

City of Portage, Michigan

ANNUAL OPERATING BUDGET

Fiscal Year 2020-2021

Elected City Officials as of May 26, 2020

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 14, 2020

City of Portage Budget Message
Fiscal Year 2020-2021

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

I am proud to submit the Proposed Fiscal Year 2020-2021 Budget for the City of Portage. Over my professional career, I have developed many budgets, and with the onset of COVID-19, it is unknown how revenues will be impacted. As a result, I believe this was one of the most challenging budgets that I have had the honor to work on with my staff. I am presenting a balanced budget that includes zero increases in any millages or fees. The proposed budget sustains the city's fiscal health for Fiscal Year 2020-2021 without impacting any core services.

We started this budget cycle with more interaction with all of the stakeholders, including the City Council. The staff will be utilizing their upcoming leadership training in High-Performance Organization and Lean Six Sigma principals to ensure that this year's budget is maintained. The budget team spent countless hours working with departments over the past several months. Additionally, department heads spent much time with their staff at all levels to ensure that they presented a budget that would meet the needs of the community.

The proposed budget also includes capital improvements in the amount of \$31,418,000. These projects include continued improvements to major and local roads, improvements to the Lake Center District Area, the city's water and stormwater systems, the Hampton Bog, and improvements to the city's recreational paths and parks and the new Portage Community Senior Center.

As mentioned, with the unknown revenue impact, the development of this year's budget was challenging. However, the resulting Proposed Fiscal Year 2020-2021 Budget is a responsible fiscal blueprint for the coming year.

Sincerely,

Joseph S. La Margo
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, 2019.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Portage
Michigan**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Monell

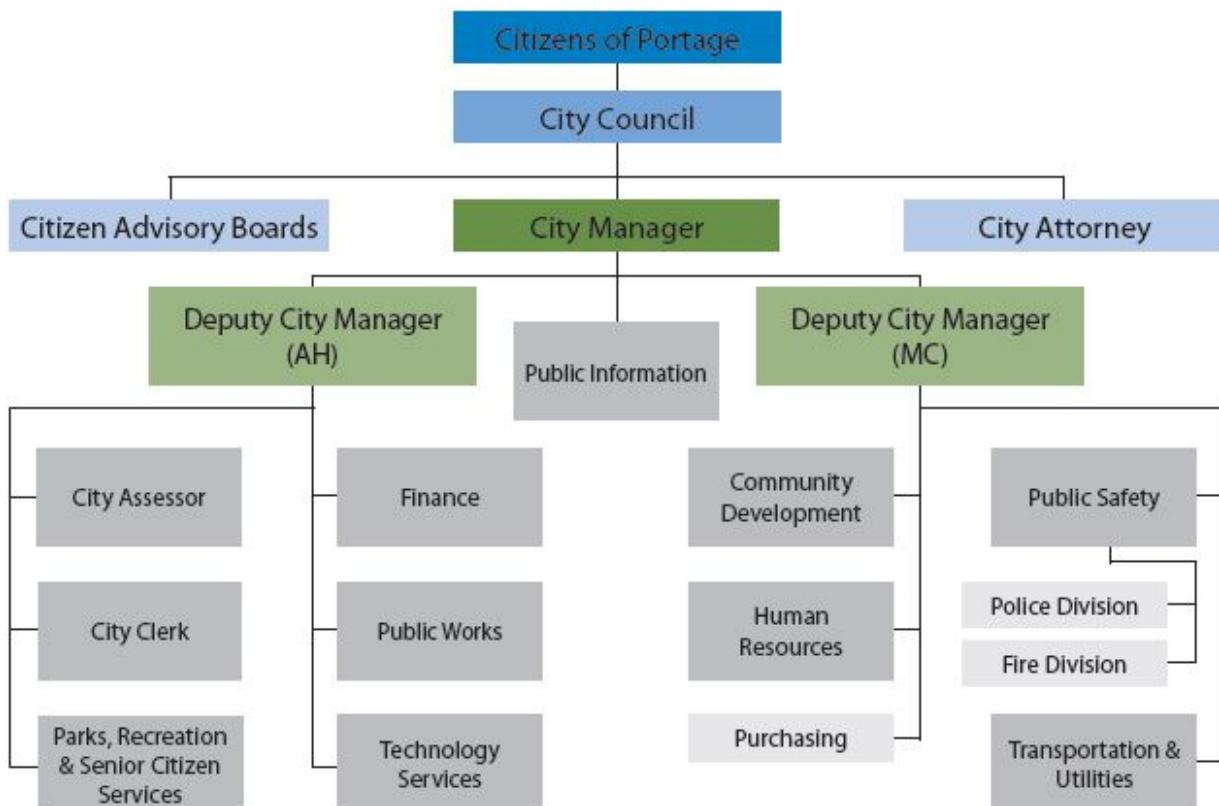
Executive Director

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.



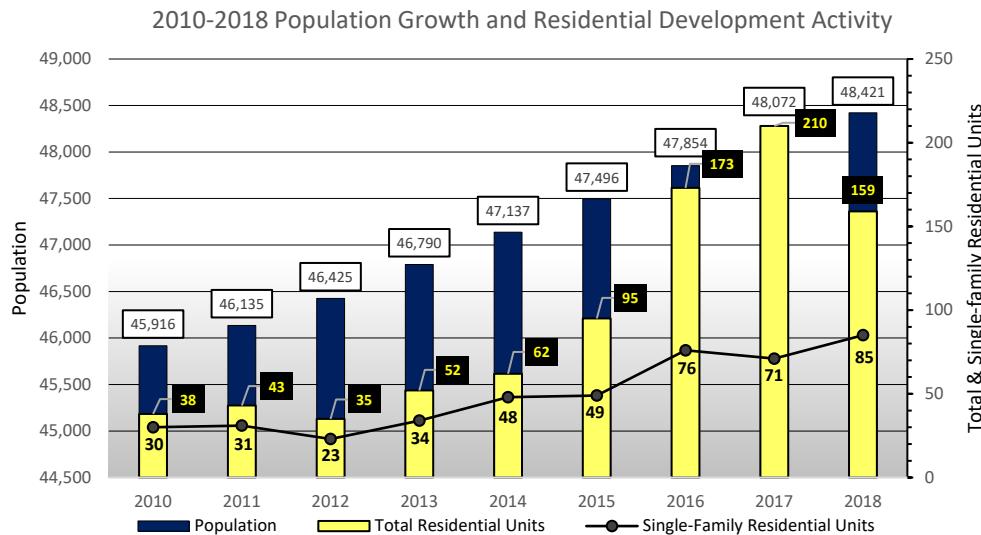
Organizational Chart



CITY OF PORTAGE COMMUNITY PROFILE

Fiscal Year 2020-2021

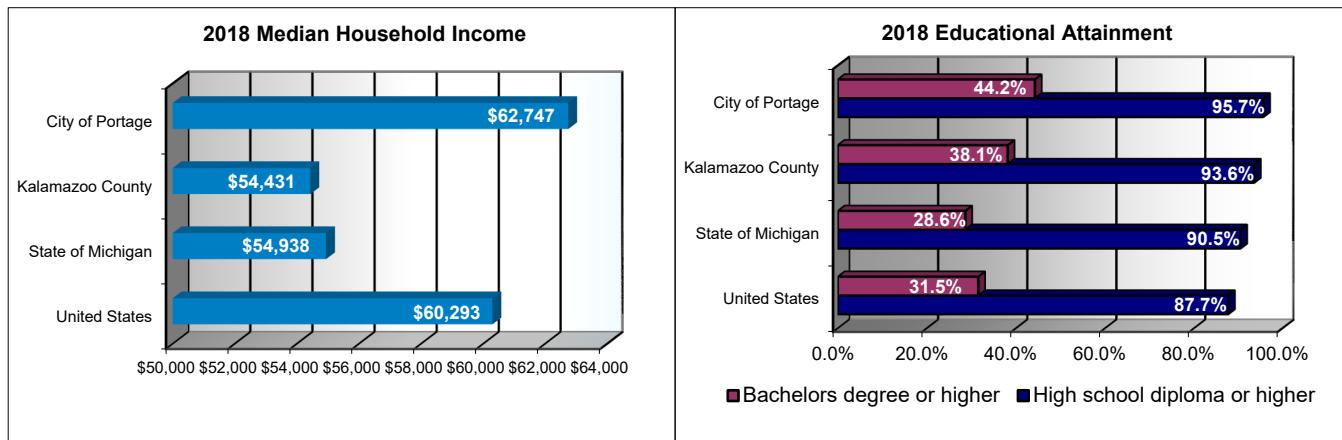
Portage is a strong community filled with caring and talented people. Made up of thirty-five square miles, Portage has the most valuable industrial, commercial, and residential property in southwest Michigan. Its 48,421 citizens enjoy the best schools and park system in Kalamazoo County. The largest 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 above, the population had more than doubled to 45,916 by 2010. In 2018, the population was estimated at 48,421 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 on the previous page, from 2010 to 2018 the

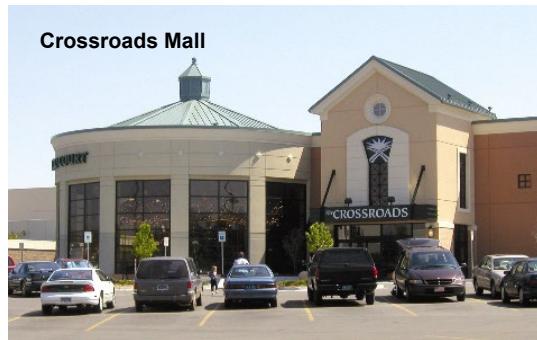
number of new single-family residential units and total number of residential units has been increasing.



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, nearly 96% of Portage residents have a high school diploma and over 44% 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 percent. 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. Trade Center Way, near the intersection of South Westnedge Avenue and Interstate 94 on the city’s north side, is also a desirable location for a variety of office uses within three existing 100,000+ square foot multi-story buildings.

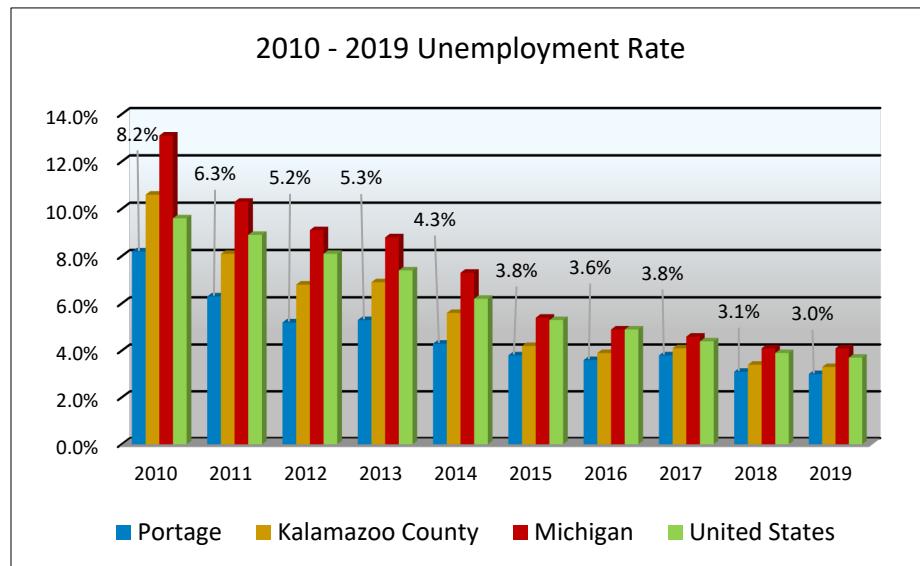
The residential and commercial sectors are complemented by an expanding industrial base, anchored by Stryker and Pfizer, both of which have significant expansion projects underway. Pfizer is underway with a number of projects with a total value of \$800 million that will become operational over the next several years. The first project, a 98,000 square warehouse facility was completed in 2018 and construction of the second project, a 400,000 square foot aseptic manufacturing facility, is in the planning stages. An artist's rendering of the new aseptic facility is shown to the above. Stryker Instruments purchased nearly 300 acres of land and constructed a \$154 million, 485,000-square-foot research and development facility that opened in the fall of 2019. Stryker Medical also expanded at their East Centre Avenue location. A 253,000-square-foot building addition was completed in the fall of 2019. Many other manufacturers and life science companies, primarily located within the Sprinkle Road Industrial Corridor, call Portage home. These companies include Mann+Hummel, FEMA Corporation, Summit Polymers, Erbsloeh Aluminum Solutions (formerly Bowers Manufacturing), Eurofins/Lancaster Laboratories, Thermo Fisher Scientific, and PharmOptima LLC, among others.



Industry	Number	Percent
Management, business, science and arts	11,436	45.5%
Sales and office	5,347	21.3%
Service	3,638	14.5%
Production, transportation and material moving	3,521	14.0%
Natural resources, construction and maintenance	1,201	4.7%

The table above includes the top five employment sectors in 2018. Nearly half of the 25,143 Portage workers have found employment in the management, business, science, and arts fields. More than 5,300 Portage residents are employed in sales and office professions.

As shown in the chart below, the unemployment rate for the City of Portage has remained considerably lower than the county, state and national averages. Between 2010-2019, the unemployment rate for Portage averaged 4.7 percent in comparison to 5.7 percent for Kalamazoo County, 7.2 percent for the State of Michigan, and 6.2 percent for the United States. The overall trend for unemployment has continued to fall since the Great Recession.



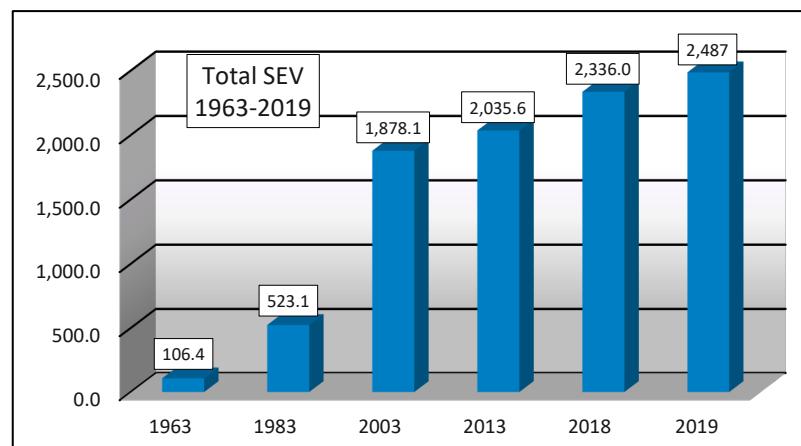
For many years, the city has taken a progressive approach to economic development by providing unique opportunities for businesses and industries to grow due to the significant level of public infrastructure investment through the Capital Improvement Program (CIP). The city has financed and implemented 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 on an upward trend following the end of the recent recessionary period as shown in the chart below. Private investment in the community has continued during the past nine-year period. Between fiscal years 2010-2011 and 2018-2019, construction value averaged \$78.4 million. During 2018-2019, more than \$86 million of new investment occurred.

Major development projects currently underway or scheduled for commencement in 2020 that will have an important impact on the local economy include:

- Fed-Ex Ground – A 321,000-square-foot warehouse/distribution center at 6701 Portage Road, currently under construction with approximately 900 new jobs.
- Pfizer – A 400,000-square-foot addition to the manufacturing facility at 7171 Portage Road, totaling \$450 million investment in real and personal property with 140 new jobs within 2 years and an additional 310 new jobs within 6 years of project completion.

Many smaller office/retail projects have been completed or are ready to commence and include, Bronson Primary Care Partners, Marriot Hotel, Comcast, Kingdom Kidfit Child Care, Panda Express, Drive and Shine, Woodbridge Retail, Sage Dental Office, Hamilton Dental, 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 the 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 nearly \$2.5 billion in 2019.

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, new swimming pools at both high schools, 30 new school buses, and instructional technology for all schools. In August 2020, voters will be asked to approve a bond proposal to rebuild and/or renovate five elementary schools.

The Portage District Library has been a valuable asset to the community for more than 50 years. The library provides a comfortable community environment for learning and entertainment. In 2019, the library had approximately 40,000 registered patrons, a total library collection of 200,000 and a total circulation of 840,000. 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, and 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.

*Christopher Forth
Interim Director of Community Development*

PORTAGE INFO BITS

- 872.5 acres of parks
- 1,732 acres of lakes
- 1,555 acres of state game preserve
- 20 miles of off-road multi-use trails
- 57 miles of bicycle lanes
- 72 miles of major streets
- 149 miles of local streets
- 251 miles of water mains and 18 municipal wellfields
- 236 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 2020-2021

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.

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 2020-2021 budget year, a new City Manager brings new perspectives, methods, goals, and ideas to the city administration. Organizational changes are being reviewed as the budget is being developed, but no overall millage change is, and water and sewer rates also remain unchanged.

Because budget development begins several months before the proposed budget document is presented to the City Council, a well-researched and planned response to the COVID-19 pandemic was impossible due to the timing. Some late adjustments and changes were made, but lack of a full understanding of all the potential economic effects prevented many others. The allocation of the millages between funds was changed to take advantage of adequate fund balances in the smaller funds supported by tax levy and shift resources to the General Fund to bolster the primary operating fund of the city. Expenditure reductions were also made, but close monitoring of revenue streams and restrictions on spending levels will be the main tool for guiding the city through the turbulent time period ahead.

The 2020-2021 budget year is the third with fee reductions at the City's largest park, Ramona Beach; the entry fee is waived for Portage residents. Parks and Recreation has kept many special events available to citizens at no charge, supported in part by donations and contributions, with a partial subsidy from the General Fund.

Public safety service levels will improve with the addition of three police officers.

City street condition remains a high priority of the City Council, indicated by a 22% increase in funding for Major and Local Street reconstruction in the capital improvement budget.

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 2019/2020 the amount of encumbrances liquidated at the end of the 2018/2019 fiscal year and appropriated by City Council as an amendment to the 2019/2020 budget was \$732,198.

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 has available working capital 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. Any 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. To 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 spent on budgeted items, and 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, Public Information, 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 is 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 facility improvement general obligation bonds, and the City share of various special assessment bond issues. Financing 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 0.5000 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 0.4000 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.

2020-2021 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

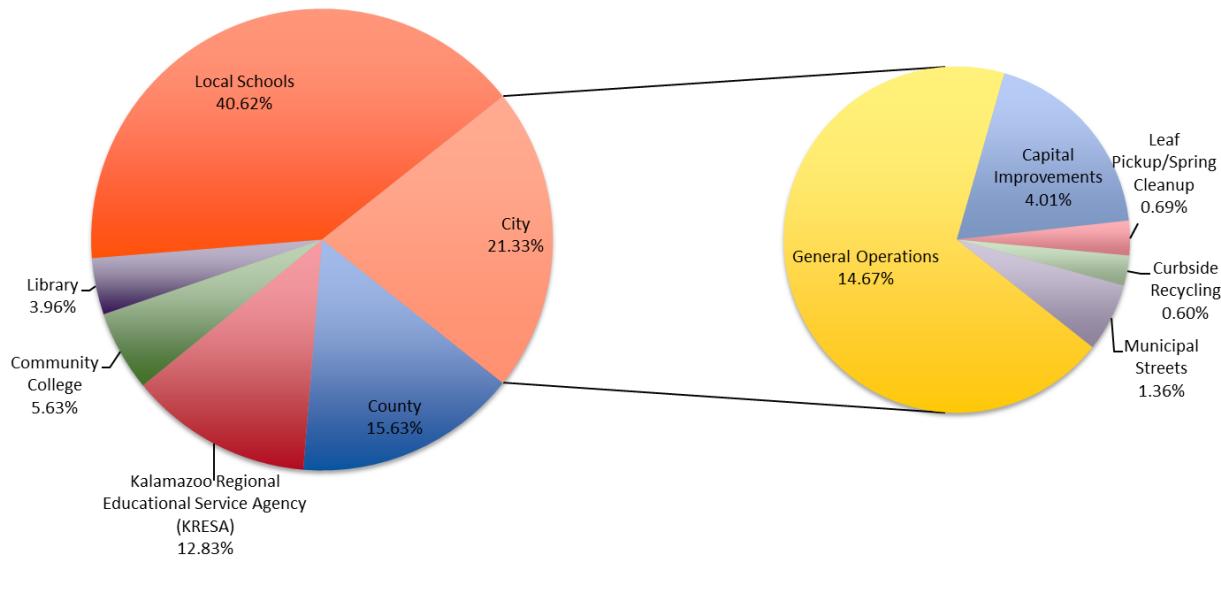
Goal: Maintain the financial health of the City.

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 2019-20

For each \$100 of property taxes paid (2019 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 2019 tax levy for the fiscal year ended June 30, 2020 as shown below:

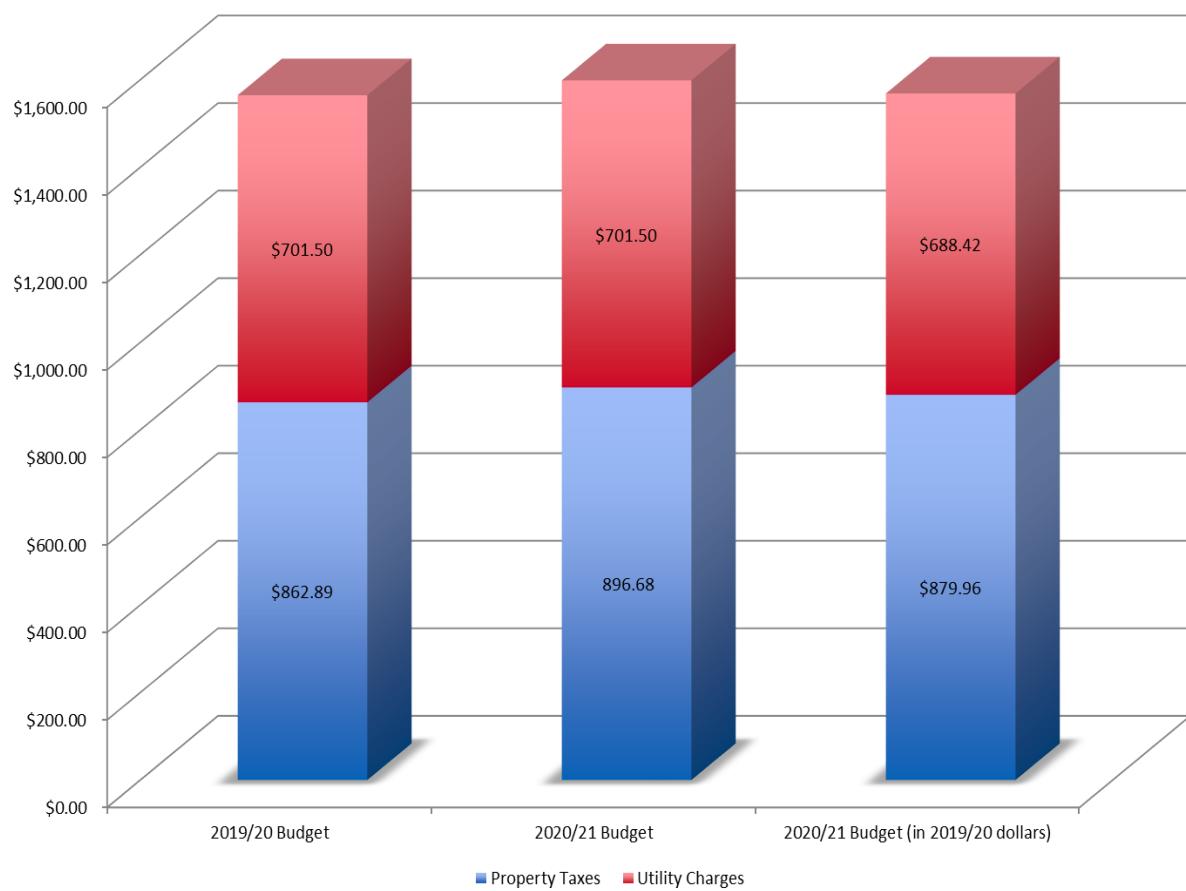
Percentage of Tax Levy

City	21.33%
County	15.63%
Kalamazoo Regional Ed. Services	12.83%
Community College	5.63%
Library	3.96%
Local Schools	<u>40.62%</u>
	100.00%

City Millage

General Operations	7.3200	\$14.67
Capital Improvements	2.0000	\$4.01
Leaf Pickup/Spring Cleanup	.3440	\$0.69
Curbside Recycling	.3000	\$0.60
Municipal Streets	.6760	\$1.36
	10.6400	\$21.33

COST OF CITY SERVICES TO THE TYPICAL CITY OF PORTAGE RESIDENCE



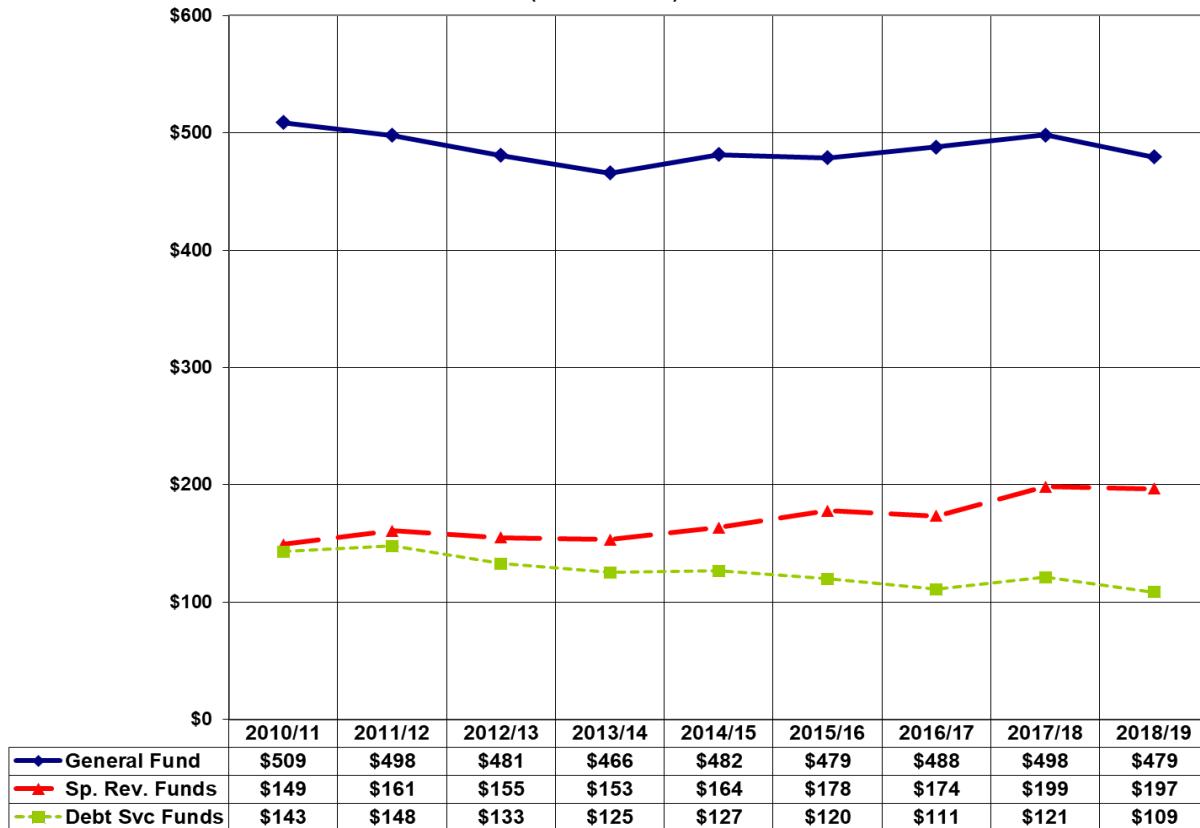
The chart above depicts the property tax and utility costs of a typical residence in the City of Portage.

The total cost of City services to the typical City resident will increase by \$33.79 in the upcoming year due to:

- an increase in taxable values of 3.23%,
- no increase in millage rate, and
- no increase in City utility rates.

After adjusting for inflation, this change represents an increase of only \$3.99 in 2019/2020 dollars.

NET OPERATING REVENUES PER HOUSEHOLD (in Constant \$)



Formula:

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

Net Operating Revenues are defined as:

Gross Revenues

less restricted revenue for capital improvements that remain in operating funds

less mandated capital improvement transfers

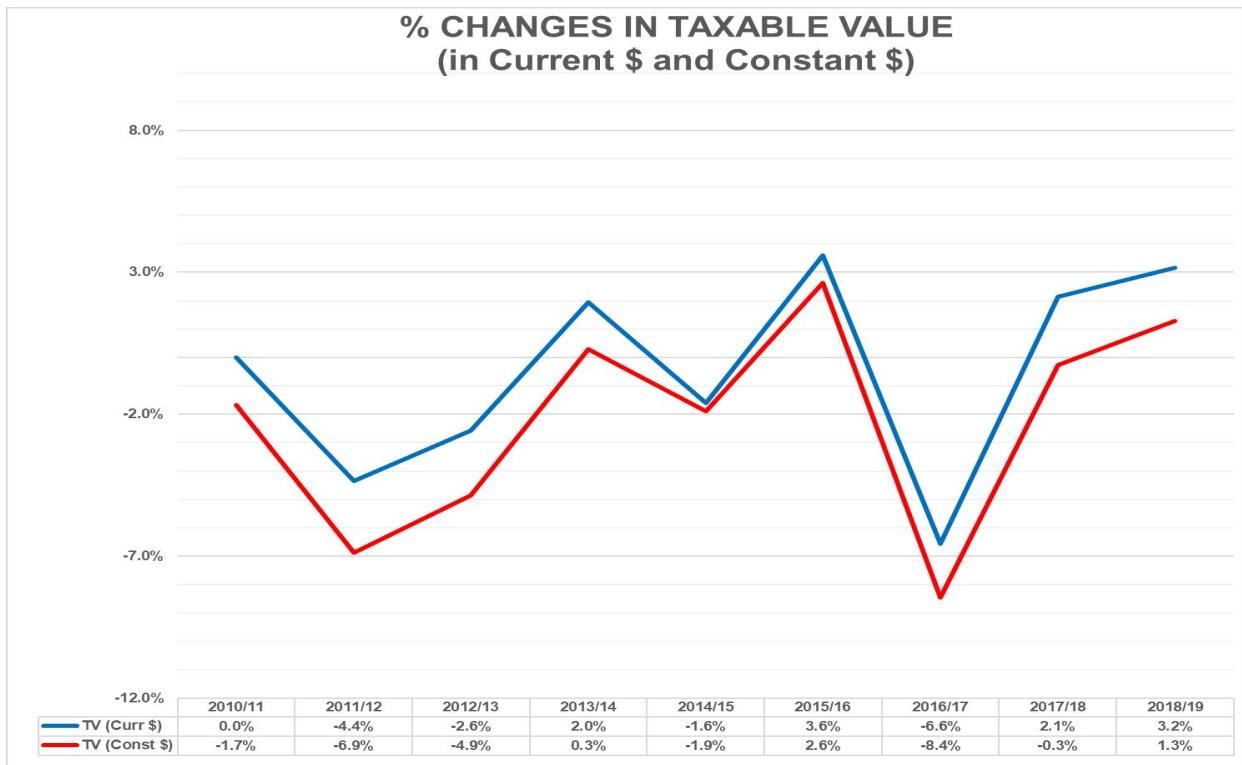
less revenues legally restricted for special non-operating purposes

Description:

Examining per household revenues shows changes in revenues relative to changes in the number of households. As the number of households increase, one expects the need for revenues to 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 taxable value decline ended in 2014-2015 with an increase that, coupled with increases in fees and other charges for services, brought revenue per household back to 2011-2012 levels. For 2018-2019, a slight decrease in General Fund revenues, primarily charges for services, combined with almost 200 additional households led to a small decline. Three of the special revenue funds rely on tax revenues, and those revenue increases have negated the need for millage increases to offset rising contractual costs in the funds. Debt Service Fund revenues are transfers budgeted to cover scheduled debt service costs. Interest income has rebounded, but the 2020 market turmoil may wipe out all gains.



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 2018-2019 was actually determined as of December 31, 2017. That taxable value then determined the property tax revenue available from the 7/1/2018 and 12/1/2018 billings. These billings provided revenue for Fiscal Year 2018-2019.

