



The City of Zaprrešić
Experience in the Application of MFSA –
Action Plan
(My MFSA experience – presentation of Action Plans)

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City of Zaprrešić

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City of Zaprešić – Population and Economy

- The City of Zaprešić is located in the northwest part of Zagreb County - 17 km from Zagreb.
- Surface area - 52.60 km² (1.72 % of the total surface area of the Zagreb County).
- 25,223 inhabitants (third largest in the County) and most densely populated area in Zagreb County.
- **Above average revenue per capita** – The City of Zaprešić five year average (2012 to 2015) revenues from tax and surtax is 4,401 kn (national average is 2,583 kn)
- **Low level of unemployment** – between 3-4%, whereas national average is above 10%
- **Economy – turnover**, industry for production of ceramic, chemical and metal (chains) products, production of technical gas, trade, construction sector, banking sector, catering and tourism.
- There are 703 entrepreneurs in the City with more than 4,000 employees (trade, services, real estate, processing).

	2012	2013	2014	2015
Demographics				
Country population	4,334,149	4,319,588	4,305,075	4,290,612
City population	28,354	28,096	27,378	27,313
Annual growth of the number of city inhabitants	1.01	-0.99	-0.97	-1.00
Economy				
GDP per capita (national) – Euro	10,300	10,225	10,157	10,364
Income per capita Euro				12,536
Activity rate (2011)	64.1			
Unemployment rate (% active population)	7.4	8.2	6.6	5.9
Development index				100-125%
Total local self-government revenues				
Total revenues, HRK	129,378,502	133,996,105	139,298,545	140,367,734
Revenue per capita, HRK	4,563	4,769	5,088	5,139
Annual capital investments, HRK	15,333,257	13,867,904	16,904,758	16,057,355
Debt, HRK	23,009,476	22,048,132	15,432,386	11,782,436

Capital Investment Plans and Sources of Financing

Projects:	EUR, MIL	Goal	Sources of financing	Deadline
Development of the site Novi dvori and continuation of the golf course construction	15	Development of tourism and entrepreneurship; reconstruction, revitalization and long-term preservation of the cultural and historical heritage of complex Novi dvori in Zaprešić. Branding of the City of Zaprešić as the City of Count Josip Jelačić	European regional development fund and own funds	2016-2020
		The project entails expanding the existing 3 hole golf course to 27 holes		
Development of the sports-recreation complex on lake Zajarka	3	Development of the lake and equipping the sports-tourism complex with appropriate communal and sports infrastructure, in order to increase the City's tourism and sports-recreation offer	European regional development fund, own funds, public private partnership	2016-2020
Development of city squares	1.5	Development of public space for meeting of people in the new, northern part of the City, with the construction of new center and reconstruction and development of existing old City squares	own funds	2016-2017
Additional construction to the primary school and sports hall in Kupljenovo	3	Additional constructions to the school and sports hall will increase the quality of education for primary school students. It will be harmonized with existing pedagogical standards and the energy efficiency of the building will be significantly increased, which will lead to lower maintenance costs	Ministry of Regional Development and EU Funds, Zagreb county, credit funds, own funds	2016-2018
Energy reconstruction of primary school buildings Ljudevit Gaj and Pojatno	2	The project will result in an energy renovation of primary school Ljudevit Gaj in Zaprešić and regional school Pojatno with reduced annual consumption of heating/cooling energy by 68 to 86% in comparison to the annual consumption before the energy reconstruction	Ministry of Construction and Spatial Planning, Zagreb County and own funds	2017-2018
Student Campus	20	In 2001 in the City of Zaprešić the Faculty of Applied Sciences "Baltazar Adam Krčelić" was founded, which transformed in 2014 in the University of Applied Sciences Baltazar Zaprešić. It has 2 departments and 4 study programs. The University is a part of Erasmus. (today it has 5,000 graduates and 2,000 students)	European Social Fund, European regional development fund, own funds	2019-2022
Construction of a bowling alley	1.2	The City of Zaprešić will be the host of the European Bowling Championship in 2018	own funds And credit funds	2016-2018
		Its bowlers are multiple European champions. The City has decided to build a bowling alley with 6 lanes and related stands with 100 seats, locker rooms and		



Financial Position of the City

The City of Zaprešić is creditworthy. In 2016 it took a 5 million commercial bank loan (with the approval of the Government of RC), in order to be able to start implementing the abovementioned and other projects provided in the Development Strategy for the City of Zaprešić 2016-2020 called „*Small European city, high quality of life*”

The financial position of the City is stable. City Operations are made through the City treasury established in 2012, which handles through a joint gyro-account the operations of the City of Zaprešić and its eight budget users: two kindergartens, three primary schools, the museum Matija Skurjeni, National open school and firefighting department. With this we provided a stable financial condition of the budget of the City of Zaprešić, and we ensure the liquidity of the treasury gyro-account by compliance with the provisions of the Law on Deadlines for Servicing Monetary Obligations.

