



Portage, Michigan

# Budget

2010-2011

Honorable Mayor and City Council:

April 13, 2010

The fiscal year 2010-2011 proposed budget has been developed and is presented in accordance with the requirements of the Portage City Charter.

Pursuant to the Goals and Objectives adopted by the Portage City Council, the fiscal year 2010-2011 proposed budget has been developed to continue to responsibly position the city to maintain core service delivery during an extended period of financial constraint. The City Administration remains committed to the delivery of balanced budgets to the City Council, as has been accomplished with the fiscal year 2010-2011 proposed budget.

Highlights of the fiscal year 2010-2011 proposed budget include:

- Incorporation of an approximate 4 percent decrease in property tax revenue, which impacts upon all millage supported funds, as well as no increases in Act 51 revenue and a decrease in State Revenue Sharing (implemented by the State of Michigan in 2009);
- Maintenance of a low, but slightly increased overall city tax rate of 10.7312 mills. A proposed 0.0714 mill increase to the Municipal Street Fund results from the noted decrease in property tax revenue and from a redirection by the Kalamazoo Area Transportation Study of previously anticipated federal funding in the major street improvement area;
- Maintenance of the Council-prescribed 13 percent fund balance for the General Fund and
- Continuation of the City of Portage position in the lower 25 percent of all Michigan cities of greater than 25,000 population in terms of millage level.

**The fiscal year 2010-2011 proposed budget will mark a potentially pivotal financial period for the City of Portage.** A cost containment strategy embarked upon a number of years ago has enabled the city to address a continuing restrictive revenue environment while guarding against substantive impact to core service delivery. The city continues to steadily reduce the number of full-time employees; has reviewed and reduced, where possible, all vendor contracts; has implemented operating cost reductions; is altering non-union benefit levels and eliminated pay increases for non-union, department head and Portage Police Officer Association employees, as well as the City Manager for 2009. (Continuing wage freezes are planned as part of the fiscal year 2010-2011 proposed budget.) The city has also reduced many aesthetic related expenditures including flower plantings, Christmas lighting and certain roadside mowing, and will curtail the operation of various public fountains located in the city as part of 2010-2011 budget reductions. Publication of the city newsletter, *The Portager*, has also been reduced from monthly to six times per year and the Community Survey will not be undertaken during fiscal year 2010-2011.

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[www.portagemi.gov](http://www.portagemi.gov)

Cost controls noted above, as well as others, have substantively reduced the level of city expenditures. If these actions had not been implemented, it is estimated that General Fund expenditures would be over \$3 million (or nearly 15 percent) higher than planned in the fiscal year 2010-2011 proposed budget. Nevertheless, should additional revenue reductions materialize, more aggressive action will be needed. Further decline in State Revenue Sharing or property tax receipts will prompt initiation of a forced reduction of employment levels. Accordingly, a proposed severance policy has been included for consideration as part of the fiscal year 2010-2011 proposed budget. Depending upon the depth and duration of any additional revenue declines, mandatory furlough days may need to be implemented for various employee groups, subsequent or in addition to a forced employment reduction action. Financial conditions will continue to be monitored to enable the City Administration to take prompt action to diminish a longer-term financial impact to the city, should conditions warrant.

Continuing decreases to the local property tax base beyond 2010 will also necessitate a decision to increase the millage levy for curbside recycling and spring cleanup / leaf pickup programs, or a decision to change the nature (i.e., frequency) of service being provided. Available fund balance and non-service impact expenditure reductions have been utilized to avoid millage increases in these funds for fiscal year 2010-2011. However, as primarily contractually-provided operations, current service levels can not be maintained after fiscal year 2010-2011 without additional revenue.

Finally, the impact of current and future property tax revenue reductions will necessitate General Fund support of the Capital Improvement Program in the coming years. The most immediate impact will be the need for a projected General Fund contribution of between \$400,000 and \$500,000 to the Capital Improvement Program in fiscal year 2011-2012. Costs associated with accumulated debt within this fund carries forward without regard to the amount of revenue generated per mill of property tax levied. As the amount of revenue being generated per mill is decreased through property tax revenue reductions, additional revenue must be supplied.

**Of particular note with the fiscal year 2010-2011 proposed budget:**

- Total full time staffing has been reduced an additional approximate 4.5 percent to 188 positions from 197 positions in fiscal year 2009-2010 (and from 215 positions in fiscal year 2005-2006).
- Full time staffing reductions since fiscal year 2005-2006 have been concentrated in non-public safety related areas, with only approximately 15 percent of the reductions (4 full time positions) having been accomplished collectively in the Police and Fire Departments. All other city departments have absorbed the remaining 85 percent of staffing reductions (23 positions).
- Public Safety related expenditures account for approximately 59 percent of all General Fund expenditures in the fiscal year 2010-2011 proposed budget.
- Transfers from the General Fund to the Major and Local Street Funds totaling \$410,000 to support street maintenance operations.
- The fiscal year 2010-2011 proposed budget includes an overall reduction in General Fund expenditures of approximately \$2.1 million from fiscal year 2009-2010 budgeted expenditures.

With little relief to area economic difficulties anticipated in the near term, the proposed budget has been drafted to prepare the city for additional financial challenges that lie ahead. Should City Council desire changes to increase expenditure levels in the fiscal year 2010-2011 proposed budget or should city revenues erode further in the months ahead, additional staffing adjustments and/or service modifications will be necessary to ensure a balanced city budget.

**Overview**

A total city budget of \$61.8 million is presented for consideration of City Council. The major categories of the city budget include the General Fund, the Capital Improvement Program Fund, Curbside Recycling Fund, Leaf Pickup/Spring Cleanup Fund and the Municipal Street Fund. These funds are supported primarily through the local property tax base with the General Fund, in specific, being supplemented by State Revenue Sharing and service fees and the Capital Improvement Program Fund supplemented by Federal Highway Funds and the Municipal Streets Fund. Other major budget categories include the Utility Funds, which are supported through ratepayer service charges, and the Major and Local Street Funds, which are typically supported through intergovernmental revenue (i.e., Act 51 revenue) and through transfers from the General Fund. Several other fund categories represent the balance of the total city budget and include the Community Development Block Grant Fund, Cable Television Fund, West Lake Weed Management Fund and the Equipment Fund.

The total millage levy recommended through the fiscal year 2010-2011 proposed budget is 10.7312 mills, a slight increase to the fiscal year 2009-2010 millage level. The recommended millage includes a General Fund levy of 7.5000 mills and a Capital Improvement Fund levy of 2.0000 mills. The total recommended millage also includes the levy of 0.2950 mills for the brush and leaf pickup/spring cleanup programs, the levy of 0.2710 mills for operation of the curbside recycling program and the levy of 0.6652 mills of the Municipal Street Fund millage. A comparison of the 2009-2010 millage and the 2010-2011 proposed millage is provided below:

Average Single Family Residence	2009 Taxable Value \$75,300		2010 Taxable Value \$73,400		2010 Inflation Adjusted Taxes	
	Mills	Taxes	Mills	Taxes	Mills	Taxes
General Fund	7.5000	\$564.75	7.5000	\$550.50	7.5000	\$535.51
Capital Improvement	2.0000	\$150.60	2.0000	\$146.80	2.0000	\$142.80
Curbside Recycling	0.2710	\$20.41	0.2710	\$19.89	0.2710	\$19.35
Leaf Pickup / Spring Cleanup	0.2950	\$22.21	0.2950	\$21.65	0.2950	\$21.06
Municipal Street Fund	0.5938	\$44.71	0.6652	\$48.82	0.6652	\$47.49
<b>Total Millage / Taxes</b>	<b>10.6598</b>	<b>\$802.68</b>	<b>10.7312</b>	<b>\$787.66</b>	<b>10.7312</b>	<b>\$766.21</b>

Significant aspects of the major budget categories are outlined below.

**General Fund**

Projected State Revenue Sharing	2009-10	2010-11
Statutory	\$735,585	\$335,000
Constitutional	\$3,088,884	\$3,088,884
<b>Total Revenue Sharing</b>	<b>\$3,824,469</b>	<b>\$3,423,884</b>
<b>% of General Fund Budget</b>	<b>15.2%</b>	<b>14.9%</b>

The city continues in a period of declining revenue. As opposed to the more historical revenue increases in the range of 5 percent experienced by the city for a number of years, for the first time the city will realize an

estimated 4 percent **decrease** in General Fund property tax revenue between 2009-2010 and 2010-2011. State Revenue Sharing for the City of Portage has been estimated through the State Budget Office as \$3,423,884 for 2010-2011, representing a decrease of more than \$400,000 from the 2009-2010 budgeted State Revenue Sharing amount.

Total expenditures of the General Fund are proposed at \$23,029,221, which represents a decrease of 8.4 percent from fiscal year 2009-2010 budgeted expenditures. An ending fund balance of 13 percent is planned for the fiscal year 2010-2011 proposed budget, as prescribed by City Council policy. With the probability of a decline in property tax revenue in 2010-2011, maintaining the fund balance is important to provide added assurance that the city will be able to meet cash flow needs in the coming fiscal year(s).

In terms of major areas of expenditure, the General Fund supports the majority of service operations of the city, with the largest percentage of the budget devoted to Police and Fire services. For fiscal year 2010-2011, the budgets of the Police and Fire departments together represent nearly \$13.7 million (59.3 percent) of all General Fund expenditures.

In addition, due to a 16.6 percent decrease in Act 51 revenue in fiscal year 2009-2010 and with no increase projected for fiscal year 2010-2011, the continuing need for additional funding support of street related funds is unavoidable. Although considerable effort has been directed to reducing the cost of street operations, based upon current service levels, a funding shortfall in the Major and Local Streets Funds of approximately \$1 million will need to be addressed on an annual basis. For the fiscal year 2010-2011 proposed budget, shortfalls in these funds are being addressed through use of accumulated fund balance in the Major and Local Streets Funds developed via the transfer of over \$1.2 million from the General Fund through the fiscal year 2009-2010 city budget. An additional transfer of \$410,000 from the General Fund to the Major and Local Streets Funds is included in the fiscal year 2010-2011 proposed budget.

As determined by City Council, the level of General Fund support for human service programs has been returned to the Council prescribed policy of 0.55 percent of General Fund revenue in the fiscal year 2010-2011 proposed budget. An appropriation of \$117,897 of fiscal year 2010-2011 General Fund revenue, in addition to \$43,350 of Community Development Block Grant revenue, is proposed for allocation to human service agencies. In the fiscal year 2010-2011 proposed budget, \$121,567 of this total amount of human service funding has been recommended by the City Administration for support of the Portage Community Center. In addition to the 0.55 percent of General Fund revenue provided to support community human service programs, funding for the Portage Senior Citizen Center has also been continued in the fiscal year 2010-2011 proposed budget at a subsidy of \$138,280.

<b>Human/Public Service Funding</b>	<b>2009-2010</b>	<b>2010-2011</b>
Portage Community Center	\$162,484	\$121,567
YWCA	\$10,734	\$9,070
Housing Resources, Inc.	\$24,203	\$18,835
The Ark of Catholic Family Services	\$11,137	\$8,775
Gryphon Place 211 Service	\$4,084	\$3,000
Portage Senior Center	\$141,785	\$138,280

The fiscal year 2010-2011 proposed budget includes continuation of the Health Management Program (HMP) introduced in 2006 for non-union and department head employees. The HMP is expected to assist the city in realizing, over the long term, financial and productivity benefits associated with a healthier workforce. In addition, past efforts by the City Administration to provide funding to account for future retiree health liabilities are continued. This initiative will assist with the maintenance of a sound financial base for the city in accordance with Governmental Accounting Standards Board (GASB) guidelines for funding post-employment benefits.

### **Capital Improvement Fund**

The Capital Improvement Fund provides funding support for construction-related projects to be undertaken by the city in the upcoming year. Additionally, the 2010-2020 proposed Capital Improvement Program presents a long-term plan to address infrastructure needs into the future. Revenue is provided to the Capital Improvement Fund through the property tax millage, Municipal Street Fund millage, utility funds, Federal and state funds and special assessments.

The Capital Improvement Program contains capital projects that promote the public health, safety and welfare; facilitate growth and development; protect community resources and enhance the quality of life within the city. Through the 2010-2020 proposed Capital Improvement Program the city will continue to invest in infrastructure to address economic expansion and infrastructure replacement needs.

The continuing recession and the extremely weakened State of Michigan economic situation have dramatically affected local units of government. The capacity for

municipalities, including the City of Portage, to finance and pay for essential government services – particularly capital improvements to maintain community assets and to foster new growth – has similarly deteriorated. As a result, the fiscal year 2010-2011 proposed capital budget, as well as the overall 2010-2020 Capital Improvement Program, is by necessity limited and only focused on the most essential capital projects. With continuing financial concerns, redefining capital projects, the deferral of projects and the rescheduling of projects, as appropriate, have been presented in the interests of cost control and maximizing efficiency in the use of available funding.

The fiscal year 2010-2011 proposed Capital Improvement Fund supports approximately \$9.99 million in infrastructure improvements. Of this total, approximately \$3.48 million is directed to street related improvements, approximately \$0.54 million is directed to utility infrastructure improvements and approximately \$0.69 million is proposed in public facility, police, fire and park and recreation improvements.

<b>2010-2011 Top Ten Capital Improvement Expenditures</b>	
1. Major Street Reconstruction Program	\$1,650,000
2. Trade Centre Way / West Fork Crossing / South Westnedge Avenue	\$850,000
3. Local Street Reconstruction Program	\$500,000
4. South Westnedge Avenue Water Main Replacement	\$320,000
5. Street Infrastructure Improvements / Portage Public Schools	\$270,000
6. Storm Drainage Improvements Program	\$175,000
7. Information Systems Improvements	\$170,000
8. Police Vehicles	\$157,000
9. West Milham / South 12th Street Intersection Improvements	\$100,000
10. Protective Vests for Police Officers	\$80,000

The condition of streets is an important indicator of overall community financial health and a significant attribute in promoting continued development. As a result, maintaining the city street infrastructure continues to receive a high budget priority, with a total of over \$37 million proposed for investment in city streets through the 2010-2020 Capital Improvement Program. Significant emphasis is placed upon major and local street reconstruction projects over the duration of the ten-year program, with over \$23 million of

funding programmed for this purpose. Continued investment to support the South Westnedge Enhancement Projects (SWEPs) is maintained as a key element of the Capital Improvement Budget. The long-term monetary investment in SWEPs substantially increases the debt obligations of the city and limits the opportunity for infrastructure investment in other areas. While the project remains a top priority, as future project phases are dependent on additional federal funding support, budgeting has been outlined to reflect a probable longer-term funding scenario.

In addition to the proposed major and local street reconstruction projects, the 2010-2011 Capital Improvement Fund includes planned expenditures for continuation of the Storm Drainage Improvement Program designed to address areas that experienced flooding during significant rain events in 2008. Continued investment in enhancing information technology systems to efficiently deliver public services and improve productivity is also provided.

