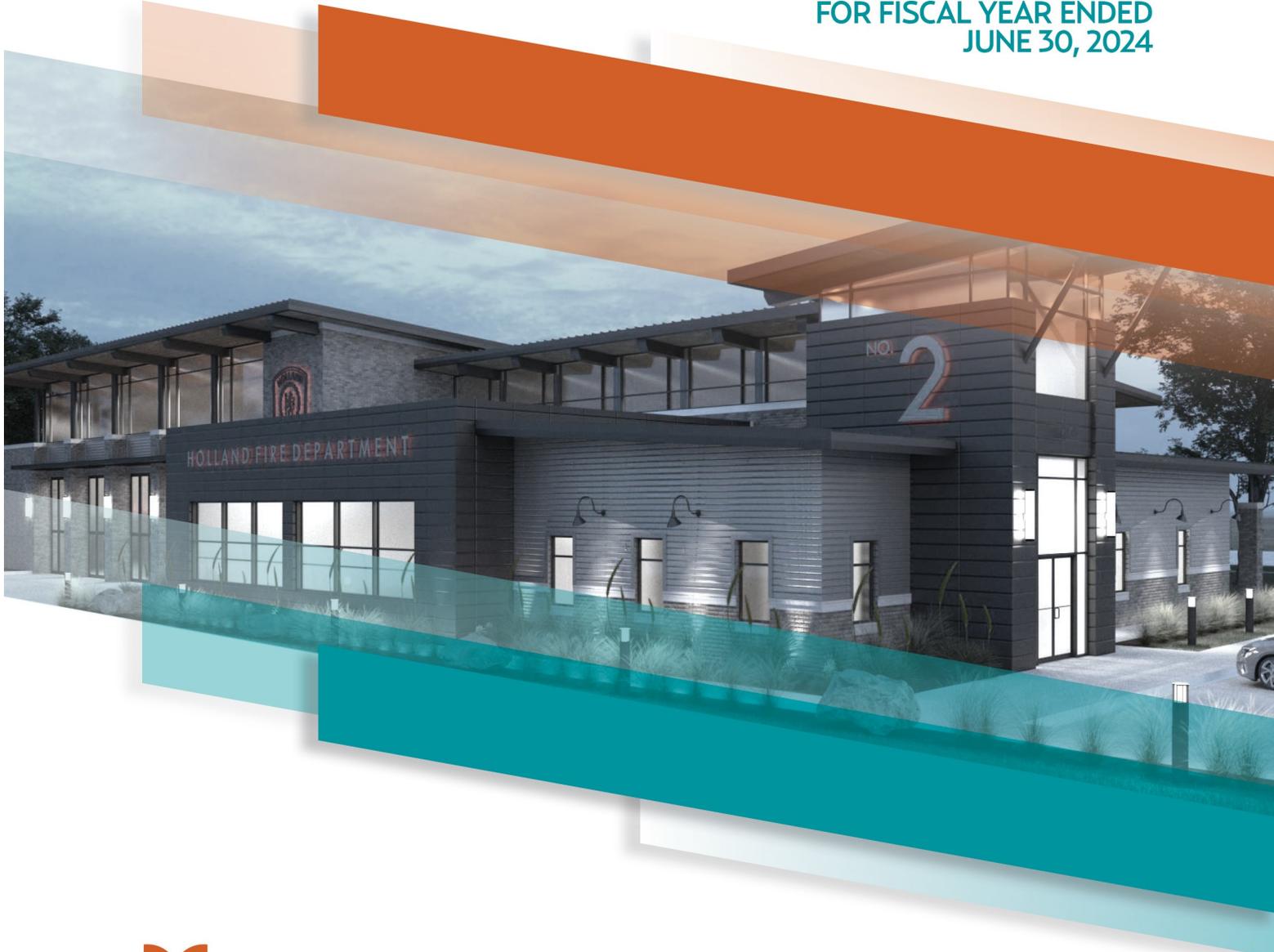


FISCAL YEAR

2024

POPULAR ANNUAL
FINANCIAL REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2024



Holland
MICHIGAN



Holland
MICHIGAN

Welcome

We are pleased to present the City of Holland’s Popular Annual Financial Report (PAFR) for the year ended June 30, 2024. In alignment with the City’s strategic goal to enhance communications with stakeholders, this report is designed to present City finances in a clear and understandable manner. The unaudited PAFR is a streamlined version of the more detailed Annual Comprehensive Financial Report, commonly known as the audit report. All financial information in this report can be found in greater detail in the complete audit report available online at <https://www.cityofholland.com/ArchiveCenter/ViewFile/Item/142>.

