



2021-2022 Budget

City of Portage, Michigan

7900 South Westnedge Avenue • Portage, Michigan 49002
portagemi.gov

City of Portage, Michigan

**ANNUAL OPERATING BUDGET
Fiscal Year 2021-2022**

Elected City Officials as of May 25, 2021

Patricia M. Randall
Mayor

Jim Pearson
Mayor Pro Tempore

Chris Burns
Councilmember

Lori Knapp
Councilmember

Vic Ledbetter
Councilmember

Claudette Reid
Councilmember

Terry R. Urban
Councilmember

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April 13, 2021

City of Portage Budget Message
Fiscal Year 2021-2022

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

I am proud to submit the Proposed Fiscal Year 2021-2022 Budget for the City of Portage. Over my professional career, I have developed many budgets, and I believe this was one of the most challenging budgets that I have had the honor to work on with my staff. This year, the team was given the direction to prepare a balanced budget for each fund. This included zero increases in millage. With the onset of COVID-19, it is unknown how revenues will continue to be impacted. As a result, this proposed budget sustains the city's fiscal health for Fiscal Year 2021-2022 without impacting any core services.

We started this budget cycle with the City Council's goals that were approved in September. The staff has utilized their Lean Six Sigma principles while maintaining this year's budget. 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 community's needs.

The proposed budget also includes capital improvements in the amount of \$19,649,700. These projects include continued improvements to major and local roads, improvements to the Lake Center District Area, the city's water and storm water systems, and improvements to the city's recreational paths and parks, as well as the new Charles & Lynn Zhang Portage Community Senior Center.

As I mentioned, budget development was a complicated process this year, however; the resulting Proposed Fiscal Year 2021-2022 Budget is a responsible fiscal blueprint for the coming year.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph S. La Margo". The signature is fluid and cursive, with a large, stylized "J" and "L".

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, 2021.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Portage
Michigan**

For the Fiscal Year Beginning

July 01, 2020

Christopher P. Morill

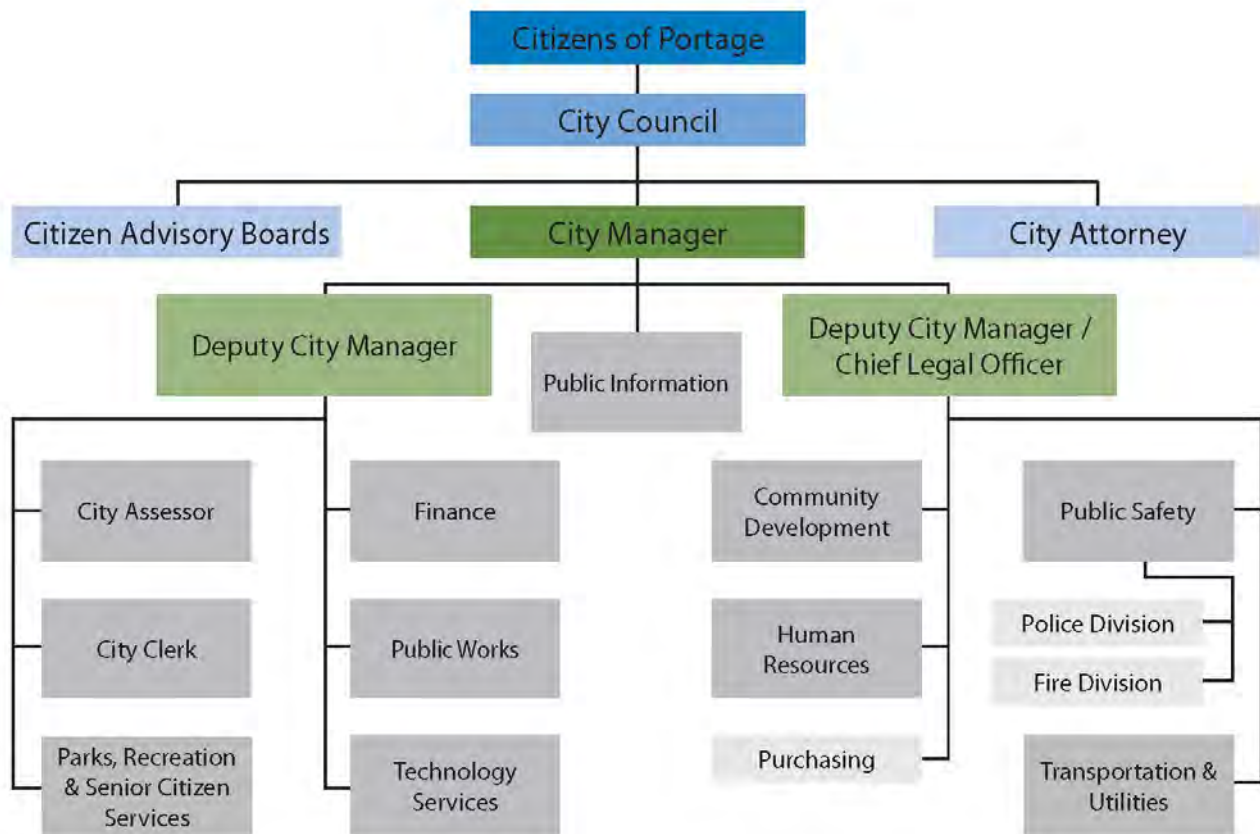
Executive Director

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

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



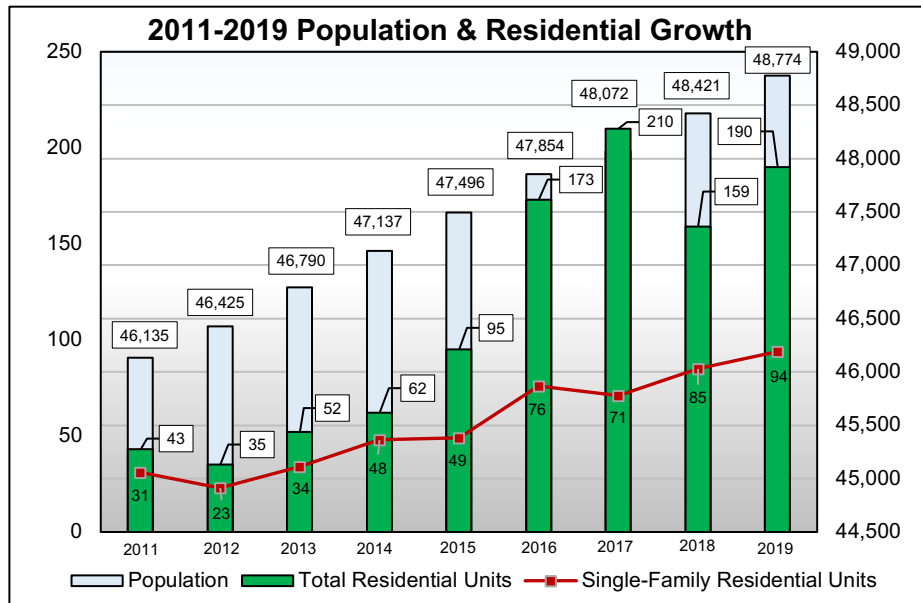
Organizational Chart



CITY OF PORTAGE COMMUNITY PROFILE

Fiscal Year 2021-2022

Portage is a strong community of 48,774 engaged and talented people. Within its thirty-five square miles are the most valuable industrial, commercial and residential properties in southwest Michigan. Portage's central location between Detroit and Chicago is a strategic advantage for the city. Portage residents enjoy the highest rated schools and park system in Kalamazoo County. The largest pharmaceutical manufacturing facility in the United States, Pfizer, is located here, and Stryker Medical and Stryker Instruments are the largest employers in Portage. The South Westnedge Avenue Commercial Corridor has over four million square feet of retail, including the only regional mall in southwest Michigan. Access to this corridor, with its outstanding complement of shopping and dining opportunities, is one of several reasons why people visit and move to Portage. Other attractions include our residential neighborhoods that provide high-quality housing choices and which are well connected to the excellent school, parks and recreational opportunities. The city's numerous lakes and parks provide memorable places to recreate, gather, and play. As our community grows, our most valuable asset continues to be the people of Portage.



Population The city's population in 1960 was 20,181. As shown in the chart to the left, the population increased to 46,135 by 2011. In 2019, the population was estimated at 48,774 and is projected to exceed 51,000 by 2030 or before.

The upward trend in the total population for the City of Portage also corresponds to a rise in

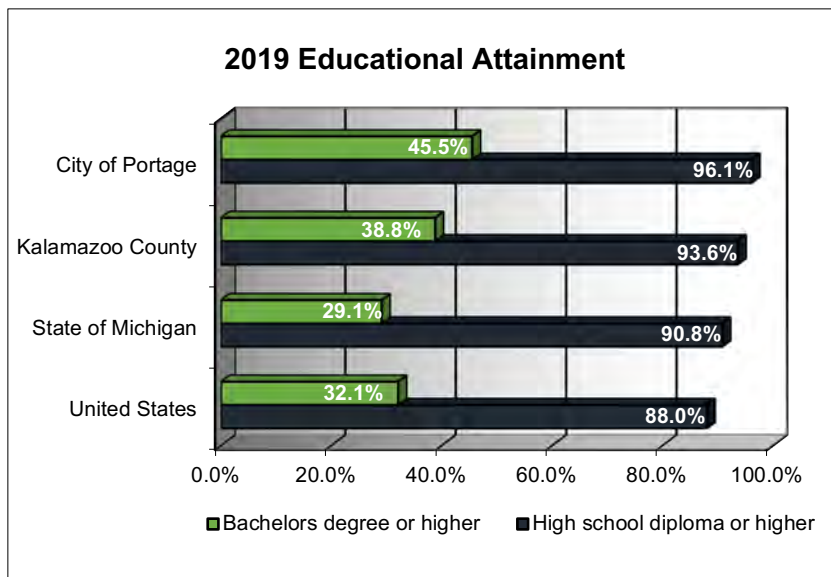
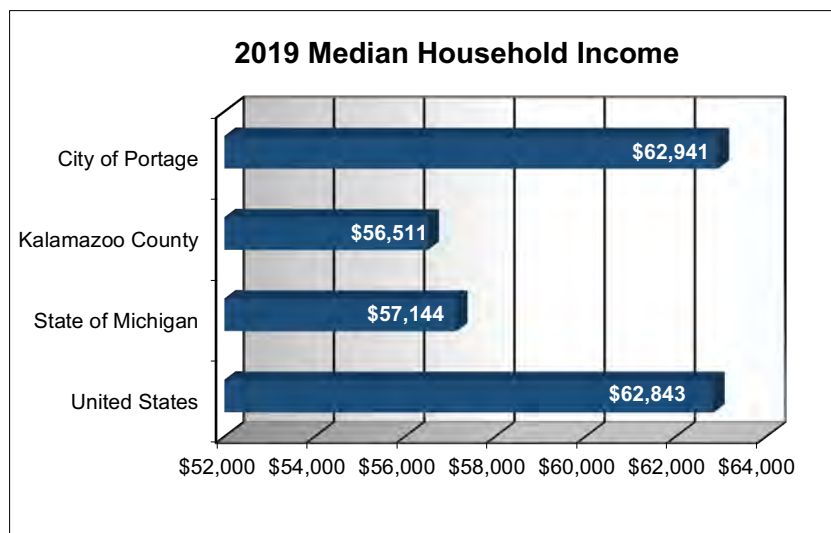
residential unit growth. As shown in the chart above, from 2011 to 2019 the number of new single-family residential units and total number of residential units have been increasing.

Land Use

This land development pattern has created a vibrant, progressive community resulting in a diverse mix of land uses: 73 percent of the land is zoned for residential use, 19 percent for industrial and 8 percent is zoned for commercial uses. This appropriate mix of land uses together with a conservative financial strategy employed by the city helps to facilitate an increase in private development activity.

Income and Educational Attainment

The median household income in Portage continues to exceed the county, state and national averages. This trend is also evident in the level of educational attainment. Further, over 96% of Portage residents have a high school diploma and over 45% have a college degree. These statistics continue to increase every year.

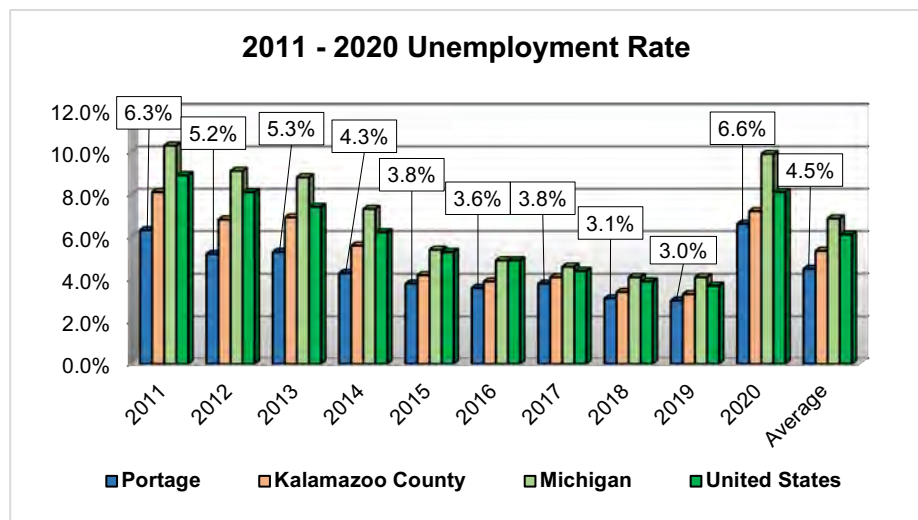


Employment

The table below includes the top five employment sectors in 2019. Of the 25,313 employed Portage residents, 75% are employed in the five industries listed below. Manufacturing and retail trade still account for almost 30% of jobs in Portage.

Industry	# of Jobs	Percent
Educational services, and healthcare and social assistance	6,598	26.1%
Manufacturing	4,507	17.8%
Retail trade	3,046	12%
Professional, scientific, management, administrative & waste management services	2,503	9.9%
Arts, entertainment, recreation and accommodation and food services	2,321	9.2%

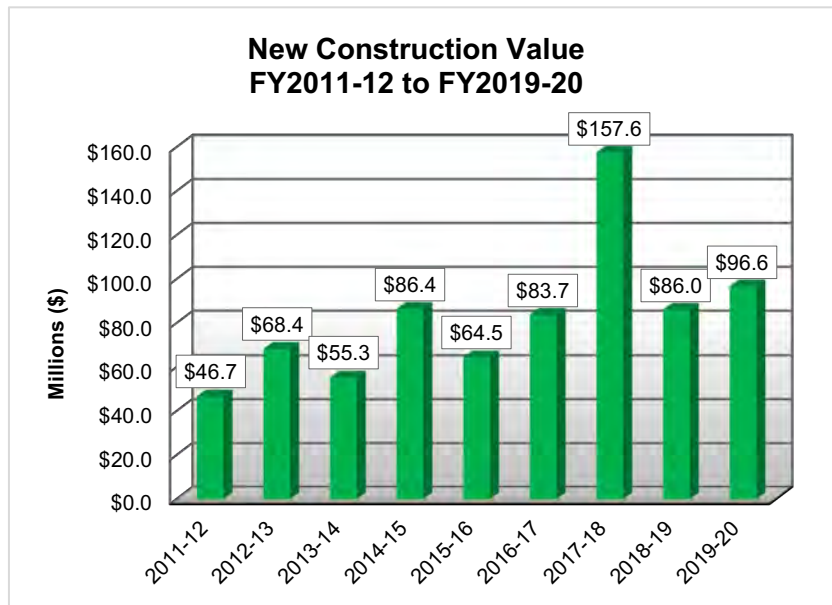
As illustrated in the chart to the right, the unemployment rate for the City of Portage has remained considerably lower than the county, state and national averages. Between 2011 and 2020, the unemployment rate for Portage averaged 4.5% in comparison to 5.4% for Kalamazoo County, 6.9% for the State of Michigan and 6.1% for the United States. As a result of the COVID-19 pandemic in 2020, unemployment rates for all jurisdictions increased significantly. In Portage, the unemployment rate more than doubled between 2019 and 2020.



Economic Development

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 significant levels of public infrastructure investment through the Capital Improvement Program (CIP). The city has financed and implemented public infrastructure projects and 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. Because of these efforts, many businesses have located or expanded in Portage creating thousands of new jobs and increasing 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 to the right. Between FY 2011-12 and FY 2019-20, construction value averaged \$82.8 million. This upward trend even continued through the first part of the COVID-19 pandemic. Private investment for FY 2019-20 finished at the second highest level (\$96.6 million) during this nine-year period. Private investment in the community continues and FY 2021-22 is expected to surpass FY 2020-21.



Major development projects currently underway or scheduled for commencement in 2021 that will have an important impact on the local economy include:

- **Pfizer MAP Facility** – Construction of a 420,000 square foot addition to a manufacturing facility at 7171 Portage Road with a \$450 million investment in real and personal property, 140 new jobs within 2 years and an additional 310 new jobs within 6 years of project completion (under construction).
- **Springhill Suites Hotel** – Construction of a four-story, 95-room hotel that will be located at 850 Trade Center Way. The level of investment is estimated at \$8 million (in plan review).
- **Redwood Apartments** - Construction of a 109-unit apartment complex at 1203 East Centre Avenue.
- **The Oaks Phase 2** – Construction of 50 additional single-family detached residential lots at 4800 Bishop Avenue.

Retail

Portage is a regional retail center with more than four million square feet of retail space, largely along the South Westnedge Avenue Commercial Corridor. The city serves a primary trade area of roughly 370,000 residents, 145,000 households, and trade area residents who are gainfully employed with a median age of 37.5 years.

Historically, the South Westnedge Avenue Commercial Corridor has maintained an occupancy rate at approximately 95%. Due to a number of factors – including the COVID-19 pandemic and competition from other sources including online shopping – the corridor's occupancy



rate decreased to 89% in 2021. As the local retail economy continues to build back, the occupancy rate is expected to rebound among the cluster of major retail centers along South Westnedge Avenue including Crossroads Mall, Southland Mall, Portage Crossings, Carillion Center and Shoppes at Romence Village, which contribute to the employment base.

Office Development

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 Ascension Borgess and Bronson Healthcare 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 offers excellent locations for general administrative, medical and corporate offices. Trade Centre 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.



Industrial Development

The residential and commercial sectors are complemented by an expanding industrial base, anchored by Stryker and Pfizer Corporations. Stryker Instruments purchased nearly 300 acres of land and constructed a \$154 million 485,000 square foot research and development facility that was completed in the fall 2019. In addition to the new research and development facility, Stryker Medical also expanded their East Centre Avenue location. A 253,000 square foot building addition was also completed in the fall of 2019.

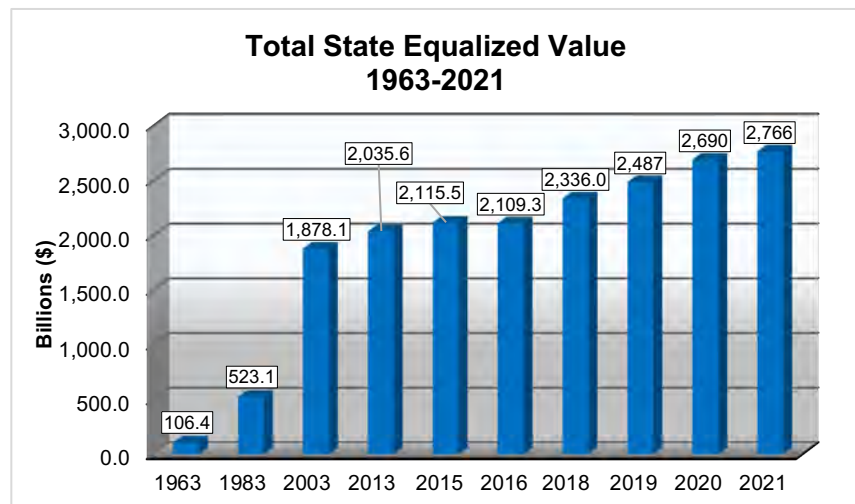


Pfizer currently has a number of projects with a total value of \$800 million that will become operational over the next several years. The first project, a 98,000 square warehouse facility was completed in 2018 and construction of the second project, a 420,000 square foot aseptic manufacturing facility, will commence in 2021. Many other manufacturers and life science companies, primarily located within the Sprinkle Road Industrial Corridor, call Portage home, including Mann+Hummel, FEMA Corporation, Summit Polymers, Erbsloeh Aluminum Solutions

(formerly Bowers Manufacturing), Eurofins/Lancaster Laboratories, Thermo Fisher Scientific, PharmOptima LLC, among others.

State Equalized Value

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 below shows, the SEV of real and personal property has increased from \$106.4 million in 1963 when the township incorporated as a city to over \$2.7 billion in 2021.



Transportation and Mobility

Growth and economic development have supported the expansion and technological advancement of transportation facilities and infrastructure. The City of Portage is well served by excellent road, air, rail, and bikeway facilities. The city's multimodal network comprises 149 miles of local streets, 72 miles of major streets, 52 traffic signal installations, and 58 miles of on-street bike lanes and trails. 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 a dozen 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.

Recreation

Through a vibrant and well-managed parks and public space system, the City of Portage promotes environmental stewardship through public awareness and participation in engaging activities. The City provides a range and depth of recreation, leisure and cultural programs for people of all ages and abilities.



The City of Portage manages 18 park sites, and the protection of natural and physical city assets, providing recreation, cultural and leisure programs for resident enjoyment. Popular destinations include the Celery Flats Historical Area, Ramona Park Beach and the Millennium Park Ice Rink. Numerous rental facilities are available to residents, schools and groups for a variety of events including weddings, banquets, graduations and meetings. Parks, open spaces, and rental facilities have all seen an increase in use, particularly this past year during the COVID-19 pandemic, enabling Portage residents to enjoy the outdoors and maintain a high quality of life, while following public health protocols and safety distancing.

Utilities

The City of Portage is committed to providing quality water and sewer services to residents efficiently and economically. The city contracts with Suez to operate and maintain the water supply and distribution systems, and inspect the city's 19 production wells throughout the distribution system daily to ensure high water quality standards are met. The city sewer system is an intergovernmental effort aimed at protecting the valuable groundwater supply. The City of Portage provides a wastewater collection system, which is pumped to the Kalamazoo Regional Water Reclamation Plant for treatment. Michigan State Law requires that water and sewer systems be financially self-supporting. No general tax dollars support these operations – water and sewer rates are computed to recover the costs generated by the water and sewer system.

Education

The level of support for the local school system by the residents of Portage is impressive. In November 2007, Portage voters passed a \$119 million bond proposal to construct two new elementary schools, a new Central High School and renovate Portage Northern High School.



Also included were new facilities for Transportation and Maintenance as well as Technology and Training. In 2015, voters approved a \$144 million bond proposal to fund the construction of two new middle schools, renovations to a third middle school, construction of new athletic stadiums and new swimming pools at both high schools, 30 new school buses and instructional technology for all schools. A new bond proposal to rebuild/renovate five elementary schools is under consideration.

Library

The Portage District Library has been a valuable asset to the community for over 50 years. The library provides a comfortable community environment for learning and entertainment. In 2020, 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. The Potage District Library is 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 improvements.



Summary

The City of Portage remains a desirable location for residential, commercial and industrial development opportunities. The city's low millage rate, proximity to I-94 and US-131, transportation and infrastructure capacities, access to skilled labor, excellent public school system, and range of housing choices provide many quality of life advantages to our community. The people in Portage continue to be the city's most important asset. Our efforts as local government are focused on enhancing access and opportunities for our residents to live, work, play, and thrive in Portage.

Kelly Peterson

Director of Community Development

City of Portage - Certifications and Awards

- 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 – By the Numbers

- 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

CITY OF PORTAGE
Fiscal Policy
Fiscal Year 2021-2022

BUDGET POLICY

Budget policy is based upon a strategy deployment process. The city vision is first established and confirmed by City Council on an annual basis. That vision is then represented in the form of formally adopted 3-5 year objectives developed by city administration and endorsed by City Council. These objectives indicate the direction and emphasis of the annual operating budget and the ten-year Capital Improvement Program (CIP).

City-wide objectives provide the framework for the further strategy deployment and budget decisions. Annual goals are derived as milestones to the 3-5 year objectives and projects/initiatives are linked to those annual goals. Support of annual goals become criteria for budget proposals and decisions.

Departments will also define specific goals within this framework. City-wide goals are deployed directly to a function owner in the departments, other department-specific goals are developed, as needed, to support operating budget and CIP proposals. Budget decision and prioritization criteria are linked to the Vision, Objectives, and Goals.

This budget is considered balanced when revenues equal or exceed expenditures for each fund.

BUDGET DIRECTION

For the 2021-2022 budget year, moving past procedural changes made in the last budget for unknowns faced during the first months of the pandemic will be the primary focus. City finances suffered some minor setbacks, but assistance from the state and federal governments along with some budget adjustments and spending controls left the city on a solid footing for the next fiscal year. Again, no overall millage change is planned, water rates remain unchanged, but an increase in costs necessitates an increase in sewer rates.

The reallocation of the millages between funds done in 2020-2021 to utilize resources in the smaller tax-supported funds and increase funding in the General Fund is being reversed. General Fund millage is lowered to 7.3560 from 7.5000, and its budget is balanced by including fund balance in excess of the 24% target established by City Council for the first time. Many expenditure reductions were made across the city's primary fund, and close monitoring of revenue streams and spending levels will continue to be a tool for guiding the city through the post-pandemic times ahead.

The 2021-2022 budget year is the fourth with fee reductions at the city's largest park, Ramona Park; 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.

City street condition remains a high priority of the City Council, with \$5.47 million 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 – Council establishes or confirm city-wide vision, using the annual citizen survey as a basis for adjustment and prioritization. The Community Development Department distributes instructions and forms for the ten-year Capital Improvement Program.

October – City Administration reviews the council vision and drafts 3–5-year objectives.

November – City Administration finalizes 3–5-year objectives and develops annual goals. The Finance Department distributes budget instructions and forms to all departments. Department heads submit Capital Improvement Program recommendations to the City Manager.

December – 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. City Administration identifies potential initiatives and projects to support annual goals.

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. Draft strategic planning artifacts are completed that support the budget requests. 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. Strategy Deployment artifacts are finalized for implementation and management.

Also see the Budget and Strategic Planning calendar reflected in Appendix G.

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 intergovernmental 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 2020/2021 the amount of encumbrances liquidated at the end of the 2019/2020 fiscal year and appropriated by City Council as an amendment to the 2020/2021 budget was \$1,016,453.

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 Annual Comprehensive Financial Report.

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 annual financial report.

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 city-wide services. 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 Fund* (MTF) accumulates 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.

2021-2022 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

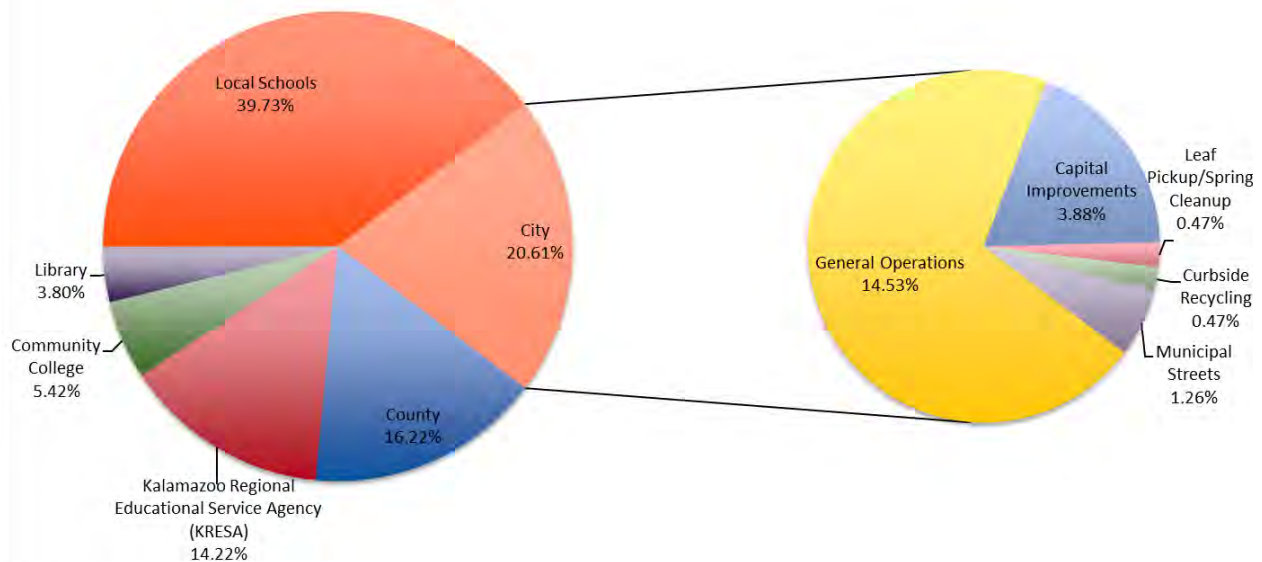
Goal: Maintain the financial health of the City.

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 2020-21

For each \$100 of property taxes paid (2020 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 2020 tax levy for the fiscal year ended June 30, 2021 as shown below:

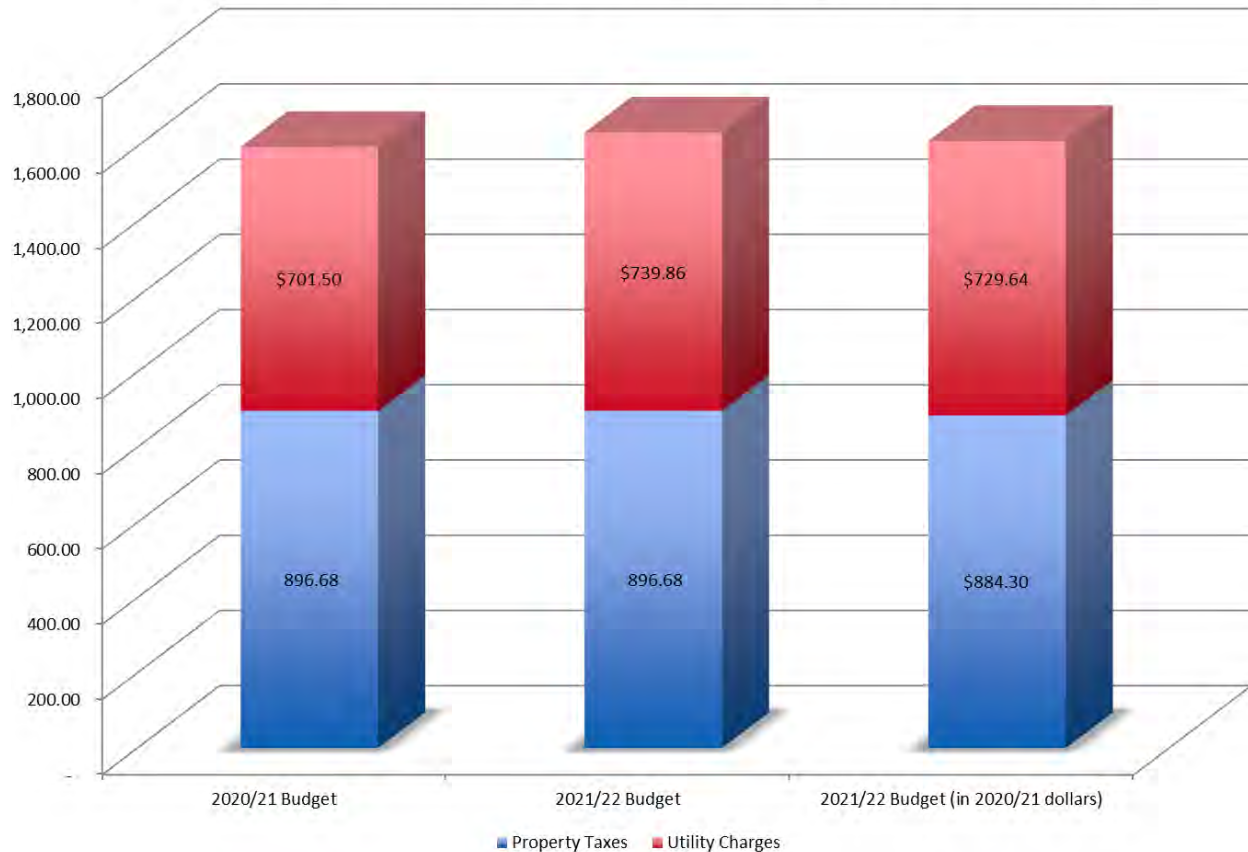
Percentage of Tax Levy

City	20.61%
County	16.22%
Kalamazoo Regional Ed. Services	14.22%
Community College	5.42%
Library	3.80%
Local Schools	<u>39.73%</u>
	100.00%

City Millage

General Operations	7.5000	\$14.53
Capital Improvements	2.0000	\$3.88
Leaf Pickup/Spring Cleanup	.2450	\$0.47
Curbside Recycling	.2450	\$0.47
Municipal Streets	<u>.6500</u>	<u>\$1.26</u>
	10.6400	\$20.61

COST OF CITY SERVICES TO THE TYPICAL CITY OF PORTAGE RESIDENCE



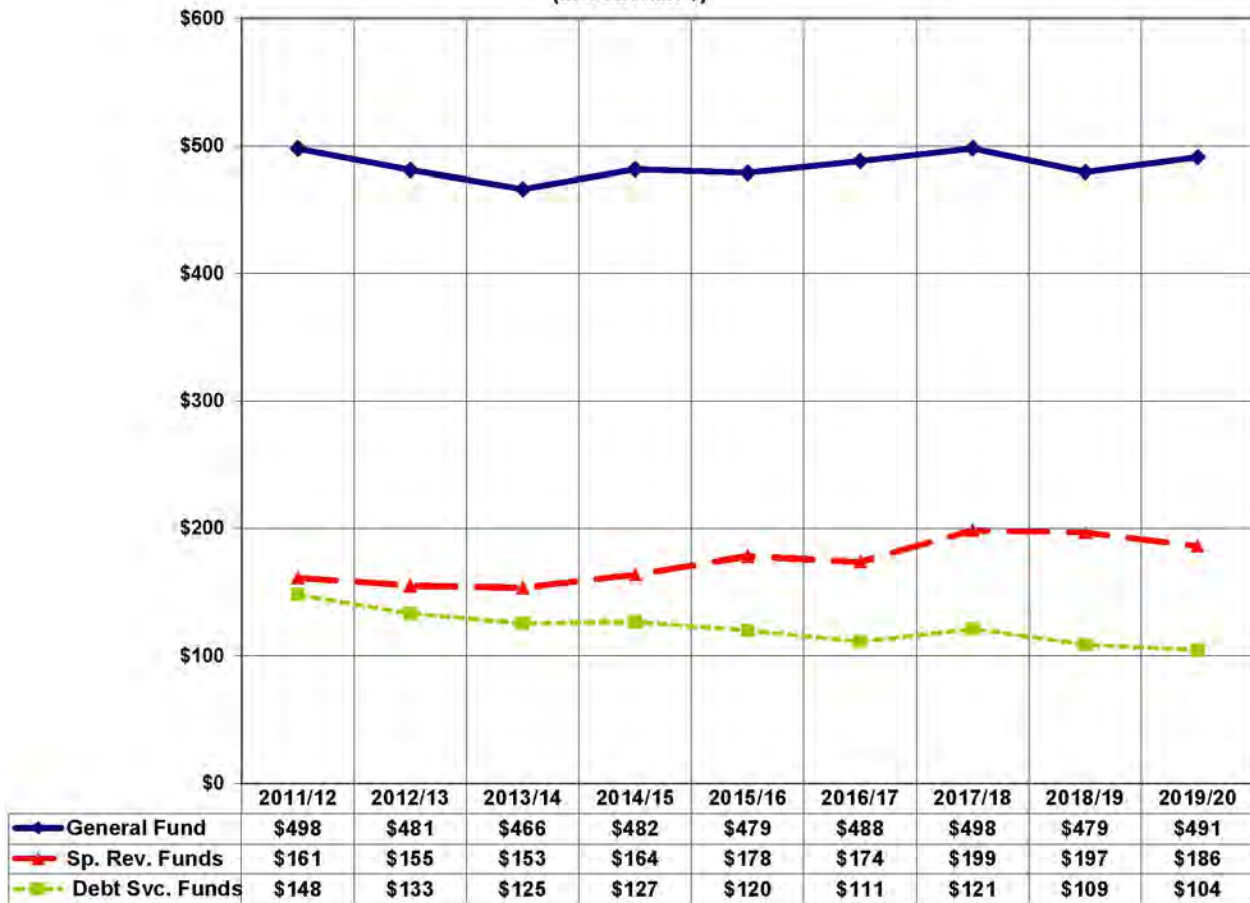
The chart above depicts the property tax and utility costs of a typical residence in the City of Portage.

