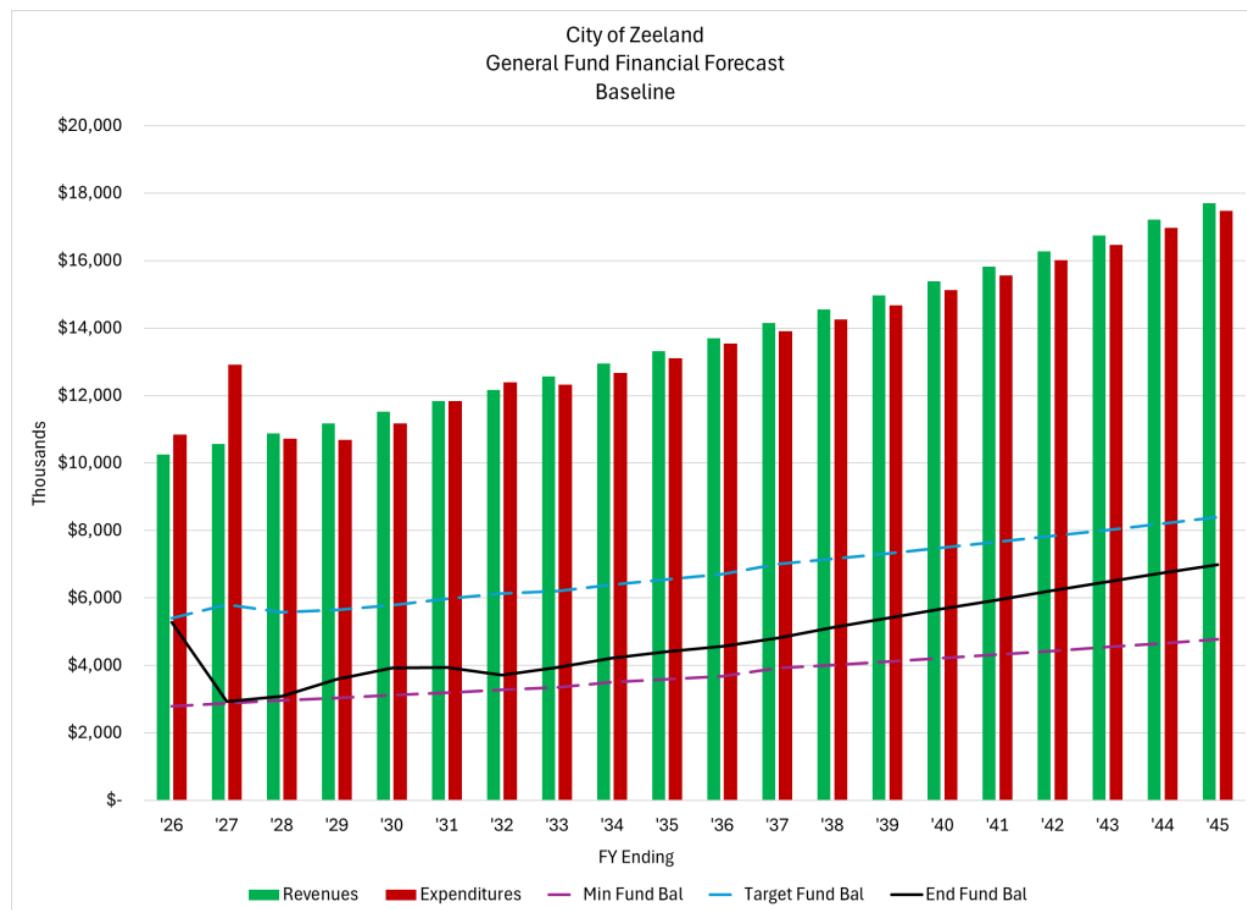
In the future, if Zeeland is faced with financial challenges and increasing demand for more housing or commercial establishments, the City has the option of revising its Master Plan and zoning to allow for higher density and taller structures. This type of development could lead to increases in taxable value and boost City revenues.

## TWENTY-YEAR FINANCIAL FORECAST

A 20-year General Fund financial forecast model was prepared to establish baseline expectations for the City of Zeeland, and to compare baseline expectations to multiple scenarios, which include property tax increases, cost reductions, and enactment of an income tax.

### Baseline

Under the baseline scenario, the City is projected to receive \$273.7 million in total revenue over 20 years. Expenditures over the same period are forecasted to total \$271.3 million. Throughout the forecast period fund balance is projected to remain within the target minimum and maximum range. The significant increase in expenditures, and resulting decrease in fund balance, in 2027 is related to planned capital outlays on the snowmelt system expansion.



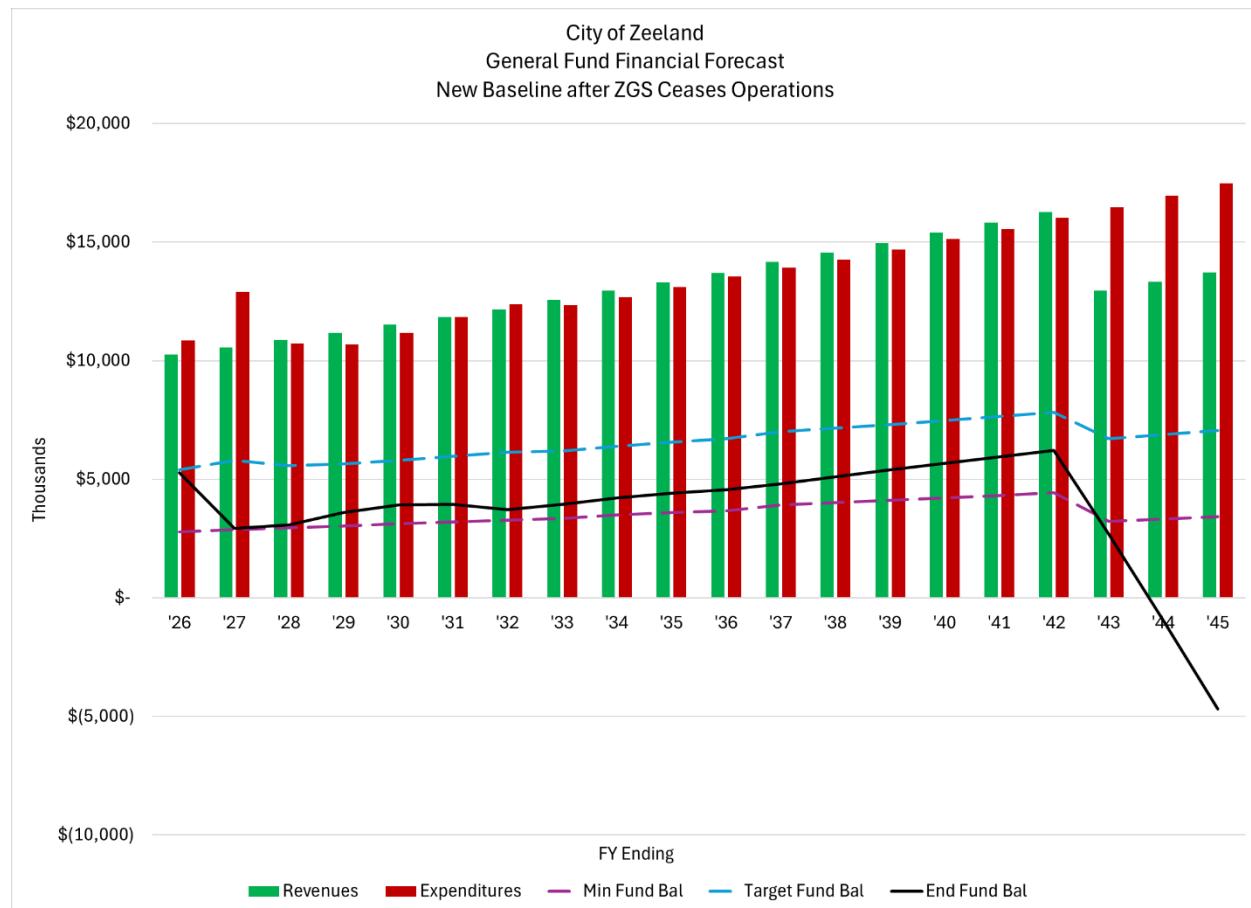
The baseline scenario assumes a slight reduction in operating expenditures in FYE 2027 to account for the City's conservative budgeting strategy that tends to overestimate

expenditures in the annual budget. Beyond 2027 the following assumptions are used in the forecast:

- Wages and related wage-based expenditures are assumed to increase 3.25% per year
- Capital expenditures through 2031 are based on the most recent CIP; beyond 2031 capital is assumed to equal the average outlays of the prior 5-year period
- Taxable value for the top five taxpayers is assumed to increase 2.5% annually
- Other taxable value is assumed to increase 3.25%
- Existing IFTs are assumed to return to the ad valorem roll at the expiration of their exemption period and no new IFTs are assumed to be added
- The existing general operating levy of 11.1354 is assumed to remain for the next 20 years
  - A Headlee reduction fraction of 0.9975 is applied each year, but this would not result in the maximum levy falling below the millage rate currently applied
- Transfers Out, excluding transfers related to capital outlays, are assumed to increase 5% per year
- A 3% inflation factor is applied to all other expenditures

## Scenario Analysis

In each of the following alternative scenarios, Consumers Energy is assumed to cease operations in 2042. In this new baseline forecast, if no further changes were made to net revenues or expenditures, the outlook for the General Fund would quickly turn negative in the first year ZGS taxes were not collected.



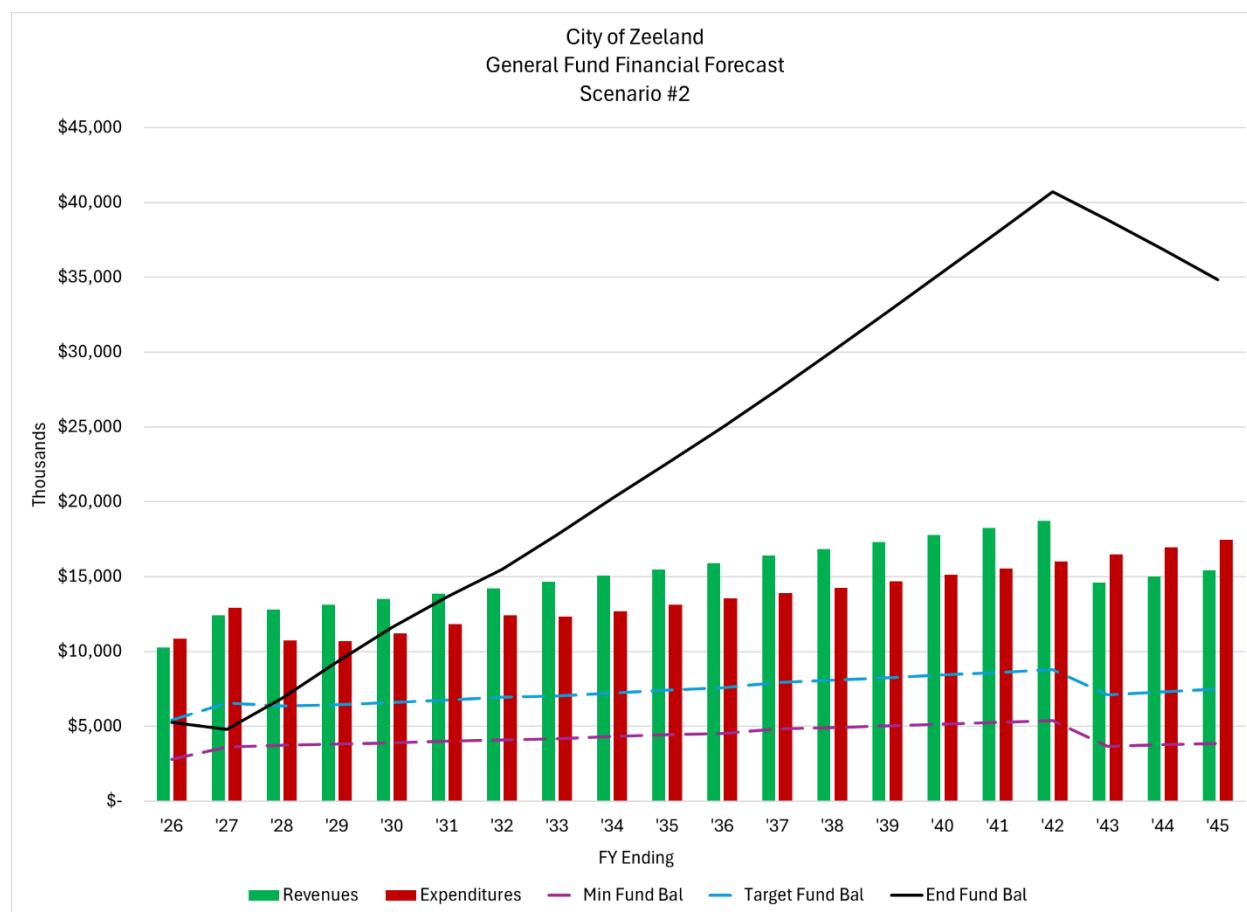
## Scenario #1: Negotiate new 425 agreement that allows the City to levy its full property tax on all parcels in the 425 areas

In this scenario, the only assumed change made in response to ZGS property coming off the tax rolls in 2043 is the City will renegotiate its current PA 425 Agreement with the Township, and that the property covered under the agreement will become subject to City property taxes, net of the Township's levy, in 2043. In this scenario the outlook improves slightly, but clearly this change would not avert a significant financial imbalance in the General Fund.



## Scenario #2: Immediate Tax Increase

Scenario #2 assumes that in response to potential revenue losses from the exit of a major employer/taxpayer, the City will begin levying its maximum allowable millage rate in FYE 2027. Cumulatively, the tax increase is estimated to generate \$39.5 million in additional revenue collected over 20 years. (A Headlee reduction fraction of 0.9975 is assumed for each year, resulting in a maximum allowable general operating levy of 13.4475 in 2045.) In Scenario #2, the City is projected to receive \$301.6 million in total revenue over 20 years. As can be seen in the chart below, beginning to collect the maximum allowable millage beginning in 2027 is a more aggressive strategy than is needed to maintain financial sustainability in the General Fund.



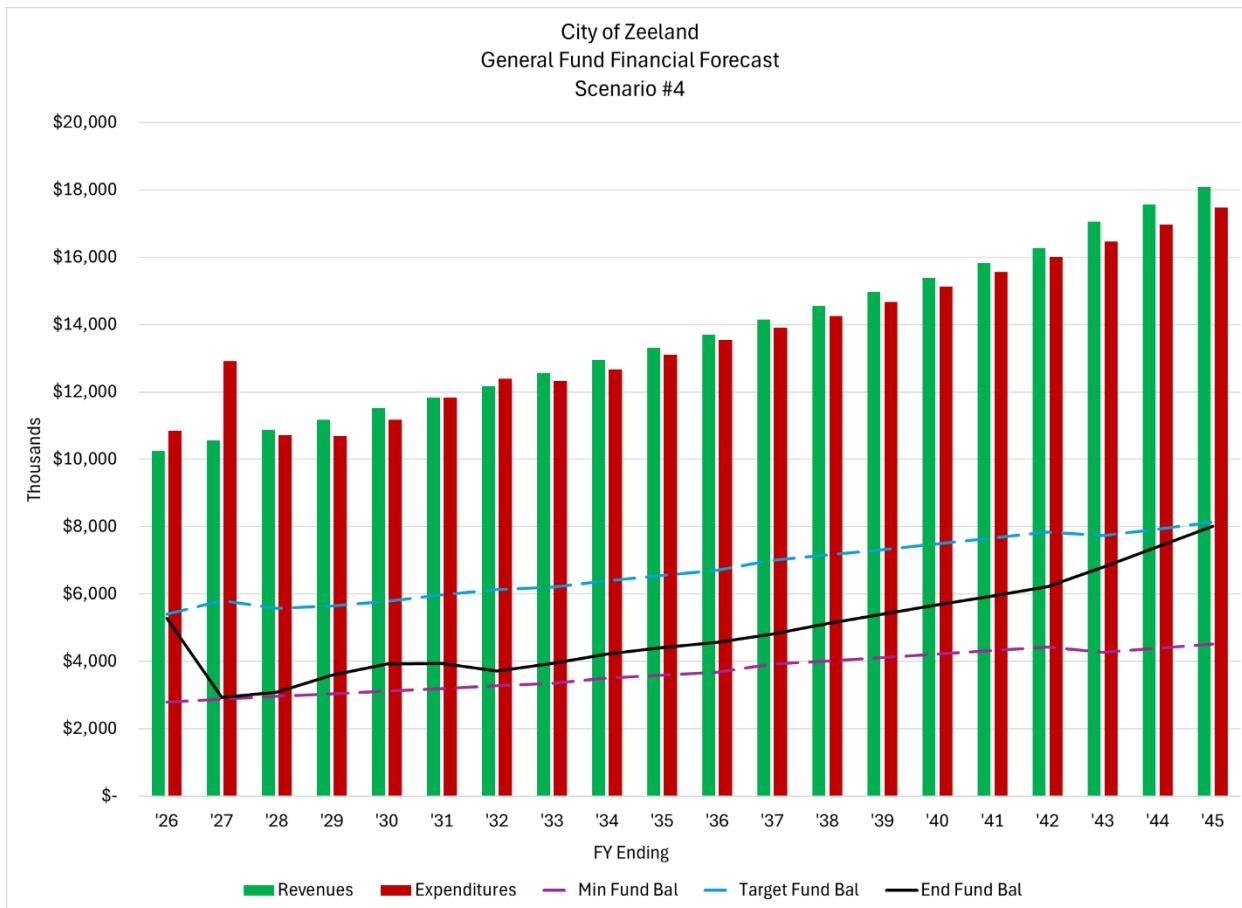
### Scenario #3 Gradual Tax Increase

Scenario #3 assumes that the City incrementally levies an additional 0.0125 mills each year beginning in 2027 until the maximum rate of 13.4475 is reached in FYE 2045. Cumulatively, the tax increase results in \$13.7 million in additional revenue collected over 20 years. (A Headlee rollback is assumed for each year.) In Scenario #3, the City is projected to receive \$275.8 million in total revenue over 20 years. These revenues are projected to be sufficient to carry the City through the transition away from ZGS revenues, but revenue sufficiency quickly fades within a few years of ZGS's departure. This option may work as a stopgap, but it will not solve the problem of lost tax revenue from ZGS.



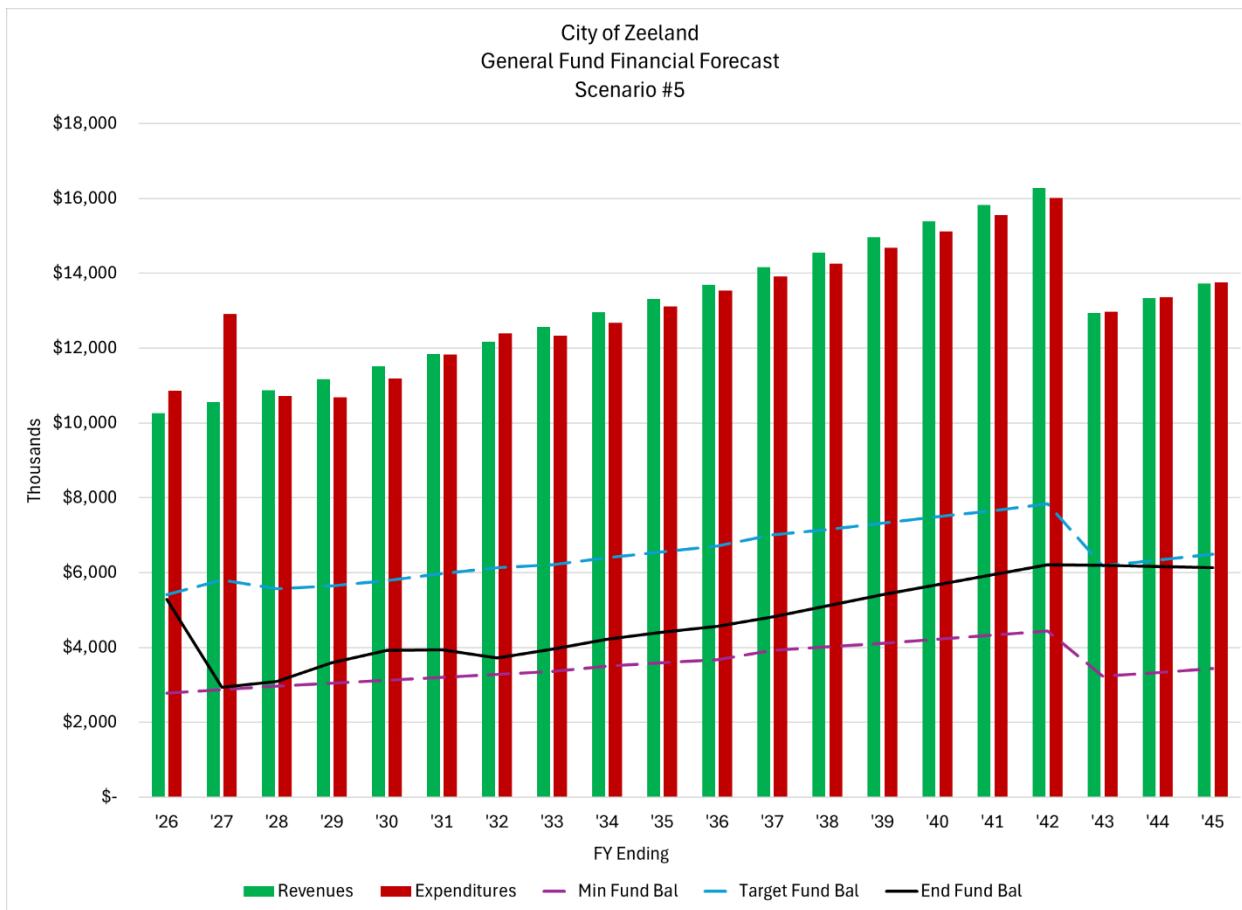
## Scenario #4: Adopt a 6-mill special levy for public safety, to go into effect in FYE 2043

In this scenario the City would seek and win voter approval of a special levy for public safety services. Based on the long-term financial forecast, a 6-mill levy may be sufficient to replace ZGS tax revenues 18 years in the future.



**Scenario #5: Reduce spending to “right size” the budget to align with forecasted revenues after ZGS property is removed from the tax rolls**

To balance the budget with just reductions in spending would require a \$3.5 million, or 22% cut in General Fund services in 2043.