## Utility Funds

The Water Fund and Sewer Fund are enterprise funds operating under the fundamental principle that user rates should be sufficient to fund the entire cost of the utility system operation. To ensure adherence to this operating principle, the city undertakes a Utility Rate Financial Study each year. The Utility Rate Financial Study projects revenue and expenditures over a five-year period to ensure longer-term evaluation of projected rate needs. Through this process system revenues and expenditures are reviewed each year, with recommended rate adjustments being presented annually to the City Council through the Utility Rate Committee.

The amount of accumulated debt is an ongoing issue with the enterprise funds. The most significant projects having impact in this area were the Consolidated Drain Improvement Project (including Millennium Park) at approximately \$7.5 million, the Storm Water Enhancement Project (STEP) at approximately \$6.5 million and the arsenic removal facility at approximately \$5.3 million. These projects, though expensive, were significant efforts by the city in protecting area surface waters from pollution resulting from direct, untreated storm water discharge and from the effects of buried underground storage tanks containing various petrochemicals and in meeting recently mandated arsenic standards for public water supplies. Large working capital deficits that have developed as a result in the Water Fund present an ongoing challenge.

In the Sewer Fund, continuing decreases in sanitary sewer flow presents a further complication, as does the 15.8 percent increase in sanitary sewer treatment charges from the City of Kalamazoo for 2010. These issues combine to necessitate a more aggressive rate of increase for utility charges over the next several years in order to ensure the long-term financial viability of the utility funds. Such action is necessary to ensure sufficient resources are available within the utility funds to meet obligations to avoid the need for subsidy by non-utility related funds.

As is outlined in the 2010 Utility Rate Study, rate adjustments continue to be necessary for the Water and Sewer Funds for the coming year. With the rate adjustments proposed for 2010-2011, the impact upon the typical residential customer having both municipal water and sewer utilities will be an increase in rates of approximately \$7.00 per month. Deferring action will seriously impact upon the financial stability of the utility funds and perhaps limit the ability of the city to issue needed bonds. Therefore, the structured effort presented through the 2010 Utility Rate Study to address the utility-related expenditures in an environment of lower consumption is appropriate.

## Major and Local Streets Funds

In addition to the specific roadway reconstruction projects that are outlined in the Capital Improvement Program, street pavement maintenance receives support in the fiscal year 2010-2011 proposed budget. Funding of \$298,300 for street pavement maintenance programs has been proposed.

Major and Local Street Funds have been scrutinized to minimize cost; however, as noted earlier, it is clear that a major source of revenue for these funds, Act 51 revenue, has decreased to the point where it is no longer sufficient. General Fund transfers have been utilized for the past few years to assist with continuation of necessary street maintenance operations, with little relief in sight. Absent any changes to enable additional funding assistance from the state, a shortfall of nearly \$1 million annually is anticipated as an ongoing challenge within these funds.

#### **Curbside Recycling Fund**

The fiscal year 2010-2011 proposed budget provides for continuation of the weekly curbside recycling program and the Portage-only Saturday household hazardous waste drop-off program initiated in 1999. The Curbside Recycling millage levy has been recommended at 0.2710 mill. As was revealed earlier, should property tax revenue to the city continue to decline, a millage increase to support the Curbside Recycling Fund, or a reduction in service will be necessary during 2011.

#### **Leaf Pickup / Spring Cleanup Fund**

The fiscal year 2010-2011 proposed budget continues the provision of three fall leaf collection periods through the Leaf Pickup Program as well as the separate Spring Cleanup Program. The monthly brush pickup program initiated in 2006 was altered to a quarterly brush pickup program beginning July 2009. The Leaf Pickup/Spring Cleanup millage levy has been recommended at 0.2950 mill. As with the Curbside Recycling millage, should property tax revenue to the city continue to decline, a millage increase to support the Leaf Pickup/Spring Cleanup Fund or a reduction in service will be necessary during 2011.

#### **Fund Balance**

The City Council established policy for a 13% fund balance of General Fund expenditures has been met in the fiscal year 2010-2011 proposed budget. The recommended fund balance serves as a reserve for the purpose of addressing unforeseen costs through the year and assists with achieving a strong bond rating for the city. Additionally, with an economic recovery not yet in sight, a conservative financial position for the city that maintains the established level of fund balance is highly recommended. Maintaining an adequate fund balance will enable the city to better navigate through a continuing period of likely revenue reduction, reducing the immediate impact on city programs and services.

## Conclusion

In summary, the fiscal year 2010-2011 proposed budget supports continuation of service delivery and capital investments considered most important to ensuring the public health, safety and welfare. The city has been able to adjust to significant revenue reductions over the past several years with limited impact on service levels. However, it is again emphasized that fiscal year 2010-2011 will potentially be a pivotal financial period and mark a point in time where service level impacts are unavoidable during 2011 and, perhaps, beyond.

The fiscal year 2010-2011 proposed budget maintains the favorable position of the City of Portage being in the lower 1/4<sup>th</sup> of all Michigan cities of greater than 25,000 population in terms of millage level, while positioning the city to be in the best position to address the anticipated financial challenges that lie ahead. This conservative financial plan is recommended to the City Council as a responsible and sound program for addressing community needs at this time.

Sincerely,



Maurice S. Evans  
City Manager



**City of Portage, Michigan**

**ANNUAL OPERATING BUDGET  
Fiscal Year 2010-2011**

**City Officials as of May 25, 2010**

Peter J. Strazdas  
Mayor

Ed Sackley  
Mayor Pro Tempore

Elizabeth Campbell  
Councilmember

Margaret E. O'Brien  
Councilmember

Patricia M. Randall  
Councilmember

Claudette Reid  
Councilmember

Terry R. Urban  
Councilmember

Maurice S. Evans  
City Manager

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# Overview



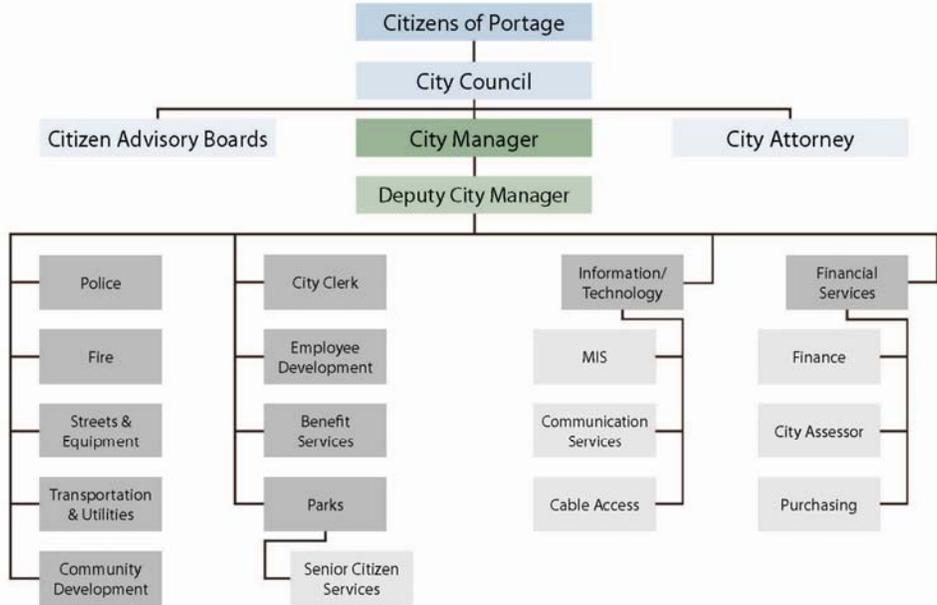
The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Portage for its annual budget for the fiscal year beginning July 1, 2009.



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**



Rev. 1/19/2010

# City of Portage History

History shows that the first inhabitants of Portage were the Potawatomi Indians. It is believed that the Potowatomis traveled between the Kalamazoo and St. Joseph river basins, needing to “portage” their canoes only for a short distance. Settlers began to occupy the area in the early 1830’s. The early settlers arrived and began crop production and related agricultural activities. Early settlements were situated in the northeast portion of the area called Indian Fields (near the Kalamazoo/Battle Creek International Airport) and in the center of the area near Centre Avenue and South Westnedge (near the railroad). Original settlers included Caleb Sweetland, John Kilgore, Joseph Beckley, Thomas Cooley, Ebenezer Stone, William Milham, David Ingersoll, Moses Austin, William Bishop, among others, whose names are recognizable in various ways throughout the community today. The settlements and the vicinity were renamed Portage Township in the late 1830’s, after the Portage Creek, which runs through the area. Not until December 31, 1963 was the City of Portage formally incorporated.

Initially Portage was known as a farming community, with corn and wheat being the primary crops. Nearby communities were also expanding in the late 1800’s including the Village of Kalamazoo

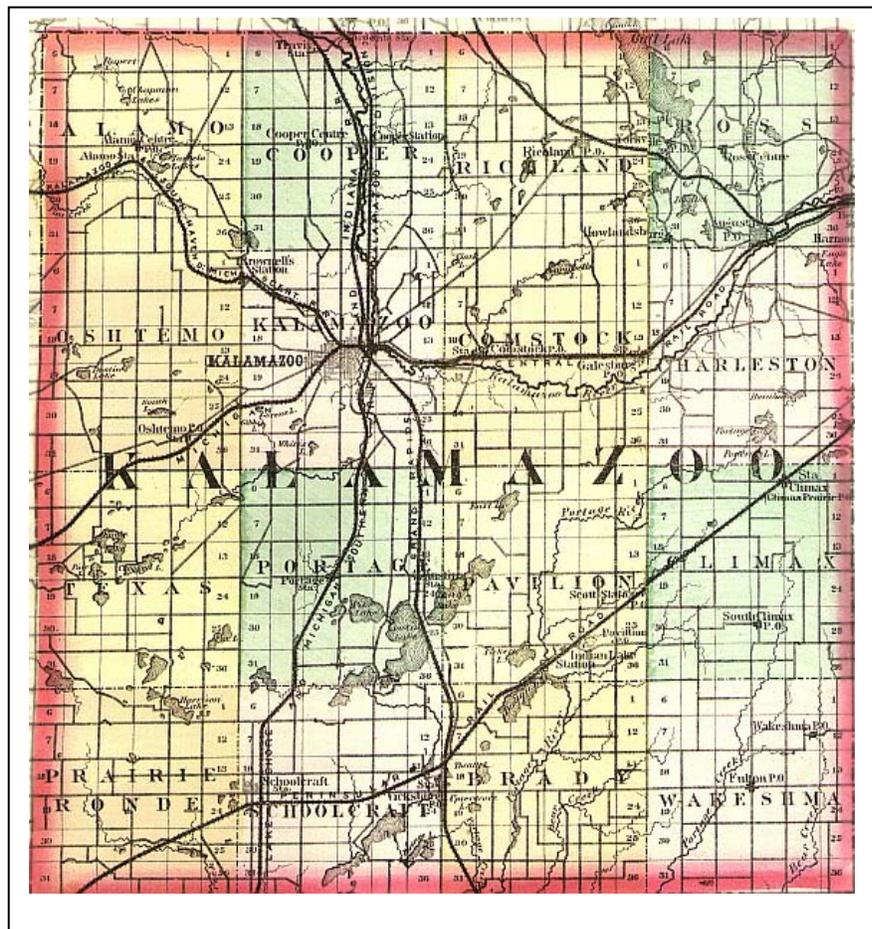
## 1874 Kalamazoo County Map

***Portage was originally founded by settlers Caleb Sweetland, Thomas Cooley, Moses Austin & others, in the early 1830’s, with the establishment of the township’s first post office in 1836.***

***Between 1838 & 1850, Portage had grown from 20 families to 150.***

***By the end of WWI, the community had expanded its commerce base to include commercial fishing, ice cutting & resort operation.***

Source: Kalamazoo County



and the Village of Vicksburg. By the turn of the century, Portage began to utilize its lakes. Commercial fishing, ice cutting and resort operations were prominent. The most significant thrust to the growth and development in Portage was the construction of the original 33-acre Upjohn Company facility in the early 1950's, now Pfizer Corporation, a global pharmaceutical company that provided, and continues to provide a significant amount of jobs in the community.

From the 1960's, and with the newly completed east-west Interstate-94 through southern Michigan, the former farming community experienced significant growth forces. Southland Mall, one of the first suburban shopping complexes in Kalamazoo County, was developed and expanded in the 1950's and early 1960's. Due to the large population growth – population surged between 1960 and 1970 – commercial facilities located in Portage to capture the disposable income from the families in these newly located residential “roof-tops”. Additional retail growth continued to occur and in the late 1970's the region's first regional mall was located on former celery growing fields along South Westnedge Avenue. The Crossroads Mall took advantage of the growing residential base in the south and west portions of Kalamazoo County and the market access provided by I-94 and US131, the major traffic routes serving southwest Michigan. From the initial “Portage” settlements to the early suburban Portage Township, the modern City of Portage is now a community of fine residential neighborhoods and is a regional retail trade center with more than 4.5 million square feet of commercial and office building space along South Westnedge Avenue. These two sectors are complemented by the industrial base, anchored by the Pfizer Corporation, and many other manufacturers, and together have converged to create a vibrant, progressive community where opportunities can grow!

An excellent reference on the history of the City of Portage is [This Place Called Portage: Its Past & Present](#) (2006) by Larry B. Massie. The book features a wealth of photographs and information. For another history of the City of Portage, see [Portage and Its Past](#) (1976) by Grace J. Potts. This book contains many historical reference points and photographs of the City of Portage.



Portage Creek



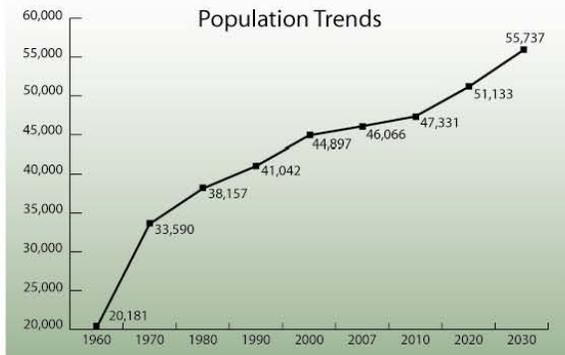
**CITY OF PORTAGE  
COMMUNITY PROFILE**  
Fiscal Year 2010-2011

Portage is located in Kalamazoo County in southwest Michigan approximately half way between Chicago and Detroit at the crossroads of Interstate 94 and US-131 and encompasses approximately 35 square miles. Approximately 73 percent of the land is zoned for residential use, 19 percent for industrial and 8 percent zoned for commercial uses. This mix of land uses and convenient access to two major highways creates a balanced and healthy local economy.