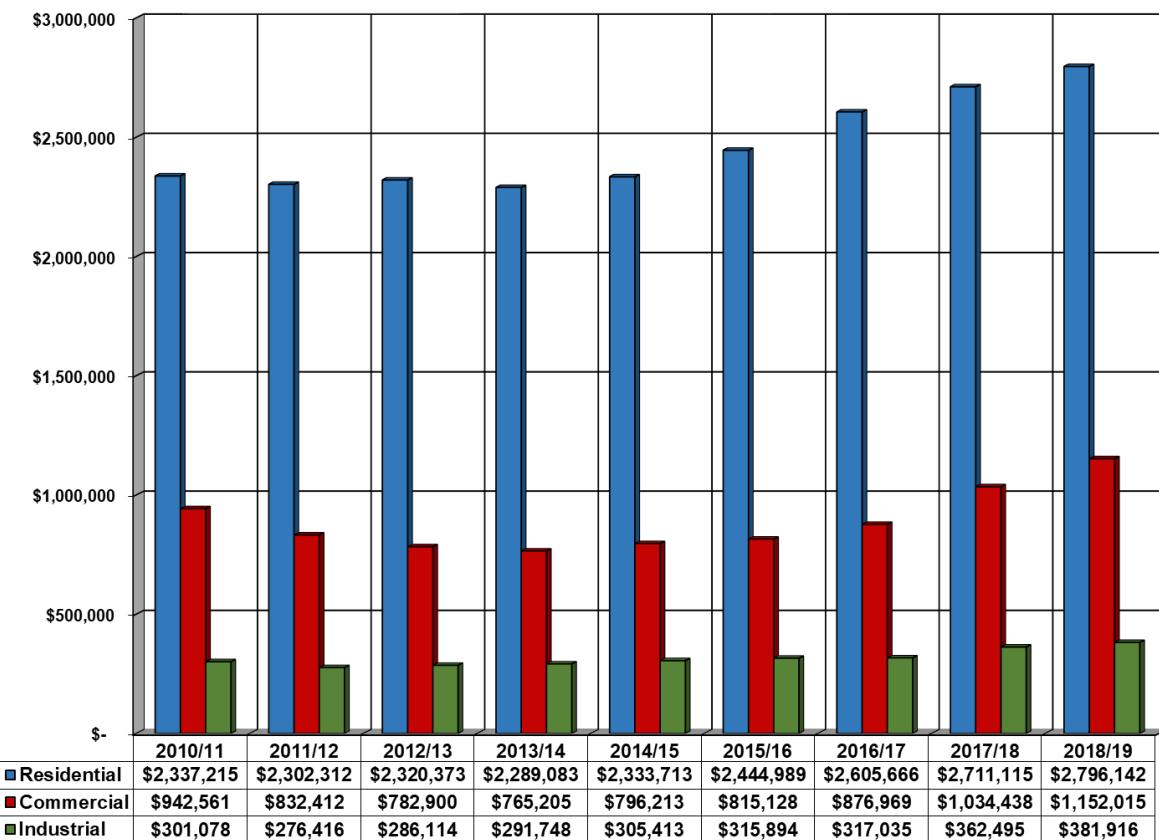
Description:

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 primarily residential property decreased enough in 2009-2010 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 TVs were constrained due to this requirement. Improvement that began again in 2014-2015 continued in fiscal 2015-2016, moderated in 2016-2017, but has increased the last 2 years 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:

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

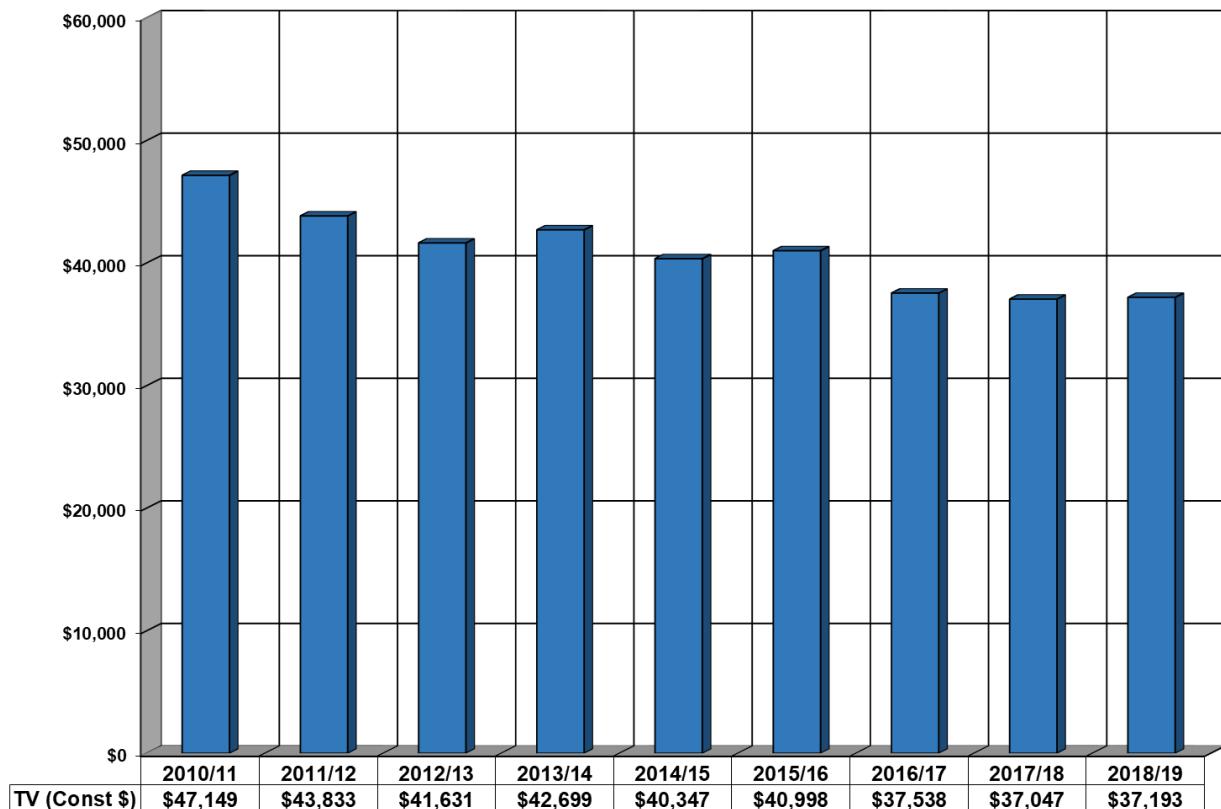
Description:

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%. The portion owned by the City's largest taxpayer, Pfizer, Inc., decreased from over 16% in 2010 to under 7% in 2019, a sign the City is diversifying its tax base and is supported more by the stability of its residences.

TAXABLE VALUE PER HOUSEHOLD
(in Constant \$)



Formula:

$$(\text{Taxable Value adjusted to constant \$}) / (\text{Number of Households})$$

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:

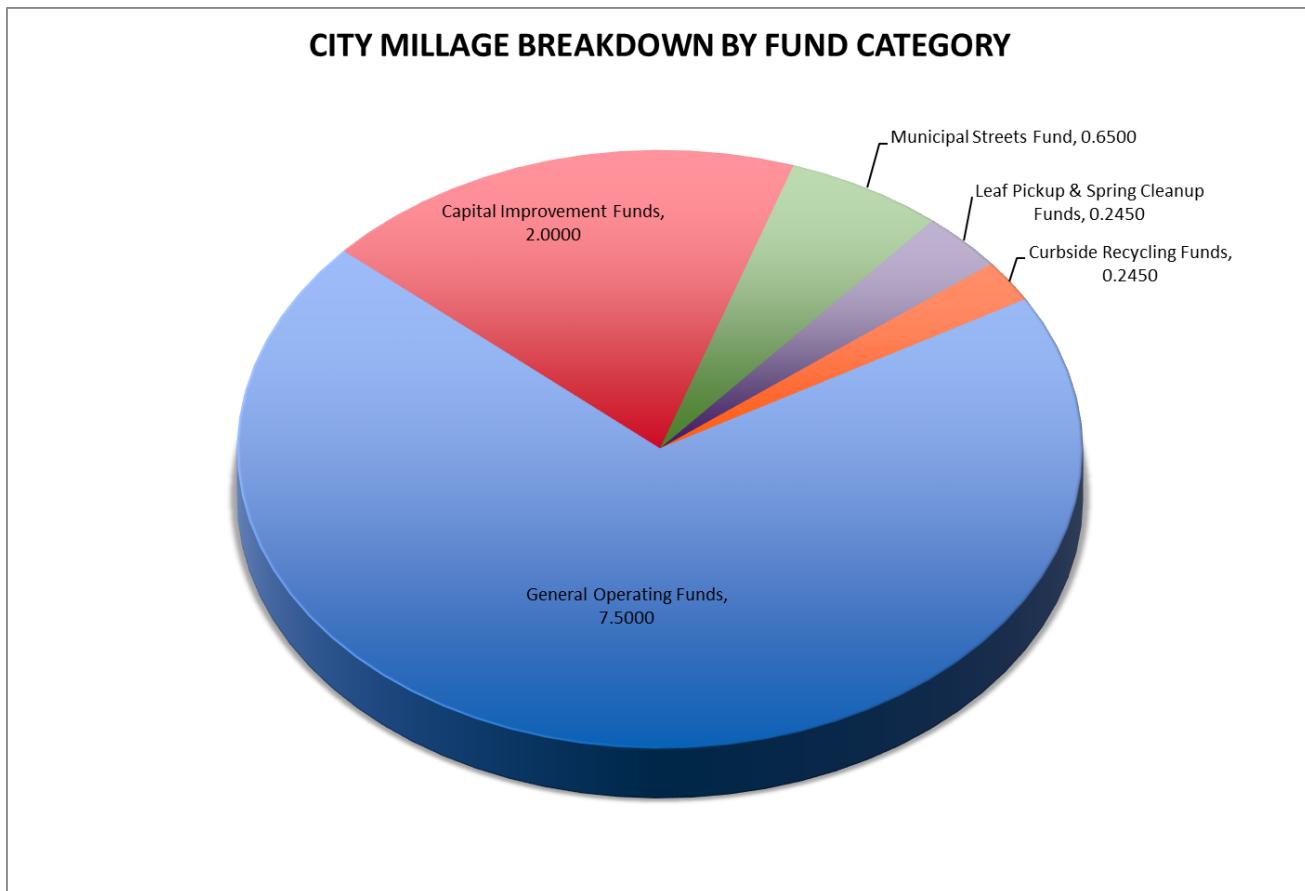
Taxable Value (TV) is a measure of the property tax base and is the primary source of revenue to the City. Measuring TV in inflation-adjusted dollars over time gives the City a measurement of how well this important revenue base is being maintained in comparison to the category that generates the primary demand for services from the City. Increases in TV 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 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 kept pace with residential growth but real estate values were adversely affected by the recession and mortgage industry problems. Slight increases are being realized as Headlee Amendment uncapping occurs more frequently in the strong housing market, and improvement was seen in 2018/19 after 2 years of decline.

MILLAGE RECAP 2020-2021 BUDGET

	2019/20	2020/21	CHANGE FROM
	RATES	Adopted RATES	2019/20 RATES
General Fund	7.3200	7.5000	0.1800
Capital Improvement	2.0000	2.0000	0.0000
Curbside Recycling	0.3000	0.2450	-0.0550
Leaf Pickup/Spring Cleanup	0.3440	0.2450	-0.0990
Municipal Streets Fund	<u>0.6760</u>	<u>0.6500</u>	<u>-0.0260</u>
	<u>10.6400</u>	<u>10.6400</u>	<u>0.0000</u>



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.

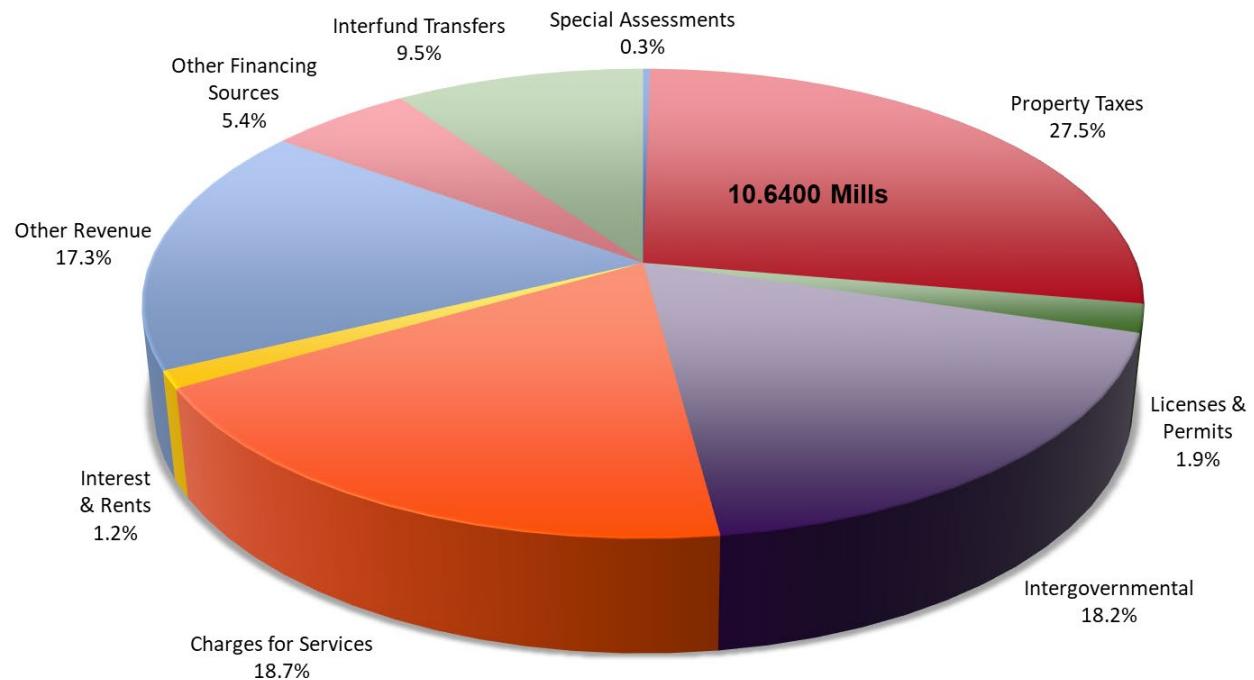
The differences between GAAP and the budgetary basis include the following:

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 unit Economic Development that is a legally distinct entity 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.

Budget Summary by Fund Type (Budgetary Basis)
FISCAL YEAR 2020 - 2021

	Modified Accrual				Full Accrual		Memorandum Only		
	General Fund	Special Revenue	Debt Service	Capital Project	Enterprise Funds	Permanent Funds	FY 2020-2021 Total	FY 2019-2020 Total	FY 2018-2019 Total
REVENUE:									
Property taxes	17,452,500	2,473,100	1,343,900	4,403,000	-	-	25,672,500	25,257,488	23,949,200
Fees and permits	1,026,300	759,215	-	-	-	-	1,785,515	1,718,022	1,787,300
Federal revenue	3,000	221,794	-	-	-	-	224,794	307,105	288,000
State revenue	1,359,000	7,069,231	-	1,109,000	-	-	9,537,231	7,741,236	7,602,692
State shared revenue	4,394,191	-	-	-	-	-	4,394,191	4,386,305	4,223,260
Other grants	52,476	-	-	-	-	-	52,476	12,000	17,000
Charges for services	1,561,550	105,000	-	-	15,466,500	40,000	17,173,050	16,770,010	17,192,883
Interest and rents	434,500	77,100	182,517	30,000	496,960	20,000	1,241,077	984,130	753,920
Other revenue	829,550	36,200	-	15,194,000	82,628	-	16,142,378	11,970,838	12,919,300
TOTAL REVENUE	27,113,067	10,741,640	1,526,417	20,736,000	16,046,088	60,000	76,223,212	69,147,134	68,733,555
EXPENDITURES:									
Legislative	90,955	-	-	-	-	-	90,955	88,000	117,300
Judicial	-	-	-	-	-	-	-	-	63,000
General government	5,048,321	-	-	-	-	-	5,048,321	4,217,973	4,183,090
Public safety	18,102,675	-	-	-	-	-	18,102,675	17,093,340	16,774,855
Public works	712,689	-	-	-	-	-	712,689	510,650	477,492
Health and welfare	176,234	1,940,184	-	-	-	-	2,116,418	2,055,849	2,025,581
Recreation and cultural	3,902,422	584,163	-	-	-	-	4,486,585	4,485,964	4,296,884
Highways and streets	-	5,032,825	-	-	-	-	5,032,825	4,480,951	4,140,486
Operations and maintenance	-	-	-	-	8,457,100	-	8,457,100	8,163,720	7,844,705
Administration	-	-	-	-	5,600,124	-	5,600,124	5,322,508	4,492,727
Capital outlay	-	-	-	24,630,000	195,000	-	24,825,000	18,168,419	16,742,000
Debt service	-	-	5,891,945	-	-	-	5,891,945	6,055,014	6,392,101
TOTAL EXPENDITURES	28,033,296	7,557,172	5,891,945	24,630,000	14,252,224	-	80,364,637	70,642,388	67,550,221
Transfers In	235,000	200,000	4,541,665	8,777,000	-	-	13,753,665	9,413,831	9,413,831
Transfers Out	(617,000)	(3,702,000)	(97,165)	(4,883,000)	(155,000)	(20,000)	(9,474,165)	(9,182,123)	(9,182,123)
Addition to/Reduction of Fund Balance/Net Assets	(1,302,229)	(317,532)	78,972	-	1,638,864	40,000	138,075	(1,263,546)	1,415,042

SOURCES OF FUNDING - ALL FUNDS

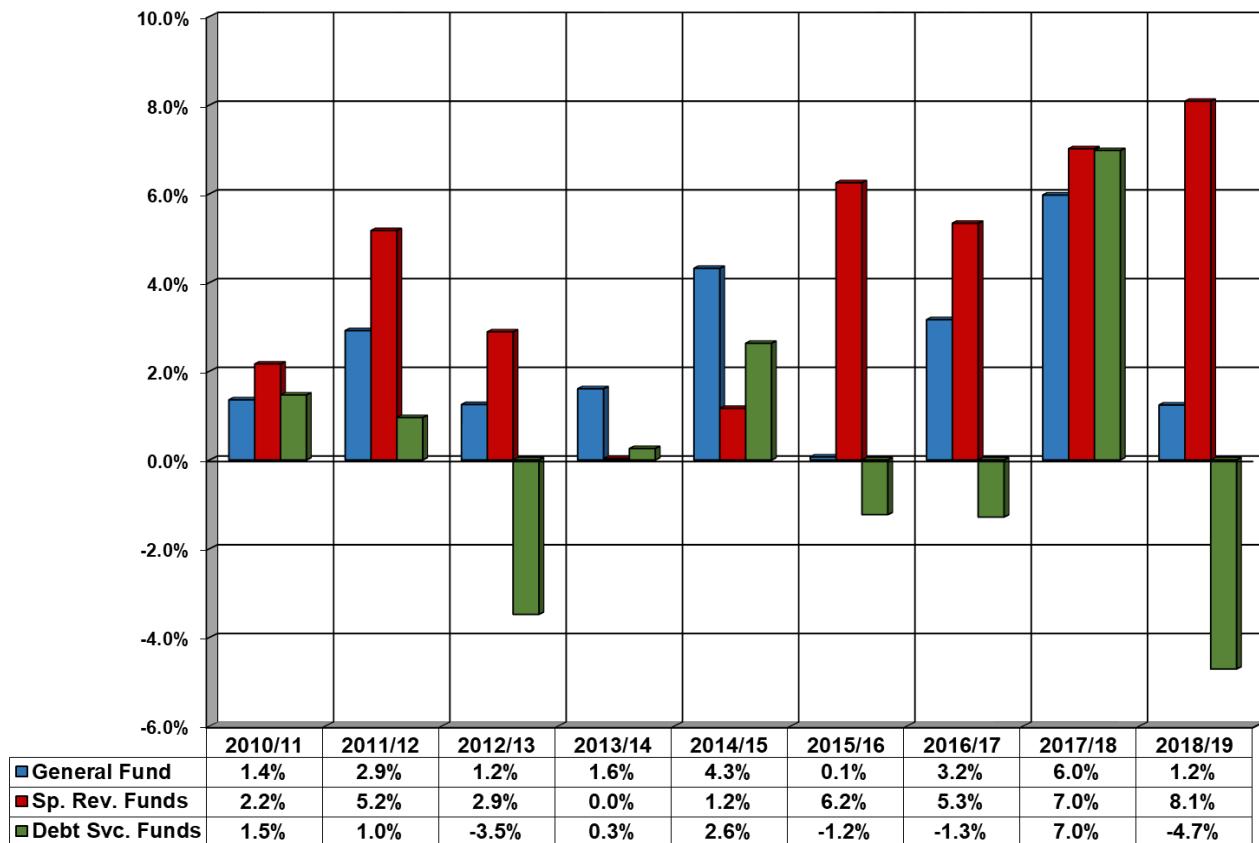


**SUMMARY OF REVENUES
ALL FUNDS
FISCAL YEAR 2020 - 2021**

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
GENERAL FUND	26,167,645	25,886,697	26,871,463	26,635,113	27,348,067
STREET FUNDS					
Major Streets	4,488,447	5,134,110	4,412,852	4,412,852	5,120,098
Local Streets	1,647,589	1,530,583	1,661,784	1,661,784	1,850,283
Municipal Streets	1,562,129	1,561,279	1,563,000	1,563,000	1,551,700
UTILITY FUNDS					
Sewer Operating	9,525,527	9,273,164	8,936,142	8,936,142	9,234,691
Water Operating	7,522,998	7,032,948	6,557,387	6,557,387	6,811,397
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	5,378,761	10,325,540	36,693,048	22,615,419	29,513,000
Lakes-Weed Management	31,767	22,102	32,500	32,500	36,050
DEBT SERVICE FUNDS					
General Obligation Debt	3,625,760	2,789,105	3,384,000	3,384,000	3,190,000
MTF 2008	232,365	245,192	249,050	249,050	235,100
MTF 2010 Refunding	682,443	721,507	350,150	350,150	368,680
Building Authority Debt Service	739,265	700,176	625,500	625,500	653,520
DDA Debt Service	459,120	558,142	698,759	698,759	757,900
LDFA Debt Service	624,283	615,053	646,000	646,000	611,500
Special Assessment Debt Service	356,900	185,050	268,235	268,235	251,382
OTHER FUNDS					
Curbside Recycling	782,264	719,186	698,885	698,885	626,500
Leaf Pickup/Spring Cleanup	851,296	788,980	803,400	803,400	643,000
Community Development Block Grant	221,665	160,039	373,110	229,105	221,794
Cable Television	806,687	810,280	784,522	784,522	767,215
Cemetery Permanent Fund	36,476	84,884	47,000	47,000	60,000
CDBG Program Income	55,023	100,472	125,000	125,000	125,000
TOTAL REVENUE	<u>65,798,410</u>	<u>69,244,489</u>	<u>95,781,787</u>	<u>81,323,803</u>	<u>89,976,877</u>

Additional information is available in the respective detailed departmental budget.

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



Formula:

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

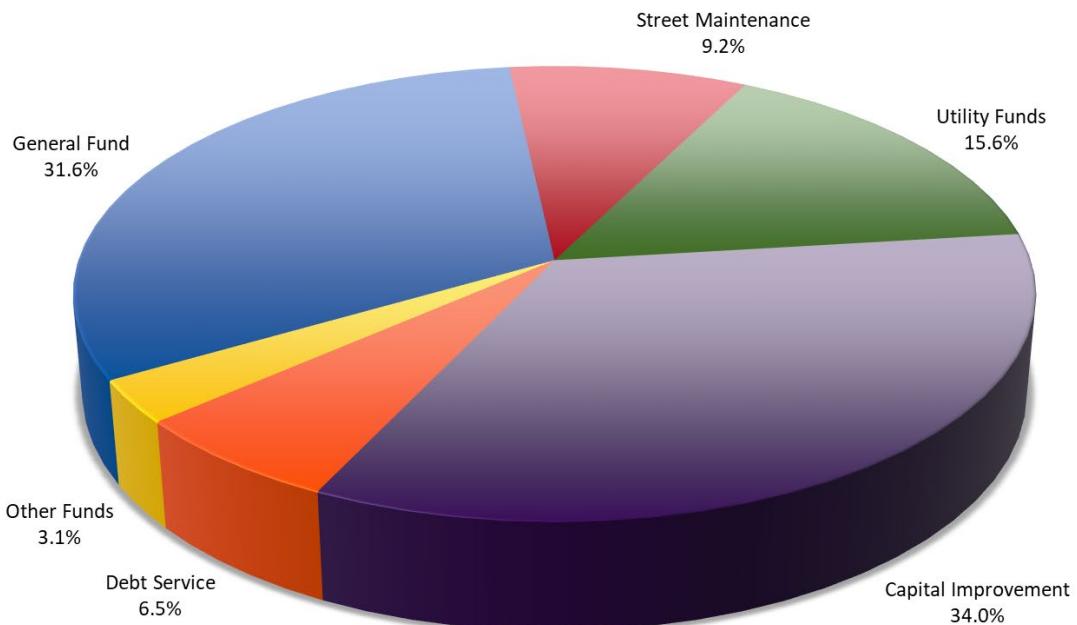
Description:

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

Analysis:

This chart indicates that typically, budget estimating methods are relatively accurate and slightly on the conservative side. Starting in 2015-2016, 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, but a one-time transfer from the Local Development Financing Authority to fund a project finally in process created a deficit. The strong permit revenue and higher than expected state shared revenues seen in General Fund during 2017-2018 tapered off in 2018-2019.

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 2020 - 2021

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
GENERAL FUND	26,335,977	26,093,452	28,299,425	26,635,113	28,650,296
STREET FUNDS					
Major Streets	5,645,159	4,610,479	4,825,722	4,390,769	5,090,545
Local Streets	1,430,813	1,278,664	2,147,717	1,649,992	1,821,280
Municipal Streets	1,675,990	1,540,000	1,563,000	1,563,000	1,608,000
UTILITY FUNDS					
Sewer Operating	7,511,688	7,900,118	9,014,145	8,903,057	8,500,093
Water Operating	2,608,814	2,253,913	6,567,583	6,498,171	5,907,131
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	10,532,898	11,874,507	37,262,086	22,615,419	29,513,000
Lakes-Weed Management	16,000	17,075	32,120	32,120	32,500
DEBT SERVICE FUNDS					
General Obligation Debt	2,982,578	3,542,919	3,386,363	3,386,363	3,189,990
MTF 2008	231,938	243,538	249,510	249,510	235,100
MTF 2010 Refunding	681,950	716,838	350,420	350,420	368,680
Building Authority Debt Service	771,478	760,693	625,200	625,200	653,520
DDA Debt Service	468,966	483,423	752,851	752,851	757,885
LDFA Debt Service	424,679	1,703,014	524,985	524,985	535,000
Special Assessment Debt Service	429,610	211,630	259,686	259,686	248,935
OTHER FUNDS					
Curbside Recycling	684,526	675,198	698,312	698,312	742,758
Leaf Pickup/Spring Cleanup	783,588	762,227	833,692	833,692	850,632
Community Development Block Grant	221,664	160,038	223,110	229,105	221,794
Cable Television	818,130	713,005	1,019,038	989,038	766,663
Cemetery Permanent Fund	6,000	7,500	12,000	12,000	20,000
CDBG Program Income	63,276	101,554	125,000	125,000	125,000
TOTAL EXPENDITURE	<u>64,325,722</u>	<u>65,649,785</u>	<u>98,771,965</u>	<u>81,323,803</u>	<u>89,838,802</u>

Additional information is available in the respective detailed departmental budgets.

Total Expenditures by Department and Fund Type (Budgetary Basis)
FISCAL YEAR 2020 - 2021

<u>Department</u>	General Fund	General Obligation Debt Fund	Special Assessments Fund	Capital Improvement Fund	Enterprise Funds	Nonmajor Governmental Funds	Permanent Funds	Total
Legislative	90,955	-	-	-	-	-	-	90,955
City Manager	794,795	-	-	-	-	-	-	794,795
Finance	897,117	-	-	-	-	-	-	897,117
Technology Services	818,635	-	-	-	-	-	-	818,635
Public Information	465,499	-	-	-	-	-	-	465,499
City Assessor	557,627	-	-	-	-	-	-	557,627
City Attorney	250,937	-	-	-	-	-	-	250,937
City Clerk	494,522	-	-	-	-	-	-	494,522
Human Resources	657,960	-	-	-	-	-	-	657,960
Purchasing	111,229	-	-	-	-	-	-	111,229
Parks/Rec/Sr. Citizen Svcs	2,234,382	-	-	2,460,000	-	-	-	4,694,382
Parks Maintenance	1,430,036	-	-	-	-	-	-	1,430,036
Police	11,047,154	-	-	612,000	-	-	-	11,659,154
Fire	5,662,945	-	-	858,000	-	-	-	6,520,945
Community Development	1,630,580	-	-	-	-	221,794	-	1,852,374
Public Services	888,923	-	-	20,700,000	14,252,224	7,335,378	-	43,176,525
Nondepartmental:								
Debt Service	-	3,189,990	248,935	-	-	2,453,020	-	5,891,945
Transfers to other funds	617,000	-	-	4,883,000	155,000	3,799,165	20,000	9,474,165
TOTALS	28,650,296	3,189,990	248,935	29,513,000	14,407,224	13,809,357	20,000	89,838,802

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

FISCAL YEAR 2020 - 2021

	Net Assets/Fund Balance						Net Assets/ Fund Balance End of Year
	Beginning of Year	Revenue	Other Sources	Expenditures & Expenses	Other Uses	Excess (Deficiency)	
General Fund	8,138,640	27,113,067	235,000	28,033,296	617,000	(1,302,229)	6,836,411
Major Streets	1,599,831	5,120,098	-	3,211,545	1,879,000	29,553	1,629,384
Local Streets	884,465	1,650,283	200,000	1,821,280	-	29,003	913,468
Municipal Streets	198,838	1,551,700	-	-	1,608,000	(56,300)	142,538
Sewer Operating (Net Assets)	60,091,684	9,234,691	-	8,405,093	95,000	734,598	60,826,282
Water Operating (Net Assets)	42,107,732	6,811,397	-	5,847,131	60,000	904,266	43,011,998
Capital Improvement	3,131,743	20,736,000	8,777,000	24,630,000	4,883,000	-	3,131,743
Lakes-Weed Management	55,229	36,050	-	32,500	-	3,550	58,779
General Obligation Debt	7,422	1,000	3,189,000	3,189,990	-	10	7,432
MTF Debt Service	11,897	800	602,980	603,780	-	-	11,897
Building Authority Debt Service	29,712	1,000	652,520	653,520	-	-	29,712
DDA Debt Service	348,285	757,900	-	660,720	97,165	15	348,300
LDFA Debt Service	1,040,209	611,500	-	535,000	-	76,500	1,116,709
Special Assessment Debt Service	262,843	154,217	97,165	248,935	-	2,447	265,290
Curbside Recycling	279,174	626,500	-	742,758	-	(116,258)	162,916
Leaf Pickup/Spring Cleanup	442,659	643,000	-	850,632	-	(207,632)	235,027
Community Development Block Grant	-	221,794	-	221,794	-	-	-
CDBG Program Income	4,779	125,000	-	125,000	-	-	4,779
Cable Television	851,457	767,215	-	551,663	215,000	552	852,009
Cemetery Permanent Fund	1,278,046	60,000	-	-	20,000	40,000	1,318,046
TOTAL	120,764,645	76,223,212	13,753,665	80,364,637	9,474,165	138,075	120,902,720

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 2020-2021 fiscal year, the funding is again budgeted in the Police division of Public Safety, partially offset by discontinued dispatch operations.

Major and Local Streets Funds: Increases in state funding were projected for 2020-2021, but it is anticipated the 2020 economic downturn will impact Act-51 road fund availability, so budgets were reduced from initial estimates, and monitoring of revenues will continue through the fiscal year.

Sewer and Water Operating Funds: Water and 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. No changes were made for the 2020-2021 fiscal year, and rates 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.