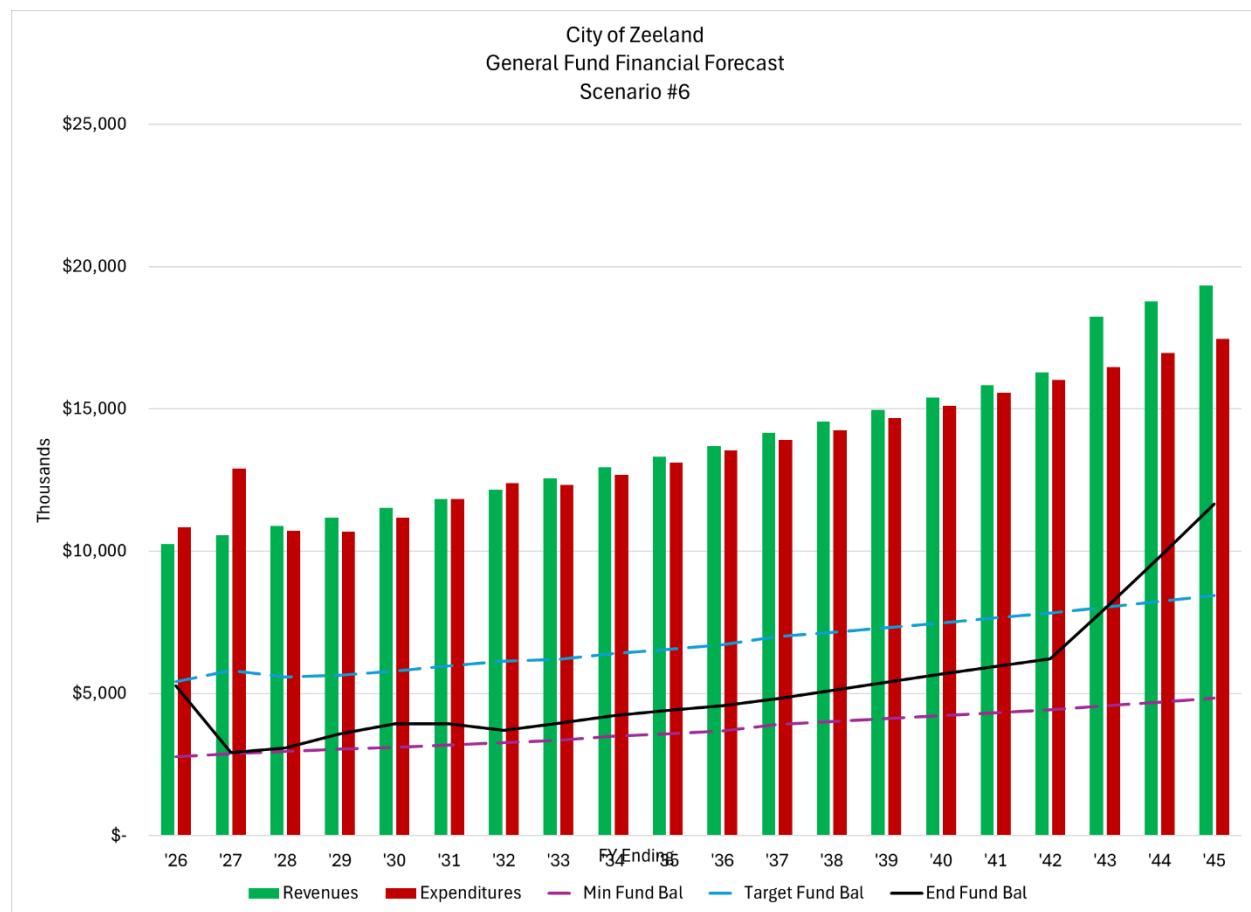


Alternatively, the City could reduce expenditures gradually in the years leading up to ZGS's closure. To successfully implement this strategy would require fund balance exceeding the current policy maximum for several years, which would then be quickly spent down once ZGS revenue is no longer received. The forecast for this strategy would look similar to Scenario #3.

## Scenario #6: Implement a City Income Tax to replace lost ZGS revenue

Scenario #6 assumes that the City will seek and receive voter approval to enact an income tax in 2043, and that \$5.3 million will be raised in the initial year. This is the forecasted future income tax revenue, assuming the low estimate of \$3.5 million in income taxes in 2025.

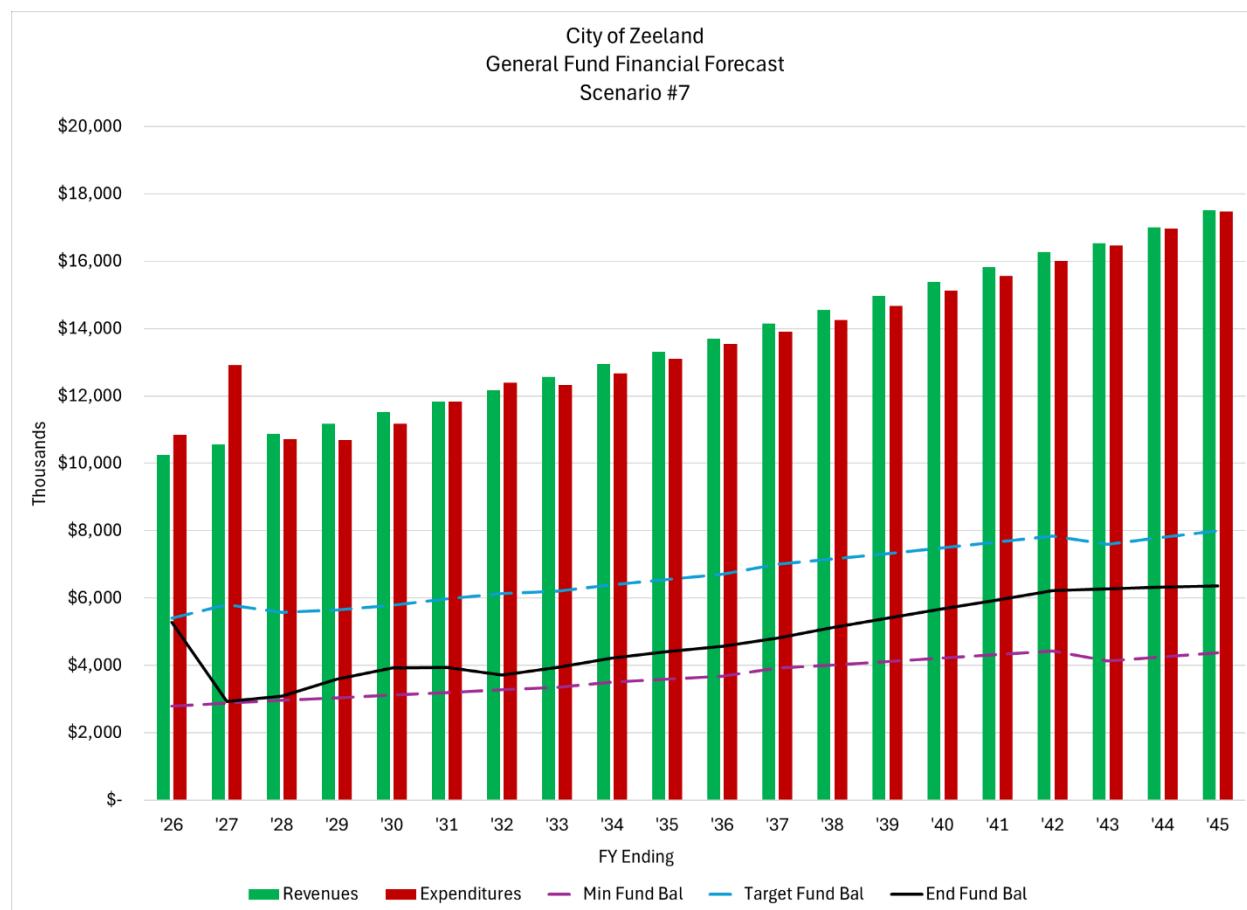
In this scenario, income tax revenues would exceed the lost ZGS revenue property tax revenue and put the General Fund in a very healthy position.



## Scenario #7 Combine a City Income Tax with a lower property tax

In this scenario the income tax option from Scenario #6 remains. Additionally, the property tax is assumed to decrease by 2 mills beginning in 2043.

This scenario may offer the best option for financial sustainability, as it diversifies revenues, reduces the property tax burden on residents and shifts a portion of the tax burden to non-residents who work in the City and utilize or have access to City services such as streets, free downtown parking, police, fire and rescue, parks and pathways.



## APPENDIX A

### Operating revenue options available to Michigan cities:

#### 1. PROPERTY TAX

- a. **Charter:** The City of Zeeland is authorized by charter to levy 15 mills for operations. A mill is equal to \$1 in tax for every \$1000 in taxable value. What is *taxable* value?
  - i. Market value: The “true cash value” of real and personal property; the most recent sale price or an estimate derived from the sales prices of comparable properties.
  - ii. Assessed value: Equal to 50 percent of market value.
  - iii. Taxable value: The result of limits on year-over-year increases in property value for tax purposes, i.e., the tax base on which taxes are levied.
- b. **Voter-approved debt levy:** For voter-approved debt issuances where the borrower promises to repay lenders with its “full faith and credit,” i.e., its taxing authority, property taxes may be levied solely to repay those debts in addition to charter-allowed and other special levies.
- c. **Council-approved levies:**
  - i. [Sanitation \(PA 298 of 1917\)](#): The city council of a city may levy up to 3 mills for sanitation, i.e., waste disposal.
  - ii. [Public libraries \(PA 164 of 1877\)](#): The city council of a city may levy up to 1 mill for library operations without voter approval and up to 2 mills with voter approval.
  - iii. [Promotion \(PA 359 of 1925\)](#): Up to \$50,000 per year may be raised for community promotion from a levy that may not exceed 4 mills.
- d. **Special assessments (PA 188 of 1954):** Distinct from property taxes, special assessments are levied solely on real property and are used to offset costs from limited public improvements. A special assessment is levied solely on property within the immediate vicinity of the improvement, where landowners will directly benefit from the improvement. An example would be a special assessment levied on a subdivision for infrastructure improvements such as repaved roads or repaired sewer lines specific to the subdivision. Special assessments are an alternative revenue source for infrastructure projects that are limited in scope.
- e. **Public safety assessments (PA 33 of 1951):** Cities may levy jurisdiction-wide special assessments for police and fire service; the assessments are limited to up to 10 mills if used for capital expenditures.
- f. **Conditional land transfers (PA 425 of 1984):** An alternative to annexation, state law allows conditional land transfers from one local unit to another.

Transfers are limited: the transfers may not exceed a term of 50 years and must involve an economic development project. Transfer agreements must specify the term, applicability of ordinances and their enforcement, as well as which taxes the land will be subject to and how revenues will be shared.

**g. Constitutional limitations on property taxes**

- i. Headlee Amendment: Under Article IX, Section 6 and Sections 25 to 34 of the State Constitution, dictates that if the taxable value of a taxing authority's total taxable property increases by more than the inflation rate, the tax rate or "millage" rate must be reduced or "rolled back (hence, the term 'Headlee rollback')," so that the taxing authority's total taxable value yields the same total revenue, as adjusted for inflation.
- ii. Proposal A: Under Article IX, Section 3 of the State Constitution, year-over-year increases in taxable value (see above) is limited to the inflation rate or 5 percent, whichever is lower. Taxable value attributable to new construction is excluded from Proposal A tax limit calculations, an incentive to attract economic development.

**h. Opportunities**

- i. Michigan has authorized a range of property tax-related economic development tools intended to attract and/or retain commercial and industrial businesses, restore economic activity, and encourage downtown and neighborhood improvements. A selection of the more commonly used legislation includes:
  - [Obsolete Property Rehabilitation Act](#) (OPRA)
  - [Commercial Rehabilitation Act](#) (PA 210)
  - [Commercial Redevelopment Act](#) (PA 255)
  - [Industrial Property Tax Abatement](#) (PA 198)
  - [Brownfield Redevelopment Act](#) (PA 381)
  - [Conditional Land Use Transfer](#) (PA 425)
  - [Downtown Development Authority](#)
  - [Business Improvement District/Principal Shopping District/Business Improvement Zone](#) (BID/PSD/BIZ)
  - [Local Development Finance Act](#) (LDFA PA 57 of 2018)
  - [Neighborhood Improvement Authority](#) (PA 51 of 2018)

**2. INCOME TAX**

**a. Limitations and costs:**

- i. Voter approval is required.
- ii. Cities must establish the administrative capacity needed to collect income tax and bear the costs of added personnel and payment processing/treasury systems or contract with the State Treasurer for tax collection as the City of Detroit does.
- iii. The maximum tax rate allowed under state law is 1 percent on residents and corporate entities (levied on corporate *net* income),

and 0.5 percent on non-residents. (The non-resident tax rate may not exceed ½ of the resident tax rate.)

**b. Benefits:**

- i. City income taxes appropriately shift some of the tax burden to non-residents who commute to the city for work and enjoy city services—commuters drive on city roads, are protected by city police, and can relax in city parks, etc.
- ii. Individual taxpayers may claim tax exemptions and deductions as authorized in the enabling legislation. Cities have some discretion in establishing local deductions.
- iii. Income tax is more responsive to economic conditions and lacks tax base and tax revenue limitations inherent to property tax.

**3. EXCISE TAX**

- a. **[Marihuana Retail Excise Tax](#)**: In cities that permit marijuana businesses, namely retail facilities, sales at those businesses are subject to a 10 percent state-levied excise tax. Excise tax revenue is received by the State's Marihuana Regulation Fund, and after earmarked expenditures, revenues are distributed to local units. Revenue is distributed in proportion to the number of marijuana businesses within each jurisdiction's boundaries.

**4. STATE-SHARED TAXES**

- a. **State-shared sales tax (constitutional)**: The State levies a 6 percent sales tax and that 6 percent can be split into a 2 percent levy and a 4 percent levy. Tax revenue from the 2 percent levy is received by the State's School Aid Fund and distributed to schools. Fifteen percent of the 4 percent levy is received by the State's General Fund and distributed to cities, villages, and townships on a constitutional basis.
- b. **State-shared sales tax (statutory)**: The State may supplement the constitutional share of sales tax revenue with additional earmarks on an annual basis.
- c. **[Local Community Stabilization Share Tax](#)**: In 2014, voters approved a statewide measure to phase out most personal property taxes. To reimburse local units for revenue losses, a portion of user tax revenue has been earmarked under state law to be distributed by the State's [Local Community Stabilization Authority](#).
- d. **[Public Act 51 of 1951](#)**: On an annual basis, cities and villages are provided State aid for road construction, repair, and maintenance. In addition to the aid provided explicitly for roads, the State's Transportation Fund has earmarked pools for other transportation related expenditures that can support local transit ([Comprehensive Transportation Fund](#)) and economic development ([Transportation Economic Development Fund](#)).

**5. FEES & USER CHARGES**

- a. Generally, cities may use fees and user charges to offset the cost of specific commodities and services. Common user fees include building-related permit and inspection charges, water and sewer charges, recreation fees,

public facility rental fees, parking permits and fees, business registration fees, dog tags, and a host of other fees intended to recover the cost of services that benefit individuals rather than the community at-large.

- b. **Bolt v. City of Lansing:** In a case that reached the state Supreme Court in 1998, the Court established that user charges essentially must serve a “regulatory purpose,” be proportional to the cost to render the service for which the charge is imposed, and lastly, the user must be able to limit their use of the service. In short, there must be a direct nexus between the charge and the service, otherwise the fee or user charge may be argued to be an unconstitutional tax levy.

## 6. INTEREST INCOME

- a. **Interest rates:** In 2015, the average interest rate offered for one-year Treasury bills was 0.3 percent; other short-term assets offered similarly low returns on investment. The rise in prices, US Federal Reserve System response to that rise in prices, and other economic forces have precipitated a rise in interest rates. In 2024, the average interest rate offered for one-year Treasury bills was 4.7 percent.
- b. **Investment policy:** Governments can earn additional interest income if cash balances are invested in accordance with council-approved investment policies; additionally, bank account consolidation, and improved treasury systems can increase interest income.

## 7. SHARED-SERVICES AGREEMENTS

- a. **Interlocal agreements:** Public Acts 7 and 8 of 1987 and Public Act 35 of 1951 provide statutory authority for local units to cooperate via interlocal agreements. Interlocal agreements allow two or more political subdivisions to contract with each other to jointly exercise power, transfer powers from one to another, and create authorities that exercise power on their collective behalf. The ability to cooperate creates conditions to achieve economies of scale, which can lead to lower costs per service or population served.

### Additional Resources:

[“Outline of the Michigan Tax System: 2023 Edition,”](#) Citizens Research Council

[“Diversifying Local-source Revenue Options in Michigan,”](#) Citizens Research Council, February 2018.

[“The Benefits of Local Revenue Diversification Persist, Even if Income Taxes Cratered with COVID,”](#) Citizens Research Council, February 26, 2021.

[“Let’s Reevaluate the Purpose of State Revenue Sharing as Part of Municipal Finance Reform,”](#) Citizens Research Council, November 22, 2024.

[“Treasury and Investment Management Best Practices,”](#) Government Finance Officers Association, accessed on May 31, 2025.



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## CITY COUNCIL MEMORANDUM

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TO: Mayor Klynstra and City Councilmembers

FROM: Tim Klunder, City Manager

SUBJECT: City Manager's Report

DATE: November 26, 2025

CC: December 1, 2025 Council Agenda

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December 1 Meeting Logistics – The work/study session will start at 5:30 p.m. Dinner will be available around 5 p.m. and Council/Council Elect members are welcomed to attend. The work/study session will be a presentation on the Financial Sustainability Study. Council elect members are encouraged to attend the work/study session. The work/study will then adjourn at approximately 6:10 p.m. for the Downtown Christmas Tree Lighting Ceremony and Parade. We hope to convene the regular meeting around 7 p.m. The meeting will begin with Mayor Klynstra and the existing City Council opening the meeting, followed by the Pledge of Allegiance. Immediately following the Pledge of Allegiance, Mayor Elect Van Dorp and the recently elected City Councilmembers will take the Oath of Office and proceed to be seated at the Council dais for the remainder of the meeting.

City Administrative Offices – In recognition of the Thanksgiving Holiday, city administrative offices will be closed on Thursday, November 27 and Friday, November 28.

Planning Commission – The Planning Commission will hold its regular meeting on Thursday, December 4 @ 5:45 p.m. The primary item of discussion will be the development of the Capital Improvement Plan for calendar 2026.

Attachment – October 2025 Clean Water Plant Report

Should you have any questions or concerns regarding any of the material contained herein, or any other city related matter, please do not hesitate to call upon me. Have a safe and Happy Thanksgiving!

---

Timothy R. Klunder, City Manager



## Zeeland Clean Water Plant Update *October 2025*

### **Operations:**

The following is a summary of some of the notable operational events from October:

1. The CWP is running well.
2. The new UV disinfection building continues to progress as most of the process equipment has been installed. An early November start-up is scheduled.
3. Staff gave 9 middle school classes (about 250 kids) tours of the CWP, this has turned into an annual event always good to show the kids how wastewater treatment is performed using microbiology.

### **Regulatory Compliance:**

- Monthly DMR (daily monitoring report) was submitted as required by EGLE.
- Quarterly requirements including low-level Mercury, Available Cyanide, Sulfates and Chlorides were performed and submitted to EGLE as required.
- The annual QA/QC results were submitted to EGLE as required, all testing parameters passed.
- The CWP was given approval to perform a PFAS local limit study by EGLE, this steady will establish a limit for several PFAS contaminants. It will need to be approved by EGLE and then adopted by City Council after the results of the study is completed and the recommended limits are determined. Analytical testing of the CWP influent, effluent, and a residential background source will begin in November.

### **Spills/Overflows**

4. The facility did not experience any spills or overflows in October.

### **Safety:**

5. The CWP had no OSHA recordable injuries in October.
6. Staff continues to receive safety training through GPI Learning program.

# City of Zeeland Clean Water Plant

## October 2025 Monthly Operating Summary



Metrics / Permit limits	Monthly Comparison				Yearly Comparison		
	October 2025	October 2024	% change	Capacity	FY2026 Total	FY2025 Total	% change
Total Plant Flow Average (MGD)	2.4	2.4	2%	3.5 MGD	2.4	2.4	1%
<b>Plant Flow (MG)</b>	<b>74.4</b>	<b>72.9</b>	<b>2%</b>		<b>296.8</b>	<b>294.0</b>	<b>1%</b>
<b>City and 425 flow (MG)</b>	<b>52.4</b>	<b>53.6</b>	<b>-2%</b>		<b>212.5</b>	<b>214.8</b>	<b>-1%</b>
<b>Total City and 425 sewer flow billed (MG)</b>	<b>40.5</b>	<b>42.6</b>	<b>-5%</b>		<b>167.5</b>	<b>167.3</b>	<b>0%</b>
<b>Zeeland and Holland Twsp. metered flows (MG)</b>	<b>22.1</b>	<b>19.3</b>	<b>15%</b>		<b>84.4</b>	<b>79.3</b>	<b>6%</b>
Total precipitation, inches	2.1	1.2	78%		11.8	9.8	21%
Influent BOD Total (Lbs/Day)	3325	3589	-7%	5400 lbs./Day	415870	447977	-7%
Effluent BOD Total (Lbs/Day)	54	61	-11%		6038	6868	-12%
Effluent BOD % Removal	94%	98%					
Influent TSS Total (Lbs/Day)	3595	4673	-23%	5838 lbs./Day	473300	543027	-13%
Effluent TSS Total (Lbs/Day)	138	170	-19%		13694	16924	-19%
Effluent TSS % Removal	96%	96%					
Influent P Total (Lbs/Day)	75.6	84.1	-10%	146 lbs./Day	9374.4	9751.8	-4%
Effluent P Total (Lbs/Day)	12.0	9.8	22%		1064.4	1141.4	-7%
Effluent P % Removal	84%	88%					
Influent Ammonia (Lbs/Day)	420	465	-10%	526 lbs./Day	52002	57813	-10%
Effluent Ammonia (Lbs/Day)	2.5	5.0	-49%		185.4	224.3	-17%
Effluent Ammonia % Removal	99%	99%					
Electric (KWH)	113400	122400	-7%		469800	488400	-4%
Natural Gas (100 cu ft)	483	420	15%		711	857	-17%
Water (100 cu ft)	20	49	-59%		57	233	-76%
<b>City of Zeeland</b>	Average flow per day (MGD)				Total flow for year (MG)		
	1.16	1.24	-6%	1.9 MGD	148.90	150.70	-1%
<b>Zeeland TWP (Area 425)</b>	<b>0.14</b>	<b>0.14</b>	<b>0%</b>	<b>0.5 MGD</b>	<b>18.70</b>	<b>16.50</b>	<b>13%</b>
<b>Zeeland TWP (Liftstations 21, 23 &amp; 29)</b>	<b>0.55</b>	<b>0.47</b>	<b>17%</b>		<b>65.50</b>	<b>58.90</b>	<b>11%</b>
<b>Holland TWP (Liftstation 17)</b>	<b>0.16</b>	<b>0.16</b>	<b>0%</b>	<b>1.1 MGD Combined</b>	<b>18.90</b>	<b>20.40</b>	<b>-7%</b>
<b>Thickened Sludge to holding tanks (MG)</b>	<b>0.10</b>	<b>0.10</b>	<b>-4%</b>	<b>1.5 MG</b>	<b>0.36</b>	<b>0.37</b>	<b>-3%</b>



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## CITY COUNCIL MEMORANDUM

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TO: Mayor Van Dorp and City Councilmembers

FROM: Tim Klunder, City Manager

SUBJECT: City Council Rules of Order and Rules of Procedure

DATE: November 12, 2025

CC: November 17<sup>th</sup> City Council Work/Study Session

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**BACKGROUND:** Per Section 5.7 (g) of the City Charter, City Council determines its own rules and order of business. Historically, City Council has done this through the adoption of the “Rules of Order” and “Rules of Procedure”. In both cases, a newly elected City Council adopts the Rules of Order and Rules of Procedure at its first meeting in December.

The Rules of Order adopted by City Council have consisted of simplified guidelines to parliamentary procedure called “*The Meeting Will Come to Order*” a publication of the North Central Region Extension – attached for reference. One clarification to the Rules of Order for the City of Zeeland is that under Council’s Rules of Procedure, Section D(4), the Presiding Officer (typically the Mayor) shall vote last on all roll call votes.

The Rules of Procedure consists of rules (order of business, voting, audience participation, etc.) that the city drafted and adopted in September of 2003. During the last two City Council work/study sessions, City Council reviewed the Rules of Procedure in an effort to modernize them. Attached are the proposed updates (redline) to the Rules of Procedure effective December 1, 2025. Based on feedback from City Council, we believe the attached updated Rules of Procedure are ready for adoption by City Council.

