

City of Portage, Michigan

**PROPOSED
ANNUAL OPERATING BUDGET
Fiscal Year 2016-2017**

Elected City Officials as of May 24, 2016

Peter J. Strazdas
Mayor

Nasim Ansari
Mayor Pro Tempore

Richard J. Ford
Councilmember

Jim Pearson
Councilmember

Patricia M. Randall
Councilmember

Claudette Reid
Councilmember

Terry R. Urban
Councilmember

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April 12, 2016

**Fiscal Year 2016-2017 Proposed Budget
Budget Message**

Mayor Strazdas and Members of the Portage City Council,

It is with pleasure that I submit for your consideration the proposed City of Portage budget for Fiscal Year 2016-2017. The Portage City Charter, Section 7.2. – Budget Procedure states, in part:

The City Manager shall assemble the statements so submitted and prepare for the Council a budget proposal for the next fiscal year. Such budget proposal shall be submitted to the Council at its first regular meeting in April.

The total FY16-17 proposed City of Portage budget, expressed in terms of projected and proposed expenditures, is as follows:

	FY15-16 Adopted	FY16-17 Proposed	Difference	% Change
Total Budget	\$67,168,585	\$68,042,058	+\$873,473	+1.30%
General Fund	\$25,234,419	\$25,101,388	(\$133,031)	-0.53%
Sewer Fund	\$7,884,078	\$8,023,912	+\$179,834	+2.30%
Water Fund	\$5,123,687	\$5,140,886	+\$17,199	+0.34%
Capital Improvement Program	\$13,994,000	\$14,833,000	+\$839,000	+6.00%

The FY16-17 proposed City of Portage budget has twenty-two (22) operating funds, all of which are assigned to six (6) separate categories. Each budget was formulated by the various department heads with the goal of achieving excellence in the provision of public services. Efficient and effective service utilizing an environment that values creativity and beauty goes to the core of what our organization strives to accomplish every day. As we forge ahead, our quest remains clear: the City of Portage shall provide the highest quality services to the citizens and visitors of our community.

The Department of Public Safety has had a remarkable year. The Portage Fire Division was awarded the accredited status by the Commission on Fire Accreditation International. Accredited status was achieved by the Portage Fire Division after it was evaluated by a team of fire professionals, graded and then challenged to make changes to accomplish certain core competencies. One of the remarkable standards achieved was the reduction in response time to emergencies by approximately one minute through changes in dispatch procedures. The reduction in response time will mean better outcomes for those citizens in need of emergency services.

The Police Division implemented a K-9 service with the swearing in of our newest, four-legged officer, Rocco. The new police electronic motorcycle allows our officers to silently patrol the trails providing security in an environmentally sound method. Body worn cameras are being tested for roll out to the Police Division.

The recession of 2008 compelled the City of Portage to make reductions in the number of police officers and firefighters serving the community. However, those reductions coupled with the increase in calls for service, have impacted the ability of the Public Safety Department to provide the highest quality service to our citizens. As a result, I am recommending that three (3) police officers and three (3) firefighters be added to the budget.

Police Division		
Year	# Sworn Officers	# Calls for Service
2006	57	20,753
2015	52 (-8.8%)	22,075 (+6.4%)
Fire Division		
Year	# Firefighters	# Calls for Service
2006	30	3,077
2015	27 (-10%)	4,226 (+37%)

The quality of life for citizens of Portage will be directly impacted by the ability of the Public Safety Department to respond to calls. Acknowledging the increase in call volume in each division more than justifies the reinstatement of six (6) of the eight (8) Public Safety positions eliminated since 2006.

The newly created Parks, Recreation & Senior Citizen Services Department continues to add exciting programmatic and entertainment options for the benefit of our citizens. This budget hopes to expand upon the various entertainment activities undertaken last year with the goal of enhancing cultural options for our community. The Senior Center recently completed its own accreditation process as it continues to refine its mission to address the changing needs of its core constituency. Expansion of the Portage Farmers' Market will be high on the list of goals for next year.

Technology Services is taking the administration of the city through its own revolution. BoardSync has now allowed the City Council Agenda process to go paperless. ADP enhanced payroll will complete the time and attendance system begun in the previous budget. The BS&A transition has occurred that fundamentally ties the finance, assessing, code enforcement and building permitting system on to one platform. Creation of a new web site and a mobile device interface, along with additional social media updates are proposed for next year. The most significant project to be undertaken by Technology Services next year is the installation of a new keyless entry system at Public Safety, along with the installation of a new camera system with recording capability at various locations throughout the city.

The departments of Finance & Purchasing, Human Resources and the Office of the City Assessor have all successfully concluded their reorganizations. Aside from the continued need to update automatic data software systems in order to achieve additional efficiencies, all three departments will continue as stable and productive members of the organizational team.

The Department of Community Development continues to meet the challenges of increased demands upon its services. The new BS&A software system implementation and its interface with other impacted departments – Office of the City Assessor and Finance & Purchasing – has been a knotty transition but important and successful. With the dramatic increase in new construction throughout Portage, the Department of Community Development will be asked to take on the additional obligations required of said condition.

The Office of the City Clerk will be challenged in the upcoming fiscal year to meet the election needs of our citizens during the Presidential Election. Managing and training the election workers, organizing and operating the election venues and continuing to deliver the other critical and traditional services offered by the department will be a challenge that the members are well positioned to meet.

The Department of Public Services has experienced a great transition, with the realignment of recreation and senior center responsibilities under the Department of Parks, Recreation & Senior Citizen Services. Rod Russell was appointed the new director of Public Services. Many new programs were initiated to include single-stream recycling, which has doubled the amount of recycling in the community; latex paint recycling and electronic device recycling and leaf collection services at certain private condominium complexes. Last year, the City Council approved the addition of two (2) new laborers. That investment, at an annualized cost of \$96,250 has produced the following results:

Action	Savings*
Reduction of two seasonal employees	\$40,000
Crack sealing efforts performed in-house	\$40,000
Demolition of structure at 203 East Centre Avenue	\$7,500
Sidewalk installation on Portage Road	\$35,000
Ramona Park Beach House renovations, to include construction of ADA compliant, family changing room, renovation of bathrooms, addition of space for canoe and kayak rental and storage and re-roofing of the entire building	\$35,000
Trenching and conduit installation for Celery Flats WiFi project	\$4,000
Total Savings	\$161,500

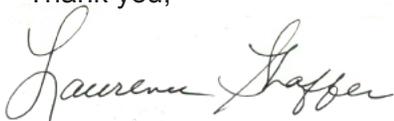
* Estimated cost if projects performed by outside contractors

The lesson is that investing in people can have a productive payoff for the city.

The Transportation & Utilities Department is proposing the lowest rate increase in over ten years in both water and sewer rates of 0.75%, less than one (1%) percent. The department will be challenged with managing the many local and major roads scheduled for repaving or reconstruction. I am very pleased with how hard the department worked in order to accomplish the approval of the Martin Luther King, Jr. Drive project.

To conclude, I have been humbled to work with such an outstanding team. This budget represents the enormous energy, commitment and professionalism of our tremendous team. Special recognition is extended to Bill Furry, Lauren VanderVeen and Rob Boulis for their tireless efforts and profound understanding of the issues at hand.

Thank you,



Laurence Shaffer
City Manager



Overview

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Portage for its annual budget for the fiscal year beginning July 1, 2015.

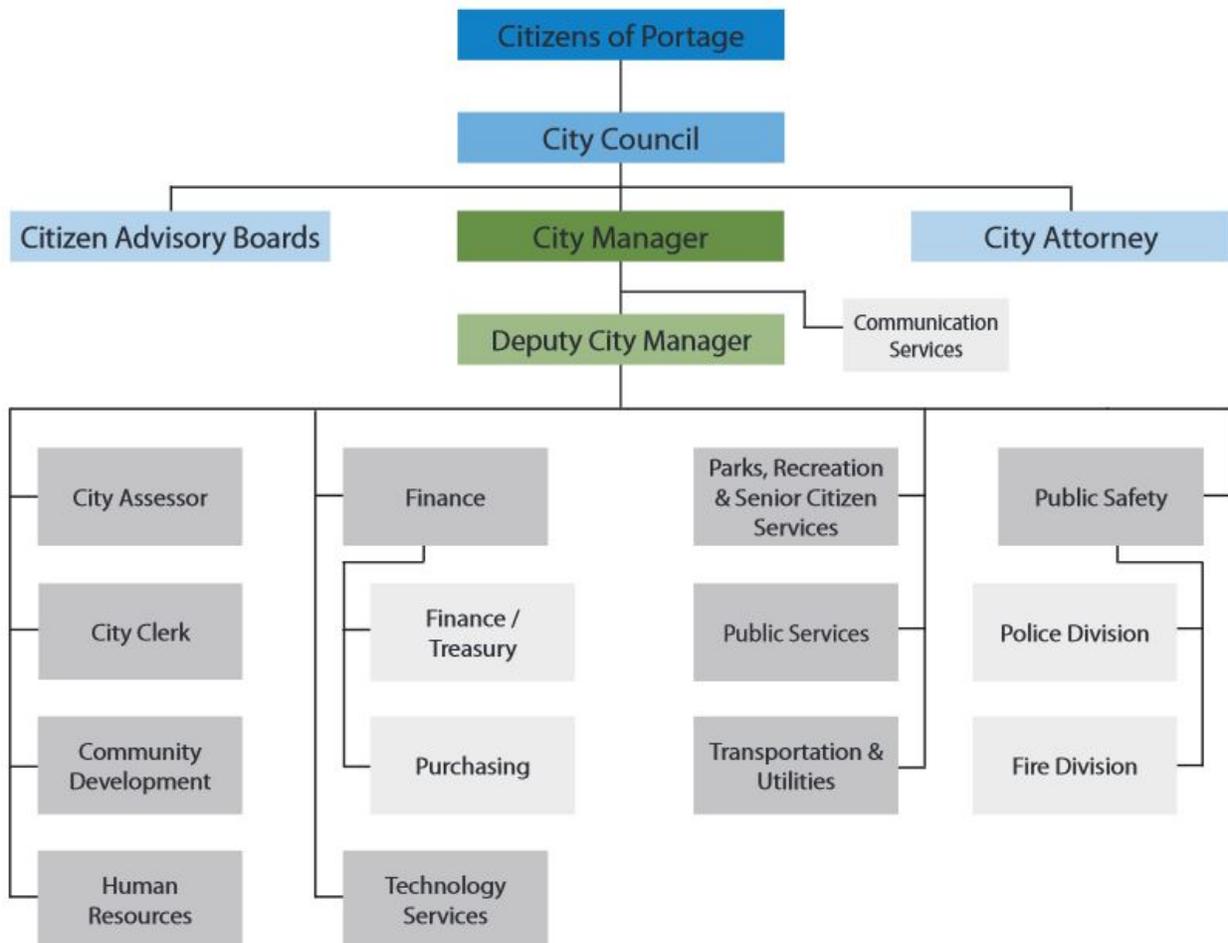


In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



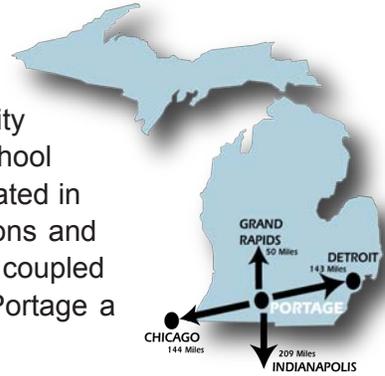
Organizational Chart





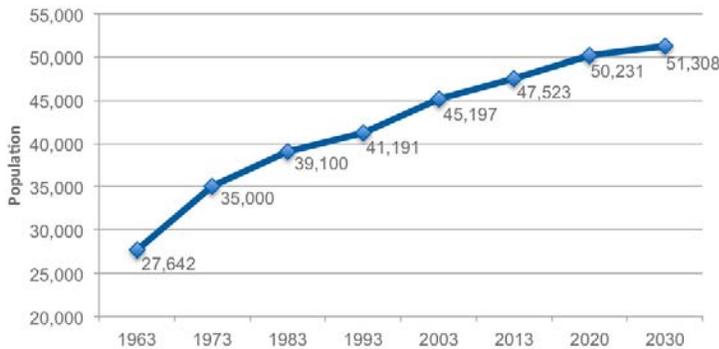
CITY OF PORTAGE COMMUNITY PROFILE Fiscal Year 2016-2017

Portage is located in Kalamazoo County approximately half way between Chicago and Detroit at the crossroads of I-94 and US-131 and encompasses approximately 35 square miles. The community has a growing population, desirable housing, an excellent school system, numerous shopping and recreational opportunities, is located in close proximity to a variety of post-secondary education institutions and maintains a highly educated workforce. These characteristics, coupled with one of the largest employment bases in the region, make Portage a very attractive place in which to live, work and learn.



During the 1960's, and with the completion of Interstate-94 through southern Michigan, the community experienced significant growth. Due to the large population growth as shown in the chart below, commercial facilities were developed in Portage to capture disposable income from families in newly constructed residential neighborhoods. Additional retail growth continued to occur and in the late 1970's, the first regional mall was built on former celery fields along South Westnedge Avenue. The Crossroads Mall, southwest Michigan's only regional mall, took advantage of the growing residential base in the south and west portions of Kalamazoo County and the market access provided by I-94 and US-131, the major traffic routes serving southwest Michigan.

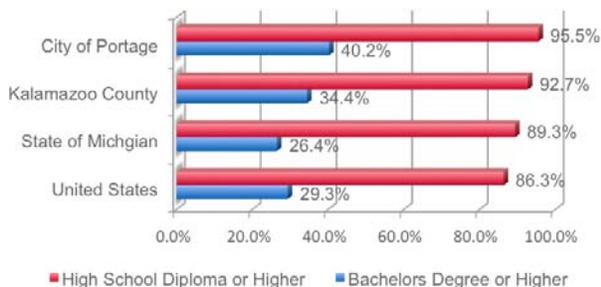
Population Trends



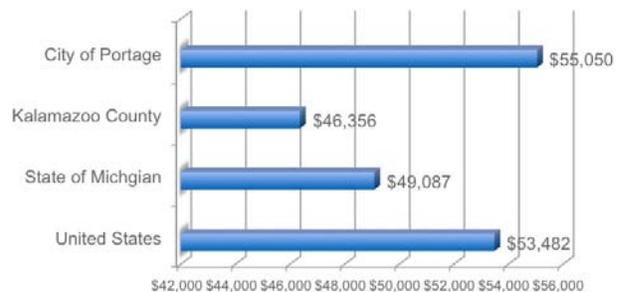
The population of Portage grew at steady rates during the 1980's and 1990's and more than doubled since 1960 as shown on the chart to the left. By 2010, the population had grown to 46,292. The population is estimated to increase to more than 51,000 by 2030. Portage continues to maintain one of the largest shares of population growth (in terms of absolute numbers) in the county.

As shown in the charts below, the median household income of Portage residents continues to exceed the county, state and national averages. This trend is also evident in the level of educational attainment. Over 95% of Portage residents have a high school diploma and over 40% have a college degree.

2014 Educational Attainment



2014 Median Household Income





The Crossroads Mall

From the initial “Portage” settlements to the early suburban Portage Township, the City of Portage is now a community with an educated workforce and excellent residential neighborhoods to accommodate a growing population. Portage is the regional retail trade center with more than four million square feet of commercial and office building space along the South Westnedge Avenue Commercial Corridor that historically has an occupancy rate greater than 97%. The residential and commercial sectors are complemented by an expanding industrial base, anchored

by the Stryker and Pfizer Corporations and many other manufacturers and life science companies primarily located within the Sprinkle Road Industrial Corridor including Mann+Hummel, Summit Polymers, Bowers Manufacturing, Eurofins/Lancaster Laboratories, Thermo Fisher Scientific, PharmOptima LLC, among others.

Office development also has a strong presence in the City of Portage and is primarily located within two office corridors – West Centre Avenue and Milham Avenue. West Centre Avenue has developed into a “medical mile” due to the many medical office buildings that have been constructed during the



Stryker Corporation

past several years. This “medical mile” is anchored by medical facilities for both Borgess and Bronson hospitals. West Centre Avenue has also proven to be an excellent location for financial institutions, research and business parks as well as locations for corporate offices. Milham Avenue also offers excellent locations for general administrative, medical and corporate offices.

This land development pattern has resulted in a vibrant, progressive community resulting in an appropriate mix of land uses: 73 percent of the land zoned for residential use, 19 percent for industrial and 8 percent zoned for commercial uses. This appropriate mix of land uses together with a conservative financial strategy employed by the city allowed the community to weather the

recent economic recession and is now facilitating an increase in private development activity.

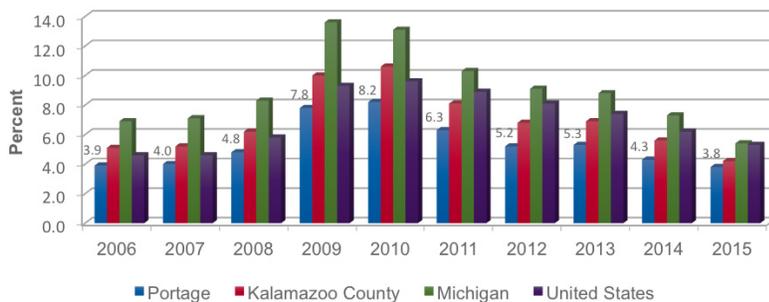
Industry	Number	Percent
Education services, health care and social assistance	5,597	25.0%
Manufacturing	4,354	19.4%
Retail trade	2,573	11.5%
Professional, scientific, management, administrative and waste management services	2,219	9.9%
Finance, insurance, real estate, and rental and leasing	1,946	8.7%
Arts, entertainment, recreation, accommodation and food services	1,705	7.6%

The table at the left includes the top six employment sectors for employed Portage residents over 16 years of age in 2014. One-quarter of 22,855 Portage workers have found employment in educational services, health care, and social assistance.

Approximately 4,300 Portage residents are employed in the manufacturing industry while nearly 2,600 residents are employed in the retail trade sector. Portage is home to major retail outlets along South Westnedge Avenue, including Crossroads Mall, Southland Mall, Portage Crossings, Carillion Center and Shoppes at Romence Village, which contribute to a significant portion of the employment base.

Major corporations such as Stryker (one of the world’s leading medical technology companies), Pfizer (world’s largest pharmaceutical company), Portage Public Schools, State Farm Insurance Company, and Meijer are located within the city and provide thousands of strong employment opportunities.

**Unemployment Rate
2006-2015**



As a result of the strong employment opportunities in the city, the unemployment rate for the City of Portage has remained considerably lower than the county, state and national averages. As shown in the chart to the left, the unemployment rate for the City of Portage has generally followed county, state and national trends during the past ten year period. However, during

this ten year period, the unemployment rate for Portage averaged 5.3% in comparison to 6.9% for Kalamazoo County, 9% for the State of Michigan and 7% for the United States.

For many years, the city has been aggressively working to facilitate business growth and strengthen the local employment base and economy by planning for and implementing important public infrastructure projects through the Capital Improvement Program. The Capital Improvement Program is prepared annually and addresses important public infrastructure projects that are supported by a City Charter authorized 2.0 mill levy. The City of Portage has been very successful in facilitating private sector investment through the construction of public infrastructure improvement projects funded through the Capital Improvement Program. The city has also taken a progressive approach to economic development by providing unique opportunities for businesses and industries to grow. Successful examples of economic development efforts and coordinated Capital Improvement Program projects that stimulated significant private sector investment included:

Industrial Development Initiative. This project was completed in 1997 and involved the investment of \$2 million in city funds to provide public infrastructure improvements (water/sanitary sewer lines and public roads) to nearly 100 acres of landlocked or underutilized industrial properties in three areas of the city. Since completion of the infrastructure improvements in 1997, 42 new or expanded facilities have been completed.

Community Investment. The first phase of this project was completed in 1999 and involved the combined investment of almost \$7 million from local, state and federal sources in important infrastructure projects within the first city Downtown Development Authority (DDA) district, development of the 50 acre Milham Business/Technology Park and the reconstruction of Shaver Road as a boulevard. Additional projects were completed in 2004 and 2011 to facilitate further development and investment activities. Twenty-five new or expanded business projects have been completed. The latest projects include Southern Michigan Bank and a second hotel, Hilton Homewood Suites.

Commerce Square Enhancement. This project was completed in 2001 and involved more than \$9 million of public investment that focused on enhancements to the South Westnedge Avenue commercial corridor to ensure the continued success of the central business area by providing safe and convenient access for patrons and employees. These efforts stimulated two major commercial redevelopment projects resulting in 180,000 square feet of combined building area. Environmental enhancements to improve water quality associated with local wetlands and Consolidated Drain No. 1 were also a major component of this initiative and resulted in valuable commercial property that was previously used for storm water retention being reclaimed for development.



I-94 / South Westnedge Avenue Interchange

South Westnedge Enhancement Projects. Construction of the first phase north of I-94 was completed in November 2008. This approximately \$4 million public investment involved widening South Westnedge Avenue, installation of a raised median island to improve traffic flow and safety and placing overhead utility lines underground, among other improvements. The next phase was completed in November 2011 and involved a \$68 million project to reconstruct the I-94 and South Westnedge Avenue interchange as a

single point urban interchange. These improvements were critical since South Westnedge Avenue serves as the principal gateway into the primary regional retail trade center for southwest Michigan.

Major projects completed in 2015 and/or scheduled for completion in 2016 that further support economic development activities in the city include:

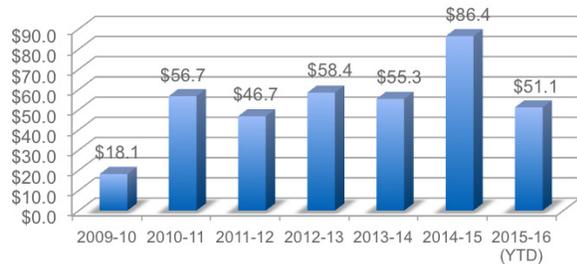
- Reconstruction and acceptance of Martin Luther King Jr. Drive as a public street. MLK Drive is an important collector street that provides pedestrian and vehicle access to several regional shopping facilities.
- Reconstruction of approximately one mile South Westnedge Avenue from Mall Drive to I-94 and replacement of an aging water main to support continued private sector investments in regional retail trade center for southwest Michigan.
- Reconstruction of Portage Road south of East Milham Avenue to support existing and future industrial development activities including the construction of a 300,000 sq. ft. warehouse facility operated for the Stryker Corporation.
- Reconstruction of 1.5 miles Shaver Road from West Centre to Vanderbilt Avenue and replacement of an aging water main to support continued private sector investments in the Shaver Road Business Corridor.
- Approval of the third Trade Center office building located in the DDA. The estimated value of this five-story, class A building is \$14 million and will further strengthen the tax base in the DDA.

PORTAGE INFO BITS

- 849 acres of parks
- 1,732 acres of lakes
- 1,555 acres of state game preserve
- 17.5 miles of paved multi-use trails
- 39 miles of paved shoulder bike lanes
- 72 miles of major streets
- 147 miles of local streets
- 247 miles of water mains and 18 municipal wellfields
- 231 miles of sewer mains
- The first Public Safety agency in the State of Michigan to have accredited Police AND Fire agencies.
- National Institute of Senior Centers Accreditation
- Promoting Active Communities – Gold Recognition
- Arbor Day Foundation – Tree City USA
- Bicycle Friendly Community – League of American Bicyclists
- National Weather Service – “StormReady” Community
- Government Finance Officers Association – Distinguished Budget Presentation and Excellence in Financial Reporting

In addition to the construction of public infrastructure improvements such as roads, sanitary sewer and water mains, other important public projects intended to stimulate private investment in the community are also supported through the Capital Improvement Program. Other projects support quality of life standards such as parks and recreation amenities, installation of sidewalks and bikeways, public safety funding to support police and fire equipment needed for emergency response purposes, and public facility funding necessary to support the Senior Center and other governmental facilities intended to serve the citizenry.

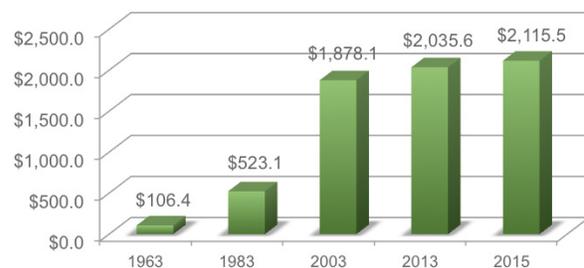
New Construction Value FY 2009-10 to FY 2015-YTD



Economic development activity continues to remain strong since the peak of the recent recessionary period. As shown in the chart to the left, only \$18.1 million in new construction value occurred in FY 2009-10. During FY 2010-11 through FY 2014-15, construction value increased significantly to a five year average of \$62.7 million. Through the first eight months of FY 2015-2016, \$51.1 million of new investment has occurred.

As a result of both public and private investment activities, the City of Portage continues to have the largest State Equalized Value (SEV) of any other unit of government in Kalamazoo County. As the chart to right shows, the SEV of real and personal property has increased from \$106.4 million in 1963 when the township incorporated as a city to more than \$2.1 billion in 2015. Portage has a well-balanced and diversified economy: Residential uses account for 56 percent of the property value, while industrial and commercial property values each account for 22 percent of the total SEV of the city.

Total State Equalized Value 1963-2015



Portage Central High School

A quality public school system is also an important component to the continued strength of the local economy. During the past eight years, Portage voters overwhelmingly approved two bond proposals: \$119 million bond proposal in November 2007 to construct two new elementary schools, a new Central High School and renovate Portage Northern High School. Also included in the bond project were new facilities for Transportation and Maintenance as well as Technology and Training. In 2015, voters approved a \$144 million bond proposal that will fund the

construction of two new middle schools, renovations to a third middle school, construction of new athletic stadiums at each high school, new swimming pools at both high schools, 30 new school buses and instructional technology for all schools.

Growth and economic development can be directly related to the expansion and technological advancement of the transportation facilities. The City of Portage transportation needs are served by excellent road, air and rail facilities. With regard to the roadway network, the city is located at

the crossroads of two significant interstate/freeway corridors: I-94 and US-131 which connect the major markets of Chicago and Detroit and other markets in the Midwest including Grand Rapids, Toledo, Indianapolis, and Milwaukee, for example.

Kalamazoo-Battle Creek International Airport, located adjacent to Portage, is served by American, Delta and United airlines providing approximately 13 daily departures and arrivals. This excellent level of air service provides the community with a diverse selection of air carriers and connecting hubs for both domestic and international air travel. In order to better serve Kalamazoo-Battle Creek International Airport passengers, a new \$39 million, 100,000 square foot airport terminal was completed in 2011. The new terminal offers expanded ticketing and baggage claim areas, passenger boarding bridges at all gates and an expanded area for Transportation Security Administration operations. Also, the Federal Aviation Administration completed the construction of a new control tower in 2012.



Kalamazoo / Battle Creek International Airport

Public and private bus services are also available, as are other forms of ground transportation to serve the needs of business and industrial activities. Grand Elk has rail facilities which traverse the city and provide direct service to a number of industries and businesses in the community.

Portage continues to be a much-desired location for residential, commercial and industrial development opportunities. A range of housing opportunities are available that includes single-family residential, manufactured home communities, multi-family residential (low to high density apartment or condominium developments) and mixed-use developments. South Westnedge Avenue with an interchange at I-94, is one of the busiest commercial corridors in Michigan. This corridor and the immediately adjacent developed area is the primary commercial corridor in southwest Michigan. Likewise, Portage is also a desirable location for manufacturing, hi-tech and life science based business operations.

Department of Community Development, March 2016

CITY OF PORTAGE
Fiscal Policy
Fiscal Year 2016-2017

BUDGET POLICY

Budget policy is established by City Council in the form of formally adopted City-wide goals and objectives. These goals indicate the direction and the emphasis of the annual operating budget and the ten-year Capital Improvement Program.

The biennial citizen survey is a major factor in determining city goals and objectives. Survey questions are recommended by the City Manager based on many factors including Council direction, citizen requests and comments, and changes in the city environment as monitored by administrative and operational staff. The survey is conducted by an independent organization using random sampling techniques. Results are compiled and analyzed in time for the Council goal setting session in December. The results of the goal-setting session inform the direction and emphasis provided to City Administration for the upcoming budget year.

City-wide goals and objectives provide the framework for the management by objectives performance evaluation system. Departments define specific goals within this framework and are evaluated quarterly on their performance relative to these criteria. These criteria are directly linked to the Council Mission Statement and Goals & Objectives. The budget is considered balanced when total revenues for all funds equal or exceed total expenditures for all funds.

BUDGET CALENDAR

Under constitutional, statutory, charter, and administrative guidelines the budget preparation process is as follows:

September - The Community Development Department distributes instructions and forms for the ten-year Capital Improvement Program.

October - The citizen survey is conducted by an independent organization.

November - The Finance Department distributes budget instructions and forms to all departments. Department heads submit Capital Improvement Program recommendations to the City Manager.

December - Council and Administration meet to establish city-wide goals and objectives using the annual citizen survey as a basis for prioritization. On the third Monday in December, completion of the review of the proposed Capital Improvement Program by the City Manager with the assistance of Community Development and Finance Departments.

January - The Administration prepares financial and operational data for review by the Water and Sewer Rate Study Committee. The Capital Improvement Program is submitted to the Planning Commission by the City Manager. The Water and Sewer Rate Committee prepares a recommendation for Council. Department heads submit departmental budgets to the Finance Director no later than the second Monday in January.

February - The Planning Commission recommends the Capital Improvement Program to the City Council. The Water and Sewer rate recommendation is presented to Council, a public hearing is held, and rates are adopted for the budget year.

April - The City Manager submits the operating budget, including the first year of the ten-year Capital Improvement Program, to the City Council at the first Council meeting of the month. The budget is available to the public on the City's website. The City Council begins administrative budget hearings with the City Manager and department heads.

May - The City Council concludes administrative budget hearings. A public hearing on the budget is held at the first Council meeting in May. State mandated special public hearings are held concurrently with the charter required public hearing. The City Council adopts the budget and passes a general appropriations act at the second Council meeting in May. The budget is adopted at the activity level with the exception of the Capital Improvement Fund, which is adopted at the project level.

Once adopted, the budget becomes the legally binding financial plan for the City. Both the full accrual (enterprise and permanent funds) and modified accrual (all other funds) basis of accounting are utilized as appropriate in the preparation of this budget. Basis of accounting refers to when revenues and expenditures/expenses are recognized. Significant revenues recorded on the modified accrual basis include property taxes, interest, reimbursement type grants, certain inter-governmental revenues, and operating transfers. This approach is used because of the focus on the measurement of current financial resources.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

The budgets of the Proprietary Funds use "net assets" instead of "fund balance" to represent the net equity of these fund types.

AMENDMENTS TO THE ADOPTED BUDGET

In conformity with the Michigan Uniform Budgeting and Accounting Act, the budgeted revenues and expenditures are revised as necessary to reflect material changes in projections and to provide funding for programs adopted during the fiscal year. The City Manager is authorized to make budgetary transfers that do not affect overall fund balance. All other budget revisions require City Council approval.

The primary source of adjustment from the council approved budget to the amended budget is a result of the encumbrance method of budgetary control. Encumbrances represent commitments related to contracts not yet performed, and are used to control expenditures for the year and to enhance cash management. The annual operating budget is appropriated for the term of the fiscal year, and lapses at the end of the fiscal year. (Capital project funds are appropriated on a project-length basis and, therefore, do not lapse until the project itself is complete. These encumbrances do not require re-appropriation the following year since the appropriation authority does not expire.) Encumbrances outstanding at year end are not considered expenditures for the fiscal year then ended. City Council appropriates fund balance for encumbrances as of July 1st, amending the new years' budget to accommodate the timing difference for transactions begun but incomplete as of the end of the preceding fiscal year. The difference between an encumbrance and an accounts payable transaction is that expenditures have been recognized and recorded with an accounts payable transaction.

For the year 2015/2016 the amount of encumbrances liquidated at the end of the 2014/2015 fiscal year and appropriated by City Council as an amendment to the 2015/2016 budget was \$1,158,732.

BUDGET BASIS

The budgets of governmental funds including General Fund, Special Revenue Funds, Capital Improvement Fund, and Debt Service are prepared on a modified accrual basis, which is used for financial reporting purposes in the City's audited Comprehensive Annual Financial Report (CAFR).

The Water Fund and Sewer Fund (enterprise funds) were budgeted using the accrual basis of accounting with the exception of using a cash basis approach for the purchase of capital assets, and not recognizing depreciation expense. A full accrual basis of accounting is used for financial reporting purposes in the City's Comprehensive Annual Financial Report (CAFR).

A budget is prepared for the internal service Fleet and Facilities Fund for planning and operations, the budget is included in Appendix F but not legally adopted. Budgets are not prepared for the other two internal service funds, Insurance Fund and Accrued Leave Liability Fund.

RISK MANAGEMENT

The City operates a risk management program to provide for protection against loss and a reduction in exposure to liability as well as an employee safety program to minimize financial losses to the City.

DEBT POLICY

General Obligation Bonds are issued for capital improvements and maintenance or expenditures related thereto. No operating expenses are funded using any form of long-term financing. However, capital leases are to be utilized for specialized equipment, or information technology equipment and software systems, and tax anticipation notes may be necessary to maintain cash flows.

Projects financed through the issuance of debt are not financed for a period that exceeds the expected useful life of the project and in no event shall the term of any debt exceed twenty-five (25) years.

Bond sales, other than tax increment financing bonds, are structured to achieve level debt service payments to the extent possible taking into consideration the costs of such financing and the useful lives of the assets being financed. Either variable or fixed rate financing is used, subject to applicable laws, depending on the cost benefit to the City of each option.

Interest earnings from general obligation bond proceeds are credited to the Capital Improvement Fund.

Competitive sale is used for all general obligation debt issuance of the City of Portage. Negotiated sale and refunding of outstanding debt is considered under unique circumstances at the advice of the Financial Advisor retained by the City.

The outstanding indebtedness of the City does not exceed such levels as to cause the City's credit rating to be impaired, and in all cases the City takes such actions and adopts such policies for general obligation debt as are necessary to maintain a rating at the current Standard and Poor's rating of AA Stable.

The City communicates its financial condition to Standard and Poor's (or successor credit rating agencies), the state information depository, and nationally recognized bond information repositories in order to satisfy continuing disclosure requirements.

As an integral part of the financial planning for the City, the level of total debt outstanding does not exceed the maximum allowed under Michigan law. In no event does the total general obligation debt exceed 10 percent of the state equalized value (SEV) of the City as established by the City Assessor. For 2016-2017, the debt limit is \$211,554,900. More detail is available in the Debt Service section.

In 2007, the City Administration implemented a debt management plan to limit the assumption of additional debt obligations, as a step toward longer term cost control. The plan provided for a reduction in overall City debt by approximately \$35 million over a ten year period. As of June 30, 2008, total City debt was \$105,255,000. As of March 31, 2016, total City debt has been reduced to \$70,000,000. The Debt Service section later in this document contains a listing of current outstanding balances for all debt types not associated with water and sewer (enterprise) funds.

STABILIZATION POLICY

Governments should maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures. Toward that end, City Council adopted a resolution on May 27, 2014, establishing that the level of fund balance in the General Fund be set at 24 percent at the end of a fiscal year, increasing the minimum from the previous target of 13 percent. To the extent that the audited fund balance exceeds 24 percent, the available excess fund balance shall be used to pay cash for future non-utility fund capital improvement projects in an effort to continue reduction of long-term debt.

On November 17, 2015, City Council approved an ordinance amendment to establish a Budget Stabilization Fund, in accordance with Michigan law. Appropriation to or use of the funds requires a two-thirds vote of City Council members. Funds may be used to cover a General Fund deficit, to prevent a reduction in public services, or to cover unreimbursed expenses arising from a natural disaster.

POLICY ON FEES AND CHARGES

The City performs a water rate study annually in order to set water and sewer rates for the approval of City Council for the upcoming year. The level of other fees and charges is annually evaluated by the applicable departments, based on cost recovery principles, and presented to City Council for approval for the upcoming year.

REVENUE DIVERSIFICATION POLICY

The City is dedicated to encouraging a diversity of revenue sources within the parameters permitted by state law. In order to enhance stability, encourage growth, reduce sensitivity to inflation and business cycle impacts, and create a stable environment for business and residential citizens, the City encourages and promotes balanced and innovative development of the tax base and service environment.

EMERGENCY MANAGEMENT

The emergency management program is developed under Act 390 of 1976 as amended, titled the Michigan Emergency Management Act. A local resolution was adopted by City Council on May 2, 1994. The program meets the requirements of the National Incident Management System (NIMS) which was developed as a result of the terrorist attacks on September 11, 2001, and is incorporated as a portion of the four phases of a comprehensive emergency management program which include: Mitigation, Preparedness, Response, and Recovery.

ACCOUNTING AND AUDITING POLICIES

The City has established and maintains a high standard of accounting practices in conformance with Michigan uniform financial reporting and Generally Accepted Accounting Principles (GAAP) for governmental entities as promulgated by the Governmental Accounting Standards Board (GASB).

The City has engaged an independent firm of certified public accountants to perform an annual financial audit in accordance with Generally Accepted Auditing Standards (GAAS) who publicly issue an opinion that will be incorporated in the Consolidated Annual Financial Report.

FUNDS SUBJECT TO APPROPRIATION

The following funds of the City of Portage are subject to appropriation and are included in this budget document.

General Fund

The General Fund is the primary operating fund of the City. It includes the following activities: Legislative and City Manager, City Attorney, Public Safety, Parks and Recreation, Finance, City Clerk, City Assessor, Purchasing, Human Resources, Technology Services, Community Development, the Senior Center, and some Public Service. The majority of General Fund revenue comes from property taxes, state shared revenues, and charges for services.

Major and Local Streets Funds

The Major and Local Streets Funds are special revenue funds, which account for the operations of the street maintenance division. Financing is provided by the City share of State collected gasoline and other vehicular taxes, and supplemental transfers from General Fund.

Sewer Operating Fund

The Sewer Fund is an enterprise funds that accounts for the provision of sewer services to the residents of the city. Activities necessary to provide such services include, but are not limited to, administration, operations, maintenance and construction. The primary revenue source for the Sewer Fund is user fees.

Water Operating Fund

The Water Fund is an enterprise funds that accounts for the provision of water services to the residents of the city. Activities necessary to provide such services include, but are not limited to, administration, operations, maintenance and construction. The primary revenue source for the Water Fund is user fees.

Public Improvements

The *Capital Improvement Fund* accounts for the financing and construction of all capital projects in excess of \$10,000. Revenue sources for the capital improvement fund consist of a separate voted millage, grants, transfers from other funds and proceeds from various debt issues.

The *West Lake Weed Management Fund* accounts for the revenue and expenditures associated with weed management at West Lake. Financing is primarily provided by special assessments to property owners.

Debt Service

The *General Obligation Debt Fund* accumulates monies for the payment of principal and interest on various street, sidewalk, parks and recreation facility improvement general obligation bonds, and the City share of various special assessment bond issues. Financing for bonds is provided by appropriation of a portion of the property tax levy for public improvements authorized pursuant to the City Charter.

The *Michigan Transportation Funds* (MTF) accumulate monies for the payment of principal and interest on motor vehicle highway bonds issued to finance various street improvement projects. Financing is provided by annual appropriations from the Major Street Fund and transfers from the Capital Improvement Fund.

The *Building Authority Fund* accumulates monies for payment of principal and interest on Building Authority bonds. Financing is provided by transfers from the Capital Improvement Fund.

The *Downtown Development Authority Fund* accumulates tax revenue "captured" in the Downtown Development Authority District for the payment of principal and interest on Downtown Development Authority bonds. Recent declines in captured tax revenues have necessitated loans from General Fund to ensure sufficient financial resources.

The *Local Development Finance Authority (LDFA) Fund* accumulates tax revenue "captured" in the Local Development Finance Authority districts for the payment of principal and interest on Local Development Finance Authority bonds.

The *Special Assessment Fund* accumulates monies for payment of principal and interest on bond issues for which property owners received a direct benefit and have been "assessed" a specific levy for this benefit.

Other Funds

The *Curbside Recycling Fund*, a special revenue fund, accounts for the costs associated with the curbside recycling program. This program is funded with a maximum .5 mill levy, as provided by the City Charter.

The *Leaf Pickup and Spring Cleanup Fund*, a special revenue fund, accounts for the costs associated with fall leaf pickup and composting and spring cleanup activities. This program is funded with a maximum .4 mill levy, as approved by voters in July of 1997.

The *Community Development Block Grant Fund*, a special revenue fund, accounts for the revenue and expenditures of Community Development Block Grants provided by the U.S. Department of Housing and Urban Development.

The *Community Development Block Grant Program Income Fund*, a special revenue fund, accounts for repayments on housing rehabilitation loans funded through the Community Development Block Grant program. The repayments are available to loan for additional rehabilitation projects.

The *Cable Television Fund*, a special revenue fund, accounts for revenues received from the cable television permit holders. This Fund supports the operation of public access broadcasting and administration of the City's cable access television ordinance.

The *Municipal Streets Fund*, a special revenue fund, is the result of amendments to the City Charter approved by voters on November 7, 2006, restricting the right of the City to levy special assessments for the construction or reconstruction of streets, and authorizing the permanent levy of up to one mill of tax (one tenth of one percent of the assessed value of all real and personal property in the City) dedicated to the construction or reconstruction of streets under City jurisdiction. This fund accounts for the tax revenues assessed and collected and their expenditure on construction and reconstruction projects of the City.

The *Fleet and Facilities Fund*, an internal service fund (Appendix F), accounts for the costs of purchasing, maintaining and operating vehicles and other equipment used by various City departments. Costs are billed to the user departments based on rental rates, which are adjusted annually.

The *Cemetery Permanent Fund* accounts for revenue from the sale of cemetery lots. The principal received from such sales must be maintained intact and interest earnings are transferred to the General Fund to help finance the ongoing care of cemeteries.



CITY OF PORTAGE

Mission Statement of the Portage City Council

To function as the elected body serving the shareholders (all citizens) of the City:

- (1) to ensure the long-term financial health of the City;
- (2) to promote the highest level of quality of life in all aspects for all residents;
- (3) to provide positive leadership for the entire county-wide community in all areas of municipal governance; and
- (4) to encourage effective long-term planning in all considerations within Council purview.
- (5) to ensure transparency and access to information.

2016-2017 City Council Goals & Objectives

COMMUNITY DEVELOPMENT

Goal: Promote quality of life in Portage.

Objectives:

- Continue prevention and enforcement efforts concerning substance abuse.
- Continue effective community safety programs through prevention, enforcement and education.
- Ensure decent and safe housing and the livability of community neighborhoods.
- Maintain effective planning and development programs to promote orderly, attractive, and environmentally sound growth.
- Continue a commitment to human services to enhance the desirability of the community.
- Continue to encourage citizen involvement in crime prevention measures--business and residential.
- Maintain a coordinated and innovative approach toward developing park land and providing recreational opportunities.
- Continue planning and implementing programs and projects to enhance the City Centre area.
- Promote aesthetic and cultural enhancement.

ECONOMIC DEVELOPMENT

Goal: Demonstrate a commitment to quality economic growth and development.

Objectives:

- Develop an improvement strategy to ensure the continued strength of the City.
- Promote business diversification.

TRANSPORTATION

Goal: Continue to plan and implement improvements to move people and commerce safely and effectively through the community.

Objectives:

- Implement projects proposed within the major thoroughfare plan.
- Continue to implement operational and functional improvements to improve traffic safety and movement.
- Evaluate and promote alternate modes of transportation.
- Continue appropriate improvement of the local street system.
- Continue to seek alternative approaches and methods to enhance preventive maintenance programs.

CUSTOMER RELATIONS

Goal: Promote excellent customer relations.

Objectives:

- Continue emphasis on courteous public service.
- Continue efforts to enhance communication between local government, citizens, the business community and the local educational institutions on City projects and services.

PUBLIC IMPROVEMENTS

Goal: Continue to improve the infrastructure to meet demonstrated needs.

Objectives:

- Continue to improve the wastewater and storm-water systems.
- Continue to improve the water system.
- Promote underground utilities within the City.
- Continue to expand, update and maintain equipment and facilities to provide for the effective operation of City departments.
- Maintain a systematic preventative maintenance program for City-owned buildings.

QUALITY OF ENVIRONMENT

Goal: Enhance environmental quality and protect natural resources.

Objectives:

- Continue to promote effective recycling plans, the use of recycled/recyclable products, and the responsible disposal of hazardous and solid waste.
- Protect water quality through the continued implementation of water management principles, including surface water, groundwater, and stormwater programs.
- Further promote environmental protection, planning, monitoring and educational programs.

SERVICE DELIVERY

Goal: Continue to provide high quality, effective and cost efficient municipal services.

Objectives:

- Continue to evaluate alternatives to meet increased service demands.
- Promote teamwork and unity of purpose between the public and private sectors.
- Continue to increase efficiency by applying new technology.
- Continue to prioritize existing services--including the elimination of low-priority services.
- Monitor, evaluate, and communicate service delivery options.
- Continue to pursue mutually beneficial intergovernmental ventures.
- Further expand employee training and wellness programs and opportunities to ensure a well-trained, healthy and motivated work force.
- Further improve the utility of citizen advisory boards.
- Evaluate and propose possible Charter and ordinance revisions.
- Continue to evaluate contracting or privatizing City services and programs.

FINANCE AND BUDGETING

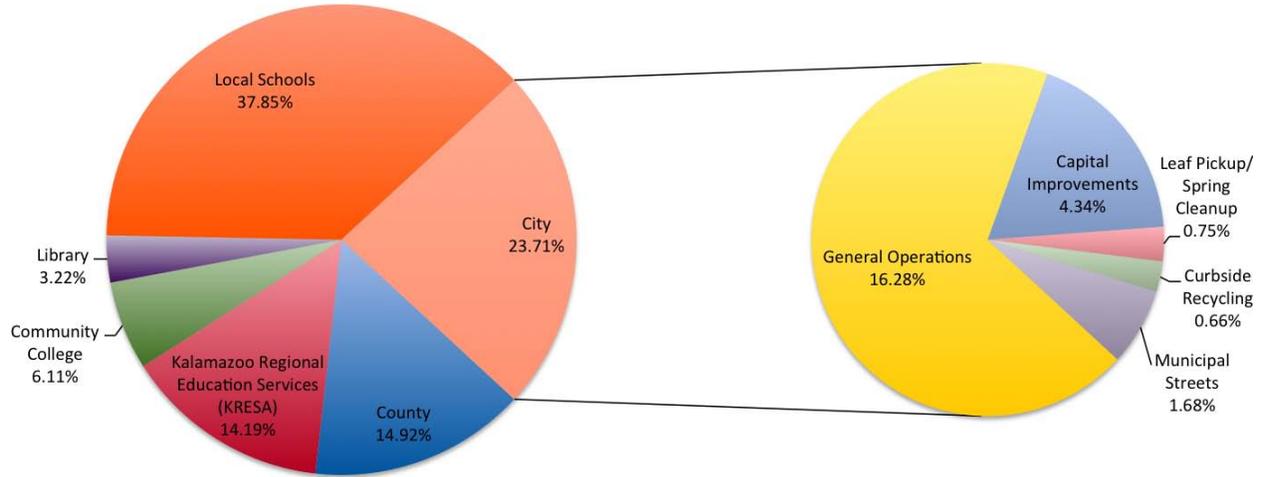
Goal: Maintain the financial health of the City.

Objectives:

- Continue to pursue revenue enhancement through alternate funding opportunities.
- Assess financing methods for future capital improvement needs.
- Continue to evaluate expenditures to provide for the most effective and efficient use of City resources.
- Promote volunteerism to assist in providing important services.
- Promote safety and minimize risk exposure by continuing to identify and prevent accident/ liability exposure.
- Consider and implement alternative means of addressing City insurance needs to further enhance financial health of the City.