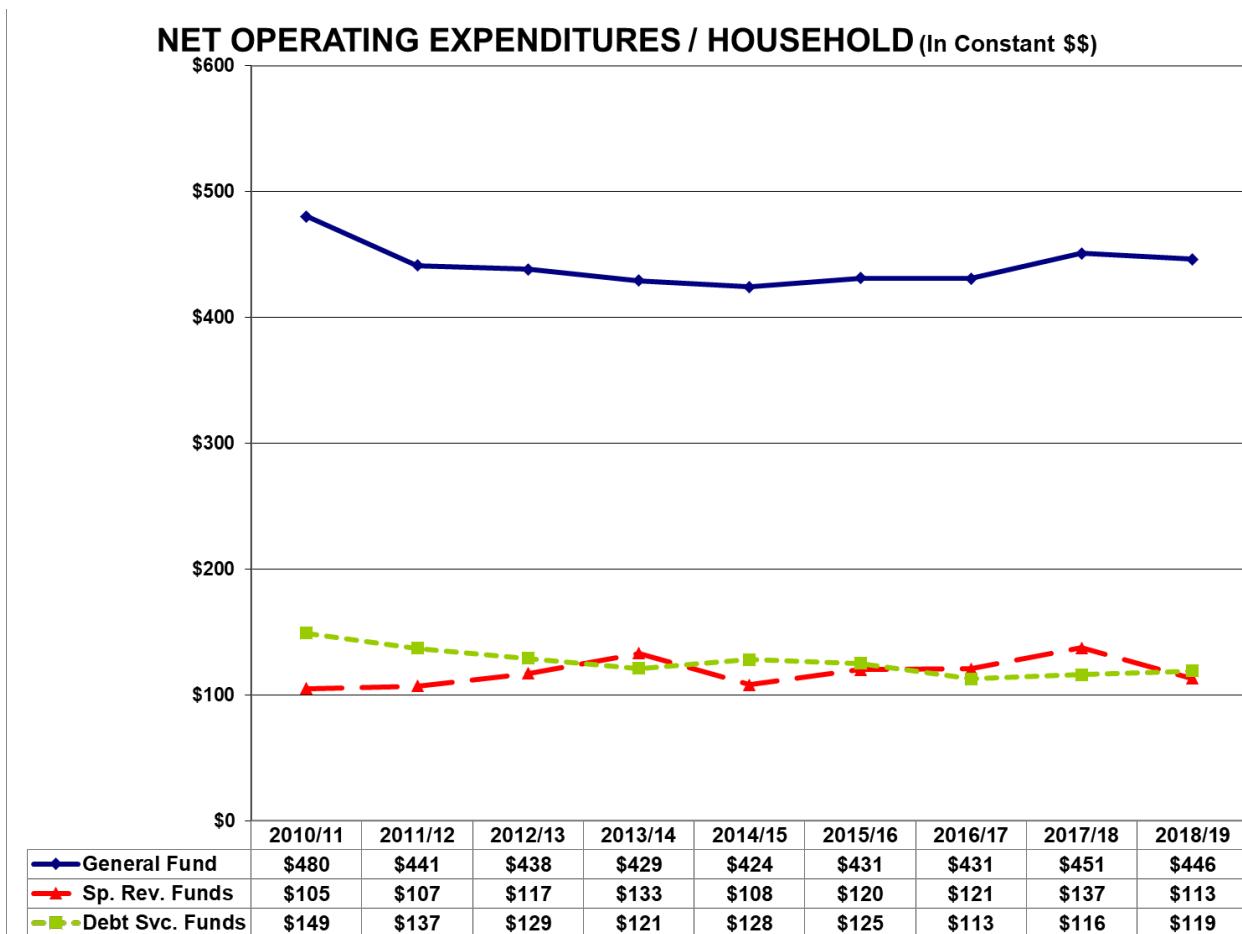
Curbside Recycling Fund: In a manner similar to General Fund, the Curbside Recycling fund balance is being maintained at a minimum level determined to be necessary for both current and planned future activities. No change in the millage is planned for 2020-2021.

Leaf Pickup Fund: Fund balance at the end of 2019-2020 is expected to be sufficient to provide for additional cycles of brush and leaf pickup services if needed in 2020-2021.

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, with residual revenues transferred to support the Office of Public Information.

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

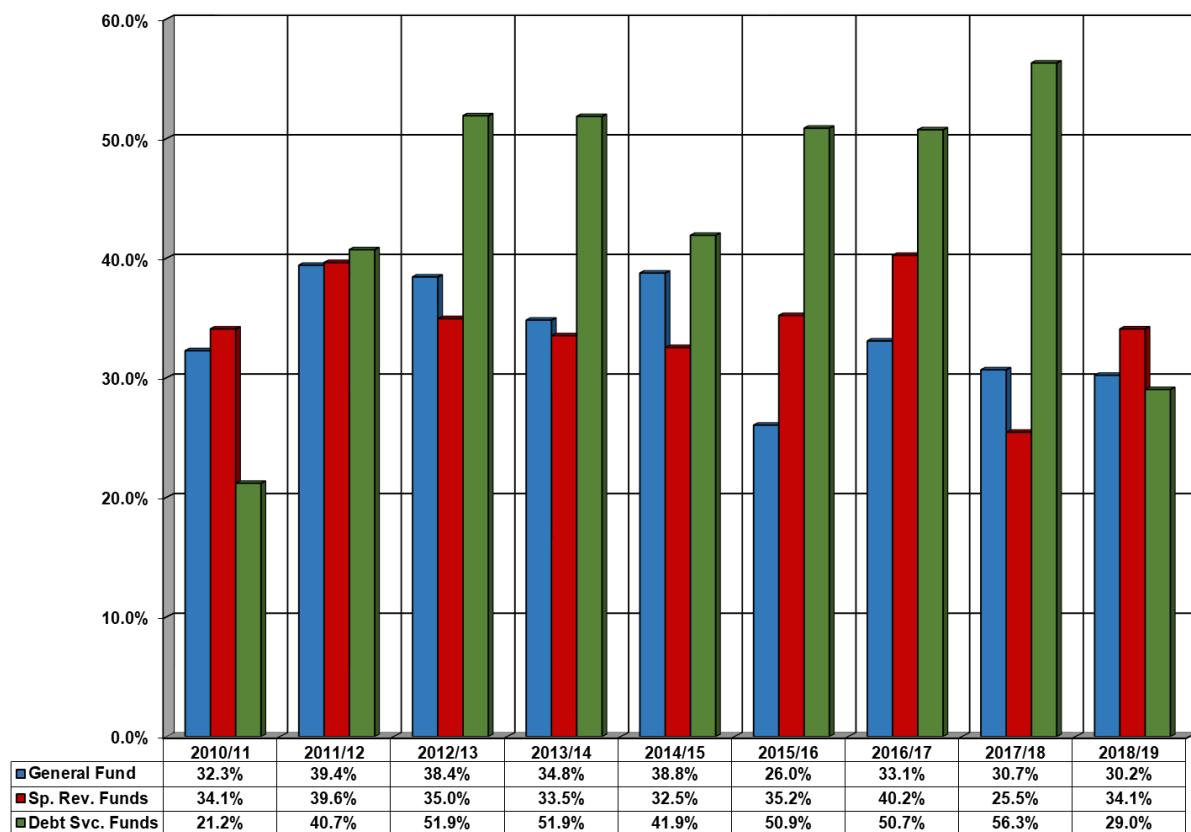
Description:

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:

A gradual increase in General Fund and other fund expenditures has been largely offset by corresponding increases in the number of households as the additional residents require increases in levels of service. Three of the special revenue funds rely on tax revenues, and those revenue increases have negated the need for millage increases to offset rising contractual costs in the funds. Declines in Debt Service Fund expenditures were the result of declines in debt service requirements as the overall debt level is reduced.

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.

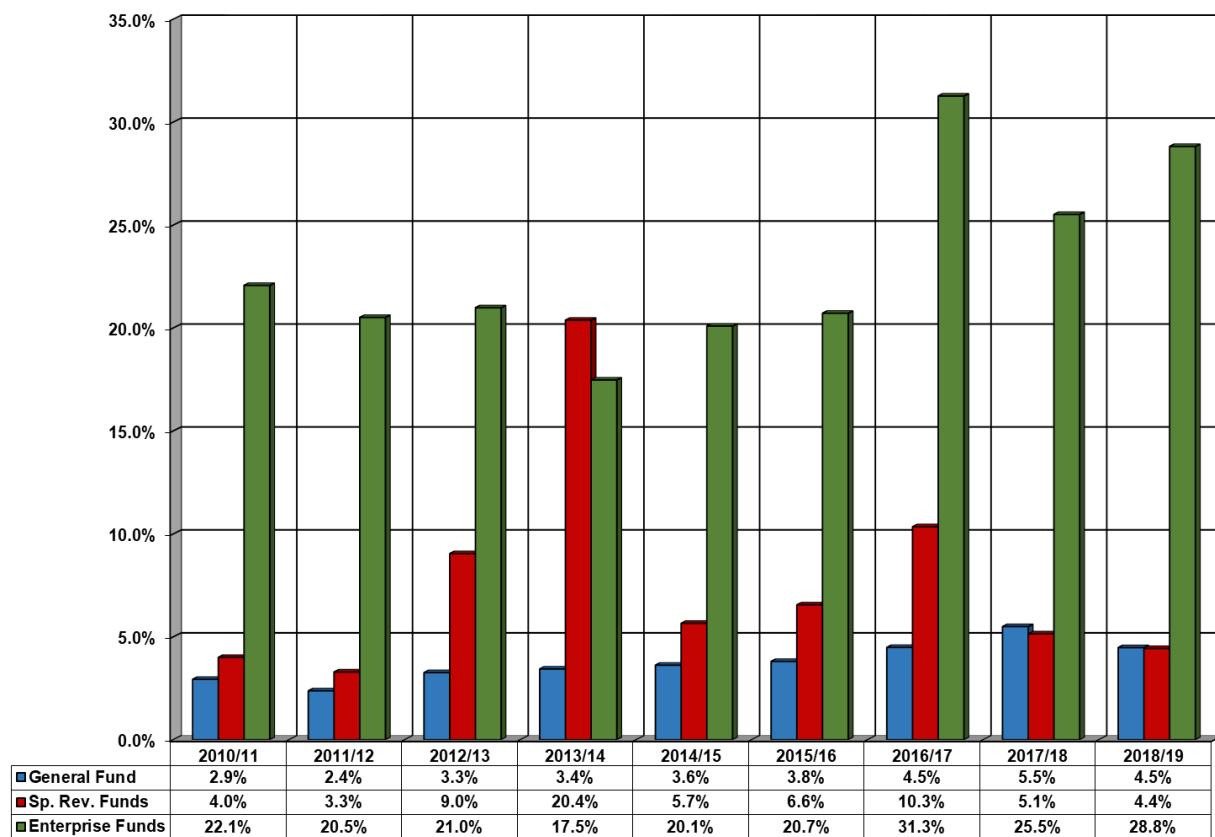
Analysis:

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.

A target fund balance was established by City Council for General Fund of 24% of expenditures and transfers out. Excesses above that balance are to be transferred to and used in the capital improvements fund.

No target based on net operating revenues has been established. Levels of unassigned fund balance as a percentage of net operating revenues are considered acceptable for all funds included in the chart.

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.

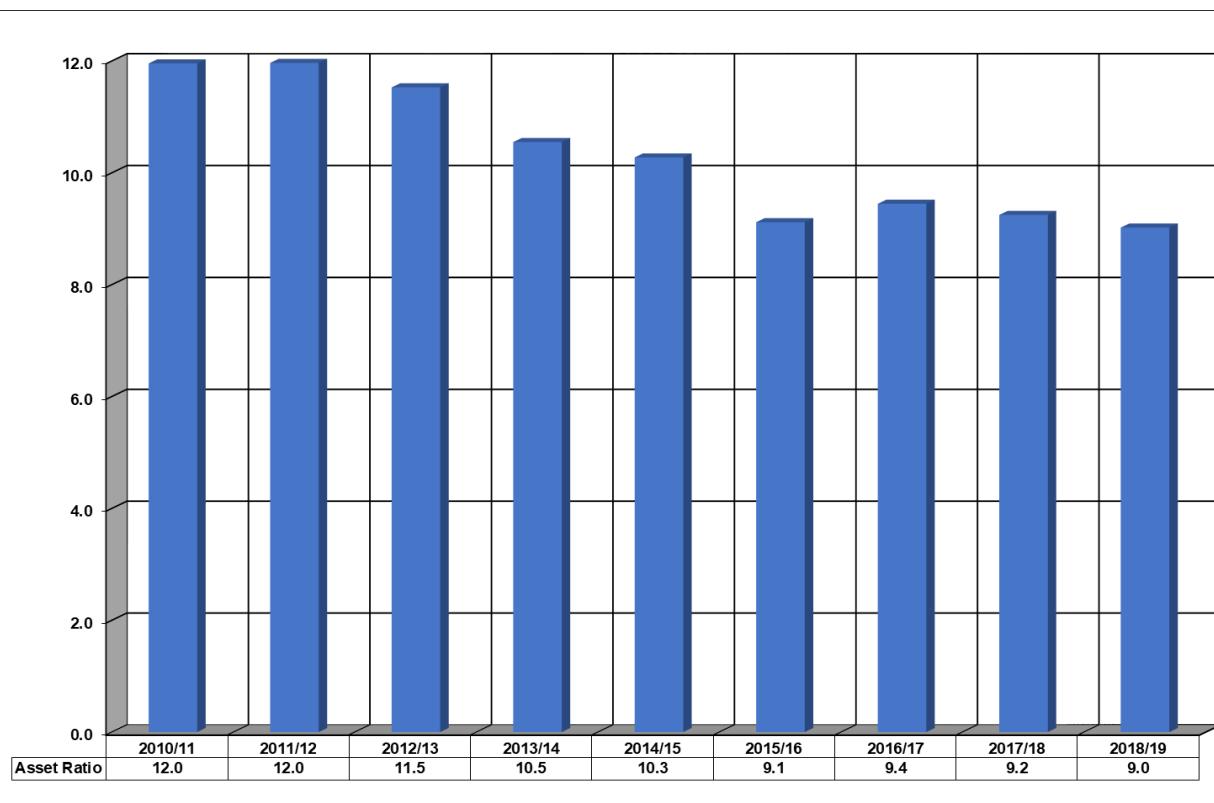
Description:

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 timing of payments for street improvements led to a large balance in the Major Streets fund in 2013-2014, resulting in an increase in current liabilities in the special revenue funds. The sewer and water enterprise funds see fluctuations 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 2018-2019 – Plan Assets totaled \$1,996,011, 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 82.90 percent funded as of June 30, 2019. Number of participants is declining, and the last active employee retired in fiscal 2019-2020. The City makes the actuarially recommended contributions to the plan, and intends to ensure a minimum funded percentage of 80 percent.

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 29, 2020. The Public Hearing was held on May 12, 2020.

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)	2,078,833,772
Cumulative changes	65,365,567
2019 Taxable Value (TV)	2,144,199,339
Consumer's Price Index (CPI):	1.90%
2019-2020 Operating Millage Rate	10.6400
2020-2021 Operating Millage Rate	10.6400

Operating Millage Components:

	<u>2019/20</u>	<u>2020/21</u>
General Fund	7.3200	7.5000
Capital Improvement Program	2.0000	2.0000
Recycling Fund	0.3000	0.2450
Leaf Pickup/ Spring Cleanup Fund	0.3440	0.2450
Municipal Streets Fund	0.6760	0.6500
Total	10.6400	10.6400

Formulas/Computations

2020 Headlee Millage Reduction Fraction

The actual 2019 millage reduction fraction (MRF) is calculated to be 1.0002. Beginning in 1995, the MRF used cannot exceed 1.0000. Since a MRF of 1.0000 will be used for 2020, no further reduction in the city's maximum authorized millage rate (due to Headlee rollback) will be required for 2020.

2020 Truth-in-Taxation Base Tax Rate Fraction

Last year's TV - Losses = Base Tax Rate Fraction
This year's TV - Additions

$$\begin{array}{lcl}
 \text{(2019 Total T.V. - 2019 Losses)} & & \\
 \text{($2,078,833,772 - \$27,986,791)} & = & \text{\$2,050,846,981} \\
 \text{($2,144,199,339 - \$54,882,716)} & & \text{\$2,089,316,623} \\
 \text{(2020 Total T.V. - 2020 Additions)} & & \\
 \end{array}
 = 0.9816$$

As shown above, the 2020 base tax rate fraction (BTRF) is calculated to be 0.9816. Multiplying the BTRF by last year's operating levy of 10.6400 mills yields a base tax rate of 10.4442 mills for 2020.

GENERAL APPROPRIATIONS ACT
RESOLUTION TO ADOPT THE BUDGET
OF THE CITY OF PORTAGE FOR THE FISCAL YEAR
JULY 1, 2020 TO JUNE 30, 2021
AND TO MAKE APPROPRIATIONS THEREFORE

Motion by **Burns**
Supported by **Pearson**

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, 2020 to June 30, 2021.

BE IT FURTHER RESOLVED that the sum of \$23,146,200 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	7.5000 mills	\$16,270,100
Capital Improvement Fund	2.0000 mills	4,403,000
Curbside Recycling Fund	0.2450 mills	531,500
Leaf Pickup/Spring Cleanup Fund	0.2450 mills	531,500
Municipal Street Fund	<u>0.6500 mills</u>	<u>1,410,100</u>
	<u>10.6400 mills</u>	<u>\$23,146,200</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 2020-2021 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.**

Erica J. Eklov

Erica Eklov, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)
)
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 26th day of May, 2020 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 26th day of May, 2020

Erica J. Eklov
Erica Eklov, City Clerk

SALARY AND WAGE RESOLUTION
RESOLUTION TO ADOPT THE SALARY AND WAGE SCHEDULES FOR
THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021

Motion by **Burns**
Supported by **Pearson**

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, 2020 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, 2020:
International Association of Firefighters (IAFF)
- (2) Personnel of the following bargaining unit(s) shall receive compensation effective July 1, 2020 in accordance with applicable collective bargaining agreements:
Portage Police Command Officers Association (PPCOA) – effective 7/1/19-6/30/21
Portage Police Officers Association (PPOA) – effective 7/1/19-6/30/22
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 26, 2020. The 2020/2021 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 \$172,801. 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.**

Erica J. Eklov

Erica Eklov, 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 26th day of May, 2020 the original of which resolution is on file in my office.

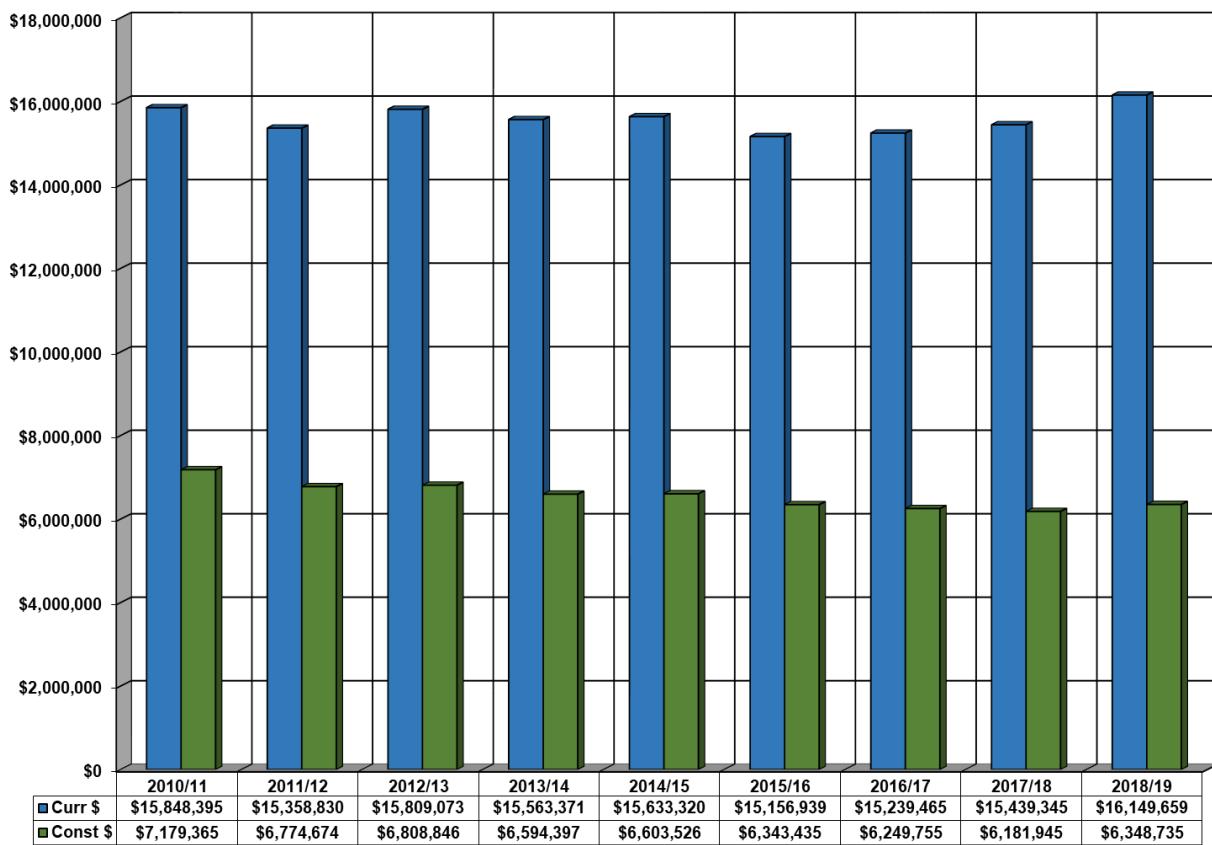
IN WITNESS WHEREOF, I have hereunto affixed my official signature this 26th day of May, 2020.

Erica J. Eklov

Erica Eklov, 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.

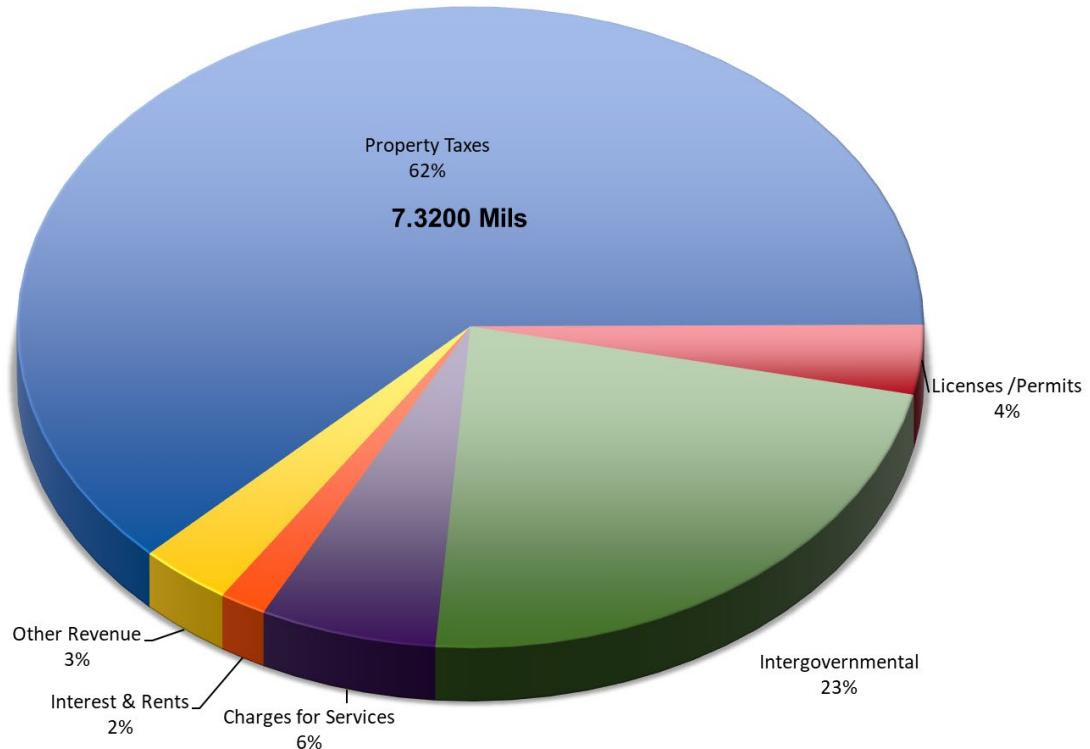
Description:

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 fluctuated between \$15.1 million and \$15.8 million until 2018-2019 when it exceeded \$16 million. 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 was significant in 2018-2019 as several large industrial projects were completed. The Assessor's estimate of future taxable values anticipates approximately 2 percent increases annually for the next several years.

GENERAL FUND REVENUES BY SOURCE



GENERAL FUND REVENUES
BY SOURCE

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved	Percentage Change
Revenues budgeted by department:						
Fees and permits	1,290,725	1,010,242	938,000	938,000	1,026,300	9.4%
Federal revenue	1,842	4,409	3,000	3,000	3,000	0.0%
State revenue	144	38,967	9,000	9,000	9,000	0.0%
Other grants	17,703	20,461	28,407	12,000	52,476	337.3%
Charges for services	244,611	226,869	244,490	250,490	236,550	-5.6%
Interest and rents	202,861	254,567	256,500	250,500	259,500	3.6%
Other revenue	967,840	970,335	807,315	800,119	817,450	2.2%
Transfers In	6,000	7,500	12,000	12,000	235,000	1858.3%
	2,731,726	2,533,350	2,298,712	2,275,109	2,639,276	16.0%
Revenues not budgeted by department:						
Property taxes	15,439,345	16,149,659	16,838,394	16,838,394	17,452,500	3.6%
State revenue	2,303,318	1,335,127	1,550,646	1,350,000	1,350,000	0.0%
State shared revenue	4,139,624	4,326,235	4,386,305	4,386,305	4,394,191	0.2%
Charges for services	1,422,780	1,200,000	1,282,120	1,282,120	1,325,000	3.3%
Interest and rents	109,236	328,689	175,000	175,000	175,000	0.0%
Other revenue	21,616	13,637	19,000	19,000	12,100	-36.3%
Transfers In	-	-	309,185	309,185	-	100.0%
	23,435,919	23,353,347	24,560,650	24,360,004	24,708,791	1.4%
Total Revenue	26,167,645	25,886,697	26,859,362	26,635,113	27,348,067	2.7%

Revenues budgeted by department

Fees and Permits – An increase of \$87,500 is projected for marijuana, liquor licenses, and development fees, partially offset by a \$50,000 reduction in building permit fees.

Transfers In – Transfer from the Cable TV fund was decreased and budgeted as revenue in the Public Information department.

Revenues not budgeted by department

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

Interest and rents – Projections of interest revenue were reduced to approximately 60% of 2018-2019 actual results in anticipation of changes in the investing market.

State Revenue – Funding for personal property tax reimbursements due to business tax exemptions has been fluctuating, and calculation directions from the state treasury have not been forthcoming, and in light of global events in the spring of 2020, no change was made from the prior year.

CITY OF PORTAGE **General Fund Revenues**

Property Taxes

The City Charter authorizes property tax levies up to 7.5000 mills for general municipal purposes. The proposed millage rate for 2020-2021 is increased to the 7.5000 mill level, above the 2019-2020 levy of 7.3200 mills. 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.

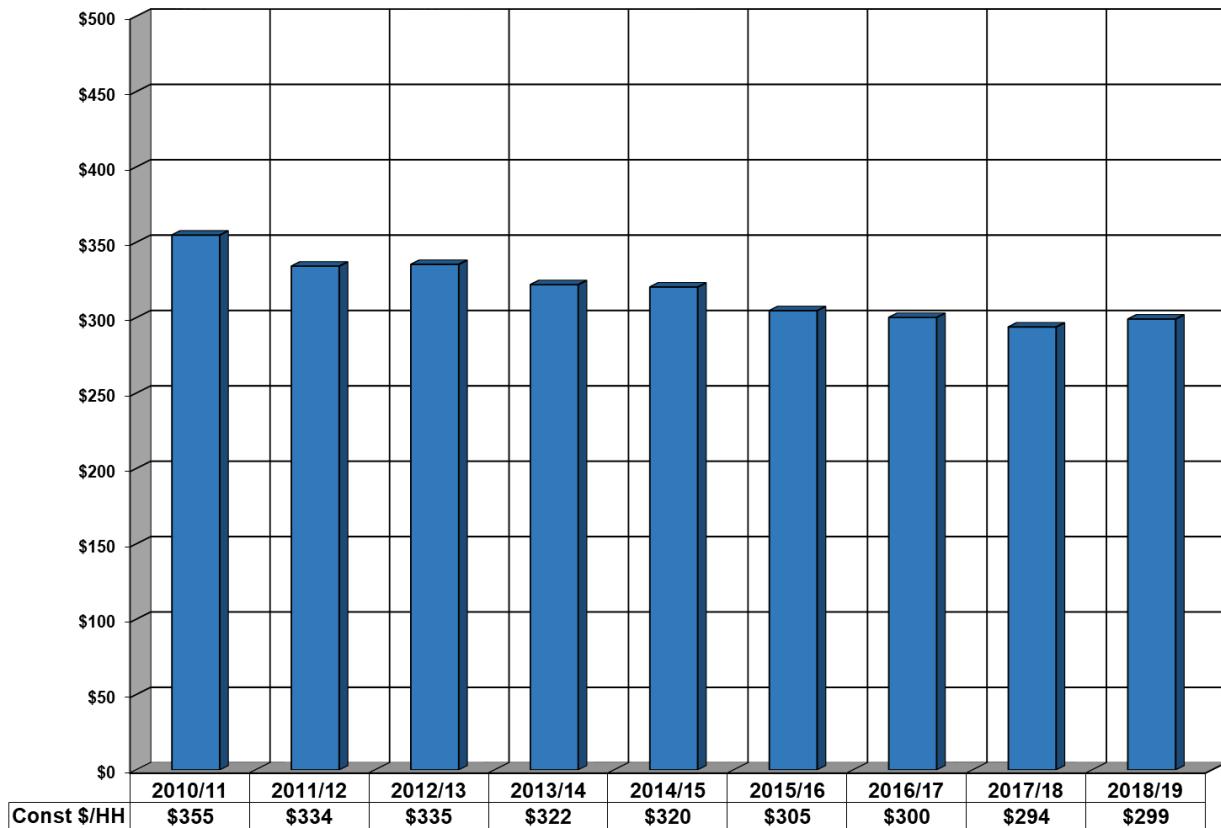
State Collected - Locally Shared Taxes

In July 1993, a law was passed eliminating property tax paid for schools, cutting 64 percent of the then \$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:

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

(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.

