



Portage, Michigan 2019 – 2020 Budget



City of Portage, Michigan

**ANNUAL OPERATING BUDGET
Fiscal Year 2019-2020**

Elected City Officials as of May 21, 2019

Patricia M. Randall
Mayor

Jim Pearson
Mayor Pro Tempore

Chris Burns
Councilmember

Richard J. Ford
Councilmember

Lori Knapp
Councilmember

Claudette Reid
Councilmember

Terry R. Urban
Councilmember

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April 9, 2019

City of Portage Budget Message

Fiscal Year 2019-2020

Mayor Patricia M. Randall and Members of the Portage City Council,

Thank you for giving me the opportunity to present the proposed City of Portage budget for Fiscal Year 2019-2020. The City Charter requires that the proposed budget be presented at the first City Council meeting in April, with a final budget in place by the beginning of the fiscal year, which begins on July 1, 2019 and ends June 30, 2020.

Total Expenditures			
FY18-19 Adopted	FY19-20 Proposed	Difference	% Change
\$76,732,344	\$81,323,803	+\$4,591,459	+5.98%

A total of twenty-one (21) funds exist within the City of Portage budget portfolio, with proposed expenditure budgets ranging from \$26,635,113 in the General Fund to \$12,000 in the

Cemetery Fund. The expenditure budget for all funds is proposed to increase to \$81,323,803 – or 5.98% over Fiscal Year 2018-2019.

The proposed budget shows an increase of \$171,296 (0.65%) to the General Fund, which is driven by the funding of three (3) new police officers. The Water and Sewer Fund budgets will increase by 16.28% and 24.53%, respectively. Although these numbers seem high, it represents the Administration's long-term commitment to fund capital improvements with cash in order to avoid debt. A full 95% of the increase in the proposed Water Fund budget and 51% of the increase in the Sewer Fund is attributable to cash being devoted to capital improvements. Relative to capital improvements in general, the Capital Improvement Program budget is proposed to increase by 8.09%. Although modest, this number does not take into account the millions that the city has received in federal contributions. Since Fiscal Year 2016-2017, the City of Portage has increased its investment in capital improvements by 52%.

Expenditures	FY18-19 Adopted	FY19-20 Proposed	Difference	% Change
General Fund	\$26,463,817	\$26,635,113	+\$171,296	+0.65%
Capital Improvement Program	\$20,923,000	\$22,615,419	+\$1,692,419	+8.09%
Water Fund	\$5,588,159	\$6,498,171	+\$910,012	+16.28%
Sewer Fund	\$7,149,273	\$8,903,057	+\$1,753,784	+24.53%
Streets Fund	\$7,343,486	\$7,603,761	+\$260,275	+3.54%

Debt is the most significant condition impacting the city's financial condition. Since 2007, the City of Portage has reduced its debt burden from \$105 million to \$56.8 million at the end of Fiscal Year 2018-2019. That represents a 46% reduction in total municipal debt over the last twelve (12) years. That factor is one of the primary elements leading to the increase in the City of Portage Standard and Poor's rating from AA Stable to AA+, one step below AAA.

Development and property value enhancements have led to an increase in the Total Taxable Assessed Value of the City of Portage from \$2.074 billion in 2018 to \$2.193 billion in 2019 – an increase of 5.7%. The City of Portage remains the municipality with the largest tax base in Kalamazoo County. With our enhanced development profile progressing, that number appears as if it will continue to rise to the benefit of the city and county taxpayer alike.

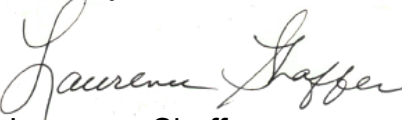
After years of incrementally shifting from an annual planned budget deficit in the General Fund, the Fiscal Year 2019-2020 proposed budget balances

Proposed General Fund Budget			
	FY 2017-2018	FY 2018-2019	FY 2019-2020
Revenue	\$24,634,797	\$25,692,360	\$26,635,113
Expenditures	\$25,481,584	\$26,463,817	\$26,635,113
Deficit	\$(846,787) 3.3%	\$(771,457) 2.9%	\$0 0.0%

revenue and expenditure. This accomplishment requires that the various budgetary entities more accurately define income and expense. In the past, expenditures were projected to be higher than expected and revenue was projected to be less than anticipated. The new system requires more precision in projecting both revenue and expenditure, and allows the proposed budget to be a more accurate financial tool.

This budget proposal is the result of the enlightened effort of the entire City of Portage team. I am particularly indebted to Rob Boulis, Deputy City Manager, Bill Furry, Finance Director, Lauren VanderVeen, Deputy Finance Director and Mary Beth Block, Communications Manager. Also, special recognition goes out to Vicki Georgeau, Community Development Director for leading the Capital Improvement effort and Kendra Gwin, Transportation & Utilities Director for her hard work and direction regarding street, water and sewer projects.

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, 2018.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Portage
Michigan**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

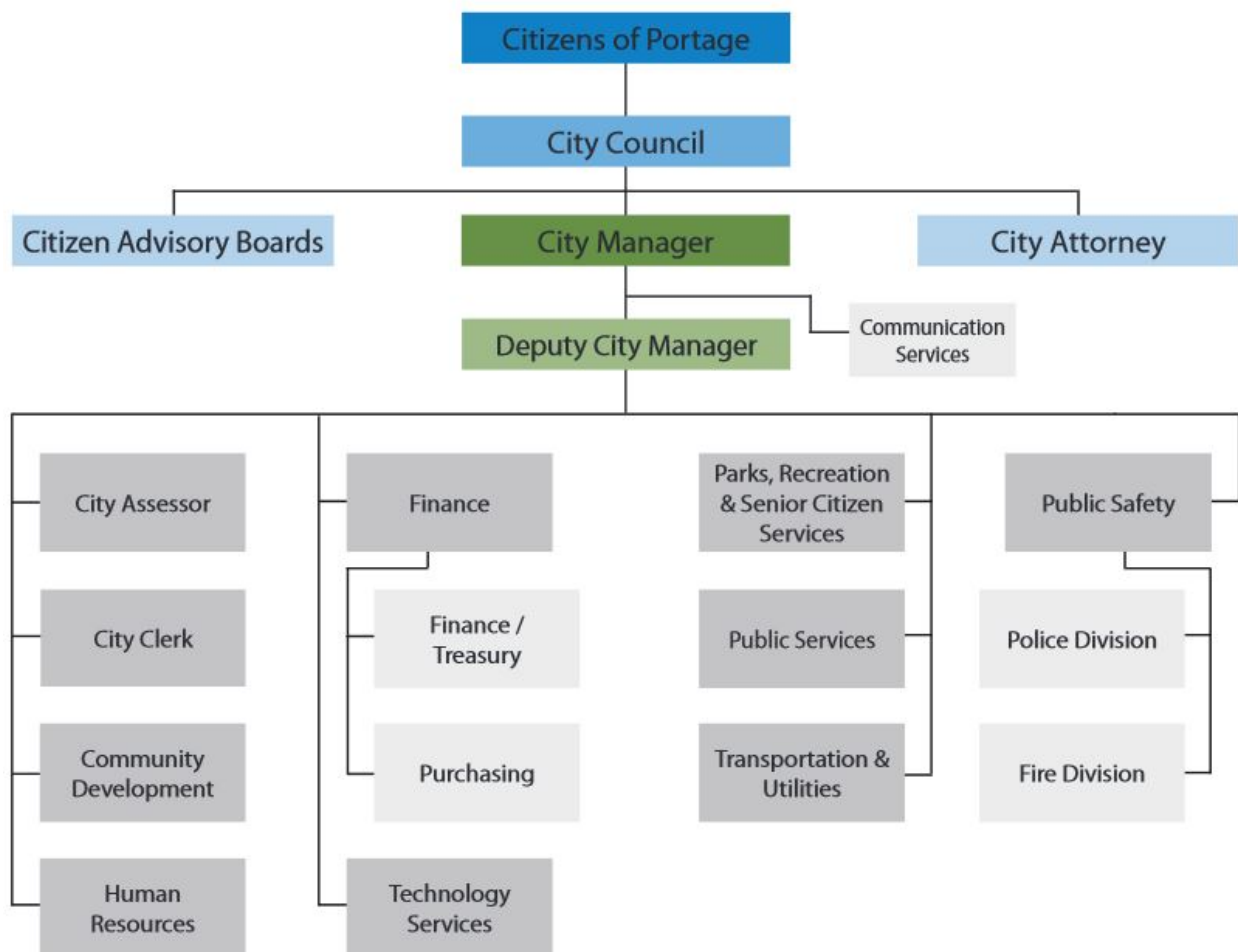
Executive Director

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.



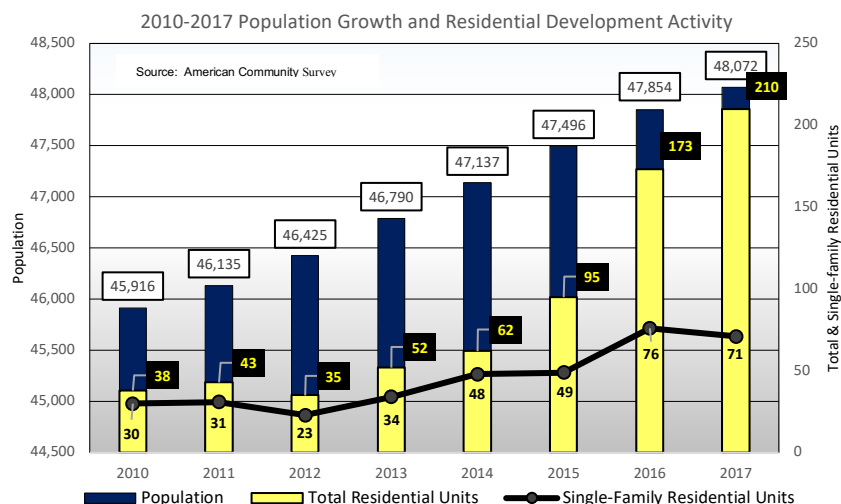
Organizational Chart



CITY OF PORTAGE COMMUNITY PROFILE

Fiscal Year 2019-2020

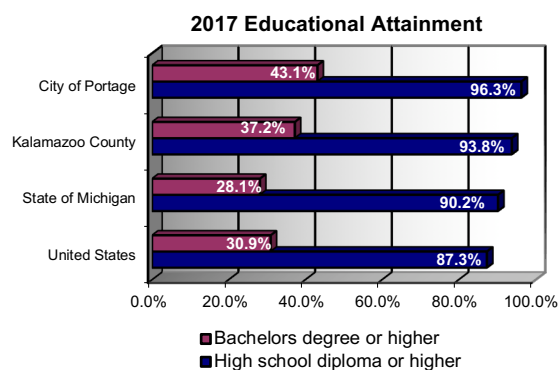
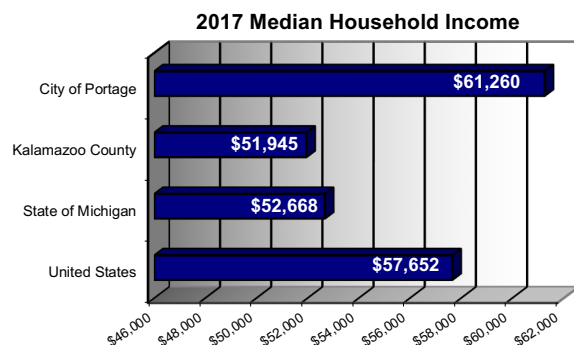
Portage is a strong community filled with caring and talented people. Made up of thirty-five square miles, Portage has the most valuable industrial, commercial and residential property in southwest Michigan. Its 49,029 citizens enjoy the best schools and park system in Kalamazoo County. The largest drug manufacturing facility in the United States, Pfizer, Inc., is located in Portage. Stryker Medical and Stryker Instruments are the largest employers in Portage. The South Westnedge Avenue Commercial Corridor includes the only regional mall in southwest Michigan. This corridor, with its outstanding complement of shopping and dining opportunities, is one of several reasons why people visit and move to Portage from areas outside of our city. Other attractions to Portage include residential neighborhoods that provide the highest quality housing choices, which is even more attractive to would-be homebuyers because of Portage's great schools, wonderful parks and other recreational opportunities. Some have said that Portage's central location between Detroit and Chicago is what makes the community great. Others say that it is our numerous lakes and parks that create terrific places to live and play. There are those that extol the virtues of the first rate shopping and entertainment available, but the people of Portage know otherwise. Our city is strong because our people are strong.



The city's population in 1960 was 20,181. As shown in the chart to the left, the population more than doubled to 45,916 by 2010. In 2017, the population was estimated at 48,072 and is estimated to exceed 51,000 by 2030.

The upward trend in the total population for the City of Portage also corresponds to a rise in new residential development. As shown in

the chart to the above, from 2010 to 2017 the number of new single-family residential units and total number of residential units has been increasing. Although the 2018 population estimate is not yet available, the total number of residential permits (159) and single-family permits (57) have decreased slightly during 2018.



The median household income continues to exceed the county, state and national averages. This trend is also evident in the level of educational attainment. Further, more than 96% of Portage residents have a high school diploma and over 43% have a college degree. These statistics continue to increase every year.

This land development pattern has 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 helps to facilitate an increase in private development activity.

Portage is a regional retail trade center with more than four million square feet of commercial and office building space, largely along the South Westnedge Avenue Commercial Corridor which historically has had an occupancy rate greater than 97%. Major retail outlets along South Westnedge Avenue, include Crossroads Mall, Southland Mall, Portage Crossings, Carillion Center and Shoppes at Romence Village, which contribute to a significant portion of the employment base.



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” anchored by 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. Construction of a new, five story 100,000 square foot office building was recently completed on Trade Center Way near the intersection of South Westnedge Avenue and Interstate 94 on the city’s north side.

The residential and commercial sectors are complemented by an expanding industrial base, anchored by Stryker and Pfizer Corporations, both of which have significant expansion projects underway. Pfizer is underway with a number of projects with a



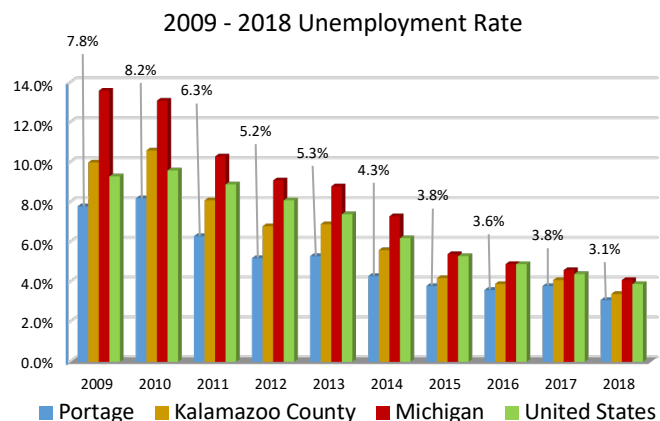


total value of \$800 million that will become operational over the next several years. The first project, a 98,000 square foot warehouse facility was completed in 2018 and construction of the second project, a 400,000 square foot aseptic manufacturing facility, will begin later this year. An artist's rendering of the new aseptic facility is shown to the right. Stryker Instruments purchased nearly 300 acres of land and construction of a \$154 million, 485,000 square foot research and development facility will open later this year. Below is an artist's rendering of the new research and development facility. In addition to the new research and development facility, Stryker Medical is also expanding at their East Centre Avenue location. A 253,000 square foot building addition is currently under construction. Many other manufacturers and life science companies, primarily located within the Sprinkle Road Industrial Corridor call Portage home, including Mann+Hummel, FEMA Corporation, Summit Polymers, Erbsloeh Aluminum Solutions (formerly Bowers Manufacturing), Eurofins/Lancaster Laboratories, Thermo Fisher Scientific, PharmOptima LLC, among others.

Industry	Number	Percent
Education services, health care and social assistance	6,422	26.3
Manufacturing	4,606	18.9
Retail trade	2,835	11.6
Professional, scientific, management, administrative and waste management services	2,322	9.5
Arts, entertainment, recreation, accommodation and food services	1,884	7.5
Finance, insurance, real estate, rental & leasing	1,824	7.5

The table to the left includes the top six employment sectors in 2017. One-quarter of 24,388 Portage workers have found employment in educational services, health care, and social assistance. More than 4,600 Portage residents are employed in the manufacturing industry while nearly 2,900 residents are employed in the retail trade sector.

As shown in the chart to the right, the unemployment rate for the City of Portage has remained considerably lower than the county, state and national averages. From 2009-2018, the unemployment rate for Portage averaged 5.1% in comparison to 6.4% for Kalamazoo County, 8.1% for the State of Michigan and 6.8% for the United States.



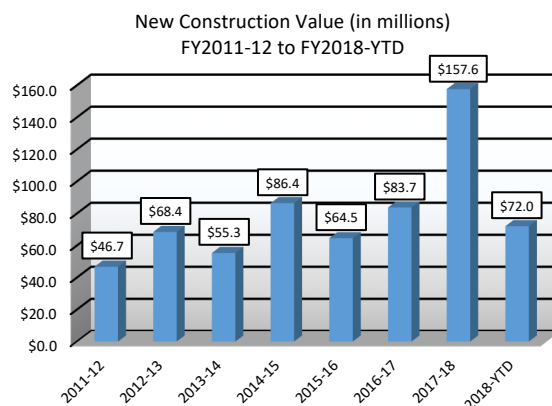
For many years, the city has taken a progressive approach to economic development by providing unique opportunities for businesses and industries to grow due to the significant level of public infrastructure investment through the Capital Improvement Program (CIP). The city has financed and implemented public infrastructure projects and also entered into public/private partnerships to assist the development community with the installation of public water/sanitary

sewer mains and construction of new public streets to open up land for development that otherwise was landlocked or underutilized. As a result of these efforts, many businesses have located or expanded in Portage creating thousands of new jobs and increased the tax base. The increased tax base helps to annually fund other important public projects that support quality of life enhancements within the community such as investments in parks and recreation, sidewalks and bikeways, and public safety.

Economic development activity continues to increase following the end of the recent recessionary period. As shown in the chart below, private investment in the community has continued an upward trend during the past eight-year period. Between FY2011-12 and FY2017-18, construction value averaged \$80.4 million. During FY2017-2018, more than \$157 million of new investment occurred, a record high for the city. By the end of FY2018-19, it is anticipated construction value will approach \$100 million, less than FY2017-18 but more than the previous six-year period.

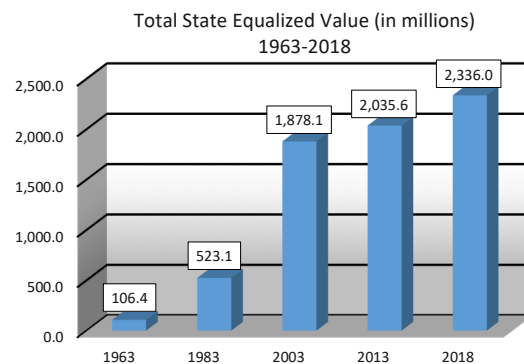
Major development projects currently underway or scheduled for commencement in 2019 that will have an important impact on the local economy include:

- 485,000 square foot research and development facility under construction by Stryker Instruments in the Portage Road industrial corridor, with an estimated investment of \$154 million.
- 253,000 square foot building expansion for the Stryker Medical East Centre Avenue campus, with an estimated investment of \$89 million.
- 400,000 square foot, 2-story manufacturing facility for Pfizer with an estimated value of \$465 million. Construction of this important project is expected to begin Fall 2019.



Many smaller office/retail projects have been completed or are ready to commence and include, South Drake Dental, Callander Commercial Real Estate, Starbucks, Blain's Farm and Fleet, Weathervane Storage, Arbor Credit Union, Jaqua Real Estate, Fresh Thyme Market, among others. Significant residential development also continues, providing a mixture of housing types including single-family detached, attached and multi-family units.

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 \$2.3 billion in 2018.



Growth and economic development have supported the expansion and technological advancement of 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.



The Kalamazoo-Battle Creek International Airport, located adjacent to Portage, is served by American Eagle, Delta and United airlines providing 10-13 daily departures and arrivals. This level of air service provides the community a selection of air carriers and connecting hubs for both domestic and international air travel.

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



The level of support for the local school system by the residents of Portage is impressive. In November 2007, Portage voters passed a \$119 million bond proposal to construct two new elementary schools, a new Central High School and renovate Portage Northern High School. Also included were new facilities for Transportation and Maintenance as well as Technology and Training. In 2015, voters approved a \$144 million bond proposal to fund the construction of two new middle schools, renovations to a third middle school, construction of new athletic stadiums and new swimming pools at both high schools, 30 new school buses and instructional technology for all schools. These 2015 voter-approved projects are nearing completion.

The Portage District Library has been a valuable asset to the community for over 50 years. The library provides a comfortable community environment for learning and entertainment. In 2018, the library had 40,000 registered patrons, a total library collection of 200,000 and a total circulation of 811,000. Portage District Library is supported by a millage paid by taxpayers in the City of Portage and Portage Public School District. The Library is governed by a seven member elected board and staffed by fifty full and part-time employees. They are assisted by many volunteers from the community. The staff is dedicated to meeting the needs



of their patrons. As technology changes so do the needs of library patrons. The library staff at the Portage District Library are meeting those needs with innovative changes.

The City of Portage shall remain a much-desired location for residential, commercial and industrial development opportunities. Significant vacant property remains properly zoned and serviced with public utilities to support expansion of our already sizable industrial, commercial, and residential base. The City of Portage's low millage rate, proximity to Interstate 94 and US 131, air and rail capacities, access to skilled labor, excellent public school system, range of housing choices will continue to provide many quality of life advantages to our community. Our citizens continue to be Portage's most important asset. Our efforts as local government will continue to enhance the ability of our citizens to enjoy a complete life in our city.

Victoria Georgeau, Director of Community Development

Portage Info Bits

- 872.5 acres of parks
 - 1,732 acres of lakes
 - 1,555 acres of state game preserve
 - 19 miles of off-road multi-use trails
 - 56 miles of bicycle lanes
 - 72 miles of major streets
 - 149 miles of local streets
 - 252 miles of water mains and 18 municipal wellfields
 - 237 miles of sewer mains
-
- Portage Public Safety is CALEA certified
 - 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

CITY OF PORTAGE
Fiscal Policy
Fiscal Year 2019-2020

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 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, and 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 City performance evaluation system. Departments define specific goals within this framework and are evaluated bi-annually 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 DIRECTION

For the 2019-2020 budget year, the City Council opted to take advantage of a solid increase in the tax base due to new construction and “uncapping” of residential home values changing ownership. This increase allows for an offsetting reduction in the General Fund millage, while still providing adequate service levels in public safety and other departments. Minor millage changes were made in the other tax-supported funds to balance revenues needs, decreasing the levy for Curbside Recycling and increasing the levy for Leaf Pickup / Spring Cleanup. The overall reduction of 0.1805 mills came primarily from General Fund.

The 2019-2020 budget year is the second with fee reductions at the City’s largest park, Ramona Beach; the entry fee is waived for Portage residents. Parks and Recreation has also added additional special events available to citizens at no charge, supported in part by donations and contributions, but also by the General Fund.

Public safety service levels will improve with the addition of three police officers, the cost of which is offset in large part by the consolidation of the dispatch function at the county level, and the transfer of the City’s dispatch staff to the new authority.

City streets remain a high priority of the City Council, and the 7% increase in the capital improvement budget reflects that.

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.

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, review of the proposed Capital Improvement Program is completed 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/March – 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 fiduciary 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 the focus is 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 position” 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.

For the year 2018/2019 the amount of encumbrances liquidated at the end of the 2017/2018 fiscal year and appropriated by City Council as an amendment to the 2018/2019 budget was \$160,546.

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) are 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 CAFR.

A budget is prepared for the Fleet and Facilities Fund, an internal service fund, and 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 MANAGEMENT POLICY

General Obligation Bonds are issued for capital improvements and maintenance or related expenditures. No operating expenditures 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.

The City will consider the use of debt financing for capital improvement projects only when the project's useful life will exceed the term of the financing, and when project revenues or specific resources will be sufficient to service the long-term debt.

Long-term debt will be issued to purchase or construct capital improvements or equipment with a minimum expected life of five years. The term of any bond issue will not exceed the useful life of the capital project or equipment for which the borrowing is intended.

The City shall assess alternatives for funding capital improvements prior to issuing debt, and cash and fund balance reserves shall be used whenever possible. Post-closing analysis of the General Fund ending fund balance shall be performed to ascertain the amount of fund balance in excess of the target established by City Council, and if there is a reasonable excess of resources, the budget shall be amended as appropriate to allow transfer of the excess balance to fund capital improvements.

The City will consider 'Pay-As-You-Go' financing when current revenues and adequate fund balances are available, when existing debt levels adversely affect the City's credit rating, or when market conditions are unstable or present difficulties in marketing debt. Consideration for long term financing is given when revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings, interest rates are favorable, or a project is mandated by state or federal requirements, and resources are insufficient or unavailable.

Refinancing – Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancing will be considered (within federal tax law constraints) when there is a net economic benefit, it is needed to modernize covenants that are adversely affecting the City's financial position or operations, or when the City wants to reduce the principal outstanding in order to achieve future debt service savings, and it has available working capital to do so from other sources.

Standards for Economic Savings – In general, refinancing for economic savings will be undertaken whenever net present value savings will be at least five percent of the refunded debt, or at least \$100,000, can be achieved. A refinancing that produces net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent of the refunded debt.

Bond issues should be planned to minimize the frequency of issuance, thereby ensuring the lowest possible costs of issuance.

General obligation bonds will be amortized on a level principal basis to the extent practical, and revenue bonds will be amortized on a level debt service basis to the extent practical, considering the forecasted available pledged revenues.

The City of Portage will engage a financial advisor and bond counsel to assist in the issuance of debt. The City's preferred method of sale of bonds is via competitive sale to underwriters. If deemed advantageous and on the advice of the financial advisor, the City may sell bonds via a negotiated sale, private placement, or other method.

The City of Portage shall comply with all continuing disclosure requirements. The Finance Director shall be responsible for ensuring that the bond counsel completes the continuing disclosure requirement within the required timeframe.

The City will communicate 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.

The City will comply with all applicable U.S. Internal Revenue Service and U.S. Treasury arbitrage requirements for bonded indebtedness in order to preserve the tax-exempt status of such bonds. The Finance Director shall be responsible for reviewing non-arbitrage and tax compliance, and will ensure bond counsel examines any applicable restrictions at issuance, and reexamines such restrictions if changes occur in the timing, scope, or use of the bond proceeds.

Debt Types

General Obligation Debt – Limited tax general obligation debt pledges the full faith and credit of the taxing power of the City of Portage within the existing tax rate limits. Capital Improvement Bonds are the preferred bond issue type.

Revenue Bonds – Revenue Bonds may be considered when there is a definable revenue source, which could be used to pay the debt. Revenue Bonds must meet certain bond covenants stipulated by the lender. Certain debt ratios such as pledged revenues to debt service may also need to be reported.

Special Assessment Bonds – The Municipal Finance Act provides that the total debt in Special Assessment Bonds, which would require that the City pledge its full faith and credit, shall not exceed twelve percent of the assessed valuation of taxable property of the City. The Special Assessment Bonds percentage is in addition to the percent limit provided in Act 279, Public Acts of Michigan of 1909, as amended.

Short Term Borrowings – Short term borrowings such as bond or tax anticipation notes must normally be authorized by State Statute. These notes are limited to not more than one year in duration.

Derivatives – The use of derivatives is not permitted.

Debt Limits

General Purpose Debt Capacity – The City will carefully monitor its levels of debt issued to finance general purpose (non-utility) projects. General purpose debt capacity is limited and general purpose debt financing shall be restricted to high-priority projects.

Enterprise Fund Debt Capacity – The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and setting process.

Act 279, Public Acts of Michigan of 1909, as amended, provides that the net indebtedness of the City shall not exceed ten percent of all assessed valuations as shown by the last preceding assessment roll of the City.

The City of Portage shall limit total debt service payments (principal and interest) so total debt service funded from non-utility funds shall not exceed 20 percent of total net operating revenues, defined as operating revenues from General Fund, the special revenue funds, and the applicable debt service funds.

The outstanding indebtedness of the City shall not exceed such levels as to cause the City's credit rating to be impaired, and in all cases the City shall take actions and adopts policies for general obligation debt as are necessary to maintain or improve the credit rating.

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. Debt limit detail is available in the Debt Service section.

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 utility rate study annually in order to set water and sewer rates with the approval of City Council for the upcoming year. The level of other fees and charges are evaluated by the applicable departments annually 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 Comprehensive 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, 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 fund 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 Funds is user fees.

Water Operating Fund

The Water Fund is an enterprise fund 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 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;
- (4) to ensure transparency and access to information; and
- (5) to encourage effective long-term planning in all considerations within Council purview.

2019-2020 City Council Mission Statement, 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

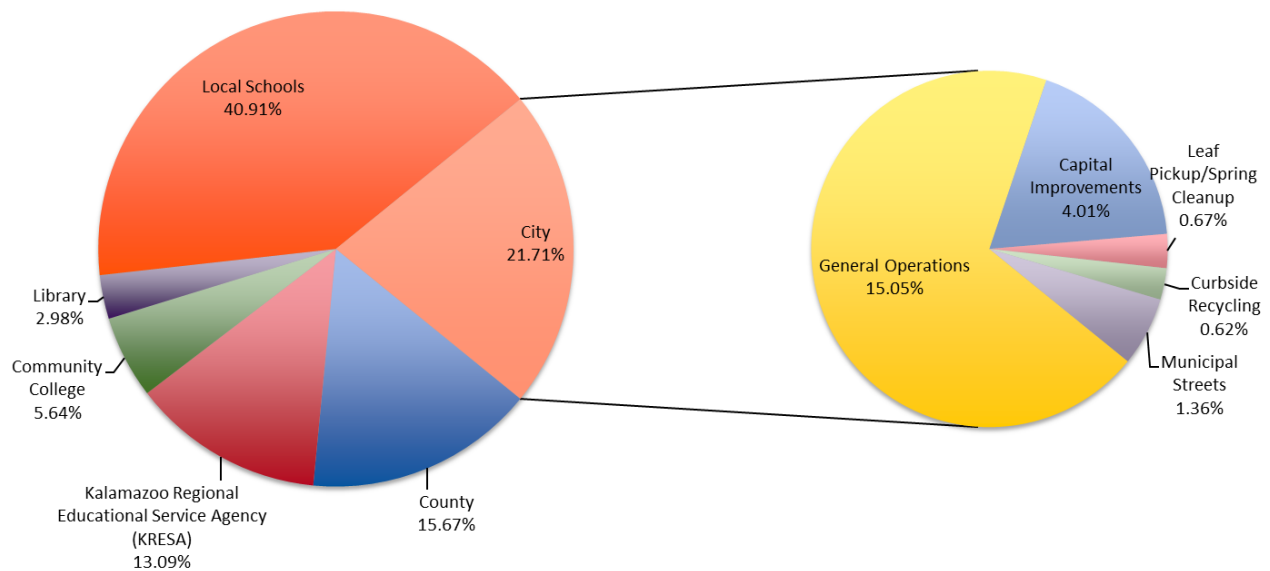
Goal: Maintain the financial health of the City.

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 2018-19

For each \$100 of property taxes paid (2018 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 2018 tax levy for the fiscal year ended June 30, 2019 as shown below:

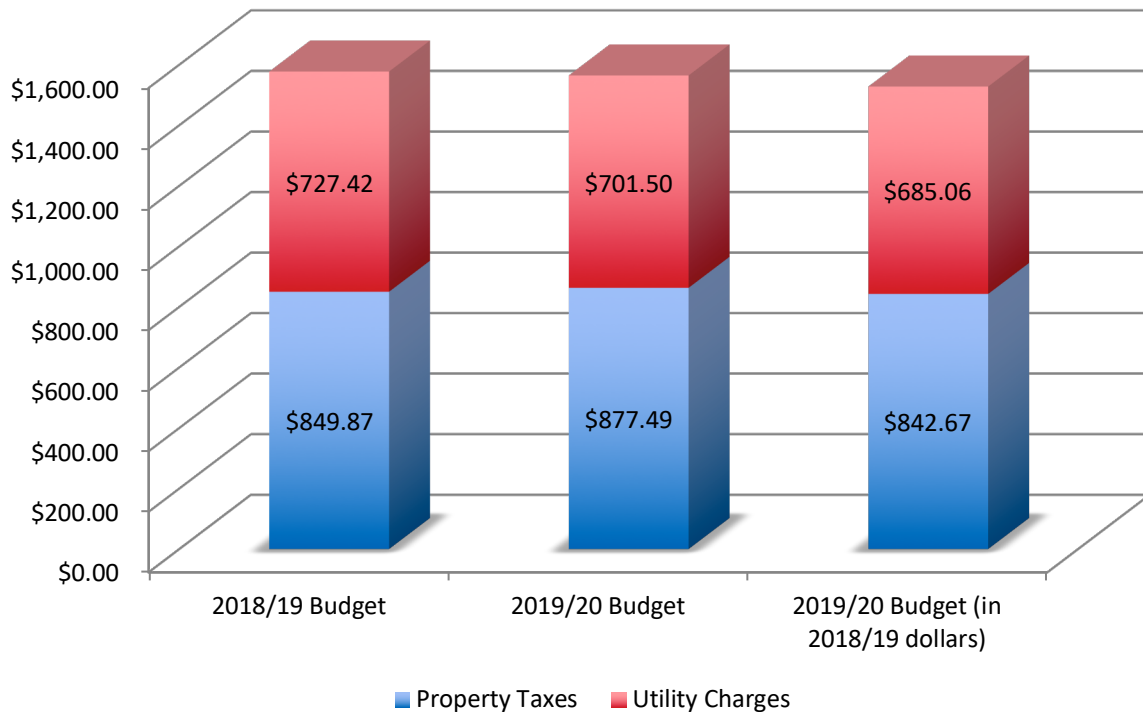
Percentage of Tax Levy

City	21.71%
County	15.67%
Kalamazoo Regional Ed. Services	13.09%
Community College	5.64%
Library	2.98%
Local Schools	<u>40.91%</u>
	100.00%

City Millage

General Operations	7.5000	\$15.05
Capital Improvements	2.0000	\$4.01
Leaf Pickup/Spring Cleanup	.3350	\$0.67
Curbside Recycling	.3085	\$0.62
Municipal Streets	<u>.6770</u>	<u>\$1.36</u>
	10.8205	\$21.71

COST OF CITY SERVICES TO THE TYPICAL CITY OF PORTAGE RESIDENCE



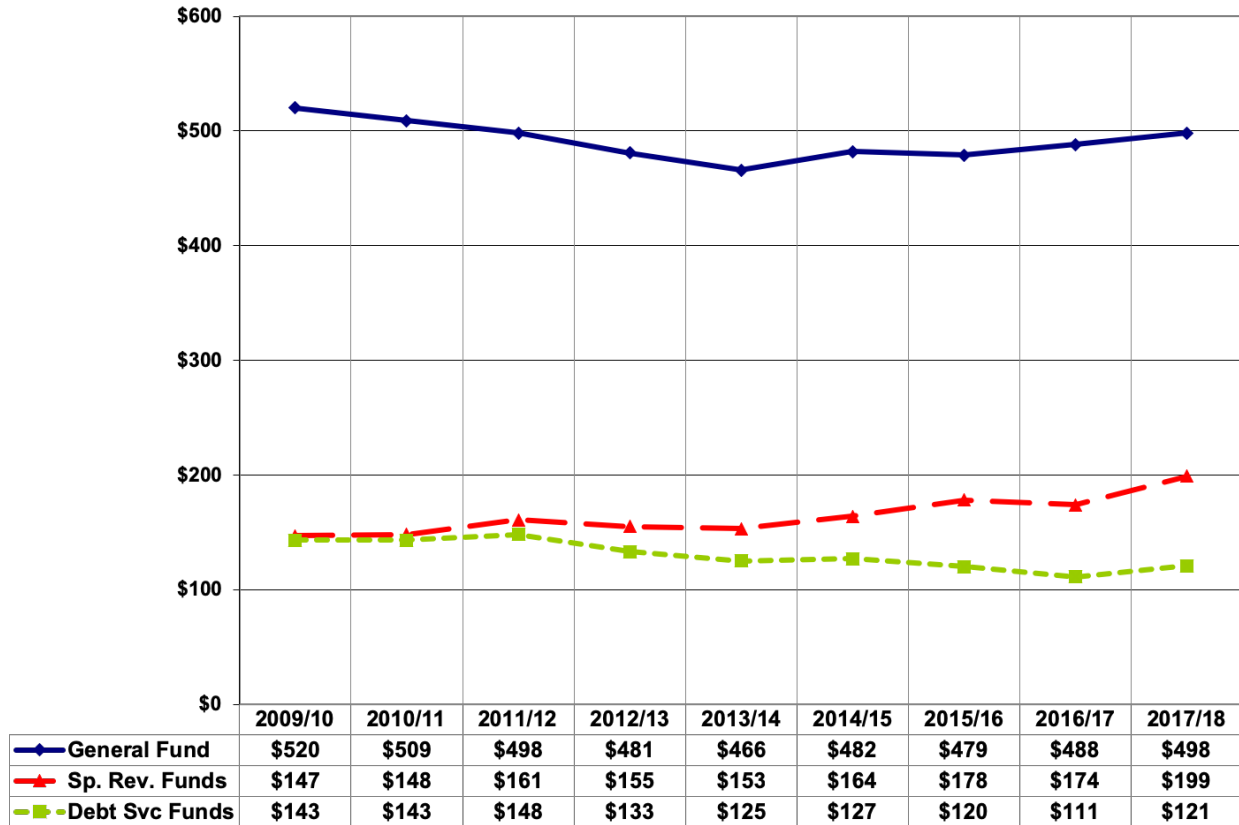
The chart above depicts the property tax and utility costs of a typical residence in the City of Portage.

The total cost of City services to the typical City resident will decrease by \$12.90 in the upcoming year due to:

- a millage rate reduction of approximately 1.67% (0.1805 mills) for 2019, and
- a decrease in City utility rates of approximately 3.6%.

After adjusting for inflation, this change actually represents a decrease of \$49.55 in 2018/2019 dollars.