The total cost of city services to the typical city resident will increase by \$70.08 in the upcoming year due to:

- an increase in taxable values of 1.0%,
- no change in millage rate, and
- an increase in city sewer utility rates.

After adjusting for inflation, this change represents an increase of only \$47.05 in 2020/2021 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 coupled with increases in fees and other charges for services bringing 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 negating 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 remains depressed, with the Fed expected to hold low rates until 2022.

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



Formula:

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

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

Note: The taxable value used in these calculations is determined as of December 31 of the previous year. For example, the taxable value for fiscal 2021-2022 was determined as of December 31, 2020. That then determines property tax revenue from the 7/1/21 and 12/1/21 billings, which provide revenue for Fiscal Year 2021-2022.

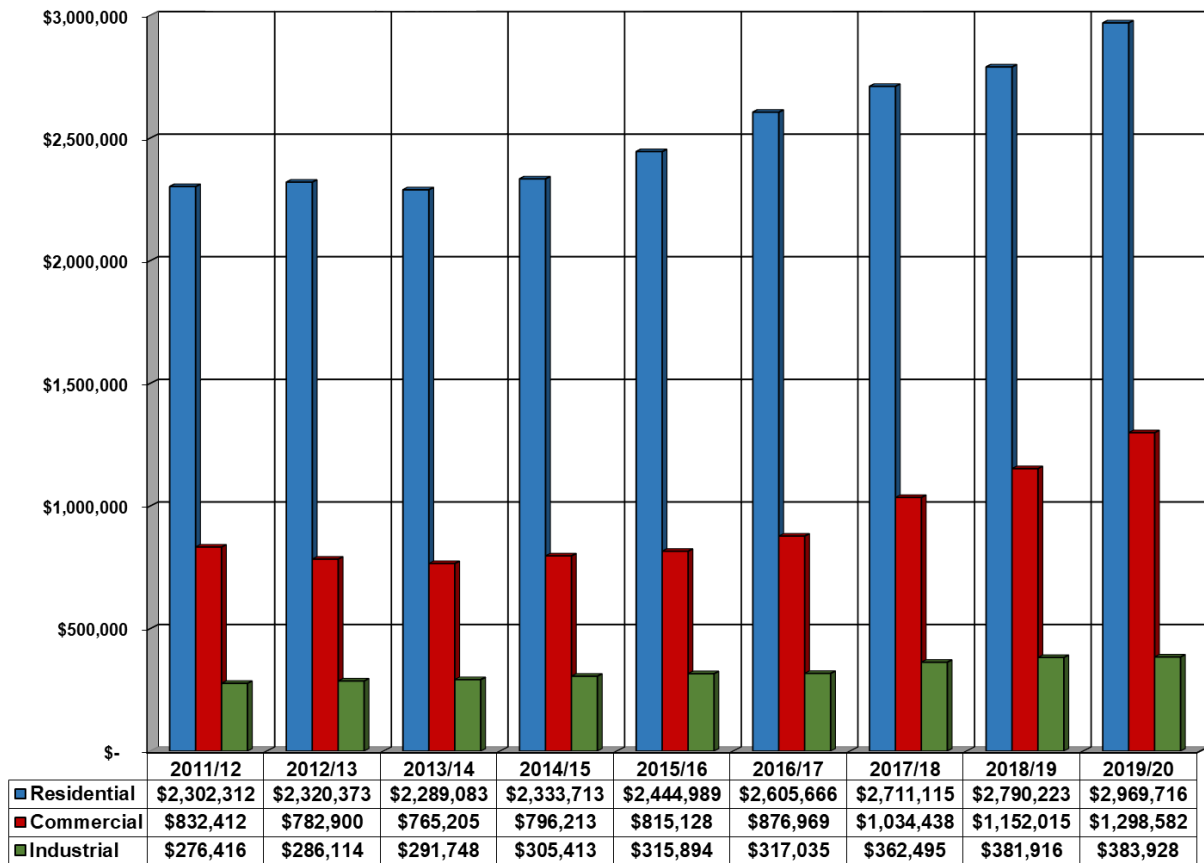
Description:

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 an increase in taxable values and explains many of the spikes in this indicator. The market value of primarily residential property decreased enough in 2009-2010 that the increase allowed by the state's 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, dropped in 2016-2017, but has increased the last 3 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:

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

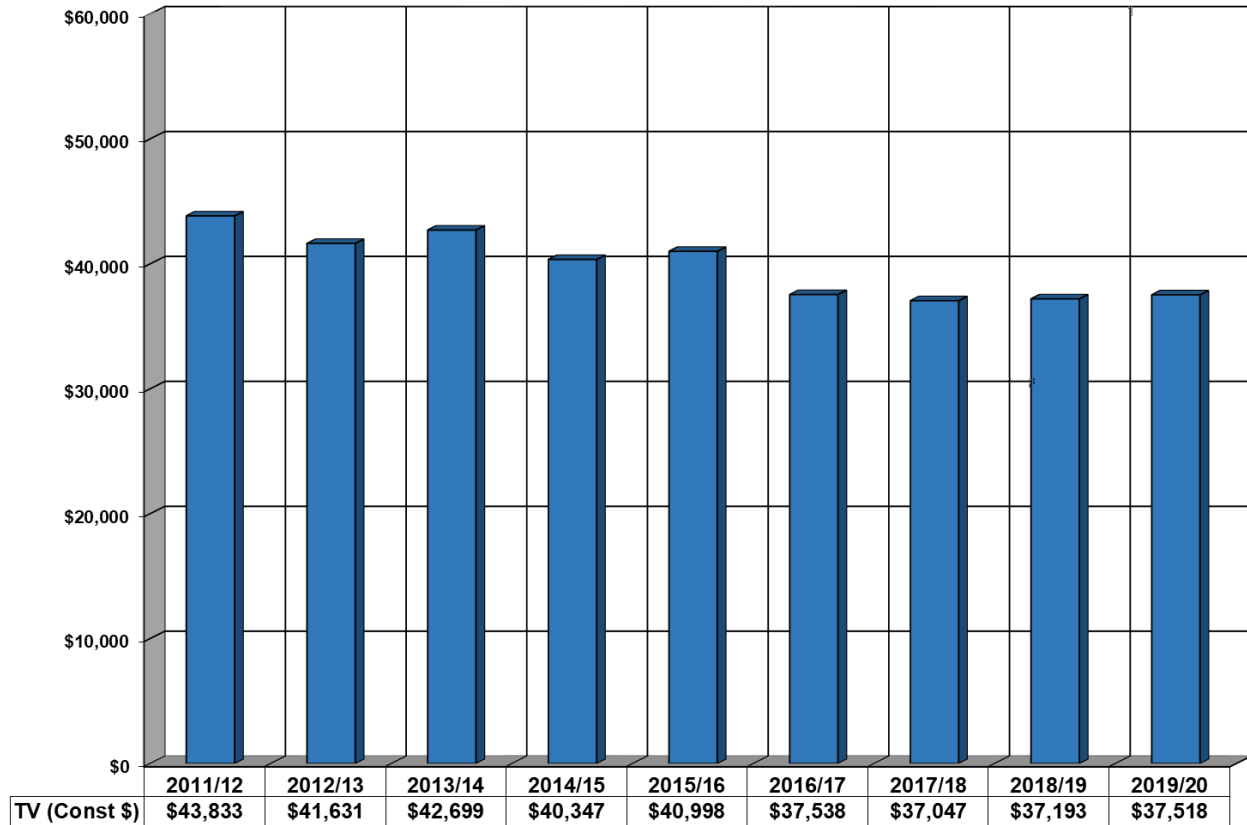
Description:

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 62% - 68% range. Commercial has ranged between 22% 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:

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

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

Description:

Taxable Value (TV) is a measure of the property tax base and is the primary source of revenue to the city. Measuring TV in inflation-adjusted dollars over time gives the city a measurement of how well this important revenue base is being maintained in comparison to the category that generates the primary demand for services from the city. Increases in TV 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.

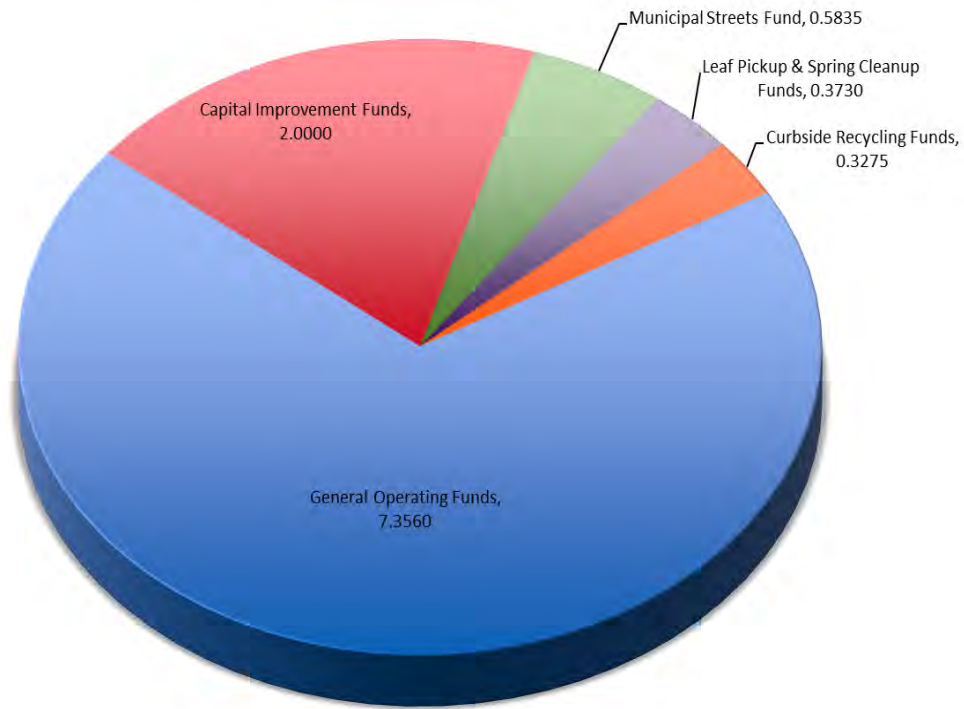
Analysis:

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 2021-2022 BUDGET

	2020/21	2021/22	CHANGE FROM
	RATES	Adopted RATES	2020/21 RATES
General Fund	7.5000	7.3560	-0.1440
Capital Improvement	2.0000	2.0000	0.0000
Curbside Recycling	0.2450	0.3275	0.0825
Leaf Pickup/Spring Cleanup	0.2450	0.3730	0.1280
Municipal Streets Fund	0.6500	0.5835	-0.0665
	10.6400	10.6400	0.0000

CITY MILLAGE BREAKDOWN BY FUND CATEGORY



Basis of Accounting and Budgeting

Basis of Accounting

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

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

Funds using the modified accrual method of accounting:

General Fund

Special Revenue Funds:

Major Streets Fund

Local Streets Fund

Municipal Streets Fund

Curbside Recycling Fund

Leaf Pickup/Spring Cleanup Fund

Community Development Block Grant (CDBG) Fund

Cable Television Fund

West Lake Weed Management Fund

CDBG Program Income Fund

Debt Service Funds

Capital Improvement Funds

Cemetery Permanent Fund

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

Funds using the accrual method of accounting:

Enterprise Funds:

Sewer Operating Fund

Water Operating Fund

Internal Service Fund:

Fleet & Facilities Fund

Basis of Accounting and Budgeting, continued

Budgetary Basis versus Accounting Basis

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

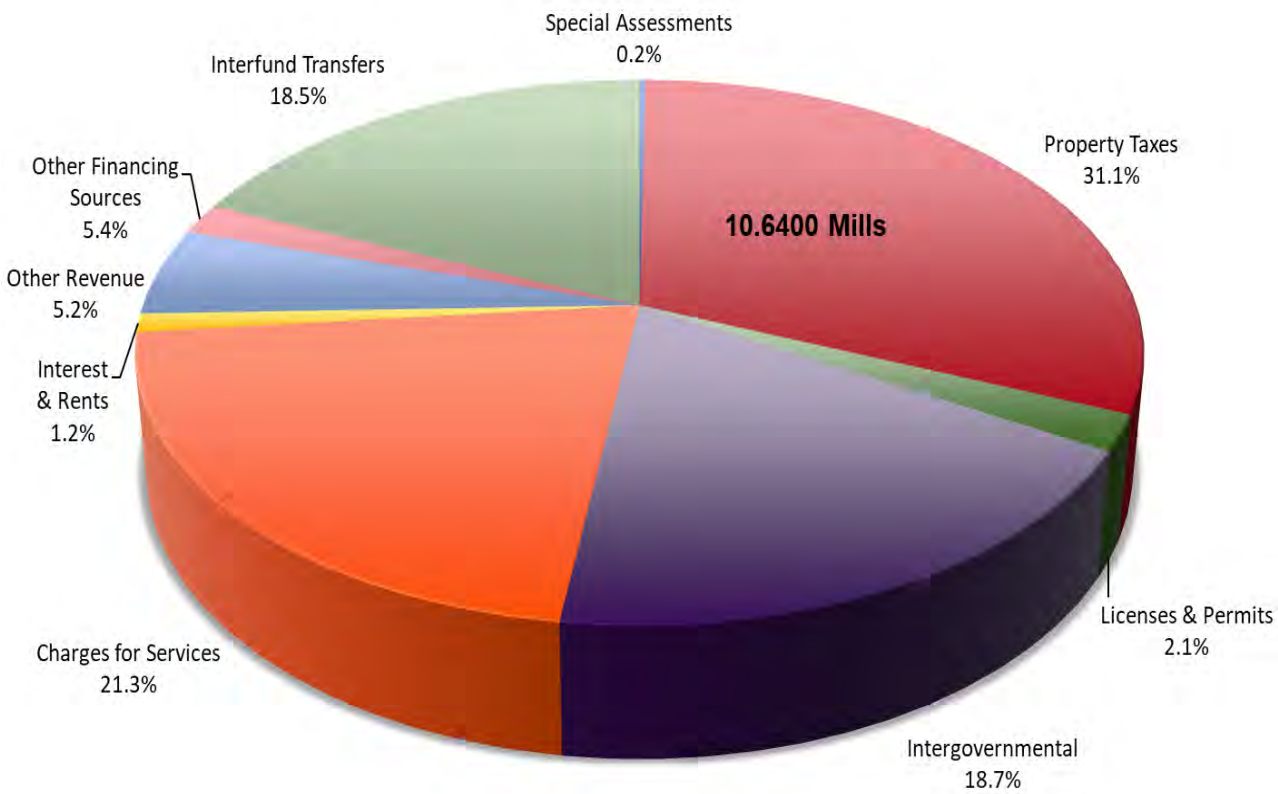
The differences between GAAP and the budgetary basis include the following:

1. The timing of revenue and expenditures may differ under a GAAP basis of accounting from the budgetary basis of accounting. For example, accounting revenues under GAAP are recognized in governmental funds as soon as they are both "measurable" and "available" whereas revenue recognition under the budgetary basis of accounting may be deferred until amounts are actually received in cash.
2. Encumbered amounts are commonly treated as expenditures under the assumptions of the budgetary basis of accounting while encumbrances are never classified as expenditures for the Comprehensive Annual Financial Statement.
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 financial report. 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 financial report, 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 financial report 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 2021 - 2022

	Modified Accrual				Full Accrual		Memorandum Only		
	General Fund	Special Revenue	Debt Service	Capital Project	Enterprise Funds	Permanent Funds	FY 2021-2022 Total	FY 2020-2021 Total	FY 2019-2020 Total
REVENUE:									
Property taxes	17,263,901	2,808,537	1,349,328	4,375,000	-	-	25,796,766	25,672,500	25,257,488
Fees and permits	1,049,500	745,400	-	-	-	-	1,794,900	1,785,515	1,718,022
Federal revenue	3,000	268,239	-	50,000	-	-	321,239	224,794	307,105
State revenue	1,646,075	7,146,500	-	422,250	-	-	9,214,825	9,537,231	7,741,236
State shared revenue	4,428,478	-	-	-	-	-	4,428,478	4,394,191	4,386,305
Other grants	106,307	-	-	-	-	-	106,307	52,476	12,000
Charges for services	1,565,000	115,000	-	-	15,788,200	35,000	17,503,200	17,173,050	16,770,010
Interest and rents	390,500	41,075	74,925	40,000	395,000	15,000	956,500	1,241,077	984,130
Other revenue	599,860	40,200	-	3,764,750	82,130	-	4,486,940	16,142,378	11,970,838
TOTAL REVENUE	27,052,621	11,164,951	1,424,253	8,652,000	16,265,330	50,000	64,609,155	76,223,212	69,147,134
EXPENDITURES:									
Legislative	93,600	-	-	-	-	-	93,600	90,955	88,000
Judicial	-	-	-	-	-	-	-	-	-
General government	5,246,210	-	-	-	-	-	5,246,210	5,048,321	4,217,973
Public safety	17,418,552	-	-	-	-	-	17,418,552	18,102,675	17,093,340
Public works	696,100	-	-	-	-	-	696,100	712,689	510,650
Health and welfare	178,750	2,044,207	-	-	-	-	2,222,957	2,116,418	2,055,849
Recreation and cultural	3,966,291	564,997	-	-	-	-	4,531,288	4,486,585	4,485,964
Highways and streets	-	5,465,601	-	-	-	-	5,465,601	5,032,825	4,480,951
Operations and maintenance	-	-	-	-	8,133,995	-	8,133,995	8,457,100	8,163,720
Administration	-	-	-	-	6,110,183	-	6,110,183	5,600,124	5,322,508
Capital outlay	-	-	-	14,096,600	195,000	-	14,291,600	24,825,000	18,168,419
Debt service	-	-	5,954,917	-	-	-	5,954,917	5,891,945	6,055,014
TOTAL EXPENDITURES	27,599,503	8,074,805	5,954,917	14,096,600	14,439,178	-	70,165,003	80,364,637	70,642,388
Transfers In	233,000	300,000	4,705,825	10,047,700	-	-	15,286,525	13,753,665	9,413,831
Fund Equity Carryover	1,473,236	150,438	14,989	-	-	-	1,638,663	-	-
Transfers Out	(1,159,354)	(3,535,300)	(105,000)	(4,603,100)	(1,655,000)	(15,000)	(11,072,754)	(9,474,165)	(9,182,123)
Addition to/Reduction of Fund Balance/Net Assets	-	(145,154)	70,161	-	171,152	35,000	296,586	138,075	(1,263,546)

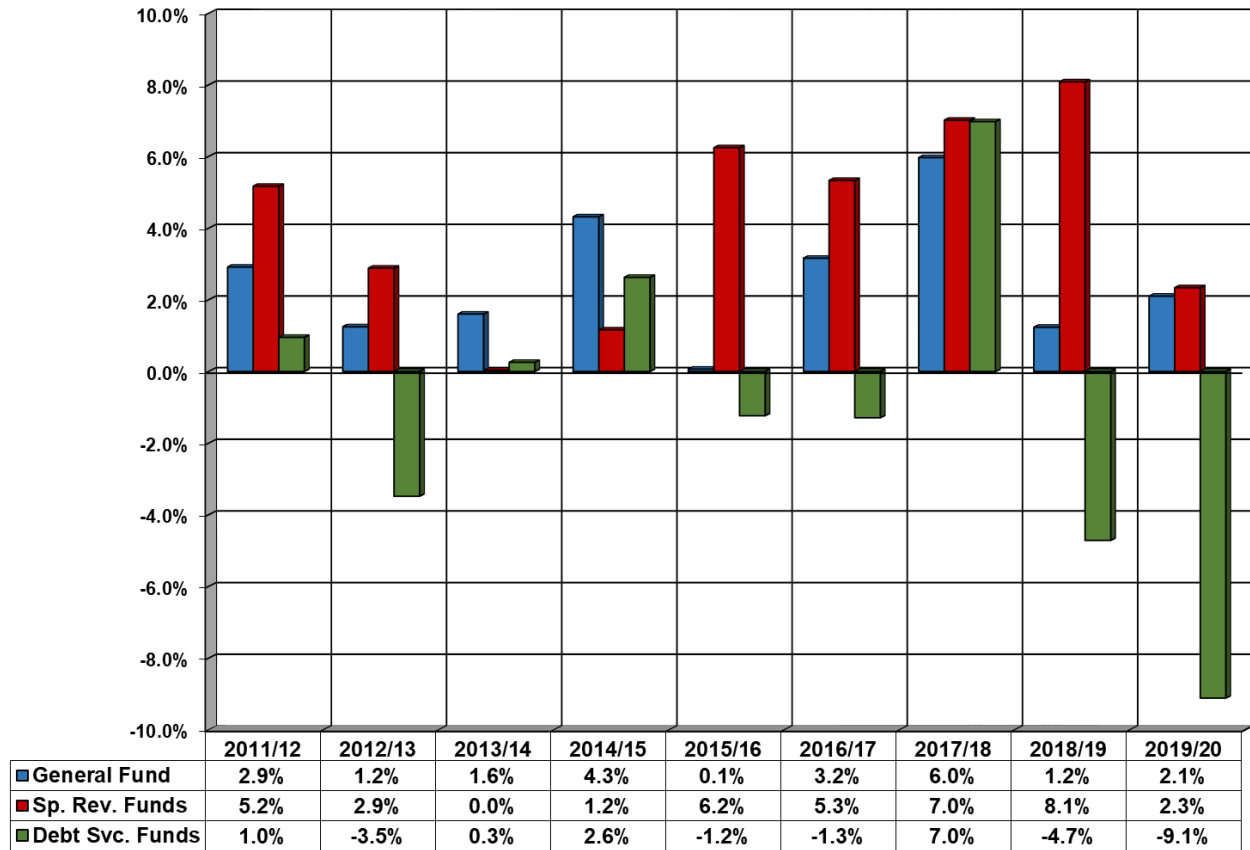
SOURCES OF FUNDING - ALL FUNDS



SUMMARY OF REVENUES ALL FUNDS FISCAL YEAR 2021 - 2022					
	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
GENERAL FUND	25,816,697	27,530,480	27,467,074	27,348,067	28,758,857
STREET FUNDS					
Major Streets	5,134,110	4,686,952	5,120,098	5,120,098	5,413,589
Local Streets	1,530,583	1,644,842	1,850,283	1,850,283	1,945,952
Municipal Streets	1,561,279	1,634,335	1,551,700	1,551,700	1,421,060
UTILITY FUNDS					
Sewer Operating	9,273,164	8,679,013	9,234,691	9,234,691	9,430,042
Water Operating	7,032,948	7,035,423	6,811,397	6,811,397	6,835,288
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	10,325,540	27,734,097	29,513,000	29,513,000	18,699,700
Lakes-Weed Management	22,102	20,983	36,050	36,050	36,025
DEBT SERVICE FUNDS					
General Obligation Debt	2,789,105	7,636,254	3,190,000	3,190,000	3,585,950
MTF 2008	245,192	249,059	235,100	235,100	-
MTF 2010 Refunding	721,507	350,213	368,680	368,680	356,475
Building Authority Debt Service	700,176	625,332	653,520	653,520	659,800
DDA Debt Service	2,298,142	659,905	757,900	757,900	757,300
LDFA Debt Service	615,053	590,724	611,500	611,500	598,328
Special Assessment Debt Service	185,050	142,576	251,382	251,382	187,214
OTHER FUNDS					
Curbside Recycling	719,186	735,547	626,500	626,500	773,352
Leaf Pickup/Spring Cleanup	788,980	845,189	643,000	643,000	879,375
Community Development Block Grant	160,039	101,032	456,535	221,794	218,239
American Recovery & Reinvestment	(43)	43	-	-	3,397
Cable Television	810,280	775,862	767,215	767,215	749,400
Cemetery Permanent Fund	84,884	53,837	60,000	60,000	50,000
CDBG Program Income	100,472	107,421	125,000	125,000	175,000
TOTAL REVENUE	70,914,446	91,839,119	90,330,625	89,976,877	81,534,343

Additional information is available in the respective detailed departmental budget.

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



Formula:

((Actual Net Operating Revenue – Budgeted Net Operating Revenue) / (Actual Net Operating Revenue)) x100

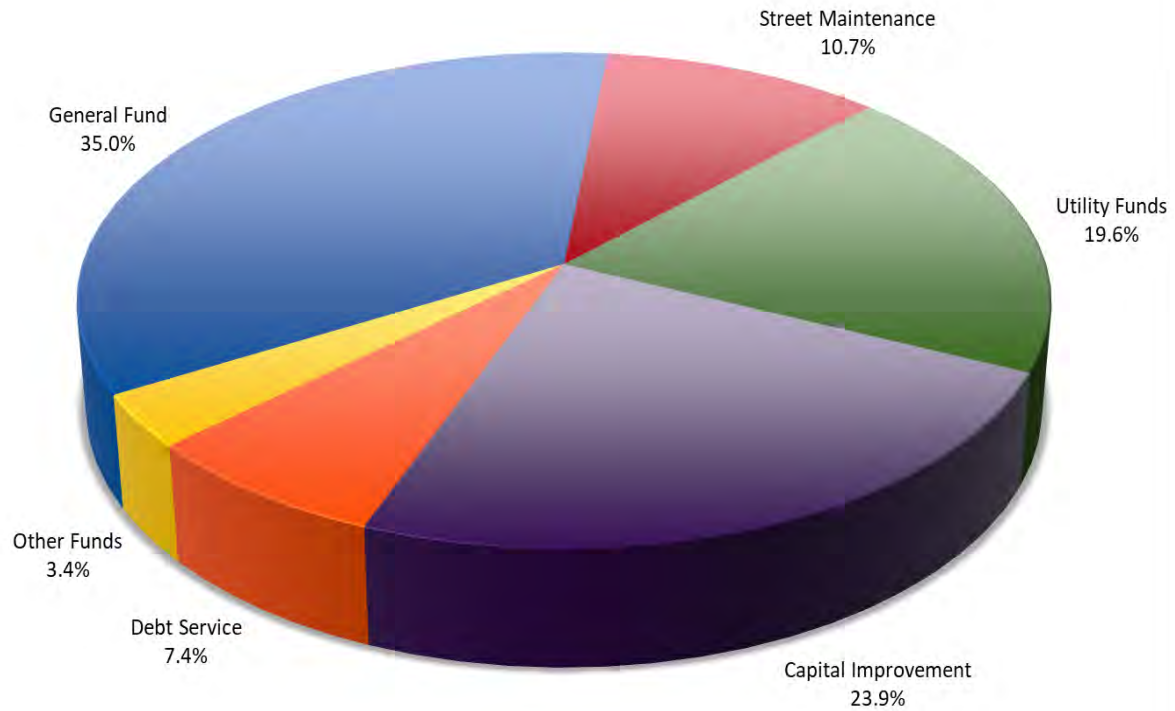
Description:

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. Most debt service funds receive transfers in for revenue, and as recent debt refunding decreases expenditures, budgeted transfers can be decreased. Strong permit revenue and higher than expected state shared revenues seen in General Fund during 2017-2018 have since tapered off.

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 2021 - 2022					
	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
GENERAL FUND	26,032,848	26,833,188	28,976,955	28,650,296	28,758,857
STREET FUNDS					
Major Streets	4,610,479	4,230,692	5,279,460	5,090,545	5,413,589
Local Streets	1,278,664	1,558,801	1,873,715	1,821,280	1,945,952
Municipal Streets	1,540,000	1,563,000	1,608,000	1,608,000	1,421,060
UTILITY FUNDS					
Sewer Operating	7,900,118	9,075,748	8,552,206	8,500,093	9,415,762
Water Operating	4,124,812	5,351,806	6,007,605	5,907,131	6,678,416
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	11,874,507	26,826,051	29,513,000	29,513,000	18,699,700
Lakes-Weed Management	17,075	15,230	32,500	32,500	32,500
DEBT SERVICE FUNDS					
General Obligation Debt	3,542,919	7,600,277	3,189,990	3,189,990	3,585,950
MTF 2008	243,538	249,438	235,100	235,100	-
MTF 2010 Refunding	716,838	350,350	368,680	368,680	356,375
Building Authority Debt Service	760,693	624,931	653,520	653,520	659,695
DDA Debt Service	2,223,423	749,687	757,885	757,885	756,618
LDFA Debt Service	1,703,014	524,954	1,535,000	535,000	514,065
Special Assessment Debt Service	211,630	230,141	248,935	248,935	187,214
OTHER FUNDS					
Curbside Recycling	675,198	693,024	742,758	742,758	772,732
Leaf Pickup/Spring Cleanup	762,227	652,530	859,138	850,632	878,236
Community Development Block Grant	160,038	173,071	326,061	221,794	218,239
American Recovery & Reinvestment	-	-	-	-	3,397
Cable Television	713,005	797,176	878,463	766,663	749,400
Cemetery Permanent Fund	7,500	12,000	20,000	20,000	15,000
CDBG Program Income	101,554	109,804	125,000	125,000	175,000
TOTAL EXPENDITURE	69,200,080	88,221,899	91,783,971	89,838,802	81,237,757

Additional information is available in the respective detailed departmental budgets.

Total Expenditures by Department and Fund Type (Budgetary Basis)
FISCAL YEAR 2021 - 2022

Department	General Fund	General Obligation Debt Fund	Special Assessments Fund	Capital Improvement Fund	Enterprise Funds	Nonmajor Governmental Funds	Permanent Funds	Total
Legislative	93,600	-	-	-	-	-	-	93,600
City Manager	902,011	-	-	-	-	-	-	902,011
Finance	899,545	-	-	-	-	-	-	899,545
Technology Services	946,701	-	-	202,450	-	-	-	1,149,151
Public Information	433,537	-	-	-	-	-	-	433,537
City Assessor	509,884	-	-	-	-	-	-	509,884
City Attorney	251,000	-	-	-	-	-	-	251,000
City Clerk	495,903	-	-	-	-	-	-	495,903
Human Resources	700,204	-	-	-	-	-	-	700,204
Purchasing	107,425	-	-	-	-	-	-	107,425
Parks & Recreation	1,479,735	-	-	1,193,000	-	-	-	2,672,735
Senior Citizen Services	761,711	-	-	-	-	-	-	761,711
Parks Maintenance	1,492,084	-	-	-	-	-	-	1,492,084
Police	10,242,764	-	-	534,150	-	-	-	10,776,914
Fire	5,568,505	-	-	130,000	-	-	-	5,698,505
Community Development	1,840,044	-	-	-	-	218,239	-	2,058,283
Public Services	874,850	-	-	12,037,000	14,439,178	7,856,566	-	35,207,594
Nondepartmental:								
Debt Service	-	3,585,950	187,214	-	-	2,181,753	-	5,954,917
Insurance Funds	-	-	-	-	-	-	-	-
Transfers to other funds	1,159,354	-	-	4,603,100	1,655,000	3,640,300	15,000	11,072,754
TOTALS	28,758,857	3,585,950	187,214	18,699,700	16,094,178	13,896,858	15,000	81,237,757

All Funds - Revenue & Other Sources, Expenditures & Other Uses, and Changes in Fund Balance
Changes in Fund Balance (Budgetary Basis)
FISCAL YEAR 2021 - 2022

	Net Assets/Fund Balance						Net Assets/
	Beginning of Year	Revenue	Other Sources	Expenditures & Expenses	Other Uses	Excess (Deficiency)	Fund Balance End of Year
General Fund	13,267,187	28,525,857	233,000	27,599,503	1,159,354	-	13,267,187
Major Streets	2,232,013	5,413,589	-	3,513,589	1,900,000	-	2,232,013
Local Streets	1,026,723	1,645,952	300,000	1,945,952	-	-	1,026,723
Municipal Streets	258,371	1,421,060	-	6,060	1,415,000	-	258,371
Sewer Operating (Net Assets)	60,497,343	9,430,042	-	8,820,762	595,000	14,280	60,511,623
Water Operating (Net Assets)	44,514,103	6,835,288	-	5,618,416	1,060,000	156,872	44,670,975
Capital Improvement	16,687,366	8,652,000	10,047,700	14,096,600	4,603,100	-	16,687,366
Lakes-Weed Management	60,981	36,025	-	32,500	-	3,525	64,506
General Obligation Debt	43,399	1,200	3,584,750	3,585,950	-	-	43,399
MTF Debt Service	11,382	100	356,375	356,375	-	100	11,482
Building Authority Debt Service	30,113	100	659,700	659,695	-	105	30,218
DDA Debt Service	258,503	757,300	-	651,618	105,000	682	259,185
LDFA Debt Service	1,105,979	598,328	-	514,065	-	84,263	1,190,242
Special Assessment Debt Service	175,282	82,214	105,000	187,214	-	-	175,282
Curbside Recycling	192,752	773,352	-	772,732	-	620	193,372
Leaf Pickup/Spring Cleanup	497,754	879,375	-	878,236	-	1,139	498,893
Community Development Block Grant	(52,073)	218,239	-	218,239	-	-	(52,073)
CDBG Program Income	3,829	175,000	-	175,000	-	-	3,829
Cable Television	765,037	749,400	-	529,100	220,300	-	765,037
Cemetery Permanent Fund	1,364,383	50,000	-	-	15,000	35,000	1,399,383
TOTAL	142,940,427	66,247,818	15,286,525	70,165,003	11,072,754	296,586	143,237,013

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

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 2021-2022 fiscal year, the need for funding has been eliminated thanks to a supporting millage levied by the county.

Major and Local Streets Funds: Increases in state funding were projected for 2021-2022, and the 2020 census is expected to increase the city's share of Act-51 road funding. Negative impacts of the pandemic were less than first thought, and budgets for the street funds have been increased, partially funded with fund balance resources, as fund equity was adequate going into 2020-2021.

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. A ten percent increase in sewage treatment charges by the City of Kalamazoo led to recommendation of a corresponding ten percent increase in sewer rates for the 2021-2022 fiscal year, and that change was 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. The prior year reduction of millage which shifted resources to General Fund is reversed in 2021-2022, as was originally planned.