The purpose of the PAFR is to help citizens have a better understanding of the City’s resources and how we use them. The financial information presented is consistent with Generally Accepted Accounting Principles, but in a condensed format. The primary focus is the Governmental and



Proprietary Funds, excluding the discretely presented component units, internal service funds, and fiduciary funds. The report provides additional detail for the General Fund, which is the main operating fund of the City and highlights some of the major initiatives and capital projects for the City.

Thank you for taking time to read this year’s report and become more familiar with your City’s finances. We are proud to serve the residents of the community and hope the information presented provides you with an easy to understand overview of the City’s financial outlook.

Best Regards,

Keith Van Beek
City Manager



Vision:

A vibrant, world-class community in a beautiful lakefront environment where people work together, celebrate community, and realize dreams.



CITY OF HOLLAND

The City of Holland’s Mission Statement is simply “Maximize Livability”. This is felt throughout the City with the charming and lively downtown district, active neighborhoods, community events, celebration of diversity, safe bike infrastructure and walkability, an active farmer’s market, and well-maintained parks and open spaces. Innovative snowmelt in downtown sidewalks and roads, covering over 5 miles, helps to keep the central business district vibrant and pedestrian friendly during the winter months.

CITY PROFILE

The City of Holland is located partially in both Allegan and Ottawa Counties and is the largest city in both counties. City limits span 17.5 square miles and was incorporated in 1867. According to the 2020 census the population was 34,006. The City of Holland is located 30 miles southwest of Grand Rapids, 186 miles northwest of Detroit and 150 miles northeast of Chicago, Illinois.



The City also hosts the annual Tulip Time Festival which is a destination for many visitors. Approximately 650,000 tulips are planted throughout the City each year. The City owns and operates Windmill Island Gardens and in 2022 welcomed 157,279 visitors, a new record. This included 8,692 for Magic at the Mill, a new winter event featuring a tulip themed light show.



A City owned airport facility is leased to an airport authority which includes the City of Holland, City of Zeeland and Park Township. A combined fixed route and personalized bus/van public transportation service, which leases the City owned transportation center also servicing Amtrak, is operated and taxed by a separate transportation authority and serves the City of Holland, City of Zeeland, Holland Charter Township and Park Township.



CITY SNAPSHOT

UNEMPLOYMENT RATE 3.8%

\$69,152 Median Family Income

POPULATION 34,540

34,540

Full Time 392 83 Part Time

CITY/HBPW EMPLOYEES

FY2024 General Fund Budget

\$33,988,842

12 Miles of Tulip Lanes



Total Taxable Value

\$1,517,162,354

780 Construction Permits Issued

PRINCIPAL EMPLOYERS BY SECTOR

MANUFACTURING HAWORTH BENTELER CHALLENGE MANUFACTURING TIARA YACHTS MillerKnoll

HEALTHCARE Holland Hospital

ENERGY LG Energy Solution

EDUCATION Hope COLLEGE Holland Public Schools

Bond Rating Moody's Aa2 S&P AA



CITY COUNCIL

City operations are directed and managed by a Council-City Manager form of government. City Council is made up of a mayor and eight members. Six represent specific wards, and two represent the entire city at-large. The City Manager is the chief executive officer of the City.



Tim Vreeman
Ward 1



Lyn Raymond
Ward 2



Bylnda Sol
Ward 3



Kim Rowan
Ward 4



Nathan Bocks
Mayor



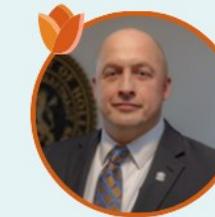
Scott Corbin
Ward 5



Devin Shea
Ward 6



Quincy Bird
At-Large



Michael Schultheis
At-Large

CITY COUNCIL PRIORITIES 2025

For more details visit <https://www.cityofholland.com/875/Strategic-Plan-and-Business-Plan>

Finances

- Municipal Capital Improvement Fund (MCIF)
- Long-Term Financial Forecast
- Waterfront Holland Management
- Fix-It-First Approach

Quality Services

- Holland City Fiber
- Ice Rink Park
- World-Class Utility Services
- Election Administration

Connections to Stakeholders

- Implement Citizens Academy
- Collaborate with Community Partners
- Diversity, Equity, Inclusion and Accessibility

Organizational Improvement

- Council Governance Model
- Strategically Manage Community Growth
- New Holland Civic Center Place Management



Strategic Initiatives

The City’s Strategic and Business Planning process provides overall direction for the City of Holland. The Fiscal Year 2024 plan was adopted in April 2023 (complete plan is available on the City’s website). The following highlight some of the major initiatives that began, continued or were completed during Fiscal Year 2024, including:

Economic Development

City Council continues to identify economic development as a top priority. The City is committed to developing an area-wide approach to economic development and is working in tandem with the Lakeshore Advantage regional economic development organization and the surrounding cities, townships, counties and Macatawa Area Coordinating Council metropolitan planning organization.