Though originally known for its fertile farmland and agricultural production, Portage has grown into a community of excellent residential neighborhoods and as the retail trade center for all of southwest Michigan. The city has also taken a progressive approach to economic development by providing unique opportunities for businesses and industries to grow. The community has a growing population, desirable housing, and excellent school system, numerous shopping and recreational opportunities, is located in close proximity to a variety of post-secondary education institutions and maintains a highly educated workforce. These characteristics, coupled with one of the largest employment bases in the region, make Portage a very attractive place in which to live, work and recreate.



From the 1960's, and with the newly completed east-west Interstate-94 through southern Michigan, the former farming community experienced significant growth forces. Southland Mall, one of the first suburban shopping complexes in Kalamazoo County, was developed and expanded in the 1950's and early 1960's. Due to the large

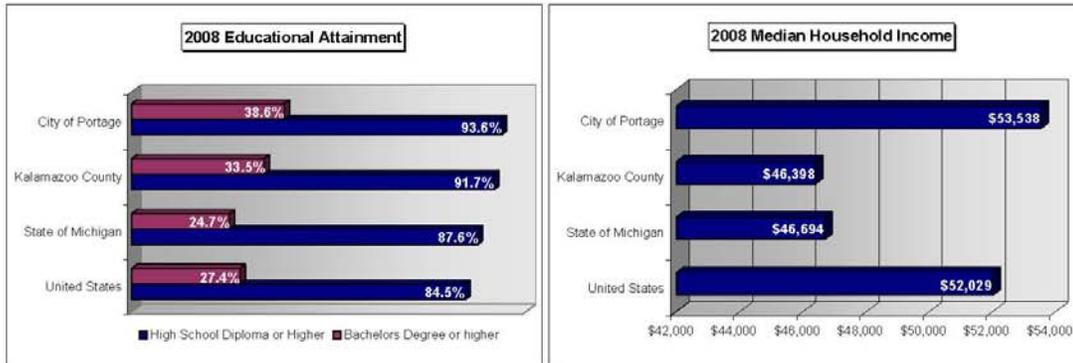


population growth as shown in the chart to the left, commercial facilities located in Portage to capture the disposable income from the families in these newly located residential "roof-tops". Additional retail growth continued to occur and in the late 1970's the region's first regional mall was located on former celery growing fields along South Westnedge Avenue. The Crossroads Mall, southwest Michigan's only

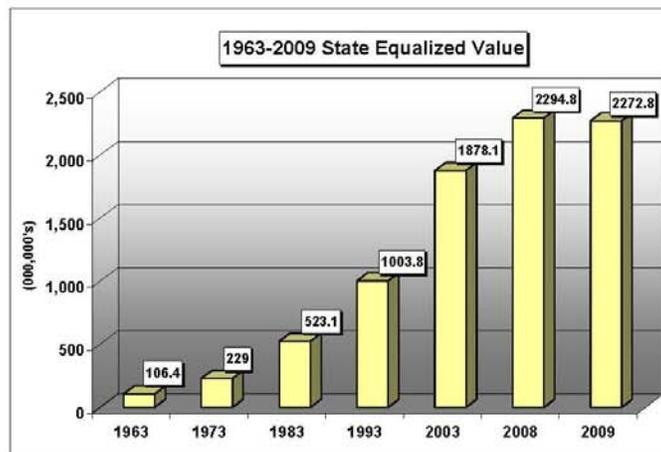
regional mall, took advantage of the growing residential base in the south and west portions of Kalamazoo County and the market access provided by I-94 and US-131, the major traffic routes serving southwest Michigan.

Today, Portage continues to be a place where opportunities can grow! The population of Portage has been growing at steady rate during the 1980's and 1990's and has more than doubled since 1960. By 2000, Portage had a population of 44,897 and Census Bureau estimates a 2008 population of 46,133. The population is expected to increase to nearly 56,000 by 2030 as shown on the Population Trends chart on the preceding page. Portage has maintained the largest share of population growth (in terms of absolute numbers) than any other jurisdiction in the county.

As shown in the charts below, the median household income of Portage residents continues to exceed the county, state and national averages. This trend is also evident in the level of education attainment. Over 94% of Portage residents have a high school diploma and nearly 38% have a college degree.



The City of Portage has the largest Assessed Value (regular tax roll) of any other unit of government in Kalamazoo County. As the table to right shows, the State Equalized value of real and personal property has increased from \$106.4 million in 1963 when the township incorporated as a city to nearly \$2.3 billion in 2009. Although the total SEV experienced a slight decline between 2008 and 2009, the value of new construction activity increased 15% between 2008 and 2009.



Portage is the home of several major employers in Kalamazoo County. Included on the list is the Pfizer Corporation. The Pfizer Corporation is a global manufacturer of pharmaceutical products; their primary U.S. manufacturing activities are located in Portage. The Pfizer Corporation employs approximately 3,000 people within the City of Portage. Other major employers in the city include:

- Meijer, Inc., a general merchandise/grocer that employs approximately 689 people;
- Portage Public School system that employs 1,121 people;
- Stryker Corporation, a specialty surgical/medical products and instruments supplier that employs approximately 1,600 people;
- State Farm Insurance Company employing 750 people;

From the initial "Portage" settlements to the early suburban Portage Township, the modern City of Portage is now a community with an educated workforce, excellent residential neighborhoods to accommodate a growing population, and is a regional retail trade center with more than 4 million square feet of commercial and office building space along South Westnedge Avenue. These two sectors are complemented by an expanding industrial base, anchored by the Stryker and Pfizer Corporations, and many other manufacturers, and together have converged to create a vibrant, progressive community.

For several years, the city has been aggressively working to facilitate business growth and strengthen the local employment base and economy through the implementation of several economic development initiatives. The first such initiative, **Industrial Development**, was announced in 1996 and involved the investment of \$2 million in city funds to provide public infrastructure improvements (water/sanitary sewer lines and public roads) to nearly 100 acres of landlocked or under utilized industrial properties in three areas of the city. After completion of the infrastructure improvements in 1997, 34 new or expanded facilities have been completed.

The second initiative, **Community Investment**, was announced in 1998 and involved the combined investment of almost \$7 million from local, state and federal sources in important infrastructure projects within the first city Downtown Development Authority (DDA) district, development of the 50 acre Milham Business/Technology Park and the reconstruction of Shaver Road as a boulevard. After completion of the infrastructure improvements in 1999, 22 new or expanded facilities have been completed.



The third initiative, **Commerce Square Enhancement**, was announced in 1999 and involved more than \$9 million of public investment that focused on enhancements to the South Westnedge Avenue commercial corridor. The enhancements included major roadway improvements to ensure the continued success of the central business area by providing safe and convenient access for patrons and employees. These efforts stimulated two major commercial redevelopment projects resulting in 180,000 square feet of combined building area. Environmental enhancements to improve water quality associated with local wetlands and Consolidated Drain No. 1 were also a major

component of this initiative and resulted in valuable commercial property that was previously used for storm water retention being reclaimed for development.

The success of these three initiatives is summarized in the table below.

Total 1996-2009 Economic Development Initiative Impacts							
Number of Businesses	Number of Industries	Jobs from Expansion	Jobs Retained	New Jobs	Total Jobs <sup>1</sup>	Taxable Value <sup>2</sup>	Estimated Market Value <sup>3</sup>
55		10	787	2,845	3,642	\$78,670,490	\$152,964,541
	36	131	265	604	1,000	\$24,187,896	\$50,566,649
<b>Totals</b>	<b>91</b>	<b>141</b>	<b>1,052</b>	<b>3,449</b>	<b>4,642</b>	<b>\$102,858,386</b>	<b>\$203,531,190</b>

<sup>1</sup> Includes both full- and part-time jobs.

<sup>2</sup> Taxable value as reported by the City Assessor Office or estimated from information provided by the developer.

<sup>3</sup> Estimated market value based on the state equalized value as reported by the City Assessor or estimated from information provided by the developer.

Although the City of Portage allocated significant local resources to ensure the success of these three important economic development initiatives, the return on investment is significant. The private developments currently underway and committed already represent approximately a 1,000 percent return for each dollar invested by the city. The initial economic impacts associated with the private sector projects are very good news for the community in terms of diversifying the tax base and adding job opportunities for area residents.

The most recent initiative, **South Westnedge Enhancement Projects**, was announced in 2004 and represents the largest capital improvement project in the history of the city: Public investment of more than \$16 million to complete needed roadway and utility upgrade projects within the South Westnedge Avenue commercial corridor between Milham Avenue and Kilgore Road. South Westnedge Avenue at Kilgore Road is a principal gateway into the City of Portage and serves as the major transportation facility serving the regional retail trade center of southwest Michigan.



Construction of the first phase north of I-94 was completed in November 2008. This approximately \$4 million public investment involved widening South Westnedge Avenue, installation of a raised median island to improve traffic flow and safety, placement overhead utility lines underground, among other improvements. Completion of additional phases is contingent on reconstruction of the I-94/South Westnedge Avenue overpass by the State of Michigan as part of an overall \$182 million state project to widen I-94 through Kalamazoo County, including the City of Portage. Reconstruction of

the I-94/South Westnedge Avenue overpass as a single point urban interchange was formally announced in February 2009 by Governor Granholm as one of several State of Michigan projects funded by the American Recovery and Reinvestment Act of 2009. The \$68 million project began in 2009 and is expected to be complete in 2011.

Finally, it is important to underscore that all four initiatives were accomplished without a tax increase. Project funding was provided through a combination of local tax resources, private sector participation as well as state and federal grants.

The continued expansion of existing industrial facilities within the Sprinkle Road Industrial Corridor has been significant. In 2006, the Stryker Corporation completed construction of a new 433,000 square foot medical equipment manufacturing facility on approximately 80 acres of land at 3800 East Centre Avenue. The Stryker Corporation also renovated the component product research and development facilities plus construction of a new 200,000 square foot facility that manufactures and assembles medical instruments at the 4100 East Milham Avenue location. Both projects were completed in 2008. These facility improvements represent approximately \$62 million of investment.



In addition to the Pfizer and Stryker Corporations, a life science cluster consisting of smaller-scale companies continues to grow within the Sprinkle Road Industrial Corridor. Several new businesses have located to this corridor including the U.S. headquarters for Phadia AB, PharmOptima LLC, Borgess Research Institute, Quality Air Service and Hospital Network. Eurofins Scientific/Avtech Laboratories completed a major expansion project in 2007. The continued investment in new manufacturing and life science facilities and reinvestment in existing facilities further exemplifies a healthy and growing industrial and life science sectors of the economy.

The city is also the retail trade center for all of southwest Michigan. Crossroads Mall, a regional shopping center of more than 800,000 square feet has approximately 100 tenants including four department stores: Macy's, J.C. Penney & Co., Sears Roebuck and Company and Burlington Coat Factory. Southland Mall, a 285,000 square foot retail power center anchored by Kohl's Department Store, Barnes & Noble Bookstore, T.J. Maxx, and Office Max, among others, underwent a major façade improvement project that was completed in 2007. Several other major retailers are located within the city: Target, Best Buy, Lowe's, Home Depot, and Menards Home Improvement Centers. The Shaver Road business corridor welcomed a 188,000 square foot Meijer, Inc. store in 2002, and a 152,000 square foot Wal-Mart in 2004. Wal-Mart also has plans for a 66,500 "super center" expansion at that location. Two other retail shopping centers, Portage Crossings and the Carillon Center, have a combined building area of 308,000 square feet. Additionally, Sam's Club opened a new and expanded 135,000 square foot wholesale club in 2006



and the Shoppes at Romence Village, a 150,000 square foot planned retail center, continues with its expansion plans.

Portage continues to be a much-desired location for national retailers. In particular, South Westnedge Avenue with an interchange at I-94, is one of the busiest commercial street corridors in Michigan. This corridor and the immediately adjacent developed area has more than 4 million square feet of building area accommodating hundreds of retail, office and service activities.

Woodbridge Hills Planned Development is a 600 acre master planned residential/office/commercial project along Centre Avenue. The residential phase of this development includes over 320 multi-family and approximately 400 single-family units. The commercial phase includes the Woodbridge Hills Shopping Village, professional office complexes, and a 30 acre research park which is currently occupied by Borgess Hospital which accommodates medical treatment, laboratory, diagnostic, and related activities, and Kalamazoo Orthopedics. Other satellite medical offices are also planned on the remaining approximate 15 acres in the future.



Additional office development within the City of Portage is primarily located within two office corridors – West Centre Avenue and Milham Avenue. West Centre Avenue has developed into a “medical mile” due to the many medical office buildings that have been constructed during the past several years. This “medical mile” is anchored by medical facilities for both Borgess and Bronson hospitals. West Centre Avenue also provides an excellent location for research and business parks as well as locations for corporate offices. Included within this corridor are Creekside Commons and Cooley Drive office parks that are currently under development. When completed, Creekside Commons will consist of seven buildings totaling nearly 115,000 square feet and Cooley Drive will consist of four buildings totaling nearly 60,000 square feet. Milham Avenue also offers excellent locations for general administrative, medical and corporate offices. The Milham Avenue Technology/Business Park offers a superior location for technology oriented businesses with visibility from I-94.

A quality public school system is also an important component to the continued strength of the local economy. In November 2007, Portage voters overwhelmingly approved \$119 million bond proposal to construct two new elementary schools, a new Central High School and renovate Portage Northern High School. Also included in the bond project are new facilities for Transportation and Maintenance as well as Technology and Training. Construction of the new or renovated facilities has begun and is on schedule.



12<sup>th</sup> Street Elementary opened in 2009, Lake

Center Elementary will open in 2010 and the high schools will be complete and ready for occupancy in 2011.

Growth and economic development can be directly related to the expansion and technological advancement of the transportation facilities. The City of Portage transportation needs are served by excellent road, air and rail facilities. With regard to the roadway network, the city is located at the crossroads of two significant interstate/freeway corridors – I-94 and US 131- which connect the major markets of Chicago and Detroit and other markets in the Midwest including Grand Rapids, Toledo, Indianapolis, and Milwaukee, for example.

Kalamazoo-Battle Creek International Airport, located adjacent to Portage, is served by American Eagle, Delta and DirectAir airlines providing over 30 daily departures and arrivals. This excellent level of air service provides the community with a diverse selection of air carriers and connecting hubs for both domestic and international air travel. In spite of high fuel costs, poor economy and capacity reductions by air carriers of offset increases in operating costs; approximately 328,000 passengers used the airport in 2008.

In 2008, Airport officials announced plans to construct a new \$39 million, 100,000 square foot airport terminal. The new terminal will include expanded ticketing and baggage claim areas, passenger boarding bridges at all gates and an expanded area for Transportation Security Administration operations. Construction began in 2009 and is expected to be complete in April 2011.



Bus services are also available, as are other forms of ground transportation to serve the needs of business and industrial activities. Norfolk and Southern have rail facilities which traverse the city and provide direct service to a number of industries and businesses in the community.