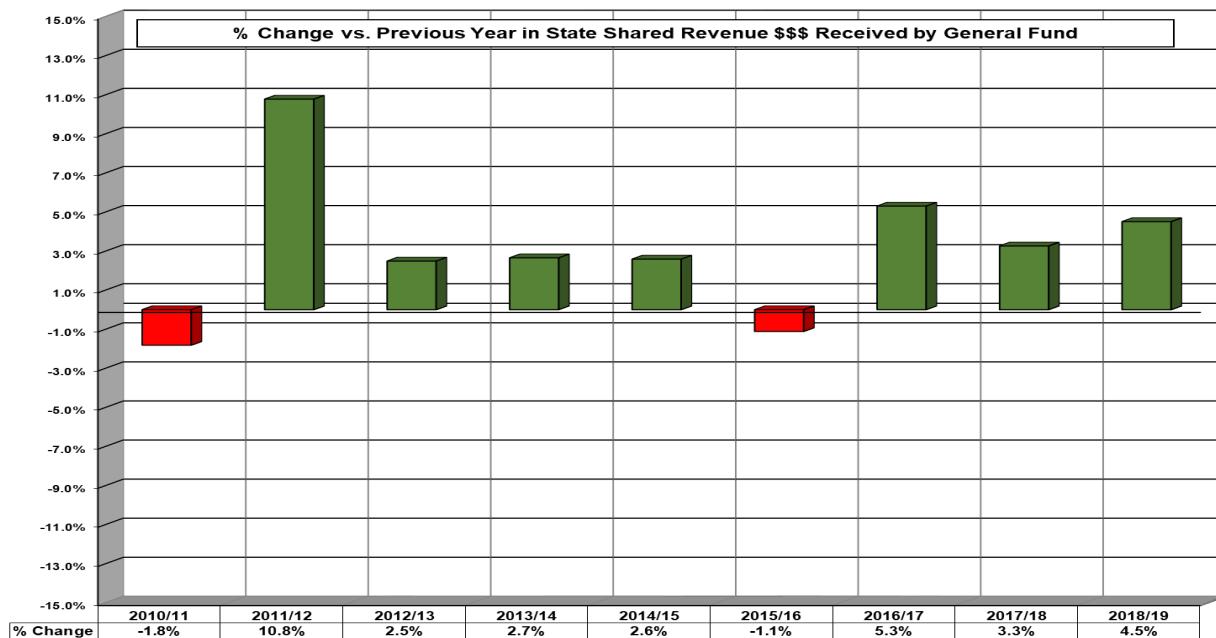
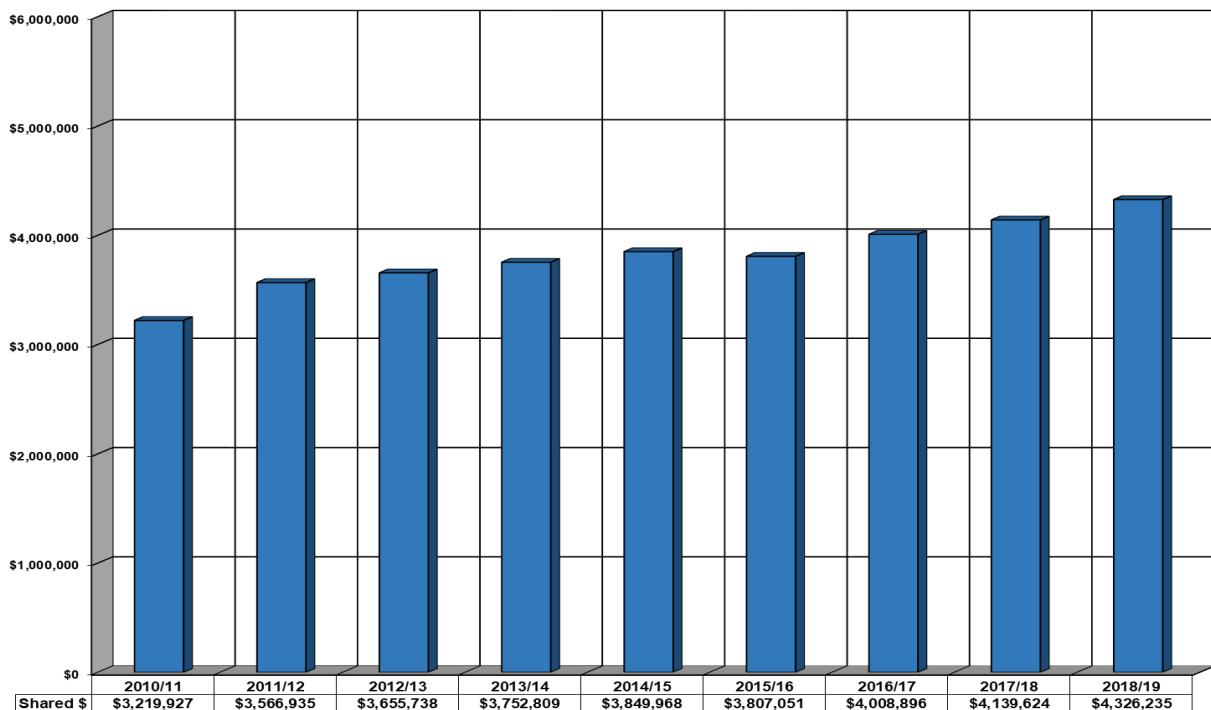
Description:

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:

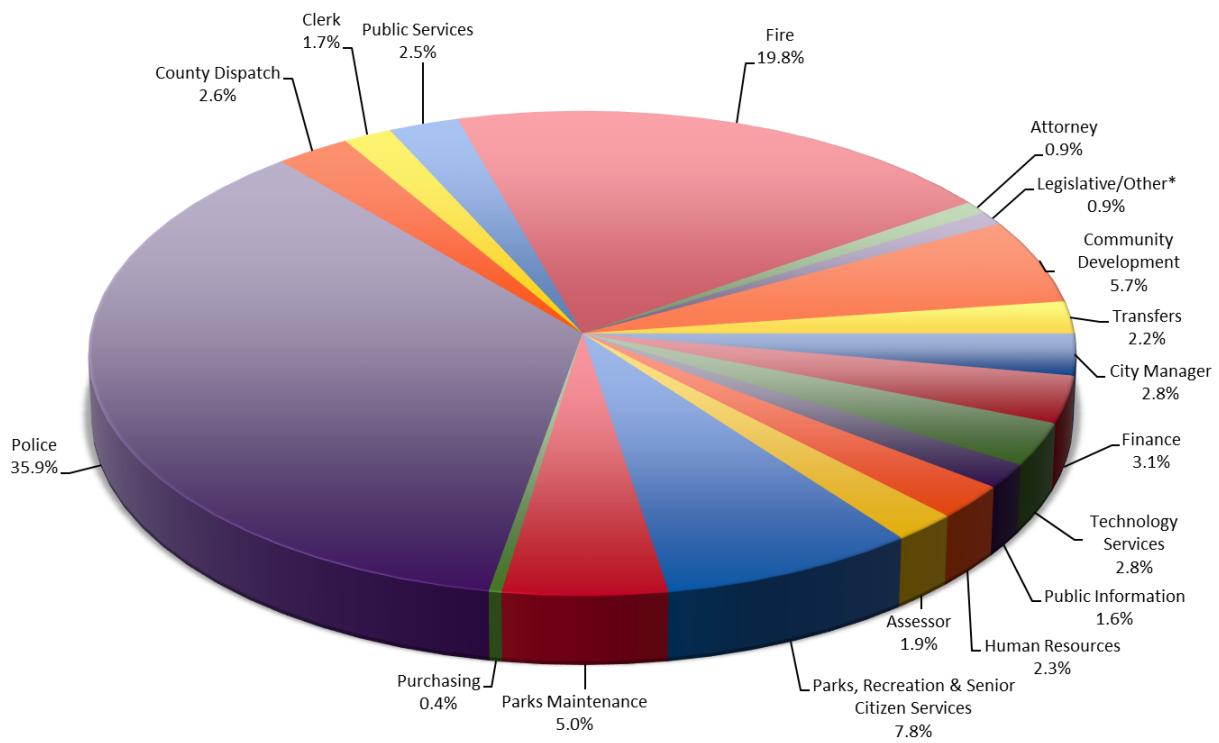
The chart above shows that property tax revenue (in constant dollars) per household had been slowly declining until 2018-2019. Fiscal 2016-2017 was the first year that significant tax base losses due to commercial and industrial personal property tax reductions were replaced by state revenue at levels based on those reductions. That revenue is not included in this chart, so the increase in 2018-2019 represents the start of the tax base turnaround.

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



The charts above depict state-shared revenues received by the General Fund. Some of these revenue distributions are made on a *per capita basis*, so each 2010 United States Census can have 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



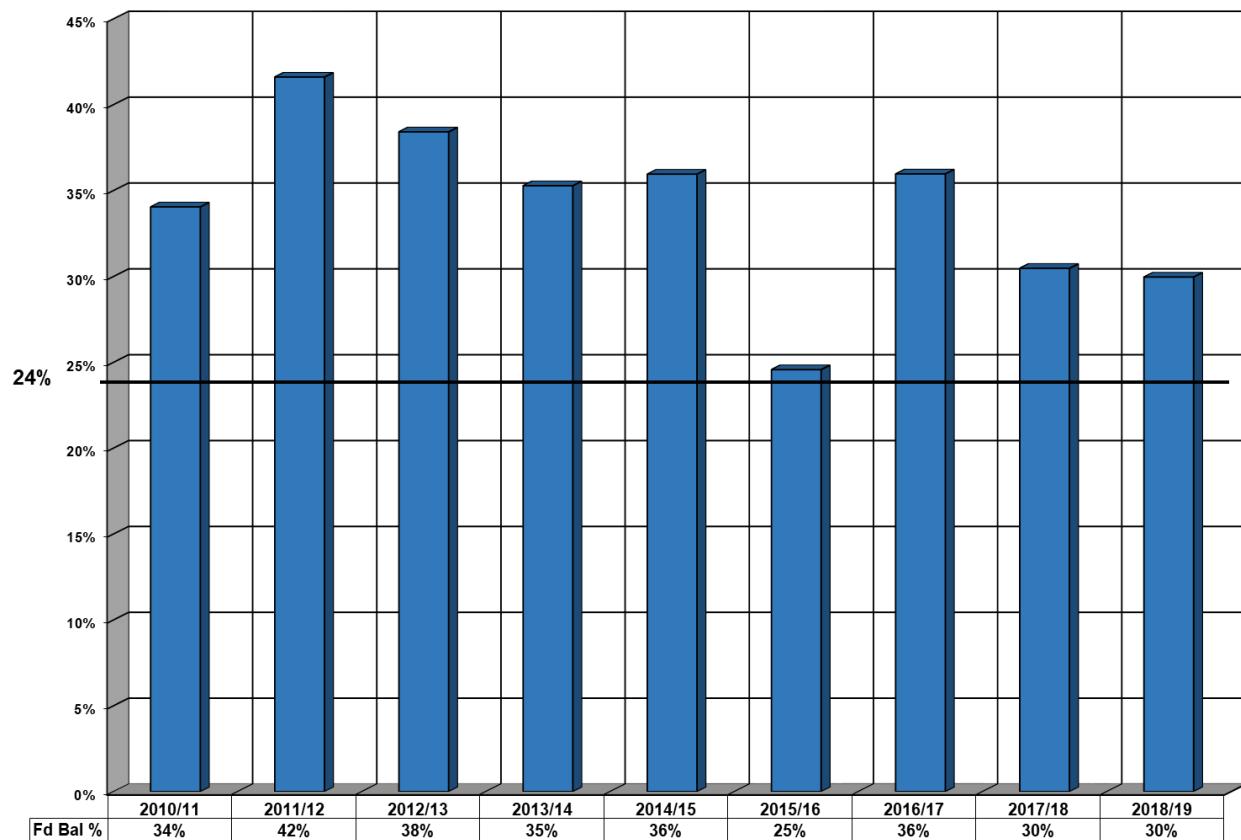
* Note: The Legislative/Other budget includes City Council and Human Services.

General Fund Expenditures by Department or Function

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
City Council	106,475	99,104	86,000	86,000	90,955
Human Services	141,087	161,680	171,740	171,740	176,234
City Manager	507,320	627,466	842,991	654,587	794,795
Finance	777,569	801,020	915,913	891,611	897,117
Technology Services	852,243	842,561	846,783	852,278	818,635
Public Information	50,569	56,334	66,505	57,563	465,499
City Assessor	351,321	423,153	480,869	480,869	557,627
City Attorney	225,728	226,432	226,728	226,728	250,937
City Clerk	337,620	403,544	475,995	468,845	494,522
Human Resources	395,152	403,950	473,940	473,940	657,960
Purchasing	101,244	102,786	111,552	111,552	111,229
Parks, Recreation & Senior Citizen Services	1,896,922	2,004,715	2,141,719	2,102,238	2,234,382
Parks Maintenance	1,287,488	1,244,265	1,413,936	1,413,936	1,430,036
Police Department	10,039,855	9,907,214	9,614,603	9,601,301	10,290,361
County Dispatch	-	-	756,793	756,793	756,793
Fire Department	4,893,339	5,039,703	5,627,508	5,579,725	5,662,945
Community Development	1,214,650	1,280,496	1,413,338	1,413,338	1,630,580
General Public Services	509,752	466,691	657,650	510,650	712,689
Transfers Out	2,647,643	2,002,338	1,962,761	781,419	617,000
Total Expenditures	<u>26,335,977</u>	<u>26,093,452</u>	<u>28,287,324</u>	<u>26,635,113</u>	<u>28,650,296</u>

Additional information is available in the respective detailed departmental budgets.

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



Formula:

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

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

Description:

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 fiscal year 2015-2016, the excess fund balance over the prescribed level has been verified during the audit and 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 fund balance at June 30, 2020 is expected to be at least 24 percent of fund expenditures and transfers out.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Property taxes	15,439,345	16,149,659	16,838,394	16,838,394	17,452,500
Fees and permits	1,290,725	1,010,242	938,000	938,000	1,026,300
Federal revenue	1,842	4,409	3,000	3,000	3,000
State revenue	2,303,462	1,374,094	1,559,646	1,359,000	1,359,000
State shared revenue	4,139,624	4,326,235	4,386,305	4,386,305	4,394,191
Other grants	17,703	20,461	28,407	12,000	52,476
Charges for services	1,667,391	1,426,869	1,526,610	1,532,610	1,561,550
Interest and rents	312,097	583,256	431,500	425,500	434,500
Other revenue	989,456	983,972	826,315	819,119	829,550
Transfers In	6,000	7,500	321,185	321,185	235,000
TOTAL REVENUE	26,167,645	25,886,697	26,859,362	26,635,113	27,348,067
EXPENDITURES:					
Personnel Services	16,614,242	16,998,197	18,101,752	17,807,958	19,266,943
Operations & Maintenance	5,152,763	5,321,237	5,933,050	5,967,880	6,395,969
Administrative Charges	1,729,430	1,707,429	1,851,834	1,841,256	1,805,401
Capital Outlay	191,899	64,251	437,927	236,600	564,983
Transfers Out	2,647,643	2,002,338	1,962,761	781,419	617,000
TOTAL EXPENDITURES	26,335,977	26,093,452	28,287,324	26,635,113	28,650,296

LEGISLATIVE DEPARTMENT

Budget Overview: In addition to City Council expenditures, the 2020-2021 Legislative budget includes contributions to various human service agencies. The human services contribution equals \$176,234 for 2020-2021 (see Appendix A for additional information).

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			

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	58,586	56,160	60,500	60,500	68,200
Operations & Maintenance	188,976	204,624	197,240	197,240	198,989
TOTAL EXPENDITURES	247,562	260,784	257,740	257,740	267,189

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 2020-2021 City Council budget includes expenditures for Michigan Municipal League dues, planning retreats and the Mayor and City Council for the Day program.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	58,586	56,160	60,500	60,500	68,200
Operations & Maintenance	47,889	42,944	25,500	25,500	22,755
TOTAL EXPENDITURES	106,475	99,104	86,000	86,000	90,955

HUMAN SERVICES 101-1085

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	141,087	161,680	171,740	171,740	176,234
TOTAL EXPENDITURES	141,087	161,680	171,740	171,740	176,234

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 2020-2021 budget includes a General Fund appropriation of \$80,484 for youth development and program coordination activities. An additional \$44,816 comes from Community Development Block Grant funds, bringing the total City contribution to PCC to \$120,300.

<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	9,186

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 2020-2021 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	101

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 2020-2021 budget includes a General Fund appropriation of \$27,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	90	110	133

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 2020-2021 budget includes a General Fund appropriation of \$12,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	12	14	10

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 2020-2021 budget includes a General Fund appropriation of \$3,700.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	2,044	2,144	2,648

HUMAN SERVICES, continued

6. TWELVE BASKETS

Twelve Baskets is a non-profit food pantry serving families in Portage and surrounding communities to the south. Food is provided based on the honor system, and the organization operates on donations and volunteers alone.

The 2020-2021 budget includes a General Fund appropriation of \$8,300

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	N/A	N/A	8,624

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 2020-2021 budget includes a General Fund appropriation of \$4,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	805	1,222	1,410

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 2020-2021 budget includes a General Fund appropriation of \$1,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	143	152	159

9. COMMUNITY HEALING CENTERS

The Community Healing Centers strive to strengthen local communities by helping children, families, and adults heal from the trauma of abuse, addiction, and behavioral and mental health disorders. They believe reaching out with prevention, intervention, and treatment services, is an effective, efficient way to deliver care, information, and support to those in need.

The 2020-2021 budget includes a General Fund appropriation of \$9,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	N/A	N/A	37

HUMAN SERVICES, continued

10. KALAMAZOO LOAVES AND FISHES

Kalamazoo Loaves and Fishes is a 'Food Bank Plus,' acquiring food through donations and their purchasing power to distribute food at 77 sites in Kalamazoo County via five food programs. Their mission is to feed hungry people and engage the community in the fight to end hunger.

The 2020-2021 budget includes a General Fund appropriation of \$5,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	N/A	N/A	25,850

11. DIAPERS, ETC.

St. Barnabas Church on East Centre Avenue sponsors Diapers, Etc., offering diapers free of charge to babies in need. They accept donations of diapers and funding to support the program, and are open the second Saturday of every month to offer 2 weeks of free diapers to anyone from surrounding zip codes.

The 2020-2021 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	N/A	N/A	194

12. FIRST DAY SHOE FUND

The First Day Shoe Fund believes all children should start school on equal footing, and so provides new athletic shoes to school-age children in Kalamazoo County who qualify for free or reduced price lunch.

The 2020-2021 budget includes a General Fund appropriation of \$1,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	N/A	N/A	475

CITY MANAGER

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

Budget Overview: The 2020-2021 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 & effective service delivery	<i>Customer Relations</i> Continue emphasis and reemphasis on courteous public service <i>Service Delivery</i> Identify and address outdated or unnecessarily restrictive policies and practices. <i>Financial Health</i> Provide effective & efficient City services Evaluate service delivery options and performance. On-going review and evaluation of revenues and expenditures.

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	-	500	500	500	500
TOTAL REVENUE	<u>-</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
EXPENDITURES:					
Personnel Services	462,523	557,427	628,998	582,924	745,684
Operations & Maintenance	42,725	58,109	210,980	68,650	46,495
Administrative Charges	2,072	2,130	3,013	3,013	2,616
TOTAL EXPENDITURES	<u>507,320</u>	<u>627,466</u>	<u>842,991</u>	<u>654,587</u>	<u>794,795</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	9	11	12
Council committee meetings	4	2	4
Pre-Council meetings	24	24	24
Committee of the Whole meetings	6	4	6
Council items processed:			
Agenda items	668	516	650
Material transmitted	47	45	45

PUBLIC INFORMATION 101-2133

The Office of Public Information supports city communications and marketing efforts, providing 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. In addition, social media activity, the city website, SeeClickFix (the city's Report It system), PortageAlert, video production outside of the cable access contract, printed brochures and other advertising are all maintained under this budget.

The Office of Public Information also provides photocopying, printing, faxing, scanning, as well as mailing and shipping services for all departments.

<i>Program & Description</i>	<i>Goal/Objective</i>
<p>Communications Continue public information services, programs & surveys</p>	<p>Public Relations Enhance communication with citizens Promote events, activities and city services</p> <p>Service Delivery Evaluate new methods for delivering information Establish alternatives to meet increased service demands Enhance public relations by assisting departments with development of communications materials</p>

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of <i>Portagers</i> produced	12	12	12
Number of press releases	123	120	120
Number of Facebook posts	132*	500	400
Number of copies made / documents scanned	163,101	150,000	150,000
Reams of paper distributed	1103	1000	1000
Number of fax pages	121	100	100
Pieces of outgoing mail processed	65,539	65000	65000
Package receiving/deliveries	728	700	700

*Facebook page launched 2/14/19.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Transfers In	-	-	-	-	215,000
TOTAL REVENUE	-	-	-	-	215,000
EXPENDITURES:					
Personnel Services	50,569	55,630	65,905	56,963	221,841
Operations & Maintenance	-	704	600	600	243,500
Administrative Charges	-	-	-	-	158
TOTAL EXPENDITURES	50,569	56,334	66,505	57,563	465,499

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.

Budget Overview: In 2020-2021 the department will continue working to maximize software efficiency and achieve the best customer service, while assisting departments with managing their budgets.

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

FINANCE, continued

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	1,926	1,956	1,000	1,000	1,500
TOTAL REVENUE	1,926	1,956	1,000	1,000	1,500
EXPENDITURES:					
Personnel Services	605,292	633,153	651,642	651,642	631,560
Operations & Maintenance	162,950	159,045	231,282	228,980	255,816
Administrative Charges	7,142	6,811	9,489	9,489	8,241
Capital Outlay	2,185	2,011	23,500	1,500	1,500
TOTAL EXPENDITURES	777,569	801,020	915,913	891,611	897,117

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	3,641	3,636	3,585
Accounts payable ACH Payments	2,306	2,314	2,365
Accounts payable ACH Vendors	495	519	540
1099's issued	158	160	170
Payroll checks issued	6821	6743	7000
W-2s issued	495	412	500
W-2 accuracy rate	100%	100%	100%
Issue date of annual financial report	Dec 18	Dec 11	Dec 10

ACCOUNTING, continued

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	302,843	320,831	330,625	330,625	219,829
Operations & Maintenance	76,350	74,083	119,607	117,305	99,749
Administrative Charges	617	103	-	-	-
Capital Outlay	-	-	1,500	1,500	1,500
TOTAL EXPENDITURES	379,810	395,017	451,732	449,430	321,078

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	1	1	1
Dollar amount	\$4,805,000	\$7,000,000	\$8,761,000
Bond Refinancing	\$0	\$1,740,000	\$5,090,000
'Unqualified' audit report received	Yes	Yes	Yes
EXPENDITURES:			
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget
Personnel Services	197,564	214,359	218,651
Operations & Maintenance	60,956	48,890	73,650
Administrative Charges	6,525	6,708	9,489
TOTAL EXPENDITURES	265,045	269,957	301,790
			2020-2021 Council Approved

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	36,169	37,304	37,500
Special assessment bills processed	1,193	1,098	1,200
Water and sewer bills processed	63,734	63,750	63,725
Receipt transactions	105,031	105,100	105,250

	2017-2018 Actuals	2018-2019 Actuals	2019-2020	2019-2020	2020-2021
			Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Other revenue	1,926	1,956	1,000	1,000	1,500
TOTAL REVENUE	1,926	1,956	1,000	1,000	1,500
EXPENDITURES:					
Personnel Services	104,885	97,963	102,366	102,366	174,881
Operations & Maintenance	25,644	36,072	38,025	38,025	36,897
Capital Outlay	2,185	2,011	22,000	-	-
TOTAL EXPENDITURES	132,714	136,046	162,391	140,391	211,778

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 2020-2021 budget provides a cost reduction due to bringing staffing and services in-house. Priorities continue to focus on streamlining workflow, network infrastructure maintenance, cost containment, legal compliance, and continued development of technology 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>		
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	24,049	25,283	315,891	26,272	427,847
Operations & Maintenance	815,164	803,846	525,792	820,906	388,018
Administrative Charges	3,035	3,437	5,100	5,100	2,770
TOTAL EXPENDITURES	852,243	842,561	846,783	852,278	818,635

The following is a list of major projects and activities that were completed or in process in fiscal year 2019-2020:

- Website ADA Compliance
- Automated FOIA (Provided Assistance to City Clerk)
- Offsite Disaster Recovery
- Cable Access Program and Migration from Public Media Network
- Expanded Building Security and Access Controls
- On-boarding of IT Department Staff
- Buildout of Digital Public Safety Radio Communications Infrastructure
- Electronic Evidence Collection Enhancements
- Alarm Systems Upgrade
- Storage Server Replacements
- Keynote Speaker for the 2019 Annual Smart Cities Conference in Denver, Colorado.

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>
<i>Assessing</i> Providing prompt & courteous service Continue to improve an Internet accessible information system Continue development of digital building sketches and updated photographs Develop & defend property assessments Prepare the assessment roll & administer the appeal process	<i>Public Relations</i> Maintain positive public relations <i>Service Delivery</i> Continue to increase efficiency by applying new technology to ensure all property assessment records are as current as possible <i>Financial Health</i> Maintain the financial health of the City

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	307,357	380,303	388,312	388,312	449,578
Operations & Maintenance	33,658	32,734	74,810	81,810	92,580
Administrative Charges	10,306	10,116	10,747	10,747	11,169
TOTAL EXPENDITURES	351,321	423,153	480,869	480,869	557,627

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>	
	19,157	19,272		19,402	
Property descriptions					
Processing of title & transfer documents	5,529	5,400		5,400	
New appraisals - real & personal property	3,800	3,900		3,900	
Property taxes levied, City only (in millions)	\$21.6	\$22.6		\$23.0	
Property taxes levied, all taxing entities (in millions)	\$98.6	\$102.9		\$104.8	
		2019-2020	2019-2020	2020-2021	
	2017-2018	2018-2019	Adjusted Budget	Adopted Budget	Council Approved
	Actuals	Actuals			
EXPENDITURES:					
Personnel Services	286,395	356,110	356,428	356,428	415,699
Operations & Maintenance	30,538	30,841	71,520	78,520	89,296
Administrative Charges	10,306	10,116	10,747	10,747	11,169
TOTAL EXPENDITURES	327,239	397,067	445,695	445,695	520,464

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>	
	374	319		350	
		2019-2020	2019-2020	2020-2021	
	2017-2018	2018-2019	Adjusted Budget	Adopted Budget	Council Approved
	Actuals	Actuals			
EXPENDITURES:					
Personnel Services	20,962	24,193	31,884	31,884	33,879
Operations & Maintenance	3,120	1,893	3,290	3,290	3,284
TOTAL EXPENDITURES	24,082	26,086	35,174	35,174	37,163

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	225,728	226,432	226,728	226,728	250,937
TOTAL EXPENDITURES	<u>225,728</u>	<u>226,432</u>	<u>226,728</u>	<u>226,728</u>	<u>250,937</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 – Coordinate production of City Council agenda packets on CivicClerk, the Freedom of Information Act, Boards and Commissions interviews, Liquor License, medical marihuana</i>	<i>Customer Relations</i> Provide leadership, service delivery and versatility to the departments and the public.
<i>Elections – 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>	<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 - Microfilming and imaging of records, records access and storage, ensure state record retention schedule compliance by all departments.</i>	<i>Service Delivery</i> Evaluate alternatives to meet service demands. Increase efficiency through technology.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	37,553	113,700	63,800	63,800	196,300
Other revenue	24,253	3,627	23,750	23,750	25,750
TOTAL REVENUE	<u>61,806</u>	<u>117,327</u>	<u>87,550</u>	<u>87,550</u>	<u>222,050</u>
EXPENDITURES:					
Personnel Services	251,769	300,096	316,480	316,480	304,141
Operations & Maintenance	75,108	101,070	156,440	149,290	187,611
Administrative Charges	10,743	2,378	3,075	3,075	2,770
TOTAL EXPENDITURES	<u>337,620</u>	<u>403,544</u>	<u>475,995</u>	<u>468,845</u>	<u>494,522</u>

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		8	10		
Resolutions adopted	32		51	50		
Cemetery lot burials	53		60	66		
Number of meetings staffed	63		60	64		
		2019-2020	2019-2020	2020-2021		
		2017-2018 Actuals	2018-2019 Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:						
Fees and permits	37,553	113,700	63,800	63,800	196,300	
Other revenue	1,125	3,627	750	750	750	
TOTAL REVENUE	38,678	117,327	64,550	64,550	197,050	
EXPENDITURES:						
Personnel Services	105,656	113,186	104,468	104,468	99,664	
Operations & Maintenance	24,257	40,094	60,940	60,940	61,953	
Administrative Charges	1,814	1,853	2,550	2,550	2,240	
TOTAL EXPENDITURES	131,727	155,133	167,958	167,958	163,857	

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	10		18	20
Number of pages filmed	13,271		26,276	30,000
Processed boxes sent to storage	120		100	125
FOIA Requests	56		87	80
		2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted Budget	Council
	Actuals	Actuals	Budget	Approved
EXPENDITURES:				
Personnel Services	49,193	52,305	51,006	46,986
Operations & Maintenance	16,874	10,690	16,250	19,311
Administrative Charges	8,404	-	-	-
TOTAL EXPENDITURES	74,471	62,995	67,256	66,297

ELECTIONS 101-2491

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>		<u>Budget Year</u>
Elections	3		3	3
New registrations	3,339		3,850	4,200
Cancellations	542		620	1,500
Registered voters	37,028		37,890	39,500
Permanent Absentee Voter List	4,736		4,831	5,300
		2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted Budget	Council
	Actuals	Actuals	Budget	Approved
REVENUE:				
Other revenue	23,128	-	23,000	25,000
TOTAL REVENUE	23,128	-	23,000	25,000
EXPENDITURES:				
Personnel Services	96,920	134,605	161,006	161,006
Operations & Maintenance	33,977	50,286	79,250	72,100
Administrative Charges	525	525	525	525
TOTAL EXPENDITURES	131,422	185,416	240,781	233,631
				264,368

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.

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

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

Benefits & Compensation Benefits, employee compensation, & workers' compensation administration	Financial Health 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.
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<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Applications & resumes processed	1,506	1,189	1,075
Training programs (internal)	1,050	1,244	1,050
Training programs (external)	300	300	350
Testing and assessments (participants)	270	293	175
Labor contracts negotiated	3	1	2
Grievances processed	8	6	5
New employee orientations	57	50	55
Performance evaluations processed	382	500	510
Safety audits conducted	20	20	20
Interviews conducted	239	202	200
Family Medical Leave Act notifications	252	118	150
COBRA notifications	46	80	52
Legal notifications	2	6	1
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

	<u>2017-2018 Actuals</u>	<u>2018-2019 Actuals</u>	<u>2019-2020 Adjusted Budget</u>	<u>2019-2020 Adopted Budget</u>	<u>2020-2021 Council Approved</u>
EXPENDITURES:					
Personnel Services	273,082	289,793	318,718	318,718	448,874
Operations & Maintenance	115,180	112,584	152,997	152,997	207,153
Administrative Charges	1,530	1,573	2,225	2,225	1,933
TOTAL EXPENDITURES	395,152	403,950	473,940	473,940	657,960

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 <i>Evaluation & improvement of purchasing service delivery function</i>	<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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	93,888	95,335	94,238	94,238	94,774
Operations & Maintenance	4,248	4,256	12,795	12,795	12,530
Administrative Charges	3,108	3,195	4,519	4,519	3,925
TOTAL EXPENDITURES	101,244	102,786	111,552	111,552	111,229

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	3,324	3,300	3,400		
Sealed bids taken	35	40	42		
Joint governmental contracts	25	16	25		
	2017-2018 Actuals	2018-2019 Actuals	2020-2021 Council Approved		
EXPENDITURES:					
Personnel Services	76,181	77,086	76,299	76,299	76,770
Operations & Maintenance	3,488	3,496	9,295	9,295	9,030
TOTAL EXPENDITURES	79,669	80,582	85,594	85,594	85,800

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	30		
	2017-2018 Actuals	2018-2019 Actuals	2020-2021 Council Approved		
EXPENDITURES:					
Personnel Services	17,707	18,249	17,939	17,939	18,004
Operations & Maintenance	760	760	3,500	3,500	3,500
Administrative Charges	3,108	3,195	4,519	4,519	3,925
TOTAL EXPENDITURES	21,575	22,204	25,958	25,958	25,429

PARKS, RECREATION and SENIOR CITIZEN SERVICES

The Parks and Recreation division is responsible for the operation of parks, rentals, recreation, programming & events, Farmers Market, 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 2020-2021 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 2020-2021 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 <i>Public Improvement</i> Preserve, protect & improve historic, natural scenic & environmentally sensitive areas for appropriate public use & protection <i>Financial Health</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>
Cooperative programming	<p><i>Service Delivery</i> Promote healthy and active lifestyles Promote teamwork between the public and private sectors Expand diversity of recreation facilities year round and for all ages and abilities</p>
Elimination of programs with low utilization, replace with new initiatives	<p><i>Service Delivery</i> Prioritize existing services Evaluate program contracting</p>
Volunteer staffing	<p><i>Financial Health</i> Collaboration w/ community, partners and sponsorship grants Liaison with Portage Parks Foundation. Further develop Park Patrol and Adopt-A-Park programs</p>
Marketing	<p><i>Public Relations</i> Increase community awareness through communication, promotion and branding</p>
<i>Millennium Park Ice Rink</i> Expanded recreational opportunities	<p><i>Community Development</i> Coordinated & innovative approach to providing recreational opportunities year round, for all ages and 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</p> <p>Expand community service involvement by members in cooperation with other area community agencies; seek transportation alternatives for older adults</p> <p>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 Increase PSC support base by extending fundraising efforts to the greater community Increase focus on membership recruitment and retention efforts, including the development of innovative new programs & approaches	<i>Finance & Budgeting</i> Pursue revenue enhancement through alternative funding opportunities <i>Service delivery</i> Continue to increase efficiency by applying new technology

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Charges for services	244,611	226,869	244,490	250,490	236,550
Interest and rents	40,527	64,260	79,500	73,500	71,500
Other revenue	28,421	46,418	16,196	12,500	18,000
TOTAL REVENUE	<u>313,559</u>	<u>337,547</u>	<u>340,186</u>	<u>336,490</u>	<u>326,050</u>
EXPENDITURES:					
Personnel Services	647,723	673,840	771,002	787,522	831,264
Operations & Maintenance	238,923	248,309	332,767	335,767	356,992
Administrative Charges	236,234	173,972	182,380	171,802	194,555
Capital Outlay	19,016	4,222	20,196	16,500	32,760
TOTAL EXPENDITURES	<u>1,141,896</u>	<u>1,100,343</u>	<u>1,306,345</u>	<u>1,311,591</u>	<u>1,415,571</u>

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	600	571	600
Walks/runs	9	9	11
Walk/run participants	3,000	3,041	4,550

PARKS, continued

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Interest and rents	31,978	56,591	65,000	65,000	65,000
Other revenue	775	625	500	500	500
TOTAL REVENUE	<u>32,753</u>	<u>57,216</u>	<u>65,500</u>	<u>65,500</u>	<u>65,500</u>
EXPENDITURES:					
Personnel Services	393,085	423,549	473,228	473,228	501,914
Operations & Maintenance	51,042	27,130	40,900	40,900	38,930
Administrative Charges	188,088	126,593	128,277	128,277	128,894
Capital Outlay	14,185	4,222	7,500	7,500	20,000
TOTAL EXPENDITURES	<u>646,400</u>	<u>581,494</u>	<u>649,905</u>	<u>649,905</u>	<u>689,738</u>

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	145,758	141,368	161,922	161,922	168,101
Operations & Maintenance	22,942	27,953	36,600	36,600	38,535
Administrative Charges	5,095	5,802	6,330	6,330	5,826
TOTAL EXPENDITURES	<u>173,795</u>	<u>175,123</u>	<u>204,852</u>	<u>204,852</u>	<u>212,462</u>