**Rules of Order Motion:** Move to adopt as Rules of Order, “*The Meeting will Come to Order*” – North Central Region Extension, with the exception that the Presiding Officer will vote last on all roll call motions.



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**Rule of Procedure Motion:** Move to adopt the Zeeland City Council Rules of Procedure updated December 1, 2025 as attached hereto.



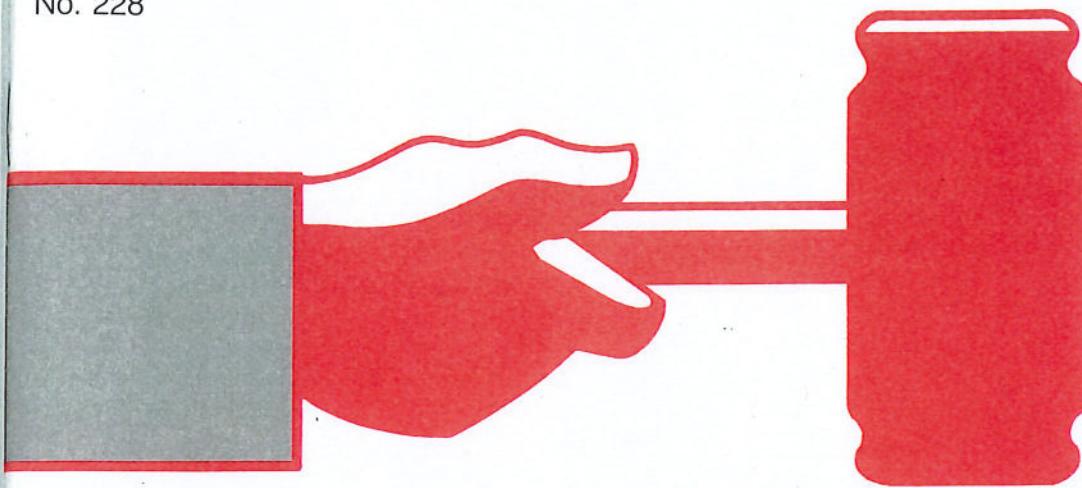
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Timothy R. Klunder, City Manager

FEEL THE ZEEL



North Central Region  
Extension Publication  
No. 228



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THE  
MEETING  
WILL  
COME  
TO  
ORDER

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**Simplified Guidelines  
to Parliamentary Procedure**

The following states cooperated in making this publication available:

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Rep. 5/05 - 5.4M - MB/KMF

# THE MEETING WILL COME TO ORDER

*By Harold Sponberg*

Community groups and similar organizations often misunderstand the real function of good parliamentary practice.

Used properly, parliamentary procedure is one of the most effective means by which individuals can take orderly action as a group. One can give full consideration to any matter of common interest, encourage common-sense minority discussion on each question, then act according to the will of the majority—all with a minimum waste of time. Its purpose is not to inject unnecessary formality into a meeting, nor is it to prevent a free expression of opinion.

There are certainly some sound reasons then why one should acquire a good working knowledge of parliamentary procedure. This bulletin can assist both officers and members understand the basic parliamentary rules.

It is intended as a brief and convenient guide, primarily for use in the meetings of your community groups. It does not presume to cover the entire field of parliamentary law. For the more complex parliamentary problems you are referred to such standard handbooks as Robert's "Rules of Order, Newly Revised."

## BEFORE THE MEETING

If you are chairperson, check the arrangement of chairs and tables before the meeting starts, striving for informality and friendliness. Have a table for yourself and the secretary, so you can work cooperatively before the group. Whenever possible, arrange the chairs in a semi-circle, close enough to your table so the group can hear you easily. Finally, check again on the program for the meeting, and check on the presence of those members who are scheduled to give reports.

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The late Dr. Sponberg, former president of Eastern Michigan University, Ypsilanti, was an Extension specialist at Michigan State University when he wrote the original edition of this bulletin.

# ORDER OF BUSINESS

1. Call the meeting to order
2. Roll call (*sometimes omitted*)
3. Minutes of the previous meeting
4. Reports of the officers
  - a. president
  - b. vice-president (*usually no report*)
  - c. treasurer
  - d. secretary (*correspondence and bills*)
5. Standing committee reports
6. Special committee reports
7. Unfinished business
8. Postponed business
9. New business  
(*the program*)
10. Adjournment

## LET'S GET STARTED!!

Chairperson: (*Rapping desk*) \*“The meeting will now come to order. The secretary will call the roll. Mr. or Ms. ....”

Secretary: “Mary A., Tom B., Robert C., Helen D., etc. .... 10 present; 3 absent; a quorum is present.”

(Sometimes it is well to take the roll silently and report to the chairperson that a quorum is present.)

Chairperson: “Thank you. The secretary will read the minutes of the previous meeting. Mr. or Ms. ....”

Secretary: “The regular meeting of the Parliamentary Law Club was held Oct. 5 in the Union Building. The president etc. .... (see page 8 for a sample of the minutes).”

Chairperson: “Thank you, Mr. or Ms. .... Are there any corrections to the minutes? Mr. or Ms. ....”

(A member is recognized by rising or raising a hand. Seldom should one call out, Mr. and Ms. Chairperson.)

\*Bold face type indicates suggested statements of the chairperson.

Member: "Chairperson, I believe the date should be October 15 instead of October 5."

Chairperson: "If there are no objections, the minutes will be corrected to read October 15. (*Pause*) Since there are no objections, will you make the correction, Mr. or Ms. Secretary."

"Any further corrections? (*Pause*) If not, the minutes stand approved as corrected."

(If there are no corrections, the minutes "stand approved as read.")

"We shall now hear the reports from the officers. First, the president's report."

(This report usually deals with matters of general policy; for example, time and place of next meeting, type of program and other information of importance to the group.)

"Are there any questions about the president's report? (*Pause*) If not, the report stands as read."

"Does the vice-president wish to make a report?"

(This officer seldom makes a report.)

"We will now hear the treasurer's report. Mr. or Ms. ...."

Treasurer: "Cash on hand . . . \$16.00; Receipts . . . ; etc."

(This report is usually a meeting-to-meeting report of the financial condition of the treasury and has not been audited. See page 9 for sample of this report.)

Chairperson: "Thank you. Are there any questions about the treasurer's report? (*Pause*) If not, the report will be received as read."

(This report should never be approved by the assembly until it is audited. See pages 21 and 22 for difference between receive and accept or adopt.)

"We will now hear the secretary's report. Mr. or Ms. ...."

(This report does not refer to the minutes; it is a report of any important letters that have been sent or received and all the bills that have been approved for payment by the secretary and president or by the executive board.)

"Thank you. Are there any questions about the secretary's report? If not, it will stand as read."

(The assembly may desire to vote approval or rejection of the bills. Members of the group may wish to express themselves about any letters that require action; a motion may be made for that purpose at this time. If it seems that these motions will require considerable discussion, they might better be received, again during the new business.)

"We shall now hear the committee reports; first, the standing committees. Mr. or Ms. ...."

(Standing committees are those elected to serve for a certain time, say one year. Example: program committee.)

Standing Committee Chairperson: "The program committee wishes to report that Senator Brown will speak at our next meeting. Coffee and sandwiches will be served."

"Thank you. Are there any questions about this committee report? (Pause) If not, the report will be received as read."

[Generally, committee reports need not be adopted (accepted) unless definite action is required. "Adopt" and "accept" are used interchangeably on committee reports.]

"Since there are no more standing committee reports, we shall proceed to the special committee reports. Are there any special committees prepared to report? Mr. or Ms. ...."

Special Committee Chairperson: "The committee to investigate the purchase of a blackboard reports that the portable blackboards range in price from 3 to 7 dollars. The size is 3 feet by 4 feet."

Chairperson: "Thank you. Are there any questions about this report? (Pause) If not, what is your pleasure concerning this information? Mr. or Ms. ...."

Member: "Chairperson, I move that the committee purchase a blackboard that it feels is best suited to our needs."

(Anyone except the chairperson and the maker of the motion may second it.)

Member: "Seconded."

Chairperson: "It is moved and seconded that the committee purchase a blackboard that it feels will meet our needs. Any discussion?"

(When discussion is over, the chairperson will then put the motion to a vote.)

"Since there are no more committee reports, we shall proceed to unfinished business."

(Now is the time to take up any motions that were not completed at the last meeting and are pending in the secretary's minutes.)

"Mr. or Ms. Secretary, do we have any motions pending from the last meeting?"

(In addition to postponed motions, tabled motions may be considered at this time. Secretary reads motions.)

**"Since that completes the postponed business, the Chair will receive any new business. Mr. or Ms. ...."**

(Members may present new business, if any. After the new business is completed, and if there is a program, the Chair will ask the chairperson of the program committee to present the program. If there is no program planned, the Chair will receive a motion to adjourn.)

**"Since that completes the business for this meeting, the Chair will receive a motion to adjourn. Mr. or Ms. ...."**

Member: "Chairperson, I move that we adjourn."

Member: "Seconded."

Chairperson: "It is moved and seconded that we adjourn. All those in favor of adjourning, say Aye; opposed, No. The motion is carried. [Usually the chairperson does not have to ask for a vote on this motion and may say, "If there are no objections, we will stand adjourned. No objections? (Pause) We stand adjourned! The meeting stands adjourned.]

(It should be noted that any section of the order of business that does not apply to a particular organization may be omitted. However, it should be remembered that this order of business is standard procedure and generally most of the contents are used.)

## **WHAT IS INCLUDED IN THE MINUTES?**

The minutes should contain the following information:

1. Kind of meeting, regular or special
2. Name of the organization
3. Date and place of meeting
4. Presence of regular president and secretary or names of substitutes
5. Approval of previous minutes
6. All reports and action taken
7. All main motions carried or lost  
*(omit those withdrawn)*
8. All other motions carried and which contain information needed at a future meeting
9. All points of order and appeals, whether sustained or not, together with the reasons given by the chair for his/her ruling.
10. Adjournment
11. Signature (The term "Respectfully submitted" represents an outdated practice.)

The name of the maker of the motion should be stated, but the name of the seconder need not be included unless the organization desires to do so.

The minutes are a record of what is *done* and not of what is *said*. Generally, the personal opinions of members should be avoided.

When the motion is very important, include the count of the votes.

Normally, the minutes are signed by the secretary. When they are to be published, they should also be signed by the president.

Note in the following example that the motion on attending the legislature is unfinished business. The motion on delegates to the convention is postponed business. The motion on the book is new business.

## MINUTES OF THE LAST MEETING

Secretary: "The 4th regular meeting of the Concord Parliamentary Law Club was held on September 5, 1974, in the Union Building, Concord, Michigan. The regular president and secretary were present.

"The minutes of the previous meeting were read and approved. The president made a report requesting that all membership fees be paid up by June first. The treasurer reported receipts of \$8 and expenditures of \$12, leaving a balance in the treasury of \$42. The secretary reported that the annual reports had been sent to the state office; \$11 in bills payable were approved.

"A report was received from the social committee that the cost of the dinner would be \$4.75 per person. A report was received from the committee on the exchange meeting with the Hillsdale Club that they had obtained the high school auditorium for our meeting on November 8.

"The motion to attend a session of the state legislature was not taken care of at the last meeting. The motion carried.

"The motion to send two delegates to the state convention was postponed until this meeting. Motion was carried. Four members were nominated with Mr. and Ms. .... being elected; Mr. .... and Ms. .... will serve as alternates.

"..... moved that the club contribute \$10 to the Red Cross. Motion was carried.

..... moved to purchase a Parliamentary Law reference book. ..... moved to refer the motion to a committee of two, appointed by the chair to obtain information on the matter and report at the next meeting with recommendations. ..... moved to lay the motions on the table. Motion carried. "The meeting adjourned.

....., secretary"

## DO WE HAVE ANY MONEY?

### Treasurer's report:

"Cash on hand	\$44.00
<b>Receipts:</b>	
Dues	\$12.00
Gifts	3:00
Paper drive	9.00
Dance	22.00
Total	\$46.00
<b>Disbursements:</b>	
Books	\$3.00
Postage	1.00
President's expense	4.00
Decorations	7.00
Tickets	6.00
Total	\$21.00
Net cash balance for month (or week)	25.00
Balance on hand	\$69.00"

When a treasurer's report is made from meeting-to-meeting, it should be *acknowledged*. This means the report was heard; it does not give official approval by the group. The treasurer's report should never be *accepted* or *approved* unless the books have been audited. A treasurer's report is audited when two or more members are requested to check all bills received and paid. All figures are checked. The auditors report that the books "are in good order and found correct." The auditors' report then is *approved* or *accepted* by the group.

# VOTE AS YOU PLEASE. . .

## BUT PLEASE VOTE!

The following are types of votes that are used in meetings:

**MAJORITY** — more than half the votes *cast*; used in elections and on most motions. Note that a majority does not mean more than half of the members present; but of the votes *cast*, since some may not care to vote.

**TWO-THIRDS** — 2/3 of the votes *cast*; used with motions only.

**PLURALITY** — more than any other candidate; used only in elections when the assembly desires to save time *but not a recommended practice*.

**GENERAL CONSENT** — This is a shortcut in voting. It permits the assembly to take action without going through the process of a regular vote.

This method should be used with all motions on which there seems to be a general agreement among the members. It is an excellent time-saver and should be used at every opportunity. For example, "If there are no objections, we will vote by ballot; (pause) No objections? We will vote by ballot." In this way a group may quickly express their opinion. Now if someone objects, the Chair must put the motion to a regular vote. "All objects, the Chair must put the motion to a regular vote. 'All those in favor of voting by ballot say 'Aye' etc. . . ."

The following are the methods of voting.

Acclamation or voice — "Aye" — "No"

Show of hands

Rising

Secret ballot (*used mostly for elections*)

Secret roll call ballot (sign names)

Roll call vote (members respond when name is called)

When the word, "Division" is stated by a member, he or she is requesting that another vote be taken on a motion. Generally this is done whenever a vote by acclamation fails to show clearly whether the vote was affirmative or negative. The method of voting used after division is called *should be one that can be observed by all, such as raising the hand or rising, the latter recommended in large groups*.

The chairperson should strive to be as impartial as possible, voting only if it will change the result. The Chair may vote to *break a tie* and

cause the motion to carry, or vote *to make a tie* and cause the motion to lose.

When the vote is public (by acclamation, rising, etc.) the chairperson should vote, if the Chair chooses to do so, *after* the assembly has voted and after the results have been made known to the Chair.

When the vote is secret (by ballot) the Chair should vote at the time that the assembly votes, and then cannot vote again to change the result.

The secretary has the right to vote at any and all times. The performance of secretarial duties shall not prevent the exercise of this right.

## HOW DO WE TAKE ACTION?

A motion is a **REQUEST** that something be done or that something is the opinion or wish of the assembly. There are various types of motions. (See table, page 20.)

**A MAIN MOTION** introduces an action to the assembly for its consideration. Only one main motion should be placed before the assembly at one time. It is always debatable and amendable, and it ranks below all other motions.

**A PRIVILEGED MOTION** refers to the action of the assembly as a whole; e.g., take a recess, adjourn, etc. There are five privileged motions, and they outrank all other motions.

**A SUBSIDIARY MOTION** is a motion applied to other motions, usually the main motion; to alter, postpone, to temporarily dispose of them. There are seven of these motions; they rank right below the privileged motions and above the main motion.

**An INCIDENTAL MOTION** is used in conducting business and must be disposed of before action is taken on the motion out of which it arises. Example: motion to close nominations, point of order, method of voting.

**RENEWAL MOTION** is one that brings back to the floor a motion that once has been considered, but which the assembly wishes to consider again. Example: to reconsider, to take from table, to discharge a committee.

If a motion is **PENDING**, it means that the motion is on the floor but, as yet, not disposed of. Several motions may be on the floor at one time provided they were made in order of ascending rank. When several motions are pending, the one *made last* is always disposed of *first*.

# CAN MORE THAN ONE MOTION

## BE ON THE FLOOR?

Motions have "rank" among themselves; some motions have "right-of-way" over others. Referring to the table on page 20, you will note that the privileged and subsidiary motions are numbered from one to twelve. These motions have numerical rank, with number one being the highest ranking motion. A main motion is the lowest ranking motion listed at the bottom of the page.

Incidental motions have no rank among themselves but take precedence or right-of-way over the motion out of which they arise.

Renewal motions are somewhat similar to main motions since they cannot be acted upon until the floor is clear.

The following example demonstrates what is meant by "precedence":

Main motion — *to buy a new car*

Refer to a committee — *of 3, to investigate cars* (outranks main motion)

Lay on table — *table all pending motions* (outranks the above motion)

Consulting page 20, you will note that the main motion yields to the other two, that the committee motion yields to the table-motion. To state it differently, the table-motion takes precedence over the committee-motion and the main motion. The table-motion and the committee motion may be received while the main motion is on the floor.

Since the table-motion was made *last*, it should be voted on *first*. The Chair will put the table-motion; if it carries, the other two will be postponed until the next meeting. If it loses, the Chair considers the committee-motion; if there is no further discussion, it will be put; if it carries, the floor is clear; if it loses, discussion will continue on the main motion. Note that subsidiary, privileged and incidental motions may be made while the main motion is pending. They must be considered in the proper order.

## DO WE HAVE ANY BUSINESS TO CONSIDER?

A main motion is any motion that brings an item of business before the assembly. It requires the *action* of the assembly.

Examples:

- a. I move that we give \$20 to the Community Chest
- b. I move that this organization go on record as favoring the income tax reduction.

A main motion is always debatable and amendable.

Chair: "Mr. or Ms. A (who has risen or has raised a hand)."

Mr. or Ms. A: "I move that we send two delegates to the district convention."

Mr. or Ms. B, C, and D: "Seconded (*several may second a motion*)."

Chair: "It is moved and seconded that we send two delegates to the district convention. Is there any discussion?"

Debating – Amending – Making of subsidiary motions are in order at this time.

Member: "Question, question (*does not stop, but speeds up discussion*)."

Chair: "Question has been called. Are you ready for the question? (*or*) Are you ready for the vote?"

All those in favor of the motion to send two delegates to district convention, raise your right hand; opposed, raise your right hand. The motion is carried (*or lost*).

Is there any further business?"

## MAY I CHANGE THE MOTION?

The motion to amend is a subsidiary motion and is always applied to another motion, usually the main motion. The motion to amend may be applied in several ways:

1. to add
2. to insert
3. to strike out
4. to strike out and insert

Example: Main motion – to purchase blackboard. While this motion is being discussed, an amendment is made to add the words, "costing 6 dollars or less."

Whenever possible, the Chair should ask the maker of the main motion to change it to include the amendment. It is done this way: "Mr. or Ms. ...., would you agree to include this amendment in your motion, to add the words, "costing six dollars or less"? If they agree, and the assembly does not object, the motion is amended. If any member objects, the amendment must be seconded, be opened to discussion, or amendment and be voted on the same as any motion.

Always vote on the amendment *before* you vote on the motion to which the amendment is applied. The discussion of an amendment should always be about the amendment itself and not about the main motion. An amendment should never insert the word, "not," in a motion to which it is applied, since that would be the same as a negative vote.

A motion may be amended several times in succession; however, only two amendments can be applied to a motion at one time: a primary amendment and a secondary amendment. The secondary amendment must always apply directly to the primary and not skip back to the main motion. Note the following example:

Example: Main motion — *to purchase a table*

Primary amendment — to insert "oak" before table

Secondary amendment — to insert "blond" before oak

## SO YOU'RE ON A COMMITTEE!!

The motion to refer to a committee is a subsidiary motion: it is generally applied to the main motion, but may also be applied to a suggestion not stated as a specific motion.

It is debatable and amendable. The motion consists of four important elements. They are:

1. Number of members
2. Method of selection
  - a. volunteers
  - b. appointment by Chair
  - c. nominated by Chair
  - d. nominated from floor and elected, if necessary
  - e. named by the maker of motion

3. Type of report
  - a. information
  - b. recommendations
  - c. motion for action
  - d. perform a task

4. Time to report

The motion, properly stated, should be as follows: "I move that a committee of *three* be appointed by the Chair to obtain *information* on the cost of a blackboard and to report at the next *meeting*."

If the maker does not include this information, the Chair should ask him or her to state the various elements to avoid the necessity for considerable amending.

## LET'S TALK IT OVER RIGHT NOW!

Informal discussion is not new in parliamentary law, but the method explained below is unique in dealing with groups greater than fifteen in number. To obtain total participation of all members in discussing a problem, Don Phillips, formerly president of Hillsdale College — while on the faculty at Michigan State College — devised a simple, effective plan known as "DISCUSSION 6-6." (Six persons discussing a problem for 6 minutes or any variation of number and time.)

Someone states, "I move that we discuss this problem informally by dividing the assembly in groups of six (five or four)." Seconded and discussed. The Chair then quickly gives specific instructions to the members to turn to their immediate neighbors, and in groups of five or six, talk over the problem. Each group selects a secretary-spokesperson who later reports the ideas of the group.

At the end of a specified time, the discussion is concluded by saying, "I move that we rise and report"; this motion is seconded and voted upon. Then each secretary reports the conclusions his or her group has reached. In this manner every member received an ideal opportunity to submit ideas and feel part of the total group. Many members who never address the chair or speak to the group as a whole, will under these circumstances, participate confidently in the discussion.

"Discussion 6-6" is an excellent means for obtaining ideas from the group for discussion purposes; it is also an excellent way to find out the specific needs of the assembly. It is an efficient way to obtain immediate

action on a motion and avoids the necessity of turning it over to a committee. It encourages everyone to participate, which is a much overlooked objective of parliamentary discussion.

Sometimes it is desirable to have the entire group discuss a motion informally. Then the motion, "I move we resolve into a committee of the whole to discuss the matter of changing our name" is in order. Seconded and debated. If carried, the group discusses the matter informally. No motions are received. When the discussion is completed, any member states, "I move that we rise and report." If carried, the assembly resumes its former status and takes action on the motion.

## **LET'S DISCUSS THIS MOTION AT THE NEXT MEETING**

One method of postponing action on a main motion is to postpone indefinitely. The effects of passing this motion is to "kill" the main motion since it will have to be introduced again as a new motion at **some** future meeting.

A second method is to postpone the motion to a definite time; such as, the next meeting. This motion is debatable and amendable; it ranks above the motion to postpone indefinitely.

A third method of postponing action is to lay the main motion on the table. This motion is the highest ranking subsidiary motion and is not debatable or amendable. A statement may be made by the maker, however, indicating the reason for laying the motion on the table. It outranks the above motion.

It should be noted that under no circumstances can a motion be postponed or laid on the table beyond the next regular meeting. (It is assumed here that the meetings are held weekly or monthly.) This rule is used in order to inform the assembly in the reading of the minutes at the next meeting of those motions which were postponed or laid on the table at the previous meeting.

A main motion may be postponed to another time at the same meeting in which it was made; likewise a motion may be taken from the table at the same meeting in which it was laid on the table. In both instances, new information or the presence of additional members may be the cause for discussing the original motion again.

## THE MOTION TO RECONSIDER

# CAN WE DISCUSS IT AGAIN?

When a member wishes to reconsider the vote on a motion that has been carried or lost, he or she moves to reconsider that motion. Let us say that the group voted "to purchase a movie projector." A little later in the meeting, it is learned that the treasury does not have enough funds to pay for such an item. A member may then say, "I move to reconsider the vote on the motion to purchase a movie projector." It is seconded and discussed. If it carries, the original motion, "to purchase a projector," comes back to the floor for reconsideration.