*Department of Community Development*

# Things You May Not Know About Portage

The City is 35.2 square miles in area. It contains: 208 acres of parks, 55 miles of bikeways and 5 additional miles of walking trails, 1,732 acres of lakes, 1,555 acres of state game preserve, 131 acres of landscaped boulevard islands, 72 linear miles of major streets, 147 linear miles of local streets, 231 miles of sewer mains, 55 sewer lift stations, 18 municipal water wells, over 2,600 fire hydrants, and 246 miles of water mains.



Portage City Hall

The Portage Police Department has received its third consecutive CALEA certification (Commission on Accreditation for Law Enforcement Agencies, Inc.). Only 10% of police agencies in the United States are accredited, and Portage is one of only 10 in the state of Michigan.

The City received an award for Excellence in Traffic Safety from the Michigan Association of Chiefs of Police, the Michigan Office of Highway Safety Planning and the AAA of Michigan.

Portage is a National Weather Service designated Storm Ready Community.

Portage has been Designated a Tree City U.S.A. for the 21<sup>st</sup> consecutive year.

Portage was ranked a Bronze level Bicycle Friendly Community by the League of American Bicyclists.

The City has received the Certificate of Achievement for Excellence in Financial Reporting for 23 consecutive years.

The City has received the Distinguished Budget Presentation Award for 23 consecutive years.



Ramona Park beach

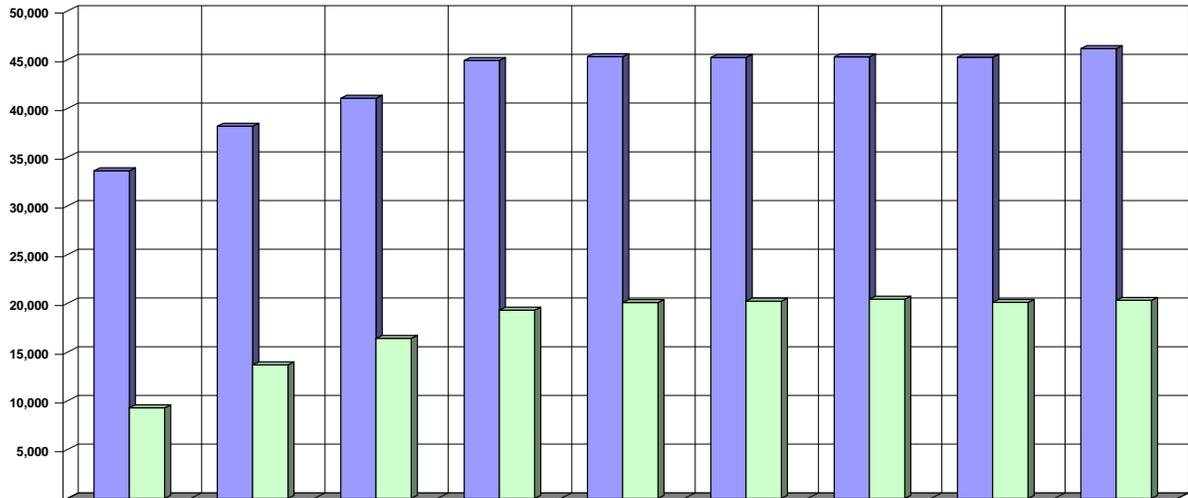


Celery Flats Historical Area Grain Elevator



Millennium Park Ice Rink

### POPULATION AND HOUSEHOLDS



	1970	1980	1990	2000	2004	2005	2006	2007	2009
Population	33,590	38,157	41,042	44,897	45,297	45,210	45,277	45,236	46,133
Households	9,274	13,690	16,398	19,298	20,081	20,224	20,430	20,100	20,301

Data Source	Census	Census	Census	Census	Estimate	Estimate	Estimate	Estimate	Estimate
Population per Household	3.6	2.8	2.5	2.3	2.3	2.2	2.2	2.3	2.3
Population % Change vs Prior Census		13.6%	7.6%	9.4%	Not Applicable				
Households % Change vs Prior Census		47.6%	19.8%	17.7%	Not Applicable				

**Warning Trend:** Rapid changes in population or number of households.

**Description:** The exact relationship between population changes and other demographic factors is uncertain. Population change can, however, directly affect those governmental revenues collected or allocated on a per capita basis. A sudden increase in population can create immediate pressure for new capital outlay and higher levels of service. Prior to 1990, the city used population estimates (based on dwelling units) as an indicator of services. However, as the census data shows (see table above), the average household size has decreased from 3.6 persons in 1970 to 2.3 persons in 2000. Note that:

- 1) Dwelling units, i.e., households, a real property statistic that is tabulated annual, is more easily tracked than is population, and
- 2) Many city services are rendered to *dwelling*s rather than to individuals.

Therefore, it is reasonable to utilize the number of households in the community rather than the population as an indicator of service demand. Given these reasons, the number of households is used in many of the financial trend indicators throughout the remainder of this document.

**Table DP-1. Profile of General Demographic Characteristics: 2000**

Geographic area: Portage city, Michigan

[For information on confidentiality protection, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
<b>Total population</b> .....	<b>44,897</b>	<b>100.0</b>	<b>HISPANIC OR LATINO AND RACE</b>		
<b>SEX AND AGE</b>			<b>Total population</b> .....	<b>44,897</b>	<b>100.0</b>
Male.....	21,528	47.9	Hispanic or Latino (of any race).....	868	1.9
Female.....	23,369	52.1	Mexican.....	496	1.1
Under 5 years.....	3,098	6.9	Puerto Rican.....	63	0.1
5 to 9 years.....	3,263	7.3	Cuban.....	26	0.1
10 to 14 years.....	3,487	7.8	Other Hispanic or Latino.....	283	0.6
15 to 19 years.....	3,069	6.8	Not Hispanic or Latino.....	44,029	98.1
20 to 24 years.....	2,775	6.2	White alone.....	40,220	89.6
25 to 34 years.....	6,207	13.8	<b>RELATIONSHIP</b>		
35 to 44 years.....	7,201	16.0	<b>Total population</b> .....	<b>44,897</b>	<b>100.0</b>
45 to 54 years.....	6,596	14.7	In households.....	44,482	99.1
55 to 59 years.....	2,154	4.8	Householder.....	18,138	40.4
60 to 64 years.....	1,756	3.9	Spouse.....	9,863	22.0
65 to 74 years.....	2,918	6.5	Child.....	13,586	30.3
75 to 84 years.....	1,829	4.1	Own child under 18 years.....	11,317	25.2
85 years and over.....	544	1.2	Other relatives.....	955	2.1
Median age (years).....	35.8	(X)	Under 18 years.....	347	0.8
18 years and over.....	33,026	73.6	Nonrelatives.....	1,940	4.3
Male.....	15,533	34.6	Unmarried partner.....	934	2.1
Female.....	17,493	39.0	In group quarters.....	415	0.9
21 years and over.....	31,466	70.1	Institutionalized population.....	120	0.3
62 years and over.....	6,268	14.0	Noninstitutionalized population.....	295	0.7
65 years and over.....	5,291	11.8	<b>HOUSEHOLD BY TYPE</b>		
Male.....	2,174	4.8	<b>Total households</b> .....	<b>18,138</b>	<b>100.0</b>
Female.....	3,117	6.9	Family households (families).....	12,139	66.9
<b>RACE</b>			With own children under 18 years.....	6,195	34.2
One race.....	44,069	98.2	Married-couple family.....	9,863	54.4
White.....	40,746	90.8	With own children under 18 years.....	4,679	25.8
Black or African American.....	1,676	3.7	Female householder, no husband present.....	1,766	9.7
American Indian and Alaska Native.....	135	0.3	With own children under 18 years.....	1,196	6.6
Asian.....	1,187	2.6	Nonfamily households.....	5,999	33.1
Asian Indian.....	403	0.9	Householder living alone.....	4,927	27.2
Chinese.....	332	0.7	Householder 65 years and over.....	1,526	8.4
Filipino.....	63	0.1	Households with individuals under 18 years.....	6,473	35.7
Japanese.....	48	0.1	Households with individuals 65 years and over.....	3,655	20.2
Korean.....	143	0.3	Average household size.....	2.45	(X)
Vietnamese.....	101	0.2	Average family size.....	3.01	(X)
Other Asian <sup>1</sup> .....	97	0.2	<b>HOUSING OCCUPANCY</b>		
Native Hawaiian and Other Pacific Islander.....	10	-	<b>Total housing units</b> .....	<b>18,880</b>	<b>100.0</b>
Native Hawaiian.....	5	-	Occupied housing units.....	18,138	96.1
Guamanian or Chamorro.....	1	-	Vacant housing units.....	742	3.9
Samoan.....	-	-	For seasonal, recreational, or occasional use.....	80	0.4
Other Pacific Islander <sup>2</sup> .....	4	-	Homeowner vacancy rate (percent).....	1.4	(X)
Some other race.....	315	0.7	Rental vacancy rate (percent).....	5.2	(X)
Two or more races.....	828	1.8	<b>HOUSING TENURE</b>		
<b>Race alone or in combination with one or more other races:</b> <sup>3</sup>			<b>Occupied housing units</b> .....	<b>18,138</b>	<b>100.0</b>
White.....	41,507	92.4	Owner-occupied housing units.....	12,502	68.9
Black or African American.....	1,999	4.5	Renter-occupied housing units.....	5,636	31.1
American Indian and Alaska Native.....	425	0.9	Average household size of owner-occupied units.....	2.71	(X)
Asian.....	1,362	3.0	Average household size of renter-occupied units.....	1.88	(X)
Native Hawaiian and Other Pacific Islander.....	25	0.1			
Some other race.....	484	1.1			

- Represents zero or rounds to zero. (X) Not applicable.

<sup>1</sup> Other Asian alone, or two or more Asian categories.

<sup>2</sup> Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

<sup>3</sup> In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

Source: U.S. Census Bureau, Census 2000.

**Table DP-2. Profile of Selected Social Characteristics: 2000**

Geographic area: Portage city, Michigan

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
<b>SCHOOL ENROLLMENT</b>			<b>NATIVITY AND PLACE OF BIRTH</b>		
Population 3 years and over enrolled in school.....	12,677	100.0	Total population.....	44,926	100.0
Nursery school, preschool.....	862	6.8	Native.....	42,779	95.2
Kindergarten.....	664	5.2	Born in United States.....	42,542	94.7
Elementary school (grades 1-8).....	5,603	44.2	State of residence.....	30,847	68.7
High school (grades 9-12).....	2,625	20.7	Different state.....	11,695	26.0
College or graduate school.....	2,923	23.1	Born outside United States.....	237	0.5
<b>EDUCATIONAL ATTAINMENT</b>			Foreign born.....	2,147	4.8
Population 25 years and over.....	29,391	100.0	Entered 1990 to March 2000.....	954	2.1
Less than 9th grade.....	652	2.2	Naturalized citizen.....	969	2.2
9th to 12th grade, no diploma.....	1,537	5.2	Not a citizen.....	1,178	2.6
High school graduate (includes equivalency).....	6,990	23.8	<b>REGION OF BIRTH OF FOREIGN BORN</b>		
Some college, no degree.....	6,904	23.5	Total (excluding born at sea).....	2,147	100.0
Associate degree.....	2,488	8.5	Europe.....	574	26.7
Bachelor's degree.....	6,866	23.4	Asia.....	847	39.5
Graduate or professional degree.....	3,954	13.5	Africa.....	80	3.7
Percent high school graduate or higher.....	92.6	(X)	Oceania.....	28	1.3
Percent bachelor's degree or higher.....	36.8	(X)	Latin America.....	307	14.3
<b>MARITAL STATUS</b>			Northern America.....	311	14.5
Population 15 years and over.....	35,009	100.0	<b>LANGUAGE SPOKEN AT HOME</b>		
Never married.....	8,523	24.3	Population 5 years and over.....	41,825	100.0
Now married, except separated.....	20,556	58.7	English only.....	39,045	93.4
Separated.....	327	0.9	Language other than English.....	2,780	6.6
Widowed.....	2,150	6.1	Speak English less than "very well".....	646	1.5
Female.....	1,752	5.0	Spanish.....	887	2.1
Divorced.....	3,453	9.9	Speak English less than "very well".....	161	0.4
Female.....	2,111	6.0	Other Indo-European languages.....	1,165	2.8
<b>GRANDPARENTS AS CAREGIVERS</b>			Speak English less than "very well".....	291	0.7
Grandparent living in household with one or more own grandchildren under 18 years.....	431	100.0	Asian and Pacific Island languages.....	594	1.4
Grandparent responsible for grandchildren.....	156	36.2	Speak English less than "very well".....	165	0.4
<b>VETERAN STATUS</b>			<b>ANCESTRY (single or multiple)</b>		
Civilian population 18 years and over ..	33,013	100.0	Total population.....	44,926	100.0
Civilian veterans.....	4,318	13.1	Total ancestries reported.....	52,928	117.8
<b>DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION</b>			Arab.....	160	0.4
Population 5 to 20 years.....	10,281	100.0	Czech <sup>1</sup> .....	334	0.7
With a disability.....	745	7.2	Danish.....	283	0.6
Population 21 to 64 years.....	26,246	100.0	Dutch.....	5,388	12.0
With a disability.....	3,537	13.5	English.....	6,420	14.3
Percent employed.....	61.5	(X)	French (except Basque) <sup>1</sup> .....	1,926	4.3
No disability.....	22,709	86.5	French Canadian <sup>1</sup> .....	825	1.8
Percent employed.....	83.6	(X)	German.....	11,566	25.7
Population 65 years and over.....	5,162	100.0	Greek.....	286	0.6
With a disability.....	1,997	38.7	Hungarian.....	321	0.7
<b>RESIDENCE IN 1995</b>			Irish <sup>1</sup> .....	5,803	12.9
Population 5 years and over.....	41,825	100.0	Italian.....	1,876	4.2
Same house in 1995.....	21,619	51.7	Lithuanian.....	94	0.2
Different house in the U.S. in 1995.....	19,575	46.8	Norwegian.....	737	1.6
Same county.....	11,985	28.7	Polish.....	2,842	6.3
Different county.....	7,590	18.1	Portuguese.....	65	0.1
Same state.....	4,010	9.6	Russian.....	300	0.7
Different state.....	3,580	8.6	Scotch-Irish.....	813	1.8
Elsewhere in 1995.....	631	1.5	Scottish.....	1,169	2.6
			Slovak.....	191	0.4
			Subsaharan African.....	142	0.3
			Swedish.....	954	2.1
			Swiss.....	103	0.2
			Ukrainian.....	89	0.2
			United States or American.....	2,411	5.4
			Welsh.....	189	0.4
			West Indian (excluding Hispanic groups).....	64	0.1
			Other ancestries.....	7,577	16.9

-Represents zero or rounds to zero. (X) Not applicable.

<sup>1</sup>The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes Czechoslovakian. French includes Alsatian. French Canadian includes Acadian/Cajun. Irish includes Celtic.

Source: U.S. Bureau of the Census, Census 2000.