RECREATION – FARMERS MARKET 101-2881

This program accounts for the costs associated with the operation of the Portage Farmers Market, including vendor fees, market events, and food incubator programs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Participants	14,273	20,217	25,000
Average Number of Vendors/Day	22	26	30
Number of Days	24	22	24

	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	-	-	-	-	9,100
Interest and rents	-	-	6,000	-	-
TOTAL REVENUE	-	-	6,000	-	9,100
EXPENDITURES:					
Administrative Charges	-	-	10,578	-	22,635
TOTAL EXPENDITURES	-	-	10,578	-	22,635

RECREATION - TEAM SPORTS 101-2882

This program accounts for the costs associated with adult softball leagues and youth and adult softball tournaments. Pickleball leagues will be starting in the 2019-2020 fiscal year.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>	
Registrants	3,100	2,603	2,250	
Teams	180	162	150	
League Divisions	30	13	16	
Tournaments	14	8	10	
2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:				
Charges for services	118,070	112,087	140,540	140,540
Other revenue	-	-	3,696	-
TOTAL REVENUE	118,070	112,087	144,236	140,540
EXPENDITURES:				
Operations & Maintenance	56,624	48,976	70,650	70,650
Capital Outlay	-	-	3,696	-
TOTAL EXPENDITURES	56,624	48,976	74,346	70,650
 	 	 	 	

RECREATION – PROGRAMS 101-2885

This program represents fee and sponsor based programming other than Ramona Park, rentals, adult softball & pickleball leagues/tournaments and the Ice Rink at Millennium Park. Current year programs include: “Little Lunkers” fishing camp, Advanced Anglers, kids sports sampler, ping pong, nature programs, cooking classes, and bike programs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>		<u>Budget Year</u>	
Participants	3,700	6,506		7,500	
Fee based programs	24	20		20	
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Charges for services	14,329	14,685	13,000	19,000	7,050
Other revenue	2,000	8,815	-	-	-
TOTAL REVENUE	16,329	23,500	13,000	19,000	7,050
EXPENDITURES:					
Personnel Services	-	4,861	-	16,520	1,345
Operations & Maintenance	20,538	16,128	34,150	37,150	40,950
TOTAL EXPENDITURES	20,538	20,989	34,150	53,670	42,295

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	27,840	29,694		30,000	
Daily beach permits	2,958	3,424		3,500	
Annual beach permits	197	190		180	
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Charges for services	68,126	51,254	45,950	45,950	53,100
Interest and rents	8,549	7,419	8,500	8,500	6,500
TOTAL REVENUE	76,675	58,673	54,450	54,450	59,600
EXPENDITURES:					
Personnel Services	66,041	72,084	103,732	103,732	127,448
Operations & Maintenance	12,974	14,959	19,800	19,800	20,518
Capital Outlay	-	-	9,000	9,000	10,760
TOTAL EXPENDITURES	79,015	87,043	132,532	132,532	158,726

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	12		11		11
Participation	19,544		20,397		22,500
	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Interest and rents	-	250	-	-	-
Other revenue	25,646	36,978	12,000	12,000	17,000
TOTAL REVENUE	25,646	37,228	12,000	12,000	17,000
EXPENDITURES:					
Personnel Services	-	-	11,242	11,242	11,360
Operations & Maintenance	54,859	94,851	100,137	100,137	117,743
TOTAL EXPENDITURES	54,859	94,851	111,379	111,379	129,103

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	50		51		57
Total participants	10,500		11,000		11,000
	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	44,086	48,843	45,000	45,000	47,800
TOTAL REVENUE	44,086	48,843	45,000	45,000	47,800
EXPENDITURES:					
Personnel Services	42,839	31,978	20,878	20,878	21,096
Operations & Maintenance	19,944	18,312	30,530	30,530	31,359
Administrative Charges	43,051	41,577	37,195	37,195	37,200
Capital Outlay	4,831	-	-	-	2,000
TOTAL EXPENDITURES	110,665	91,867	88,603	88,603	91,655

SENIOR CITIZEN SERVICES

	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Other grants	17,703	9,700	26,407	10,000	50,476
Interest and rents	9,975	10,415	7,000	7,000	8,000
Other revenue	559,162	585,825	531,700	531,700	550,100
TOTAL REVENUE	588,525	606,860	566,307	549,900	609,576
EXPENDITURES:					
Personnel Services	259,858	266,292	317,374	312,755	312,358
Operations & Maintenance	476,629	621,705	483,683	443,575	473,887
Administrative Charges	16,123	15,235	19,317	19,317	17,566
Capital Outlay	2,416	1,140	15,000	15,000	15,000
TOTAL EXPENDITURES	755,026	904,372	835,374	790,647	818,811

The individual activities provided through Senior Citizen Services are detailed in four 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 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>	
	<i>Duplicated</i>	<i>Unduplicated</i>	<i>Duplicated</i>	<i>Unduplicated</i>	<i>Duplicated</i>	<i>Unduplicated</i>
Number of members	N/A	1,344	N/A	1,550	N/A	1,600
Activity attendance	24,384	1,816	25,000	2,000	26,000	2,100
Number of van rides	1,258	39	1,700	40	1,800	50
Number of volunteer hours	22,988	N/A	24,000	N/A	25,000	N/A
Travel program participants	1,829	697	1,394	537	1,800	700

Duplicated: Counts participant each time attends a program.

Unduplicated: Counts an individual one time no matter how many times they participate.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other grants	16,703	9,700	26,407	10,000	50,476
Interest and rents	9,975	10,415	7,000	7,000	8,000
Other revenue	112,230	116,768	141,700	141,700	141,100
TOTAL REVENUE	138,908	136,883	175,107	158,700	199,576
EXPENDITURES:					
Personnel Services	230,122	234,857	285,078	280,459	279,812
Operations & Maintenance	74,960	82,471	99,313	87,525	98,837
Administrative Charges	15,746	15,017	18,917	18,917	17,566
Capital Outlay	2,416	1,140	15,000	15,000	15,000
TOTAL EXPENDITURES	323,244	333,485	418,308	401,901	411,215

SENIOR TRIPS, 101-6721

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	436,317	456,709	375,000	375,000	394,000
TOTAL REVENUE	436,317	456,709	375,000	375,000	394,000
EXPENDITURES:					
Personnel Services	29,736	31,435	32,296	32,296	32,546
Operations & Maintenance	401,513	403,038	354,550	354,550	373,850
TOTAL EXPENDITURES	431,626	434,691	387,246	387,246	406,396

SENIOR ACTIVITIES, 101-6722

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	10,335	12,348	15,000	15,000	15,000
TOTAL REVENUE	10,335	12,348	15,000	15,000	15,000

AGING MASTERY PROGRAM, 101-6725

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	1,685	920	1,200	1,200	1,000
Other grants	1,000	-	-	-	-
Other revenue	280	-	-	-	-
TOTAL REVENUE	<u>2,965</u>	<u>920</u>	<u>1,200</u>	<u>1,200</u>	<u>1,000</u>
EXPENDITURES:					
Operations & Maintenance	156	136,196	29,820	1,500	1,200
TOTAL EXPENDITURES	<u>156</u>	<u>136,196</u>	<u>29,820</u>	<u>1,500</u>	<u>1,200</u>

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).

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	40,400	45,500	40,000	40,000	40,000
Other revenue	14,088	14,391	8,900	8,900	10,000
Transfers In	6,000	7,500	12,000	12,000	20,000
TOTAL REVENUE	60,488	67,391	60,900	60,900	70,000
EXPENDITURES:					
Personnel Services	462,232	473,450	470,286	470,286	493,629
Operations & Maintenance	506,016	506,710	643,930	643,930	650,459
Administrative Charges	291,078	258,635	299,720	299,720	285,948
Capital Outlay	28,162	5,470	-	-	-
TOTAL EXPENDITURES	1,287,488	1,244,265	1,413,936	1,413,936	1,430,036

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 Pavilion. 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	6,834	5,394	7,000
Acres of boulevard/interchange mowing	140	140	140
City Center acres managed	6.5	6.5	6.5
Holiday lights	37,000	39,000	42,000

PARKS MAINTENANCE, continued

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	4,962	5,693	1,500	1,500	2,000
TOTAL REVENUE	4,962	5,693	1,500	1,500	2,000
EXPENDITURES:					
Personnel Services	423,114	438,836	434,257	434,257	457,128
Operations & Maintenance	483,132	484,831	613,085	613,085	616,927
Administrative Charges	276,352	244,386	284,739	284,739	270,780
Capital Outlay	28,162	5,470	-	-	-
TOTAL EXPENDITURES	1,210,760	1,173,523	1,332,081	1,332,081	1,344,835

CEMETERIES 101-2876

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

<u>Service Indicator</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>
	Interments per year		53	50	55
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	40,400	45,500	40,000	40,000	40,000
Other revenue	9,126	8,698	7,400	7,400	8,000
Transfers In	6,000	7,500	12,000	12,000	20,000
TOTAL REVENUE	55,526	61,698	59,400	59,400	68,000
EXPENDITURES:					
Personnel Services	39,118	34,614	36,029	36,029	36,501
Operations & Maintenance	16,499	13,879	15,845	15,845	18,532
Administrative Charges	14,726	14,249	14,981	14,981	15,168
TOTAL EXPENDITURES	70,343	62,742	66,855	66,855	70,201

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	6,385	8,000	15,000	15,000	15,000
TOTAL EXPENDITURES	<u>6,385</u>	<u>8,000</u>	<u>15,000</u>	<u>15,000</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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	55,719	42,023	28,000	28,000	27,500
Federal revenue	1,842	4,409	3,000	3,000	3,000
State revenue	144	38,967	9,000	9,000	9,000
Other grants	-	10,761	2,000	2,000	2,000
Other revenue	321,562	302,134	218,269	214,269	203,600
TOTAL REVENUE	379,267	398,294	260,269	256,269	245,100
EXPENDITURES:					
Personnel Services	12,262,123	12,273,713	12,709,106	12,709,106	13,002,338
Operations & Maintenance	2,017,827	2,032,991	2,438,436	2,398,982	2,588,742
Administrative Charges	548,141	608,600	626,131	626,131	607,596
Capital Outlay	105,103	31,613	225,231	203,600	511,423
TOTAL EXPENDITURES	14,933,194	14,946,917	15,998,904	15,937,819	16,710,099

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 2020-2021 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 through 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></p> <p>Increase use of data to improve team approach toward service provision & crime prevention</p> <p>Continue traffic enforcement & accident prevention</p>	<p><i>Service Delivery</i></p> <p>Continue to increase efficiency by applying new technology</p> <p><i>Transportation</i></p> <p>Use data to enhance enforcement on high accident/traffic areas</p> <p>Evaluate citizen complaint identified areas using directed patrols</p>
<p><i>Training</i></p> <p>Develop cost-effective & efficient methods to provide training</p>	<p><i>Service Delivery</i></p> <p>Co-host programs with outside providers</p> <p><i>Public Improvements</i></p> <p>Explore uses of technology to provide training, computer based training, etc.</p>
<p><i>Communications</i></p> <p>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></p> <p>Continue emphasis on courteous customer service</p> <p>Continue efforts to enhance communications between local government, citizens, & business</p>
<p><i>Records/Property</i></p> <p>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></p> <p>Promote volunteerism</p> <p>Continue to increase efficiency by applying new technology</p> <p><i>Public Improvements</i></p> <p>Maintain a systematic preventative maintenance program</p> <p><i>Customer Relations</i></p> <p>Maintain quality of service both in Administrations & Operations</p>

POLICE Division budget

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	55,719	42,023	28,000	28,000	27,500
Federal revenue	1,842	4,409	3,000	3,000	3,000
State revenue	144	38,967	9,000	9,000	9,000
Other grants	-	10,761	2,000	2,000	2,000
Other revenue	318,011	301,043	217,209	213,209	202,500
TOTAL REVENUE	375,716	397,203	259,209	255,209	244,000
EXPENDITURES:					
Personnel Services	7,967,785	7,826,852	7,980,852	7,980,852	8,446,628
Operations & Maintenance	1,603,855	1,570,730	1,838,662	1,846,991	1,978,265
Administrative Charges	421,525	478,019	473,651	473,651	460,838
Capital Outlay	46,690	31,613	78,231	56,600	161,423
TOTAL EXPENDITURES	10,039,855	9,907,214	10,371,396	10,358,094	11,047,154

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	1	1	1
Internal Investigations	5	5	5
Background Investigations	40	50	50
Administrative Reviews	77	100	100

ADMINISTRATION and STAFF, continued

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	55,719	42,023	28,000	28,000	27,500
Federal revenue	1,842	4,409	3,000	3,000	3,000
Other grants	-	10,761	1,000	1,000	1,000
Other revenue	135,634	142,942	123,000	123,000	121,200
TOTAL REVENUE	193,195	200,135	155,000	155,000	152,700
EXPENDITURES:					
Personnel Services	465,105	537,125	541,731	541,731	553,960
Operations & Maintenance	65,482	61,032	313,884	361,667	358,563
Administrative Charges	282,026	319,061	324,761	324,761	308,258
TOTAL EXPENDITURES	812,613	922,713	1,180,376	1,228,159	1,226,781

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	30	30	30
Adult arrests	15	15	15
Cases assigned	257	250	250
Police/School Resource hours	3,600	3,600	3,600
Crime prevention assignments	205	200	200

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	388,890	419,530	437,265	437,265	442,724
Operations & Maintenance	64,025	67,255	78,750	78,750	81,457
Administrative Charges	1,717	1,892	1,890	1,890	1,260
TOTAL EXPENDITURES	454,632	488,677	517,905	517,905	525,441

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	765	800	800
Charges requested	97	100	100
Charges authorized	72	75	75
Cases cleared	650	650	650
Intelligence reports	52	60	60
Liquor inspections	60	65	65
Liquor License violations	5	5	5
Tobacco inspections	30	30	30
Tobacco violations	3	5	5

	2017-2018 Actuals	2018-2019 Actuals	2019-2020	2019-2020	2020-2021
			Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	773,152	613,889	671,711	671,711	670,640
Operations & Maintenance	19,458	19,685	37,135	31,640	35,712
Administrative Charges	4,664	4,693	5,510	5,510	4,280
TOTAL EXPENDITURES	797,274	638,267	714,356	708,861	710,632

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	38,894	39,000	39,000
Cases investigated	8,864	9,000	9,000
Average response time (minutes)	10.58	12.00	12.00
Personal injury accidents	348	350	350
Property damage accidents	1,530	1,600	1,600
Drunk-driving arrests	128	130	130
Total adult arrests	2,478	3,000	3,000
Public Relations Contacts	7,279	8,300	8,300
Property recovered	\$182,857	\$200,000	\$200,000
Property loss	\$1,407,647	\$1,500,000	\$1,500,000
Hazardous traffic citations	4,234	4,000	4,000
Non-hazardous traffic citations (excludes parking)	1,572	1,500	1,500

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2019-2020</u>	<u>2020-2021</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
REVENUE:					
Other revenue	7,280	6,030	5,000	1,000	1,500
TOTAL REVENUE	<u>7,280</u>	<u>6,030</u>	<u>5,000</u>	<u>1,000</u>	<u>1,500</u>
EXPENDITURES:					
Personnel Services	4,690,842	4,719,445	5,306,780	5,306,780	5,636,293
Operations & Maintenance	187,705	152,673	221,641	217,641	257,886
Administrative Charges	107,102	122,337	111,490	111,490	116,400
Capital Outlay	46,690	26,118	78,231	56,600	97,850
TOTAL EXPENDITURES	<u>5,032,339</u>	<u>5,020,573</u>	<u>5,718,142</u>	<u>5,692,511</u>	<u>6,108,429</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	1,200	1,400	1,400

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	300	1,500	300	1,500	300	1,500
Self-defense/De-escalation	60	1,000	60	1,000	60	1,000
First Aid/CPR	60	350	60	350	60	350
Management	15	700	15	1,000	15	1,200
Tactical training	60	720	60	720	60	720
Support Operations	60	1,200	60	1,200	60	1,200
Policy/Accreditation	360	600	360	600	360	600
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	60	800	60	800
Vehicle operations	12	200	24	400	24	400

			2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted	Adopted	Council
	Actuals	Actuals	Budget	Budget	Approved
EXPENDITURES:					
Personnel Services	71,850	171,341	181,955	181,955	183,143
Operations & Maintenance	58,943	63,709	84,205	84,205	135,005
Administrative Charges	617	617	630	630	630
TOTAL EXPENDITURES	131,410	235,667	266,790	266,790	328,778

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
State revenue	4,982	13,692	9,000	9,000	9,000
TOTAL REVENUE	4,982	13,692	9,000	9,000	9,000
EXPENDITURES:					
Operations & Maintenance	5,621	9,000	9,000	9,000	9,000
TOTAL EXPENDITURES	5,621	9,000	9,000	9,000	9,000

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
State revenue	7,427	30,788	-	-	-
Other revenue	18,000	19,408	19,209	19,209	9,800
TOTAL REVENUE	25,427	50,196	19,209	19,209	9,800
EXPENDITURES:					
Personnel Services	665,060	431,748	-	-	-
Operations & Maintenance	263,019	271,958	74,419	69,619	69,619
TOTAL EXPENDITURES	928,079	703,706	74,419	69,619	69,619

EMERGENCY WARNING SIRENS, 101-3031

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	26,792	11,873	23,676	23,676	23,676
TOTAL EXPENDITURES	26,792	11,873	23,676	23,676	23,676

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	2,480	3,000	3,000
Subpoena services	1,392	1,350	1,350
False alarms processed	920	1,000	1,000
Computerized case documents	14,772	15,000	15,000
Scanned documents	13,654	14,000	14,000
Juvenile Court petitions	164	200	200
Criminal record checks	949	500	500
Freedom of Information Act requests	2,952	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	303	312	300
State handgun registration			
document processing, units	1,104	1,100	1,100
Handgun purchase permits	152	170	170
Evidence submitted	3,312	3,300	3,300
Evidence disposed	3,568	3,600	3,600
Pounds of medication disposed/Red Med Box	4,146	4,000	4,000

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	395,504	523,391	596,494	596,494	622,818
Operations & Maintenance	20,708	24,775	43,580	43,580	53,134
TOTAL EXPENDITURES	416,212	548,166	640,074	640,074	675,952

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	59	60	60
Total VCSA complaints	132	140	140
Estimated value of seized drugs	\$140,000	\$150,000	\$150,000
Estimated value of forfeiture (cash or other property)	\$84,673	\$20,000	\$20,000
Methamphetamine labs seized	3	3	3

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other grants	-	-	1,000	1,000	1,000
TOTAL REVENUE	-	-	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	328,618	333,041	244,916	244,916	337,050
Administrative Charges	780	2,476	3,370	3,370	4,010
TOTAL EXPENDITURES	329,398	335,517	248,286	248,286	341,060

BUILDING MAINTENANCE, 101-3065

This activity provides for the costs associated with operating and maintaining the Police Division facility. Since 2019, the former District Court Facility revenues and expenditures have been 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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	70,525	70,000	70,000	70,000	70,000
TOTAL REVENUE	70,525	70,000	70,000	70,000	70,000
EXPENDITURES:					
Operations & Maintenance	135,309	131,977	195,579	170,420	197,420
Administrative Charges	24,619	26,943	26,000	26,000	26,000
Capital Outlay	-	-	-	-	47,573
TOTAL EXPENDITURES	159,928	158,920	221,579	196,420	270,993

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	756,793	756,793	756,793	756,793	756,793
TOTAL EXPENDITURES	756,793	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 2020-2021 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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	3,551	1,091	1,060	1,060	1,100
TOTAL REVENUE	3,551	1,091	1,060	1,060	1,100
EXPENDITURES:					
Personnel Services	4,294,338	4,446,861	4,728,254	4,728,254	4,555,710
Operations & Maintenance	413,972	462,261	599,774	551,991	610,477
Administrative Charges	126,616	130,581	152,480	152,480	146,758
Capital Outlay	58,413	-	147,000	147,000	350,000
TOTAL EXPENDITURES	4,893,339	5,039,703	5,627,508	5,579,725	5,662,945

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	15
Vehicle service and equipment maintenance performed	280	300	300

ADMINISTRATION, continued

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	16	16	160	160	100
TOTAL REVENUE	16	16	160	160	100
EXPENDITURES:					
Personnel Services	329,510	346,919	360,282	360,282	363,951
Operations & Maintenance	129,465	194,612	278,303	230,520	247,319
Administrative Charges	100,122	102,354	122,480	122,480	116,758
Capital Outlay	28,548	-	-	-	-
TOTAL EXPENDITURES	587,645	643,885	761,065	713,282	728,028

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	110	120	120		
Emergency medical calls	3,106	3,200	3,200		
False Alarm	452	450	450		
Hazardous Conditions	188	185	185		
Service Calls	278	300	300		
Good Intent Calls	985	1,000	1,000		
Initial/Mutual Aid provided	115	110	110		
Initial/Mutual Aid received	120	120	120		
Inspections	2,200	2,200	2,200		
EXPENDITURES:					
Personnel Services	3,679,809	3,833,770	4,059,688	4,059,688	3,880,684
Operations & Maintenance	85,139	84,126	119,435	119,435	123,018
Administrative Charges	26,494	28,227	30,000	30,000	30,000
Capital Outlay	29,865	-	-	-	-
TOTAL EXPENDITURES	3,821,307	3,946,123	4,209,123	4,209,123	4,033,702

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	74,391	59,962	72,221	72,221	70,645
Operations & Maintenance	8,563	17,325	11,306	11,306	24,663
TOTAL EXPENDITURES	82,954	77,287	83,527	83,527	95,308

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.

Service Indicators	Prior Year	Current Year	Budget Year
Fire investigations	12	15	15
Plan Reviews	250	250	250
Technical inspections	329	330	330
Public education events	110	110	110
Recreational fire permits issued	60	70	70
Infant/child car seat installation activity	212	230	230

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Other revenue	3,535	1,075	900	900	1,000
TOTAL REVENUE	3,535	1,075	900	900	1,000

EXPENDITURES:					
Personnel Services	105,898	108,835	117,061	117,061	118,658
Operations & Maintenance	35,280	18,237	22,230	22,230	22,255
TOTAL EXPENDITURES	141,178	127,072	139,291	139,291	140,913

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	3,200	5,200	3,200	5,500	3,200	5,800
			2019-2020	2019-2020	2020-2021	
	2017-2018	2018-2019	Adjusted	Adopted	Council	
	Actuals	Actuals	Budget	Budget	Approved	
EXPENDITURES:						
Personnel Services	104,730	97,375	119,002	119,002	121,772	
Operations & Maintenance	59,751	64,333	72,550	72,550	94,491	
TOTAL EXPENDITURES	164,481	161,708	191,552	191,552	216,263	

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>	
	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>
City emergency management exercises	1		1		1	
Countywide emergency management exercises	1		1		1	
			2019-2020	2019-2020	2020-2021	
	2017-2018	2018-2019	Adjusted	Adopted	Council	
	Actuals	Actuals	Budget	Budget	Approved	
EXPENDITURES:						
Operations & Maintenance	1,056	3,372	4,900	4,900	4,950	
TOTAL EXPENDITURES	1,056	3,372	4,900	4,900	4,950	

BUILDING MAINTENANCE, 101-3365

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	94,718	80,256	91,050	91,050	93,781
Capital Outlay	-	-	147,000	147,000	350,000
TOTAL EXPENDITURES	<u>94,718</u>	<u>80,256</u>	<u>238,050</u>	<u>238,050</u>	<u>443,781</u>

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 2020-2021 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	<i>Ensure decent & safe housing & the livability of community neighborhoods</i> 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	<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 Housing Assistance Programs	<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 Development Review/Approval 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	Continue planning & implementing programs & projects to enhance the City Centre area <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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	1,155,368	808,099	805,000	805,000	761,500
Interest and rents	152,359	179,892	170,000	170,000	180,000
Other revenue	13,428	10,984	7,500	7,500	8,000
TOTAL REVENUE	1,321,155	998,975	982,500	982,500	949,500
EXPENDITURES:					
Personnel Services	855,191	917,722	993,300	1,032,240	1,234,855
Operations & Maintenance	199,567	195,818	214,570	175,630	210,221
Administrative Charges	159,892	166,956	205,468	205,468	185,504
TOTAL EXPENDITURES	1,214,650	1,280,496	1,413,338	1,413,338	1,630,580

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*	526	550	550
Plumbing permits*	389	450	450
Electrical permits*	641	650	650
Mechanical permits*	774	750	750
Soil Erosion permits*	37	40	40
Housing/property maintenance inspections	25	50	50
Backflow program coordination and inspections	381	300	300

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

	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	1,084,793	741,747	750,000	750,000	700,000
TOTAL REVENUE	1,084,893	742,102	750,000	750,000	700,000
EXPENDITURES:					
Personnel Services	405,418	461,974	507,441	546,381	552,942
Operations & Maintenance	56,974	64,818	53,740	14,800	14,062
Administrative Charges	17,751	27,512	29,888	29,888	28,806
TOTAL EXPENDITURES	480,143	554,304	591,069	591,069	595,810

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	25	25	30
Special Land Use Permits	15	12	15
Rezonings ¹	9	8	5
Zoning Ordinance amendments	1	1	3
Zoning Board of Appeals application reviews	24	24	24
Commercial Parking/Plot Plan Review	3	4	6
Residential plot plan reviews	268	264	270
Business special event application reviews	17	12	15
Sign permit application reviews	123	125	140
Zoning compliance reviews	12	15	15
Plat/condominium reviews	7	10	8
Public utility plan review	11	12	12
Landscape plan review	19	20	22
Land division/lot line adjustment reviews	25	20	20
Geographic Information System:			
Notification maps	64	50	50
Maps/analysis/data requests	776	482	550
Residential driveway applications review	19	20	20
Assign addresses for properties	129	102	80
Neighborhood Support Program (CSR)	1,807	1,800	1,800
Act 198 abatement requests	2	2	2
Payment in lieu of tax	0	0	1
Collection box permit (incl. renewal)	12	12	10
Urban chicken permits	10	10	10
Brownfield redevelopment	1	4	3

¹Also includes tentative plan amendments and re-approvals.

These activities follow:

PLANNING and DEVELOPMENT, 101-3720

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	70,575	64,992	55,000	55,000	60,000
Other revenue	277	17	-	-	-
TOTAL REVENUE	70,852	65,009	55,000	55,000	60,000
EXPENDITURES:					
Personnel Services	249,833	252,712	264,202	264,202	297,305
Operations & Maintenance	42,392	42,268	53,435	53,435	87,954
Administrative Charges	7,442	7,506	8,670	8,670	7,501
TOTAL EXPENDITURES	299,667	302,486	326,307	326,307	392,760

NEIGHBORHOOD SERVICES, 101-3730

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	-	1,360	-	-	1,500
Interest and rents	152,359	179,892	170,000	170,000	180,000
Other revenue	13,051	10,612	7,500	7,500	8,000
TOTAL REVENUE	165,410	191,864	177,500	177,500	189,500
EXPENDITURES:					
Personnel Services	199,940	203,036	221,657	221,657	384,608
Operations & Maintenance	10,262	10,166	13,845	13,845	14,718
Administrative Charges	2,626	2,630	2,643	2,643	4,680
TOTAL EXPENDITURES	212,828	215,832	238,145	238,145	404,006

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
	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	89,939	78,566	93,550	93,550	93,487
Administrative Charges	132,073	129,308	164,267	164,267	144,517
TOTAL EXPENDITURES	222,012	207,874	257,817	257,817	238,004

CITY-WIDE SERVICES, 101-4210

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

Budget Overview: The street lighting budget includes the funding for existing and estimated future streetlights on major and local streets. Additionally, 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. Finally, the budget contains consulting contracts that service the entire city versus a specific department.

<u>Activity Measures</u>	<u>Prior Year</u>	<u>Current Year</u>		<u>Budget Year</u>	
Current street lights	2,824	2,851		2,865	
Street light requests	27	20		20	
		2019-2020	2019-2020	2020-2021	
	2017-2018	2018-2019	Adjusted Budget	Adopted Budget	Council Approved
	Actuals	Actuals			
EXPENDITURES:					
Operations & Maintenance	50,064	12,300	30,000	30,000	232,039
Administrative Charges	440,026	454,391	480,650	480,650	480,650
Capital Outlay	19,662	-	147,000	-	-
TOTAL EXPENDITURES	509,752	466,691	657,650	510,650	712,689

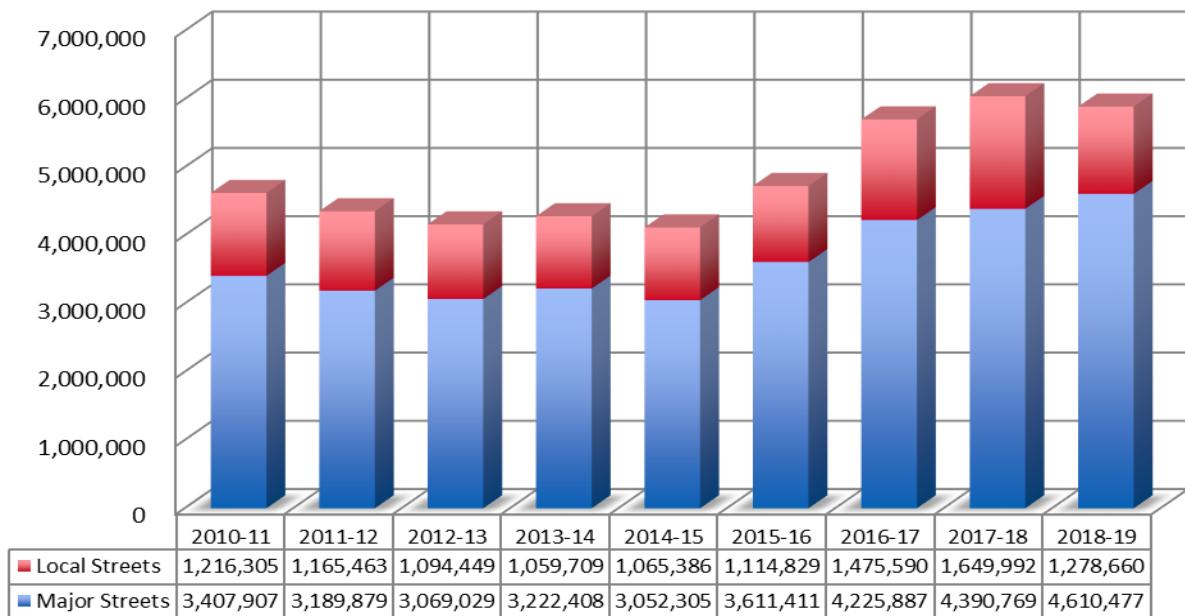
TRANSFERS OUT, 101-9610

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

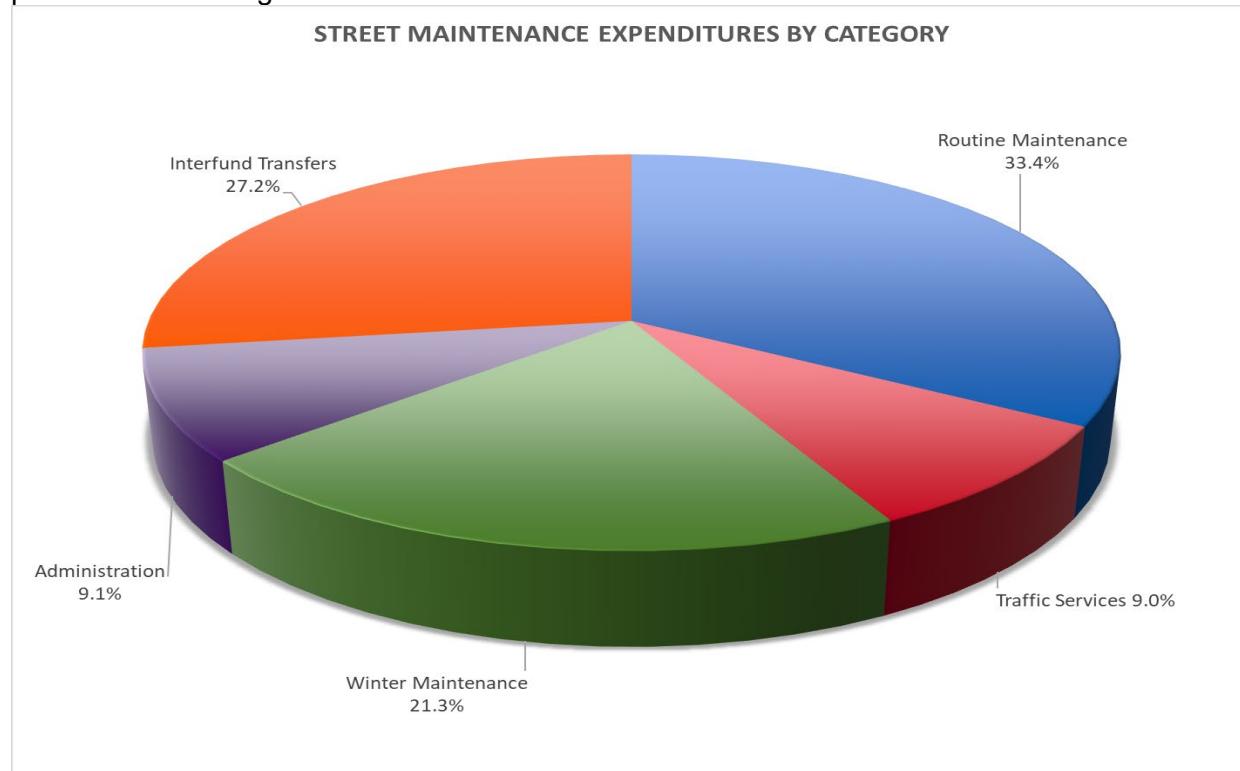
			2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted Budget	Adopted Budget	Council Approved
	Actuals	Actuals			
EXPENDITURES:					
Transfers Out	2,647,643	2,002,338	1,962,761	781,419	617,000
TOTAL EXPENDITURES	2,647,643	2,002,338	1,962,761	781,419	617,000

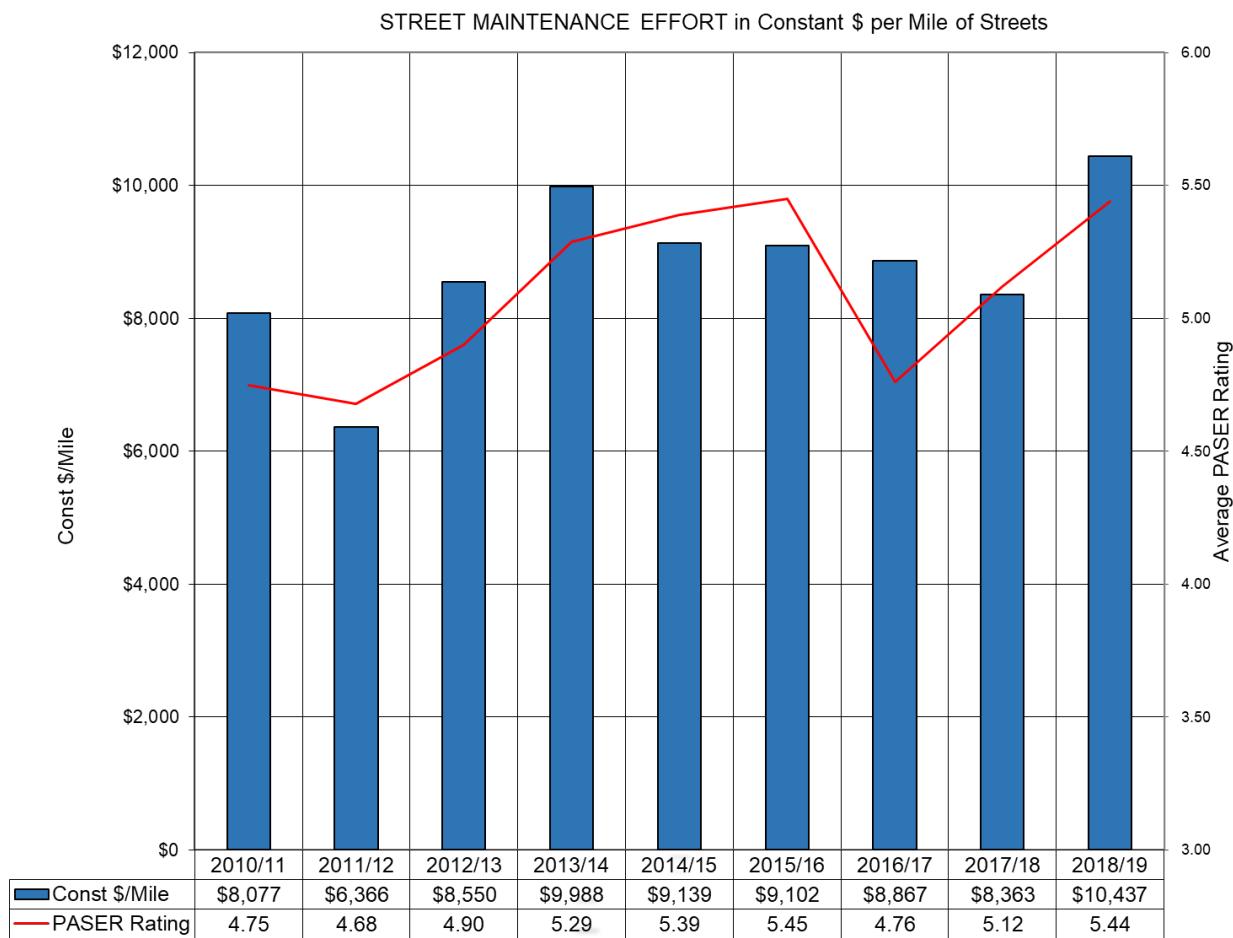
Streets

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 2020. 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.