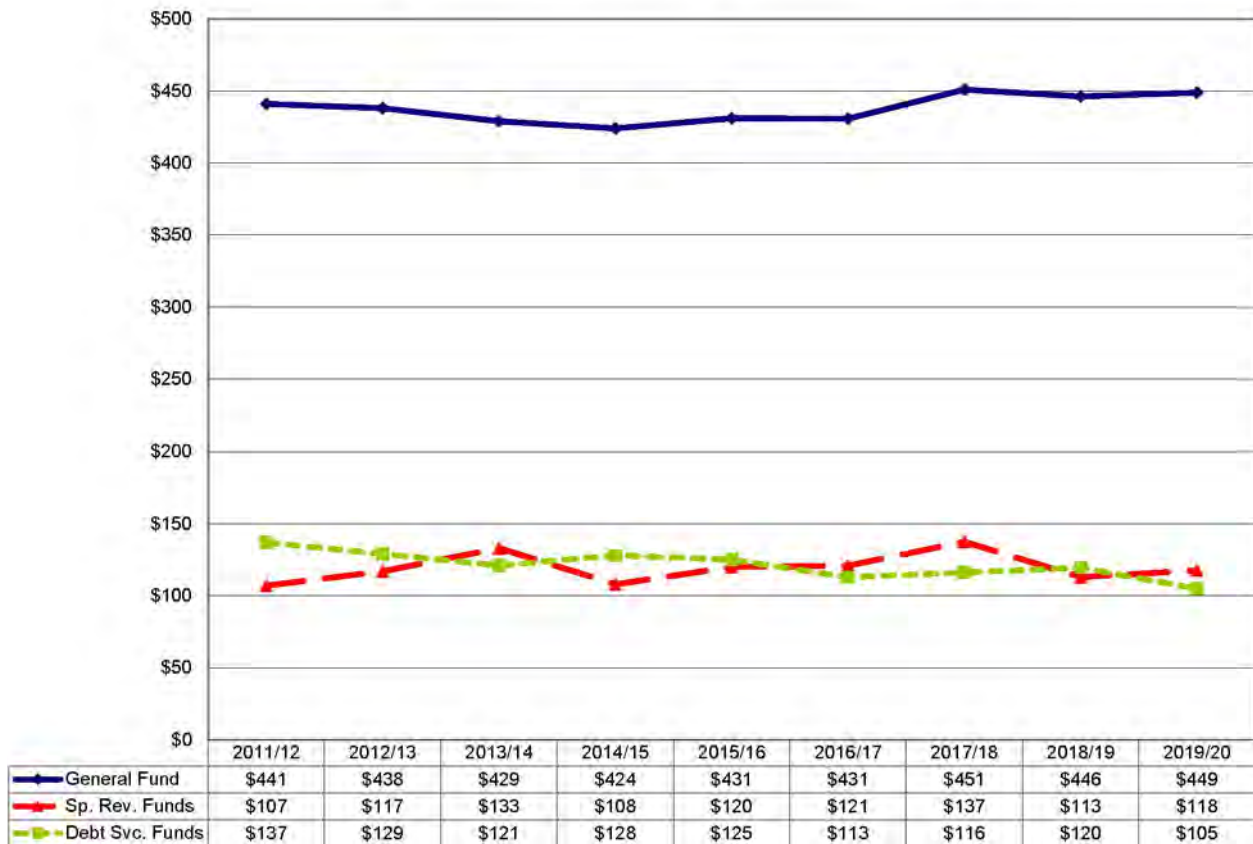
Leaf Pickup Fund: Fund balance at the end of 2020-2021 is again expected to be sufficient to provide for additional cycles of brush and leaf pickup services if needed in 2021-2022. As with Curbside Recycling, the prior year reduction of millage which shifted resources to General Fund is reversed in 2021-2022, as was originally planned.

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.

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



Formula:

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

Note: Net operating expenditures are calculated as follows:

Total expenditures

less mandated capital improvement transfers

less expenditures of revenues that are legally restricted to special, non-operating purposes

Description:

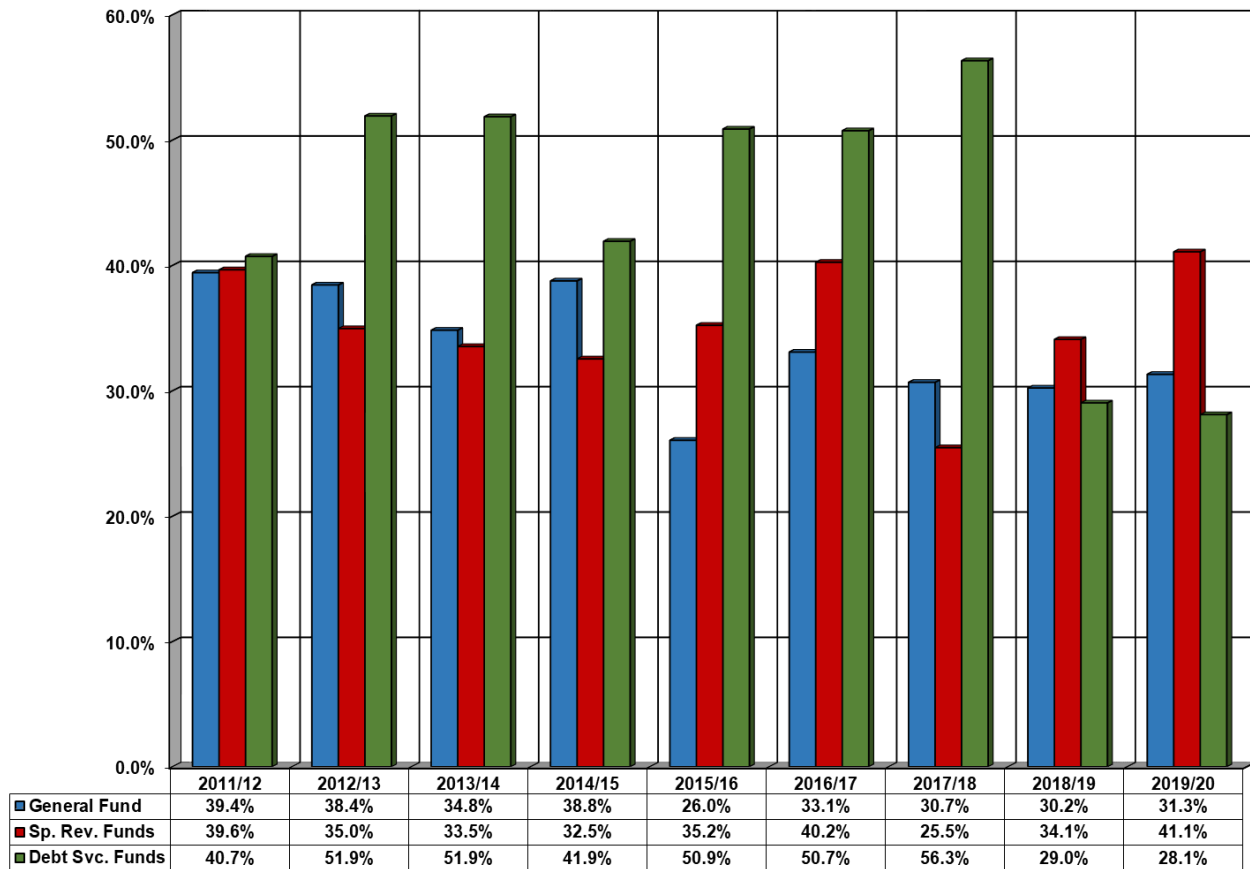
Examining per household expenditures shows changes in city expenditures relative to changes in the number of households. Increasing expenditures per household can indicate that the cost of providing services is surpassing the city's ability to pay for those services. This is especially true if spending 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.

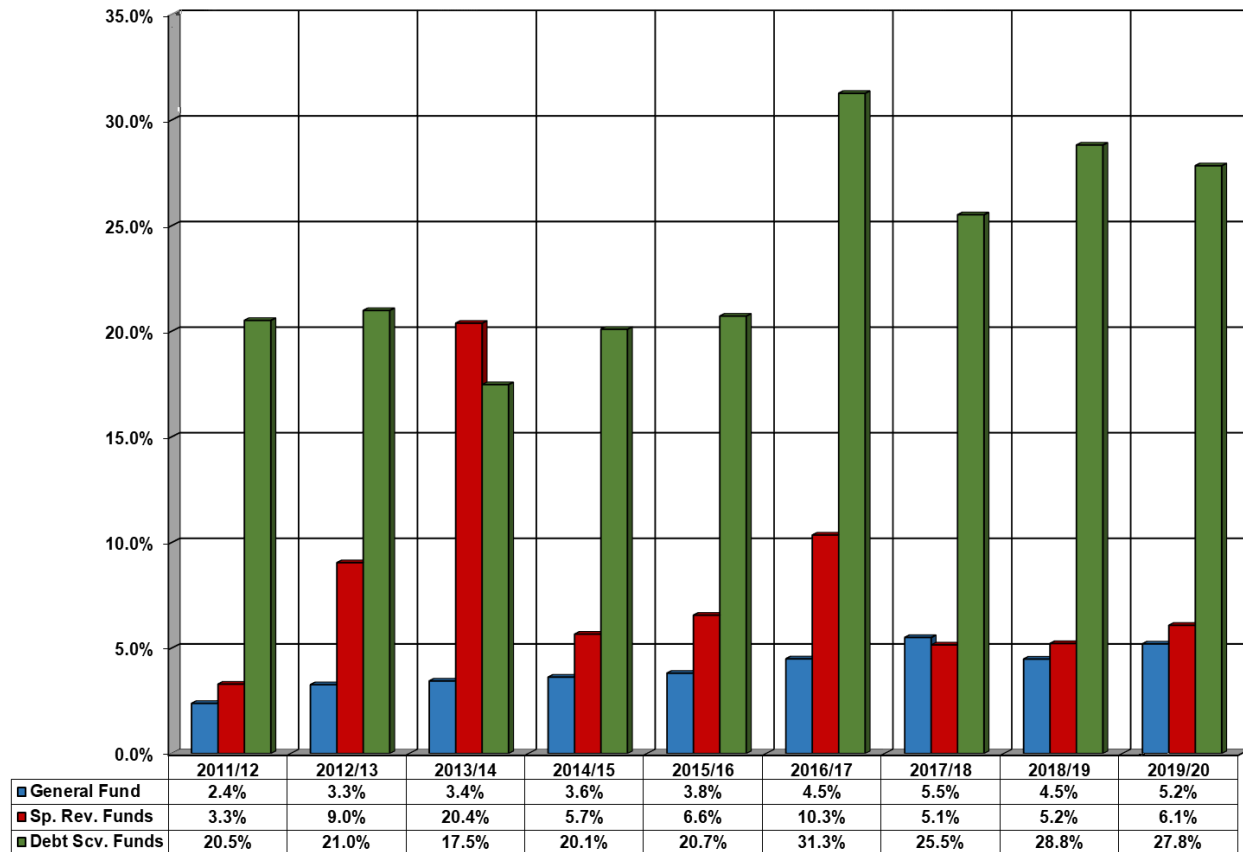
Analysis:

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. Generally, two months' or seventeen percent of expenditures is considered an appropriate minimum fund balance. 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:

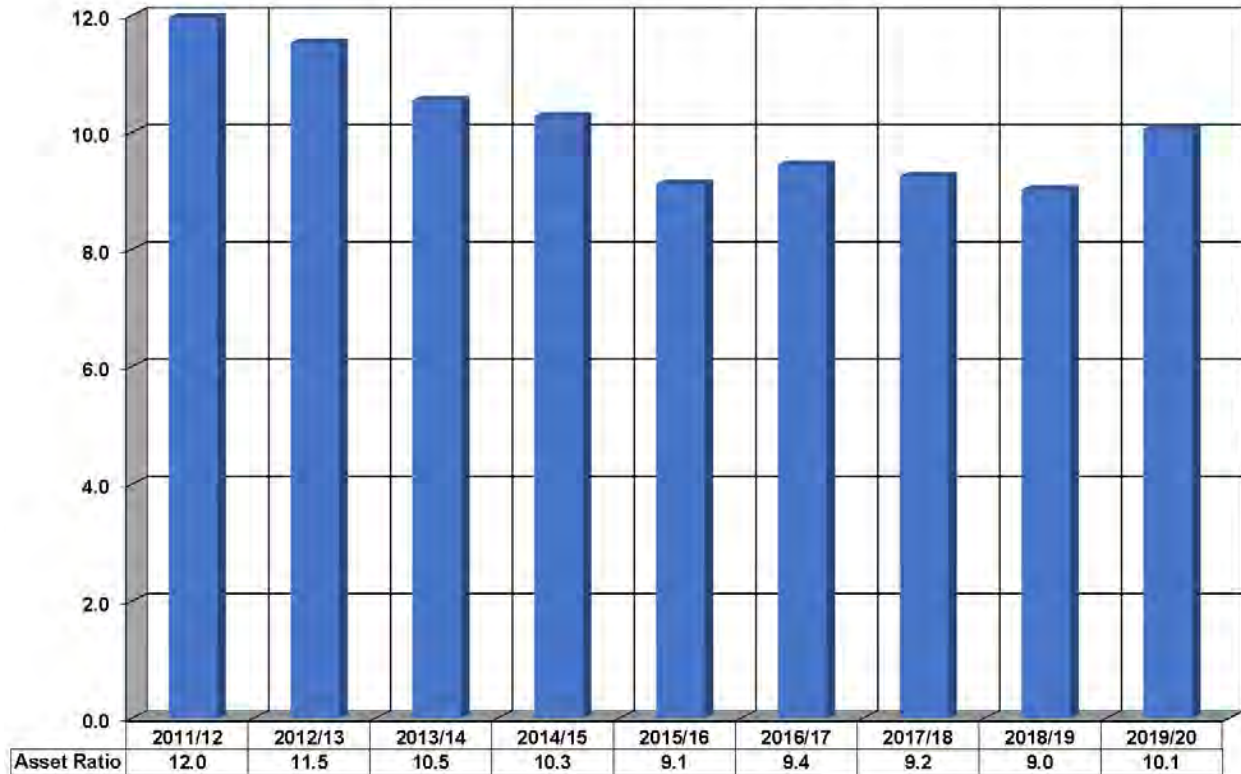
A trend of increasing percentage of short-term debt outstanding at the end of successive fiscal years can indicate liquidity problems, deficit spending, or both.

Analysis:

Current liabilities as a percentage of net operating revenues are relatively stable in the General Fund, which carries the largest percentage due to accrued compensation and accounts payable each year end. 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.

PENSION PLAN ASSETS

Ratio of Plan Assets to Annual Benefits Paid Out



Formula:

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

Fiscal 2019-2020 – Plan Assets totaled \$2,077,608, Benefits Paid Out totaled \$206,608

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 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 intends to publish a "Notice of Public Hearing" on April 29, 2021. The Public Hearing will be held on May 11, 2021.

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

2020 Taxable Value (TV)	2,145,879,222
Cumulative changes	52,785,348
2020 Taxable Value (TV)	2,198,664,570
Consumer Price Index (CPI):	1.40%
2020-2021 Operating Millage Rate	10.6400
2021-2022 Operating Millage Rate	10.6400

Operating Millage Components:

	2020/21	2021/22
General Fund	7.5000	7.3560
Capital Improvement Program	2.0000	2.0000
Recycling Fund	0.2450	0.3275
Leaf Pickup/ Spring Cleanup Fund	0.2450	0.3730
Municipal Streets Fund	0.6500	0.5835
Total	10.6400	10.6400

Formulas/Computations

2020 Headlee Millage Reduction Fraction

$$\frac{(2019 \text{ Total T.V.} - 2020 \text{ Losses}) \times CPI}{(\$2,145,879,222 - \$40,040,019) \times 1.014} = \frac{\$2,135,320,952}{\$2,125,705,288} = 1.0045$$

2021 Millage Reduction Fraction (Headlee)

The actual 2020 millage reduction fraction (MRF) is calculated to be 1.0045. Beginning in 1995, the MRF used cannot exceed 1.0000. Since a MRF of 1.0000 will be used for 2021, no further reduction in the city's maximum authorized millage rate (due to Headlee rollback) will be required for 2021.

2020 Truth-in-Taxation Base Tax Rate Fraction

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

$$\frac{(2019 \text{ Total T.V.} - 2020 \text{ Losses})}{(\$2,145,879,222 - \$40,040,019)} = \frac{\$2,105,839,203}{(\$2,198,664,570 - \$72,959,282)} = \frac{\$2,105,839,203}{\$2,125,705,288} = 0.9907$$

2020 Truth-in-Taxation Base Tax Rate Fraction

As shown above, the 2020 base tax rate fraction (BTRF) is calculated to be 0.9907. Multiplying the BTRF by last year's operating levy of 10.6400 mills yields a base tax rate of 10.5410 mills for 2020.

GENERAL APPROPRIATIONS ACT
RESOLUTION TO ADOPT THE BUDGET
OF THE CITY OF PORTAGE FOR THE FISCAL YEAR
JULY 1, 2021 TO JUNE 30, 2022
AND TO MAKE APPROPRIATIONS THEREFORE

Motion by **Burns**
Supported by **Reid**

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, 2021 to June 30, 2022.

BE IT FURTHER RESOLVED that the sum of \$23,113,736 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	7.3560 mills	\$16,090,045
Capital Improvement Fund	2.0000 mills	4,215,154
Curbside Recycling Fund	0.3275 mills	716,352
Leaf Pickup/Spring Cleanup Fund	0.3730 mills	815,875
Municipal Street Fund	<u>0.5835 mills</u>	<u>1,276,310</u>
	<u>10.6400 mills</u>	<u>\$23,113,736</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.

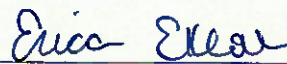
BE IT FURTHER RESOLVED that for the General Fund, the fund balance shall be at least 24% of the 2021-2022 appropriations, including transfers.

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, Knapp, Ledbetter, Pearson, Randall, Reid and Urban.**

NO: **None.**

ABSENT: **None.**


Erica Eklov, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and acting City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 25th day of May, 2021 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 25th day of May, 2021


Erica Eklov, City Clerk

SALARY AND WAGE RESOLUTION
RESOLUTION TO ADOPT THE SALARY AND WAGE SCHEDULES FOR
THE FISCAL YEAR JULY 1, 2021 TO JUNE 30, 2022

Motion by Burns
Supported by Reid

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, 2021 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, 2021:

Portage Police Command Officers Association (PPCOA)

- (2) Personnel of the following bargaining unit(s) shall receive compensation effective July 1, 2021 in accordance with applicable collective bargaining agreements:

Portage Police Officers Association (PPOA) – effective 7/1/19-6/30/22

United Auto Workers (UAW) – Department of Public Works – effective 2/10/21-6/30/24


International Association of Firefighters (IAFF) – effective 7/1/20-6/30/24

- (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 25, 2021. The 2021/2022 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 \$165,402. 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, Knapp, Ledbetter, Pearson, Randall, Reid and Urban.

NO: None.

ABSENT: None.



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 25th day of May, 2021 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.

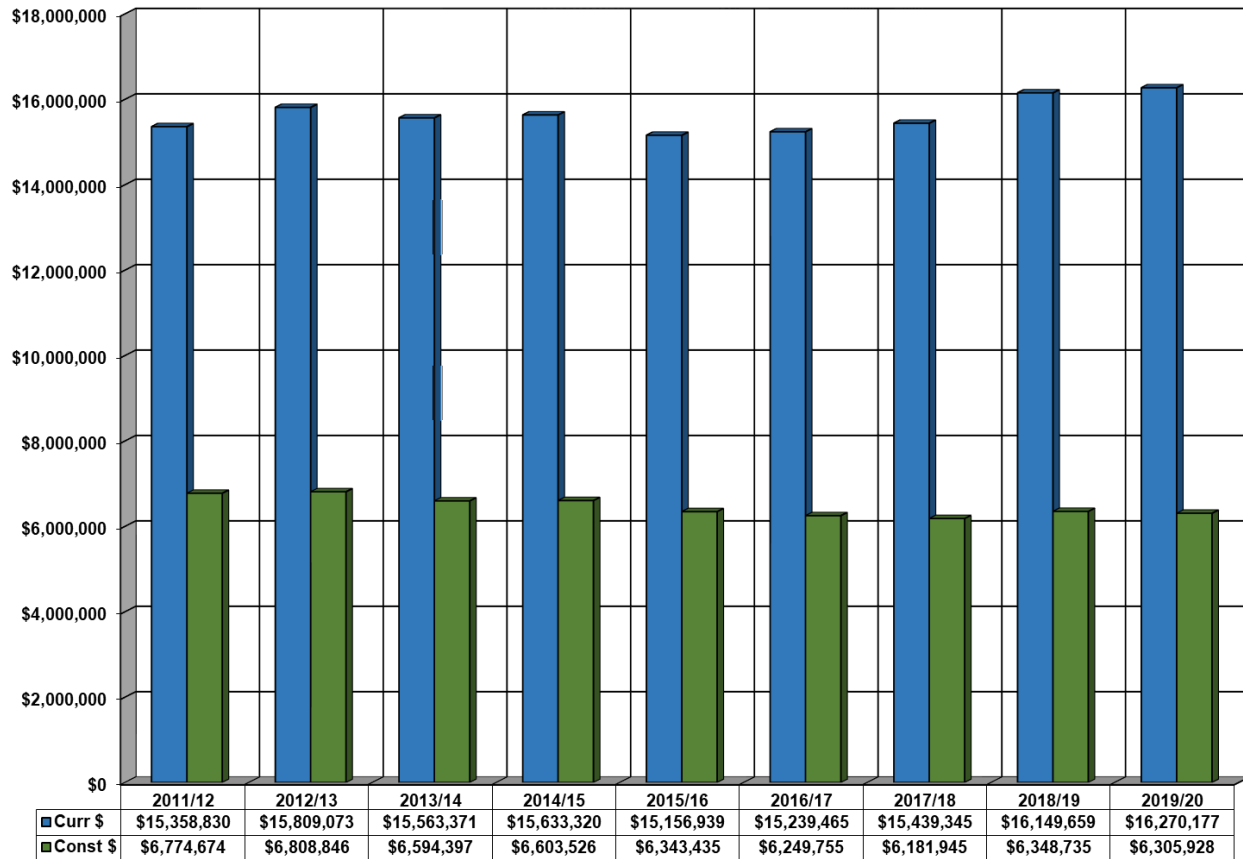

Erica Eklov, City Clerk



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.

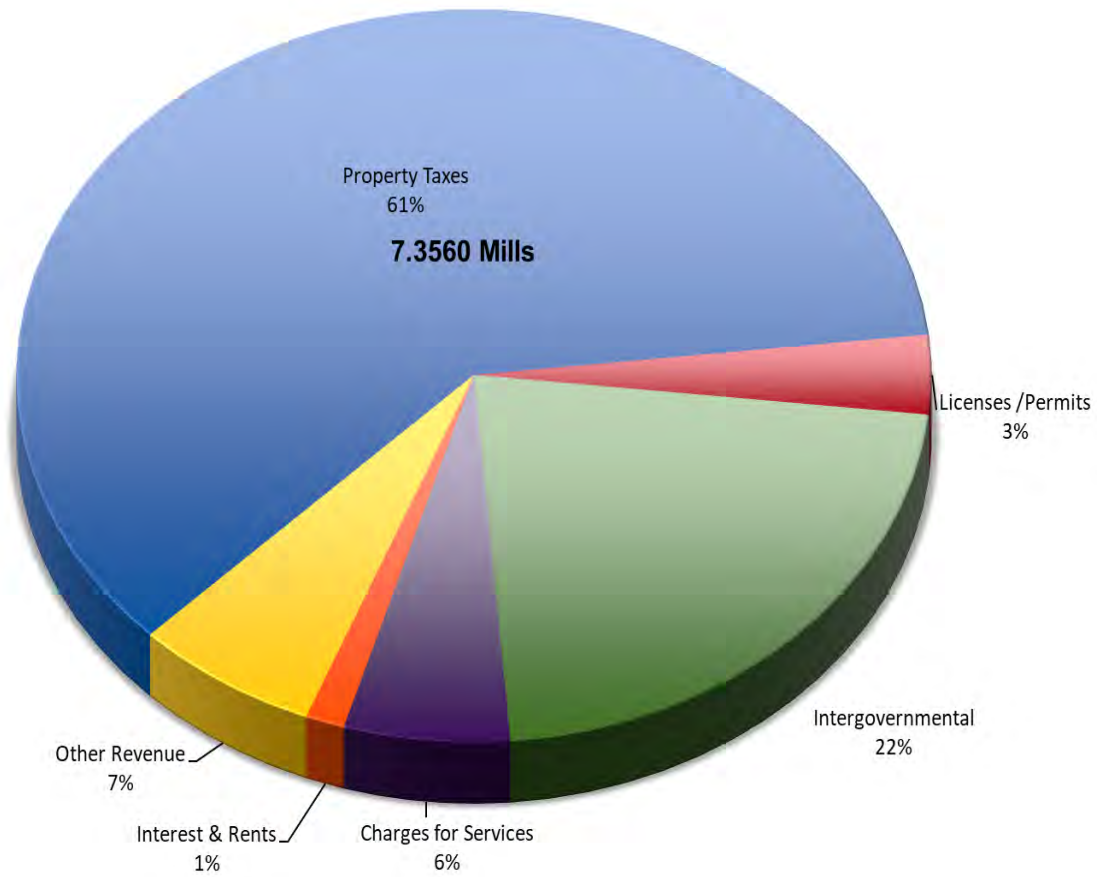
Description:

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 has been strong over the last two years 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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved	Percentage Change
Revenues budgeted by department:						
Fees and permits	1,010,242	886,484	1,026,300	1,026,300	1,049,500	2.3%
Federal revenue	4,409	-	3,000	3,000	3,000	0.0%
State revenue	38,967	8,799	9,000	9,000	8,000	-11.1%
Other grants	20,461	47,503	78,983	52,476	106,307	102.6%
Charges for services	226,869	175,543	236,550	236,550	233,980	-1.1%
Interest and rents	254,567	348,383	259,500	259,500	240,500	-7.3%
Other revenue	900,335	731,550	816,950	817,450	591,860	-27.6%
Transfers In	7,500	12,000	235,000	235,000	233,000	-0.9%
	2,463,350	2,210,262	2,665,283	2,639,276	2,466,147	-6.6%
Revenues not budgeted by department:						
Property taxes	16,149,659	16,270,177	17,452,500	17,452,500	17,263,901	-1.1%
State revenue	1,335,127	2,705,802	1,350,000	1,350,000	1,638,075	21.3%
State shared revenue	4,326,235	4,462,803	4,394,191	4,394,191	4,428,478	0.8%
Charges for services	1,200,000	1,281,330	1,325,000	1,325,000	1,331,020	0.5%
Interest and rents	328,689	287,875	175,000	175,000	150,000	-14.3%
Other revenue	13,637	3,046	12,100	12,100	8,000	-33.9%
Transfers In	-	309,185	-	-	-	0.0%
Fund Equity Carryover	-	-	-	-	1,473,236	100.0%
	23,353,347	25,320,218	24,801,791	24,708,791	26,292,710	6.4%
Total Revenue	25,816,697	27,530,480	27,467,074	27,348,067	28,758,857	5.2%

Revenues budgeted by department

Fees and Permits – Increases of \$74,500 in building permit and development fees are partially offset by reductions in marijuana and other fees.

Other Grants – An increase in revenue from the recently levied county senior millage revenue is projected.

Other Revenue – A decrease in Senior Center trip revenue is expected as trip delays due to the pandemic continuing.

Revenues not budgeted by department

Property taxes – The decrease in tax revenue stems from a reallocation of millage.

State Revenue – The projection of funding for personal property tax reimbursements reflects solid revenues in fiscal 2020-2021, indicating less economic impact than expected from the pandemic.

Interest and rents – Projections of reduced interest revenue continue due to anticipation of changes in the investing market.

Fund Equity Carryover – Surplus fund balance in excess of the 24% target is utilized.

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 2021-2022 is decreased to 7.3560 mills, reversing the reallocation done for the 2020-2021 levy which focused resources on General Fund over other millage-supported funds to combat effects of the pandemic. 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.

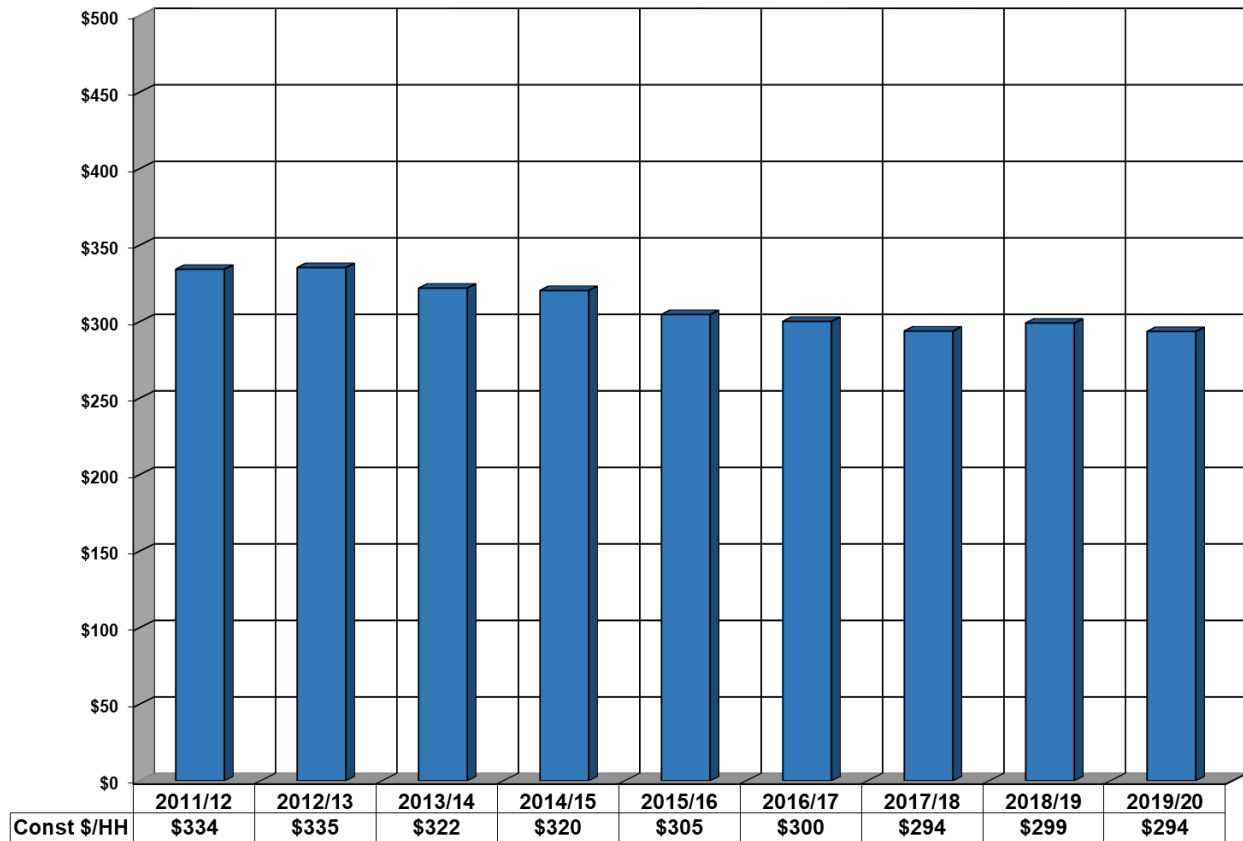
State Collected - Locally Shared Taxes

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:

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

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

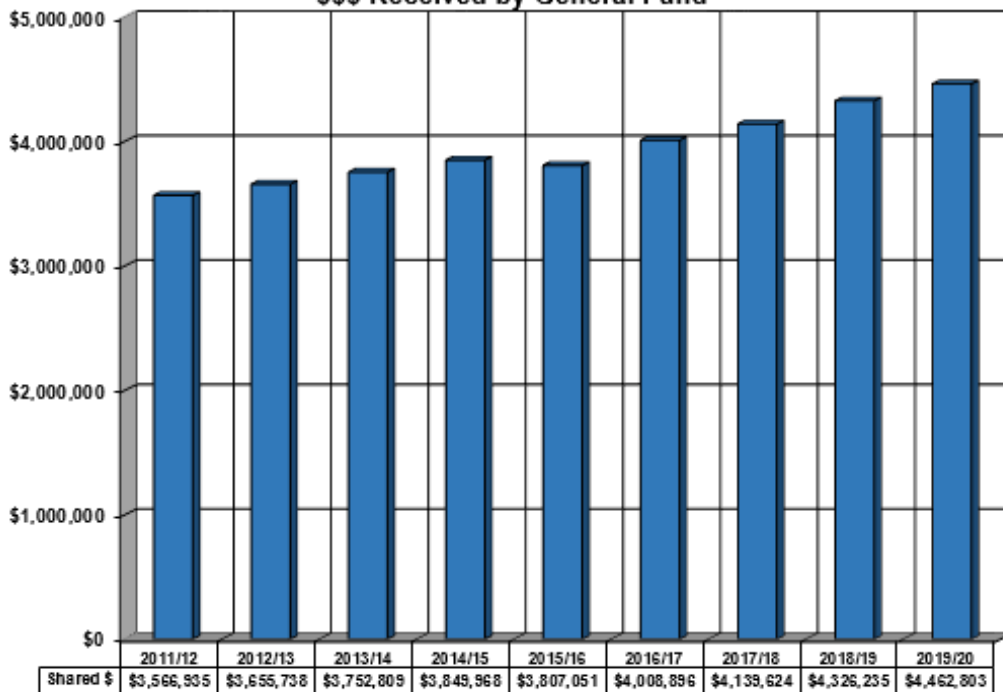
Description:

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

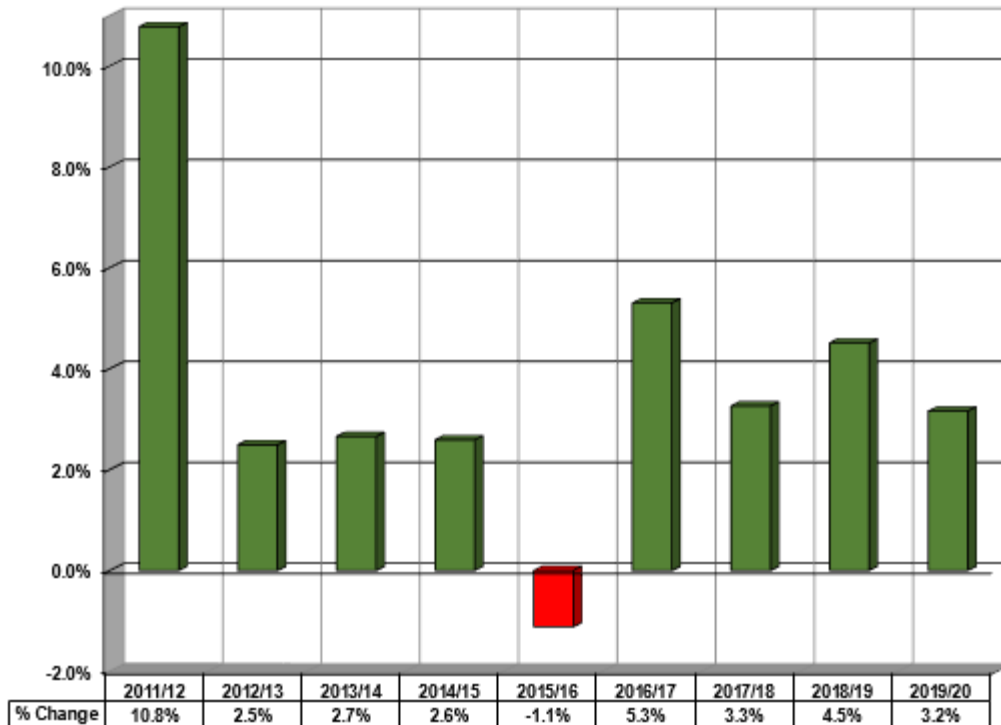
Analysis:

The chart above 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, although that revenue is not included in this chart. The increase in 2018-2019 represented the start of the tax base turn-around, the drop in 2019-2020 was due to a millage reduction.