NET OPERATING EXPENDITURES / 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

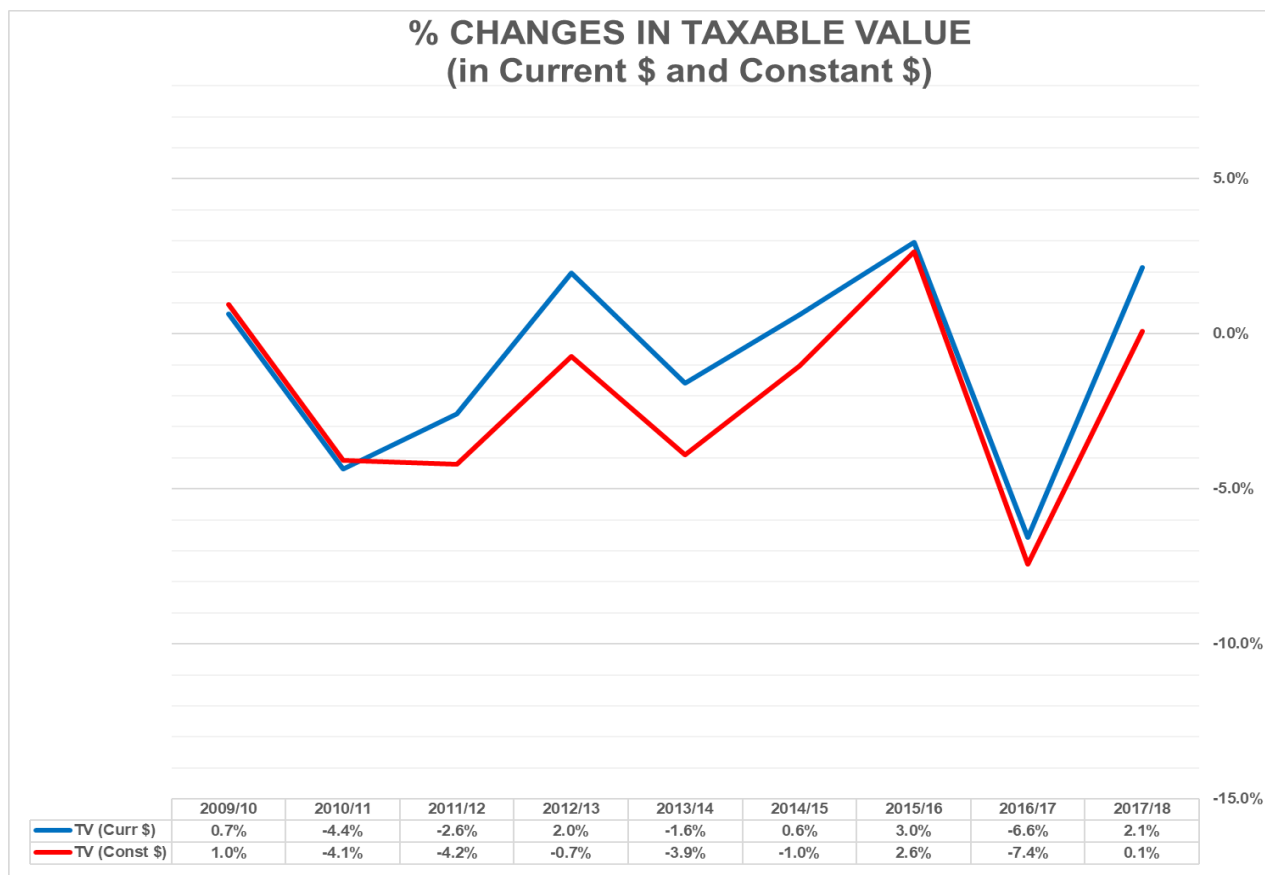
less revenues legally restricted for special non-operating purposes

Description:

Examining per household revenues shows changes in revenues relative to changes in the number of households. As the number of households increase, one would expect 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 decreasing property values, general economic declines, changes in population or population-related demographics, problems with revenue structure, or periods of high inflation.

Analysis:

The trend between 2009/10 and 2013/14 was a decline with losses in taxable values, but that reversed in 2014/15. Three of the special revenue funds also rely on tax revenues, and have shown slow improvement, with personal property tax base losses offset by special state revenues. Declines in Debt Service Fund revenues were an offset to declines in debt service requirements as the overall debt level is reduced. Interest income is rebounding, and building permit revenues have been strong.



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 is determined as of December 31 of the previous year. For example, the taxable value for fiscal 2017/2018 was actually determined as of December 31, 2016. That taxable value then determined the property tax revenue available from the 7/1/2017 and 12/1/2017 billings. These billings provided revenue for Fiscal Year 2017/2018.

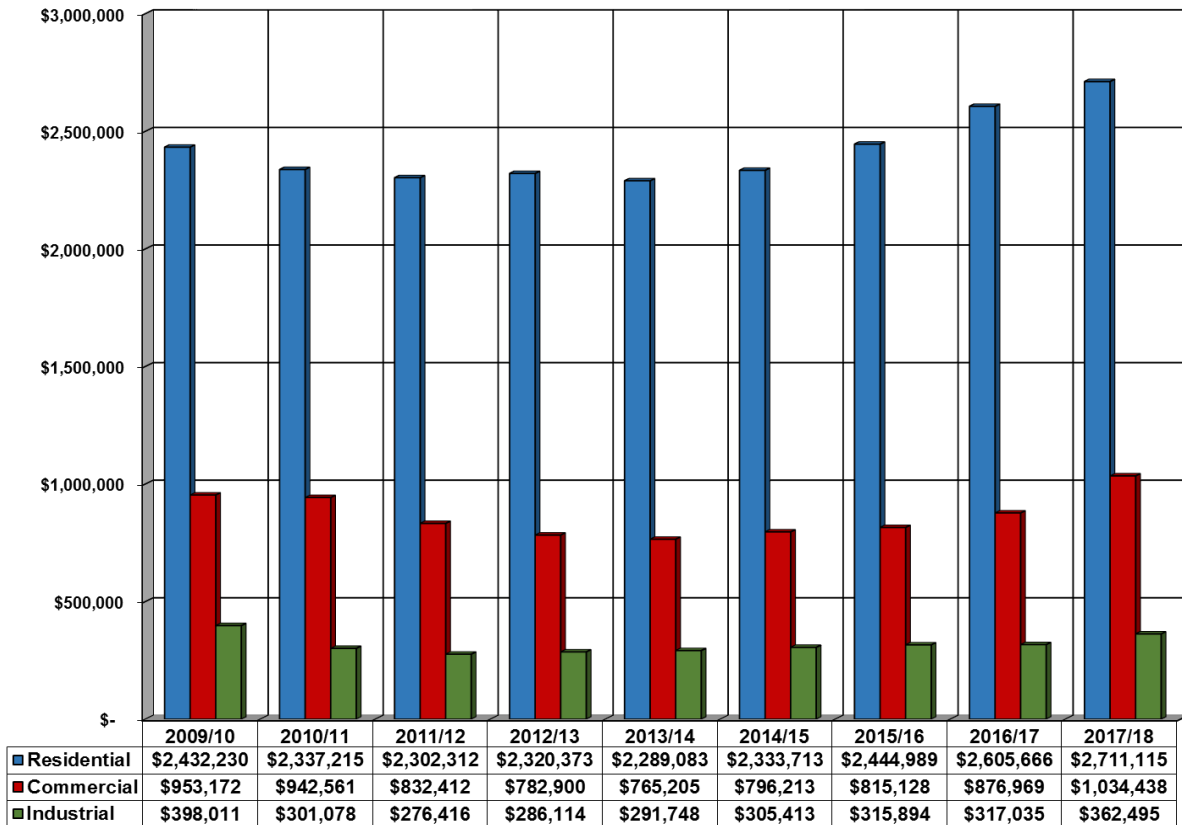
Description:

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 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 2009-2010 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 TVs were constrained due to this requirement. Improvement that began in 2014-2015 continued in fiscal 2015-2016, moderated in 2016-2017, but increased again for 2017-2018 due to new development.

PROPERTY MARKET VALUE
(Total Market Value by Category, in 000s)



Formula:

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

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

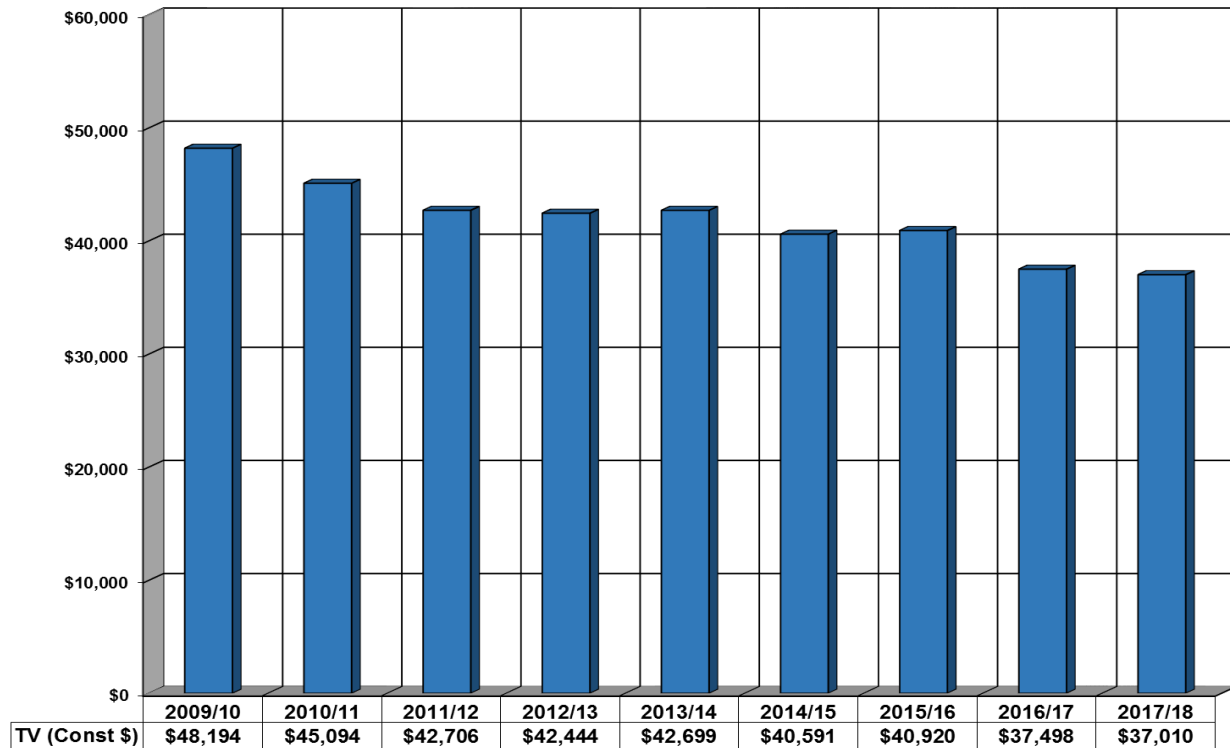
Description:

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, whereas commercial and industrial development creates more revenue 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, the City also must consider the general economic conditions in the area and demographic trends as well.

Analysis:

In general, the residential market value category has remained steadily in the 64% - 69% range. Commercial has ranged between 23% and 26%, and industrial 8% to 10%.

TAXABLE VALUE PER HOUSEHOLD (in Constant \$)



Fiscal Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Current \$ Taxable Value (\$000)	\$2,105,785	\$ 2,013,994	\$1,962,229	\$2,000,520	\$1,968,925	\$2,039,229	\$1,905,365	\$1,946,150	\$2,007,809
Constant \$ Taxable Value (\$000)	\$ 970,143	\$ 912,344	\$865,526	\$861,608	\$ 883,131	\$ 861,372	\$797,427	\$798,122	\$803,931

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.

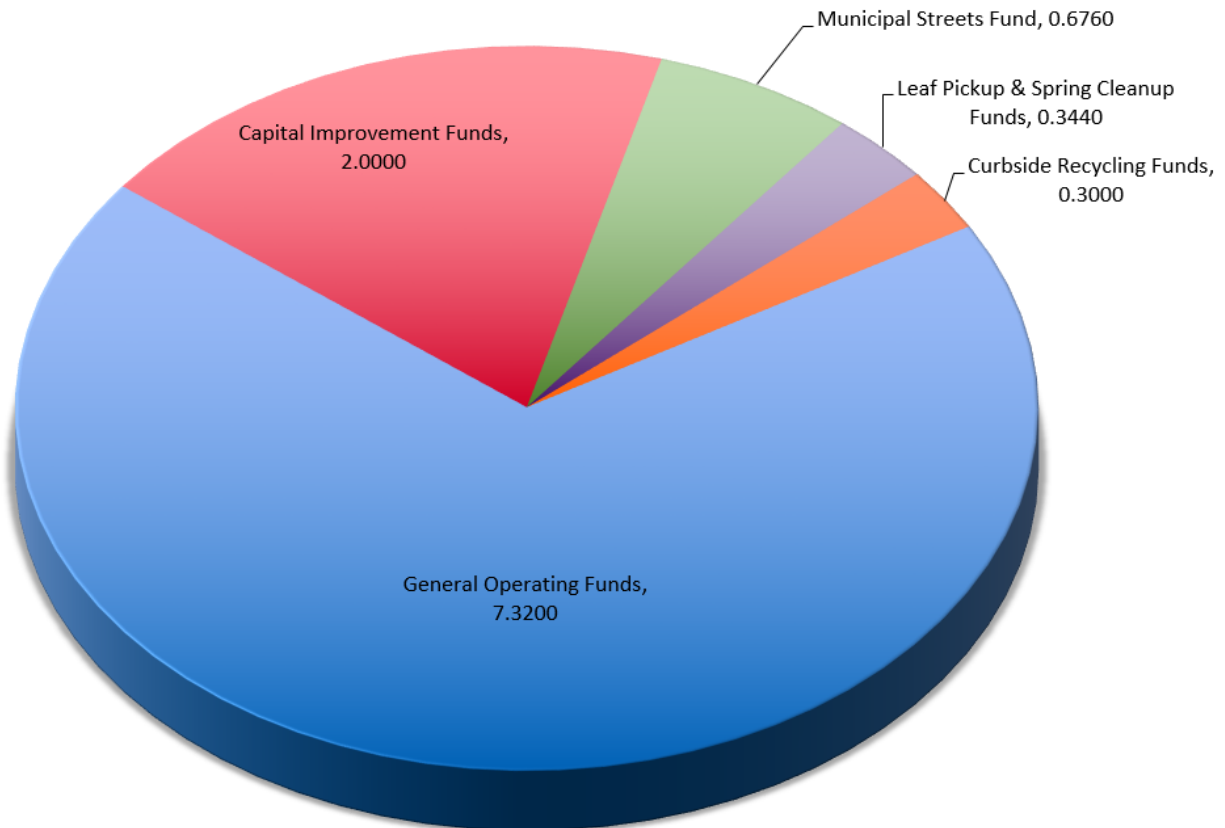
Analysis:

Taxable Value per household in inflation-adjusted dollars had remained relatively stable until 2009/10. Since that time, total taxable value has hovered just above or below the \$2 billion level. 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. Increases are expected as Headlee Amendment uncapping occurs more frequently in a strong housing market.

MILLAGE RECAP 2019-2020 BUDGET

	2018/19	2019/20	CHANGE FROM
	RATES	Adopted RATES	2018/19 RATES
General Fund	7.5000	7.3200	-0.1800
Capital Improvement	2.0000	2.0000	0.0000
Curbside Recycling	0.3085	0.3000	-0.0085
Leaf Pickup/Spring Cleanup	0.3350	0.3440	0.0090
Municipal Streets Fund	0.6770	0.6760	-0.0010
	10.8205	10.6400	-0.1805

CITY MILLAGE BREAKDOWN BY FUND CATEGORY



Basis of Accounting and Budgeting

Basis of Accounting

The budgets of governmental funds are prepared on a modified accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available. Revenues, other than grants, are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (defined by the City as collected within 60 days of year-end). Revenues billed under a contractual agreement with another governmental entity, including federal and state grants, are recognized when billed and when all eligibility requirements of the provider have been met and are considered to be available if expected to be collected within one year.

Expenditures generally are recorded when a liability is incurred. However, expenditures related to compensated absences or arbitrage are recorded when the liability is matured. Debt service expenditures are recognized when payment is made. The reported fund balance of governmental funds is considered a measure of available expendable resources. Property taxes, franchise fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Funds using the modified accrual method of accounting:

General Fund

Special Revenue Funds:

Major Streets Fund

Local Streets Fund

Municipal Streets Fund

Curbside Recycling Fund

Leaf Pickup/Spring Cleanup Fund

Community Development Block Grant (CDBG) Fund

Cable Television Fund

West Lake Weed Management Fund

CDBG Program Income Fund

Debt Service Funds

Capital Improvement Funds

Cemetery Permanent Fund

Proprietary and fiduciary fund financial statements are accounted for on the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting recognizes revenues as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows.

Funds using the accrual method of accounting:

Enterprise Funds:

Sewer Operating Fund

Water Operating Fund

Internal Service Fund:

Fleet & Facilities Fund

Basis of Accounting and Budgeting, continued

Budgetary Basis versus Accounting Basis

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain items that are adjusted on the City's accounting system at fiscal year-end. During the year, the City's accounting system is maintained on the same basis as the adopted budget which enables departments to monitor their budgets routinely through reports generated by the accounting system.

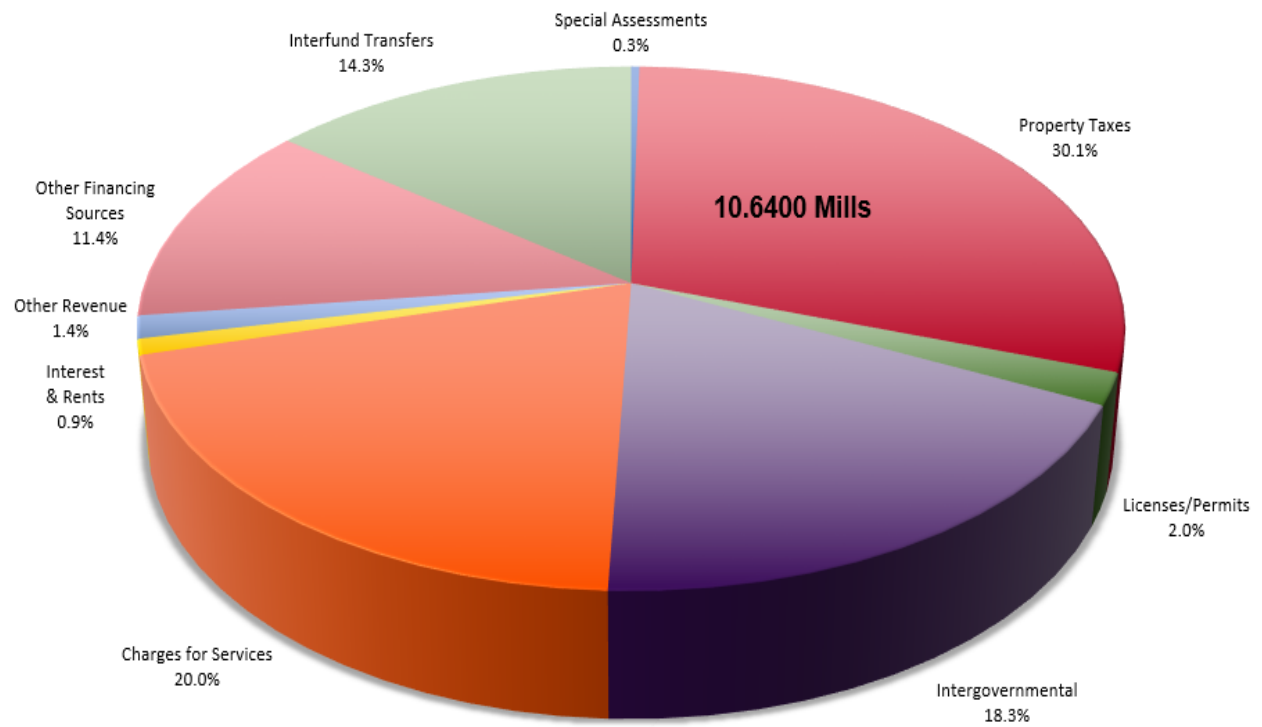
The differences between GAAP and the budgetary basis include the following:

1. The timing of revenue and expenditures may differ under a GAAP basis of accounting from the budgetary basis of accounting. For example, accounting revenues under GAAP are recognized in governmental funds as soon as they are both "measurable" and "available" whereas revenue recognition under the budgetary basis of accounting may be deferred until amounts are actually received in cash.
2. Encumbered amounts are commonly treated as expenditures under the assumptions of the budgetary basis of accounting while encumbrances are never classified as expenditures for the Comprehensive Annual Financial Statement (CAFR).
3. Under the accrual basis of accounting used in proprietary funds, the receipt of long-term debt proceeds, capital outlays, and debt service principal payments are not reported in operations, but allocations for depreciation and amortization are recorded. The opposite is true under the budgetary basis of accounting.
4. Capital improvements do not appear on the Statement of Activities (Income Statement) in the CAFR. Instead, capital improvements are capitalized and are reported in the Statement of Net Assets (Balance Sheet). Capital improvements are depreciated over the expected life of the asset for the CAFR, and infrastructure assets such as streets and sidewalks have been capitalized and depreciated. Capital improvements are shown as expenditures under the budgetary basis.
5. The budget document does not include all of the component units incorporated into the CAFR because the GAAP definition of control for financial reporting purposes differs from the legal capacity to appropriate funding. Certain funds may be excluded because appropriations come to them through other funds. For example, the defined benefit plan pension trust is excluded from the budgetary funds because contributions to it are appropriated through the personnel cost appropriations in the operating funds. Funds excluded from the budgetary funds include: insurance fund, pension trust, and the component units LDFA and Economic Development that are legally distinct entities from the City of Portage. Debt service undertaken by the City on behalf of the component units is, however, included because the borrowing commits the full faith and credit of the City.

CITY OF PORTAGE, MICHIGAN
Budget Summary by Fund Type (Budgetary Basis)
FISCAL YEAR 2019 - 2020

	Modified Accrual			Full Accrual			Memorandum Only		
	General Fund	Special Revenue	Debt Service	Capital Project	Enterprise Funds	Permanent Funds	FY 2019-2020 Total	FY 2018-2019 Total	FY 2017-2018 Total
REVENUE:									
Property taxes	16,838,394	2,823,535	1,320,559	4,275,000	-	-	25,257,488	23,949,200	23,010,079
Fees and permits	938,000	780,022	-	-	-	-	1,718,022	1,787,300	1,642,850
Federal revenue	3,000	304,105	-	-	-	-	307,105	288,000	284,000
State revenue	1,359,000	6,030,236	-	352,000	-	-	7,741,236	7,602,692	6,811,476
State shared revenue	4,386,305	-	-	-	-	-	4,386,305	4,223,260	3,946,992
Other grants	12,000	-	-	-	-	-	12,000	17,000	17,000
Charges for services	1,532,610	50,000	-	-	15,152,400	35,000	16,770,010	17,192,883	17,790,180
Interest and rents	425,500	41,250	199,880	45,000	260,500	12,000	984,130	753,920	689,620
Other revenue	819,119	31,900	-	11,039,190	80,629	-	11,970,838	12,919,300	5,436,575
TOTAL REVENUE	26,313,928	10,061,048	1,520,439	15,711,190	15,493,529	47,000	69,147,134	68,733,555	59,628,772
EXPENDITURES:									
Legislative	88,000	-	-	-	-	-	88,000	117,300	122,320
Judicial	-	-	-	-	-	-	-	63,000	68,250
General government	4,217,973	-	-	-	-	-	4,217,973	4,183,090	4,137,972
Public safety	17,093,340	-	-	-	-	-	17,093,340	16,774,855	15,972,490
Public works	510,650	-	-	-	-	-	510,650	477,492	506,415
Health and welfare	169,740	1,886,109	-	-	-	-	2,055,849	2,025,581	1,945,990
Recreation and cultural	3,773,991	711,973	-	-	-	-	4,485,964	4,296,884	4,244,200
Public facilities	-	-	-	-	-	-	-	-	-
Highways and streets	-	4,480,951	-	-	-	-	4,480,951	4,140,486	3,950,654
Operations and maintenance	-	-	-	-	8,163,720	-	8,163,720	7,844,705	8,216,293
Administration	-	-	-	-	5,322,508	-	5,322,508	4,492,727	5,502,057
Capital outlay	-	-	-	18,008,419	160,000	-	18,168,419	16,742,000	10,273,000
Debt service	-	-	6,055,014	-	-	-	6,055,014	6,392,101	5,823,660
TOTAL EXPENDITURES	25,853,694	7,079,033	6,055,014	18,008,419	13,646,228	-	70,642,388	67,550,221	60,763,301

SOURCES OF FUNDING - ALL FUNDS

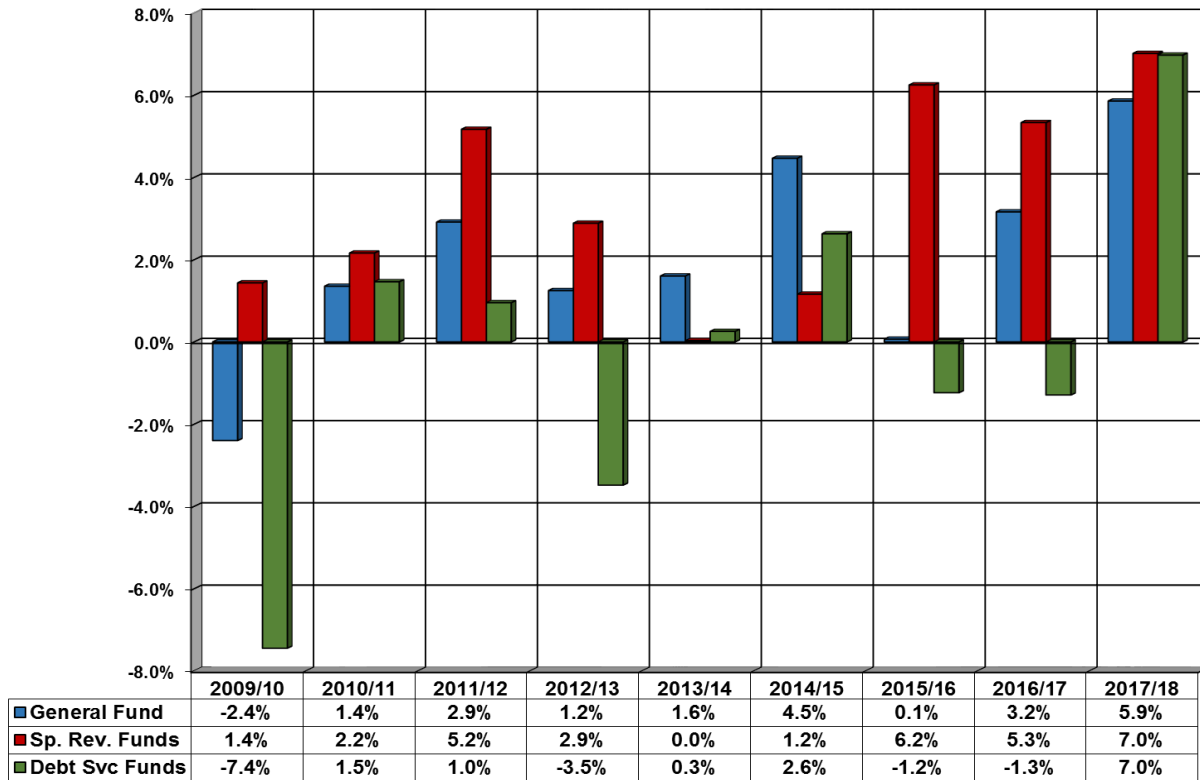


**SUMMARY OF REVENUES
ALL FUNDS
FISCAL YEAR 2019 - 2020**

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
GENERAL FUND	24,772,473	26,167,645	25,597,238	25,559,543	26,635,113
STREET FUNDS					
Major Streets	3,782,769	4,488,447	4,825,778	4,169,800	4,412,852
Local Streets	1,204,923	1,647,589	1,486,120	1,486,120	1,661,784
Municipal Streets	1,646,642	1,562,129	1,484,610	1,484,610	1,563,000
UTILITY FUNDS					
Sewer Operating	10,122,447	9,525,527	9,262,000	9,012,000	8,936,142
Water Operating	7,582,496	7,522,998	6,719,300	6,719,300	6,557,387
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	10,867,962	11,368,088	36,693,048	20,923,000	22,615,419
Lakes-Weed Management	32,807	31,767	32,120	32,120	32,500
DEBT SERVICE FUNDS					
General Obligation Debt	2,670,625	3,625,760	2,945,883	2,945,883	3,384,000
MTF 1997	112,000	131,055	-	-	-
MTF 2008	240,064	232,365	243,590	243,590	249,050
MTF 2010 Refunding	649,338	682,443	716,890	716,890	350,150
Building Authority Debt Service	827,985	739,265	761,345	761,345	625,500
DDA Debt Service	505,717	459,120	651,550	651,550	698,759
LDFA Debt Service	423,150	624,283	537,500	537,500	646,000
Special Assessment Debt Service	132,510	356,900	277,035	277,035	268,235
OTHER FUNDS					
Curbside Recycling	647,498	782,264	680,100	680,100	698,885
Leaf Pickup/Spring Cleanup	733,800	851,296	744,000	744,000	803,400
Community Development Block Grant	223,861	221,665	214,000	210,000	229,105
Cable Television	848,459	806,687	836,000	836,000	784,522
Cemetery Permanent Fund	27,854	36,476	32,000	32,000	47,000
CDBG Program Income	120,606	55,023	125,000	125,000	125,000
TOTAL REVENUE	68,175,986	71,918,792	94,865,107	78,147,386	81,323,803

Additional information is available in the respective detailed departmental budget.

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



Formula:

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

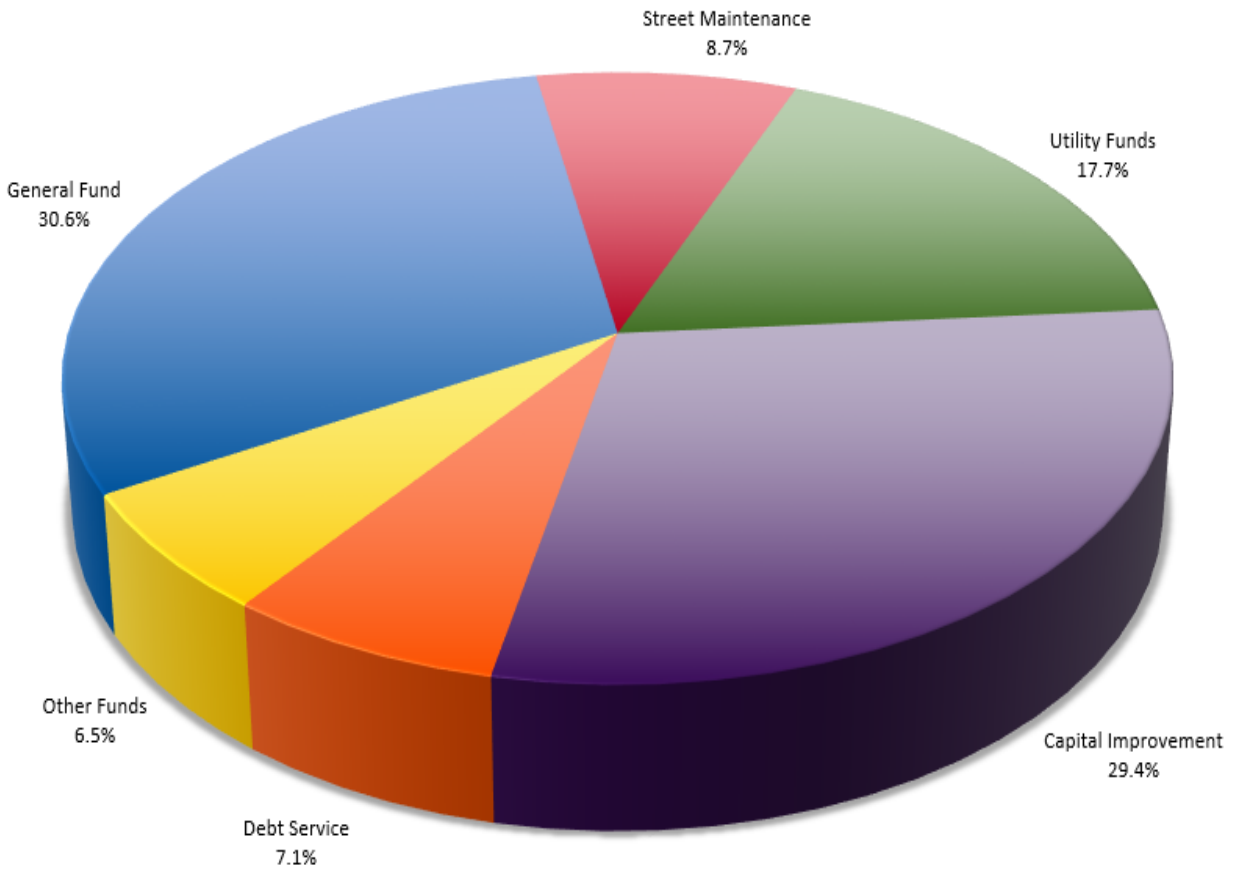
Description:

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. Between 2015-2016 and 2017-2018, increases in road funding from the state were a boost for Special Revenue Street fund revenues. Declines in debt service requirements mirrored decreases in debt service revenues. In 2017-2018, General Fund benefitted from very strong permit revenue and higher than expected state shared revenues.

ALL FUNDS EXPENDITURES BY FUND GROUP



This chart depicts the allocation of City of Portage expenditure types over all fund groups.

**SUMMARY OF EXPENDITURES
ALL FUNDS
FISCAL YEAR 2019 - 2020**

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
GENERAL FUND	22,779,476	26,335,977	26,538,333	26,463,817	26,635,113
STREET FUNDS					
Major Streets	3,436,594	5,645,159	4,999,535	4,223,030	4,390,769
Local Streets	1,863,216	2,083,027	2,075,041	1,983,041	1,649,992
Municipal Streets	1,580,420	1,675,990	1,640,000	1,640,000	1,563,000
UTILITY FUNDS					
Sewer Operating	7,231,958	7,511,688	7,399,273	7,149,273	8,903,057
Water Operating	3,496,884	2,608,814	5,588,159	5,588,159	6,498,171
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	14,792,124	15,387,328	37,262,086	20,923,000	22,615,419
Lakes-Weed Management	38,750	16,000	32,120	32,120	32,120
DEBT SERVICE FUNDS					
General Obligation Debt	2,782,916	2,982,578	3,542,521	3,542,521	3,386,363
MTF 1997	111,931	131,806	-	-	-
MTF 2008	239,813	231,938	243,590	243,590	249,510
MTF 2010 Refunding	648,944	681,950	716,890	716,890	350,420
Building Authority Debt Service	825,950	771,478	761,345	761,345	625,200
DDA Debt Service	457,796	468,966	483,740	483,740	752,851
LDFA Debt Service	438,469	424,679	493,070	493,070	524,985
Special Assessment Debt Service	197,195	429,610	255,230	255,230	259,686
OTHER FUNDS					
Curbside Recycling	619,065	684,526	688,081	688,081	698,312
Leaf Pickup/Spring Cleanup	671,992	783,588	837,813	837,813	833,692
Community Development Block Grant	223,860	221,664	214,000	210,000	229,105
Cable Television	813,451	818,130	867,709	867,709	989,038
Cemetery Permanent Fund	4,000	6,000	7,500	7,500	12,000
CDBG Program Income	112,347	63,276	125,000	125,000	125,000
TOTAL EXPENDITURE	63,367,151	69,964,172	94,771,036	77,234,929	81,323,803

Additional information is available in the respective detailed departmental budgets.

Total Expenditures by Department and Fund Type (Budgetary Basis)
FISCAL YEAR 2019 - 2020

Department	General							Total
	General Fund	Obligation Debt Fund	Special Assessments Fund	Capital Improvement Fund	Enterprise Funds	Nonmajor Governmental Funds	Permanent Funds	
Legislative	88,000	-	-	-	-	-	-	88,000
District Court		-	-	-	-	-	-	-
City Manager	654,587	-	-	-	-	-	-	654,587
Finance	891,611	-	-	-	-	-	-	891,611
Technology Services	909,841	-	-	-	-	-	-	909,841
City Assessor	480,869	-	-	-	-	-	-	480,869
City Attorney	226,728	-	-	-	-	-	-	226,728
City Clerk	468,845	-	-	-	-	-	-	468,845
Human Resources	473,940	-	-	-	-	-	-	473,940
Purchasing	111,552	-	-	-	-	-	-	111,552
Parks/Rec/Sr. Citizen Svcs	2,102,238	-	-	2,328,000	-	-	-	4,430,238
Parks Maintenance	1,413,936	-	-	-	-	-	-	1,413,936
Police	10,358,094	-	-	636,000	-	-	-	10,994,094
Fire	5,579,725	-	-	3,305,000	-	-	-	8,884,725
Community Development	1,413,338	-	-	-	-	229,105	-	1,642,443
Public Services	680,390	-	-	11,739,419	13,646,228	6,849,928	-	32,915,965
Nondepartmental:								
Debt Service	-	3,386,363	259,686	-	-	2,408,965	-	6,055,014
Transfers to other funds	781,419	-	-	4,607,000	1,755,000	3,525,996	12,000	10,681,415
TOTALS	26,635,113	3,386,363	259,686	22,615,419	15,401,228	13,013,994	12,000	81,323,803

All Funds - Revenue & Other Sources, Expenditures & Other Uses, and Changes in Fund Balance
Changes in Fund Balance (Budgetary Basis)
FISCAL YEAR 2019 - 2020

	Net Assets/Fund Balance Beginning of Year	Revenue	Other Sources	Expenditures & Expenses	Other Uses	Excess (Deficiency)	Net Assets/ Fund Balance End of Year
General Fund	8,719,355	26,313,928	321,185	25,853,694	781,419	-	8,719,355
Major Streets	806,871	4,412,852	-	2,820,769	1,570,000	22,083	828,954
Local Streets	518,574	1,411,784	250,000	1,649,992	-	11,792	530,366
Municipal Streets	136,970	1,563,000	-	10,190	1,552,810	-	136,970
Sewer Operating (Net Assets)	58,849,379	8,936,142	-	8,008,057	895,000	33,085	58,882,464
Water Operating (Net Assets)	39,992,109	6,557,387	-	5,638,171	860,000	59,216	40,051,325
Capital Improvement	2,065,875	15,711,190	6,904,229	18,008,419	4,607,000	-	2,065,875
Lakes-Weed Management	50,202	32,500	-	32,120	-	380	50,582
General Obligation Debt	254,093	1,000	3,383,000	3,386,363	-	(2,363)	251,730
MTF Debt Service	5,575	200	599,000	599,930	-	(730)	4,845
Building Authority Debt Service	90,229	500	625,000	625,200	-	300	90,529
DDA Debt Service	416,205	698,759	-	658,850	94,001	(54,092)	362,113
LDFA Debt Service	2,205,295	646,000	-	524,985	-	121,015	2,326,310
Special Assessment Debt Service	307,958	173,980	94,255	259,686	-	8,549	316,507
Curbside Recycling	184,456	698,885	-	698,312	-	573	185,029
Leaf Pickup/Spring Cleanup	192,602	803,400	-	833,692	-	(30,292)	162,310
Community Development Block Grant	-	229,105	-	229,105	-	-	-
CDBG Program Income	5,861	125,000	-	125,000	-	-	5,861
Cable Television	524,121	784,522	-	679,853	309,185	(204,516)	319,605
Cemetery Permanent Fund	1,212,988	47,000	-	-	12,000	35,000	1,247,988
TOTAL	116,538,718	69,147,134	12,176,669	70,642,388	10,681,415	-	116,538,719

Notes on All Funds - Revenue & Other Sources, Expenditures & Other Uses, and Changes in Fund Balance on Significant Changes in Fund Balance

General Fund: On May 27, 2014, City Council passed a resolution that the fund balance of the General Fund remaining after expenditures be maintained at 24 percent of expenditures and transfers out. The available amount in excess of 24 percent shall be used to pay cash for future non-utility fund capital improvement fund projects in an effort to reduce long term debt.

To support the establishment of the Kalamazoo County Consolidated Dispatch Authority the City agreed to provide funding for five years. For the 2019-2020 fiscal year, the funding is budgeted in the Police division of Public Safety, offset by a reduction of the budget for discontinued dispatch operations.

Major and Local Streets Funds: Increases in state funding are expected in 2019-2020.

Sewer and Water Operating Funds: Water rates, and corresponding Sewer rates, are determined by means of an annual rate study that seeks to limit the volatility in year-to-year rate changes by setting rates that alternately build net assets toward known cost increases and then draw down net assets to pay those increased costs. This gives Water and Sewer customers a stable rate payment structure over the long term. Rate reductions for both water and sewer have been approved by the responsible committee.

