



City of Zeeland Budget Report

General Fund

For Fiscal Years Ending

June 30, 2023

and

June 30, 2024

General Fund

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Revenues:		
Property taxes	\$ 5,951,704	\$ 6,130,255
Licenses and permits	228,000	225,000
State shared revenues	638,502	650,000
Charges for services	43,500	45,000
Fines	23,700	30,000
Special Assessments	0	36,000
Interest earnings - investment	75,000	50,000
Rents	35,000	35,000
Other revenues	52,500	55,000
Operating Transfers In	1,966,989	1,900,000
Total Revenues	\$ 9,014,895	\$ 9,156,255

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 2023 fiscal year is \$9,014,895 and is expected to increase to \$9,156,255 in fiscal year 2024. We are expecting property tax revenues to increase by a modest 3% in Fiscal Year 2024

Following property taxes the City's next greatest source of revenue is State Revenue Sharing. We are expecting to receive \$550,000 in statutory revenue sharing, and we are also budgeting to receive \$84,000 in Economic Incentive Vitality Payments and \$2,000 in liquor license fees in Fiscal Year 2023. We are expecting slightly more in FY 2024 than FY 2023.

Other sources of revenue are projected to be relatively flat. Licenses and permits accounts for building inspections. Charges for services revenue is derived chiefly from cemetery grave openings. Fines are received for various ordinance violations, like parking fines and other ordinance violations. Special Assessments are paid by property owners in the downtown and are used to defray the cost of maintaining parking lots and sidewalks. This revenue line item is increasing because we choose to suspend this special assessment in FY2021, FY 2022, and FY 2023 due to COVID-19. Interest income is showing a decrease over prior years due to the falling interest rate environment. Rental income comes from public use of park pavilions and band shell, also room rentals at the Howard Miller Community Center.

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

General Fund

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Expenditures:		
General Government:		
Governing body	\$ 69,026	\$ 71,442
Mayor	16,029	16,590
City Manager	210,376	217,739
Elections	23,274	16,000
Finance & Tax Administration	223,315	231,131
Assessor	188,581	195,181
Attorney	9,635	9,972
Clerk	161,730	167,390
Personnel administration	91,672	63,050
Board of review	3,356	3,500
General services	142,500	150,000
Data processing	315,000	400,000
Cemetery	271,602	281,108
Storm Water Management	38,216	39,554
Tree management	13,087	15,000
Public relations	55,000	55,000
Total General Government	\$ 1,832,399	\$ 1,932,657

The General Government function supports 16 activities in the administration of the City and represents 20.3% of the General Fund Budget. These activities are funded by property taxes and charges for services. An increase of 5.47% is expected from FY 2023 to FY 2024. In Fiscal Year 2024, we are expecting mostly inflationary cost increases, except for additional IT driven expenditures.

Expenditures:		
Public Safety:		
Police administration	\$ 618,383	\$ 640,026
Police patrol/TEAM	1,035,942	1,072,200
Fire - Rescue department	1,099,114	1,137,583
Building & Zoning	327,407	338,866
Total Public Safety	\$ 3,080,846	\$ 3,188,675

The Public Safety function includes police, fire-rescue, and building and zoning activities. Public safety represents 34.2% of the General Fund budget. These activities are supported by property taxes, licenses and permits, fines and, beginning in FY 2016, the State Essential Services Assessment. An increase of 3.5% from FY 2023 to FY 2024 is projected as we are expecting all expenditure increases to be inflationary in nature.