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

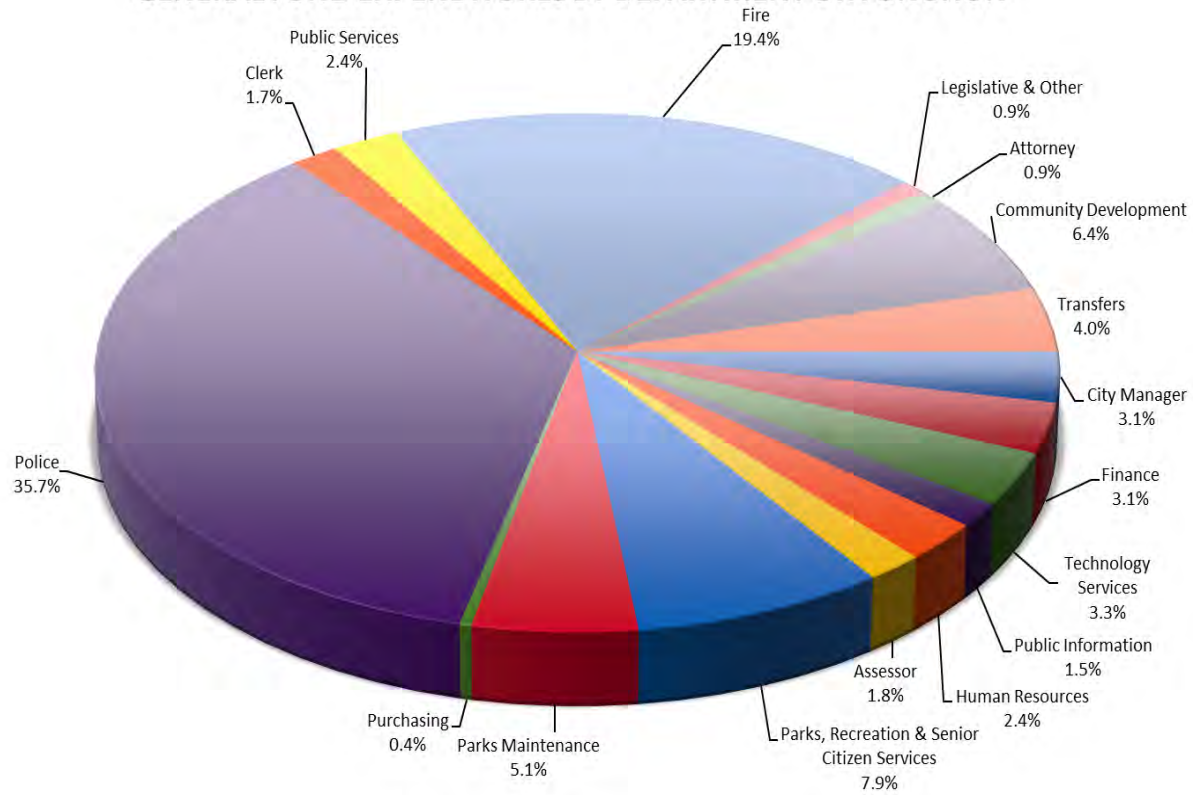


% Change vs. Previous Year in State Shared Revenue \$\$\$ Received by General Fund



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 the 2020 United States Census should 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. The pandemic's economic effect has been felt, but less so than originally anticipated.

GENERAL FUND EXPENDITURES BY DEPARTMENT OR FUNCTION



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

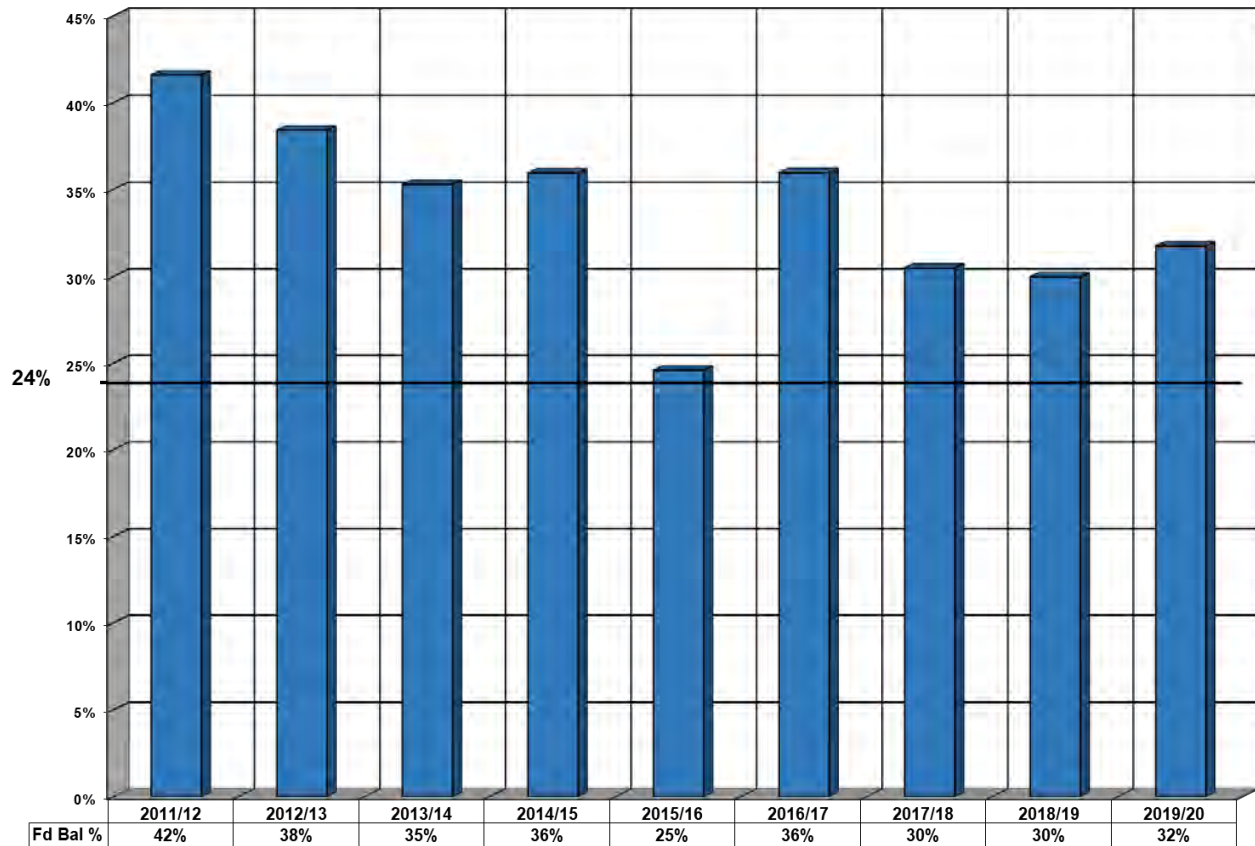
General Fund Expenditures by Department or Function

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
City Council	99,422	80,356	92,955	92,955	93,600
Human Services	161,362	169,740	174,234	174,234	178,750
City Manager	627,466	944,142	838,252	794,795	902,011
Finance	801,020	855,376	897,117	897,117	899,545
Technology Services	842,561	814,889	818,635	818,635	946,701
Public Information	56,334	92,089	475,125	465,499	433,537
City Assessor	423,153	452,951	557,627	557,627	509,884
City Attorney	226,432	225,728	250,937	250,937	251,000
City Clerk	403,544	432,756	534,677	494,522	495,903
Human Resources	403,950	436,626	657,960	657,960	700,204
Purchasing	102,786	108,989	111,229	111,229	107,425
Parks, Recreation	426,503	1,092,561	1,415,571	1,415,571	1,479,735
Senior Citizen Services	768,361	689,119	827,811	818,811	761,711
Parks Maintenance	1,244,265	1,147,969	1,430,036	1,430,036	1,492,084
Police Department	9,089,817	9,402,976	10,352,848	10,290,361	10,242,764
County Dispatch	756,793	756,793	756,793	756,793	-
Fire Department	5,039,703	5,076,623	5,792,390	5,662,945	5,568,505
Community Development	1,280,496	1,321,631	1,640,580	1,630,580	1,840,044
City-wide Services	466,691	674,167	730,689	712,689	696,100
Transfers Out	2,002,338	1,962,761	617,000	617,000	1,159,354
Total Expenditures	<u>25,222,997</u>	<u>26,738,242</u>	<u>28,972,466</u>	<u>28,650,296</u>	<u>28,758,857</u>

Additional information is available in the respective detailed departmental budgets.

GENERAL FUND UNASSIGNED FUND BALANCE

As a % of Combined General Fund Expenditures + Interfund Transfers



Formula:

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

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

Description:

Sometimes thought of as reserves, the "fund balance" on a government's annual report is not always synonymous with "available for appropriation." A healthy fund balance is an indicator of financial soundness, providing a hedge against inflation and a reserve for unforeseen financial emergencies. In 2014, the City Council adopted a resolution of intent to maintain the fund balance in the General Fund at a level of 24 percent of general fund expenditures plus inter-fund transfers. To achieve top bond ratings, Standard & Poor's requires an available fund balance as a percentage of expenditures to exceed 15 percent. The Government Finance Officers Association recommends that general-purpose governments incorporate in financial policies that unrestricted fund balance in the general fund be no less than two months' of regular general fund operating revenues or expenditures, or 17 percent. However, the adequacy of unrestricted fund balance in the General Fund should be assessed based upon a government's specific circumstances.

Analysis:

Since 2008-2009 the fund balance of the General Fund has remained at or above the level prescribed by the City Council. Beginning in fiscal year 2015-2016, the excess fund balance over the prescribed level has been verified during the audit and transferred to fund capital improvements, reduce borrowing, or support the subsequent year's budget.

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 56 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 & Recreation (including Senior Citizen Services and Maintenance) at nearly 13 percent of the budget.

The fund balance at June 30, 2021 is expected to be at least 24 percent of fund expenditures and transfers out.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Property taxes	16,149,659	16,270,177	17,452,500	17,452,500	17,263,901
Fees and permits	1,010,242	886,484	1,026,300	1,026,300	1,049,500
Federal revenue	4,409	-	96,000	3,000	3,000
State revenue	1,374,094	2,714,601	1,359,000	1,359,000	1,646,075
State shared revenue	4,326,235	4,462,803	4,394,191	4,394,191	4,428,478
Other grants	20,461	47,503	78,983	52,476	106,307
Charges for services	1,426,869	1,456,873	1,561,550	1,561,550	1,565,000
Interest and rents	583,256	636,258	434,500	434,500	390,500
Other revenue	913,972	734,596	829,050	829,550	599,860
Transfers In	7,500	321,185	235,000	235,000	233,000
Fund Equity Carryover	-	-	-	-	1,473,236
TOTAL REVENUE	25,816,697	27,530,480	27,467,074	27,348,067	28,758,857
EXPENDITURES:					
Personnel Services	16,998,197	17,543,262	19,366,667	19,284,856	19,325,095
Operations & Maintenance	5,149,605	5,071,451	6,618,834	6,400,219	5,795,218
Administrative Charges	1,682,446	1,747,962	1,783,238	1,783,238	1,839,173
Capital Outlay	64,251	412,806	586,727	564,983	640,017
Transfers Out	2,002,338	1,962,761	617,000	617,000	1,159,354
TOTAL EXPENDITURES	25,896,837	26,738,242	28,972,466	28,650,296	28,758,857

LEGISLATIVE DEPARTMENT

Budget Overview: In addition to City Council expenditures, the 2021-2022 Legislative budget includes contributions to various human service agencies. The human services contribution equals \$176,234 for 2021-2022 (see Appendix A for additional information).

<i>Program & Description</i>	<i>Program Goal</i>
Human Services <ul style="list-style-type: none"> Increase funding to .65 percent of General Fund revenue 	<ul style="list-style-type: none"> Continued commitment to human services

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	56,160	63,244	68,200	68,200	68,200
Operations & Maintenance	204,624	186,852	198,989	198,989	203,650
Administrative Charges	-	-	-	-	500
TOTAL EXPENDITURES	260,784	250,096	267,189	267,189	272,350

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 2021-2022 City Council budget includes expenditures for Michigan Municipal League dues, planning retreats and the Mayor and City Council for the Day program.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	56,160	63,244	68,200	68,200	68,200
Operations & Maintenance	43,262	17,112	24,755	24,755	24,900
Administrative Charges	-	-	-	-	500
TOTAL EXPENDITURES	99,422	80,356	92,955	92,955	93,600

HUMAN SERVICES 101-1085

The Human Services activity is comprised of contributions to nine organizations informed by recommendations from the Human Services Board. The goals for Human Services include: Continue support for human and public services that improve quality of life, promote inclusive access to human services and resources for community members, and continue partnerships with local and regional partners.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	161,362	169,740	174,234	174,234	178,750
TOTAL EXPENDITURES	<u>161,362</u>	<u>169,740</u>	<u>174,234</u>	<u>174,234</u>	<u>178,750</u>

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 2021-2022 budget includes a General Fund appropriation of \$82,207 for youth development and program coordination activities. An additional \$37,793 comes from Community Development Block Grant funds, bringing the total city contribution to PCC to \$120,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	10,500	2,496	9,500

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 2021-2022 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	38	70	80

HUMAN SERVICES, continued

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 2021-2022 budget includes a General Fund appropriation of \$29,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	110	46	100

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 2021-2022 budget includes a General Fund appropriation of \$17,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	14	365	350

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 2021-2022 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	2,144	3,676	3,500

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 2021-2022 budget includes a General Fund appropriation of \$10,093

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	N/A	4,850	5,000

HUMAN SERVICES, continued

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 2021-2022 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	1,222	741	850

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 2021-2022 budget includes a General Fund appropriation of \$2,750.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	152	182	175

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 2021-2022 budget includes a General Fund appropriation of \$10,000.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	N/A	8	35

CITY MANAGER

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

Budget Overview: The 2021-2022 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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>City Manager</i> <ul style="list-style-type: none">• Evaluation & Modification of city services, where necessary, to ensure efficient & effective service delivery	<ul style="list-style-type: none">• Continue emphasis and reemphasis on courteous public service.• Identify and address outdated or unnecessarily restrictive policies and practices.• 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.

CITY MANAGER, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	500	-	500	500	500
TOTAL REVENUE	<u>500</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>500</u>

EXPENDITURES:					
Personnel Services	557,427	689,402	745,684	745,684	856,758
Operations & Maintenance	58,109	232,248	89,952	46,495	42,325
Administrative Charges	2,130	2,146	2,616	2,616	2,928
TOTAL EXPENDITURES	<u>627,466</u>	<u>944,142</u>	<u>838,252</u>	<u>794,795</u>	<u>902,011</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	10	10	12
Pre-Council meetings	24	24	24
Committee of the Whole meetings	4	3	5
Council items processed:			
Agenda items	504	500	500
Material transmitted	19	20	20

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 2021-2022 the department will continue working to maximize software efficiency and achieve the best customer service, while assisting departments with managing their budgets.

<i>Program & Description</i>	<i>Program Goal</i>
Accounting <ul style="list-style-type: none"> Administrative function 	<ul style="list-style-type: none"> Evaluate expenditures & processes to provide for effective & efficient use of city services.
Financial Management <ul style="list-style-type: none"> Administrative function 	<ul style="list-style-type: none"> Provide high quality, effective & cost efficient services. Evaluate alternatives to meet increased service demands. Maintain financial health. Pursue new revenues through alternate funding opportunities. Assess financing methods for capital improvements.
Treasury <ul style="list-style-type: none"> Administrative function 	<ul style="list-style-type: none"> Continue emphasis on courteous service.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	1,956	1,024	1,500	1,500	1,500
TOTAL REVENUE	1,956	1,024	1,500	1,500	1,500
EXPENDITURES:					
Personnel Services	633,153	638,827	631,560	631,560	632,297
Operations & Maintenance	159,045	186,168	255,816	255,816	256,475
Administrative Charges	6,811	6,759	8,241	8,241	9,223
Capital Outlay	2,011	23,622	1,500	1,500	1,550
TOTAL EXPENDITURES	801,020	855,376	897,117	897,117	899,545

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	3,636	3,324	3,300
Accounts payable ACH Payments	2,314	2,324	2,350
Accounts payable ACH Vendors	519	546	565
1099's issued	160	160	170
Payroll checks issued	6810	6822	6622
W-2s issued	412	614	414
W-2 accuracy rate	100%	100%	100%
Issue date of annual financial report	Dec 11	Dec 28	Dec 10

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	320,831	326,875	219,829	219,829	218,111
Operations & Maintenance	74,083	84,593	99,749	99,749	93,805
Capital Outlay	-	-	1,500	1,500	1,550
TOTAL EXPENDITURES	<u>395,017</u>	<u>411,468</u>	<u>321,078</u>	<u>321,078</u>	<u>313,466</u>

FINANCE and BUDGET 101-2002

This activity accounts for the costs associated with the management and administration of the Finance Department. The department prepares and administers the annual operating budget, assists with the annual Capital Improvement Program budget and the Utility Rate Study, management of the city's cash and investments, preparation for bond issues and other financing, and coordination of city-wide budget control. The office also acts in an advisory capacity to other departments in finance-related matters and performs the role of financial analyst to the city as a whole.

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Bond issues:			
Number	1	1	1
Dollar amount	\$7,555,000	\$15,000,000	\$3,550,000
Bond Refinancing	\$5,090,000	\$1,060,000	\$1,480,000
'Unqualified' audit report received	Yes	Yes	Yes

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	214,359	209,643	236,850	236,850	277,019
Operations & Maintenance	48,890	71,273	119,170	119,170	122,940
Administrative Charges	6,708	6,759	8,241	8,241	9,223
TOTAL EXPENDITURES	269,957	287,675	364,261	364,261	409,182

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 over \$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	37,304	36,444	37,500
Special assessment bills processed	1,098	698	1,000
Water and sewer bills processed	63,750	64,237	65,000
Receipt transactions	105,100	101,688	105,500

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Other revenue	1,956	1,024	1,500	1,500	1,500
TOTAL REVENUE	<u>1,956</u>	<u>1,024</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
EXPENDITURES:					
Personnel Services	97,963	102,309	174,881	174,881	137,167
Operations & Maintenance	36,072	30,302	36,897	36,897	39,730
Capital Outlay	2,011	23,622	-	-	-
TOTAL EXPENDITURES	<u>136,046</u>	<u>156,233</u>	<u>211,778</u>	<u>211,778</u>	<u>176,897</u>

TECHNOLOGY SERVICES

The Technology Services Department (IT) is an internal services department, responsible for maintaining the city IT infrastructure and providing leadership for citywide IT initiatives and strategic planning. The IT infrastructure primarily includes network and data center operations, desktop/network/mobile/cloud computing, applications and integration support, content and document management, geographical information systems, wired/wireless telecommunications, physical and virtual security, backup systems, audio/visual systems, enterprise printing and cable access systems. The Department is also responsible for administering the small-unmanned aircraft systems (drone) program. Technology is centralized with the department to achieve operational effectiveness by identifying, procuring and deploying appropriate systems and services, in coordination with city departments.

Budget Overview: The 2021-2022 budget provides a significant cost increase to support expanded physical, virtual, and network security systems, additional Microsoft licenses required for the increased workforce, IT staff wage increases, and software licenses and systems required to support remote working.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Infrastructure Maintenance</i>	<ul style="list-style-type: none">• Provide a modernized and dependable technology network infrastructure capable of supporting the ever-growing technological demands at a high level of performance.
<i>Strategic Planning</i>	<ul style="list-style-type: none">• Develop the annual Technology Plan, leveraging systemic thinking as a means to better plan, deploy, secure and meter the many various technology systems upon which the city builds its core services, in line with city administration goals.
<i>Technology Acquisition</i>	<ul style="list-style-type: none">• Select and implement systems and services that provide secure, proven technology that enhances operational effectiveness of employees and allows for convenient access to government information and services.
<i>Drones</i>	<ul style="list-style-type: none">• Provide airborne support to city operations in a safe, responsible, and transparent manner to provide enhanced public safety, data collection, code enforcement, facilities inspections, and public marketing.

The responsibilities of the various activities are outlined as follows.

TECHNOLOGY SERVICES 101-2110

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

The following service indicators reflect the most important service areas.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Total Helpdesk tickets closed	3,989	4,796	5,596
Critical outages resolved/four hours	98%	90%	92%
Data network uptime	98.5%	99%	99%
Voice services uptime (PRI)	100%	99%	99%
Internet services uptime	100%	100%	98%
Enterprise application uptime	99.5%	98.44%	99%
Email services uptime	99%	99.8%	99%
Customer satisfaction rating	98.5%	99.6%	98.5%

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	25,283	279,113	427,847	427,847	458,511
Operations & Maintenance	803,846	531,895	388,018	388,018	478,165
Administrative Charges	3,437	3,881	2,770	2,770	10,025
Capital Outlay	9,995	-	-	-	-
TOTAL EXPENDITURES	842,561	814,889	818,635	818,635	946,701

The department completed 24 major projects and initiatives in fiscal year 2020-2021 that supported the strategic goals of the city, the integrity of the IT infrastructure, and COVID response.

Project	Cost	Goal Achieved
Fiber Network Upgrade	\$111,799	Reliable, faster, and redundant connectivity.
Network Security Enhancements	\$6,493	Enhanced data protection and network monitoring.
Building Security Installations	\$51,200	Expanded physical security.
Public Records Automation	\$17,085	Process improvements and accuracy.
Fire Station #2 Construction	\$95,540	Technology installations.
COVID Initiatives	\$31,596	Remote work, telecom, broadcasting, and security.

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. The Public Information Officer is designated as the City of Portage Freedom of Information Act (FOIA) Coordinator. The Office of Public Information coordinates responses to General Records requests. 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, scanning, as well as mailing and shipping services for all city departments.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Public Information</i> <ul style="list-style-type: none"> Continue public information services, programs & surveys; coordinate responses to FOIA requests 	<ul style="list-style-type: none"> Enhance communication with citizens. Provide timely and accurate access to public information. Promote events, activities and city services. Evaluate new methods for delivering information. Establish alternatives to meet increased service demands. Enhance public relations by assisting departments with development of communications materials.
<i>Fiscal Management</i>	<ul style="list-style-type: none"> Evaluate expenditures and new technology to provide for efficient use of city resources

<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 news releases	123	120	120
Number of Facebook posts	515	650	675
Number of copies made / documents scanned	162,145	150,000	150,000
Reams of paper distributed	1.029	1,000	1,000
Pieces of outgoing mail processed	64,569	123,000	65,000
Package receiving/deliveries	728	965	800
Number of FOIA requests processed	100	100	100

PUBLIC INFORMATION, Continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Transfers In	-	-	215,000	215,000	218,000
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>215,000</u>	<u>215,000</u>	<u>218,000</u>
EXPENDITURES:					
Personnel Services	55,630	91,537	228,467	221,841	189,507
Operations & Maintenance	704	552	246,500	243,500	243,400
Administrative Charges	-	-	158	158	630
TOTAL EXPENDITURES	<u>56,334</u>	<u>92,089</u>	<u>475,125</u>	<u>465,499</u>	<u>433,537</u>

CITY ASSESSOR

The City Assessor is responsible for distributing the property tax burden in a fair and equitable manner, compiling special assessment rolls, administering the Board of Review, and maintaining ownership and principal residence exemption 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.

<i>Program & Description</i>	<i>Program Goal</i>
Assessing <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Maintain positive public relations. • Continue to increase efficiency by applying new technology to ensure all property assessment records are as current as possible. • Maintain the financial health of the city.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	380,303	397,012	449,578	449,578	390,530
Operations & Maintenance	32,734	40,484	92,580	92,580	101,500
Administrative Charges	10,116	10,611	11,169	11,169	11,354
Capital Outlay	-	4,844	4,300	4,300	6,500
TOTAL EXPENDITURES	423,153	452,951	557,627	557,627	509,884

The responsibilities of the various activities are outlined as follows.

ASSESSOR 101-2209

This activity accounts for the costs associated with the assessment of property for the purpose of equitably levying property taxes. Ongoing services include appraisal of personal and real property, processing of ownership transfers, maintenance of property files and automated property data files, and administration of the general property and special tax rolls.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Property descriptions	19,272	19,372	19,472
Processing of title & transfer documents	5,500	5,600	5,700
New appraisals - real & personal property	3,900	3,900	3,900
Property taxes levied, city only (in millions)	\$22.6	\$23.4	\$23.5
Property taxes levied, all taxing entities (in millions)	\$106.4	\$113.3	\$113.9

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	356,110	371,974	415,699	415,699	357,586
Operations & Maintenance	30,841	39,313	89,296	89,296	98,300
Administrative Charges	10,116	10,611	11,169	11,169	11,354
Capital Outlay	-	4,844	4,300	4,300	6,500
TOTAL EXPENDITURES	397,067	426,742	520,464	520,464	473,740

BOARD OF REVIEW 101-2247

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

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Appeals reviewed	319	262	300

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	24,193	25,038	33,879	33,879	32,944
Operations & Maintenance	1,893	1,171	3,284	3,284	3,200
TOTAL EXPENDITURES	26,086	26,209	37,163	37,163	36,144

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. For the budgeted retainer fee, the City Attorney's office is responsible for the professional services of the City Attorney, 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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	226,432	225,728	250,937	250,937	251,000
TOTAL EXPENDITURES	<u>226,432</u>	<u>225,728</u>	<u>250,937</u>	<u>250,937</u>	<u>251,000</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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>City Clerk</i> <ul style="list-style-type: none"> Coordinate production of City Council agenda packets on CivicClerk, Boards and Commissions interviews, Liquor License, medical marihuana 	<ul style="list-style-type: none"> Provide leadership, service delivery and versatility to the departments and the public.
<i>Elections</i> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Preserve integrity and accuracy in elections and voter files, apply new technology to increase efficiency and productivity in the electoral process.
<i>Records Management</i> <ul style="list-style-type: none"> Microfilming and imaging of records, records access and storage, ensure state record retention schedule compliance by all departments. 	<ul style="list-style-type: none"> Evaluate alternatives to meet service demands. Increase efficiency through technology.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Fees and permits	113,700	46,484	196,300	196,300	165,300
Other revenue	3,627	23,798	25,750	25,750	750
TOTAL REVENUE	117,327	70,282	243,557	222,050	166,050
EXPENDITURES:					
Personnel Services	300,096	267,474	325,266	304,141	290,411
Operations & Maintenance	101,070	162,917	206,641	187,611	202,460
Administrative Charges	2,378	2,365	2,770	2,770	3,032
TOTAL EXPENDITURES	403,544	432,756	534,677	494,522	495,903

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, 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	9
Resolutions adopted	28	38	45
Cemetery lot burials	53	60	55
Number of meetings staffed	61	62	64

	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2020-2021</u>	<u>2021-2022</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
REVENUE:					
Fees and permits	113,700	46,484	196,300	196,300	165,300
Other revenue	3,627	2,553	750	750	750
 TOTAL REVENUE	<u>117,327</u>	<u>49,037</u>	<u>197,050</u>	<u>197,050</u>	<u>166,050</u>
EXPENDITURES:					
Personnel Services	113,186	95,946	99,664	99,664	101,844
Operations & Maintenance	40,094	67,194	61,953	61,953	64,810
Administrative Charges	1,853	1,816	2,240	2,240	2,507
 TOTAL EXPENDITURES	<u>155,133</u>	<u>164,956</u>	<u>163,857</u>	<u>163,857</u>	<u>169,161</u>

RECORDS MANAGEMENT 101-2416

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Rolls of microfilm processed	18	5	20
Number of pages filmed	26,276	5,300	30,000
Processed boxes sent to storage	89	47	120
FOIA Requests	94	95	85

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	52,305	49,180	46,986	46,986	47,182
Operations & Maintenance	10,690	13,041	19,311	19,311	23,850
TOTAL EXPENDITURES	62,995	62,221	66,297	66,297	71,032

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	3,549	3,950	3,400
Cancellations	574	540	500
Registered voters	37,028	40,151	39,500
Permanent Absentee Voter List	4,736	16,288	15,500

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	-	21,245	25,000	25,000	-
TOTAL REVENUE	-	21,245	46,507	25,000	-

EXPENDITURES:					
Personnel Services	134,605	122,348	178,616	157,491	141,385
Operations & Maintenance	50,286	82,682	125,377	106,347	113,800
Administrative Charges	525	549	530	530	525
TOTAL EXPENDITURES	185,416	205,579	304,523	264,368	255,710

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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Human Resources</i> <ul style="list-style-type: none">• Recruitment• Benefits/Compensation• Safety• Training	<ul style="list-style-type: none">• Recruit and select a highly skilled, professional, and diverse group of employees.• Provide employees with competitive and financially sustainable pay and benefits.• Provide a safe environment through a review of compliance programs, audit of city facilities, and investigation of accidents.• Continual development of employees to provide the highest level of service, focusing on new technology, safety, and customer service.
<i>Benefits & Compensation</i> <ul style="list-style-type: none">• Benefits, employee compensation, & workers' compensation administration	<ul style="list-style-type: none">• 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.

HUMAN RESOURCES, continued

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Applications & resumes processed	1,135	1,457	1,200
Training programs (internal)	1,023	774	900
Training programs (external)	246	250	300
Testing and assessments (participants)	124	151	150
Labor contracts negotiated	0	2	1
Grievances processed	5	6	5
New employee orientations	42	50	35
Performance evaluations processed	428	365	331
Safety audits conducted	20	18	20
Interviews conducted	269	329	279
Family Medical Leave Act notifications	122	121	75
COBRA notifications	85	72	17
Legal notifications	7	10	1
Lost time workers' compensation cases	6	6	6
MIOSHA Recordable Workers' Compensation cases	16	16	16
Benefit contracts/service agreements negotiated	13	22	24
1095-Cs issued	215	220	224

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	289,793	301,753	448,874	448,874	483,049
Operations & Maintenance	112,584	133,288	207,153	207,153	214,992
Administrative Charges	1,573	1,585	1,933	1,933	2,163
TOTAL EXPENDITURES	403,950	436,626	657,960	657,960	700,204

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.

<i>Program & Description</i>	<i>Program Goal</i>
Purchasing <ul style="list-style-type: none"> Administrative function Evaluation & improvement of purchasing service delivery function 	<ul style="list-style-type: none"> Continue efforts to enhance communication between local government, citizens, business community, and local educational institutions on city projects and services. 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.
Risk Management <ul style="list-style-type: none"> Continued evaluation of risk exposures 	<ul style="list-style-type: none"> 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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	95,335	98,877	94,774	94,774	89,031
Operations & Maintenance	4,256	6,893	12,530	12,530	14,001
Administrative Charges	3,195	3,219	3,925	3,925	4,393
TOTAL EXPENDITURES	102,786	108,989	111,229	111,229	107,425

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	3,521	3,500	3,500
Sealed bids taken	45	40	42
Joint governmental contracts	18	18	20

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	77,086	79,935	76,770	76,770	72,240
Operations & Maintenance	3,496	3,918	9,030	9,030	10,500
TOTAL EXPENDITURES	80,582	83,853	85,800	85,800	82,740

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	40	36	35

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	18,249	18,942	18,004	18,004	16,791
Operations & Maintenance	760	2,975	3,500	3,500	3,501
Administrative Charges	3,195	3,219	3,925	3,925	4,393
TOTAL EXPENDITURES	22,204	25,136	25,429	25,429	24,685

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 2021-2022 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 2021-2022 Senior Citizens Services budget provides for the continuation of services to meet needs for this growing population.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Parks</i> <ul style="list-style-type: none">• Strategic park, trail, & open space planning• Promote non-motorized connections between parks, neighborhoods, facilities & other municipalities	<ul style="list-style-type: none">• Identify opportunities for place-making & public space development.• Identify space and opportunity for public art• Promote quality of life.• Preserve, protect & improve historic, natural scenic & environmentally sensitive areas for appropriate public use & protection.• Enhance facilities to provide quality, accessible & safe experiences.• Acquire property as available to meet needs of community.• Promote volunteerism.
<i>Recreation</i> <ul style="list-style-type: none">• Program operating costs offset by user revenues, business investment, & grants• Cooperative programming• Elimination of programs with low utilization, replace with new initiatives• Volunteer staffing• Marketing	<ul style="list-style-type: none">• Evaluate expenditures for efficient use of resources.• Pursue alternate funding methods.• Encourage community & partnerships.• Promote healthy and active lifestyles.• Promote teamwork between the public and private sectors.• Expand diversity or recreations facilities year round and for all ages and abilities.• Prioritize existing services.• Evaluate program contracting.• Collaboration w/community, partners and sponsorship grants.

PARKS, RECREATION & SENIOR CITIZEN SERVICES, continued

<i>Program & Description</i>	<i>Program Goal</i>
<p><i>Recreation, continued</i></p> <ul style="list-style-type: none"> • Program operating costs offset by user revenues, business investment, & grants • Cooperative programming • Elimination of programs with low utilization, replace with new initiatives • Volunteer staffing • Marketing 	<ul style="list-style-type: none"> • Liaison with Portage Parks Foundation. • Further develop Park Patrol and Adopt-A Park programs. • Increase community awareness through communication, promotion and branding.
<p><i>Millennium Park Ice Rink</i></p> <ul style="list-style-type: none"> • Expanded recreational opportunities 	<ul style="list-style-type: none"> • Coordinated & innovative approach to providing recreational opportunities year round, for all ages and abilities. • Explore additional revenue streams to offset operations.
<p><i>Senior Center</i></p> <ul style="list-style-type: none"> • Continue balanced & innovative programs including: Aging Mastery Program, fall prevention, chronic disease self-management, fitness, cultural & social events, brain health education, leadership development (volunteers) & continuing education • Expand community service involvement by members in cooperation with other area community agencies; seek transportation alternatives for older adults • Utilize cost effective marketing strategies, media releases, PSAs, web pages, social media, photo opportunities, to raise awareness about PSC • 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 	<ul style="list-style-type: none"> • Promote highest quality of life for all residents. • Continue a commitment to human services. • Promote excellent public relations. • Pursue revenue enhancement through alternative funding opportunities. • Continue to increase efficiency by applying new technology.