Debt Service Funds: Special Assessment debt service funds accumulate citizen-paid special assessments to pay related indebtedness, and the funds are set aside to pay special assessment debt service. Debt Service funds are budgeted quite tightly, with revenues and expenditures equal in most instances.

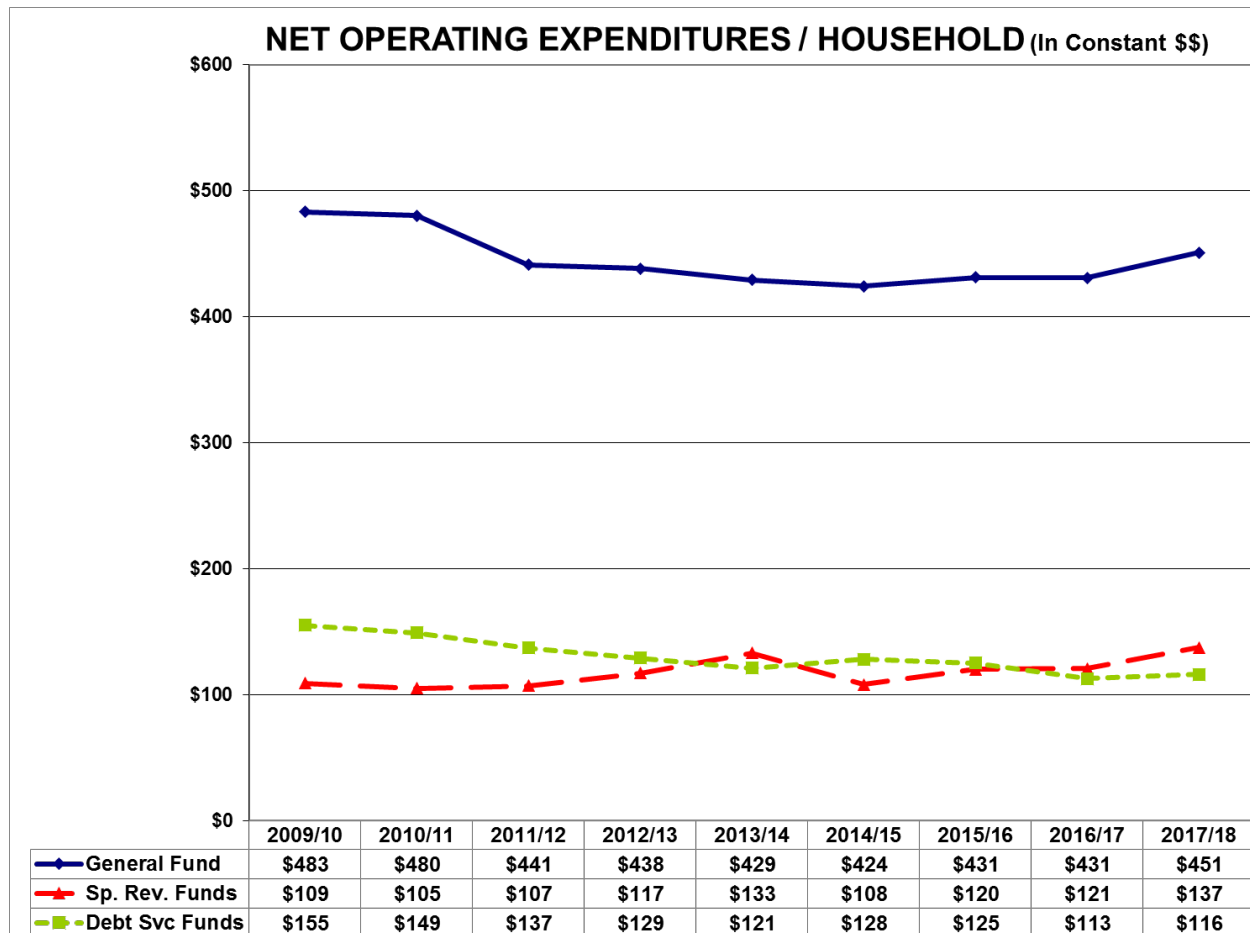
Curbside Recycling Fund: In a manner similar to General Fund, the Curbside Recycling fund balance is being maintained at a minimum level determined to be necessary for both current and planned future activities. A small increase in the millage is planned for 2019-2020, offset by other millage reductions.

Leaf Pickup Fund: Fund balance at the end of 2018-2019 is expected to be sufficient to provide for additional cycles of brush and leaf pickup services if needed in 2019-2020.

Cable Television Fund: Franchise fees and public service fees generated by contract with the local cable providers are dedicated to technological improvement and support of equipment for public access programming. Residual revenue is dedicated to technological needs of the City.

Cemetery Permanent Fund: The proceeds from sale of cemetery lots are accumulated to generate interest revenue that is used to partially offset the cost of maintaining cemetery property. This fund experiences growth in fund balance based on lot sales.

Community Development Block Grant and Capital Improvement Funds: By their nature, these funds are intended to be fully consumed with little or no fund balance maintained.



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

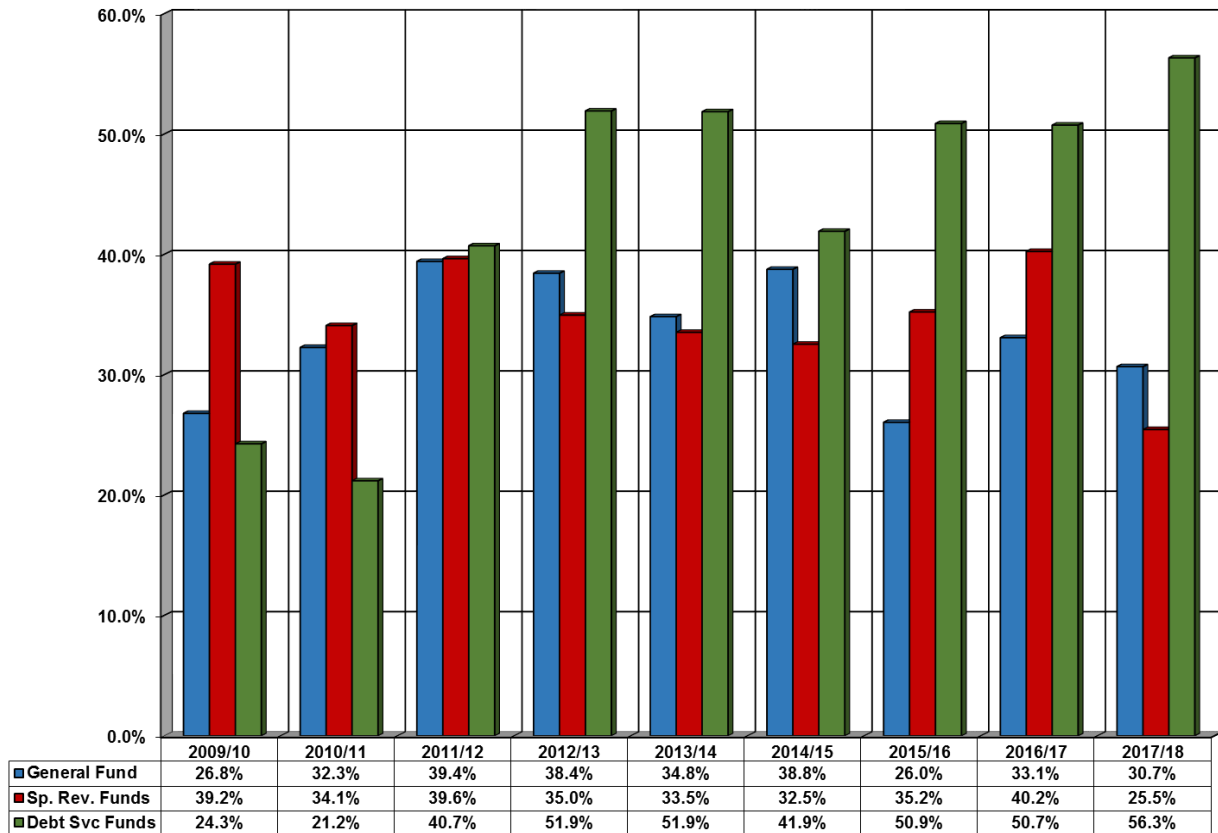
Description:

Examining per household expenditures shows changes in City expenditures relative to changes in the number of households. Increasing expenditures per household can indicate that the cost of providing services is surpassing 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 slowly declined after cost controls were put in place in 2007-2008, and have remained relatively constant since. Changes in special revenue funds are generally due to the amount of revenue available, particularly Act 51 street maintenance revenues which have increased in recent years.

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:

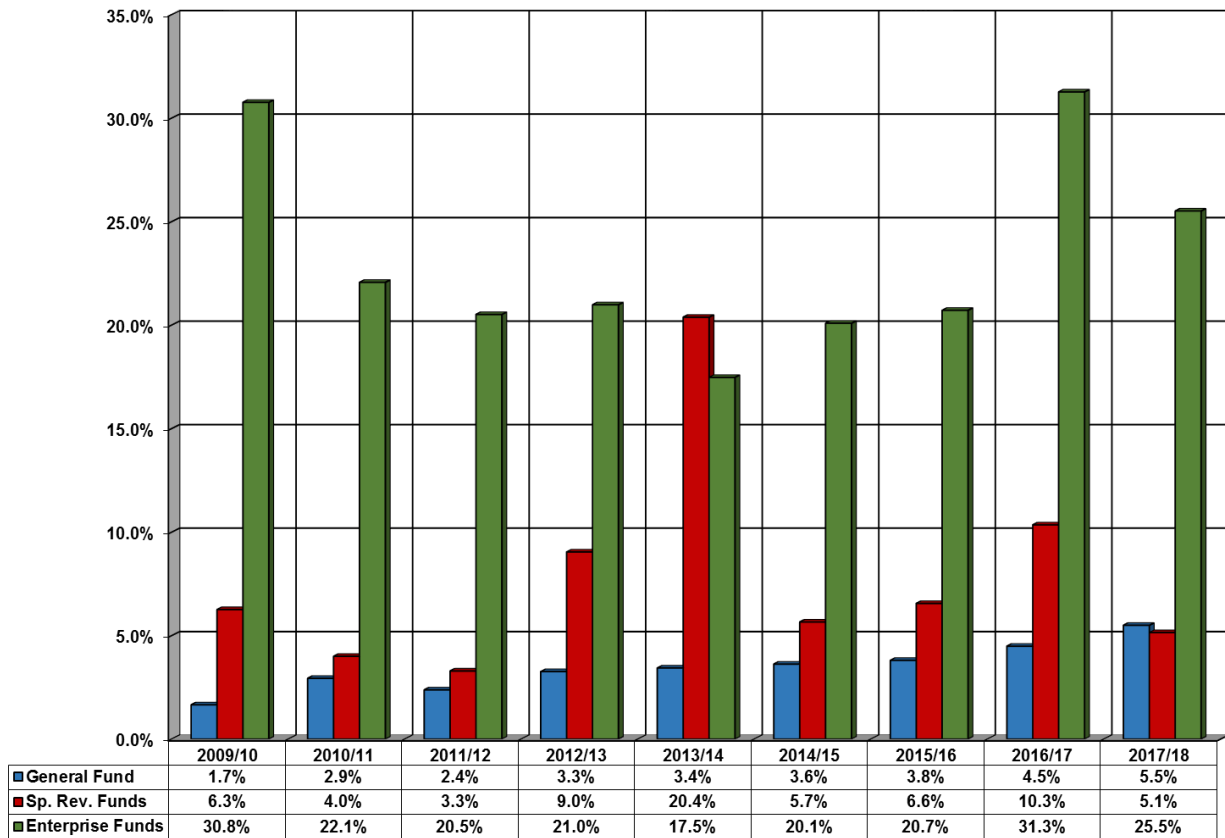
Positive fund balances are sometimes thought of as reserves, but the “fund balance” entry on a local government’s annual report is not always synonymous with “available for appropriation.” The size of a local government’s fund balance affects its ability to withstand unforeseen financial emergencies. 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 economic downturn in the prior decade has outpaced declines in revenues, resulting in healthy levels of unassigned fund balance.

Fund balance in General Fund was above the target balance until 2015-2016, when a \$3 million transfer of excess funds was approved to fund capital improvement projects. General Fund balance surpluses are used for capital projects and early redemption of debt. Similarly, excess fund balance in the streets funds was appropriated for additional work in 2017-2018. Most debt service funds carry small fund balances, but the Downtown Development and Local Development Finance authority funds are supported by captured tax revenues and hold larger, fluctuating balances.

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:

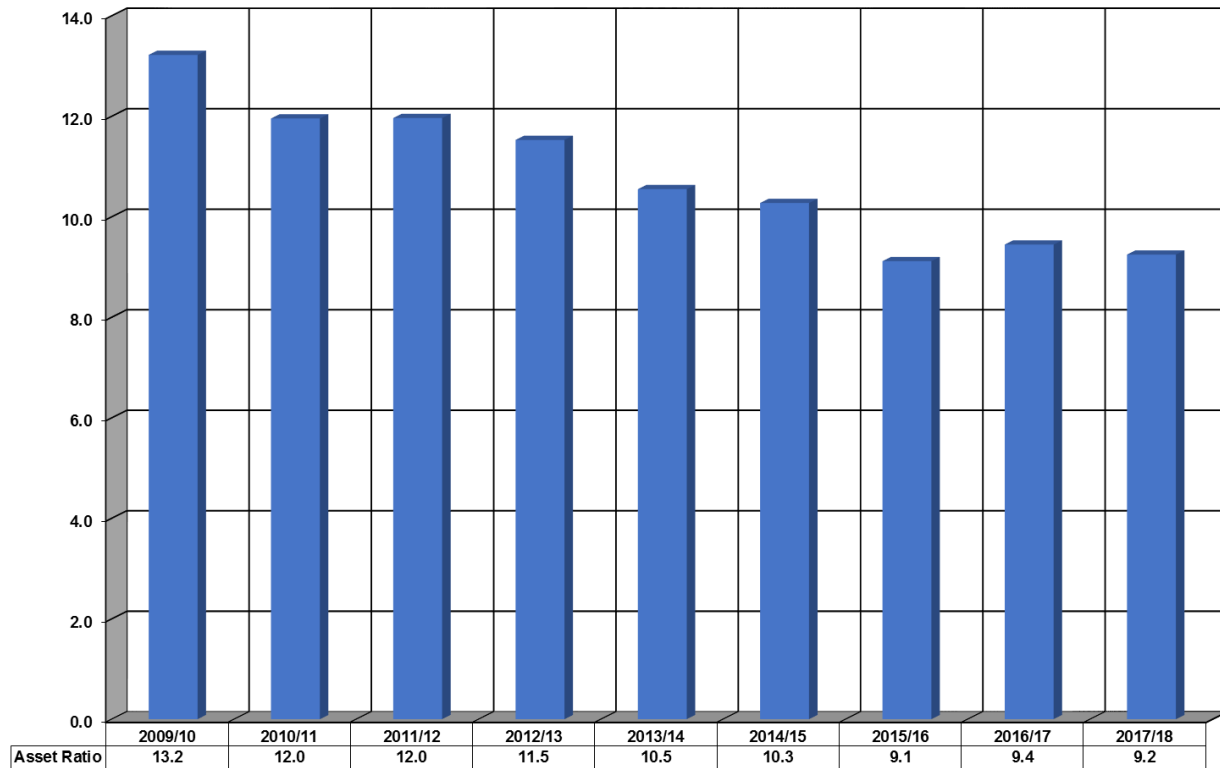
A trend of increasing percentage of short-term debt outstanding at the end of successive fiscal years can indicate liquidity problems, deficit spending, or both.

Analysis:

Current liabilities as a percentage of net operating revenues are relatively stable in the General Fund. The sewer and water enterprise funds see increases due to the size of the liability for current debt service due in some years.

PENSION PLAN ASSETS

Ratio of Plan Assets to Annual Benefits Paid Out



Formula:

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

Fiscal 2017-2018 – Plan Assets totaled \$2,046,150, Benefits Paid Out totaled \$221,328

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 agreed to be "cashed out" of the previous plan. Consequently, the long-term liability for payout of pension benefits has been nearly eliminated. The need to make contributions to the defined benefit pension plan is being monitored to ensure a sufficient level of funding. The plan was 88.97 percent funded as of June 30, 2018.

CONSTITUTIONAL TAX LIMITATIONS, HEADLEE AMENDMENT, “TRUTH IN TAXATION” ACT, “TRUTH IN ASSESSING” ACT, AND “ASSESSMENT NOTICE” ACT

Property taxes, in general, are calculated by multiplying a property’s assessed value (SEV) by a specified millage rate. Several initiatives, both legislative and voter-approved, have impacted the levying of taxes in varying ways. A brief discussion of the major initiatives follows, with formulas and figures following the discussion.

In 1978, the voters of Michigan approved Constitutional Amendment Proposal E (the Headlee Amendment). This amendment limits the maximum tax rates that may be levied by local governments for most purposes, excluding debt service and pension levies. The City may not levy a rate higher than the Headlee Amendment allows without voter approval. The formula which computes Headlee values is computed City-wide, and affects total millage rates.

In 1994, the voters approved Proposal A, which created the concept of taxable value. Prior to Proposal A, taxes were levied on the State Equalized Value (SEV). Taxable value is capped at the lesser of the rate of inflation or 5%. A transfer in ownership allows the taxable value to become uncapped in the year following the transfer. Decreases in taxable value are not limited. The Proposal A formula is computed on an individual parcel basis, and affects the valuation of the parcel, rather than affecting the millage rate levied against the parcel.

Since each parcel’s increase is limited to the rate of inflation according to Proposal A, and the Headlee Amendment only requires a reduction when the total value of parcels City-wide exceeds inflation, the Headlee Amendment has almost been superseded by Proposal A. A marked increase in property transfers could trigger the Headlee Amendment, though, as the percentage increase in valuations due to the resetting of many parcels’ value to 50 percent of their true market value, may exceed the rate of inflation.

Along with the voter-approved Headlee Amendment and Proposal A, the Legislature-approved “Truth in Taxation” Act, adopted in 1982, also affects property taxes. This Act requires that certain procedures be followed in setting millage rates. The formula states that last year’s millage rate must be decreased in proportion to the increase in the current year’s taxable value, making allowances for additions and losses. This adjusted rate is called the “Base Tax Rate.” To levy a rate higher than the base tax rate, a “Notice of Public Hearing on Increasing Property Taxes” must be published, a public hearing must be held, and the City Council must approve that portion of the millage rate which exceeds the Base Tax Rate. The Truth in Taxation Act effectively mandates that a public hearing be held even when the millage rate does not change from one year to the next, since the City would collect a higher tax amount due to increases in property values.

The City published a “Notice of Public Hearing” on April 25, 2019. The Public Hearing was held on May 7, 2019.

The final legislation which affects property values and millage rates is the “Truth in Assessing” Act, adopted in 1981. This Act requires a rollback in the maximum authorized tax rate when the total assessed value of all property is less than its total State Equalized Value. As the City maintains an equalization factor of 1.000, which means that the assessed value equals the State Equalized Value, this rollback does not apply.

The City annually notifies property owners of their parcel's Assessed Value, the tentative equalization factor, and the taxable valuation. These disclosures are mandated by Proposal A and the "Assessment Notice" Act of 1981.

Raw Data

2018 Taxable Value (TV)	2,005,918,461
Cumulative changes	72,915,311
2019 Taxable Value (TV)	2,078,833,772
Consumer's Price Index (CPI):	2.40%
2018-2019 Operating Millage Rate	10.8205
2019-2020 Operating Millage Rate	10.6400

Operating Millage Components:

	2018/19	2019/20
General Fund	7.5000	7.3200
Capital Improvement Program	2.0000	2.0000
Recycling Fund	0.3085	0.3000
Leaf Pickup/ Spring Cleanup Fund	0.3350	0.3440
Municipal Streets Fund	0.6770	0.6760
Total	10.8205	10.6400

Formulas/Computations

2019 Headlee Millage Reduction Fraction

$$\frac{(\text{2018 Total T.V.} - \text{2019 Losses}) \times \text{CPI}}{(\text{\$2,005,918,461} - \text{\$27,986,791}) \times 1.024} = \frac{\text{\$2,025,402,030}}{\text{\$2,023,951,056}} = 1.0000$$

2019 Millage Reduction Fraction (Headlee)

The actual 2018 millage reduction fraction (MRF) is calculated to be 1.0007. Beginning in 1995, the MRF used cannot exceed 1.0000. Since a MRF of 1.0000 will be used for 2019, no further reduction in the city's maximum authorized millage rate (due to Headlee rollback) will be required for 2019.

2019 Truth-in-Taxation Base Tax Rate Fraction

$$\frac{\text{Last year's TV} - \text{Losses}}{\text{This year's TV} - \text{Additions}} = \text{Base Tax Rate Fraction}$$

$$\frac{(\text{2018 Total T.V.} - \text{2019 Losses})}{(\text{\$2,005,918,461} - \text{\$27,986,791})} = \frac{\text{\$1,977,931,670}}{\text{\$2,023,951,056}} = 0.9773$$

2019 Truth-in-Taxation Base Tax Rate Fraction

As shown above, the 2019 base tax rate fraction (BTRF) is calculated to be 0.9773. Multiplying the BTRF by last year's operating levy of 10.8205 mills yields a base tax rate of 10.5748 mills for 2019.

GENERAL APPROPRIATIONS ACT
RESOLUTION TO ADOPT THE BUDGET
OF THE CITY OF PORTAGE FOR THE FISCAL YEAR
JULY 1, 2019 TO JUNE 30, 2020
AND TO MAKE APPROPRIATIONS THEREFORE

Moved by **Urban**
Supported by **Knapp**

WHEREAS, Chapter 7 of the City Charter requires: That the City Manager submit a budget proposal with his recommendation to the City Council; that a public hearing be held on said budget proposal; that the City Council by resolution adopt a budget for the ensuing fiscal year, make an appropriation of the money needed therefore, and designate the sum to be raised by taxation; and

WHEREAS, the Manager has submitted said budget and recommendations and a public hearing has been held thereon;

NOW, THEREFORE, BE IT RESOLVED as provided in Chapter 7 of the City Charter, and in conformity with Public Act 621 of 1978, the Uniform Budgeting and Accounting Act, that the budgets attached hereto and made a part hereof by reference are hereby considered and adopted, to be administered on an activity level, with the exception of the Capital Improvement Fund, which will be administered on a program/project level, as the budgets of the City of Portage to cover the operations and expenditures thereof for the fiscal year July 1, 2019 to June 30, 2020.

BE IT FURTHER RESOLVED that the sum of \$22,742,400 be raised by taxation by the levy of 10.6400 mills for operations on the taxable value of all real and personal property in the City as follows:

General Operating Fund	7.3200 mills	\$15,646,100
Capital Improvement Fund	2.0000 mills	4,274,900
Curbside Recycling Fund	0.3000 mills	641,200
Leaf Pickup/Spring Cleanup Fund	0.3440 mills	735,300
Municipal Street Fund	<u>0.6760 mills</u>	<u>1,444,900</u>
	<u>10.6400 mills</u>	<u>\$22,742,400</u>

BE IT FURTHER RESOLVED that the City Manager be authorized to transfer necessary amounts between activities/departments within a fund and make any adjustments within or between funds which do not change ending fund balance. The Capital Improvement Funds shall be considered one fund for the purposes of this provision.

BE IT FURTHER RESOLVED that for the General Fund, the fund balance shall be at least 24% of the 2019-2020 appropriations, including transfers.

BE IT FURTHER RESOLVED that a copy of this budget resolution be furnished to the City Assessor, who together with the Finance Director shall then proceed to assess and collect the taxes in accordance with the City Charter and State Statutes.

YES: Burns, Ford, Knapp, Pearson, Randall, Reid, Urban

NO: None.

ABSENT: None.


Adam Herringa, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and acting City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 21st day of May, 2019 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 21st day of May, 2019


Adam Herringa, City Clerk

SALARY AND WAGE RESOLUTION
RESOLUTION TO ADOPT THE SALARY AND WAGE SCHEDULES FOR
THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020

Moved by **Urban**
Supported by **Knapp**

WHEREAS, Section 6.18(a) of the City Charter and Section 248.06 of the City Code require that upon recommendation of the City Manager, the City Council shall establish uniform salary and wage scales for all officers and employees of the City;

NOW, THEREFORE, BE IT RESOLVED that for the period beginning July 1, 2019 and until otherwise directed, salaries and wages shall be established and adjusted as follows:

- (1) Personnel of the following bargaining unit(s) shall receive compensation in accordance with bargaining agreement being negotiated to replace the labor agreement expiring June 30, 2019:
Portage Police Command Officers Association (PPCOA)
Portage Police Officers Association (PPOA)
- (2) Personnel of the following bargaining unit(s) shall receive compensation effective July 1, 2019 in accordance with applicable collective bargaining agreements:
International Association of Firefighters (IAFF) – effective 7/1/15-6/30/20
United Auto Workers (UAW) – Department of Public Services –effective 7/1/18-6/30/21
- (3) Department Head and full time non-union employees receive salary adjustments as provided for in the Non-Union Employee Compensation and Classification Plan, as recommended by the City Manager and adopted with the budget on May 21, 2019. The 2019/2020 recommended budget provides for one-time merit bonus or adjustments for Department Head and full-time non-union employees and for organizational restructuring and certain attainment adjustments authorized by the City Manager during the fiscal year. Total adjustments for Department Head and regular full-time non-union employees shall not exceed \$169,205. Part-time and seasonal employees receive wage increases as approved by the City Manager. Compensation for the City Manager shall be determined by the City Council.

YES: **Burns, Ford, Knapp, Pearson, Randall, Reid, Urban**

NO: **None.**

ABSENT: **None.**


Adam D. Herring, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 21st day of May, 2019 the original of which resolution is on file in my office.

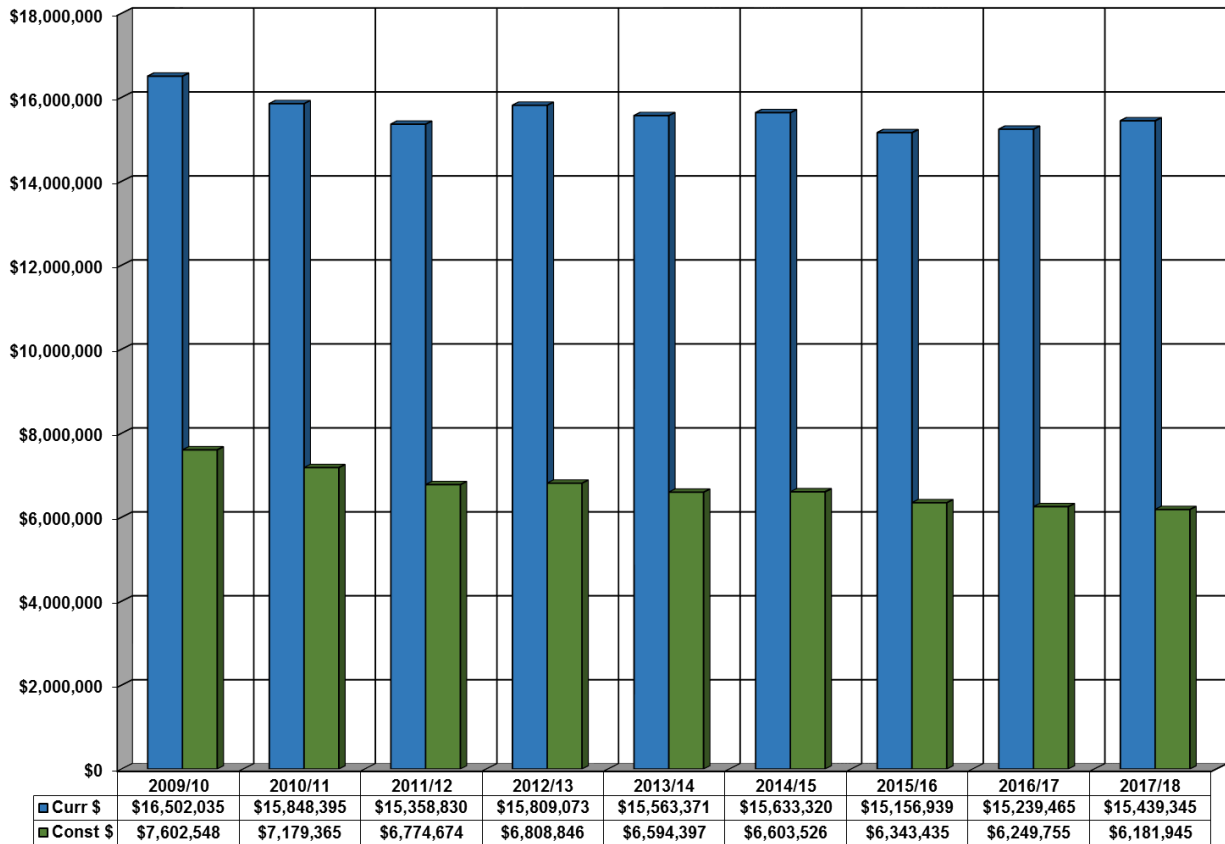
IN WITNESS WHEREOF, I have hereunto affixed my official signature this 21st day of May, 2019.


Adam D. Herring, City Clerk

General Fund

GENERAL FUND PROPERTY TAX REVENUES

(in Current \$ and Constant \$)



Formula:

For property tax revenues in constant dollars

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

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

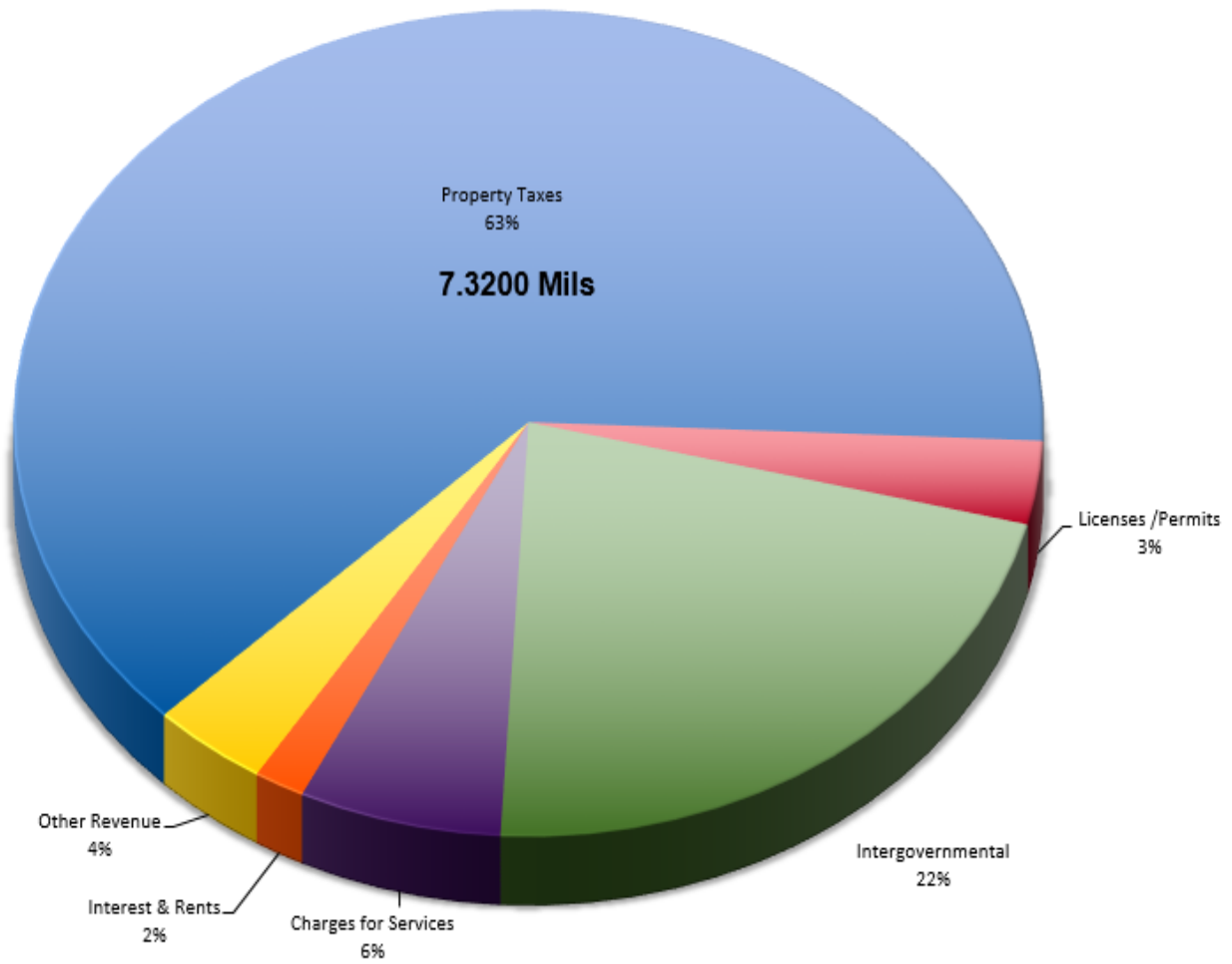
Description:

Property tax revenues are considered separately from other revenues because the City relies heavily on them. A decline or diminished growth rate in property taxes can have two primary causes. First, it may reflect an overall decline in property values resulting from the 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 would eventually affect the county and all local governments.

Analysis:

As the chart indicates, General Fund property tax revenue in constant dollars has been decreasing in recent years. The State's Local Community Stabilization Authority began making reimbursement payments in 2016-2017, offsetting tax base declines due to personal property tax losses. Improvement in the tax base has been evident in the Assessor's estimate of 2019 taxable values, and tax revenues are projected to increase.

GENERAL FUND REVENUES BY SOURCE



GENERAL FUND REVENUES BY SOURCE

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved	Percentage Change
Revenues budgeted by department:						
Fees and permits	892,014	1,290,725	954,300	954,300	938,000	-1.7%
Federal revenue	6,577	1,842	3,000	3,000	3,000	0.0%
State revenue	29,069	144	22,000	22,000	9,000	-59.1%
Other grants	74,600	17,703	25,695	17,000	12,000	-29.4%
Charges for services	248,307	244,611	237,610	237,610	250,490	5.4%
Interest and rents	246,787	202,861	250,000	250,000	250,500	0.2%
Other revenue	869,549	967,840	842,400	813,400	800,119	-1.6%
Transfers In	4,000	6,000	7,500	7,500	12,000	60.0%
	2,370,903	2,731,726	2,342,505	2,304,810	2,275,109	-1.3%
Revenues not budgeted by department:						
Property taxes	15,239,465	15,439,345	16,107,200	16,107,200	16,838,394	4.5%
State revenue	1,692,832	2,303,318	1,500,000	1,500,000	1,350,000	-10.0%
State shared revenue	4,008,896	4,139,624	4,223,260	4,223,260	4,386,305	3.9%
Charges for services	1,376,690	1,422,780	1,280,273	1,280,273	1,282,120	0.1%
Interest and rents	63,491	109,236	125,000	125,000	175,000	40.0%
Other revenue	20,196	21,616	19,000	19,000	19,000	0.0%
Transfers In	-	-	-	-	309,185	100.0%
	22,401,570	23,435,919	23,254,733	23,254,733	24,360,004	4.8%
Total Revenue	24,772,473	26,167,645	25,597,238	25,559,543	26,635,113	4.2%

Revenues budgeted by department

State Revenue – Funding that supported Police Dispatch operations declined with the shift of all dispatch to the new Kalamazoo County Consolidated Dispatch Authority. The decline is offset by a decrease in expenditures for Dispatch activities.

Transfers In – Interest revenue earned by the Cemetery Fund eligible for transfer to General Fund to support cemetery maintenance is increasing with rising rates and an increase in the cash balance of the Cemetery Fund.

Revenues not budgeted by department

Property taxes – The increase in total taxable value yields an increase in tax revenue.

Interest and rents – Interest revenue is projected due to increased rates and changes in banking arrangements.

State Revenue – The estimate of personal property tax reimbursement from the state was reduced due to uncertainty about amounts received in prior years.

Transfers In – A transfer of excess funds from the Cable TV Fund will be made to afford better use of those resources to support technology and communications efforts.

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 adopted millage rate for 2019-2020 is 7.3200 mills, 0.1805 mills less than the 2018-2019 rate. This revenue is calculated based on actual data for the upcoming year.

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 governmental units by the Treasury office. An administrative fee is also charged on special assessments petitioned and requested by boards, associations, and other entities when billed by the City to cover Treasury office costs plus printing, mailing, collecting, and distributing of the revenues.