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, and may be impacted by the contagious virus outbreak. 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 had been increasing since 2011-2012 when it decreased 2016-2017 to 4.76*, but it increased to 5.44 in 2018-2019. Investment in street maintenance and reconstruction will continue as resources are available 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 Works, 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 2020-2021 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 Works 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 Works 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 Works employees Meet increased service demands

MAJOR STREETS FUND, continued

Program & Description	Goals/Objectives
<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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
State revenue	4,475,735	5,113,491	4,402,852	4,402,852	5,106,598
Interest and rents	12,712	20,619	10,000	10,000	13,500
TOTAL REVENUE	4,488,447	5,134,110	4,412,852	4,412,852	5,120,098
EXPENDITURES:					
Personnel Services	695,258	747,004	791,965	791,965	853,255
Operations & Maintenance	2,003,551	1,093,979	1,821,826	1,433,550	1,769,690
Administrative Charges	461,350	498,322	545,254	545,254	538,600
Capital Outlay	-	52,196	96,677	50,000	50,000
Transfers Out	2,485,000	2,218,978	1,570,000	1,570,000	1,879,000
TOTAL EXPENDITURES	5,645,159	4,610,479	4,825,722	4,390,769	5,090,545

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	33	33	33
Hot patch - tons	15	15	20
Cold patch - tons	10	10	15
Dura Patch - gallons	1,686	2,000	2,000
Crack sealant - pounds	29,960	52,800	52,800

	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	307,697	315,354	323,632	323,632	350,499
Operations & Maintenance	1,274,454	385,865	845,106	505,300	590,012
Administrative Charges	178,325	204,204	211,675	211,675	211,441
TOTAL EXPENDITURES	1,760,476	905,423	1,380,413	1,040,607	1,151,952

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>
		2019-2020	2019-2020	2020-2021
	2017-2018 Actuals	2018-2019 Actuals	Adjusted Budget	Council Approved
Lineal miles of major streets restriped (by contract)	72.04	72.04	72.04	72.04
Street signs repaired or replaced	95	120	120	120
Guardrails repaired or replaced, ft.	5	20	20	50
 EXPENDITURES:				
Personnel Services	69,425	63,944	68,365	68,365
Operations & Maintenance	105,807	58,654	206,484	158,200
Administrative Charges	15,615	15,615	15,615	15,615
 TOTAL EXPENDITURES	<u>190,847</u>	<u>138,213</u>	<u>290,464</u>	<u>242,180</u>
				<u>264,494</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>
		2019-2020	2019-2020	2020-2021
	2017-2018 Actuals	2018-2019 Actuals	Adjusted Budget	Council Approved
Miles of major roads	72.04	72.04	72.04	72.04
Tons of salt	3,305	3,500	3,500	3,500
Gallons of Deicer	20,000	45,000	45,000	90,000
 EXPENDITURES:				
Personnel Services	171,236	175,286	201,906	201,906
Operations & Maintenance	131,833	171,928	309,750	309,750
Administrative Charges	187,502	195,567	195,567	195,567
 TOTAL EXPENDITURES	<u>490,571</u>	<u>542,781</u>	<u>707,223</u>	<u>707,223</u>
				<u>778,974</u>

ADMINISTRATION-MAINTENANCE, 202-4218

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	12,653	13,386	13,353	13,353	13,809
Operations & Maintenance	32,995	42,087	34,860	34,860	41,773
Administrative Charges	15,845	15,773	46,608	46,608	42,188
TOTAL EXPENDITURES	<u>61,493</u>	<u>81,864</u>	<u>94,821</u>	<u>94,821</u>	<u>97,770</u>

ADMINISTRATION-TRANSPORTATION, 202-4225

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

Service Indicators	Prior Year	Current Year	Budget Year
Development site plan reviews	24	20	15
Plat reviews	2	2	3
Capital construction projects	8	3	4

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	134,247	179,034	184,709	184,709	207,921
Operations & Maintenance	39,924	30,255	55,983	49,050	49,050
TOTAL EXPENDITURES	<u>183,460</u>	<u>218,578</u>	<u>249,981</u>	<u>243,048</u>	<u>266,260</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	2	6	2		
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	158,997	151,890	155,753	162,500	162,500
Capital Outlay	-	41,578	96,677	50,000	50,000
TOTAL EXPENDITURES	213,771	251,342	318,930	279,000	277,000

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).

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	259,541	253,300	213,890	213,890	375,095
TOTAL EXPENDITURES	259,541	253,300	213,890	213,890	375,095

TRANSFERS OUT, 202-9610

Inter-fund transfers are as follows: To the Capital Improvement Fund for Major Street related expenditures, \$1,679,000, and to the Local Streets Fund for support, \$200,000.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Transfers Out	2,485,000	2,218,978	1,570,000	1,570,000	1,879,000
TOTAL EXPENDITURES	2,485,000	2,218,978	1,570,000	1,570,000	1,879,000

LOCAL STREETS FUND

The Local Streets Fund, a division of the Department of Public Works, 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 2020-2021 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 Works 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 Works employees
<i>Traffic Services</i> Pavement markings	<i>Transportation</i> Enhance maintenance programs <i>Service Delivery</i> Contracted services

LOCAL STREETS FUND, continued

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
State revenue	1,344,975	1,314,812	1,406,784	1,406,784	1,640,033
Interest and rents	1,514	14,521	5,000	5,000	9,250
Other revenue	1,100	1,250	-	-	1,000
Transfers In	300,000	200,000	250,000	250,000	200,000
TOTAL REVENUE	<u>1,647,589</u>	<u>1,530,583</u>	<u>1,661,784</u>	<u>1,661,784</u>	<u>1,850,283</u>
EXPENDITURES:					
Personnel Services	627,970	712,098	733,390	733,390	791,458
Operations & Maintenance	544,585	299,620	1,142,680	644,955	758,842
Administrative Charges	258,258	266,946	271,647	271,647	270,980
TOTAL EXPENDITURES	<u>1,430,813</u>	<u>1,278,664</u>	<u>2,147,717</u>	<u>1,649,992</u>	<u>1,821,280</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	22	22	22
Hot patch - tons	15	20	25
Cold patch - tons	5	10	15
Dura Patch - gallons	869	1,000	1,000
Crack sealant - pounds	14,404	27,200	27,200

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	260,665	284,237	285,654	285,654	310,678
Operations & Maintenance	365,929	97,399	783,925	286,200	379,815
Administrative Charges	87,223	89,421	94,077	94,077	92,040
TOTAL EXPENDITURES	713,817	471,057	1,163,656	665,931	782,533

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	49		60	60
		2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted	Adopted
	Actuals	Actuals	Budget	Budget
EXPENDITURES:				
Personnel Services	41,712	40,743	42,813	42,813
Operations & Maintenance	17,791	7,480	15,400	15,400
Administrative Charges	2,100	2,100	2,100	2,100
TOTAL EXPENDITURES	61,603	50,323	60,313	63,045

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	148.92		149.0	149.3
Tons of sand	1,150		2,500	2,500
Tons of salt	1,702		3,250	3,250
		2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted	Adopted
	Actuals	Actuals	Budget	Budget
EXPENDITURES:				
Personnel Services	178,758	196,855	207,316	207,316
Operations & Maintenance	128,833	161,912	301,050	301,050
Administrative Charges	159,441	165,931	165,931	165,931
TOTAL EXPENDITURES	467,032	524,698	674,297	696,490

ADMINISTRATION-MAINTENANCE, 203-4218

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	12,180	12,920	12,898	12,898	13,310
Operations & Maintenance	8,558	9,760	12,605	12,605	17,372
Administrative Charges	9,494	9,494	9,539	9,539	10,909
TOTAL EXPENDITURES	<u>30,232</u>	<u>32,174</u>	<u>35,042</u>	<u>35,042</u>	<u>41,591</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	11	4	4		
Plat reviews	6	3	3		
Capital road projects (miles)	6.76	5.60	5.40		
EXPENDITURES:					
Personnel Services	134,655	177,343	184,709	184,709	207,921
Operations & Maintenance	8,500	10,327	14,700	14,700	14,700
TOTAL EXPENDITURES	<u>143,155</u>	<u>187,670</u>	<u>199,409</u>	<u>199,409</u>	<u>222,621</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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	14,974	12,742	15,000	15,000	15,000
TOTAL EXPENDITURES	<u>14,974</u>	<u>12,742</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

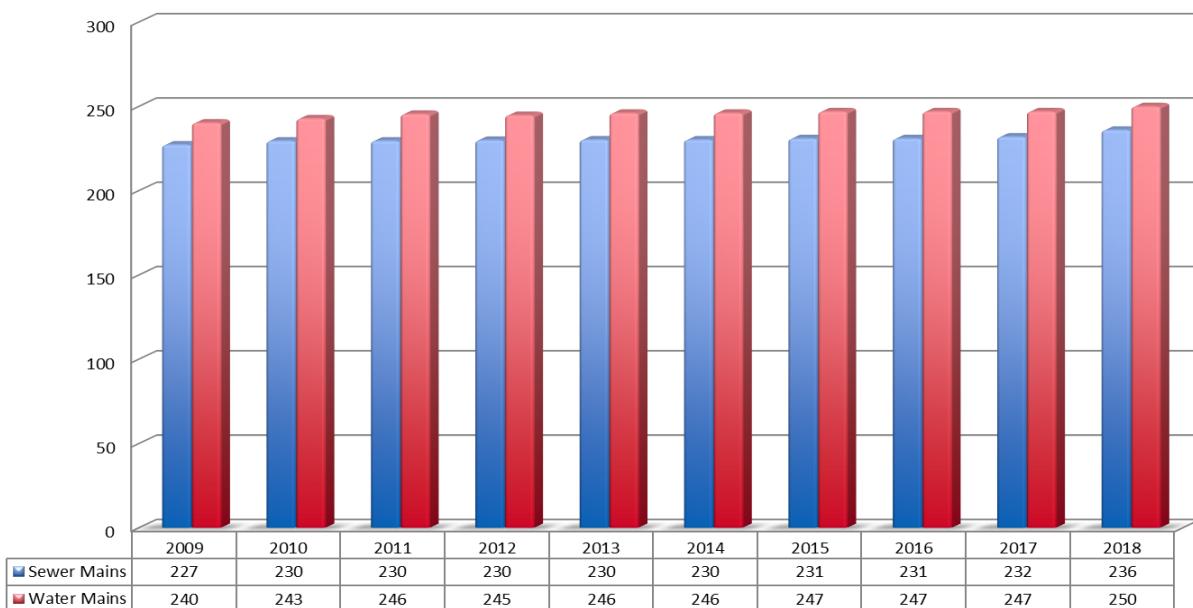
MUNICIPAL STREETS FUND - 204

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Property taxes	1,441,521	1,359,494	1,445,000	1,445,000	1,410,100
State revenue	115,521	184,730	108,000	108,000	131,600
Interest and rents	5,087	17,055	10,000	10,000	10,000
TOTAL REVENUE	<u>1,562,129</u>	<u>1,561,279</u>	<u>1,563,000</u>	<u>1,563,000</u>	<u>1,551,700</u>
EXPENDITURES:					
Administrative Charges	60,990	-	10,190	10,190	-
Transfers Out	1,615,000	1,540,000	1,552,810	1,552,810	1,608,000
TOTAL EXPENDITURES	<u>1,675,990</u>	<u>1,540,000</u>	<u>1,563,000</u>	<u>1,563,000</u>	<u>1,608,000</u>

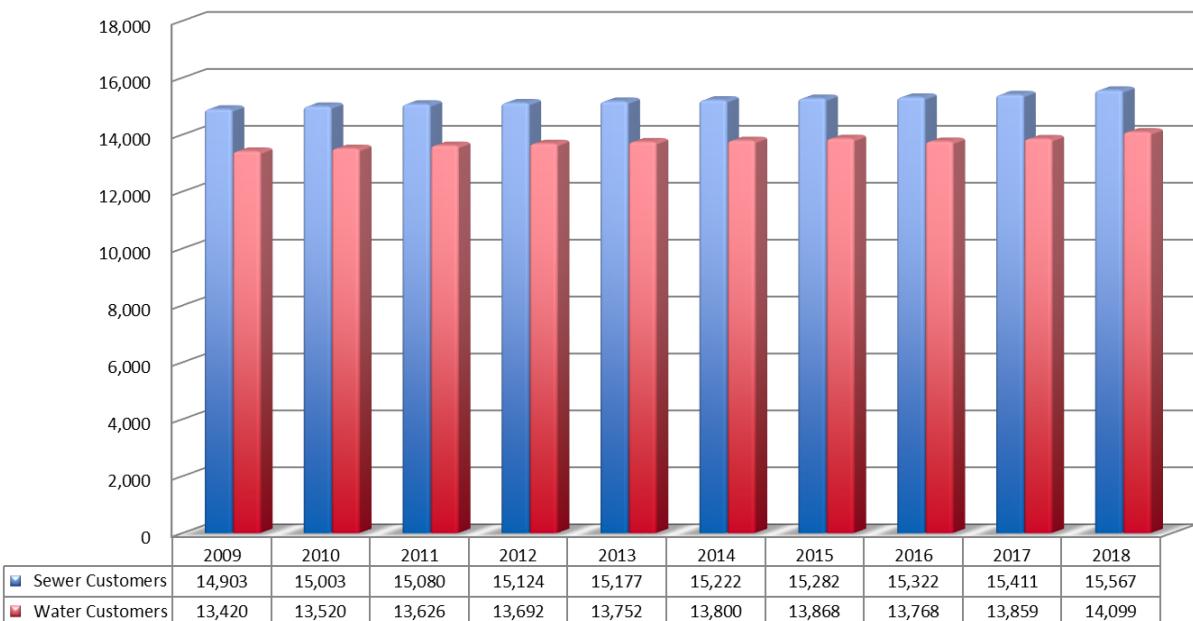
Utilities

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 15,953 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 2020-2021 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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Charges for services	9,467,382	8,938,038	8,796,900	8,796,900	8,966,000
Interest and rents	54,277	323,683	127,800	127,800	257,250
Other revenue	3,868	11,443	11,442	11,442	11,441
TOTAL REVENUE	9,525,527	9,273,164	8,936,142	8,936,142	9,234,691
EXPENDITURES:					
Personnel Services	421,417	460,867	448,179	448,179	505,158
Operations & Maintenance	2,833,026	3,164,553	2,832,850	2,832,850	2,895,274
Administrative Charges	3,480,492	4,157,325	4,587,028	4,587,028	4,859,661
Capital Outlay *	496,753	27,373	251,088	140,000	145,000
Transfers Out	280,000	90,000	895,000	895,000	95,000
TOTAL EXPENDITURES	7,511,688	7,900,118	9,014,145	8,903,057	8,500,093

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	15,758	15,953	16,100
Sewage transported (MG)	1,528	1,480	1,500
Number of lift stations	56	56	56
Lift station inspections	1,712	1,850	1,800
Lift station pumps repaired	33	22	20
Sanitary sewer overflows	1	0	0
Miles of sanitary sewer	236.8	238	239
Miles of sanitary sewer cleaned	81.6	84.6	83
Sanitary sewer blockages per mile	0.05	0.02	0.03

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	1,831,967	2,082,693	2,228,200	2,228,200	2,359,700
Administrative Charges	2,749,607	3,412,742	3,839,585	3,839,585	4,087,585
Capital Outlay *	496,753	27,373	251,088	140,000	145,000
TOTAL EXPENDITURES	5,078,327	5,522,808	6,318,873	6,207,785	6,592,285

* 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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	421,417	460,867	448,179	448,179	505,158
Operations & Maintenance	884,665	985,291	75,750	75,750	75,750
Administrative Charges	730,885	744,583	747,443	747,443	772,076
TOTAL EXPENDITURES	2,036,967	2,190,741	1,271,372	1,271,372	1,352,984

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance **	116,394	96,569	528,900	528,900	459,824
TOTAL EXPENDITURES	116,394	96,569	528,900	528,900	459,824

*** 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. Transfers out are budgeted to fund capital improvements when available resources allow for debt avoidance.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Transfers Out	280,000	90,000	895,000	895,000	95,000
TOTAL EXPENDITURES	280,000	90,000	895,000	895,000	95,000

WATER OPERATING FUND

The Water Operating Fund accounts for the costs associated with providing water service to 15,299 customers. The system also provides water to residences in Pavilion and Schoolcraft Townships.

Budget Overview: The 2020-2021 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	<p><i>Public Improvements</i></p> <p>Expand the water system to all properties in the City</p> <p>Expand the storm water system to address known flooding areas</p> <p>Improve fire protection throughout the City</p> <p>Improve water system operating characteristics</p> <p><i>Environmental Quality</i></p> <p>Meet all state & federal environmental standards</p> <p>Ensure all environmental standards are met in new developments</p> <p>Enforce environmental requirements in all development projects</p> <p>Protect & improve water quality</p> <p>Properly manage groundwater resources</p> <p>Protect surface water & lake quality</p> <p><i>Service Delivery</i></p> <p>Meet increasing service demands</p> <p>Increase efficiency by applying new technology</p> <p>Provide safe drinking water</p> <p>Ensure storm water system is clean & properly Maintained</p> <p><i>Public Improvements</i></p> <p>Ensure water & storm systems in new developments meet City standards</p> <p>Cooperate with adjoining townships in expanding their water systems</p>

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

	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	7,409,384	6,640,814	6,355,500	6,355,500	6,500,500
Interest and rents	59,541	320,007	132,700	132,700	239,710
Other revenue	54,073	72,127	69,187	69,187	71,187
TOTAL REVENUE	<u>7,522,998</u>	<u>7,032,948</u>	<u>6,557,387</u>	<u>6,557,387</u>	<u>6,811,397</u>
EXPENDITURES:					
Personnel Services	312,884	329,992	334,943	334,943	284,989
Operations & Maintenance	2,475,443	2,417,929	3,993,062	3,923,650	4,158,513
Administrative Charges	(261,603)	(590,191)	1,359,578	1,359,578	1,353,629
Capital Outlay	32,090	41,183	20,000	20,000	50,000
Transfers Out	50,000	55,000	860,000	860,000	60,000
TOTAL EXPENDITURES	<u>2,608,814</u>	<u>2,253,913</u>	<u>6,567,583</u>	<u>6,498,171</u>	<u>5,907,131</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	14,927	15,299	15,500
Water pumped and treated (MG)	1,629	1,535	1,750
Production well inspections	4,976	5,240	4,200
Samples analyzed	8,259	8,2450	7,500
Water monitoring violations	1	0	0
Miles of water mains	252	257	260
Number of fire hydrants	2,788	2,810	2,830
Fire hydrants flushed and inspected	5,578	5,624	5,700
Main breaks per mile of main	0.08	0.05	0.10
Miles of streets	222	224	226
Miles of street sweeping	1,990	1,990	1,500
Sweepings collected (cubic yards)	1,381	739	1,700
Number of meters	15,930	16,080	16,200
New meters installed	141	1371	120
Meters requiring repair	232	231	350
Meter reads for billing	77,650	70,000	72,700
Estimated bills	50	51	50

	2017-2018 Actuals	2018-2019 Actuals	2019-2020	2019-2020	2020-2021
			Adjusted Budget	Adopted Budget	Council Approved
			EXPENDITURES:		
Operations & Maintenance	864,346	896,737	1,126,282	1,110,600	1,213,200
Administrative Charges	(973,105)	(1,304,589)	624,098	624,098	613,166
Capital Outlay	32,090	41,183	20,000	20,000	50,000
TOTAL EXPENDITURES	(76,669)	(366,669)	1,770,380	1,754,698	1,876,366

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		20	15
Capital water main projects	4		7	3
Environmental inspections/monitoring	143		100	60
Responses to haz-mat incidents	0		0	0
		2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted Budget	Adopted Budget
	Actuals	Actuals		Council Approved

EXPENDITURES:

Personnel Services	312,884	329,992	334,943	334,943	284,989
Operations & Maintenance	1,066,281	1,061,953	459,030	405,300	730,300
Administrative Charges	711,502	714,398	735,480	735,480	740,463
TOTAL EXPENDITURES	2,090,667	2,106,343	1,529,453	1,475,723	1,755,752

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.

			2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted Budget	Adopted Budget	Council Approved
	Actuals	Actuals			
EXPENDITURES:					
Operations & Maintenance **	544,816	459,239	2,407,750	2,407,750	2,215,013
TOTAL EXPENDITURES	544,816	459,239	2,407,750	2,407,750	2,215,013

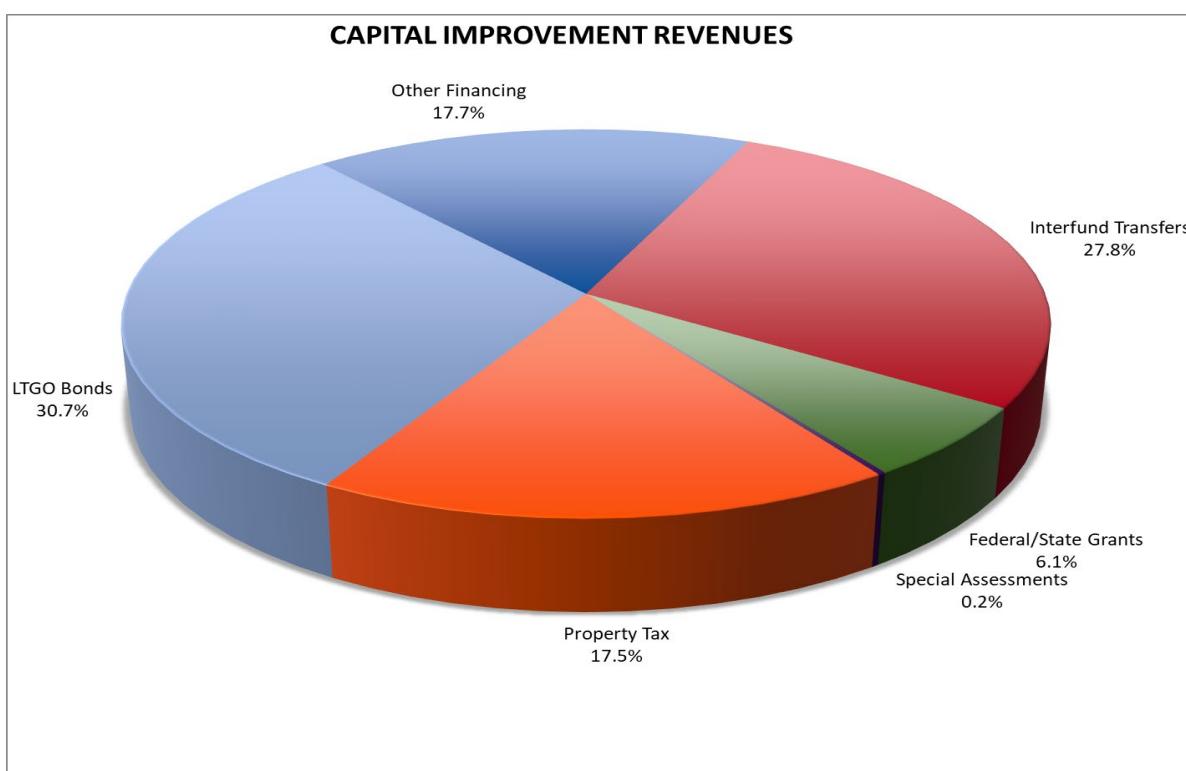
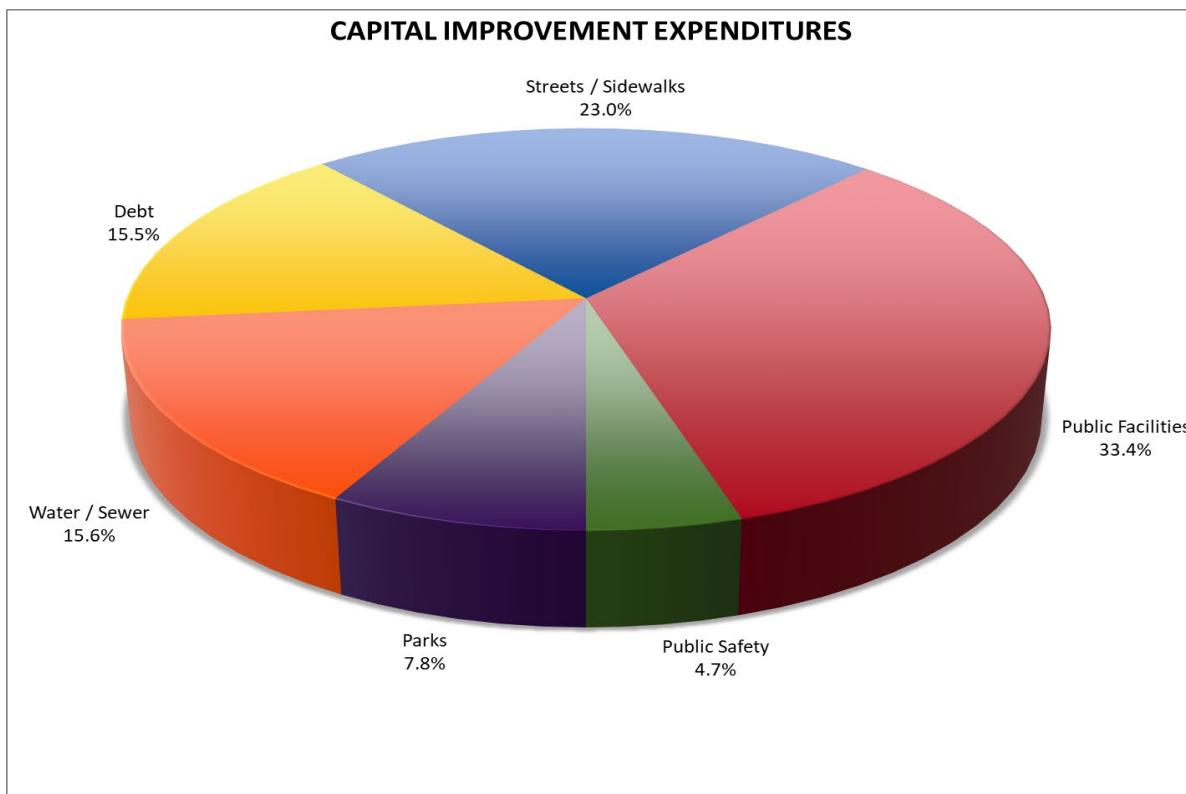
*** Actuals reflect only interest and fees. Principal payments are reclassified as a reduction in bonds payable during each fiscal year close.*

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.