PARKS, RECREATION & SENIOR CITIZEN SERVICES, continued

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Property taxes	920	270	1,000	1,000	-
State shared revenue	9,700	47,503	55,476	50,476	105,207
Other grants	226,869	175,543	236,550	236,550	233,980
Charges for services	74,675	70,694	79,500	79,500	73,500
Interest and rents	632,243	457,619	568,100	568,100	391,500
TOTAL REVENUE	944,407	751,629	940,626	935,626	804,187
EXPENDITURES:					
Personnel Services	940,132	963,362	1,161,535	1,161,535	1,258,296
Operations & Maintenance	734,003	620,973	844,129	835,129	761,325
Administrative Charges	189,207	186,384	189,958	189,958	197,825
Capital Outlay	5,362	10,961	47,760	47,760	24,000
TOTAL EXPENDITURES	1,868,704	1,781,680	2,243,382	2,234,382	2,241,446

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	571	578	600
Walks/runs	9	2	8
Walk/run participants	3,041	330	2,800

PARKS, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Interest and rents	56,591	50,229	65,000	65,000	50,000
Other revenue	625	300	500	500	300
TOTAL REVENUE	<u>57,216</u>	<u>50,529</u>	<u>65,500</u>	<u>65,500</u>	<u>50,300</u>
EXPENDITURES:					
Personnel Services	423,549	425,413	501,914	501,914	515,212
Operations & Maintenance	27,130	33,237	38,930	38,930	45,100
Administrative Charges	126,593	128,082	128,894	128,894	130,306
Capital Outlay	4,222	1,054	20,000	20,000	10,000
TOTAL EXPENDITURES	<u>581,494</u>	<u>587,786</u>	<u>689,738</u>	<u>689,738</u>	<u>700,618</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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	141,368	166,610	168,101	168,101	171,564
Operations & Maintenance	27,953	29,189	38,535	38,535	43,500
Administrative Charges	5,802	5,000	5,826	5,826	6,222
TOTAL EXPENDITURES	<u>175,123</u>	<u>200,799</u>	<u>212,462</u>	<u>212,462</u>	<u>221,286</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	20,217	22,800	28,000
Average Number of Vendors/Day	26	29	29
Number of Days	22	25	5

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	-	480	9,100	9,100	11,000
Interest and rents	-	7,833	-	-	-
TOTAL REVENUE	-	8,313	9,100	9,100	11,000
EXPENDITURES:					
Personnel Services	-	7,846	17,913	17,913	18,480
Operations & Maintenance	-	2,456	4,250	4,250	2,250
Administrative Charges	-	-	472	472	630
TOTAL EXPENDITURES	-	10,302	22,635	22,635	21,360

RECREATION - TEAM SPORTS 101-2882

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Registrants	1,305	1,650	1,800
Teams	80	90	100
League Divisions	12	14	14
Tournaments	5	5	8

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	112,087	65,175	119,500	119,500	104,080
Other revenue	-	3,696	500	500	1,200
TOTAL REVENUE	112,087	68,871	120,000	120,000	105,280
EXPENDITURES:					
Operations & Maintenance	48,976	38,314	68,957	68,957	63,500
Capital Outlay	-	3,696	-	-	-
TOTAL EXPENDITURES	48,976	42,010	68,957	68,957	63,500

RECREATION – PROGRAMS 101-2885

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Participants	3,653	1,958	3,300
Fee based programs	25	24	22

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Charges for services	14,685	10,324	7,050	7,050	10,400
Other revenue	8,815	2,305	-	-	-
TOTAL REVENUE	23,500	12,629	7,050	7,050	10,400
EXPENDITURES:					
Personnel Services	4,861	-	1,345	1,345	-
Operations & Maintenance	16,128	18,788	40,950	40,950	42,650
TOTAL EXPENDITURES	20,989	18,788	42,295	42,295	42,650

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	29,694	25,987	29,000
Daily beach permits	3,424	3,154	3,300
Annual beach permits	190	217	220

RECREATION – RAMONA PARK, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Charges for services	51,254	57,573	53,100	53,100	60,700
Interest and rents	7,419	6,089	6,500	6,500	8,500
TOTAL REVENUE	58,673	63,662	59,600	59,600	69,200
EXPENDITURES:					
Personnel Services	72,084	69,290	127,448	127,448	150,847
Operations & Maintenance	14,959	14,956	20,518	20,518	29,625
Capital Outlay	-	6,211	10,760	10,760	14,000
TOTAL EXPENDITURES	87,043	90,457	158,726	158,726	194,472

RECREATION – SPECIAL EVENTS 101-2887

Accounts for public events free of charge to participants including concerts, movies, events such as Fishing Far and Monster Mash, expos or other free programs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Events/Concerts	17	16	20
Participation	19,560	9,424	10,500

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Interest and rents	250	100	-	-	-
Other revenue	36,978	16,288	17,000	17,000	15,000
TOTAL REVENUE	37,228	16,388	17,000	17,000	15,000
EXPENDITURES:					
Personnel Services	-	4,952	11,360	11,360	11,674
Operations & Maintenance	94,851	77,983	117,743	117,743	137,900
TOTAL EXPENDITURES	94,851	82,935	129,103	129,103	149,574

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	51	0	57
Total participants	11,000	0	12,000

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Charges for services	48,843	41,991	47,800	47,800	47,800
TOTAL REVENUE	48,843	41,991	47,800	47,800	47,800
EXPENDITURES:					
Personnel Services	31,978	5,031	21,096	21,096	21,680
Operations & Maintenance	18,312	14,992	31,359	31,359	27,400
Administrative Charges	41,577	39,461	37,200	37,200	37,195
Capital Outlay	-	-	2,000	2,000	-
TOTAL EXPENDITURES	91,867	59,484	91,655	91,655	86,275

SENIOR CITIZEN SERVICES

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Fees and permits	920	270	1,000	1,000	-
Other grants	9,700	47,503	55,476	50,476	105,207
Interest and rents	10,415	6,443	8,000	8,000	15,000
Other revenue	585,825	435,030	550,100	550,100	375,000
TOTAL REVENUE	606,860	489,246	614,576	609,576	495,207
EXPENDITURES:					
Personnel Services	266,292	284,220	312,358	312,358	368,839
Operations & Maintenance	485,694	391,058	482,887	473,887	369,400
Administrative Charges	15,235	13,841	17,566	17,566	23,472
Capital Outlay	1,140	-	15,000	15,000	-
TOTAL EXPENDITURES	768,361	689,119	827,811	818,811	761,711

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	1,500	N/A	1,500	N/A	1,600
Activity attendance	18,706	1,524	2,353	642	24,000	1,800
Number of van rides	1,680	37	0	0	1,800	50
Number of volunteer hours	N/A	15,764	N/A	820	N/A	18,000
Travel program participants	1,002	471	0	0	1,500	500

Duplicated: Counts participant each program attendance.

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

SENIOR CENTER, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other grants	9,700	47,503	50,476	50,476	105,207
Interest and rents	10,415	6,443	8,000	8,000	15,000
Other revenue	116,768	93,971	141,100	141,100	155,000
TOTAL REVENUE	<u>136,883</u>	<u>147,917</u>	<u>199,576</u>	<u>199,576</u>	<u>275,207</u>
EXPENDITURES:					
Personnel Services	234,857	251,823	279,812	279,812	334,246
Operations & Maintenance	82,471	87,921	106,837	98,837	178,850
Administrative Charges	15,017	13,841	17,566	17,566	23,472
Capital Outlay	1,140	-	15,000	15,000	-
TOTAL EXPENDITURES	<u>333,485</u>	<u>353,585</u>	<u>419,215</u>	<u>411,215</u>	<u>536,568</u>

SENIOR TRIPS, 101-6721

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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	456,709	327,418	394,000	394,000	200,000
TOTAL REVENUE	<u>456,709</u>	<u>327,418</u>	<u>394,000</u>	<u>394,000</u>	<u>200,000</u>
EXPENDITURES:					
Personnel Services	31,435	32,397	32,546	32,546	34,593
Operations & Maintenance	403,038	303,077	373,850	373,850	190,550
TOTAL EXPENDITURES	<u>434,691</u>	<u>335,474</u>	<u>406,396</u>	<u>406,396</u>	<u>225,143</u>

SENIOR ACTIVITIES, 101-6722

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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	12,348	13,641	15,000	15,000	20,000
TOTAL REVENUE	<u>12,348</u>	<u>13,641</u>	<u>15,000</u>	<u>15,000</u>	<u>20,000</u>

AGING MASTERY PROGRAM, 101-6725

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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Fees and permits	920	270	1,000	1,000	-
Other grants	-	-	5,000	-	-
TOTAL REVENUE	<u>920</u>	<u>270</u>	<u>6,000</u>	<u>1,000</u>	<u>-</u>
EXPENDITURES:					
Operations & Maintenance	185	60	2,200	1,200	-
TOTAL EXPENDITURES	<u>185</u>	<u>60</u>	<u>2,200</u>	<u>1,200</u>	<u>-</u>

The final contract for 2021-2022 is pending at the time of publication, the budget will be added as an amendment once the contract is finalized.

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).

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	45,500	33,950	40,000	40,000	35,000
Other revenue	14,391	12,171	10,000	10,000	9,500
Transfers In	7,500	12,000	20,000	20,000	15,000
TOTAL REVENUE	67,391	58,121	70,000	70,000	59,500
EXPENDITURES:					
Personnel Services	473,450	417,756	493,629	493,629	532,151
Operations & Maintenance	506,710	455,613	650,459	650,459	674,827
Administrative Charges	258,635	274,600	285,948	285,948	285,106
Capital Outlay	5,470	-	-	-	-
TOTAL EXPENDITURES	1,244,265	1,147,969	1,430,036	1,430,036	1,492,084

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	5,298	5,134	5,500
Acres of boulevard/interchange mowing	140	140	140
City Centre acres managed	6.5	6.5	6.5
Holiday lights	39,000	42,000	45,000

PARKS MAINTENANCE, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	5,693	2,862	2,000	2,000	1,000
TOTAL REVENUE	5,693	2,862	2,000	2,000	1,000
EXPENDITURES:					
Personnel Services	438,836	386,451	457,128	457,128	491,749
Operations & Maintenance	484,831	427,804	616,927	616,927	636,447
Administrative Charges	244,386	259,757	270,780	270,780	274,815
Capital Outlay	5,470	-	-	-	-
TOTAL EXPENDITURES	1,173,523	1,074,012	1,344,835	1,344,835	1,403,011

CEMETERIES 101-2876

This activity accounts for the costs associated with the operation and maintenance of the four city-owned cemeteries covering 15.5 intensively maintained acres. The expenses are partially offset by charges for services and transfers of Cemetery Permanent Fund interest earnings, resulting in a subsidy between \$40,000 and \$60,000 per year.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Interments per year	41	66	55

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Fees and permits	45,500	33,950	40,000	40,000	35,000
Other revenue	8,698	9,309	8,000	8,000	8,500
Transfers In	7,500	12,000	20,000	20,000	15,000
TOTAL REVENUE	61,698	55,259	68,000	68,000	58,500
EXPENDITURES:					
Personnel Services	34,614	31,305	36,501	36,501	40,402
Operations & Maintenance	13,879	12,809	18,532	18,532	21,380
Administrative Charges	14,249	14,843	15,168	15,168	10,291
TOTAL EXPENDITURES	62,742	58,957	70,201	70,201	72,073

KALAMAZOO IN BLOOM, INC. 101-2878

Accounting for a portion of costs in conjunction with Kalamazoo in Bloom, Inc. programs.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	8,000	15,000	15,000	15,000	17,000
TOTAL EXPENDITURES	8,000	15,000	15,000	15,000	17,000

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 56% of the entire General Fund expenditure budget.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	42,023	31,503	27,500	27,500	23,200
Federal revenue	4,409	-	3,000	3,000	3,000
State revenue	38,967	8,799	9,000	9,000	8,000
Other grants	10,761	-	2,000	2,000	1,100
Other revenue	232,134	216,776	203,600	203,600	167,310
TOTAL REVENUE	328,294	257,078	245,100	245,100	202,610
EXPENDITURES:					
Personnel Services	12,273,713	12,367,218	13,095,338	13,002,338	12,756,580
Operations & Maintenance	1,997,370	2,060,678	2,665,930	2,588,742	1,821,587
Administrative Charges	583,617	603,048	607,596	607,596	625,135
Capital Outlay	31,613	205,448	533,167	511,423	607,967
TOTAL EXPENDITURES	14,886,313	15,236,392	16,902,031	16,710,099	15,811,269

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 2021-2022 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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Administration</i> <ul style="list-style-type: none"> • Initiate/enhance alternative service delivery methods • Continue to pursue cooperative efforts between area agencies • Research & pursue grant opportunities • Maintain CALEA and MLEAP accreditation status 	<ul style="list-style-type: none"> • Evaluate alternatives to increased service demands. • Continue to increase efficiency by application of technology. • Pursue beneficial inter-governmental ventures. • Continue to pursue revenue enhancement through alternative funding sources. • Continue to provide high quality, effective, & cost efficient service based on nationally recognized best practices & standards.
<i>Youth</i> <ul style="list-style-type: none"> • Continue Police/School Resource Officer Program 	<ul style="list-style-type: none"> • Continue prevention & enforcement efforts concerning illegal drug & alcohol abuse. • Continue effective safety programs through prevention, education, & enforcement.
<i>Investigations</i> <ul style="list-style-type: none"> • Continue providing crime prevention programs 	<ul style="list-style-type: none"> • Continue to encourage citizen involvement in crime prevention. • Promote teamwork between the public & private sectors.

PUBLIC SAFETY-POLICE, continued

<i>Program & Description</i>	<i>Program Goal</i>
<i>Patrol</i> <ul style="list-style-type: none">• Increase use of data to improve team approach toward service provision & crime prevention.• Continue traffic enforcement & accident prevention.	<ul style="list-style-type: none">• Continue to increase efficiency by applying new technology.• Use data to enhance enforcement on high accident/traffic areas.• Evaluate citizen complaint identified areas using directed patrols.
<i>Training</i> <ul style="list-style-type: none">• Develop cost-effective & efficient methods to provide training.	<ul style="list-style-type: none">• Co-host programs with outside providers.• Explore uses of technology to provide training, computer based training, etc.
<i>Communications</i> <ul style="list-style-type: none">• Continue to enhance Public Safety communication by maintaining the hardware infrastructure and employing new communication technologies to provide excellent public safety services.• Provide backup location for the Kalamazoo County Consolidated Dispatch Authority.	<ul style="list-style-type: none">• Continue emphasis on courteous customer service.• Continue efforts to enhance communications between local government, citizens, & business.
<i>Records/Property</i> <ul style="list-style-type: none">• Continue emphasis on volunteerism.• Continue computer system upgrade.• Continue building improvements.• Continue emphasis on courteous customer relations.	<ul style="list-style-type: none">• Promote volunteerism.• Continue to increase efficiency by applying new technology.• Maintain a systematic preventative maintenance program.• Maintain quality of service both in Administrations & Operations.

POLICE Division budget

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	42,023	31,503	27,500	27,500	23,200
Federal revenue	4,409	-	3,000	3,000	3,000
State revenue	38,967	8,799	9,000	9,000	8,000
Other grants	10,761	-	2,000	2,000	1,100
Other revenue	231,043	215,481	202,500	202,500	166,250
TOTAL REVENUE	327,203	255,783	244,000	244,000	201,550
EXPENDITURES:					
Personnel Services	7,826,852	7,989,313	8,503,378	8,446,628	8,303,683
Operations & Maintenance	1,535,109	1,617,738	1,984,002	1,978,265	1,122,562
Administrative Charges	453,036	476,421	460,838	460,838	471,099
Capital Outlay	31,613	76,297	161,423	161,423	345,420
TOTAL EXPENDITURES	9,846,610	10,159,769	11,109,641	11,047,154	10,242,764

The responsibilities of the various activities are outlined as follows.

ADMINISTRATION and STAFF, 101-3005

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Grievances processed	0	1	1
Internal investigations	11	10	10
Background Investigations	19	20	20
Administrative Reviews	85	90	90

ADMINISTRATION and STAFF, continued

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	42,023	31,503	27,500	27,500	23,200
Federal revenue	4,409	-	3,000	3,000	3,000
Other grants	10,761	-	1,000	1,000	1,000
Other revenue	142,942	109,372	121,200	121,200	82,750
TOTAL REVENUE	200,135	140,875	152,700	152,700	109,950
EXPENDITURES:					
Personnel Services	537,125	551,939	556,210	553,960	555,374
Operations & Maintenance	61,032	253,804	359,946	358,563	309,950
Administrative Charges	319,061	336,812	308,258	308,258	321,049
Capital Outlay	5,495	-	6,000	6,000	6,000
TOTAL EXPENDITURES	922,713	1,142,555	1,230,414	1,226,781	1,192,373

YOUTH SERVICES, 101-3006

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Juvenile referrals	28	30	30
Adult arrests	11	15	15
Cases assigned	191	250	250
Police/School Resource hours	3,600	3,600	3,600
Crime prevention assignments	200	200	200

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	419,530	425,085	446,474	442,724	424,176
Operations & Maintenance	67,255	63,779	81,457	81,457	84,830
Administrative Charges	1,892	1,985	1,260	1,260	1,060
TOTAL EXPENDITURES	488,677	490,849	529,191	525,441	510,066

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	425	600	600
Charges requested	60	100	100
Charges authorized	45	75	75
Cases cleared	340	500	500
Intelligence reports	41	50	50
Liquor inspections	65	65	65
Liquor License violations	5	5	5
Tobacco inspections	30	30	30
Tobacco violations	3	5	5

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	613,889	698,203	676,390	670,640	663,065
Operations & Maintenance	19,685	20,673	35,712	35,712	43,040
Administrative Charges	4,693	4,518	4,280	4,280	4,560
TOTAL EXPENDITURES	<u>638,267</u>	<u>723,394</u>	<u>716,382</u>	<u>710,632</u>	<u>710,665</u>

PATROL, 101-3010

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Total calls for service	38,670	39,000	39,000
Cases investigated	7,796	8,000	8,000
Average response time (minutes)	11.29	12.00	12.00
Personal injury accidents	146	200	200
Property damage accidents	1024	1,200	1,200
Drunk-driving arrests	128	130	130
Total adult arrests	1,824	2,000	2,000
Public Relations Contacts	4,668	5,000	5,000
Property recovered	\$422,883	\$400,000	\$400,000
Property loss	\$1,412,912	\$1,500,000	\$1,500,000
Hazardous traffic citations	4,298	4,000	4,000
Non-hazardous traffic citations (excludes parking)	1,342	1,400	1,400

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	6,030	8,850	1,500	1,500	1,500
TOTAL REVENUE	<u>6,030</u>	<u>8,850</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
EXPENDITURES:					
Personnel Services	4,719,445	5,293,229	5,676,793	5,636,293	5,473,863
Operations & Maintenance	152,673	198,960	258,536	257,886	222,642
Administrative Charges	122,337	105,027	116,400	116,400	114,400
Capital Outlay	26,118	76,297	97,850	97,850	137,420
TOTAL EXPENDITURES	<u>5,020,573</u>	<u>5,673,513</u>	<u>6,149,579</u>	<u>6,108,429</u>	<u>5,948,325</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	800	1,000	1,000

TRAINING, 101-3020

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

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>	
	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>
Patrol procedures	950	4,000	950	4,000	950	4,000
Criminal investigation	80	3,500	80	3,500	80	3,500
Legal/Civil Law	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	8	4,800	8	4,800
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

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	171,341	184,209	184,643	183,143	186,629
Operations & Maintenance	63,709	58,031	138,709	135,005	100,005
Administrative Charges	617	664	630	630	-
Capital Outlay	-	-	10,000	10,000	10,000
TOTAL EXPENDITURES	<u>235,667</u>	<u>242,904</u>	<u>333,982</u>	<u>328,778</u>	<u>296,634</u>

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
State revenue	13,692	8,799	9,000	9,000	8,000
TOTAL REVENUE	<u>13,692</u>	<u>8,799</u>	<u>9,000</u>	<u>9,000</u>	<u>8,000</u>
EXPENDITURES:					
Operations & Maintenance	9,000	9,000	9,000	9,000	9,000
TOTAL EXPENDITURES	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>

COMMUNICATIONS, 101-3030/31/35

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

DISPATCH / TECHNICAL SERVICES, 101-3030

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
State revenue	30,788	-	-	-	-
Other revenue	19,408	27,259	9,800	9,800	12,000
TOTAL REVENUE	<u>50,196</u>	<u>27,259</u>	<u>9,800</u>	<u>9,800</u>	<u>12,000</u>
EXPENDITURES:					
Personnel Services	431,748	-	-	-	-
Operations & Maintenance	271,958	62,502	69,619	69,619	60,619
TOTAL EXPENDITURES	<u>703,706</u>	<u>62,502</u>	<u>69,619</u>	<u>69,619</u>	<u>60,619</u>

EMERGENCY WARNING SIRENS, 101-3031

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	11,873	6,818	23,676	23,676	38,676
TOTAL EXPENDITURES	11,873	6,818	23,676	23,676	38,676

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	1,824	2,000	2,000
Subpoena services	412	600	600
False alarms processed	1,000	1,000	1,000
Computerized case documents	12,170	15,000	15,000
Scanned documents	13,650	14,000	14,000
Juvenile Court petitions	160	200	200
Criminal record checks	1,000	500	500
Freedom of Information Act requests	2,950	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	325	300	300
State handgun registration			
document processing, units	1,642	2,000	2,000
Handgun purchase permits	136	170	170
Evidence submitted	2,368	2,400	2,400
Evidence disposed	2,590	2,500	2,500
Pounds of medication disposed/Red Med Box	2,838	3,000	3,000

RECORDS/PROPERTY, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	523,391	605,267	622,818	622,818	663,069
Operations & Maintenance	24,775	27,248	53,134	53,134	56,380
TOTAL EXPENDITURES	<u>548,166</u>	<u>632,515</u>	<u>675,952</u>	<u>675,952</u>	<u>719,449</u>

DRUG LAW ENFORCEMENT, 101-3050

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Tips investigated	37	60	60
Total VCSA complaints	73	100	100
Estimated value of seized drugs	\$110,000	\$100,000	\$100,000
Estimated value of forfeiture (cash or other property)	\$43,985	\$40,000	\$40,000

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other grants	-	-	1,000	1,000	100
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>100</u>
EXPENDITURES:					
Personnel Services	333,041	231,381	340,050	337,050	337,507
Administrative Charges	2,476	2,141	4,010	4,010	4,030
TOTAL EXPENDITURES	<u>335,517</u>	<u>233,522</u>	<u>344,060</u>	<u>341,060</u>	<u>341,537</u>

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	70,000	70,000	70,000	70,000	70,000
TOTAL REVENUE	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
EXPENDITURES:					
Operations & Maintenance	96,356	160,130	197,420	197,420	197,420
Administrative Charges	1,960	25,274	26,000	26,000	26,000
Capital Outlay	-	-	47,573	47,573	192,000
TOTAL EXPENDITURES	<u>98,316</u>	<u>185,404</u>	<u>270,993</u>	<u>270,993</u>	<u>415,420</u>

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 2021-2022 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.

<i>Program & Description</i>	<i>Program Goal</i>
Administration <ul style="list-style-type: none"> Facilities maintenance and renovation initiatives. Pre-fire survey development. Apparatus maintenance and replacement initiatives. Quality assurance. 	<ul style="list-style-type: none"> 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.
Operations <ul style="list-style-type: none"> Kalamazoo County Haz-Mat Team. Kalamazoo County Training Committee. Kalamazoo County Fire Investigation Team. 5th District Technical Rescue Team Technological equipment upgrades. 	<ul style="list-style-type: none"> Promote teamwork and unity of purpose between public and private sector. Pursue intergovernmental ventures. Provide teamwork and unity. Increase efficiency by applying new technology.
Fire Prevention <ul style="list-style-type: none"> Annual fire inspection program. Public education. 	<ul style="list-style-type: none"> Effective community risk reduction program.
On-call <ul style="list-style-type: none"> On-call firefighter program. 	<ul style="list-style-type: none"> Evaluate alternatives to meet service demands.

PUBLIC SAFETY-FIRE, continued

<i>Program & Description</i>	<i>Program Goal</i>
<i>Training</i> <ul style="list-style-type: none"> Continuing education. Safety initiatives. 	<ul style="list-style-type: none"> Employee training for a well-trained work force. Promote safety and minimize risk exposure by identifying situation to prevent accidents.
<i>Emergency Management</i> <ul style="list-style-type: none"> Backup County EOC. Emergency management exercises. 	<ul style="list-style-type: none"> Pursue intergovernmental ventures. Promote teamwork and unity between public and private sector.

FIRE Division budget

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Other revenue	1,091	1,295	1,100	1,100	1,060
TOTAL REVENUE	1,091	1,295	1,100	1,100	1,060
EXPENDITURES:					
Personnel Services	4,446,861	4,377,905	4,591,960	4,555,710	4,452,897
Operations & Maintenance	462,261	442,940	681,928	610,477	699,025
Administrative Charges	130,581	126,627	146,758	146,758	154,036
Capital Outlay	-	129,151	371,744	350,000	262,547
TOTAL EXPENDITURES	5,039,703	5,076,623	5,792,390	5,662,945	5,568,505

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	0	0	12
Vehicle service and equipment maintenance performed	614	650	650

* COVID-19 restrictions prevented pre-fire surveys to be completed.

ADMINISTRATION, continued

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Other revenue	16	-	100	100	110
TOTAL REVENUE	<u>16</u>	<u>-</u>	<u>100</u>	<u>100</u>	<u>110</u>
EXPENDITURES:					
Personnel Services	346,919	339,100	365,201	363,951	388,664
Operations & Maintenance	194,612	229,325	300,926	247,319	325,550
Administrative Charges	102,354	104,329	116,758	116,758	122,671
Capital Outlay	-	-	-	-	212,547
TOTAL EXPENDITURES	<u>643,885</u>	<u>672,754</u>	<u>782,885</u>	<u>728,028</u>	<u>1,049,432</u>

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	126	120	120
Emergency medical calls	2,675	3,200	3,200
False Alarm	396	400	400
Hazardous Conditions	181	185	185
Service Calls	207	200	200
Good Intent Calls	624	800	800
Initial/Mutual Aid provided	120	120	120
Initial/Mutual Aid received	114	120	120
Inspections	1,100	2,000	2,000

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	3,833,770	3,737,043	3,909,684	3,880,684	3,697,994
Operations & Maintenance	84,126	83,258	140,862	123,018	131,350
Administrative Charges	28,227	22,298	30,000	30,000	31,365
TOTAL EXPENDITURES	<u>3,946,123</u>	<u>3,842,599</u>	<u>4,080,546</u>	<u>4,033,702</u>	<u>3,860,709</u>

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.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	59,962	59,246	75,645	70,645	78,357
Operations & Maintenance	17,325	6,523	24,663	24,663	27,680
TOTAL EXPENDITURES	77,287	65,769	100,308	95,308	106,037

FIRE PREVENTION, 101-3340

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Fire investigations	10	15	15
Plan Reviews	225	250	250
Technical inspections	300	330	330
Public education events	110	110	110
Recreational fire permits issued	75	75	75
Infant/child car seat installation activity	100	100	100

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Other revenue	1,075	1,295	1,000	1,000	950
TOTAL REVENUE	1,075	1,295	1,000	1,000	950
EXPENDITURES:					
Personnel Services	108,835	122,502	118,658	118,658	117,696
Operations & Maintenance	18,237	7,419	22,255	22,255	22,015
TOTAL EXPENDITURES	127,072	129,921	140,913	140,913	139,711

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	3,400	4,300	3,400	4,300	3,400	4,300
	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022	
	Actuals	Actuals	Adjusted	Adopted	Council	
			Budget	Budget	Approved	
EXPENDITURES:						
Personnel Services	97,375	120,014	122,772	121,772	170,186	
Operations & Maintenance	64,333	29,292	94,491	94,491	93,780	
Capital Outlay	-	18,233	21,744	-	-	
TOTAL EXPENDITURES	161,708	167,539	239,007	216,263	263,966	

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
	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022	
	Actuals	Actuals	Adjusted	Adopted	Council	
			Budget	Budget	Approved	
EXPENDITURES:						
Operations & Maintenance	3,372	1,300	4,950	4,950	4,950	
TOTAL EXPENDITURES	3,372	1,300	4,950	4,950	4,950	

BUILDING MAINTENANCE, 101-3365

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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	80,256	85,823	93,781	93,781	93,700
Capital Outlay	-	110,918	350,000	350,000	50,000
TOTAL EXPENDITURES	80,256	196,741	443,781	443,781	143,700

COMMUNITY DEVELOPMENT

The Department of Community Development provides a full range of city building, planning and development services and programs that shape the physical build-out of the city, promote a high quality of life, and attract new investment. This is achieved through a variety of services, incentives and programs that support sustainable and responsible growth in the city. The Department facilitates and implements a strategic plans and strategies that articulate near-term needs and a long-term vision of the City of Portage. These resources identify goals and objectives for future growth and redevelopment and outline various implementation strategies to achieve the community vision and goals. The Department helps attract investment to the city by encouraging business expansion, generating new business and industrial growth, and assisting with incentives and site selection. The Department utilizes a variety of tools and technologies to share information with citizens, collaborate with developers, support business owners, and provide a data-driven approach to growth and development for the city.

Budget Overview: The 2021-2022 budget includes a continuation of planning, development and neighborhood activities/ It also includes a continuation of residential and commercial construction and inspection services, and neighborhood protection activities all of which help to ensure high quality development, housing, and neighborhood livability.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Building & Housing Services</i>	<ul style="list-style-type: none">• Ensure new building and housing developments, rehabilitations and redevelopments, comply with city requirements, ordinances and professional codes.• Provide high quality, consistent, and timely reviews and inspection services.• Continue to administer and monitor the city's initiatives, programs and certifications related to construction storm water management, soil erosion, cross connection/back flow, and flood insurance.• Continue to implement process improvements, including digitalization of services, to expedite internal procedures and provide excellent customer service.• Continue to provide professional, efficient and customer focused services and expertise to support the city's growth and development.

COMMUNITY DEVELOPMENT, continued

<i>Program & Description</i>	<i>Program Goal</i>
<i>Building & Housing Services, continued</i>	<ul style="list-style-type: none">• Promote development and industry practices that are innovative, sustainable and will help the city grow in a responsible and resilient manner.
<i>Planning, Zoning, Development & Neighborhood Services</i>	<ul style="list-style-type: none">• Coordinate, plan and implement strategic visions for the city in collaboration with residents, stakeholders and elected, related to land use, zoning and economic development.• Continue to enhance communication and engagement with residents, businesses, and institutions about city projects and services.• Ensure long-term capital improvements are proactively planned and budgeted through the annual CIP process.• Evaluate, assess, and propose ordinance updates to reflect the city's current needs.• Continue to utilize and enhance technologies to provide a wider range of data based analysis and civic engagement.• Continued collaboration with area-wide planning, transportation, and economic organizations and partners.• Promote business diversification by attracting new businesses, tenants, and strategically utilizing incentives to support development projects that support the city's vision, needs, and ensure a strong economy.• Improve housing stock and increase access to housing opportunities• Provide housing support and resources for low and moderate income residents to improve the housing stock and increase access to decent, affordable housing

COMMUNITY DEVELOPMENT, continued

<i>Program & Description</i>	<i>Program Goal</i>
<i>Planning, Zoning, Development & Neighborhood Services, continued</i>	<ul style="list-style-type: none"> • Support the development of vibrant, livable, and accessible neighborhoods and communities. • Continue to monitor and evaluate the city's housing needs and services through the use of data and resident requests.
<i>Public Buildings Maintenance</i>	<ul style="list-style-type: none"> • Provide regular maintenance and cost-effective management of City Hall facilities. • Ensure long-term capital improvements are pro-actively planned and budgeted. • Continue to monitor and evaluate contracted services.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Fees and permits	808,099	774,277	761,500	761,500	826,000
Interest and rents	179,892	277,689	180,000	180,000	167,000
Other revenue	10,984	20,162	8,000	8,000	16,050
TOTAL REVENUE	998,975	1,072,128	949,500	949,500	1,009,050
EXPENDITURES:					
Personnel Services	917,722	967,687	1,195,915	1,234,855	1,319,774
Operations & Maintenance	195,818	200,191	259,161	210,221	329,911
Administrative Charges	166,956	153,753	185,504	185,504	190,359
TOTAL EXPENDITURES	1,280,496	1,321,631	1,640,580	1,630,580	1,840,044

The responsibilities of the various activities are outlined as follows.

BUILDING AND HOUSING SERVICES, 101-3710

The Building and Housing Services staff facilitates the physical development of the city by providing efficient and customer-focused services that include project plan review, commercial and residential permit issuance, progress inspections and the issuance of final certificates of occupancy for construction projects. The division assists residents and businesses in fulfilling the State of Michigan Building, Mechanical, Plumbing, Electrical and Barrier-free construction codes. These construction codes are intended to protect the public health, safety and welfare. This division administers the technical aspects of housing improvement programs funded by federal and state grants. It regularly coordinates with state agencies, such as EGLE for construction storm water management and soil erosion permits, and also administers the Cross Connection Backflow Prevention program. Building Services staff serve as the liaison to the Construction Board of Appeals.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Building permits*	476	550	550
Plumbing permits*	431	550	550
Electrical permits*	575	650	650
Mechanical permits*	942	850	850
Soil Erosion permits*	31	40	40
Housing/property maintenance inspections	25	25	25
Backflow program coordination and inspections	381	300	300

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

	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2020-2021</u>	<u>2021-2022</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
REVENUE:					
Fees and permits	741,747	709,422	700,000	700,000	750,000
TOTAL REVENUE	<u>742,102</u>	<u>709,422</u>	<u>700,000</u>	<u>700,000</u>	<u>750,000</u>
EXPENDITURES:					
Personnel Services	461,974	500,385	514,002	552,942	553,448
Operations & Maintenance	64,818	71,338	53,002	14,062	37,910
Administrative Charges	27,512	27,976	28,806	28,806	38,033
TOTAL EXPENDITURES	<u>554,304</u>	<u>599,699</u>	<u>595,810</u>	<u>595,810</u>	<u>629,391</u>

PLANNING DEVELOPMENT AND ZONING, 101-3720

The Planning and Zoning division works to implement the city's vision through proactive planning and strategic updates to the city's master plan and zoning ordinances.

The Planning Division reviews and coordinates private development projects and the ten-year Capital Improvement Program and provides professional services for activities of the Planning Commission and Zoning Board of Appeals. This division administers the land development regulations including the Zoning Code, subdivision and access management regulations, which are used during the review of plats, site plans, parking plans and various private development applications. Staff assesses and administers economic development incentives, such as PILOTs, TIFs and tax abatements. Staff coordinate with prospective employers, developers, and tenants to provide site-selection and conceptual design consultations, and engage with a variety of local and regional partners on shared initiatives such as public transportation, economic development, and business attraction.

Through Zoning and Code Compliance, the Department seeks to protect the safety, health and quality of life through the application and enforcement of zoning codes and property maintenance. While enforcement is sometimes an element of this effort, the Department pro-actively monitors and provides residents with resources and information to resolve issues and educate residents about the city's ordinances.

Department staff utilize a variety of tools and technologies to support these activities. Geographic Information System and mapping technologies (GIS) are used in day-to-day operations to assist with tax parcel mapping, emergency vehicle routing, utility system (sanitary sewer, water) maintenance, various permit applications and private development project processing and review. Enhanced GIS technologies in fiscal year 2021-2022 will support the department with mapping, increased citizen and digital engagement, and will be utilized across departments.

Planning and Zoning staff serve as liaisons to the following boards and commissions: Planning Commission, Zoning Board of Appeals, Historic District Commission, Brownfield Redevelopment Authority, Local Development Finance Authority and Downtown Development Authority.

PLANNING DEVELOPMENT AND ZONING, continued

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plan review	18	18	30
Special Land Use Permits	9	6	15
Rezoning ¹	11	4	6
Zoning Ordinance amendments	2	1	5
Zoning Board of Appeals application reviews	15	15	25
Commercial Parking/Plot Plan Review	3	4	10
Residential plot plan reviews	268	264	270
Business special event application reviews	10	6	20
Sign permit application reviews	84	90	150
Zoning compliance reviews	11	17	20
Plat/condominium reviews	10	3	10
Public utility plan review	9	5	15
Landscape plan review	14	12	25
Land division/lot line adjustment reviews	9	16	20
Geographic Information System:			
Notification maps	32	26	55
Maps/analysis/data requests	397	634	550
Residential driveway applications review	17	14	30
Assign addresses for properties	78	162	100
Act 198 abatement requests	1	2	4
Payment in lieu of tax	0	0	0
Collection box permit (incl. renewal)	9	10	12
Urban chicken permits	24	10	12
Brownfield redevelopment	2	1	4

¹Also includes tentative plan amendments and re-approvals.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
REVENUE:					
Fees and permits	64,992	61,665	60,000	60,000	50,000
Other revenue	17	65	-	-	50
TOTAL REVENUE	<u>65,009</u>	<u>61,730</u>	<u>60,000</u>	<u>60,000</u>	<u>50,050</u>
EXPENDITURES:					
Personnel Services	252,712	261,021	297,305	297,305	351,842
Operations & Maintenance	42,268	37,365	97,954	87,954	168,601
Administrative Charges	7,506	7,745	7,501	7,501	7,175
TOTAL EXPENDITURES	<u>302,486</u>	<u>306,131</u>	<u>402,760</u>	<u>392,760</u>	<u>527,618</u>

NEIGHBORHOOD SERVICES, 101-3730

The Neighborhood Services staff administers programs that support neighborhood, safety, and quality of life improvements for city residents. This division manages Neighborhood Support Programs, including neighborhood planning, code enforcement, and improvement activities. This division also assists with administers and coordinates with the Human Services Board to allocate annual Human Services grants to a variety of local partner organizations that support human service related activities, including the Portage Community Center. Housing and Neighborhood staff serve as liaisons to the Human Services Board.