Sustainability

The City of Holland strives to be a highly competitive world-class community, supported by innovative energy solutions that benefit the citizens, business community and environment. Some sustainability initiatives include: the Home Energy Retrofit program, an electrification rebate program launched by HBPW, and the Water Reclamation Facility which continues to receive achievement awards.

Housing

The City is collaborating with several housing organizations to address housing shortages in the region, including affordable housing. City Council updated our Housing Development Support Policy which has contributed to several housing projects moving forward.



Fire Stations

Construction of the Waverly Fire Station was completed in FY 2024 which included a five-bay station and a new storage building. The project budget was \$12.5 million, with \$10.5 million expended as of fiscal year end. Construction is underway for the renovation of the Kollen Park Station. This renovation has a project budget of \$6.25 million, with \$600,000 expended as of fiscal year end. The project is expected to be complete by June 30, 2025.

FY 2024 PROJECT HIGHLIGHTS



6th Street

The 6th Street project was substantially completed in FY 2024. The combined City and HBPW project included full reconstruction of 6th Street from River to Columbia Ave, College Ave from 6th to 8th Street, and Columbia Ave from 6th to 7th Street. In addition to the full reconstruction of the roadway, there was a significant expansion to the snowmelt network. The project budget was \$9.74 million, with \$9.37 million expended as of fiscal year end.



Holland City Fiber

The Broadband Utility spent \$0.4 million on capital improvements during the year, adding to and upgrading the fiber network. The Broadband Utility added 501 new customers and began constructing a major expansion. During FY 2024, a tactical action team developed a customer onboarding plan for Holland City Fiber. The plan includes processes for marketing and education, new broadband technicians and customer service representatives to support this initiative.



City functions are divided between two groups of activities: Governmental Activities and Business-Type Activities. This is required for financial reporting purposes.

The City's basic services are considered to be governmental activities and are primarily funded by taxes.



- | | | | | |
|-----------------------------------|-----------------------|-------------------|-----------------------|-----------------|
| Mayor, Council, Committees | City Administration | Finance/Treasurer | Assessing | Police |
| Community & Neighborhood Services | Streets & Engineering | Planning & Zoning | Permits & Inspections | Fire |
| Parks | Recreation | Facilities | Cemeteries | Farmer's Market |
| | Snowmelt System Fund | Grant Funds | Special Revenue Funds | |
| | Holland Energy Fund | Debt Service | Capital Projects | |



The City structure empowers Holland Board of Public Works (HBPW) to manage and operate municipally owned utilities, including electric, fiber-optics, water and wastewater. Other business-type activities include the City's refuse & recycling fund, Windmill Island Gardens and the Civic Center.

- | | | | |
|--------------------|-------------------------|--------------------|----------------------|
| Electric Utility | Water Utility | Wastewater Utility | Fiber Optics Utility |
| Refuse & Recycling | Windmill Island Gardens | Civic Center Place | |



FINANCIAL HIGHLIGHTS

The following tables represent condensed forms of the financial statements presented in the complete audit report. The Statement of Net Position (the City’s Balance Sheet) and Statement of Activities (the City’s Income Statement) are divided between governmental and business-type activities to distinguish functions of the City which are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions which are intended to recover all or part of their costs through user fees (business-type).

Statement of Net Position

	Government Activities			Business-Type Activities		
	2024	2023	2022	2024	2023	2022
Total Assets	\$255,888,832	\$230,570,880	\$201,863,864	\$646,465,652	\$634,737,323	\$609,320,641
Total Deferred Outflows	5,778,961	8,978,760	3,909,553	3,499,567	5,633,588	632,163
Total Liabilities	104,501,279	98,469,467	64,140,469	79,786,761	98,887,289	86,013,367
Total Deferred Inflows	4,193,640	2,304,796	9,247,468	32,821,337	28,805,326	26,237,461
Total Net Position	\$152,972,874	\$138,775,377	\$132,385,480	\$537,357,121	\$512,678,296	\$497,701,976

Net Position represents the difference between the City’s total assets and total liabilities. A substantial portion of the City’s net position (82%) reflects its investment in capital assets. The City uses these capital assets to provide services to citizens. An additional portion of net position represents resources that are restricted on how they are used (4%) and the remaining 14% is unrestricted and available to meet ongoing obligations to citizens.