# MICHIGAN ECONOMIC UPDATE

Office of Revenue and Tax Analysis  
Michigan Department of Treasury  
<http://www.michigan.gov/treasury>

## Unemployment Rates Rise Sharply in Calendar Year 2009 (Not Seasonally Adjusted)

Calendar year (CY) 2009 unemployment rates ranged between 8.8 percent (Ann Arbor MSA) and 16.1 percent (Northeast Lower Michigan). The *median* CY 2009 local area unemployment rate was 13.0 percent.

Compared to CY 2008, unemployment rates rose in all 17 major Michigan labor market areas. The *median* unemployment rate increase was 4.8 percentage points. All but one area (Ann Arbor MSA, 2.9 percentage points) reported an increase exceeding 4.0 percentage points. Two areas saw increases greater than 6.0 percentage points: Muskegon-Norton Shores MSA (6.7 percentage points) and Detroit-Warren-Livonia MSA (6.6 percentage points).

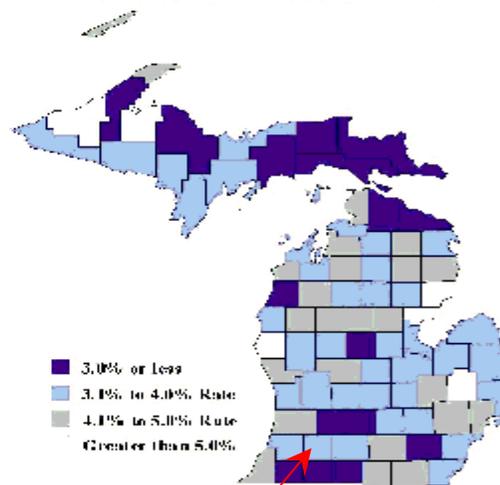
Between December 2008 and December 2009, employment fell substantially in all 17 major labor market areas with a median employment decline of 4.8 percent. The Ann Arbor MSA saw the smallest decline (-3.3 percent). The Flint MSA saw the largest employment drop (-8.6 percent), followed by Holland-Grand Haven MSA (-6.8 percent). Sixteen areas saw a labor force decline with a median change of -1.0 percent. Labor force changes ranged between -0.3 percent (Northwest Lower Michigan) and -3.7 percent (Flint MSA).

Between December 2008 and December 2009, the unemployment rate rose in all 83 Michigan counties with a median increase of 3.8 percentage points. Two counties saw December 2009 unemployment rates less than 10.0 percent while 50 counties reported rates higher than 15.0 percent.

Local Area Unemployment Rates<sup>(a)</sup>

Local Area	CY 2009 Rate	CY 2008 Rate	Change
Michigan	8.4%	14.0%	5.6% pts
Ann Arbor	5.9%	8.8%	2.9%
Traverse City	7.7%	10.3%	4.6%
Two City	7.8%	10.4%	4.9%
Detroit-Warren-Livonia	8%	14.4%	6.6%
Flint	10.9%	19.5%	8.2%
Grand Rapids-Wyoming	7.2%	11.6%	4.4%
Holland-Grand Haven	7.6%	13.7%	5.7%
Jackson	8.7%	14.5%	5.6%
Kalamazoo-Portage	6.8%	11.1%	4.2%
Lansing-East Lansing	6.8%	11.1%	4.5%
Marquette	8%	14.5%	5.8%
Muskegon-Norton Shores	8.5%	15.2%	6.7%
Niles-Pontiac-Hubler	8.1%	13.0%	4.9%
Saginaw-Saginaw Township	8.6%	12.1%	4.5%
Upper Peninsula	8.5%	12.6%	4.1%
Northeast Lower Mich.	11.1%	16.1%	5.0%
Northwest Lower Mich.	9.6%	12.8%	4.8%

Unemployment Rate Change  
December 2008 – December 2009<sup>(a)</sup>



City of Portage,  
Kalamazoo County



**INDUSTRY EMPLOYMENT FORECASTS  
KALAMAZOO AND ST JOSEPH COUNTIES  
2002-2012**

<u>INDUSTRY TITLE</u>	<u>NAIC</u>	<u>EMPLOYMENT</u>		<u>CHANGE</u>	
		<u>2002</u>	<u>2012</u>	<u>LEVEL</u>	<u>%</u>
Total, Wage and Salary Employment		146,610	159,440	12,830	8.7
Goods - Producing Industries		38,770	40,040	1,270	3.3
Natural Resources and Mining		70	70	0	-2.7
Construction		6,670	7,580	910	13.7
Manufacturing		32,030	32,390	360	1.1
Durable Goods		16,300	16,200	-100	-0.6
Wood Products	321	70	60	-10	-23.6
Nonmetallic Mineral Products	327	530	600	70	14.2
Primary Metals	331	600	600	0	0.5
Fabricated Metal Products	332	2,890	2,930	40	1.6
Machinery	333	2,310	2,270	-40	-2
Computer and Electronic Products	334	620	580	-40	-6.4
Electrical Equip, Appliances & Components	335	120	130	10	7.5
Transportation Equipment Manufacturing	336	6,070	5,830	-240	-3.9
Furniture and Related Products	337	740	740	0	0.3
Miscellaneous Manufacturing	339	2,350	2,460	110	4.3
Nondurable Goods		15,730	16,200	470	3
Food Manufacturing	311	1,230	1,240	10	0.7
Beverage and Tobacco Products	312	200	210	10	4.6
Apparel	315	p	p	p	p
Paper and Paper Products	322	2,690	2,680	-10	-0.3
Printing and Related Support Activities	323	950	810	-140	-14.7
Petroleum and Coal Products	324	p	p	p	p
Chemicals	325	p	p	p	p
Plastics and Rubber Products	326	3,080	3,320	240	7.6
Service - Providing Industries		107,840	119,390	11,550	10.7
Wholesale Trade		4,580	5,070	490	10.7
Retail Trade		17,820	18,830	1,010	5.7
1* Transportation, Warehousing and Utilities		4,430	4,910	480	10.8
Information		1,880	1,980	100	5.5
Finance and Insurance		5,480	5,960	480	8.7
Real Estate and Rental & Leasing		1,890	2,000	110	5.7
Professional and Business Services		12,540	14,460	1,920	15.3
2* Education and Health Services		31,620	35,360	3,740	11.8
Leisure and Hospitality		13,490	15,160	1,670	12.4
Other Services		8,430	9,740	1,310	15.6
3* Government		5,680	5,910	230	4

Table Footnotes and Notes

\* Includes U.S. Postal Services

2\* Includes State & Local Government Hospitals and Education

3\* Excludes U.S. Postal Services and State & Local Government Hospitals and Education

Employment totals may not add up due to rounding

Industries with less than five workers were omitted on the table but are represented in totals and subtotals

Percent change is based on unrounded numbers.

NAIC - North American Industrial Classification system

**CITY OF PORTAGE**  
**Fiscal Policy**  
Fiscal Year 2010-2011

**BUDGET POLICY**

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

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

City-wide goals and objectives provide the framework for the management by objectives performance evaluation system. Departments define specific goals within this framework and are evaluated quarterly on their performance relative to these criteria. These criteria are directly linked to the Council Mission Statement, Long-Term Action Areas and Goals & Objectives. The budget is considered balanced when targeted fund balance percentages are reached.

**BUDGET CALENDAR**

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

**S**eptember - The Community Development Department distributes instructions and forms for the ten-year Capital Improvement Program (CIP).

**O**ctober - The citizen survey is conducted by an independent organization.

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

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

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

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

**April** - The City Manager submits the operating budget, including the first year of the ten-year Capital Improvement Program, to the City Council at the first Council meeting of the month. The budget is available for public inspection at the offices of the City Clerk, Finance Director and at the Portage District Library. The City Council begins administrative budget hearings with the City Manager and department heads.

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

Once adopted, the budget becomes the legally binding financial plan for the city. Both the full accrual (enterprise and permanent funds) and modified accrual (all other funds) basis of accounting are utilized as appropriate in the preparation of this budget. Basis of accounting refers to when revenues and expenditures/expenses are recognized. Under the modified accrual method, revenues are recognized when they become measurable and available as net current assets. Under full accrual, revenues and expenses are recognized as soon as the underlying event or transaction occurs. Significant revenues recorded on the modified accrual basis include: property taxes, interest on investments, expenditure reimbursement type grants, certain inter-governmental revenues, and operating transfers. This approach is used because of the focus on the measurement of current financial resources.

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

The budgets of the Proprietary Funds and Permanent Funds use “net assets” instead of “fund balance” to represent the net equity of these fund types and they utilize the full accrual basis of accounting for financial reporting purposes. This approach is used because of the focus on the flow of economic resources for these fund types. For budgetary purposes they use the modified accrual basis of accounting.

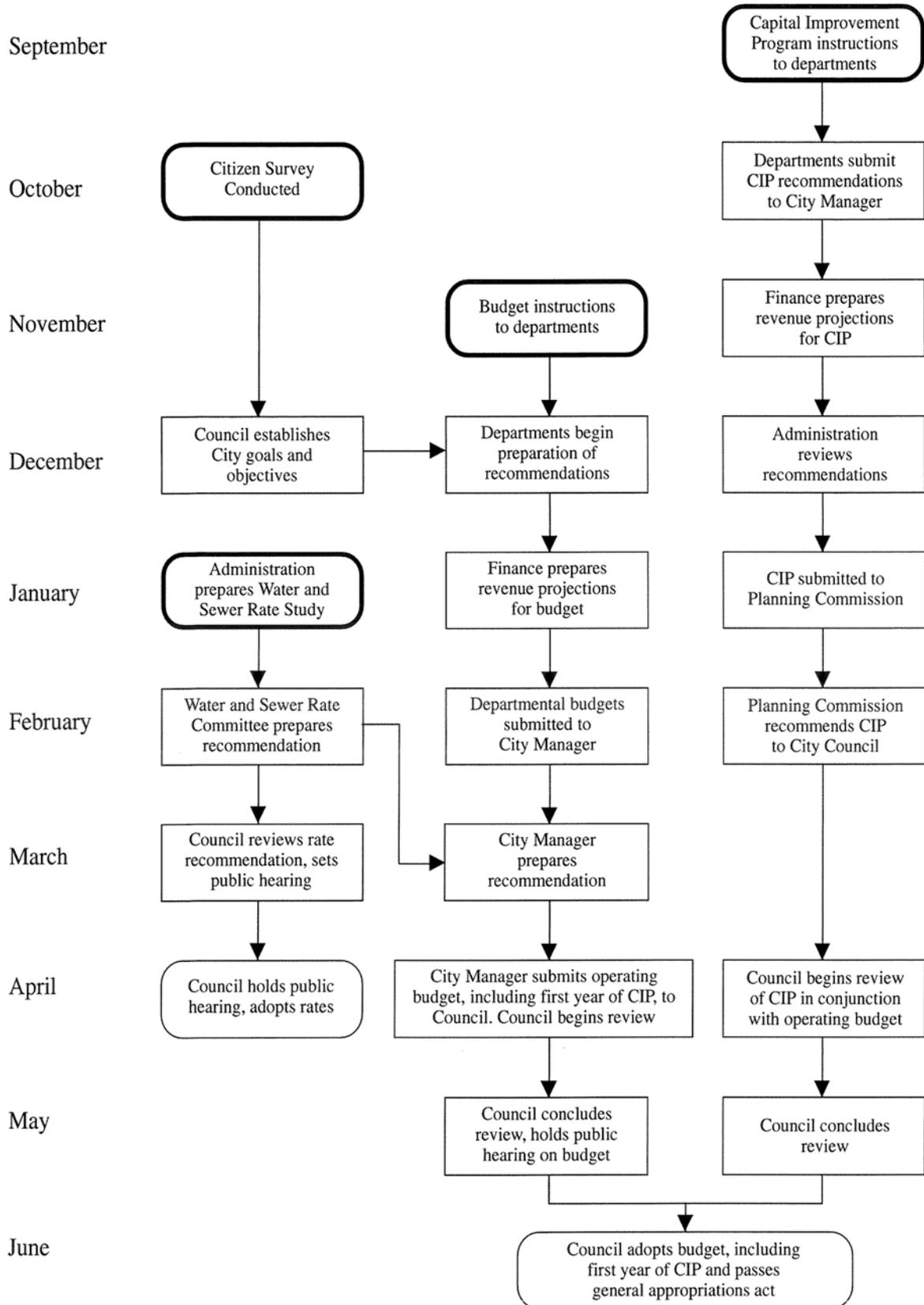
## **Amended Budget**

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. NCGA-1 states that when outstanding encumbrances are allowed to lapse at year end but the government intends to honor the commitment, the encumbrances should be disclosed as a reservation of the fund balance, and authorization for the eventual expenditure should be included in the following years' budget appropriation. City Council annually appropriates the reserved fund balance for encumbrances, amending the new years' budget to accommodate the timing difference for transactions begun but incomplete as of the end of the preceding fiscal year. The difference between an encumbrance and an accounts payable transaction is that all transactions that are complete except for payment having been made as of a given date are considered accounts payable. but encumbrances may be either complete and unpaid, or incomplete. The criteria and purpose of encumbrances and accounts payable are very different for accounting purposes.

For the year 2009/2010 the amount of encumbrances liquidated at the end of the 2008/2009 fiscal year and appropriated by City Council as an amendment to the 2009/2010 budget was \$2,244,569.

## CITY OF PORTAGE BUDGET PROCESS



## **RISK MANAGEMENT**

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

## **DEBT POLICY**

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

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

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

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

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

The outstanding indebtedness of the City does not exceed such levels as to cause the City's credit rating to be impaired, and in all cases the City takes such actions and adopts such policies as are necessary to maintain a rating no less than AA for general obligation debt.

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

As an integral part of the financial planning for the City, the level of total debt outstanding does not exceed the maximum allowed under Michigan law. In no event does the total general obligation debt exceed 10 percent of the state equalized value (SEV) of the City as established by the City Assessor.

## **STABILIZATION POLICY**

Governments should maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures. Toward that end, City Council adopted a resolution on October 29, 1985, stating that "The City will endeavor to maintain the fund balance of the General Fund at a level in excess of 13% of General Fund expenditures and interfund transfers."

## **POLICY ON FEES AND CHARGES**

The City performs a water rate study annually in order to set water and sewer rates for the approval of City Council for the upcoming year. The level of other fees and charges 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 9-11-01, 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 uniform financial reporting in Michigan and Generally Accepted Accounting Principals (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 and compliance audit according to Generally Accepted Auditing Standards (GAAS) and has these accountants publicly issue an opinion that will be incorporated in the Consolidated Annual Financial Report.

## **FUNDS SUBJECT TO APPROPRIATION**

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

### General Fund

The General Fund accounts for resources traditionally associated with government and which are not required to be accounted for in another fund. It includes the following activities: Legislative and City Manager, Police, Fire, Parks and Recreation, Finance, City Clerk, City Assessor, Purchasing, Employee Development, Benefit Services, Community Development, the Senior Center, and some Public Service. The primary revenue sources of the General Fund are 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 general fund and the city share of State collected gasoline and other vehicular taxes.

### Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority, a special revenue fund, accounts for the costs and tax captures associated with specifically identified properties hampered by environmental or other contamination requiring special restoration and rehabilitation processes in order to be developed into productive businesses.

### Sewer and Water (Utility) Funds

The Sewer and Water Funds are enterprise funds that account for the provision of water and 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 Water and Sewer Funds is through user fees.

### Public Improvements

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

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

### Debt Service

The General Obligation Debt Fund accumulates monies for the payment of principal and interest on various street, sidewalk, parks and recreation facility improvement general obligation bonds, and the city share of various special assessment bond issues. Financing is provided by a specific annual property tax levy for bonds issued prior to December 23, 1978 when tax limitation amendments to the Michigan Constitution became effective. Financing for bonds issued after December 23, 1978 is provided by appropriation of a portion of the property tax levy for public improvements authorized pursuant to the City Charter.

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

The Building Authority Debt Service 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 Debt Service Fund accumulates tax revenue "captured" in the Downtown Development Authority District for the payment of principal and interest on Downtown Development Authority bonds.

The Local Development Finance Authority (LDFA) Debt Service 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 Debt Service Fund accumulates monies for payment of principal and interest on bond issues for which property owners received a direct benefit and have been "assessed" a specific levy for this benefit.

### Other Funds

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

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

The Cultural Activities Fund, a special revenue fund, accounts for revenues and expenditures of the Summer Entertainment Series, held at various city parks. Funding is provided by grants, donations, and event admissions.

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 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 Street 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 Equipment Fund, an internal service fund (Appendix G), 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.

The Community Development Block Grant Program Income Fund, an agency 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.



**CITY OF PORTAGE**  
2010-2011 Council Mission Statement, Goals & Objectives

**Mission Statement of the Portage City Council**

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

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

**CITY OF PORTAGE**  
2010-2011 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 parkland and providing recreational opportunities.
- Continue planning and implementing programs and projects to enhance the City Centre area.
- Promote aesthetic and cultural enhancement.



**CITY OF PORTAGE**  
2010-2011 Council Mission Statement, Goals & Objectives

**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.



**CITY OF PORTAGE**  
2010-2011 Council Mission Statement, Goals & Objectives

**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 stormwater 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.



**CITY OF PORTAGE**  
2010-2011 Council Mission Statement, Goals & Objectives

**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.



**CITY OF PORTAGE**  
2010-2011 Council Mission Statement, Goals & Objectives

**FINANCE AND BUDGETING**

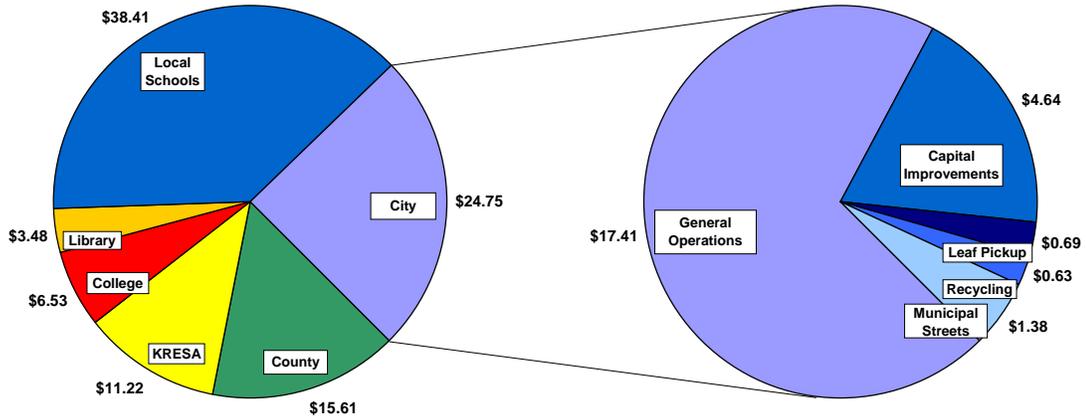
**Goal:** Maintain the financial health of the city.

**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 2009-10

For each \$100 of property taxes paid (2009 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 2009 tax levy as shown below:

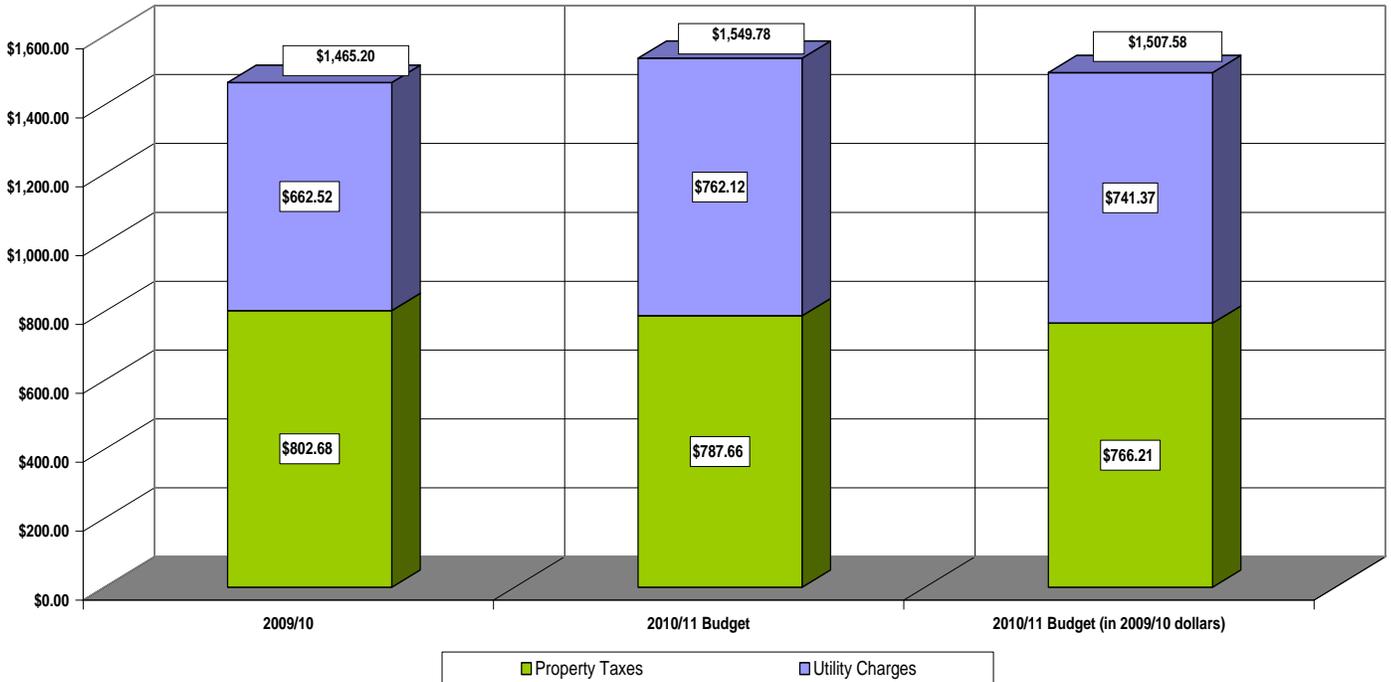
### Percentage of Tax Levy

City	24.75%
County	15.61%
Kalamazoo Regional Ed. Services	11.22%
Community College	6.53%
Library	3.48%
Local Schools	<u>38.41%</u>
	100.00%

### City Millage

General Operations	7.5000	\$17.41
Capital Improvements	2.0000	\$4.64
Leaf Pickup/Spring Cleanup	.2950	\$0.69
Curbside Recycling	.2710	\$0.63
Municipal Streets	<u>.5938</u>	<u>\$1.38</u>
	10.6598	\$24.75

### Cost of City Services to the Typical City of Portage Residence

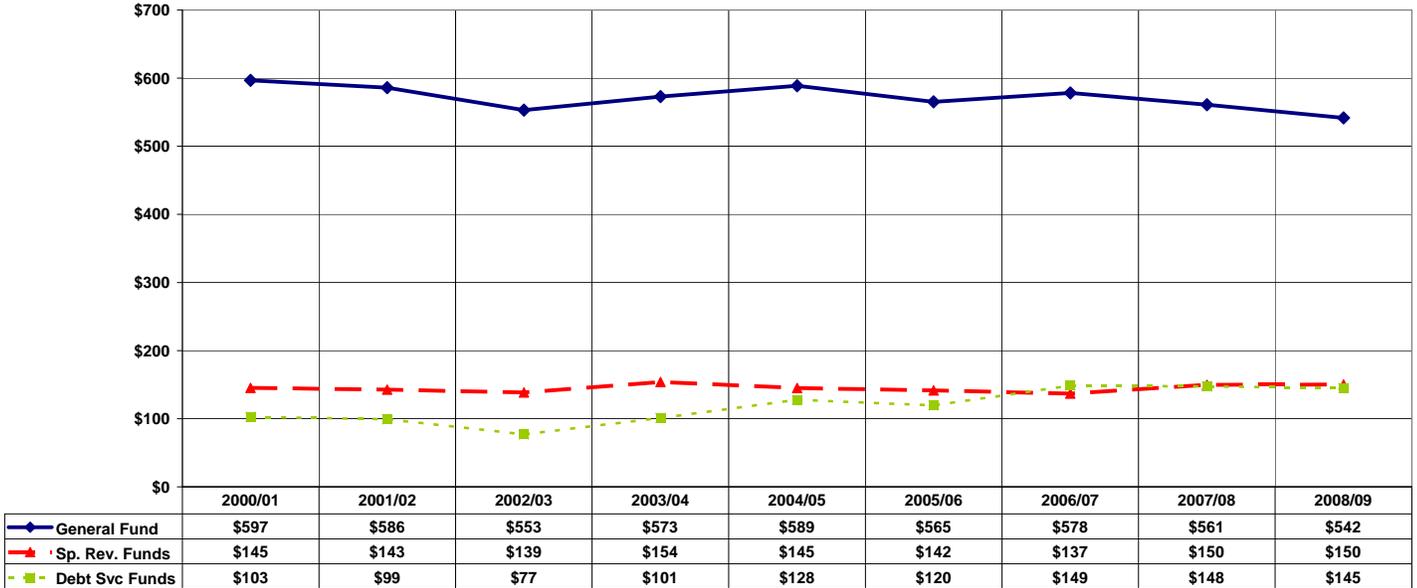


The chart above depicts the property tax and utility costs of a typical residence in the City of Portage. Given that:

- taxable value dropped 2.5% for 2010 from 2009,
- there is a 0.67% (less than 1%) increase in city tax rate (for the Municipal Streets Fund), and
- there is a necessary increase in city utility rates, primarily to pay for unfunded federal mandates and increases in sewage treatment fees,

the total cost of city service will increase by \$84.58 in the upcoming year. After adjusting for inflation, this change actually represents an increase of \$42.38 in 2009/2010 dollars.

## NET OPERATING REVENUES PER HOUSEHOLD (in Constant \$)



**Warning Trend:**

Decreasing Net Operating Revenues in constant dollars per Household.

**Formula:**

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

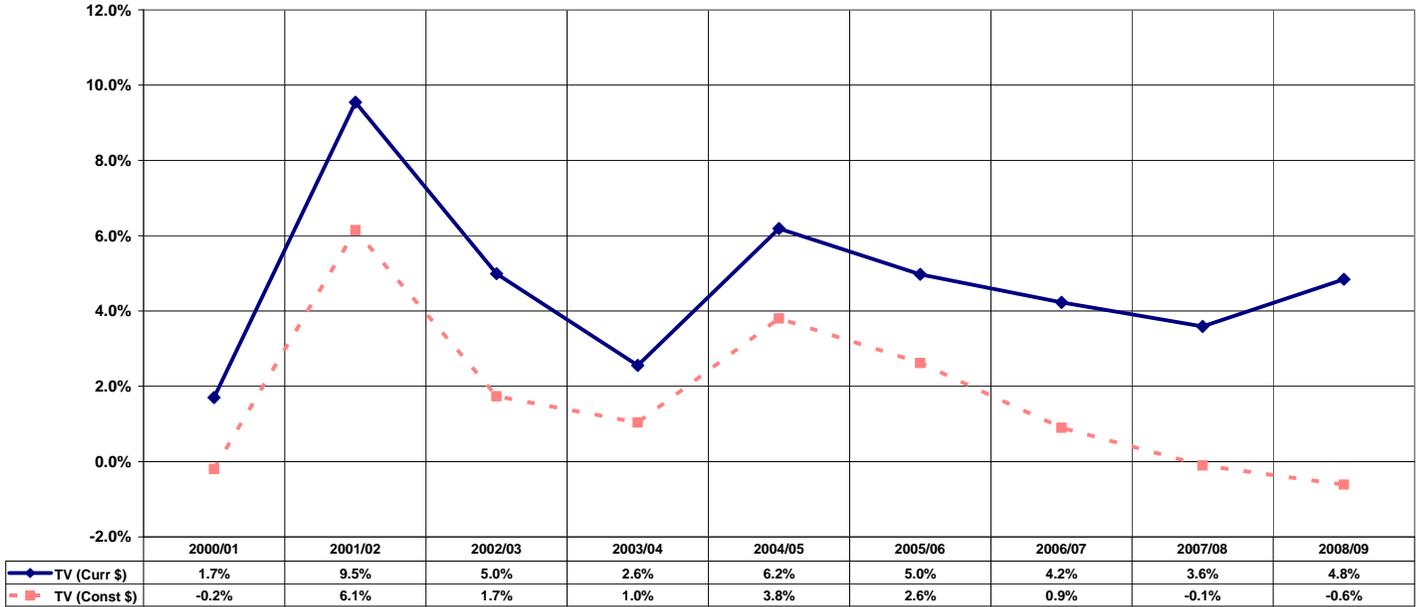
**Description:**

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

**Analysis:**

Overall, the trend through fiscal 2007/08 has been positive. In general, the inflation-adjusted net operating revenues per household remain relatively constant. For 2002/03, the audited value of the Debt Services Funds decreased to \$77 as a result of the Pharmacia tax appeal. The net revenue for the Local Development Finance Authority was greatly reduced due to the revision of taxable value and the refund required for past years' collections. This reduced the operating revenues for the Debt Service Funds. Since that time, the Debt Service Funds have seen increased revenues in the Downtown Development Authority and the Local Development Finance Authority as a result of tax base growth in the district leading to increased captured tax revenue. For fiscal 2008/2009, state revenue sharing continued to decrease, interest income and building permit income were also depressed.

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



**Warning Trend:**

Declining growth rate or an actual decline in Taxable Value expressed in either current dollars or constant dollars.