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>
Neighborhood Support Program (CSR)	1,720		1,500		1,800
	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Fees and permits	1,360	3,190	1,500	1,500	26,000
Interest and rents	179,892	277,689	180,000	180,000	167,000
Other revenue	10,612	20,097	8,000	8,000	16,000
TOTAL REVENUE	191,864	300,976	189,500	189,500	209,000
EXPENDITURES:					
Personnel Services	203,036	206,281	384,608	384,608	414,484
Operations & Maintenance	10,166	7,680	14,718	14,718	29,850
Administrative Charges	2,630	2,728	4,680	4,680	5,940
TOTAL EXPENDITURES	215,832	216,689	404,006	404,006	450,274

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. Building and Housing Services oversees building management activities for City Hall.

<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
	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	78,566	83,808	93,487	93,487	93,550
Administrative Charges	129,308	115,304	144,517	144,517	139,211
TOTAL EXPENDITURES	207,874	199,112	238,004	238,004	232,761

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 city-owned lake parcels, West Lake Weed Management, and to the governmental lake boards of Gourdneck, Austin, and Long lakes. Finally, the budget includes some consulting contracts that provide benefit to the entire city.

<u>Activity Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Current street lights	2,851	2,900	2,920
Street light requests	27	49	20

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	12,300	79,341	254,528	232,039	199,600
Administrative Charges	454,391	499,611	480,650	480,650	496,500
Capital Outlay	-	147,585	-	-	-
TOTAL EXPENDITURES	466,691	726,537	735,178	712,689	696,100

TRANSFERS OUT, 101-9610

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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Transfers Out	2,002,338	1,962,761	617,000	617,000	1,159,354
TOTAL EXPENDITURES	2,002,338	1,962,761	617,000	617,000	1,159,354

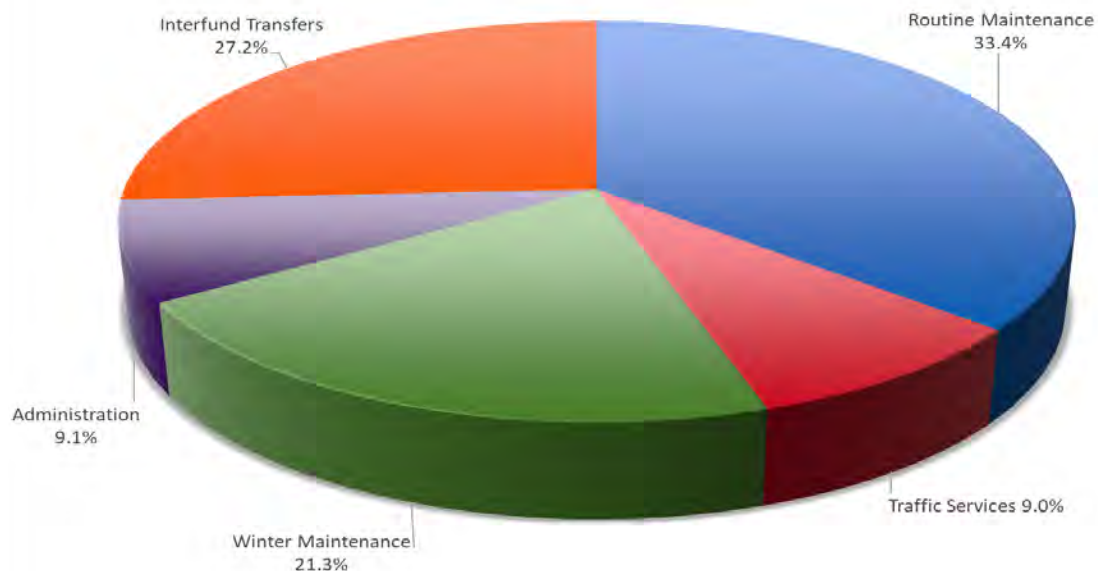
Streets

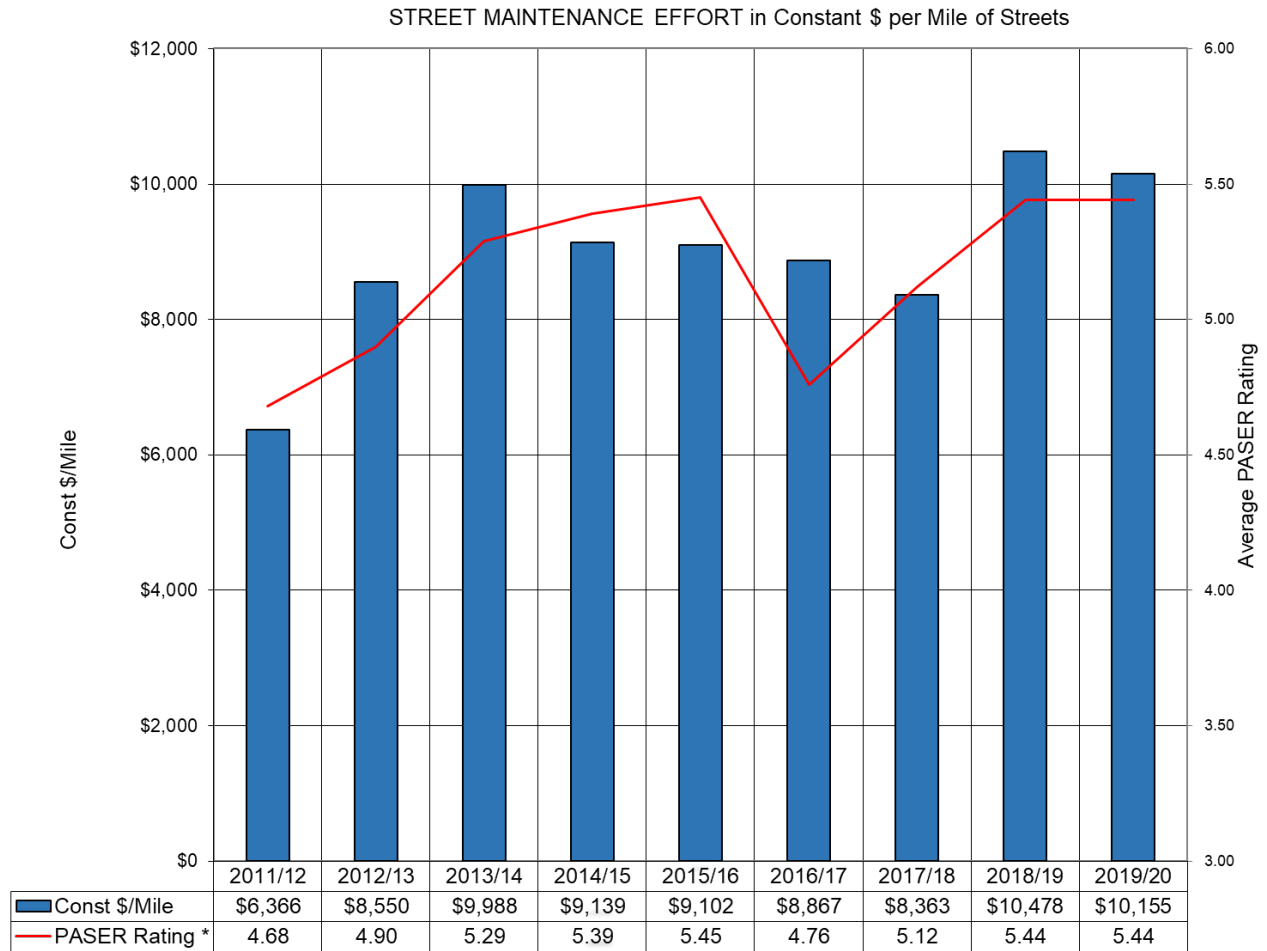
STREET MAINTENANCE EXPENDITURES



Local Streets fund expenditures are funded by state gasoline taxes and vehicle registration revenue. A portion of these revenues is allocated based on population and gain in the 2020 Census is expected to have a positive effect. The Michigan legislature approved an increase in fuel taxes effective January 1, 2017, and the increase was noted that spring. Prior to this, revenues from the gasoline tax and vehicle registration were barely sufficient to provide a continuing level of service in these critical areas of maintenance. Economic effect of the pandemic has had some but not major impact on these revenues.

STREET MAINTENANCE EXPENDITURES BY CATEGORY





* Covid-19 protocols prevented PASER analysis in 2019-2020.

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. A portion of Act-51 revenues are driven by population, and the expectation is that the 2020 census will yield further increases. The revenues are relatively elastic with respect to economic fluctuations, and were impacted to an extent 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. Some street maintenance efforts were paused during 2020, but are expected to resume in 2021.

PAVEMENT SURFACE EVALUATION AND RATING (PASER*) SYSTEM

Currently, the certified mileage for local streets in the City of Portage is 150.61 centerline miles and major streets mileage is 72.90. 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. Due to the COVID-19 pandemic, PASER ratings statewide were not conducted in 2020. 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 2021-2022 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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Roadside Maintenance</i> <ul style="list-style-type: none"> • Tree trimming/removal. • Boulevard mowing. • Tree planting. 	<ul style="list-style-type: none"> • Enhance maintenance programs. • Contracted & Public Works employees. • Enhance maintenance programs. • Contracted services. • Promote aesthetic enhancement. • Enhance environmental quality.
<i>Road Repairs</i> <ul style="list-style-type: none"> • Reconstruction & crack sealing. 	<ul style="list-style-type: none"> • Implement projects in the major thoroughfare plan. • Improve traffic safety and movement. • Promote alternate transportation methods. • Enhance maintenance programs. • Contracted & Public Works employees.
<i>Traffic Services</i> <ul style="list-style-type: none"> • Pavement markings. • Guardrail replacements. • Sign program. 	<ul style="list-style-type: none"> • Implement projects in the major thoroughfare plan. • Enhance maintenance programs. • Contracted services. • Enhance maintenance programs. • Contracted & Public Works employees • Meet increased service demands.
<i>Administration</i> <ul style="list-style-type: none"> • Kalamazoo Area Transportation Survey (K.A.T.S.) participation and subsidy. 	<ul style="list-style-type: none"> • Plan and implement improvements to traffic safety. • Implement projects in the major thoroughfare plan. • Meet increased service demands. • Pursue mutually beneficial intergovernmental ventures.

MAJOR STREETS FUND, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
State revenue	5,113,491	4,668,373	5,106,598	5,106,598	5,322,000
Interest and rents	20,619	16,337	13,500	13,500	7,500
Other revenue	-	2,242	-	-	-
Fund Equity Carryover	-	-	-	-	84,089
TOTAL REVENUE	<u>5,134,110</u>	<u>4,686,952</u>	<u>5,120,098</u>	<u>5,120,098</u>	<u>5,413,589</u>
EXPENDITURES:					
Personnel Services	747,004	802,171	853,255	853,255	900,994
Operations & Maintenance	1,093,979	1,216,298	1,958,605	1,769,690	1,972,019
Administrative Charges	498,322	545,598	538,600	538,600	590,576
Capital Outlay	52,196	96,625	50,000	50,000	50,000
Transfers Out	2,218,978	1,570,000	1,879,000	1,879,000	1,900,000
TOTAL EXPENDITURES	<u>4,610,479</u>	<u>4,230,692</u>	<u>5,279,460</u>	<u>5,090,545</u>	<u>5,413,589</u>

The responsibilities of the various activities are outlined as follows.

ROUTINE MAINTENANCE, 202-4216

This program includes:

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

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

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

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

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

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Locations mowed	33	34	34
Hot patch - tons	2	14	20
Cold patch - tons	4	5	7
Dura Patch - gallons	1,200	4,300	4,000
Crack sealant - pounds	38,190	36,700	40,000

ROUTINE MAINTENANCE, continued

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	315,354	343,809	350,499	350,499	391,455
Operations & Maintenance	385,865	514,123	667,419	590,012	690,122
Administrative Charges	204,204	208,300	211,441	211,441	221,465
TOTAL EXPENDITURES	905,423	1,066,232	1,229,359	1,151,952	1,303,042

TRAFFIC SERVICES MAINTENANCE, 202-4215

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Lineal miles of major streets restriped (by contract)	72.04	72.09	72.09
Street signs repaired or replaced	96	100	125
Guardrails repaired or replaced, ft.	0	92	50

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	63,944	67,107	70,859	70,859	76,842
Operations & Maintenance	58,654	61,129	282,607	178,020	193,827
Administrative Charges	15,615	15,615	15,615	15,615	15,615
TOTAL EXPENDITURES	138,213	143,851	369,081	264,494	286,284

WINTER MAINTENANCE, 202-4217

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Miles of major roads	72.04	72.90	72.90
Tons of salt	2,327	3,250	3,250
Gallons of Deicer	52,221	40,000	90,000

WINTER MAINTENANCE, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	175,286	192,764	210,167	210,167	229,509
Operations & Maintenance	171,928	232,449	373,240	373,240	402,966
Administrative Charges	195,567	204,650	195,567	195,567	247,489
TOTAL EXPENDITURES	542,781	629,863	778,974	778,974	879,964

ADMINISTRATION-MAINTENANCE, 202-4218

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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	13,386	13,627	13,809	13,809	13,694
Operations & Maintenance	42,087	35,494	41,773	41,773	46,327
Administrative Charges	15,773	46,566	42,188	42,188	34,518
Capital Outlay	10,618	-	-	-	-
TOTAL EXPENDITURES	81,864	95,687	97,770	97,770	94,539

ADMINISTRATION-TRANSPORTATION, 202-4225

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Development site plan reviews	20	12	15
Plat reviews	2	2	3
Capital construction projects	3	1	3

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	179,034	184,864	207,921	207,921	189,494
Operations & Maintenance	30,255	27,231	49,050	49,050	53,850
Administrative Charges	9,289	9,720	9,289	9,289	9,289
TOTAL EXPENDITURES	218,578	221,815	266,260	266,260	252,633

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	6	2	2

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	151,890	166,093	162,500	162,500	171,000
Administrative Charges	57,874	60,747	64,500	64,500	62,200
Capital Outlay	41,578	96,625	50,000	50,000	50,000
TOTAL EXPENDITURES	<u>251,342</u>	<u>323,465</u>	<u>277,000</u>	<u>277,000</u>	<u>283,200</u>

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).

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	253,300	179,779	382,016	375,095	413,927
TOTAL EXPENDITURES	<u>253,300</u>	<u>179,779</u>	<u>382,016</u>	<u>375,095</u>	<u>413,927</u>

TRANSFERS OUT, 202-9610

Inter-fund transfers are as follows: To the Capital Improvement Fund for Major Street related expenditures, \$1,600,000, and to the Local Streets Fund for support, \$300,000.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Transfers Out	2,218,978	1,570,000	1,879,000	1,879,000	1,900,000
TOTAL EXPENDITURES	<u>2,218,978</u>	<u>1,570,000</u>	<u>1,879,000</u>	<u>1,879,000</u>	<u>1,900,000</u>

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 2021-2022 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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>All programs</i>	<ul style="list-style-type: none">• Implement operational & functional street improvement.• Ensure improvements to local street system.
<i>Roadside Maintenance</i> <ul style="list-style-type: none">• Tree trimming/removal• Tree planting	<ul style="list-style-type: none">• Enhance maintenance programs.• Promote environmental protection.• Contracted & Public Works employees.• Enhance environmental quality.
<i>Road Repairs</i> <ul style="list-style-type: none">• Reconstruction & crack sealing	<ul style="list-style-type: none">• Promote alternate transportation methods.• Enhance maintenance programs.• Contracted & Public Works employees.
<i>Traffic Services</i> <ul style="list-style-type: none">• Pavement markings	<ul style="list-style-type: none">• Enhance maintenance programs.• Contracted services.

LOCAL STREETS FUND, continued

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
State revenue	1,314,812	1,373,152	1,640,033	1,640,033	1,575,500
Interest and rents	14,521	12,215	9,250	9,250	2,500
Other revenue	1,250	9,475	1,000	1,000	5,000
Transfers In	200,000	250,000	200,000	200,000	300,000
Fund Equity Carryover	-	-	-	-	62,952
TOTAL REVENUE	1,530,583	1,644,842	1,850,283	1,850,283	1,945,952
EXPENDITURES:					
Personnel Services	712,098	755,155	791,458	791,458	778,682
Operations & Maintenance	299,620	533,667	811,277	758,842	938,809
Administrative Charges	266,946	269,979	270,980	270,980	228,461
TOTAL EXPENDITURES	1,278,664	1,558,801	1,873,715	1,821,280	1,945,952

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	2	13	20
Cold patch - tons	2	2	3
Dura Patch - gallons	600	2,200	2,400
Crack sealant - pounds	19,100	18,300	20,000

ROUTINE MAINTENANCE, continued

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	284,237	298,556	310,678	310,678	294,754
Operations & Maintenance	97,399	290,226	429,536	379,815	556,224
Administrative Charges	89,421	91,953	92,040	92,040	95,164
TOTAL EXPENDITURES	<u>471,057</u>	<u>680,735</u>	<u>832,254</u>	<u>782,533</u>	<u>946,142</u>

TRAFFIC SERVICES MAINTENANCE, 203-4215

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Lineal miles of local streets restriped (by contract)	3.7	3.7	3.7
Street signs repaired or replaced	48	50	55

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	40,743	42,103	44,005	44,005	47,414
Operations & Maintenance	7,480	7,083	19,654	16,940	16,940
Administrative Charges	2,100	2,100	2,100	2,100	2,100
TOTAL EXPENDITURES	<u>50,323</u>	<u>51,286</u>	<u>65,759</u>	<u>63,045</u>	<u>66,454</u>

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	150.61	150.61
Tons of sand	250	300	300
Tons of salt	768	3,250	3,250

WINTER MAINTENANCE, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	196,855	216,877	215,544	215,544	233,849
Operations & Maintenance	161,912	206,074	315,015	315,015	320,390
Administrative Charges	165,931	165,931	165,931	165,931	114,009
TOTAL EXPENDITURES	<u>524,698</u>	<u>588,882</u>	<u>696,490</u>	<u>696,490</u>	<u>668,248</u>

ADMINISTRATION-MAINTENANCE, 203-4218

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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	12,920	13,165	13,310	13,310	13,171
Operations & Maintenance	9,760	5,106	17,372	17,372	16,055
Administrative Charges	9,494	9,995	10,909	10,909	17,188
TOTAL EXPENDITURES	<u>32,174</u>	<u>28,266</u>	<u>41,591</u>	<u>41,591</u>	<u>46,414</u>

ADMINISTRATION-TRANSPORTATION, 203-4225

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Development site plan reviews	4	8	4
Plat reviews	3	3	3
Capital road projects (miles)	6.76	0.25	5.40

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	177,343	184,454	207,921	207,921	189,494
Operations & Maintenance	10,327	12,560	14,700	14,700	14,200
TOTAL EXPENDITURES	<u>187,670</u>	<u>197,014</u>	<u>222,621</u>	<u>222,621</u>	<u>203,694</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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	12,742	12,618	15,000	15,000	15,000
TOTAL EXPENDITURES	<u>12,742</u>	<u>12,618</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

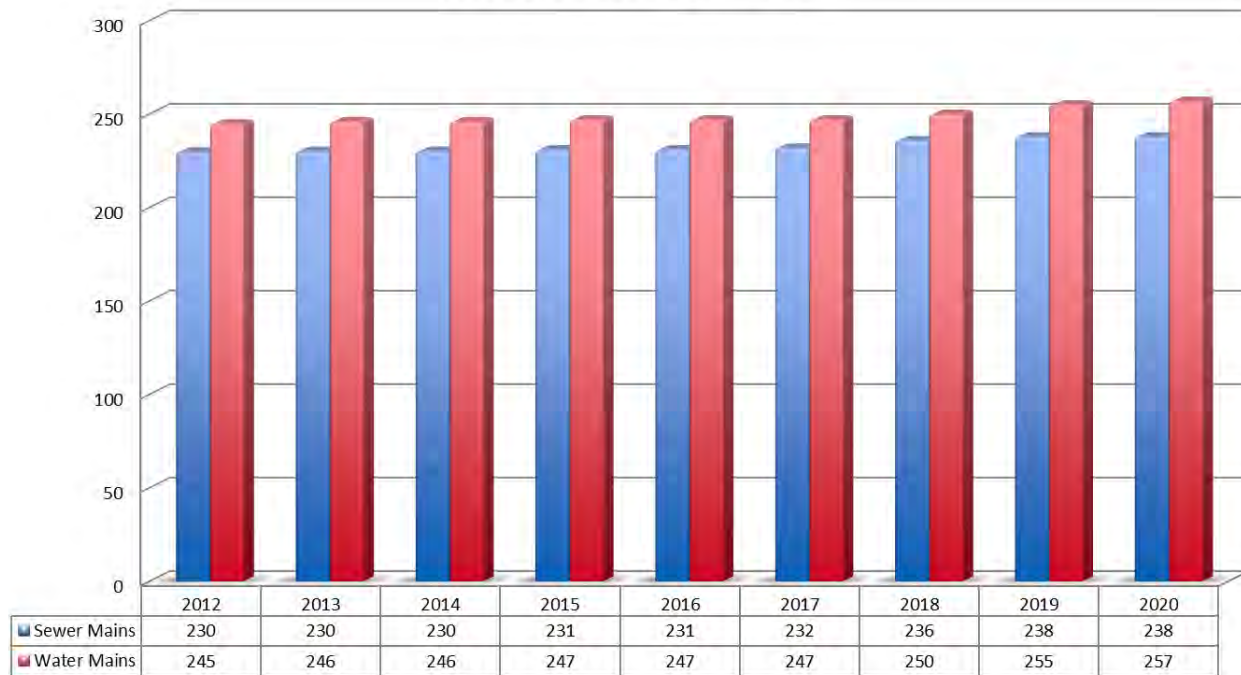
MUNICIPAL STREETS FUND - 204

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Property taxes	1,359,494	1,396,025	1,410,100	1,410,100	1,276,310
State revenue	184,730	230,730	131,600	131,600	142,000
Interest and rents	17,055	7,580	10,000	10,000	2,750
TOTAL REVENUE	<u>1,561,279</u>	<u>1,634,335</u>	<u>1,551,700</u>	<u>1,551,700</u>	<u>1,421,060</u>
EXPENDITURES:					
Administrative Charges	-	10,190	-	-	6,060
Transfers Out	1,540,000	1,552,810	1,608,000	1,608,000	1,415,000
TOTAL EXPENDITURES	<u>1,540,000</u>	<u>1,563,000</u>	<u>1,608,000</u>	<u>1,608,000</u>	<u>1,421,060</u>

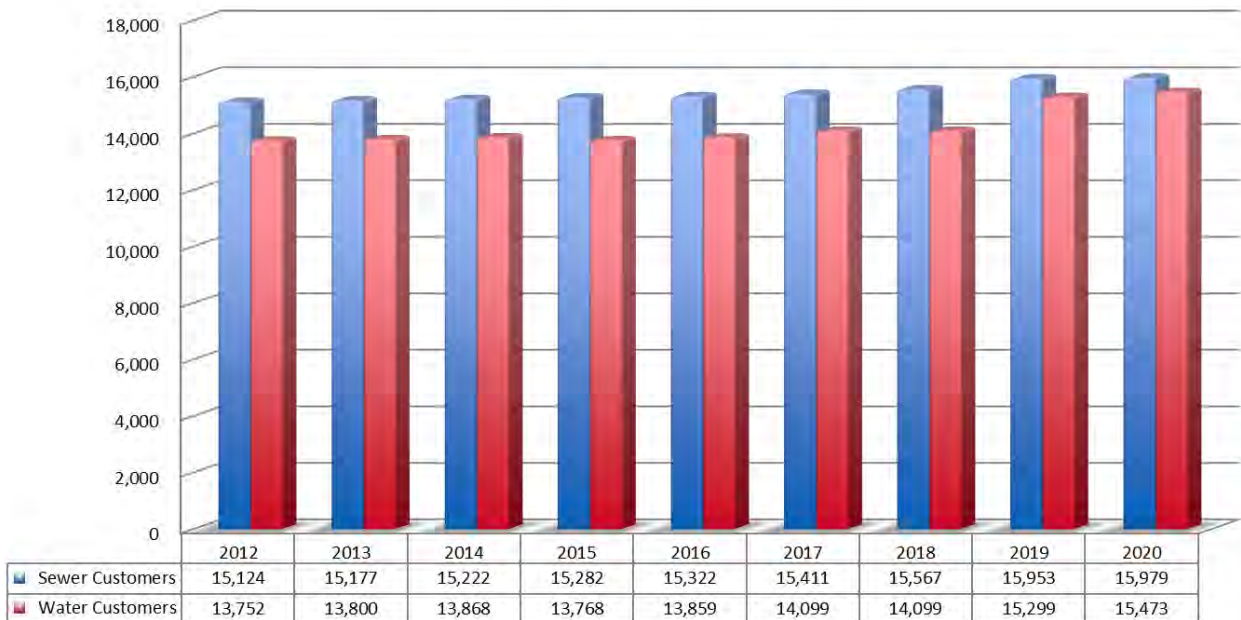
Utilities

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 15,979 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 2021-2022 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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Operations & Maintenance</i>	<ul style="list-style-type: none">• Improve sanitary sewer system.• Expand the sanitary sewer system to all properties in the city.• Protect ground water & lake quality.• Meet all state & federal environmental standards.• Meet increasing service demands.• Increase efficiency by applying new technology.
<i>Administration</i>	<ul style="list-style-type: none">• Ensure sewer systems in new developments meet city standards.• Cooperate with adjoining townships in expanding sanitary sewer systems.• Ensure all environmental standards are met in new developments.• Enforce environmental requirements in all development projects.• Protect lakes & surface water quality.• Maintain financial health of sewer fund through annual rate evaluation.

SEWER OPERATING FUND, continued

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	8,938,038	8,422,683	8,966,000	8,966,000	9,240,700
Interest and rents	323,683	244,888	257,250	257,250	177,900
Other revenue	11,443	11,442	11,441	11,441	11,442
TOTAL REVENUE	9,273,164	8,679,013	9,234,691	9,234,691	9,430,042
EXPENDITURES:					
Personnel Services	460,867	492,477	505,158	505,158	510,035
Operations & Maintenance	3,164,553	3,058,222	2,895,274	2,895,274	2,802,880
Administrative Charges	4,157,325	4,497,768	4,859,661	4,859,661	5,362,847
Capital Outlay	27,373	132,281	197,113	145,000	145,000
Transfers Out	90,000	895,000	95,000	95,000	595,000
TOTAL EXPENDITURES	7,900,118	9,075,748	8,552,206	8,500,093	9,415,762

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	15,907	15,979	16,150
Sewage transported (MG)	1,547	1,597	1,600
Number of lift stations	56	56	56
Lift station inspections	1,869	1,830	1,800
Lift station pumps repaired	22	10	20
Sanitary sewer overflows	0	1	0
Miles of sanitary sewer	238.0	238.5	239
Miles of sanitary sewer cleaned	84.6	84.6	81
Sanitary sewer blockages per mile	0.02	0.02	0.03

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	2,082,693	1,972,710	2,359,700	2,359,700	2,498,000
Administrative Charges	3,412,742	3,761,908	4,087,585	4,087,585	4,585,930
Capital Outlay *	27,373	132,281	197,113	145,000	145,000
TOTAL EXPENDITURES	5,522,808	5,866,899	6,644,398	6,592,285	7,228,930

* 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.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	460,867	492,477	505,158	505,158	510,035
Operations & Maintenance	985,291	1,000,488	75,750	75,750	73,550
Administrative Charges	744,583	735,860	772,076	772,076	776,917
TOTAL EXPENDITURES	<u>2,190,741</u>	<u>2,228,825</u>	<u>1,352,984</u>	<u>1,352,984</u>	<u>1,360,502</u>

DEBT SERVICE, 590-9510

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

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance **	96,569	85,024	459,824	459,824	231,330
TOTAL EXPENDITURES	<u>96,569</u>	<u>85,024</u>	<u>459,824</u>	<u>459,824</u>	<u>231,330</u>

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

TRANSFERS OUT, 590-9610

This transfer provides for the Sewer Fund share of debt service for related Capital Improvement Program projects. Transfers out are budgeted to fund capital improvements when available resources allow for debt avoidance.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Transfers Out	90,000	895,000	95,000	95,000	595,000
TOTAL EXPENDITURES	<u>90,000</u>	<u>895,000</u>	<u>95,000</u>	<u>95,000</u>	<u>595,000</u>

WATER OPERATING FUND

The Water Operating Fund accounts for the costs associated with providing water service to 15,473 customers. The system also provides water to residences in Pavilion and Schoolcraft Townships.

Budget Overview: The 2021-2022 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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Operations & Maintenance</i> <ul style="list-style-type: none">• All programs	<ul style="list-style-type: none">• Expand the water system to all properties in the city.• Expand the storm water system to address known flooding areas.• Improve fire protection throughout the city.• Improve water system operating characteristics.• Meet all state & federal environmental standards.• Ensure all environmental standards are met in new developments.• Enforce environmental requirements in all development projects.• Protect & improve water quality.• Properly manage groundwater resources.• Protect surface water & lake quality.• Meet increasing service demands.• Increase efficiency by applying new technology• Provide safe drinking water.• Ensure storm water system is clean & properly maintained.• Ensure water & storm systems in new developments meet city standards.• Cooperate with adjoining townships in expanding their water systems.• Maintain financial health through annual rate evaluation.

WATER OPERATING FUND, continued

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	6,640,814	6,721,347	6,500,500	6,500,500	6,547,500
Interest and rents	320,007	239,211	239,710	239,710	217,100
Other revenue	72,127	74,865	71,187	71,187	70,688
TOTAL REVENUE	<u>7,032,948</u>	<u>7,035,423</u>	<u>6,811,397</u>	<u>6,811,397</u>	<u>6,835,288</u>
EXPENDITURES:					
Personnel Services	329,992	363,253	284,989	284,989	404,282
Operations & Maintenance	2,417,929	2,867,756	4,258,987	4,158,513	3,769,407
Administrative Charges	1,280,708	1,260,797	1,353,629	1,353,629	1,394,727
Capital Outlay	41,183	-	50,000	50,000	50,000
Transfers Out	55,000	860,000	60,000	60,000	1,060,000
TOTAL EXPENDITURES	<u>4,124,812</u>	<u>5,351,806</u>	<u>6,007,605</u>	<u>5,907,131</u>	<u>6,678,416</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	15,299	15,473	15,620
Water pumped and treated (MG)	1,595	1,670	1,750
Production well inspections	5,248	5,320	4,200
Samples analyzed	8,440	8,250	7,500
Water monitoring violations	0	1	0
Miles of water mains	257	258.5	260
Number of fire hydrants	2,867	2,882	2,900
Fire hydrants flushed and inspected	5,624	5,480	5,700
Main breaks per mile of main	0.05	0.09	0.10
Miles of streets	223	223.5	224
Miles of street sweeping	1,990	2,217	1,500
Sweepings collected (cubic yards)	1,383	1,028	1,700
Number of meters	15,737	15,856	16,000
New meters installed	119	145	225
Meters requiring repair	236	270	400
Meter reads for billing	70,702	67,300	72,700
Estimated bills	50	5,121*	50

** Due to COVID-19 restrictions, meter reads had to be estimated for one month.*

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	896,737	964,315	1,260,357	1,213,200	1,224,100
Administrative Charges	566,310	546,361	613,166	613,166	647,391
Capital Outlay	41,183	-	50,000	50,000	50,000
TOTAL EXPENDITURES	1,504,230	1,510,676	1,923,523	1,876,366	1,921,491

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	20	15	15
Capital water main projects	7	4	3
Environmental inspections/monitoring	103	83	60
Responses to Haz-Mat incidents	0	0	0

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	329,992	363,253	284,989	284,989	404,282
Operations & Maintenance	1,061,953	1,496,404	783,617	730,300	733,100
Administrative Charges	714,398	714,436	740,463	740,463	747,336
TOTAL EXPENDITURES	<u>2,106,343</u>	<u>2,574,093</u>	<u>1,809,069</u>	<u>1,755,752</u>	<u>1,884,718</u>

DEBT SERVICE, 591-9510

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

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Operations & Maintenance **	459,239	407,037	2,215,013	2,215,013	1,812,207
TOTAL EXPENDITURES	<u>459,239</u>	<u>407,037</u>	<u>2,215,013</u>	<u>2,215,013</u>	<u>1,812,207</u>

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

TRANSFERS OUT, 591-9610

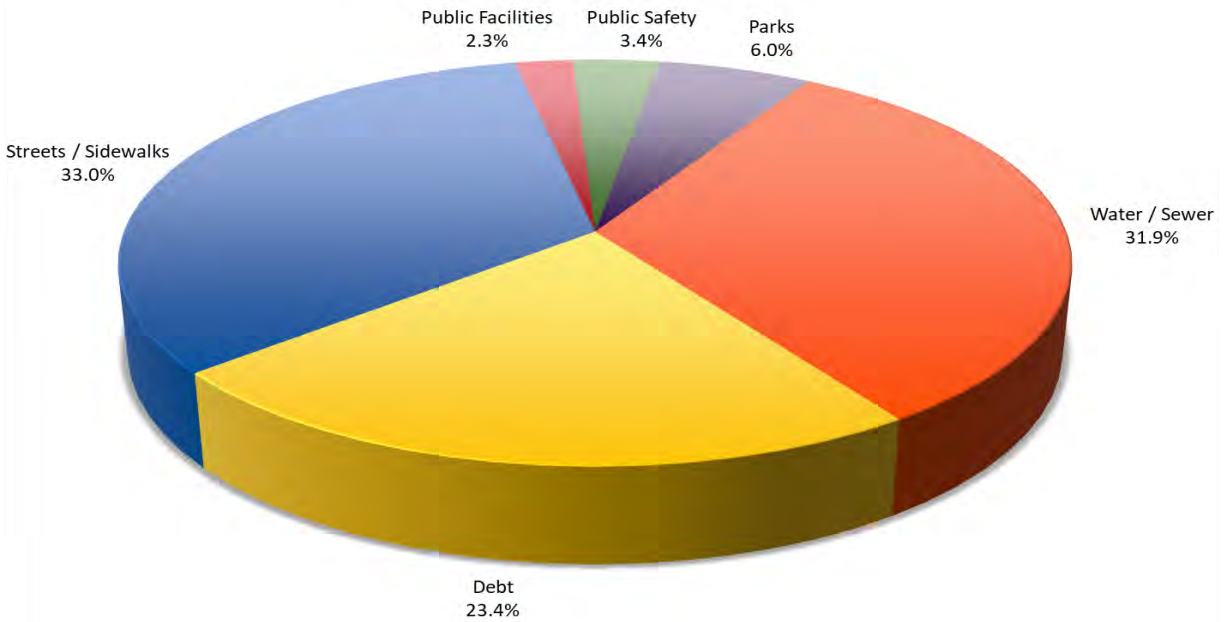
This transfer provides for the Water Fund share of debt service for related Capital Improvement Program projects. Transfers out are budgeted to fund capital improvements when available resources allow for debt avoidance.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Transfers Out	55,000	860,000	60,000	60,000	1,060,000
TOTAL EXPENDITURES	<u>55,000</u>	<u>860,000</u>	<u>60,000</u>	<u>60,000</u>	<u>1,060,000</u>

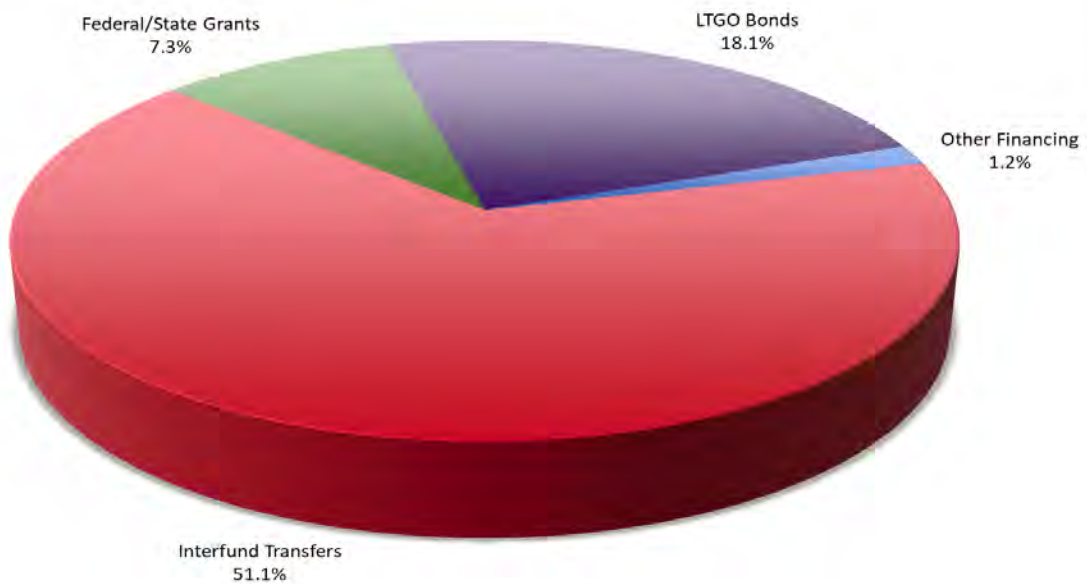


Public Improvements

CAPITAL IMPROVEMENT EXPENDITURES



CAPITAL IMPROVEMENT REVENUES



These charts show the expenditures and revenues by category for the first year of the 2021-2031 Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

Revenues and Expenditures (000)

	Fiscal Year						
	21-22	22-23	23-24	24-25	25-26	26-31	Total
REVENUES AND OTHER SOURCES							
Property tax	4,292	4,356	4,421	4,488	4,555	23,468	45,580
Personal Property Tax Reimbursement	720	734	749	764	779	4,137	7,883
Interest	40	50	50	60	60	300	560
Proceeds from Capital Improvement bonds - general	3,550	12,809	10,964	8,057	11,927	18,972	66,278
Proceeds from Capital Improvement bonds - utility	0	0	0	0	5,000	0	5,000
Major Street Fund	1,600	1,624	1,648	1,673	1,698	8,705	16,948
Municipal Street Fund	1,415	1,405	1,420	1,365	1,365	7,624	14,594
Sanitary Sewer Fund	1,200	1,930	1,900	1,065	750	4,050	10,895
Water Fund	5,065	2,150	2,920	950	1,300	5,940	18,325
General Fund transfers	768	1,118	726	867	1,159	1,927	6,564
Total city revenues and sources	18,650	26,176	24,798	19,289	28,593	75,123	192,628
MAP - 21 Funding (federal)	950	1,950	800	0	0	0	3,700
Federal/State grants (CDBG, SAFETEA-LU Parks)	50	0	0	0	0	0	50
Special Assessments-Water and Sewer only	0	40	55	0	0	0	95
Total Revenues and Sources	19,650	28,166	25,653	19,289	28,593	75,123	196,474
EXPENDITURES							
Streets and Sidewalks	6,420	10,870	10,410	7,497	8,100	30,594	73,891
Bikeways and Trailways	57	662	729	1,816	3,494	2,015	8,773
Water	5,065	2,150	2,920	950	6,300	5,940	23,325
Sanitary Sewer	1,200	2,010	2,010	1,065	750	4,050	11,085
Police	534	657	180	562	239	1,091	3,263
Fire	130	2,348	1,114	764	2,490	594	7,440
Public Facilities	448	1,182	558	189	678	1,779	4,834
Parks and Recreation	1,193	3,283	2,510	806	429	3,092	11,313
Debt Service	4,603	5,004	5,222	5,640	6,113	25,968	52,550
Total Expenditures	19,650	28,166	25,653	19,289	28,593	75,123	196,474

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 2021-2022 portion of the 2021-2031 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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Capital Improvement</i> <ul style="list-style-type: none">• All programs	<ul style="list-style-type: none">• Promote quality of life.• Develop infrastructure improvement strategy.
<i>Public Facilities</i>	<ul style="list-style-type: none">• Increase efficiency through technology and facility expansion and improvements.
<i>Parks & Recreation</i>	<ul style="list-style-type: none">• Develop parkland & recreational opportunities.• Maintain a coordinated & innovative approach toward developing parkland & providing recreational opportunities.
<i>Police</i>	<ul style="list-style-type: none">• Increase efficiency through technology.
<i>Streets & Sidewalks</i>	<ul style="list-style-type: none">• Implement projects in the major thoroughfare plan.• Implement operational & functional improvements to improve traffic movement & safety.
<i>Bikeways & Trails</i>	<ul style="list-style-type: none">• Alternative transportation modes.
<i>Sewer & Water</i>	<ul style="list-style-type: none">• Enhance environmental quality & protect natural resources.• Protect water quality.• 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, Bikeways and Trails, Police, Fire, and Public Facilities capital improvement activities total \$2,361,600 or approximately 12 percent of the Capital Improvement Fund budget, with street reconstruction of \$6,420,000 is 33 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), and some 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 \$950,000 less than the 2021-2022 total shown in the Capital Improvement Program 2021-2031 summary.