It should be noted that only a member who voted on the *winning side* of a main motion may make the motion to reconsider. That means that only those members who voted for the purchase of a projector can move to reconsider that motion; it indicates that a member has had an honest change of mind. If any one could make a motion to reconsider, that motion would be made on every motion that was voted upon; then the motion to reconsider would be used just to hinder the progress of the meeting. The motion to reconsider must be made on the same day or at the same meeting that the motion which is being reconsidered was acted upon. If at some later time the group desires to change a motion or reverse its action, the motion to repeal should be used.

## THAT'S NOT CORRECT!!

# POINT OF ORDER

This motion is used to correct any errors in parliamentary rules. Let us suppose that the motion "to buy a new chair" is on the floor. While it is being discussed, a member moves that "we send two delegates to that state convention." The chairperson received the second motion. Since there should be only one main motion on the floor at one time, a member may rise to a point of order as follows:

Member: "Chairperson, I rise to a point of order."

Chair: "State your point of order."

Member: "The Chair has received a second main motion while an-

other main motion was on the floor; the second motion is out of order at this time."

Chair: "Your point is well taken; the second motion is out of order."

(This motion may be made by rising and addressing the chair, a member need not be recognized before speaking; he or she may interrupt a speaker who has the floor; the motion needs no second and no vote; it is not debatable or amendable. It may be used to correct a member as well as the chairperson.)

## WHO'S RUNNING FOR OFFICE? **NOMINATIONS AND ELECTIONS**

Nominations for an office may be made in three ways:

1. Nominations from the floor
2. Nominations by petition, or
3. Nominations by nominating committee.

Officers should always be chosen by ballot even if the constitution does not so state. Such voting makes for independence of choice as well as secrecy of choice.

Generally, the "slate" should permit the voter to write in the name of a candidate if he or she does not approve of the selected nominees. This prevents a nominating committee from having restrictive control of candidates.

Balloting should continue until a majority vote has been received by one candidate. No name should be removed from the list, even though one or two should obviously be out of the running. Unless the nominee chooses to withdraw, nominations do not need to be seconded. Nominations may be closed by a motion requiring a two-thirds vote, or, if there are no further nominations, the chair may declare them closed.

# **SOME DO'S AND DONT'S**

## **CHAIRPERSON**

1. The chairperson should restate the motion clearly after it has been made and seconded, "It is moved and seconded that—"
2. When a motion requires a second, the chairperson should be sure it is seconded; a motion with no second should be ignored.
3. The chairperson should entertain only *one main* motion at one time.
4. Whenever possible, the chairperson should have the member state the motion before the latter launches into a long discussion of it.
5. The chairperson should give the maker of the motion the first chance to discuss it.
6. The chairperson should not permit anyone to speak *twice* on a motion until all have had a chance to speak once.
7. When voting publicly, the chairperson should vote only when his or her vote will change the result. When voting secretly, the chairperson may vote when the assembly votes.
8. The chairperson should give up the chair only when his or her comments are vigorously for or against the motion; in this case the vice-president or any other member may serve until the motion is disposed of.

## **MEMBER**

1. Except in small (less than 15) groups, the members should be recognized by the Chair before speaking.
2. Whenever possible, the member should try to state his or her ideas in the form of a motion.
3. The member should say, "I move" rather than "I make a motion."
4. The member may *second* a motion, make a *nomination*, call "*question*," or call "*division*" (recount vote), without rising or being recognized by the chair.
5. The member should never be compelled to vote, nor compelled to serve when nominated or appointed to an office.
6. Making or seconding a motion does not necessarily mean that the member favors the motion but only wishes to place the motion on the floor to discuss it.

# TABLE OF MOTIONS

<b>Motion</b>	<b>In order when another speaker has the floor</b>	<b>Requires a second</b>	<b>Debatable</b>	<b>Amendable</b>	<b>Vote Required</b>
<b>PRIVILEGED</b>					
1. Fix time for Next Meeting	No	Yes	No	Yes	Maj.
2. Adjourn	No	Yes	No	No	Maj.
3. Take a Recess	No	Yes	No	Yes	Maj.
4. Point of Privilege	Yes	No	No	No	None
5. Call for the Orders of the Day	Yes	No	No	No	None
<b>SUBSIDIARY</b>					
6. Lay on the Table	No	Yes	No	No	Maj.
7. Previous Question (close debate)	No	Yes	No	No	%
8. Limit-Extend Debate	No	Yes	No	Yes	%
9. Postpone to a Definite Time (Special order)	No	Yes	Yes	Yes	Maj.
10. Refer to a Committee	No	Yes	Yes	Yes	Maj.
11. Amendment to the Main Motion	No	Yes	Yes	Yes	Maj.
12. Postpone Indefinitely	No	Yes	Yes	No	Maj.
<b>INCIDENTAL</b>					
A. Point of Order	Yes	No	No	No	None
B. Appeal to the Chair	Yes	Yes	Yes	No	Maj.
C. Parliamentary Inquiry	Yes	No	No	No	None
D. Point of Information	Yes	No	No	No	None
E. Division of Assembly	Yes	No	No	No	None
F. Close Nominations	No	Yes	No	Yes	%
G. Re-Open Nominations	No	Yes	No	Yes	Maj.
H. Method of Voting	No	Yes	No	Yes	Maj.
I. Request to Withdraw a Motion	No	No	No	No	Maj.
J. Suspension of Rules	No	Yes	No	No	%
K. Objection to Consideration of a Question	Yes	No	No	No	%
<b>RENEWAL</b>					
L. Reconsider	Yes	Yes	Yes	No	Maj.
M. Take from Table	No	Yes	No	No	Maj.
N. Repeal	No	Yes	Yes	Yes	%
O. Discharge a Committee	No	Yes	Yes	Yes	%
<b>MAIN MOTION</b>					
	No	Yes	Yes	Yes	Maj.

# HERE ARE THE MEANINGS OF SOME IMPORTANT WORDS . . .

**ACCEPTING A COMMITTEE REPORT** — To accept a committee report means that a motion is made as follows: "I move we accept the committee's report." By this motion the assembly supports the action of the committee. Most committee reports need not be accepted because they require no action; they should be *acknowledged*, not accepted. Sometimes "adopt" is used in place of "accept."

**ACCLAMATION** — A voice vote made by stating "Aye" or "No."

**ADOPT** — To pass or carry a motion; to approve a committee report.

**APPEAL FROM THE DECISION OF THE CHAIR** — An incidental motion. Any member disagreeing with the chairperson's decision may thus put the matter to a vote by the assembly. It is in order, even when another member has the floor, and often arises out of a point of order. The member rises saying, "I appeal from the decision of the Chair." If it is seconded, the chairperson states his or her decision and allows limited debate; one statement from each member. He or she then says, "All those in favor of the Chair's decision, say Aye, etc." A tie vote sustains the Chair.

**ARE YOU READY FOR THE QUESTION?** — "Are you ready to vote on the motion?"

**BY-LAWS** — Generally the by-laws comprise all the rules by which a society is governed. The rules may be divided into three classes: constitution, by-laws and standing rules. The constitution and by-laws are usually considered one-and-the-same in most organizations. They are of such importance that they should not be changed, except after suitable notice is given to the members, and then by a vote larger than the majority of those voting.

**CONVENE** — To call the meeting to order.

**DEBATE AND DISCUSSION** — Debating or talking about a motion or question.

**DIVISION** — Count the vote again. It may be requested by any member after the chairperson has announced the outcome of a vote when the count is not definite, generally after a voice vote. The member need not be recognized nor need to rise when calling "Division."

**FILIBUSTERING** — This term describes the act of speaking for the purpose of keeping the floor and preventing the opposition from getting

a chance to speak. It consumes the allotted time for a motion to be considered.

**FIX THE TIME FOR THE NEXT MEETING**—The highest privileged motion. It is in order at any time and usually sets the time for the next meeting at an earlier time than the next regular meeting.

**HAS THE FLOOR** — When a member has been recognized by the Chair, he or she has the floor. A member should, in only rare instances, be interrupted; he or she may yield the floor to someone else if he or she so desires.

**MAJORITY** — More than half the votes cast.

**MEETING** — A meeting of a society is an assembly of its members for a time during which they do not separate longer than for a recess of a few minutes or do not separate at all. A series of meetings, such as a convention, is called a session.

**METHOD OF VOTING** — An incidental motion. It provides for the type of vote desired on a motion, such as a vote by rising, roll-call vote or vote by secret ballot.

**PREVIOUS QUESTION** — A subsidiary motion which means "to close debate." If passed, it stops discussion and puts the pending motion to a vote. It is not debatable or amendable and requires a two-thirds vote.

**OBJECTION TO THE CONSIDERATION OF A MOTION** — An incidental motion. The purpose of this motion is to avoid the consideration of a motion that is undesirable or impractical. It is usually applied to a main motion and must be made immediately after the main motion is opened for discussion and before any amendments are made to it. It can be made when another has the floor, does not require a second, no debate, no amendments. The chairperson says, "An objection has been made to the motion; shall we consider the motion?" The vote must be two-thirds in the negative to dismiss the main motion and sustain the objection.

**ON THE FLOOR** — A motion is on the floor when it is being considered by the assembly.

**ORDERS OF THE DAY** — The scheduled program of business, used most often in conventions and sometimes called the agenda of business.

**PENDING MOTION** — Any motion on the floor, being discussed but not yet disposed of. Several motions may be pending at one time.

**PROXY** — This is a power of attorney by which Mr. A authorizes Ms B to act in Mr. A's absence. Proxy voting is not recommended for ordinary societies of volunteer memberships. It is designed for representative assemblies and stock corporations.

**PUTTING THE MOTION** — To vote on the motion.

**QUESTION** — When a member calls, "Question," he or she means "I am ready to vote on the motion." It does not close discussion, but expedites it.

**QUESTIONS OF PRIVILEGE** — A privileged motion, more accurately called a point of privilege and concerned with the welfare of the assembly. A member states, "Chairperson, I rise to a question of privilege." The Chair asks the member to state his point. The member states, "I should like to have the windows opened," or "I should like to introduce my guest," or "I should like to have the gentleman withdraw his comments about Mr. A." The Chair then makes a decision about the point. It requires no second, is in order when another has the floor, is not debatable or amendable and requires no vote. An appeal may be applied to it.

**QUORUM** — The number of members required to be present to transact business legally. The number is usually a majority of the membership, unless otherwise specified in the constitution.

**RECEIVE A REPORT** — To receive a report means to hear it or listen to it; it does not mean that the assembly approves the report or takes any official action on it. Since most reports are reports of information, it is reasonable "to receive the report as read," instead of adopting or accepting the report. Receiving the report also recognizes work done. However, it is now considered redundant to use the motion "Receive a report." Once it is read, it has been "received." To merely acknowledge its presentation is considered sufficient.

**RECOGNITION** — A member is recognized by the chairperson when the latter announces the member's name, or, in small groups, simply nods. A member obtains recognition by raising a hand, rising, and in some cases calling, "Mr. Chairperson." No member should speak or make a motion until recognized by the presiding officer.

**REPEAL** — When the group desires to change a former action, the motion to repeal is in order. It must be made when the floor is clear, is debatable, amendable and requires a two-thirds vote. If sentiment is strong, the motion may include the words, "and strike from the records." If carried, the secretary writes across the motion repealed these words, "Stricken from the records by order of assembly." (date).

**SESSION** — A series of meetings, such as a convention.

**STANDING RULES** — The regulations as to time and place of meetings.

**SUSPEND THE RULES** — An incidental motion used in urgent cases to save time. This motion is not debatable or amendable and requires a two-thirds vote.

**UNANIMOUS BALLOT** — A ballot cast by the secretary for a candidate who is the only person nominated for an office, and no objection is made. This method should not be used when the constitution requires an office to be filled by ballot, since it does not permit any negative votes to be cast. The constitution should be amended to permit the unanimous ballot to be used. The usual form is to have the chairperson instruct the secretary to cast a unanimous ballot for the candidate, if there are no objections. If objections are made, the ballot must be used.

**WITHDRAW A MOTION** — An incidental motion permitting a previous motion to be withdrawn. If the maker of a motion refuses to withdraw the motion, that motion cannot be withdrawn. Any member may move to withdraw a motion. The maker of the motion must agree to the withdrawal of his or her motion. If the motion to withdraw is made before the chairperson states the motion for the assembly, only the maker and seconder need to agree upon the withdrawal. If the motion to withdraw is made after the chairperson states the motion for the assembly, the maker and the entire assembly must be consulted for its withdrawal.

**YIELD THE FLOOR** — A member who has the floor may yield the floor to another member; in so doing, the former surrenders his or her right to continue speaking at that time.

## **Zeeland City Council Rules of Procedure**

### **A. REGULAR AND SPECIAL MEETINGS**

All meetings of the City Council will be held in compliance with state statutes, including the Open Meetings Act, 1976 PA 267 as amended, and with these rules.

**1. Regular meetings.** Regular meetings of the City Council, "Council", will be held on the first and the third Mondays of each month beginning at 7:00 p.m., local time, at the Zeeland City Hall at 21 S. Elm Street, Zeeland, Michigan, unless otherwise scheduled by resolution of the Council. Council meetings shall conclude no later than 10:00 p.m., subject to extension by the Council.

**2. Special meetings.** A special meeting shall be called by the clerk upon the written request of the Mayor or of any three members of the Council on at least 24 hours' written notice to each member of the Council served personally (including email) or left at the Council Member's usual place of residence. Special meeting notices shall state the purpose of the meeting. No official action shall be transacted at any special meeting of the Council unless the item has been stated in the notice of such meeting.

### **3. Posting requirements for regular and special meetings.**

- a. Within 10 days after the first meeting of the Council following the election, a public notice stating the dates, times and places of the regular monthly Council meetings will be posted at the city offices.
- b. For a rescheduled regular or a special meeting of the Council, a public notice stating the date, time, and place of the meeting shall be posted at least 18 hours before the meeting at the city office.
- c. The notice described above is not required for a meeting of the Council in emergency session in the event of a severe and imminent threat to the health, safety or welfare of the public when two-thirds of the members of the Council determine that delay would be detrimental to the city's efforts in responding to the threat.
- d. Copies of the notice of public meetings shall be provided by first-class mail upon request and payment of a reasonable yearly fee for the costs of printing and postage. As an alternative to first-class mail, a request may be made to have the notice of public meetings sent via email.

**4. Minutes of regular and special meetings.** The clerk or the clerk's designate shall attend the Council meetings and record all the proceedings and resolutions of the Council in accordance with the Open Meetings Act. In the absence of the clerk or the clerk's designate, the Council may appoint one of its own members or another person to temporarily perform the clerk's duties. A copy of the minutes of each regular or special council meeting shall be available for public inspection at the city offices during regular business hours.

**5. Study sessions/work sessions.** Upon the call of the Mayor or the Council and with appropriate notice to the Council Members and to the public, the Council may convene a work session devoted exclusively to the exchange of information relating to municipal affairs. No votes shall be taken on any matters under discussion nor shall any Council Member enter into a formal commitment with another member regarding a vote to be taken subsequently.

## 8. B. CONDUCT OF MEETINGS

**1. Meetings to be public.** All regular and special meetings of the Council shall be open to the public, and citizens shall have a reasonable opportunity to be heard in accordance with such rules and regulations as the Council may determine, except that the meetings may be closed to the public and the media in accordance with the Open Meetings Act. All official meetings of the Council and its committees shall be open to the media, freely subject to recording by radio, television and photographic services at any time, provided that such arrangements do not interfere with the orderly conduct of the meetings.

**2. Agenda preparation.** An agenda for each regular council meeting shall be prepared by the Mayor or city manager (or city manager designee) with the following general order of business:

- a. Call to order
- b. Devotions and Pledge of Allegiance
- c. Excuse of absent members by motion and reason
- d. Approve additions/deletions to the agenda
- e. Approval of consent agenda
- f. Public hearings
- g. Visitors
- h. Communications
- i. Staff reports
- j. City manager's report
- k. Order of business - action items
- l. Reports from Council Members
- m. Unfinished business
- n. Announcements
- o. Adjournment

Any Council Member, with support from a second Council Member, shall have the right to add items to the regular agenda before it is approved.

**3. Consent agenda.** A consent agenda may be used to allow the Council to act on numerous administrative or noncontroversial items at one time. Included on this agenda can be noncontroversial matters such as approval of minutes, payment of bills, approval of recognition resolutions, etc. Upon request by any member of the Council, an item shall be removed from the consent agenda and placed on the regular agenda for discussion.

**4. Agenda distribution.** Agendas and packets of information shall be distributed to Council Members prior to a council meeting. These packets shall be delivered to a designated delivery area by the Zeeland City Police. The City, at the request of a Council Person, shall provide a sealed container in which to deliver information packets from the City. electronically through means such as email, link to the city's website, electronic document management system, etc.

**5. Quorum.** A majority of the entire elected or appointed and sworn members of the council shall constitute a quorum for the transaction of business at all council meetings. In the absence of a quorum, a lesser number may adjourn any meeting to a later time or date with appropriate public notice.

**6. Attendance at council meetings.** Election to the Council is a privilege freely sought by the nominee. It carries with it the responsibility to participate in Council activities and represent the residents of the city. Attendance at council meetings is critical to fulfilling this responsibility. The Council may excuse absences for cause. If a Council Member has more than three unexcused successive absences for regular or special council meetings, the Council may enact a resolution of reprimand. In the event that the member's absences continue for more than three additional successive regular or special meetings of the Council, the Council may enact a resolution of censure or request the Council Member's resignation or both.

**7. Presiding officer.** The presiding officer shall be responsible for enforcing these rules of procedure and for enforcing orderly conduct at meetings. The Mayor is ordinarily the presiding officer. The Council shall appoint one of its members Mayor Pro Tempore, who shall preside in the absence of the Mayor. In the absence of both the Mayor and the Mayor Pro Tempore, the member present who has the longest consecutive service on the Council shall preside.

**8. Disorderly conduct.** The Mayor may call to order any person who is being disorderly by speaking out of order or otherwise disrupting the proceedings, failing to be germane, speaking longer than the allotted time or speaking vulgarities. Such person shall be seated until the chair determines whether the person is in order. If the person so engaged in presentation is called out of order, he or she shall not be permitted to continue to speak at the same meeting except by special leave of the Council. If the person shall continue to be disorderly and disrupt the meeting, the chair may order the sergeant-at-arms or a law enforcement officer to remove the person from the meeting. No person shall be removed from a public meeting except for an actual breach of the peace committed at the meeting.

## **C. CLOSED MEETINGS**

**1. Purpose.** Closed meetings may be held only for the reasons authorized in the Open Meetings Act, which are the following:

- a. To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent when the named person requests a closed meeting.
- b. For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement when either negotiating party requests a closed hearing.
- c. To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.
- d. To consult with the municipal attorney or another attorney regarding trial or settlement strategy in connection with specific pending litigation, but only when an open meeting would have a detrimental financial effect on the litigating or settlement position of the Council.
- e. To review the specific contents of an application for employment or appointment to a public office when a candidate requests that the application remain confidential. However, all interviews by a public body for employment or appointment to a public office shall be held in an open meeting.
- f. To consider material exempt from discussion or disclosure by state or federal statute.

**2. Calling closed meetings.** At a regular or special meeting, the Council Members, elected or appointed and serving, by a two-thirds roll call vote may call a closed session under the conditions outlined in the Open Meetings Act. The roll call vote and purpose(s) for calling the closed meeting shall be entered into the minutes of the public part of the meeting at which the vote is taken.

**3. Minutes of closed meetings.** A separate set of minutes shall be taken by the clerk or the designated secretary of the Council at the closed session. These minutes will be retained by the clerk, shall not be available to the public, and shall only be disclosed if required by a civil action, as authorized by the Michigan Open Meetings Act. These minutes may be destroyed one year and one day after approval of the minutes of the regular meeting at which the closed session was approved.

## **D. DISCUSSION AND VOTING**

**1. Rules of parliamentary procedure.** The rules of parliamentary practice as adopted at the beginning of a council term shall govern the Council in all cases to which they are applicable, provided that they are not in conflict with these rules, city ordinances or applicable state statutes. The Mayor may appoint a parliamentarian.

The chair shall preserve order and decorum and may speak to points of order in preference to other Council Members. The chair shall decide all questions arising under this parliamentary authority, subject to appeal and reversal by a majority of the Council Members present. Any member may appeal to the Council a ruling of the presiding officer. If the appeal is seconded, the member making the appeal may briefly state the reason for the appeal and the presiding officer may briefly state the ruling. There shall be no debate on the appeal and no other member shall participate in the discussion. The question shall be, "Shall the decision of the chair be sustained?" If the majority of the members present vote "aye," the ruling of the chair is sustained; otherwise it is overruled.

**2. Conduct of discussion.** During the Council discussion and debate, no member shall speak until recognized for that purpose by the chair. After such recognition, the member shall confine discussion to the question at hand and to its merits and shall not be interrupted except by a point of order or privilege raised by another member. Speakers should address their remarks to the chair, maintain a courteous tone and avoid interjecting a personal note into debate. No member shall speak more than once on the same question unless every member desiring to speak to that question shall have had the opportunity to do so. The chair, at his or her discretion and subject to the appeal process mentioned in Section D.1., may permit any person to address the Council during its deliberations.

**3. Ordinances and resolutions.** No ordinance, except an appropriation ordinance, an ordinance adopting or embodying an administrative or governmental code or an ordinance adopting a code of ordinances, shall relate to more than one subject, and that subject shall be clearly stated in its title.

A vote on all ordinances and resolutions shall be taken by a roll call vote and entered in the minutes unless it is a unanimous vote. If the vote is unanimous, it shall be necessary only to so state in the minutes, unless a roll call vote is required by law or by council rules.

**4. Roll call.** In all roll call votes, the names of the members of the Council shall be called in a rotating order, provided that the presiding officer shall vote last.

**5. Duty to vote.** Election to a deliberative body carries with it the obligation to vote. Council Members present at a council meeting shall vote on every matter before the body, unless

otherwise excused or prohibited from voting by law. A Council Member who is present and abstains or does not respond to a roll call vote shall be counted as voting with the prevailing side and shall be so recorded, unless otherwise excused or prohibited by law from voting. Conflict of interest, as defined by law, shall be the sole reason for a member to abstain from voting. The opinion of the city attorney shall be binding on the Council with respect to the existence of a conflict of interest. A vote may be tabled, if necessary, to obtain the opinion of the city attorney. The right to vote is limited to the members of Council present at the time the vote is taken. Voting by proxy or by telephone is not permitted. All votes must be held and determined in public; no secret ballots are permitted.

**6. Results of voting.** In all cases where a vote is taken, the clerk shall declare the result. It shall be in order for any Council Member voting in the majority to move for a reconsideration of the vote on any question at that meeting or at the next succeeding meeting of the Council. When a motion to reconsider fails, it cannot be renewed.

## **E. CITIZEN PARTICIPATION**

**1. General.** Each regular council meeting agenda shall provide for reserved time for audience participation. If requested by a member of the Council, the presiding officer shall have discretion to allow a member of the audience to speak at times other than reserved time for audience participation.

**2. Length of presentation.** Any person who addresses the Council during a council meeting or public hearing shall be limited to five minutes in length per individual presentation. Such time may be extended for a definite time period or for an indefinite time period by the presiding officer or by the majority of the Council. The clerk will maintain the official time and notify the speakers when their time is up in the event that the time for a presentation has not been extended pursuant to these rules.

**3. Addressing the council.** When a person addresses the Council, he or she shall state his or her name and home address. Remarks should be confined to the question at hand and addressed to the chair in a courteous tone. No person shall have the right to speak more than once on any particular subject until all other persons wishing to be heard on that subject have had the opportunity to speak. In addition, the presiding officer may limit or reduce the time of any person whose comments are repetitious in nature. Written comments may also be filed with the Clerk who shall then provide copies of such written comments to the Council Members or who upon request of a Council Member shall read such written comments into the record.