General Fund

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Expenditures:		
Public Works:		
Municipal Parking System	\$ 199,031	\$ 199,031
Municipal Parking - Satellite System	28,040	29,021
Sidewalks & Bikepaths	61,535	63,689
Highways, streets and bridges	34,291	35,491
Street lighting	50,000	50,000
City clean-up	126,759	131,195
MAX Transit Authority	110,000	75,000
Total Public Works	\$ 609,656	\$ 583,427

The budgets for the parking systems, sidewalks and bikepaths are spent on routine maintenance, the largest part of which is for snow removal. Highways, streets and bridges covers expenses such as curb cuts, drainage improvements, safety, and services associated with community events, parades, and festivals. City clean-up funds the Riley Street drop-off, city-wide brush and leaf pick-up, Spring Clean up at Autumn Hills, and the annual household hazardous waste collection. Generally speaking, all expenditure increases are deemed to be inflationary in FY2024, with a slight decrease due to the elimination of a fixed bus route within the city.

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Expenditures:		
Community & Economic Development		
Economic development	\$ 170,089	\$ 176,042
Planning commission	93,226	96,489
Construction board of appeals	1,056	1,100
Zoning board of appeals	8,970	9,000
Total Community & Econ Development	\$ 273,341	\$ 282,631

Community and Economic Development includes all in-house City marketing activities as well as contributions to the activities of Lakeshore Advantage and the Zeeland Community Development Corp. The Planning Commission is responsible for future land use planning, zoning, and site-plan reviews. The Construction Board of Appeals convenes to hear appeals from persons seeking relief from building codes and the Zoning Board of Appeals hears requests for zoning ordinance interpretations or variances. All expenditure increases in FY2024, are deemed to be inflationary in nature.

General Fund

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Expenditures:		
Recreation & Culture		
Parks	\$ 435,112	\$ 450,340
Community Center	336,645	350,000
Total Recreation & Culture	\$ 771,757	\$ 800,340

The City maintains nine parks and approximately 38 acres of municipal property. This budget includes mowing, trimming, watering, landscaping, playground and picnic equipment, and building custodial services. Inflationary costs increases are expected in FY2024.

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. 7% of its budget, from room rentals.

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Expenditures:		
Insurance & Other		
Unallocated or other	\$ 20,500	\$ 25,000
Contingencies	50,000	0
Total Insurance & Contingencies	\$ 70,500	\$ 25,000

Functions that recognize Board, committee, and staff contributions in service to the City are budgeted in Unallocated or Other. These include an annual employee and board appreciation. It is not anticipated that a contingency will be needed as part of the FY 2024 budget, and costs increases are expected only to be inflationary in nature.

General Fund

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Expenditures:		
Debt Service	\$ 141,875	\$ 138,625
Total Debt Service	\$ 141,875	\$ 138,625

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 2024 the principal payment is \$130,000 and interest is \$8,625. The debt will be fully paid in October of 2025.

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Expenditures		
Transfers to Other Funds	2,650,000	2,200,000
Total Transfers to Other Funds	2,650,000	2,220,000

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 2023, a total of \$2.65 million is budgeted to transfer to other funds. This is broken down into \$2,300,000 is being transferred to the street and snowmelt funds for capital projects and \$350,000 is transferred to the Howard Miller Library for general operating purposes. For FY 2024, \$2.2 million is projected to be transferred to other funds. As in FY 2023, much of the FY 2024 transfers will be used for capital project within our capital improvement funds.

General Fund

Fiscal Year Ending June 30	2023 Budget	2024 Projected
Total Expenditures	9,430,375	9,106,556
Excess of Revenues Over (Under) Expenditures	(415,480)	49,900
Fund Balance - July 1	5,178,352	4,762,872
Fund Balance - June 30	4,762,872	4,812,772

The City's Fund Balance Policy is to maintain a minimum fund balance of the greater of 25% of our General Fund revenue or the sum of tax revenue from our two highest taxpayers. Our maximum fund balance is the calculation of our minimum fund balance, plus \$1 million of emergency infrastructure reserve, plus a 15% operating reserve of expenditures. Based on this criteria our minimum fund balance is \$3.435 million and our maximum fund balance is \$5.849 million. Based on the projections for FY2023 and FY2024, our fund balance should fall nicely within these parameters.