	2021-2022 Council Approved
REVENUE:	
Property taxes	4,292,000
State grants	720,000
Interest and rents	40,000
Other revenue	3,600,000
Transfers In	10,047,700
 TOTAL REVENUE	 <u>18,699,700</u>
 EXPENDITURES:	
Capital Outlay	14,096,600
Transfers Out	4,603,100
 TOTAL EXPENDITURES	 <u>18,699,700</u>

CAPITAL IMPROVEMENT, continued

Public Facilities	
<u>Information System Improvements</u> , IT infrastructure upgrades for reliability, compatibility, efficiency & communication. For FY 21-22: Building Security Systems, Public Safety firewall replacements, & enhanced communication applications.	\$202,450
<i>Operating Fund Impact - Approximately \$86,000 for software/hardware support and maintenance over the years.</i>	
<u>Property Acquisition and Redevelopment</u> , supporting various community enhancement projects involving the need to purchase property and/or obtain easements for public benefit.	\$200,000
<i>Operating Fund Impact - No impact.</i>	
<u>City Hall Parking/Walkway Design and Resurface</u> , Engineer & landscape designs for parking lot, entrances, ice-melting sidewalks, lighting, & drainage	\$45,000
<i>Operating Fund Impact - \$2,000 annual savings estimated for City Hall asphalt parking lots and walkways due to timely capital maintenance.</i>	
Total Public Facilities	
	\$447,450

Parks and Recreation	
<u>Lexington Green Park Improvements</u> , Complete Phase II including pavilion with restroom, playground, parking area, repave walking trail & add lamp posts & landscaping.	\$450,000
<i>Operating Fund Impact - Estimated \$1,500 annually in maintenance.</i>	
<u>Elijah Root Mill Dam Renovation</u> , Engineering design for removal of the dam and addition of protective measures.	\$250,000
<i>Operating Fund Impact - Estimated \$200 annually in brush clearing.</i>	
<u>Martin Luther King, Jr. Park</u> , Engineer, design, & construct a half-acre park located at Constitution Blvd & MLK Dr. as a memorial park for the late Dr. King Jr. Project to provide a memorial, passive recreation, & off-street parking.	\$200,000
<i>Operating Fund Impact - Annual maintenance estimated at \$2,000 annually.</i>	

CAPITAL IMPROVEMENT, continued

Parks and Recreation, continued	
<u>Millennium Park Ice Rink Chiller Replacement</u> , Funding for upgrades necessary to the current ice rink chiller equipment. The upgrades include the removal of the current failed chiller followed by the manufacturing of a custom made chiller with the installation of insulation around the chiller equipment.	\$95,000
<i>Operating Fund Impact - Yearly electrical cost of \$30,000 per year. The new equipment will reduce the requirement of calling specially training repair contractors that average \$800 per visit.</i>	
<u>Schrier Park Improvements</u> , Shelter improvements to include relocating fire place to the west wall, removing deteriorating chimney, installing metal roofing with metal soffits, fascia, gutters and down spouts.	\$82,000
<i>Operating Fund Impact - Reduced maintenance costs by \$1,000 annually. Reduced Energy cost by \$200 per year.</i>	
<u>Playground Improvements and Amenities</u> , Install new a play structure at Lexington Green Park in the new pavilion area.	\$75,000
<i>Operating Fund Impact - Estimated \$180 annually for inspections.</i>	
<u>Court Resurfacing and Repairs</u> , Replacement of asphalt basketball court at Westfield Park.	\$41,000
<i>Operating Fund Impact - Reduction of \$1,000 annually in maintenance costs.</i>	
Total Parks and Recreation	\$1,193,000

<u>Fire</u>	
<u>Replace Two Rescue Units</u> , Replace two four-wheel drive Sport Utility Vehicle type vehicles for emergency operations. Existing vehicles will then be re purposed for use by the Administrative Fire Chiefs.	\$130,000
<i>Operating Fund Impact - Reduction of annual maintenance costs.</i>	
Total Fire	\$130,000

CAPITAL IMPROVEMENT, continued

<u>Police</u>	
<u>Police Vehicles</u> , replace marked units after 105,000 miles, unmarked units after 95,000 miles or ten years.	\$234,150
<i>Operating Fund Impact - Estimated reduction of \$30,000 per year in repair and maintenance.</i>	
<u>800 MHz Radio Equipment Conversion</u> , purchase, program and install portable and vehicle radios capable of transmitting and broadcasting on 800 MHz, to be consistent with county-wide law enforcement.	\$300,000
<i>Operating Fund Impact - Estimated increase of \$20,000 per year for licensing fees, but project will reduce annual maintenance cost of older equipment.</i>	
Total Police	\$534,150

<u>Bikeways and Trailways</u>	
<u>Portage Multi-use Trail System Improvements</u> , asphalt overlay program bikeway trail segments, including South Westnedge Avenue Bikeway (East Centre Avenue to Melody Avenue).	\$57,000
<i>Operating Fund Impact - \$1,500 annual reduction of repair and maintenance costs.</i>	
Total Bikeways and Trailways	\$57,000

<u>Streets and Sidewalks</u>	
<u>Major Street Reconstruction Program</u> , involves reconstructing street sections to include landscaping and streetscape enhancements: <i>Operating Fund Impact - Cost savings estimated at \$50,000 per lane mile.</i>	
Lovers Lane, Milham to Kilgore (\$750,000 in Federal Funds)	\$625,000
S Westnedge, Mall Drive to Trade Centre Way, street and sidewalk (\$200,000 in Federal Funds)	\$525,000
Romence Road, Angling to Oakland, street and sidewalk	\$1,250,000

CAPITAL IMPROVEMENT, continued

<u>Streets and Sidewalks, continued</u>	
<u>Local Street Reconstruction Program</u> , 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, Kalarama, Radcliffe, Ridgefield, Tattersall, Trotwood, Westchester, and Westshire.	\$1,565,000
<i>Operating Fund Impact - Reduction of ongoing maintenance costs due to less frequent need for high-level repairs.</i>	
<u>Major and Local Street Design Engineering</u> , for reconstruction efforts noted above, for streets that will be funded and reconstructed in FY 2021-2022.	\$750,000
<i>Operating Fund Impact - No impact.</i>	
<u>I-94 Improvements, east city limits to Portage Road</u> , city share of construction and engineering cost for widening I-94 from east of Lovers Ln to the north city limits. Improvements done by MDOT.	\$200,000
<i>Operating Fund Impact - Minimal impact.</i>	
<u>Sidewalk Improvements</u> , Public sidewalk removal & repairs within the neighborhood near Haverhill Park.	\$55,000
<i>Operating Fund Impact - Potential reduction in claims to Risk Management caused by pedestrian trip injuries. Decrease in maintenance costs to repair hazardous sidewalk sections by \$4,000 annually.</i>	
<u>Portage Road / Forest Drive Traffic Signal Installation</u> , Traffic Signal Installation at Portage Rd & Forest Dr.	\$500,000
<i>Operating Fund Impact - Increase of \$700 annually for energy and maintenance costs.</i>	
Total Streets and Sidewalks	\$5,470,000

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>\$4,603,100</u>
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<u>Sewer Capital Improvement</u>	
<u>Lift Station Renovations</u> , 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 2021-2022: S. Westnedge Ave Block lift station.	\$1,000,000
<i>Operating Fund Impact - Substantial reduction in maintenance cost.</i>	
<u>Lovers Lane Sanitary Sewer Extension</u> , Install sanitary sewer and appurtenances in Lovers Lane from 5217 Lovers Lane to 5233 Lovers Lane. This project will be completed in conjunction with the Lovers Lane reconstruction project.	\$200,000
<i>Operating Fund Impact - When connected, developed properties in the project area will generate approximately \$1,200 in annual revenue. Corresponding treatment charges paid to the City of Kalamazoo will increase expenditures by approximately \$600 annually.</i>	
Total Sewer Capital Improvement	\$1,200,000

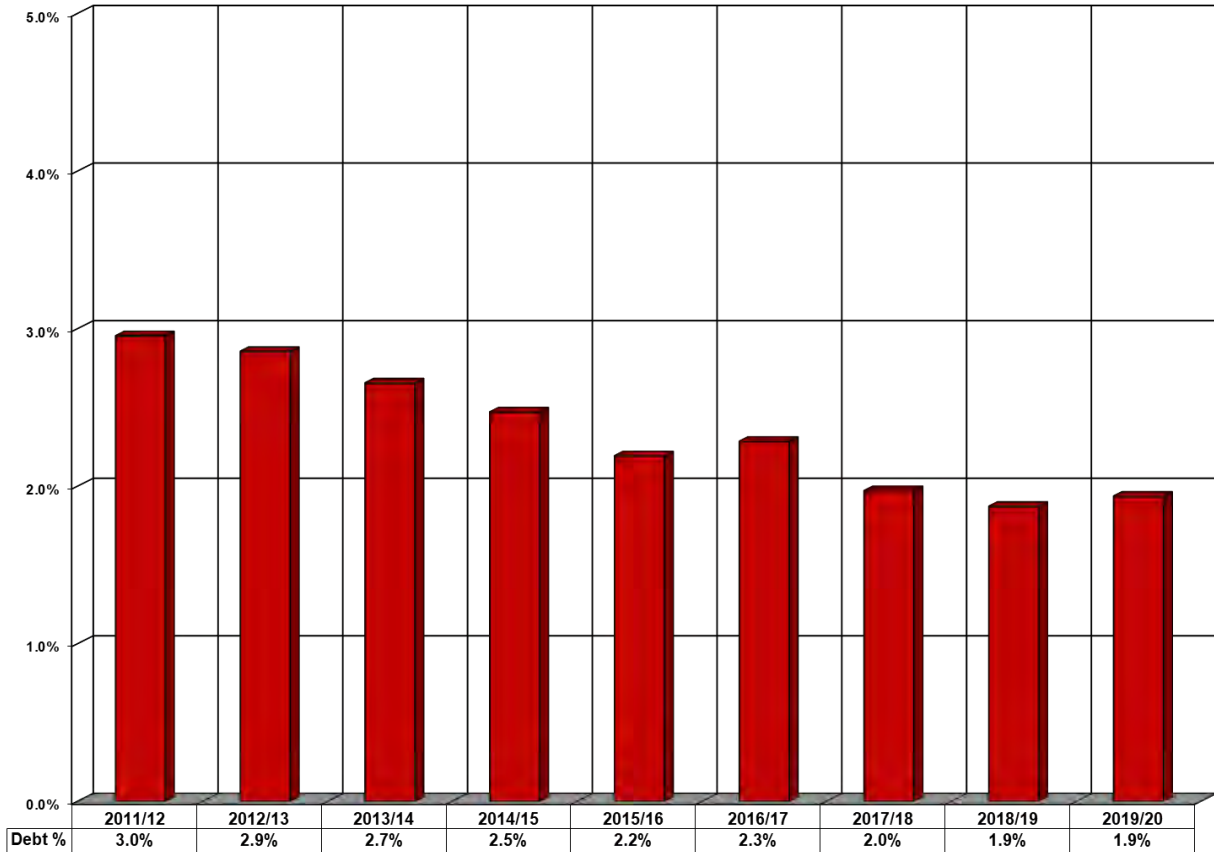
CAPITAL IMPROVEMENT, continued

<u>Water Capital Improvement</u>	
<u>Lakeview Drive Water Main Replacement</u> , Replace deteriorating water mains in Lakeview Dr. from S Shore Dr. to Portage Rd.	\$1,800,000
<i>Operating Fund Impact - Decrease in operating costs.</i>	
<u>Northwest Water Storage Facility Rehabilitation</u> , The project involves the rehabilitation of the Haverhill elevated water tank that serves the city.	\$1,200,000
<i>Operating Fund Impact - Minimal potential operating maintenance.</i>	
<u>Local Streets Water and Storm Improvements</u> , Replacement of Daventry Ave, Ridgefield Rd & Cypress St water mains	\$865,000
<i>Operating Fund Impact - \$4,000 annual decrease in operating cost.</i>	
<u>Angling Road Storm Drainage Improvements</u> , Installation of additional storm sewer storage to alleviate flooding between Squire Heath Lane & Prestwick Dr.	\$500,000
<i>Operating Fund Impact - Reduction in ongoing maintenance costs as a result of maintenance needs shifting from frequent high maintenance operations to less frequent low maintenance operations.</i>	
<u>Portage Village Drain Enclosure</u> , Enclose open ditch to allow development of private property, located west of Shaver Rd. & north of W. Centre.	\$400,000
<i>Operating Fund Impact - No impact.</i>	
<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.	\$300,000
<i>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.</i>	
Total Water Capital Improvement	\$5,065,000



Debt Service

NET LONG-TERM DEBT As a % of Taxable Value



Formula:

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

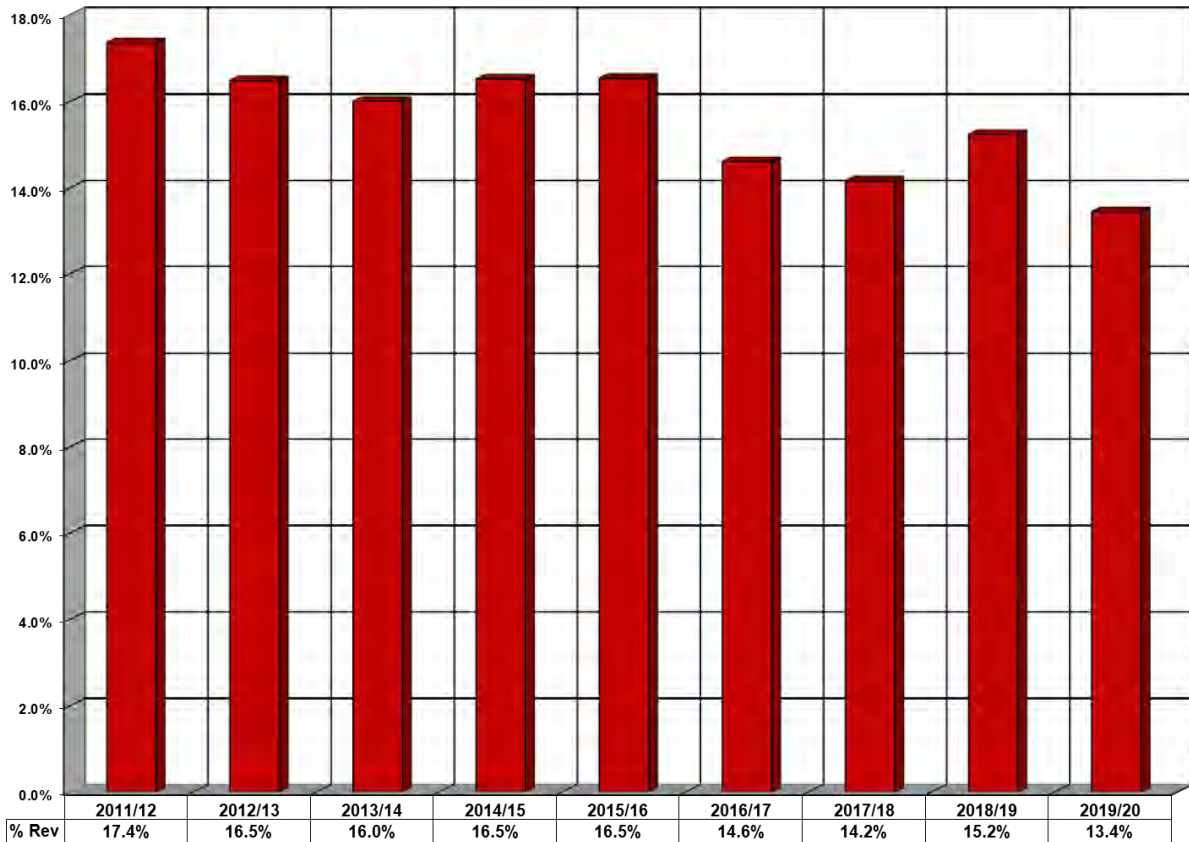
Net direct long-term debt is defined as:

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

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. As of June 30, 2020, total city debt was \$55,215,000. During the 2020-2021 fiscal year, and new approach is planned to fund all capital projects approved, expected to require an issue of almost \$15,000,000. That additional debt, less the normal debt retirements for the year, should leave the year-end balance in the \$61,000,000 range.

NET DEBT SERVICE

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



Formula:

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

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

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

Description:

Direct debt is bonded debt for which the City has pledged its full faith and credit. Self-supporting debt is bonded debt that the City has pledged to repay from a source separate from its general tax revenues. In order to apply this indicator correctly for this City, direct debt includes all debt except special assessment bonds (self-supporting bonds) 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, 2020 was 13.4%, which is below the threshold and considered acceptable. This ratio shows a declining trend, also a positive sign.

DEBT SUMMARY

As of May 25, 2021, the outstanding debt obligations of the city not associated with water and sewer (enterprise) funds are as follows:

Limited Tax General Obligation Bonds	\$ 78,395
Unlimited Tax General Obligation Bonds	0
Local Development Finance Authority Bonds	2,960,000
Building Authority Bonds	1,075,000
Downtown Development Authority	2,445,000
Motor Vehicle Highway Bonds	350,000
Capital Improvement Bonds	<u>28,433,818</u>
 Total	 <u>\$35,342,213</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	\$0	\$78,395	-	\$28,433,818
Legal debt margin	\$322,833,372	\$268,949,415	\$33,628,476	\$106,080,087

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.

On May 12, 2021, S&P Global Ratings assigned the 'AA+' rating to the City of Portage for the fourth consecutive year.

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Interest and rents	9,930	2,961	1,000	1,000	1,200
Other revenue	-	4,500,000	-	-	-
Transfers In	2,779,175	3,133,293	3,189,000	3,189,000	3,584,750
TOTAL REVENUE	2,789,105	7,636,254	3,190,000	3,190,000	3,585,950
EXPENDITURES:					
Bond costs	3,542,919	7,600,277	3,189,990	3,189,990	3,585,950
TOTAL EXPENDITURES	3,542,919	7,600,277	3,189,990	3,189,990	3,585,950

The increase in 2019-2020 revenues and expenditures was the result of early redemption of portions of several bond series refunded that year. \$5,090,000 of older debt issues with interest rates between 3.000% and 4.625% were refunded with the proceeds of new bonds carrying an interest rate of 1.010%.

MTF 2008, 352

The debt accounted for in this fund was fully mature on December 1, 2020.

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Interest and rents	4,617	213	400	400	100
Transfers In	716,890	350,000	368,280	368,280	356,375
TOTAL REVENUE	721,507	350,213	368,680	368,680	356,475
EXPENDITURES:					
Bond costs	716,838	350,350	368,680	368,680	356,375
TOTAL EXPENDITURES	716,838	350,350	368,680	368,680	356,375

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Interest and rents	3,831	332	1,000	1,000	100
Transfers In	696,345	625,000	652,520	652,520	659,700
TOTAL REVENUE	700,176	625,332	653,520	653,520	659,800
EXPENDITURES:					
Bond costs	760,693	624,931	653,520	653,520	659,695
TOTAL EXPENDITURES	760,693	624,931	653,520	653,520	659,695

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Property taxes	547,165	653,323	753,900	753,900	753,500
Interest and rents	10,977	6,582	4,000	4,000	3,800
TOTAL REVENUE	2,298,142	659,905	757,900	757,900	757,300
EXPENDITURES:					
Bond costs	2,119,138	655,686	660,720	660,720	651,618
Transfers Out	104,285	94,001	97,165	97,165	105,000
TOTAL EXPENDITURES	2,223,423	749,687	757,885	757,885	756,618

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Property taxes	559,826	570,419	590,000	590,000	595,828
Interest and rents	55,227	20,305	21,500	21,500	2,500
TOTAL REVENUE	615,053	590,724	611,500	611,500	598,328
EXPENDITURES:					
Bond costs	493,014	524,954	535,000	535,000	514,065
TOTAL EXPENDITURES	1,703,014	524,954	1,535,000	535,000	514,065

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, and for one issue with transfers in by special arrangement.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Payments on special assessments	57,476	33,914	151,660	151,660	64,675
Interest on investments	23,289	14,661	2,557	2,557	2,550
Transfers In	104,285	94,001	97,165	97,165	105,000
Fund Equity Carryover	-	-	-	-	14,989
TOTAL REVENUE	185,050	142,576	251,382	251,382	187,214
EXPENDITURES:					
Interest and fiscal charges	64,370	58,916	53,162	53,162	18,457
Bond principal	147,260	171,225	195,773	195,773	168,757
TOTAL EXPENDITURES	211,630	230,141	248,935	248,935	187,214

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.

<i>Program & Description</i>	<i>Program Goal</i>
Recycling <ul style="list-style-type: none"> Hazardous Waste Program. Reduced millage. Curbside recycling. 	<ul style="list-style-type: none"> Responsible disposal of hazardous waste. Continue to evaluate privatizing city services. Continue to evaluate expenditures to provide for effective & efficient use of city resources. Enhance environmental quality. Promote effective recycling. Evaluate alternatives to meet service demands.

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of recycling pickups per month	33,522	33,980	34,000
Tons collected per month	229	248	250

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Property taxes	619,515	619,538	531,500	531,500	716,352
Interest and rents	9,896	8,364	6,000	6,000	3,500
State revenue	89,775	107,645	89,000	89,000	53,500
TOTAL REVENUE	719,186	735,547	626,500	626,500	773,352
EXPENDITURES:					
Personnel Services	34,976	35,283	34,203	34,203	33,324
Operations & Maintenance	639,453	657,021	707,650	707,650	735,465
Administrative Charges	769	720	905	905	3,943
TOTAL EXPENDITURES	675,198	693,024	742,758	742,758	772,732

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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Administration</i> <ul style="list-style-type: none">All Programs	<ul style="list-style-type: none">Promote quality of life.Evaluate service provision options.Maintain financial health.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Property taxes	672,721	710,387	531,500	531,500	815,875
State revenue	102,535	123,318	102,000	102,000	53,500
Interest and rents	13,724	11,484	9,500	9,500	10,000
TOTAL REVENUE	788,980	845,189	643,000	643,000	879,375
EXPENDITURES:					
Personnel Services	120,579	124,579	141,124	141,124	146,731
Operations & Maintenance	515,037	425,997	605,407	596,901	595,579
Administrative Charges	126,611	101,954	112,607	112,607	135,926
TOTAL EXPENDITURES	762,227	652,530	859,138	850,632	878,236

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Administrative Charges	769	721	905	905	4,753
TOTAL EXPENDITURES	769	721	905	905	4,753

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>
Tons collected	652		1,124		675
Cubic yards of brush collected	7,660		12,570		12,600
	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	3,791	2,043	13,530	13,530	7,883
Operations & Maintenance	191,235	93,326	225,012	216,506	211,391
TOTAL EXPENDITURES	195,026	95,369	238,542	230,036	219,274

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	22,038		17,025		18,400
	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	116,788	122,536	127,594	127,594	138,848
Operations & Maintenance	208,796	219,076	242,818	242,818	245,121
Administrative Charges	125,842	101,233	111,702	111,702	131,173
TOTAL EXPENDITURES	451,426	442,845	482,114	482,114	515,142

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 is 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		10,390		10,500
	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	115,006	113,595	137,577	137,577	139,067
TOTAL EXPENDITURES	115,006	113,595	137,577	137,577	139,067

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

The city strives to improve the housing stock and increase access to decent, affordable housing through assistance programs supported by the Community Development Block Grant Program (CDBG) funded by the U.S. Department of Housing and Urban Development, and other funding sources. The Community Development Department administers annual CDBG funds, which are federal grants that support programs and services for low and moderate income families in the city, and are guided by needs assessments and a five-year plan developed by the city. The CDBG program provides housing rehabilitation loans and emergency repair grants to income-eligible homeowners; and first-time homebuyer assistance programs to income-eligible households within select Portage neighborhoods. The Community Development Department received CDBG-CV grants from the U.S. Department of Housing and Urban Development (HUD) totaling \$367,515 in FY 2020-2021 intended to prevent, prepare for, and respond to the corona virus. This allocated was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed into law on March 27, 2020.

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 2021-2022 entitlement amount is \$218,239. The 2020-2021 entitlement amount was \$221,794 and the 2019-2020 grant total was \$229,105.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Human Services</i> <ul style="list-style-type: none">Continued P.C.C. funding	<ul style="list-style-type: none">Continued commitment to human services.
<i>Housing Programs</i> <ul style="list-style-type: none">Homeowner Rehabilitation Loan Programs.Emergency repair grant.Homebuyer assistance program.	<ul style="list-style-type: none">Ensure decent & safe housing.
<i>Neighborhood Improvement</i> <ul style="list-style-type: none">Administer & enforce community quality codesNeighborhood protection programFair housing & services	<ul style="list-style-type: none">Continue effective community safety programs through prevention, enforcement, and education.Enhance the livability of community neighborhoods.Fair housing education.Further promote quality of life.Further promote aesthetic & cultural enhancement.

The responsibilities of the various activities are outlined as follows.

CDBG FUND, continued

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Federal revenue	160,039	101,032	456,535	221,794	218,239
TOTAL REVENUE	<u>160,039</u>	<u>101,032</u>	<u>456,535</u>	<u>221,794</u>	<u>218,239</u>
EXPENDITURES:					
Personnel Services	123,806	127,241	133,794	133,794	142,680
Operations & Maintenance	36,232	45,830	192,267	88,000	75,559
TOTAL EXPENDITURES	<u>160,038</u>	<u>173,071</u>	<u>326,061</u>	<u>221,794</u>	<u>218,239</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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	34,935	41,290	44,618	44,816	37,793
TOTAL EXPENDITURES	<u>34,935</u>	<u>41,290</u>	<u>44,618</u>	<u>44,816</u>	<u>37,793</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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	56,878	58,718	58,405	58,405	62,200
Operations & Maintenance	-	998	124,955	20,490	33,124
TOTAL EXPENDITURES	<u>56,878</u>	<u>59,716</u>	<u>183,360</u>	<u>78,895</u>	<u>95,324</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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	50,762	52,268	50,629	50,629	53,189
Operations & Maintenance	1,210	1,342	1,210	1,210	1,342
TOTAL EXPENDITURES	51,972	53,610	51,839	51,839	54,531

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	16,166	16,255	24,760	24,760	27,291
Operations & Maintenance	87	2,200	21,484	21,484	3,300
TOTAL EXPENDITURES	16,253	18,455	46,244	46,244	30,591

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 2021-2022 are: housing rehabilitation projects and down payment assistance loans.

Budget Overview: The CDBG Program Income Fund 2021-2022 budget is expected to result in no change in fund balance.

<i>Program & Description</i>	<i>Program Goal</i>
Housing Loans <ul style="list-style-type: none"> Housing rehabilitation & down payment assistance loans 	<ul style="list-style-type: none"> Ensure decent & safe housing.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Charges for services	79,960	87,013	105,000	105,000	115,000
Federal revenue	-	-	-	-	50,000
Interest and rents	20,512	20,408	20,000	20,000	10,000
TOTAL REVENUE	100,472	107,421	125,000	125,000	175,000
EXPENDITURES:					
Operations & Maintenance	101,554	109,804	125,000	125,000	175,000
TOTAL EXPENDITURES	101,554	109,804	125,000	125,000	175,000

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 2021-2022 again designates \$115,000 for housing rehabilitation/emergency repairs, \$10,000 for down-payment assistance, and \$50,000 for the replacement of playground equipment at the Lexington Green Park.

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 provides for the operation of public access broadcasting, administration of small cell wireless facilities licensing, Metropolitan Extension Telecommunication Rights-of-Way permitting and Uniform Video Services Local Franchising. This fund also supports Technology Services Department and Public Information Department personnel and initiatives.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Administration</i>	<ul style="list-style-type: none"> Continue efforts to enhance communication with citizens. Administration of the various licensing and permitting requirements associated with the installation of privately owned telecommunications systems as allowed through city ordinance, state and federal laws, regulations and special orders.
<i>Technology Acquisition</i>	<ul style="list-style-type: none"> Support of the technology infrastructure, primarily associated with city communications systems.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Property taxes	-	-	-	-	-
Fees and permits	797,836	766,139	759,215	759,215	745,400
Interest and rents	12,444	9,723	8,000	8,000	4,000
Other revenue	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUE	810,280	775,862	767,215	767,215	749,400
EXPENDITURES:					
Personnel Services	126,925	129,521	108,563	108,563	111,135
Operations & Maintenance	548,325	313,719	486,900	375,100	375,965
Administrative Charges	-	41,140	-	-	-
Capital Outlay	37,755	3,611	68,000	68,000	42,000
Transfers Out	-	309,185	215,000	215,000	220,300
TOTAL EXPENDITURES	713,005	797,176	878,463	766,663	749,400

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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Personnel Services	126,925	129,521	108,563	108,563	111,135
Operations & Maintenance	423,155	169,398	483,900	372,100	372,965
Administrative Charges	-	41,140	-	-	-
TOTAL EXPENDITURES	550,080	340,059	592,463	480,663	484,100

PUBLIC SERVICE FEE, 298-7014

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

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	231	1,500	3,000	3,000	3,000
Capital Outlay	37,755	3,611	68,000	68,000	42,000
TOTAL EXPENDITURES	37,986	5,111	71,000	71,000	45,000

COMMUNITY MARKETING 298-7016

The Community Marketing department, providing the coordinated marketing and communication efforts, was renamed in 2019-2020 and moved to General Fund. Funding for communications activities is partially covered by a transfer.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
EXPENDITURES:					
Operations & Maintenance	124,939	142,821	-	-	-
Transfers Out	-	309,185	215,000	215,000	220,300
TOTAL EXPENDITURES	124,939	452,006	215,000	215,000	220,300

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.

<i>Program & Description</i>	<i>Program Goal</i>
<i>Weed Control</i>	<ul style="list-style-type: none">• Protect water quality.• Promote environmental protection planning, monitoring, & educational programs.• Discover alternatives to handle service demands.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Interest and rents	1,676	1,252	850	850	825
Other revenue	20,426	19,731	35,200	35,200	35,200
TOTAL REVENUE	22,102	20,983	36,050	36,050	36,025
EXPENDITURES:					
Operations & Maintenance	17,075	15,230	32,500	32,500	32,500
TOTAL EXPENDITURES	17,075	15,230	32,500	32,500	32,500

AMERICAN RECOVERY AND REINVESTMENT ACT FUND - 274

This fund accounted for expenditures made from the \$204,700 energy grant received by the city in 2010. The fund has had no activity since 2012 except for interest earnings. A budget is established for 2021-2022 to allow utilization of the leftover funds, and to clear the fund balance in preparation for use as the tracking and reporting mechanism for monies expected from the American Rescue Plan of 2021.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Interest and rents	(43)	43	-	-	-
Fund Equity Carryover	-	-	-	-	3,397
TOTAL REVENUE	<u>(43)</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>3,397</u>
EXPENDITURES:					
Operations & Maintenance	-	-	-	-	3,397
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,397</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.