WHERE TAXPAYER DOLLARS WENT IN 2015-16

For each \$100 of property taxes paid (2015 tax billings), the City Treasurer distributed to the schools, county, library and city in the amounts shown below:



The above graphs are based on the 2015 tax levy for the fiscal year ended June 30, 2016 as shown below:

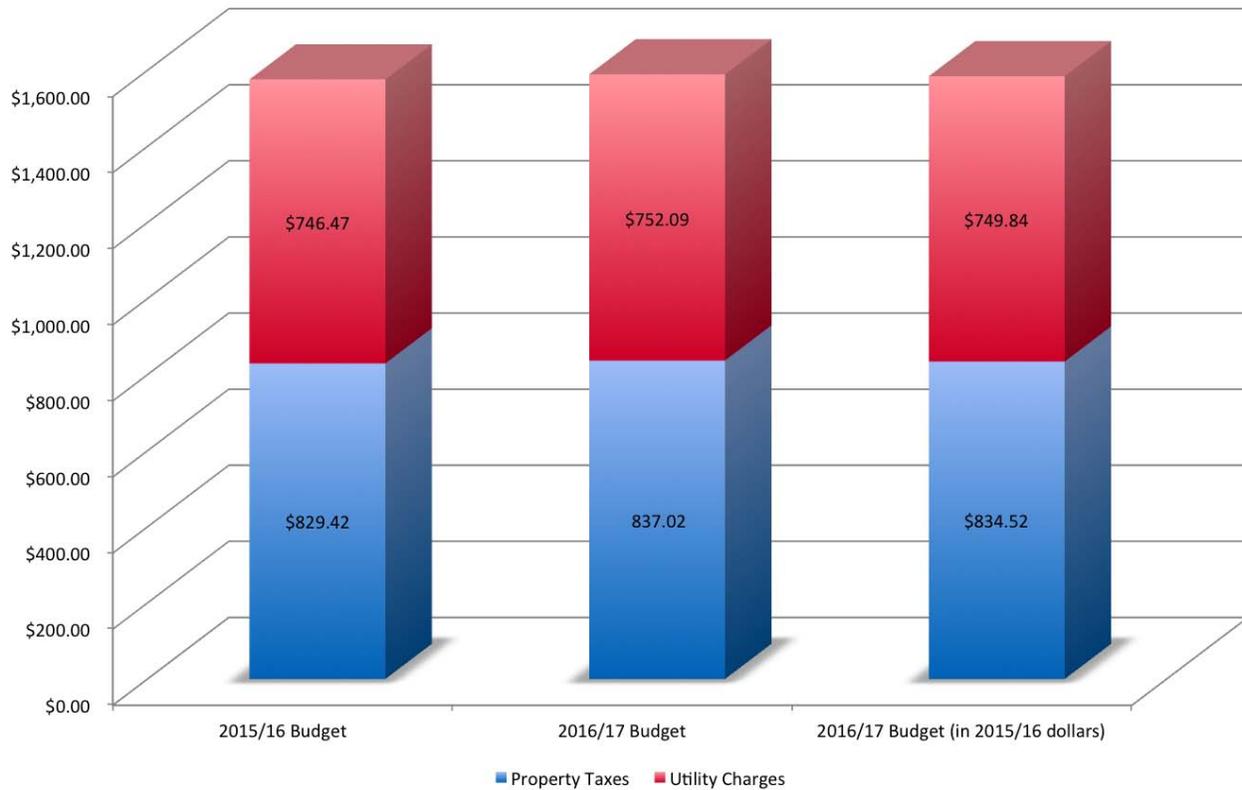
Percentage of Tax Levy

City	23.71%
County	14.92%
Kalamazoo Regional Ed. Services	14.19%
Community College	6.11%
Library	3.22%
Local Schools	<u>37.85%</u>
	100.00%

City Millage

General Operations	7.5000	\$16.28
Capital Improvements	2.0000	\$4.34
Leaf Pickup/Spring Cleanup	.3455	\$0.75
Curbside Recycling	.3049	\$0.66
Municipal Streets	<u>.7752</u>	<u>\$1.68</u>
	10.9256	\$23.71

COST OF CITY SERVICES TO THE TYPICAL CITY OF PORTAGE RESIDENCE



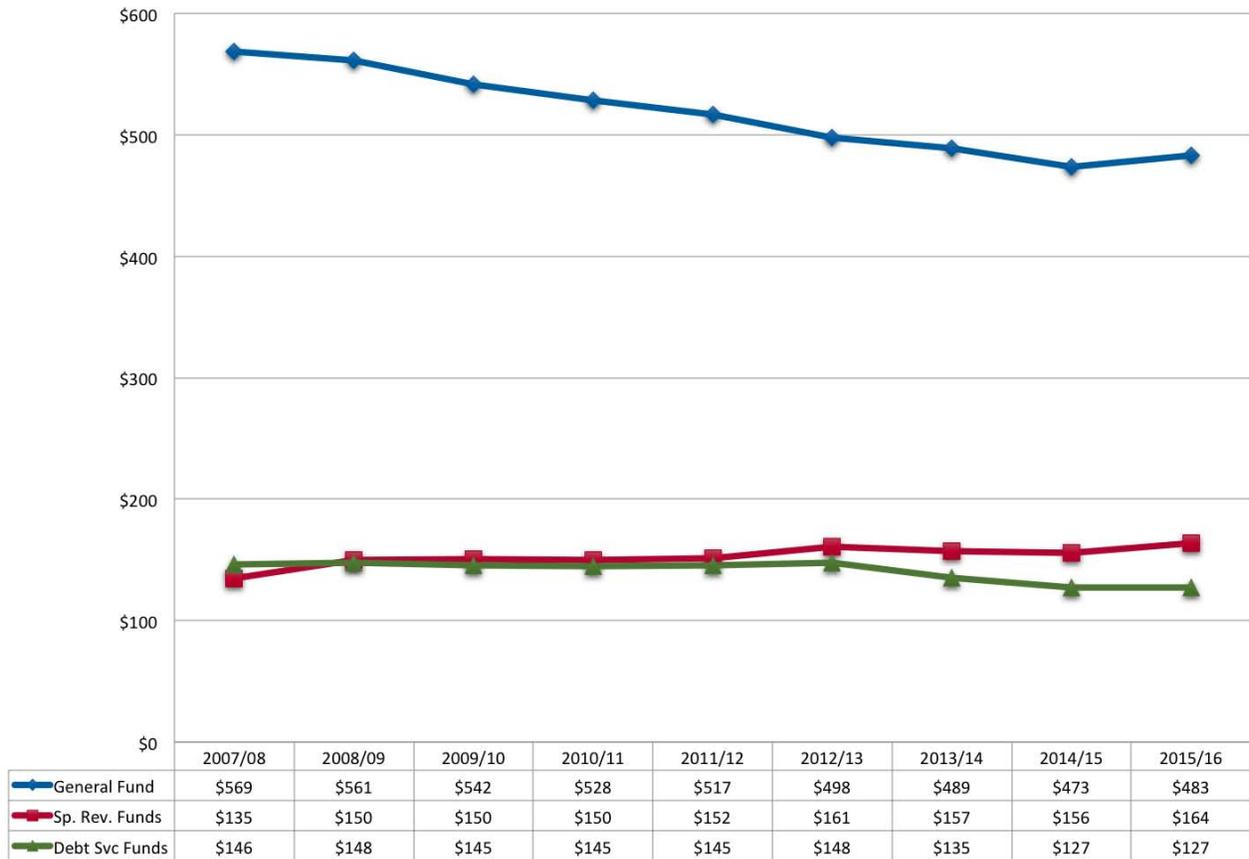
The chart above depicts the property tax and utility costs of a typical residence in the City of Portage.

The total cost of City services to the typical City resident will increase by \$13.22 in the upcoming year given that:

- taxable value decrease of approximately 6.3% for 2016, with revenue reduction offset by reimbursement from the Local Community Stabilization Authority,
- slight increase in City tax rate for services, and
- a necessary increase in City utility rates, primarily to maintain adequate working capital.

After adjusting for inflation, this change actually represents an increase of \$8.47 in 2015/2016 dollars.

NET OPERATING REVENUES PER HOUSEHOLD (in Constant \$)



Formula:

$$((\text{Net Operating Revenues in constant \$}) / (\text{Number of Households}))$$

Net Operating Revenues are defined as:

Gross Revenues

less restricted revenue for capital improvements that remain in operating funds

less mandated capital improvement transfers

less revenues legally restricted for special non-operating purposes

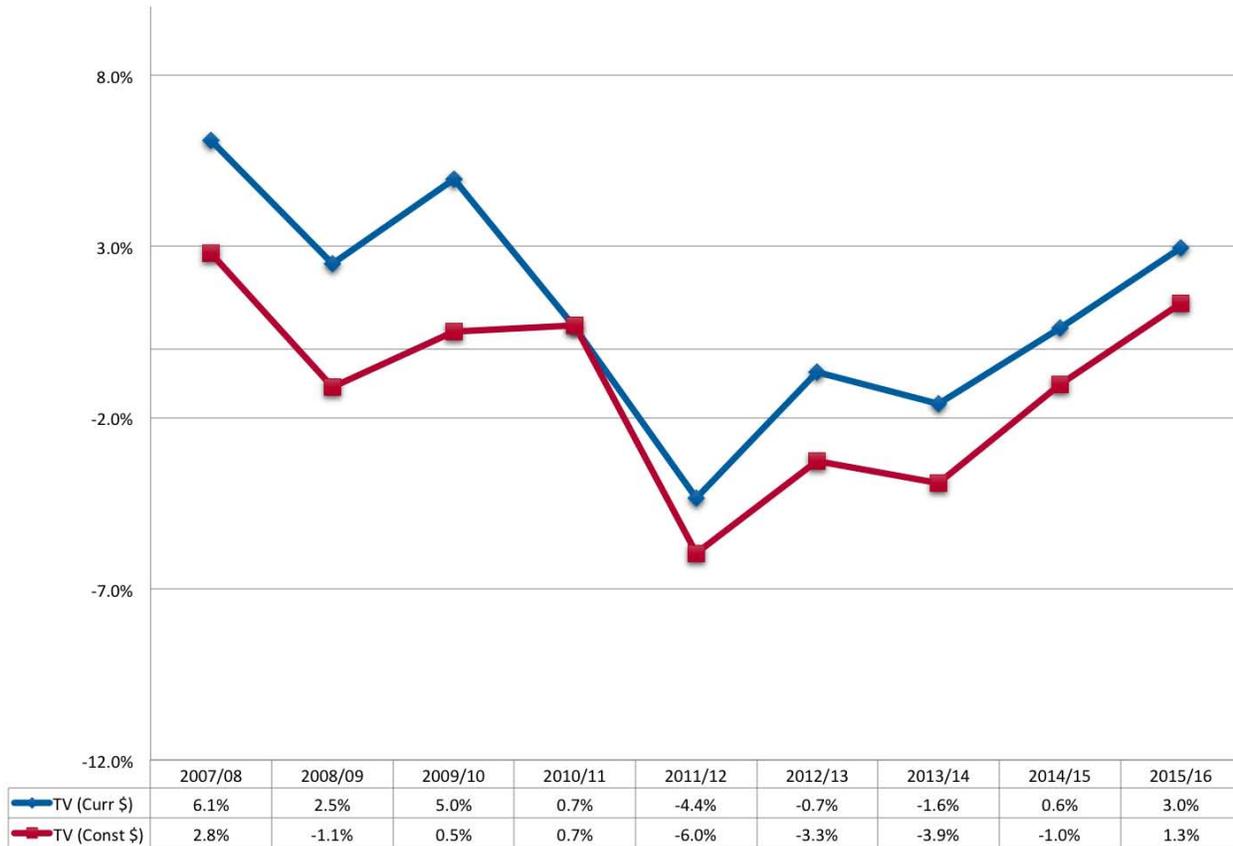
Description:

Examining per household revenues shows changes in revenues relative to changes in the number of households. As the number of households increases, it could be logically expected that revenues and the need for revenues would increase proportionately. Therefore, the level of per household revenues should remain relatively constant when adjusted for inflation. Decreasing per-household revenues could mean the City would be unable to maintain existing service levels unless it finds new revenue sources or ways to reduce the cost of providing services, assuming that the demand for services is directly related to the number of households. A decreasing trend in per household revenues can result from such factors as property values, general economic declines, changes in population or population-related demographics, problems with revenue structure, or periods of high inflation.

Analysis:

The trend since 2007/08 has been a decline with losses in taxable values, but the increase in 2014/15 was a reversal of that trend. Three of the Special Revenue funds also rely on tax revenues, and have shown slow improvement. Declines in Debt Service Fund revenues were driven by declines in debt service requirements as efforts to reduce borrowing began. From 2008 to 2011, state shared revenue decreased, and while that trend reversed in 2012, payments have not returned to pre-2007 levels. Interest income has remained depressed, but building permit revenues have recently increased.

**% CHANGES IN TAXABLE VALUE
(in Current \$ and Constant \$)**



Formula:

$$((\text{Amount of \$ Change in Taxable Value} / \text{Taxable Value \$ in Previous Year}) - 1.000) \times 100$$

This formula applies regardless of whether the taxable values used are expressed in current dollars or constant dollars.

Note: The taxable value used in these calculations reflects the fact that the taxable value used in the fiscal years displayed above is actually determined as of December 31 of the previous year. For example, the taxable value for fiscal 2015/2016 was actually determined as of December 31, 2014. That taxable value then determined the property tax revenue available from the 7/1/2015 and 12/1/2016 billings. These billings provided revenue for Fiscal Year 2015/2016.

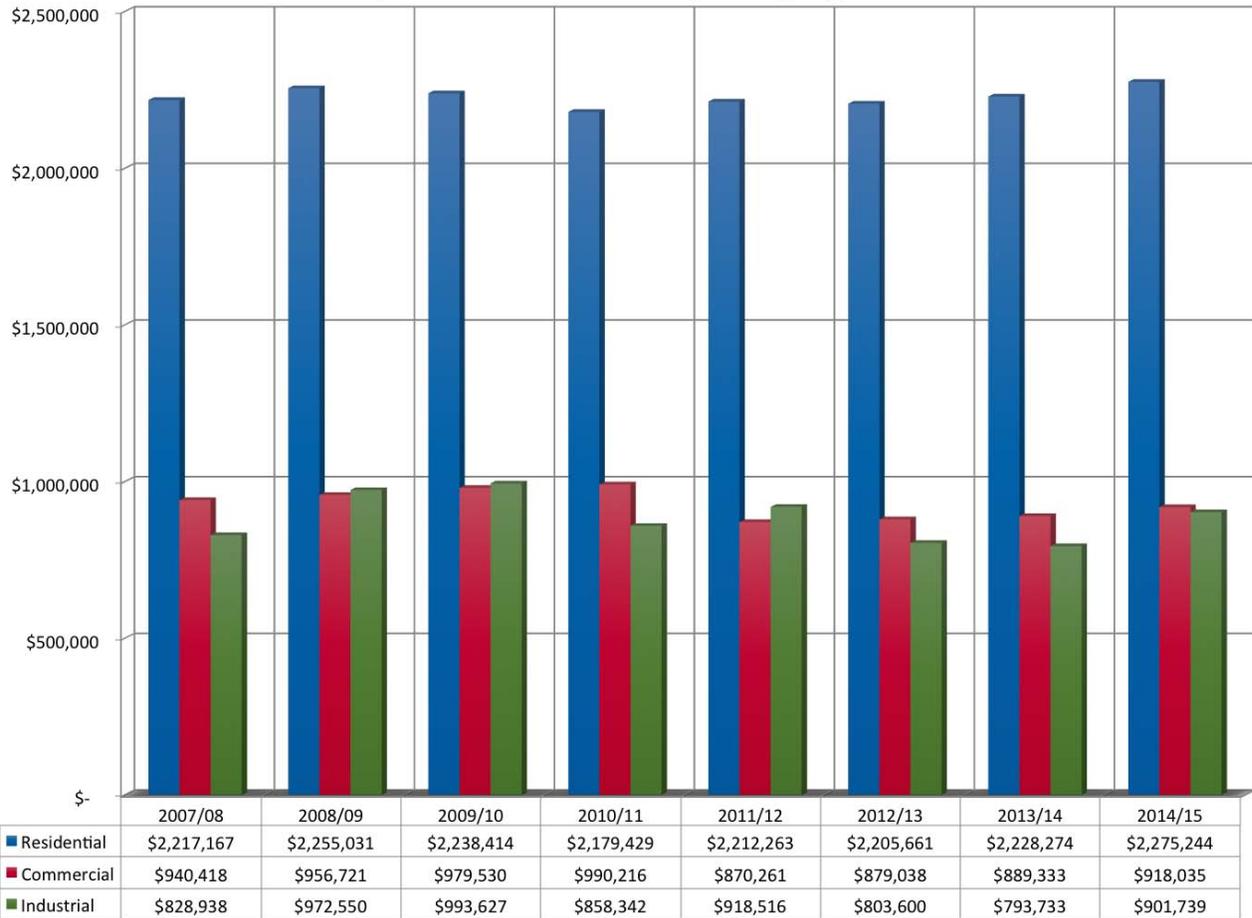
Description:

Monitoring changes in Taxable Value (TV) is important because the City depends on property taxes for a substantial portion of its revenues. The overall effect of declining property values on City revenues is dependent on how heavily the city relies on property taxes as a source of revenue. A decline in a city's property values is most likely a symptom of other underlying problems and not a cause of the problem itself.

Analysis:

The passage of Proposal A in 1994 regulates the Taxable Value (TV) on most property and the TV increases by the rate of increase in the Consumer Price Index. New construction of major properties provides a significant increase in taxable values and explains many of the spikes in this indicator, some of which are related to the mortgage lending crisis. The market value of property, primarily residential property, decreased in 2009/10 so that the TV increase allowed by the state's inflation adjustment factor did not increase the value of all properties. The TV may not be greater than the State Equalized Value, and for the first time under Proposal A, a significant number of property Taxable Values were constrained due to this requirement. Reduction in the rate of decline resulted in positive change for fiscal 2015-2016.

PROPERTY MARKET VALUE (Total Market Value by Category)



Formula:

For any market category, the percent of market value represented by a specific category is:

$$\frac{((\text{Market Value of Specific Category}) / (\text{Combined Market Value of All Categories})) \times 100$$

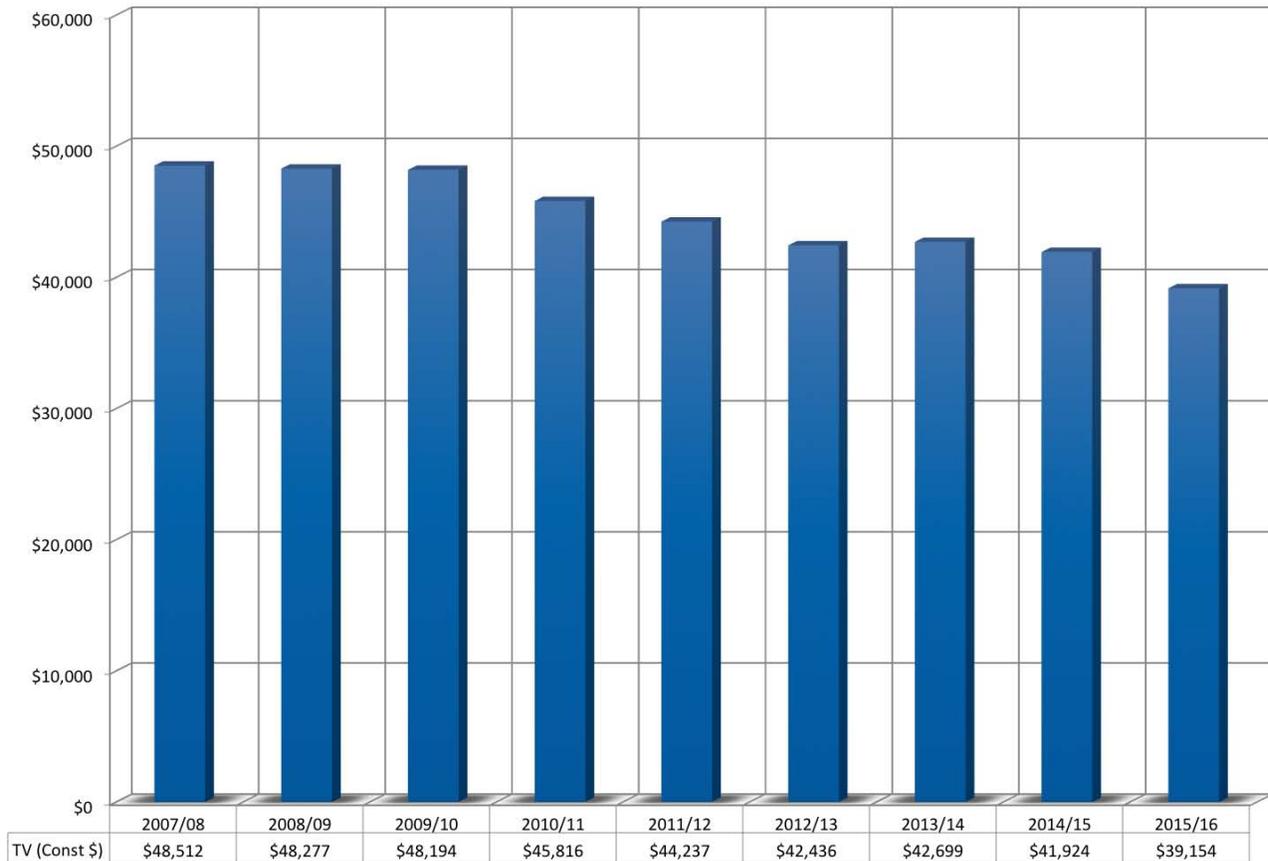
Description:

While the residential segment of market value is the most stable, the net cost of serving residential development is, in general, higher than the net cost of serving commercial or industrial development. Residential development creates more expenditure demands than revenue receipts, whereas commercial and industrial development create more revenue receipts than it does expenditures. In an ideal situation, a city should have sufficient increases in commercial and industrial development in order to offset its inevitable increases in residential development. Although this general principle applies, in reality the City also must consider the general economic conditions in the area and the City's demographic trends as well.

Analysis:

In general, the residential market value category has risen in recent years from 53.1 percent in 2009-2010 to 55.6 percent in 2014-2015.

**TAXABLE VALUE PER HOUSEHOLD
(in Constant \$)**



Fiscal Year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Current \$ Taxable Value (\$000)	\$1,909,188	\$1,993,262	\$2,092,151	\$2,105,785	\$2,013,994	\$2,000,520	\$1,968,925	\$1,980,551	\$2,039,229
Constant \$ Taxable Value (\$000)	\$951,568	\$984,845	\$976,356	\$985,675	\$926,951	\$896,543	\$861,444	\$852,612	\$864,047

Formula:
(Taxable Value adjusted to constant \$) / (Number of Households)

State Equalized Valuation (SEV): Per Michigan law, 50 percent of the market value of all real property and business personal property in the City is subject to taxation after market value has been adjusted for the effects of inflation. With the passage of Proposal A in 1994, property taxes are determined using Taxable Value not SEV. All values shown above are based on Taxable Value.

Description:

Taxable Value (TV) is a measure of the property tax base and is the primary source of revenue to the City. Measuring TV in inflation-adjusted dollars over time gives the City a measurement of how well this important revenue base is being maintained in comparison to the category that generates the primary demand for services from the City. Increases in TV, however, do not necessarily equate to tax revenue increases. Millage levies are also subject to Michigan statutes and may require decreases in millage from one year to the next depending on complex economic calculations. The actual level of the millage levy is also dependent on the desires of the local government legislative body (i.e., the City Council) within limitations imposed by the City Charter and Michigan statutes.

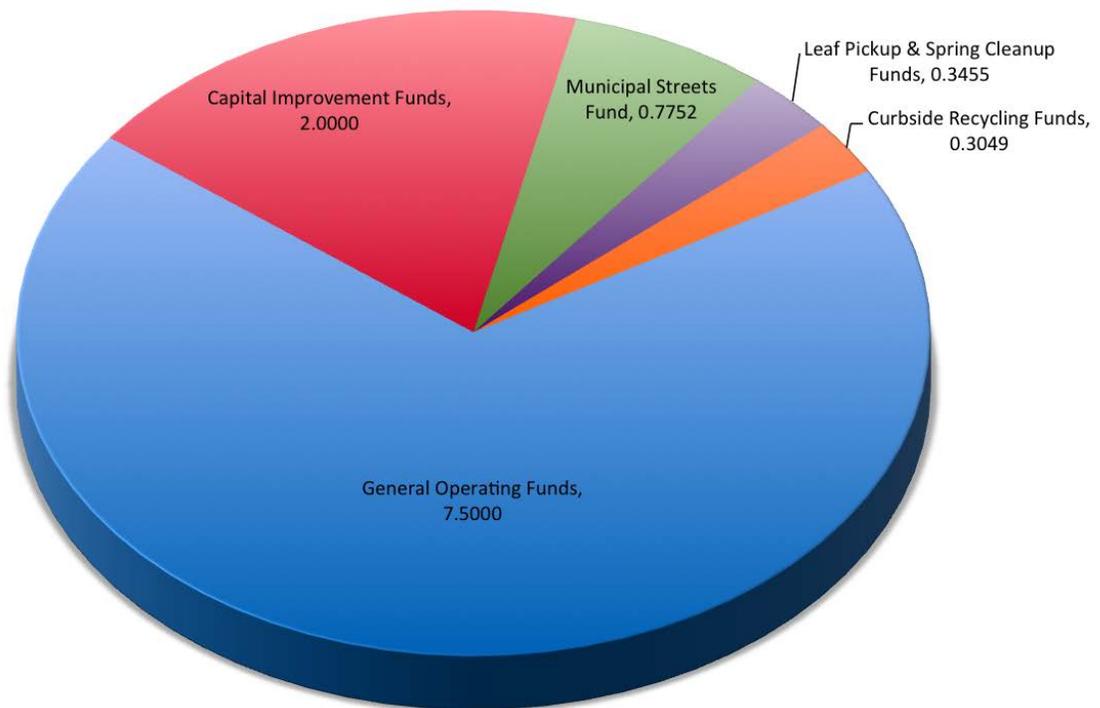
Analysis:

Taxable Value per household in inflation-adjusted dollars had remained relatively stable until 2009/10. Since that time, growth of the commercial and industrial categories had kept pace with residential growth but real estate values were adversely affected by the recession and mortgage industry problems.

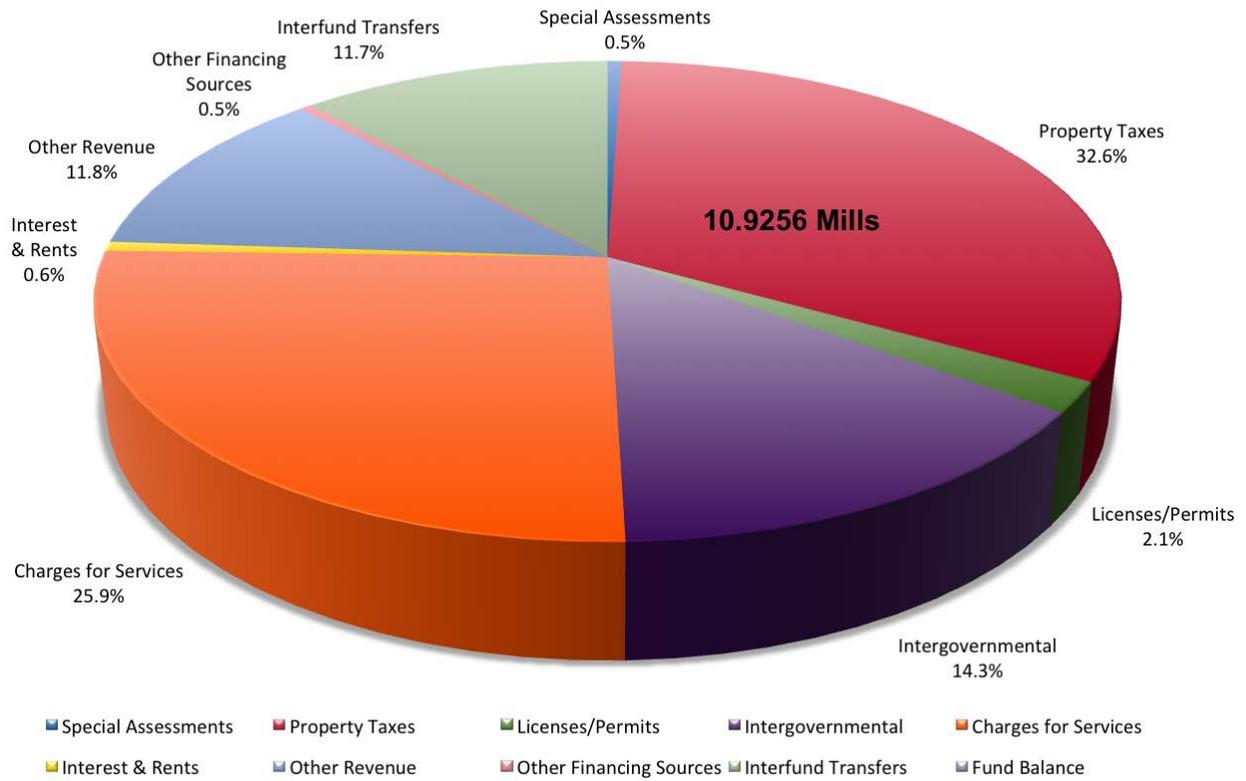
**MILLAGE RECAP
2016-2017 BUDGET**

	2015/16 Rates	2016/17 Recommended Rates	Change from 2015/16 Rates
General Fund	7.5000	7.5000	0.0000
Capital Improvement Fund	2.0000	2.0000	0.0000
Curbside Recycling Fund	0.3049	0.3049	0.0000
Leaf Pickup / Spring Cleanup Fund	0.3455	0.3455	0.0000
Municipal Streets Fund	0.7752	0.7752	0.0000
	<u>10.9256</u>	<u>10.9256</u>	<u>0.0000</u>

CITY MILLAGE BREAKDOWN BY FUND CATEGORY



SOURCES OF FUNDING - ALL FUNDS

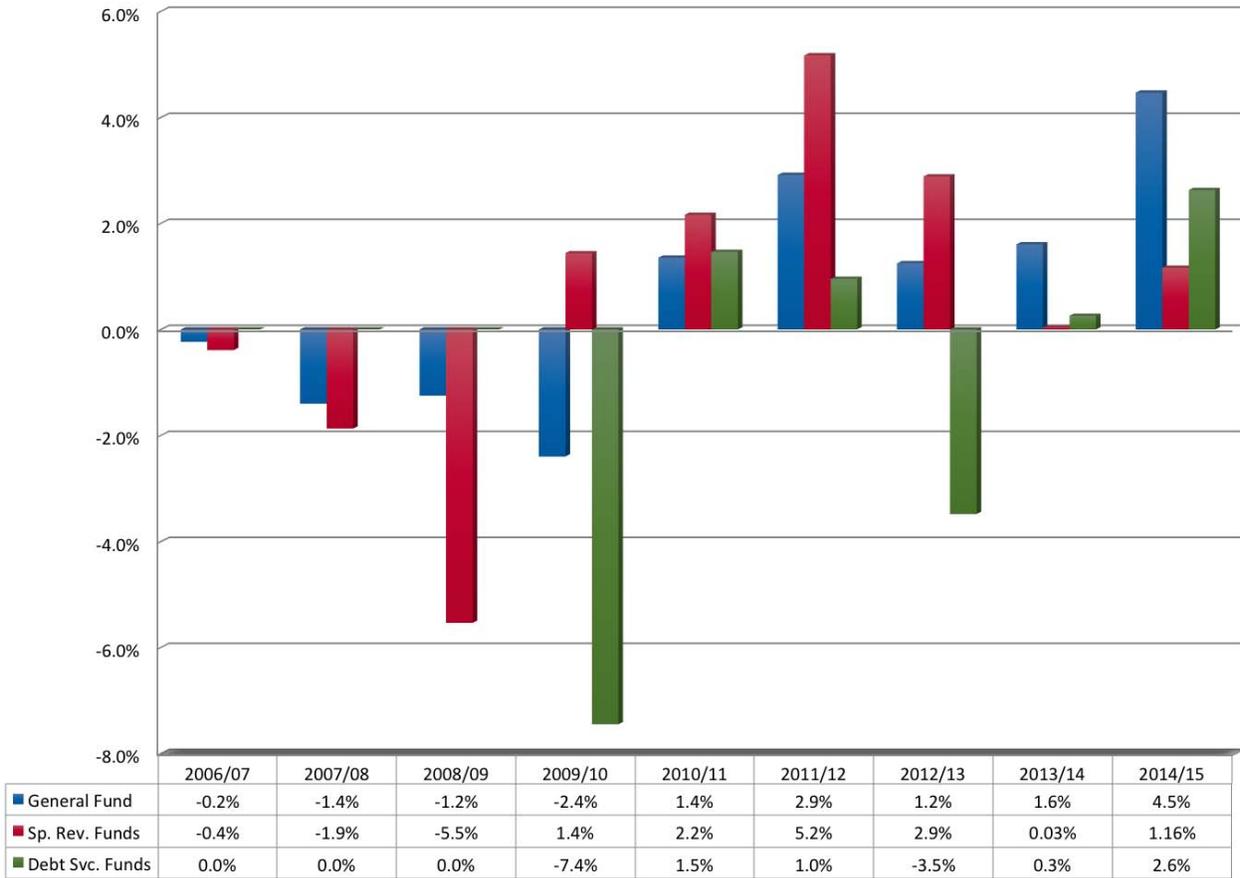


**SUMMARY OF REVENUES
ALL FUNDS
FISCAL YEAR 2016 - 2017**

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
GENERAL FUND	22,603,015	23,498,166	23,742,956	23,497,014	23,989,282
STREET FUNDS					
Major Streets	4,142,681	3,401,735	3,059,744	3,059,744	3,016,888
Local Streets	1,147,202	1,186,867	1,556,790	1,129,563	1,137,905
Municipal Streets	1,224,151	1,519,672	1,577,400	1,577,400	1,582,139
UTILITY FUNDS					
Sewer Operating	8,621,045	9,090,945	8,927,600	8,927,600	9,167,000
Water Operating	6,791,871	6,703,746	7,022,700	7,022,700	7,084,000
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	9,606,568	9,365,622	14,730,880	14,114,000	14,833,000
Lakes-Weed Management	10,643	10,794	23,600	23,600	32,100
DEBT SERVICE FUNDS					
General Obligation Debt	3,039,822	7,923,193	2,991,300	2,991,300	2,646,800
MTF 1997	128,002	122,137	117,100	117,100	112,000
MTF 2008	272,052	274,331	217,500	217,500	240,000
MTF 2010 Refunding	823,011	935,571	1,027,400	1,027,400	649,200
Building Authority Debt Service	650,654	612,803	617,713	617,713	828,000
DDA Debt Service	303,259	392,359	390,700	390,700	373,500
LDFFA Debt Service	494,341	515,389	501,900	501,900	492,500
Special Assessment Debt Service	130,472	69,401	175,065	175,065	366,071
OTHER FUNDS					
Curbside Recycling	596,597	597,879	621,300	621,300	630,800
Leaf Pickup/Spring Cleanup	677,123	678,796	703,500	703,500	715,569
Community Development Block Grant	-	202,929	381,488	221,442	229,877
Cable Television	806,406	867,998	790,960	765,800	847,000
Cemetery Permanent Fund	49,721	35,820	44,100	44,100	41,500
CDBG Program Income	-	89,558	135,000	135,000	150,000
TOTAL REVENUE	<u>62,118,636</u>	<u>68,095,711</u>	<u>69,356,696</u>	<u>67,881,441</u>	<u>69,165,131</u>

Additional information is available in the respective detailed departmental budget.

**REVENUE SURPLUS/SHORTFALL VS. BUDGET
(General Fund, Special Revenue Funds, Debt Service Funds)**



Formula:

$$((\text{Actual Net Operating Revenue} - \text{Budgeted Net Operating Revenue}) / (\text{Actual Net Operating Revenue})) \times 100$$

Description:

This indicator examines the differences between the net operating revenues budgeted and the actual net operating revenues received during the fiscal year.

Analysis:

This chart indicates that, typically, budget estimating methods are relatively accurate and slightly on the conservative side. The General Fund 2014-2015 surplus relates primarily to increased building fees and permits and a one-time recognition of revenue from excess insurance assets. Also, during 2014-2015, an increase in road funds from the state was a boost for Special Revenue Streets fund revenues, while improving property tax capture in the Downtown Development Authority and Local Development Authority Funds were the primary cause of that surplus.

Ratio: Intergovernmental Operating Revenues as a percentage of gross operating revenues

General fund – steady over the prior 9 years, averaging 16 percent.

Special Revenue funds – declined from 64 percent in 2005-2006 to 51 percent in 2008-2009, averaging 51 percent since.

Formula:

$$((\text{Intergovernmental Operating Revenues}) / (\text{Gross Operating Revenues})) \times 100$$

Note: Intergovernmental Operating Revenues are those revenues received from other governmental entities, primarily the State of Michigan, for local operations. The primary examples of these intergovernmental operating revenues are:

- General state-shared revenues received by the General Fund
- Act 51 revenues received by the Major and Local Streets Funds

Description:

Monitoring of intergovernmental revenues is important because an overdependence on such revenues can be detrimental. If the external governmental source withdraws the funds entirely or reduces its share of costs, the City is left with the choice of cutting programs or paying for the existing programs from local revenue sources. This can endanger other programs as well. In addition, conditions attached to the revenues by the external source may prove too costly, especially if the conditions are changed after the City has already become dependent on the program. The primary reason for analyzing intergovernmental operating revenues is determining whether the local government is controlling its use of the external revenues or whether these external revenues are controlling the local government.

Analysis:

The General Fund is dependent to some extent on state-shared revenues. As noted above, intergovernmental revenues continue to hover at a level around 16 percent of General Fund revenues. The decline of state revenue sharing has ceased for the time being, and levels have been steady over the last 5 years. In Special Revenue funds, Act 51 revenues declined through 2008-2009, settling at a level that has been providing approximately 50 percent of revenues in the special revenue funds.

Ratio: Restricted Operating Revenues as a percentage of net operating revenues

General fund – less than 1 percent over the prior 9 years.

Special Revenue funds – declined from 74 percent in 2005-2006 to 61 percent in 2008-2009, averaging 61 percent since.

Debt Service funds – fluctuates between 9 percent and 16 percent, averaging 13 percent over the prior 9 years.

Formula:

$$((\text{Restricted Operating Revenues}) / (\text{Net Operating Revenues})) \times 100$$

Note: A Restricted Operating Revenue is one that is legally earmarked for a specific use. This may be required as a matter of Michigan Law, bond covenants, or grant requirements. For example, the State of Michigan requires that gasoline tax revenues be used only for street maintenance or construction.

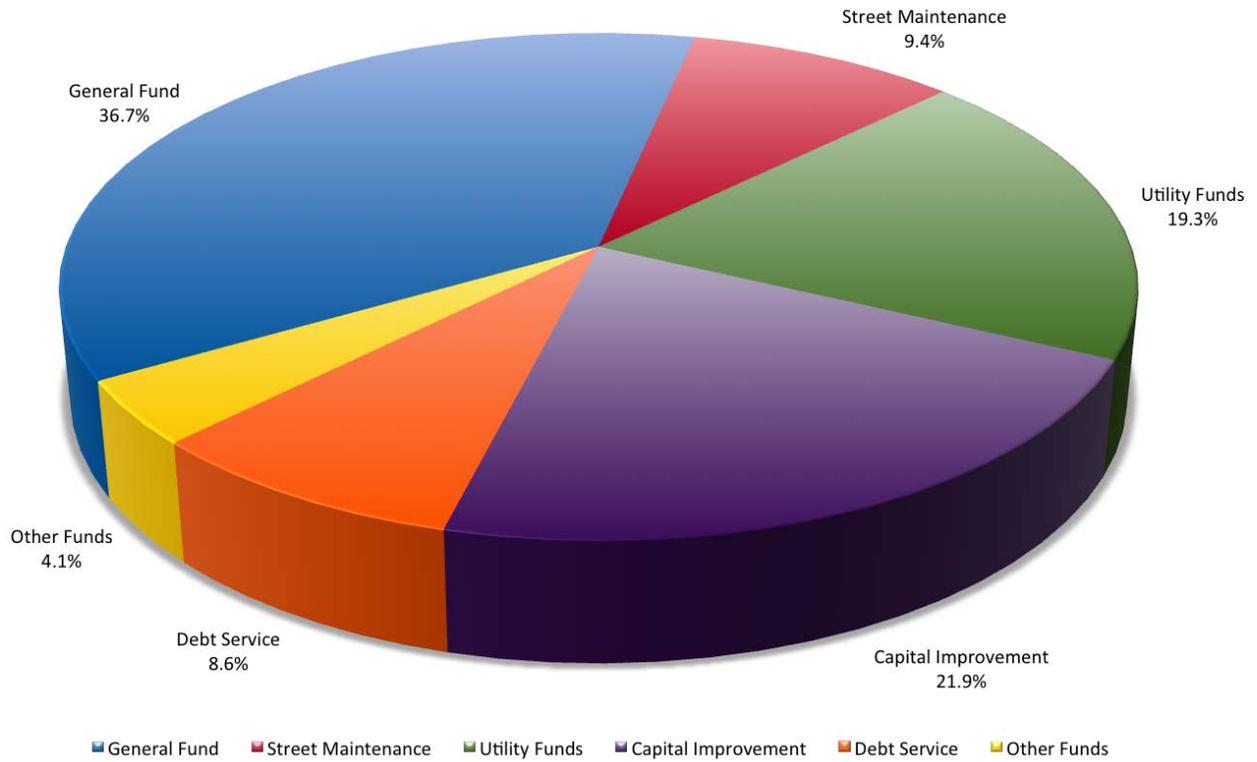
Description:

From one perspective, it would seem that many of these restrictions, should not affect the City's financial health. However, a government may develop economic and political dependencies on these revenues and the programs they support. As the percentage of restricted revenues increases, the City can lose its ability to respond to changing conditions and to citizens needs/demands. Increases in the restricted revenues percentage may also indicate overdependence on external revenues and signal a future inability by the City to maintain service levels.

Analysis:

Restricted operating revenues are virtually nonexistent in the General Fund. A large portion of the revenues received by the special revenue funds are by nature legally restricted, such as the gasoline tax (Act 51) revenue received by the street funds that is restricted for street maintenance and construction. Similarly, a portion of the revenue received by the debt service funds from general obligation millages and captured millages is also legally restricted.

ALL FUNDS EXPENDITURES BY FUND GROUP



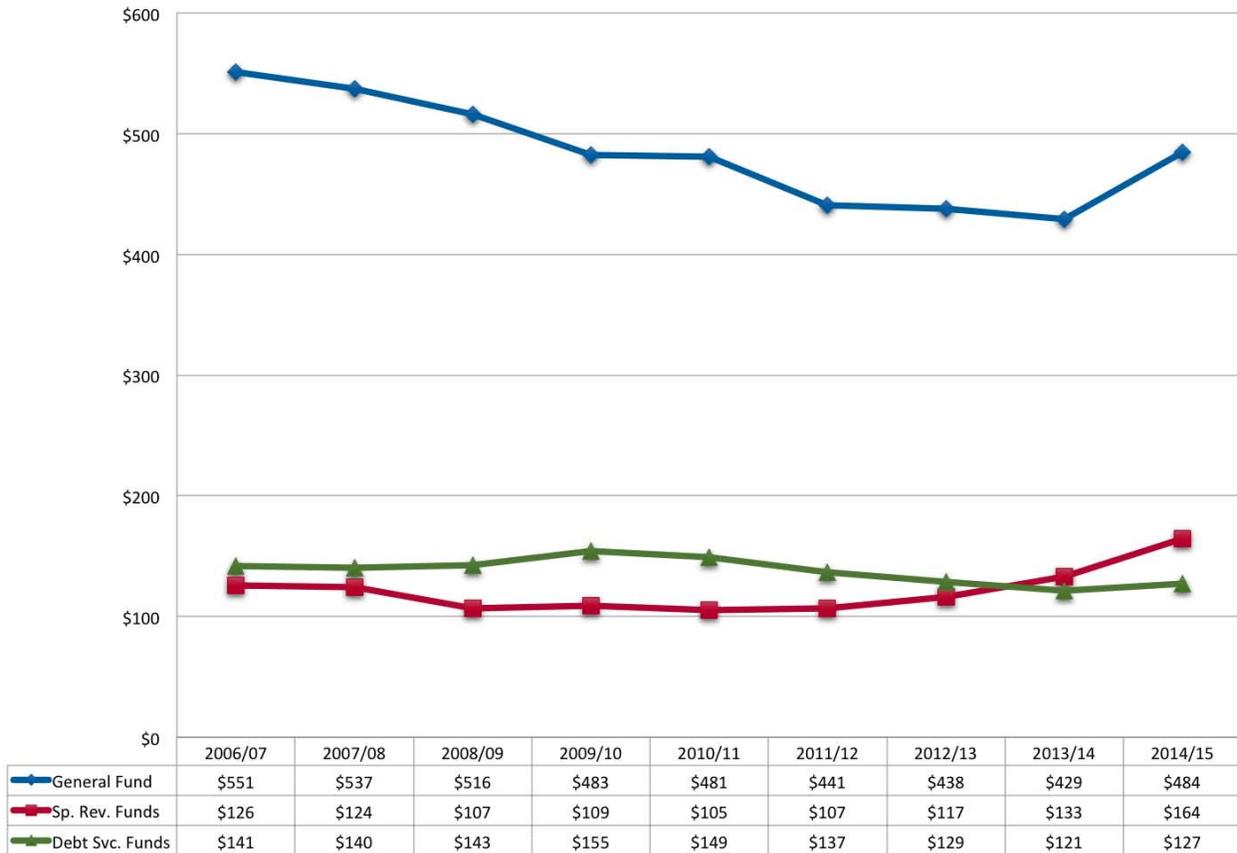
The above chart depicts the allocation of City of Portage expenditures by all fund groups.

**SUMMARY OF EXPENDITURES
ALL FUNDS
FISCAL YEAR 2016 - 2017**

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
GENERAL FUND	23,066,192	22,435,663	28,871,379	25,234,419	25,101,388
STREET FUNDS					
Major Streets	4,043,793	3,648,313	3,467,176	3,298,988	3,409,832
Local Streets	1,137,899	1,107,276	1,690,116	1,195,742	1,303,231
Municipal Streets	1,229,400	1,484,000	1,604,330	1,604,330	1,580,420
UTILITY FUNDS					
Sewer Operating	7,066,579	8,084,334	8,079,894	7,844,078	8,023,912
Water Operating	4,151,316	4,111,367	5,399,187	5,123,687	5,140,886
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	8,108,972	9,436,141	19,091,393	13,994,000	14,833,000
Lakes-Weed Management	5,300	32,220	46,027	40,000	40,000
DEBT SERVICE FUNDS					
General Obligation Debt	2,994,463	7,908,770	2,990,335	2,990,335	2,798,980
MTF 1997	127,131	122,181	117,060	117,060	111,931
MTF 2008	271,763	274,300	216,980	216,980	239,913
MTF 2010 Refunding	820,525	935,675	1,027,225	1,027,225	649,044
Building Authority Debt Service	610,812	576,289	613,992	613,992	827,560
DDA Debt Service	429,859	375,029	430,145	430,145	457,796
LDFA Debt Service	515,013	2,654,563	490,330	490,330	476,708
Special Assessment Debt Service	178,700	137,101	302,618	302,618	292,153
OTHER FUNDS					
Curbside Recycling	636,239	593,394	690,025	684,225	651,844
Leaf Pickup/Spring Cleanup	729,283	630,995	741,771	717,806	722,404
Community Development Block Grant	-	202,929	381,588	221,442	229,877
Cable Television	820,407	686,180	913,440	882,083	1,018,179
Cemetery Permanent Fund	4,000	1,582	4,100	4,100	4,000
CDBG Program Income	-	86,680	135,000	135,000	150,000
TOTAL EXPENDITURE	<u>56,947,646</u>	<u>65,524,982</u>	<u>77,304,111</u>	<u>67,168,585</u>	<u>68,063,058</u>

Additional information is available in the respective detailed departmental budgets.