## **F. MISCELLANEOUS**

**1. Adoption and amendment of rules of procedure.** These rules of procedure of the Council will be placed on the agenda of the first meeting of the Council following the seating of the newly elected Council Members for review and adoption. A copy of the rules adopted shall be distributed to each Council Member. The Council may alter or amend its rules at any time by a vote of a majority of its members after notice has been given of the proposed alteration or amendment.

**2. Suspension of rules.** The rules of the Council may be suspended for a specified portion of a meeting by an affirmative vote of two-thirds of the members present except that Council actions shall conform to state statutes and to the Michigan and the United States Constitutions.

**3. Bid awards.** Bids will be awarded by the Council during regular or special meetings. A bid award may be made at a special meeting of Council if that action is announced in the notice of the special meeting.

**4. Committees.**

- a. The city shall have the following standing Council committees: ~~IIFTax Incentive Committee, Human Resources Personnel Committee, and Clean Water Committee Pension Committee.~~

Committee members will be appointed by the Mayor subject to approval by the Council. The Mayor shall fill any committee vacancies subject to approval by the Council. The committee member shall serve for a term of one year and may be re-appointed. Special committees may be established for a specific period of time by the Mayor or by a resolution of the Council which specifies the task of the special committee and the date of its dissolution.

- b. Citizen task forces

Citizen task forces may be established by a resolution of the Council which specifies the task to be accomplished and the date of its dissolution. Members of such committees will be appointed by the Mayor, subject to approval by a majority vote of the Council and must be residents of the city. Vacancies will be filled by majority vote of the Council in the same way appointments are made.

**5. Other records of meetings.** The meetings of the Council may be tape recorded or may be documented by other mechanical recording means. Once the minutes of a meeting have been approved, a tape recording or other mechanical record of a council meeting may be erased or destroyed. For purposes of litigation or training, a tape recording or other mechanical records may be retained, however, for such other period of time as is directed by the city manager or by the city attorney.

**6. Authorization for contacting the city attorney.** The following officials are authorized to contact the city attorney regarding municipal matters: Council Members, members of boards and commissions with the concurrence of the City Manager and/or of an appointed Department Head, Department Heads or their designates.



TO: Mayor Klynstra and City Council Members

FROM: Andrew M. Boatright, General Manager

CC: Kevin Plockmeyer, City of Zeeland Assistant City Manager / Finance Director

SUBJECT: 2026 Electric Rate Revision Ordinance No. 1044

DATE: November 14, 2025

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Attached for the City Council's consideration are materials summarizing the 2025 - 2028 Electric Rate Design and the associated Ordinance to implement updated electric rates effective January 1, 2026.

The Electric Rate Design presentation, prepared by Utility Financial Solutions, LLC, outlines a planned 1.5% annual system rate adjustment for January 1 of 2026, 2027, and 2028. The design also includes a \$0.015 Power Cost Adjustment (PCA) true-up, establishing a new PCA base rate of \$0.060 to align with increased power supply costs. These updates are part of Zeeland BPW's continued efforts to ensure cost-based, financially stable, and transparent electric rates consistent with long-term system reliability and operational sustainability.

The accompanying proposed Ordinance No. 1044 updates the City Code to reflect the new electric rate schedules, ensuring consistency with Zeeland BPW's approved rate design and cost-of-service principles. At their November 11, 2025 regular meeting the Zeeland BPW Board of Commissioners approved recommending this action item for City Council consideration and adoption with the first reading occurring on November 17 and the second reading on December 1, 2025.

**Recommendation:**

Approve Electric Rate Ordinance No. 1044.

Attachments: Zeeland BPW 2025 Electric Rate Design Slide Presentation  
Ordinance No. 1044: Electric Rate Revisions Effective January 1, 2026



# Zeeland Board of Public Works

Electric Rate Designs

Jill Jurczyk, Rates Manager  
Utility Financial Solutions, LLC

# Overview of Proposed Rate Changes

*with guidance from the BPU*

- 1.5% system rate adjustment to take place on 1/1/2026, 1/1/2027, and 1/1/2028
- True up the PCA by \$0.015 to reflect increased power supply costs.
  - PCA Base will become \$0.060

# Financial Projection

## Projected Rate Track

Fiscal Year	Projected		Debt Coverage		Adjusted Operating		Optimal Operating			Projected			Recommended			Bond Issues		
	Rate	Adjustments	Coverage	Ratio	Operating Income	Operating Income	Cash Balances	Projected	Recommended	Minimum Cash	Fees	Period	Rate	Including	Period	Rate		
2026	1.50%		N/A		\$ (742,000)	\$ 2,923,151	\$ 16,766,913	\$ 11,153,149			-	-	0.0%					
2027	1.50%		N/A		179,953	3,003,921	18,366,420	11,318,992			-	-	0.0%					
2028	1.50%		9.77		415,762	3,203,177	18,044,281	11,884,533	\$ 6,000,000		20	5.0%						
2029	1.50%		5.39		482,573	3,439,772	17,929,687	12,472,819	\$ 6,000,000		20	5.0%						
2030	1.50%		5.86		654,754	3,543,431	18,734,615	12,209,593			-	-	0.0%					

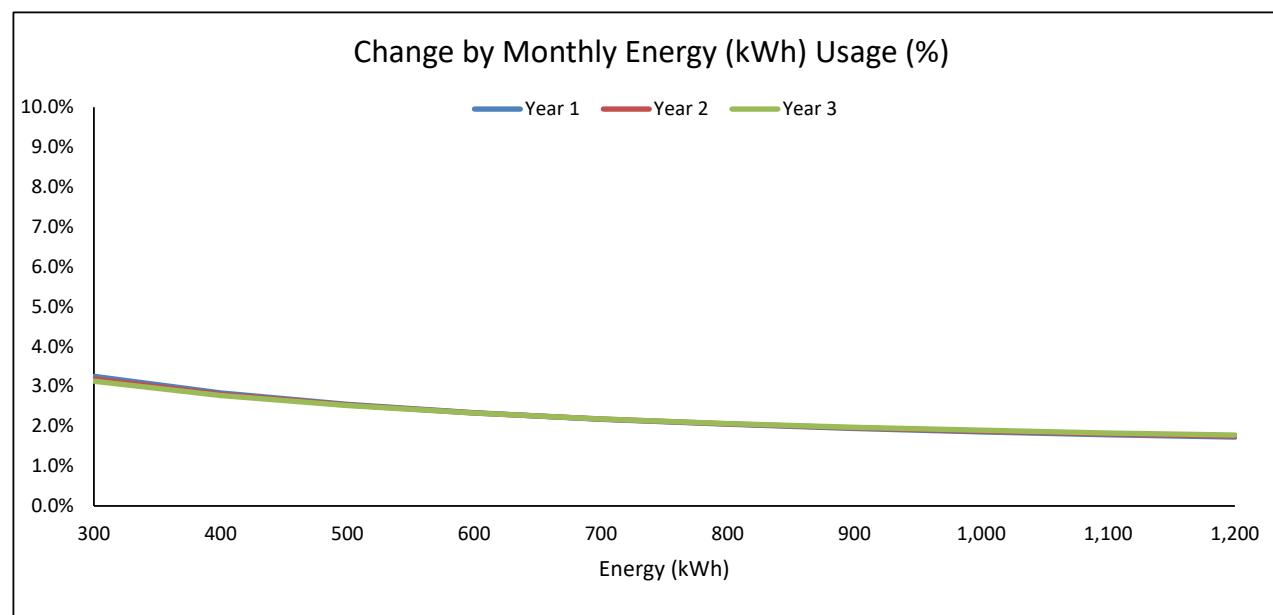
# Rate Design Summary

Customer Class	Implementation Date	1/1/2026	1/1/2027	1/1/2028	COS	Rate Adjustment Guidance	
	Projected Percentage Change Year	Projected Percentage Change Year	Projected Percentage Change Year				
	1	2	3				
Residential (A)	2.25%	2.25%	2.25%	36.2%	<i>Higher than avg</i>		
General Secondary (B)	1.50%	1.50%	1.50%	13.8%	<i>Average</i>		
Street Light (S)	2.90%	2.90%	2.90%	43.5%	<i>Higher than avg</i>		
General Secondary (C)	1.37%	1.37%	1.37%	3.1%	<i>Lower than avg</i>		
Commercial & Industrial Primary (D)	1.37%	1.37%	1.37%	7.2%	<i>Lower than avg</i>		
Totals	1.50%	1.50%	1.50%	13.5%	System Average		

# Residential Summary

PCA True Up	\$ 0.015				
<b>Rates</b>	<b>Current</b>		<b>1/1/2026</b>	<b>1/1/2027</b>	<b>1/1/2028</b>
<b>Monthly Charge:</b>					
Service Charge	\$ 12.50	\$ 13.50	\$ 14.50	\$ 15.50	
Energy Smart Program Fee	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	
Total Monthly Charge	\$ 13.00	\$ 14.00	\$ 15.00	\$ 16.00	
<b>Energy Charge:</b>					
Power Cost Energy	\$ 0.04500	\$ 0.06000	\$ 0.06000	\$ 0.06000	
Distribution Energy	\$ 0.01860	\$ 0.01940	\$ 0.02025	\$ 0.02115	
Total Energy	\$ 0.06360	\$ 0.07940	\$ 0.08025	\$ 0.08115	
<b>Power Cost Adjustment:</b>					
All Energy	\$ 0.02000	\$ 0.00500	\$ 0.00500	\$ 0.00500	
Revenue from Rate	\$ 4,868,696	\$ 4,978,241	\$ 5,090,252	\$ 5,204,782	
Change from Previous		2.25%	2.25%	2.25%	

# Residential Impacts

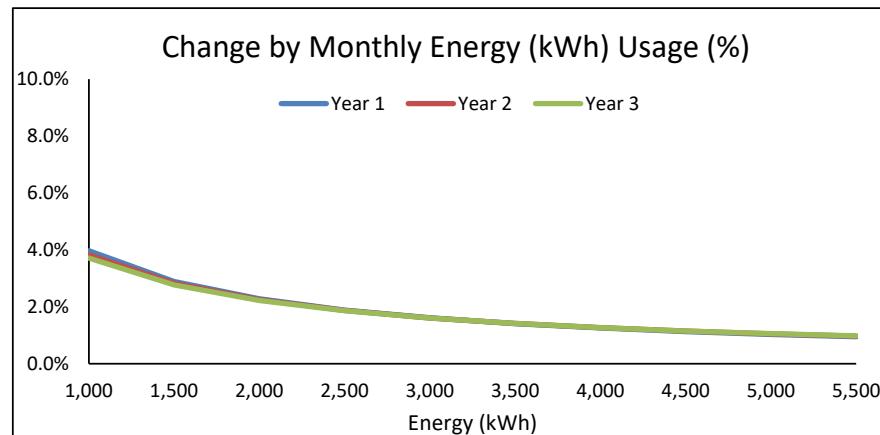


Energy	Monthly \$ Change by Energy Usage		
	2026	2027	2028
300	\$ 1.24	\$ 1.26	\$ 1.27
400	\$ 1.32	\$ 1.34	\$ 1.36
500	\$ 1.40	\$ 1.43	\$ 1.45
600	\$ 1.48	\$ 1.51	\$ 1.54
700	\$ 1.56	\$ 1.60	\$ 1.63
800	\$ 1.64	\$ 1.68	\$ 1.72
900	\$ 1.72	\$ 1.77	\$ 1.81
1,000	\$ 1.80	\$ 1.85	\$ 1.90
1,100	\$ 1.88	\$ 1.94	\$ 1.99
1,200	\$ 1.96	\$ 2.02	\$ 2.08

Energy	Monthly % Change by Energy Usage		
	2026	2027	2028
300	3.2%	3.2%	3.1%
400	2.8%	2.8%	2.8%
500	2.6%	2.5%	2.5%
600	2.3%	2.3%	2.3%
700	2.2%	2.2%	2.2%
800	2.0%	2.1%	2.1%
900	1.9%	2.0%	2.0%
1,000	1.9%	1.9%	1.9%
1,100	1.8%	1.8%	1.8%
1,200	1.7%	1.8%	1.8%

# General Secondary (B) Summary

Rates	Current	Year 1	Year 2	Year 3
<b>Monthly Charge:</b>				
Service Charge	\$ 26.50	\$ 31.50	\$ 36.50	\$ 41.50
Energy Optimization	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
Total Monthly Charge	\$ 30.00	\$ 35.00	\$ 40.00	\$ 45.00
<b>Energy Charge:</b>				
All Energy	\$ 0.07780	\$ 0.09288	\$ 0.09298	\$ 0.09310
<b>Power Cost Adjustment:</b>				
All Energy	\$ 0.02000	\$ 0.00500	\$ 0.00500	\$ 0.00500
Revenue from Rate	\$ 3,772,746	\$ 3,829,337	\$ 3,886,777	\$ 3,945,079
Change from Previous		1.5%	1.5%	1.5%

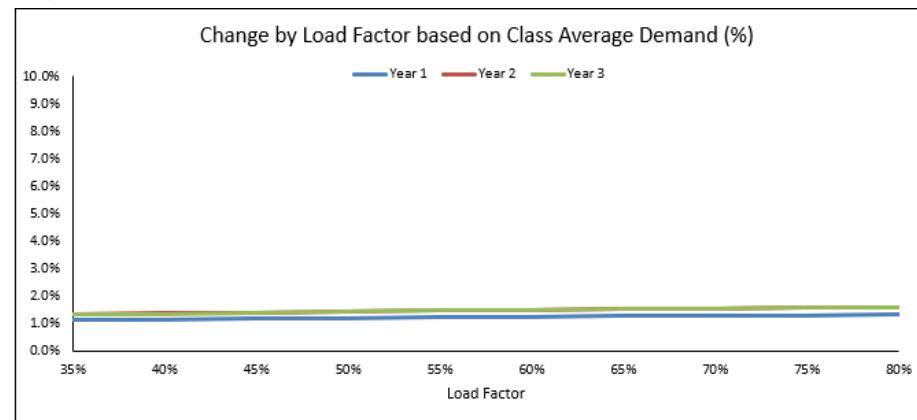


# Street Light Summary

Rates	Current	1/1/2026	1/1/2027	1/1/2028
Monthly Facilities Charge:				
HPS 100W or Less	\$ 8.90	\$ 9.20	\$ 9.52	\$ 9.84
HPS 150W	9.50	9.82	10.16	10.50
HPS 250W	11.20	11.58	11.97	12.38
HPS 400W	14.85	15.36	15.88	16.41
HPS 1000W	19.75	20.42	21.12	21.83
MV 100W	6.25	6.46	6.68	6.91
MV 175W	7.15	7.39	7.64	7.90
MV 250W	10.25	10.60	10.96	11.33
MV 400W	21.75	22.49	23.25	24.04
MV 1000W	21.75	22.49	23.25	24.04
LED 1-40W	7.05	7.29	7.54	7.79
LED 41-100W	7.50	7.76	8.02	8.29
LED 101-200W	11.50	11.89	12.30	12.71
100 METALARC	15.35	15.87	16.41	16.97
Revenue from Rate	\$ 145,315	\$ 149,529	\$ 153,866	\$ 158,328
Change from Previous		2.9%	2.9%	2.9%

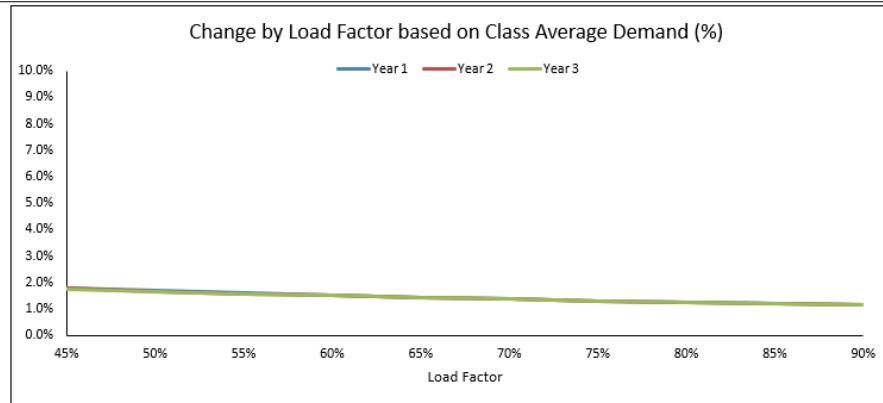
# General Secondary (c) Summary

Rates	Current	1/1/2026	1/1/2027	1/1/2028
<b>Monthly Facilities Charge:</b>				
Service Charge	\$ 35.00	\$ 45.00	\$ 55.00	\$ 65.00
Energy Optimization	\$ 32.50	\$ 32.50	\$ 32.50	\$ 32.50
<b>Total Monthly Charge</b>	<b>\$ 67.50</b>	<b>\$ 77.50</b>	<b>\$ 87.50</b>	<b>\$ 97.50</b>
<b>Energy Charge:</b>				
All Energy	\$ 0.03510	\$ 0.05100	\$ 0.05215	\$ 0.05331
<b>Demand Charge</b>				
All Demand	\$ 14.00	\$ 14.00	\$ 14.00	\$ 14.00
<b>Power Cost Adjustment:</b>				
All Energy	\$ 0.02000	\$ 0.00500	\$ 0.00500	\$ 0.00500
<b>Revenue from Rate</b>	<b>\$ 2,259,757</b>	<b>\$ 2,290,715</b>	<b>\$ 2,322,098</b>	<b>\$ 2,353,911</b>
<b>Change from Previous</b>		<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>



# Commercial & Industrial (d) Summary

Rates	Current	1/1/2026	1/1/2027	1/1/2028
<b>Monthly Facilities Charge:</b>				
Monthly Charge	\$ 75.00	\$ 100.00	\$ 125.00	\$ 150.00
<b>Energy Charge:</b>				
All Energy	\$ 0.03680	\$ 0.05188	\$ 0.05198	\$ 0.05209
Energy Smart Program Fee	\$ 0.00065	\$ 0.00065	\$ 0.00065	\$ 0.00065
<b>Total Energy</b>	<b>\$ 0.03745</b>	<b>\$ 0.05253</b>	<b>\$ 0.05263</b>	<b>\$ 0.05274</b>
<b>Demand Charge</b>				
All Demand	\$ 11.50	\$ 12.00	\$ 12.50	\$ 13.00
<b>Power Cost Adjustment:</b>				
All Energy	\$ 0.02000	\$ 0.00500	\$ 0.00500	\$ 0.00500
<b>Revenue from Rate</b>	<b>\$ 27,851,680</b>	<b>\$ 28,233,248</b>	<b>\$ 28,620,043</b>	<b>\$ 29,012,138</b>
<b>Change from Previous</b>		<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>



# Electric Vehicle Charging Station

Rates	Current	Year 1	Year 2	Year 3
<b>Monthly Facilities Charge:</b>				
Single Phase Monthly Charge	\$ 45.00	\$ 45.00	\$ 55.00	\$ 65.00
Three Phase Monthly Charge	\$ -	\$ 100.00	\$ 125.00	\$ 150.00
<b>Energy Charge:</b>				
All Energy	\$ 0.08272	\$ 0.10294	\$ 0.10294	\$ 0.10294
<b>Demand Charge</b>				
All Demand	\$ 3.80	\$ 3.85	\$ 3.85	\$ 3.85
<b>Power Cost Adjustment:</b>				
All Energy	\$ 0.02000	\$ 0.00500	\$ 0.00500	\$ 0.00500



## **CITY OF ZEELAND**

### **ORDINANCE NO. 1044**

*(Electric Service Charges-Cost of Service Rate Adjustment -  
An Ordinance to Amend Sections 40-74, 40-77 and 40-99 of  
and to Add Section 40-78 to  
Volume I of The Code of the City of Zeeland, Michigan)*

Portions of minutes of a Regular Meeting of the City Council of the City of Zeeland, County of Ottawa, Michigan, held in the Zeeland City Hall in said City on \_\_\_\_\_, 2025 at 7:00 o'clock P.M. Local Time.

PRESENT: Council Members \_\_\_\_\_

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ABSENT: Council Members \_\_\_\_\_

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The following preamble and ordinance were offered by Council Member \_\_\_\_\_  
and supported by Council Member \_\_\_\_\_.

WHEREAS, The Zeeland Board of Public Works desires to have cost-based electric utility rates;

AND WHEREAS, based on a recent Cost of Service Study, the BPW current electric rates will no longer sustain adequate cash reserves and net income levels;

AND WHEREAS, electric rates must adequately recover interest expense on outstanding debt, if any, and inflationary increases on the assets invested in the system, and must also provide an adequate rate of return on investment to ensure that current customers are paying their fair share of the use of infrastructure and not deferring charges to future generations;

AND WHEREAS, beginning in January 2026, a multi-year rate adjustment plan is being implemented, providing for an overall average rate increase of approximately 1.5 percent annually over approximately five years to ensure the timely replacement of assets and to maintain the financial stability of the electric utility;

AND WHEREAS, such charges serve a regulatory purpose to ensure that electricity is used and rationed in accordance with the need for such commodity;

AND WHEREAS, customers can voluntarily control the amount of their bills since customers have the ability to somewhat control the amount of electricity which they use;

AND WHEREAS, the proposed new rate charges are fair and equitable and will promote the public welfare and they are necessary utility charges.

THE CITY OF ZEELAND ORDAINS.

Section 1. Section 40-74 of the Zeeland City Code, Volume 1 is hereby amended to read in its entirety as follows:

**“Sec. 40-74 Electrical service charges.**

(a) *Residential service (rate A).*

(1) *Availability.* Open to any customer desiring service for domestic and farm uses, which include only those purposes which are usual in individual private family dwellings, or separately metered apartments, and in the usual appurtenant buildings served through the residential meter. This rate is not available for commercial or industrial service, or for resale purposes.

Residences in conjunction with commercial or industrial enterprises, homes or dormitories for groups other than private family units, apartment buildings or multiple dwellings, and mobile homes in courts may take service on this rate only under terms and conditions contained in the city board of public works, hereinafter referred to as BPW, standard rules and regulations.

(2) *Nature of service.* Alternating current, 60 hertz, single phase, 120/240 nominal volts.

(3) *Monthly rate.* The monthly rate is the sum of the service charge, the energy optimization fee, the energy charge, and the fuel and purchased power cost adjustment, as such charges and adjustments are defined hereafter.

- a. Service charges: \$13.50 per customer per month.
- b. Energy optimization fee: \$0.50 per customer per month.
- c. Energy charge: 7.94¢ per kilowatt hour for all kilowatt hours.

(4) *Power cost adjustment.* A power cost adjustment shall be applied to all kilowatt-hours in accordance with the Power Cost Adjustment (PCA) Rider electric service schedule.

(5) *Minimum charge.* The sum of the service charge and the energy optimization fee which are included in the monthly rate are the minimum charge.

(6) *Term and form of contract.* Open order. No written application or contract required.

(7) *Rules and regulations.* Service governed by BPW's standard rules and regulations. Service for single-phase motors may be included under this rate, provided the individual capacity of such motors does not exceed three horsepower, nor the total capacity of ten horsepower, without the specific consent of the BPW.

Where the BPW elects to measure the service on the primary side of the transformers, three percent will be deducted for billing purposes from the energy measurements thus made.

(b) *General secondary service (rate B).*

(1) *Availability.* Open to any customer desiring secondary voltage service. This rate is also available for service to any customer where the city board of

public works, hereinafter referred to as BPW, elects to provide one transformation from the available primary distribution voltage to another primary voltage desired by the customer. This rate is not available for auxiliary or standby service, for street lighting service or for resale purposes.