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Charges for services	54,050	31,525	40,000	40,000	35,000
Interest and rents	30,834	22,312	20,000	20,000	15,000
TOTAL REVENUE	<u>84,884</u>	<u>53,837</u>	<u>60,000</u>	<u>60,000</u>	<u>50,000</u>
EXPENDITURES:					
Transfers Out	7,500	12,000	20,000	20,000	15,000
TOTAL EXPENDITURES	<u>7,500</u>	<u>12,000</u>	<u>20,000</u>	<u>20,000</u>	<u>15,000</u>

Appendices

APPENDIX A

CITY of PORTAGE Contributions to Outside Agencies Fiscal Year 2021-2022

	2020-2021 Original Budget	2021-2022 Agency Request	2021-2022 Council Approved
General Fund			
Legislative:			
Michigan Municipal League	9,500	9,900	9,900
	<u>9,500</u>	<u>9,900</u>	<u>9,900</u>
Human Services:			
Portage Community Center	80,484	80,000	82,207
Housing Resources, Inc.	27,000	29,000	29,000
YWCA	19,000	19,000	19,000
Catholic Charities (Ark)	12,000	17,000	17,000
Twelve Baskets	8,300	20,000	10,093
Community Healing Centers	9,000	10,000	10,000
Gryphon Place	3,700	3,700	3,700
Lending Hands of Michigan	4,000	5,000	5,000
Kalamazoo Literacy Council	1,000	2,750	2,750
United Way	0	50,000	0
Loaves & Fishes	5,000	0	0
Diapers, Etc.	3,750	0	0
First Day Shoe Fund	1,000	0	0
	<u>169,740</u>	<u>236,450</u>	<u>178,750</u>
Parks:			
Kalamazoo in Bloom, Inc.	15,000	17,000	17,000
	<u>15,000</u>	<u>17,000</u>	<u>17,000</u>
Total, General Fund	<u>198,734</u>	<u>253,450</u>	<u>205,650</u>
Other Funds			
CDBG Fund:			
Portage Community Center	44,816	38,000	37,793
	<u>44,816</u>	<u>38,000</u>	<u>37,793</u>
Total, All Funds	<u><u>243,550</u></u>	<u><u>283,300</u></u>	<u><u>243,443</u></u>

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)

2011 - 2020

Fiscal Year Ended June 30,	City of Portage						Total City Millage
	General	Capital	Curbside	Fall Leaf/ Spring Clean ⁽¹⁾	Municipal		
	Fund	Improvements	Recycling		Streets		
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	
2020	7.3200	2.0000	0.3000	0.3440	0.6760	10.6400	

Overlapping Rates								
Fiscal Year Ended June 30,	State Education Tax	Portage Public Schools ⁽²⁾	Portage District Library	Kalamazoo County	Transportation Authority	Kalamazoo Regional Educational Service Agency	Kalamazoo Valley Community College	Total Direct & Overlapping Rates
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
2020	6.0000	7.3500	2.0000	6.7631	1.0645	6.4028	2.8089	43.0293

APPENDIX D

CITY OF PORTAGE Full-Time Equivalent Positions by Department Fiscal Year 2021-2022

	2018-2019	2019-2020	2020-2021	2021-2022
Department	Budget	Budget	Budget	Council Approved
City Manager	6.50	6.00	5.00	6.00
Public Information	0.00	0.00	4.00	3.00
Finance and Purchasing	12.00	12.00	12.00	12.00
Technology Services	1.00	1.00	6.00	6.00
City Assessor	4.75	4.50	5.50	5.00
City Clerk	3.00	3.00	3.00	3.00
Human Resources	4.50	4.50	5.50	6.00
Parks and Recreation	13.51	14.61	14.11	16.38
Public Safety - Police	85.21	76.21	79.21	78.51
Public Safety - Fire	35.70	35.70	35.70	36.70
Community Development	14.50	15.50	18.50	18.50
Senior Center	4.91	5.41	5.21	6.61
Transportation and Utilities	7.00	7.00	7.00	7.00
Public Works	32.20	32.20	34.50	34.50
Total	224.78	217.63	236.63	239.20

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

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

APPENDIX D

CITY OF PORTAGE Authorized Full-Time Positions 1991-2021

Fiscal Year	Positions
2021-22	216
2020-21	212
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

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 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 to optimize 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 provided tech support, the addition of the new Public Information department, and further optimization of operational efficiency in other departments. The 2021-2022 increase is due to expansion of park ranger staff and a human resources coordinator.

APPENDIX D

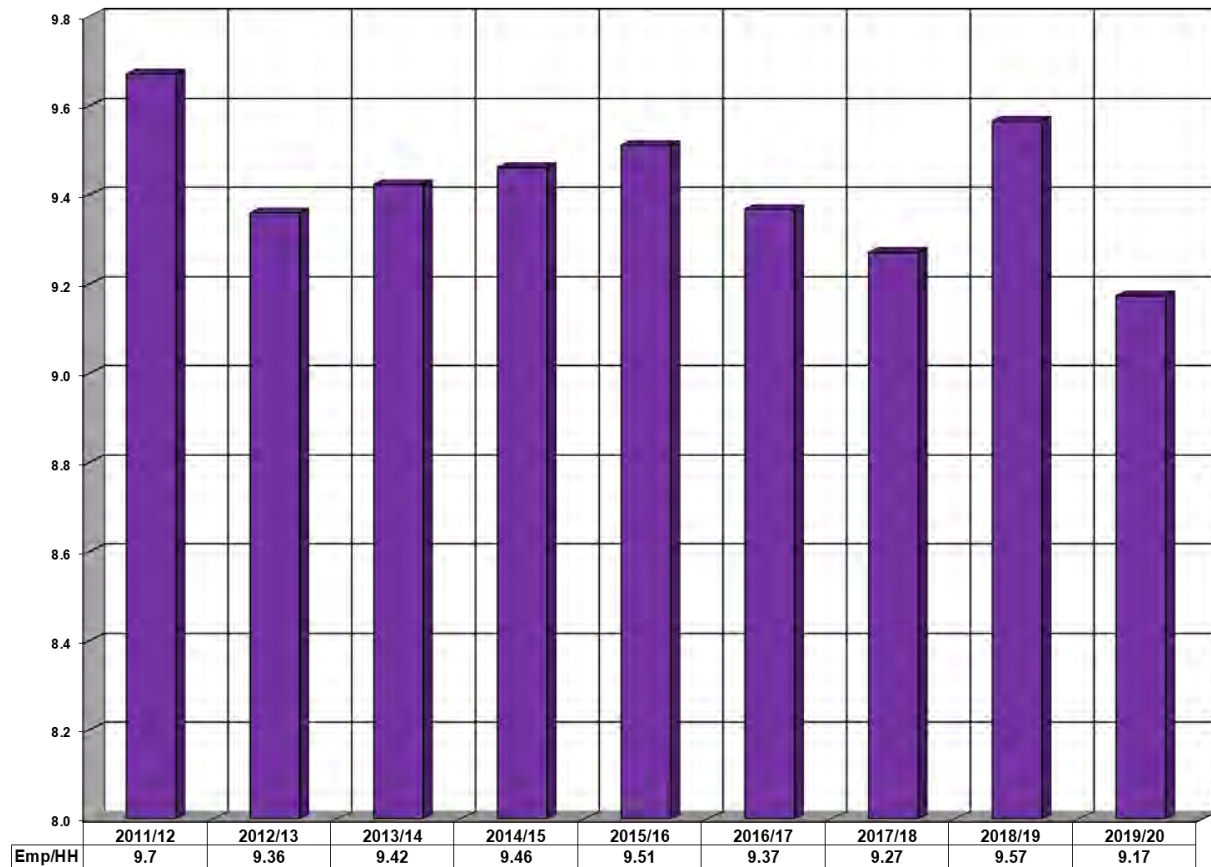
CITY OF PORTAGE 2021-2022 Budget Position Comparison (Budgetary Basis)

Full Time Authorized Positions	Budget 2018- 2019	Budget 2019- 2020	Approved Budget 2020-2021	Proposed Budget 2021-2022
General Fund				
City Manager	5	5	5	6
Public Information	0	0	3	2
Finance & Purchasing	12	12	12	12
Technology Services	1	1	6	6
City Assessor	4	4	5	5
City Clerk	3	3	3	3
Human Resources	4	4	5	6
Parks & Recreation	4	5	5	6
Public Safety				
Police	80*	71	74	74
Fire	35	35	35	36
Community Development	14	15	18	18
Senior Citizen Services	3	4	3	4
Total General Fund	165	159	174	178
Public Works	31	31	31	31
Transportation & Utilities	7	7	7	7
Total Full Time Positions	203	197	212	216

* 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	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of Full-Time Employees	196	190	193	195	198	195	195	203	197
Number of Households	20,267	20,300	20,482	20,610	20,817	20,816	21,034	21,222	21,475

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.

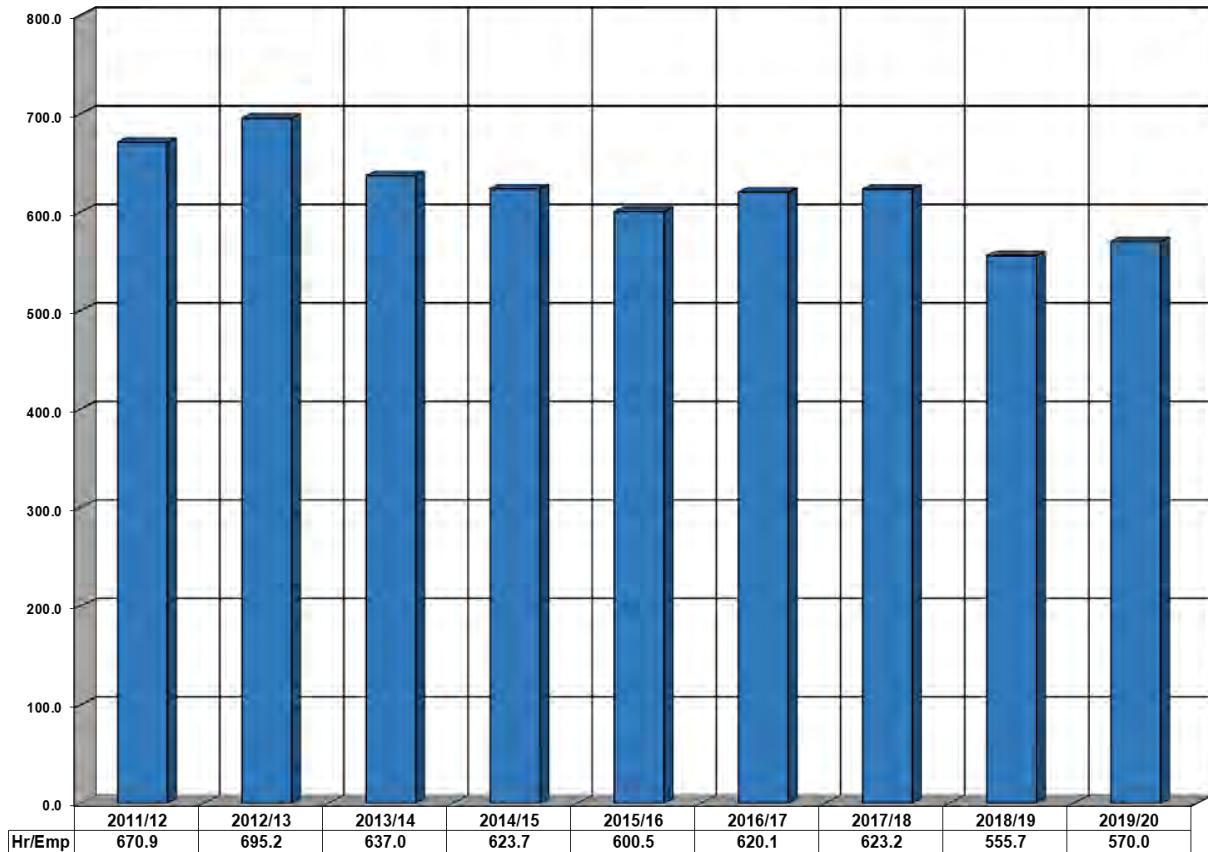
Analysis:

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 the addition of new staff.

APPENDIX E

City of Portage – Capital Outlay Expenditures Fiscal Year Ending June 30, 2022

General Fund			
Dept 2001 - Finance Accounting			
	MICR AP check printer replacement	1,550	
			1,550
Dept 2209 - Assessor			
	Printer/ Computer Equipment Replacement	3,700	
	Office Furniture	2,800	
			6,500
Dept 2877 - Parks & Rec - Parks			
	Celery Flats bench, tables, chairs	10,000	
			10,000
Dept 2886 - Parks & Rec - Ramona Park			
	Replacement of sound system	6,000	
	Awnings	6,000	
	Beach Games	2,000	
			14,000
Dept 3005 - Police Administration			
	Replacement of printer/fax machine	6,000	
			6,000
Dept 3010 - Police Patrol			
	Replacement of Patrol Rifles	9,800	
	Rifle laser lights	5,000	
	FARO 360 Hands Free Scanner	16,000	
	Schedules replacement of Tasers	12,000	
	Schedules replacement of protective vests	12,100	
	Cellibrite phone software/hardware & training for cellular data download for investigations	19,000	
	5-Year pymt plan for Taser 7s purchased in 20/21 (yr 2)	11,520	
	Replacement of 4 vehicle radars	12,000	
	Scheduled Replacement of Body Cameras	40,000	
			137,420
Dept 3020 - Police Training			
	Laser Shot mounting and scenario video enhancements	10,000	
			10,000
Dept 3065 - Police Facility Management			
	High priority repairs ID'd by c2ae building assesment	92,000	
	Installation of new chiller	80,000	
	Interview rooms audio/video replacement	20,000	
			192,000
Dept 3310 - Fire Admin			
	Apparatus annual lease payment (through 2027)	212,547	
			212,547
Dept 3365 - Fire Facility Management			
	Station 1 Window Replacement	50,000	
			50,000
Total General Fund			640,017

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 (AVI)	7,000	
	Leightronix annual maintenance	5,000	
	Ancillary equipment & upgrades	30,000	
			42,000
Sewer Fund			
	Lift station rehab	75,000	
	Update electrical	15,000	
	Landscaping	15,000	
	Manhole reconstruction	40,000	
			145,000
Water Fund			
	Localized Flooding (DPW)	40,000	
	Brush Removal	40,000	
	Sediment Removal	30,000	
	Fence Replacement	30,000	
	Water System Improvements	50,000	
	Water Main Upsizing	150,000	
			340,000
Fleet and Facilities			
	Assessor SUV (replace #141 2016 C-Max w/ 20K mi)	25,000	
	Comm Dev SUV (replace #142 2016 C-Max w/ 39K mi)	25,000	
	Parks Maint Tractor (replace #214 2009 JD 3320 w/ 4K hrs)	48,000	
	Parks Maint Pickup (replace #410 2017 Escape w/ 16K mi)	35,000	
	Parks Maint Pickup (replace #451 2016 F-250 w/ 38K mi)	36,000	
	T&U (Suez) Pickup (replace #285 2015 F-250 w/ 53K mi)	33,500	
	T&U (Suez) Pickup (replace #286 2016 F-250 w/ 30K mi)	33,500	
	T&U (Suez) Vactor (replace #369 2007 Vactor w/ 118K mi)	450,000	
			686,000
Total Capital Outlay Requested			1,903,017

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 2021-2022 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.

<i>Program & Description</i>	<i>Program Goal</i>
Operation & Administration <ul style="list-style-type: none"> • Upgrade fleet • Building maintenance 	<ul style="list-style-type: none"> • Upgrade equipment & facilities maintenance • Maintain facilities

	2018-2019 Actuals	2019-2020 Actuals	2020-2021 Adjusted Budget	2020-2021 Adopted Budget	2021-2022 Council Approved
REVENUE:					
Charges for services	1,995,480	2,018,571	1,991,854	1,991,854	2,171,647
Interest and rents	2,595	44	1,250	1,250	600
Other revenue	78,809	(78,635)	525,000	525,000	22,500
TOTAL REVENUE	2,076,884	1,939,980	2,518,104	2,518,104	2,194,747
EXPENDITURES:					
Personnel Services	337,343	342,138	450,927	450,927	457,806
Operations & Maintenance	1,344,087	1,368,285	905,967	905,967	862,881
Administrative Charges	72,781	62,763	84,610	84,610	77,110
Debt Service	16,508	7,679	115,300	115,300	110,950
Capital Outlay *	(10,659)	169,129	1,295,632	961,300	686,000
TOTAL EXPENDITURES	1,760,060	1,949,994	2,852,436	2,518,104	2,194,747

The activities carried out by this fund are as follows:

APPENDIX F

OPERATION and MAINTENANCE, 661-4020

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Preventive maintenance			
service requests	181	228	275
Work orders completed	878	1,268	1,100
Gasoline usage - gallons	24,128	60,563*	55,000
Diesel fuel usage - gallons	28,797	31,185	40,000

* Gasoline usage higher due to "COVID" guidelines requiring individual vehicles for each staff member.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	116,611	124,624	130,831	130,831	131,786
Operations & Maintenance	538,940	506,243	705,781	705,781	662,250
Capital Outlay *	(10,659)	169,129	1,295,632	961,300	686,000
TOTAL EXPENDITURES	<u>644,892</u>	<u>799,996</u>	<u>2,132,244</u>	<u>1,797,912</u>	<u>1,480,036</u>

* 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.

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	220,732	217,514	320,096	320,096	326,020
Operations & Maintenance	805,147	862,042	200,186	200,186	200,631
Administrative Charges	72,781	62,763	84,610	84,610	77,110
TOTAL EXPENDITURES	<u>1,098,660</u>	<u>1,142,319</u>	<u>604,892</u>	<u>604,892</u>	<u>603,761</u>

DEBT SERVICE, 661-9510

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

	2018-2019	2019-2020	2020-2021	2020-2021	2021-2022
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Debt service *	16,508	7,679	115,300	115,300	110,950
TOTAL EXPENDITURES	<u>16,508</u>	<u>7,679</u>	<u>115,300</u>	<u>115,300</u>	<u>110,950</u>

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

CITY OF PORTAGE
Financial Trends
Fiscal Year 2021-2022

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 Report, 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 financial report.
- 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.

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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 very low level of unfunded pension liabilities.) Also analyzed is employee leave (compensated absences) so that related liabilities do not go unnoticed until severe problems have been created.

CAPITAL PLANT

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

COMMUNITY NEEDS AND RESOURCES

All of the indicators tracked are placed into the context of community needs and resources, or, simply, service demands and revenues. For this reason, population, number of households, and tax base are among the indicators monitored.

SUMMARY

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

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

The financial condition of the city will continue to be monitored in order to identify and anticipate problems. Timely countering of the problems by the most effective means can then be implemented before problems become unmanageable.

APPENDIX G

LONG-RANGE PLANNING

Following is a summary of long-range planning processes developed and used by the city to match financial resources with long-term objectives and service delivery:

Comprehensive Plan	
Type of Planning Process	Twenty-year strategic planning, auditing of facilities, annual reports and special studies
Description of Process	Departments submit to City Manager for consideration/revision annually. Public input sought at various stages of the CIP Development. Review by City Manager, Community Development and Finance Departments in December, presented by City Manager to City Council for adoption. Includes Transportation Asset Management Plan, 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 and Waste Water Utility Infrastructure Analysis Programs, 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.

Strategic Planning	
Type of Planning Process	Three to Five-year Objectives with Annual Planning Cycle
Description of Process	City Council establishes vision, City Manager and Departments collaborate on developing Objective measures of defined vision. Strategy Deployment process is executed to break Objectives down into Annual Goals and key initiative/projects. Ownership of Goals and projects is established and this is used to guide budget decisions. See Strategy Deployment Process and Budget & Strategic Planning Calendar at the end of Appendix G.
Budget Impacts	Provides stable 3-5 year outlook for fiscal changes. Ensures that budget decisions are made in respect to the strategic direction it takes the city. Increases in the budget or new line items are expected to be tied to strategic initiatives and Annual Goals.

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.

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Building Maintenance Plan	
Type of Planning Process	Ten-year plan by facility and maintenance activity or project
Description of Process	The Director of Public Works 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.

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.

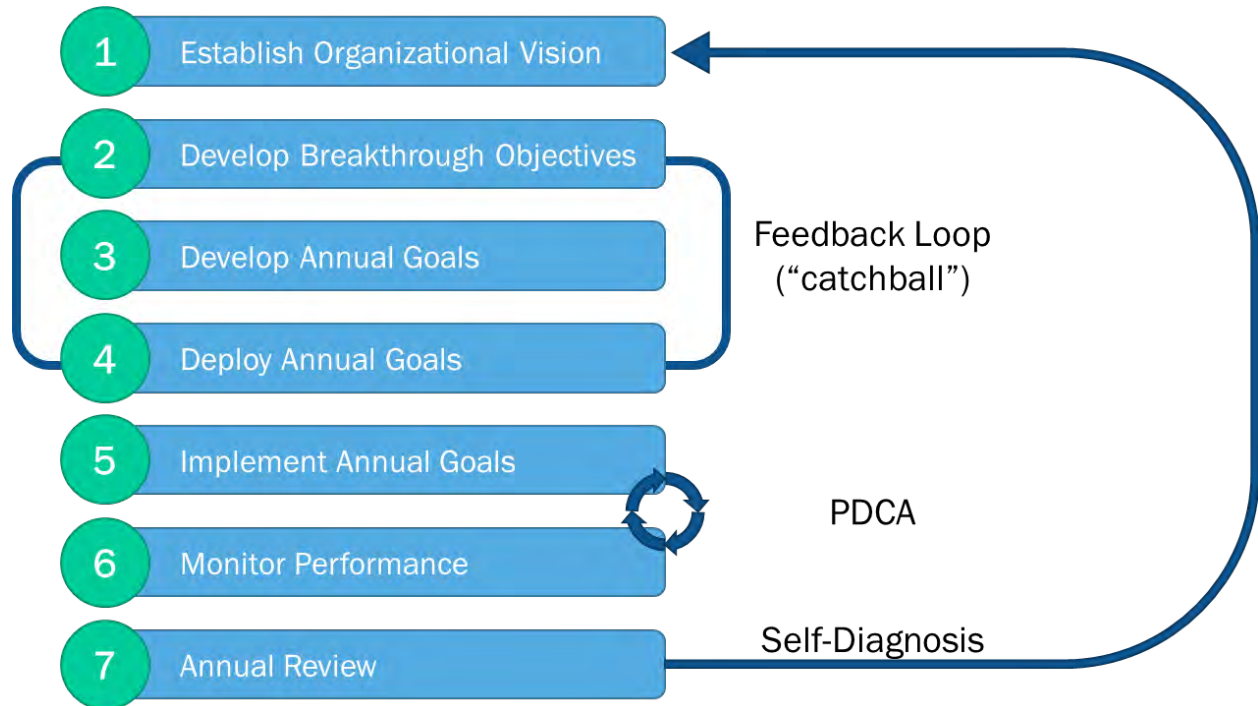
Transportation Asset Management Plan	
Type of Planning Process	Ten-year Assessment of major and local streets
Description of Process	Major and local street improvements, improved drainage, lighting and street trees and investment in sidewalks. The City Manager submits recommendation to City Council for 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.

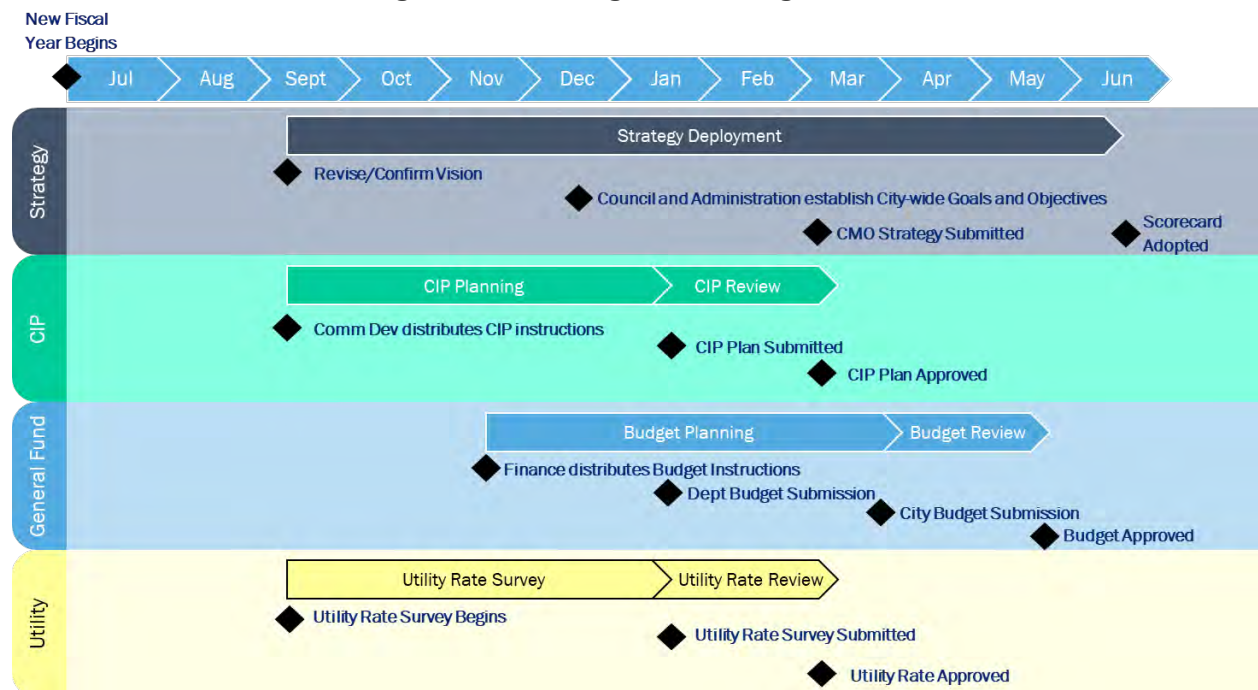
Utilities Improvement	
Type of Planning Process	Five-year Projection and Annual Plan
Description of Process	Utility Rate Financial Study conducted annually and made available to Utility Rate Committee and City Council for adoption.
Budget Impacts	Annual Study projects revenue and expenditures over a 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.

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Strategy Deployment Process



Budget and Strategic Planning Calendar



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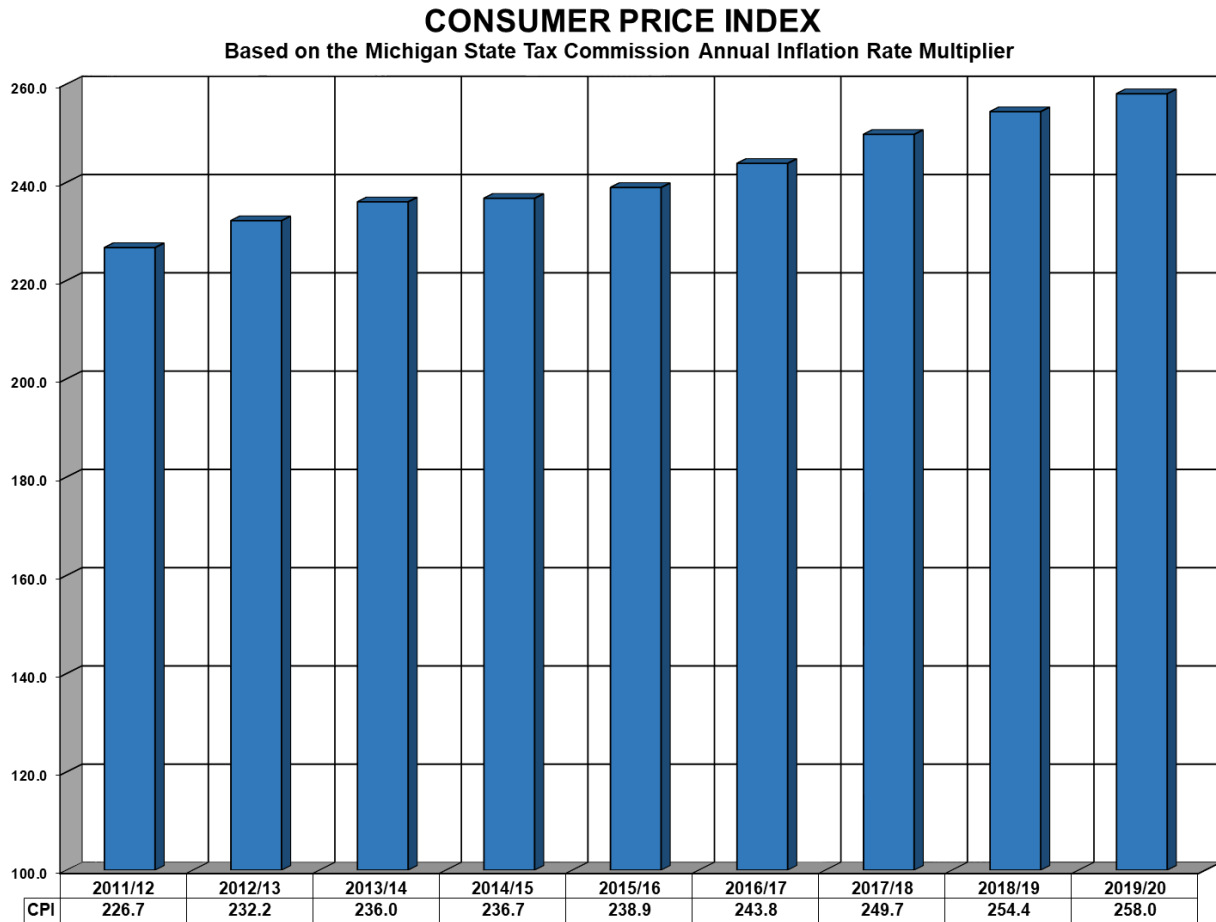
Five Year Forecast

Fund 101 General Fund					
	2021-2022				
	Council	2022-2023	2023-2024	2024-2025	2025-2026
	Approved	Projected	Projected	Projected	Projected
Revenues budgeted by department:					
Fees and permits	1,049,500	1,031,100	1,046,200	1,061,600	1,077,300
Federal revenue	3,000	3,000	3,000	3,000	3,000
State revenue	8,000	8,000	8,000	8,000	8,000
Other grants	106,307	100,700	100,700	100,700	100,700
Charges for services	233,980	179,700	184,800	190,100	195,700
Interest and rents	240,500	216,900	220,700	224,800	229,300
Other revenue	591,860	600,600	603,800	650,400	653,400
Transfers In	233,000	220,300	208,300	197,000	186,300
	<u>2,466,147</u>	<u>2,360,300</u>	<u>2,375,500</u>	<u>2,435,600</u>	<u>2,453,700</u>
Revenues not budgeted by department:					
Property taxes	17,263,901	17,234,600	17,579,300	17,930,900	18,289,500
State revenue	1,638,075	1,659,700	1,659,700	1,676,300	1,700,600
State shared revenue	4,428,478	4,594,100	4,617,100	4,631,000	4,644,900
Charges for services	1,331,020	1,272,600	1,216,700	1,163,300	1,169,100
Interest and rents	150,000	55,100	56,200	57,300	58,400
Other revenue	8,000	8,000	8,000	8,000	8,000
Fund Equity Carryover	1,473,236	990,300	1,008,300	967,000	713,200
	<u>26,292,710</u>	<u>25,814,400</u>	<u>26,145,300</u>	<u>26,433,800</u>	<u>26,583,700</u>
Total Revenue	<u>28,758,857</u>	<u>28,174,700</u>	<u>28,520,800</u>	<u>28,869,400</u>	<u>29,037,400</u>
Expenditures					
City Council	93,600	93,800	93,800	93,800	93,800
Human Services	178,750	174,400	176,400	178,600	179,600
City Manager	902,011	907,400	913,100	918,800	924,600
Finance	899,545	904,500	910,200	915,900	921,700
Technology Services	946,701	953,300	959,300	965,300	982,200
Public Information	433,537	436,600	439,300	442,000	449,700
City Assessor	509,884	512,400	515,600	518,800	522,100
City Attorney	251,000	251,800	253,400	255,000	256,600
City Clerk	495,903	497,400	500,500	503,600	506,800
Human Resources	700,204	702,300	706,700	711,100	715,600
Purchasing	107,425	108,200	108,900	109,600	110,300
Parks, Recreation	1,479,735	1,472,300	1,479,700	1,494,500	1,509,400
Senior Citizen Services	761,711	767,400	775,100	782,900	790,700
Parks Maintenance	1,492,084	1,495,800	1,503,300	1,514,600	1,529,700
Police Department	10,242,764	10,268,400	10,345,400	10,448,900	10,553,400
Fire Department	5,568,505	5,582,400	5,624,300	5,680,500	5,737,300
Community Development	1,840,044	1,849,200	1,867,700	1,886,400	1,905,300
General Public Services	696,100	697,100	698,100	699,100	702,600
Transfers Out	1,159,354	500,000	650,000	750,000	646,000
Total Expenditures	<u>28,758,857</u>	<u>28,174,700</u>	<u>28,520,800</u>	<u>28,869,400</u>	<u>29,037,400</u>

APPENDIX H

Five Year Forecast

Fund 202 Major Streets Fund					
	2021-2022 Council Approved	2022-2023 Projected	2023-2024 Projected	2024-2025 Projected	2025-2026 Projected
REVENUE:					
State revenue	5,322,000	5,369,900	5,450,400	5,532,200	5,587,500
Interest & Rents	7,500	7,500	7,600	7,800	8,000
Fund Equity Carryover	84,089	76,800	37,100	-	-
TOTAL REVENUE	5,413,589	5,454,200	5,495,100	5,540,000	5,595,500
EXPENDITURES:					
Personnel Services	900,994	919,000	937,400	940,900	959,700
Operations & Maintenance	1,972,019	1,991,700	2,001,700	2,001,700	2,011,700
Administrative Charges	590,576	593,500	596,500	599,500	602,500
Capital Outlay	50,000	50,000	50,000	50,000	50,000
Transfers Out	1,900,000	1,900,000	1,909,500	1,909,500	1,919,000
TOTAL EXPENDITURES	5,413,589	5,454,200	5,495,100	5,501,600	5,542,900
Fund 203 Local Streets Fund					
	2021-2022 Council Approved	2022-2023 Projected	2023-2024 Projected	2024-2025 Projected	2025-2026 Projected
REVENUE:					
State revenue	1,575,500	1,589,700	1,613,500	1,637,700	1,654,100
Interest and rents	2,500	2,300	2,300	2,300	2,300
Transfers in	300,000	300,000	255,000	216,800	184,300
Fund Equity Carryover	62,952	79,200	-	-	-
TOTAL REVENUE	1,940,952	1,971,200	1,870,800	1,856,800	1,840,700
EXPENDITURES:					
Personnel Services	778,682	794,300	798,200	801,200	805,100
Operations & Maintenance	938,809	947,300	748,300	785,900	795,000
Administrative Charges	228,461	229,600	230,700	231,600	232,800
TOTAL EXPENDITURES	1,945,952	1,971,200	1,777,200	1,818,700	1,832,900



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 I

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.

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Capital Outlay - Expenditures relating to the purchase of equipment, facility modifications, land, or other fixed assets made out of general operating funds. To be categorized as a capital outlay item (fixed asset), the purchase must have a value of at least \$5,000 and a useful life of more than one fiscal year. See also Capital Projects Funds.

Capital Projects/Improvements Fund - A fund used to account for the purchase and/or construction of public physical improvements and major acquisitions. The Capital Improvement Fund is the first fiscal year of the annually updated 10 year Capital Improvement Program (CIP). The detailed ten-year CIP plan is contained in a separate document. The Capital Improvement Fund is divided into activities related to various operations of the city, e.g., 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, with a focus on the first 5 years. The plan governs 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 2021" or "2020-2021" would refer to the fiscal year ending June 30, 2021. And so, "fiscal year" would refer to the current annual cycle ending June 30.

APPENDIX I

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 I

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 2019-2020.

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.

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.

APPENDIX I

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).