NET OPERATING EXPENDITURES PER HOUSEHOLD (In Constant \$\$)



Formula:

$$(Net\ Operating\ Expenditures\ adjusted\ to\ Constant\ \$) / (Number\ of\ Households)$$

Note: Net operating expenditures are calculated as follows:

- Total expenditures
- less mandated capital improvement transfers
- less expenditures of revenues that are legally restricted to special, non-operating purposes

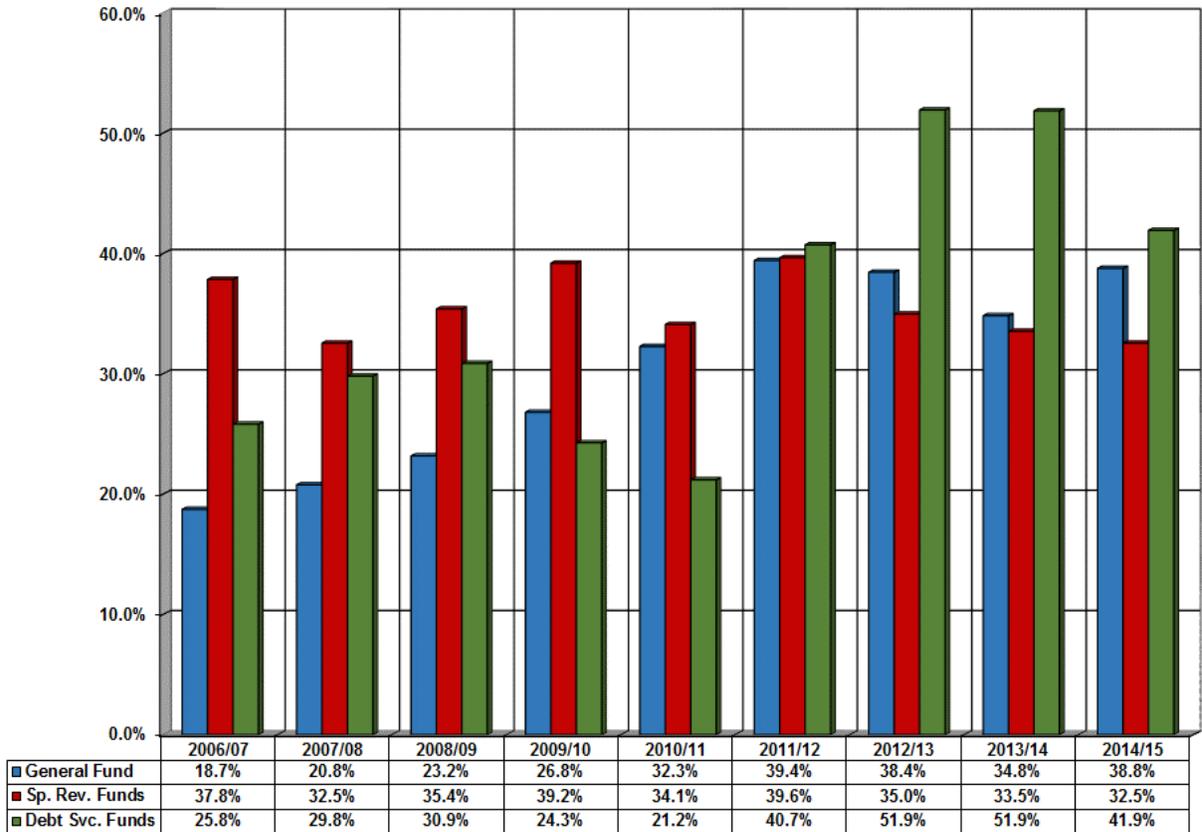
Description:

Examining per household expenditures shows changes in City expenditures relative to change in the number of households. Increasing expenditures per household can indicate that the cost of providing services is outstripping the City's ability to pay for those services. This is especially true if spending is rising faster than the residents' personal income per household. From a different perspective, if the increase in spending is greater than what can be accounted for through inflation adjustment, it may indicate declining productivity, i.e., the City is spending more inflation-adjusted dollars to support the same level of services to its residents.

Analysis:

Inflation-adjusted net operating expenditures per household by the General Fund remained relatively constant through 2007-2008, and for a time cost control efforts put in place held or reduced General Fund expenditures in several areas. Increases in revenues in 2014-2015 allowed a partial return to prior service levels. Changes in special revenue funds are generally due to the amount of revenue available, particularly Act 51 street maintenance revenues.

UNASSIGNED FUND BALANCE As a % of Net Operating Revenues



Formula:

$$((\text{Unassigned Fund Balance}) / (\text{Net Operating Revenues})) \times 100$$

Note: Fund balance is the difference between the cumulative revenues and cumulative expenditures of the fund since its inception. The unassigned fund balance is that portion of the fund balance which is not legally set aside for a specific purpose.

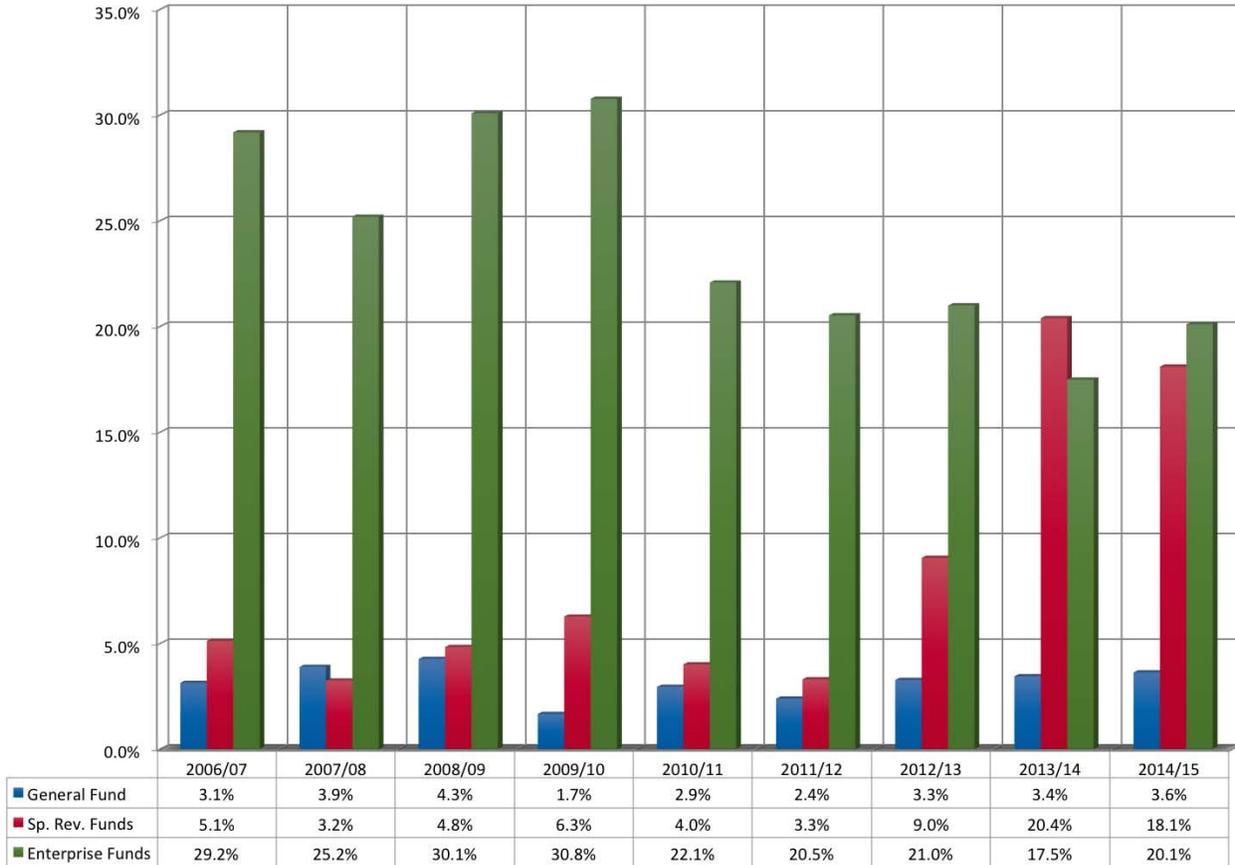
Description:

Although positive fund balances can also be thought of as reserves, the “fund balance” entry on a local government’s annual report is not always synonymous with “available for appropriation.” The size of a local government’s fund balance affects its ability to withstand unforeseen financial emergencies. Fund balance is an indicator of financial soundness. It provides a hedge against inflation and a reserve for emergencies.

Analysis:

The City strives to maintain an adequate minimum fund balance level in all funds, both as a safety measure and to ensure a stable cash balance to fund continuing operations. Reduction of expenditures where possible through the recent economic downturn has outpaced declines in revenues, resulting in healthy levels of unassigned fund balance.

**CURRENT LIABILITIES
As a % of Net Operating Revenues**



Formula:

$$((\text{Current Liabilities}) / (\text{Net Operating Revenues})) \times 100$$

Note: Current liabilities are defined as the sum of all liabilities due at the end of the fiscal year including short-term debt, the current portion of long-term debt, accrued liabilities, and other current liabilities.

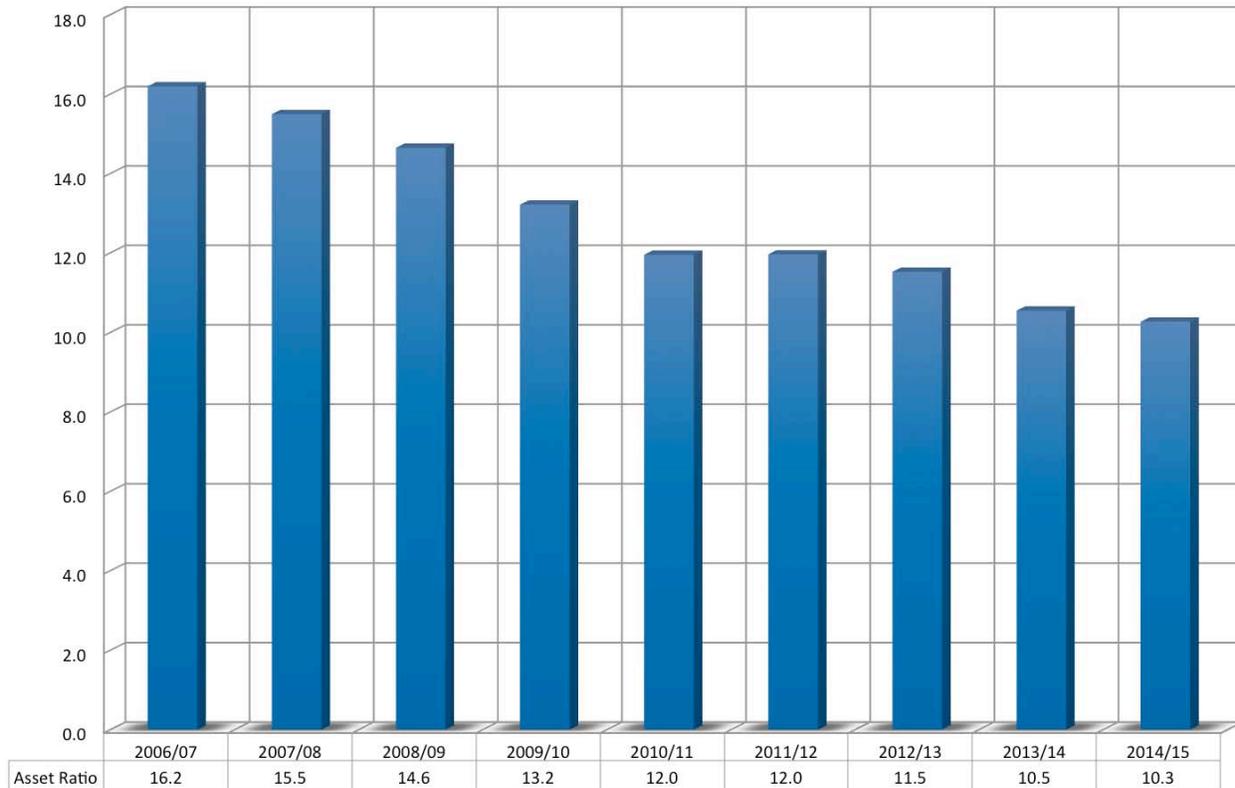
Description:

A trend of increasing percentage of short-term debt outstanding at the end of successive fiscal years can indicate liquidity problems, deficit spending, or both.

Analysis:

Current liabilities as a percentage of net operating revenues are relatively stable in the General Fund. The enterprise funds include the current portion of long-term debt as a current liability. In fiscal 2013-2014, the Community Development Block Grant Program Income fund was reclassified as a special revenue fund due to a change in accounting treatment, bringing \$1,000,000 in liabilities to that fund group.

PENSION PLAN ASSETS
Ratio of Plan Assets to Annual Benefits Paid Out



□

Formula:

$$(Value\ of\ the\ Pension\ Plan\ Assets) / (Pension\ Benefits\ Paid\ Out)$$

Fiscal 2014-2015 – Plan Assets totaled \$2,661,823, Benefits Paid Out totaled \$259,136

□

Description:

A pension plan's assets are held primarily as cash or investments. A decline in the ratio of pension plan assets to the actuarially anticipated value of pension benefits to be paid out indicates serious problems in the management of the Pension Plan. It may also indicate a decreasing number of retirees, which is the case with the City of Portage.

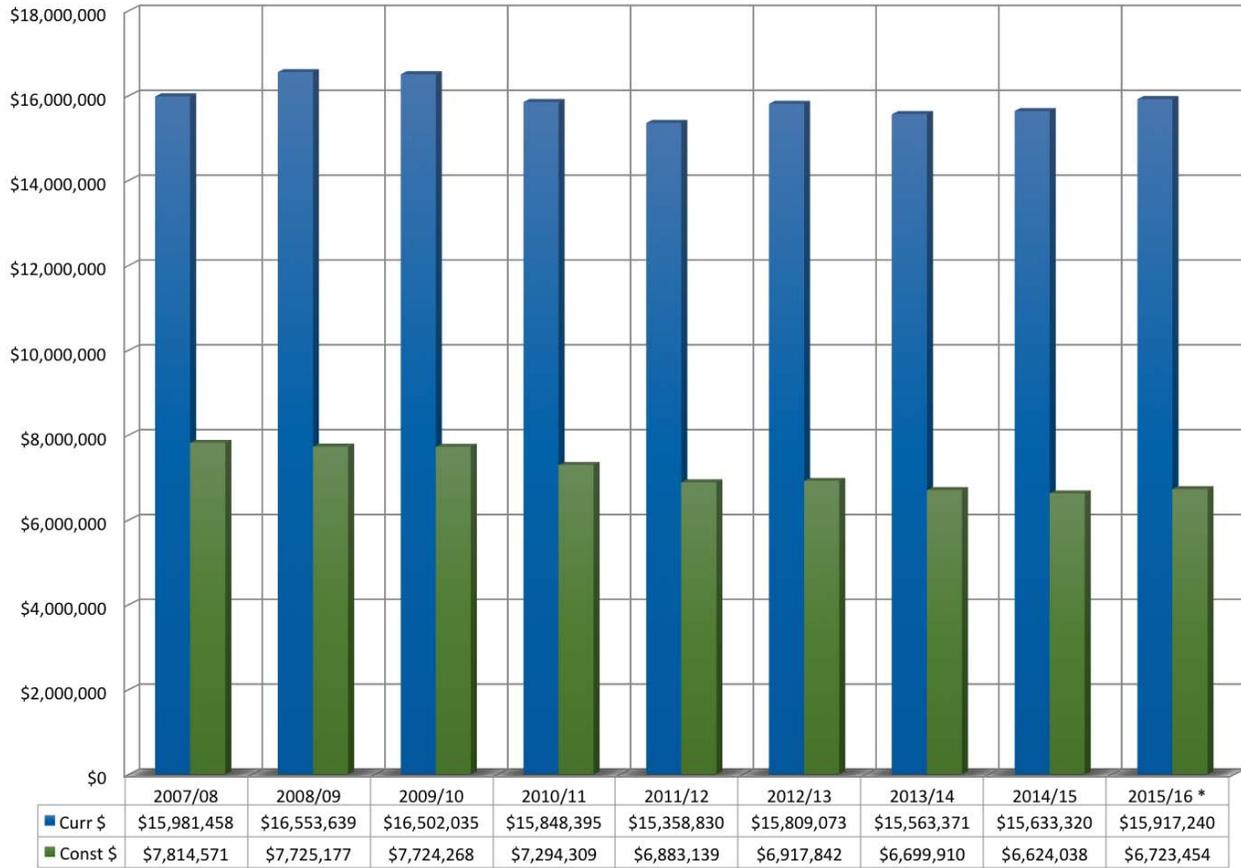
Analysis:

In 1984, the city converted the defined benefit pension plan to a defined contribution (i.e., "money purchase") pension plan. Almost all city employees who had accrued benefits under the previous plan have agreed to be "cashed out" of the previous plan. Consequently, the long-term liabilities for payout of pension benefits have been all but eliminated. There has been no need to make contributions to the defined benefit pension plan and a strong assets ratio indicates the plan remains well funded.



General Fund

GENERAL FUND PROPERTY TAX REVENUES
(in Current \$ and Constant \$)



Formula:

For property tax revenues in constant dollars

$$((\text{Property Tax Revenues in Current \$}) / (\text{CPI} / 100))$$

**Results for 2015/16 are estimated as of March 31, 2016.*

Note: Property tax revenues include *all* property taxes from the regular tax roll, the abatement tax roll, administrative charges, and late fees.

Description:

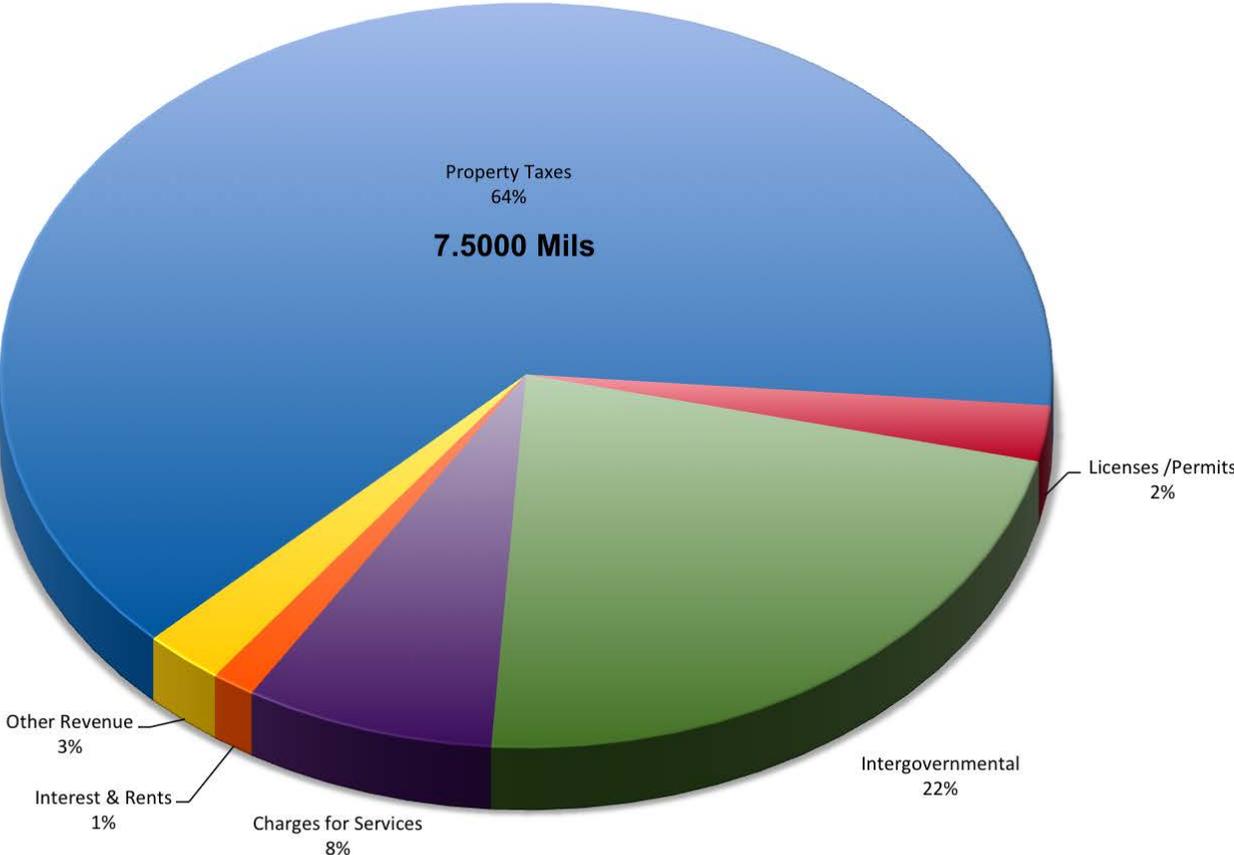
Property tax revenues should be considered separately from other revenues because the City relies heavily on them. A decline or diminished growth rate in property taxes can result from two primary causes. First, it may reflect an overall decline in property values resulting from aging of buildings, a decline in local economic health, or decline in the number of occupied dwellings causing depression of the housing market. Second, it might reflect inefficient assessment or appraisal of property. The county government reimburses the city for the amount of delinquent property taxes, then collects the delinquencies itself. A rising trend of residents failing to pay property tax would be a warning for the city and overlapping governments. While the delinquent real property taxes are not a current issue for the City, continuing increases in delinquents will eventually affect the county and all local governments.

Property tax revenues also include tax on personal business property, the bulk of which will move off the tax rolls in coming years due to revisions in Michigan's tax laws. Of the \$2,039,218,781 in taxable value for 2015-2016, \$363,701,850, or 17.8 percent was personal property. For the 2016-2017 fiscal year, taxable personal property of \$155,554,532 will be removed from tax rolls, the related revenue is expected to be replaced by a new state program.

Analysis:

As the chart indicates, General Fund property tax revenue in constant dollars generally increased through 2008/09 followed by a 3 year period of decline. In 2012/13 a small increase was noted, followed by another small decrease, suggesting the recent downward trend may be mitigating.

GENERAL FUND REVENUES BY SOURCE



GENERAL FUND REVENUES BY SOURCE

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend	Percentage Change
Revenues budgeted by department:						
Fees and permits	673,380	978,978	667,900	667,900	656,800	-1.7%
Federal revenue	58,839	6,801	1,000	1,000	1,000	0.0%
State revenue	9,864	27,726	8,000	8,000	21,600	170.0%
Other grants	11,060	51,755	36,633	22,000	35,000	59.1%
Charges for services	279,022	225,708	221,800	221,800	241,250	8.8%
Interest and rents	216,286	225,717	229,000	229,000	238,500	4.1%
Other revenue	546,105	569,916	753,069	521,760	740,620	41.9%
Transfers In	4,000	1,582	4,000	4,000	4,000	0.0%
	1,798,556	2,088,183	1,921,402	1,675,460	1,938,770	15.7%
Revenues not budgeted by department:						
Property taxes	15,563,371	15,633,320	16,192,200	16,192,200	15,310,200	-5.4%
State revenue	-	-	-	-	1,167,191	-
State shared revenue	3,752,809	3,849,968	3,972,124	3,972,124	4,055,421	2.1%
Charges for services	1,344,680	1,260,000	1,226,230	1,226,230	1,420,200	15.8%
Interest and rents	94,215	48,779	64,000	64,000	80,000	25.0%
Other revenue	19,384	617,916	367,000	367,000	17,500	-95.2%
	20,804,459	21,409,983	21,821,554	21,821,554	22,050,512	1.0%
Total Revenue	22,603,015	23,498,166	23,742,956	23,497,014	23,989,282	2.1%

Revenues budgeted by department

Other Revenue – The increase in other revenue from the 2015-2016 adopted budget is due to an accounting change that was made for Senior Center trip revenues and expenditures. Previously, all trip transactions were tracked through a deposit (liability) account on the balance sheet, and the net revenue was recognized periodically throughout the year. Going forward, revenues and expenditures will be recorded for each trip, allowing more accurate monitoring of trip revenue, and providing for more accurate accounting treatment. Revenues related to Senior Center trips are budgeted at \$250,000 and expenditures at \$232,889.

Revenues not budgeted by department

State Revenue - For fiscal 2016-2017, the addition of state revenue replaces property tax revenue losses from the exemption of certain personal property from the tax rolls. The calculation of the reimbursement amount is based on changes in commercial and industrial personal property since the 2013 tax year, with losses reimbursed on the amount of loss at the lowest millage rate since 2013.

Other Revenue - In fiscal 2014-2015, undistributed excess net assets of \$617,241 from the City's insurance provider were recognized as revenue. A similar distribution was anticipated and budgeted for fiscal 2015-2016. A distribution of the same size is not expected in 2016-2017.

CITY OF PORTAGE General Fund Revenues

Property Taxes

The City Charter authorizes property tax levies up to 7.5 mills for general municipal purposes. The millage rate for 2016-2017 is projected to be 7.5000 mills, the same as the 2015-2016 rate. A property tax administrative fee is charged for tax collection and assessing services (provided for by State statute). This fee helps offset the costs of the Assessor's office plus the printing, mailing and collecting semi-annual property taxes, and the distributing of revenues to the various school systems and government units by the Treasury office. This revenue is calculated based on actual data for the upcoming year.

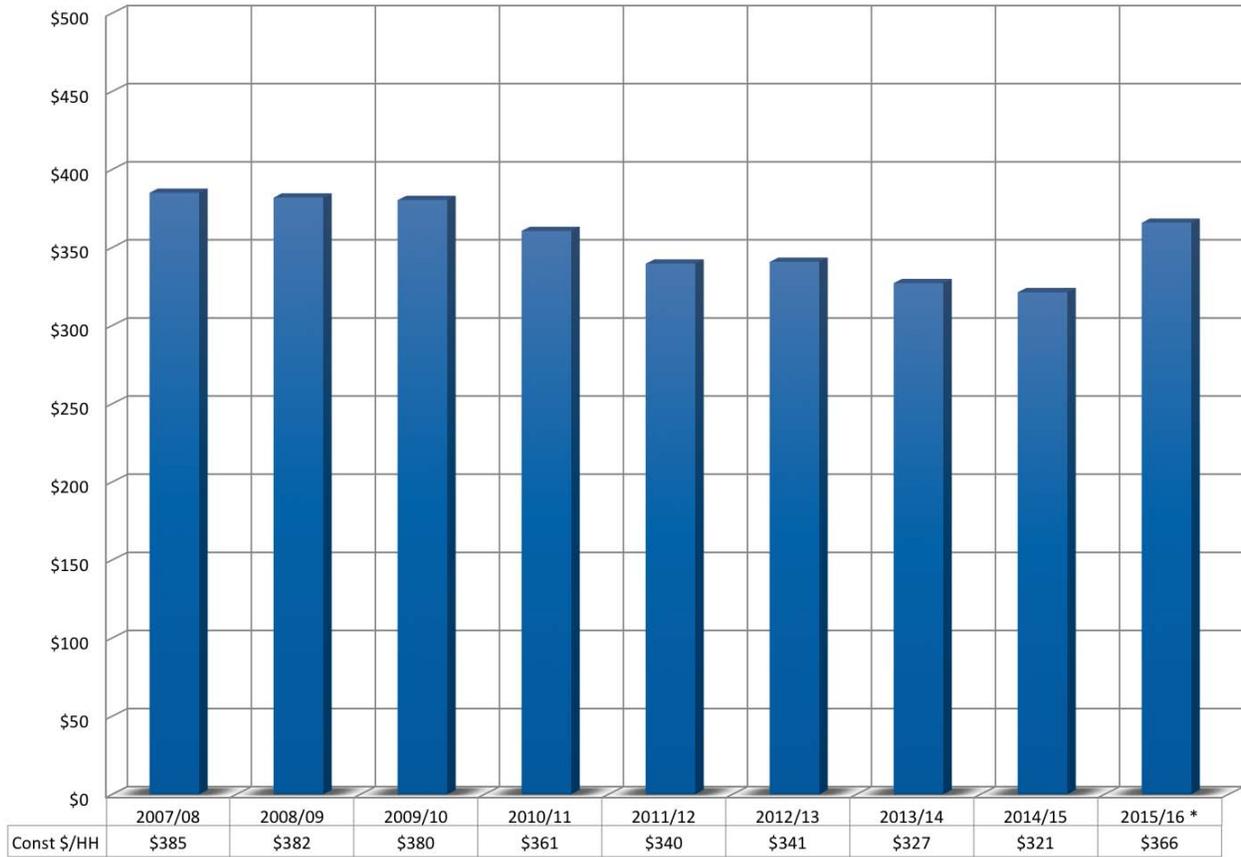
State Collected - Locally Shared Taxes

In July 1993, a law was passed eliminating property tax paid for schools, cutting 64 percent of the \$10 billion statewide school budget beginning with the 1994-1995 year. Following that move, school funding was restructured by Proposal A, passed in March of 1994. The proposal created a state education tax, and school districts began receiving per-pupil payments from the state known as the "foundation allowance." The proposal altered the funding for school districts, establishing a basic level for districts with the lowest funding to reduce financial disparity between districts. Along with the 6 mill state education tax levy on all property was a .075 percent transfer tax on real estate, also going to the state school aid fund, and an additional 18 mill levy on non-homestead properties assessed at the local level. The state sales tax was increased from 4 percent to 6 percent, with the additional 2 percent supporting a school aid fund.

The major changes affecting local governments were the restriction on allowing taxpayers to vote to tax themselves to fund school operations, and the capping of taxable value increases, now limited to the lower of 5 percent or the rate of inflation.

Proposal A significantly altered the State's distribution of revenues to local units of government. What used to be a fairly stable, easily-predictable estimating process has become more uncertain, as funding is now partially subjected to the State legislative allocation process. The City generally relies on revenue sharing projections as issued by the State for this revenue estimate.

**GENERAL FUND PROPERTY TAX REVENUES PER HOUSEHOLD
(in Constant \$)**



Formula:

$$\frac{((\text{Property Tax Revenues in Current \$}) / (\text{CPI} / 100))}{(\text{Number of Households})}$$

*Results for 2015/16 are estimated as of March 31, 2016.

Note: Property tax revenues include *all* property taxes from the regular tax roll, the abatement tax roll, administrative charges, and late fees.

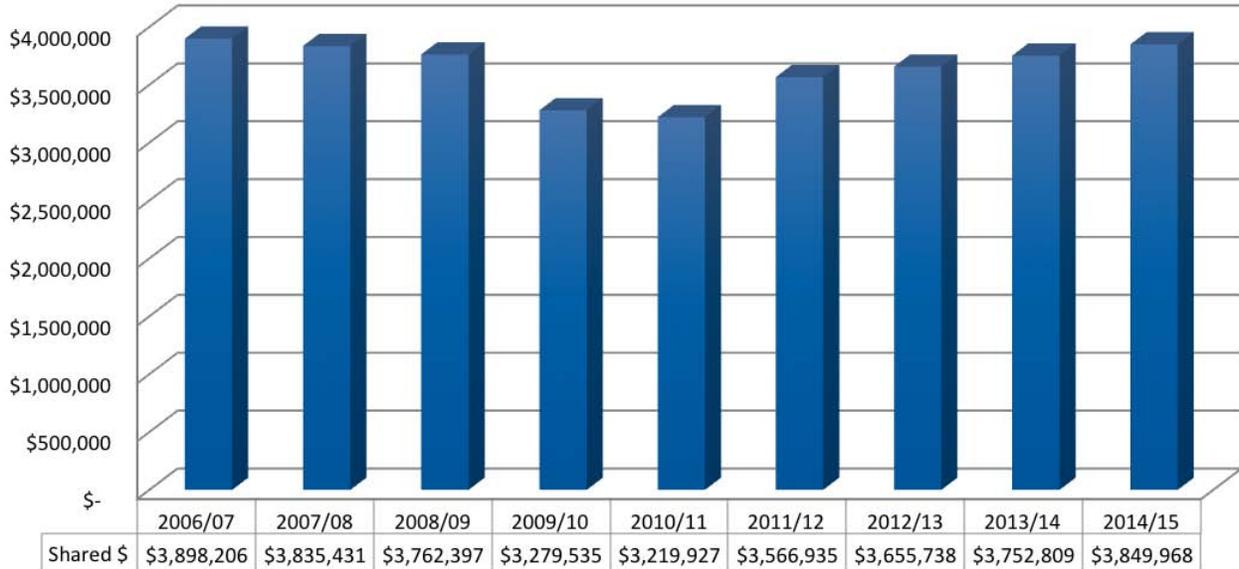
Description:

Examining property tax revenues on a *per household basis* shows changes in revenues relative to the changes in number of households. As the number of households increases, it could be reasonably expected that overall revenues and the need to expend those revenues will increase. As a result, one could also expect that after adjusting for inflation, the level of per household revenue needs to remain at least level in constant dollars. If the property tax revenues in constant dollars *per household* are decreasing, the City may be unable maintain existing service levels unless it finds new revenue sources or finds ways to reduce its expenditures without reducing service levels. This reasoning is based on the assumption that the demand for services is directly related to the number of City households. A decreasing trend in this indicator could be caused by a general economic decline, changes in population demographics, problems with the revenue structure of property taxes, or high inflation.

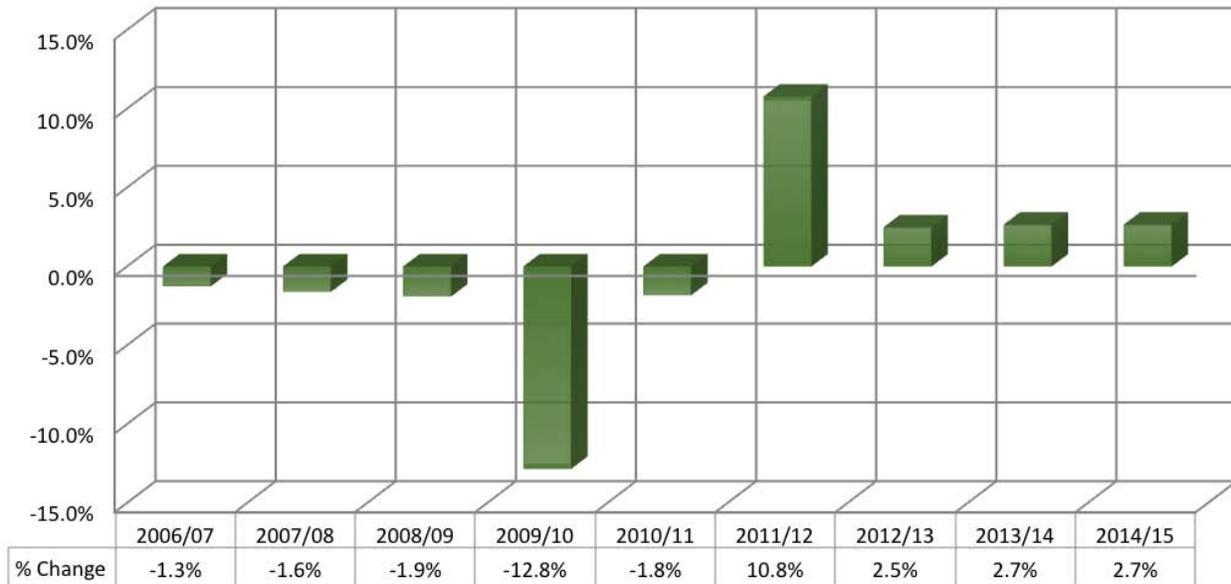
Analysis:

The chart above indicates that the City's property tax revenue (in constant dollars) per household had remained relatively constant until 2010/11 when slowing increases caused a decrease when valued in inflation adjusted constant dollars. Subsequent tax base losses forced adjustments in staffing (see Appendix D for staffing information). Fiscal 2016-2017 will be the first year that significant tax base losses due to reductions of commercial and industrial personal property taxes are expected to be replaced by state revenue at levels based on those reductions.

GENERAL STATE SHARED REVENUE \$\$\$ Received by General Fund

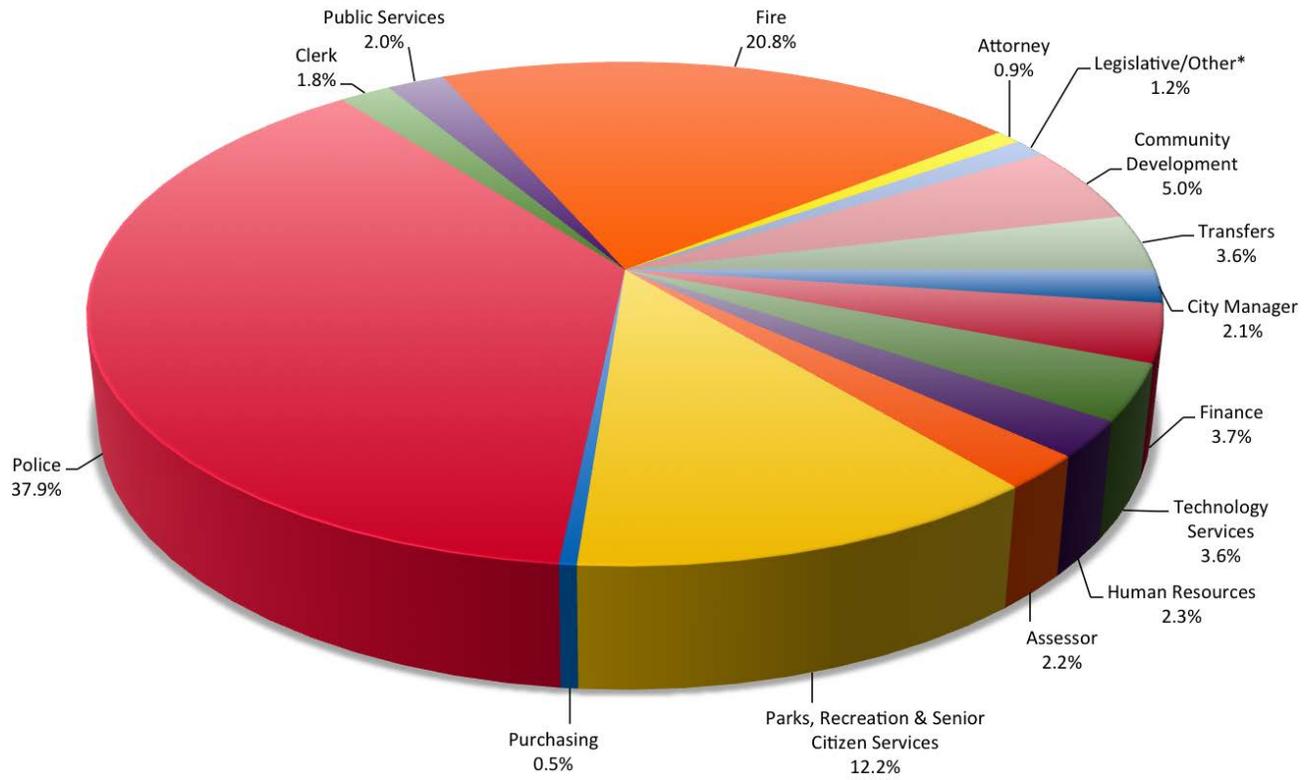


GENERAL STATE SHARED REVENUES % Change vs. Previous Year



The above charts depict state-shared revenues received by the General Fund. Prior to 1999, these revenues were composed of state sales tax, income tax, intangibles tax, single business tax, and the portion of single business tax allocated to replace the former inventory tax. Since some of these revenue distributions are made on a *per capita* basis, the 2010 United States Census had a positive effect. The state constitution guarantees 15 percent of 4 percent of the sales tax revenue to local governments. Additional amounts are set statutorily (by annual state appropriation). The current economic situation in state finances continues to affect state-shared revenues received by local governments. The city's state-shared revenues received by the General Fund, which grew through 2001, then declined through 2010/11, have been increasing annually. The Governor's plan for City, Village, and Township Revenue Sharing (CVTRS) requires each community to qualify for a statutory revenue-sharing allotment by showing that they are trying to share more services with other communities, limit employee compensation costs, and increase public transparency of finances.

GENERAL FUND EXPENDITURES BY DEPARTMENT OR FUNCTION



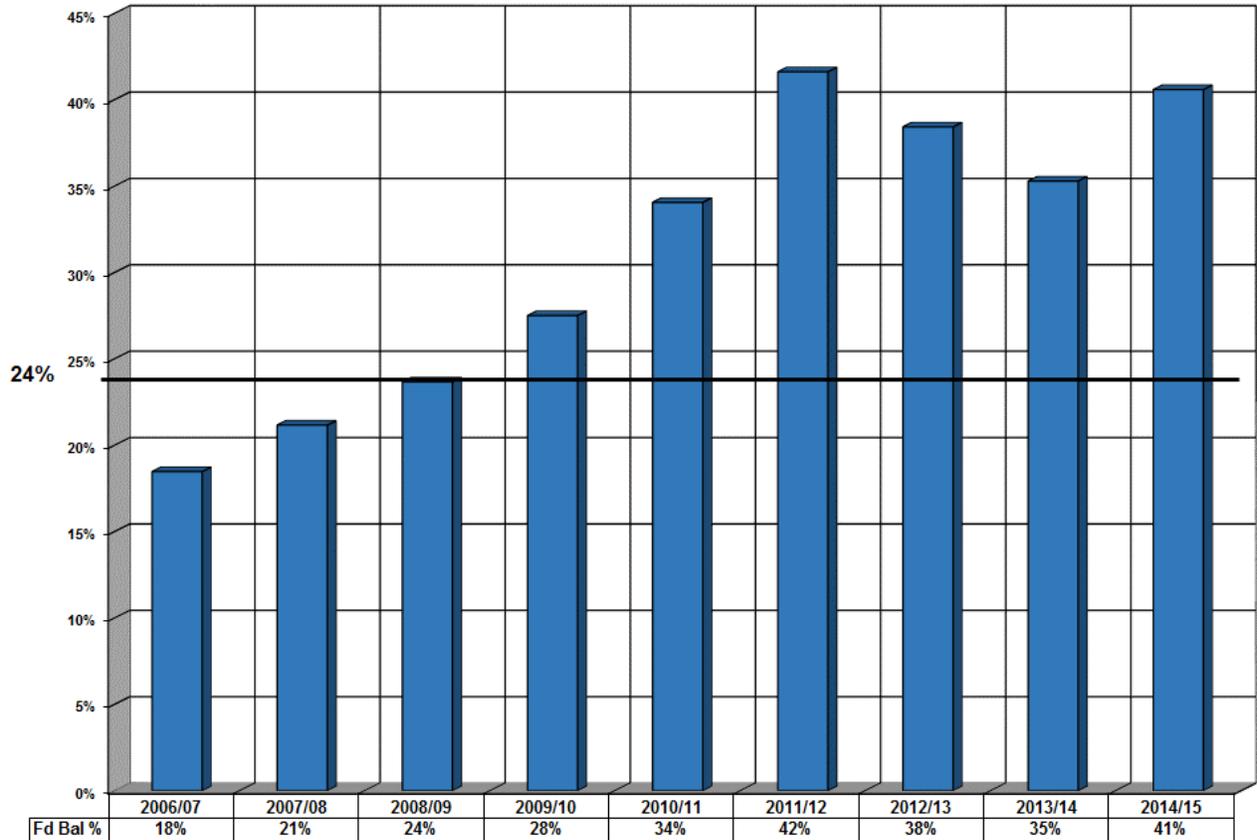
* Note: The Legislative/Other budget includes City Council and Human Services

General Fund Expenditures by Department or Function

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
City Council	89,318	57,294	140,658	66,300	118,800
Human Service Funding	121,237	123,090	125,625	125,625	131,941
District Court Facility	50,224	48,334	71,860	67,818	67,815
City Manager	417,963	480,637	482,762	495,234	549,855
Finance	650,213	680,786	921,034	884,194	937,078
Information Technology	722,486	780,049	873,089	870,571	901,636
City Assessor	528,146	500,773	574,137	561,367	554,290
City Attorney	226,076	226,239	226,728	226,728	226,728
City Clerk	336,339	380,209	445,130	435,223	459,739
Human Resources	380,423	357,071	616,431	594,077	579,766
Benefit Services	391,631	391,631	-	-	-
Purchasing	132,688	107,548	105,745	105,745	113,147
Parks & Recreation	2,321,338	2,337,604	2,968,023	2,680,745	3,054,627
Police Department	8,248,029	8,196,434	8,986,945	9,017,112	9,535,069
Fire Department	4,274,752	4,388,449	5,069,706	4,930,940	5,193,206
Community Development	1,010,239	1,064,627	1,228,745	1,203,090	1,245,291
Street Lighting	535,454	485,888	523,006	519,650	519,400
Transfers Out	2,629,636	1,829,000	5,511,755	2,450,000	913,000
Total Expenditures	<u>23,066,192</u>	<u>22,435,663</u>	<u>28,871,379</u>	<u>25,234,419</u>	<u>25,101,388</u>

Additional information is available in the respective detailed departmental budgets.

GENERAL FUND UNASSIGNED FUND BALANCE
As a % of Combined General Fund Expenditures + Interfund Transfers



Formula:

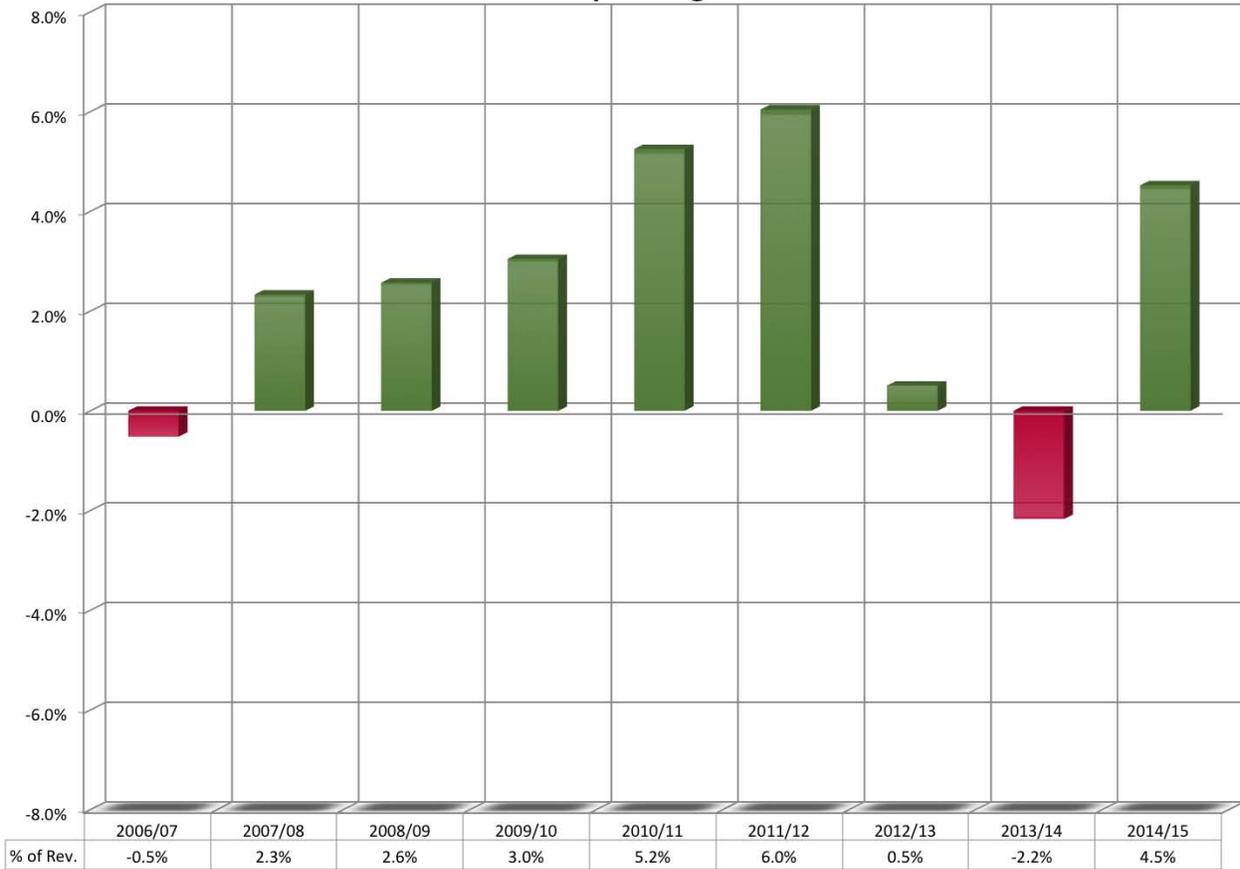
$$\left[\frac{\text{(Unassigned Fund Balance)}}{\text{((Expenditures) + (Inter-fund Transfers))}} \right] \times 100$$

Note: Fund balance is the difference between the cumulative revenues and cumulative expenditures of the fund since its inception. The unassigned fund balance is that portion of the fund balance which is not legally set aside for a specific purpose.