			2019-2020	2019-2020	2020-2021
	2017-2018	2018-2019	Adjusted Budget	Adopted Budget	Council Approved
	Actuals	Actuals			
EXPENDITURES:					
Transfers Out	50,000	55,000	860,000	860,000	60,000
TOTAL EXPENDITURES	50,000	55,000	860,000	860,000	60,000

Public Improvements



These charts show the expenditures and revenues by category for the first year of the 2020-2030 Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

Revenues and Expenditures (000)

CAPITAL IMPROVEMENT PROGRAM SUMMARY											
Revenues and Expenditures (000)											
	Fiscal Year										
	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	Total
REVENUES AND OTHER SOURCES											
Property tax	4,403	4,447	4,492	4,536	4,582	4,628	4,674	4,721	4,768	4,816	46,067
Personal Property Tax Reimbursement	1,109	1,131	1,154	1,177	1,201	1,225	1,250	1,275	1,301	1,327	12,150
Interest	30	40	50	50	60	60	60	60	60	60	530
Proceeds from Capital Improvement bonds - general	9,659	10,820	10,010	2,797	4,489	3,318	1,214	1,092	866	0	44,265
Proceeds from Capital Improvement bonds - utility	0	0	0	0	0	5,000	0	0	0	0	5,000
Major Street Fund	1,797	1,815	1,834	1,852	1,870	1,889	1,908	1,927	1,946	1,966	18,805
Municipal Street Fund	1,488	1,503	1,518	1,533	1,549	1,564	1,580	919	935	951	13,540
Sanitary Sewer Fund	1,435	750	1,935	1,300	750	750	750	750	750	750	9,920
Water Fund	3,365	2,150	1,350	620	750	1,100	625	150	465	1,300	11,875
General Fund transfers	617	1,724	1,530	1,785	840	1,173	953	602	583	340	10,147
Total city revenues and sources	23,903	24,380	23,873	15,650	16,091	20,707	13,014	11,496	11,674	11,510	172,299
MAP - 21 Funding (federal)	1,905	1,950	2,400	1,800	2,100	1,400	1,875	1,150	1,000	1,000	16,580
Short-term financing	600	0	0	0	0	0	0	0	0	0	600
Other Revenues	4,935	450	500	0	0	100	0	0	0	0	5,985
Special Assessments-Water and Sewer only	75	0	140	55	0	0	0	0	0	0	270
Total Revenues and Sources	31,418	26,780	26,913	17,505	18,191	22,207	14,889	12,646	12,674	12,510	195,733
<hr/>											
EXPENDITURES											
Streets	6,620	8,972	12,111	6,385	5,235	7,497	5,585	5,055	4,777	4,940	67,177
Sidewalks and Bikeways	612	3,316	688	864	3,597	219	621	224	103	203	10,447
Water	3,365	2,150	1,450	620	750	6,100	625	150	465	1,300	16,975
Sanitary Sewer	1,510	750	2,015	1,410	750	750	750	750	750	750	10,185
Police	612	479	349	211	561	239	243	239	211	179	3,323
Fire	858	1,078	2,095	386	36	200	888	0	810	0	6,351
Public Facilities	10,498	1,230	220	547	80	689	0	300	0	0	13,564
Parks and Recreation	2,460	2,757	2,195	1,011	1,187	383	523	694	419	488	12,117
Debt Service	4,883	6,048	5,790	6,071	5,995	6,130	5,654	5,234	5,139	4,650	55,594
Total Expenditures	31,418	26,780	26,913	17,505	18,191	22,207	14,889	12,646	12,674	12,510	195,733

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 2020-2021 portion of the 2020-2030 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, and equipment with shorter lifespans such as vehicles, 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 <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 Parks and Recreation, Sidewalks and Bikeways, Police and Fire capital improvement activities total \$4,542,000 or approximately 14.5 percent of the Capital Improvement Fund budget, with street reconstruction of \$6,620,000 is 21.1 percent. The budget for the new community senior center facility brings the Public Facilities total to \$10,498,000 or 33.4 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 final budget shown for capital improvements will 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 \$1,905,000 less than the 2020-2021 total shown in the Capital Improvement Program 2020-2030 summary.

	2020-2021 Council Approved
REVENUE:	
Property taxes	4,403,000
State grants	1,109,000
Interest and rents	30,000
Other revenue	15,194,000
Transfers In	8,777,000
 TOTAL REVENUE	 <hr/> <hr/> 29,513,000
 EXPENDITURES:	
Capital Outlay	24,630,000
Debt Service	4,883,000
 TOTAL EXPENDITURES	 <hr/> <hr/> 29,513,000

CAPITAL IMPROVEMENT, continued

Public Facilities	
<u>Property Acquisition and Redevelopment</u> , supporting various community enhancement projects involving the need to purchase property and/or obtain easements for public benefit.	400,000
<u>Operating Fund Impact</u> - No impact	
<u>City Hall Improvements</u> , central membrane and shingled roof replacement.	280,000
<u>Operating Fund Impact</u> - Minimal maintenance and reduced energy costs are anticipated	
<u>Comprehensive Plan Update</u> , review and evaluation of current land use goals and objectives in light of the ongoing changes involving community needs, expectations, and local economic changes.	75,000
<u>Operating Fund Impact</u> - No impact	
<u>Cemetery Improvements</u> , plotting and marking new section and irrigation updates at South Cemetery to accommodate needs for burial spaces	31,000
<u>Operating Fund Impact</u> - Potential for up to \$50,000 in additional cemetery revenues annually, increased maintenance costs of \$2,000 per year.	
<u>Lake Centre District Enhancement</u> , project involves landscape enhancements at Portage Road/Zylman Avenue corner, removing concrete pad and access drive, relocating the sidewalk, and planting deciduous street and ornamental trees, to enhance intersection updates at Portage Road and East Centre Avenue.	175,000
<u>Operating Fund Impact</u> - Annual maintenance cost estimated at \$1,500	
<u>Community Senior Center Facility</u> , a new two story, 32,000 square foot facility in a new location between East Centre Avenue and Brown Street.	9,300,000
<u>Operating Fund Impact</u> - Additional \$58,000 annual operating cost	
<u>Public Works Facility and Parking Improvements</u> , replace and upgrade existing HVAC, preventative maintenance of the parking lot and driveway, installation of an emergency exit allowing an alternative access and egress from the facility.	237,000
<u>Operating Fund Impact</u> - reduction of utility costs by \$5,000 to \$7,500 annually.	
Total Public Facilities	10,498,000

CAPITAL IMPROVEMENT, continued

Parks and Recreation	
<u>Park Trail Improvements</u> , removal and replacement of Super Deck trail at Bishop's Bog Walk.	950,000
<u>Operating Fund Impact</u> - Reduction of \$7,000 in annual maintenance costs	
<u>Elijah Root Mill Dam Design Plan</u> , demolition and remediation of the dam, including deconstruction of the existing dam, sediment management, culvert remediation of Lovers Lane access road and East Milham Avenue, Environment Great Lakes and Energy (EGLE) permitting, and shoreline restoration and landscaping.	600,000
<u>Operating Fund Impact</u> - Estimated \$500 annually for maintenance and brush clearing	
<u>Park Lighting Improvements</u> , decorative light pole installation for Portage Creek Bicentennial Park Trail from the Currier Drive / Brown Avenue corner to Garden Lane, to increase trail safety.	209,000
<u>Operating Fund Impact</u> - \$500 per year for electricity and pole painting	
<u>Park Parking Lot/Walkway Improvements</u> , overlay western portions of Ramona Park parking lots and continued repairs to failed asphalt in other park parking lots and walkways.	175,000
<u>Operating Fund Impact</u> - Reduction of \$700 in yearly maintenance costs	
<u>Ramona Park Improvements</u> , convert two tennis courts into four pickleball courts, providing a twelve court area for tournaments, and add one tennis court behind pickleball courts.	170,000
<u>Operating Fund Impact</u> - \$500 per year for cleaning, maintenance, and net replacement	
<u>Eliason Nature Reserve Development</u> , re-route the northern trail section (~700 linear feet) to new land acquisition at 9224 Portage Industrial Drive due to pending expiration of temporary easement in 2023.	110,000
<u>Operating Fund Impact</u> - Estimated \$600 per year for mowing and maintenance	
<u>Court Resurfacing/Repair</u> , replacement of hockey rink deteriorated surface, fencing and netting in South Westnedge Park.	66,000
<u>Operating Fund Impact</u> - Reduction of \$1,000 in yearly maintenance costs	
<u>Playground Improvements and Amenities</u> , install new play structure, fencing, and plantings complement the Celery Flats pavilion area. Installation of bike racks at Eliason Nature Reserve, Haverhill, Lexington Green, and Celery Flats Parks.	65,000
<u>Operating Fund Impact</u> - Estimated \$180 annually for inspections	

CAPITAL IMPROVEMENT, continued

<u>Celery Flats Historic Area Improvements</u> , amphitheater lighting and electrical upgrades, stage and seating improvements, new sound booth. Upgrade outdoor in-ground electrical to support activities like Traditional Holiday lighting. Replace failing brick pavers with stamped concrete.	60,000
<u>Operating Fund Impact</u> - \$500 per year for electricity and water usage	
<u>Park Art Displays</u> , addition of public art displays in the parks and along non-motorized trails, including Central Park Sculpture Walk, Portage Arbor Art, and the Shaver Road Trail Art Gallery.	28,000
<u>Operating Fund Impact</u> - Estimated \$200 for bi-annual inspection of displays	
<u>Park Restroom/Shelter Improvements</u> , painting of the Central Park band shell and the three shelters at Liberty Park.	27,000
<u>Operating Fund Impact</u> - Reductions of \$1,000 per year in maintenance and \$200 per year in energy	
Total Parks and Recreation	2,460,000

<u>Police</u>	
<u>Police Vehicles</u> , replace marked units after 105,000 miles, unmarked units after 95,000 miles or ten years.	332,000
<u>Operating Fund Impact</u> - Estimated reduction of \$30,000 per year in repair and maintenance	
<u>800 MHz Radio Equipment Conversion</u> , purchase portable and vehicle radios capable of transmitting and broadcasting on 800 MHz, to be consistent with county-wide law enforcement.	200,000
<u>Operating Fund Impact</u> - Estimated increase of \$20,000 per year for licensing fees	
<u>Automated Environmental Controls</u> , replace manual environmental control system with automated, and replace florescent lighting with motion sensing LED lighting.	80,000
<u>Operating Fund Impact</u> - Reduction of annual maintenance costs	
Total Police	612,000

CAPITAL IMPROVEMENT, continued

<u>Fire</u>	
Replace 2002 Fire Pumper, the engine is approaching 20 years old, the new fire pumper will serve as a front-line engine responding to all fire calls in and outside of city limits.	600,000
Operating Fund Impact - Reduction of annual maintenance costs	
Mobile Computer/Mobile Video Replacement, project will upgrade existing hardware, ruggedized mobile computers and digital mobile recorders, along with integrated digital recording capabilities, enhanced connectivity, and replacement of equipment at the end of its life expectancy.	198,000
Operating Fund Impact - No impact	
Replace Training Officer Vehicle, a marked emergency response vehicle utilized by the Training Officer for daily activities and as an emergency response vehicle for incidents.	60,000
Operating Fund Impact - Reduction of operating and maintenance costs	
Total Fire	858,000

<u>Streets</u>	
Major Street Reconstruction Program, involves reconstructing street sections to include landscaping and streetscape enhancements:	
Operating Fund Impact - Cost savings estimated at \$50,000 per lane mile	
E Milham, Westnedge to Portage, - \$1,455,000 in Federal Funds	1,520,000
S Westnedge, Osterhout to South Shore,	1,060,000
Moorsbridge, Centre to Romence,	1,175,000
Local Street Reconstruction Program, local streets previously strip paved, or requiring a greater level of rehab. Projects include storm drainage improvements, curb, gutter, and paved shoulder replacement/repair, widening for narrow streets, sidewalk repairs and gap construction, handicap ramps, drive approach and lawn restoration. Streets include Cypress, Evergreen, Hickory Point Drive, Kalorama, Radcliffe, Ridgefield, Tattersall, Trotwood, Westchester, and Westshire.	1,320,000
Operating Fund Impact - Reduction of ongoing maintenance costs due to less frequent need for high-level repairs	
Major and Local Street Design Engineering, for reconstruction efforts noted above, for streets that will be funded and reconstructed in FY 2021-2022.	700,000
Operating Fund Impact - No impact	

CAPITAL IMPROVEMENT, continued

<u>Milham Avenue Traffic Signal and Fiber Network Improvements</u> , installation of fiber optic interconnection, traffic signal hardware and timing optimization for traffic flow. Includes Milham from Angling to Portage. The project also includes replacement of selected mast arm assemblies. \$450,000 in Federal Funds	800,000
<u>Operating Fund Impact</u> - \$1,500 annual decrease in maintenance costs	
<u>Local Street Traffic Calming Program</u> , install traffic calming features and measures to promote speed limit compliance on local streets.	25,000
<u>Operating Fund Impact</u> - Nominal impact on some measures implemented, but most measures are permanent and do not require maintenance	
<u>Accessible Pedestrian Signal Installation</u> , enhanced pedestrian signal actuators and indicators (ADA) at intersections as warranted by citizen requests and pedestrian traffic analysis.	20,000
<u>Operating Fund Impact</u> - Increase of \$250 per year for energy and operating costs	
<u>Less Federal funding</u>	(1,905,000)
Total Streets	4,715,000

Sidewalks/Bikeways

<u>Portage Multi-use Trail System Improvements</u> , asphalt overlay program bikeway trail segments, including South Westnedge Avenue Bikeway (E Centre to Melody) and Portage Creek Bicentennial Park Trail (PCBPT) (Brown to Currier).	57,000
<u>Operating Fund Impact</u> - \$300 annual reduction of repair and maintenance costs	
<u>Sidewalk Improvements</u> , removals and repairs to deteriorating sidewalks in and near Haverhill Park neighborhood.	55,000
<u>Operating Fund Impact</u> - \$4,000 annual reduction of repair and maintenance costs	
<u>East Milham Avenue Pedestrian Bridge Rehabilitation</u> , cleaning, repairs and recoating the steel areas of East Milham Avenue Pedestrian Bridge with a three-coat epoxy system.	350,000
<u>Operating Fund Impact</u> - Minimal reduction in annual spot painting	
<u>Parks and Trails Design Engineering</u> , for construction of parks and trail system routes, as well as preliminary property acquisitions including surveys, wetland delineations, appraisals, initial title work, permits, and legal fees. This project involves the following developments planned for fiscal year 2021-2023: East Central Trailway, South Sprinkle Road Bypass – North, Romence Road East Extension.	150,000
<u>Operating Fund Impact</u> - No impact	
Total Sidewalks/Bikeways	612,000

CAPITAL IMPROVEMENT, continued

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>4,883,000</u>
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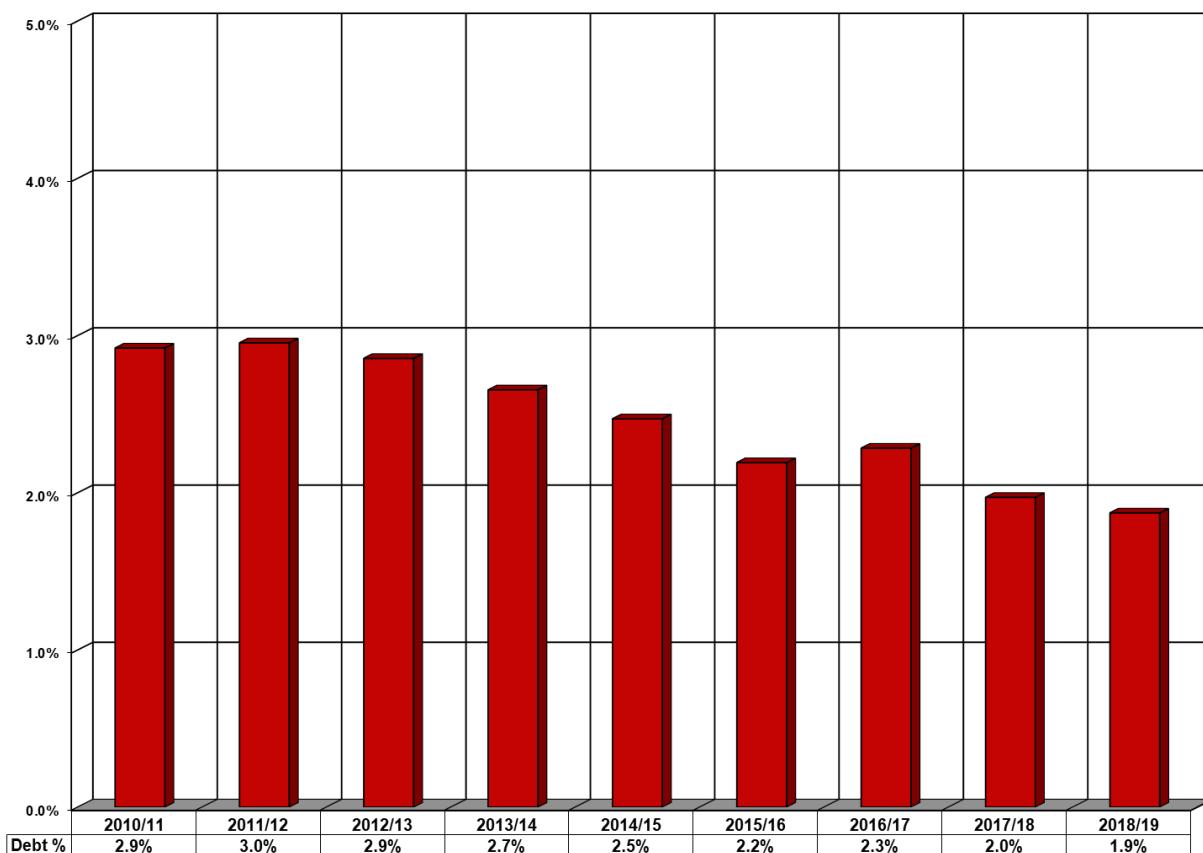
<u>Sewer Capital Improvement</u>	
Lift Station Renovations, replace control panels, pumps, wet well, and site landscaping, to supplement annual maintenance and renovate to improve the efficiency, reliability, and overall appearance of the lift stations, many of which were installed more than twenty years ago. Renovation results in the most cost-effective upgrade with the least inconvenience to customers. For FY 2020-2021, West Osterhout Avenue lift station.	750,000
Operating Fund Impact - Substantial reduction in maintenance cost	
South Westnedge Avenue Lift Station Renovation, replacement of force main from the lift station to Crocket Avenue. This heavily used lift station was installed in 1970.	700,000
Operating Fund Impact - Substantial reduction in maintenance cost	
South Westnedge Avenue Sanitary Sewer Lead Installation, of service leads where none exist and replace problematic leads in conjunction with the South Westnedge Avenue reconstruction project.	60,000
Operating Fund Impact - Sewer connections generate approximately \$3,500 in annual revenue, treatment charges add \$1,500 in expense	
Total Sewer Capital Improvement	1,510,000

CAPITAL IMPROVEMENT, continued

<u>Water Capital Improvement</u>	
<u>Storm Drainage Improvements Program</u> , prioritize and address flood prone areas adversely impacting public streets, commercial areas and private properties, expansion of retention basins, structural modifications, redirect storm flows, storm sewer improvements, and drainage channel regrading.	100,000
Operating Fund Impact - Reduced maintenance costs associated with the cleaning and pumping at storm drainage structures in areas prone to flooding as a result of heavy rainfalls	
<u>Hampton Creek Bog Drainage Improvements</u> , construct a dedicated storm water surface outlet from Hampton Creek Bog to Portage Creek to alleviate high water levels causing flooding and property damage.	1,000,000
Operating Fund Impact - Reduced operating costs of \$50,000 annually as a result of terminating emergency pumping of storm water into the sanitary sewer system.	
<u>Consolidated Drain Rehabilitation</u> , soils and water quality testing, analysis, channel cleaning and rehabilitation of existing Consolidated Drain facility.	800,000
Operating Fund Impact - \$1,000 increase in operating costs	
<u>Ridgefield Rd, Cypress St & Daventry Ave Water Main Replacement</u> , of deteriorating water mains on Daventry Avenue from Shoreham to Cypress, Cypress Street from Daventry to Ridgefield, Ridgefield Road from Cypress to Trotwood, and from Daventry Avenue north to well field.	700,000
Operating Fund Impact - \$4,000 decrease in operating costs	
<u>East Milham Avenue Water Main Replacement</u> , of deteriorating water mains in East Milham Avenue from South Westnedge Avenue to Concord Street.	500,000
Operating Fund Impact - \$4,000 decrease in operating costs	
<u>Cypress Street Water Main, Pfitzer Street to West Milham Ave</u> , installation of water main including water services and lawn restoration.	165,000
Operating Fund Impact - Nominal increase in operating costs for hydrant flushing	
<u>SCADA System Upgrade</u> , replace program logic controllers and radios of the utility Supervisory Control and Data Acquisition (SCADA) system, monitoring and controlling the water system consisting of 20 wells at 14 well sites, Garden Lane Water Treatment Facility, 55 sewer lift stations and 2 water towers. Replacement/upgrade is planned every five years.	100,000
Operating Fund Impact - Anticipated decrease in service and maintenance costs	
Total Water Capital Improvement	3,365,000

Debt Service

NET LONG-TERM DEBT
As a % of Taxable Value



Formula:

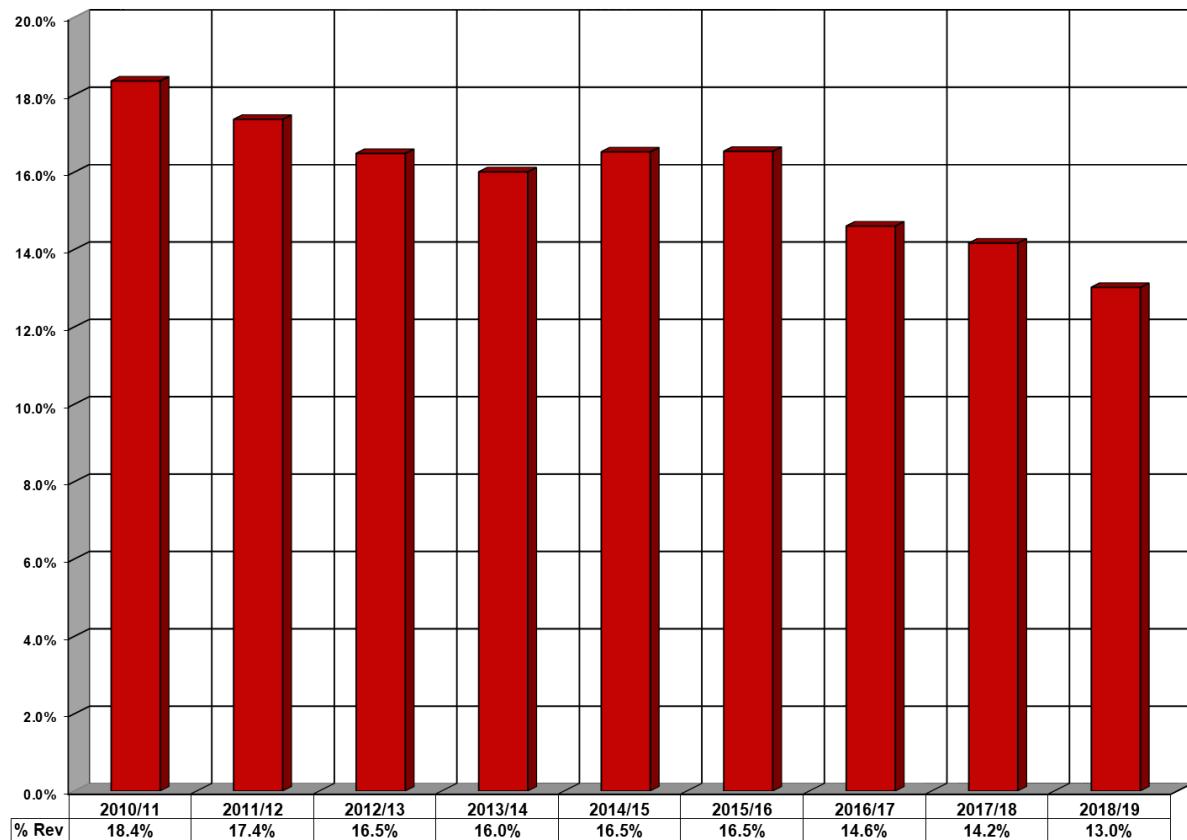
$$(\text{Net Direct Long-Term Debt}) / (\text{Taxable Value}) \times 100$$

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: Since 2008 when the City's debt had grown to over \$105 million, the economic downturn 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, 2020, total debt will be \$54,750,000, a reduction since 2008 of \$50,500,000, or 48%.

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 service 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) 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, 2019 was 13.0%, which is below the threshold and considered acceptable.

DEBT SUMMARY

At May 26, 2020, the outstanding debt obligations of the City not associated with water and sewer (enterprise) funds are as follows:

Special Assessment Bonds	\$ 1,025,000
Limited Tax General Obligation Bonds	131,653
Unlimited Tax General Obligation Bonds	0
Local Development Finance Authority Bond	3,390,000
Building Authority Bonds	1,685,000
Downtown Development Authority	3,030,000
Motor Vehicle Highway Bonds	930,000
Capital Improvement Bonds	<u>22,539,857</u>
 Total	 <u>\$32,731,510</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	\$2,690,278,100	\$2,690,278,100	\$2,690,278,100	\$2,690,278,100
Applicable percentage limitation	12.00%	10.00%	1.25%	5.00%
Legal debt limitation	\$ 322,833,372	\$269,027,810	\$33,628,476	\$134,513,905
Related obligations	\$1,025,000	\$131,653	-	\$22,539,857
Legal debt margin	\$321,808,372	\$268,896,157	\$33,628,476	\$111,974,048

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Interest and rents	(2,261)	9,930	1,000	1,000	1,000
Transfers In	3,628,021	2,779,175	3,383,000	3,383,000	3,189,000
TOTAL REVENUE	<u>3,625,760</u>	<u>2,789,105</u>	<u>3,384,000</u>	<u>3,384,000</u>	<u>3,190,000</u>
EXPENDITURES:					
Bond costs	2,982,578	3,542,919	3,386,363	3,386,363	3,189,990
TOTAL EXPENDITURES	<u>2,982,578</u>	<u>3,542,919</u>	<u>3,386,363</u>	<u>3,386,363</u>	<u>3,189,990</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 accounts for the debt service on \$2,445,000 in MTF bonds issued for twelve road improvement projects.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Interest and rents	65	1,602	50	50	400
Transfers In	232,300	243,590	249,000	249,000	234,700
TOTAL REVENUE	232,365	245,192	249,050	249,050	235,100
EXPENDITURES:					
Bond costs	231,938	243,538	249,510	249,510	235,100
TOTAL EXPENDITURES	231,938	243,538	249,510	249,510	235,100

MTF REFUNDING 2010, 353

In March, 2010, three MTF bond issues were refunded to take advantage of low interest rates, providing a net present value savings and resulting in a restructuring of the MTF debt. The principal value refinanced was \$6,680,000 at an interest rate of 2.75 percent.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Interest and rents	143	4,617	150	150	400
Transfers In	682,300	716,890	350,000	350,000	368,280
TOTAL REVENUE	682,443	721,507	350,150	350,150	368,680
EXPENDITURES:					
Bond costs	681,950	716,838	350,420	350,420	368,680
TOTAL EXPENDITURES	681,950	716,838	350,420	350,420	368,680

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Interest and rents	265	3,831	500	500	1,000
Transfers In	739,000	696,345	625,000	625,000	652,520
TOTAL REVENUE	<u>739,265</u>	<u>700,176</u>	<u>625,500</u>	<u>625,500</u>	<u>653,520</u>
EXPENDITURES:					
Bond costs	771,478	760,693	625,200	625,200	653,520
TOTAL EXPENDITURES	<u>771,478</u>	<u>760,693</u>	<u>625,200</u>	<u>625,200</u>	<u>653,520</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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Property taxes	457,154	547,165	695,559	695,559	753,900
Interest and rents	1,966	10,977	3,200	3,200	4,000
TOTAL REVENUE	<u>459,120</u>	<u>558,142</u>	<u>698,759</u>	<u>698,759</u>	<u>757,900</u>
EXPENDITURES:					
Bond costs	367,588	379,138	658,850	658,850	660,720
Transfers Out	101,378	104,285	94,001	94,001	97,165
TOTAL EXPENDITURES	<u>468,966</u>	<u>483,423</u>	<u>752,851</u>	<u>752,851</u>	<u>757,885</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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Property taxes	613,970	559,826	625,000	625,000	590,000
Interest and rents	10,313	55,227	21,000	21,000	21,500
TOTAL REVENUE	<u>624,283</u>	<u>615,053</u>	<u>646,000</u>	<u>646,000</u>	<u>611,500</u>
EXPENDITURES:					
Bond costs	424,679	493,014	524,985	524,985	535,000
TOTAL EXPENDITURES	<u>424,679</u>	<u>1,703,014</u>	<u>524,985</u>	<u>524,985</u>	<u>535,000</u>

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Payments on special assessments	19,504	57,476	165,230	165,230	151,660
Interest on investments	6,018	23,289	8,750	8,750	2,557
Transfers In	331,378	104,285	94,255	94,255	97,165
TOTAL REVENUE	<u>356,900</u>	<u>185,050</u>	<u>268,235</u>	<u>268,235</u>	<u>251,382</u>
EXPENDITURES:					
Interest and fiscal charges	29,080	14,376	10,434	10,434	6,519
Bond principal	400,530	197,254	249,252	249,252	242,416
TOTAL EXPENDITURES	<u>429,610</u>	<u>211,630</u>	<u>259,686</u>	<u>259,686</u>	<u>248,935</u>

Other Funds

CURBSIDE RECYCLING FUND - 223

This fund is managed by the Department of Public Works

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> Hazardous Waste Program Reduced millage	<i>Environmental Quality</i> Responsible disposal of hazardous waste <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>
	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
Number of recycling pickups per month	32,514		33,000	33,000	33,200
Tons collected per month	234		240	240	245
REVENUE:					
Property taxes	624,079	619,515	641,235	641,235	531,500
Interest and rents	2,045	9,896	5,150	5,150	6,000
State revenue	156,140	89,775	52,500	52,500	89,000
TOTAL REVENUE	782,264	719,186	698,885	698,885	626,500
EXPENDITURES:					
Personnel Services	32,798	34,976	33,223	33,223	34,203
Operations & Maintenance	604,646	639,453	664,078	664,078	707,650
Administrative Charges	47,082	769	1,011	1,011	905
TOTAL EXPENDITURES	684,526	675,198	698,312	698,312	742,758

LEAF PICKUP/SPRING CLEANUP FUND - 226

This fund is managed by the Department of Public Works.

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			

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Property taxes	663,430	672,721	737,300	737,300	531,500
State revenue	185,116	102,535	60,100	60,100	102,000
Interest and rents	2,750	13,724	6,000	6,000	9,500
TOTAL REVENUE	<u>851,296</u>	<u>788,980</u>	<u>803,400</u>	<u>803,400</u>	<u>643,000</u>
EXPENDITURES:					
Personnel Services	98,356	120,579	131,522	131,522	141,124
Operations & Maintenance	504,299	515,037	589,456	589,456	596,901
Administrative Charges	180,933	126,611	112,714	112,714	112,607
TOTAL EXPENDITURES	<u>783,588</u>	<u>762,227</u>	<u>833,692</u>	<u>833,692</u>	<u>850,632</u>

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Administrative Charges	56,565	769	1,012	1,012	905
TOTAL EXPENDITURES	56,565	769	1,012	1,012	905

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	2,781	2,800	2,850
Cubic yards of brush collected	12,245	12,330	12,450

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	3,119	3,791	12,300	12,300	13,530
Operations & Maintenance	176,432	191,235	205,996	205,996	216,506
TOTAL EXPENDITURES	179,551	195,026	218,296	218,296	230,036

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	21,181		22,038		22,100
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	95,237	116,788	119,222	119,222	127,594
Operations & Maintenance	213,834	208,796	244,833	244,833	242,818
Administrative Charges	124,368	125,842	111,702	111,702	111,702
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	433,439	451,426	475,757	475,757	482,114

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	8,115		9,000		9,200
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	114,033	115,006	138,627	138,627	137,577
TOTAL EXPENDITURES	114,033	115,006	138,627	138,627	137,577

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 2020-2021 entitlement is \$221,794. The 2019-2020 grant total was \$229,105 and the 2018-2019 grant total was \$214,000.

