



City of Zeeland Budget Report

General Fund

For Fiscal Years Ending

June 30, 2018

and

June 30, 2019

General Fund

Fiscal Year Ending June 30	2018 Budget	2019 Projected
Revenues:		
Property taxes	\$ 5,531,271	\$ 5,450,000
Licenses and permits	195,300	200,000
State shared revenues	529,157	575,000
Charges for services	55,300	60,000
Fines	50,300	50,000
Special Assessments	26,000	26,000
Interest earnings - investment	58,300	65,000
Rents	28,900	30,000
Other revenues	54,300	55,000
Operating Transfers In	1,546,055	1,650,000
Total Revenues	\$ 8,074,883	\$ 8,161,000

The General Fund is the chief operating fund of the City of Zeeland. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. General Fund budgeted revenue for the 2018 fiscal year is \$8,074,883 and is expected to increase slightly to \$8,161,000 in fiscal year 2019. Property tax revenues continue to decrease due to the phase out Personal Property Tax. We do expect reimbursement of this loss by the State of Michigan and this reimbursement is reflected in the increase of Operating Transfers In.

Following property taxes the City's next greatest source of revenue is State Revenue Sharing. The State "shares" with the City \$498,000 of State Sales Tax collected. We are also budgeting to receive \$75,000 in Economic Incentive Vitality Payments and \$2,000 in liquor license fees.

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

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

General Fund

Fiscal Year Ending June 30	2018 Budget	2019 Projected
Expenditures:		
General Government:		
Governing body	\$ 71,242	\$ 73,000
Mayor	13,718	15,000
City Manager	228,814	235,675
Elections	4,880	9,000
Finance & Tax Administration	214,668	221,100
Assessor	155,929	160,600
Attorney	8,989	9,525
Clerk	224,588	231,325
Personnel administration	56,306	58,000
Board of review	2,235	2,300
General services	150,700	155,000
Data processing	81,200	85,000
Cemetery	182,850	188,000
Storm Water Management	55,670	26,000
Tree management	12,532	13,000
Public relations	47,900	48,000
Total General Government	\$ 1,515,314	\$ 1,530,525

The General Government function supports 16 activities in the administration of the City and represents 18.8% of the General Fund Budget. These activities are funded by property taxes and charges for services. An increase of 1% over FY 2018 is projected for FY 2019. In Fiscal Year 2019, we are expecting overall costs to rise 3%, but are expecting decreases in the stormwater management activity due to an asset management plan project being completed.

Expenditures:		
Public Safety:		
Police administration	\$ 535,293	\$ 552,000
Police patrol/TEAM	983,436	1,012,940
Fire - Rescue department	663,931	683,850
Building & Zoning	202,298	208,370
Total Public Safety	\$ 2,384,958	\$ 2,457,160

The Public Safety function includes police, fire-rescue, and building and zoning activities. Public safety represents 29.5% of the general fund budget. These activities are supported by property taxes, licenses and permits, fines and, beginning in FY 2017, the State Essential Services Assessment. An increase of 2.9% over 2018 is projected for FY 2019 largely due to the expected cost increases due to wages and benefits.

General Fund

Fiscal Year Ending June 30	2018 Budget	2019 Projected
Expenditures:		
Public Works:		
Municipal Parking System	\$ 141,683	\$ 145,970
Municipal Parking - Satellite System	20,031	20,630
Sidewalks & Bikepaths	79,854	55,000
Highways, streets and bridges	32,716	33,700
Street lighting	39,500	39,500
City clean-up	105,113	108,250
MAX Transit Authority	95,000	95,000
Total Public Works	\$ 513,897	\$ 498,050

The budgets for the parking systems, sidewalks and bikepaths are spent on routine maintenance, the largest part of which is for snow removal. Highways, streets and bridges covers expenses such as curb cuts, drainage improvements, safety, and services associated with community events, parades, and festivals. City clean-up funds the Riley Street drop-off, city-wide brush and leaf pick-up, Spring Clean up at Autumn Hills, and the annual household hazardous waste collection. A 3.08% decrease is projected for FY 2019, due mostly in part to the completion of a bikepath project in FY18.