- (2) *Nature of service.* Alternating current, 60 hertz, single-phase or three-phase, the particular nature of the voltage in each case to be determined by the BPW.
- (3) *Monthly rate.* The monthly rate is the sum of the service charge, the energy optimization fee, the energy charge, and the fuel and purchased power cost adjustment, as such charges and adjustments are defined hereafter.
  - a. Service charge: \$31.50 per customer per month.
  - b. Energy optimization fee: \$3.50 per customer per month.
  - c. Energy charge: 9.288¢ per kilowatt hour.
- (4) *Power cost adjustment.* A power cost adjustment shall be applied to all kilowatt-hours in accordance with the Power Cost Adjustment (PCA) Rider electric service schedule.
- (5) *Minimum charge.* The sum of the service charge and the energy optimization fee which are included in the monthly rate are the minimum charge.
- (6) *Term and form of contract.* Open order. No written application or contract required.
- (7) *Rules and regulations.* Service governed by BPW's standard rules and regulations.

When the service is three phase, three wire, lighting may be included provided the customer furnishes all transformation facilities required for such purpose, and so arranges the lighting

circuits as to avoid excessive unbalance of the three-phase load. When the service is single phase or four wire, three phase, the single-phase individual motor capacity shall not exceed three horsepower, nor the total single phase motor capacity ten horsepower, without the specific consent of the BPW.

Where the BPW elects to measure the service on the primary side of the transformers, three percent will be deducted for billing purposes from the energy measurements thus made.

(c) *General secondary service (rate C).*

- (1) *Availability.* Open to any customer desiring secondary voltage service where the billing demand is five kilowatts or more. This rate is also available for service to any customer where the city board of public works, hereinafter referred to as BPW, elects to provide one transformation from the available primary distribution voltage to another primary voltage desired by the BPW. This rate is not available for street lighting service or for resale purposes.
- (2) *Nature of service.* Alternating current, 60 hertz, single-phase or three-phase, the particular nature of the voltage in each case to be determined by the BPW.
- (3) *Monthly rate.* The monthly rate is the sum of the capacity charge, the energy optimization fee, the energy charge, the fuel and purchased power cost adjustment, as such charges and adjustments are defined hereafter.
  - a. Capacity charge: \$14.00 per kilowatt.
  - b. Monthly facilities charge: \$45.00.
  - c. Energy optimization fee: \$32.50 per customer per month.
  - d. Energy charge: 5.10¢ per kilowatt hour.

- (4) *Power cost adjustment.* A power cost adjustment shall be applied to all kilowatt-hours in accordance with the Power Cost Adjustment (PCA) Rider electric service schedule.
- (5) *Minimum charge.* The sum of the capacity charge and the energy optimization fee which are included in the monthly rate are the minimum charge.
- (6) *Billing demand.* The billing demand shall be the kilowatts supplied during the period of maximum use in the billing month, but not less than 60 percent of the highest billing demand of the preceding 11 months, nor less than five kilowatts.

The BPW reserves the right to make special determination of the billing demand and/or minimum charge should equipment which creates high demands of momentary duration be included in the customer's installation.

- (7) *Adjustment for power factor.* When the power factor during the period of maximum use in a billing month is less than 80 percent lagging, the BPW reserves the right to increase the capacity charge for such billing month in the ratio that 80 percent bears to such power factor. The BPW may, at its option, determine the power factor by test or by permanently installed measuring equipment.
- (8) *Term and form of contract.* No written application or contract is required. A minimum term of one year is required.
- (9) *Rules and regulations.* Service governed by BPW's standard rules and regulations.

When the service is three phase, three wire, lighting may be included,

provided the customer furnishes all transformation facilities required for such purposes and so arranges the lighting circuits as to avoid excessive unbalance of the three phase load. When the service is single phase, or four wire, three phase, the single-phase individual motor capacity shall not exceed three horsepower, nor the total single-phase motor capacity shall not exceed three horsepower, nor the total single-phase motor capacity ten horsepower, without the specific consent of the BPW.

Where the BPW elects to measure the service on the primary side of the transformers, three percent will be deducted for billing purposes from the demand and energy measurements thus made.

- (d) *Commercial and industrial primary service (rate D).*
  - (1) *Availability.* Open to any customer desiring primary voltage services for commercial or industrial use where the billing demand is 25 kilowatts or more. This rate is not available for street lighting service or for resale purposes.
  - (2) *Nature of service.* Alternating current, 60 hertz, single-phase, the particular nature of the voltage in each case to be determined by the city board of public works, hereinafter referred to as BPW.
  - (3) *Monthly rate.* The monthly rate is the sum of the capacity charge, the energy optimization fee, the energy charge, and the fuel and purchased power cost adjustment, as such charges and adjustments are defined hereafter.
    - a. Capacity charge: \$12.00 per kilowatt.
    - b. Monthly facilities charge: \$100.00.
    - c. Energy optimization fee: \$0.00065 per kilowatt hour.

- d. Energy charge: 5.188¢ per kilowatt hour.
- (4) *Power cost adjustment.* A power cost adjustment shall be applied to all kilowatt-hours in accordance with the Power Cost Adjustment (PCA) Rider electric service schedule.
- (5) *Minimum charge.* The sum of the capacity charge and the energy optimization fee which are included in the monthly rate are the minimum charge.
- (6) *Billing demand.* The billing demand shall be the kilowatts supplied during the 15-minute period of maximum use in the billing month, but not less than 60 percent of the highest billing demand of the preceding 11 months, nor less than 25 kilowatts.
- (7) *Adjustment for power factor.* This rate may require a determination of the average power factor maintained by the customer during the billing period. Such average power factor will be determined through metering of lagging kilowatt hours to kilowatt hours which will then be converted to the average power factor for the billing period by using the appropriate conversion factor. Whenever the average power factor during the billing period is above .899 or below .800, the capacity charge will be adjusted as follows:
  - a. If the average power factor during the billing period is .900 or higher, the capacity charge will be reduced by two percent. This credit shall not in any case be used to reduce the prescribed minimum charge or the capacity charge when based upon 60 percent of the highest billing demand of the preceding 11 months.

b. If the average power factor during the billing period is less than .800, the capacity charge will be increased by the ratio that .800 bears the customer's average power factor during the billing period.

(8) *Term and form of contract.* No written application or contract is required. A minimum term of one year is required.

(e) *Experimental electric vehicle charging station rate (rate E).*

(1) *Availability.* Open to any customer using a public BPW electric vehicle charging station for the purpose of using said station for electric vehicle charging.

Public BPW electric vehicle charging station means an installation including vehicle supply cable connector(s), internal relays and contact designed specifically for the purpose of delivering from a supply source to a plug-in electric vehicle. This equipment meets or exceeds the following codes, standards, and recommended practices:

National Electric Code Article 625, UL2594, UL2231-1, UL2231-2, NFPA 70, SAE J1772

(2) *Nature of service.* Alternating current, 60 hertz, single-phase, 120/240 nominal volts.

(3) *Monthly rate.* The monthly rate is the sum of the energy charge and the fuel and purchased power cost adjustment, as such charges and adjustments are defined hereafter.

a. Energy charge: 10¢ per kilowatt hour.

(4) *Minimum charge.* The minimum charge is \$0.00 if no energy is used.

(5) *Terms and form of contract.* Open order. No written application or contract required.

(6) *Rules and regulations.* Service governed by BPW's standard rules and regulations.

(f) *Net metering service rider (rate NM).*

(1) *Availability.* The purpose of this rider is to enable BPW customers who generate electricity using qualified renewable energy sources to connect to the BPW's electric distribution system and to send electricity back to the BPW electric distribution system at times when their on-site generation exceeds their own use. Customers served under this rider must also take service from the BPW under an otherwise applicable standard rate. The BPW net metering program and offering of this rider, will be in effect and available until the total nameplate capacity of all participating generators is equal to a maximum program limit of one percent of the BPW peak load for the preceding calendar year.

(2) *Conditions of service.* A qualifying "net metering" facility is an electrical generating facility that complies with all of the following requirements:

- a. Customer must generate electricity using a renewable energy resource including but not limited to: biomass, solar, photovoltaic or wind. Other renewable energy resources must be approved in advance.
- b. Generating facility must be located on customer's premises.
- c. Is intended primarily to offset all or part of customer's own electric load requirements.
- d. Is designed and installed to operate in parallel with the BPW's system without adversely affecting the operation of the equipment and service to the BPW and its customers.

- e. Does not present a safety hazard to BPW personnel or the customer.
- f. Installation complies with all requirements in the "expedited generator interconnection requirements" or "generator interconnection requirements" as appropriate, and all documents referred therein.
- g. BPW personnel shall be provided access to the generation facility during normal business hours and during all emergency situations.
- h. If the project is proven to be a source of electrical interference, and interference exceeds generally accepted industry standards, the generator owner shall be responsible to eliminate the interference.
- i. Generation systems will be sized not to exceed customer's annual electric needs for the location of renewable system.
- j. Must complete all applicable interconnect applications.
- k. Upon acceptance of an interconnect application, contracts must be executed before the net metering facility may be interconnected.
- l. Customer is responsible to ensure proposed generation equipment and installation meet all applicable federal, state and local laws, regulations, ordinances and zoning requirements before acquiring and installing generating equipment.
- m. BPW at its discretion will make final determination of the acceptable size of the renewable energy generating system eligible for this rider.

(3) *Monthly rate.* The monthly rate is the sum of all applicable charges calculated based on the applicable rate for all capacity, energy, fuel and purchased power cost adjustment along with applicable fees and charges.

All "net metering" customers will also be billed a monthly service charge of \$5.00 per month to recover the costs associated with operating the net metering program.

- (4) *Monthly credits.* For all customer classes except "residential," monthly credits shall be calculated for all energy delivered by the customer to the BPW, based on the energy costs avoided by the BPW as a result of the customer's participation. The per unit value of the energy avoided by the BPW shall be determined as the monthly average "system cost" as defined in the BPW's average fuel and purchase power cost adjustment calculation for the period the credit is applied. Residential "net metering" as defined in the "expedited generator interconnection requirements" shall be credited at the full retail rate.
- (5) *Net energy billing terms and conditions.* The BPW shall measure the net electricity produced or consumed by the customer during each billing period, in accordance with BPW's normal metering practices.

If the electricity supplied by the BPW to the customer exceeds the electricity generated and delivered into the BPW's electric system by the customer during the billing period, or any portion thereof, then the customer shall be billed at the rate under which the customer takes service for electricity supplied by the BPW. The customer shall also be billed the appropriate customer charge paid by other customers in the same rate class for each meter and any other charges, such as capacity, billing demand, reactive power and any other charges applicable to energy use and applicable adjustments and fees.

If the electricity generated and delivered into the BPW's electric system by the customer during the billing period, or any portion thereof, exceeds the electricity supplied by the BPW to the customer, then the customer shall be:

- a. Billed for the appropriate customer charge as other customers in the same rate class for each meter and other charges including but not limited to: capacity, billing demand, reactive power and any other charges applicable to energy use and applicable adjustments and fees; and
- b. Credited for the net excess kilowatt-hours generated and delivered into the BPW's electric system by the customer during the billing period, with this kilowatt-hour credit appearing on the customer's bill for the following period(s) as an off-set for the period's consumption. The kilowatt-hour credit will be used to offset any future consumption with the consumption credit not to be carried forward for more than 12 monthly billing cycles.
- c. Any remaining unused kilowatt-hour credit accumulated by the customer during a continuous 12-month period shall be granted to the BPW without any compensation in June of each year.

(6) *Terms and conditions.* This rider is subject to the BPW rules and regulations for electric service and all provisions of the standard rate under which the customer takes service. This rider is subject to provisions of: the generator interconnection application, submitted by the customer; the interconnection agreement to be executed prior to initiating service under this rider; the net

metering agreement to be executed prior to initiating service under this rider; the generator interconnection requirements or expedited generator interconnection requirements, as appropriate; an interconnection study agreement; contact list; the BPW's rate schedules, customer-generator service policies, and general rules and regulations, all of which may be modified by the BPW from time to time.

(g) *Voluntary green pricing standard program (rate G).*

- (1) *Availability.* This program is available to electric utility customers desiring to voluntarily secure an additional amount of renewable energy, but the availability of this rate may be limited.
- (2) *Monthly rate.* Charges for renewable energy secured under this program are in addition to the charges for electricity consumed as calculated under the applicable rate. Available quantities of renewable energy are 100 kilowatt-hour (kWh) blocks \*\* or in ten percent increments\*\* of the total monthly consumption per customer account.
  - a. Renewable energy charge adder: \$0.00939 per kilowatt hour.
- (3) *Terms and conditions.* Renewable energy provided under this program is applicable only to an individual customer account and will not be aggregated across multiple customer accounts. The minimum term available to all customers is 12 continuous complete billing periods. Customer must commit to either a whole number of one hundred kilowatt-hour blocks or a percentage of usage in ten percent increments. A written application is required.

(4) *Rules and regulations.* Service under this rate is subject to the ZBPW Rules and Regulations for Electric Service incorporated herein by reference.

(h) *Voluntary green pricing high volume electricity usage program (rate LG).*

(1) *Availability.* This program is available to high volume electricity usage customers desiring to voluntarily secure renewable energy\* and whose average monthly electricity usage is no less than 10,000 kilowatt-hours (kWh). Availability may be limited.

(2) *Monthly rate.* Charges for renewable energy secured under this program are in addition to the charges for electricity consumed as calculated under the applicable rate. Available quantities of renewable energy are either 100 percent\*\* or 50 percent\*\* of total monthly kilowatt-hour consumption per customer account.

Renewable energy charge adder: \$0.00750 per kilowatt-hour.

(3) *Terms and conditions.* Renewable energy provided under this program is applicable only to an individual customer account and will not be aggregated across multiple customer accounts. The minimum program term available to all customers is 12 continuous complete billing periods, and written notice of cancelation must be provided no less than 30 days in advance to exit the program. A written application is required.

(4) *Rules and regulations.* Service under this rate is subject to the ZBPW Rules and Regulations for Electric Service incorporated herein by reference.

(i) *User fees.* The above referenced electric charges are found to be user fees. Such electric charges serve a regulatory purpose of ensuring that electricity is used and rationed in accordance with the needs of a customer for such a commodity. The

charges are proportionate to the costs of providing electricity to customers. In addition, it is noted that electric customers can voluntarily control the amount of their bills since electric customers have the ability to control their use of electricity and they determine the size of their own electrical service.

\* Renewable energy credits (RECs) eligible for retirement in the State of Michigan's MIRECs program will be used as the means of administering the program.

\*\* The actual renewable energy charges applied under this program will be calculated to include the renewable contribution included in BPW's standard rates, but no less than 15 percent.

Note: RECs will be retired by the Zeeland BPW on behalf of the customer or transferred to the customer's MIRECS or compatible account if so directed. Specific retirement or documentation requirements shall be provided in writing and accepted by BPW staff in advance.”

Section 2. Section 40-77 of the Zeeland City Code, Volume 1 is hereby amended to read in its entirety as follows:

**“Sec. 40-77 Street lighting policy and services charges.**

(a) *Street lighting service (rate S).*

(1) *Availability.* Street lighting is available to any political subdivision for street lighting service for any system consisting of one or more luminaires where the board of public works (ZBPW) has an existing distribution system with secondary voltage available. Luminaires may be installed with no limitation as to spacing between luminaires. Where a line extension is required to serve one or more luminaires, the ZBPW will furnish 350 linear feet of secondary line extension per luminaire served from such extension, and the political subdivision shall be liable for the costs of the secondary line extension after such first 350 linear foot extension.

(2) *Nature of service.* The ZBPW will furnish, install, own, operate and maintain all equipment comprising the street lighting system and will supply unmetered energy.

(3) *Monthly rate.* The monthly rate per luminaire with a standard fixture and setting shall be computed based on the following provisions:

Luminaire fixture	Monthly charge
<i>High pressure sodium luminaire</i>	
100 W	\$9.20
150 W	\$9.82
250 W	\$11.58
400 W	\$15.36
1,000 W	\$20.42
<i>Mercury vapor luminaire</i>	
100 W	\$6.46
175 W	\$7.39
250 W	\$10.60
400 W	\$22.49
1,000 W	\$22.49
<i>LED luminaire</i>	
1-40W	\$7.29
41-100W	\$7.76
101-200W	\$11.89
201-300W	\$15.87

(4) *Customer contribution.* Monthly rates are based on fixtures normally installed and stocked by the ZBPW, and installed utilizing normal construction techniques. The ZBPW may upon customer request and at its option, install a street lighting system not covered in the rates above. Such request will be subject to a contribution in aid of construction for both the installation and the future maintenance of a nonstandard lighting system. The monthly charge for a nonstandard lighting system will be calculated and determined based upon the operational costs of such a system.

(5) *Rules and regulations.* Service shall be governed by the BPW's standard rules and regulations."

Section 3. Section 40-78 is hereby added to Zeeland City Code, Volume 1 and it shall read in its entirety as follows:

**"Sec. 40-78 Power cost adjustment rider (Schedule PCA).**

**(a) Power cost adjustment rider (Schedule PCA):**

(1) *Applicability.* The PCA will apply to all utility rate schedules except non-metered and special contract rates.

(2) *Calculation.* The PCA will be calculated using the most recent twelve months' actual fuel and power cost and applied to each customer's following monthly billed energy (kilowatt-hours) or a one month lag from when the cost occurred to when billed.

The PCA Adjustment shall be calculated according to the following formula:

$$\text{PCA} = P/S-B$$

P = Wholesale power supply cost

The utility's cost of fuel and power for the preceding twelve-month period shall be determined based on the most recent twelve months of actual fuel and wholesale power supply costs, including periodic true-up adjustments to reconcile any accumulated positive or negative balances resulting from the application of the Power Cost Adjustment (PCA). In the event of an unusual occurrence that produces abnormally high costs, the Board of Commissioners shall have the authority to determine whether such costs are to be recovered over a different period.

S = Number of kilowatt-hours sold

Sales are estimated by multiplying kilowatt-hours purchased by (1 - Losses), during the same time period as factor "P". The system's annual average loss factor is 4.0%.

B = Base retail rate

This amount reflects the average cost of power per kilowatt-hour sold and recovered through base retail rates (\$0.0600)."

Section 4. Section 40-97 of the Zeeland City Code, Volume 1 is hereby amended to read in its entirety as follows:

**Sec. 40-97. Commercial electric vehicle charging station rate (rate EVC).**

- (a) *Availability.* This rate is available to any customer desiring commercial electric vehicle charging service for customers with a separately metered charging station (e.g. level 2 or DC fast charging). This rate is not available for resale purposes.
- (b) *Nature of service.* This service is alternating current, 60 hertz, single or three phase. The secondary voltage is determined by the Zeeland Board of Public Works (ZBPW).

(c) *Monthly rate.* Shall be computed in accordance with the following charges:

Facilities charge – single phase	\$45.00 per month
Facilities charge – three phase	\$100.00 per month
Capacity charge	\$3.85 per kilowatt (kW) of billing demand
Energy charge	\$0.10294 per kilowatt-hour (kWh)

(d) *Minimum bill.* The sum of the capacity charge, plus energy optimization fee (as defined in the energy optimization surcharge fee.)

(e) *Billing demand.* The billing demand shall be the kW supplied during the 15-minute period of maximum use during the month, but not less than 60 percent of the highest billing demand established during the preceding 11 months, nor less than five kilowatts.

(f) *Metering.* Where the ZBPW elects to measure the service on the primary side of the transformers, the metered kilowatt hour thus measured will be reduced by three percent for billing purposes to adjust for transformer losses. Where the customer receives service through more than one meter, the consumptions as registered by the different meters will not be combined for billing purposes but will be computed and billed separately.

(g) *Power factor.* When the power factor during the period of maximum use in a billing month is less than 80 percent lagging, the ZBPW reserves the right to increase the capacity charge for such billing month in the ratio that 80 percent bears to such power factor. The ZBPW may, at its option, determine the power factor by test or by permanently installed measuring equipment.

(h) *Power cost adjustment.* A power cost adjustment shall be applied to all kilowatt-hours in accordance with the Power Cost Adjustment (PCA) Rider electric service schedule.

- (i) *Energy optimization fee.* This rate is subject to the energy optimization fee as defined on a separate rate schedule and incorporated herein by this reference.
- (j) *Rules and regulations.* Service under this rate is subject to the ZBPW rules and regulations for electric service incorporated herein by this reference.

Section 5. All Ordinances or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Section 6. The rate adjustment shall first be applied to electric customers in January, 2026, and such rate adjustment shall first be applied to electric bills which are due on or after February 1, 2026.

This Ordinance is hereby adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2025, at a Regular Meeting of the Zeeland City Council, with the following vote:

AYES: Council Members \_\_\_\_\_

\_\_\_\_\_

NAYES: Council Members \_\_\_\_\_

\_\_\_\_\_

ABSENT: Council Members \_\_\_\_\_

\_\_\_\_\_

City of Zeeland

By: \_\_\_\_\_  
Richard J. Van Dorp III, Mayor

By: \_\_\_\_\_  
Kristi DeVerney, City Clerk

CERTIFICATE

I hereby certify that the foregoing constitutes a true and complete copy of Ordinance No. \_\_\_\_\_ which was duly adopted by the City Council of the City of Zeeland, County of Ottawa, Michigan, at a Regular Meeting held on \_\_\_\_\_, 2025, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act. I hereby certify that the above Ordinance known as Ordinance No. \_\_\_\_\_ or a summary of such Ordinance was published in the Zeeland Record on the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

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Kristi DeVerney, City Clerk



TO: Mayor Klynstra and City Council Members

FROM: Andrew M. Boatright, General Manager

CC: Kevin Plockmeyer, City of Zeeland Assistant City Manager / Finance Director

SUBJECT: 2026 Water Rate Revision Ordinance No. 1045

DATE: November 14, 2025

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Attached for the City Council's consideration are materials outlining the 2026 Water Rate Design and the corresponding Ordinance to implement the updated water utility rates effective January 1, 2026.

The 2026 Water Rate Design, prepared by Utility Financial Solutions, LLC, recommends an overall 4.9% revenue increase to maintain adequate reserves, recover inflationary and debt-related costs, and ensure continued reinvestment in water utility infrastructure. This adjustment aligns with the multi-year cost-of-service plan initiated in 2025 to sustain the long-term financial stability of the water utility.

The accompanying Ordinance No. 1045 formally updates Section 40-121 of the Zeeland City Code to reflect the revised water rate schedule, including readiness-to-serve and commodity charges. These rates continue to be cost-based, equitable, and consistent for water utility customers served by the Zeeland BPW. At their November 11, 2025 regular meeting the Zeeland BPW Board of Commissioners approved recommending this action item for City Council consideration and adoption with the first reading occurring on November 17 and the second reading on December 1, 2025.

**Recommendation:**

Approve Water Rate Ordinance No. 1045.

Attachments: 2026 Utility Financial Solutions Water Rate Design Memo  
Ordinance No. 1045: Water Rate Revisions Effective January 1, 2026



October 8, 2025

Mr. Kevin Plockmeyer  
City of Zeeland  
Zeeland, MI 49464

Dear Mr. Plockmeyer,

Per your request below is the 2026 Water Design with an overall 4.9% revenue increase.