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	<i>Community Development</i> Ensure decent & safe housing
Emergency repair grant Homebuyer assistance program	
<i>Neighborhood Improvement</i> Administer & enforce community quality codes	<i>Community Development</i> Continue effective community safety programs through prevention, enforcement, & education
Neighborhood protection program	Enhance the livability of community neighborhoods
Fair housing & services	<i>Community Development</i> Fair housing education <i>Community Development</i> Further promote quality of life <i>Community Development</i> Further promote aesthetic & cultural enhancement

CDBG FUND, continued

The responsibilities of the various activities are outlined as follows.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Federal revenue	221,665	160,039	373,110	229,105	221,794
TOTAL REVENUE	<u>221,665</u>	<u>160,039</u>	<u>373,110</u>	<u>229,105</u>	<u>221,794</u>
EXPENDITURES:					
Personnel Services	120,746	123,806	126,323	126,323	133,994
Operations & Maintenance	82,596	36,232	96,787	102,782	87,800
Transfers Out	18,322	-	-	-	-
TOTAL EXPENDITURES	<u>221,664</u>	<u>160,038</u>	<u>223,110</u>	<u>229,105</u>	<u>221,794</u>

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	38,963	34,935	42,045	44,100	44,816
TOTAL EXPENDITURES	<u>38,963</u>	<u>34,935</u>	<u>42,045</u>	<u>44,100</u>	<u>44,816</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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	55,741	56,878	55,360	55,360	58,405
Operations & Maintenance	40,168	-	50,800	54,740	20,490
TOTAL EXPENDITURES	<u>95,909</u>	<u>56,878</u>	<u>106,160</u>	<u>110,100</u>	<u>78,895</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 0.66 full-time zoning and code administrator will be funded to carry out code enforcement activities.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	48,875	50,762	54,132	54,132	50,629
Operations & Maintenance	1,330	1,210	1,342	1,342	1,210
TOTAL EXPENDITURES	<u>50,205</u>	<u>51,972</u>	<u>55,474</u>	<u>55,474</u>	<u>51,839</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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	16,130	16,166	16,831	16,831	24,960
Operations & Maintenance	2,135	87	2,600	2,600	21,284
Transfers Out	18,322	-	-	-	-
TOTAL EXPENDITURES	<u>36,587</u>	<u>16,253</u>	<u>19,431</u>	<u>19,431</u>	<u>46,244</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 2020-2021 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			

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Charges for services	33,471	79,960	50,000	50,000	105,000
Federal revenue	-	-	75,000	75,000	-
Interest and rents	3,230	20,512	-	-	20,000
Transfers In	18,322	-	-	-	-
TOTAL REVENUE	55,023	100,472	125,000	125,000	125,000
EXPENDITURES:					
Operations & Maintenance	63,276	101,554	125,000	125,000	125,000
TOTAL EXPENDITURES	63,276	101,554	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 2020-2021 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			

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Fees and permits	803,520	797,836	780,022	780,022	759,215
Interest and rents	3,167	12,444	4,500	4,500	8,000
TOTAL REVENUE	<u>806,687</u>	<u>810,280</u>	<u>784,522</u>	<u>784,522</u>	<u>767,215</u>
EXPENDITURES:					
Personnel Services	121,790	126,925	128,343	128,343	108,563
Operations & Maintenance	544,368	548,325	475,500	445,500	375,100
Administrative Charges	59,520	-	41,140	41,140	-
Capital Outlay	92,452	37,755	64,870	64,870	68,000
Transfers Out	-	-	309,185	309,185	215,000
TOTAL EXPENDITURES	<u>818,130</u>	<u>713,005</u>	<u>1,019,038</u>	<u>989,038</u>	<u>766,663</u>

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.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Personnel Services	121,790	126,925	128,343	128,343	108,563
Operations & Maintenance	398,079	423,155	287,500	257,500	372,100
Administrative Charges	59,520	-	41,140	41,140	-
TOTAL EXPENDITURES	<u>579,389</u>	<u>550,080</u>	<u>456,983</u>	<u>426,983</u>	<u>480,663</u>

PUBLIC SERVICE FEE, 298-7014

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

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	72	231	4,000	4,000	3,000
Capital Outlay	92,452	37,755	64,870	64,870	68,000
TOTAL EXPENDITURES	<u>92,524</u>	<u>37,986</u>	<u>68,870</u>	<u>68,870</u>	<u>71,000</u>

COMMUNITY MARKETING 298-7016

The Community Marketing department, providing the coordinated marketing and communication efforts, has been renamed and moved to General Fund, with funding transferred to partially support the new Public Information Office.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
EXPENDITURES:					
Operations & Maintenance	146,217	124,939	184,000	184,000	-
Transfers Out	-	-	309,185	309,185	215,000
TOTAL EXPENDITURES	<u>146,217</u>	<u>124,939</u>	<u>493,185</u>	<u>493,185</u>	<u>215,000</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			

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Interest and rents	419	1,676	600	600	850
Other revenue	31,348	20,426	31,900	31,900	35,200
TOTAL REVENUE	<u>31,767</u>	<u>22,102</u>	<u>32,500</u>	<u>32,500</u>	<u>36,050</u>
EXPENDITURES:					
Operations & Maintenance	16,000	17,075	32,120	32,120	32,500
TOTAL EXPENDITURES	<u>16,000</u>	<u>17,075</u>	<u>32,120</u>	<u>32,120</u>	<u>32,500</u>

CEMETERY PERMANENT FUND - 711

The Cemetery Permanent Fund accounts for revenue from the sale of cemetery lots. Per State law, the principal received from such sales must remain intact, but the interest earned may be used to fund the ongoing care of the cemeteries. This activity accounts for the transfer to the General Fund to partially offset the cost of cemetery maintenance. In 2020-2021, revenue from sale of lots is expected to exceed transfers out by approximately \$40,000.

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Charges for services	30,600	54,050	35,000	35,000	40,000
Interest and rents	5,876	30,834	12,000	12,000	20,000
TOTAL REVENUE	<u>36,476</u>	<u>84,884</u>	<u>47,000</u>	<u>47,000</u>	<u>60,000</u>
EXPENDITURES:					
Transfers Out	6,000	7,500	12,000	12,000	20,000
TOTAL EXPENDITURES	<u>6,000</u>	<u>7,500</u>	<u>12,000</u>	<u>12,000</u>	<u>20,000</u>

Appendices

APPENDIX A

CITY of PORTAGE
 Contributions to Outside Agencies
 Fiscal Year 2020-2021

	2019-2020 Original Budget	2020-2021 Agency Request	2020-2021 Council Approved
General Fund			
Legislative:			
Michigan Municipal League	9,500	9,500	9,500
	<hr/>	<hr/>	<hr/>
Human Services:			
Portage Community Center	91,240	82,300	80,484
Housing Resources, Inc.	29,000	41,000	27,000
YWCA	19,000	20,050	19,000
Catholic Charities (Ark)	17,000	17,000	12,000
Twelve Baskets	0	13,000	8,300
Loaves & Fishes	0	4,000	5,000
Community Healing Centers	0	15,000	9,000
Gryphon Place	3,750	3,700	3,700
Lending Hands of Michigan	4,500	5,000	4,000
Kalamazoo Literacy Council	2,750	2,750	1,000
Kalamazoo Youth for Christ	2,500	0	0
Diapers, Etc.	0	12,000	3,750
First Day Shoe Fund	0	5,000	1,000
	<hr/>	<hr/>	<hr/>
	169,740	220,800	174,234
Parks:			
Kalamazoo in Bloom, Inc.	15,000	15,000	15,000
	<hr/>	<hr/>	<hr/>
Total, General Fund	192,240	245,300	198,734
Other Funds			
CDBG Fund:			
Portage Community Center	44,100	38,000	44,816
	<hr/>	<hr/>	<hr/>
Total, All Funds	238,340	283,300	243,550
	<hr/>	<hr/>	<hr/>

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)

2010 - 2019

Fiscal Year Ended June 30,	City of Portage						Total City Millage
	General Fund	Capital Improvements	Curbside Recycling	Fall Leaf/ Spring Clean	Municipal Streets		
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
2019	7.5000	2.0000	0.3085	0.3350	0.6770		10.8205

Overlapping Rates

Fiscal Year Ended June 30,	State Education Tax	Portage Public Schools ⁽²⁾	Portage District Library	Kalamazoo Regional Educational Service Agency				Kalamazoo Valley Community College	Total Direct & Overlapping Rates
				Kalamazoo County	Transportation Authority				
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
2019	6.0000	7.3500	1.5000	6.7653	1.0645		6.4028	2.8089	42.7120

APPENDIX D

CITY OF PORTAGE
Full-Time Equivalent Positions by Department
Fiscal Year 2020-2021

Department	2017-2018	2018-2019	2019-2020	2020-2021
	Budget	Budget	Budget	Council Approved
City Manager	6.50	6.50	6.00	5.00
Public Information	0.00	0.00	0.00	4.00
Finance and Purchasing	11.70	12.00	12.00	12.00
Technology Services	1.00	1.00	1.00	6.00
City Assessor	5.25	4.75	4.50	5.50
City Clerk	3.00	3.00	3.00	3.00
Human Resources	4.50	4.50	4.50	5.50
Parks and Recreation	10.95	13.51	14.61	14.11
Public Safety - Police	81.91	85.21	76.21	79.21
Public Safety - Fire	35.70	35.70	35.70	35.70
Community Development	13.50	14.50	15.50	18.50
Senior Center	4.91	4.91	5.41	5.61
Transportation and Utilities	6.00	7.00	7.00	7.00
Public Works	31.20	32.20	32.20	34.50
 Total	 216.12	 224.78	 217.63	 236.63

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
1991-2021

Fiscal Year	Positions
2020-21	213
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 was due to the radio operators transition to the Kalamazoo County Consolidated Dispatch Authority. The increase in 2020-2021 relates to the on-boarding of Technical Services staff hired from the contractor that was providing tech support, the addition of the new Public Information department, and further optimization of operational efficiency in other departments.

APPENDIX D

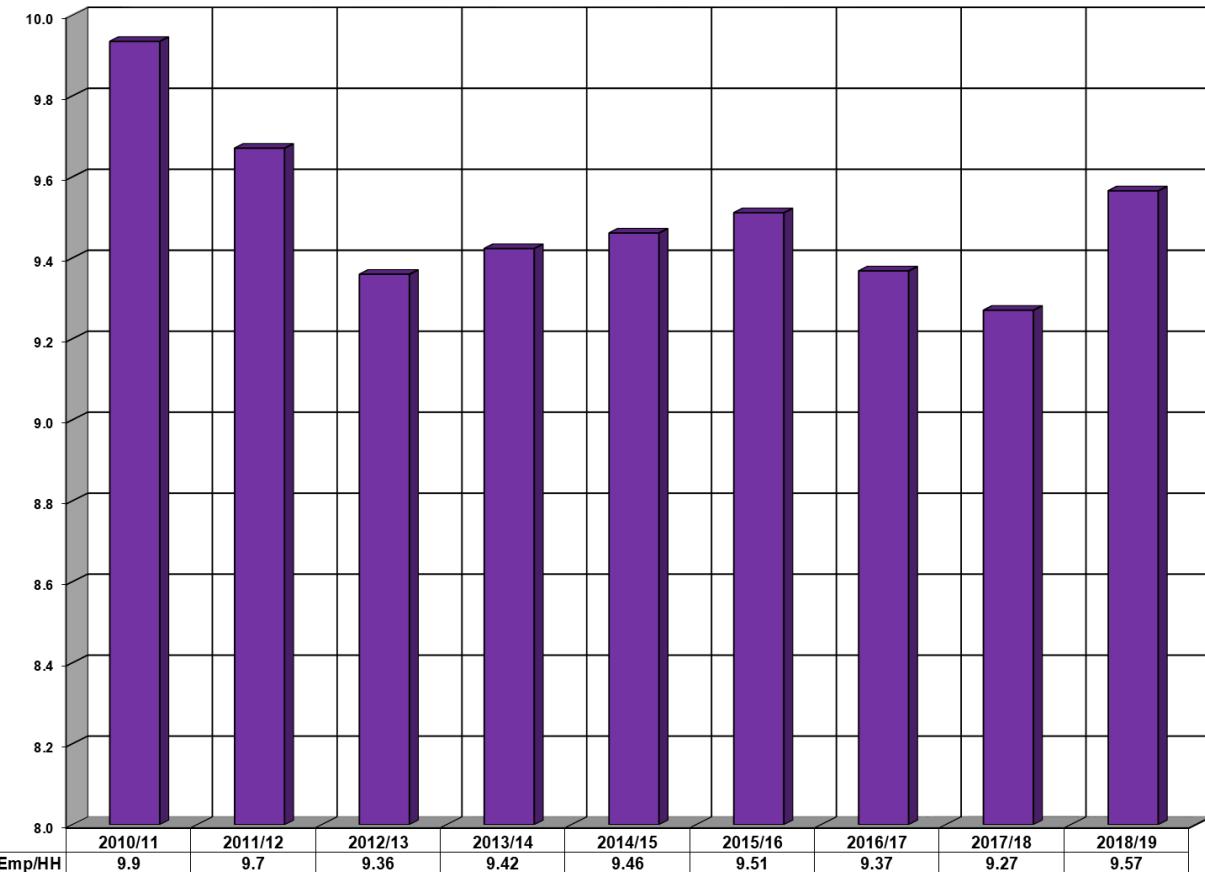
CITY OF PORTAGE
2020-2021 Budget
Position Comparison (Budgetary Basis)

Full Time Authorized Positions	Budget 2017- 2018	Budget 2018- 2019	Approved Budget 2019- 2020	Amended Budget 2019- 2020	Council Approved 2020-2021
General Fund					
City Manager	5	5	5	5	5
Public Information	0	0	0	3	3
Finance & Purchasing	11	12	12	12	12
Technology Services	1	1	1	6	6
City Assessor	5	4	4	5	5
City Clerk	3	3	3	3	3
Human Resources	4	4	4	4	5
Parks & Recreation	4	4	5	5	5
Public Safety					
Police	75	80*	71	71	74
Fire	35	35	35	35	35
Community Development	13	14	15	16	18
Senior Citizen Services	3	3	4	4	3
Total General Fund	159	165	159	169	174
Public Works	30	31	31	31	31
Transportation & Utilities	6	7	7	7	7
Total Full Time Positions	195	203	197	207	212

* 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



Fiscal Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of Full-Time Employees	201	196	190	193	195	198	195	195	203
Number of Households	20,232	20,267	20,300	20,482	20,610	20,817	20,816	21,034	21,222

Description:

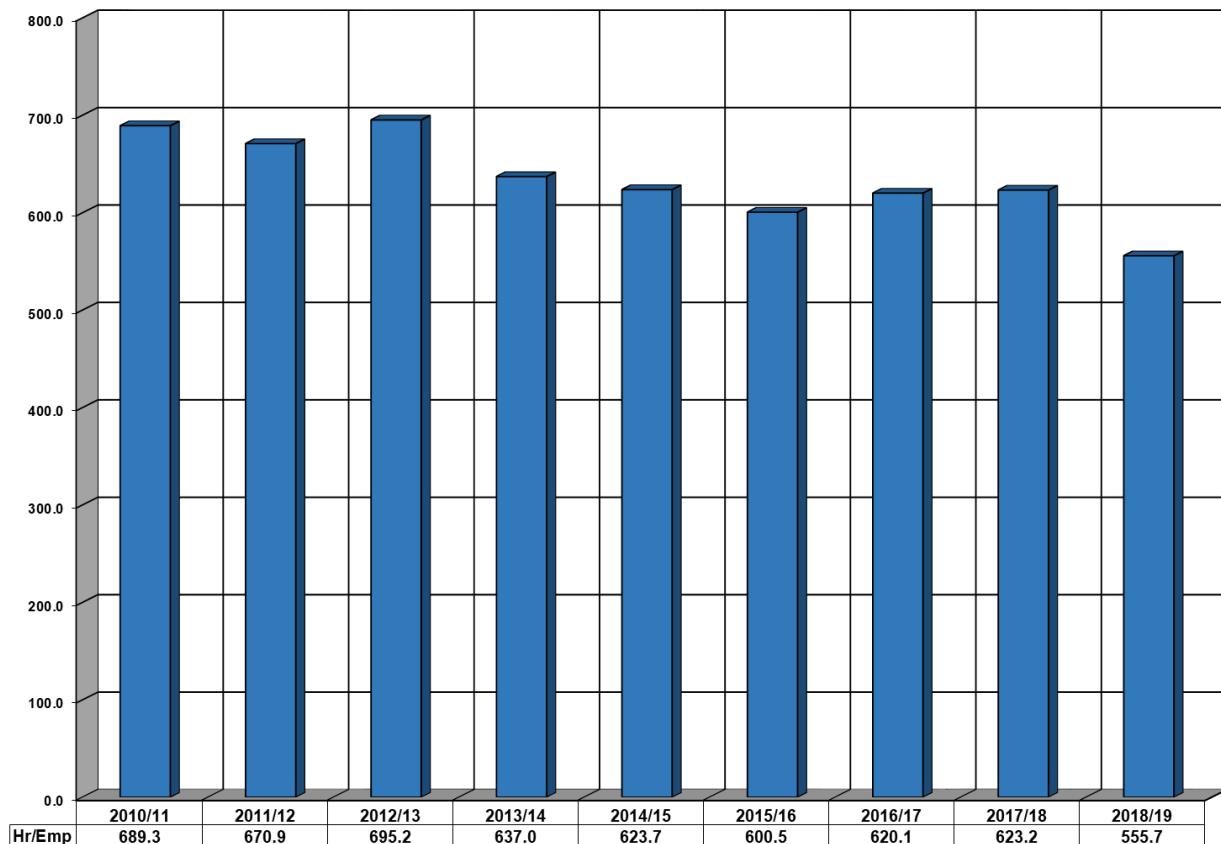
Personnel costs are a major component of the City's operating budget. Tracking change in the number of municipal employees per 1,000 households provides an excellent way to track change in productivity. Increases in this indicator might indicate that personnel expenditures are rising faster than the 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 have been analyzed and filled as is warranted. With recent economic improvements, staff expansions have been possible and necessary, 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 both union and non-union groups. The decrease in 2018-2019 was due to the addition of new 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 Expenditures Fiscal Year Ending June 30, 2021

General Fund

Dept 2001 - Finance Accounting	Printer replacement - Finance MICR AP check printer	1,500
		<hr/> 1,500
Dept 2209 - Assessor	Printer/ Computer Equipment Replacement	3,000
	Office Furniture	<hr/> 1,300
		<hr/> 4,300
Dept 2877 - Parks & Rec - Parks	SIGN REPLACEMENT IN PARKS	5,000
	CELERY FLATS PLANTERS, TABLES, CHAIRS AND BENCHES	<hr/> 15,000
		<hr/> 20,000
Dept 2886 - Parks & Rec - Ramona Park	TABLES AND CHAIRS	5,760
	LIFEGUARD STAND (2 NEW)	4,000
	SOUND SYSTEM REPLACEMENT	<hr/> 1,000
		<hr/> 10,760
Dept 2888 - Parks & Rec - Millennium Park	SEASONAL ACCENT LIGHTING	<hr/> 2,000
		<hr/> 2,000
Dept 3005 - Police Administration	Cartridge World - New Printer/Fax (SMC 1/15/20)	<hr/> 6,000
		<hr/> 6,000
Dept 3010 - Police Patrol	Schedules replacement of 10 tasers	12,050
	Schedules replacement of 10 protective vests	11,000
	Replacement of Patrol Rifles	9,800
	Police Canine and accessories and handler training	15,000
	Rifle laser lights	5,000
	Total Station for traffic crash investigations	15,000
	Schedueld replacement of lidar speed devices	9,000
	FARO 360 Hands Free Scanner	16,000
	Cellibrite Phone Software, Hardware and Training (Investigations)	<hr/> 5,000
		<hr/> 97,850
Dept 3020 - Police Training	Laser Shot mounting and scenario video enhancements	<hr/> 10,000
		<hr/> 10,000
Dept 3065 - Police Facility Management	Highest priority repairs identified by c2ae building assesment	<hr/> 47,573
		<hr/> 47,573
Dept 3365 - Fire Facility Management	New Station 2 Equipment, and Furnishings	85,000
	Station 1 Kitchen Cabinet, Counter, and Sink Replacement	60,000
	Fire Station 2 Improvements Removed from Original Bid:	205,000
	Dumpster & Generator enclosures, fencing, landscaping	<hr/> 350,000
Dept 6720 - Senior Center	Plumbing replacement / upgrade	5,000
	Kitchen cabinet/wall repair or replacement	5,000
	Room Painting	<hr/> 5,000
		<hr/> 15,000
Total General Fund		564,983

APPENDIX E

Major Street Fund

Street Name Sign Replacement	20,000
Mast Arm/Pole Replacement	30,000
	50,000

Cable Television Fund

Cable access equipment management with AVI	7,000
Leightronix Annual Maintenance	5,000
Ancillary Equipment and Upgrades	56,000
	68,000

Sewer Fund

Lift station rehab	75,000
Update electrical	15,000
Landscaping	15,000
Manhole reconstruction	40,000
	145,000

Water Fund

Capital Outlay	50,000
	50,000

Fleet and Facilities

SUV, replace #14, 2015 Ford Escape with 28,785 Miles (Com Dev)	25,000
Pickup Truck, replace #285, 2014 Ford F250 with 46,578 Miles (T&U)	30,000
SUV, replace #72, 2015 Ford Escape with 19,025 Miles (T&U)	25,000
Pickup Truck, replace #25, 2015 Ford F250 with 35,146 Miles (DPW)	32,000
Pickup Truck, replace #88, 2013 Ford F350 with 46,293 Miles (DPW)	55,000
Pickup Truck, replace #99, 2015 Ford F250 with 29,603 Miles (DPW)	32,000
Pickup Truck, replace #315, 2015 Ford F250 with 32,212 Miles (Parks)	35,000
Pickup Truck, replace #420, 2014 Ford F150 with 44,790 Miles (Parks)	25,800
Dump Truck, replace #235, 2003 Int'l 7400 with 70,018 Miles (DPW)	215,000
Dump Truck, replace #241, 2005 Int'l 7400 with 61,925 Miles (DPW)	215,000
Dump Truck, replace #242, 2005 Int'l 7400 with 57,019 Miles (DPW)	215,000
Mower, replace #259 2011 Exmark Lazer Z with 2,708 Hours (Parks)	15,000
Mower, replace #260, 2007 Exmark Lazer Z with 2,690 Hours (Parks)	15,000
Mower, replace #261, 2007 Exmark Lazer Z with 3,363 Hours (Parks)	16,500
Parks and Recreation, Trailer, New Addition	10,000
	961,300

Total Capital Outlay Requested

1,839,283

APPENDIX F

FLEET & FACILITIES FUND - *Information Only*

The Fleet & Facilities fund is part of the Department of Public Works. 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 2020-2021 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		

	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved
REVENUE:					
Charges for services	2,023,907	1,995,480	2,009,465	2,009,465	1,991,854
Interest and rents	898	2,595	1,200	1,200	1,250
Other revenue	(26,795)	78,809	670,000	670,000	525,000
TOTAL REVENUE	<u>1,998,010</u>	<u>2,076,884</u>	<u>2,680,665</u>	<u>2,680,665</u>	<u>2,518,104</u>
EXPENDITURES:					
Personnel Services	331,739	337,343	346,441	346,441	450,927
Operations & Maintenance	1,209,302	1,344,087	873,494	873,494	905,967
Administrative Charges	74,555	72,781	84,130	84,130	84,610
Debt Service	21,350	16,508	266,600	266,600	115,300
Capital Outlay *	6,110	(10,659)	1,149,900	1,110,000	961,300
TOTAL EXPENDITURES	<u>1,643,056</u>	<u>1,760,060</u>	<u>2,720,565</u>	<u>2,680,665</u>	<u>2,518,104</u>

The activities carried out by this fund are as follows:

APPENDIX F

OPERATION and MAINTENANCE, 661-4020

This activity accounts for the costs associated with acquisition, operation, and maintenance of approximately 200 pieces of equipment.

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>	
	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adjusted Budget	2019-2020 Adopted Budget	2020-2021 Council Approved	
EXPENDITURES:						
Personnel Services	118,922	116,611	124,377	124,377	130,831	
Operations & Maintenance	540,611	538,940	689,408	689,408	705,781	
Capital Outlay *	6,110	(10,659)	1,149,900	1,110,000	961,300	
TOTAL EXPENDITURES	665,643	644,892	1,963,685	1,923,785	1,797,912	

* *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.

			2019-2020	2019-2020	2020-2021
	2017-2018 Actuals	2018-2019 Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	212,817	220,732	222,064	222,064	320,096
Operations & Maintenance	668,691	805,147	184,086	184,086	200,186
Administrative Charges	74,555	72,781	84,130	84,130	84,610
TOTAL EXPENDITURES	956,063	1,098,660	490,280	490,280	604,892

DEBT SERVICE, 661-9510

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

			2019-2020	2019-2020	2020-2021
	2017-2018 Actuals	2018-2019 Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Debt service *	21,350	16,508	266,600	266,600	115,300
TOTAL EXPENDITURES	21,350	16,508	266,600	266,600	115,300

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

APPENDIX G

CITY OF PORTAGE

Financial Trends

Fiscal Year 2020-2021

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 counteracting 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						
	2020-2021		2022-2023		2024-2025	
	Council Approved	2021-2022 Projected	2022-2023 Projected	2023-2024 Projected	2024-2025 Projected	
Revenues budgeted by department:						
Fees and permits	1,026,300	1,031,400	1,041,700	1,052,100	1,067,900	
Federal revenue	3,000	3,000	3,100	3,100	3,100	
State revenue	9,000	8,900	8,800	8,900	9,000	
Other grants	52,476	53,000	53,500	54,000	54,500	
Charges for services	236,550	240,100	244,300	248,600	253,000	
Interest and rents	259,500	258,200	256,900	256,900	259,500	
Other revenue	816,950	825,100	833,400	841,700	845,900	
Transfers In	235,000	236,200	237,400	238,600	239,800	
	<u>2,638,776</u>	<u>2,655,900</u>	<u>2,679,100</u>	<u>2,703,900</u>	<u>2,732,700</u>	
Revenues not budgeted by department:						
Property taxes	17,452,500	17,801,600	18,157,600	18,611,500	19,076,800	
State revenue	1,350,000	1,343,300	1,343,300	1,356,700	1,376,400	
State shared revenue	4,394,191	4,174,500	4,195,400	4,208,000	4,220,600	
Charges for services	1,325,000	1,338,300	1,351,700	1,365,200	1,372,000	
Interest and rents	175,000	131,300	133,900	136,600	139,300	
Transfers In	309,185	312,300	318,500	323,300	328,100	
Other revenue	12,100	12,100	12,100	12,100	12,100	
	<u>25,017,976</u>	<u>25,113,400</u>	<u>25,512,500</u>	<u>26,013,400</u>	<u>26,525,300</u>	
Total Revenue	<u>27,656,752</u>	<u>27,769,300</u>	<u>28,191,600</u>	<u>28,717,300</u>	<u>29,258,000</u>	
Expenditures						
City Council	90,955	91,100	91,100	91,100	91,100	
Human Services	176,234	176,200	178,700	182,000	185,400	
City Manager	794,795	799,600	807,000	817,200	824,700	
Finance	897,117	902,100	910,400	921,900	930,400	
Technology Services	818,635	824,400	832,000	842,500	857,200	
Public Information	465,499	468,800	473,100	479,100	487,500	
City Assessor	557,627	560,400	565,600	572,800	578,100	
City Attorney	250,937	251,700	254,000	257,200	259,600	
City Clerk	494,522	496,000	500,600	506,900	511,600	
Human Resources	657,960	659,900	666,000	674,400	680,600	
Purchasing	111,229	112,000	113,000	114,400	115,500	
Parks, Recreation & Sr Citizen Servs	2,234,382	2,200,900	2,181,100	2,202,900	2,224,900	
Parks Maintenance	1,430,036	1,433,600	1,440,800	1,451,600	1,466,100	
Police Department	10,290,361	10,290,400	10,385,100	10,516,400	10,674,100	
County Central Dispatch	756,793	756,793	-	-	-	
Fire Department	5,662,945	5,663,500	5,715,600	5,787,900	5,841,200	
Community Development	1,630,580	1,630,700	1,645,700	1,666,500	1,681,800	
General Public Services	712,689	713,800	714,900	716,000	719,600	
Transfers Out	617,000	500,000	650,000	750,000	646,000	
Total Expenditures	<u>28,650,296</u>	<u>28,531,893</u>	<u>28,124,700</u>	<u>28,550,800</u>	<u>28,775,400</u>	

General Fund trends are based on relatively flat revenues as effects of the pandemic abate along with a minor slowdown in local development and tax base growth, and leveling off of Public Safety expenditures after the transfer of dispatch operations to the new county authority, and an effort to return to a balanced General Fund budget.

APPENDIX G

Five Year Forecast

Fund 202 Major Streets Fund					
	2020-2021				
	Council Approved	2021-2022 Projected	2022-2023 Projected	2023-2024 Projected	2024-2025 Projected
REVENUE:					
State revenue	5,106,598	5,106,600	5,157,700	5,183,500	5,209,400
Interest & Rents	13,500	10,100	10,300	10,500	10,700
TOTAL REVENUE	<u>5,120,098</u>	<u>5,116,700</u>	<u>5,168,000</u>	<u>5,194,000</u>	<u>5,220,100</u>
EXPENDITURES:					
Personnel Services	853,255	870,300	887,700	898,900	916,900
Operations & Maintenance	1,769,690	1,787,400	1,796,300	1,796,300	1,805,300
Administrative Charges	538,600	541,300	544,000	546,700	549,400
Capital Outlay	50,000	50,000	50,000	50,000	50,000
Transfers Out	1,879,000	1,879,000	1,888,400	1,888,400	1,897,800
TOTAL EXPENDITURES	<u>5,090,545</u>	<u>5,128,000</u>	<u>5,166,400</u>	<u>5,180,300</u>	<u>5,219,400</u>
Fund 203 Local Streets Fund					
	2020-2021				
	Council Approved	2021-2022 Projected	2022-2023 Projected	2023-2024 Projected	2024-2025 Projected
REVENUE:					
State revenue	1,640,033	1,640,000	1,656,400	1,664,700	1,673,000
Interest and rents	9,250	6,900	7,000	7,100	7,200
Transfers in	200,000	220,000	225,500	231,100	236,900
TOTAL REVENUE	<u>1,849,283</u>	<u>1,866,900</u>	<u>1,888,900</u>	<u>1,902,900</u>	<u>1,917,100</u>
EXPENDITURES:					
Personnel Services	791,458	807,300	814,700	825,000	832,600
Operations & Maintenance	758,842	758,800	748,300	785,900	795,000
Administrative Charges	270,980	272,300	274,800	278,300	279,700
TOTAL EXPENDITURES	<u>1,821,280</u>	<u>1,838,400</u>	<u>1,837,800</u>	<u>1,889,200</u>	<u>1,907,300</u>

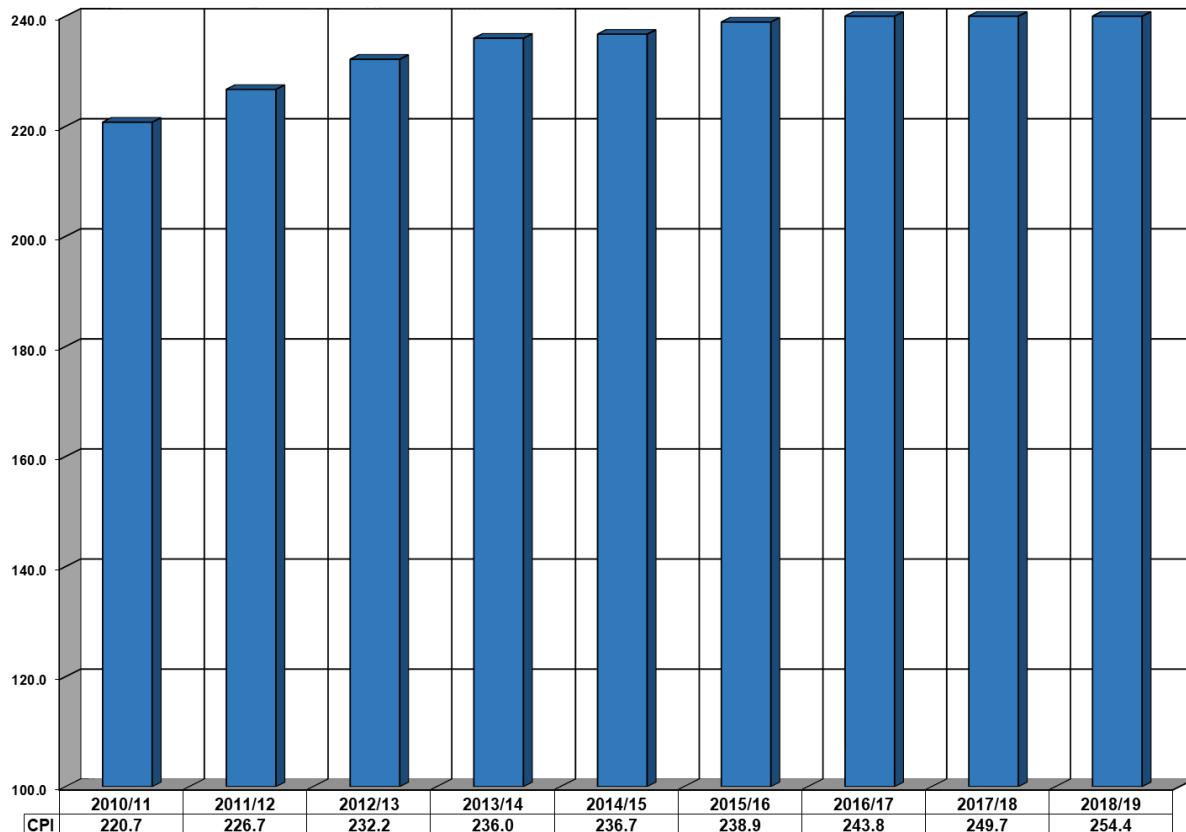
The Major Street Fund anticipates no increase in state funding due to gas tax reductions during the pandemic, leading to a slowdown in street and traffic control improvements with steady maintenance levels. State revenue decreases can be balanced with increased Municipal Street fund millage to help maintain 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

CONSUMER PRICE INDEX

Based on the Michigan State Tax Commission Annual Inflation Rate Multiplier



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 2020" or "2019-2020" would refer to the fiscal year ending June 30, 2020. 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 2018-2019.

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).