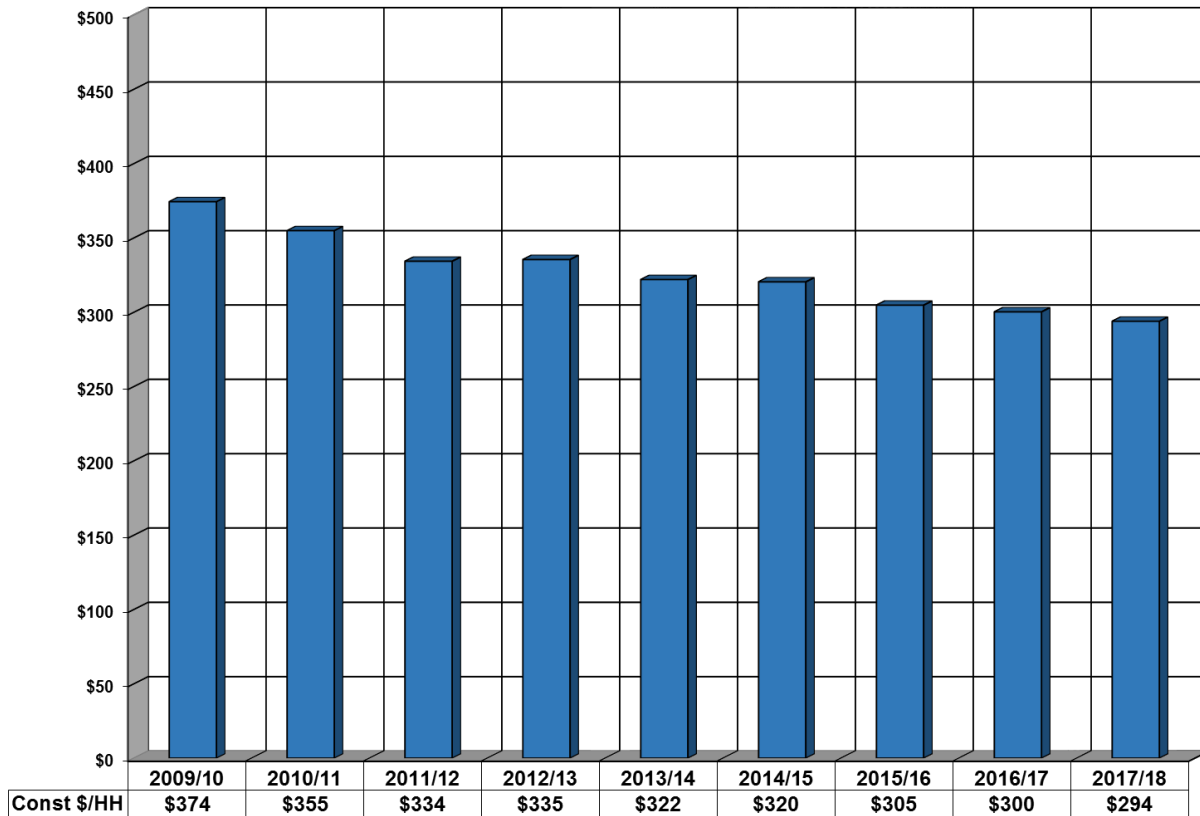
State Collected - Locally Shared Taxes

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 lesser 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:

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

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

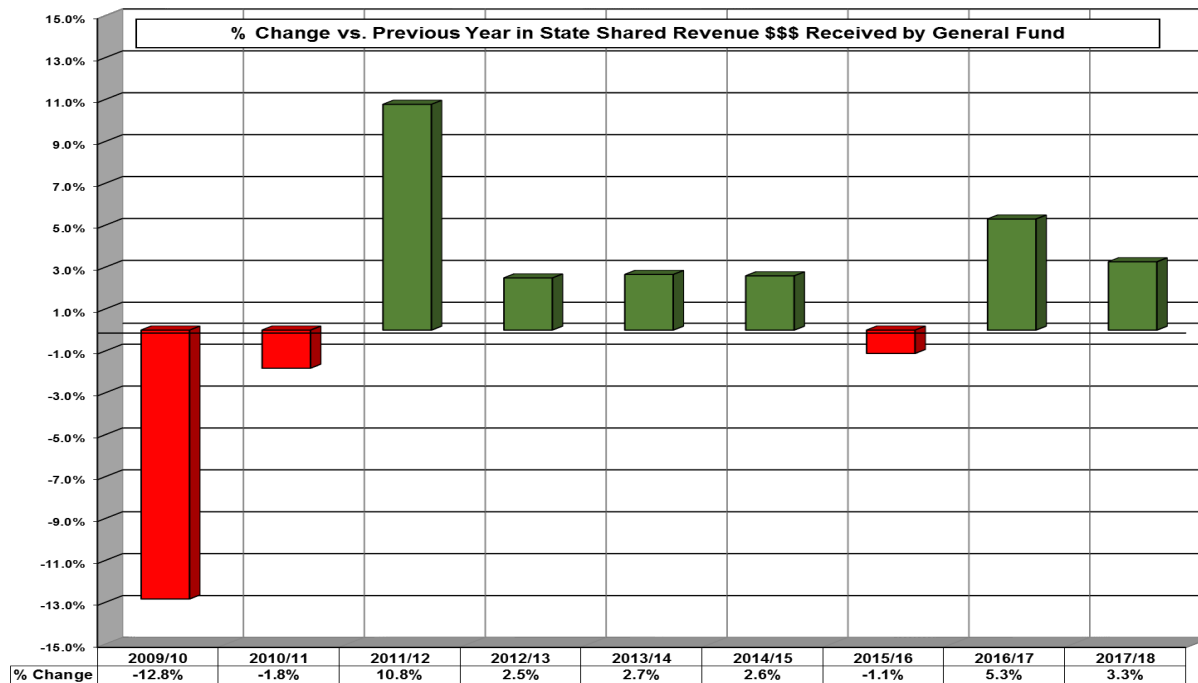
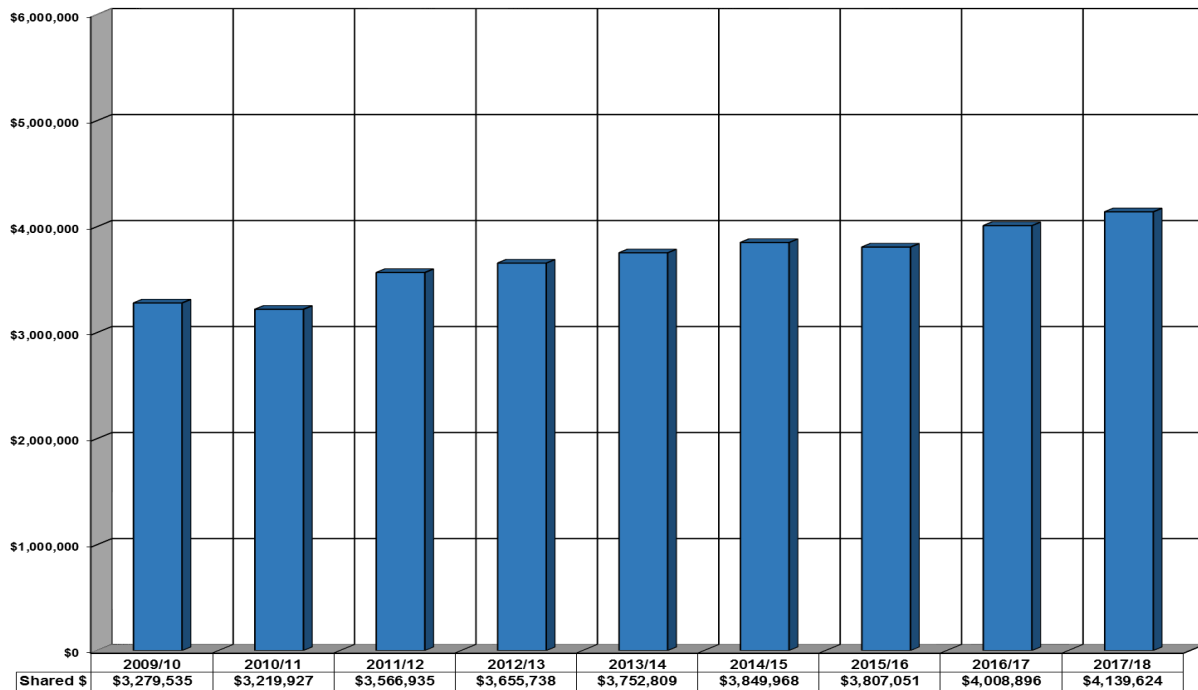
Description:

Examining property tax revenues on a *per household basis* shows changes in revenues relative to the changes in the 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 to 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:

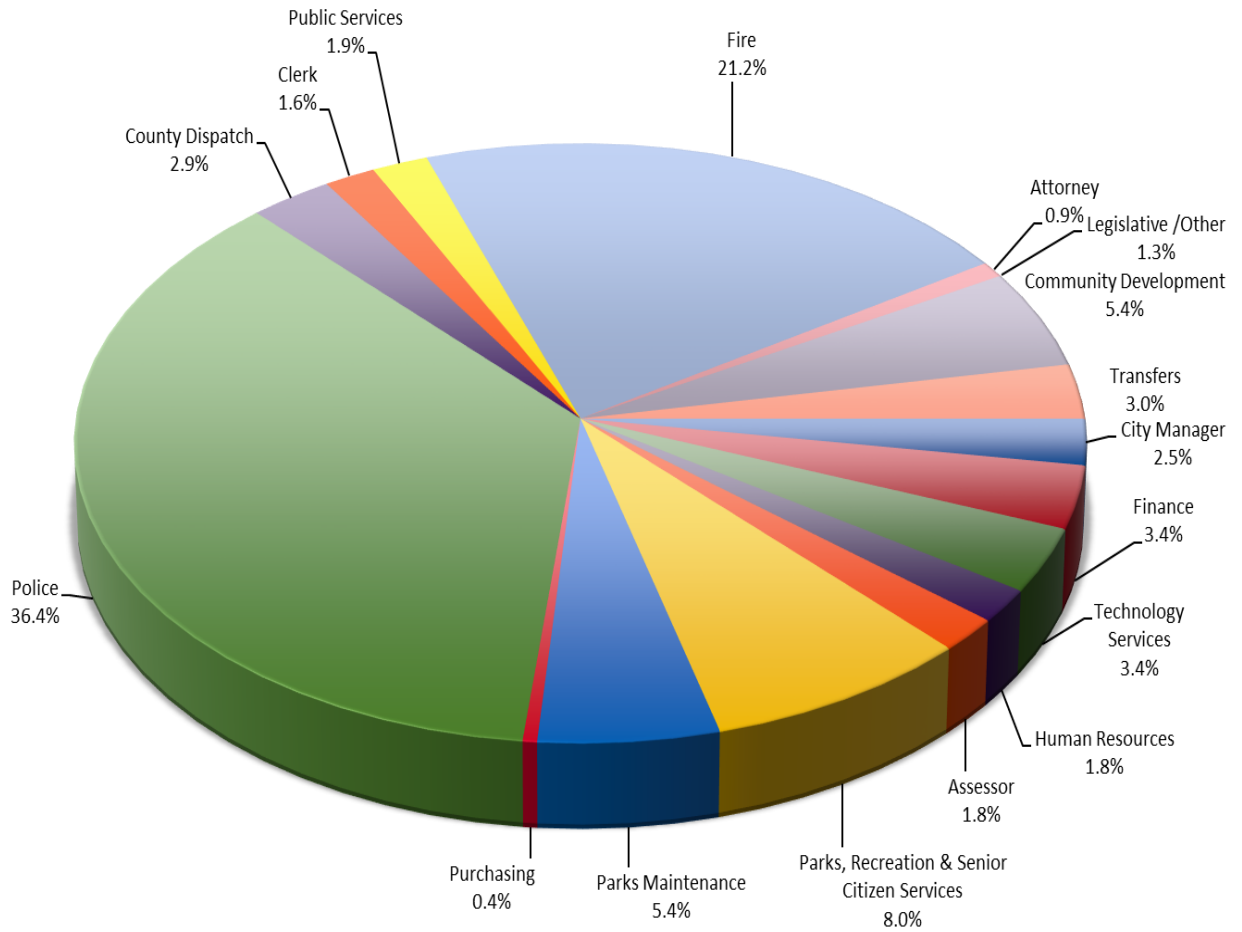
The chart above indicates that property tax revenue (in constant dollars) per household has been slowly declining. Subsequent tax base losses forced adjustments in staffing (see Appendix D for staffing information). Fiscal 2016-2017 was the first year that significant tax base losses due to reductions of commercial and industrial personal property taxes were replaced by state revenue at levels based on those reductions.

GENERAL STATE-SHARED REVENUES \$\$\$ Received by General Fund



The charts above 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 former Governor's plan for City, Village, and Township Revenue Sharing (CVTRS) requires each community qualify for a statutory revenue-sharing allotment by proving they are sharing services with other communities, limiting staff compensation costs, and increasing transparency of finances.

GENERAL FUND EXPENDITURES BY DEPARTMENT OR FUNCTION



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

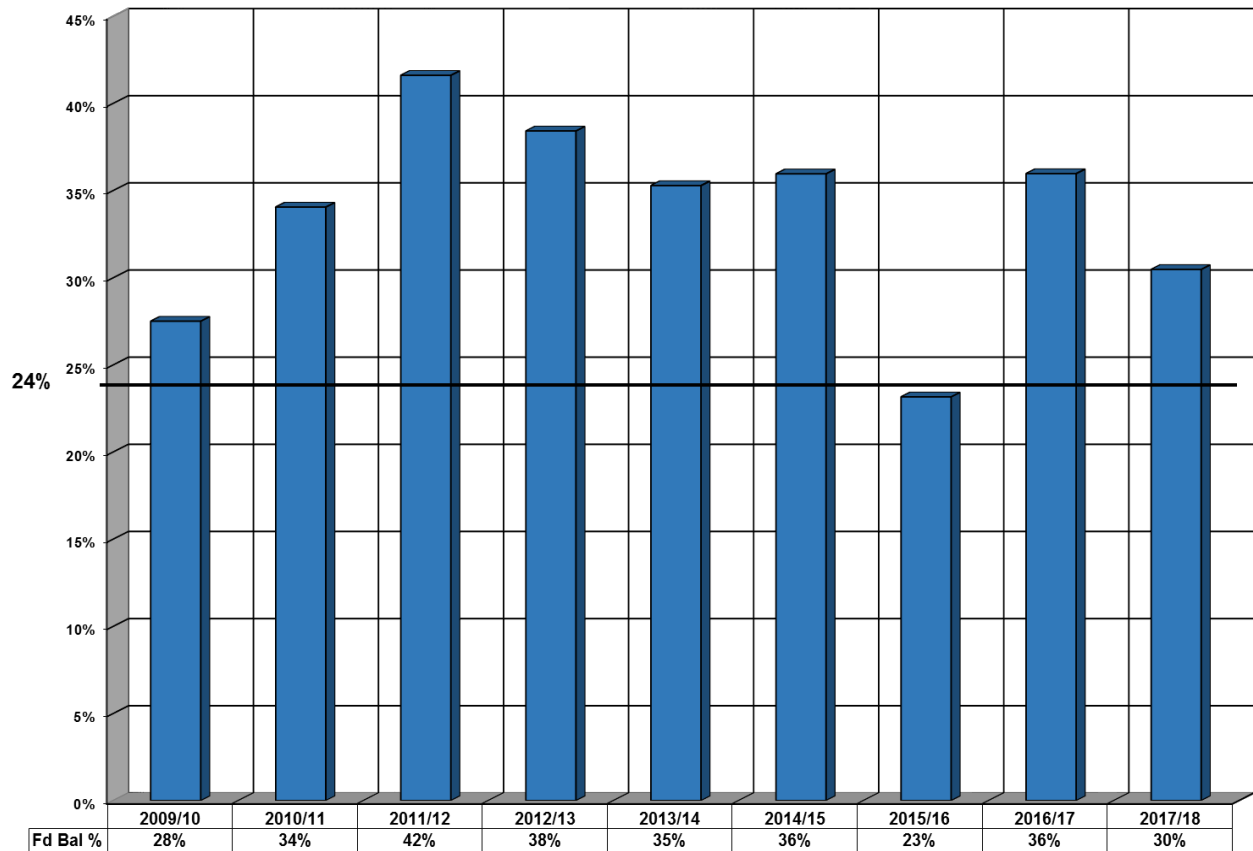
General Fund Expenditures by Department or Function

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
City Council	89,619	108,182	117,300	117,300	88,000
Human Services	131,941	139,380	164,687	164,687	169,740
City Manager	492,920	507,320	687,893	673,471	654,587
Finance	757,320	777,569	880,085	880,085	891,611
Technology Services	792,372	902,812	911,250	901,255	909,841
City Assessor	363,066	351,321	502,516	502,516	480,869
City Attorney	226,524	225,728	226,728	226,728	226,728
City Clerk	421,325	337,620	428,412	428,412	468,845
Human Resources	425,119	395,152	459,857	459,857	473,940
Purchasing	91,840	101,244	110,766	110,766	111,552
Parks, Recreation & Senior Citizen Services	1,581,411	1,896,922	1,890,788	1,858,104	2,102,238
Parks Maintenance	1,292,527	1,287,488	1,329,340	1,320,340	1,413,936
Police Department	8,822,405	10,039,855	9,719,039	9,713,544	9,601,301
County Dispatch	-	-	756,793	756,793	756,793
Fire Department	4,793,683	4,893,339	5,292,671	5,292,671	5,579,725
Community Development	1,121,786	1,214,650	1,296,378	1,293,458	1,413,338
General Public Services	462,618	509,752	477,492	477,492	510,650
Transfers Out	913,000	2,647,643	1,286,338	1,286,338	781,419
Total Expenditures	<u>22,779,476</u>	<u>26,335,977</u>	<u>26,538,333</u>	<u>26,463,817</u>	<u>26,635,113</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:

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

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:

Sometimes thought of as reserves, the "fund balance" on a government's annual report is not always synonymous with "available for appropriation." A healthy fund balance is an indicator of financial soundness, providing a hedge against inflation and a reserve for unforeseen financial 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 & Poor's requires an available fund balance as a percentage of expenditures to exceed 15 percent. The Government Finance Officers Association recommends that general-purpose governments incorporate in financial policies that unrestricted fund balance in the general fund be no less than two months' of regular general fund operating revenues or expenditures, or 17 percent. However, the adequacy of unrestricted fund balance in the general fund should be assessed based upon a government's specific circumstances.

Analysis:

Since 2008-2009 the fund balance of the General Fund has remained at or above the level prescribed by the City Council. Beginning in 2015-2016, the excess fund balance over the prescribed level has been verified during the audit and uses determined. Those funds are usually transferred to fund capital improvements or reduce debt.

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 Community Senior Center activities.

Budget Overview: Public safety expenditures account for 58 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 and Maintenance) at nearly 13 percent of the budget.

The projected fund balance at June 30, 2019 will be at least 24 percent of fund expenditures and transfers out.

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Property taxes	15,239,465	15,439,345	16,107,200	16,107,200	16,838,394
Fees and permits	892,014	1,290,725	954,300	954,300	938,000
Federal revenue	6,577	1,842	3,000	3,000	3,000
State revenue	1,721,901	2,303,462	1,522,000	1,522,000	1,359,000
State shared revenue	4,008,896	4,139,624	4,223,260	4,223,260	4,386,305
Other grants	74,600	17,703	25,695	17,000	12,000
Charges for services	1,624,997	1,667,391	1,517,883	1,517,883	1,532,610
Interest and rents	310,278	312,097	375,000	375,000	425,500
Other revenue	889,745	989,456	861,400	832,400	819,119
Transfers In	4,000	6,000	7,500	7,500	321,185
TOTAL REVENUE	24,772,473	26,167,645	25,597,238	25,559,543	26,635,113
EXPENDITURES:					
Personnel Services	16,214,955	16,614,920	17,869,744	17,927,744	17,808,558
Operations & Maintenance	4,034,623	5,152,085	5,626,458	5,524,046	5,967,280
Administrative Charges	1,509,986	1,744,785	1,677,884	1,667,889	1,841,256
Capital Outlay	106,912	176,544	77,909	57,800	236,600
Transfers Out	913,000	2,647,643	1,286,338	1,286,338	781,419
TOTAL EXPENDITURES	22,779,476	26,335,977	26,538,333	26,463,817	26,635,113

LEGISLATIVE DEPARTMENT

Budget Overview: In addition to City Council expenditures, the 2019-2020 Legislative budget includes contributions to various human service agencies. The human services contribution equals \$169,740 (see Appendix A for additional information) for 2019-2020.

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

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>Human Services</i> Increase funding to .65 percent of General Fund revenue	<i>Community Development</i> Continued commitment to human services

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	48,577	58,586	59,100	59,100	60,500
Operations & Maintenance	172,983	188,976	222,887	222,887	197,240
 TOTAL EXPENDITURES	 <u>221,560</u>	 <u>247,562</u>	 <u>281,987</u>	 <u>281,987</u>	 <u>257,740</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 2019-2020 City Council budget includes expenditures for Michigan Municipal League dues, planning retreats and the Mayor and City Council for the Day program.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	48,577	58,586	59,100	59,100	60,500
Operations & Maintenance	41,042	49,596	58,200	58,200	27,500
TOTAL EXPENDITURES	<u>89,619</u>	<u>108,182</u>	<u>117,300</u>	<u>117,300</u>	<u>88,000</u>

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 2019-2020 budget includes a General Fund appropriation of \$91,240 for youth development and program coordination activities. An additional \$44,100 comes from Community Development Block Grant funds, bringing the total City contribution to PCC to \$135,340.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	10,329	10,500	10,800

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 2019-2020 budget includes a General Fund appropriation of \$19,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	22	38	38

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 2019-2020 budget includes a General Fund appropriation of \$29,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	90	110	110

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 2019-2020 budget includes a General Fund appropriation of \$17,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	12	14	14

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 2019-2020 budget includes a General Fund appropriation of \$3,750.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	2,044	2,000	2,144

HUMAN SERVICES, continued

6. KALAMAZOO YOUTH FOR CHRIST

Kalamazoo Youth for Christ is a non-profit that provides support and educational services to at-risk youth in the community in partnership with local churches. Funding will support financial literacy programs for youth residents of Colonial Acres.

The 2019-2020 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	NA	NA	35

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 2019-2020 budget includes a General Fund appropriation of \$4,500.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	805	1,130	1,222

8. KALAMAZOO LITERACY COUNCIL

The Kalamazoo Literacy Council provides adult literacy education, including English as a Second Language (ESL). Funding is used to purchase instructional materials for programs to be provided at the Prince of Peace Church on West Milham Avenue.

The 2019-2020 budget includes a General Fund appropriation of \$2,750.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	143	152	150

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
EXPENDITURES:					
Operations & Maintenance	131,941	139,380	164,687	164,687	169,740
TOTAL EXPENDITURES	<u>131,941</u>	<u>139,380</u>	<u>164,687</u>	<u>164,687</u>	<u>169,740</u>

CITY MANAGER

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

Budget Overview: The 2019-2020 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, as well as the coordination of special events and projects.

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

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>City Manager</i> Evaluation & 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 & efficient City services Evaluate service delivery options
<i>Communications</i> Continue public information services, programs & surveys	<i>Public Relations</i> Continue communication with citizens <i>Service Delivery</i> Evaluate contracting versus internal publishing services Establish alternatives to meet increased service demands Enhance public relations by assisting departments with development of communications materials

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, as well as research and preparation of applicable grant and foundation funding requests.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	442,536	462,523	606,472	606,472	582,924
Operations & Maintenance	48,831	42,725	68,922	64,300	68,650
Administrative Charges	1,553	2,072	2,699	2,699	3,013
TOTAL EXPENDITURES	<u>492,920</u>	<u>507,320</u>	<u>687,893</u>	<u>673,471</u>	<u>654,587</u>

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Council meetings	24	24	24
Special Council meetings	8	9	9
Council committee meetings	4	4	4
Pre-Council meetings	23	24	24
Committee of the Whole meetings	4	6	5
Council items processed:			
Agenda items	691	668	680
Material transmitted	45	47	46

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	177,052	200,000	200,000
Reams of paper distributed	1502	1,500	1,500
Number of fax pages	36	40	40
Pieces of mail processed	85,739	90,000	90,00
Package receiving/deliveries	872	900	900

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	49,695	50,569	53,612	53,612	56,963
Operations & Maintenance	487	-	600	600	600
TOTAL EXPENDITURES	<u>50,182</u>	<u>50,569</u>	<u>54,212</u>	<u>54,212</u>	<u>57,563</u>

FINANCE

The Finance Department is responsible for developing and maintaining financial information management 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 operations, policy development, and the accomplishment of short-term objectives and long-term goals.

The Finance Department supports the areas of benefits, compensation, strategic planning, cost analysis and budgeting for City benefit plans. This includes the oversight and funding of retirement plans to address legacy costs. The department manages the City self-insured workers' compensation program, OSHA record keeping/compliance, and provides on-call assistance 24/7 for the ongoing management and follow-up of employment related injuries.

Budget Overview: In 2019-2020 the department will continue working to maximize software efficiency and achieve the best customer service, while assisting departments with managing their budgets. There will be continued focus on providing competitive benefit plans at the most effective cost to the City for the retention and recruitment of quality employees.

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

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>Accounting</i> Administrative function	<i>Financial Health</i> Evaluate expenditures & processes to provide for effective & efficient use of City services
<i>Financial Management</i> Administrative function	<i>Service Delivery</i> Provide high quality, effective & cost efficient services Evaluate alternatives to meet increased service demands <i>Financial Health</i> Maintain financial health Pursue new revenues through alternate funding opportunities Assess financing methods for capital improvements
<i>Treasury</i> Administrative function	<i>Public Relations</i> Continue emphasis on courteous service
<i>Benefits & Compensation</i> Benefits, employee compensation, & workers' compensation administration	<i>Financial Health</i> Continue evaluating expenditures to provide the most effective & efficient use of City resources to consider & implement alternative means of addressing City insurance needs to further enhance financial health.

FINANCE, continued

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Other revenue	1,837	1,926	1,000	1,000	1,000
TOTAL REVENUE	1,837	1,926	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	597,748	605,292	641,036	641,036	651,642
Operations & Maintenance	150,708	162,950	228,418	228,418	228,980
Administrative Charges	5,374	7,142	9,131	9,131	9,489
Capital Outlay	3,490	2,185	1,500	1,500	1,500
TOTAL EXPENDITURES	757,320	777,569	880,085	880,085	891,611

The responsibilities of the various activities are outlined as follows.

ACCOUNTING 101-2001

This activity accounts for the costs associated with maintenance 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 general ledger, and provides staff support for other departments. Also included are budget preparation and administration, fixed asset management and performance of internal audits to maintain the integrity of financial controls. This activity supports benefits, compensation, strategic planning, cost analysis and budgeting for city benefit plans.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Accounts payable checks issued	4,097	4,220	4,350
Accounts payable ACH Payments	1,818	1,872	1,930
Accounts payable ACH Vendors	492	495	500
1099's issued	168	170	180
Payroll checks issued	6,651	6,994	7,100
W-2s issued	437	495	480
W-2 accuracy rate	100%	100%	100%
Issue date of annual financial report	Dec 17	Nov 29	Nov 27
Lost time workers' compensation cases	8	8	8
MIOSHA Recordable Workers' Compensation cases	13	13	13
Benefit contracts/service agreements negotiated	12	13	14
1095-Cs issued	198	216	220

ACCOUNTING, continued

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	298,399	302,843	323,070	323,070	330,625
Operations & Maintenance	67,208	76,350	113,590	113,590	117,305
Administrative Charges	483	617	630	630	-
Capital Outlay	3,490	-	1,500	1,500	1,500
TOTAL EXPENDITURES	<u>369,580</u>	<u>379,810</u>	<u>438,790</u>	<u>438,790</u>	<u>449,430</u>

FINANCE and BUDGET 101-2002

This activity accounts for the costs associated with the management and administration of the Finance Department. The department prepares and administers the annual operating budget, assists with the annual Capital Improvement Program budget and the Utility Rate Study, management of the City's cash and investments, preparation for bond issues and other financing, and coordination of City-wide budget control. The 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	0	1	1
Dollar amount	\$0	\$6,275,000	\$9,735,000
Bond Refinancing	\$0	\$1,740,000	\$0
'Unqualified' audit report received	Yes	Yes	Yes

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	193,802	197,564	209,485	209,485	218,651
Operations & Maintenance	54,551	60,956	77,133	77,133	73,650
Administrative Charges	4,891	6,525	8,501	8,501	9,489
TOTAL EXPENDITURES	<u>253,244</u>	<u>265,045</u>	<u>295,119</u>	<u>295,119</u>	<u>301,790</u>

TREASURY 101-2053

This activity accounts for the costs associated with the billing, collection, and reconciliation of all receivables, including special assessments, semi-annual tax bills and quarterly water and sewer bills. The department collects and processes approximately \$100,000,000 in taxes each year, transferring \$78,000,000 to other jurisdictions, remitting 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	35,951	36,179	36,200
Special assessment bills processed	868	1,193	1,250
Water and sewer bills processed	67,398	62,652	62,500
Receipt transactions	85,381	85,555	85,600

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
REVENUE:					
Other revenue	1,837	1,926	1,000	1,000	1,000
TOTAL REVENUE	<u>1,837</u>	<u>1,926</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
EXPENDITURES:					
Personnel Services	105,547	104,885	108,481	108,481	102,366
Operations & Maintenance	28,949	25,644	37,695	37,695	38,025
Capital Outlay	-	2,185	-	-	-
TOTAL EXPENDITURES	<u>134,496</u>	<u>132,714</u>	<u>146,176</u>	<u>146,176</u>	<u>140,391</u>

TECHNOLOGY SERVICES

Technology is centralized with the Technology Services Department to eliminate duplication of services within City departments, improve and streamline processes, and provide the core technical infrastructure which includes the Data Center and the infrastructure for voice, radio, video and data communications. The Department is also responsible for the oversight of IT projects, plans, and procurements. Technology Services is responsible for overall strategy, policy direction, and management of technology services.

Budget Overview: The 2019-2020 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 and Public Information departments support the following goals and objectives:

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

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.

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	1,101	3,291	2,800
Critical outages resolved/four hours	100%	96%	99%
Data network uptime	99.69%	99%	99%
Voice services uptime (PRI)	100%	99%	99%
Internet services uptime	100%	100%	98%
Enterprise application uptime	99.96%	99%	99%
Email services uptime	99.84%	99%	99%
Customer satisfaction rating	98.15%	98.5%	98.5%

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	23,667	24,049	25,762	25,762	26,272
Operations & Maintenance	714,238	815,164	816,181	816,181	820,906
Administrative Charges	4,285	13,030	15,095	5,100	5,100
TOTAL EXPENDITURES	<u>742,190</u>	<u>852,243</u>	<u>857,038</u>	<u>847,043</u>	<u>852,278</u>

The following is a list of major projects and activities that were completed or in process in fiscal year 2018-2019:

- Drone Program
- Cable Access Transition
- Kalamazoo Consolidated Dispatch Transition
- Public Safety Radio System Upgrade
- Council Remote Participation System
- SnowPlow Tracker Application
- PubWorks Fleet and Facilities Application
- Network Firewall Upgrades
- Public WiFi Expansion to Park Facilities
- SeeClickFix Citizen Reporting System Rebuild
- Social Media and Civic Engagement Plan
- Fire Training Video Conferencing System
- Rebranding Marketing Materials
- Public Safety CJIS Compliance Audit
- Network Security Initiatives

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.

<i>Program & Description</i>	<i>Goal/Objective</i>
Assessing Providing prompt & 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 & defend property assessments	<i>Service Delivery</i> Continue to increase efficiency by applying new technology to ensure all property assessment records are as current as possible
Prepare the assessment roll & administer the appeal process	<i>Financial Health</i> Maintain the financial health of the City

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	317,887	307,357	409,342	409,342	388,312
Operations & Maintenance	36,021	33,658	82,163	82,163	81,810
Administrative Charges	9,158	10,306	11,011	11,011	10,747
TOTAL EXPENDITURES	363,066	351,321	502,516	502,516	480,869

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, 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	19,046	19,157	19,269
Processing of title & transfer documents	5,447	5,500	5,550
New appraisals - real & personal property	3,800	3,800	3,900
Property taxes levied, City only (in millions)	\$21.3	\$22.0	\$22.9
Property taxes levied, all taxing entities (in millions)	\$95.6	\$100.8	\$104.9

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	295,845	286,395	376,137	376,137	356,428
Operations & Maintenance	31,864	30,538	80,233	80,233	78,520
Administrative Charges	9,158	10,306	11,011	11,011	10,747
TOTAL EXPENDITURES	<u>336,867</u>	<u>327,239</u>	<u>467,381</u>	<u>467,381</u>	<u>445,695</u>

BOARD OF REVIEW 101-2247

The Board of Review inspects the assessment roll and provides a hearing for persons wishing to appeal property assessments, and also approves the assessment roll as the official tax roll. Other services include, consideration of poverty exemptions, reviewing of personal property statements, reviewing classification disputes, reviewing principal residence exemptions and reviewing requests for veteran exemptions.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Appeals reviewed	342	374	374

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	22,042	20,962	33,205	33,205	31,884
Operations & Maintenance	4,157	3,120	1,930	1,930	3,290
TOTAL EXPENDITURES	<u>26,199</u>	<u>24,082</u>	<u>35,135</u>	<u>35,135</u>	<u>35,174</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 Freedom of Information Act (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 with offices in 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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	226,524	225,728	226,728	226,728	226,728
TOTAL EXPENDITURES	<u>226,524</u>	<u>225,728</u>	<u>226,728</u>	<u>226,728</u>	<u>226,728</u>

CITY CLERK

The City Clerk administers all City, County, State, and Federal elections. The Clerk also maintains a complete and permanent history of actions taken by the City Council, monitors and manages appointments to the various boards and commissions, and is responsible for the Youth Advisory Committee. The Clerk is 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 City 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:

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>City Clerk</i> – Coordinate production of City Council agenda packets on CivicClerk, the Freedom of Information Act, Boards and Commissions interviews, Liquor License, medical marihuana	<i>Customer Relations</i> Provide leadership, service delivery and versatility to the departments and the public.
<i>Elections</i> – Test all election equipment, assign precincts, train election officials, implement state election law, publish notices, maintain the Qualified Voter File, issue and track absentee ballots.	<i>Service Delivery</i> Preserve integrity and accuracy in elections and voter files, apply new technology to increase efficiency and productivity in the electoral process.
<i>Records Management</i> - Microfilming and imaging of records, records access and storage, ensure state record retention schedule compliance by all departments.	<i>Service Delivery</i> Evaluate alternatives to meet service demands. Increase efficiency through technology.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	33,796	37,553	63,300	63,300	63,800
Other revenue	42,156	24,253	26,600	26,600	24,250
TOTAL REVENUE	75,952	61,806	89,900	89,900	88,050
EXPENDITURES:					
Personnel Services	305,116	251,769	290,122	290,122	316,480
Operations & Maintenance	113,996	75,108	135,480	135,480	149,290
Administrative Charges	2,213	10,743	2,810	2,810	3,075
TOTAL EXPENDITURES	421,325	337,620	428,412	428,412	468,845

The responsibilities of the various activities are outlined as follows.

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 coordinates all meetings of City Council, and all City Council Advisory Boards and Commissions. Miscellaneous duties of the Clerk include maintaining cemetery records, lot sales and burial arrangements, citizen petition verifications, Code of Ordinance updates and certifications, Freedom of Information Act (FOIA) coordination, liquor license, medical marihuana licensing 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	7	11	10
Resolutions adopted	30	44	45
Cemetery lot burials	58	64	67
Number of meetings staffed	55	56	64

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
REVENUE:					
Fees and permits	33,796	37,553	63,300	63,300	63,800
Other revenue	3,441	1,125	1,600	1,600	1,250
TOTAL REVENUE	<u><u>37,237</u></u>	<u><u>38,678</u></u>	<u><u>64,900</u></u>	<u><u>64,900</u></u>	<u><u>65,050</u></u>
EXPENDITURES:					
Personnel Services	107,121	105,656	102,176	102,176	104,468
Operations & Maintenance	23,247	24,257	58,330	63,830	60,940
Administrative Charges	1,314	1,814	2,285	2,285	2,550
TOTAL EXPENDITURES	<u><u>131,682</u></u>	<u><u>131,727</u></u>	<u><u>162,791</u></u>	<u><u>168,291</u></u>	<u><u>167,958</u></u>

RECORDS MANAGEMENT 101-2416

This activity accounts for the costs associated with records retention procedures for all departments, tracking, storage and destruction of City records.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Rolls of microfilm processed	12	10	20
Number of pages filmed	43,109	13,271	50,000
Processed boxes sent to storage	130	120	100
FOIA Requests	46	57	60

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
EXPENDITURES:					
Personnel Services	51,375	49,193	50,552	50,552	51,006
Operations & Maintenance	16,642	16,874	16,750	16,750	16,250
Administrative Charges	374	8,404	-	-	-
TOTAL EXPENDITURES	68,391	74,471	67,302	67,302	67,256

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	2	2	3
New registrations	2,982	3,930	3,300
Cancellations	1,977	3,221	1,500
Registered voters	36,608	37,028	38,200
Permanent Absentee Voter List	4,039	4,736	5,000

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
REVENUE:					
Other revenue	38,715	23,128	25,000	25,000	23,000
TOTAL REVENUE	38,715	23,128	25,000	25,000	23,000

EXPENDITURES:					
Personnel Services	146,620	96,920	137,394	137,394	161,006
Operations & Maintenance	74,107	33,977	60,400	54,900	72,100
Administrative Charges	525	525	525	525	525
TOTAL EXPENDITURES	221,252	131,422	198,319	192,819	233,631

HUMAN RESOURCES 101-2610

The Human Resources Department provides staff support in the areas of recruitment, training, safety, benefits administration, compensation oversight, employee and labor relations, legal compliance and budgeting to support benefit plans. The department provides oversight of employee leave and attendance policies, administers safety programs, and assists training programs for the purpose of enhancing employees' technical and customer service skills. New employee orientation, employee wellness, employee safety, diversity and ensuring a professional work environment are supported through training activities. Focus will continue to be placed on labor contract administration and negotiations, accurate job descriptions, performance evaluations and improvement plans, Equal Employment Opportunity Commission (EEOC) compliance, compliance with safety regulations, performing safety inspections, and providing a safe work environment.

Budget Overview: The Human Resources Department focuses on the areas described above and takes 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.

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

HUMAN RESOURCES, continued

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Applications & resumes processed	1,308	1,506	1,075
Training programs (internal)	1,028	1,050	1,050
Training programs (external)	355	300	350
Testing and assessments (participants)	222	270	175
Labor contracts negotiated	2	3	1
Grievances processed	5	8	5
New employee orientations	45	57	35
Performance evaluations processed	377	382	387
Safety audits conducted	20	20	20
Interviews conducted	375	239	200
Family Medical Leave Act notifications	324	252	250
COBRA notifications	13	46	15
Legal notifications	1	2	1

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	292,813	273,082	305,744	305,744	318,718
Operations & Maintenance	131,159	115,180	152,120	152,120	152,997
Administrative Charges	1,147	6,890	1,993	1,993	2,225
TOTAL EXPENDITURES	<u><u>425,119</u></u>	<u><u>395,152</u></u>	<u><u>459,857</u></u>	<u><u>459,857</u></u>	<u><u>473,940</u></u>

PURCHASING & RISK MANAGEMENT

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 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.

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

PURCHASING & RISK MANAGEMENT, continued

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	83,768	93,888	91,917	91,917	94,238
Operations & Maintenance	5,742	4,248	14,800	14,800	12,795
Administrative Charges	2,330	3,108	4,049	4,049	4,519
TOTAL EXPENDITURES	<u>91,840</u>	<u>101,244</u>	<u>110,766</u>	<u>110,766</u>	<u>111,552</u>

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	3,586	3,400	3,600
Sealed bids taken	35	31	40
Joint governmental contracts	25	16	25

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	67,338	76,181	74,023	74,023	76,299
Operations & Maintenance	2,662	3,488	8,500	8,500	9,295
TOTAL EXPENDITURES	<u>70,000</u>	<u>79,669</u>	<u>82,523</u>	<u>82,523</u>	<u>85,594</u>

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	37	36	40

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	16,430	17,707	17,894	17,894	17,939
Operations & Maintenance	3,080	760	6,300	6,300	3,500
Administrative Charges	2,330	3,108	4,049	4,049	4,519
TOTAL EXPENDITURES	<u>21,840</u>	<u>21,575</u>	<u>28,243</u>	<u>28,243</u>	<u>25,958</u>

PARKS, RECREATION and SENIOR CITIZEN SERVICES

The Parks and Recreation division is responsible for the operation of parks, rentals, recreation, the operation of park visitor facilities, and planning for new facilities and renovations.

The Senior Citizen Services division is responsible for programs that benefit mature adults and other residents through intergenerational programming, information, and community service. The Portage Senior Center (PSC) is one of fewer than 150 nationally accredited senior centers, and it 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. The 2019-2020 budget provides for critical attention to City programs and events, operation of the beach at Ramona Park and the Ice Rink at Millennium Park. The 2019-2020 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.