**2026 Rate Design 4.9%**

Meter Size	Current Rates	Proposed 2026
5/8"	\$ 11.00	\$ 12.00
3/4"	15.75	17.00
1"	27.00	29.00
1 1/2"	53.00	57.00
2"	97.00	104.00
3"	179.00	192.00
4"	277.00	297.00
6"	625.00	625.00
8"	1,290.00	1,290.00
10"	1,930.00	1,930.00
Commodity Charge	\$ 1.66	\$ 1.73
Overall Increase		4.9%

### Rate Impacts by Meter Size and Usage – 4.9%

<u>5/8"</u>	Current Rates	Proposed Rates		
Customer Charge	\$ 11.00	\$ 12.00		
Commodity Charge	1.66	1.73		
Monthly Usage 1,000 Gallons	Current Rates	Proposed	Dollar Impact	Percent Change
3	\$ 15.98	\$ 17.19	\$ 1.21	7.57%
5	\$ 19.30	\$ 20.65	1.35	6.99%
8	\$ 24.28	\$ 25.84	1.56	6.43%
11	\$ 29.26	\$ 31.03	1.77	6.05%
14	\$ 34.24	\$ 36.22	1.98	5.78%
<u>3/4"</u>	Current Rates	Proposed Rates		
Customer Charge	\$ 15.75	\$ 17.00		
Commodity Charge	1.66	1.73		
Monthly Usage 1,000 Gallons	Current Rates	Proposed	Dollar Impact	Percent Change
4	\$ 22.39	\$ 23.92	\$ 1.53	6.83%
5	\$ 24.05	\$ 25.65	1.60	6.65%
6	\$ 25.71	\$ 27.38	1.67	6.50%
12	\$ 35.67	\$ 37.76	2.09	5.86%
15	\$ 40.65	\$ 42.95	2.30	5.66%
<u>1"</u>	Current Rates	Proposed Rates		
Customer Charge	\$ 27.00	\$ 29.00		
Commodity Charge	1.66	1.73		
Monthly Usage 1,000 Gallons	Current Rates	Proposed	Dollar Impact	Percent Change
7	\$ 38.62	\$ 41.11	\$ 2.49	6.45%
10	\$ 43.60	\$ 46.30	2.70	6.19%
13	\$ 48.58	\$ 51.49	2.91	5.99%
16	\$ 53.56	\$ 56.68	3.12	5.83%
19	\$ 58.54	\$ 61.87	3.33	5.69%
<u>1 1/2"</u>	Current Rates	Proposed Rates		
Customer Charge	\$ 53.00	\$ 57.00		
Commodity Charge	1.66	1.73		
Quarterly Usage Level in CCF Gallons	Current Rates	Proposed Rates	Dollar Impact	Percent Change
20	\$ 86.20	\$ 91.60	\$ 5.40	6.26%
25	\$ 94.50	\$ 100.25	5.75	6.08%
30	\$ 102.80	\$ 108.90	6.10	5.93%
35	\$ 111.10	\$ 117.55	6.45	5.81%
40	\$ 119.40	\$ 126.20	6.80	5.70%

<u>2"</u>	Current Rates	Proposed Rates		
Customer Charge	\$ 97.00	\$ 104.00		
Commodity Charge	1.66	1.73		
Quarterly Usage Level in CCF Gallons	Current Rates	Proposed Rates	Dollar Impact	Percent Change
45	\$ 171.70	\$ 181.85	\$ 10.15	5.91%
55	\$ 188.30	\$ 199.15	10.85	5.76%
65	\$ 204.90	\$ 216.45	11.55	5.64%
75	\$ 221.50	\$ 233.75	12.25	5.53%
85	\$ 238.10	\$ 251.05	12.95	5.44%
<u>3"</u>	Current Rates	Proposed Rates		
Customer Charge	\$ 179.00	\$ 192.00		
Commodity Charge	1.66	1.73		
Quarterly Usage Level in CCF Gallons	Current Rates	Proposed Rates	Dollar Impact	Percent Change
105	\$ 353.30	\$ 373.65	\$ 20.35	5.76%
135	\$ 403.10	\$ 425.55	22.45	5.57%
185	\$ 486.10	\$ 512.05	25.95	5.34%
215	\$ 535.90	\$ 563.95	28.05	5.23%
250	\$ 594.00	\$ 624.50	30.50	5.13%
<u>4"</u>	Current Rates	Proposed Rates		
Customer Charge	\$ 277.00	\$ 297.00		
Commodity Charge	1.66	1.73		
Quarterly Usage Level in CCF Gallons	Current Rates	Proposed Rates	Dollar Impact	Percent Change
105	\$ 451.30	\$ 478.65	\$ 27.35	6.06%
135	\$ 501.10	\$ 530.55	29.45	5.88%
185	\$ 584.10	\$ 617.05	32.95	5.64%
215	\$ 633.90	\$ 668.95	35.05	5.53%
250	\$ 692.00	\$ 729.50	37.50	5.42%
<u>6"</u>	Current Rates	Proposed Rates		
Customer Charge	\$ 625.00	\$ 625.00		
Commodity Charge	1.66	1.73		
Quarterly Usage Level in CCF Gallons	Current Rates	Proposed Rates	Dollar Impact	Percent Change
120	\$ 824.20	\$ 832.60	\$ 8.40	1.02%
170	\$ 907.20	\$ 919.10	11.90	1.31%
220	\$ 990.20	\$ 1,005.60	15.40	1.56%
270	\$ 1,073.20	\$ 1,092.10	18.90	1.76%
320	\$ 1,156.20	\$ 1,178.60	22.40	1.94%

<u>8"</u>	Current Rates	Proposed Rates			
Customer Charge	\$ 1,290.00	\$ 1,290.00			
Commodity Charge	1.66	1.73			
Quarterly Usage Level in CCF Gallons	Current Rates	Proposed Rates	Dollar Impact	Percent Change	
175	\$ 1,580.50	\$ 1,592.75	\$ 12.25	0.78%	
250	\$ 1,705.00	\$ 1,722.50	17.50	1.03%	
325	\$ 1,829.50	\$ 1,852.25	22.75	1.24%	
400	\$ 1,954.00	\$ 1,982.00	28.00	1.43%	
475	\$ 2,078.50	\$ 2,111.75	33.25	1.60%	
<u>10"</u>	Current Rates	Proposed Rates			
Customer Charge	\$ 1,930.00	\$ 1,930.00			
Commodity Charge	1.66	1.73			
Quarterly Usage Level in CCF Gallons	Current Rates	Proposed Rates	Dollar Impact	Percent Change	
200	\$ 2,262.00	\$ 2,276.00	\$ 14.00	0.62%	
300	\$ 2,428.00	\$ 2,449.00	21.00	0.86%	
400	\$ 2,594.00	\$ 2,622.00	28.00	1.08%	
500	\$ 2,760.00	\$ 2,795.00	35.00	1.27%	
600	\$ 2,926.00	\$ 2,968.00	42.00	1.44%	

I would be happy to set up a call to review. Thank you for the opportunity to provide these services.

Sincerely,

Dawn Lund

Dawn Lund, Vice-President  
Utility Financial Solutions, LLC

## CITY OF ZEELAND

### ORDINANCE NO. \_\_\_\_\_

*(Water Rates and Fees– Cost of Service Rate Adjustment -  
An Ordinance to Amend Section 40-121 of  
Volume I of The Code of the City of Zeeland, Michigan)*

Portions of minutes of a Regular Meeting of the City Council of the City of Zeeland, County of Ottawa, Michigan, held in the Zeeland City Hall in said City on \_\_\_\_\_, 2025 at 7:00 o'clock P.M. Local Time.

PRESENT: Council Members \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ABSENT: Council Members \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following preamble and ordinance were offered by Council Member \_\_\_\_\_  
and supported by Council Member \_\_\_\_\_:

WHEREAS, The Zeeland Board of Public Works desires to have cost-based water utility rates;  
AND WHEREAS, based on a recent Cost of Service Study, the BPW current water rates will no longer sustain adequate cash reserves and net income levels;

AND WHEREAS, water rates must adequately recover interest expense on outstanding debt, if any, and inflationary increases on the assets invested in the system, and must also provide an adequate rate of return on investment to ensure that current customers are paying their fair share of the use of infrastructure and not deferring charges to future generations;

AND WHEREAS, beginning in January 2025, a multi-year rate adjustment plan has been implemented, providing for an overall average rate increase of approximately 4.9 percent annually over approximately five years to ensure the timely replacement of assets and to maintain the financial stability of the water utility;

AND WHEREAS, such charges serve a regulatory purpose to ensure that water is used and rationed in accordance with the need for such commodity;

AND WHEREAS, customers can voluntarily control the amount of their bills since customers have the ability to somewhat control the amount of water which they use;

AND WHEREAS, the proposed new rate charges are fair and equitable and will promote the public welfare and they are necessary utility charges.

THE CITY OF ZEELAND ORDAINS.

Section 1. Section 40-121 of the Zeeland City Code, Volume 1 is hereby amended to read in its entirety as follows:

**“Sec. 40-121. - Water rates.**

(a) The monthly water charge for a customer is the sum of the “readiness to serve charge”, the “commodity charge” and the “fire protection charge”. Such charges are to be determined as follows:

(1) *Readiness to serve charge.* This monthly charge for water service is based on the size of the meter used, and the readiness to serve charge is as follows:

Meter Size (inches)	Readiness to Serve Charge*
5/8	\$12.00
¾	\$17.00
1	\$29.00
1½	\$57.00
2	\$104.00
3	\$192.00
4	\$297.00
6	\$625.00
8	\$1,290.00
10	\$1,930.00

\*The readiness to serve charge does not include the purchase of any amount of water. The commodity charge is applied for all water used.

- (2) *Commodity charge.* The water commodity charge is \$1.73 per hundred cubic feet. (A ccf is 100 cubic feet of water or approximately 748 gallons.)
- (3) *Fire protection charge.* For customers with no private fire protection lines, there shall be no charge. For customers with private fire protection lines, the fire protection charge is as follows:

Service Line Size (inches)	Fire Protection Charge**
4	\$30.00
6	\$67.50
8	\$120.00
10	\$187.50
12	\$270.00

\*\*The fire protection charge shall be multiplied by a factor of 1.5 if the service line is equipped with a fire booster pump.

- (b) The water rate schedule for customers shall be the same for all customers located within and outside of the Zeeland city limits, except as otherwise provided by this section.
- (c) The board of public works is hereby authorized to enter into contracts with large water users with charges varying from those specified by this section if such water customers by contract agree to pay a fixed minimum monthly reservation charge. All such contracts, however, shall be subject to approval by the city council.
- (d) The above referenced water charges are found to be user fees. Such water charges serve a regulatory purpose of ensuring that water is used and rationed in accordance with the needs of a customer for such a commodity. The charges are proportionate to the costs of providing water to customers. In addition, it is noted that water customer can voluntarily control the amount of their bills since water customers have the ability to control their use of water and they determine the size of their water service, the size of their water meter, and the size of their fire protection lines.”

Section 2. All Ordinances or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Section 3. The rate adjustment shall first be applied to water customers in January, 2026, and such rate adjustment shall first be applied to water bills which are due on or after February 1, 2026.

This Ordinance is hereby adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2025, at a Regular Meeting of the Zeeland City Council, with the following vote:

AYES: Council Members \_\_\_\_\_  
\_\_\_\_\_

NAYS: Council Members \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Council Members \_\_\_\_\_

City of Zeeland

By: \_\_\_\_\_  
Richard J. Van Dorp III, Mayor

By: \_\_\_\_\_  
Kristi DeVerney, City Clerk

#### CERTIFICATE

I hereby certify that the foregoing constitutes a true and complete copy of Ordinance No. \_\_\_\_\_ which was duly adopted by the City Council of the City of Zeeland, County of Ottawa, Michigan, at a Regular Meeting held on \_\_\_\_\_, 2025, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act. I hereby certify that the above Ordinance known as Ordinance No. \_\_\_\_\_ or a summary of such Ordinance was published in the Zeeland Record on the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Kristi DeVerney, City Clerk



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## CITY COUNCIL MEMORANDUM

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TO: Mayor Van Dorp and City Councilmembers

FROM: Tim Klunder, City Manager

SUBJECT: Interim Fire/Rescue Chief Appointment

DATE: November 26, 2025

CC: December 1<sup>st</sup> Council Agenda

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**BACKGROUND:** On November 17, 2025 Fire/Rescue Chief Tibbets submitted his resignation as he has been selected as the next Holland Charter Township Fire Chief. His last day with the city will be December 12, 2025. We certainly wish Chief Tibbets success in his new role and we are thankful that he will remain in the area. As our first full-time Fire/Rescue Chief, Chief Tibbets brought great value to our organization and he helped us make great strides in transitioning into some full-time fire/rescue positions so that we can continue to provide effective service to our community. Needless to say, we will miss the leadership of Chief Tibbets.

With the departure of Chief Tibbets, we believe it would be appropriate to appoint an Interim Fire/Rescue Chief while we search for Chief Tibbets' replacement – we are hopeful that the process will take no more than four months. After consulting with Mayor Van Dorp, he would like to recommend the appointment of Deputy Chief Mitch Harsevoort to the role of Interim Fire/Rescue Chief. Under the City Charter, the Fire/Rescue Chief position is appointed by the Mayor, subject to approval by City Council.

Deputy Chief Harsevoort served as the Interim Fire/Rescue Chief for nearly one year from 2018 – 2019. During that period of time, Deputy Chief Harsevoort led the Fire/Rescue Department extremely well. We believe he will do the same during this interim period and he is willing to accept the position.

Should City Council support the appointment of Deputy Chief Harsevoort to the Interim Fire/Rescue Chief position, his rate of pay would be based on an annual salary of \$45,167.20 (based on an average of 20 hours per week). This salary amount would fit within our Fire/Rescue Chief salary range if it were calculated on a full-time basis. The role would be effective December 13, 2025 and it would extend until a new Fire/Rescue



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Chief is hired and initially transitions into the role (approximately two-three weeks after he/she starts with the city).

RECOMMENDATION: Move to approve Mayor Van Dorp's appointment of Mitch Harsevoort to the position of "Interim Fire/Rescue Chief" effective December 13, 2025 until a new full-time Fire/Rescue Chief is hired and initially transitions into the role (approximately two – three weeks after hire); and to set Mr. Harsevoort's annual salary during the interim period at \$45,167.20 (based on an average of 20 hours per week).



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\_\_\_\_\_  
Timothy R. Klunder, City Manager

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## **Job Description** **Director of Fire/Rescue--Fire Chief**

**Supervised By:** City Manager

**Supervises:** Deputy Chief of Fire/Rescue and Fire/Rescue Personnel

**General Summary:**

Under the general supervision of the City Manager, the Director of Fire/Rescue--Fire Chief directs all operations of the fire/rescue department in the protection of life, property and prevention/control of fire; oversees the operations of emergency medical services; conducts interviews; makes hiring recommendations; supervises all fire/rescue department personnel; and delegates or develops policies and procedures to ensure compliance with federal, state and local ordinances.

The Director of Fire/Rescue—Fire Chief is responsible for the overall management of administration and operations for Zeeland Fire Rescue including, Department Administration, Strategic/Operational Planning, Community Risk Reduction, Communications, and Recruitment/Retention of Personnel.

**Essential Job Functions:**

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties that the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

**Job Function #1: Department Director and Commanding Officer**

1. Manage and supervise firefighting activities including driving fire apparatus, operating pumps and related equipment, laying hose, and performing fire containment, extinguishment and overhaul tasks.
2. Manage and supervise emergency medical services activities including administering first aid and providing other assistance as required.
3. Develop policies, procedures and guidelines to ensure compliance with Federal, State and Local laws and regulations to include, but not limited to: Fair Labor Standards Act, Right to Know, Hepatitis B, Hazardous Materials, Fire Fighter Training Certification, MIOSHA Requirement Part 74, NFPA Standards and Michigan Fire Prevention Act 207.
4. Ensure that the Incident Command System (ICS) is used at all emergency



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operations and as Incident Commander, determine which apparatus and personnel will respond to alarms.

5. See that assigned duties are satisfactorily completed and that department rules and policies are followed by him or herself and members under his or her command, and will administer discipline when necessary.
6. Make recommendations for the appointment, promotion and dismissal of fire/rescue department personnel.
7. Prepare and administer the department budget and maintain expenditures within appropriated budget levels.
8. Maintain professional development by attending meetings, conferences and seminars, etc.
9. Responsible for delegation and/or completion of records and reports.

#### **Job Function #2: Strategic/Operational Planning**

1. Develop long term plans for improving and maintaining cost effective operations, including strategic planning.
2. Recommend the level and type of staffing needed to operate effectively.
3. Implements response objectives and guidelines for adequate operations.
4. Recommend the purchase of new equipment and direct the drafting of specifications for the equipment.
5. Recommend the improvement and replacement of firefighting equipment, emergency medical equipment, radio equipment and property of the fire/rescue department.
6. Supervises and plans facility maintenance projects.

#### **Job Function #3: Community Risk Reduction**

1. Oversees the administration of the Fire/Rescue Department's fire prevention program including fire and life safety inspections, local code enforcement, as well as enforcement of federal and state laws, and conducting community education programs.
2. Enforce all applicable Fire Prevention laws, regulations, codes and ordinances related to the protection of life and property.
3. Conducts building tours to inspect for fire hazards and familiarization purposes, leads the pre-incident planning program.
4. Works closely with the City of Zeeland Community Development Department.
5. Conducts site plan review for new and existing sites.
6. Administers the State of Michigan Fire Marshal Bulletin 9 Program for Hazardous Materials Survey and Planning.
7. Creates operational plans for the response to hazardous sites within the City.



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8. Actively participates in the Ottawa County Local Emergency Planning Committee (LEPC).
9. Responsible for investigation of each property damaged by fire to determine its origin and cause, valuation, damage and insurance.
10. Administers responsibilities with the ISO Rating of Zeeland Fire/Rescue.

**Job Function #4: Communications**

1. Coordinates fire/rescue department activities with other municipal departments.
2. Authorizes the release of information to the press, and acts as the PIO for Zeeland Fire/Rescue.
3. Communicates with the City Manager and City Council on a routine basis.
4. Works closely with Ottawa County Central Dispatch to ensure timely and accurate information.
5. Actively participates in the Ottawa County Fire Chiefs Association, and the State of Michigan Fire Chiefs Association.
6. Performs related work as required.

**Desired Knowledge, Skills, Abilities and Qualifications:**

The requirements listed below are representative of the knowledge, skills, abilities and qualifications necessary to perform the essential functions of the position. An equivalent combination of education and experience listed below may be considered.

- Education requirements include a four (4) year college degree (preferably in Public Administration, Fire Science, or related field) or the equivalent job-related experience; and considerable advance training in fire administration, firefighting techniques and practices; and/or emergency medical services.
- Required experience includes ten years of experience in firefighting work and/or emergency medical services in a progressively responsible nature, including considerable experience in a supervisory capacity.
- Completed Michigan Firefighters Training Council Firefighter I and II, Fire Officer III, and appropriate level of licensure to meet the departmental license for MFR.
- Five years' experience as a Fire Officer.
- State of Michigan Fire Inspector Certification and Plan Review Certification.
- Thorough knowledge of modern firefighting methods and techniques and ability to



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apply this knowledge to various fire control and fire prevention problems.

- Thorough knowledge of medical first responder methods and techniques and ability to apply this knowledge to various emergency medical situations.
- Thorough knowledge of the use and operation of a variety of firefighting/emergency medical equipment and apparatus.
- Ability to plan, assign and coordinate the work of a group of employees engaged in fire prevention, fire control activities, and emergency medical responses.
- Ability to maintain discipline, to lead and command personnel effectively, and direct personnel and equipment under emergency situations.
- Skill and ability to establish and maintain an effective working relationship with public officials, fellow officials, the media, and the general public.
- Ability to secure grants and administer grant funds/projects.
- Ability to prepare and monitor budgets.
- Ability to attend meetings and special events scheduled at night, weekends and at other than regular business hours.
- Skill in operating a personal computer and associated equipment as necessary to perform administrative job functions.
- Ability to communicate effectively and present ideas orally and in writing.
- Ability to work effectively under stress and changes in work priorities.
- Maintain a valid Michigan driver's license.
- Residency requirement – Must live within 20 miles from the nearest City boundary line or meet residency requirement within six months from date of hire.
- Availability and flexibility to respond to daytime responses based upon need of the situation.



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**Physical Demands:**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to sit; talk or hear; stand; walk; use hands to finger, handle, or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to climb, maintain balance, stoop, kneel, crouch or crawl.

The employee must frequently lift and/or move up to 10 pounds and occasionally lift and/or move in excess of 100 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

**Work Environment:**

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Work is performed primarily in office, vehicle and outdoor settings, in all weather conditions, including temperature extremes, during day and night. Work is often performed in emergency situations. Employee may be exposed to loud noises and hazards associated with firefighting, including smoke, noxious odors, fumes, chemicals, liquid chemicals, solvents and oils, and rendering emergency medical services with potential exposure to blood borne pathogens and communicable diseases.

The employee occasionally works near moving mechanical parts and in high, precarious places and is occasionally exposed to wet and/or humid conditions, fumes or airborne particles, toxic or caustic chemicals, risk of electrical shock, and vibration. The noise level in the work environment is usually quiet in office settings, and loud at an emergency scene.

Date: 11/21/18



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## CITY COUNCIL MEMORANDUM

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TO: Mayor Van Dorp and City Councilmembers

FROM: Tim Klunder, City Manager

SUBJECT: Fire/Rescue Chief Search Committee

DATE: November 26, 2025

CC: December 1<sup>st</sup> Council Agenda

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**BACKGROUND:** Given the need to find a new full-time Fire/Rescue Chief as a result of Chief Tibbets' resignation, Mayor Van Dorp would like to establish a Fire/Rescue Chief Search Committee.

Staff was able to work with Mayor Van Dorp to identify individuals for the committee and he has come up with the following recommendations. All of the individuals listed have agreed to serve on the committee if appointed.

- Mayor Van Dorp
- Mitch Harsevoort, Interim Fire/Rescue Chief
- Tim Jungel, Police Chief
- Melanie Hellenthal, HR Specialist
- Tim Klunder, City Manager

A review of our timeframe for hiring a Fire/Rescue Chief in 2018/2019 identified that the process took approximately four months. I would suspect a similar timeframe this time around.

**RECOMMENDATION:** City Council move to approve the Fire/Rescue Chief Search Committee as presented with the dissolution of the Committee to occur upon the appointment of a new Fire/Rescue Chief.



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Timothy R. Klunder, City Manager



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## INTEROFFICE MEMORANDUM

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TO: Mayor VanDorp and Members of City Council  
FROM: Kevin Plockmeyer, ACM of City Services/Infrastructure and Finance  
SUBJECT: Church Street Project Scope Confirmation  
DATE: November 26, 2025  
CC: City Council Action Items Agenda December 1, 2025

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### Background

As part of the initiative funding budget amendment at City Council's August 18 meeting, we shared that we estimated that the Church Street Reconstruction project would cost the Municipal Street Fund approximately \$4 million. This estimate was based on Moore and Bruggink's early 2025 projections that construction would cost about \$3.4 million, reduced to roughly \$2.5 million after applying the \$900,000 State of Michigan grant. After incorporating design, engineering, and contingency considerations, we felt confident in the \$4 million estimate. Unfortunately, actual bids exceeded our projections.

At City Council's October 20 meeting, a contract was awarded to Diversco Construction for the portion of the project from Central to the Clean Water Plant, with a budgeted Municipal Street Fund impact of \$3,044,155. On November 7, MDOT accepted bids for the portion from Central to Washington and intends to award a contract to CL Trucking and Excavating. After applying the \$905,662 MDOT grant, the Municipal Street Fund impact for this segment is \$2,047,881. In total, we now expect a combined project impact of \$5,092,036, or nearly \$1.1 million more than anticipated. This figure includes construction, engineering, permits, and contingencies. When considering the full project cost including the Street Fund, Water Fund and Sanitary Sewer fund, the total project budget is \$9.1 Million broken down as follows:

MDOT Grant Funding	\$905,662
Street Fund	\$5,092,036
Water Fund	\$1,092,750
Clean Water Fund	\$724,168
Zeeland Township	
(Pro-Rata Share of Sewer)	<u>\$1,285,384</u>
Total Project Cost	\$9,100,000

From a process standpoint, the contract for the Clean Water Plant to Church Street segment has already been awarded. For the second portion, MDOT will award the contract because we

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accepted the grant funding and bids came in under the engineer's estimate. As a result, we  
cannot cancel the project. If we wish to meet the original budget, the only option would be to  
reduce the project scope.