Description:

Although positive fund balances can also be thought of as reserves, the "Fund Balance" entry on a local government's annual report is not always synonymous with "available for appropriation." The size of a local government's fund balance affects its ability to withstand unforeseen financial emergencies. Fund balance is an indicator of financial soundness. It provides a hedge against inflation and a reserve for emergencies. In 2014, the City Council adopted a resolution of intent to maintain the fund balance in the General Fund at a level of 24 percent of general fund expenditures plus inter-fund transfers. To achieve top bond ratings, Standard & Poors requires an available fund balance as a percentage of expenditures to exceed 15 percent. The Government Finance Officers Association recommends, at a minimum, that general-purpose governments incorporate in its financial policies that unrestricted fund balance in their general fund be no less than two months of regular general fund operating revenues or expenditures, which equates to 17 percent. However, the adequacy of unrestricted fund balance in the general fund should be assessed based upon a government's specific circumstances. While uncertainty exists surrounding the State plan to reimburse loss of tax revenue from exempted personal property, 24 percent remains an appropriate balance to cope with potential losses and declines.

**GENERAL FUND OPERATING SURPLUS/DEFICIT
As a % of Net Operating Revenues**



Formula:

$$\left[\frac{((\text{General Fund Revenues}) - (\text{General Fund Expenditures}))}{(\text{Net Operating Revenues})} \right] \times 100$$

Description:

Operating deficits do not necessarily mean that the budget will be “out-of-balance” (i.e., budget deficit) because reserves (i.e., fund balances) from previous fiscal years can be used to cover the difference. It does mean, however, that for that specific fiscal year, the city spent more than it received. This can be caused by an emergency requiring a large immediate expenditure or it might be part of a spending pattern policy to use accumulated surplus fund balances. While an operating deficit in any one year may not be cause for concern, frequent or increasing operating deficits can indicate that current revenue sources are not supporting current expenditure and that problems may lie ahead.

Analysis:

Typically, the City’s General Fund runs a 2% to 4% operating surplus.

GENERAL FUND - OVERVIEW

The General Fund accounts for governmental activities that are not reported in other funds. In the City of Portage these functions include the Legislative, Administrative, Parks and Recreation, Public Safety, Community Development and Portage Senior Center activities.

Budget Overview: Public safety expenditures account for 60 percent of the total General Fund operating expenditures, which reflects the City's commitment to providing high quality public safety services. In addition to this commitment, and furthering Council's mission statement of 'promoting the highest level of quality of life in all aspects for all residents', the next highest General Fund expenditure category is Parks and Recreation (including Senior Citizen Services) at 12 percent of the budget.

The estimated fund balance at June 30, 2016 is at least 24 percent of fund expenditures and transfers out.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Property taxes	15,563,371	15,633,320	16,192,200	16,192,200	15,310,200
Fees and permits	673,380	978,978	667,900	667,900	656,800
Federal revenue	58,839	6,801	1,000	1,000	1,000
State revenue	9,864	27,726	8,000	8,000	1,188,791
State shared revenue	3,752,809	3,849,968	3,972,124	3,972,124	4,055,421
Other grants	11,060	51,755	36,633	22,000	35,000
Charges for services	1,623,702	1,485,708	1,448,030	1,448,030	1,661,450
Interest and rents	310,501	274,496	293,000	293,000	318,500
Other revenue	565,489	1,187,832	1,120,069	888,760	758,120
Transfers In	34,000	1,582	4,000	4,000	4,000
TOTAL REVENUE	22,603,015	23,498,166	23,742,956	23,497,014	23,989,282
EXPENDITURES:					
Personnel Services	15,165,150	15,345,491	16,486,430	16,503,930	17,592,269
Operations & Maintenance	3,230,122	3,533,055	4,578,191	4,013,764	4,586,893
Administrative Charges	1,961,631	1,596,483	2,021,667	2,090,000	1,889,226
Capital Outlay	79,653	131,634	273,336	176,725	120,000
Transfers Out	2,629,636	1,829,000	5,511,755	2,450,000	913,000
TOTAL EXPENDITURES	23,066,192	22,435,663	28,871,379	25,234,419	25,101,388

LEGISLATIVE DEPARTMENT

Budget Overview: In addition to City Council expenditures, the 2016-2017 Legislative budget includes contributions to various human service agencies. The human services contribution equals \$131,941 (see Appendix A for additional information) for 2016/2017.

Goals and Objectives: The Legislative budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Human Services	Continue funding at 0.55 percent of General Fund revenue	<i>Community Development</i> Continue commitment to human services

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	44,406	40,369	42,000	42,000	63,000
Operations & Maintenance	166,149	140,015	224,283	149,925	187,741
TOTAL EXPENDITURES	<u>210,555</u>	<u>180,384</u>	<u>266,283</u>	<u>191,925</u>	<u>250,741</u>

The Legislative budget is comprised of the two activities that follow.

CITY COUNCIL 101-1001

As the policy-making body, the City Council has the responsibility for establishing overall policy and setting the priorities and direction of local government. In addition to City Council stipends, the 2016-2017 City Council budget includes expenditures for Michigan Municipal League dues, planning retreats and the Mayor and City Council for the Day program.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	44,406	40,369	42,000	42,000	63,000
Operations & Maintenance	44,912	16,925	98,658	24,300	55,800
TOTAL EXPENDITURES	89,318	57,294	140,658	66,300	118,800

HUMAN SERVICES 101-1085

The Human Services activity is comprised of contributions to five organizations informed by recommendations from the Human Services Board.

1. **PORTAGE COMMUNITY CENTER (PCC)**

PCC is a non-profit corporation that primarily serves Portage citizens in need and provides the following programs.

Program Coordination and Development - information and referral service, and host agency services.

Emergency Assistance - a food pantry, emergency financial assistance, clothing bar, and a holiday food basket program.

Youth Development - youth services including tutoring, latch-key program, summer recreational programs, hire-a-teen and counseling.

The proposed 2016-2017 budget includes a General Fund appropriation of \$82,386 for youth development and program coordination activities. An additional \$41,928 is proposed from Community Development Block Grant funds, bringing the potential total City contribution to PCC to \$124,314.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	5,274	5,300	5,300

HUMAN SERVICES, continued

2. YOUNG WOMEN'S CHRISTIAN ASSOCIATION (YWCA)

The YWCA is a non-profit corporation which primarily serves Kalamazoo County and provides the following programs to be funded.

Domestic Assault – emergency shelter and counseling for women and children.

Sexual Assault - crisis services for victims of sexual assault.

The proposed 2016-2017 budget includes a General Fund appropriation of \$11,685.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	63	70	70

3. HOUSING RESOURCES, INC.

Housing Resources, Inc. provides emergency, transitional, and permanent housing services for low income persons. Funding will provide the following service.

Homelessness Prevention and Rapid Re-housing Assistance Programs

The proposed 2016-2017 budget includes a General Fund appropriation of \$20,735.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	320	180	180

4. CATHOLIC CHARITIES

Catholic Charities is a non-profit corporation that serves families in southwest Michigan. Funding will provide the following service for Portage families.

Ark of Catholic Charities - Crisis Intervention/Shelter for Homeless Youth - provides emergency shelter for youth, transition and permanent housing and counseling for families in crisis.

The proposed 2016-2017 budget includes a General Fund appropriation of \$11,635.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served *	36	15	15

**Reductions in number served is due to change in measurement method.*

HUMAN SERVICES, continued

5. GRYPHON PLACE

Gryphon Place provides crisis intervention and comprehensive information and referral, prevention and intervention programs and dispute resolution services. Funding will provide the following service:

2-1-1/Help Line: Crisis intervention, comprehensive information and referral.

The proposed 2016-2017 budget includes a General Fund appropriation of \$2,500.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	2,884	2,105	2,105

6. GOODWILL INDUSTRIES OF SOUTHWEST MICHIGAN

Goodwill Industries is a non-profit organization providing employment, education, training, and support services to individuals and families so they can achieve self-sufficiency. Funding will provide the following services: free tax preparation and submittal services through the Kalamazoo Tax Counseling Initiative / Volunteer Income Tax Assistance program.

The proposed 2016-2017 budget includes a General Fund appropriation of \$1,500.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Clients Served	309	N/A	280

7. LENDING HANDS OF MICHIGAN

Lending Hands of Michigan is a non-profit organization that lends out basic home medical equipment for free to anyone in their seven county area. Funding will provide the following service: support the availability of no cost medical equipment for lending to Portage residents.

The proposed 2016-2017 budget includes a General Fund appropriation of \$1,500.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	N/A*	N/A*	4,089

**FY 2016-2017 will be the first year of support for this organization.*

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Operations & Maintenance	121,237	123,090	125,625	125,625	131,941
TOTAL EXPENDITURES	<u>121,237</u>	<u>123,090</u>	<u>125,625</u>	<u>125,625</u>	<u>131,941</u>

CITY MANAGER

The City Manager has oversight responsibility for all phases of City operations.

Budget Overview: The 2016-2017 budget provides for the preparation of Council agenda reports and policy recommendations, implementation of Council policy directives, general supervision and oversight of departmental operations, budget development, recommendation and administration, representation and promotion of City interests on various boards and at various functions, oversight of economic development initiatives, public information/relations, grant monitoring and research, general administrative studies and the development of administrative procedures intended to improve organizational effectiveness, and the coordination of special events and projects.

Goals and Objectives: The City Manager has administrative responsibility for all City goals and objectives. The City Manager departmental budget supports the following specific goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
City Manager	Evaluation and modification of City services, where necessary, to ensure efficient service delivery	<i>Public Relations</i> Continue emphasis on courteous public service <i>Service Delivery</i> Continue to provide effective and efficient city services Evaluate service delivery options
Communication	Continue Public Information Services Programs and Surveys	<i>Public Relations</i> Continue communications with citizens

CITY MANAGER 101-1720

This activity accounts for the costs associated with the Office of the City Manager. The Office of the City Manager functions primarily to provide recommendations to the City Council regarding policy proposals and alternatives, to implement policy directives of the City Council, to coordinate and supervise activities of the various departments, and to provide general administration. Other service initiatives include monitoring State and Federal legislation, and research and preparation of applicable grant and foundation funding requests.

CITY MANAGER, continued

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	395,946	393,174	439,140	439,140	482,352
Operations & Maintenance	17,602	87,042	39,868	52,340	63,750
Administrative Charges	4,415	421	3,754	3,754	3,753
TOTAL EXPENDITURES	417,963	480,637	482,762	495,234	549,855

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Council meetings	24	24	24
Special Council meetings	12	6	9
Council committee meetings	11	9	10
Pre-Council meetings	0	9	24
Committee of the Whole meetings	7	6	6
Council items processed:			
Agenda items	275	295	285
Material transmitted	90	75	82
Weekly Reports	34	45	52

Reorganization efforts

- Combined former Benefit Services and Employee Development into one department, providing comprehensive personnel services with an annual savings of over \$300,000;
- Overall automation components, including mass notification system, electronic time and attendance, automated City Council agenda package, comprehensive BS&A software for Treasury, Finance, Assessing, and Building;
- Replaced entire Assessing department;
- Restructured Parks and Recreation into a stand-alone department with focus on cultural events and programs;
- Added Canine Division, mass population alert, and electric motorcycle service to Police Department;
- Newly Certified Fire Division, reduced response time on medical calls from over three minutes to approximately one and a half.

Economic Development

- Facilitated KENCO development process, tax abatements, construction, road improvements;
- Advocated for the participation of the City in Southwest Michigan First;
- Transfer and reconstruction of Martin Luther King Drive to facilitate commercial/retail growth.

FINANCE

The Finance Department is responsible for developing and maintaining sound financial management information systems, policies and practices to preserve and protect City financial resources while providing the City Council and City Administration with timely and accurate financial information to facilitate daily operations, policy development, and the accomplishment of short-term objectives and long-term goals. The department also has the responsibility for cash management, City-wide budget control, and financial software systems.

The Finance Department also provides staff support in the areas of benefits, compensation, strategic planning, cost analysis and budgeting to support City benefit plans. Responsibility includes the oversight of retirement plans and the appropriate funding of the plans to address legacy costs. The department is responsible for managing the City self-insured workers' compensation program and provides on-call assistance to supervisory personnel twenty-four hours per day, seven days per week for the continuous management of employment related injuries and return to work clearance.

Budget Overview: In 2016-2017 the department will continue to fine tune software for increased efficiency and more effective customer service, and take an active role in assisting departments in managing their budgets. The department will also continue to focus on providing competitive benefit plans at the most effective cost to the City for the retention and recruitment of high quality City employees who serve the citizens of the community. An additional major area of focus will be managing compliance with the Affordable Care Act (ACA). In consideration of the mandates that require large employers to provide affordable health insurance to all "full time" personnel (currently defined by the ACA as employees working thirty hours per week). Additional requirements of the ACA include the payment of taxes and fees associated with health insurance plans, providing required employee notifications, recordkeeping and reporting responsibilities. Focus will continue to be directed toward self-insured workers' compensation case management, including the city restricted duty to work program to ensure cost control in this high risk area.

Goals and Objectives: The Finance Department budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Accounting	Administrative function	<i>Financial Health</i> Evaluate expenditures and processes to provide for effective and efficient use of City resources

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Financial Management	Administrative function	<p><i>Service Delivery</i></p> <p>Provide high quality, effective and cost efficient services</p> <p>Evaluate alternatives to meet increased service demands</p> <p><i>Financial Health</i></p> <p>Maintain financial health of City</p> <p>Pursue revenue enhancement through alternate funding opportunities</p> <p>Assess financing methods capital improvement needs</p>
Treasury	Administrative function	<p><i>Public Relations</i></p> <p>Continue emphasis on courteous service</p>
Benefits & Compensation	Benefits, Compensation and Workers' Compensation	<p><i>Financial Health</i></p> <p>Continue to evaluate expenditures to provide the most effective and efficient use of city resources and to consider and implement alternative means of addressing city insurance needs to further enhance the financial health of the city.</p>

FINANCE, continued

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Other revenue	853	784	1,000	1,000	500
TOTAL REVENUE	853	784	1,000	1,000	500
EXPENDITURES:					
Personnel Services	474,937	457,507	627,296	627,296	666,942
Operations & Maintenance	164,139	223,279	281,916	245,076	257,967
Administrative Charges	11,137	-	11,822	11,822	12,169
TOTAL EXPENDITURES	650,213	680,786	921,034	884,194	937,078

The responsibilities of the various activities are outlined as follows.

ACCOUNTING 101-2001

This activity accounts for the costs associated with maintenance of the integrity of the accounting systems and the preparation of monthly, quarterly, and annual reports. The accounting staff reviews and processes all payroll, accounts payable, and other data which affect the journals and the general ledger, and provides staff support for other departments. Other areas of responsibility include assistance in budget preparation and administration, fixed asset management and performing internal audits designed to maintain the integrity of financial controls. This activity also provides staff support in the areas of benefits, compensation, strategic planning, cost analysis and budgeting to support city benefit plans.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Accounts payable checks issued	4,188	4,098	4,195
Accounts payable ACH Payments	866	900	1,100
Accounts payable ACH Vendors	174	233	309
1099's issued	181	172	180
Payroll checks issued	6,696	6,900	6,750
W-2's issued	431	500	450
W-2 accuracy rate	99.5%	100%	100%
Issue date of annual financial report	Dec 16	Dec 15	Dec 15
Lost time workers' compensation cases	4	5	4
MIOSHA Recordable Workers' Compensation cases	9	15	12
Benefit contracts/service agreements negotiated	9	8	8

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	223,715	194,664	291,099	291,099	319,206
Operations & Maintenance	57,455	127,144	135,076	111,876	118,315
Administrative Charges	-	-	-	-	350
TOTAL EXPENDITURES	281,170	321,808	426,175	402,975	437,871

FINANCE and BUDGET 101-2002

This activity accounts for the costs associated with the management and administration of the Finance Department. Other primary functions include preparation of the annual operating budget, ongoing budget administration, assistance in preparing the annual Capital Improvement Program budget, assistance in the preparation of the Utility Rate Study, cash management, collection and preparation of information for bond issues and other financing, and coordination of City-wide budget control. This office also acts in an advisory capacity to other departments in finance-related matters and performs the role of financial analyst to the City as a whole.

The Finance Director is also charged with maintaining fiscal conformance and compliance with State statutes, the City Charter and ordinances, rulings of the Governmental Accounting Standards Board, and generally accepted accounting principles.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Bond issues:			
Number	1	1	1
Dollar amount	\$1,600,000	\$2,985,000	\$6,639,000
Bond Refinancing	\$8,190,000	\$20,910,000	\$0
'Unqualified' audit report received	Yes	Yes	Yes

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	147,176	117,587	238,961	238,961	220,730
Operations & Maintenance	64,709	57,519	103,091	89,451	95,202
Administrative Charges	11,137	-	11,822	11,822	11,819
TOTAL EXPENDITURES	223,022	175,106	353,874	340,234	327,751

TREASURY 101-2053

This activity accounts for the costs associated with the billing, collection and reconciliation of all receivables, including semi-annual tax bills and quarterly water and sewer bills. The department collects and processes almost \$69,000,000 in taxes a year for other jurisdictions, remitting them on a weekly basis. A state authorized 1 percent property tax administration fee is collected by the City to offset the cost of providing this service to the other taxing jurisdictions.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Tax bills processed	36,012	35,927	36,000
Special assessment bills processed	1,146	1,015	1,100
Water and sewer bills processed	61,312	62,872	62,900
Receipt transactions	115,000	135,419	135,500

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
REVENUE:					
Other revenue	853	784	1,000	1,000	500
TOTAL REVENUE	<u>853</u>	<u>784</u>	<u>1,000</u>	<u>1,000</u>	<u>500</u>
EXPENDITURES:					
Personnel Services	104,046	145,256	97,236	97,236	127,006
Operations & Maintenance	41,975	38,616	43,749	43,749	44,450
TOTAL EXPENDITURES	<u>146,021</u>	<u>183,872</u>	<u>140,985</u>	<u>140,985</u>	<u>171,456</u>

TECHNOLOGY SERVICES

The Technology Services Department is responsible for providing technology infrastructure, applications and services that support City activities. This department assists other departments in evaluating needs and emerging technologies in order to provide services in the most cost effective and efficient manner.

Budget Overview: The 2016-2017 budget continues the management of the privatized technology services operation (initiated in 2000) in order to optimize the substantial investment. Priorities continue to focus on streamlining workflow, network infrastructure maintenance, cost containment, legal compliance and continued development of electronics for delivering government information and services to the citizens.

Goals and Objectives: The Technology Services Department supports the following goals and objectives:

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
	Information technology improvements	<i>Public Improvements</i> Continue to update and maintain equipment & facilities
	Evaluate emerging technology	<i>Service Delivery</i> Continue to increase efficiency by applying new technology

Communication Services provides centralized mailing, shipping, printing, and photocopying services for all departments including development and mailing of the City newsletter, *The Portager*, and other marketing and communication materials.

Budget Overview: 2016-2017 provides for a continuation of current services.

Goals and Objectives: The Public Information division supports the goals and objectives that follow.

TECHNOLOGY SERVICES, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
All activities	All programs	<i>Service Delivery</i>
Printing	Contracting for service	Continue to evaluate contracting vs. providing efficient, timely and cost-effective internal publishing services Establish alternatives to meet increased service demands Continue to increase efficiency by applying new technology
Public Information	All Programs	<i>Public Relations</i> Enhance public relations by offering assistance to departments in developing communications materials

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	65,935	69,257	74,381	74,381	76,374
Operations & Maintenance	652,904	706,596	793,608	791,090	820,162
Administrative Charges	3,647	4,196	5,100	5,100	5,100
TOTAL EXPENDITURES	722,486	780,049	873,089	870,571	901,636

The responsibilities of the various activities are outlined as follows.

TECHNOLOGY SERVICES 101-2110

This department accounts for the costs associated with the operation and maintenance of the computers, phone and voice processing systems. The duties involved in this process include ensuring data integrity and security, user training and support, software and hardware installation, maintenance and evaluation.

An effective set of performance measurers or “service indicators” provide actionable information on a focused set of metrics to provide a balanced view of project

performance that can be used to render decisions to improve internal/external processes. The following service indicators reflect the most important service areas.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Total Helpdesk tickets closed	2,585	2,085	2,300
Critical outages resolved/four hours	N/A	72%	90%
Data network uptime	N/A	98%	99%
Voice services uptime (PRI)	N/A	100%	100%
Internet services uptime	N/A	99%	99%
Enterprise application uptime	N/A	99%	99%
Email services uptime	N/A	99%	99%
Customer satisfaction rating	99%	99%	99%

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	19,247	20,473	24,247	24,247	25,404
Operations & Maintenance	650,061	706,123	788,008	785,490	815,562
Administrative Charges	3,647	4,196	5,100	5,100	5,100
TOTAL EXPENDITURES	<u>672,955</u>	<u>730,792</u>	<u>817,355</u>	<u>814,837</u>	<u>846,066</u>

The following is a list of projects and activities that were completed in 2015 or that are in process of completion.

- Automated Data Processing (ADP) – electronic time & attendance
- Board Sync – electronic agenda
- Phone Upgrade – unified messaging, network speed
- NetBrain – network monitoring and mapping
- M-Live – electronic advertising
- SeeClickFix – upgrade ReportIt!, Streets work order, Parks field inspections
- Network hardware/Data storage – information systems improvements
- New World Upgrade – Public Safety Records/Dispatch
- Computer replacements – maintain currency of computers
- WebEx video conferencing system
- Cable access emergency broadcast protocols
- Connect streets cameras to Dispatch
- 2025 Visioning Renewal Event
- Assisted Portage Community Center with a technology plan review
- Consulting the Kalamazoo Road Commission on the PortageAlert system
- Telecommunications audit – identified \$60,000 of overages which were recouped

PUBLIC INFORMATION 101-2133

Communication Services provides photocopying, printing, faxing, scanning, website editing, desktop publishing, and mailing and shipping services for all departments. This division also supports City marketing and communications efforts.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of copies made / documents scanned	196,959	290,000	250,000
Reams of paper distributed	1,550	1,500	1,500
Number of fax pages	121	50	50
Pieces of mail processed	81,641	93,000	85,000
Package receiving/deliveries	835	1,050	950

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	46,688	48,784	50,134	50,134	50,970
Operations & Maintenance	2,843	473	5,600	5,600	4,600
TOTAL EXPENDITURES	<u>49,531</u>	<u>49,257</u>	<u>55,734</u>	<u>55,734</u>	<u>55,570</u>

CITY ASSESSOR

The City Assessor is responsible for distributing the property tax burden in a fair and equitable manner, compiling special assessment rolls, administering the Board of Review, and maintaining ownership and principal residence exception records for all real and personal property located in the City. The department activities are comprised of the Assessors' Office and the Board of Review.

Budget Overview: State statute requires that three values be maintained for all property: the State Equalized Value (SEV), which is 50 percent of true cash value; the Capped Value, which is tied to inflation; and Taxable Value (TV), which generally is the lesser of SEV or Capped Value.

Goals and Objectives: The City Assessor budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Assessor	Provide prompt and courteous service	<i>Public Relations</i> Maintain positive public relations
	Continue to improve an internet accessible information system Continue development of digital building sketches and updated photographs Develop and defend property assessments	<i>Service Delivery</i> Continue to increase efficiency by applying new technology to ensure that all property assessment records are as current as possible
	Prepare the assessment roll and administer the appeal process.	<i>Financial Health</i> Maintain the financial health of the City

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	410,860	415,870	452,576	452,576	441,269
Operations & Maintenance	107,768	72,900	111,775	99,005	102,290
Administrative Charges	9,518	12,003	9,786	9,786	10,731
TOTAL EXPENDITURES	528,146	500,773	574,137	561,367	554,290

The responsibilities of the various activities are outlined as follows.

ASSESSOR 101-2209

This activity accounts for the costs associated with the assessment of property for the purpose of equitably levying property taxes. Ongoing services include appraisal of personal and real property; processing of ownership transfers; maintenance of property files and automated property data files; spreading of taxes for the City, Portage Public Schools, Vicksburg Community Schools, Comstock Public Schools, Schoolcraft Community Schools, KVCC, K/RESA, the Portage District Library, and Kalamazoo County; and administration of the general property and special tax rolls.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Property descriptions	19,000	19,000	19,000
Processing of title and transfer documents	5,000	5,000	5,000
New appraisals - real and personal property	3,500	3,500	3,500
Property taxes levied, City only (in millions)	\$22.1	\$22.4	\$21.0
Property taxes levied, all taxing entities (in millions)	\$87.0	\$87.5	\$87.9

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Admin Recommend</u>
EXPENDITURES:					
Personnel Services	383,472	389,582	417,179	417,179	406,437
Operations & Maintenance	101,507	71,532	106,975	94,205	98,290
Administrative Charges	9,518	12,003	9,786	9,786	10,731
TOTAL EXPENDITURES	<u>494,497</u>	<u>473,117</u>	<u>533,940</u>	<u>521,170</u>	<u>515,458</u>

BOARD OF REVIEW 101-2247

The responsibility of the Board of Review is to review the assessment roll as prepared by the Assessor and to provide a hearing for those persons who wish to appeal property assessments. The Board also approves the assessment roll as the official tax roll. Services of the Board of Review include: holding hearings to review property assessment appeals; accepting and considering hardship exemptions; accepting and reviewing personal property statements; and reviewing classification disputes.

<u>Service Indicator</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>
Appeals reviewed	200		200		200
	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted	Adopted	Admin
			Budget	Budget	Recommend
EXPENDITURES:					
Personnel Services	27,388	26,288	35,397	35,397	34,832
Operations & Maintenance	6,261	1,368	4,800	4,800	4,000
TOTAL EXPENDITURES	<u>33,649</u>	<u>27,656</u>	<u>40,197</u>	<u>40,197</u>	<u>38,832</u>

CITY ATTORNEY 101-2310

The City Attorney provides legal services including, but not limited to, opinions to the City Council and all City departments regarding municipal matters, attendance at all City Council, planning commission, and zoning board of appeals meetings; preparation of all ordinances; preparation and/or review and approval of all contracts and any other written instruments; ordinance enforcement; ordinance prosecutions and FOIA request review. The specialized areas of labor counsel and bond counsel are budgeted in the specific departments or programs for which those services are provided.

Budget Overview: The City Attorney is an outside contractor law firm maintaining offices within the City of Portage providing legal services to the City on an annual fee basis. The present City Attorney has been representing the City’s legal interests continuously since August of 1984 and the Assistant City Attorney has been doing so since 2000. The combined years of experience in municipal law, responsive assistance and knowledge of City legal matters are valuable assets to the City. For the budgeted fee, the City Attorney’s office is responsible for the professional services of the City Attorney and the Assistant City Attorney, as well as office staff, employment costs, professional liability insurance, library and all other expenses associated with the office and the provision of legal services for the City.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	226,076	226,239	226,728	226,728	226,728
TOTAL EXPENDITURES	<u>226,076</u>	<u>226,239</u>	<u>226,728</u>	<u>226,728</u>	<u>226,728</u>

CITY CLERK

The City Clerk administers all City, State, County and Federal elections. Additionally, the City Clerk maintains a complete and permanent history of actions taken by the City Council. This is accomplished by producing accurate minutes of each meeting and indexing minutes and related documents in a consistent manner. The City Clerk is also responsible for providing proper notice of all matters to come before City Council, and for the management of all permanent and transitory City records. The Clerk also maintains the ownership, occupancy and map records for all City-owned cemeteries.

Budget Overview: The City Clerk budget provides for the continued maintenance of operations.

Goals and Objectives: The Clerk budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
City Clerk	Coordinate production of City Council agenda packets on BoardSync, the Freedom of Information Act, Boards and Commissions interviews and Liquor License procedure	Provide leadership, service delivery and versatility to the departments and to the public
Elections	Program and test all election equipment, assign precincts, train election officials, implement state election law, publish notices, maintain the Qualified Voter File of Registered Voters	Service delivery, preserve integrity and accuracy in elections, and voter files, apply new technology, to increase efficiency and productivity in the electoral process
Records Management	Microfilming of records, imaging of records, records storage, records access, ensure state record retention schedule compliance by all departments	<i>Service Delivery</i> Evaluate alternatives to meet service demands Increase efficiency through technology

CITY CLERK, continued

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Fees and permits	34,414	33,696	36,000	36,000	35,800
Other revenue	20,664	34,116	48,050	40,900	26,150
TOTAL REVENUE	55,078	67,812	84,050	76,900	61,950
EXPENDITURES:					
Personnel Services	254,346	297,495	329,514	329,514	334,266
Operations & Maintenance	77,936	81,615	111,584	101,677	121,372
Administrative Charges	4,057	1,099	4,032	4,032	4,101
TOTAL EXPENDITURES	336,339	380,209	445,130	435,223	459,739

The responsibilities of the various activities are outlined as follows.

ELECTIONS 101-2491

This activity accounts for the costs associated with all City, County, State and Federal elections.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Elections	3	4	3
New registrations	3,011	2,311	3,500
Cancellations	2,120	1,708	2,000
Change of address	2,050	1,600	2,100
Registered voters	34,301	36,589	37,000

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Other revenue	19,717	31,587	47,150	40,000	25,000
TOTAL REVENUE	19,717	31,587	47,150	40,000	25,000
EXPENDITURES:					
Personnel Services	106,565	142,508	169,791	169,791	169,694
Operations & Maintenance	48,697	51,998	63,241	53,900	75,100
Administrative Charges	534	683	455	455	525
TOTAL EXPENDITURES	155,796	195,189	233,487	224,146	245,319

CITY CLERK 101-2415

This activity accounts for the costs associated with operation of the Office of the Clerk. The Clerk keeps a journal of Council proceedings and actions, acts as custodian of the City Seal and all official documents and papers such as ordinances, resolutions, proclamations, contracts, deeds and easements. The City Clerk also coordinates all special meetings of City Council, including all City Council Advisory Boards and Commissions, and schedules all City Hall conference rooms and meetings with City, county and state representatives. Miscellaneous duties include maintaining cemetery records, lot sales and burial arrangements; citizen petition verifications; Code of Ordinance updates and certifications; Freedom of Information Act coordination; liquor license coordination and liaison to the Youth Advisory Committee.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Ordinances and amendments adopted	3	1	10
Resolutions adopted	58	26	50
Cemetery lot burials	52	39	55
Number of meetings clerked	44	19	40

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Fees and permits	34,414	33,696	36,000	36,000	35,800
Other revenue	947	2,529	900	900	1,150
TOTAL REVENUE	35,361	36,225	36,900	36,900	36,950
EXPENDITURES:					
Personnel Services	99,409	105,354	107,773	107,773	111,133
Operations & Maintenance	16,372	15,506	31,236	30,670	29,015
Administrative Charges	3,158	-	3,177	3,177	3,176
TOTAL EXPENDITURES	118,939	120,860	142,186	141,620	143,324

RECORDS MANAGEMENT 101-2416

This activity accounts for the costs associated with city records retention and disposal procedures for all departments.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Rolls of microfilm processed	26	56	100
Number of documents filmed	133,478	233,645	150,000
Processed boxes in storage	345	232	450
FOIA Requests	46	46	60
CD's processed	6	4	8

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	48,372	49,633	51,950	51,950	53,439
Operations & Maintenance	12,867	14,111	17,107	17,107	17,257
Administrative Charges	365	416	400	400	400
TOTAL EXPENDITURES	<u>61,604</u>	<u>64,160</u>	<u>69,457</u>	<u>69,457</u>	<u>71,096</u>

HUMAN RESOURCES 101-2610

The Human Resources Department provides staff support in the areas of recruitment, training, safety, benefits administration, compensation, employee and labor relations, legal compliance and budgeting to support benefit plans. In 2016-2017 the department will continue to provide assistance to the City Manager in the recruitment and selection of employees capable of providing excellent job performance and delivering excellent customer service. The department will provide oversight of employee leave and attendance policies, manage compliance with the Affordable Care Act and administer safety programs. The department will continue to provide, assist with and monitor training programs for the purpose of enhancing employee technical and customer service skills and to keep pace with new technologies and best practices. New employee orientation, employee wellness, preventing employee injury, diversity and ensuring a professional work environment will continue to be supported through training activities. Focus will continue to be placed on labor contract administration and negotiations, accurate job descriptions, performance evaluations and improvement plans, EEOC compliance, compliance with safety regulations, performing safety inspections, and providing a safe work environment.

Budget Overview: In 2016-2017, the Human Resources Department will continue to focus on the areas described above as well as to take a proactive approach in the areas of customer service, improved employee morale, safety and providing positive labor and employee relations.

Goals and Objectives: The Human Resources budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Human Resources	Recruitment	Recruit and select a highly skilled, professional and diverse group of employees
	Benefits/Compensation	Provide employees with competitive and financially sustainable pay and benefits
	Safety	Provide a safe environment through a review of compliance programs, audit of city facilities and investigation of accidents.
	Training	Continual development of employees in order to provide the highest level of service, focusing on new technology, safety and customer service

HUMAN RESOURCES, continued

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Applications & resumes processed	1,810	1,900	1,900
Training programs (internal)	1,482	850	850
Training programs (external)	522	340	340
Testing and assessments	357	353	350
Labor contracts negotiated	0	2	2
Grievances processed	2	5	6
New employee orientations	68	90	90
MIOSHA recordable injuries	9	15	12
Performance evaluations processed	420	400	400
Safety audits conducted	5	0	23
Interviews conducted	410	500	500
Family Medical Leave Act notifications	231	231	200
COBRA notifications	35	35	40
Legal notifications	5	5	5

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	644,987	610,692	413,108	413,108	409,494
Operations & Maintenance	124,298	136,466	200,154	177,800	167,500
Administrative Charges	2,769	1,544	3,169	3,169	2,772
TOTAL EXPENDITURES	<u>772,054</u>	<u>748,702</u>	<u>616,431</u>	<u>594,077</u>	<u>579,766</u>

PURCHASING

The Purchasing Department is responsible for the procurement of goods, services, equipment and capital improvements in a cost-effective manner; the administration of vendor compliance with City policies. The procurement system focuses on competition, equal treatment of vendors, and responsiveness to user agencies. The department performs risk management for the City, seeking to minimize injury and loss.

Budget Overview: The 2016-2017 Purchasing and Risk Management budget provides for the comprehensive review of liability insurance, additional joint governmental purchasing projects, and identification of additional opportunities for cost savings through contractual services.

Goals and Objectives: The Purchasing budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Purchasing	Administrative function	<p><i>Public Relations</i></p> <p>Continue efforts to enhance communication between local government, citizens, business community, and local educational institutions on City projects and services</p>
	Evaluate and improve purchasing service delivery function	<p><i>Service Delivery</i></p> <p>Continue to provide high quality effective and cost efficient municipal services</p> <p>Continue to increase efficiency by applying new technology</p> <p>Monitor, evaluate and communicate service delivery options</p> <p>Continue to evaluate contracting or privatizing city services and programs</p>
Risk Management	Continue to evaluate risk exposures	<p><i>Financial Health</i></p> <p>Continue to evaluate expenditures to provide for efficient use of city resources</p> <p>Consider and implement alternative means of addressing insurance needs to further enhance financial health of the city</p>

PURCHASING, continued

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	121,231	99,179	85,314	85,314	90,018
Operations & Maintenance	5,860	8,369	14,800	14,800	17,500
Administrative Charges	5,597	-	5,631	5,631	5,629
TOTAL EXPENDITURES	132,688	107,548	105,745	105,745	113,147

The responsibilities of the various activities are outlined as follows.

PURCHASING 101-2733

This activity accounts for the costs associated with the provision of goods and services in a systematic and cost effective manner.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Purchase orders processed	3,544	3,400	3,600
Sealed bids taken	35	50	50
Joint governmental contracts	22	22	20

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	83,612	73,682	68,953	68,953	72,372
Operations & Maintenance	5,100	5,295	11,300	11,300	11,300
TOTAL EXPENDITURES	88,712	78,977	80,253	80,253	83,672

RISK MANAGEMENT 101-2734

This activity accounts for the costs associated with the identification and minimization of municipal risk and the administration of insurance policies.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Liability/property/automobile claims administered	30	40	45

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	37,619	25,497	16,361	16,361	17,646
Operations & Maintenance	760	3,074	3,500	3,500	6,200
Administrative Charges	5,597	-	5,631	5,631	5,629
TOTAL EXPENDITURES	43,976	28,571	25,492	25,492	29,475

DEPARTMENT OF PARKS, RECREATION & SENIOR CITIZEN SERVICES

The Parks and Recreation division is responsible for the operation of parks, rentals, recreation, senior citizen services, the management of Senior Center buildings and grounds, and the operation of park visitor facilities.

The Senior Citizen Services division is responsible for programs that benefit mature adults, and other residents of all ages through intergenerational programming, information and referral and community service. The Portage Senior Center is one of fewer than 150 nationally accredited senior centers. The Portage Senior Center offers educational programs, recreation, support groups, transportation, information to seniors and families, travel and volunteer opportunities.

Budget Overview: The department continually reviews and adjusts fees to maintain a reasonable user charge structure and generate alternative funding wherever possible. The department also reviews programs to evaluate levels of participation and make program adjustments, as necessary. The 2016-2017 budget provides for critical attention to City grounds, and operation of the Ice Rink at Millennium Park and the beach at Ramona Park. The 2016-2017 Senior Citizens Services budget provides for the continuation of services to meet needs for this growing population.

Goals and Objectives: The Parks and Recreation, and Senior Citizen Services budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Parks	Strategic park, trail, open space planning	<i>Community Development</i> Promote quality of life Coordinated and innovative approach to developing park land while promoting aesthetic enhancement <i>Public Improvements</i> Systematic preventative maintenance program <i>Financial Health</i> Promote volunteerism to assist with services

DEPARTMENT OF PARKS, RECREATION & SENIOR CITIZEN SERVICES, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Recreation & Senior Citizen Services	Program operating costs offset by user revenue, business investment, grants	<i>Financial Health</i> Evaluate expenditures for efficient use of resources Pursue alternate funding methods
	Cooperative programming	<i>Service Delivery</i> Promote teamwork between the public and private sector
	Eliminate programs with low utilization and replace with new program initiatives	<i>Service Delivery</i> Prioritize existing services Evaluate contracting City programs
	Volunteer staffing	<i>Financial Health</i> Promote volunteerism to assist with services
	Brochures/flyers	<i>Public Relations</i> Enhance communication
Millennium Park Ice Rink	Expanded recreational opportunities	<i>Community Development</i> Coordinated and innovative approach to providing recreational opportunities

DEPARTMENT OF PARKS, RECREATION & SENIOR CITIZEN SERVICES, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Senior Center	Continue balanced & innovative programs including: fall prevention, chronic disease self-management, fitness, cultural events, men's activities, brain health education, leadership development (volunteers)	<i>Community Development</i> Promote highest quality of life for all residents
	Expand community service involvement by members in cooperation with Portage Community Center. Work with county transit authority and/or alternative to provide transportation for Portage elders.	<i>Community Development</i> Continue a commitment to human services
	Utilize cost effective marketing strategies such as media releases, PSAs, web pages, photo opportunities to raise community awareness of PSC	<i>Public Relations</i> Promote excellent public relations
	Maintain ongoing advocacy efforts for sustainability of older adult services in southwestern Michigan	<i>Finance and Budgeting</i> Pursue revenue enhancements through alternative funding opportunities
	Increase base of support for PSC by extending fundraising efforts to the greater community	
		<i>Service Delivery</i> Continue to increase efficiency by and applying new technology

PARKS & RECREATION

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Fees and permits	41,125	19,525	40,000	40,000	40,000
Charges for services	232,022	225,708	221,800	221,800	241,250
Interest and rents	38,954	49,568	52,000	52,000	64,500
Other revenue	15,740	21,052	33,859	14,700	20,000
Transfers In	4,000	1,582	4,000	4,000	4,000
TOTAL REVENUE	331,841	317,435	351,659	332,500	369,750
EXPENDITURES:					
Personnel Services	958,916	970,413	1,114,865	1,114,365	1,211,178
Operations & Maintenance	598,978	587,612	753,157	691,270	770,875
Administrative Charges	487,739	445,156	511,616	510,899	492,346
Capital Outlay	-	35,234	6,413	5,000	11,000
TOTAL EXPENDITURES	2,045,633	2,038,415	2,386,051	2,321,534	2,485,399

Parks and Recreation is comprised of general and administrative activities, plus a number of recreation programs, followed by Senior Citizen Services as a separate listing of activities.

PARKS 101-2877

This department accounts primarily for the activities performed by park rangers, special event program assistants and the rental program coordinator. Rangers are responsible for trail and park patrol, opening and closing of parks, assistance with rentals, programs and special events. The rental coordinator is responsible for handling all park facility rentals, walks/runs and special events held within the park system. Special event program assistants help with special events and programs as needed.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Park rentals	251	260	275
Walks/runs	17	22	25

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Interest and rents	38,574	49,193	42,000	42,000	54,000
Other revenue	6,846	7,408	2,700	2,700	-
TOTAL REVENUE	45,420	56,601	44,700	44,700	54,000
EXPENDITURES:					
Personnel Services	720,921	714,872	803,761	803,761	337,431
Operations & Maintenance	443,825	428,861	59,411	514,700	62,900
Administrative Charges	339,248	297,561	182,971	310,501	185,913
Capital Outlay	-	35,234	6,413	5,000	6,000
TOTAL EXPENDITURES	1,503,994	1,476,528	1,052,556	1,633,962	592,244

RECREATION - ADMINISTRATION 101-2880

This program accounts for the majority of costs associated with the administration of the Parks and Recreation division. Duties include budget preparation, grant writing, personnel and office management, program and event administration, community relations, coordination of park and recreation activities with other agencies and city departments.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Charges for services	185,363	174,386	12,000	167,000	-
Interest and rents	380	375	500	500	-
TOTAL REVENUE	185,743	174,761	12,500	167,500	-
EXPENDITURES:					
Personnel Services	76,753	61,937	77,885	77,885	157,120
Operations & Maintenance	19,528	5,630	15,050	15,050	23,025
Administrative Charges	4,743	-	4,772	4,772	4,771
TOTAL EXPENDITURES	101,024	67,567	97,707	97,707	184,916

RECREATION - TEAM SPORTS 101-2882

This program accounts for the costs associated with adult softball leagues and youth and adult softball tournaments.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Registrants	2,296	2,400	2,600
Teams	160	160	170
League Divisions	23	25	28
Tournaments	11	12	15

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Charges for services	-	-	100,000	-	100,250
TOTAL REVENUE	-	-	100,000	-	100,250
EXPENDITURES:					
Personnel Services	11,678	12,040	14,123	14,123	-
Operations & Maintenance	45,999	51,001	53,300	53,300	57,700
TOTAL EXPENDITURES	57,677	63,041	67,423	67,423	57,700

RECREATION – PROGRAMS 101-2885

This program represents fee and sponsor based programming other than Ramona Park, rentals, adult softball leagues/tournaments and Millennium Park Ice Rink. Current year programs include: youth triathlon, little lunkers fishing camp, and advanced anglers.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Participants	5,348	5,000	5,300
Fee based programs	14	11	17

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Charges for services	-	-	-	-	15,000
Interest and rents	-	-	-	9,500	-
Other revenue	-	-	-	-	2,000
TOTAL REVENUE	-	-	-	9,500	17,000
EXPENDITURES:					
Personnel Services	-	-	-	8,400	5,040
Operations & Maintenance	-	-	-	4,500	4,000
TOTAL EXPENDITURES	-	-	-	12,900	9,040

RECREATION – RAMONA PARK 101-2886

This program accounts for the costs associated with Ramona Park beach and gatehouse operation. Participation numbers and program expenditures are influenced by the weather and lake water levels.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Beach visitations	21,410	30,000	30,000
Daily beach permits	6,366	6,000	6,000
Annual beach permits	640	700	700

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Charges for services	-	-	55,000	-	71,000
Interest and rents	-	-	9,500	-	9,500
TOTAL REVENUE	-	-	64,500	-	80,500
EXPENDITURES:					
Personnel Services	27,509	36,095	56,539	48,139	73,279
Operations & Maintenance	9,013	18,305	19,499	11,350	20,300
TOTAL EXPENDITURES	36,522	54,400	76,038	59,489	93,579

RECREATION – SPECIAL EVENTS 101-2887

This program accounts for public events free of charge to participants. Programs include concerts, events, expos or other free programs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Events	N/A	6	9

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Interest and rents	-	-	-	-	1,000
Other revenue	-	-	7,750	-	10,000
TOTAL REVENUE	-	-	7,750	-	11,000
EXPENDITURES:					
Personnel Services	-	-	5,680	5,680	-
Operations & Maintenance	4	-	28,570	8,320	33,500
TOTAL EXPENDITURES	4	-	34,250	14,000	33,500

RECREATION – MILLENNIUM PARK ICE RINK 101-2888

This program accounts for the costs associated with the Ice Rink at Millennium Park, including the cost of ice skating lessons. A skate rental service and discount passes are provided to increase skating opportunities. Participation is influenced by weather, as is the length of the operating season.

<u>Service Indicators</u>	<u>Prior year</u>	<u>Current Year</u>	<u>Budget Year</u>
Operating days	54	54	54
Total participants	7,388	6,800	7,000

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Charges for services	46,659	51,322	54,800	54,800	55,000
TOTAL REVENUE	46,659	51,322	54,800	54,800	55,000
EXPENDITURES:					
Personnel Services	4,340	25,169	29,123	29,123	59,837
Operations & Maintenance	13,991	28,579	25,634	21,750	24,450
Administrative Charges	34,086	42,268	38,734	38,734	33,995
Capital Outlay	-	-	-	-	5,000
TOTAL EXPENDITURES	52,417	96,016	93,491	89,607	123,282

SENIOR CITIZEN SERVICES

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Other grants	10,619	14,244	34,633	20,000	33,000
Interest and rents	5,950	10,418	10,000	10,000	12,000
Other revenue	152,857	150,981	380,500	175,500	403,500
TOTAL REVENUE	<u>169,426</u>	<u>175,643</u>	<u>425,133</u>	<u>205,500</u>	<u>448,500</u>
EXPENDITURES:					
Personnel Services	175,877	205,890	245,497	245,497	264,115
Operations & Maintenance	65,620	78,764	308,801	86,040	285,175
Administrative Charges	34,208	14,535	22,674	22,674	19,938
Capital Outlay	-	-	5,000	5,000	-
TOTAL EXPENDITURES	<u>275,705</u>	<u>299,189</u>	<u>581,972</u>	<u>359,211</u>	<u>569,228</u>

The total budget for Senior Citizen Services, a division of the Parks and Recreation is shown separately under this budget. The individual activities provided through Senior Citizen Services are detailed in three divisions, as follows:

SENIOR CENTER, 101-6720

This activity accounts for the costs associated with the provision of activities and services which contribute to the physical, mental and social well-being of mature adults 50 years of age and over. Continued use of new technology (launched in March 2013) has improved the accuracy and forecasting of member and volunteer activities at the Senior Center. A robust calendar of programs and activities continues to be maintained through a concerted emphasis on supporting volunteer leadership roles and building community partnerships.

Service levels have been maintained through a continued emphasis on volunteerism and inter-agency collaboration. The Senior Center also accounts for the costs of building maintenance.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of members	1,284	1,350	1,500
Activity attendance	29,316	30,000	31,000
Number of mini-bus rides	1,086	1,100	1,200
Number of volunteer hours	23,124	23,500	24,000

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Other grants	10,619	14,244	34,633	20,000	33,000
Interest and rents	5,950	10,418	10,000	10,000	12,000
Other revenue	106,790	104,609	127,500	127,500	138,500
TOTAL REVENUE	<u>123,359</u>	<u>129,271</u>	<u>172,133</u>	<u>157,500</u>	<u>183,500</u>
EXPENDITURES:					
Personnel Services	157,021	188,748	224,282	224,282	234,101
Operations & Maintenance	61,555	77,049	101,361	83,600	82,300
Administrative Charges	34,208	14,535	22,674	22,674	19,938
Capital Outlay	-	-	5,000	5,000	-
TOTAL EXPENDITURES	<u>252,784</u>	<u>280,332</u>	<u>353,317</u>	<u>335,556</u>	<u>336,339</u>

SENIOR TRIPS, 101-6721

This program accounts for the costs of coordinating the senior trip program.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Other revenue	35,447	33,001	250,000	45,000	250,000
TOTAL REVENUE	35,447	33,001	250,000	45,000	250,000
EXPENDITURES:					
Personnel Services	18,856	17,142	21,215	21,215	30,014
Operations & Maintenance	4,065	1,715	207,440	2,440	202,875
TOTAL EXPENDITURES	22,921	18,857	228,655	23,655	232,889

Note: An accounting change was made during 2015-2016 to record separately the revenue and expenditure related to the trip program. Previously only the net proceeds were budgeted and recorded. This change will properly represent the payments received and costs of the program. The 2015-2016 adopted budget projected net revenue of \$45,000, and that budget was amended to reflect an expected \$250,000 in revenue offset by \$205,000 in trip related expenditures. For 2016-2017 trip revenues are projected to be \$250,000 and expenditures \$200,000.