Statement of Activities (Changes in Net Position)

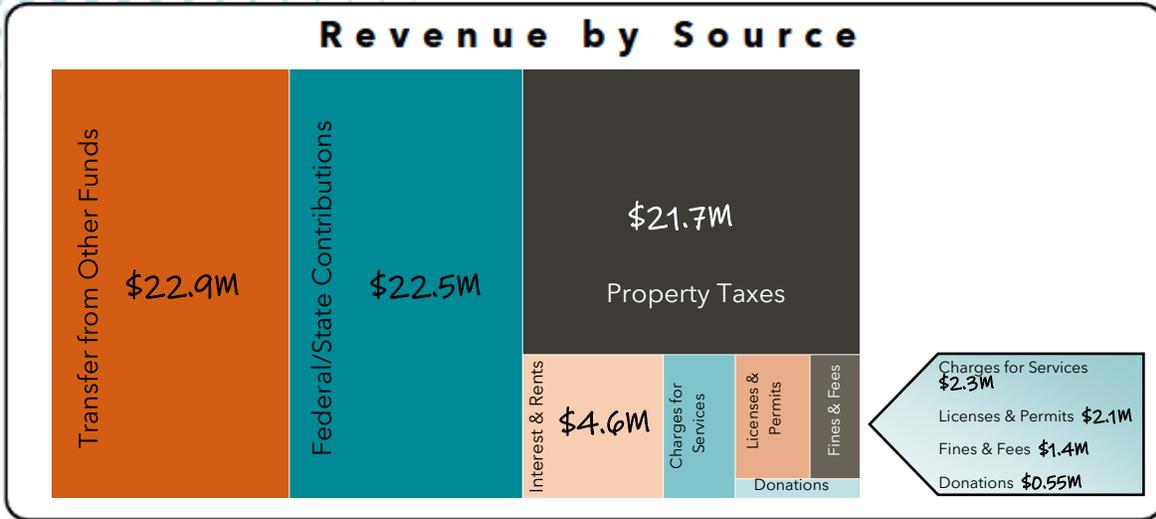
	Government Activities			Business-Type Activities		
	2024	2023	2022	2024	2023	2022
Revenues	\$56,214,058	\$48,246,710	\$44,240,899	\$147,128,709	\$138,176,682	\$129,999,066
Expenses	51,691,463	49,816,151	41,043,052	112,774,982	115,238,024	109,234,197
Transfers	9,674,902	7,959,338	7,996,520	(9,674,902)	(7,959,338)	(7,996,520)
Change in Net Position	14,197,497	6,389,897	11,194,367	24,678,825	14,976,320	12,768,349
Net Position-Beginning	138,775,377	132,385,480	121,191,113	512,678,296	497,701,976	498,966,685
GASB 62 Implementation	-	-	-	-	-	(14,033,058)
Net Position-Ending	\$152,972,874	\$138,775,377	\$132,385,480	\$537,357,121	\$512,678,296	\$497,701,976

The change in the net position serves as a useful indicator of the City’s financial position. The City’s Government Activities net position at June 30, 2024 totaled \$152,972,874, representing an increase of 10.2%. Operating and capital grants increased by \$4.7 million as the City spent remaining State and Local Fiscal Recovery Funds on the Holland City Fiber project and public safety payroll. Investment income and property tax revenues also contributed to the increase. The Business-Type Activities net position total revenues increased by 4.8%, reflecting a slight increase in utility rates for FY 2024 and increased investment earnings.



WHERE DOES CITY GOVERNMENT MONEY COME FROM?

Total Governmental Funds revenue and transfers in equaled \$78,044,844. Property taxes account for 28% and federal/state contributions (grants, sales tax, personal property tax replacement) account for another 43%. Transfer from other funds represent 29% of revenues and is mostly comprised of the dividend from the Holland Board of Public Works.