Our long term goal is to include the operations of the City's enterprises in the City treasury.

Indicators:	Benchmark	2012	2013	2014	2015	average
Net current surplus (after debt repayment including principal) / current revenues	30%	4%	5%	9%	13%	8%
Debt/total budget	> 80 %	18%	16%	11%	8%	13%
loans/current revenues	< 15 %	0%	0%	0%	0%	0%
Own revenues (tax + non-tax revenue + unconditional grants) / total current revenues	> 80 %	51%	50%	52%	50%	51%
Capital expenses/current revenues	> 40 %	19%	19%	17%	18%	18%
Expenses for current maintenance / operational expenses	> 15 %	17%	19%	17%	15%	17%
Expenses for employees / current expenses	< 40 %	38%	37%	38%	32%	36%
Realized revenues / planned revenues	95<A/P<1.0 5	93%	97%	95%	95%	95%

Financial Self-Assessment



With the in-depth analysis of dynamic indicators on the real state of the budget indicators for the operations of the City of Grad Zaprešić for the four year period 2012-2015, and in the framework of implementing the MFSA project, we have determined two main goals:

Goal 1: Improving the financial situation of the City through:

- increasing local self-government revenues, which will enable the development of the City of Zaprešić according to the priorities (updating of existing data bases)
- increasing the collection rate of City revenues by two to three percent per year (with successive monthly monitoring)
- increasing the fiscal capacity for financing current expenditures, which ensures continuity in the City development (re-categorization of city micro locations)
- increased fairness in imposing fiscal fees on households (including social criteria)
- improved infrastructure development of the City and capital social improvement (equalizing the standards of living in existing and new parts of the City)
- creating conditions for increasing employment, thus strengthening the fiscal capacity of the local self-government

Goal 2: Improved fiscal management of the City by

- starting the Budget planning process at the lowest level (local communities and City quarters)
- opening budget planning to the public, accepting their priorities
- introducing realistic and careful planning
- having programming contracts based on success indicators
- monthly monitoring and analysis of the budget implementation

For the successful realization of the previous goals we have:

- Prepared proposal criteria and measurements for unification of the procedure for financing and contracting programs and projects of public interest that are implemented by associations and other non-profit organizations in the City
- Implemented fiscal transparency standards for enterprises and institutions owned by the City
- Improved the functioning of the local treasury system established in 2012
- Analyzed the tax status of the City in the VAT system
- Analyzed the possibilities for rationalization of City expenses through implementation of joint public procurements and implementation of energy efficiency projects
- Analyzed expenses and rationalized the spending of budget funds for financing City budget users of the same type

Action Plan



Long term plans of the City – based on the Action Plan

The City of Zaprrešić recognized on time that for balanced and stable development it is necessary to ensure a stable financial condition of our own budget. In that regard, we have intensely started improving the financial management of the available limited financial resources at our disposal.

Capital projects by the City of Zaprrešića were thus far mainly financed from own revenues and loans. The last two tax reforms in the Republic of Croatia reduced the City's share of tax revenues in the total budget revenues, and they were not sufficiently replaced with the introduced compensatory measures. The share of tax revenues, as the most important revenue in the city Budget has gone under 50% of total revenues. In order for the City to be able to implement the projects provided in its strategy, it has increasingly started to orient itself towards financing them from European Union funds, as well as including them in public-private partnerships.

Goals and main measures undertaken on the level of the City

The regular monthly analysis of the situation with the management of public expenditures and the financial accountability of City managers in the realization of City revenues have resulted in the accomplishment of three fundamental budgetary goals:

- realization of overall fiscal discipline
- strategic allocation of resources
- effective disposal of resources in the provision of public services

The City of Zaprrešić is the owner of the unconditional opinion of the State Audit Institute regarding the Financial audit of the financial reports and operations of the City of Zaprrešić in 2013.

Its manner of operations have placed it in the top 5% of exceptionally transparent local budgets in the Republic.

Timeframe for implementation: permanent.