SENIOR ACTIVITIES, 101-6722

This program accounts for the net income from various recreational and fitness activities entered into by active seniors throughout the year.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Other revenue	10,620	13,371	3,000	3,000	15,000
TOTAL REVENUE	10,620	13,371	3,000	3,000	15,000

DEPARTMENT OF PUBLIC SERVICES

The Department of Public Services is responsible for the maintenance of parks, cemeteries, buildings and grounds, streets, recycling, leaf pickup and spring cleanup, and all fleet and facilities operations. Public Services uses resources from several funds and departments appearing throughout this budget, including Parks Grounds Maintenance, Cemeteries, and Kalamazoo in Bloom from General Fund, routine, traffic services, and winter maintenance in the Major and Local Streets funds, all Curbside Recycling Fund activities, all operations in the Leaf Pickup / Spring Cleanup Fund, and operation of the Fleet and Facilities Fund (Appendix F).

PARKS MAINTENANCE 101-2865

This activity accounts for the costs associated with the development, improvement, and maintenance of 18 parks and other properties, and the operation of the Celery Flats Interpretive Center. The costs associated with maintaining flowerbeds in the City Centre area and Celery Flats are also accounted for in this budget. Additionally, contractual service for grounds maintenance, landscaped areas and restrooms at the parks throughout the City are included in this budget. This activity also accounts for the costs associated with the management and maintenance of the City Centre grounds, which includes holiday decorations, contract management, snow/ice removal, irrigation system maintenance, special projects and landscaping needs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Acreage of intensive maintenance	209	209	211
Kalamazoo in Bloom flowers annually planted/maintained	20,000	20,000	20,000
Acres of blvd./interchange mowing	131	140	140
City Center acres managed	6.5	6.5	6.5
Holiday lights	35,000	35,000	35,000

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	79,207	81,539	85,077	84,577	535,315
Operations & Maintenance	41,884	30,205	515,465	39,000	516,700
Administrative Charges	96,263	90,965	273,247	145,000	256,445
TOTAL EXPENDITURES	217,354	202,709	873,789	268,577	1,308,460

CEMETERIES 101-2876

This activity accounts for the costs associated with the operation and maintenance of the four City-owned cemeteries, encompassing 15.5 intensively maintained acres. The expenses of operating the cemeteries are partially offset by charges for services and ongoing upkeep transfers from the Cemetery Permanent Fund, resulting in a General Fund subsidy ranging between approximately \$20,000 and \$40,000 per year.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Interments per year	37	50	50

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Fees and permits	41,125	19,525	40,000	40,000	40,000
Other revenue	5,744	7,055	11,000	11,000	8,000
Transfers In	4,000	1,582	4,000	4,000	4,000
TOTAL REVENUE	50,869	28,162	55,000	55,000	52,000
EXPENDITURES:					
Personnel Services	38,508	38,761	42,677	42,677	43,156
Operations & Maintenance	12,920	14,335	18,818	17,300	18,300
Administrative Charges	13,399	14,362	11,892	11,892	11,222
TOTAL EXPENDITURES	64,827	67,458	73,387	71,869	72,678

KALAMAZOO IN BLOOM, INC. 101-2878

This program accounts for a portion of the flower costs in conjunction with the countywide Kalamazoo in Bloom, Inc. organization programs.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	5,541	6,016	6,001	6,000	10,000
TOTAL EXPENDITURES	5,541	6,016	6,001	6,000	10,000

PUBLIC SAFETY

The Department of Public Safety maintains separate operating divisions for Police and Fire, and a shared administrative services division. The administrative costs are allocated between the individual budgets.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Fees and permits	41,129	49,946	36,900	36,900	36,000
Federal revenue	58,839	6,801	1,000	1,000	1,000
State revenue	9,864	27,726	8,000	8,000	21,600
Other grants	441	37,511	2,000	2,000	2,000
Other revenue	312,253	314,992	283,160	283,160	284,170
TOTAL REVENUE	422,526	436,976	331,060	331,060	344,770
EXPENDITURES:					
Personnel Services	10,927,704	11,072,887	11,853,729	11,853,729	12,693,901
Operations & Maintenance	875,231	1,042,199	1,317,966	1,231,473	1,382,778
Administrative Charges	709,949	423,135	716,343	785,393	641,611
Capital Outlay	60,121	94,996	240,473	145,275	77,800
TOTAL EXPENDITURES	12,573,005	12,633,217	14,128,511	14,015,870	14,796,090

PUBLIC SAFETY-POLICE

The Police Division is responsible for the protection of life and property, the prevention and suppression of crime, the detection, identification and apprehension of criminals, the safe and accident-free flow of pedestrian, bicycle and vehicular traffic, and to nurture public trust and confidence by holding the department to the highest standards of performance, It is recognized that, by promoting the health, safety and welfare of the citizens of Portage, a high quality of life can be ensured.

Budget Overview: The 2016-2017 budget supports fulfillment of the Police Division’s responsibilities and includes the following activities: Administration and Staff, Youth Services, Investigations, Patrol, Training, Central Communications, Records, and Drug Law Enforcement. The Police Division budget includes two Police/School Resource Officer positions, which are 50 percent funded by Portage Public Schools, participation in area-wide drug enforcement efforts, continuation of crime prevention activities, and traffic enforcement, education and accident prevention programs.

Goals and Objectives: The Police Division budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Administration	Initiate/enhance alternative Service delivery methods	<i>Service Delivery</i> Evaluate alternatives to increased service demands Continue to increase efficiency by application of technology
	Continue to pursue cooperative efforts between area agencies	<i>Service Delivery</i> Pursue beneficial intergovernmental ventures
	Research and pursue grant opportunities	<i>Financial Health</i> Continue to pursue revenue enhancement through alternative funding
	Maintain CALEA* accreditation status	<i>Service Delivery</i> Continue to provide high quality, effective, and cost efficient service based on nationally recognized best practices and standards

* Commission on Accreditation for Law Enforcement Agencies, established to “improve delivery of public safety services by maintaining a body of standards, establishing and administering an accreditation process, and recognizing professional excellence.”

PUBLIC SAFETY-POLICE, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Youth	Continue Police/School Resource Officer Program	<p><i>Community Development</i> Continue prevention and enforcement efforts concerning illegal drug and alcohol abuse Continue effective safety programs through prevention, education, and enforcement</p>
Investigations	Continue providing crime prevention programs	<p><i>Community Development</i> Continue to encourage citizen involvement in crime prevention Promote teamwork between the public and private sectors</p>
Patrol	<p>Increase use of data to improve team approach toward service provision and crime prevention</p> <p>Continue traffic enforcement and accident prevention</p>	<p><i>Service Delivery</i> Increase efficiency by applying new technology</p> <p><i>Transportation</i> Use data to enhance enforcement on high accident/traffic areas Evaluate citizen complaint identified areas using directed patrols</p>
Training	Develop cost-effective and efficient methods to provide training	<p><i>Service Delivery</i> Co-host programs with outside providers</p> <p><i>Public Improvements</i> Explore uses of technology to provide training, computer based training, etc.</p>
Public Safety Dispatch	Continue enhancements to computer aided dispatch	<p><i>Public Relations</i> Continue emphasis on courteous public service Continue efforts to enhance communications between local government, citizens and business</p>

PUBLIC SAFETY-POLICE, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Records/Property	Continue emphasis on volunteerism Continue computer system upgrade	<i>Service Delivery and Finance</i> Promote volunteerism Continue to increase efficiency by applying new technology
	Continue building improvements	<i>Public Improvements</i> Maintain a systematic preventative maintenance program
	Continue emphasis on Courteous customer relations	<i>Customer Relations</i> Maintain quality of service both in Administration and Operations

POLICE Division budget

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Fees and permits	40,724	49,787	36,000	36,000	35,000
Federal revenue	58,839	6,801	1,000	1,000	1,000
State revenue	9,864	27,726	8,000	8,000	21,600
Other grants	441	37,511	2,000	2,000	2,000
Other revenue	239,917	243,243	211,800	211,800	212,900
TOTAL REVENUE	349,785	365,068	258,800	258,800	272,500
EXPENDITURES:					
Personnel Services	7,122,378	7,294,248	7,713,961	7,713,961	8,266,400
Operations & Maintenance	579,212	591,067	719,213	700,330	790,728
Administrative Charges	512,789	285,164	508,971	558,021	433,141
Capital Outlay	33,650	25,955	44,800	44,800	44,800
TOTAL EXPENDITURES	8,248,029	8,196,434	8,986,945	9,017,112	9,535,069

The responsibilities of the various activities are outlined as follows.

ADMINISTRATION and STAFF, 101-3005

This activity accounts for the costs associated with the administration of all activities, services and operations of the Police Division. Duties include budget preparation, personnel and office management, purchasing and budget control, labor/management relations, handling of citizen complaints, public relations, and coordination of police activities with other agencies and City departments.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Grievances processed	0	1	1
Internal investigations	12	12	12
Letters to citizens/other agencies	36	40	40

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Fees and permits	40,724	49,787	36,000	36,000	35,000
Federal revenue	58,839	6,801	1,000	1,000	1,000
Other grants	-	37,135	1,000	1,000	1,000
Other revenue	153,360	154,006	113,600	113,600	114,700
TOTAL REVENUE	<u>252,923</u>	<u>247,729</u>	<u>151,600</u>	<u>151,600</u>	<u>151,700</u>
EXPENDITURES:					
Personnel Services	400,532	413,572	469,636	469,636	487,963
Operations & Maintenance	38,374	37,583	58,592	55,950	75,300
Administrative Charges	347,560	143,792	373,151	373,151	290,956
TOTAL EXPENDITURES	<u>786,466</u>	<u>594,947</u>	<u>901,379</u>	<u>898,737</u>	<u>854,219</u>

YOUTH SERVICES, 101-3006

This activity accounts for the costs associated with youth services and crime prevention. The two Police/School Resource Officers conduct criminal and non-criminal investigations and provide a specialized approach to youth crime prevention. Youth services include the police school resource program and special crime prevention programs. This activity also accounts for the costs associated with the department crime prevention programs including neighborhood and juvenile programs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Juvenile referrals	20	25	25
Adult arrests	15	30	30
Cases assigned	230	230	230
Police/School Resource hours	3,600	3,600	3,600
Crime prevention assignments	120	130	130

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	367,575	425,926	405,099	405,099	428,246
Operations & Maintenance	10,725	9,868	65,680	66,630	66,630
Administrative Charges	240	467	1,200	250	1,845
TOTAL EXPENDITURES	378,540	436,261	471,979	471,979	496,721

INVESTIGATION, 101-3007

This activity accounts for the costs associated with providing assistance to patrol officers in the investigation of major crimes such as rape, robbery, burglary, fraud, arson and white collar crime. It also provides a liaison between the department and banks, the County Prosecutor and state and federal investigative agencies. Detectives investigate liquor licensed establishments, solicitation applications, and write violations of state law in accordance with Michigan Liquor Control Commission (MLCC). Beginning January 2016, the investigative unit will begin tracking the number of charging requests submitted to the local prosecuting authorities.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Cases assigned to investigators	494	500	500
Charges requested	N/A	170	170
Charges authorized	130	150	150
Cases cleared	650	700	700
Intelligence reports	50	60	60
Liquor inspections	67	60	60
Liquor license violations	6	5	5
Tobacco inspections	50	50	50
Tobacco violations	2	2	2

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	594,924	589,987	621,736	608,236	644,029
Operations & Maintenance	14,547	16,429	21,240	21,240	21,240
Administrative Charges	3,341	4,431	6,460	6,460	4,305
TOTAL EXPENDITURES	612,812	610,847	649,436	635,936	669,574

PATROL, 101-3010

This activity accounts for the costs associated with the patrol and the reserve officer program. The patrol officers are responsible for maintaining peace, preventing crime, conducting criminal and accident investigations, apprehending violators, controlling traffic, and providing routine police services.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Total calls for service	25,204	25,000	25,000
Cases investigated	10,278	11,000	11,000
Average response time (minutes)	15.46	15.00	15.00
Personal injury accidents	248	250	250
Property damage accidents	1,238	1,200	1,200
Drunk-driving arrests	212	200	200
Total adult arrests	4,148	4,000	4,000
Property recovered	\$263,015	\$300,000	\$300,000
Property loss	\$1,226,351	\$1,300,000	\$1,300,000
Hazardous traffic citations	2,942	3,000	3,000
Non-hazardous traffic citations (excludes parking)	1,606	1,600	1,600

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Other revenue	1,540	2,110	200	200	200
TOTAL REVENUE	<u>1,540</u>	<u>2,110</u>	<u>200</u>	<u>200</u>	<u>200</u>
EXPENDITURES:					
Personnel Services	4,339,658	4,490,023	4,684,937	4,698,437	4,996,743
Operations & Maintenance	157,075	160,348	171,553	165,807	170,447
Administrative Charges	161,168	135,794	122,190	172,190	129,935
Capital Outlay	9,539	25,955	44,800	44,800	44,800
TOTAL EXPENDITURES	<u>4,667,440</u>	<u>4,812,120</u>	<u>5,023,480</u>	<u>5,081,234</u>	<u>5,341,925</u>

VOLUNTEER PARKING ENFORCEMENT, 101-3011

This program accounts for the costs associated with handicapped only and fire lane parking enforcement, citizen volunteers, who receive no compensation, and the volunteer chaplain.

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>
Total volunteer hours	789		800		800
	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted	Adopted	Admin
			Budget	Budget	Recommend
EXPENDITURES:					
Personnel Services	-	-	-	-	-
Operations & Maintenance	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-

TRAINING, 101-3020

This activity accounts for the costs associated with the coordination, scheduling and implementation of specialized training programs.

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>	
	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>
Patrol procedures	450	1,800	450	1,800	450	1,800
Criminal investigation	40	1,000	40	1,000	40	1,000
Legal/Civil Law	40	200	40	200	40	200
Self-defense	50	300	50	300	50	300
First Aid/CPR	45	90	45	90	45	90
Crime prevention	2	88	2	80	2	80
Management	14	250	14	250	14	250
Tactical training	6	100	6	100	6	100
Support Operations	54	520	54	560	54	560
Policy/CALEA	300	100	300	100	300	100
Field Training	5	200	2	64	2	64
Public/Private School Resource	15	120	15	120	15	120
Reserve officer training	10	150	10	150	10	150

TRAINING, continued

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	63,231	56,893	63,533	63,533	65,217
Operations & Maintenance	42,356	53,997	49,205	49,205	49,205
Administrative Charges	240	419	610	610	615
TOTAL EXPENDITURES	105,827	111,309	113,348	113,348	115,037

TRAINING - CRIMINAL JUSTICE GRANT, 101-3021

This activity accounts for training, the revenues for which are supplied through P.A. 302 Training Funds. These funds must be used for additional officer training and may not be used to reduce "normal" training expenditures. Accounting standards require that expenditures that are related to grant revenue be segregated.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
State revenue	9,864	9,860	8,000	8,000	8,600
TOTAL REVENUE	9,864	9,860	8,000	8,000	8,600
EXPENDITURES:					
Operations & Maintenance	6,013	8,734	8,000	8,000	8,000
TOTAL EXPENDITURES	6,013	8,734	8,000	8,000	8,000

PUBLIC SAFETY DISPATCH, 101-3030/31/35

This activity accounts for the costs associated with receiving police and fire emergency telephone calls and dispatching the appropriate units. In addition, the Central Communications activity is responsible for processing emergency calls for road and utility problems and referrals after normal hours. The Central Communications staff operates the central communications console, the Computer Aided Dispatch (CAD) system that integrates the Law Enforcement Information Network (LEIN), Secretary of State (SOS) and National Crime Information Center (NCIC) systems with the in-house database.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Calls for service (police and fire)	26,343	26,000	26,000
*9-1-1 wireline calls & "other"	4,344	4,500	4,500
9-1-1 cell calls	26,170	26,000	26,000
Warrants processed	1,597	1,600	1,600

*includes VOIP, unknown and ANI Failure calls

DISPATCH / TECHNICAL SERVICES, 101-3030

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
State revenue	-	12,191	-	-	13,000
Other revenue	-	-	18,000	18,000	18,000
TOTAL REVENUE	-	12,191	18,000	18,000	31,000
EXPENDITURES:					
Personnel Services	686,846	662,717	706,414	706,414	737,945
Operations & Maintenance	242,784	188,132	217,138	209,472	267,479
TOTAL EXPENDITURES	929,630	850,849	923,552	915,886	1,005,424

EMERGENCY WARNING SIRENS, 101-3031

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	2,000	950	8,000	8,000	9,376
TOTAL EXPENDITURES	2,000	950	8,000	8,000	9,376

**911 COMMERCIAL MOBILE RADIO SERVICE (CMRS) –
PUBLIC SAFETY ANSWERING POINT (PSAP), 101-3035**

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
State revenue	-	5,675	-	-	-
Other revenue	85,017	87,127	80,000	80,000	80,000
TOTAL REVENUE	85,017	92,802	80,000	80,000	80,000
EXPENDITURES:					
Personnel Services	173,849	182,416	200,127	200,127	207,170
TOTAL EXPENDITURES	173,849	182,416	200,127	200,127	207,170

RECORDS/PROPERTY, 101-3040

This activity accounts for the costs associated with support functions for the Police Division. These functions include: coordination of computer services, maintenance of all Police Division records including data entry, filing and retrieval, processing criminal records, and Freedom of Information Act requests. Retrieval of statistical data is used for crime analysis, scheduling, selective enforcement and other uses.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Arrests processed	4,148	4,000	4,000
Subpoena services	1,574	1,500	1,500
False alarms processed	907	1,000	1,000
Computerized case documents	20,163	20,000	20,000
Scanned documents	18,526	18,000	18,000
Juvenile Court petitions	214	300	300
Criminal record checks	486	450	450
Freedom of Information Act requests	2,035	2,000	2,000

RECORDS/PROPERTY, 101-3040, continued

This activity also accounts for the costs associated with additional support functions for the Police Division. These functions include: the processing, safekeeping and disposal of all evidence and property, operation of the information center, non-criminal fingerprinting, vehicle repairs, building maintenance, weapon permits and registrations, and general information telephone calls.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Equipment maintenance	435	400	400
State handgun registration document processing, units	1,072	1,100	1,100
Handgun purchase permits	236	200	200
Evidence submitted	2,918	3,100	3,100
Evidence disposed	2,769	3,000	3,000
Pounds of medication disposed/Red Med Box	N/A	3,000	3,000

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Admin Recommend</u>
EXPENDITURES:					
Personnel Services	427,440	388,137	381,676	381,676	392,763
Operations & Maintenance	26,627	33,765	40,094	39,126	46,151
TOTAL EXPENDITURES	<u><u>454,067</u></u>	<u><u>421,902</u></u>	<u><u>421,770</u></u>	<u><u>420,802</u></u>	<u><u>438,914</u></u>

DRUG LAW ENFORCEMENT, 101-3050

In October 2014, the Portage Uniformed Narcotics Team (P.U.N.T.) was formed to specifically investigate complaints involving controlled substances. Officers assigned to the team focus on conducting more intensive drug investigations by utilizing intelligence gathering, surveillance, and uniformed and plain clothes operations. The unit is comprised of at least one patrol officer from each of the patrol teams, a detective, a crime prevention officer and a sergeant. The unit is commanded by the patrol operations lieutenant.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Tips investigated	30	50	50
Total VCSA complaints	200	300	300
Estimated value of seized drugs	\$56,000	\$80,000	\$80,000
Estimated value of forfeiture (cash/property)	\$17,000	\$2,000	\$2,000
Methamphetamine labs seized	13	44	44

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Other grants	441	376	1,000	1,000	1,000
TOTAL REVENUE	441	376	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	68,323	84,577	180,803	180,803	306,324
Administrative Charges	240	261	5,360	5,360	5,485
TOTAL EXPENDITURES	68,563	84,838	186,163	186,163	311,809

BUILDING MAINTENANCE, 101-3065

This activity provides for the costs associated with operating and maintaining the Police Division facility.

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	38,711	81,261	79,711	76,900	76,900
Capital Outlay	24,111	-	-	-	-
TOTAL EXPENDITURES	62,822	81,261	79,711	76,900	76,900

PUBLIC SAFETY-FIRE

The Fire Division provides fire prevention and emergency response services including fire suppression, technical rescues (ice, confined space, high angle, etc.), emergency medical responses, vehicle extraction and hazardous materials incident mitigation. The Fire prevention activities include plan reviews, technical inspections and a range of public education activities including fall and spring presentations in the Portage Public Schools. Firefighters perform annual inspections of all commercial and industrial facilities to ensure compliance with the fire code and ordinances, as well as providing infant and child car safety seat installation services. The Emergency Coordination Center is located at Fire Station #1, and oversight of emergency management is provided by the Public Safety administrative division. The Fire Division operates with a combination of highly trained career and on-call personnel.

Budget Overview: The 2016-2017 budget provides for the provision of Fire Department services to the community. The budget includes: a) funding to maintain the firefighting apparatus, support vehicles, three fire stations and the training facility; b) initial training and ongoing education for all members; c) maintenance or replacement of essential equipment needed for fire, rescue, and emergency medical services; and d) operational costs of the department.

Goals and Objectives: The Fire Division budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Administration	Facilities maintenance and renovation initiatives	<i>Public Improvements</i> Maintain a systematic preventative maintenance program for station buildings
	Pre-fire survey development	Increase efficiency through applying new technology
	Apparatus maintenance and replacement initiatives	Maintain a systematic preventative maintenance and replacement plan for equipment for effective operations
	Quality Assurance	Quality controls and assurance checks for call processing and emergency response procedures
Operations	Kalamazoo County Haz-Mat Team	<i>Service Delivery</i> Promote teamwork and unity of purpose between public and private sector
	Kalamazoo County Training Committee	Pursue intergovernmental ventures
	Kalamazoo County Fire Investigation Team	Provide teamwork and unity
	5 th District Technical Rescue Team	

PUBLIC SAFETY-FIRE, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Operations	Technological equipment upgrades	Increase efficiency by applying new technology
Fire Prevention	Annual fire inspection program Public education	<i>Community Development</i> Effective community safety programs
On-call	On-call firefighter program	<i>Service Delivery</i> Evaluate alternatives to meet service demands
Training	Continuing education Safety Initiatives	<i>Service Delivery</i> Employee training for a well-trained work force <i>Finance</i> Promote safety and minimize risk exposure by identifying situations to prevent accidents
Emergency Management	Backup County EOC Emergency Management Exercises	<i>Service Delivery</i> Pursue intergovernmental ventures Promote teamwork and unity between public and private sector

FIRE Division budget

	<u>2013-2014</u> Actuals	<u>2014-2015</u> Actuals	<u>2015-2016</u> Adjusted Budget	<u>2015-2016</u> Adopted Budget	<u>2016-2017</u> Admin Recommend
REVENUE:					
Fees and permits	405	159	900	900	1,000
Other revenue	2,336	1,749	1,360	1,360	1,270
TOTAL REVENUE	<u>2,741</u>	<u>1,908</u>	<u>2,260</u>	<u>2,260</u>	<u>2,270</u>
EXPENDITURES:					
Personnel Services	3,805,326	3,778,639	4,139,768	4,139,768	4,427,501
Operations & Maintenance	275,058	431,360	559,893	496,325	557,050
Administrative Charges	167,897	109,409	174,372	194,372	175,655
Capital Outlay	26,471	69,041	195,673	100,475	33,000
TOTAL EXPENDITURES	<u>4,274,752</u>	<u>4,388,449</u>	<u>5,069,706</u>	<u>4,930,940</u>	<u>5,193,206</u>

The Fire Division is comprised of seven activities that follow.

ADMINISTRATION, 101-3310

This activity accounts for the costs associated with the administration of the Fire Division. Areas of responsibility include personnel management, fleet maintenance, physical plant operation, budget preparation, goals and objectives development, labor relations and contract administration, and response to citizen service requests.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Pre-fire surveys completed	20	20	20
Vehicle service and equipment Maintenance performed	240	300	300

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Admin Recommend</u>
REVENUE:					
Fees and permits	405	159	900	900	1,000
Other revenue	949	444	400	400	300
TOTAL REVENUE	1,354	603	1,300	1,300	1,300
EXPENDITURES:					
Personnel Services	321,227	334,217	322,830	322,830	335,973
Operations & Maintenance	166,506	284,789	231,420	227,725	218,425
Administrative Charges	133,681	79,321	141,247	141,247	141,470
Capital Outlay	-	7,500	4,500	4,500	-
TOTAL EXPENDITURES	621,414	705,827	699,997	696,302	695,868

OPERATIONS, 101-3320

This activity accounts for the costs associated with fire suppression, rescue and EMS services and the annual fire inspection of commercial and industrial facilities.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Fire calls	113	150	150
Emergency medical calls	2,414	2,400	2,300
False Alarm	285	340	340
Hazardous Conditions	176	130	130
Service Calls	384	400	400
Good Intent Calls	507	500	500
Initial/Mutual Aid provided	47	40	40
Initial/Mutual Aid received	56	50	50
Building inspections (commercial, industrial, including hazardous material sites)	2,934	2,700	2,700

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	3,333,067	3,272,955	3,465,092	3,465,092	3,741,806
Operations & Maintenance	28,349	56,787	113,369	81,835	131,810
Administrative Charges	34,216	30,088	33,125	53,125	34,185
Capital Outlay	26,471	61,541	191,173	95,975	33,000
TOTAL EXPENDITURES	<u><u>3,422,103</u></u>	<u><u>3,421,371</u></u>	<u><u>3,802,759</u></u>	<u><u>3,696,027</u></u>	<u><u>3,940,801</u></u>

ON-CALL FIREFIGHTERS, 101-3330

Service Indicators for Fire Operations apply to this activity. This activity accounts for the expenses associated with on-call firefighter employment. On-call firefighter activity is included in the service indicator activity for fire operations above.

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Personnel Services	72,803	82,335	141,163	141,163	112,560
Operations & Maintenance	3,177	15,433	35,128	24,230	24,230
TOTAL EXPENDITURES	<u>75,980</u>	<u>97,768</u>	<u>176,291</u>	<u>165,393</u>	<u>136,790</u>

FIRE PREVENTION, 101-3340

The Fire Prevention activity is responsible for building and site inspections, fire protection plan review, fire code enforcement, public education, smoke detector/sprinkler programs, and fire investigation.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Fire investigations	51	50	50
Plan Reviews	151	150	150
Technical inspections	321	300	300
Public education events	90	90	90
Recreational fire permits issued	110	100	100
Infant/child car seat installation activity	226	240	240

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
REVENUE:					
Other revenue	1,387	1,305	960	960	970
TOTAL REVENUE	<u>1,387</u>	<u>1,305</u>	<u>960</u>	<u>960</u>	<u>970</u>
EXPENDITURES:					
Personnel Services	78,229	89,132	106,010	106,010	116,814
Operations & Maintenance	8,526	14,970	21,905	21,905	32,785
TOTAL EXPENDITURES	<u>86,755</u>	<u>104,102</u>	<u>127,915</u>	<u>127,915</u>	<u>149,599</u>

TRAINING/SAFETY, 101-3350

This activity accounts for the costs associated with the coordination, scheduling and implementation of employee competency and safety training. The staff is also responsible for ensuring compliance with state and federal safety regulations and maintaining a safe work environment.

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>	
	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>
Total fire training sessions	2,362	2,852	2,600	4,500	2,600	4,500

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	-	-	104,673	104,673	120,348
Operations & Maintenance	18,633	14,950	77,780	68,380	64,680
TOTAL EXPENDITURES	18,633	14,950	182,453	173,053	185,028

EMERGENCY MANAGEMENT, 101-3331

This program separately identifies the costs of Emergency Management activities in support of major incidents that require the coordination of multiple City or regional resources. The City Emergency Management Support Plan is maintained and administered through this division of the Fire Department.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
City emergency management exercises	1	1	1
Countywide emergency management exercises	1	1	1

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	567	4,382	5,800	5,800	7,570
TOTAL EXPENDITURES	567	4,382	5,800	5,800	7,570

BUILDING MAINTENANCE, 101-3365

This activity provides for the costs associated with operating and maintaining the Fire Division facilities.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	49,300	40,049	74,491	66,450	77,550
TOTAL EXPENDITURES	49,300	40,049	74,491	66,450	77,550

COURT FACILITY 101-1501

This activity accounts for the maintenance of chambers formerly provided to the District Court of Southwestern Michigan. The District Court vacated the premises, located within the Portage Police Department building, on March 1, 2013, and they are presently vacant. The property was leased by the District Court “in perpetuity”. In vacating the property, an agreement was negotiated with Kalamazoo County providing for compensatory income through June 30, 2023.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Other revenue	70,000	70,000	70,000	70,000	70,000
TOTAL REVENUE	70,000	70,000	70,000	70,000	70,000
EXPENDITURES:					
Operations & Maintenance	20,961	19,772	38,860	34,818	35,000
Administrative Charges	29,263	28,562	33,000	33,000	32,815
TOTAL EXPENDITURES	50,224	48,334	71,860	67,818	67,815

COMMUNITY DEVELOPMENT

The Department of Community Development has oversight responsibility for all private development projects and planning for community growth in order to maintain and improve the overall quality of life in the community. This is accomplished through the provision of development project review, neighborhood improvement, building construction and housing services designed to preserve and expand the tax base, to improve business and industry centers and to assure the stability of neighborhoods with housing opportunities for citizens at all income levels in the City. Activities designed to achieve compliance with master plan objectives, adopted community goals and City codes relevant to planning and property improvement including land development and zoning, new construction, housing rehabilitation, property maintenance, and historic districts are performed by this department. This department also administers Community Development Block Grant (CDBG) funds, which are accounted for in non-General Fund accounts. Additionally, the department plays a role in encouraging existing business expansion, and attracting new business and industrial growth. The department is the building manager for City Hall.

Budget Overview: The 2016-2017 budget includes: a) continuation of planning, development and neighborhood activities; and b) continuation of residential and nonresidential construction and inspection services and neighborhood protection activities all of which help to ensure functional, quality business and industrial centers and the livability of neighborhoods.

Goals and Objectives: The Community Development Department budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Building and Housing Services	Building project review	<p><i>Community Development</i> Promote quality of life in Portage Ensure decent and safe housing and the livability of community neighborhoods</p> <p><i>Public Relations</i> Continue efforts to enhance communication between government, citizens, business and educational institutions on City projects and services Continue emphasis on courteous public service</p>
	Cross connection backflow prevention	<p><i>Public Improvements</i> Continue to improve the water system</p>

COMMUNITY DEVELOPMENT, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
	Housing Assistance Programs	<p>Ensure decent and safe housing and the livability of community neighborhoods</p> <p>Coordinate with area-wide economic development organizations.</p> <p><i>Service Delivery</i></p> <p>Evaluate and propose possible ordinance revisions</p>
	Public Buildings Maintenance	<p>Continue to evaluate contracting/privatizing of service/programs</p> <p><i>Community Development</i></p> <p>Continue planning/implementing programs and projects to enhance the City Centre area</p>
	Liaison to Construction Board of Appeals and participate with Historic District Commission	<p>Improve the utility of citizen advisory boards</p> <p>Monitor, evaluate, and communicate service delivery options</p> <p><i>Public Relations</i></p> <p>Continue emphasis on courteous public service</p>
Planning, Development and Neighborhood Services	Community and Economic Development	<p><i>Community Development</i></p> <p>Ensure decent and safe and the livability of community neighborhoods</p>
	Neighborhood Support Program	<p>Maintain effective planning and development programs to promote orderly, attractive and environmentally sound growth</p>
	Human/Public Services	<p>Continue commitment to human services to enhance desirability of the community</p>
	Zoning Review and Zoning Administration	<p>Continue planning and implementing programs and projects to enhance the City Centre area</p>

COMMUNITY DEVELOPMENT, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
	Development Review/Approval	<p><i>Quality of Environment</i> Enhance environmental quality and protect natural resources</p> <p><i>Economic Development.</i> Promote business diversification</p> <p><i>Service Delivery</i> Promote teamwork and unity of purpose between public and private sectors. Continue to increase efficiency by applying new technology communicate service delivery options Evaluate and propose possible ordinance revisions</p>
	Liaison to Planning Commission, Human Services Board, Zoning Board of Appeals, Brownfield Authority, Local Development Finance Authority, Economic Development Authority/Tax Increment Finance Authority, and Downtown Development Authority	<p>Improve the utility of citizen advisory boards</p> <p><i>Public Relations</i> Continue emphasis on courteous public service Continue efforts to enhance communication between government, citizens, the business community and educational institutions on City projects and services</p>

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Fees and permits	556,712	875,811	555,000	555,000	545,000
Interest and rents	171,382	165,731	167,000	167,000	162,000
Other revenue	43,688	47,991	6,500	6,500	6,300
TOTAL REVENUE	<u>771,782</u>	<u>1,089,533</u>	<u>728,500</u>	<u>728,500</u>	<u>713,300</u>
EXPENDITURES:					
Personnel Services	690,005	712,758	809,010	827,010	859,360
Operations & Maintenance	124,108	129,096	190,195	146,540	183,055
Administrative Charges	185,344	222,773	229,540	229,540	202,876
Capital Outlay	10,782	-	-	-	-
TOTAL EXPENDITURES	<u>1,010,239</u>	<u>1,064,627</u>	<u>1,228,745</u>	<u>1,203,090</u>	<u>1,245,291</u>

The responsibilities of the various activities are outlined as follows.

BUILDING AND HOUSING SERVICES, 101-3710

This activity accounts for the costs associated with ensuring that new construction and redevelopment projects conform to various professional codes and ordinances and assists with development responsibilities associated with housing and property maintenance administration and enforcement. This section assists in responding to citizen requests regarding community or City concerns. The City cross connection/backflow prevention program to protect the City water system and ensure proper connections involving private property is administered by this section. Staff act as liaison to the Construction Board of Appeals and assists with the Historic District Commission. This activity also involves housing rehabilitation project services associated with the Community Development Block Grant housing programs by assisting applicants with housing project specifications, inspections and finalization. The Building and Housing Services section also manages City Hall building maintenance activities and coordinates the National Flood Insurance program annual certification.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Building permits*	474	450	450
Plumbing permits*	369	400	400
Electrical permits*	509	650	575
Mechanical permits*	746	750	750
Housing/property maintenance inspections	50	50	50
Backflow program coordination and inspections	232	450	300

*Between one and ten inspections are made for each, depending upon the complexity of the project.

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Admin Recommend</u>
REVENUE:					
Fees and permits	515,120	825,775	500,000	500,000	500,000
Other revenue	15,827	-	-	-	-
TOTAL REVENUE	<u>530,947</u>	<u>825,775</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
EXPENDITURES:					
Personnel Services	321,121	324,538	358,142	367,142	386,387
Operations & Maintenance	9,306	8,192	31,560	13,350	49,350
Administrative Charges	14,838	17,673	15,573	15,573	18,251
TOTAL EXPENDITURES	<u>345,265</u>	<u>350,403</u>	<u>405,275</u>	<u>396,065</u>	<u>453,988</u>

PLANNING, DEVELOPMENT and NEIGHBORHOOD SERVICES, 101-3720 and 3730

This activity accounts for the costs associated with providing community planning, zoning, and computer mapping services. The Planning, Development and Neighborhood staff oversees private development projects, the Capital Improvement Program and assists with activities of the Planning Commission. The section administers the Zoning Code and reviews plats, site plans, parking plans and various development applications. This activity also administers the Community Development Block Grant program and oversees a range of other activities including Human Service contracts and the Neighborhood Support Program. Staff acts as liaison to the Human Services Board and assists with the responsibilities of the Zoning Board of Appeals. Community and economic development assistance is also provided in this section, when necessary to facilitate private projects with economic incentives such as payment in lieu of taxes proposals (PILOTs), tax abatements and tax increment financing. Service indicators for activities associated with provided with community planning, zoning, and GIS/computer mapping services are shown below.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plan review	12	18	20
Special Land Use Permits	5	10	10
Rezoning ¹	3	4	5
Zoning Ordinance amendments	2	1	3
Zoning Board of Appeals application reviews	13	20	20
Commercial Parking/Plot Plan Review	3	6	6
Residential plot plan reviews	181	160	175
Business special event application reviews	19	18	20
Sign permit application reviews	180	130	160
Zoning compliance reviews	8	25	25
Plat reviews	3	2	2
Public utility plan review	14	15	15
Landscape plan review	12	15	20
Land division/lot line adjustment reviews	5	14	15
Geographic Information System:			
Notification maps	36	58	55
Maps/analysis/data requests	407	432	400
Residential driveway applications review	55	52	50
Assign addresses for properties	68	75	75
Neighborhood Support Program (CSR)	1,538	1,350	1,400
Act 198 abatement requests	2	2	4
Payment in lieu of taxes (PILOT)	0	1	2
Collection box permit (incl. renewal)	13	11	12
Urban chicken permits	7	3	5

¹Also includes tentative plan amendments and re-approvals.

These activities follow:

PLANNING and DEVELOPMENT, 101-3720

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Fees and permits	41,592	50,036	35,000	35,000	25,000
Other revenue	-	48	500	500	300
TOTAL REVENUE	41,592	50,084	35,500	35,500	25,300
EXPENDITURES:					
Personnel Services	207,566	221,367	240,596	240,596	246,800
Operations & Maintenance	48,225	42,952	54,443	44,800	44,800
Administrative Charges	8,297	10,279	7,819	7,819	9,646
TOTAL EXPENDITURES	264,088	274,598	302,858	293,215	301,246

NEIGHBORHOOD SERVICES, 101-3730

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Fees and permits	-	-	20,000	20,000	20,000
Interest and rents	171,382	165,731	167,000	167,000	162,000
Other revenue	27,861	47,943	6,000	6,000	6,000
TOTAL REVENUE	199,243	213,674	193,000	193,000	188,000
EXPENDITURES:					
Personnel Services	161,318	166,493	210,272	219,272	226,173
Operations & Maintenance	16,624	16,145	11,092	10,840	11,355
Administrative Charges	1,840	1,978	2,089	2,089	3,070
TOTAL EXPENDITURES	179,782	184,616	223,453	232,201	240,598

BUILDING MAINTENANCE, 101-3765

This activity accounts for the costs associated with the management and maintenance of the City Hall building. The operational needs for City Hall include operating supplies, repairs, maintenance contracts, janitorial services, and utilities.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Building area (square feet)	28,000	28,000	28,000

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	-	360	-	-	-
Operations & Maintenance	49,953	61,807	93,100	77,550	77,550
Administrative Charges	160,369	192,843	204,059	204,059	171,909
TOTAL EXPENDITURES	<u>221,104</u>	<u>255,010</u>	<u>297,159</u>	<u>281,609</u>	<u>249,459</u>

GENERAL PUBLIC SERVICES, 101-4210

This division accounts for the costs associated with the provision of street lighting and City share of some special assessments.

Budget Overview: The street lighting budget includes the funding for existing and estimated future streetlights on major and local streets. As new streetlights are installed, the fixtures are converted from mercury vapor to high pressure sodium bulbs resulting in lower energy costs. The capital outlay amount includes \$17,700 for new street lights and upgrades of some existing lights to LED technology.

The remainder of the cost represents the City share of special assessment payments for West Lake Weed Management, and for the Austin Lake bio-augmentation project, the final of five assessment installments of \$5,000 by Austin Lake Governmental Lake Board.

<u>Activity Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Current street lights	2,725	2,775	2,785
Street light requests	10	40	15

	2013-2014 <u>Actuals</u>	2014-2015 <u>Actuals</u>	2015-2016 <u>Adjusted Budget</u>	2015-2016 <u>Adopted Budget</u>	2016-2017 <u>Admin Recommend</u>
EXPENDITURES:					
Operations & Maintenance	23,453	12,863	3,356	-	-
Administrative Charges	503,251	471,621	498,200	498,200	488,200
Capital Outlay	8,750	1,404	21,450	21,450	31,200
TOTAL EXPENDITURES	<u>535,454</u>	<u>485,888</u>	<u>523,006</u>	<u>519,650</u>	<u>519,400</u>

TRANSFERS OUT, 101-9610

Budget Overview: Subsidies to other funds are: Major Streets Fund \$250,000, Local Streets Fund \$150,000, \$463,000 to the Capital Improvement Fund, and \$50,000 to the Downtown Development Authority.

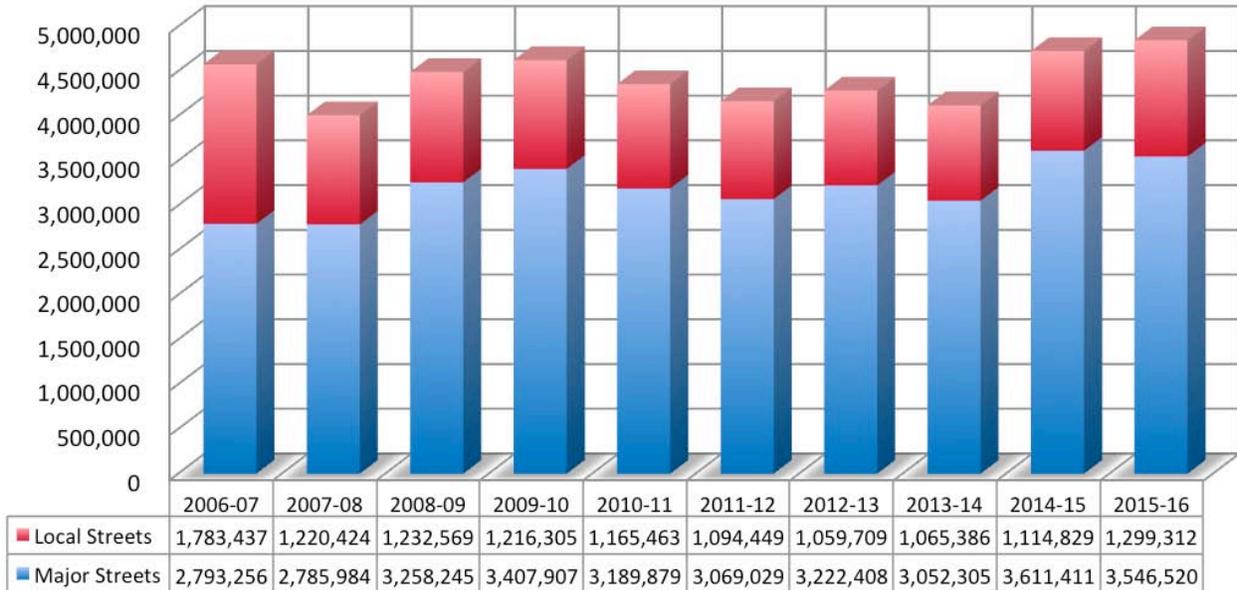
	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Transfers Out	2,629,636	1,829,000	5,511,755	2,450,000	913,000
TOTAL EXPENDITURES	<u>2,629,636</u>	<u>1,829,000</u>	<u>5,511,755</u>	<u>2,450,000</u>	<u>913,000</u>

This activity reflects subsidies provided to other funds.



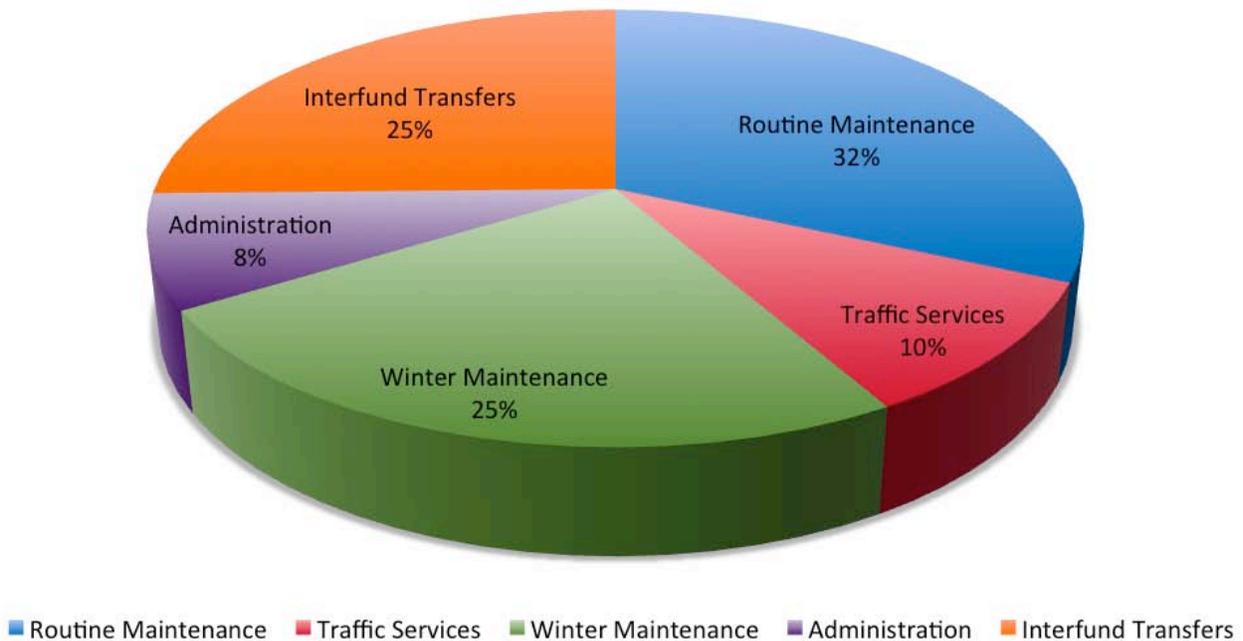
Streets

STREET MAINTENANCE EXPENDITURES

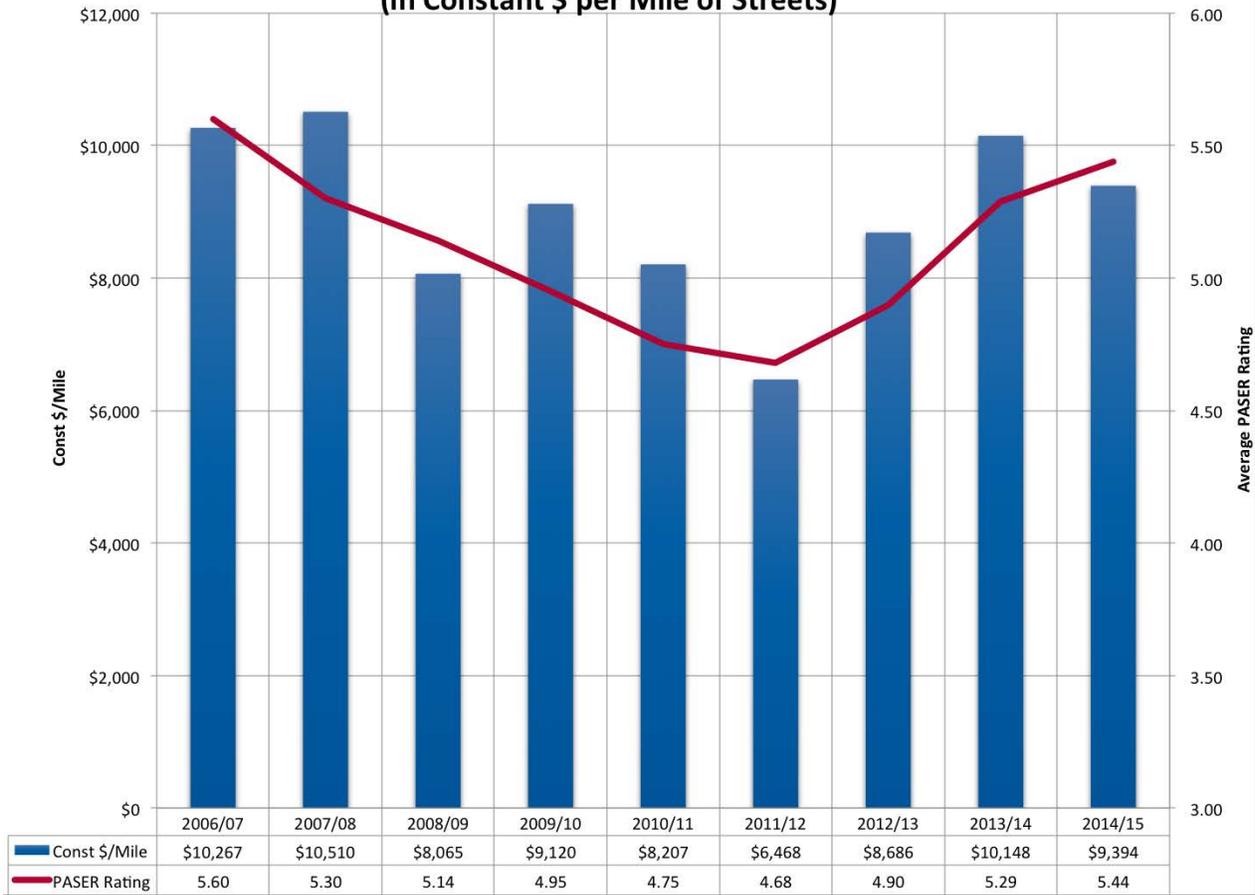


Local Street fund expenditures are funded by state gasoline taxes and vehicle registration revenue. Since a portion of these revenues is allocated based on population, the population gain from the 2010 Census count has had a positive effect on revenues. Additional monies are made available through General Fund Transfers since the revenues from the gasoline tax and vehicle registration are seldom sufficient to provide a continuing level of service in these critical areas of maintenance.