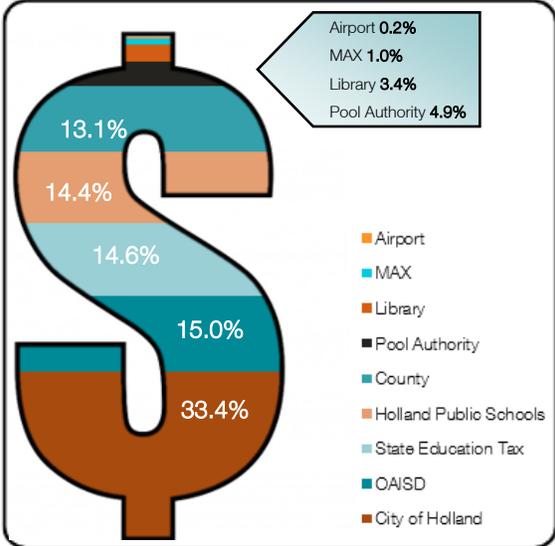


The City's property tax millage rate for Fiscal Year 2024 is 13.8692, which has not been increased since Fiscal Year 2013.

City Millage Rate History

The City collects tax revenue, but the property tax dollars are actually split between many different local government bodies to provide services citizens use every day, including schools, libraries, county services and more. The City keeps just 33 cents of every dollar to support operations, including public safety, parks, and much more.

Property Tax

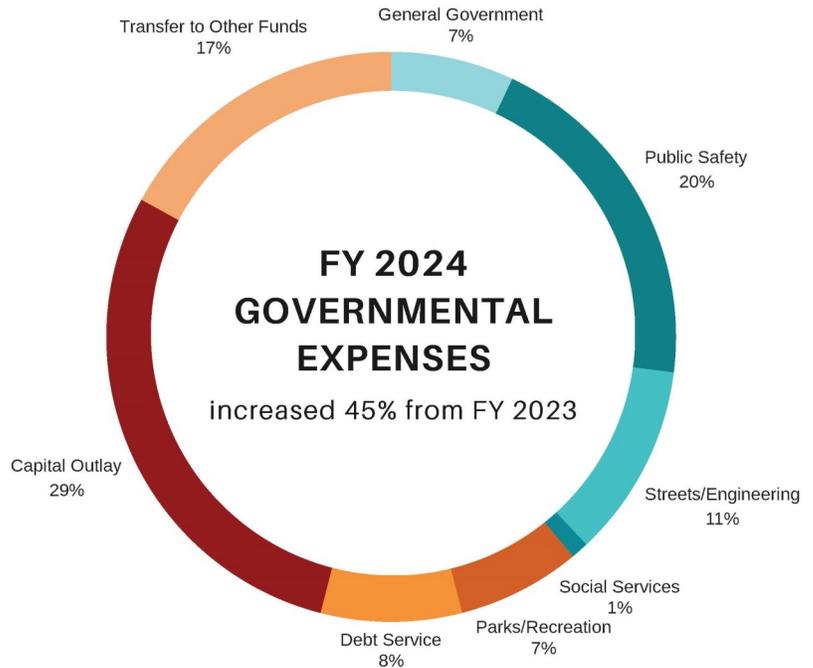




WHERE YOUR CITY GOVERNMENT DOLLARS ARE SPENT

The City of Holland provides a full range of local government services, including police and fire protection, housing and building inspections, street construction and maintenance, planning and zoning, recreation programs, several municipal parks, cemetery facilities, an open-air canopied farmers market and various other cultural activities. The Governmental expenses totaled \$80,445,179 in FY 2024.

- GENERAL GOVERNMENT 
- PUBLIC SAFETY 
- STREETS/ENGINEERING 
- SOCIAL SERVICES 
- PARKS/RECREATION 
- DEBT SERVICE 
- CAPITAL OUTLAY 



PUBLIC SAFETY

- Police - Arrests: 827
- Police - Traffic Violations: 2,246
- Fire - Emergency Responses: 4,121
- Fire - Medical Emergencies: 2,594



PARKS & RECREATION

- Number of Parks: 23
- Recreation Program Participants: 11,624



PUBLIC WORKS

- Miles of Street: 149
- Miles of Streets Resurfaced: 2.2
- Streetlights: 2,550
- Miles of Watermain: 200
- Miles of Storm Sewer: 148



GENERAL FUND

FY 2024 Revenue

Total Revenues & Transfers In
\$35,863,427



The General Fund is the primary operating fund of the City and accounts for resources used to support core municipal services including police and fire protection, public works, community and neighborhood services, parks and recreation, cemeteries and City administration. The majority of revenue comes from: property taxes, state shared revenues and an annual transfer from the Electric Utility Fund as authorized by City Charter provisions.