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>Parks</i> Strategic park, trail, & open space planning Promote non-motorized connections between parks, neighborhoods, facilities & other municipalities	<i>Community Development</i> Identify opportunities for place-making & public space development. Identify space and opportunity for public art Promote quality of life Preserve, protect & improve historic, natural scenic & environmentally sensitive areas for appropriate public use & protection <i>Public Improvement</i> Enhance facilities to provide quality, accessible & safe experiences Acquire property as available to meet needs of community <i>Financial Health</i> Promote volunteerism
<i>Recreation</i> Program operating costs offset by user revenues, business investment, & grants	<i>Financial Health</i> Evaluate expenditures for efficient use of resources Pursue alternate funding methods Encourage community & partnerships

PARKS, RECREATION & SENIOR CITIZEN SERVICES, continued

<i>Program & Description</i>	<i>Goal/Objective</i>
<p>Cooperative programming</p> <p>Elimination of programs with low utilization, replace with new initiatives</p> <p>Volunteer staffing</p> <p>Marketing</p>	<p><i>Service Delivery</i> Promote healthy & active lifestyles Promote teamwork between the public & private sectors Expand diversity of recreational facilities year round & for all ages & abilities</p> <p><i>Service Delivery</i> Prioritize existing services Evaluate program contracting</p> <p><i>Financial Health</i> Collaboration w/community, partners & sponsorship grants Develop Friend Group Further develop Park Patrol and Adopt-A-Park programs</p> <p><i>Public Relations</i> Increase community awareness through communication, promotion & branding</p>
<p><i>Millennium Park Ice Rink</i> Expanded recreational opportunities</p>	<p><i>Community Development</i> Coordinated & innovative approach to providing recreational opportunities year round, for all ages & abilities</p> <p><i>Financial Health</i> Explore additional revenue streams to offset operations</p>
<p><i>Senior Center</i> Continue balanced & innovative programs including: Aging Mastery Program, fall prevention, chronic disease self-management, fitness, cultural & social events, brain health education, leadership development (volunteers) & continuing education Expand community service involvement by members in cooperation with other area community agencies; seek transportation alternatives for older adults Utilize cost effective marketing strategies, media releases, PSAs, web pages, social media, photo opportunities, to raise awareness about PSC</p>	<p><i>Community Development</i> Promote highest quality of life for all residents</p> <p><i>Community Development</i> Continue a commitment to human services</p> <p><i>Public Relations</i> Promote excellent public relations</p>

PARKS, RECREATION & SENIOR CITIZEN SERVICES, continued

<i>Program & Description</i>	<i>Goal/Objective</i>
Maintain advocacy efforts for sustainability of older adult services in southwest Michigan	<i>Finance & Budgeting</i> Pursue revenue enhancement through alternative funding opportunities
Increase PSC support base by extending fundraising efforts to the greater community	<i>Service delivery</i> Continue to increase efficiency by applying new technology
Increase focus on membership recruitment and retention efforts, including the development of innovative new programs & approaches	

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Charges for services	248,307	244,611	237,610	237,610	250,490
Interest and rents	78,242	40,527	76,000	76,000	73,500
Other revenue	36,868	28,421	67,200	67,200	12,500
TOTAL REVENUE	363,417	313,559	380,810	380,810	336,490
EXPENDITURES:					
Personnel Services	553,604	647,723	720,117	720,117	787,522
Operations & Maintenance	190,778	238,923	307,670	305,470	335,767
Administrative Charges	224,220	236,234	165,228	165,228	171,802
Capital Outlay	1,051	19,016	6,300	8,500	16,500
TOTAL EXPENDITURES	969,653	1,141,896	1,199,315	1,199,315	1,311,591

The responsibilities of the various activities are outlined as follows.

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	506	600	650
Walks/runs	12	9	9
Walk/run participants	3,301	3,000	3,400

PARKS, continued

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Interest and rents	68,730	31,978	65,000	65,000	65,000
Other revenue	-	775	1,000	1,000	500
TOTAL REVENUE	68,730	32,753	66,000	66,000	65,500
EXPENDITURES:					
Personnel Services	319,995	393,085	459,549	464,589	473,228
Operations & Maintenance	45,942	51,042	45,200	45,000	40,900
Administrative Charges	182,814	188,088	127,601	127,601	128,277
Capital Outlay	1,051	14,185	6,300	8,500	7,500
TOTAL EXPENDITURES	549,802	646,400	638,650	645,690	649,905

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	132,359	145,758	147,209	147,209	161,922
Operations & Maintenance	23,222	22,942	37,000	34,070	36,600
Administrative Charges	4,899	5,095	3,432	3,432	6,330
TOTAL EXPENDITURES	160,480	173,795	187,641	184,711	204,852

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	2,971	3,100	3,200
Teams	120	180	200
League Divisions	30	30	30
Tournaments	8	14	15

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
REVENUE:					
Charges for services	119,583	118,070	132,510	132,510	140,540
TOTAL REVENUE	121,083	118,070	132,510	132,510	140,540
EXPENDITURES:					
Personnel Services	3,433	-	-	-	-
Operations & Maintenance	58,101	56,624	57,000	57,500	70,650
TOTAL EXPENDITURES	61,534	56,624	57,000	57,500	70,650

RECREATION – PROGRAMS 101-2885

This program represents fee and sponsor based programming other than Ramona Park, rentals, adult softball leagues/tournaments and the Ice Rink at Millennium Park. 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		5,235	3,700	4,900	
Fee based programs		20	24	19	
Farmers Market attendance		10,277	14,593	15,300	
			2018-2019	2018-2019	2019-2020
	2016-2017	2017-2018	Adjusted	Adopted	Council
	<u>Actuals</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Council</u>
					<u>Approved</u>
REVENUE:					
Charges for services	5,186	14,329	13,300	13,300	19,000
Other revenue	-	2,000	5,000	5,000	-
TOTAL REVENUE	<u>5,186</u>	<u>16,329</u>	<u>18,300</u>	<u>18,300</u>	<u>19,000</u>
EXPENDITURES:					
Operations & Maintenance	1,672	20,538	20,400	18,850	37,150
TOTAL EXPENDITURES	<u>1,672</u>	<u>20,538</u>	<u>25,440</u>	<u>18,850</u>	<u>53,670</u>

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	23,840	27,840	28,000
Daily beach permits	6,170	2,958	2,650*
Annual beach permits	646	197	175*

*Decrease due to free admission for Portage residents

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Charges for services	82,098	68,126	42,300	42,300	45,950
Interest and rents	9,462	8,549	11,000	11,000	8,500
TOTAL REVENUE	91,560	76,675	53,300	53,300	54,450
EXPENDITURES:					
Personnel Services	51,636	66,041	76,462	76,462	103,732
Operations & Maintenance	14,191	12,974	18,000	20,600	19,800
TOTAL EXPENDITURES	65,827	79,015	94,462	97,062	132,532

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/Concerts	10	12	11
Participation	13,567	19,544	25,250

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Interest and rents	50	-	-	-	-
Other revenue	31,895	25,646	61,200	61,200	12,000
TOTAL REVENUE	31,945	25,646	61,200	61,200	12,000
EXPENDITURES:					
Operations & Maintenance	28,870	54,859	107,250	102,200	100,137
TOTAL EXPENDITURES	28,870	54,859	107,250	102,200	111,379

ICE RINK AT MILLENNIUM PARK 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	41	50	57
Total participants	10,264	10,500	11,000

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
REVENUE:					
Charges for services	41,440	44,086	49,500	49,500	45,000
TOTAL REVENUE	41,440	44,086	49,500	49,500	45,000
EXPENDITURES:					
Personnel Services	46,181	42,839	31,857	31,857	20,878
Operations & Maintenance	15,157	19,944	22,820	27,250	30,530
Administrative Charges	36,507	43,051	34,195	34,195	37,195
Capital Outlay	-	4,831	-	-	-
TOTAL EXPENDITURES	97,845	110,665	88,872	93,302	88,603

SENIOR CITIZEN SERVICES

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
REVENUE:					
Other grants	18,700	17,703	18,200	15,000	10,000
Interest and rents	10,370	9,975	7,000	7,000	7,000
Other revenue	429,171	559,162	479,700	450,700	531,700
TOTAL REVENUE	459,341	588,525	506,400	474,200	549,900
EXPENDITURES:					
Personnel Services	244,105	259,858	284,304	284,304	312,755
Operations & Maintenance	346,948	476,629	386,299	354,815	443,575
Administrative Charges	16,326	16,123	19,670	19,670	19,317
Capital Outlay	4,379	2,416	1,200	-	15,000
TOTAL EXPENDITURES	611,758	755,026	691,473	658,789	790,647

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 updated technology (added 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	1,500	1,600	1,700
Activity attendance	28,000	29,000	30,000
Number of mini-bus rides	749	800	850
Number of volunteer hours	20,417	23,000	24,000
Travel program participants (unduplicated)	739	800	850

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Other grants	2,500	16,703	18,200	15,000	10,000
Interest and rents	10,370	9,975	7,000	7,000	7,000
Other revenue	109,710	112,230	140,700	135,700	141,700
TOTAL REVENUE	122,580	138,908	165,900	157,700	158,700
EXPENDITURES:					
Personnel Services	222,960	230,122	253,258	253,258	280,459
Operations & Maintenance	60,522	74,960	81,749	74,265	87,525
Administrative Charges	15,948	15,746	18,892	18,892	18,917
Capital Outlay	4,379	2,416	1,200	-	15,000
TOTAL EXPENDITURES	303,809	323,244	355,099	346,415	401,901

SENIOR TRIPS, 101-6721

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

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Other revenue	300,761	436,317	324,000	300,000	375,000
TOTAL REVENUE	300,761	436,317	324,000	300,000	375,000
EXPENDITURES:					
Personnel Services	21,145	29,736	31,046	31,046	32,296
Operations & Maintenance	279,673	401,513	303,050	279,050	354,550
TOTAL EXPENDITURES	301,196	431,626	334,874	310,874	387,246

SENIOR ACTIVITIES, 101-6722

This program accounts for the net proceeds from various recreational and fitness activities of active seniors throughout the year.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Other revenue	15,200	10,335	15,000	15,000	15,000
TOTAL REVENUE	15,200	10,335	15,000	15,000	15,000

AGING MASTERY PROGRAM, 101-6725

This activity accounts for revenue and expenditure associated with the Aging Mastery Program.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	1,100	1,685	1,500	1,500	1,200
Other grants	16,200	1,000	-	-	-
Other revenue	3,500	280	-	-	-
TOTAL REVENUE	20,800	2,965	1,500	1,500	1,200
EXPENDITURES:					
Operations & Maintenance	6,753	156	1,500	1,500	1,500
TOTAL EXPENDITURES	6,753	156	1,500	1,500	1,500

PUBLIC WORKS

The Department of Public Works handles maintenance of parks, cemeteries, buildings and grounds, plus streets, recycling, leaf pickup, brush pickup, compost site management, household hazardous waste and spring cleanup, and all fleet and facilities operations. Public Works 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, and all activities in the Curbside Recycling, Leaf Pickup / Spring Cleanup, and Fleet and Facilities funds (Appendix F).

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	41,675	40,400	40,000	40,000	40,000
Other revenue	7,368	14,088	8,500	8,500	8,900
Transfers In	4,000	6,000	7,500	7,500	12,000
TOTAL REVENUE	53,043	60,488	56,000	56,000	60,900
EXPENDITURES:					
Personnel Services	551,062	462,910	491,040	491,040	470,886
Operations & Maintenance	498,746	505,338	541,646	538,460	643,330
Administrative Charges	242,719	291,078	290,840	290,840	299,720
TOTAL EXPENDITURES	1,292,527	1,287,488	1,329,340	1,320,340	1,413,936

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 Visitor's 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	861	861	861
Kalamazoo in Bloom flowers annually planted/maintained	6,566	6,834	7,000
Acres of boulevard/interchange mowing	140	140	140
City Center acres managed	6.5	6.5	6.5
Holiday lights	35,000	37,000	39,000

PARKS MAINTENANCE, continued

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	509,422	423,792	455,242	455,242	434,857
Operations & Maintenance	472,855	482,454	518,346	515,160	612,485
Administrative Charges	233,319	276,352	276,119	276,119	284,739
TOTAL EXPENDITURES	<u>1,215,596</u>	<u>1,210,760</u>	<u>1,255,521</u>	<u>1,246,521</u>	<u>1,332,081</u>

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.

Service Indicator	Prior Year		Current Year		Budget Year
Interments per year	58		64		67
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	41,675	40,400	40,000	40,000	40,000
Other revenue	7,348	9,126	7,500	7,500	7,400
Transfers In	4,000	6,000	7,500	7,500	12,000
TOTAL REVENUE	<u>53,023</u>	<u>55,526</u>	<u>55,000</u>	<u>55,000</u>	<u>59,400</u>
EXPENDITURES:					
Personnel Services	41,640	39,118	35,798	35,798	36,029
Operations & Maintenance	17,755	16,499	15,300	15,300	15,845
Administrative Charges	9,400	14,726	14,721	14,721	14,981
TOTAL EXPENDITURES	<u>68,795</u>	<u>70,343</u>	<u>65,819</u>	<u>65,819</u>	<u>66,855</u>

KALAMAZOO IN BLOOM, INC. 101-2878

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

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	8,136	6,385	8,000	8,000	15,000
TOTAL EXPENDITURES	<u>8,136</u>	<u>6,385</u>	<u>8,000</u>	<u>8,000</u>	<u>15,000</u>

PUBLIC SAFETY

The Department of Public Safety maintains separate operating divisions for Police and Fire services, and a shared administrative division. The administrative costs are allocated between the Police and Fire budgets. In total, the budget for the Department of Public Safety represents 58% of the entire General Fund expenditure budget.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	31,640	55,719	29,500	29,500	28,000
Federal revenue	6,577	1,842	3,000	3,000	3,000
State revenue	29,069	144	22,000	22,000	9,000
Other grants	55,900	-	7,495	2,000	2,000
Other revenue	342,002	321,562	253,350	253,350	214,269
TOTAL REVENUE	465,188	379,267	315,345	309,850	256,269
EXPENDITURES:					
Personnel Services	11,882,537	12,262,123	12,996,308	12,996,308	12,709,106
Operations & Maintenance	1,235,197	2,017,827	2,194,302	2,194,302	2,398,982
Administrative Charges	423,631	548,141	524,598	524,598	626,131
Capital Outlay	74,723	105,103	53,295	47,800	203,600
TOTAL EXPENDITURES	13,616,088	14,933,194	15,768,503	15,763,008	15,937,819

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. Citizen health, safety and welfare ensure a high quality of life.

Budget Overview: The 2019-2020 budget supports fulfillment of the Police Division's responsibilities, including the following areas: Administration and Staff, Youth Services, Investigation, Patrol, Volunteer Enforcement, Training, Communications, Records, Drug Law Enforcement, and Building Maintenance. The Police Division budget includes two Police/School Resource Officer positions 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.

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>Administration</i> Initiate/enhance alternative service delivery methods Continue to pursue cooperative efforts between area agencies Research & pursue grant opportunities Maintain CALEA and MLEAP accreditation status	<i>Service Delivery</i> Evaluate alternatives to increased service demands Continue to increase efficiency by application of technology Pursue beneficial inter-governmental ventures <i>Financial Health</i> Continue to pursue revenue enhancement through alternative funding sources <i>Service Delivery</i> Continue to provide high quality, effective, & cost efficient service based on nationally recognized best practices & standards
<i>Youth</i> Continue Police/School Resource Officer Program	<i>Community Development</i> Continue prevention & enforcement efforts concerning illegal drug & alcohol abuse Continue effective safety programs though prevention, education, & enforcement
<i>Investigations</i> Continue providing crime prevention Programs	<i>Community Development</i> Continue to encourage citizen involvement in crime prevention Promote teamwork between the public & private sectors

PUBLIC SAFETY-POLICE, continued

<i>Program & Description</i>	<i>Goal/Objective</i>
<p><i>Patrol</i> Increase use of data to improve team approach toward service provision & crime prevention Continue traffic enforcement & accident prevention</p>	<p><i>Service Delivery</i> Continue to 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>
<p><i>Training</i> Develop cost-effective & efficient methods to provide training</p>	<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>
<p><i>Communications</i> Continue to enhance Public Safety communication by maintaining the hardware infrastructure and employing new communication technologies to provide excellent public safety services.</p> <p>Provide backup location for the Kalamazoo County Consolidated Dispatch Authority.</p>	<p><i>Public Relations</i> Continue emphasis on courteous customer service Continue efforts to enhance communications between local government, citizens, & business</p>
<p><i>Records/Property</i> Continue emphasis on volunteerism</p> <p>Continue computer system upgrade</p> <p>Continue building improvements</p> <p>Continue emphasis on courteous customer relations</p>	<p><i>Service Delivery & Finance</i> Promote volunteerism</p> <p>Continue to increase efficiency by applying new technology</p> <p><i>Public Improvements</i> Maintain a systematic preventative maintenance program</p> <p><i>Customer Relations</i> Maintain quality of service both in Administrations & Operations</p>

POLICE Division budget

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	31,640	55,719	28,500	28,500	28,000
Federal revenue	6,577	1,842	3,000	3,000	3,000
State revenue	29,069	144	22,000	22,000	9,000
Other grants	55,900	-	7,495	2,000	2,000
Other revenue	338,762	318,011	252,200	252,200	213,209
TOTAL REVENUE	461,948	375,716	313,195	307,700	255,209
EXPENDITURES:					
Personnel Services	7,698,948	7,967,785	8,358,790	8,358,790	7,980,852
Operations & Maintenance	762,971	1,603,855	1,682,492	1,682,492	1,846,991
Administrative Charges	312,971	421,525	381,255	381,255	473,651
Capital Outlay	47,515	46,690	53,295	47,800	56,600
TOTAL EXPENDITURES	8,822,405	10,039,855	10,475,832	10,470,337	10,358,094

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	3	1	1
Internal investigations	6	10	10
Background Investigations	31	50	50
Administrative Reviews	170	150	150

ADMINISTRATION and STAFF, continued

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	31,640	55,719	28,500	28,500	28,000
Federal revenue	6,577	1,842	3,000	3,000	3,000
Other grants	55,900	-	6,495	1,000	1,000
Other revenue	161,027	135,634	123,200	123,200	123,000
TOTAL REVENUE	255,144	193,195	161,195	155,700	155,000
EXPENDITURES:					
Personnel Services	466,807	465,105	546,300	546,300	541,731
Operations & Maintenance	66,478	65,482	71,040	71,040	361,667
Administrative Charges	171,546	282,026	239,075	239,075	324,761
TOTAL EXPENDITURES	704,831	812,613	861,910	856,415	1,228,159

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	28	30	30
Adult arrests	10	12	12
Cases assigned	235	240	240
Police/School Resource hours	3,600	3,600	3,600
Crime prevention assignments	190	200	200

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	395,807	388,890	415,164	415,164	437,265
Operations & Maintenance	71,450	64,025	77,930	77,930	78,750
Administrative Charges	1,693	1,717	1,890	1,890	1,890
TOTAL EXPENDITURES	468,950	454,632	494,984	494,984	517,905

INVESTIGATION, 101-3007

This activity accounts for the costs associated with providing assistance to patrol officers in the investigation of major crimes such as sexual assault, robbery, burglary, fraud, arson and white collar crime. It also provides a liaison between the department and lending institutions, 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 the Michigan Liquor Control Commission.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Cases assigned to investigators	730	800	800
Charges requested	80	90	90
Charges authorized	69	70	70
Cases cleared	605	625	625
Intelligence reports	49	70	70
Liquor inspections	61	65	65
Liquor license violations	5	10	10
Tobacco inspections	30	30	30
Tobacco violations	6	5	5

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
EXPENDITURES:					
Personnel Services	691,882	773,152	663,505	663,505	671,711
Operations & Maintenance	24,611	19,458	24,540	24,540	31,640
Administrative Charges	3,696	4,664	4,910	4,910	5,510
TOTAL EXPENDITURES	<u><u>720,189</u></u>	<u><u>797,274</u></u>	<u><u>692,955</u></u>	<u><u>692,955</u></u>	<u><u>708,861</u></u>

PATROL, 101-3010

This activity accounts for the costs associated with the patrol function. 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	35,384	36,000	36,000
Cases investigated	9,455	10,000	10,000
Average response time (minutes)	12.45	13.00	13.00
Personal injury accidents	254	250	250
Property damage accidents	1,688	1,600	1,600
Drunk-driving arrests	130	150	150
Total adult arrests	3,456	3,500	3,500
Property recovered	\$292,568	\$300,000	\$300,000
Property loss	\$2,330,263	\$2,000,000	\$2,000,000
Hazardous traffic citations	2,518	2,600	2,600
Non-hazardous traffic citations (excludes parking)	948	1,000	1,000

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
REVENUE:					
Other revenue	2,200	7,280	1,000	1,000	1,000
TOTAL REVENUE	<u>2,200</u>	<u>7,280</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
EXPENDITURES:					
Personnel Services	4,508,108	4,690,842	4,885,791	4,971,791	5,306,780
Operations & Maintenance	166,378	187,705	187,447	187,447	217,641
Administrative Charges	106,210	107,102	105,760	105,760	111,490
Capital Outlay	47,515	46,690	47,800	47,800	56,600
TOTAL EXPENDITURES	<u>4,828,211</u>	<u>5,032,339</u>	<u>5,226,798</u>	<u>5,312,798</u>	<u>5,692,511</u>

VOLUNTEER ENFORCEMENT, 101-3011

This program accounts for the costs associated with handicapped only and fire lane parking enforcement, and other support using citizen volunteers, and the volunteer chaplains.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Total volunteer hours	875	1,000	1,000

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	950	4,000	950	4,000	950	4,000
Criminal investigation	80	3,500	80	3,500	80	3,500
Legal/Civil Law	50	250	50	250	50	250
Self-defense/De-escalation	60	1,000	60	1,000	60	1,000
First Aid/CPR	60	350	60	350	60	350
Crime prevention	2	80	2	80	2	80
Management	15	500	15	500	15	500
Tactical training	60	720	60	720	60	720
Support Operations	60	1,200	60	1,200	60	1,200
Policy/Accreditation	360	400	360	400	360	400
Field Training	4	2,400	6	3,600	6	3,600
Active shooter prevention	60	100	60	100	60	100
Ethics	170	1,000	170	1,000	170	1,000
Mental health	60	800	20	300	20	300
Vehicle operations	12	200	24	400	24	400

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	70,278	71,850	160,065	147,065	181,955
Operations & Maintenance	48,685	58,943	49,205	49,205	84,205
Administrative Charges	616	617	630	630	630
TOTAL EXPENDITURES	119,579	131,410	209,900	196,900	266,790

TRAINING - CRIMINAL JUSTICE GRANT, 101-3021

This activity accounts for training that uses revenues supplied through Public Act 302 Training Funds. These funds must be used for additional officer training and may not be used to reduce "normal" training expenditures.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
State revenue	9,816	4,982	9,000	9,000	9,000
TOTAL REVENUE	<u>9,816</u>	<u>4,982</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
EXPENDITURES:					
Operations & Maintenance	9,521	5,621	9,000	9,000	9,000
TOTAL EXPENDITURES	<u>9,521</u>	<u>5,621</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>

COMMUNICATIONS, 101-3030/31/35

This activity reflects accounts for costs associated with receiving police and fire non-emergency calls for service, any upkeep and any repairs to the City of Portage Public Safety communication infrastructure, including repair and maintenance of radio base stations, vehicle and hand-held radios, as well as, radio tower sites and emergency sirens. On October 30, 2018, all central communication services, including emergency 911 dispatch services, were transferred to the Kalamazoo County Consolidated Dispatch Authority (KCCDA). Service indicators will no longer be included within this section.

DISPATCH / TECHNICAL SERVICES, 101-3030

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
State revenue	7,180	7,427	13,000	13,000	-
Other revenue	18,000	18,000	18,000	18,000	19,209
TOTAL REVENUE	25,180	25,427	31,000	31,000	19,209
EXPENDITURES:					
Personnel Services	691,685	665,060	665,096	665,096	-
Operations & Maintenance	224,843	263,019	295,281	295,281	69,619
TOTAL EXPENDITURES	916,528	928,079	960,377	960,377	69,619

EMERGENCY WARNING SIRENS, 101-3031

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	4,538	26,792	18,676	18,676	23,676
TOTAL EXPENDITURES	4,538	26,792	18,676	18,676	23,676

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

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
State revenue	12,073	(12,265)	-	-	-
Other revenue	87,254	86,572	40,000	40,000	-
TOTAL REVENUE	99,327	74,307	40,000	40,000	-
EXPENDITURES:					
Personnel Services	190,654	188,764	205,188	205,188	-
TOTAL EXPENDITURES	190,654	188,764	205,188	205,188	-

RECORDS/PROPERTY, 101-3040

This activity accounts for the costs of support functions for the Police Division, including coordination of computer services, maintenance of Police Division records, data entry, filing and retrieval, processing criminal records, and Freedom of Information Act requests, and retrieval of data used for crime analysis, scheduling, and selective enforcement.

On October 30, 2018, emergency dispatch services were transferred to KCCDA. Work performed by Portage dispatchers, which KCCDA will not conduct, was transferred to Records. In the Fall of 2018, six new positions were established to perform those agency functions which include, but are not limited to, 24-hour lobby coverage, LEIN, answering non-emergency phone calls, warrant entries and processing records for on-duty personnel.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Arrests processed	3,456	3,500	3,500
Subpoena services	1,278	1,350	1,350
False alarms processed	1,076	1,080	1,200
Computerized case documents	17,890	17,000	17,000
Scanned documents	14,408	14,000	14,000
Juvenile Court petitions	229	200	200
Criminal record checks	446	450	450
Freedom of Information Act requests	3,035	3,000	3,000

This activity also accounts for the costs associated with additional support functions including 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	320	270	270
State handgun registration			
document processing, units	1,170	1,100	1,100
Handgun purchase permits	131	170	170
Evidence submitted	3,678	3,600	3,600
Evidence disposed	3,530	3,500	3,500
Pounds of medication disposed/Red			
Med Box	4,146	4,000	4,000

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	386,029	395,504	505,957	432,957	596,494
Operations & Maintenance	26,525	20,708	40,280	40,280	43,580
TOTAL EXPENDITURES	<u>412,554</u>	<u>416,212</u>	<u>546,237</u>	<u>473,237</u>	<u>640,074</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 focus on conducting more intensive investigations, intelligence gathering, surveillance, and uniformed and plain clothes operations. The unit includes at least one patrol officer from each of the patrol teams, a detective, a crime prevention officer and a sergeant, commanded by the detective lieutenant.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Tips investigated	72	70	70
Total VCSA complaints	220	240	240
Estimated value of seized drugs	\$140,000	\$150,000	\$150,000
Estimated value of forfeiture (cash or other property)	\$18,000	\$18,000	\$18,000
Methamphetamine labs seized	5	5	5

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
REVENUE:					
Other grants	-	-	1,000	1,000	1,000
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
EXPENDITURES:					
Personnel Services	297,698	328,618	311,724	311,724	244,916
Administrative Charges	3,097	780	3,490	3,490	3,370
TOTAL EXPENDITURES	<u>300,795</u>	<u>329,398</u>	<u>315,214</u>	<u>315,214</u>	<u>248,286</u>

BUILDING MAINTENANCE, 101-3065

This activity provides for the costs associated with operating and maintaining the Police Division facility. For 2019-2020, the former District Court Facility revenues and expenditures are blended with Police Building Maintenance, as the Police Division is now located in and using the former Court Facility. The agreement with Kalamazoo County that provides compensatory income following the relocation of the district court expires June 30, 2023.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Other revenue	70,281	70,525	70,000	70,000	70,000
TOTAL REVENUE	70,281	70,525	70,000	70,000	70,000
EXPENDITURES:					
Operations & Maintenance	119,942	135,309	152,300	152,300	170,420
Administrative Charges	26,113	24,619	25,500	25,500	26,000
TOTAL EXPENDITURES	146,055	159,928	177,800	177,800	196,420

KALAMAZOO COUNTY CONSOLIDATED DISPATCH AUTHORITY, 101-3090

This activity includes the payment per agreement from the City to support the agency through its first five years.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	-	756,793	756,793	756,793	756,793
TOTAL EXPENDITURES	-	756,793	756,793	756,793	756,793

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 2019-2020 budget provides for Fire Department services to the community, including: 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.

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Administration</i> Facilities maintenance and renovation initiatives Pre-fire survey development Apparatus maintenance and replacement initiatives Quality assurance	<i>Public Improvements</i> Maintain a systematic preventative maintenance program for station buildings Increase efficiency through application of new technology Maintain a systematic, preventative maintenance and replacement plan for equipment for effective operations Quality controls and assurance checks for call processing and emergency response procedures
<i>Operations</i> Kalamazoo County Haz-Mat Team Kalamazoo County Training Committee Kalamazoo County Fire Investigation Team 5 th District Technical Rescue Team Technological equipment upgrades	<i>Service Delivery</i> Promote teamwork and unity of purpose between public and private sector Pursue intergovernmental ventures Provide teamwork and unity Increase efficiency by applying new technology
<i>Fire Prevention</i> Annual fire inspection program Public education	<i>Community Development</i> Effective community safety program

PUBLIC SAFETY-FIRE, continued

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>On-call</i> On-call firefighter program	<i>Service Delivery</i> Evaluate alternatives to meet service demands
<i>Training</i> 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 situation to prevent accidents
<i>Emergency Management</i> 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

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	-	-	1,000	1,000	-
Other revenue	3,240	3,551	1,150	1,150	1,060
TOTAL REVENUE	3,240	3,551	2,150	2,150	1,060
EXPENDITURES:					
Personnel Services	4,183,589	4,294,338	4,637,518	4,637,518	4,728,254
Operations & Maintenance	472,226	413,972	511,810	511,810	551,991
Administrative Charges	110,660	126,616	143,343	143,343	152,480
Capital Outlay	27,208	58,413	-	-	147,000
TOTAL EXPENDITURES	4,793,683	4,893,339	5,292,671	5,292,671	5,579,725

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	15	15	20
Vehicle service and equipment maintenance performed	220	300	320

ADMINISTRATION, continued

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	-	-	1,000	1,000	-
Other revenue	1,230	16	250	250	160
TOTAL REVENUE	1,230	16	1,250	1,250	160
EXPENDITURES:					
Personnel Services	316,632	329,510	353,996	353,996	360,282
Operations & Maintenance	234,209	129,465	196,695	196,695	230,520
Administrative Charges	87,483	100,122	118,343	118,343	122,480
Capital Outlay	-	28,548	-	-	-
TOTAL EXPENDITURES	638,324	587,645	669,034	669,034	713,282

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	120	120	120
Emergency medical calls	3,000	3,000	3,000
False Alarm	395	400	400
Hazardous Conditions	171	170	170
Service Calls	563	560	560
Good Intent Calls	1,200	1,400	1,300
Initial/Mutual Aid provided	100	83	100
Initial/Mutual Aid received	124	122	122
Inspections	3,300	3,300	3,450

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	3,590,439	3,679,809	3,972,806	3,972,806	4,059,688
Operations & Maintenance	91,291	85,139	101,335	101,335	119,435
Administrative Charges	23,177	26,494	25,000	25,000	30,000
Capital Outlay	27,208	29,865	-	-	-
TOTAL EXPENDITURES	3,732,115	3,821,307	4,099,141	4,099,141	4,209,123

ON-CALL FIREFIGHTERS, 101-3330

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	65,380	74,391	76,890	76,890	72,221
Operations & Maintenance	2,632	8,563	18,960	18,960	11,306
TOTAL EXPENDITURES	<u>68,012</u>	<u>82,954</u>	<u>95,850</u>	<u>95,850</u>	<u>83,527</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	20	30	30
Plan Reviews	190	200	200
Technical inspections	286	280	280
Public education events	110	110	110
Recreational fire permits issued	97	100	100
Infant/child car seat installation activity	333	330	330

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Other revenue	2,010	3,535	900	900	900
TOTAL REVENUE	<u>2,010</u>	<u>3,535</u>	<u>900</u>	<u>900</u>	<u>900</u>
EXPENDITURES:					
Personnel Services	105,463	105,898	115,953	115,953	117,061
Operations & Maintenance	27,201	35,280	23,430	23,430	22,230
TOTAL EXPENDITURES	<u>132,664</u>	<u>141,178</u>	<u>139,383</u>	<u>139,383</u>	<u>139,291</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	3,116	7,051	3,200	7,000	3,300	7,500
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020	
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved	
EXPENDITURES:						
Personnel Services	105,675	104,730	117,873	117,873	119,002	
Operations & Maintenance	33,329	59,751	71,540	71,540	72,550	
TOTAL EXPENDITURES	<u>139,004</u>	<u>164,481</u>	<u>189,413</u>	<u>189,413</u>	<u>191,552</u>	

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
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020	
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved	
EXPENDITURES:						
Operations & Maintenance	1,842	1,056	4,700	4,700	4,900	
TOTAL EXPENDITURES	<u>1,842</u>	<u>1,056</u>	<u>4,700</u>	<u>4,700</u>	<u>4,900</u>	

BUILDING MAINTENANCE, 101-3365

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

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	81,722	94,718	95,150	95,150	91,050
Capital Outlay	-	-	-	-	147,000
 TOTAL EXPENDITURES	<u>81,722</u>	<u>94,718</u>	<u>95,150</u>	<u>95,150</u>	<u>238,050</u>

COURT FACILITY 101-1501

For the 2019-2020 budget, the District Court Facility activity was merged with the Police Facility Maintenance activity, as the building is now occupied by the Police Division. The agreement negotiated with Kalamazoo County when the court vacated the building remains, providing compensatory income through June 30, 2023.

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 acts as the building manager for City Hall.

Budget Overview: The 2019-2020 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.

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Building & Housing Services</i> Building project review	<i>Community Development</i> Promote quality of life in Portage Ensure decent & safe housing & the livability of community neighborhoods
	<i>Public Relations</i> Continue efforts to enhance communication between government, citizens, businesses & educational institutions on City projects & services Continue emphasis on courteous public service
Cross connection backflow prevention	<i>Public Improvements</i> Continue to improve the water system
Housing Assistance Programs	Ensure decent & safe housing & the livability of community neighborhoods Coordinate with area-wide economic development organizations
	<i>Service Delivery</i> Evaluate & propose ordinance revisions

COMMUNITY DEVELOPMENT, continued

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Building & Housing Services, continued</i> Building project review Cross connection backflow prevention Housing Assistance Programs	<i>Community Development</i> Promote quality of life in Portage Ensure decent & safe housing & the livability of community neighborhoods <i>Public Relations</i> Continue efforts to enhance communication between government, citizens, businesses & educational institutions on City projects & services Continue emphasis on courteous public service <i>Public Improvements</i> Continue to improve the water system Ensure decent & safe housing & the livability of community neighborhoods Coordinate with area-wide economic development organizations <i>Service Delivery</i> Evaluate & propose ordinance revisions
Public Buildings Maintenance Liaison to Construction Board of Appeals & participate with Historic District Commission	<i>Service Delivery</i> Continue to evaluate contracting/privatizing of service programs <i>Community Development</i> Continue planning/implementing programs & projects to enhance City Centre area Improve the utility of citizen advisory boards Monitor, evaluate, & communicate service delivery options <i>Public Relations</i> Continue emphasis on courteous customer service
<i>Planning, Development & Neighborhood Services</i> Community & Economic Development Neighborhood Support Program Human/Public Services	<i>Community Development</i> Ensure safe housing & the livability of community neighborhoods Maintain effective planning & development programs to promote orderly, attractive & environmentally sound growth Continue commitment to human services to enhance desirability of the community

COMMUNITY DEVELOPMENT, continued

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Planning, Development & Neighborhood Services, continued</i>	
Zoning Review & Administration	Continue planning & implementing programs & projects to enhance the City Centre area
Development Review/Approval	<i>Quality of Environment</i> Enhance environmental quality & protect natural resources <i>Economic Development</i> Promote business diversification <i>Service Delivery</i> Promote teamwork & unity of purpose between public & private sectors Continue to increase efficiency by applying new technology & communicating service delivery options Evaluate & propose ordinance revisions Improve the utility of citizen advisory boards <i>Service Delivery</i> Improve the utility of citizen advisory boards <i>Public Relations</i> Continue emphasis on courteous public service Continue efforts to enhance communication between government, citizens, businesses & educational institutions on City projects & services
Liaison to Planning Commission, Human Services Board, Zoning Board of Appeals, Brownfield Authority, Local Development Finance Authority, Economic Development Authority/Tax Increment Finance Authority, & Downtown Development Authority	

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	783,803	1,155,368	820,000	820,000	805,000
Interest and rents	158,175	152,359	167,000	167,000	170,000
Other revenue	10,057	13,428	6,050	6,050	7,500
TOTAL REVENUE	952,035	1,321,155	993,050	993,050	982,500
EXPENDITURES:					
Personnel Services	821,840	855,191	894,868	952,868	1,032,240
Operations & Maintenance	162,265	199,567	220,750	159,830	175,630
Administrative Charges	137,681	159,892	180,760	180,760	205,468
TOTAL EXPENDITURES	1,121,786	1,214,650	1,296,378	1,293,458	1,413,338

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 activity assists in responding to requests regarding citizen concerns. The City cross connection/backflow prevention program protects the City water system and ensures proper connections involving private property. Staff act as a liaison to the Construction Board of Appeals and assists with the Historic District Commission. Building and Housing Services 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*	543	550	550
Plumbing permits*	424	425	450
Electrical permits*	649	625	650
Mechanical permits*	746	700	750
Housing/property maintenance inspections	25	50	50
Backflow program coordination and inspections	332	300	300

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

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
REVENUE:					
Fees and permits	714,427	1,084,793	750,000	750,000	750,000
TOTAL REVENUE	<u>714,859</u>	<u>1,084,893</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
EXPENDITURES:					
Personnel Services	374,615	405,418	430,386	488,386	546,381
Operations & Maintenance	18,813	56,974	72,800	14,800	14,800
Administrative Charges	15,277	17,751	29,029	29,029	29,888
TOTAL EXPENDITURES	<u>408,705</u>	<u>480,143</u>	<u>532,215</u>	<u>532,215</u>	<u>591,069</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 a 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 tax 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	55	32	30
Special Land Use Permits	9	12	10
Rezoning ¹	5	5	4
Zoning Ordinance amendments	1	2	3
Zoning Board of Appeals application reviews	30	25	25
Commercial Parking/Plot Plan Review	4	5	6
Residential plot plan reviews	301	292	280
Business special event application reviews	11	10	12
Sign permit application reviews	136	140	140
Zoning compliance reviews	11	14	18
Plat/condominium reviews	7	8	8
Public utility plan review	7	12	14
Landscape plan review	21	20	20
Land division/lot line adjustment reviews	27	27	25
Geographic Information System:			
Notification maps	51	54	50
Maps/analysis/data requests	528	554	550
Residential driveway applications review	37	22	25
Assign addresses for properties	97	28	75
Neighborhood Support Program (CSR)	1,916	1,800	1,800
Act 198 abatement requests	3	2	2
Payment in lieu of tax	1	1	1
Collection box permit (incl. renewal)	12	11	11
Urban chicken permits	7	4	6
Brownfield redevelopment	0	1	1

¹Also includes tentative plan amendments and re-approvals.

These activities follow:

PLANNING and DEVELOPMENT, 101-3720

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	69,376	70,575	50,000	50,000	55,000
Other revenue	53	277	50	50	-
TOTAL REVENUE	69,429	70,852	50,050	50,050	55,000
EXPENDITURES:					
Personnel Services	233,692	249,833	251,924	251,924	264,202
Operations & Maintenance	42,951	42,392	53,970	53,970	53,435
Administrative Charges	6,144	7,442	8,257	8,257	8,670
TOTAL EXPENDITURES	282,787	299,667	314,151	314,151	326,307

NEIGHBORHOOD SERVICES, 101-3730

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	-	-	20,000	20,000	-
Interest and rents	158,175	152,359	167,000	167,000	170,000
Other revenue	9,572	13,051	6,000	6,000	7,500
TOTAL REVENUE	167,747	165,410	193,000	193,000	177,500
EXPENDITURES:					
Personnel Services	213,533	199,940	212,558	212,558	221,657
Operations & Maintenance	8,652	10,262	13,510	13,510	13,845
Administrative Charges	2,735	2,626	2,413	2,413	2,643
TOTAL EXPENDITURES	224,920	212,828	228,481	228,481	238,145

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	
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	91,849	89,939	80,470	77,550	93,550
Administrative Charges	113,525	132,073	141,061	141,061	164,267
TOTAL EXPENDITURES	205,374	222,012	221,531	218,611	257,817

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. The remainder of the cost represents the City share of special assessment payments for West Lake Weed Management and to the governmental lake boards of Gourdneck, Austin, and Long lakes.