STREET MAINTENANCE EXPENDITURES BY CATEGORY



**STREET MAINTENANCE EFFORT
(in Constant \$ per Mile of Streets)**



Formula:

$$\frac{((\text{Maintenance Expenditures for Local Streets}) + (\text{Maintenance Expenditures for Major Streets})) / (\text{CPI}/100)}{((\text{Miles of Local Streets}) + (\text{Miles of Major Streets}))}$$

Description:

City Streets are built at great cost. Their decline can have far reaching effects on business activity, property values, and city operating expenditures. Deferring maintenance of such assets can also create significant unfunded liabilities. In general, street maintenance expenditures in constant dollar per mile should remain relatively stable. A declining trend in street maintenance expenditures in constant dollar per mile may be an early warning sign that the City's streets will begin to deteriorate. If the trend is allowed to persist, the deterioration will eventually push these maintenance expenditures up. See the following page for discussion on the Pavement Surface Evaluation and Rating (PASER) system.

Analysis:

Maintenance expenditures for the City's Streets are dependent in large part on Act 51 revenue monies received from the State of Michigan. These revenues are relatively elastic with respect to economic fluctuations. Additional fluctuation in these expenditures is also dependent upon the winter weather experienced since the severity of the winter will directly affect the cost of snow removal. Significant attention has also been paid to completion of the heavy maintenance program. Fluctuation in recent years reflects passage of the Municipal Streets millage and coordination of shifting reconstruction activity to the Capital Improvement Fund. Road improvements funded with federal funds are not reflected in this chart.

PAVEMENT SURFACE EVALUATION AND RATING (PASER) SYSTEM

Currently, the certified mileage for local streets in the City of Portage is 148.07 centerline miles and major streets mileage is 72.04. Since 2011-2012, the PASER ratings of all streets have progressed as shown on the chart on the previous page. In Michigan, streets are rated using the Pavement Surface Evaluation and Rating (PASER) system. The system rates streets based on a numerical scale from 1 to 10 as follows:

PASER Rating	Description
9 - 10	New Construction/Excellent
6 - 8	Good Condition
4 - 5	Fair Condition
3	Poor
2	Very Poor
1	Failed

The chart on the previous page illustrates how the average PASER rating decreased from 5.60 in 2006-2007 to 4.68 in 2012-2013, then increased to 5.44 in 2014-2015. Investment in street maintenance and reconstruction will continue to improve both the local and major street networks.

MAJOR STREETS FUND

The Major Streets Fund accounts for the costs associated with the maintenance of major streets. Financing is provided primarily from State-collected gasoline and vehicle registration taxes. This fund accounts for the costs associated with major street routine maintenance, shoulder maintenance, road repairs, roadside maintenance, pavement markings, signs, signals and crossings, and winter maintenance, all handled by the Department of Public Services.

Budget Overview: The 2016-2017 Major Streets Fund budget provides for routine street maintenance, winter maintenance, contracted tree trimming, tree planting, pavement markings, guardrail replacements, traffic signal maintenance and boulevard mowing.

Goals and Objectives: The Major Streets budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Maintenance-Roadside	Tree trimming/removal	<i>Environmental Quality</i> Enhance maintenance programs <i>Service Delivery</i> Contracting services
	Boulevard mowing	<i>Transportation</i> Enhance maintenance programs <i>Service Delivery</i> Contracting services
	Tree planting	<i>Community Development</i> Promote aesthetic enhancement <i>Environmental Quality</i> Enhance environmental quality
Road Repairs	Reconstruction & crack sealing	<i>Transportation</i> Implement projects in the major thoroughfare plan Improve traffic safety and movement Promote alternate transportation methods Enhance maintenance programs <i>Service Delivery</i> Contracting services & Public Service employees

MAJOR STREETS FUND, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Traffic Services	Pavement markings	<i>Transportation</i> Implement projects in the major thoroughfare plan Enhance maintenance programs <i>Service Delivery</i> Contracting services
	Guardrail replacements	<i>Transportation</i> Enhance maintenance programs <i>Service Delivery</i> Contracting services & Public Service employees
	Sign program	Meet increased service demands
Administration	Kalamazoo Area Transportation Survey (K.A.T.S.) participation and subsidy	<i>Transportation</i> Plan and implement improvements to traffic safety Implement projects in the major thoroughfare plan <i>Service Delivery</i> Meet increased service demands Pursue mutually beneficial intergovernmental ventures

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
State revenue	3,081,073	3,117,234	2,805,144	2,805,144	2,764,388
Interest and rents	11,972	3,138	4,600	4,600	2,500
Other revenue	-	31,363	-	-	-
Transfers In	1,049,636	250,000	250,000	250,000	250,000
TOTAL REVENUE	<u>4,142,681</u>	<u>3,401,735</u>	<u>3,059,744</u>	<u>3,059,744</u>	<u>3,016,888</u>
EXPENDITURES:					
Personnel Services	548,633	559,769	637,782	637,782	666,411
Operations & Maintenance	2,103,197	1,131,373	1,505,491	1,396,476	1,275,491
Administrative Charges	299,963	257,171	286,871	285,730	374,181
Capital Outlay	-	-	78,032	20,000	40,000
Transfers Out	1,092,000	1,700,000	959,000	959,000	1,053,749
TOTAL EXPENDITURES	<u>4,043,793</u>	<u>3,648,313</u>	<u>3,467,176</u>	<u>3,298,988</u>	<u>3,409,832</u>

The responsibilities of the various activities are outlined as follows.

ROUTINE MAINTENANCE, 202-4216

This program includes:

Roadside clearing - Clearing of dead trees, stumps and brush from the City right-of-way. A major portion of this service will be contracted.

Road repair - Repair of surface deflections and utility cuts, and repaving around manholes and storm drainage basins.

Hot/Cold patch - During the winter and summer, patch material is applied to potholes.

Road edges are maintained with gravel which increases the life of pavement edges and promotes drainage.

Dura Patch repair – During the spring, summer and fall, liquid patch material is applied to cracks and holes in the pavement.

Crack sealing – During weather permitting months, sealant material is applied to cracks in the pavement.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Locations mowed	30	30	30
Hot patch - tons	45	45	45
Cold patch - tons	25	40	40
Dura Patch - gallons	20,000	10,000	10,000
Crack sealant - pounds	60,480	108,000	110,000

	2013-2014 <u>Actuals</u>	2014-2015 <u>Actuals</u>	2015-2016 <u>Adjusted Budget</u>	2015-2016 <u>Adopted Budget</u>	2016-2017 <u>Admin Recommend</u>
EXPENDITURES:					
Personnel Services	251,524	245,121	276,579	276,579	287,289
Operations & Maintenance	1,380,935	421,633	456,023	473,900	382,150
Administrative Charges	150,435	106,087	118,507	117,366	180,537
Capital Outlay	-	-	58,032	-	-
TOTAL EXPENDITURES	<u>1,782,894</u>	<u>772,841</u>	<u>909,141</u>	<u>867,845</u>	<u>849,976</u>

TRAFFIC SERVICES MAINTENANCE, 202-4215

This program consists of repainting road delineators such as line striping and crosswalks, arrows and railroad markings. This program also accounts for the costs associated with the replacement and repair of street signs, guard rails, and traffic signs as well as tree and brush trimming.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Lineal miles of major streets restriped (by contract)	72.04	72.04	72.04
Street signs repaired or replaced	106	150	150
Guardrails repaired or replaced, ft.	107	100	100

	2013-2014 <u>Actuals</u>	2014-2015 <u>Actuals</u>	2015-2016 <u>Adjusted Budget</u>	2015-2016 <u>Adopted Budget</u>	2016-2017 <u>Admin Recommend</u>
EXPENDITURES:					
Personnel Services	45,281	49,827	57,137	57,137	58,712
Operations & Maintenance	99,629	69,461	178,070	139,084	105,000
Administrative Charges	14,605	12,442	12,442	12,442	14,870
TOTAL EXPENDITURES	159,515	131,730	247,649	208,663	178,582

WINTER MAINTENANCE, 202-4217

During the winter months, the plowing, sanding and salting of streets constitutes normal winter maintenance. Major Streets receive first priority for service and may require service several times per day depending on the severity of the snow event.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Miles of major roads	72.04	72.04	72.04
Tons of salt	2,850	2,850	2,850
Gallons of Deicer	21,025	30,000	30,000

	2013-2014 <u>Actuals</u>	2014-2015 <u>Actuals</u>	2015-2016 <u>Adjusted Budget</u>	2015-2016 <u>Adopted Budget</u>	2016-2017 <u>Admin Recommend</u>
EXPENDITURES:					
Personnel Services	136,904	142,819	168,616	168,616	172,663
Operations & Maintenance	197,588	265,447	262,558	258,000	273,036
Administrative Charges	119,280	125,279	142,408	142,408	163,800
TOTAL EXPENDITURES	453,772	533,545	573,582	569,024	609,499

ADMINISTRATION-MAINTENANCE, 202-4218

This activity reflects the costs associated with administering the routine maintenance for the major streets of the City.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	9,001	9,241	11,624	11,624	12,330
Operations & Maintenance	25,593	26,099	29,938	28,170	27,010
Administrative Charges	15,643	13,363	13,514	13,514	14,974
TOTAL EXPENDITURES	50,237	48,703	55,076	53,308	54,314

ADMINISTRATION-TRANSPORTATION, 202-4225

This activity reflects the costs associated with administering the engineering and traffic studies for the major roads in the City.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plan reviews	15	20	25
Plat reviews	1	2	3

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	105,923	112,761	123,826	123,826	135,417
Operations & Maintenance	29,626	25,984	48,378	36,572	43,795
TOTAL EXPENDITURES	135,549	138,745	172,204	160,398	179,212

SIGNALS AND CROSSINGS, 202-4226

This program consists of contractual cost sharing with Kalamazoo County Road Commission and MDOT for the operation and maintenance of shared traffic signal devices on the major road system, as well as contractual service agreements on traffic signals throughout the City.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Signal locations shared with:			
Kalamazoo County Road Commission	5	5	5
Michigan Department of Transportation	4	4	4

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	160,676	100,152	273,308	208,100	223,000
Capital Outlay	-	-	20,000	20,000	40,000
TOTAL EXPENDITURES	160,676	100,152	293,308	228,100	263,000

ROADSIDE MAINTENANCE, 202-4228

This program primarily consists of roadside mowing - mowing, trimming, etc. along all major streets and intersections to maximize visibility and appearance. These costs have been segregated to enhance accountability for the use of State of Michigan METRO funds. METRO funds must be expended "...solely for rights-of-way related purposes..." (PA 48 of 2002).

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	209,150	222,597	257,216	252,650	221,500
TOTAL EXPENDITURES	209,150	222,597	257,216	252,650	221,500

TRANSFERS OUT, 202-9610

Inter-fund transfers are as follows: to the Capital Improvement Fund for Major Street related expenditures, \$1,030,749; a transfer to the Sewer Fund for a share of the street sweeping costs, \$23,000.

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Transfers Out	1,092,000	1,700,000	959,000	959,000	1,053,749
TOTAL EXPENDITURES	1,092,000	1,700,000	959,000	959,000	1,053,749

LOCAL STREETS FUND

The Local Street Fund accounts for the costs associated with the maintenance of local streets, which includes routine maintenance, shoulder maintenance, road repairs, roadside maintenance, pavement markings, signs, signals and crossings and winter maintenance, all handled by the Department of Public Services. Financing is provided from State-collected gasoline and vehicle registration taxes, and transfers from the General and Major Streets Funds.

Budget Overview: The 2016-2017 Local Streets Fund budget provides for contracting tree trimming/ removal, tree planting, pavement markings, a portion of the road repair programs and a strip paving program.

Goals and Objectives: The Local Streets budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
All	All	<i>Transportation</i> Implement operational and functional street improvements Ensure improvements to local street system
Maintenance-Roadside	Tree trimming/removal	<i>Transportation</i> Enhance maintenance programs <i>Environmental Quality</i> Promote environmental protection <i>Service Delivery</i> Contracting services
	Tree planting	<i>Environmental Quality</i> Enhance environmental quality
Road Repairs	Reconstruction & crack sealing	<i>Transportation</i> Promote alternate transportation methods Enhance maintenance programs <i>Service Delivery</i> Public Service employees Contracting services
Traffic Services	Pavement markings	<i>Transportation</i> Enhance maintenance programs <i>Service Delivery</i> Contracting services

LOCAL STREETS FUND, continued

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
State revenue	828,698	864,690	1,254,890	827,663	985,405
Interest and rents	3,359	1,479	1,900	1,900	2,500
Other revenue	145	20,698	-	-	-
Transfers In	315,000	300,000	300,000	300,000	150,000
TOTAL REVENUE	1,147,202	1,186,867	1,556,790	1,129,563	1,137,905
EXPENDITURES:					
Personnel Services	498,766	516,664	587,341	587,341	606,043
Operations & Maintenance	363,301	327,965	442,637	375,490	417,181
Administrative Charges	252,832	239,647	209,911	209,911	257,007
Transfers Out	23,000	23,000	450,227	23,000	23,000
TOTAL EXPENDITURES	1,137,899	1,107,276	1,690,116	1,195,742	1,303,231

The responsibilities of the various activities are outlined as follows.

ROUTINE MAINTENANCE, 203-4216

This program includes:

Roadside clearing - Clearing of dead trees, stumps and brush from the City right-of-way. A major portion of this service will be contracted.

Roadside mowing - Mowing along City owned property and intersections to maximize visibility and appearance.

Road repair - Repair of surface deflections and utility cuts, and repaving around manholes and storm drainage basins.

Reconstruction, limited - The addition of asphalt to road surfaces. This process is the best use of the limited funds available, as limited reconstruction lowers maintenance cost and adds additional years to driving surfaces.

Hot and cold patch - During the winter and summer patch material is applied to potholes.

Road edges are maintained with gravel which increases the life of pavement edges and promotes drainage.

Dura patch repair – During the spring, summer and fall, liquid patching material is applied to cracks and holes in the pavement.

Crack sealing – During weather permitting months, sealant material is applied to cracks in the pavement.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Trees and stumps removed	55	150	150
Locations mowed	15	15	15
Hot patch - tons	25	25	25
Cold patch - tons	25	40	40
Dura Patch – gallons	7,000	5,000	5,000
Crack sealant – pounds	0	50,000	55,000

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	212,761	218,556	248,954	248,954	255,310
Operations & Maintenance	132,927	84,143	139,739	82,200	103,800
Administrative Charges	121,260	88,520	78,925	78,925	107,087
TOTAL EXPENDITURES	466,948	391,219	467,618	410,079	466,197

TRAFFIC SERVICES MAINTENANCE, 203-4215

This program consists of repainting road delineators (line striping and crosswalks). This program also accounts for the costs associated with the replacement and repair of street signs, guard rails, and traffic signs, as well as tree and bush trimming.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Lineal miles of local streets restriped (by contract)	3.7	3.7	3.7
Street signs repaired or replaced	150	150	150

	2013-2014 <u>Actuals</u>	2014-2015 <u>Actuals</u>	2015-2016 <u>Adjusted Budget</u>	2015-2016 <u>Adopted Budget</u>	2016-2017 <u>Admin Recommend</u>
EXPENDITURES:					
Personnel Services	30,816	29,856	31,549	31,549	32,430
Operations & Maintenance	9,791	8,599	14,337	12,000	10,000
Administrative Charges	2,136	2,366	1,820	1,820	2,100
TOTAL EXPENDITURES	<u>42,743</u>	<u>40,821</u>	<u>47,706</u>	<u>45,369</u>	<u>44,530</u>

WINTER MAINTENANCE, 203-4217

During the winter months, the plowing, sanding and salting of streets, plus removal of snow from cul-de-sacs and dead-ends constitute normal winter maintenance.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Miles of local streets	147.77	147.77	147.77
Tons of sand	2,500	2,500	2,500
Tons of salt	2,850	2,850	2,850

	2013-2014 <u>Actuals</u>	2014-2015 <u>Actuals</u>	2015-2016 <u>Adjusted Budget</u>	2015-2016 <u>Adopted Budget</u>	2016-2017 <u>Admin Recommend</u>
EXPENDITURES:					
Personnel Services	140,718	148,314	171,388	171,388	175,925
Operations & Maintenance	204,535	221,825	245,865	249,600	264,861
Administrative Charges	114,008	122,549	120,959	120,959	139,125
TOTAL EXPENDITURES	<u>459,261</u>	<u>492,688</u>	<u>538,212</u>	<u>541,947</u>	<u>579,911</u>

ADMINISTRATION-MAINTENANCE, 203-4218

This activity reflects the costs associated with administering the routine maintenance for the roads in the City.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	9,001	9,241	11,624	11,624	12,330
Operations & Maintenance	9,624	7,675	11,214	10,770	10,370
Administrative Charges	15,228	16,847	8,054	8,054	8,695
TOTAL EXPENDITURES	33,853	33,763	30,892	30,448	31,395

ADMINISTRATION-TRANSPORTATION, 203-4225

This activity reflects the costs associated with administering the engineering and traffic studies for the local roads in the City.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plan reviews	4	3	4
Plat reviews	1	2	3

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	105,470	110,697	123,826	123,826	130,048
Operations & Maintenance	1,424	2,758	20,482	9,920	13,150
Administrative Charges	200	9,365	153	153	-
TOTAL EXPENDITURES	107,094	122,820	144,461	133,899	143,198

SIGNALS and CROSSINGS, 203-4226

This program consists of contractual cost sharing with Grand Elk Railroad for the operation and maintenance of shared traffic signal devices on the local road system, as well as contractual service agreements on railroad signals and crossings.

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	5,000	2,965	11,000	11,000	15,000
TOTAL EXPENDITURES	<u>5,000</u>	<u>2,965</u>	<u>11,000</u>	<u>11,000</u>	<u>15,000</u>

TRANSFERS OUT, 203-9610

This is a transfer to the Sewer Fund for a share of the street sweeping costs.

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Transfers Out	23,000	23,000	450,227	23,000	23,000
TOTAL EXPENDITURES	<u>23,000</u>	<u>23,000</u>	<u>450,227</u>	<u>23,000</u>	<u>23,000</u>

MUNICIPAL STREETS FUND - 204

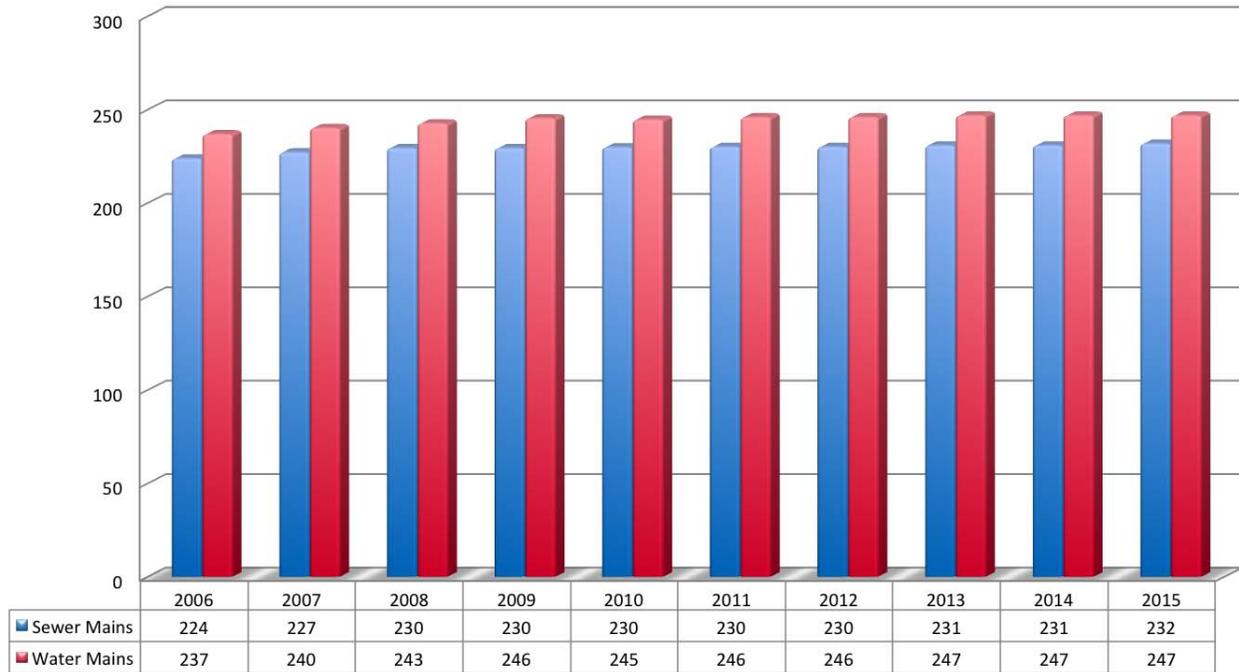
The municipal streets fund was established beginning in fiscal 2007-2008 to administer up to a 1 mill tax levy to fund street improvements that were formerly funded by special assessments on properties benefiting from the improvements. The purpose of the fund is to collect the tax assessment and forward it to the Capital Improvement Fund for street capital improvements.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Property taxes	1,221,197	1,517,740	1,575,000	1,575,000	1,481,000
State revenue	-	-	-	-	97,639
Interest and rents	2,954	1,932	2,400	2,400	3,500
TOTAL REVENUE	<u>1,224,151</u>	<u>1,519,672</u>	<u>1,577,400</u>	<u>1,577,400</u>	<u>1,582,139</u>
EXPENDITURES:					
Administrative Charges	71,400	30,000	67,330	67,330	57,420
Transfers Out	1,158,000	1,454,000	1,537,000	1,537,000	1,523,000
TOTAL EXPENDITURES	<u>1,229,400</u>	<u>1,484,000</u>	<u>1,604,330</u>	<u>1,604,330</u>	<u>1,580,420</u>



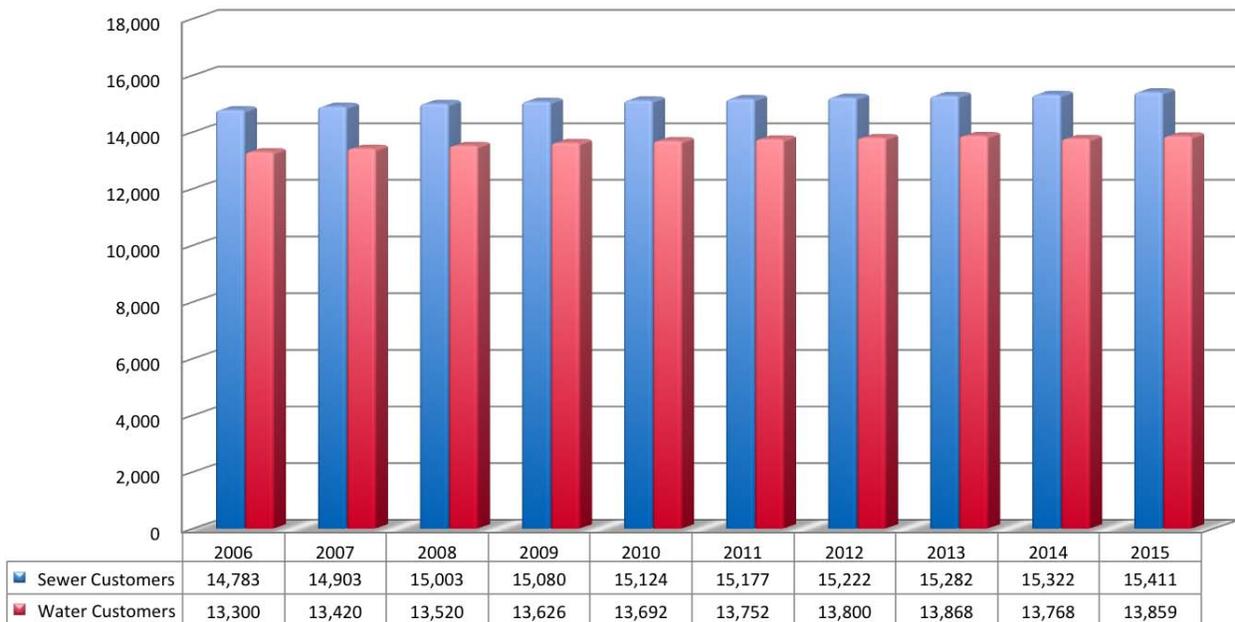
Utilities

MILES OF UTILITY MAINS



The current ten-year Capital Improvement Program maintains the focus in this vital area of infrastructure. Since the system is close to its maximum in potential customers, the need for new mains will come primarily from new housing developments.

NUMBER OF UTILITY CUSTOMERS



There were significant increases in customers up to the late 1990's but the system is close to serving the maximum number of potential customers available. Any significant increase in future customers is likely to come from new housing developments.

SEWER OPERATING FUND

The Sewer Fund accounts for the costs associated with the collection and transport of sewage from approximately 15,411 customers to the City of Kalamazoo Wastewater Treatment Plant. The system also transports sewage from Pavilion, Texas, Brady and Schoolcraft Townships, as well as the Village of Vicksburg.

Budget Overview: The 2016-2017 budget provides funding for waste water collections, which includes the inspection and maintenance of sanitary sewer lines, force mains and pumping stations. The City contracted with a private company to operate the City-owned sewer facilities in March of 1997.

Goals and Objectives: The Sewer Operating budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Operations and Maintenance	All programs	<i>Public Improvements</i> Improve sanitary sewer system Expand the public sanitary sewer system to all properties in the City
		<i>Environmental Quality</i> Protect ground water and lake quality Meet all state and federal environmental standards
		<i>Service Delivery</i> Meet increased service demands Increase efficiency by applying new technology
Administration		<i>Public Improvements</i> Ensure sanitary sewer systems in new developments meet City standards Cooperate with adjoining township in expanding sanitary sewer systems
		<i>Environmental Quality</i> Ensure all environmental standards are met in new developments Enforce environmental requirements in all development projects

SEWER OPERATING FUND, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>			
Administration (continued)		Protect lakes and surface water quality			
		<i>Financial Health</i>			
		Maintain financial health of sewer fund through annual rate evaluation			

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Charges for services	8,523,599	8,879,344	8,867,000	8,867,000	9,083,000
Interest and rents	51,446	38,473	14,600	14,600	38,000
Other revenue	-	127,128	-	-	-
Transfers In	46,000	46,000	46,000	46,000	46,000
TOTAL REVENUE	<u>8,621,045</u>	<u>9,090,945</u>	<u>8,927,600</u>	<u>8,927,600</u>	<u>9,167,000</u>
EXPENDITURES:					
Personnel Services	408,501	393,002	434,510	434,510	448,893
Operations & Maintenance	2,515,765	2,661,177	2,540,452	2,504,636	2,572,026
Administrative Charges	4,045,527	4,086,346	4,874,932	4,674,932	4,772,993
Capital Outlay	16,786	33,809	150,000	150,000	150,000
Transfers Out	80,000	910,000	80,000	80,000	80,000
TOTAL EXPENDITURES	<u>7,066,579</u>	<u>8,084,334</u>	<u>8,079,894</u>	<u>7,844,078</u>	<u>8,023,912</u>

The responsibilities of the various activities are outlined as follows.

OPERATION and MAINTENANCE, 590-4550

This activity accounts for the costs associated with the operation and maintenance of the sanitary sewer system and treatment charges paid to the City of Kalamazoo.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of sewer customers	15,322	15,411	15,500
Sewage transported (MG)	1,513	1,525	1,525
Number of lift stations	55	55	56
Lift station inspections	1,843	1,550	1,800
Lift station pumps repaired	9	16	20
Sanitary sewer overflows	0	3	0
Miles of sanitary sewer	231	232	232
Miles of sanitary sewer cleaned	82	75	80
Sanitary sewer blockages per mile	0.03	0.03	0.03

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	1,548,787	1,695,879	1,804,816	1,769,000	1,919,300
Administrative Charges	3,299,884	3,345,844	4,208,652	4,008,652	4,019,835
Capital Outlay	16,786	33,809	150,000	150,000	150,000
TOTAL EXPENDITURES	<u><u>4,865,457</u></u>	<u><u>5,075,532</u></u>	<u><u>6,163,468</u></u>	<u><u>5,927,652</u></u>	<u><u>6,089,135</u></u>

ADMINISTRATION, 590-4501

This activity accounts for the costs associated with the administration of all Sewer Fund operations, including the mandatory sewer hookup program and overall contract administration. The City monitors the contractor very closely in order to ensure that Portage residents continue to receive prompt, quality service.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	408,501	393,002	434,510	434,510	448,893
Operations & Maintenance	759,158	762,357	84,875	84,875	71,860
Administrative Charges	745,643	740,502	666,280	666,280	753,158
TOTAL EXPENDITURES	<u>1,913,302</u>	<u>1,895,861</u>	<u>1,185,665</u>	<u>1,185,665</u>	<u>1,273,911</u>

DEBT SERVICE, 590-9510

This activity accounts for the costs associated with the interest and principal payments on debt associated with Sewer Fund capital assets.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Operations & Maintenance	207,820	202,941	650,761	650,761	580,866
TOTAL EXPENDITURES	<u>207,820</u>	<u>202,941</u>	<u>650,761</u>	<u>650,761</u>	<u>580,866</u>

TRANSFERS OUT, 590-9610

This transfer provides for the Sewer Fund share of debt service for related Capital Improvement Program projects.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Transfers Out	80,000	910,000	80,000	80,000	80,000
TOTAL EXPENDITURES	<u>80,000</u>	<u>910,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>

WATER OPERATING FUND

The Water Operating fund accounts for the costs associated with providing water service to approximately 13,859 customers. The system also provides water to residences in Pavilion and Schoolcraft Townships.

Budget Overview: The 2016-2017 budget provides funding for the operation and maintenance of the water and storm sewer systems, which includes the pumping and treatment of water, maintenance of water mains and hydrants, maintenance of all storm sewers, street sweeping, environmental monitoring and response and all functions directed at protecting and preserving groundwater quality. The City contracted with a private company to operate the City-owned facilities in March of 1997. The 2016-2017 budget continues that relationship.

Goals and Objectives: The Water Operating budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Operations and Maintenance		<i>Public Improvements</i> Expand the public water system to all properties in the City Expand the storm water system to address known flooding areas Improve fire protection throughout the City Improve water system operating characteristics <i>Environmental quality</i> Meet all state and federal environmental standards Protect and improve water quality Properly manage ground water resources <i>Service Delivery</i> Meet increased service demands Increase efficiency by applying new technology Provide safe drinking water Ensure storm water system is clean and properly maintained

WATER OPERATING FUND, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Administration		<p><i>Public Improvements</i> Ensure water and storm water systems in new developments meet City standards Cooperate with adjoining townships in expanding their water systems</p> <p><i>Environmental Quality</i> Ensure all environmental standards are met in new developments Enforce environmental requirements in all development projects Protect surface water and lake quality</p> <p><i>Financial Health</i> Maintain financial health through annual rate evaluation</p>

	2013-2014 <u>Actuals</u>	2014-2015 <u>Actuals</u>	2015-2016 <u>Adjusted Budget</u>	2015-2016 <u>Adopted Budget</u>	2016-2017 <u>Admin Recommend</u>
REVENUE:					
Charges for services	6,755,054	6,594,187	7,006,000	7,006,000	7,041,000
Interest and rents	35,047	90,626	16,700	16,700	43,000
Other revenue	1,770	18,933	-	-	-
TOTAL REVENUE	<u>6,791,871</u>	<u>6,703,746</u>	<u>7,022,700</u>	<u>7,022,700</u>	<u>7,084,000</u>
EXPENDITURES:					
Personnel Services	256,973	266,526	290,312	290,312	300,784
Operations & Maintenance	2,602,153	2,604,489	3,782,182	3,514,230	3,299,880
Administrative Charges	1,078,504	1,138,567	1,159,145	1,159,145	1,380,222
Capital Outlay	96,901	51,785	117,548	110,000	110,000
Transfers Out	116,785	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	<u>4,151,316</u>	<u>4,111,367</u>	<u>5,399,187</u>	<u>5,123,687</u>	<u>5,140,886</u>

The responsibilities of the various activities are outlined as follows.

OPERATION and MAINTENANCE, 591-4626

This activity accounts for the total costs associated with the City of Portage water operation. Besides the contract cost, costs associated with maintaining the infrastructure of the City are included here. The activity also accounts for the costs associated with the installation of water services, which is one of the duties of the contractor.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of water customers	13,768	13,859	13,950
Water pumped and treated (MG)	1,758	1,600	1,700
Production well inspections	4,593	4,200	4,200
Samples analyzed	5,876	7,300	7,200
Water monitoring violations	0	0	0
Miles of water mains	247	247	248
Number of fire hydrants	2,686	2,720	2,740
Fire hydrants flushed and inspected	5,348	5,450	5,500
Main breaks per mile of main	0.12	0.10	0.10
Miles of streets	220	220	221
Miles of street sweeping	1,878	1,695	2,500
Sweepings collected (cubic yards)	1,718	875	1,700
Number of meters	15,083	15,153	15,250
New meters installed	75	85	120
Meters requiring repair	342	350	350
Meter reads for billing	57,266	69,000	69,400
Estimated bills	450	210	100

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	732,867	788,330	842,217	817,005	776,800
Administrative Charges	425,837	458,117	555,244	555,244	663,887
TOTAL EXPENDITURES	<u><u>1,158,704</u></u>	<u><u>1,246,447</u></u>	<u><u>1,397,461</u></u>	<u><u>1,372,249</u></u>	<u><u>1,440,687</u></u>

GENERAL and ADMINISTRATIVE, 591-4601

This activity accounts for the costs associated with the administration of Water Fund operations and overall contract administration. Enhanced soil erosion and retention basin inspections have been added to routine environmental monitoring. The City will monitor the contractor very closely in order to ensure that Portage residents continue to receive prompt, quality service.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plans reviewed	8	10	10
Environmental inspections/monitoring	62	62	62
Responses to hazardous materials incidents	1	1	3

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	256,973	266,526	290,312	290,312	300,784
Operations & Maintenance	911,073	864,830	412,365	169,625	166,800
Administrative Charges	652,667	680,450	603,901	603,901	716,335
Capital Outlay	96,901	51,785	117,548	110,000	110,000
TOTAL EXPENDITURES	<u>1,917,614</u>	<u>1,863,591</u>	<u>1,424,126</u>	<u>1,173,838</u>	<u>1,293,919</u>

DEBT SERVICE, 591-9510

This activity accounts for the costs associated with the interest and principal payments on debt associated with Water Fund capital assets.

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	958,213	951,329	2,527,600	2,527,600	2,356,280
TOTAL EXPENDITURES	<u>958,213</u>	<u>951,329</u>	<u>2,527,600</u>	<u>2,527,600</u>	<u>2,356,280</u>

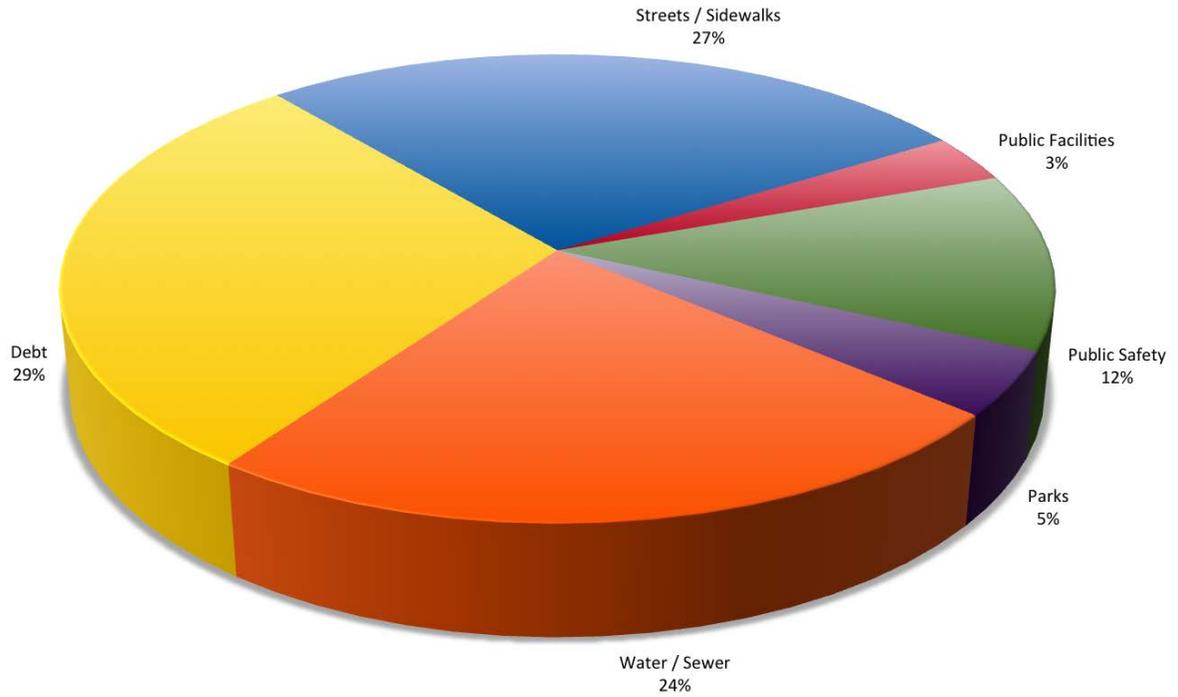
TRANSFERS OUT, 591-9610

The transfers are being directed to the Capital Improvement Fund with Water Operating capital assets.

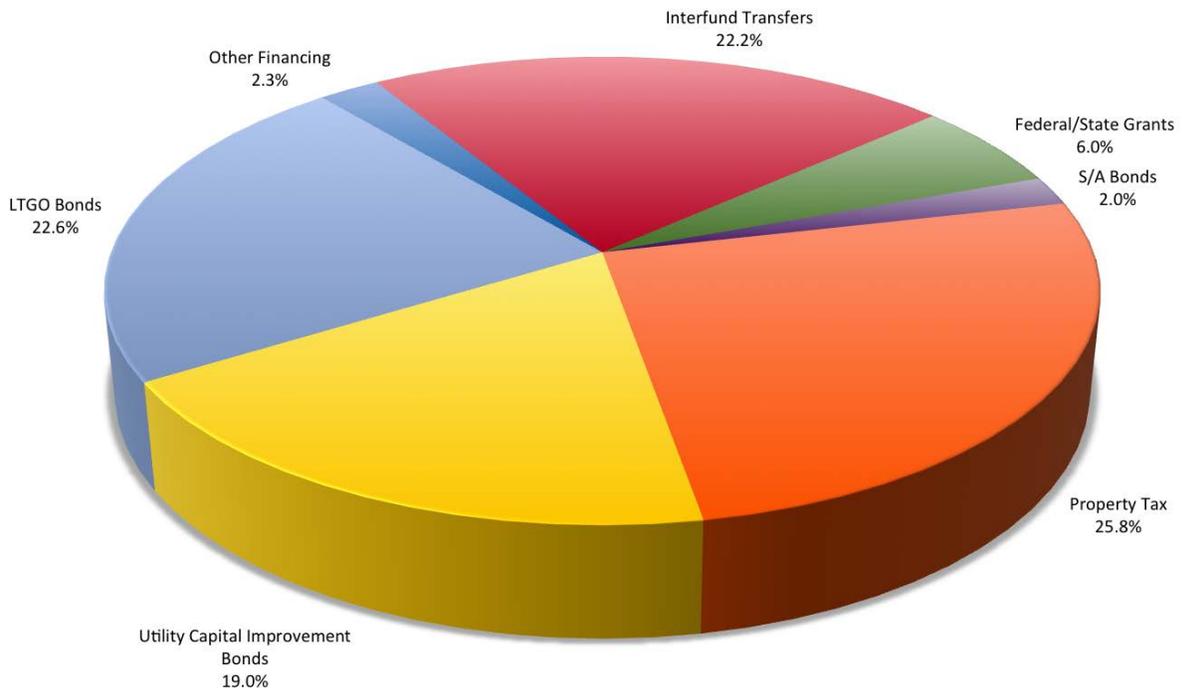
	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Transfers Out	116,785	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	<u>116,785</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Public Improvements

CAPITAL IMPROVEMENT EXPENDITURES



CAPITAL IMPROVEMENT REVENUES



These graphs show the revenues and expenditures by category for the first year of the 2016-2026 Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

Revenues and Expenditures (000)

	Fiscal Year										Total
	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	
REVENUES & OTHER SOURCES											
Property tax	3,995	4,035	4,075	4,116	4,157	4,199	4,241	4,283	4,326	4,369	41,796
PPT reimbursement	118	118	118	118	118	118	118	118	118	118	1,180
Interest	15	15	15	15	40	50	50	60	60	60	380
Proceeds from Capital Improvement Bonds - General	3,609	3,168	4,826	2,317	5,478	2,692	970	524		2,618	26,202
Proceeds From Capital Improvement Bonds - Utility	3,030	665	2,560	1,625	3,205	1,100	5,400	1,860			19,445
Major Street Fund	1,200	1,500	1,400	1,500	1,700	1,400	1,400	1,400	1,400	1,400	14,300
Municipal Street Fund	1,523	1,526	1,540	1,533	1,547	1,529	1,543	1,524	955	924	14,144
Sanitary Sewer Fund	80	80	80	80	80	80	80	80	80	80	800
Water Fund	275	210	4,130	100	360	100	885	220	50	210	6,540
General Fund - For Debt Service	463		919			34			128		1,544
Total City Revenues & Sources	14,308	11,317	19,663	11,404	16,685	11,302	14,687	10,069	7,117	9,779	126,331
MAP - 21 Funding	956	800	800	925	800	1,000	1,000	1,000	1,000	1,000	9,281
LDFA funds		1,000									1,000
Other Revenue	355		0	40	100	40	0	0	0	0	535
Special Assessments/Bonds - Water & Sewer Only	320	80	30	0	75	0	0	0	0	0	505
Total Revenues & Sources	15,939	13,197	20,493	12,369	17,660	12,342	15,687	11,069	8,117	10,779	137,652
EXPENDITURES											
Streets	4,258	4,756	4,066	4,103	6,506	4,295	4,125	4,164	3,946	5,621	45,840
Sidewalks and Bikeways	100	839	200	340	90	93	100	80	170	163	2,175
Water	2,060	460	7,405	1,675	2,060	700	5,835	1,370		160	21,725
Sanitary Sewer	1,710	525	295		1,605	450	400	660			5,645
Police	485	228	217	203	667	170	220	470	170	179	3,009
Fire	1,463	321	3,033	994	1,675	948	418	366	118	452	9,788
Public Facilities	530	688	304	159	279	85	113	82	96	609	2,945
Parks and Recreation	707	486	130	248	260	720	272	262	135	169	3,389
Debt Service	4,626	4,894	4,843	4,647	4,518	4,881	4,204	3,615	3,482	3,426	43,136
Total Expenditures	15,939	13,197	20,493	12,369	17,660	12,342	15,687	11,069	8,117	10,779	137,652

CAPITAL IMPROVEMENT

The Capital Improvement Funds account for the revenue and costs of all capital projects in the City when the project costs are equal to, or greater than, \$10,000. These funds reflect the 2016-2017 portion of the 2016-2026 ten-year Capital Improvement Program (CIP). Additional information and supporting documentation regarding all of the various facets of the CIP are included in the Capital Improvement Program document. In conformance with generally accepted accounting principles, project-related debt service is paid from the appropriate debt service fund or enterprise fund. Where that debt was planned to have been paid from the CIP, a corresponding transfer is made from the Capital Improvement Fund to the appropriate fund in which the debt payment is recorded. A capital improvement is defined as a public physical improvement or acquisition related to a public physical improvement with a minimum cost of \$10,000 and an expected service life of at least 3 years. In contrast, public physical improvements and acquisitions with costs between \$5,000 and \$10,000 are considered capital outlays and are separately shown in the operating budgets of the City, while improvements and acquisitions costing less than \$5,000 are treated as general costs of operation within the annual budgets of City departments.

Goals and Objectives: The Capital Improvement budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Capital Improvement	All programs	<i>Community Development</i> Promote quality of life <i>Economic Development</i> Develop infrastructure improvement strategy
Public Facilities	Technology improvement Project	<i>Service Delivery</i> Increase efficiency through technology
Parks and Recreation	All projects	<i>Community Development</i> Develop parkland and recreational opportunities Maintain a coordinated and innovative approach toward developing parkland and providing recreational opportunities
Police	Patrol and technical services equipment	<i>Service Delivery</i> Increase efficiency through technology
Streets	All projects	<i>Transportation</i> Implement projects in the major thoroughfare plan Implement operational and functional improvements to improve traffic movement and safety

CAPITAL IMPROVEMENT, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Sidewalk/Bikeways	All projects	<i>Transportation</i> Alternative transportation modes
Sewer Construction	All projects	<i>Environmental Quality</i> Enhance environmental quality and protect natural resources <i>Financial Health</i> Maintain financial health of the City
Water Construction	All projects	<i>Environmental Quality</i> Protect water quality <i>Financial Health</i> Maintain financial health of the City <i>Environmental Quality</i> Protect water quality

The 2016-2017 Capital Improvement Fund expenditures will not materially affect the operating expenditures of the tax supported funds of the City. The budgets for Public Facilities, Parks and Recreation, Sidewalks and Bikeways, Police and Fire capital improvement activities total \$3,285,000 or approximately 21.9 percent of the total Capital Improvement Fund budget, and street reconstruction of \$4,258,000 is 26.7 percent. The other activities in the Capital Improvement Fund are related to operations which are either supported by rate payers (e.g., Water and Sewer) or State shared revenue (e.g., Streets).

The budget for capital improvements does not include projects funded with federal (MAP-21) funding, as those funds are not received or paid by the City. Also, the transfer for debt service is reduced by \$150,000 to utilize excess resources in the General Obligation Debt fund. As a result, the total budget is \$1,106,000 less than the Capital Improvement Program Summary total for 2016-2017.

	2016-2017 Admin <u>Recommend</u>
REVENUE:	
Property taxes	3,821,000
State grants	311,251
Interest and rents	15,000
Other revenue	7,539,000
Transfers In	3,146,749
 TOTAL REVENUE	 <u><u>14,833,000</u></u>
EXPENDITURES:	
Capital Outlay	10,357,000
Transfers Out	4,476,000
 TOTAL EXPENDITURES	 <u><u>14,833,000</u></u>

PUBLIC FACILITIES

PROJECT TITLE: Integrated Access Control and Camera System, 400-9002

PROJECT DESCRIPTION: An integrated building access control and surveillance camera system using a standardized platform and modern .net software to provide advanced security to city buildings and specific public areas.

OPERATING FUND IMPACT: Minimal maintenance costs.

PROJECT TITLE: Information System Improvements, 400-9040

PROJECT DESCRIPTION: Information system infrastructure sustainability and equipment upgrades.

OPERATING FUND IMPACT: Savings will continue to be realized due to warranty provisions and extensions paid under the lease agreement that precludes the necessity to purchase separate maintenance contracts with operating funds.

PROJECT TITLE: Election Equipment, 400-9016

PROJECT DESCRIPTION: Purchase and implementation of new voting equipment to include ballot tabulators and disabled voter assistance devices.

OPERATING FUND IMPACT: Minimal impact on operating fund.

PROJECT TITLE: Senior Center Improvements, 400-9007

PROJECT DESCRIPTION: A building and property study will assist the administration in planning for program and partner expansion. Additionally, once costs are identified, future planning for funding can begin.