**Formula:**

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

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

Note: The taxable value used in these calculations reflects the fact that the taxable value used in the fiscal years displayed above is actually determined as of December 31 of the previous year. For example, the taxable value for fiscal 1999/2000 was actually determined as of December 31, 1998. That taxable value then determined the property tax revenue available from the 7/1/1999 and 12/1/1999 billings. These billings then provide revenue for Fiscal 1999/2000.

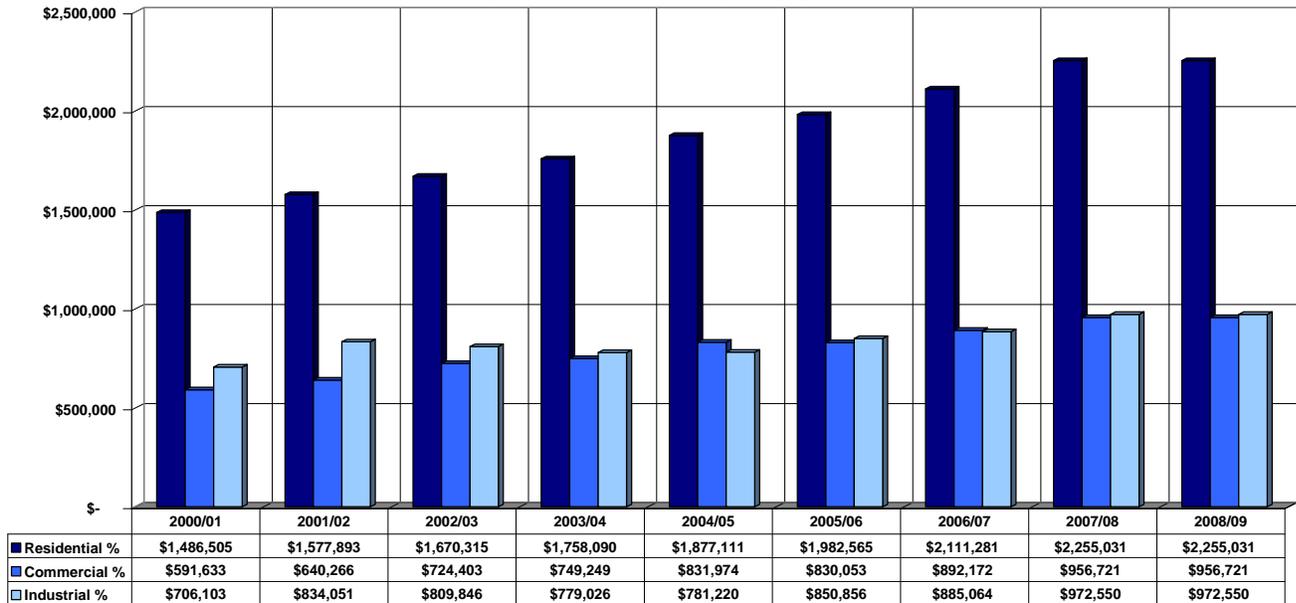
**Description:**

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 problems itself.

**Analysis:**

In Fiscal 1999/2000, the State of Michigan's property tax depreciation tables were modified resulting in a decrease in the TV of taxable personal property located in the City. Although, the taxable value of real property increased in Fiscal 1999/2000 while the TV of taxable personal property declined, the net result was an increase. As regulated by Proposal A, the taxable value on most property will increase by the rate of increase in the Consumer Price Index. New construction of major properties provide a significant increase in taxable values and explain many of the spikes in this indicator.

**PROPERTY MARKET VALUE**  
(% of Total Market Value by Category)



**Warning Trend:**

Increases in the share of residential market value as a percentage of the total market value.

**Formula:**

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

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

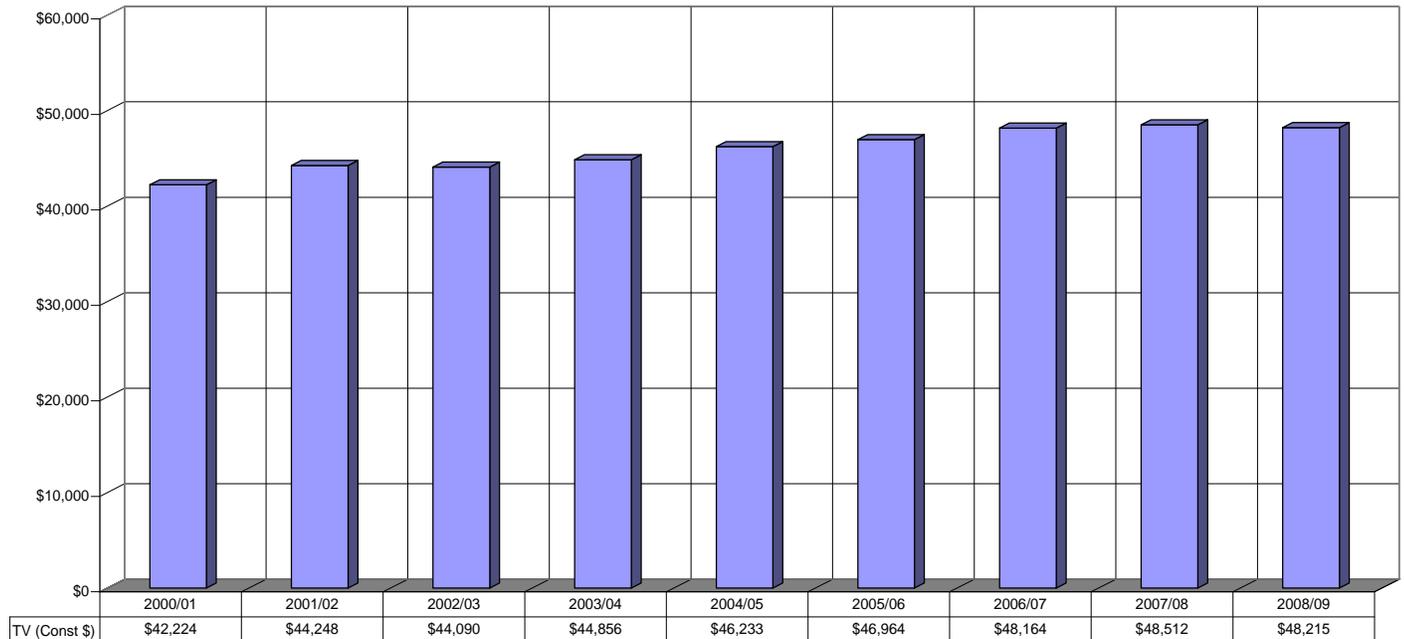
**Description:**

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

**Analysis:**

In general, the residential market value category is rising slowly over time from 52% to 54%. The commercial market value category continues to grow steadily rising from 20% to 23%. The industrial category, however, shows a continuing declining trend falling from a level of 28% to 23%.

TAXABLE VALUE PER HOUSEHOLD  
(in Constant \$)



Fiscal Year	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Current \$ Taxable Value (\$000)	\$ 1,393,120	\$ 1,526,105	\$ 1,602,282	\$1,643,182	\$ 1,744,903	\$ 1,831,737	\$1,944,258	\$2,014,092	\$2,089,834
Constant \$ Taxable Value (\$000)	\$ 825,530	\$ 876,293	\$ 891,506	\$ 900,751	\$ 1,744,903	\$ 959,469	\$985,874	\$984,845	\$978,814

**Warning Trend:**

Decreasing Taxable Value (TV) in constant dollars per household.

**Formula:**

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

State Equalized Valuation (SEV): Per Michigan law, 50% 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, property taxes are paid on the taxable value. All values shown above are based on taxable value.

**Description:**

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

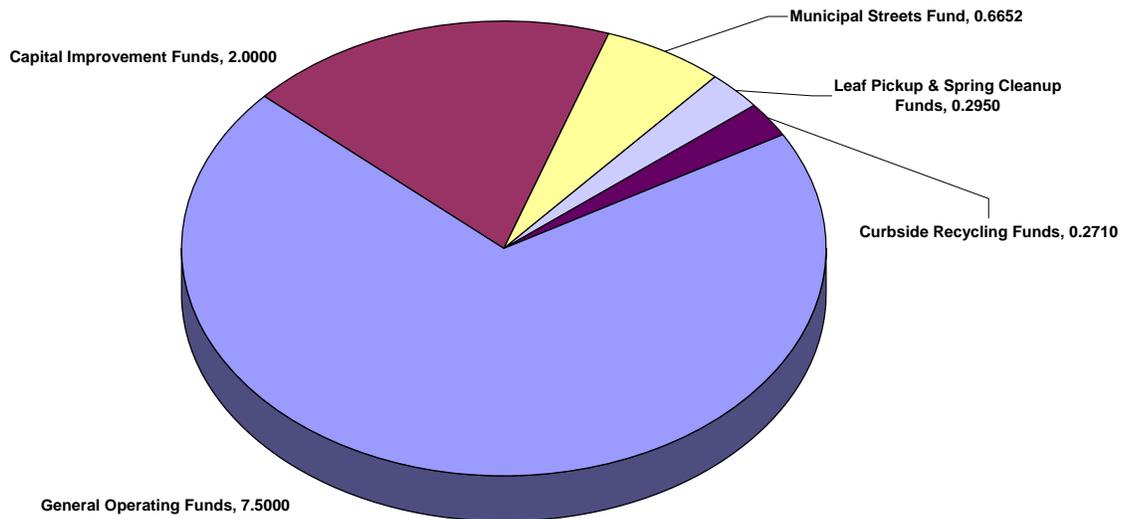
**Analysis:**

The Taxable Value per household in inflation-adjusted dollars remains relatively stable over time. The growth of the commercial and industrial categories kept pace with residential growth thus providing necessary revenues to meet the residential category's service demands.

**MILLAGE RECAP  
2010/11 PROPOSED BUDGET**

	<b>2009/10 <u>RATES</u></b>	<b>2010/11 PROPOSED <u>RATES</u></b>	<b>CHANGE FROM <u>2009/10 RATES</u></b>
<b>General Operating</b>	7.5000	7.5000	0.0000
<b>Capital Improvement</b>	2.0000	2.0000	0.0000
<b>Curbside Recycling</b>	0.2710	0.2710	0.0000
<b>Leaf Pickup/Spring Cleanup</b>	0.2950	0.2950	0.0000
<b>Municipal Streets Fund</b>	0.5938	0.6652	0.0714
	<hr/> 10.6598	<hr/> 10.7312	<hr/> 0.0714