<u>Activity Measures</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>
Current street lights	2,805		2,824		2,840
Street light requests	15		20		15
	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	-	50,064	27,492	27,492	30,000
Administrative Charges	439,349	440,026	450,000	450,000	480,650
Capital Outlay	23,269	19,662	-	-	-
TOTAL EXPENDITURES	<u>462,618</u>	<u>509,752</u>	<u>477,492</u>	<u>477,492</u>	<u>510,650</u>

TRANSFERS OUT, 101-9610

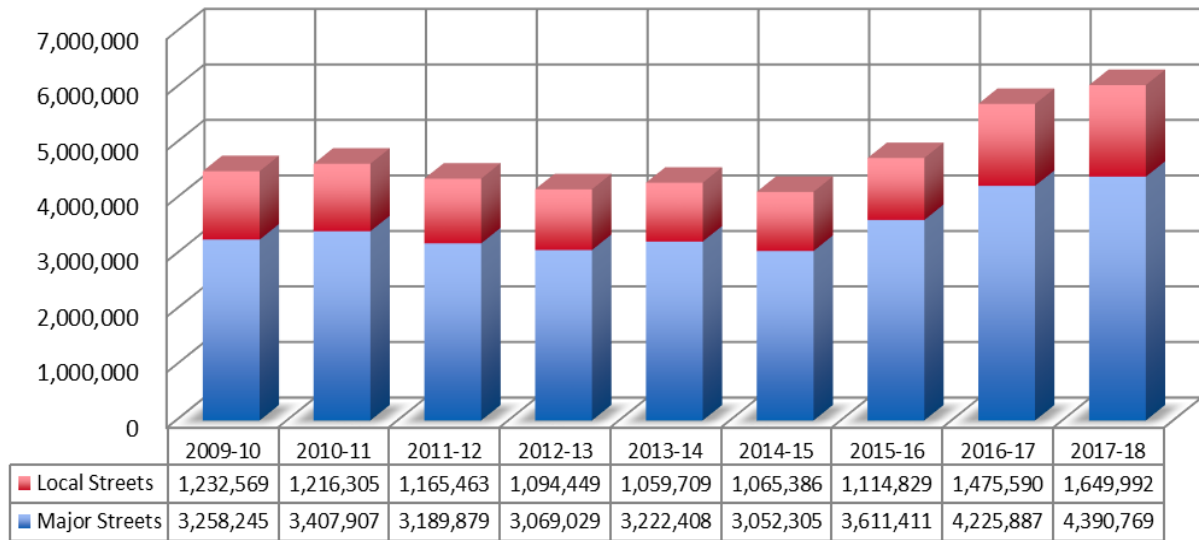
Budget Overview: Subsidy to the Capital Improvement Fund to fund projects and reduce the level of additional debt required.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Transfers Out	913,000	2,647,643	1,286,338	1,286,338	781,419
TOTAL EXPENDITURES	<u>913,000</u>	<u>2,647,643</u>	<u>1,286,338</u>	<u>1,286,338</u>	<u>781,419</u>



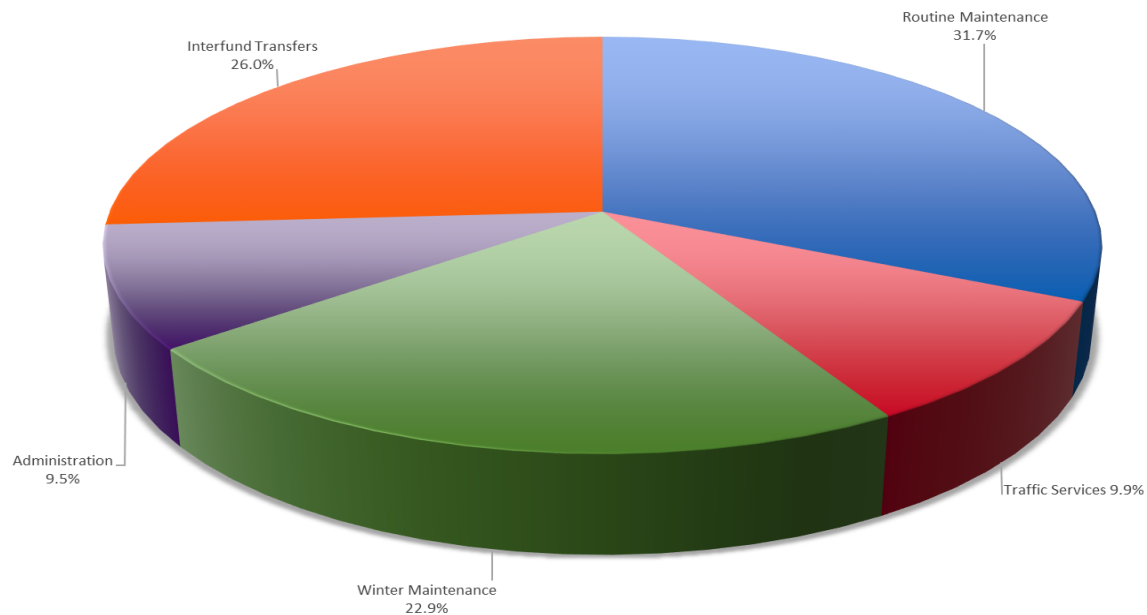
Streets

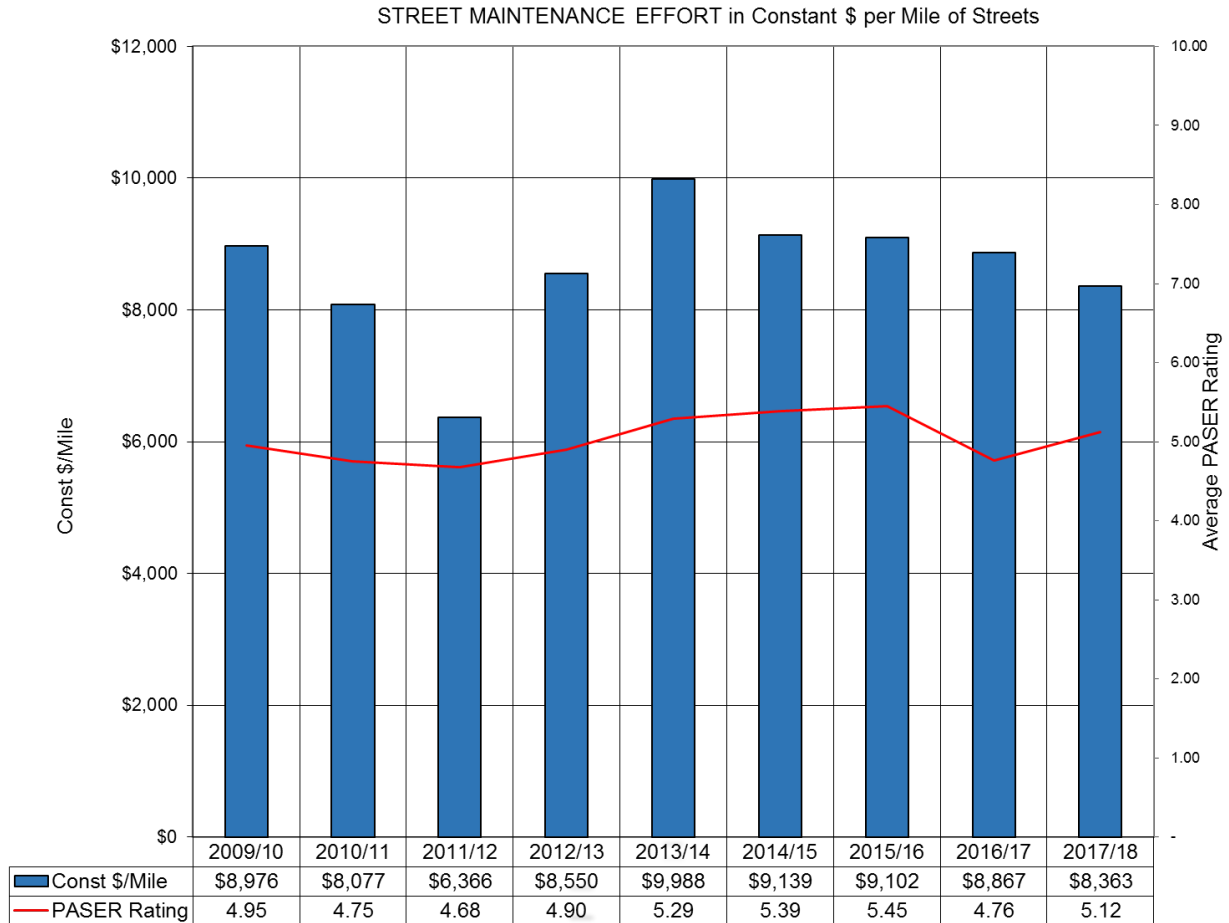
STREET MAINTENANCE EXPENDITURES



Local Streets 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. The Michigan legislature approved an increase in fuel taxes effective January 1, 2017, and an increase in state payments for Act-51 was noted in the spring of 2017, which has continued to slowly increase into 2019. Prior to this, revenues from the gasoline tax and vehicle registration were rarely sufficient to provide a continuing level of service in these critical areas of maintenance.

STREET MAINTENANCE EXPENDITURES BY CATEGORY





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 and 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 cause an increase in maintenance expenditures.

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.

PAVEMENT SURFACE EVALUATION AND RATING (PASER*) SYSTEM

Currently, the certified mileage for local streets in the City of Portage is 148.92 centerline miles and major streets mileage is 72.04. In Michigan, streets are rated using the PASER system, rating 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 4.95 in 2009-2010 to 4.68 in 2011-2012, then increased to 5.12 in 2017-2018. Investment in street maintenance and reconstruction will continue to improve both the local and major street networks.

The **PASER scale is a 1-10 rating system for road pavement condition developed by the University of Wisconsin-Madison Transportation Information Center. PASER uses visual inspection to evaluate pavement surface conditions, and as such ratings can be affected by reviewer subjectivity year-to-year.*

MAJOR STREETS FUND

The Major Streets Fund, a division of the Department of Public Services, accounts for the costs associated with the maintenance of major streets. Financing is provided primarily by 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.

Budget Overview: The 2019-2020 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.

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Roadside Maintenance</i> Tree trimming/removal Boulevard mowing Tree planting	<i>Environmental Quality</i> Enhance maintenance programs <i>Service Delivery</i> Contracted & Public Services employees <i>Transportation</i> Enhance maintenance programs <i>Service Delivery</i> Contracted services <i>Community Development</i> Promote aesthetic enhancement <i>Environmental Quality</i> Enhance environmental quality
<i>Road Repairs</i> 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> Contracted & Public Services employees
<i>Traffic Services</i> Pavement markings Guardrail replacements Sign program	<i>Transportation</i> Implement projects in the major thoroughfare plan Enhance maintenance programs <i>Service Delivery</i> Contracted services <i>Transportation</i> Enhance maintenance programs <i>Service Delivery</i> Contracted & Public Services employees Meet increased service demands

MAJOR STREETS FUND, continued

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Administration</i> 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

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
State revenue	3,525,431	4,475,735	4,816,778	4,160,800	4,402,852
Interest and rents	2,901	12,712	9,000	9,000	10,000
Other revenue	4,437	-	-	-	-
Transfers In	250,000	-	-	-	-
TOTAL REVENUE	<u>3,782,769</u>	<u>4,488,447</u>	<u>4,825,778</u>	<u>4,169,800</u>	<u>4,412,852</u>
EXPENDITURES:					
Personnel Services	654,539	695,258	766,210	766,210	791,965
Operations & Maintenance	1,278,843	2,003,551	1,394,751	1,327,802	1,433,550
Administrative Charges	409,683	461,350	516,018	516,018	545,254
Capital Outlay	39,780	-	103,578	50,000	50,000
Transfers Out	1,053,749	2,485,000	2,218,978	1,563,000	1,570,000
TOTAL EXPENDITURES	<u>3,436,594</u>	<u>5,645,159</u>	<u>4,999,535</u>	<u>4,223,030</u>	<u>4,390,769</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, brush and grass 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 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	34	34	34
Hot patch - tons	35	40	40
Cold patch - tons	30	40	40
Dura Patch - gallons	3,004	4,600	4,600
Crack sealant - pounds	16,852	52,800	52,800

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	288,587	307,697	319,017	319,017	323,632
Operations & Maintenance	483,619	1,274,454	569,179	403,750	505,300
Administrative Charges	159,027	178,325	213,229	213,229	211,675
TOTAL EXPENDITURES	<u>931,233</u>	<u>1,760,476</u>	<u>1,101,425</u>	<u>935,996</u>	<u>1,040,607</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.

<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	185	200	200
Guardrails repaired or replaced, ft.	180	150	150

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	59,247	69,425	66,760	66,760	68,365
Operations & Maintenance	118,519	105,807	128,500	141,500	158,200
Administrative Charges	14,870	15,615	15,615	15,615	15,615
TOTAL EXPENDITURES	<u>192,636</u>	<u>190,847</u>	<u>210,875</u>	<u>223,875</u>	<u>242,180</u>

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	3,522	3,500	3,500
Gallons of Deicer	20,150	30,000	30,000

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	159,738	171,236	189,900	189,900	201,906
Operations & Maintenance	184,245	131,833	179,630	270,630	309,750
Administrative Charges	163,800	187,502	195,567	195,567	195,567
TOTAL EXPENDITURES	<u>507,783</u>	<u>490,571</u>	<u>565,097</u>	<u>656,097</u>	<u>707,223</u>

ADMINISTRATION-MAINTENANCE, 202-4218

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

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	11,941	12,653	13,166	13,166	13,353
Operations & Maintenance	27,771	32,995	42,860	31,860	34,860
Administrative Charges	14,929	15,845	15,818	15,818	46,608
TOTAL EXPENDITURES	<u>54,641</u>	<u>61,493</u>	<u>83,844</u>	<u>60,844</u>	<u>94,821</u>

ADMINISTRATION-TRANSPORTATION, 202-4225

This activity reflects the costs associated with administering 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>
Development site plan reviews	15	13	15
Plat reviews	4	2	3
Capital construction projects	4	7	4

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	135,026	134,247	177,367	177,367	184,709
Operations & Maintenance	24,218	39,924	48,800	48,800	49,050
TOTAL EXPENDITURES	<u>167,689</u>	<u>183,460</u>	<u>235,456</u>	<u>235,456</u>	<u>243,048</u>

SIGNALS AND CROSSINGS, 202-4226

This program consists of contractual cost sharing with the Kalamazoo County Road Commission and the Michigan Department of Transportation (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:					
Road Commission of Kalamazoo County	5	5	5		
Michigan Department of Transportation	4	4	4		
Capital traffic signal upgrades	4	2	6		
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	227,663	158,997	162,500	162,500	162,500
Capital Outlay	39,780	-	91,578	50,000	50,000
TOTAL EXPENDITURES	316,055	213,771	320,578	279,000	279,000

ROADSIDE MAINTENANCE, 202-4228

This program consists of roadside 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).

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	212,808	259,541	263,282	268,762	213,890
TOTAL EXPENDITURES	<u>212,808</u>	<u>259,541</u>	<u>263,282</u>	<u>268,762</u>	<u>213,890</u>

TRANSFERS OUT, 202-9610

Inter-fund transfers are as follows: To the Capital Improvement Fund for Major Street related expenditures, \$1,363,000, and to the Local Streets Fund for support, \$200,000.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Transfers Out	1,053,749	2,485,000	2,218,978	1,563,000	1,570,000
TOTAL EXPENDITURES	<u>1,053,749</u>	<u>2,485,000</u>	<u>2,218,978</u>	<u>1,563,000</u>	<u>1,570,000</u>

LOCAL STREETS FUND

The Local Streets Fund, a division of the Department of Public Services, 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. Financing is provided by State-collected gasoline and vehicle registration taxes, and transfers from the Major Streets Fund.

Budget Overview: The 2019-2020 Local Streets Fund budget provides for contracting tree trimming/ removal, tree planting, pavement markings, a portion of the road repair programs and a mill & fill paving program.

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

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

LOCAL STREETS FUND, continued

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
State revenue	1,053,614	1,344,975	1,284,020	1,284,020	1,406,784
Interest and rents	759	1,514	2,100	2,100	5,000
Other revenue	550	1,100	-	-	-
Transfers In	150,000	300,000	200,000	200,000	250,000
 TOTAL REVENUE	 <u>1,204,923</u>	 <u>1,647,589</u>	 <u>1,486,120</u>	 <u>1,486,120</u>	 <u>1,661,784</u>
EXPENDITURES:					
Personnel Services	594,773	627,970	708,911	708,911	733,390
Operations & Maintenance	453,819	544,585	500,603	500,603	644,955
Administrative Charges	244,214	258,258	270,942	270,942	271,647
Transfers Out	23,000	-	-	-	-
 TOTAL EXPENDITURES	 <u>1,315,806</u>	 <u>1,430,813</u>	 <u>1,480,456</u>	 <u>1,480,456</u>	 <u>1,649,992</u>

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 - Patch material is applied to potholes throughout the year.

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>
Locations mowed	15	16	16
Hot patch - tons	23	25	25
Cold patch - tons	35	40	40
Dura Patch - gallons	1,548	2,000	2,000
Crack sealant - pounds	8,682	27,200	27,200

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	252,257	260,665	283,046	283,046	285,654
Operations & Maintenance	247,943	365,929	270,200	184,200	286,200
Administrative Charges	94,339	87,223	93,372	93,372	94,077
TOTAL EXPENDITURES	<u>594,539</u>	<u>713,817</u>	<u>646,618</u>	<u>560,618</u>	<u>665,931</u>

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.

<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	89	95	105

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
EXPENDITURES:					
Personnel Services	252,257	260,665	283,046	283,046	42,813
Operations & Maintenance	247,943	365,929	270,200	184,200	15,400
Administrative Charges	94,339	87,223	93,372	93,372	2,100
TOTAL EXPENDITURES	594,539	713,817	646,618	560,618	60,313

WINTER MAINTENANCE, 203-4217

During the winter months, this program provides 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	148.42	148.92	149.00
Tons of sand	1,200	2,500	2,500
Tons of salt	1,814	3,250	3,250

	<u>2016-2017 Actuals</u>	<u>2017-2018 Actuals</u>	<u>2018-2019 Adjusted Budget</u>	<u>2018-2019 Adopted Budget</u>	<u>2019-2020 Council Approved</u>
EXPENDITURES:					
Personnel Services	166,564	178,758	193,907	193,907	207,316
Operations & Maintenance	161,877	128,833	180,105	260,105	301,050
Administrative Charges	139,125	159,441	165,931	165,931	165,931
TOTAL EXPENDITURES	467,566	467,032	539,943	619,943	674,297

ADMINISTRATION-MAINTENANCE, 203-4218

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

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	11,927	12,180	12,658	12,658	12,898
Operations & Maintenance	9,730	8,558	11,898	11,898	12,605
Administrative Charges	8,650	9,494	9,539	9,539	9,539
TOTAL EXPENDITURES	<u>30,307</u>	<u>30,232</u>	<u>34,095</u>	<u>34,095</u>	<u>35,042</u>

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>
Development site plan reviews	4	4	4
Plat reviews	4	3	3
Capital road projects (miles)	5.8	5.4	5.4

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	130,841	134,655	177,367	177,367	184,709
Operations & Maintenance	11,453	8,500	15,400	15,400	14,700
TOTAL EXPENDITURES	<u>142,294</u>	<u>143,155</u>	<u>192,767</u>	<u>192,767</u>	<u>199,409</u>

SIGNALS and CROSSINGS, 203-4226

This program consists of contractual cost sharing with the 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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	10,971	14,974	15,000	15,000	15,000
TOTAL EXPENDITURES	<u>10,971</u>	<u>14,974</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

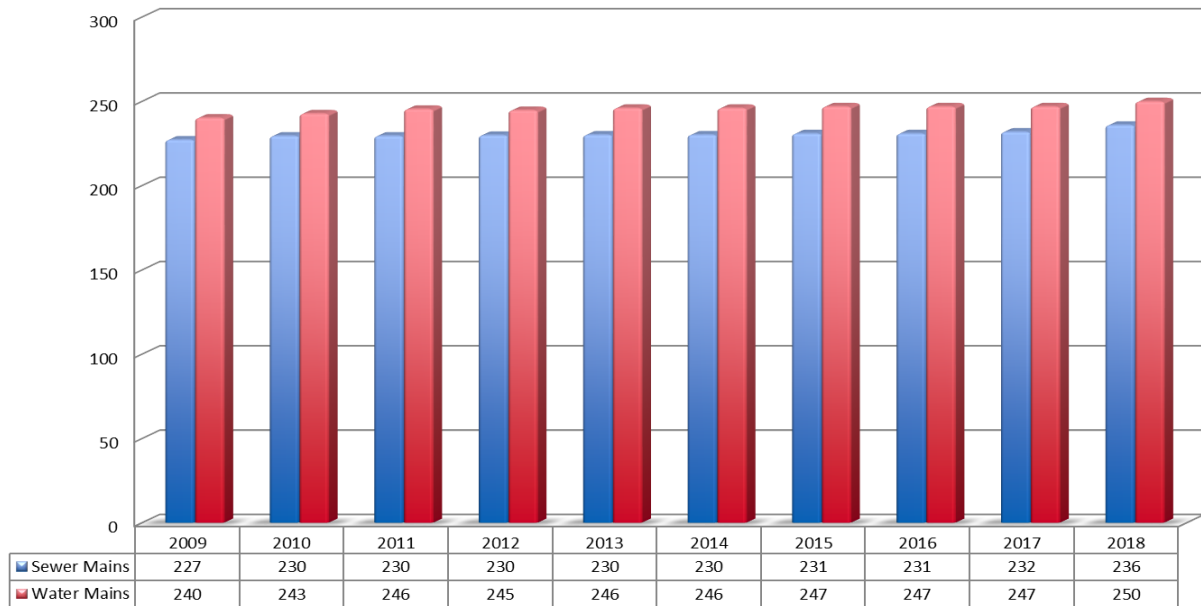
MUNICIPAL STREETS FUND - 204

Beginning in fiscal 2007-2008, the municipal streets fund was established to administer a tax levy up to 1 mill 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 transfer it to the Capital Improvement Fund for street capital improvements.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Property taxes	1,468,334	1,441,521	1,359,000	1,359,000	1,445,000
State revenue	174,971	115,521	121,610	121,610	108,000
Interest and rents	3,337	5,087	4,000	4,000	10,000
TOTAL REVENUE	<u>1,646,642</u>	<u>1,562,129</u>	<u>1,484,610</u>	<u>1,484,610</u>	<u>1,563,000</u>
EXPENDITURES:					
Administrative Charges	57,420	60,990	-	-	10,190
Transfers Out	1,523,000	1,615,000	1,640,000	1,640,000	1,552,810
TOTAL EXPENDITURES	<u>1,580,420</u>	<u>1,675,990</u>	<u>1,640,000</u>	<u>1,640,000</u>	<u>1,563,000</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 15,758 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 2019-2020 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.

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Operations & Maintenance</i>	<i>Public Improvements</i> Improve sanitary sewer system Expand the sanitary sewer system to all properties in the City <i>Environmental Quality</i> Protect ground water & lake quality Meet all state & federal environmental standards <i>Service Delivery</i> Meet increasing service demands Increase efficiency by applying new technology
<i>Administration</i>	<i>Public Improvements</i> Ensure sewer systems in new developments meet City standards Cooperate with adjoining townships 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 Protect lakes & surface water quality <i>Financial Health</i> Maintain financial health of sewer fund through annual rate evaluation

SEWER OPERATING FUND, continued

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	9,508,338	9,467,382	9,202,000	8,952,000	8,796,900
Interest and rents	29,309	54,277	60,000	60,000	127,800
Other revenue	538,800	3,868	-	-	11,442
Transfers In	46,000	-	-	-	-
TOTAL REVENUE	10,122,447	9,525,527	9,262,000	9,012,000	8,936,142
EXPENDITURES:					
Personnel Services	435,604	421,417	442,038	442,038	448,179
Operations & Maintenance	2,546,604	2,833,026	2,950,367	2,700,367	2,832,850
Administrative Charges	4,124,508	3,480,492	3,776,868	3,776,868	4,587,028
Capital Outlay *	45,242	496,753	140,000	140,000	140,000
Transfers Out	80,000	280,000	90,000	90,000	895,000
TOTAL EXPENDITURES	7,231,958	7,511,688	7,399,273	7,149,273	8,903,057

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	15,643	15,758	15,850		
Sewage transported (MG)	1,598	1,587	1,700		
Number of lift stations	56	56	56		
Lift station inspections	1,768	1,450	1,800		
Lift station pumps repaired	23	31	20		
Sanitary sewer overflows	3	1	0		
Miles of sanitary sewer	234.5	236.8	238		
Miles of sanitary sewer cleaned	81.5	81.6	83		
Sanitary sewer blockages per mile	0.03	0.05	0.03		
		2018-2019	2018-2019	2019-2020	
	2016-2017	2017-2018	Adjusted	Adopted	Council
	Actuals	Actuals	Budget	Budget	Approved
EXPENDITURES:					
Operations & Maintenance	1,619,266	1,831,967	2,179,600	1,929,600	2,228,200
Administrative Charges	3,395,714	2,749,607	3,021,680	3,021,680	3,839,585
Capital Outlay *	45,242	496,753	140,000	140,000	140,000
TOTAL EXPENDITURES	5,060,222	5,078,327	5,341,280	5,091,280	6,207,785

* Most or all capital outlay expenditures are reclassified as capital assets during each fiscal year close.

SEWER 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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	435,604	421,417	442,038	442,038	448,179
Operations & Maintenance	798,246	884,665	73,350	73,350	75,750
Administrative Charges	728,794	730,885	755,188	755,188	747,443
TOTAL EXPENDITURES	<u>1,962,644</u>	<u>2,036,967</u>	<u>1,270,576</u>	<u>1,270,576</u>	<u>1,271,372</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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance **	129,092	116,394	697,417	697,417	528,900
TOTAL EXPENDITURES	<u>129,092</u>	<u>116,394</u>	<u>697,417</u>	<u>697,417</u>	<u>528,900</u>

*** Actuals reflect only interest and fees. Principal payments are reclassified as a reduction in bonds payable during each fiscal year close.*

TRANSFERS OUT, 590-9610

This transfer provides for the Sewer Fund share of debt service for related Capital Improvement Program projects. Beginning with 2019-2020, transfers out are budgeted to fund capital improvements when available resources allow for debt avoidance.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Transfers Out	80,000	280,000	90,000	90,000	895,000
TOTAL EXPENDITURES	<u>80,000</u>	<u>280,000</u>	<u>90,000</u>	<u>90,000</u>	<u>895,000</u>

WATER OPERATING FUND

The Water Operating Fund accounts for the costs associated with providing water service to 14,927 customers. The system also provides water to residences in Pavilion and Schoolcraft Townships.

Budget Overview: The 2019-2020 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 protecting and preserving groundwater quality. Since 1997 the City has contracted with a private company to operate the City-owned facilities.

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

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Operations & Maintenance</i> All programs	<i>Public Improvements</i> Expand the 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 & federal environmental standards Ensure all environmental standards are met in new developments Enforce environmental requirements in all development projects Protect & improve water quality Properly manage groundwater resources Protect surface water & lake quality <i>Service Delivery</i> Meet increasing service demands Increase efficiency by applying new technology Provide safe drinking water Ensure storm water system is clean & properly Maintained <i>Public Improvements</i> Ensure water & storm systems in new developments meet City standards Cooperate with adjoining townships in expanding their water systems

WATER OPERATING FUND, continued

<i>Program & Description</i>		<i>Goals/Objectives</i>			
<i>Operations & Maintenance</i> All programs, continued		<i>Financial Health</i> Maintain financial health through annual rate Evaluation			
	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Charges for services	7,078,437	7,409,384	6,648,000	6,648,000	6,355,500
Interest and rents	27,609	59,541	71,300	71,300	132,700
Other revenue	476,450	54,073	-	-	69,187
TOTAL REVENUE	<u>7,582,496</u>	<u>7,522,998</u>	<u>6,719,300</u>	<u>6,719,300</u>	<u>6,557,387</u>
EXPENDITURES:					
Personnel Services	278,347	312,884	318,927	318,927	334,943
Operations & Maintenance	2,412,753	2,475,443	3,870,506	3,870,506	3,923,650
Administrative Charges	755,784	(261,603)	1,343,726	1,343,726	1,359,578
Capital Outlay	-	32,090	-	-	20,000
Transfers Out	50,000	50,000	55,000	55,000	860,000
TOTAL EXPENDITURES	<u>3,496,884</u>	<u>2,608,814</u>	<u>5,588,159</u>	<u>5,588,159</u>	<u>6,498,171</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.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of water customers	14,850	14,927	14,440
Water pumped and treated (MG)	1,772	1,600	1,750
Production well inspections	4,824	5,100	4,200
Samples analyzed	7,753	8,250	7,500
Water monitoring violations	0	1	0
Miles of water mains	249.5	252	254
Number of fire hydrants	2,765	2,788	2,800
Fire hydrants flushed and inspected	5,574	5,680	5,700
Main breaks per mile of main	0.10	0.09	0.10
Miles of streets	220.5	222	223
Miles of street sweeping	2,143	1,723	1,500
Sweepings collected (cubic yards)	949	692	1,700
Number of meters	15,652	15,930	16,050
New meters installed	109	135	120
Meters requiring repair	231	56	350
Meter reads for billing	70,489	74,100	72,700
Estimated bills	47	50	50

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	818,621	864,346	977,600	977,600	1,110,600
Administrative Charges	41,680	(973,105)	627,867	627,867	624,098
Capital Outlay	-	32,090	-	-	20,000
TOTAL EXPENDITURES	<u>860,301</u>	<u>(76,669)</u>	<u>1,605,467</u>	<u>1,605,467</u>	<u>1,754,698</u>

WATER ADMINISTRATION, 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.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Development site plans reviewed	17	26	15
Capital water main projects	2	5	3
Environmental inspections/monitoring	62	143	60
Responses to haz-mat incidents	1	0	0

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	278,347	312,884	318,927	318,927	334,943
Operations & Maintenance	974,119	1,066,281	348,800	348,800	405,300
Administrative Charges	714,104	711,502	715,859	715,859	735,480
TOTAL EXPENDITURES	<u>1,966,570</u>	<u>2,090,667</u>	<u>1,383,586</u>	<u>1,383,586</u>	<u>1,475,723</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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance **	620,013	544,816	2,544,106	2,544,106	2,407,750
TOTAL EXPENDITURES	<u>620,013</u>	<u>544,816</u>	<u>2,544,106</u>	<u>2,544,106</u>	<u>2,407,750</u>

*** Actuals reflect only interest and fees. Principal payments are reclassified as a reduction in bonds payable during each fiscal year close.*

TRANSFERS OUT, 591-9610

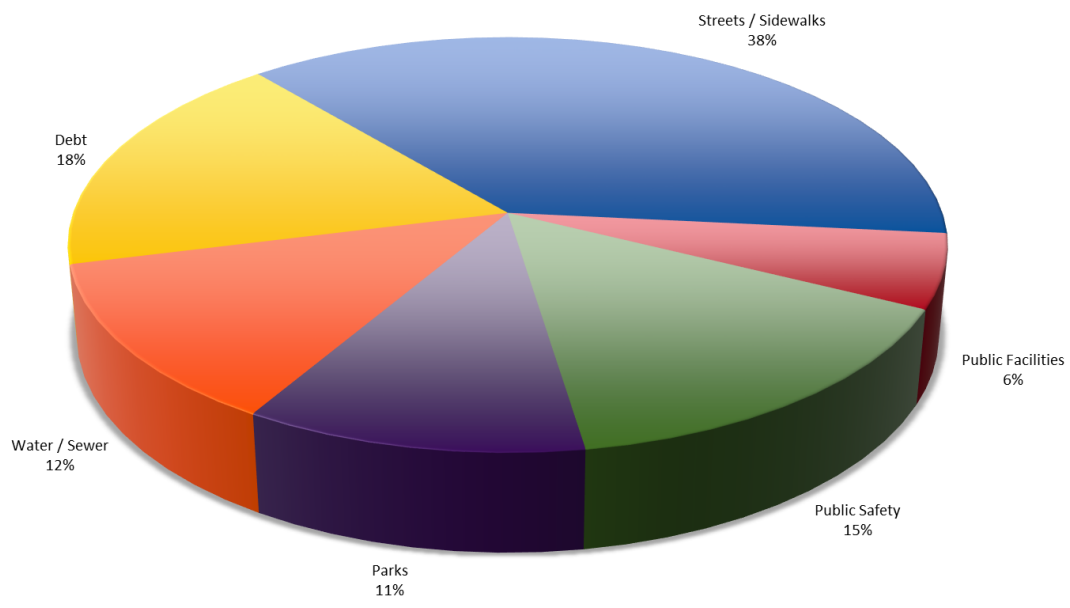
This transfer provides for the Water Fund share of debt service for related Capital Improvement Program projects. Beginning with 2019-2020, transfers out are budgeted to fund capital improvements when available resources allow for debt avoidance.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Transfers Out	50,000	50,000	55,000	55,000	860,000
TOTAL EXPENDITURES	<u>50,000</u>	<u>50,000</u>	<u>55,000</u>	<u>55,000</u>	<u>860,000</u>

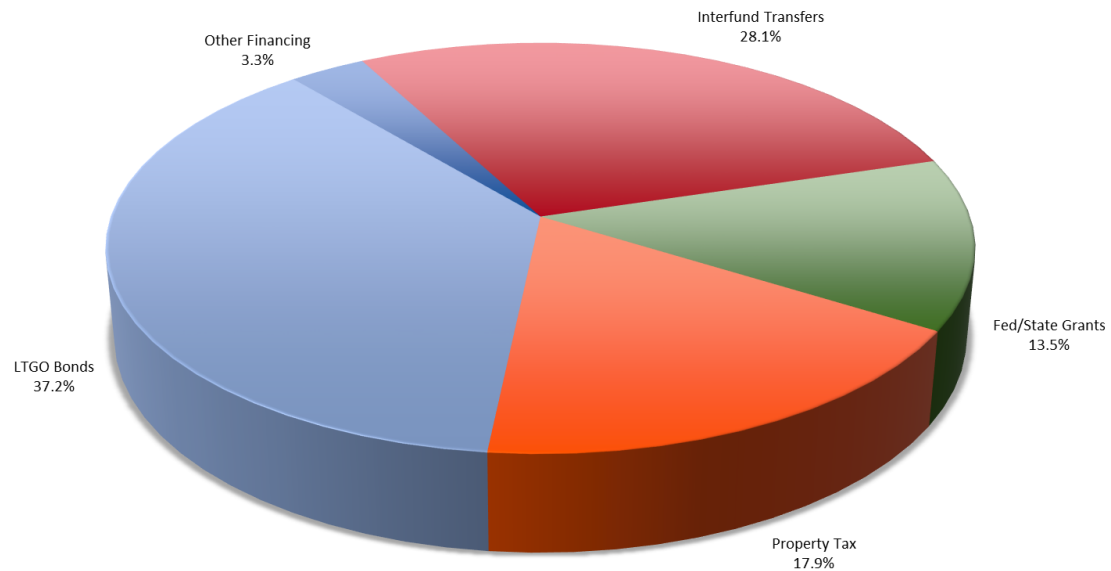


Public Improvements

CAPITAL IMPROVEMENT EXPENDITURES



CAPITAL IMPROVEMENT REVENUES



These charts show the expenditures and revenues by category for the first year of the 2019-2029 Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

Revenues and Expenditures (000)

	Fiscal Year										Total
	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	
REVENUES AND OTHER SOURCES											
Property tax	4,265	4,329	4,394	4,460	4,527	4,595	4,664	4,734	4,805	4,877	45,650
Personal Property Tax Reimbursement	352	359	366	373	380	388	396	404	412	420	3,850
Interest	20	30	40	50	50	60	60	60	60	60	490
Proceeds from Capital Improvement bonds - general	9,625	10,505	4,098	3,296	3,530	3,486	3,203	1,248	1,230	551	40,772
Proceeds from Capital Improvement bonds - utility	0	3,000	0	0	0	5,000	0	0	0	0	8,000
Major Street Fund	1,560	1,583	1,607	1,631	1,656	1,681	1,706	1,731	1,757	1,784	16,696
Municipal Street Fund	1,444	1,465	1,487	1,510	1,532	1,555	1,579	1,602	949	974	14,097
Sanitary Sewer Fund	900	2,060	500	985	1,050	500	500	500	500	0	7,495
Water Fund	2,350	3,100	1,050	575	2,070	1,050	50	400	100	0	10,745
General Fund transfers	781	1,638	1,884	1,753	1,984	1,363	1,075	357	479	986	12,300
Total city revenues and sources	21,297	28,069	15,426	14,633	16,779	19,678	13,233	11,036	10,292	9,652	160,095
MAP - 21 Funding (federal)	486	1,250	2,250	1,000	1,000	2,000	1,000	1,000	1,000	1,000	11,986
Local Development Finance Authority funds	0	1,210	0	0	0	0	0	0	0	0	1,210
Other Revenues	832	4,840	50	100	0	0	100	0	0	0	5,922
Special Assessments-Water and Sewer only	0	175	0	40	55	0	0	0	0	0	270
Total Revenues and Sources	22,615	35,544	17,726	15,773	17,834	21,678	14,333	12,036	11,292	10,652	179,483
EXPENDITURES											
Streets	6,012	6,140	6,270	5,025	5,953	5,562	6,966	4,932	5,314	4,985	57,159
Sidewalks and Bikeways	1,115	1,587	1,845	850	1,086	2,698	154	110	204	94	9,743
Water	2,350	7,410	1,050	575	2,070	6,050	50	400	100	415	20,470
Sanitary Sewer	900	2,210	500	1,065	1,160	500	500	500	500	500	8,335
Police	636	818	171	221	171	521	180	136	170	170	3,194
Fire	3,305	873	1,078	1,870	366	118	282	888	0	120	8,900
Public Facilities	1,362	9,853	41	41	595	80	670	0	300	0	12,942
Parks and Recreation	2,328	1,243	714	492	1,240	1,045	348	358	401	219	8,388
Debt Service	4,607	5,410	6,057	5,634	5,193	5,104	5,183	4,712	4,303	4,149	50,352
Total Expenditures	22,615	35,544	17,726	15,773	17,834	21,678	14,333	12,036	11,292	10,652	179,483

CAPITAL IMPROVEMENT

The Capital Improvement Funds account for the revenue and costs of all capital projects in the City when the project costs are \$10,000 or more and an expected service life of at least 3 years. These funds reflect the 2019-2020 portion of the 2018-2028 ten-year Capital Improvement Program (CIP). Additional information and supporting documentation 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. When planned to be paid from the CIP, a corresponding transfer is made from the Capital Improvement Fund to the appropriate debt service fund. Physical improvements and acquisitions with costs between \$5,000 and \$10,000 are considered capital outlay and are separately shown in the operating budgets of the City.