Public Safety accounts for 49% of expenditures, followed by General Government (15%), which includes City Council, the City Manager's Office, Fiscal Services, Human Resources, the Clerk's Office and Planning and Zoning. Parks and Recreation represented 13%, Public Works 5%, Transfer to Other Funds 13%, Social Services 3% and Other 2%.



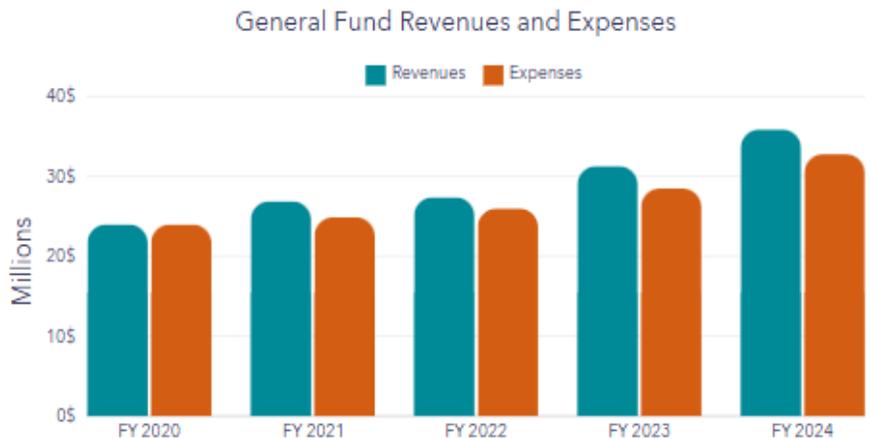
FY 2024 Expenses

Total Expenses and Transfers Out
\$32,801,778

General Fund Reserves & Future Planning

The City has a history of conservative management of finances. The combined General Fund and Budget Stabilization ending unassigned fund balance totaled \$16,210,534, or 49% of total expenses and transfers out at June 30, 2024. A one-time inflow related to an accounting change contributed to the increase in ending reserves. The City will analyze the best use of this one-time funding in FY 2025.

Looking to the future, the City will continue to focus on long-term planning, including the annual adoption of a Strategic and Business Plan and update of the annual long-term financial and capital plans.





PROPRIETARY (BUSINESS-TYPE) FUNDS RECAP

Utility Funds

HBPW Utilities

The Holland Board of Public Works manages the utility funds for the City. The three main funds are electric, water and wastewater, and account for the revenues and expenses related to providing reliable and safe electric supply, water and wastewater services. A \$31.1 million anaerobic digester was 96% completed by the end of Fiscal Year 2024 and has earned Envision Certification Gold level rating for sustainability.



Holland City Fiber

In August 2022 the residents voted to make a community investment in a high speed fiber optic broadband network that will be available to every address. In August 2023, Holland City Council authorized issuance of up to \$23 million in bonds for this project. Construction began in December 2023 and spending as of the end of Fiscal Year 2024 was \$3.4 million. The project is expected to be completed in Fiscal Year 2027. For additional updates, please visit <https://hollandcityfiber.com>.

Other Enterprise Funds

Refuse & Recycling

The City administers a refuse and recycling program for all single family residences, as well as multi-family residential units. The City contracts with a private sector hauler for this service. Given rising fuel costs in FY 2023, the City incurred significant fuel surcharges, but was able to minimize the impact to residents, especially as compared to private sector providers in surrounding communities. The City continues to evaluate the fuel surcharge costs to prevent erosion of fund reserves.

Windmill Island Gardens

The City owns and operates Windmill Island Gardens, a park that features many exhibits including an imported authentic operating windmill from the Netherlands. The park is a popular tourist attraction during the City's annual Tulip Time Festival. Windmill Island also launched Magic at the Mill in 2022 which runs Fridays and Saturdays throughout December.





BUDGET, STRATEGIC PLAN AND MORE...

The City presents information designed to help residents understand the City's strategic goals and City finances throughout the year. Find documents like the Annual Budget, Budget in Brief, Strategic Plan & Business Plan, and links to the latest City E-News online at cityofholland.com.



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City Website: cityofholland.com

Downtown: downtownholland.com

Rec Programs: hollandrecreation.com

Farmer's Market: hollandfarmersmarket.com

Events: Holland.org



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CITY OF HOLLAND

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