OPERATING FUND IMPACT: Use of the facility by the public has a direct correlation to the condition of the facility. The public and members defray the cost of operating the facility.

Public Facilities

Integrated Access Control & Camera System	270,000
Information System Improvements	170,000
Election Equipment	50,000
Senior Center Improvements	40,000
Total Public Facilities	<u>530,000</u>

PARKS AND RECREATION

PROJECT TITLE: Eliason Nature Reserve Development, 400-2842
PROJECT DESCRIPTION: Phase II development to include construction of nature trails and decking and park boundary fencing. The trails will connect to the Bishop's Bog Preserve trail enhancing linkage for park users.
OPERATING FUND IMPACT: \$3,000 for litter removal, restroom cleaning, mowing and other yearly maintenance. Trail maintenance is estimated to be \$600 per year.

PROJECT TITLE: Court Resurfacing/Repair, 400-2833
PROJECT DESCRIPTION: Lakeview Park: Removal of existing court and construction of one tennis/pickleball court with the addition of two pickleball courts. This project also includes existing basketball court removal and construction of new courts.
OPERATING FUND IMPACT: None.

PROJECT TITLE: Playground Improvements, 400-2822
PROJECT DESCRIPTION: Replacement of play structures and swing sets at Central Park and West Lake Nature Preserve. These structures do not meet current code and need to be replaced. The structures were installed prior to 1993.
OPERATING FUND IMPACT: Minimal effect.

PROJECT TITLE: Park Perimeter Fencing Improvements, 400-2829
PROJECT DESCRIPTION: Replace split rail fencing at Oakland Drive, Haverhill and Westfield Parks. Central Park chain link fence replacement.
OPERATING FUND IMPACT: None.

PROJECT TITLE: South Westnedge Park Improvements, 400-2801
PROJECT DESCRIPTION: South Westnedge Park is home to the popular skateboarding park and inline hockey rink. Both constructed in 2005, these activity areas require upgrades. The inline rink will be resurfaced and bleachers added for spectators. The skate park surfacing will be patched and repaired as needed. A covered picnic pavilion will also be installed adjacent to these areas promoting group gatherings.
OPERATING FUND IMPACT: Minimal effect.

PARKS AND RECREATION, continued

PROJECT TITLE: Schrier Park Improvements, 400-2828
PROJECT DESCRIPTION: Construct a pavilion on the north side of the existing building. Refurbish fireplace and chimney at enclosed shelter. Upgrade heating systems and install central air conditioning.
OPERATING FUND IMPACT: Estimated costs include: Water utility at \$800 per year. Security equipment maintenance at \$200 per year.

Parks and Recreation

Eliason Nature Reserve Development	400,000
Court Resurfacing/Repair	97,000
Playground Improvements	80,000
Park Perimeter Fencing Improvements	50,000
South Westndege Park Improvements	45,000
Schrier Park Improvements	35,000
Total Parks and Recreation	<u><u>707,000</u></u>

POLICE

PROJECT TITLE: Police Vehicles, 400-3002
PROJECT DESCRIPTION: Replace marked units after 105,000 miles. Replace unmarked units after 95,000 miles or ten years. Corresponding replacements of both marked and unmarked vehicles with related equipment are planned for future years.
OPERATING FUND IMPACT: Project will reduce annual repair and maintenance costs estimated at \$30,000 annually.

PROJECT TITLE: Radio Infrastructure Equipment Replacement, 400-3034
PROJECT DESCRIPTION: Replace radio voter system, receiver equipment and equipment at five tower sites, as well as the 800 MHz base equipment.
OPERATING FUND IMPACT: No impact, monies for preventative maintenance are already in the operating budget.

PROJECT TITLE: Crash/Crime/Fire Scene Illustrator, 400-3059
PROJECT DESCRIPTION: Replace evidence mapping total station, realize improvements due to recent technological advances to more accurately capture and measure accident, fire, and crime scenes with 3D imaging.
OPERATING FUND IMPACT: Software maintenance agreement of \$4,600 annually.

Police

Police Vehicles	244,000
Radio Infrastructure Equipment Replacement	156,000
Crash/Crime/Fire Scene Illustrator	85,000
Total Police	<u>485,000</u>

FIRE

PROJECT TITLE: Replace 2001 Sutphen Aerial Tower, 400-3311
PROJECT DESCRIPTION: Replace 2001 Sutphen Aerial Tower due to concerns over the capabilities of this aerial device and difficulties obtaining repair parts.
OPERATING FUND IMPACT: Reduced maintenance and operating costs.

PROJECT TITLE: Fire Station No. 2 Facility Replacement, 400-3306
PROJECT DESCRIPTION: Construction of an approximate 15,000 square foot new Fire Station No. 2 facility on Oakland Drive. Project costs include the purchase of an emergency generator for the existing station, which will be designed for reuse in the new fire station facility.
OPERATING FUND IMPACT: Reduced maintenance and operating costs.

PROJECT TITLE: Replace Two Rescue Units, 400-3325
PROJECT DESCRIPTION: Replace two four-wheel drive Sport Utility Vehicle (SUV) type vehicles for emergency operations. Existing vehicles will then be repurposed for use by the Administrative Fire Chiefs.
OPERATING FUND IMPACT: Reduced maintenance and operating costs.

PROJECT TITLE: Replace Battalion Chief Vehicle, 400-3312
PROJECT DESCRIPTION: Replace Battalion Chief Vehicle, as vehicle is at the end of its three-year rotation. The vehicle will rotate out as a back-up Battalion Chief vehicle as well as a utility vehicle.
OPERATING FUND IMPACT: Reduced maintenance and operating costs.

PROJECT TITLE: Training Officer Vehicle, 400-3319
PROJECT DESCRIPTION: A marked emergency response truck or SUV vehicle utilized primarily by the Training Officer for his daily activities, as well as an emergency response vehicle for incidents and fire investigations.
OPERATING FUND IMPACT: Minimal increase in operating costs for gasoline of approximately \$1,500.

FIRE, continued

PROJECT TITLE: Replace Fire Marshal Vehicle, 400-3321
PROJECT DESCRIPTION: Replace the current 2004 Ford Explorer with an anticipated mileage of 95,000 miles. This is a marked emergency response vehicle utilized primarily by the Fire Marshal for daily activities, as well as an emergency response vehicle for incidents and fire investigations.
OPERATING FUND IMPACT: Reduced maintenance and operating costs.

PROJECT TITLE: Fire Station No. 3 Facility Improvements, 400-3337
PROJECT DESCRIPTION: Replace windows with more energy efficient windows. Replace carpeted areas and paint interior walls.
OPERATING FUND IMPACT: Reduced maintenance and operating costs.

PROJECT TITLE: Fire Station No. 1 Facility Improvements, 400-3332
PROJECT DESCRIPTION: Heating and cooling system upgrades to include replacement of condensing unit and ventilation upgrades located on the operations/living quarters portion of the building which are original equipment from when the building was constructed in 1984.
OPERATING FUND IMPACT: Reduced maintenance and operating costs.

Fire

Replace 2001 Sutphen Aerial Tower	1,000,000
Fire Station No. 2 Facility Replacement	100,000
Replace Two Rescue Units	110,000
Replace Battalion Chief Vehicle	85,000
Training Officer Vehicle	49,000
Replace Fire Marshal Vehicle	49,000
Fire Station No. 3 Facility Improvements	47,000
Fire Station No. 1 Facility Improvements	23,000

Total Fire 1,463,000

STREETS

PROJECT TITLE: Major Street Reconstruction Program, 400-4294
PROJECT DESCRIPTION: Reconstruction of major streets that were previously strip paved, or where heavy maintenance activities have been applied, that are anticipated to require a greater level of sub-base and pavement rehabilitation to ensure long-term serviceability. Improvements will also include localized storm drainage improvements, necessary curb and gutter or paved shoulder replacement/repair, repair of necessary drive approaches and lawn restoration as appropriate. These projects will be designed to include “complete street” enhancements such as crosswalk improvements and widened bike lanes where appropriate, and are part of the “Natural Place to Move” initiative.
OPERATING FUND IMPACT: Decrease in maintenance cost.

PROJECT TITLE: Local Street Reconstruction Program, 400-4343
PROJECT DESCRIPTION: Reconstruction of local streets that were previously strip paved, or that require a greater level of sub-base pavement rehabilitation. Projects will include localized storm drainage improvements, curb, gutter and paved shoulder replacement/repair, pavement widening for narrow streets, sidewalk repairs and gap construction, including installation of specified handicap ramps, and necessary drive approaches and lawn restoration. These projects include “complete street” and neighborhood enhancements such as improved crosswalk signage, pavement markings, street lighting and similar pedestrian safety improvements, which are part of the “Natural Place to Move” initiative.
OPERATING FUND IMPACT: Reduction in ongoing street maintenance cost.

PROJECT TITLE: West Centre Avenue/Cooley Drive Improvements, 400-4238
PROJECT DESCRIPTION: Project to include three elements: installation of a traffic signal and related roadway improvements at Cooley Drive and West Centre Avenue; reconstruction of Cooley Drive and sidewalks on both sides of the street; realigning Cooley Drive at Old Centre Avenue.
OPERATING FUND IMPACT: \$600 annual increase in maintenance and energy costs.

STREETS, continued

PROJECT TITLE: Railroad Crossing Upgrades, 400-4281
PROJECT DESCRIPTION: Improve the safety and rideability of existing street crossings of the Grand Elk Railroad (formerly Norfolk Southern) tracks at the Romence Road Parkway location.
OPERATING FUND IMPACT: Minimal impact on the operating fund.

PROJECT TITLE: Accessible Pedestrian Signal Installation, 400-4234
PROJECT DESCRIPTION: Installation of enhanced pedestrian signal actuators and indicators at signalized and unsignalized intersections as warranted by citizen requests and pedestrian traffic analysis.
OPERATING FUND IMPACT: Minimal impact on the operating fund.

Streets

Major Street Reconstruction Program	1,777,000
Local Street Reconstruction Program	920,000
West Centre Avenue/Cooley Drive Improvements	450,000
Railroad Crossing Upgrades	115,000
Accessible Pedestrian Signal Installation	40,000
Total Streets	<u><u>3,302,000</u></u>

SIDEWALK/BIKEWAYS

PROJECT TITLE: Sidewalk Improvements, 400-4403
PROJECT DESCRIPTION: Public sidewalk reconstruction and repairs to deteriorating sidewalks, within the neighborhood north of Westfield Park. Funding is provided through the Community Development Block Grant Program and sidewalk repairs will be completed within qualified Neighborhood Strategy Areas.
OPERATING FUND IMPACT: Potential reduction in claims to Risk Management.

PROJECT TITLE: Portage Bikeway Trail System Improvements, 400-4427
PROJECT DESCRIPTION: Comprehensive asphalt overlay program to enhance off road bikeway trail segments. For FY 2016-17, the Garden Lane Bikeway (Lovers Lane to 7451 Garden Lane) will be enhanced.
OPERATING FUND IMPACT: Minimal impact on the operating fund.

Sidewalks/Bikeways

Sidewalk Improvements	50,000
Portage Bikeway Trail System Improvements	50,000
Total Sidewalks/Bikeways	<u>100,000</u>

TRANSFERS OUT, 400-9610

Transfers to: 1) General Obligation Debt Fund for payment of City share of LTGO bonds not related to sewer or water improvements; 2) MTF Bond Fund for repayment of Michigan Transportation Fund Bonds; and 3) Building Authority Debt Service Fund for repayment of Building Authority Bonds. No impact on operating fund.

Total Transfers Out

4,476,000

SEWER CAPITAL IMPROVEMENT

This fund, one of the Capital Improvement Funds, accounts for sewer-related projects, as detailed below.

PROJECT TITLE: Angling Road Sanitary Sewer, Squire Heath Lane to Romence Road, 490-4520

PROJECT DESCRIPTION: Install sanitary sewer and appurtenances in Angling Road from Squire Heath Lane to Romence Road. This project is in conjunction with the planned Angling Road reconstruction project.

OPERATING FUND IMPACT: When connected, developed properties in the project area will generate approximately \$14,300 in annual revenue. Corresponding treatment charges paid to the City of Kalamazoo will increase expenditures by approximately \$8,200 annually.

PROJECT TITLE: Cliffwood Avenue/Archwood Drive Sanitary Sewer, 490-4520

PROJECT DESCRIPTION: Install sanitary sewer and appurtenances in Cliffwood Avenue from South Westnedge Avenue to the east end of the plat, and in Archwood Drive from Cliffwood Avenue to the south road end. This project is in conjunction with the local street reconstruction.

OPERATING FUND IMPACT: When connected, developed properties in the project area will generate approximately \$6,600 in annual revenue. Corresponding treatment charges paid to the City of Kalamazoo will increase expenditures by approximately \$4,000 annually.

PROJECT TITLE: Norfolk Circle Sanitary Sewer Replacement, 490-4510

PROJECT DESCRIPTION: Replace sanitary sewer and appurtenances for Norfolk Circle from 12th Street to Norfolk Circle Drive. This project is in response to a recognized deficiency in the sanitary sewer collection system.

OPERATING FUND IMPACT: Reduction in sanitary sewer maintenance costs.

Sewer Capital Improvement

Angling Road Sanitary Sewer, Squire Heath Lane to Romence Road	1,320,000
Cliffwood Avenue/Archwood Drive Sanitary Sewer	270,000
Norfolk Circle Sanitary Sewer Replacement	120,000
Total Sewer Capital Improvement	<u>1,710,000</u>

WATER CAPITAL IMPROVEMENT

This fund, one of the Capital Improvement Funds, accounts for water-related projects, as detailed below.

PROJECT TITLE: Shaver Road Water Main Replacement, 491-4641
PROJECT DESCRIPTION: Replacement of deteriorating water mains in Shaver Road from South Westnedge Avenue to West Osterhout Avenue.
OPERATING FUND IMPACT: \$4,000 decrease in operating costs.

PROJECT TITLE: Storm Drainage Improvements Program, 491-4702
PROJECT DESCRIPTION: Address identified flooding problem areas that adversely impact public streets, commercial areas and private properties. Improvements planned under this program include expansion of retention basins, structural modifications, storm retention basins, berming to redirect storm flows, storm sewer improvements, and drainage channel regrading among others.
OPERATING FUND IMPACT: Planned projects will reduce maintenance costs.

PROJECT TITLE: Chopin Avenue Water Main Extension, 491-4642
PROJECT DESCRIPTION: Install water main on Chopin Avenue, extending west from Mozart Street approximately 900 feet, to service eighteen existing residences on Chopin Avenue.
OPERATING FUND IMPACT: Nominal increase in operating costs.

PROJECT TITLE: Mozart Street Water Main Extension, 491-4642
PROJECT DESCRIPTION: Install water main on Mozart Street, extending north from Beethoven Avenue approximately 500 feet, to service seven existing residences on Mozart Street.
OPERATING FUND IMPACT: Nominal increase in operating costs.

PROJECT TITLE: Cliffwood Avenue/Archwood Drive Water Main, 491-4628
PROJECT DESCRIPTION: Installation of new water mains in Cliffwood Avenue from South Westnedge Avenue to the east end and in Archwood Drive from Cliffwood Avenue to the south end. This project would be done in conjunction with the installation of new sanitary sewer in the Cliffwood Avenue/Archwood Drive subdivision.
OPERATING FUND IMPACT: Nominal increase in operating costs.

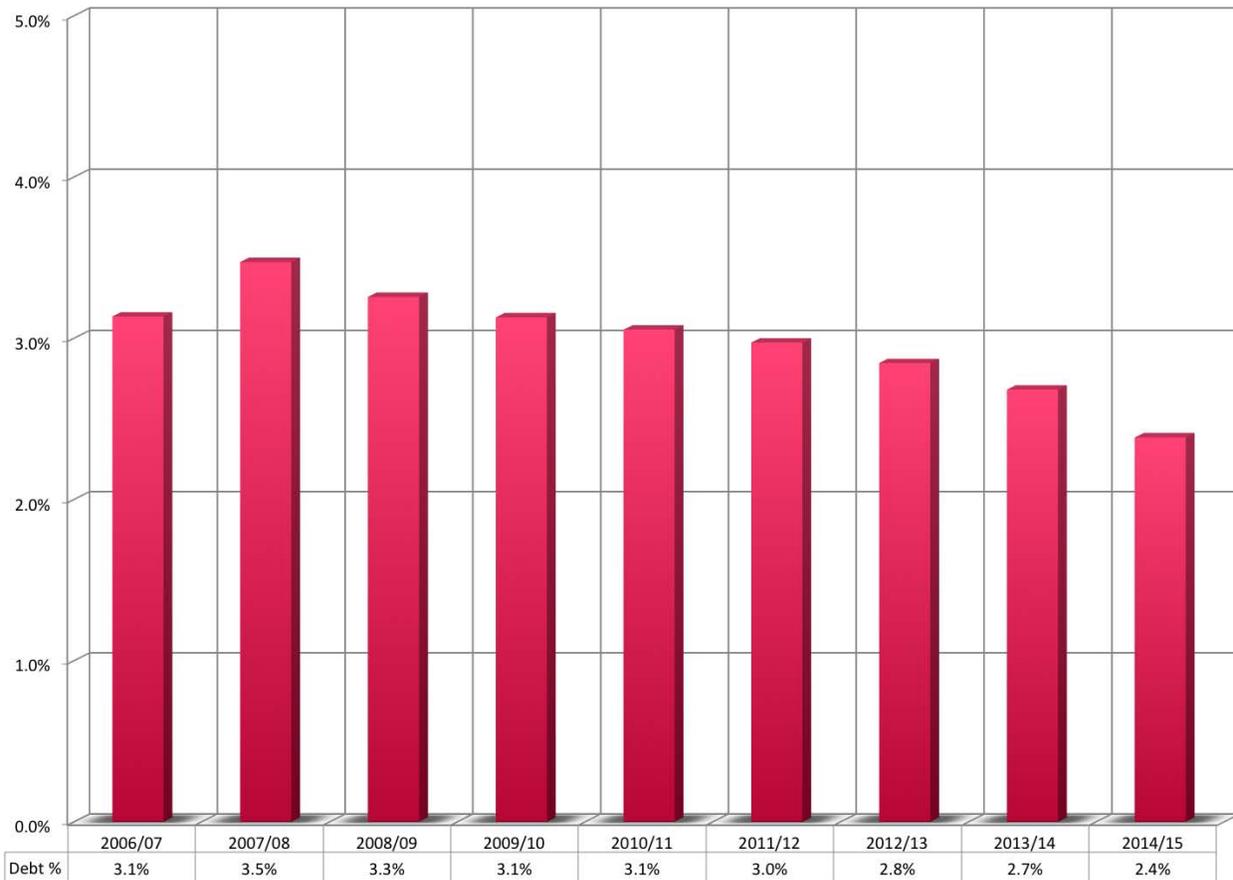
Water Capital Improvement

Shaver Road Water Main Replacement	1,350,000
Storm Drainage Improvements Program	100,000
Chopin Avenue Water Main Extension	320,000
Mozart Street Water Main Extension	140,000
Cliffwood Avenue/Archwood Drive Water Main	150,000
Total Water Capital Improvement	<u><u>2,060,000</u></u>

Debt Service

NET LONG-TERM DEBT

As a % of Taxable Value



Formula:

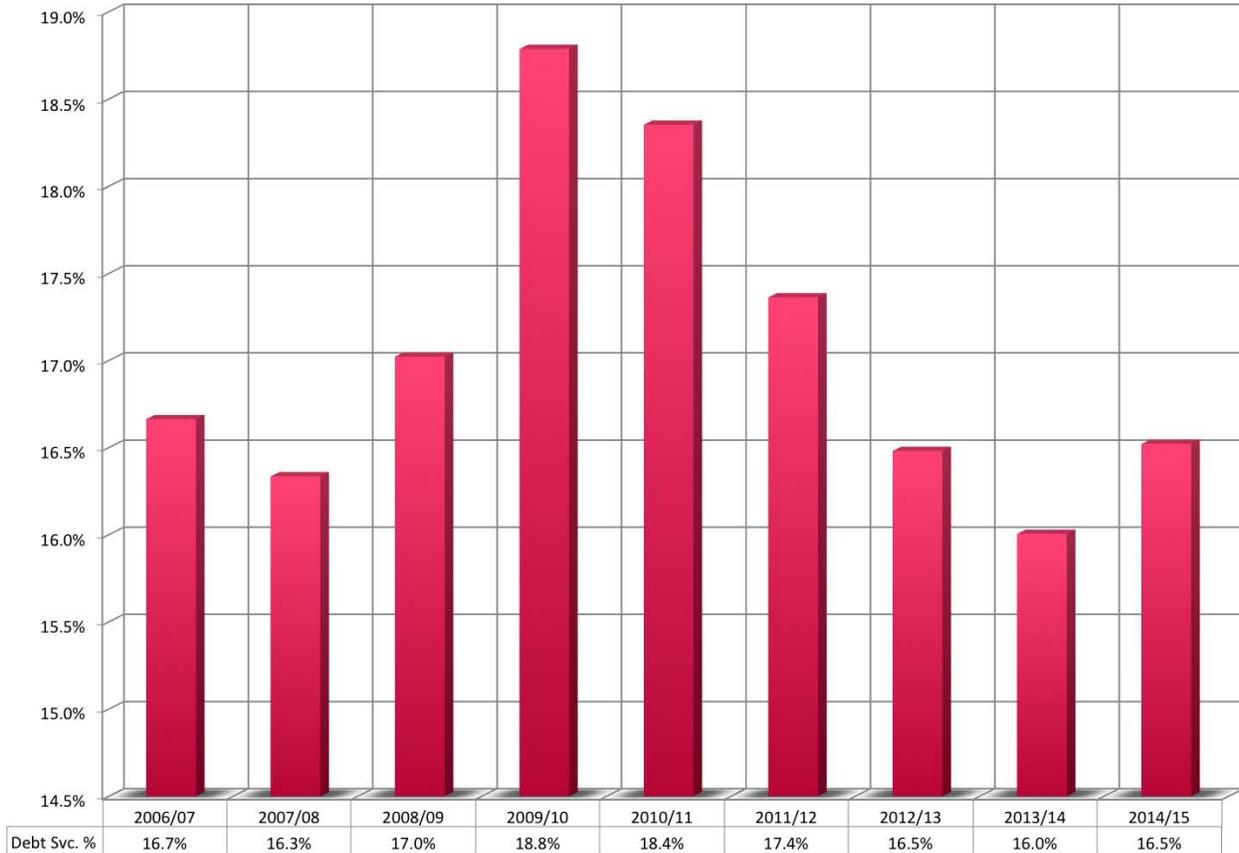
$$(Net\ Direct\ Long-Term\ Debt) / (Taxable\ Value) \times 100$$

Net direct long-term debt is defined as:

All debt paid through the General Obligation Debt Fund, the DDA debt service fund, the LDFA debt service fund, and all other capital leases, installment contracts, and land contracts *not paid* from the enterprise funds. This indicator does not include motor vehicle highway bonds, special assessment bonds, or any bonds paid by the enterprise funds.

NET DEBT SERVICE

As a % of Net Operating Revenues for Combined General Fund, Special Revenue Funds, & Debt Service Funds



Formula:

$$((\text{Net Direct Debt Service}) / (\text{Total Net Operating Revenues})) \times 100$$

Net debt service is defined as the total of the annual payments of principal and interest paid on long-term debt.

Total net operating revenues is defined as the sum of the net operating revenues from the General Fund, the special revenue funds, and the applicable debt services funds.

Description:

Direct debt is bonded debt for which the City has pledged its full faith and credit. Self-supporting debt is bonded debt that the City has pledged to repay from a source separate from its general tax revenues. In order to apply this indicator correctly for this City, direct debt includes all debt except special assessment bonds (self-supporting bonds (self-supporting debt) and all other debt repaid through the Enterprise Funds (LTGO bonds for the City's Share of Water and Sewer Projects). This provides an accurate measure of all long-term debt for which the City has obligated general tax revenues.

Analysis:

Debt Service on net direct debt exceeding 20 percent of operating revenues is considered a potential problem. Ten percent is considered acceptable.

DEBT SUMMARY

At March 30, 2016, the outstanding debt obligations of the City not associated with water and sewer (enterprise) funds are as follows:

Special Assessment Bonds	\$ 1,565,000
Limited Tax General Obligation Bonds	485,236
Unlimited Tax General Obligation Bonds	0
Local Development Finance Authority Bond	4,760,000
Building Authority Bonds	4,340,000
Downtown Development Authority	4,235,000
Motor Vehicle Highway Bonds	4,180,000
Capital Improvement Bonds	24,244,410
Land Contracts and Notes Payable	<u>0</u>
 Total	 <u>\$43,809,646</u>

The City is subject to several legal debt limitations. The debt limitations are for specific types of debt and expressed as a percentage of State Equalized Valuation (SEV). The debt limits and debt margins are as follows:

	Special Assessment Bonds	Limited Tax General Obligation Bonds	Notes Payable	Capital Improvement Bonds
SEV	\$2,115,549,100	\$2,115,549,100	\$2,115,549,100	\$2,115,549,100
Applicable percentage limitation	12.00%	10.00%	1.25%	5.00%
Legal debt limitation	\$ 253,865,892	\$211,554,910	\$26,444,364	\$105,777,455
Related obligations	\$1,565,000	\$485,236	-	\$24,244,410
Legal debt margin	\$252,300,892	\$211,069,674	\$26,444,364	\$81,533,045

With this comparison of related obligation-types to their specific legal debt margins, the City is significantly under the dollar limits as prescribed by state law. As illustrated in the charts on the preceding pages, the debt load is manageable and should not adversely impact future operations.

In 2008, City Administration implemented a debt management plan to limit the assumption of new debt obligations and reduce total City debt over a 10 year period by approximately 35% (\$35,000,000). City Council has also established a target fund balance for General Fund over which excesses should be used to fund capital improvements and reduce borrowing where possible. Those efforts, along with the refunding of old debt issues, have resulted in substantial savings. Capital Improvement Program interest costs dropped by \$50,000 to \$60,000 per year following three recent debt refundings, and similar interest cost reductions were realized in both utility funds.

GENERAL OBLIGATION DEBT, 301

The General Obligation Debt Fund accumulates monies for the payment of principal and interest on various street and public facility projects, and the City share of special assessment bond issues. These serial bonds are due in annual principal installments, plus semi-annual interest installments, until maturity. Financing for debt issued is provided by appropriation of a portion of a property tax levy for public improvements authorized pursuant to the City Charter.

In conformance with generally accepted accounting principles, Capital Improvement Program project-related debt service is recorded in this fund with offsetting transfers from the Capital Improvement Fund.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted	Adopted	Admin
			Budget	Budget	Recommend
REVENUE:					
Interest and rents	1,175	101	500	500	-
Other revenue	-	4,859,092	-	-	-
Transfers In	3,038,647	3,064,000	2,990,800	2,990,800	2,646,800
TOTAL REVENUE	<u>3,039,822</u>	<u>7,923,193</u>	<u>2,991,300</u>	<u>2,991,300</u>	<u>2,646,800</u>
EXPENDITURES:					
Bond costs	2,994,463	7,908,770	2,990,335	2,990,335	2,798,980
TOTAL EXPENDITURES	<u>2,994,463</u>	<u>7,908,770</u>	<u>2,990,335</u>	<u>2,990,335</u>	<u>2,798,980</u>

Increased revenue and expenditures in 2014-2015 were due to refunding bonds issued, which increased bond proceeds (revenue) and bond principal refunded (expenditures).

MTF 1997, 347

This fund is used to account for the debt service on the Michigan Transportation Fund (MTF) bonds issued for Oakland/Milham intersection, Angling Road research park improvements, South Westnedge Avenue improvements, City Centre railroad safety improvements and Oakland/Romence intersection.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Interest and rents	2	2	-	-	-
Transfers In	128,000	122,135	117,100	117,100	112,000
TOTAL REVENUE	128,002	122,137	117,100	117,100	112,000
EXPENDITURES:					
Bond costs	127,131	122,181	117,060	117,060	111,931
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	127,131	122,181	117,060	117,060	111,931

MTF 2008, 352

This fund refinanced the 2000 MTF issue that accounted for the debt service on \$2,445,000 in MTF bonds issued for twelve road improvement projects.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Interest and rents	52	31	100	100	-
Transfers In	272,000	274,300	217,400	217,400	240,000
TOTAL REVENUE	272,052	274,331	217,500	217,500	240,000
EXPENDITURES:					
Bond costs	271,763	274,300	216,980	216,980	239,913
TOTAL EXPENDITURES	271,763	274,300	216,980	216,980	239,913

MTF REFUNDING 2010, 353

In March, 2010, three MTF bond issues were refunded due to then current low interest rates. This refunding provided a net present value savings and resulted in a restructuring of the MTF debt. The principal value refinanced was \$6,680,000 at an interest rate of 2.75 percent.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Interest and rents	11	6	-	-	-
Transfers In	823,000	935,565	1,027,400	1,027,400	649,200
TOTAL REVENUE	823,011	935,571	1,027,400	1,027,400	649,200
EXPENDITURES:					
Bond costs	820,525	935,675	1,027,225	1,027,225	649,044
TOTAL EXPENDITURES	820,525	935,675	1,027,225	1,027,225	649,044

BUILDING AUTHORITY DEBT SERVICE, 369

This fund is used to account for the debt service on Building Authority bonds issued for City projects such as Fire Station #3, Department of Public Service facilities, Bicentennial Park acquisition and development, South Westnedge Park improvements, and major equipment purchases. The portion of debt related to expansion of the Library when it was part of the City was been paid in full in 2015-2016, consequently the related payment from the Library to pay its share of that debt may cease (Interest and rents).

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Interest and rents	243,654	273,803	273,413	273,413	-
Transfers In	407,000	339,000	344,300	344,300	828,000
TOTAL REVENUE	650,654	612,803	617,713	617,713	828,000
EXPENDITURES:					
Bond costs	610,812	576,289	613,992	613,992	827,560
TOTAL EXPENDITURES	610,812	576,289	613,992	613,992	827,560

DDA DEBT SERVICE, 394

Downtown Development Authority (DDA) debt service is paid from the taxes levied on the captured value of the improvements made to parcels within the DDA boundaries.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Property taxes	250,495	291,899	290,000	290,000	323,000
Interest and rents	1,139	460	700	700	500
Other revenue	51,625	-	-	-	-
Transfers In	-	100,000	100,000	100,000	50,000
TOTAL REVENUE	303,259	392,359	390,700	390,700	373,500
EXPENDITURES:					
Bond costs	423,588	314,425	329,880	329,880	354,325
Transfers Out	6,271	60,604	100,265	100,265	103,471
TOTAL EXPENDITURES	429,859	375,029	430,145	430,145	457,796

LDFA DEBT SERVICE, 397

This fund accumulates tax monies from the captured tax base in the Local Development Finance Authority district for the payment of principal and interest on the 2004 and 2005 Local Development Finance Authority (LDFA) bonds. The 2004 LDFA bond was issued for the purchase of 80 acres of land to be conveyed to industry to facilitate development. The 2005 LDFA bond was issued for road widening and improvements for Sprinkle Road, and water main installation.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Property taxes	479,605	508,810	494,000	494,000	485,000
Interest and rents	14,736	6,579	7,900	7,900	7,500
TOTAL REVENUE	494,341	515,389	501,900	501,900	492,500
EXPENDITURES:					
Bond costs	515,013	2,654,563	490,330	490,330	476,708
TOTAL EXPENDITURES	515,013	2,654,563	490,330	490,330	476,708

SPECIAL ASSESSMENT DEBT SERVICE FUNDS

The Special Assessment Debt Service Fund is used to account for the repayment of bonds issued to finance the costs of various construction projects. Costs of the projects are estimated and property owners are assessed a proportionate share, as determined by Council resolution. Assessed property owners may pay in full within 60 days of the first billing, or over a period of up to 20 years through annual installments, which include interest charged at rates approximately equal to the interest on the related bonds. Bond payments are made with the assessments collected. This information summarizes the 800 series of funds.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Payments on special assessments	114,111	4,515	69,300	69,300	257,400
Interest on investments	10,090	4,282	5,500	5,500	5,200
Transfers In	6,271	60,604	100,265	100,265	103,471
TOTAL REVENUE	<u>130,472</u>	<u>69,401</u>	<u>175,065</u>	<u>175,065</u>	<u>366,071</u>
EXPENDITURES:					
Interest and fiscal charges	44,832	40,444	92,618	92,618	87,153
Bond principal	133,868	96,657	210,000	210,000	205,000
TOTAL EXPENDITURES	<u>178,700</u>	<u>137,101</u>	<u>302,618</u>	<u>302,618</u>	<u>292,153</u>



Other Funds

CURBSIDE RECYCLING FUND - 223

This fund is part of the Department of Public Services.

The Curbside Recycling Fund accounts for the revenue and expenditures associated with the operation of the Curbside Recycling Program. This program, provided through a contract with a private vendor, is funded through a voter approved 0.5 mill maximum tax levy and includes payment for single stream curbside recycling provided by Best Way Disposal and funding for the Household Hazardous Waste Disposal program.

Goals and Objectives: The Curbside Recycling budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Recycling	Hazardous Waste Program	<i>Environmental Quality</i> Responsible disposal of hazardous waste
	Reduced millage	<i>Service Delivery</i> Continue to evaluate privatizing City services
	Curbside recycling All programs	<i>Financial Health</i> Continue to evaluate expenditures to provide for effective and efficient use of City resources <i>Environmental Quality</i> Enhance environmental quality Promote effective recycling <i>Service Delivery</i> Evaluate alternatives to meet service demands

This activity accounts for all expenditures of the Curbside Recycling Program.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of recycling pickups per month	20,127	22,800	22,900
Tons collected per month	118	185	190

CURBSIDE RECYCLING FUND – 223, continued

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Property taxes	594,921	597,039	620,000	620,000	582,000
Interest and rents	1,676	840	1,300	1,300	1,350
State revenue	-	-	-	-	47,450
TOTAL REVENUE	596,597	597,879	621,300	621,300	630,800
EXPENDITURES:					
Personnel Services	33,458	35,357	33,598	33,598	29,004
Operations & Maintenance	545,511	558,037	598,600	592,800	578,144
Administrative Charges	57,270	-	57,827	57,827	44,696
TOTAL EXPENDITURES	636,239	593,394	690,025	684,225	651,844

LEAF PICKUP/SPRING CLEANUP FUND

This fund is part of the Department of Public Services.

This fund accounts for the costs associated with the Fall Leaf Pickup, Leaf/Branch Removal/Management, Spring Cleanup and Quarterly Brush Pickup programs.

Goals and Objectives: The Leaf Pickup/Spring Cleanup budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Administration	All programs	<i>Community Development</i> Promote quality of life <i>Service Delivery</i> Evaluate service provision options <i>Financial Health</i> Maintain financial health

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Property taxes	674,551	676,539	702,000	702,000	660,000
State revenue	-	-	-	-	53,769
Interest and rents	2,261	1,225	1,500	1,500	1,800
Other revenue	311	1,032	-	-	-
TOTAL REVENUE	677,123	678,796	703,500	703,500	715,569
EXPENDITURES:					
Personnel Services	64,442	68,700	85,919	85,919	90,106
Operations & Maintenance	510,271	471,032	500,780	492,680	506,505
Administrative Charges	134,708	91,263	139,207	139,207	125,793
Capital Outlay	-	-	15,865	-	-
Transfers Out	19,862	-	-	-	-
TOTAL EXPENDITURES	729,283	630,995	741,771	717,806	722,404

The responsibilities of the various activities are outlined as follows.

ADMINISTRATION, 226-4501

This activity accounts for the costs associated with administering the three programs that follow.

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Administrative Charges	61,250	-	61,137	61,137	51,446
TOTAL EXPENDITURES	<u>61,250</u>	<u>-</u>	<u>61,137</u>	<u>61,137</u>	<u>51,446</u>

SPRING CLEANUP and QUARTERLY BRUSH PICKUP, 226-4532/4533

This activity accounts for the costs associated with the collection of discarded materials to enhance community appearance and encourage the removal of brush and recycling.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Compacted cubic yards collected	1,994	2,000	2,000
Days offered	24	24	24
Cubic yards of brush collected	6,793	9,000	9,000

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Personnel Services	-	3,470	15,000	15,000	10,000
Operations & Maintenance	230,457	179,640	205,880	197,780	202,205
TOTAL EXPENDITURES	<u>230,457</u>	<u>183,110</u>	<u>220,880</u>	<u>212,780</u>	<u>212,205</u>

LEAF PICKUP, 226-4523

This activity accounts for the costs associated with the yearly collection of leaves and brush, the composting of leaves, keeping streets and storm drains clear of leaves, and maintaining water quality.

<u>Activity Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>		
Compacted cubic yards collected	14,475	16,625	17,000		
	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	64,442	65,230	70,919	70,919	80,106
Operations & Maintenance	183,639	190,376	193,700	193,700	203,100
Administrative Charges	73,458	78,042	78,070	78,070	74,347
Capital Outlay	-	-	15,865	-	-
TOTAL EXPENDITURES	<u>321,539</u>	<u>333,648</u>	<u>358,554</u>	<u>342,689</u>	<u>357,553</u>

LEAF/BRANCH REMOVAL/MANAGEMENT, 226-4540

The removal and management of the large mass of leaves and branches from the brush pick up and leaf pick up programs has been identified as a separate program in order to monitor costs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>		
Cubic yards of leaves/chips removed	12,155	12,634	13,000		
	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	96,175	101,016	101,200	101,200	101,200
Administrative Charges	-	13,221	-	-	-
TOTAL EXPENDITURES	<u>96,175</u>	<u>114,237</u>	<u>101,200</u>	<u>101,200</u>	<u>101,200</u>

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

The Community Development Block Grant Fund accounts for the receipt and disbursement of funds received from the U.S. Department of Housing and Urban Development. The use of these funds is restricted by the grantor to those programs and services that benefit low and moderate income families.

Budget Overview: The CDBG Fund budget is highlighted by continued funding of improvement of the housing stock through housing rehabilitation loans, down payment assistance loans, funding of the Portage Community Center (P.C.C.) for human/public service needs, neighborhood improvement, fair housing activities and administration. The 2016-2017 entitlement will be \$229,877. The 2015-2016 grant total was \$221,442, and the 2014-2015 grant total was \$218,672.

Goals and Objectives: The Community Development Block Grant budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Human Services	Continued P.C.C. funding	<i>Community Development</i> Continued commitment to human services
Housing Programs	Homeowner Rehabilitation Loan programs Emergency repair grant Homebuyer assistance program	<i>Community Development</i> Ensure decent and safe housing
Neighborhood Improvement	Administer and Enforce community quality codes Neighborhood protection program Fair Housing and services	<i>Community Development</i> Continue effective community safety programs through prevention, enforcement and education Enhance the livability of community neighborhoods Fair housing education <i>Community Development</i> Further promote quality of life Further promote aesthetic and cultural enhancement

CDBG FUND, continued

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Federal revenue	150,863	131,698	381,488	221,442	229,877
Transfers In	48,374	71,231	-	-	-
TOTAL REVENUE	199,237	202,929	381,488	221,442	229,877
EXPENDITURES:					
Personnel Services	111,538	110,273	153,855	153,855	161,454
Operations & Maintenance	87,699	92,656	227,733	67,587	68,423
TOTAL EXPENDITURES	199,237	202,929	381,588	221,442	229,877

The responsibilities of the various activities are outlined as follows.

HUMAN SERVICES, 296-6624

These funds were awarded to the Portage Community Center, which is a primary provider of human service related activities within the City of Portage.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	34,844	37,972	42,510	42,510	41,928
TOTAL EXPENDITURES	34,844	37,972	42,510	42,510	41,928

HOUSING PROGRAMS, 296-6625

This activity accounts for the costs associated with various payment-deferred loans for low/moderate income homeowners. Programs include: home rehabilitation loans, emergency repair grants, and down-payment assistance loans.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	46,367	42,676	101,597	101,597	107,806
Operations & Maintenance	50,218	51,025	164,646	4,500	5,000
TOTAL EXPENDITURES	<u>96,585</u>	<u>93,701</u>	<u>266,243</u>	<u>106,097</u>	<u>112,806</u>

NEIGHBORHOOD IMPROVEMENT, 296-6626

This activity accounts for the costs associated with maintaining and improving low and moderate income neighborhoods within the City. The equivalent of a 0.73 full-time zoning and code administrator will be funded to carry out code enforcement activities.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	48,142	50,188	34,270	34,270	34,552
Operations & Maintenance	812	811	17,217	17,217	18,045
TOTAL EXPENDITURES	<u>48,954</u>	<u>50,999</u>	<u>51,487</u>	<u>51,487</u>	<u>52,597</u>

ADMINISTRATION, 296-6627

This activity accounts for the administrative costs for both the CDBG annual program and the CDBG Program Income (Fund 230) program. Additionally, fair housing activities will be funded including support for the Fair Housing Center of Southwest Michigan.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	17,029	17,409	17,988	17,988	19,096
Operations & Maintenance	1,825	2,848	3,360	3,360	3,450
TOTAL EXPENDITURES	<u>18,854</u>	<u>20,257</u>	<u>21,348</u>	<u>21,348</u>	<u>22,546</u>

CABLE TELEVISION FUND

This fund accounts for the receipt and allocation of cable television permit holder fees and administration of the City cable television ordinance. It also provides for operation of public access broadcasting.

Goals and Objectives: The Cable Television Fund budget supports the following goals and objectives.

<u>Activity/Program</u> Administration	<u>Description</u> All programs	<u>Goal/Objective</u> <i>Public Relations</i> Continue efforts to enhance communication with citizens
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	<u>2013-2014</u> Actuals	<u>2014-2015</u> Actuals	<u>2015-2016</u> Adjusted Budget	<u>2015-2016</u> Adopted Budget	<u>2016-2017</u> Admin Recommend
REVENUE:					
Fees and permits	805,077	866,992	765,000	765,000	846,000
Interest and rents	1,329	1,006	800	800	1,000
Other revenue	-	-	25,160	-	-
TOTAL REVENUE	<u><u>806,406</u></u>	<u><u>867,998</u></u>	<u><u>790,960</u></u>	<u><u>765,800</u></u>	<u><u>847,000</u></u>
EXPENDITURES:					
Personnel Services	100,784	107,941	120,973	120,973	126,249
Operations & Maintenance	316,589	424,591	463,697	457,500	549,920
Administrative Charges	62,170	60,000	73,610	73,610	69,010
Capital Outlay	90,864	93,648	255,160	230,000	273,000
Transfers Out	250,000	-	-	-	-
TOTAL EXPENDITURES	<u><u>820,407</u></u>	<u><u>686,180</u></u>	<u><u>913,440</u></u>	<u><u>882,083</u></u>	<u><u>1,018,179</u></u>

The responsibilities of the various activities are Citizen Access Programs, City Government Programming, Event & Council/Board meeting coverage, video development and released public relations activities. The Cable Television activities are outlined as follows.

ADMINISTRATION, 298-7015

This activity records the expenses related to the administration of the cable television ordinance. The budget also provides for the operation of public access services, which allows for the broadcast of City Council and Board meetings, as well as community-produced programs.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	100,784	107,941	120,973	120,973	126,249
Operations & Maintenance	316,589	326,496	315,200	315,200	357,000
Administrative Charges	62,170	60,000	73,610	73,610	69,010
TOTAL EXPENDITURES	479,543	494,437	509,783	509,783	552,259

PUBLIC SERVICE FEE, 298-7014

This activity records the required expenditure of public service fee monies.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Operations & Maintenance	-	-	1,000	1,000	1,000
Capital Outlay	90,864	93,648	255,160	230,000	273,000
TOTAL EXPENDITURES	90,864	93,648	256,160	231,000	274,000

COMMUNITY MARKETING 298-7016

To provide a coordinated marketing approach for the City in all its media and publications. The *Portager*, a full-color newsletter delivered twelve times annually to all Portage households, is designed, published and delivered under this budget.

	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Operations & Maintenance	-	98,095	147,497	141,300	191,920
TOTAL EXPENDITURES	-	98,095	147,497	141,300	191,920

WEST LAKE WEED MANAGEMENT FUND - 252

This fund accounts for the costs associated with the lake management program at West Lake. This is a multi-year program funded primarily by special assessments to the lakeside residences. Expenditures vary from year to year based on guidance from consultants as to the required treatment that will improve lake quality with the least environmental impact.

Goals and Objectives: The West Lake Weed Management fund supports the following goals and objectives:

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Weed Control	Weed control	<i>Environmental Quality</i> Protect water quality Promote environmental protection planning, monitoring and educational programs <i>Service Delivery</i> Alternatives to handle service demands

	<u>2013-2014</u> Actuals	<u>2014-2015</u> Actuals	<u>2015-2016</u> Adjusted Budget	<u>2015-2016</u> Adopted Budget	<u>2016-2017</u> Admin Recommend
REVENUE:					
Interest and rents	393	169	200	200	200
Other revenue	10,250	10,625	23,400	23,400	31,900
TOTAL REVENUE	<u>10,643</u>	<u>10,794</u>	<u>23,600</u>	<u>23,600</u>	<u>32,100</u>
EXPENDITURES:					
Operations & Maintenance	5,300	32,220	46,027	40,000	40,000
TOTAL EXPENDITURES	<u>5,300</u>	<u>32,220</u>	<u>46,027</u>	<u>40,000</u>	<u>40,000</u>

CEMETERY PERMANENT FUND - 711

The Cemetery Permanent Fund accounts for revenue from the sale of cemetery lots. Per State law, the principal received from such sales must remain intact, but the interest earned may be used to fund the ongoing care of the cemeteries. This activity accounts for the transfer to the General Fund to partially offset the cost of cemetery maintenance. In 2016-2017 the cost of cemetery operations will exceed the permanent fund transfers and other cemetery revenue by approximately \$37,500.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
REVENUE:					
Charges for services	41,874	32,125	40,000	40,000	37,500
Interest and rents	7,847	3,695	4,100	4,100	4,000
TOTAL REVENUE	<u>49,721</u>	<u>35,820</u>	<u>44,100</u>	<u>44,100</u>	<u>41,500</u>
EXPENDITURES:					
Transfers Out	4,000	1,582	4,100	4,100	4,000
TOTAL EXPENDITURES	<u>4,000</u>	<u>1,582</u>	<u>4,100</u>	<u>4,100</u>	<u>4,000</u>

CDBG PROGRAM INCOME FUND

The Community Development Block Grant (CDBG) Program Income Fund is comprised of the repayment of housing assistance loans originally made through CDBG programs and the subsequent reallocation of these monies for CDBG eligible activities. Activities included in 2016-17 are: housing rehabilitation projects, down payment assistance loans, and sidewalk improvements.

Budget Overview: The CDBG Program Income Fund 2016-2017 budget is expected to result in no change in fund balance.

Goals and Objectives: The CDBG Program Income Fund budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Housing Loans	Housing rehabilitation and Down payment assistance loans	<i>Community Development</i> Ensure decent and safe housing

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
REVENUE:					
Charges for services	79,517	86,489	35,000	35,000	50,000
Interest and rents	-	3,069	-	-	-
TOTAL REVENUE	<u>79,517</u>	<u>89,558</u>	<u>135,000</u>	<u>135,000</u>	<u>150,000</u>
EXPENDITURES:					
Operations & Maintenance	31,174	13,000	75,000	75,000	100,000
Capital Outlay	-	-	60,000	60,000	50,000
Transfers Out	48,374	73,680	-	-	-
TOTAL EXPENDITURES	<u>79,548</u>	<u>86,680</u>	<u>135,000</u>	<u>135,000</u>	<u>150,000</u>

The activities carried out by this fund are as follows.

PROGRAMS, 230-6015

The CDBG Program Income Fund was instituted to make monies available under the same criteria as those adopted for the Community Development Block Grant program. As loans made by the CDBG housing programs are repaid, the funds will become available to this program. The plan for 2016-2017 designates \$90,000 for housing rehabilitation/emergency repairs, \$10,000 for down-payment assistance, and \$50,000 for sidewalk improvement.