Fiscal Year Ending June 30	2018 Budget	2019 Projected
Expenditures:		
Community & Economic Development		
Economic development	\$ 117,875	\$ 121,400
Planning commission	74,019	76,240
Construction board of appeals	985	1,000
Zoning board of appeals	6,954	6,950
Total Community & Econ Develop- ment	\$ 199,833	\$ 205,590

Community and Economic Development includes all in-house City marketing activities as well as contributions to the activities of Lakeshore Advantage and the Zeeland Community Development Corp. The Planning Commission is responsible for future land use planning, zoning, and site-plan reviews. The Construction Board of Appeals convenes to hear appeals from persons seeking relief from building codes and the Zoning Board of Appeals hears requests for zoning ordinance interpretations or variances. An increase of 2.8% over FY 2018 is expected over FY 2019 due to general increases of wages and benefits.

General Fund

Fiscal Year Ending June 30	2018 Budget	2019 Projected
Expenditures:		
Recreation & Culture		
Parks	\$ 299,457	\$ 315,000
Community Center	227,084	223,900
Total Recreation & Culture	\$ 526,541	\$ 538,900

The City maintains nine parks and approximately 38 acres of municipal property. This budget includes mowing, trimming, watering, landscaping, playground and picnic equipment, community garden, and building custodial services. Costs are increasing as we continue to improve amenities within the parks.

The Howard Miller Community Center is available to the public for meetings, banquets, and other community related events. It is chiefly supported by property taxes but it does receive some revenue, approximately \$25,000 or approx. 10% of its budget, from room rentals.

Fiscal Year Ending June 30	2018 Budget	2019 Projected
Expenditures:		
Insurance & Other		
Unallocated or other	\$ 14,000	\$ 15,000
Contingencies	10,000	0
Total Insurance & Contingencies	\$ 24,000	\$ 15,000

Functions that recognize Board, committee, and staff contributions in service to the City are budgeted in Unallocated or Other. These include an annual employee and a biennial (every other year) Board appreciation event. It is not anticipated that a contingency will be needed as part of the FY 2019 budget.

General Fund

Fiscal Year Ending June 30	2018 Budget	2019 Projected
Expenditures:		
Debt Service	\$ 149,500	\$ 142,800
Total Debt Service	\$ 149,500	\$ 142,800

In 2006 the City sold \$2.1 million in Capital Improvement Bonds for acquiring land and constructing the Street Maintenance Facility on Roosevelt Avenue. The debt was refinanced in August of 2015 for a savings of \$117,667. In FY 2018 the principal payment is \$125,000, interest is \$23,469, and administrative fees are \$900. In FY 2019, the principal payment is decreases to 120,000 and the interest payment declines to \$21,186. The debt will be fully paid in October of 2025.

Fiscal Year Ending June 30	2018 Budget	2019 Projected
Expenditures		
Transfers to Other Funds	2,430,000	2,750,000
Total Transfers to Other Funds	2,430,000	2,750,000

Transfers from the General Fund to other funds are made to supplement tax revenue, grant funding, user fees and charges, or, in the case of street funds, State Revenue Sharing. In FY 2018, a total of \$2.430 million is budgeted to transfer to other funds. This is broken down into \$1,350,000 is being transferred to the street funds for capital projects, \$350,000 is transferred to the Howard Miller Library for general operating purposes, \$220,000 to the Shopping Area Redevelopment Board to help fund downtown projects and activities, \$400,000 to the Park Capital Projects Fund, and \$110,000 is transferred to debt funds to supplement tax-supported debt obligations. For FY 2019, \$3.285 million is again projected to be transferred to other funds. As in FY 2018, much of the FY 2019 transfers will be used for capital project within our street funds.

General Fund

Fiscal Year Ending June 30	2017 Budget	2018 Projected
Total Expenditures	7,743,913	8,138,025
Excess of Revenues Over (Under) Expenditures	-330,970	-22,975
Fund Balance - July 1	3,305,198	3,636,168
Fund Balance - June 30	3,636,168	3,659,143

The City's Fund Balance Policy is to maintain a minimum fund balance of the greater of 25% of our General Fund revenue or the sum of tax revenue from our two highest taxpayers. Our maximum fund balance is the calculation of our minimum fund balance, plus \$1 million of emergency infrastructure reserve, plus a 15% operating reserve of expenditures. Based on this criteria our minimum fund balance is \$3.24 million and our maximum fund balance is \$5.46 million. Based on the projections for FY2018 and FY2019, our fund balance should fall nicely within these parameters.