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

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Capital Improvement</i> All programs	<i>Community Development</i> Promote quality of life <i>Economic Development</i> Develop infrastructure improvement strategy
<i>Public Facilities</i>	<i>Service Delivery</i> Increase efficiency through technology
<i>Parks & Recreation</i>	<i>Community Development</i> Develop parkland & recreational opportunities Maintain a coordinated & innovative approach toward developing parkland & providing recreational opportunities
<i>Police</i>	<i>Service Delivery</i> Increase efficiency through technology
<i>Streets</i>	<i>Transportation</i> Implement projects in the major thoroughfare plan Implement operational & functional improvements to improve traffic movement & safety
<i>Sidewalks/Bikeways</i>	<i>Transportation</i> Alternative transportation modes
<i>Sewer & Water</i>	<i>Environmental Quality</i> Enhance environmental quality & protect natural resources Protect water quality <i>Financial Health</i> Maintain financial health of the City

CAPITAL IMPROVEMENT, continued

Capital Improvement Fund expenditures do 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 \$8,746,419 or approximately 38.7 percent of the Capital Improvement Fund budget, and street reconstruction of \$6,012,000 is 26.5 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 Federal and State revenue (e.g., Streets).

The budget for capital improvements does not include projects funded with federal (MAP-21) funding or MDOT state grants, as those funds are not directly received or paid by the City. As a result, the recorded budget is \$3,003,000 less than the 2019-2020 total shown in the preceding Capital Improvement Program 2019-2029 summary.

	2019-2020 Council Approved
REVENUE:	
Property taxes	4,275,000
State grants	352,000
Interest and rents	45,000
Other revenue	11,039,190
Transfers In	6,904,229
 TOTAL REVENUE	 <u>22,615,419</u>
 EXPENDITURES:	
Capital Outlay	18,008,419
Transfers Out	4,607,000
 TOTAL EXPENDITURES	 <u>22,615,419</u>

PUBLIC FACILITIES

PROJECT TITLE: Information System Improvements, 400-9040
PROJECT DESCRIPTION: Information system infrastructure sustainability and equipment upgrades - Wi-Fi APS and Audio/Video Systems Replacements.
OPERATING FUND IMPACT: No impact.

PROJECT TITLE: Public Services Facility Parking and Driveway Improvements, 400-9045
PROJECT DESCRIPTION: The asphalt driveway and parking lot have deteriorated over the years. Preventative maintenance will require phased replacement of the parking lot and driveway asphalt and restriping.
OPERATING FUND IMPACT: Use of the facility by the public and city employees has a direct correlation to the condition of the facility. Preventative maintenance will help defray the cost of operating the facility.

PROJECT TITLE: Public Services Facility Improvements, 400-9045
PROJECT DESCRIPTION: Locker room and restroom renovation, including new fixtures, tile and floor covering.
OPERATING FUND IMPACT: Use of the facility by the public and city employees has a direct correlation to the condition of the facility. Preventative maintenance will help defray the cost of operating the facility.

PROJECT TITLE: Cemetery Improvements, 400-2896
PROJECT DESCRIPTION: Remove and upgrade the fencing and signs at Indian Fields, Dry Prairie, South and Central Cemeteries.
OPERATING FUND IMPACT: Decreased maintenance costs are expected.

PUBLIC FACILITIES, continued

PROJECT TITLE: Neighborhood/Community Enhancement Program, 400-9043
PROJECT DESCRIPTION: The Neighborhood/Community Enhancement Program is indented to encourage Portage residents to submit public space project ideas that will improve the community and/or residential neighborhoods.
OPERATING FUND IMPACT: To be determined based on type of project approved for funding.

PROJECT TITLE: Community Senior Center Facility, 400-9044
PROJECT DESCRIPTION: Engineering and Architectural Design Services for design of a new two story, 32,000 square foot facility that will occupy a new location between East Centre Avenue and Brown Street
OPERATING FUND IMPACT: Once construction is complete in 2020-2021, an estimated increase of \$150,000 in operational costs is anticipated and will be supported by the increased revenue from memberships, expanded fundraising, enhanced program revenue, and facility rentals. The enhanced funding will occur so that the center is 70% self-supported.

PROJECT TITLE: Document Management, 400-9025
PROJECT DESCRIPTION: The City of Portage does not utilize a consistent methodology across departments by which to store and track documents. The Records Retention Schedule provides guidance, but the technologies related to retaining and managing documents in a consistent manner are insufficient. A 2007 audit of Records Management in the City of Portage revealed deficiencies have to be addressed. A document management system would conserve storage space, eliminate the need for renting storage units, reduce reliance on paper and improve efficiencies within and among departments
OPERATING FUND IMPACT: Annual software maintenance and document storage costs of approximately \$38,000.

PUBLIC FACILITIES, continued

Public Facilities

Information Systems Improvements	57,000
Public Services Facility Parking and Driveway Improvements	78,000
Public Services Facility Improvements	132,000
Cemetery Improvements	55,000
Neighborhood/Community Enhancement Program	25,000
Community Senior Center Facility	915,000
Document Management	100,000
Total Public Facilities	<u><u>1,362,000</u></u>

PARKS AND RECREATION

PROJECT TITLE: Park Parking Lot/Walkway Improvements, 400-2809
PROJECT DESCRIPTION: Overlay remainder of eastern portions of the Ramona Park parking lots. Continued repairs to failed asphalt in other park parking lots and walkways.
OPERATING FUND IMPACT: No impact.

PROJECT TITLE: Invasive Species Eradication, 400-2826
PROJECT DESCRIPTION: Removal of invasive plant species based on the 2018 Portage Parks Invasive Species Management Plan developed by the Kalamazoo Nature Center. Each year will include photo monitoring to assess progress of each park with a focus on the four primary parks: West Lake Nature Preserve, Bishop's Bog, Eliason Nature Reserve, and Schrier Park.

- FY 2019-2020: Removal of Autumn Olive, Oriental Bittersweet, Honeysuckle, Glossy Buckthorn and beetle release at West Lake Nature Preserve for control of Purple Loosestrife

OPERATING FUND IMPACT: Minimal, volunteers will remove Garlic Mustard and Purple Loosestrife.

PARKS AND RECREATION, continued

PROJECT TITLE: Picnic Support Equipment Improvements, 400-2832
PROJECT DESCRIPTION: Activities will include the purchase and installation of uniform refuse receptacles, park benches and the replacement of park grills and picnic tables.
OPERATING FUND IMPACT: Reduction of annual maintenance costs.

PROJECT TITLE: Celery Flats Historic Area Improvements, 400-2815
PROJECT DESCRIPTION: Exterior repairs and painting of all four historic structures.
OPERATING FUND IMPACT: Reduction of annual maintenance costs.

PROJECT TITLE: Court Resurfacing/Repair, 400-2820
PROJECT DESCRIPTION: Oakland Drive Park: Replacement of basketball court deteriorated asphalt surface.
OPERATING FUND IMPACT: None.

PROJECT TITLE: Park Trail Improvements, 400-2812
PROJECT DESCRIPTION: Remove and replace deteriorating asphalt on the Schrier Park woodland trails.
OPERATING FUND IMPACT: No impact.

PROJECT TITLE: Lexington Green Park Improvements, 400-2821
PROJECT DESCRIPTION: Develop engineering and construction plans for a new pavilion and restrooms at Lexington Green Park. Addition of a playground and gaga pit with lamp posts along the main north/south walkway for improved security.
OPERATING FUND IMPACT: Estimated costs include: \$1,500 annually in normal playground and restroom maintenance.

PROJECT TITLE: Ramona Park Improvements, 400-2802
PROJECT DESCRIPTION: Modify the gate house and open the current parking lot for better traffic flow for pickleball and tennis court users. Expand the patio in front of concession stand to improve aesthetics and include tables, chairs and umbrellas with an expanded food menu.
OPERATING FUND IMPACT: Minimal impact.

PARKS AND RECREATION, continued

PROJECT TITLE:	<u>Eliason Nature Reserve Development, 400-2842</u>
PROJECT DESCRIPTION:	Final improvements at West Osterhout Avenue trailhead to include: landscaping, irrigation and fencing along the south border of the parking lot and east side driveway. Additional parking at the northern entrance off Portage Industrial Drive. Construction of a walking path to connect to the boardwalk at Schrier park.
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:	<u>Elijah Root Mill Dam Design Plan, 400-2845</u>
PROJECT DESCRIPTION:	Development of an engineering and landscape design plan for the historic Elijah Root Mill Dam. The plan will include deconstruction of the existing dam; sediment management; culvert remediation of Lovers Lane access road; culvert remediation of East Milham Avenue; additional soil sampling if required by the MDEQ; and landscaping.
OPERATING FUND IMPACT:	No impact at this time. Potentially \$1,000 annually in maintenance of a fishing platform, and brush clearing.
PROJECT TITLE:	<u>Celery Flats Park Landscape, 400-2815</u>
PROJECT DESCRIPTION:	Complete the new pavilion, move the red celery shed to the Celery Flats historic area, develop a landscape plan to include remediation, plantings, irrigation and a playground site. Add additional lamp posts that match the existing style along the new back trail behind the pavilion, with four LED lamp posts in the new parking lot.
OPERATING FUND IMPACT:	There would only be minimal lighting expenses but are expected to be low due to the use of LED fixtures.
PROJECT TITLE:	<u>Portage Creek Rental Hub, 400-2831</u>
PROJECT DESCRIPTION:	Installation of a bike share electronic rental system with 10 bikes.
OPERATING FUND IMPACT:	Minimal.

PARKS AND RECREATION, continued

PROJECT TITLE: Martin Luther King Jr. Park, 400-2891
PROJECT DESCRIPTION: Develop a half-acre park located at the northeast corner of Constitution Boulevard and Martin Luther King, Jr. Drive. The land was donated by Village Green Properties for the purpose of a memorial park for the late Dr. Martin Luther King, Jr. The project will include a memorial, passive recreation opportunities and off-street parking. The existing access drive and easement for the property to the north will be relocated to the east side of the parcel.
OPERATING FUND IMPACT: Annual cost for maintenance to the park estimated to be \$2,000.

PROJECT TITLE: Central Park Improvements, 400-2819
PROJECT DESCRIPTION: Bandshell and pavilion upgrades to include painting, electrical and improved lighting.
OPERATING FUND IMPACT: None.

PROJECT TITLE: Park Security & Technology Systems, 400-2892
PROJECT DESCRIPTION: Multiple security upgrades, including:

- Additional cameras in the Dog Park at South Westnedge Park to monitor activity at the small dog area and entrance gate.
- Addition of electronic door lock mechanisms at Ramona Park restroom (at the softball field), and Hayloft Theater restrooms.
- Digital alarm (burglar and fire) systems for Celery Flats buildings; Grain Elevator, School House, Stuart Manor (digital upgrade); Schrier Park; Millennium Park Utility/Storage; and Ramona Park buildings.
- Connection of Hayloft to the fiber network to allow for remote access/programming of alarms, and electronic locking mechanisms.

OPERATING FUND IMPACT: \$420/month for alarm monitoring and service agreement.

PARKS AND RECREATION, continued

PROJECT TITLE: Portage Creek Bicentennial Park Improvements, 400-2810

PROJECT DESCRIPTION: Develop Landscape Design Plan.

OPERATING FUND IMPACT: Once improvements are complete in 2020-2021, operating expenditures are estimated at \$1,500 annually in normal playground, restroom maintenance, but will reduce mowing expenses.

PROJECT TITLE: MDNR State Game Area Land Acquisition, 400-2812

PROJECT DESCRIPTION: A collaboration with Michigan Department of Natural Resources (MDNR) to jointly improve and enhance facilities within the State Game Area land located at 2501 West Centre Avenue and 3701 West Centre Avenue. Improvements to be completed via an interlocal agreement to include off-street parking, restrooms, and trails.

OPERATING FUND IMPACT: Parking lot maintenance and trash pick-up is expected to be \$1,000 annually.

PROJECT TITLE: Playground Improvements, 400-2822

PROJECT DESCRIPTION: Remove and replace deteriorating playscape carpeting at Ramona Park to improve safe and reliable play areas.

OPERATING FUND IMPACT: Minimal effect.

PARKS AND RECREATION, continued**Parks and Recreation**

Park Parking Lot/Walkway Improvements	132,000
Invasive Species Eradication	120,000
Picnic Support Equipment Improvements	85,000
Celery Flats Historic Area Improvements	77,000
Court Resurfacing/Repair	63,000
Park Trail Improvements	55,000
Lexington Green Park Improvements	589,000
Ramona Park Improvements	85,000
Eliason Nature Reserve Development	270,000
Elijah Root Mill Dam Design Plan	220,000
Celery Flats Park Landscape	124,000
Portage Creek Rental Hub	47,000
Martin Luther King Jr. Park	95,000
Central Park Improvements	60,000
Park Security and Technology Systems	46,000
Portage Creek Bicentennial Park Improvements	10,000
MDNR State Game Area Collaborative	150,000
Playground Improvements	100,000
Total Parks and Recreation	<u><u>2,328,000</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: Mobile Computer/Mobile Video Replacement Project, 400-3051
PROJECT DESCRIPTION: The mobile computer/mobile video project will upgrade all existing hardware, including all patrol car ruggedized mobile computers and digital mobile recorders. Project includes electronic traffic citations, computerized crash/traffic reports, and remote-connected handheld devices. With technology advances, computer/video replacements for marked patrol cars are scheduled for upgrades as the equipment reaches its life expectancy.
OPERATING FUND IMPACT: Project will reduce anticipated repair costs of up to \$20,000 annually for existing system components.

Police

Police Vehicles	286,000
Mobile Computer/Mobile Video Replacement Project	350,000
Total Police	<u><u>636,000</u></u>

FIRE

PROJECT TITLE: Fire Station No. 2 Facility Replacement, 400-3306
PROJECT DESCRIPTION: Construction of an approximate 16,200 square foot new Fire Station No. 2 facility on Oakland Drive.
OPERATING FUND IMPACT: Reduced maintenance and operating costs.

PROJECT TITLE: Fire Station Alert System, 400-3323
PROJECT DESCRIPTION: This project involves the purchase of station alert system software for use in all three fire stations, which will help reduce dispatch call-processing times. When an incident occurs, a computer-aided dispatch (CAD) system interfaces with the alerting software, located at the dispatch processing center. Dispatch processing time is reduced by sending alert data over a high-speed network, which can notify multiple stations simultaneously in less than a second.
OPERATING FUND IMPACT: Improve efficiency and effectiveness in dispatching of calls for service.

PROJECT TITLE: Replace Personal Protective Equipment, 400-3334
PROJECT DESCRIPTION: Replacement of firefighting personal protective equipment components.
OPERATING FUND IMPACT: Reduced repair costs.

Fire

Fire Station No. 2 Facility Replacement	3,000,000
Fire Station Alert System	230,000
Replace Personal Protective Equipment	75,000
Total Fire	<u><u>3,305,000</u></u>

STREETS

PROJECT TITLE:	<u>Major Street Reconstruction Program, 400-4294</u>
PROJECT DESCRIPTION:	This program involves reconstructing the following street sections: South Westnedge Avenue (Shaver Road to Romence Road), East Centre Avenue (Portage Road to South Sprinkle Road), Shaver Road (West Centre Avenue to South Westnedge Avenue), Oakland Drive (South city limits to West Osterhout Avenue)
OPERATING FUND IMPACT:	Decrease in maintenance cost.
PROJECT TITLE:	<u>Local Street Reconstruction Program, 400-4343</u>
PROJECT DESCRIPTION:	Reconstruction of local streets 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.
OPERATING FUND IMPACT:	Reduction in ongoing street maintenance cost.
PROJECT TITLE:	<u>Major and Local Street Design Engineering, 400-4239</u>
PROJECT DESCRIPTION:	Design engineering for reconstruction of major and local 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, sidewalk repairs and gap construction, including installation of specified handicap ramps, repair of necessary drive approaches and lawn restoration as appropriate.
OPERATING FUND IMPACT:	None.

STREETS, continued

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

PROJECT TITLE: Local Street Traffic Calming Program, 400-4334
PROJECT DESCRIPTION: Installation of traffic calming features and measures to promote speed limit compliance for vehicles speeds on local streets.
OPERATING FUND IMPACT: None.

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

PROJECT TITLE: South Westnedge Avenue/Shaver Road Traffic Signal Improvements, 400-4208
PROJECT DESCRIPTION: Installation of interconnected fiber optic and traffic signal hardware to coordinate signal timing for optimal traffic flow. The interconnection will include South Westnedge Avenue from Romence Road to Shaver Road, and Shaver Road from South Westnedge Avenue south to the Meijer signalized entrance. Interconnection of the traffic signals will allow for the coordination of the signal timing and improve traffic progression through the traffic corridor. The project will also include the installation of video monitor traffic cameras and new traffic signal mast arms.
OPERATING FUND IMPACT: \$1500 annual increase in maintenance costs.

PROJECT TITLE: South Westnedge Avenue Traffic Signal System Upgrade, 400-4202
PROJECT DESCRIPTION: Upgrade of pedestrian signals and traffic signal mast arms at Idaho Avenue/Dawnlee Avenue and Mall Drive.
OPERATING FUND IMPACT: Approximately \$5,000 per year for system maintenance.

STREETS, continued

PROJECT TITLE: South Westnedge Avenue Resurfacing, 400-4208
PROJECT DESCRIPTION: Resurfacing of South Westnedge Avenue from Trade Centre Way to West Kilgore Road. Project will include sidewalk construction to fill in gaps along the west side, pedestrian pushbutton upgrades at signalized intersections, ADA ramp upgrades as needed, milling, resurfacing, pavement markings, new signage and restoration.

OPERATING FUND IMPACT: Reduction in ongoing street maintenance cost.

PROJECT TITLE: Lakeview Drive Reconstruction, 400-4270
PROJECT DESCRIPTION: Reconstruction of Lakeview Drive from South Shore Drive to Portage Road to improve the condition and ride-ability of the roadway.

OPERATING FUND IMPACT: Nominal impact on operating costs.

Streets

Major Street Reconstruction Program	1,366,053
Local Street Reconstruction Program	1,720,000
Major and Local Street Design Engineering	715,000
Accessible Pedestrian Signal Installation	20,000
Local Street Traffic Calming Program	25,000
Railroad Crossing Upgrades	210,000
South Westnedge Avenue/Shaver Road Traffic Signal Improvements	374,026
South Westnedge Avenue Traffic Signal System Upgrade	700,000
South Westnedge Avenue Resurfacing	281,921
Lakeview Drive Reconstruction	600,000
Total Streets	<u><u>6,012,000</u></u>

SIDEWALK/BIKEWAYS

PROJECT TITLE: Portage Multi-Use Trail System Improvements, 400-4407

PROJECT DESCRIPTION: Comprehensive asphalt overlay program to enhance off road multi-use trail segments. For 2019-20, the Romence Road Bikeway (Portage Road to 3101 Romence Road East) and Garden Lane Bikeway (7335 Garden Lane to South Westnedge Avenue) will be enhanced.

OPERATING FUND IMPACT: No impact.

PROJECT TITLE: Sidewalk Improvements, 400-4403

PROJECT DESCRIPTION: Public sidewalk removals and repairs to deteriorating sidewalks within the Haverhill Park neighborhood.

OPERATING FUND IMPACT: Potential reduction in claims to Risk Management.

PROJECT TITLE: Bikeway Improvements, 400-4405

PROJECT DESCRIPTION: Paved shoulder bikeway overlays, upgrades to signs and ongoing maintenance to existing off road trails.

OPERATING FUND IMPACT: No impact.

PROJECT TITLE: East Central Trailway, 400-4411

PROJECT DESCRIPTION: Easement acquisition or license agreement for the one mile long, 10-foot wide, multi-use trail from the Lovers Lane and Garden Lane intersection east to Portage Road using the Consumers Energy property.

OPERATING FUND IMPACT: \$1,000 per year of litter removal and snow clearing.

PROJECT TITLE: Austin Lake Trail Connection, 400-4413

PROJECT DESCRIPTION: Development of a three mile 10-foot wide paved multi-use trail to connect to the Village of Vicksburg through Schoolcraft Township. The trail will generally follow the original Grand Rapids and Indiana railroad right-of-way, along the east side of Austin Lake from Zylman Road south to the city limits.

OPERATING FUND IMPACT: \$2,000 per year of litter removal and snow clearing.

SIDEWALKS AND BIKEWAYS, continued

PROJECT TITLE: Idaho Avenue Sidewalk, Outer Drive to Vermont Avenue, 400-4414

PROJECT DESCRIPTION: Construction of a five-foot wide sidewalk on the north side of Idaho Avenue from Outer Drive to Vermont Avenue.

OPERATING FUND IMPACT: Potential reduction in claims to Risk Management.

Sidewalks/Bikeways

Portage Multi-use Trail System Improvements	60,000
Sidewalk Improvements	50,000
Bikeway Improvements	44,000
East Central Trailway	200,000
Austin Lake Trail Connection	686,419
Idaho Avenue Sidewalk, Outer Drive to Vermont Avenue	75,000
Total Sidewalks/Bikeways	<u>1,115,419</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	<u><u>4,607,000</u></u>
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SEWER CAPITAL IMPROVEMENT

PROJECT TITLE: Lift Station Renovations, 490-4543
PROJECT DESCRIPTION: Replacement of control panels, pumps, wet well and additional site landscaping.
OPERATING FUND IMPACT: Substantial reduction in maintenance cost.

PROJECT TITLE: Pump Station Mechanical Upgrades, 490-4544
PROJECT DESCRIPTION: Replacement of control panels, pumps, motor control units and other mechanical appurtenances.
OPERATING FUND IMPACT: Substantial reduction in maintenance cost.

<u>Sewer Capital Improvement</u>	
Lift Station Renovations	500,000
Pump Station Mechanical Upgrades	400,000
Total Sewer Capital Improvement	<u><u>900,000</u></u>

WATER CAPITAL IMPROVEMENT

PROJECT TITLE: Storm Drainage Improvements Program, 491-4702
PROJECT DESCRIPTION: Prioritize and address flood prone 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: Shaver Road Water Main Replacement, 491-4628
PROJECT DESCRIPTION: Replacement of deteriorating water mains in two sections on Shaver Road concurrent with planned road improvements.

OPERATING FUND IMPACT: \$4,000 decrease in operating costs.

PROJECT TITLE: Nevada Avenue, Dakota Avenue and Ohio Avenue Water Main Installation, 491-4694

PROJECT DESCRIPTION: Installation of water main on Nevada Avenue, Dakota Avenue and Ohio Avenue from West Milham Avenue to Idaho Avenue, including water services and restoration.

OPERATING FUND IMPACT: Nominal increase in operating costs.

PROJECT TITLE: Shuman Well Rehabilitation, 491-4634

PROJECT DESCRIPTION: Clean, inspect and complete rehabilitation based on the Shuman Well inspection findings. The Shuman Well is a Ranney radial collector well that was installed in 1984. Due to the specialized equipment required for inspection, the well is overdue for inspection, cleaning and rehabilitation.

OPERATING FUND IMPACT: Planned projects will reduce maintenance costs.

PROJECT TITLE: Lakeview Avenue Water Main Replacement, 491-4628

PROJECT DESCRIPTION: Replacement of deteriorating water mains in Lakeview Avenue from South Shore Drive to Portage Road.

OPERATING FUND IMPACT: Decrease in operating costs.

WATER CAPITAL IMPROVEMENT, continued

PROJECT TITLE: Pine View Water Storage Facility Renovation, 491-4706
PROJECT DESCRIPTION: Clean, repair and recoat the steel areas of Pine View water storage facility with a three-coat epoxy system.
OPERATING FUND IMPACT: Minimal reduction in annual spot painting.

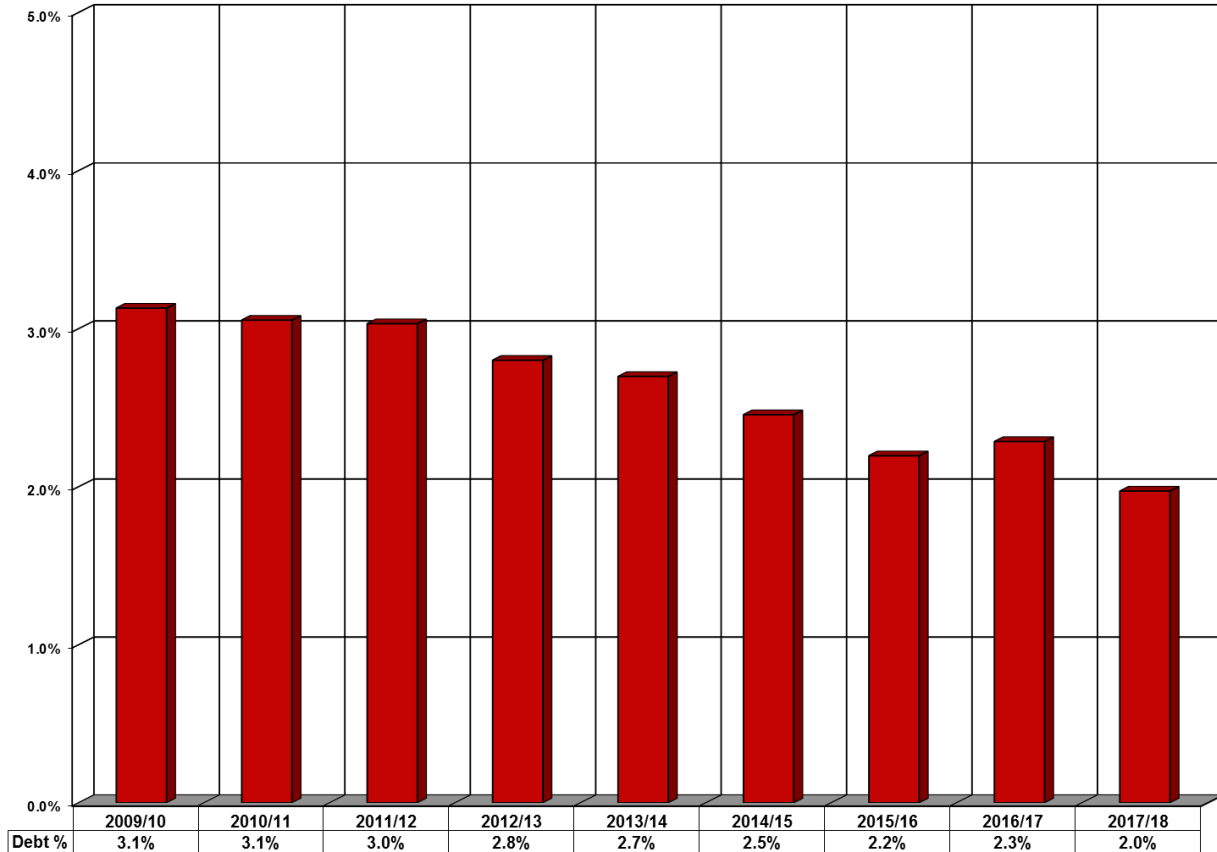
Water Capital Improvement

Storm Drainage Improvements Program	50,000
Shaver Road Water Main Replacement	500,000
Nevada Avenue, Dakota Avenue, and Ohio Avenue Water Main Installation	600,000
Shuman Well Rehabilitation	350,000
Lakeview Avenue Water Main Replacement	500,000
Pine View Water Storage Facility Renovation	350,000
Total Water Capital Improvement	<u>2,350,000</u>



Debt Service

NET LONG-TERM DEBT As a % of Taxable Value



Formula:

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

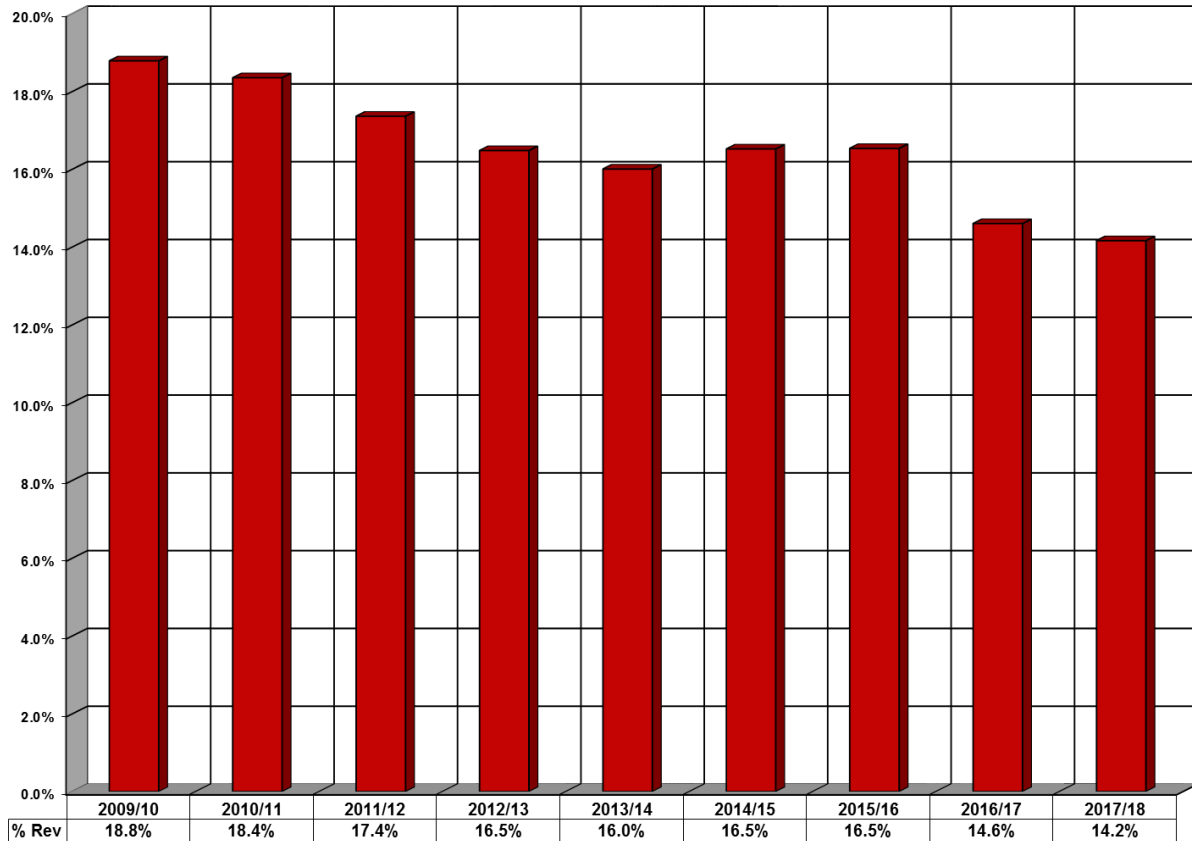
Net direct long-term debt is defined as:

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.

Analysis: From 2000 to 2008, the City's debt rose from \$49 million to over \$105 million due to an aggressive capital improvement program. The economic downturn in 2008 resulted in a scaling back of CIP spending and an initiative to reduce debt by 35% over the next 10 year period. The focus shifted from 'borrow and build' to using existing reserves where possible, supporting utility maintenance and improvements with base charges, and transferring General Fund excesses to support non-utility projects. As the economy and tax base related revenues have improved, increases in capital improvement spending have been possible. It is anticipated that on July 1, 2019, total debt will be \$56,730,000, a reduction since 2008 of \$48,525,000, or 46%.

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. The City's ratio at June 30, 2018 is 14.2%, which is below the threshold and considered acceptable.

DEBT SUMMARY

At May 21, 2019, the outstanding debt obligations of the City not associated with water and sewer (enterprise) funds are as follows:

Special Assessment Bonds	\$ 1,110,000
Limited Tax General Obligation Bonds	199,027
Unlimited Tax General Obligation Bonds	0
Local Development Finance Authority Bond	3,800,000
Building Authority Bonds	2,250,000
Downtown Development Authority	3,595,000
Motor Vehicle Highway Bonds	1,485,000
Capital Improvement Bonds	<u>20,334,333</u>
Total	<u>\$32,773,360</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), which is 50 percent of true cash value. The debt limits and debt margins are as follows:

	Special Assessment Bonds	Limited Tax General Obligation Bonds	Notes Payable	Capital Improvement Bonds
SEV	\$2,336,081,800	\$2,336,081,800	\$2,336,081,800	\$2,336,081,800
Applicable percentage limitation	12.00%	10.00%	1.25%	5.00%
Legal debt limitation	\$ 280,329,816	\$233,608,180	\$29,201,023	\$116,804,090
Related obligations	\$1,110,000	\$199,027	-	\$20,334,333
Legal debt margin	\$279,219,816	\$233,409,153	\$29,201,023	\$96,469,757

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.

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 and term 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 in from the Capital Improvement Fund.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Interest and rents	(297)	(2,261)	-	-	1,000
Other revenue	24,122	-	-	-	-
Transfers In	2,646,800	3,628,021	2,945,883	2,945,883	3,383,000
TOTAL REVENUE	<u>2,670,625</u>	<u>3,625,760</u>	<u>2,945,883</u>	<u>2,945,883</u>	<u>3,384,000</u>
EXPENDITURES:					
Bond costs	2,782,916	2,982,578	3,542,521	3,542,521	3,386,363
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	<u>2,782,916</u>	<u>2,982,578</u>	<u>3,542,521</u>	<u>3,542,521</u>	<u>3,386,363</u>

Increases in 2017-2018 revenue and 2018-2019 expenditures were the result of early redemption of portions of several bond series called June 1, 2018 and July 1, 2018. In total, \$1,635,000 of older debt with interest rates between 4.2% and 5.0% was redeemed prior to maturity.

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Interest and rents	64	65	-	-	50
Transfers In	240,000	232,300	243,590	243,590	249,000
TOTAL REVENUE	<u>240,064</u>	<u>232,365</u>	<u>243,590</u>	<u>243,590</u>	<u>249,050</u>
EXPENDITURES:					
Bond costs	239,813	231,938	243,590	243,590	249,510
TOTAL EXPENDITURES	<u>239,813</u>	<u>231,938</u>	<u>243,590</u>	<u>243,590</u>	<u>249,510</u>

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Interest and rents	138	143	-	-	150
Transfers In	649,200	682,300	716,890	716,890	350,000
TOTAL REVENUE	<u>649,338</u>	<u>682,443</u>	<u>716,890</u>	<u>716,890</u>	<u>350,150</u>
EXPENDITURES:					
Bond costs	648,944	681,950	716,890	716,890	350,420
TOTAL EXPENDITURES	<u>648,944</u>	<u>681,950</u>	<u>716,890</u>	<u>716,890</u>	<u>350,420</u>

BUILDING AUTHORITY DEBT SERVICE, 369

This fund accounts 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, and South Westnedge Park improvements.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Interest and rents	(15)	265	-	-	500
Transfers In	828,000	739,000	761,345	761,345	625,000
TOTAL REVENUE	<u>827,985</u>	<u>739,265</u>	<u>761,345</u>	<u>761,345</u>	<u>625,500</u>
EXPENDITURES:					
Bond costs	825,950	771,478	761,345	761,345	625,200
TOTAL EXPENDITURES	<u>825,950</u>	<u>771,478</u>	<u>761,345</u>	<u>761,345</u>	<u>625,200</u>

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Property taxes	454,966	457,154	650,000	650,000	695,559
Interest and rents	751	1,966	1,550	1,550	3,200
Transfers In	50,000	-	-	-	-
TOTAL REVENUE	<u>505,717</u>	<u>459,120</u>	<u>651,550</u>	<u>651,550</u>	<u>698,759</u>
EXPENDITURES:					
Bond costs	354,325	367,588	379,455	379,455	658,850
Transfers Out	103,471	101,378	104,285	104,285	94,001
TOTAL EXPENDITURES	<u>457,796</u>	<u>468,966</u>	<u>483,740</u>	<u>483,740</u>	<u>752,851</u>

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 funded the purchase of 80 acres of land conveyed to facilitate industrial development. The 2005 LDFA bond was issued for road widening and improvements for Sprinkle Road, and water main installation.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Property taxes	418,915	613,970	525,000	525,000	625,000
Interest and rents	4,235	10,313	12,500	12,500	21,000
Other revenue	-	-	-	-	-
TOTAL REVENUE	423,150	624,283	537,500	537,500	646,000
EXPENDITURES:					
Bond costs	438,469	424,679	493,070	493,070	524,985
TOTAL EXPENDITURES	438,469	424,679	493,070	493,070	524,985

SPECIAL ASSESSMENT DEBT SERVICE FUNDS

The Special Assessment Debt Service Fund accounts for the repayment of bonds issued to finance the costs of various construction projects. Property owners were assessed a proportionate share of estimated project costs as determined by Council resolution. Assessments may be paid in full or over a period of up to 20 years through annual installments. Bond payments are made with the assessments collected.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Payments on special assessments	26,563	19,504	168,200	168,200	165,230
Interest on investments	2,476	6,018	4,550	4,550	8,750
Transfers In	103,471	331,378	104,285	104,285	94,255
TOTAL REVENUE	132,510	356,900	277,035	277,035	268,235
EXPENDITURES:					
Interest and fiscal charges	31,465	29,080	14,475	14,475	10,434
Bond principal	165,730	400,530	240,755	240,755	249,252
TOTAL EXPENDITURES	197,195	429,610	255,230	255,230	259,686

Other Funds

CURBSIDE RECYCLING FUND - 223

This fund is managed by 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 & Objectives: The Curbside Recycling budget supports these goals & objectives.

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Recycling</i>	<i>Environmental Quality</i>
Hazardous Waste Program	Responsible disposal of hazardous waste
Reduced millage	<i>Service Delivery</i>
	Continue to evaluate privatizing City services
	<i>Financial Health</i>
	Continue to evaluate expenditures to provide for effective & efficient use of City resources
Curbside recycling	<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	31,466	32,000	32,200
Tons collected per month	227	240	245

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Property taxes	577,210	624,079	619,000	619,000	641,235
Interest and rents	1,469	2,045	2,000	2,000	5,150
State revenue	68,819	156,140	59,100	59,100	52,500
TOTAL REVENUE	647,498	782,264	680,100	680,100	698,885
EXPENDITURES:					
Personnel Services	29,629	32,798	32,771	32,771	33,223
Operations & Maintenance	588,913	604,646	643,008	643,008	664,078
Administrative Charges	523	47,082	12,302	12,302	1,011
TOTAL EXPENDITURES	619,065	684,526	688,081	688,081	698,312

LEAF PICKUP/SPRING CLEANUP FUND

This fund is managed by 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 & Objectives: The Leaf Pickup/Spring Cleanup budget supports these goals & objectives.

<i>Program & Description</i>	<i>Goals/Objectives</i>
<i>Administration</i> 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

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Property taxes	654,006	663,430	673,000	673,000	737,300
State revenue	77,983	185,116	67,500	67,500	60,100
Interest and rents	1,811	2,750	3,500	3,500	6,000
TOTAL REVENUE	733,800	851,296	744,000	744,000	803,400
EXPENDITURES:					
Personnel Services	84,330	98,356	130,943	130,943	131,522
Operations & Maintenance	471,179	504,299	551,187	551,187	589,456
Administrative Charges	116,483	180,933	155,683	155,683	112,714
TOTAL EXPENDITURES	671,992	783,588	837,813	837,813	833,692

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Administrative Charges	50,783	56,565	15,010	15,010	1,012
TOTAL EXPENDITURES	<u>50,783</u>	<u>56,565</u>	<u>15,010</u>	<u>15,010</u>	<u>1,012</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	2,551	2,689	2,700
Cubic yards of brush collected	7,725	9,350	9,400

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	9,969	3,119	12,300	12,300	12,300
Operations & Maintenance	181,289	176,432	195,577	195,577	205,996
TOTAL EXPENDITURES	<u>191,258</u>	<u>179,551</u>	<u>207,877</u>	<u>207,877</u>	<u>218,296</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	13,431	21,181	15,000

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	74,361	95,237	118,643	118,643	119,222
Operations & Maintenance	190,926	213,834	217,550	217,550	244,833
Administrative Charges	65,700	124,368	140,673	140,673	111,702
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	330,987	433,439	476,866	476,866	475,757

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	14,055	15,817	15,000

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	98,964	114,033	138,060	138,060	138,627
TOTAL EXPENDITURES	98,964	114,033	138,060	138,060	138,627

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 2019-2020 entitlement is estimated to be \$237,000. The 2018-2019 grant total was \$237,119 and the 2017-2018 grant total was \$216,112.