	<u>2013-2014</u> <u>Actuals</u>	<u>2014-2015</u> <u>Actuals</u>	<u>2015-2016</u> <u>Adjusted</u> <u>Budget</u>	<u>2015-2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016-2017</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	31,174	13,000	75,000	75,000	100,000
Capital Outlay	-	-	60,000	60,000	50,000
Transfers Out	48,374	73,680	-	-	-
TOTAL EXPENDITURES	<u><u>79,548</u></u>	<u><u>86,680</u></u>	<u><u>135,000</u></u>	<u><u>135,000</u></u>	<u><u>150,000</u></u>



Appendices

APPENDIX A

CITY OF PORTAGE
 Contributions to Outside Agencies
 Fiscal Year 2016-2017

	2015-2016 Original Budget	2016-2017 Agency Request	2016-2017 Admin Recommend
General Fund			
Legislative:			
Michigan Municipal League	9,000	9,500	9,500
	<hr/> 9,000	<hr/> 9,500	<hr/> 9,500
Human Services:			
Portage Community Center	80,475	98,000	82,386
YWCA	11,130	11,130	11,685
Housing Resources, Inc.	19,780	20,000	20,735
Catholic Charities (Ark)	11,100	11,635	11,635
Gryphon Place	2,340	2,500	2,500
Goodwill Industries	0	2,000	1,500
Kalamazoo Anti-Human Trafficking Coalition	800	0	0
Lending Hands of Michigan	0	8,000	1,500
	<hr/> 125,625	<hr/> 153,265	<hr/> 131,941
Parks:			
Kalamazoo in Bloom, Inc.	6,000	6,000	6,000
Total, General Fund	<hr/> 140,625	<hr/> 168,765	<hr/> 147,441
Other Funds			
CDBG Fund:			
Portage Community Center	42,510	34,400	41,928
Total, All Funds	<hr/> <hr/> 183,135	<hr/> <hr/> 203,165	<hr/> <hr/> 189,369

CITY OF PORTAGE
Advisory Boards and Commissions

Advisory Boards and Commissions are comprised of interested residents who give their time to assist in many facets of City government and the Portage community. This appendix lists all Advisory Boards and Commissions alphabetically and provides a brief summary of their responsibilities, the meeting schedules and the number of members. For further information, contact the City Clerk.

Board of Canvassers - confirms the result of votes cast at all City elections and performs a recount if necessary. This Board meets after all City elections, and is made up of four members (two Democrats, two Republicans) who have four-year terms.

Board of Review - hears tax assessment appeals. This Board meets for four days every March, and is made up of three members serving three-year terms.

Brownfield Redevelopment Authority - aids in the redevelopment of brownfield areas in the community. The members meet when called.

Building Authority - assists in financing new City buildings through sale of bonds. The members meet when called.

Construction Board of Appeals - hears appeals of building, electrical, mechanical and plumbing code requirements. This board has monthly meetings and is made up of seven members serving three-year terms.

Downtown Development Authority (DDA) - meets to create and implement development plans within the specified district. The members meet when called.

Economic Development Corporation - reviews economic development initiatives; provides financial assistance through sale of bonds and other financial tools. This group has nine members serving six-year terms and meets when called.

Environmental Board - conducts environmental studies and research, drafts plans to protect the environment and recommends policies for preserving the environment. Recommends strategies and policies protecting the quality of groundwater aquifers. This Board meets monthly, and has nine members serving three-year terms.

Historic District and Commission - reviews plans for exterior alterations to sites in the Historic District. Promotes historic preservation and researches historic sites in Portage. This Commission meets monthly and has nine members serving three-year terms.

APPENDIX B

Human Services Board - advises City Council on present and future social and public transportation needs. This Board meets monthly, and has nine members serving three-year terms.

Local Development Finance Authority (LDFA) - meets to create and implement development plans within the boundaries of the Local Development Authority district. The members meet when called.

Park Board - promotes parks and recreation programs and recommends policies for operating City parks. This Board has monthly meetings and has nine members serving three-year terms.

Planning Commission - reviews site plans, plats, preliminary plan applications and zoning changes, recommends a ten-year Capital Improvement Program and advises City Council regarding implementation of the Comprehensive Plan. This Commission meets bi-monthly and has nine members serving three-year terms.

Senior Citizens Advisory Board - recommends programs and activities, develops policies, and promotes fundraising for the Portage Senior Center. This Board meets monthly and has nine members serving three-year terms.

Youth Advisory Board – to provide involvement and participation of youthful members of the community in City government.

Zoning Board of Appeals - hears appeals of zoning regulations and may authorize variances or exception from the Zoning Ordinance. This Board meets monthly and has seven members serving three-year terms.

APPENDIX C

CITY OF PORTAGE

**Property Tax Rates – Direct and Overlapping Governments
(Per \$1,000 of Taxable Value)**

2007 - 2016

City of Portage

Fiscal Year Ended June 30,	General Fund	Capital Improvements	Curbside Recycling	Fall Leaf/Spring Clean	Municipal Streets	Total City Millage
2016	7.5000	2.0000	0.3049	0.3455	0.7752	10.9256
2015	7.5000	2.0000	0.3049	0.3455	0.7752	10.9256
2014	7.5000	2.0000	0.3049	0.3455	0.6274	10.7778
2013	7.5000	2.0000	0.3349	0.4000	0.5429	10.7778
2012	7.5000	2.0000	0.3603	0.4000	0.6313	10.8916
2011	7.5000	2.0000	0.2710	0.2950	0.6652	10.7312
2010	7.5000	2.0000	0.2710	0.2950	0.5938	10.6598
2009	7.5000	2.0000	0.2922	0.3520	0.5156	10.6598
2008	7.5000	2.0000	0.2742	0.3700	0.3450	10.4892
2007	7.5000	2.0000	0.2742	0.3700	-	10.1442

Overlapping Governments

Fiscal Year Ended June 30,	State Education Tax	Portage Public Schools	Portage District Library	Kalamazoo County	Kalamazoo Regional Educational Service Agency	Kalamazoo Valley Community College	Total All Jurisdictions
2016	6.0000	6.8500	1.5000	6.8890	6.4066	2.8135	41.3847
2015	6.0000	5.8000	1.5000	6.7601	4.8916	2.8135	38.6908
2014	6.0000	5.8000	1.5000	6.7695	4.8916	2.8135	38.5524
2013	6.0000	5.8000	1.5000	6.3596	4.8666	2.8135	38.1175
2012	6.0000	5.0400	1.5000	6.7412	4.8616	2.8135	37.8479
2011	6.0000	5.0400	1.5000	6.7412	4.8566	2.8135	37.6825
2010	6.0000	5.0400	1.5000	6.7212	4.8316	2.8135	37.5661
2009	6.0000	5.0400	1.4900	6.3311	4.8316	2.8135	37.1660
2008	6.0000	2.7000	1.4900	6.7162	4.5416	2.8135	34.7505
2007	6.0000	2.7000	1.4900	6.5862	4.5416	2.8135	34.2755

APPENDIX D

CITY OF PORTAGE Full-Time Equivalent Positions by Department Fiscal Year 2016-2017

Department	2013-2014	2014-2015	2015-2016	2016-2017
	Actual	Actual	Budget	Admin Recommend
City Manager	5.00	5.00	5.00	5.50
Finance and Purchasing	11.00	11.00	12.50	12.50
Technology Services	1.00	1.00	1.00	1.00
City Assessor	5.00	5.00	5.00	5.00
City Clerk	3.00	3.00	3.00	3.00
Human Resources	8.00	8.63	5.13	5.50
Parks and Recreation	12.94	12.89	11.67	10.48
Public Safety - Police	75.21	77.21	77.16	80.16
Public Safety - Fire	31.13	31.13	32.25	35.00
Community Development	12.00	12.00	13.00	13.00
Senior Center	2.83	3.51	4.46	4.86
Transportation and Utilities	6.00	5.00	5.00	5.00
Streets and Equipment	20.10	20.10	22.60	31.20
Total	193.21	195.47	197.77	212.20

Full-Time Equivalent (FTE) position counts measure the true human resources used by a Department. FTE calculations take into account the contributions made by part-time employees. For example, two employees who each work 30 hours per week would be counted as 1.5 FTE. (30 hours x 2 employees equals 60 hours worked in one 40-hour workweek. $60 / 40 = 1.5$).

This chart counts FTE's by departmental authority, not function. For example, the Streets and Equipment Department FTE's perform functions in the Major Street, Local Street, and Fleet and Facilities funds.

APPENDIX D

CITY OF PORTAGE Authorized Full-Time Positions 1991-2017

Fiscal Year	Positions
2016-17	195
2015-16	185
2014-15	182
2013-14	181
2012-13	179
2011-12	184
2010-11	188
2009-10	197
2008-09	207
2007-08	213
2006-07	211
2005-06	215
2004-05	213
2003-04	219
2002-03	216
2001-02	219
2000-01	219
1999-00	217
1998-99	234
1997-98	235
1996-97	257
1995-96	260
1994-95	259
1993-94	254
1992-93	246
1991-92	241
1990-91	237

This chart illustrates the number of full-time employees as opposed to full-time *equivalent* employees. Full-time employees receive a comprehensive benefit package, as negotiated through union contracts or granted by City Council. The decrease in 1997-98 was due to privatizing the water and sewer operations. The decrease from 2007-2008 to 2008-2009 was from planned staff reductions based on retirements and attrition. The decrease from 2008-2009 through 2012-2013 has resulted from internal reorganizations based on retirements and attrition. The increase from 2012-13 to 2016-2017 is to accomplish levels of succession planning, and also optimization of operational efficiency in certain areas.

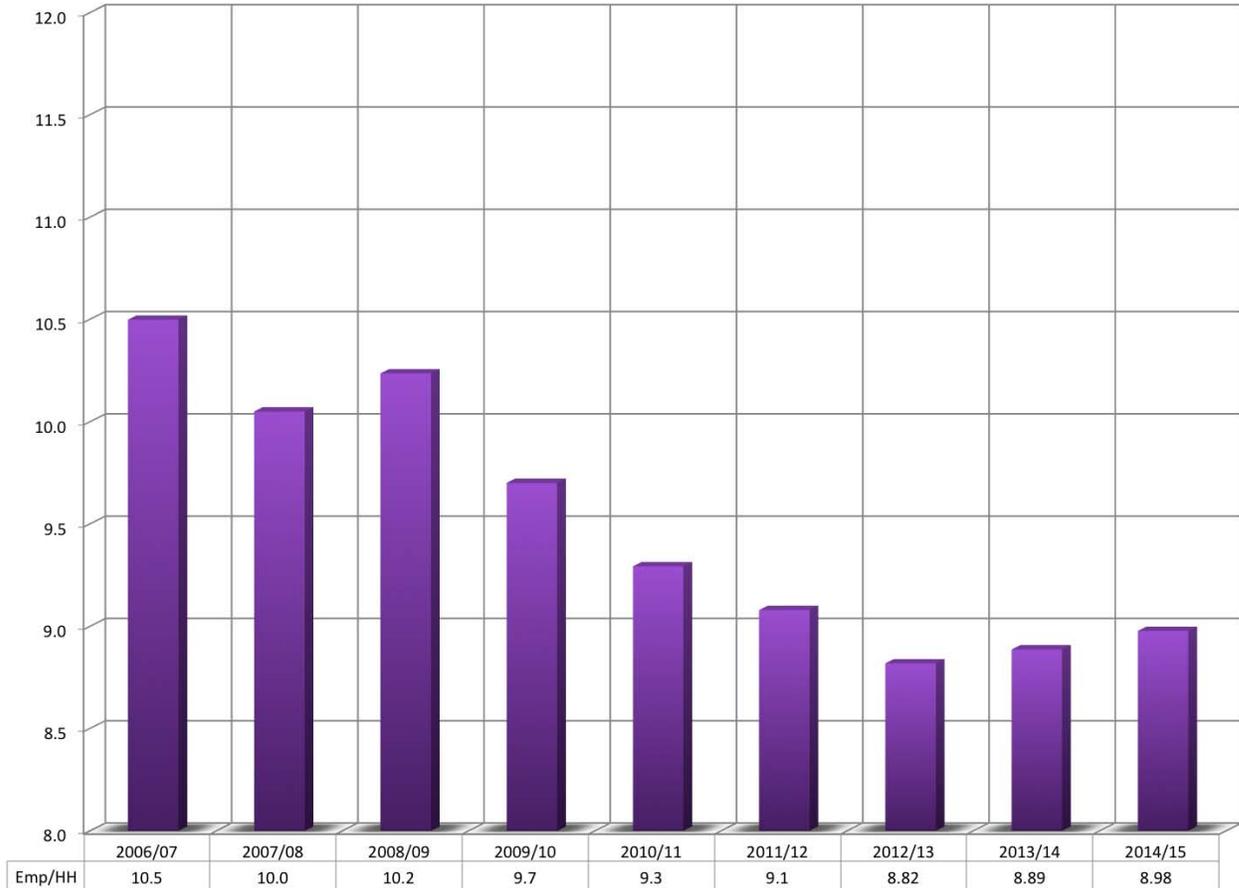
APPENDIX D

CITY OF PORTAGE
 2016-2017 Budget
 Position Comparison (Budgetary Basis)

Full Time Authorized Positions	Actual <u>2013-2014</u>	Actual <u>2014-2015</u>	Budget <u>2015-2016</u>	Admin Recommend <u>2016-2017</u>
General Fund				
City Administration	4	4	4	4
Finance and Purchasing	11	11	12	12
Technology Services	1	1	1	1
City Assessor	5	5	5	5
City Clerk	3	3	3	3
Human Resources	7	7	4	5
Parks and Recreation	11.4	11.4	10.9	11.9
Public Safety				
Police	70	72	72	75
Fire	30	30	31	35
Community				
Development	12	12	13	13
Senior Citizen Services	<u>1</u>	<u>1</u>	<u>2</u>	<u>3</u>
Total General Fund	156	157.4	157.9	167.9
Streets and Fleet & Facilities funds	19.6	19.6	22.1	22.1
Transportation and Utilities	<u>6</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Full Time Positions	<u>181</u>	<u>182</u>	<u>185</u>	<u>195</u>

APPENDIX D

NUMBER OF MUNICIPAL EMPLOYEES PER 1000 HOUSEHOLDS



Fiscal Year	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of Full-Time Employees	211	213	207	197	188	184	179	181	185
Number of Households	20,100	20,301	20,224	20,310	20,232	20,267	20,300	20,482	20,610

Description:

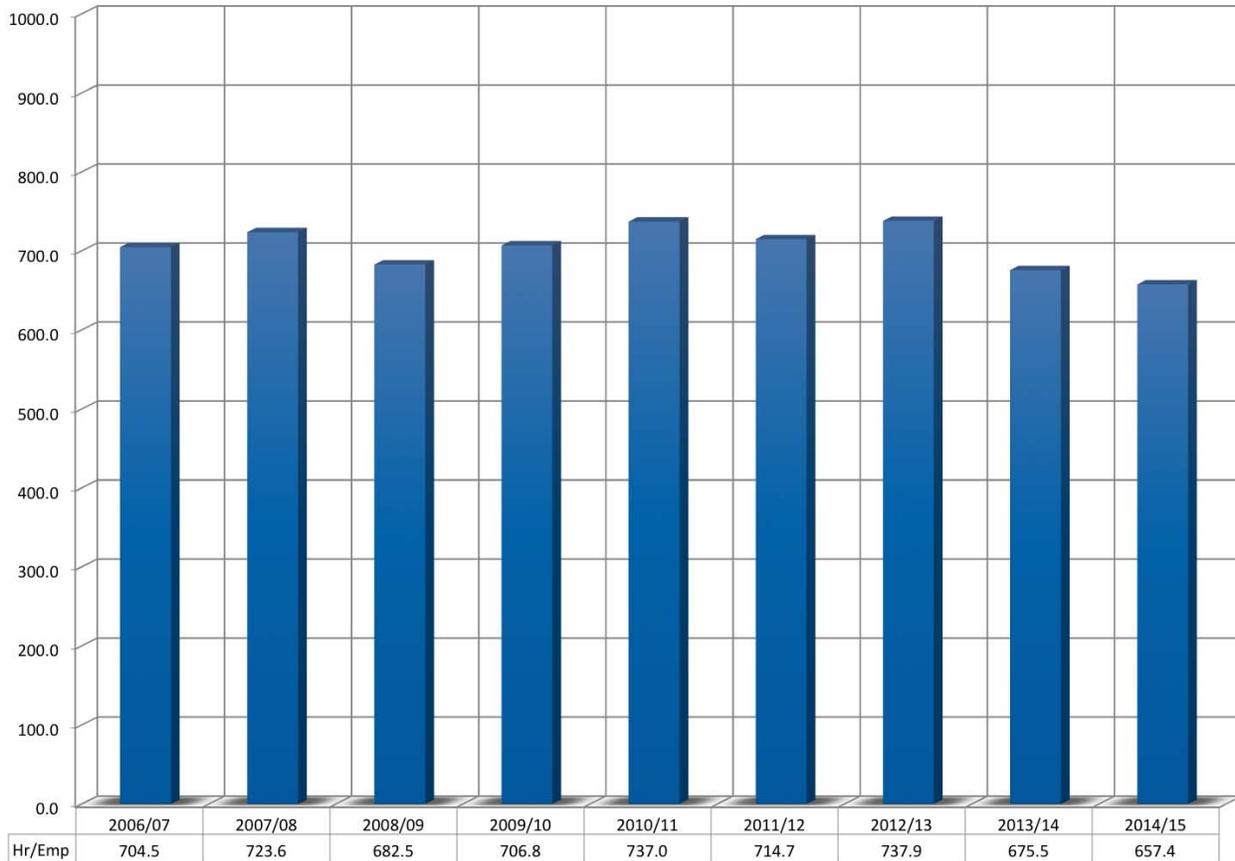
Personnel costs are a major component of the City's operating budget. Tracking change in the number of municipal employees per 1,000 households provides an excellent way to track change in productivity. Increases in this indicator might indicate that personnel expenditures are rising faster than the revenue base that supports it. It might also indicate that the services provided by the City are becoming more labor intensive or that personnel productivity is declining.

Analysis:

Historically through 1997, the number of municipal employees per 1,000 Households had remained relatively constant at about 13-15 employees per 1,000 households. Through use of technology where appropriate, the City has been able to increase the effectiveness of its staff and maintain constant staffing levels in times of increasing service demands. Since 2001, when a position becomes vacant, the need for replacement is analyzed and, if warranted, the position is filled. As the economy worsened, attrition provided opportunities to reorganize operations for efficiency. Recent economic improvements have allowed for minor staff expansions to maintain or increase service delivery.

APPENDIX D

ACCUMULATED EMPLOYEE LEAVE In Hours per Employee



Formula:

$$\frac{((\text{Total Unused Employee Vacation Hours}) + (\text{Total Unused Employee Sick Hours}))}{(\text{Number of Employees})}$$

Description:

The City generally allows employees to accumulate no more than 150 percent of their annual vacation leave allowance. However, depending on the rules and contracts governing various employee groups, sick leave hours may be accumulated to a stated maximum amount. At retirement or termination, 50 percent of accumulated sick leave hours is paid, subject to maximums determined by contract or personnel rules. On an annual basis, these accumulations represent a potential amount of work for which payment is made but work is not performed by the employee in the ensuing fiscal year. Most importantly, these hours become a real expenditure for the City when an employee retires or terminates employment.

Analysis:

This indicator has been relatively stable over the past decade, averaging just under 709 hours, even with higher maximum sick leave accumulations permitted in bargaining unit agreements and personnel rules covering non-union staff. The maximum accumulated sick leave hours were raised from 1,200 hours to 1,400 hours for all employee groups as of July 1, 2004, but the accrual rate and maximum accumulated amount for full time employees hired after July 1, 2011 was reduced.

APPENDIX E

**City of Portage - Capital Outlay
Fiscal Year Ending June 30, 2017**

General Fund

Police

Scheduled replacement of Tasers	8,900
Scheduled replacement of old protective vests	8,800
Replacement of patrol rifles	9,800
Replacement of carpeting	9,000
Credit card analysis/reader with software	2,400
Replacement of capacitors on uninterrupted power supply	5,900
	<hr/>
	44,800

Fire

Extrication shoring and stabilization	14,000
Technical rescue equipment - annual upgrades	10,000
Fire hose replacement	9,000
	<hr/>
	33,000

Parks

Signage, benches, picnic tables at various parks	5,000
Replacement of event and park signs	1,000
Replacement of ramp at Ramona Park	5,000
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	11,000

Total General Fund

88,800

Major Street Fund

Street name sign replacement	20,000
Mast arm and pole replacement	20,000
	<hr/>
	40,000

CDBG Program Income Fund

Sidewalk improvements	50,000
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Cable TV Fund

Electronic forms software	35,000
Intranet site rebuild	5,000
Internet site rebuild	50,000
Centralized storage	50,000
Various hardware and software replacements and upgrades	20,000
Cable Access equipment management with PMN	75,000
City Wi-Fi components	10,000
Training system upgrade	28,000
	<hr/>
	273,000

APPENDIX E

City of Portage - Capital Outlay Fiscal Year Ending June 30, 2017, continued

Sewer Fund

Lift station rehabilitation	75,000
Electrical updates	15,000
Landscaping	10,000
Manhole reconstruction	50,000
	<hr/>
	150,000

Water Fund

Brush removal	40,000
Sediment removal	20,000
Fence replacements	20,000
	<hr/>
	80,000

Fleet and Facilities Fund

Parks Maintenance pickup trucks (3)	91,200
Community Development hybrid sedan	22,500
Assessor's Department hybrid sedan	22,500
Transportation & Utilities minivan	24,000
Transportation & Utilities hybrid sedan	22,500
Parks Maintenance lawn mowers (2)	22,000
Streets backhoe	89,000
Streets dump truck	225,000
Transportation & Utilities (Suez) pickup truck	22,000
Parks, Recreation, and Senior Center SUV	23,750
Transportation & Utilities SUV	23,750
Transportation & Utilities backhoe	89,000
Transportation & Utilities forklift	24,750
Streets front end loader	125,000
	<hr/>
	826,950

Total Capital Outlay Requested

1,508,750

APPENDIX F

FLEET & FACILITIES FUND - Information Only

The Fleet & Facilities fund is part of the Department of Public Services. It is an internal service fund whose function is to simplify accounting for centrally owned and maintained vehicles and equipment used by other city departments. The revenue received by the Fleet & Facilities fund is the amount of inter-fund rental budgeted in each city department and division that uses the Fleet & Facilities fund assets. The Fleet & Facilities fund budget is established to break even. Including the fund in the overall budget would have the effect of double counting the costs. As a result, it is shown in this appendix in detail to support the underlying costs that are charged out by the Fleet & Facilities fund as equivalent to the rent budgeted by the operating funds. The Fleet & Facilities fund records the costs of purchasing, maintaining, and operating vehicles and other equipment. It functions as an Internal Service Fund with the costs of its operations charged to the user departments.

Budget Overview: The 2016-2017 budget includes funding for the orderly repair, maintenance, and replacement of the city fleet. The fund is planning to rent large items on an as-needed basis, rather than purchasing and maintaining a large fleet of equipment that may be called upon a few times per year.

Goals and Objectives: The Fleet & Facilities fund budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>		<u>Goal/Objective</u>		
Operation and Administration	Upgrade fleet		<i>Public Improvements</i>		
	Building maintenance		Update equipment and facilities maintenance		
	Building maintenance		Maintain facilities		
	2013-2014	2014-2015	2015-2016	2015-2016	2016-2017
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Admin Recommend</u>
REVENUE:					
Charges for services	1,718,087	1,918,961	1,609,847	1,609,847	1,834,327
Interest and rents	3,510	728	2,200	2,200	300
Other revenue	34,102	92,795	21,000	21,000	21,000
TOTAL REVENUE	<u><u>1,755,699</u></u>	<u><u>2,012,484</u></u>	<u><u>1,633,047</u></u>	<u><u>1,633,047</u></u>	<u><u>1,855,627</u></u>
EXPENDITURES:					
Personnel Services	275,564	278,947	303,922	303,922	386,989
Operations & Maintenance	999,124	918,366	966,660	944,637	845,093
Administrative Charges	100,801	90,554	96,400	96,400	96,515
Debt Service	34,858	28,270	330,950	330,950	324,351
Capital Outlay	3,255	2,793	462,445	364,000	826,950
TOTAL EXPENDITURES	<u><u>1,413,602</u></u>	<u><u>1,318,930</u></u>	<u><u>2,160,377</u></u>	<u><u>2,039,909</u></u>	<u><u>2,479,898</u></u>

The activities carried out by this fund are as follows:

APPENDIX F

OPERATION and MAINTENANCE, 661-4020

This activity accounts for the costs associated with acquisition, operation, and maintenance of approximately 200 pieces of equipment.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Preventive maintenance service requests	117	157	110
Work orders completed	1,305	1,350	1,320
Gasoline usage - gallons	48,000	42,689	43,000
Diesel fuel usage - gallons	36,000	43,436	44,000

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	132,779	132,162	139,538	139,538	143,366
Operations & Maintenance	692,892	536,697	814,825	802,837	682,506
Capital Outlay	3,255	2,793	462,445	364,000	826,950
TOTAL EXPENDITURES	828,926	671,652	1,416,808	1,306,375	1,652,822

BUILDING ADMINISTRATION, 661-4026

This activity accounts for the costs associated with the operation and maintenance of the City maintenance and storage garages.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Personnel Services	142,785	146,785	164,384	164,384	243,623
Operations & Maintenance	306,232	381,669	151,835	141,800	162,587
Administrative Charges	100,801	90,554	96,400	96,400	96,515
TOTAL EXPENDITURES	549,818	619,008	412,619	402,584	502,725

DEBT SERVICE, 661-9510

This activity accounts for the costs associated with the payments of the related debt.

	2013-2014 Actuals	2014-2015 Actuals	2015-2016 Adjusted Budget	2015-2016 Adopted Budget	2016-2017 Admin Recommend
EXPENDITURES:					
Debt service	34,858	28,270	330,950	330,950	324,351
TOTAL EXPENDITURES	34,858	28,270	330,950	330,950	324,351

CITY OF PORTAGE
Financial Trends
Fiscal Year 2016-2017

The Finance Department is using the Financial Trend Monitoring System (FTMS) developed by the International City Management Association for evaluating the financial condition of the City. The first presentation of City historical and projected financial condition using the FTMS was made at the City Council goal setting session in December of 1986. The FTMS charts provide flags for identifying problems, clues to their causes, and time to take corrective action. Financial condition refers to: the ability to maintain existing service levels, withstand local and regional economic disruption, and meet the demands of natural growth, decline, and change. These charts are featured throughout the budget document where they can best help explain the material presented.

Information subjected to analysis is derived from Comprehensive Annual Financial Reports (CAFR), annual operating budgets, actuarial reports, and other sources as necessary. Financial condition indicators analyzed and discussed within this report fall into seven broad categories: Revenues, Expenditures, Operating Position, Debt Structure, Unfunded Liabilities, Condition of Capital Plant, and Community Needs and Resources.

The information provided in the FTMS charts is presented in the following manner:

- Unless specifically noted otherwise, the data presented refers to a period consistent with the City's fiscal year ending June 30. The City's historical financial data used in these charts comes from the same data sources as used in the City's Comprehensive Annual Financial Report (CAFR).
- The charts present at least five years of history to provide the reader with a clear picture of both short-term and long-term trends.
- Differences in the FTMS charts between the data presented with this 2009/10 Annual Budget and previous annual budgets result from a conscious effort to correct previously used data, where appropriate, add data to make the report more complete, and ensure that all data elements are used in a consistent manner from chart to chart.
- The pages containing the FTMS charts generally provide:
 - A bar chart or line chart with an underlying data table that contains the data depicted on the chart.
 - A text explanation of the formula used to derive the data shown in the chart and identification of what trend in the indicator would serve as a "warning trend".
 - A text explanation containing more detailed commentary and analysis of the trends and spikes that are evident in the data depicted on the FTMS chart.

APPENDIX G

REVENUE

Revenues determine the capacity of a City to provide services. Important issues to consider are growth, diversity, reliability, flexibility, and administration. Under ideal conditions, the revenue bases would be growing at a rate equal to or greater than the combined effects of inflation and service demands. Additionally, they would be sufficiently flexible to allow necessary adjustments to changing conditions. They would also be balanced with some growing with the economic base and others growing with inflation. Finally, they would be diversified by source and user fees that would be regularly reevaluated to cover costs of services.

EXPENDITURES

Expenditures are a rough measure of municipal service output. Since most cities are required to have a balanced budget, it seems unlikely that expenditure growth could exceed revenue growth. There are, however, a number of ways to balance the annual budget but still create an imbalance that would have a long-term negative impact on financial condition. Some of the more common ways are to use bond proceeds for operations, borrow from other funds, defer maintenance and capital outlay purchases, or defer funding of a pension plan. Analyzing a city's expenditure profile helps to identify these types of problems.

OPERATING POSITION

The term *operating position* refers to the City's ability to (1) balance its budget on a current basis, (2) maintain reserves for emergencies, and (3) have sufficient liquidity to pay its bills on time.

DEBT

Debt structure is important to analyze because debt is an obligation that must be satisfied when due. Debt is an effective way to finance capital improvements and even out short-term revenue flows, but misuse can cause serious financial difficulties. Temporary inability to repay can result in loss of credit rating, increased cost of future borrowing, and loss of autonomy to State and other regulatory bodies. The most common forms of City debt are general obligation, limited tax general obligation, special assessment, and revenue bonds. The City also purchases equipment through installment contracts and land for parks through land contracts.

UNFUNDED LIABILITIES

An unfunded liability is one that is incurred during the current or prior years that does not have to be paid until a future year, and for which reserves have not been set aside. It is similar to debt in that it represents a legal commitment to pay at some time in the future. An analysis of unfunded pension liabilities can point out whether pension contributions, pension plan assets and investment earnings are keeping pace with the growth in liabilities. (The City has zero unfunded pension liabilities.) Also analyzed is employee leave (compensated absences) so that related liabilities do not go unnoticed until severe problems have been created.

CAPITAL PLANT

These indicators include major maintenance of buildings and equipment, maintenance of the street system, and timely replacement of Enterprise and Internal Service Fund assets. Deferral of these expenditures is a relatively painless, short-term way to reduce expenditures and ease financial strain. If continued, it can create serious problems that become exaggerated because of the huge sums of money invested in capital facilities.

COMMUNITY NEEDS AND RESOURCES

All of the indicators tracked are placed into the context of community needs and resources, or, simply, service demands and revenues. For this reason, population, number of households, and tax base are among the indicators monitored.

SUMMARY

The indicators are monitored regularly. Results are used in administrative sessions and presented to City Council at least annually. They are used as tools for evaluating the financial condition of the City in the goal setting process as well as reviewing the proposed annual operating budget.

The indicators show projections of marginally slowed growth for the City. Past growth has caused general long-term expansion of resources necessary to fund growth-related service demands. Per capita real dollar expenditures are stable in the long term. Reliance on external and elastic revenues is not too heavily weighted. Therefore, adverse economic fluctuations and funding decisions by higher levels of government will not have too strong a negative impact on City services unless escalated and continued over a period of years. Operating position is at a reasonable level with very favorable fund balances. Previous Enterprise Fund shortfalls will be eliminated over the near term. Debt indicators require a continued focus; short-term and long-term debt will continue to be managed closely. Capital maintenance indicators are also favorable.

The financial condition of the City will continue to be monitored in order to identify and anticipate problems. Timely countering of the problems by the most effective means can then be implemented before problems become unmanageable.

APPENDIX G

LONG-RANGE PLANNING

Following is a summary of long-range planning processes developed and used by the City to match financial resources with long-term objectives and service delivery:

Comprehensive Plan	
Type of Planning Process	Twenty-year strategic planning, auditing of facilities, annual reports and special studies
Description of Process	Departments submit to City Manager for consideration/revision annually. Public input sought at various stages of the CIP Development. Review by City Manager, Community Development and Finance Departments in December, presented by City Manager to City Council for adoption. Includes Transportation/Major Streets, Complete Streets, Recreation and Open Space, Natural/Cultural Resources, Economy/Market Place, Utility Infrastructure and Community Facilities, Stormwater Master Plan, Wellhead Protection Program, Water Utility Infrastructure Analysis Program, Walkway/Bikeway Plan, among others.
Budget Impacts	Ensures sound financial plan and basis for essential budgetary decisions, to provide high quality fiscally responsible public services.

Capital Improvements	
Type of Planning Process	Ten-year scheduling plan of public physical improvements
Description of Process	Departments submit to City Manager for consideration/ revision. Manager submits to City Council for approval. Includes new and expanded facilities, large-scale rehab or replacement of existing facility, major pieces of equipment, engineering, architectural or planning studies and services, and land acquisition.
Budget Impacts	Provides for predictable funding level from year to year to allow adequate planning for funding, debt-service requirements, and impact of operating costs. See Capital Improvements section of budget document for operational impacts.

Building Maintenance	
Type of Planning Process	Ten-year plan by facility and maintenance activity or project
Description of Process	Building Maintenance Supervisor prioritizes other departments' or activities' requests for projects along with known maintenance requirements and submits to City Manager. Manager submits recommendation to City Council for approval.
Budget Impacts	Provides for a stable annual level of expenditure to ensure continued maintenance of City facilities. Integrates with various departmental budgets and ten-year capital improvements program.

Parks & Recreation Plan	
Type of Planning Process	Ten-year Assessment of parks and recreation facilities and trails
Description of Process	Overall review/assessment of parks and recreation facilities and inventory within the community. Public process including on-line survey and special CIP "open house" to provide for general public and Planning Council input. CIP Review Team prior to submittal to City Council for adoption.
Budget Impacts	Ensures safety of trails and equipment through systematic preventive maintenance while promoting an aesthetic and innovative approach to recreational opportunities.

APPENDIX G

Street Improvement	
Type of Planning Process	Ten-year Assessment of major and local streets
Description of Process	Major and local street improvements, improved drainage, lighting and street trees and investment in sidewalks. Manager submits recommendation to City Council for approval.
Budget Impacts	Provides improvements and enhancements to impact neighborhood vitality and property values.

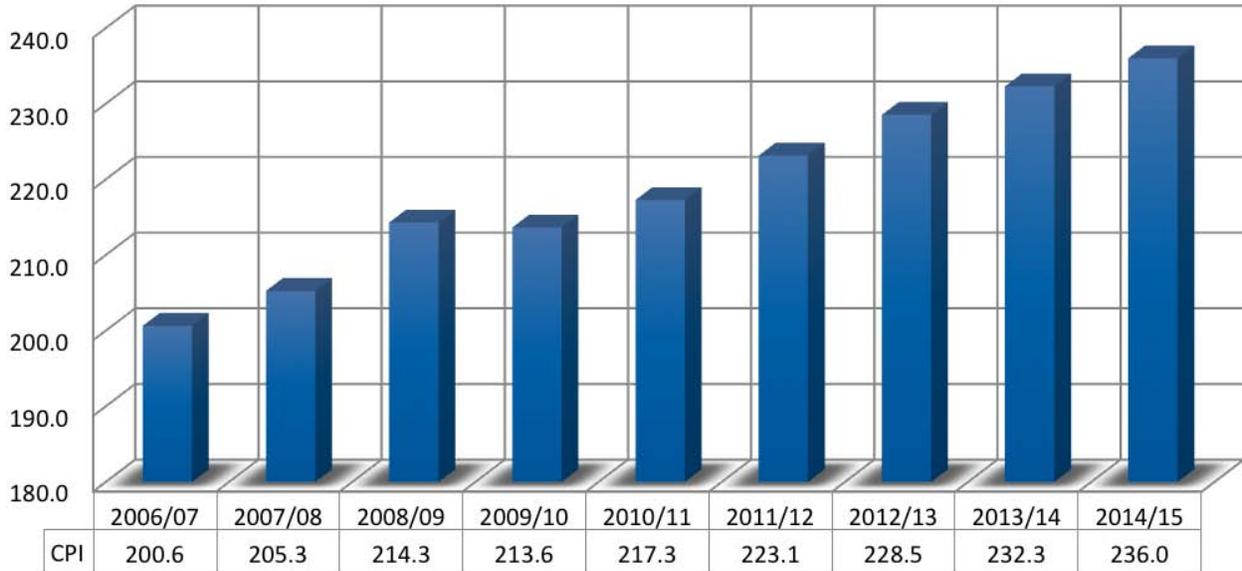
Vehicle & Equipment Replacement	
Type of Planning Process	Ten-year Assessment of vehicles and equipment
Description of Process	Identification and prioritization of vehicles, parts and equipment in need of replacement or repair submitted to City Manager. Managers submit recommendations to City Council for approval.
Budget Impacts	Allows for the purchasing, operating, repairs and maintaining vehicles and equipment utilized by various departments.

Utilities Improvement	
Type of Planning Process	Five-year Projection and Annual Plan
Description of Process	Utility Rate Financial Study conducted annually and made available to Utility Rate Committee and City Council for adoption.
Budget Impacts	Annual Study projects revenue and expenditures over a five-year period to ensure evaluation of longer-term rate needs. Focuses on system related enhancements and ensuring user rates are sufficient to fund entire cost of utility system operation.

APPENDIX G

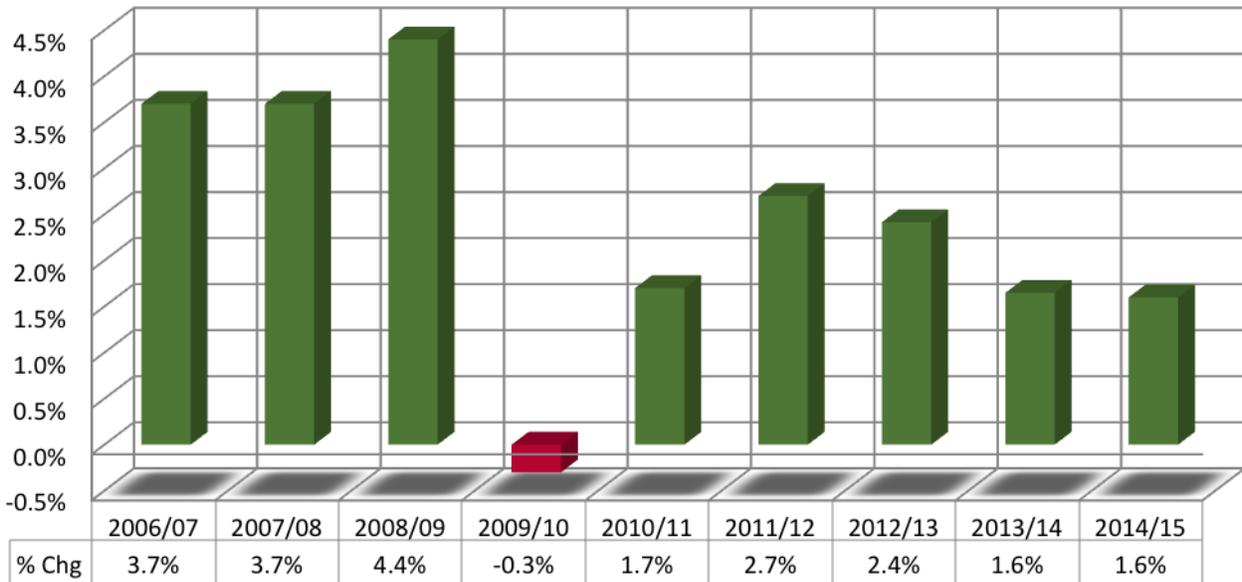
CONSUMER PRICE INDEX

Based on the Michigan State Tax Commission Annual Inflation Rate Multiplier



ANNUAL % CHANGE IN THE CONSUMER PRICE INDEX

Source: Michigan State Tax Commission Annual Inflation Rate Multiplier



The City of Portage has determined that the most relevant measure of inflation to use in analyzing its financial indicators on a “constant dollar” basis is the Inflation Rate Multiplier published annually by the Michigan State Tax Commission. Its basis is the numerical average of the monthly CPI-U values from the Bureau of Labor Statistics for the last two State of Michigan fiscal years. The Inflation Rate Multiplier is used by local assessors in the Annual Capped Value Formula and the Headlee Millage Reduction Fraction calculations required by law. These calculations effectively place a maximum value on the amount of revenue that a local government can collect via property taxes in a given fiscal year.

The CPI index value shown in the chart above reflects annual adjustment of the CPI index received from the Michigan State Tax Commission.

CITY OF PORTAGE
Glossary of Terms and Acronyms

Activity - The budgetary expenditure level adopted in the General Appropriations Act. An activity is generally a subset of a departmental organization for budgetary purposes. For example, the Fire Department is budgeted in the General Fund as five separate operational activities: Administration, Operations, On-Call Firefighter Program, Fire Prevention, and Training/Safety. An activity is further broken down into object classes of expenditures: Activity categories are in conformance with the Uniform Chart of Accounts for Counties and Local Units of Government in Michigan.

Accrual Basis - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at the same time or not), synonymous with "full accrual".

Adopted Budget, Approved Budget - The revenue and expenditure plan of the City for the fiscal year as reviewed and given final approval by the City Council.

Appropriation - An authorization or allocation made by the legislative body that permits officials to incur obligations against, and to make expenditures of, governmental resources (revenues).

Assessed Valuation - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

Authorized Positions - Employee positions that are authorized in the adopted budget to be filled during the year.

Bond - A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

General Obligation (G.O.) Bond - This type of bond is backed by the full faith, credit and taxing power of the City.

Revenue Bond - This type of bond is backed only by revenues from a specific enterprise or project.

Budget Amendment - An adjustment made to the budget during the fiscal year by the City Council to properly account for unanticipated changes which occur in revenues and/or expenditures and for program initiatives approved during the fiscal year. The adjustment is made by formally amending the General Appropriations Act.

Budget Year - The fiscal year to which the recommended budget relates, i.e., the fiscal year beginning on July 1 following the current fiscal year.

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Capital Outlay - Expenditures relating to the purchase of equipment, facility modifications, land, or other fixed assets made out of general operating funds. To be categorized as a capital outlay item (fixed asset), the purchase must have a value of at least \$5,000 and a useful life of more than one fiscal year. See also Capital Projects Funds.

Capital Projects/Improvements Fund - A fund used to account for the purchase and/or construction of public physical improvements and major acquisitions. The Capital Improvement Fund is the first fiscal year of the annually updated 10 year Capital Improvement Program (CIP). The detailed ten-year CIP plan is contained in a separate document. The Capital Improvement Fund is divided into activities related to various operations of the City, e.g., Water Construction, Street Construction. Capital projects are financed through a combination of dedicated tax millage, bonds, and grants unlike capital outlay items (See Appendix E) that are considered departmental operating expenditures, and are not a part of the 10 year Capital Improvement Program.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

CDBG - Community Development Block Grant. Funding administered by the U.S. Department of Housing and Urban Development (HUD).

CIP - Capital Improvement Program. A 10-year plan, revised and approved annually, governing the purchase and/or installation of facility and infrastructure improvements, and the method of financing public physical improvements.

DDA - Downtown Development Authority. See Appendix B.

Debt Service - Expenditures relating to the retirement of long-term bonded debt principal and interest.

Debt Service Funds - are used to account for the payment of general long-term debt principal and interest. Budgeted debt service funds are General Obligation Debt, Special Assessment Debt Service, Building Authority, Downtown Development Authority, and Local Development Finance Authority each defined by the type of bond financing issued.

Enterprise Funds - are used to account for the financing of services provided to the general public where all or most of the costs involved are recovered through service charges to the users. The Sewer Operating and Water Operating Funds are Enterprise Funds. Enterprise funds employ the full accrual method of accounting in contrast to governmental funds that employ modified accrual method for budgetary purposes.

Fiscal Year - a twelve-month period designated as the operating year for an entity. The fiscal year for the City is July 1 - June 30. In general use, "Fiscal 2016" would refer to the fiscal year ending June 30, 2016. And so, fiscal year would refer to the current year ending June 30th.

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Fund - An independent fiscal entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are categorized for accounting purposes as General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Permanent. Within the budget, funds are categorized on an operational organizational basis: General, Major and Local Streets, Equipment, Utility, Capital Improvements, Debt Service, and Other Funds. For budgetary purposes a fund may consist of the activities of one or more departments. Funds are defined in the *Uniform Chart of Accounts for Counties and Local Units of Government in Michigan*.

Fund Balance - An accumulated excess of revenues over expenditures segregated by fund. Exception: proprietary funds (Enterprise: Water and Sewer, Internal Service) are accounted for in a manner similar to private businesses, and record net assets as opposed to fund balance. The budgets for these funds are prepared on a net asset basis, which equates to fund balance. See Unassigned Fund Balance and Net Assets. Fund balance is a cash basis concept applicable to budget policy.

General Appropriations Act - The formal act by which the City Council adopts the recommended budget and establishes the millage rate for taxation of property during the budget year.

General Fund - The fund used to account for all financial transactions except those required to be accounted for in another fund. Serves as the primary operating fund for the City.

Interfund Transfers - Budgeted allocations of the resources of one fund transferred to another fund. This is typical for those funds that do not receive sufficient revenues to pay for necessary expenditures incurred in their operations. Transfers are also made from certain operating funds to debt retirement funds to retire debt related to the operations of the transferring fund.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the forms of grants, shared revenues and payments in lieu of taxes.

Internal Service Funds - Are used to finance, administer, and account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis. The Fleet and Facilities Fund is an internal service fund used to centralize repair and maintenance of vehicles and machinery used by City departments.

Infrastructure - The basic physical framework or foundation of the City, referring to its buildings, roads, bridges, sidewalks, water system, and sewer system.

KRESA - Kalamazoo Regional Education Service Agency.

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LDFA - Local Development Finance Authority. See Appendix B.

Mill - A taxation unit equal to one dollar of tax obligation for every \$1,000 of taxable valuation of property.

Millage - The total tax obligation per \$1,000 of taxable valuation of property.

Modified Accrual Basis of Accounting - The method of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time that liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

MTF - Michigan Transportation Funds. Funds established for the repayment of motor vehicle highway bonds issued by the State of Michigan to finance Major Street improvements.

Net Assets - For proprietary funds, the equivalent of retained earnings in a private business; the difference between assets and liabilities.

Object Class of Expenditure - Totals of detailed line items that are grouped to facilitate comparison and discussion. Object classes include Personnel Services, Operation and Maintenance, Administrative Charges, Capital Outlay, Debt Service and Transfers Out.

Operation and Maintenance - Expenditures for the materials, supplies, and contracted goods and services required for a department to function.

Organizational Chart - A chart representing the authority, responsibility, and relationships of departmental entities within the City organization.

Other Services and Charges - Expenditures relating to services rendered to the City by private contractors or other units of government such as telephone service, utility costs, repairs and maintenance, insurance, and publishing and printing.

Permanent Funds - Are used to account for assets held by the City as trustee. These funds are legally restricted to the extent that any earnings, and not principal, may be used for purposes that support the reporting government's programs. The budgeted trust fund is the Cemetery Permanent Fund.

Personnel Services - Expenditures relating to compensating employees of the City including wages and salaries, longevity pay, holiday pay, shift differential, contractual fringe benefits, employer share of Social Security tax, health insurance, and pension plan payments.

Prior Year - The most recently completed fiscal year. In the current budget document, 'prior year' refers to fiscal year 2014-2015.

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Professional - Expenditures relating to services rendered to the City by external providers of legal services, auditing, architectural services, medical services, and other professional consultation.

Proposal A - an Act passed in 1994 which limits the increase of a parcel's taxable value to not more than the increase in the Consumer Price Index or 5 percent, whichever is less.

Recommended Budget - The revenue and expenditure plan of the City for the budget year as prepared and recommended by the City Manager for consideration by City Council; administration recommendation.

Special Assessment District - A method of financing public improvements by distributing the cost of a project to those properties realizing a direct benefit. Types of projects most often financed through special assessments include sanitary sewers, water mains, road construction and reconstruction, and sidewalk construction.

Special Revenue Funds - Are used to account for the proceeds of specific revenue sources or to finance specified activities in accordance with statutory or administrative requirements. Budgeted special revenue funds are Major Streets, Local Streets, Municipal Streets, Curbside Recycling, Leaf Pickup/Spring Cleanup, West Lake Weed Management, Community Development Block Grant, Community Development Block Grant Program Income, and Cable Television.

State Equalized Valuation (SEV) - The assessed valuation of property in the City as determined by the City Assessor subject to review by higher levels of government to assure that it equals 50 percent of market value, as required by State law.

Supplies and Materials - Expenditures relating to the purchase of expendable items utilized in service delivery such as office supplies, operating supplies, and parts and repair items.

Tax Base - The total value of taxable property in the City.

TIFB - Tax Increment Finance Board. Established in 1985 pursuant to Public Act No. 450 of 1980 (MCL 125.1801 et seq., MSA 3.540 (201) 35 seq.) The mission of the board is to advise and implement recommendations relative to promoting urban growth and improvement in development areas.

Transfers Out - See Interfund transfers.

Unassigned Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.