Regarding budget planning, we had prepared to utilize the following sources to meet the \$4  
million projection:

Municipal Street Fund surplus from Taft Street	\$1,200,000
Personal Property Reimbursement Allocation	\$1,070,000
Fiscal Year 2027 Funding (Estimated)	<u>\$1,730,000</u>
Total Funding	\$4,000,000

The first question is how these costs increased from our expectations. Several items were higher  
than projected, and others were added to the scope after the initial estimate:

**Storm Sewer Costs** – These costs exceeded estimates by more than \$400,000. A  
significant driver was the addition of an 18-inch drain tile, included to address  
groundwater issues and reduce dewatering challenges during installation of major storm  
and sanitary lines. This tile added approximately \$120,000. Although it could be  
removed, we do not recommend doing so because it supports long-term groundwater  
management and MS-4 permit compliance.

In addition to the 18-inch drain tile, we believe contractors allocated more excavation  
and dewatering expenses to the storm sewer than the sanitary sewer. We feel this is  
the case due to lower-than-expected sanitary bid prices. Unfortunately, there really  
isn't anything that we can do lower these additional \$280,000 of storm sewer related  
expenses.

**Dredging of the Clean Water Plant Detention Pond** – This work was not included in the  
original estimate but was added as project evaluation continued. The pond collects  
stormwater sediment and supports irrigation at Lincoln Cemetery. It is nearly full,  
creating irrigation and sediment removal challenges. Removing accumulated sediment  
now is the most efficient timing, as appropriate equipment will already be onsite. The  
combined cost of excavation and disposal is estimated at \$170,000. While this increases  
the project total, the work is necessary and would need to be completed soon  
regardless, thus we would not recommend removing it from the project.

**Snowmelt** – The original design did not include snowmelt, but City Council's adoption of  
the snowmelt master plan on March 17 directed its inclusion along Church Street from  
Washington to Central. This addition increased the project cost by \$380,000. Although  
not essential to basic functionality, we do not recommend removing it because it aligns  
with our long-term goal of walkability downtown in all seasons and fulfills the vision of  
our snowmelt master plan.



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**Brick Pavers** – The initial estimate did not include brick paver banding from Main to Washington to match Main Avenue, Elm Street, and Cherry Street. Adding pavers costs an additional \$140,000. While this could be removed, we feel doing so would undermine consistency with our downtown district design.

**Street Lighting** – Ornamental lighting was not included in the original estimate but is standard for reconstruction in this district. Adding it increases the project cost by \$145,000. Though optional, staff thinks that removing it would compromise the quality and character of the final project.

**Project Contingency** – The original estimate did not include contingency funding. We typically carry a 10 percent contingency for projects of this size, which equates to \$819,000. Although we expect much of this contingency to go unused, carrying it is important for addressing unforeseen conditions.

In summary, several factors contributed to higher-than-expected costs. While some items could be cut, staff believes they are important to delivering a project consistent with community goals and our long-term infrastructure vision. Similar discussions occurred during the Roundabout and Main Avenue Streetscape projects, where maintaining the full design ultimately produced results we were proud of. We expect the same outcome from this project.

If City Council agrees with maintaining the full project scope, the next question is how to cover the additional \$1.1 million of project costs. Staff has considered several options:

- Allocate future Personal Property Tax Reimbursement payments to this project
- Utilize fund balance
- “Borrow” the balance from other funds and pay back utilizing future fiscal year allocations
- Bond for this budget shortfall

Our first recommendation is to use existing fund balance. Between the unbudgeted Fiscal Year 2025 General Fund surplus of approximately \$400,000 and over \$200,000 available in the Personal Property Tax Stabilization Fund, we can cover roughly \$600,000. For the remaining \$500,000, we suggest a wait-and-see approach. Between the \$819,000 contingency (which we believe is more than adequate) and the likelihood of an additional Personal Property Tax reimbursement, we believe the remaining portion will be manageable without immediate budget amendments. Instead, we recommend addressing this in the Fiscal Year 2027 budget. Staff is open to other Council suggestions.

Although the budget is higher than anticipated, we are ready for the project to begin. This project involves replacing some of our most critical infrastructure, including trunkline storm and sanitary sewer, and will provide capacity needed for future development both within the City and in our other service territories.



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### **Recommendation**

Based on a review of recent bid results and the updated cost projections for the Church Street Reconstruction project, staff recommends that City Council affirm its commitment to the full project scope and allow staff to incorporate the necessary budget adjustments into the Fiscal Year 2027 budget planning process.

Although the total Municipal Street Fund impact of \$5,092,036 exceeds the original estimate by approximately \$1.1 million, the primary cost drivers reflect essential infrastructure needs, project-appropriate design decisions, and Council-endorsed long-term planning goals. Several components contributing to the increase were not included in early estimates, including the 18-inch drain tile, dredging of the Clean Water Plant detention pond, snowmelt infrastructure, ornamental lighting, and brick paver banding. Each of these elements supports community priorities such as maintenance of existing assets, all-season walkability, and a consistent downtown streetscape. Additionally, standard contingency funding was added to the project to align with best practices for projects of this scale.

Because the first phase of the project has already been awarded and the second phase will be awarded by MDOT due to the accepted grant funding, the project cannot be canceled. Any attempt to return to the original budget would require reducing scope. Staff believes that maintaining the full project scope will produce a final result consistent with previous successful projects such as the Roundabout and Main Avenue Streetscape.

To address the additional project cost, staff recommends the following approach. First, apply available existing resources, such as the Fiscal Year 2025 General Fund surplus and surpluses in the Personal Property Tax Stabilization Fund, to cover approximately six hundred thousand dollars. For the remaining balance, staff recommends deferring any further adjustments until Fiscal Year 2027. With an adequate contingency already built into the project and the potential for future Personal Property Tax reimbursements, it is likely that the remaining shortfall can be managed without immediate changes to the current fiscal year budget.

For these reasons, **Staff recommends that City Council affirm the full project scope and direct staff to plan for the required budgetary adjustments as part of the Fiscal Year 2027 budget.**

A handwritten signature in black ink, appearing to read 'Kevin Plockmeyer'.

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Kevin Plockmeyer, ACM of City Services/Infrastructure and Finance



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## CITY COUNCIL MEMORANDUM

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TO: Mayor Van Dorp and City Councilmembers

FROM: Melanie Hellenthal, HR Specialist and Tim Klunder, City Manager

SUBJECT: 2026 Dental Insurance

DATE: November 26, 2025

CC: City Council Agenda – December 1, 2025

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**BACKGROUND:** We have received the 2026 dental insurance renewal quote from Delta Dental, which reflects a 0% increase over the current 2025 rates. From a budgetary perspective, we anticipated a 7% increase, or approximately \$107,850, for Fiscal Year 2025/2026.

While a network change may result in minor disruption, feedback indicates that Delta Dental is not widely accepted by dental providers in the West Michigan area due to lower reimbursement rates. This has limited access for our employees and retirees.

After evaluating available options, we recommend discontinuing Delta Dental and transitioning to the ADN Pool Dental Network for the 2026 plan year. This change offers several advantages:

- **Broader Provider Access:** ADN offers a wider selection of participating dentists while maintaining the same coverage and plan design currently offered by Delta Dental.
- **Cost Savings:** The City would benefit from a 7% reduction in premiums (or approximately \$7,000), resulting in meaningful budgetary savings – total annual premium estimate of \$97,500.
- **Administrative Efficiency:** The ADN plan simplifies administration, potentially reducing administrative fees and carrier costs.

We also recommend continuing our current policy of no employee contributions toward dental insurance premiums for active team members in 2026.

**Retiree Impact:** For retirees, the proposed change would result in modest premium decreases:

- **Retiree-only coverage:** from \$5.84/month to \$5.41/month

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- **Spouse-only coverage:** from \$20.49/month to \$18.98/month  
(Note: Spouses receive 50% of the retiree benefit amount.)

A detailed breakdown of retiree rate calculations is included in the attached spreadsheet.

Our leadership team presented this recommendation to the Personnel Committee on Tuesday, November 25. The Personnel Committee unanimously agreed with the recommendation to use the ADN Pool Network for 2026 dental coverage.

**RECOMMENDATION:** Move to accept the leadership team and Personnel Committee's recommendation to the transition to the ADN Pool Dental for the 2026 plan year, based on the rates provided in the October 2025 quote.

Melanie Hellenthal, HR Specialist

A handwritten signature in black ink, appearing to read "Timothy R. Klunder".

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Timothy R. Klunder, City Manager

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# City of Zeeland

## Summary of Benefits

City of Zeeland

Deductible:

Annual Maximum: \$1,750

Class I Preventative Services – 100%

Class II Restorative Services – 50%

Class III Major Services – 50%

Class IV Orthodontic Services – 50%

Lifetime Maximum: \$1,500

# THE POOL

## ► Dental Insurance

**Effective January 2026**

<b>Single</b>	<b>\$32.56</b>
<b>Double</b>	<b>\$64.74</b>
<b>Family</b>	<b>\$122.89</b>

## Dental | Options | Effective 01/01/2026

PLAN DESIGN		
	CURRENT	ALTERNATIVE
Plan Name	Delta Dental	Pool Dental with ADN
Network Name Benefit Period	DeltaDental PPO Calendar Year	ADN Administrators Calendar Year
	INN	INN
Deductible	None	None
Individual	N/A	N/A
Family	N/A	N/A
Annual Maximum		
Annual Maximum Provision	\$1,750	\$1,750
Coinsurance (exclusions/limitations may apply)		
Type I: Preventive Services	100%	100%
Including:	Exams, Cleanings, Fluoride, Space Maintainers	Exams, Cleanings, Fluoride, Space Maintainers
Frequency:	Twice per calendar year	Twice per calendar year
Deductible Waived (Y/N):	N/A	N/A
Type II: Basic Services	50%	50%
Including:	Minor Restorative, Endodontics, Periodontics, Oral Surgery, Major Restorative, Relines and Repairs	Minor Restorative, Endodontics, Periodontics, Oral Surgery, Major Restorative, Relines and Repairs
Type III: Major Services	50%	50%
Including:	Prosthetic Services including but not limited to Bridges, Implants, Dentures, and Crowns over Implants.	Prosthetic Services including but not limited to Bridges, Implants, Dentures, and Crowns over Implants.
Type IV: Orthodontic Services	50%	50%
Including:		
Maximum Age:	Till age 18	Till age 18
Deductible:	None	None
Lifetime Maximum:	\$1,500	\$1,500
Waiting Period	None	None
Pre-Treatment Estimate (Y/N)	Yes	Yes
Open enrollment (Y/N)	Yes	Yes
COST ANALYSIS		
	CURRENT	ALTERNATIVE
PEPM Rates	Enrollment	Rates
Employee Only	40	\$35.15
Employee + 1 Dep	0	\$0.00
Employee + 2 Deps	0	\$0.00
Employee + Spouse	23	\$69.90
Employee + Child	1	\$69.90
Employee + Child(ren)	2	\$132.68
Employee + Family	36	\$132.68
Total Enrollment	102	102
Monthly Premium		\$8,125.44
Annual Premium		\$97,505.28
Dollar Difference		\$7,525.98 \$90,311.76 -\$7,193.52
Percent Change		-7.38%
Total Combined Annual Cost		
	CURRENT	ALTERNATIVE
Annual Premium		\$104,525.28
Dollar Difference		\$97,511.76 -\$7,013.52
Percent Change		-6.71%
PLAN PROVISIONS		
	CURRENT	ALTERNATIVE
Effective Date	1/1/2026	1/1/2026
Rate Guarantee	1 Year	1 Year
Required Employer Contribution	N/A	N/A
Required Participation	100% enrollment of eligible enrollees and their dependents who choose the medical plan	100% enrollment of eligible enrollees and their dependents who choose the medical plan
Eligibility	Date of Hire	Date of Hire

Retiree/Spouse Contributions for 2026 with Dental Coverage*			Monthly Rates								
Plan	Fiscal or Calendar Year	Percent Adjustment	Max.			Implemented Cap	Retiree Percent	Spouse Payment			
			Adjusted Cap	Percent Cap	Actual						
Delta Dental	Two-Person Rate**	Calendar 2017 base payment (Jan 1, 2017)	3% adjustment	\$ 36.91	\$ 26.04	\$ 28.53	\$ 26.04	91%	\$ 2.49	\$ 15.51	
Delta Dental	Single Rate	Calendar 2017 base payment (Jan 1, 2017)	3% adjustment	\$ 33.90	\$ 26.20	\$ 28.70	\$ 26.20	91%	\$ 2.50	\$ 15.60	
Delta Dental	Two-Person Rate**	Calendar 2018 base payment (Jan 1, 2018)	3% adjustment	\$ 26.82	\$ 26.04	\$ 28.53	\$ 26.04	91%	\$ 2.49	\$ 15.51	
Delta Dental	Single Rate	Calendar 2018 base payment (Jan 1, 2018)	3% adjustment	\$ 26.98	\$ 26.20	\$ 28.70	\$ 26.20	91%	\$ 2.50	\$ 15.60	
Delta Dental	Two-Person Rate**	Calendar 2019 base payment (Jan 1, 2019)	3% adjustment	\$ 26.82	\$ 27.89	\$ 30.56	\$ 26.82	88%	\$ 3.74	\$ 17.15	
Delta Dental	Single Rate	Calendar 2019 base payment (Jan 1, 2019)	3% adjustment	\$ 26.98	\$ 28.06	\$ 30.74	\$ 26.98	88%	\$ 3.76	\$ 17.25	
Delta Dental	Two-Person Rate**	Calendar 2020 base payment (Jan 1, 2020)	3% adjustment	\$ 27.62	\$ 26.82	\$ 30.56	\$ 26.82	88%	\$ 3.74	\$ 17.15	
Delta Dental	Single Rate	Calendar 2020 base payment (Jan 1, 2020)	3% adjustment	\$ 27.79	\$ 26.98	\$ 30.74	\$ 26.98	88%	\$ 3.76	\$ 17.25	
Delta Dental	Two-Person Rate**	Calendar 2021 base payment (Jan 1, 2021)	3% adjustment	\$ 27.62	\$ 26.82	\$ 30.56	\$ 26.82	88%	\$ 3.74	\$ 17.15	
Delta Dental	Single Rate	Calendar 2021 base payment (Jan 1, 2021)	3% adjustment	\$ 27.79	\$ 26.98	\$ 30.74	\$ 26.98	88%	\$ 3.76	\$ 17.25	
Delta Dental	Two-Person Rate**	Calendar 2022 base payment (Jan 1, 2022)	3% adjustment	\$ 27.62	\$ 27.46	\$ 31.30	\$ 27.46	88%	\$ 3.83	\$ 17.56	
Delta Dental	Single Rate	Calendar 2022 base payment (Jan 1, 2022)	3% adjustment	\$ 27.79	\$ 27.63	\$ 31.48	\$ 27.63	88%	\$ 3.85	\$ 17.66	
Delta Dental	Two-Person Rate**	Calendar 2023 base payment (Jan 1, 2023)	3% adjustment	\$ 28.29	\$ 27.46	\$ 31.30	\$ 27.46	88%	\$ 3.83	\$ 17.56	
Delta Dental	Single Rate	Calendar 2023 base payment (Jan 1, 2023)	3% adjustment	\$ 28.46	\$ 27.63	\$ 31.48	\$ 27.63	88%	\$ 3.85	\$ 17.66	
Delta Dental	Two-Person Rate**	Calendar 2024 base payment (Jan 1, 2024)	3% adjustment	\$ 28.29	\$ 28.40	\$ 32.36	\$ 28.29	87%	\$ 4.07	\$ 18.22	
Delta Dental	Single Rate	Calendar 2024 base payment (Jan 1, 2024)	3% adjustment	\$ 28.46	\$ 28.57	\$ 32.55	\$ 28.46	87%	\$ 4.09	\$ 18.32	
Delta Dental	Two-Person Rate**	Calendar 2025 base payment (Jan 1, 2025)	3% adjustment	\$ 29.14	\$ 30.55	\$ 34.95	\$ 29.14	83%	\$ 5.81	\$ 20.38	
Delta Dental	Single Rate	Calendar 2025 base payment (Jan 1, 2025)	3% adjustment	\$ 29.31	\$ 30.73	\$ 35.15	\$ 29.31	83%	\$ 5.84	\$ 20.49	
Pool (A.D.N) Dental	Two-Person Rate**	Calendar 2026 base payment (Jan 1, 2026)	3% adjustment	\$ 30.01	\$ 26.99	\$ 32.37	\$ 26.99	83%	\$ 5.38	\$ 18.88	
Pool (A.D.N) Dental	Single Rate	Calendar 2026 base payment (Jan 1, 2026)	3% adjustment	\$ 30.19	\$ 27.15	\$ 32.56	\$ 27.15	83%	\$ 5.41	\$ 18.98	
*Retiree must not be in RHSA Plan, must be Medicare eligible with 15 years of service to receive city contribution. Spouse must be Medicare eligible to receive city contribution.											
**Two-Person Rate is divided by two to get actual payment for retiree and spouse											



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## CITY COUNCIL MEMORANDUM

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TO: Mayor Van Dorp and City Councilmembers

FROM: Tim Klunder, City Manager

SUBJECT: City Council Appointments to Boards/Commissions/Committees

DATE: November 25, 2025

CC: December 1<sup>st</sup> City Council Agenda

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**BACKGROUND:** With the election of new City Councilmembers and a new Mayor, it is necessary to appoint various City Councilmembers and staff to various Boards/Commissions/Committees. These appointments are dictated by the various City Codes, City Council Rules of Procedures, By-Laws, etc. The majority of the following considerations are appointed by the Mayor, subject to the consent of City Council. Mayor Van Dorp has informed me that he has considered the following necessary appointments and he is offering his recommendations for City Council's confirmation at Monday's meeting.

### **Tax Incentive, Personnel and Pension Committees**

These committee appointments are guided by City Council's Rules of Procedure. Specifically, the language states:

**4. Committees.**

a. The city shall have the following standing Council committees: IFT Committee, Human Resources Committee, and Clean Water Committee.

Committee members will be appointed by the Mayor subject to approval by the Council. The Mayor shall fill any committee vacancies subject to approval by the Council. The committee member shall serve for a term of one year and may be re-appointed. Special committees may be established for a specific period of time by the Mayor or by a resolution of the Council which specifies the task of the special committee and the date of its dissolution.



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**Tax Incentive Committee** – Consistent with the City Council Rules of Procedure, Mayor Van Dorp appoints, subject to approval by City Council, the following City Council appointments to the Tax Incentive Committee with a term ending November 30, 2026:

- Richard Van Dorp III, Mayor
- Sally Gruppen, City Council
- Phung Lam, City Council
- Amy Langeland (City Council alternate )

**Personnel Committee** – In addition to guidance from City Council's Rules of Procedure, our Employee Handbook also has guidance on the make-up of the Personnel Committee. The Employee Handbook states:

**Personnel Committee**

The Personnel Committee is a committee appointed by the Mayor and approved by the Council. The Personnel Committee consists of members from the City Council and Board of Public Works. The committee has responsibility for oversight of policies and procedures related to employee-employer relations.

Consistent with the City Council Rules of Procedure and the Employee Handbook, Mayor Van Dorp appoints, subject to approval by City Council, the following City Council appointments to the Personnel Committee for a term ending November 30, 2026:

- Richard Van Dorp III, Mayor
- Sally Gruppen, City Council
- Phung Lam, City Council
- Linda Boerman, Board of Public Works
- Mark Cooney, Board of Public Works

**Pension Committee** – Consistent with the City Council Rules of Procedure, Mayor Van Dorp appoints, subject to approval by City Council, the following City Council and administrative appointments to the Pension Committee for a term ending November 30, 2026:

- Richard Van Dorp III, Mayor
- Sally Gruppen, City Council
- Andrew Boatright, Administrative Official
- Kevin Plockmeyer, Administrative Official
- Tim Klunder, Administrative Official

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**Planning Commission** - The pertinent sections of the City Code regarding the Planning Commission appointments by the Mayor and City Council are:

**Sec. 2-156. - Appointment and terms of members.**

(a) The city planning commission shall consist of nine members. Such members shall consist of the mayor, one administrative official of the city selected by the mayor, one member of the city council to be selected by the city council, and six other persons who shall be appointed by the mayor subject to majority approval of the members of the city council. The administrative appointee shall serve for a term of one year, provided, however, that such term shall also expire concurrently with the term of the mayor, at which time the next mayor shall appoint a new administrative representative. In addition, the term of an administrative appointee shall expire upon the secession of employment with the city.....

(b) The terms of ex officio members shall correspond to their respective official tenures, except that the term of the administrative official selected by the mayor shall terminate with the term of the mayor.

Consistent with the City Code regarding the City Planning Commission, Mayor Van Dorp recommends that City Council selects Rebecca Perkins to the Planning Commission with a term ending December 3, 2029:

\*Please note that Mayor Van Dorp asked, and City Manager Klunder accepted, the Mayor's appointment of an administrative official to the Planning Commission with a term expiring November 30, 2026.

**Shopping Area Redevelopment Board** - The pertinent sections of the City Code regarding the Shopping Area Redevelopment Board appointments by the Mayor are:

**Sec. 2-195 – Board**

The board shall consist of seven members. Five members of the board shall be nominees of individual businesses located within the principal shopping district and such nominees shall be required to work within the principal shopping district. One member of the board who does not work in, own property in, or have an equity interest in any business within the principal shopping district shall be from the adjacent residential area. The adjacent residential area shall be defined as being an area within three blocks from the principal shopping district. One member shall be a representative of the city and shall be a member of the city council. All members of the board shall be appointed by the chief executive officer of the city with the concurrence of the city council. The term of office shall be for four years.

Consistent with the City Code regarding the Shopping Area Redevelopment Board, Mayor Van Dorp appoints, subject to approval of City Council, Andrew Bult to the Shopping Area Redevelopment Board with a term ending December 3, 2029:



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**Cemetery and Parks Commission** – An additional Commission that a City Councilmember serves on is the Cemetery and Parks Commission. The pertinent section of the City Code related to the make-up of the Cemetery and Parks Commission is *“that it shall consist of seven members who are qualified electors of the city, appointed by the mayor, by and with the consent of the city council, provided that one member shall be a city councilmember.....The term of the councilmember shall be established at the time of his appointment, provided that such term may not exceed a councilmember's term as a councilmember.”* Sally Gruppen was previously appointed as the City Council representative to the Cemetery and Parks Commission and is willing to continue in that role. Her term will expire on December 6, 2027. No City Council action is required on this existing appointment.

**Library Advisory Board** – Under the Bylaws of the Howard Miller Library Advisory Board, *“The Library Advisory Board of the Howard Miller Library is hereby created and shall consist of five electors from the City, a Councilmember representative, and Township Representatives who are appointed in accordance with an intergovernmental agreement. The City's representative shall be appointed by the Mayor, by and with the consent of the City Council.”* Mary Beth Timmer was previously appointed as the City Council representative to the Howard Miller Library Advisory Board and is willing to continue in that role. Her term will expire on December 6, 2027. No City Council action is required on this existing appointment.

Submitted on behalf of Mayor Elect Richard Van Dorp III



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Timothy R. Klunder

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