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

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

CDBG FUND, continued

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Federal revenue	194,878	221,665	214,000	210,000	229,105
Transfers In	28,983	-	-	-	-
TOTAL REVENUE	<u>223,861</u>	<u>221,665</u>	<u>214,000</u>	<u>210,000</u>	<u>229,105</u>
EXPENDITURES:					
Personnel Services	113,588	120,746	123,989	123,989	126,223
Operations & Maintenance	110,272	82,596	90,011	86,011	102,882
Transfers Out	-	18,322	-	-	-
TOTAL EXPENDITURES	<u>223,860</u>	<u>221,664</u>	<u>214,000</u>	<u>210,000</u>	<u>229,105</u>

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	41,928	38,963	34,935	34,935	44,100
TOTAL EXPENDITURES	<u>41,928</u>	<u>38,963</u>	<u>34,935</u>	<u>34,935</u>	<u>44,100</u>

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	48,083	55,741	54,344	54,344	55,360
Operations & Maintenance	65,054	40,168	47,166	47,166	54,740
TOTAL EXPENDITURES	<u>113,137</u>	<u>95,909</u>	<u>101,510</u>	<u>101,510</u>	<u>110,100</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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	48,733	48,875	53,178	53,178	54,132
Operations & Maintenance	1,155	1,330	1,210	1,210	1,342
TOTAL EXPENDITURES	<u>49,888</u>	<u>50,205</u>	<u>54,388</u>	<u>54,388</u>	<u>55,474</u>

ADMINISTRATION, 296-6627

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

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	16,772	16,130	16,467	16,467	16,731
Operations & Maintenance	2,135	2,135	6,700	2,700	2,700
Transfers Out	-	18,322	-	-	-
TOTAL EXPENDITURES	<u>18,907</u>	<u>36,587</u>	<u>23,167</u>	<u>19,167</u>	<u>19,431</u>

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM INCOME FUND

The 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 2019-2020 are: housing rehabilitation projects and down payment assistance loans.

Budget Overview: The CDBG Program Income Fund 2019-2020 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.

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>Housing Loans</i> Housing rehabilitation & down payment assistance loans	<i>Community Development</i> Ensure decent & safe housing

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Charges for services	101,543	33,471	50,000	50,000	50,000
Federal revenue	-	-	75,000	75,000	75,000
Interest and rents	19,063	3,230	-	-	-
Transfers In	-	18,322	-	-	-
TOTAL REVENUE	120,606	55,023	125,000	125,000	125,000
EXPENDITURES:					
Operations & Maintenance	33,364	63,276	125,000	125,000	125,000
Transfers Out	78,983	-	-	-	-
TOTAL EXPENDITURES	112,347	63,276	125,000	125,000	125,000

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 2019-2020 again designates \$115,000 for housing rehabilitation/emergency repairs and \$10,000 for down-payment assistance.

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.

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>Administration</i> All Programs	<i>Public Relations</i> Continue efforts to enhance communication with citizens

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Fees and permits	847,283	803,520	833,000	833,000	780,022
Interest and rents	1,176	3,167	3,000	3,000	4,500
TOTAL REVENUE	848,459	806,687	836,000	836,000	784,522
EXPENDITURES:					
Personnel Services	121,754	121,790	129,069	129,069	128,343
Operations & Maintenance	468,818	544,368	631,730	616,730	445,500
Administrative Charges	69,010	59,520	39,910	54,910	41,140
Capital Outlay	153,869	92,452	67,000	67,000	64,870
Transfers Out	-	-	-	-	309,185
TOTAL EXPENDITURES	813,451	818,130	867,709	867,709	989,038

The responsibilities of the various activities are Cable 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, and various government produced programs.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	121,754	121,790	129,069	129,069	128,343
Operations & Maintenance	326,600	398,079	488,500	492,500	257,500
Administrative Charges	69,010	59,520	39,910	54,910	41,140
TOTAL EXPENDITURES	<u>517,364</u>	<u>579,389</u>	<u>657,479</u>	<u>676,479</u>	<u>426,983</u>

PUBLIC SERVICE FEE, 298-7014

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

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	3,248	72	3,000	3,000	4,000
Capital Outlay	153,869	92,452	67,000	67,000	64,870
TOTAL EXPENDITURES	<u>157,117</u>	<u>92,524</u>	<u>70,000</u>	<u>70,000</u>	<u>68,870</u>

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.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Operations & Maintenance	138,970	146,217	140,230	121,230	184,000
Transfers Out	-	-	-	-	309,185
TOTAL EXPENDITURES	<u>138,970</u>	<u>146,217</u>	<u>140,230</u>	<u>121,230</u>	<u>493,185</u>

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:

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>Weed Control</i>	<i>Environmental Quality</i> Protect water quality Promote environmental protection planning, monitoring, & educational programs <i>Service Delivery</i> Discover alternatives to handle service demands

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Interest and rents	242	419	220	220	600
Other revenue	32,565	31,348	31,900	31,900	31,900
TOTAL REVENUE	32,807	31,767	32,120	32,120	32,500
EXPENDITURES:					
Operations & Maintenance	38,750	16,000	32,120	32,120	32,120
TOTAL EXPENDITURES	38,750	16,000	32,120	32,120	32,120

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 2019-2020, revenue from sale of lots is expected to exceed transfers out by approximately \$35,000.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Charges for services	25,225	30,600	25,000	25,000	35,000
Interest and rents	2,629	5,876	7,000	7,000	12,000
 TOTAL REVENUE	 <u>27,854</u>	 <u>36,476</u>	 <u>32,000</u>	 <u>32,000</u>	 <u>47,000</u>
EXPENDITURES:					
Transfers Out	4,000	6,000	7,500	7,500	12,000
 TOTAL EXPENDITURES	 <u>4,000</u>	 <u>6,000</u>	 <u>7,500</u>	 <u>7,500</u>	 <u>12,000</u>



Appendices

APPENDIX A

CITY of PORTAGE Contributions to Outside Agencies Fiscal Year 2019-2020

	2018-2019 Original Budget	2019-2020 Agency Request	2019-2020 Council Approved
General Fund			
Legislative:			
Michigan Municipal League	9,500	9,500	9,500
	9,500	9,500	9,500
Human Services:			
Portage Community Center	95,187	97,000	91,240
YWCA	17,000	12,029	19,000
Housing Resources, Inc.	27,000	25,000	29,000
Catholic Charities (Ark)	15,000	12,100	17,000
Gryphon Place	3,000	2,700	3,750
Goodwill Industries	2,500	0	0
Lending Hands of Michigan	3,000	5,000	4,500
Kalamazoo Youth for Christ	0	4,695	2,500
Kalamazoo Literacy Council	2,000	2,000	2,750
	164,687	160,524	169,740
Parks:			
Kalamazoo in Bloom, Inc.	8,000	15,000	15,000
Total, General Fund	182,187	185,024	194,240
Other Funds			
CDBG Fund:			
Portage Community Center	34,935	34,935	44,100
Total, All Funds	217,122	219,959	238,340

APPENDIX B

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

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

Construction Board of Appeals - hears appeals of building, electrical, mechanical and plumbing code requirements. This board meets when called 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.

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 and has 11 members serving four-year terms.

Local Officers Compensation Commission - Determines the salaries of local elected officials (Mayor and City Council). The commission meets when called in odd-numbered years. There are seven members serving seven-year terms.

APPENDIX B

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 Committee - to provide involvement and participation of youthful members of the community in City government. The committee meets monthly and has a maximum of thirty members.

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)

2009 - 2018

	Fiscal Year	City of Portage							
	Ended June 30,	General Fund	Capital Improvements	Curbside Recycling	Fall Leaf/ Spring Clean ⁽¹⁾	Municipal Streets	Total City Millage		
	2009	7.5000	2.0000	0.2922	0.3520	0.5156	10.6598		
	2010	7.5000	2.0000	0.2710	0.2950	0.5938	10.6598		
	2011	7.5000	2.0000	0.2710	0.2950	0.6652	10.7312		
	2012	7.5000	2.0000	0.3603	0.4000	0.6313	10.8916		
	2013	7.5000	2.0000	0.3349	0.4000	0.5429	10.7778		
	2014	7.5000	2.0000	0.3049	0.3455	0.6274	10.7778		
	2015	7.5000	2.0000	0.3049	0.3455	0.7752	10.9256		
	2016	7.5000	2.0000	0.3049	0.3455	0.7752	10.9256		
	2017	7.5000	2.0000	0.3049	0.3455	0.7752	10.9256		
	2018	7.5000	2.0000	0.3250	0.3455	0.7500	10.9205		
Overlapping Rates									
Fiscal Year	State	Portage	Portage			Kalamazoo	Kalamazoo	Total	
Ended	Education	Public	District	Kalamazoo	Transportation	Regional	Valley	Direct &	
June 30,	Tax	Schools ⁽²⁾	Library	County	Authority	Service Agency	Community	Overlapping	
	2009	6.0000	5.0400	1.4900	6.3311	-	4.8316	2.8135	37.1660
	2010	6.0000	5.0400	1.5000	6.7212	-	4.8316	2.8135	37.5661
	2011	6.0000	5.0400	1.5000	6.7412	-	4.8566	2.8135	37.6825
	2012	6.0000	5.0400	1.5000	6.7412	-	4.8616	2.8135	37.8479
	2013	6.0000	5.8000	1.5000	6.3596	-	4.8666	2.8135	38.1175
	2014	6.0000	5.8000	1.5000	6.7695	-	4.8916	2.8135	38.5524
	2015	6.0000	5.8000	1.5000	6.5362	-	6.4066	2.8135	39.9819
	2016	6.0000	5.8000	1.5000	6.8890	-	6.4066	2.8135	40.3347
	2017	6.0000	7.3500	1.5000	6.4663	1.1500	6.4066	2.8135	42.6120
	2018	6.0000	7.3500	1.5000	6.4420	1.0645	6.4028	2.8089	42.4887

APPENDIX D

CITY OF PORTAGE Full-Time Equivalent Positions by Department Fiscal Year 2019-2020

Department	2016-2017 Budget	2017-2018 Budget	2018-2019 Budget	2019-2020 Council Approved
City Manager	5.50	6.50	6.50	6.00
Finance and Purchasing	12.50	11.70	12.00	12.00
Technology Services	1.00	1.00	1.00	1.00
City Assessor	5.00	5.25	4.75	4.50
City Clerk	3.00	3.00	3.00	3.00
Human Resources	5.50	4.50	4.50	4.50
Parks and Recreation	10.48	10.95	13.51	14.61
Public Safety - Police	80.16	81.91	85.21	76.21
Public Safety - Fire	35.00	35.70	35.70	35.70
Community Development	13.00	13.50	14.50	15.50
Senior Center	4.86	4.91	4.91	5.41
Transportation and Utilities	5.00	6.00	7.00	7.00
Public Services	31.20	31.20	32.20	32.20
Total	212.20	216.12	224.78	217.63

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 Streets, Local Streets, and Fleet and Facilities funds.

APPENDIX D

CITY OF PORTAGE Authorized Full-Time Positions 1991-2020

Fiscal Year	Positions
2019-20	197
2018-19	203
2017-18	195
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 2007-08 to 2008-09 was from planned staff reductions based on retirements and attrition. The decrease from 2008-09 through 2012-13 has resulted from internal reorganizations, also reduced through retirements and attrition. The increase from 2012-13 to 2018-19 was to accomplish levels of succession planning, and also optimization of operational efficiency in certain areas. The decrease in 2019-2020 relates to the radio operators lost in the transition to the Kalamazoo County Consolidated Dispatch Authority.

APPENDIX D

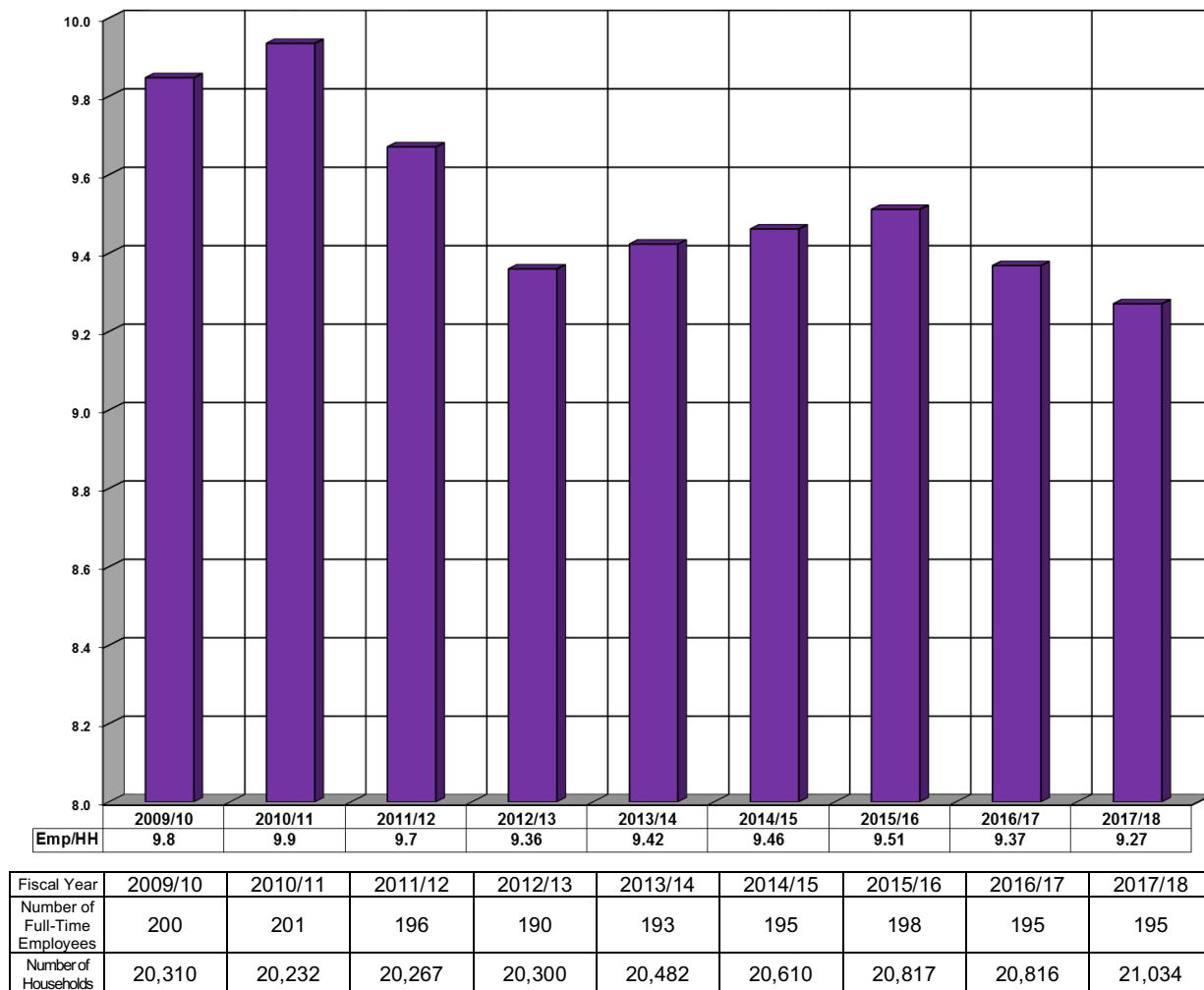
CITY OF PORTAGE 2019-2020 Budget Position Comparison (Budgetary Basis)

Full Time Authorized Positions	Budget <u>2016-2017</u>	Budget <u>2017-2018</u>	Budget <u>2018-2019</u>	Council Approved <u>2019-2020</u>
General Fund				
City Administration	4	5	5	5
Finance and Purchasing	12	11	12	12
Technology Services	1	1	1	1
City Assessor	5	5	4	4
City Clerk	3	3	3	3
Human Resources	5	4	4	4
Parks and Recreation	4	4	4	5
Public Safety				
Police	75	75	80*	71
Fire	35	35	35	35
Community Development	13	13	14	15
Senior Citizen Services	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>
Total General Fund	160	159	165	159
Public Services	30	30	31	31
Transportation and Utilities	<u>5</u>	<u>6</u>	<u>7</u>	<u>7</u>
Total Full Time Positions	<u>195</u>	<u>195</u>	<u>203</u>	<u>197</u>

* The 2018-2019 total full time positions included 6 records clerks added to provide 24/7 staffing of the Public Safety-Police building after 12 radio operators moved to the Kalamazoo County Consolidated Dispatch Authority. Overlap of the 18 positions will occur as training of the new staff is completed, but the dispatch consolidation ultimately resulted in 6 fewer full time positions.

APPENDIX D

NUMBER OF MUNICIPAL EMPLOYEES PER 1000 HOUSEHOLDS



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.

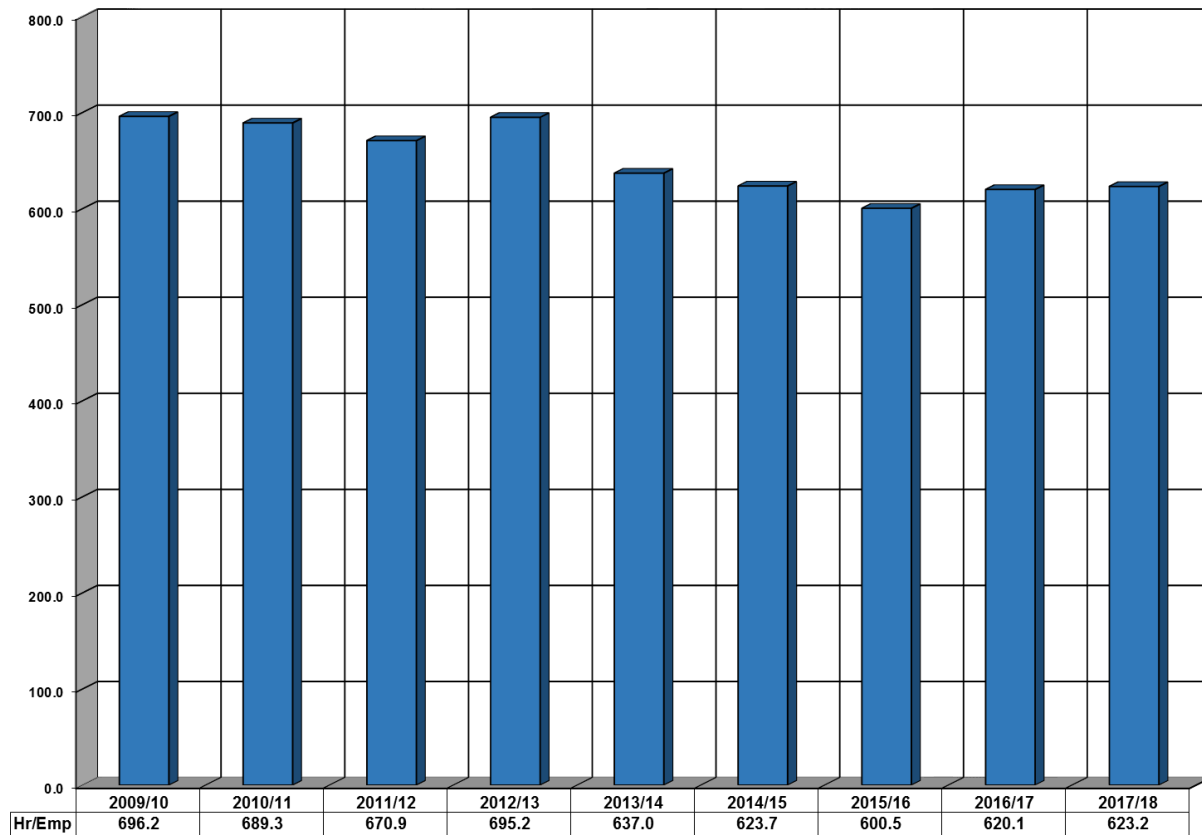
Analysis:

Through the 1990s, the number of municipal employees per 1,000 households remained relatively constant at 13 to 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 2000, vacant positions are analyzed and, if replacement is warranted, the position is filled. As the economy worsened, attrition provided opportunities to reorganize operations for efficiency. Recent economic improvements have allowed for staff expansions, primarily in public safety, to increase service to citizens.

APPENDIX D

ACCUMULATED EMPLOYEE LEAVE

In Hours per Employee



Formula:

$$((\text{Total Unused Employee Vacation Hours}) + (\text{Total Unused Employee Sick Hours})) / (\text{Number of Employees})$$

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 700 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.

APPENDIX E**City of Portage - Capital Outlay
Fiscal Year Ending June 30, 2020****General Fund**Police

Scheduled replacement of Tasers	8,900	
Scheduled replacement of protective vests	8,900	
Replacement of patrol rifles	9,800	
Rifle laser lights	5,000	
Total Station for traffic crash investigation	15,000	
Scheduled replacement of lidar speed devices	9,000	
		<hr/>
		56,600

Fire

Replace boiler at Station 1	62,000	
Station 2 appliances and furnishings	85,000	
		<hr/>
		147,000

Parks, Recreation & Senior Citizen Services

Sign replacements in parks	5,000	
Park restroom sign posting boards	2,500	
Dock for swim lessons	5,000	
Lifeguard stand (2 new)	4,000	
Ceiling tiles, carpet, paint	15,000	
		<hr/>
		31,500

Finance

Treasury payment drop-box expansion	6,000	
Accounts Payable MICR Check Printer Replacement	1,500	
		<hr/>
		7,500

Total General Fund**242,600****Major Street Fund**

Street name sign replacement	20,000	
Mast arm and pole replacement	30,000	
		<hr/>
		50,000

Cable TV Fund

Cable Access equipment management with AVI	64,870	
		<hr/>
		64,870

Sewer Fund

Lift station rehabilitation	75,000	
Electrical updates	15,000	
Landscaping	10,000	
Manhole reconstruction	40,000	
		<hr/>
		140,000

Water Fund

Operating equipment as needed	20,000	
		<hr/>
		20,000

APPENDIX E

City of Portage - Capital Outlay and Expenditures Fiscal Year Ending June 30, 2018, continued

Fleet and Facilities Fund

Community Development, SUV	25,000
Community Development, SUV	25,000
Transportation & Utilities, SUV	25,000
Parks Maintenance, pickup truck	37,500
Parks Maintenance, pickup truck	37,500
Streets Maintenance, dump truck	215,000
Streets Maintenance, dump truck	215,000
Streets Maintenance, dump truck	215,000
Streets Maintenance, pickup truck	35,000
Transportation & Utilities (Suez), pickup truck	30,000
Transportation & Utilities (Suez), pickup truck	42,000
Parks & Recreation, ranger pickup truck	25,000
Parks & Recreation, ranger pickup truck	25,000
Parks Maintenance, utility vehicle	18,000
Computers	140,000
	<hr/>
	1,110,000

Total Capital Outlay Requested

1,627,470

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 departments. The revenue received by the Fleet & Facilities fund is inter-fund rent budgeted in each department and division using Fleet & Facilities fund assets. The fund is not included in the overall budget due to the effect of double counting; instead it is shown in this appendix to support the underlying costs of the fund. The Fleet & Facilities fund records the costs of purchasing, maintaining, and operating vehicles, buildings, and other equipment.

Budget Overview: The 2019-2020 budget includes funding for the orderly repair, maintenance, and replacement of the city fleet. The fund also rents certain pieces of specialty equipment on an as-needed basis.

Goals and Objectives: The Fleet & Facilities fund budget supports the following goals and objectives.

<i>Program & Description</i>	<i>Goal/Objective</i>
<i>Operation & Administration</i>	<i>Public Improvements</i>
Upgrade fleet	Upgrade equipment & facilities maintenance
Building maintenance	Maintain facilities

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
REVENUE:					
Charges for services	1,834,327	2,023,907	1,996,662	1,996,662	2,009,465
Interest and rents	(1,568)	898	1,000	1,000	1,200
Other revenue	93,667	(26,795)	100,000	100,000	670,000
TOTAL REVENUE	1,926,426	1,998,010	2,097,662	2,097,662	2,680,665
EXPENDITURES:					
Personnel Services	373,180	331,739	372,637	372,637	346,441
Operations & Maintenance	1,035,590	1,209,302	837,853	879,657	873,494
Administrative Charges	79,666	74,555	81,250	81,250	84,130
Debt Service	15,589	21,350	291,660	291,660	266,600
Capital Outlay *	19,499	6,110	1,032,804	991,000	1,110,000
TOTAL EXPENDITURES	1,523,524	1,643,056	2,616,204	2,616,204	2,680,665

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	247	253	275
Work orders completed	1,628	948	1,250
Gasoline usage - gallons	41,761	36,017	48,000
Diesel fuel usage - gallons	46,339	45,876	40,000

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	128,598	118,922	153,525	153,525	124,377
Operations & Maintenance	468,862	540,611	670,790	706,094	689,408
Capital Outlay *	19,499	6,110	1,032,804	991,000	1,110,000
TOTAL EXPENDITURES	616,959	665,643	1,857,119	1,850,619	1,923,785

* Most or all capital outlay expenditures are reclassified as capital assets during each fiscal year close.

BUILDING ADMINISTRATION, 661-4026

This activity accounts for the costs associated with the operation and maintenance of the City maintenance and storage garages.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Personnel Services	244,582	212,817	219,112	219,112	222,064
Operations & Maintenance	566,728	668,691	167,063	173,563	184,086
Administrative Charges	79,666	74,555	81,250	81,250	84,130
TOTAL EXPENDITURES	890,976	956,063	467,425	473,925	490,280

DEBT SERVICE, 661-9510

This activity accounts for the costs associated with the payments of the related debt.

	2016-2017 Actuals	2017-2018 Actuals	2018-2019 Adjusted Budget	2018-2019 Adopted Budget	2019-2020 Council Approved
EXPENDITURES:					
Debt service *	15,589	21,350	291,660	291,660	266,600
TOTAL EXPENDITURES	15,589	21,350	291,660	291,660	266,600

* Actuals reflect only interest and fees. Principal payments are reclassified as a reduction in bonds payable during each fiscal year close.

CITY OF PORTAGE
Financial Trends
Fiscal Year 2019-2020

The Finance Department has used the Financial Trend Monitoring System (FTMS) developed by the International City Management Association for evaluating the financial condition of the City since 1987. 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.

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 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 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 data in FTMS charts from year to year result from a conscious effort to update previous data where appropriate, and ensure consistency 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.
 - 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.

REVENUE

Revenues determine the capacity of a City to provide services. Important issues include growth, diversity, reliability, flexibility, and administration. Ideally, the revenue bases would be growing at a rate equal to or greater than the combined effects of inflation and service demands, and they would be sufficiently flexible to allow adjustments as conditions change. And there would be balance, some growing with the economic base and others growing with inflation.

EXPENDITURES

Expenditures are a rough measure of municipal service output. Analyzing a city's expenditure profile helps to identify a number of problems.

APPENDIX G

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 but misuse can cause serious financial difficulties. Focus on ability to repay is important to prevent loss of credit rating, increase the cost of future borrowing, and loss of autonomy to State and other regulatory bodies. The most common form of City debt is general obligation. The City strives to fund capital purchases with current reserves to the greatest extent possible.

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. 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 a low level of 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 maintenance of buildings, equipment, street system, and timely replacement of Enterprise and Internal Service Fund assets. Deferral of maintenance must be avoided as a way to reduce spending and ease financial strain short-term.

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 annually, with results are used in administrative sessions and presented to City Council with the annual budget. They are used as tools for evaluating the financial condition of the City in the goal setting process as well as reviewing the adopted annual operating budget.

Growth from 2000 to 2008 caused general long-term expansion of resources necessary to fund growth-related service demands, and pushed debt levels to new levels. Debt reduction has been a focus in recent years, resulting in a significant decline in outstanding debt since 2008.

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, Storm-water Master Plan, Wellhead Protection Program, Water Utility Infrastructure Analysis Program, Walkway/Bikeway Plan, and others.
Budget Impacts	Ensures sound financial plan and basis for essential budgetary decisions, to provide high quality fiscally responsible public services.

Capital Improvement Program	
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 Planning Commission and then City Council for approvals. 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	The Director of Public Services prioritizes other departments' or activities' requests for projects along with known maintenance requirements and submits to City Manager. The City 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.

APPENDIX G

LONG-RANGE PLANNING, continued

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.

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. The City 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. The City Manager submits 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

Five Year Forecast

	Fund 101 General Fund				
	2019-2020				
	Council	2020-2021	2021-2022	2022-2023	2023-2024
	Approved	Projected	Projected	Projected	Projected
Revenues budgeted by department:					
Fees and permits	938,000	956,800	973,500	990,500	1,005,400
Federal revenue	3,000	3,000	3,100	3,100	3,100
State revenue	9,000	9,100	9,200	9,200	9,200
Other grants	12,000	12,200	12,300	12,400	12,500
Charges for services	250,490	255,500	260,000	264,600	269,200
Interest and rents	250,500	253,000	255,500	258,100	260,700
Other revenue	800,119	810,100	820,200	830,500	834,700
Transfers In	12,000	12,100	12,200	12,300	12,400
	<u>2,275,109</u>	<u>2,311,800</u>	<u>2,346,000</u>	<u>2,380,700</u>	<u>2,407,200</u>
Revenues not budgeted by department:					
Property taxes	16,838,394	17,175,200	17,518,700	17,781,500	18,048,200
State revenue	1,350,000	1,370,300	1,397,700	1,425,700	1,432,800
State shared revenue	4,386,305	4,408,200	4,419,200	4,424,500	4,429,800
Charges for services	1,282,120	1,294,900	1,307,800	1,320,900	1,327,500
Interest and rents	175,000	175,900	176,800	177,700	178,600
Transfers In	309,185	-	-	-	-
Other revenue	19,000	19,000	19,000	19,000	19,000
	<u>24,360,004</u>	<u>24,443,500</u>	<u>24,839,200</u>	<u>25,149,300</u>	<u>25,435,900</u>
Total Revenue	<u>26,635,113</u>	<u>26,755,300</u>	<u>27,185,200</u>	<u>27,530,000</u>	<u>27,843,100</u>
Expenditures					
City Council	88,000	88,200	88,200	88,200	88,200
Human Services	169,740	169,800	172,400	174,600	176,600
City Manager	654,587	658,500	665,100	669,500	676,200
Finance	891,611	896,500	905,500	911,600	920,800
Technology Services	909,841	916,200	925,400	931,600	947,900
City Assessor	480,869	483,300	488,200	491,500	496,400
City Attorney	226,728	227,400	229,700	231,200	233,500
City Clerk	468,845	470,300	475,000	478,200	483,000
Human Resources	473,940	475,400	480,200	483,400	488,300
Purchasing	111,552	112,300	113,400	114,200	115,300
Parks, Recreation & Sr Citizen Servs	2,102,238	2,119,100	2,140,400	2,154,700	2,192,400
Parks Maintenance	1,413,936	1,421,700	1,436,000	1,445,600	1,470,900
Police Department	9,601,301	9,601,300	9,698,000	9,762,800	9,909,200
County Central Dispatch	756,793	756,793	756,793	756,793	-
Fire Department	5,579,725	5,580,300	5,636,500	5,674,200	5,731,300
Community Development	1,413,338	1,413,500	1,427,700	1,437,200	1,451,700
General Public Services	510,650	511,400	512,200	513,000	515,600
Transfers Out	781,419	1,416,000	1,002,000	1,116,000	646,000
	<u>26,635,113</u>	<u>27,317,993</u>	<u>27,152,693</u>	<u>27,434,293</u>	<u>26,543,300</u>
Total Expenditures	<u>26,635,113</u>	<u>27,317,993</u>	<u>27,152,693</u>	<u>27,434,293</u>	<u>26,543,300</u>

General Fund trends include a projected 2% increase in the taxable base for the next year followed by a minor slowdown in local development and tax base growth, a leveling off of Public Safety expenditures after the transfer of dispatch operations to the new county authority, and an effort to maintain a balanced General Fund budget.

APPENDIX G

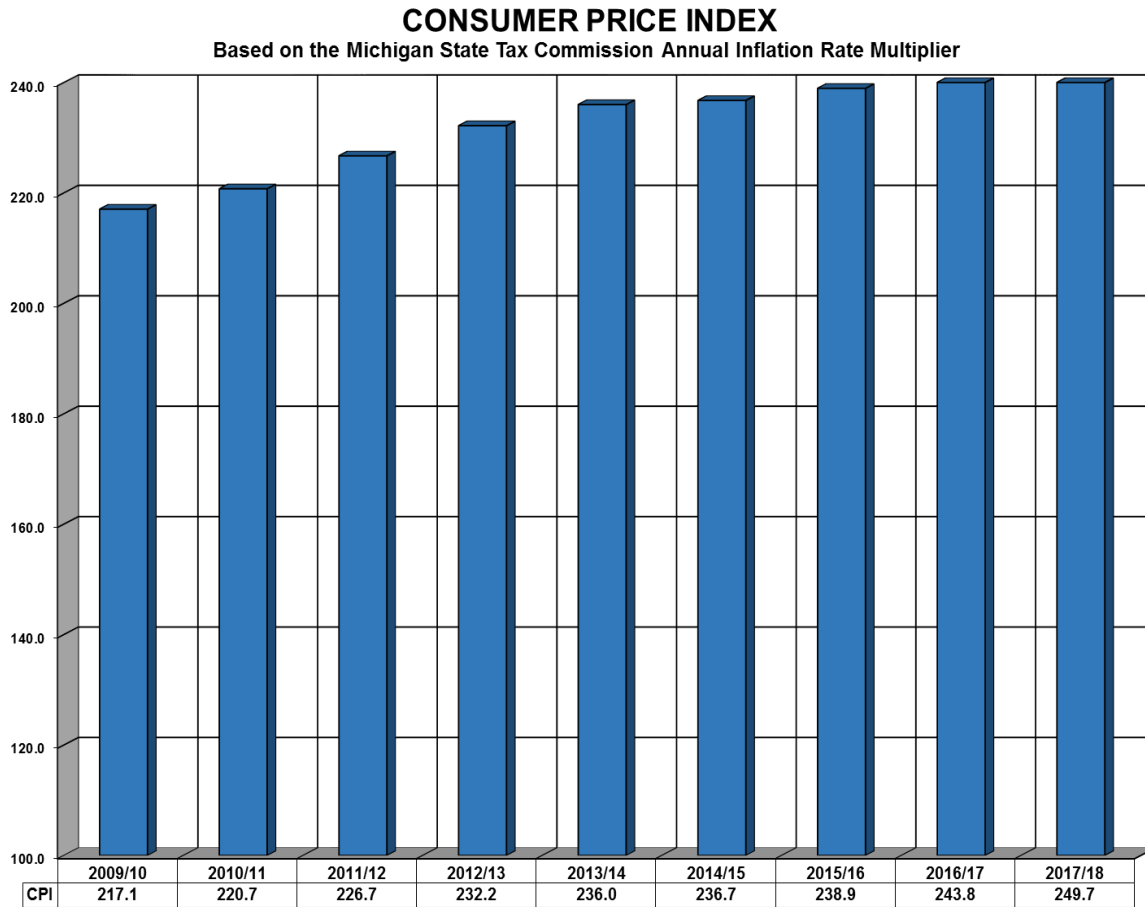
Five Year Forecast

Fund 202 Major Streets Fund					
	2019-2020 Council Approved	2020-2021 Projected	2021-2022 Projected	2022-2023 Projected	2023-2024 Projected
REVENUE:					
State revenue	4,402,852	4,534,900	4,648,300	4,741,300	4,812,400
Interest & Rents	10,000	10,200	10,400	10,600	10,800
TOTAL REVENUE	4,412,852	4,545,100	4,658,700	4,751,900	4,823,200
EXPENDITURES:					
Personnel Services	791,965	807,800	815,900	821,400	829,700
Operations & Maintenance	1,433,550	1,483,700	1,637,600	1,710,900	1,752,100
Administrative Charges	545,254	548,000	553,500	557,200	562,800
Capital Outlay	50,000	50,000	50,000	50,000	50,000
Transfers Out	1,570,000	1,585,700	1,601,700	1,612,400	1,628,600
TOTAL EXPENDITURES	4,390,769	4,475,200	4,658,700	4,751,900	4,823,200
Fund 203 Local Streets Fund					
	2019-2020 Council Approved	2020-2021 Projected	2021-2022 Projected	2022-2023 Projected	2023-2024 Projected
REVENUE:					
State revenue	1,406,784	1,449,000	1,492,500	1,529,800	1,552,700
Interest and rents	5,000	5,100	5,200	5,300	5,400
Transfers in	250,000	275,000	281,900	288,900	296,100
TOTAL REVENUE	1,661,784	1,729,100	1,779,600	1,824,000	1,854,200
EXPENDITURES:					
Personnel Services	733,390	748,100	755,600	760,600	768,300
Operations & Maintenance	644,955	664,300	748,300	785,900	805,600
Administrative Charges	271,647	273,000	275,700	277,500	280,300
TOTAL EXPENDITURES	1,649,992	1,685,400	1,779,600	1,824,000	1,854,200

The Major Street Fund anticipates continued increases in state funding leading to additional street and traffic control improvements and maintenance levels. State revenue increases can be balanced with reduced demands on the Municipal Street fund, resulting in a potential for millage decreases while maintaining solid PASER ratings (street surface quality).

The Local Street Fund is receiving transfers from Major Streets annually, as allowed by Michigan Public Act 51 of 1951, adjusting to the 75/25 split by which the state allocates major versus local street funding. Transfers from Major to Local are limited to 50% of Major Street funding.

APPENDIX G



The City of Portage uses the “constant dollar” basis as the most relevant measure of inflation to use in analyzing financial indicators, based on 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.

APPENDIX H

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 seven separate operational activities: Administration, Operations, On-Call Firefighters, Fire Prevention, Training/Safety, Emergency Management, and Building Maintenance. 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 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. The City Manager is authorized to transfer necessary amounts (referred to as a budget transfer) between activities/departments within a fund and make any adjustments within or between funds which do not change ending fund balance.

Budget Year - The fiscal year to which the budget relates, i.e., the fiscal year beginning July 1 following the current fiscal year.

APPENDIX H

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., Sanitary Sewer and Water Improvements, Street Improvements. 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.

Encumbrances - represent funds that have been reserved when a purchase order is finalized. The purpose of encumbering funds is avoiding budget overspending.

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 2019" or "2018-2019" would refer to the fiscal year ending June 30, 2019. And so, "fiscal year" would refer to the current annual cycle ending June 30.

APPENDIX H

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, Fleet and Facilities, 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 position as opposed to fund balance. See Unassigned Fund Balance and Net Position. 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.

Inter-fund 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.

KCCDA - Kalamazoo County Consolidated Dispatch Authority.

KRESA - Kalamazoo Regional Education Service Agency.

LDFA - Local Development Finance Authority. See Appendix B.

APPENDIX H

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 Position - 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.

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 at the time of development of the proposed budget. In the current budget document, 'prior year' refers to fiscal year 2017-2018.

Proprietary Funds - are business-like funds of the City. Examples of proprietary funds include enterprise funds and internal service funds. Proprietary funds employ the full accrual method of accounting in contrast to governmental funds that employ modified accrual method for budgetary purposes. See Enterprise Funds and Internal Service Funds.

APPENDIX H

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. See the first few pages of the General Fund section for a more detailed discussion of property tax revenues and Proposal A.

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. Also referred to as Proposed Budget.

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 (CDBG), CDBG 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.

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 Inter-fund 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, according to rules and standards established by the Governmental Accounting Standards Board (GASB).