**City Millage Breakdown by Fund Category**



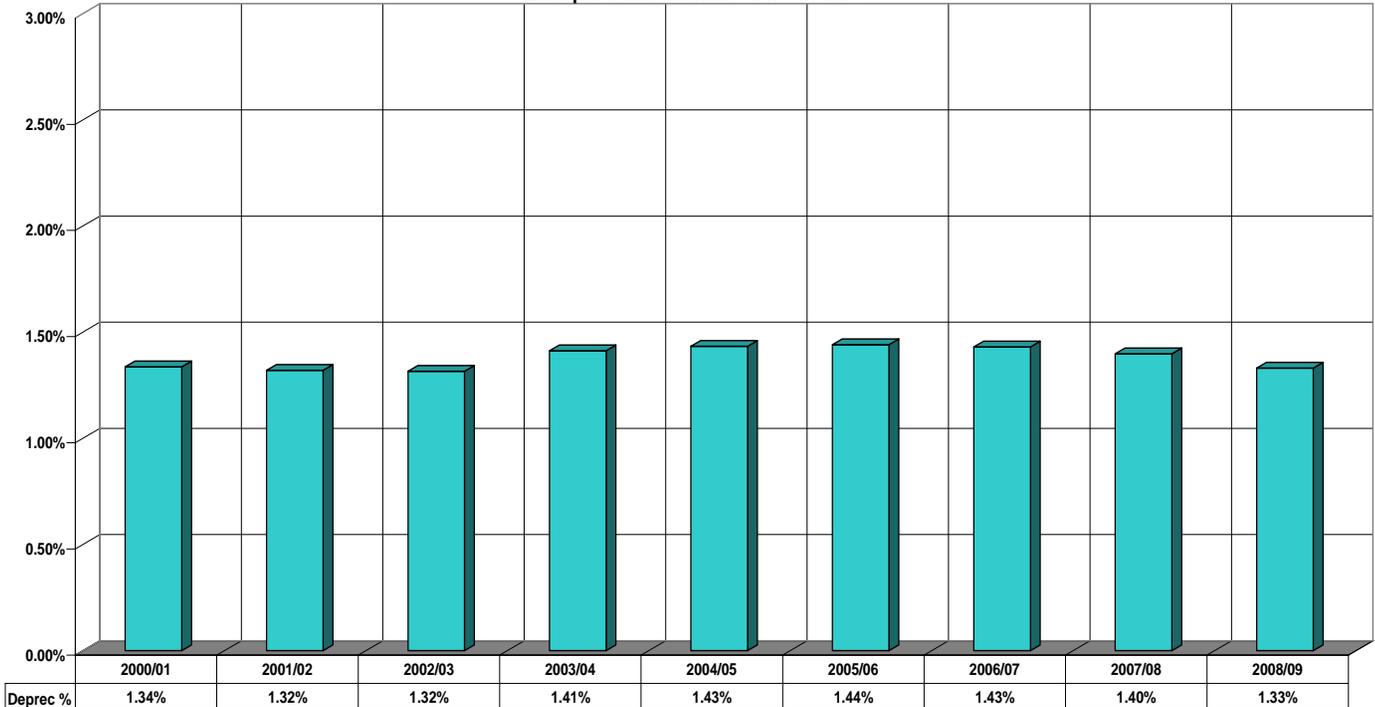
CITY OF PORTAGE, MICHIGAN

Budget Summary by Fund Type (Budgetary Basis)  
FISCAL YEAR 2010 - 2011

	General Fund	Modified Accrual				Full Accrual			Memorandum Only		
		Special Revenue	Debt Service	Capital Project	Enterprise Funds	Permanent Funds	FY 2010-2011 Total	FY 2009-2010 Total	FY 2008-2009 Total		
<b>REVENUE:</b>											
Property taxes	15,933,000	2,468,300	828,300	4,044,000	-	-	23,273,600	23,909,400	23,797,200		
Fees and permits	476,950	623,000	-	-	-	-	1,099,950	1,114,850	1,187,850		
Federal revenue	-	229,000	-	-	-	-	229,000	1,314,032	1,619,576		
State revenue	7,500	3,228,400	-	-	-	-	3,235,900	3,239,900	3,828,267		
State shared revenue	3,423,884	-	-	-	-	-	3,423,884	3,824,469	3,831,538		
Other grants	45,600	-	-	-	-	-	45,600	54,100	62,857		
Charges for services	1,664,460	79,800	-	-	13,669,000	-	15,453,260	14,243,616	14,193,656		
Fines and forfeits	-	-	-	-	-	-	-	-	-		
Interest and rents	377,000	19,150	391,030	50,000	65,000	8,000	910,180	1,081,785	2,067,794		
Other revenue	480,895	76,152	-	3,029,000	-	-	3,586,047	4,973,496	11,015,249		
<b>TOTAL REVENUE</b>	<b>22,409,289</b>	<b>6,723,802</b>	<b>1,219,330</b>	<b>7,123,000</b>	<b>13,734,000</b>	<b>48,000</b>	<b>51,257,421</b>	<b>53,755,648</b>	<b>61,603,987</b>		
<b>EXPENDITURES:</b>											
Legislative	66,738	-	-	-	-	-	66,738	69,500	68,600		
Judicial	56,855	-	-	-	-	-	56,855	56,855	49,830		
General government	4,398,532	41,050	-	-	-	-	4,439,582	5,149,766	4,944,101		
Public safety	14,647,479	66,496	-	-	-	-	14,713,975	14,821,608	15,172,422		
Public works	483,000	5,000	-	-	-	-	488,000	485,000	420,000		
Health and welfare	117,897	1,334,188	-	-	-	-	1,452,085	1,661,543	1,790,474		
Recreation and cultural	2,848,720	634,835	-	-	-	-	3,483,555	3,675,855	3,719,000		
Public transportation	-	-	-	-	-	-	-	-	-		
Highways and streets	-	3,141,342	-	-	-	-	3,141,342	3,278,432	3,132,001		
Operations and maintenance	-	65,000	-	-	7,658,067	-	7,723,067	7,978,237	6,902,113		
Administration	-	-	-	-	5,531,462	-	5,531,462	5,211,843	5,030,970		
Capital outlay	-	-	-	4,720,000	130,000	-	4,850,000	6,212,000	13,504,000		
Debt service	-	-	7,347,290	-	-	-	7,347,290	7,792,312	7,284,666		
<b>TOTAL EXPENDITURES</b>	<b>22,619,221</b>	<b>5,287,911</b>	<b>7,347,290</b>	<b>4,720,000</b>	<b>13,319,529</b>	<b>-</b>	<b>53,293,951</b>	<b>56,392,951</b>	<b>62,018,177</b>		
Transfers In	8,000	410,000	5,213,740	2,876,000	44,000	-	8,551,740	9,089,157	8,051,432		
Transfers Out	(410,000)	(2,719,740)	-	(5,279,000)	(130,000)	(8,000)	(8,546,740)	(9,962,157)	(7,972,432)		
Addition to/Reduction of Fund Balance/Net Assets	(611,932)	(873,849)	(914,220)	-	328,471	40,000	(2,031,530)	(3,510,303)	(335,190)		
Beginning Fund Balance/Net Assets	4,009,687	1,469,648	4,907,908	548,848	61,267,899	907,879	73,111,869	76,301,282	74,237,913		
Ending Fund Balance/Net Assets	3,397,755	595,799	3,993,688	548,848	61,596,370	947,879	71,080,339	72,790,979	73,902,723		

## DEPRECIATION EXPENSE AS A % OF DEPRECIABLE FIXED ASSETS

Enterprise and Internal Service Funds



### Warning Trend:

Decreasing Depreciation Expense as a percentage of Total Depreciable Fixed assets. This applies only to fixed assets in the Enterprise Funds and Internal Service Funds.

### Formula:

$$((\text{Annual Depreciation Expense}) / (\text{Cost of the Fixed Assets Depreciated})) \times 100$$

By definition, depreciation is the mechanism by which the cost of a fixed asset is amortized over its estimated useful life.

### Description:

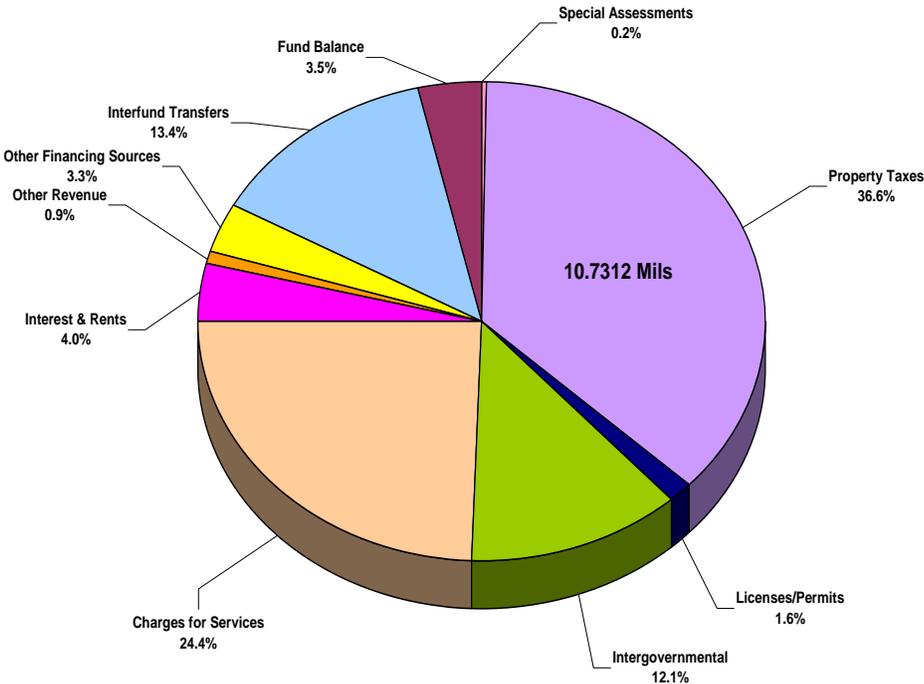
Depreciation is usually only recorded in enterprise (i.e., water and sewer funds) and internal service (i.e., equipment) funds. The total depreciation cost is generally a stable proportion of the cost of the fixed assets because older assets that are fully depreciated are often removed from service and replaced by newer assets. If the depreciation expense % is declining, then the assets on hand are likely being used beyond their useful life. This can result in higher maintenance costs which are an operating expense. It might also indicate that obsolete assets are not being replaced as originally planned and that the entity lacks the resources to remain solvent. Alternatively, a decline could also indicate that the useful life of some or all of the assets had been initially underestimated or that the scale of the operations has been reduced. In either case, a decline in the depreciation expense % would be seen.

Depreciation expense is not included in the annual budget schedules of expense because it is a non-cash expense. As such, it does not require appropriation.

### Analysis:

The trend in depreciation expense % remains relatively level indicating that the enterprise and internal service funds are replacing depreciable fixed assets on an appropriate schedule.

# SOURCES OF FUNDING - ALL FUNDS

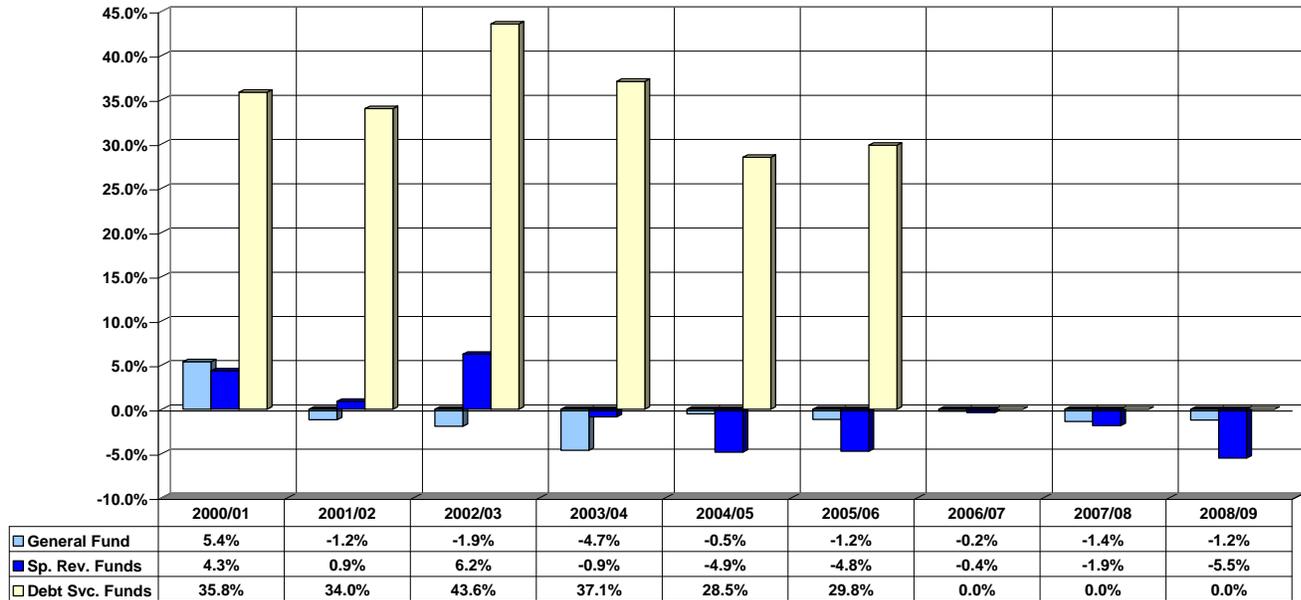


**SUMMARY OF REVENUES  
ALL FUNDS  
FISCAL YEAR 2010 - 2011**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
GENERAL FUND	23,460,511	23,720,107	23,780,113	23,693,521	22,417,289
STREET FUNDS					
Major Streets	2,723,731	3,151,741	3,495,498	3,493,000	2,788,000
Local Streets	1,324,433	855,800	1,131,400	1,131,400	856,400
Municipal Streets	687,358	1,068,644	1,240,500	1,240,500	1,338,500
UTILITY FUNDS					
Sewer Operating	5,417,249	5,899,683	6,709,000	6,709,000	7,756,000
Water Operating	4,097,171	4,609,343	5,720,000	5,720,000	6,022,000
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	27,857	4,800,724	30,398,641	11,701,000	9,999,000
Brownfield Redevelopment	55	86	100	100	100
Lakes-Weed Management	15,375	6,948	7,576	7,576	13,652
DEBT SERVICE FUNDS					
General Obligation Debt	19,967	23,993	3,575,157	3,575,157	3,583,740
MTF 1997	-	-	147,000	147,000	142,000
MTF 1998 Refunding	46	268	468,000	468,000	-
MTF 1998 Major/Local Streets	36	316	285,000	285,000	-
MTF 2000	-	-	-	-	-
MTF 2001	31	281	233,000	233,000	-
MTF 2008	-	210	186,000	186,000	203,000
MTF 2010 Refunding	-	-	-	-	624,000
Building Authority Debt Service	256,130	246,905	1,001,519	1,001,519	898,730
DDA Debt Service	399,829	443,014	394,000	394,000	380,300
LDFA Debt Service	646,356	509,375	470,000	470,000	470,000
Special Assessment Debt Service	270,266	210,743	210,300	210,300	131,300
OTHER FUNDS					
Curbside Recycling	556,112	612,346	569,400	569,400	544,100
Leaf Pickup/Spring Cleanup	751,058	740,352	620,200	620,200	593,200
Cultural Activities	145,631	110,925	94,100	89,600	106,350
Community Development Block Grant	-	198,354	273,204	214,032	229,000
Mich State Housing Dev Auth Grant	65,314	41,079	131,755	131,755	-
Cable Television	573,503	623,277	635,500	580,500	624,500
Cemetery Permanent Fund	70,610	57,142	55,000	55,000	48,000
CDBG Program Income	50,997	72,310	50,000	50,000	40,000
<b>TOTAL REVENUE</b>	<u>41,559,626</u>	<u>48,003,966</u>	<u>81,881,963</u>	<u>62,976,560</u>	<u>59,809,161</u>

Additional information is available in the respective detailed departmental budget.

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



**Warning Trend:**

Increasing revenue shortfalls as a percentage of actual net operating revenue

**Formula:**

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

**Description:**

This indicator examines the differences between the net operating revenues budgeted and the actual net operating revenues received during the fiscal year. Major discrepancies between budgeted revenue and actual revenue for a given fiscal year can be a sign of many things, such as:

- An economic environment experiencing sudden growth or decline
- Inaccurate budget estimating techniques

Revenue shortfalls can also be a sign of other issues including:

- Inefficient revenue collection procedures
- Overly optimistic revenue budget estimates made to accommodate political pressures

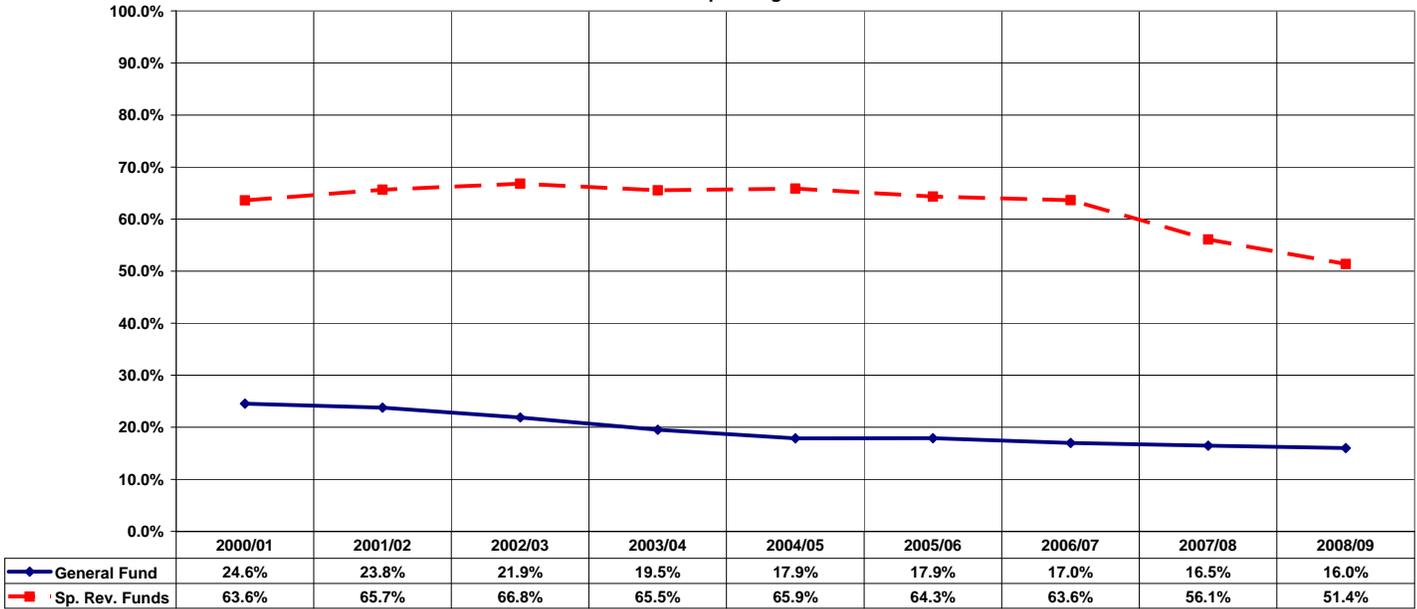
If there is a trend that indicates budgeted revenue estimates are differing from actual revenue results on a more frequent basis or by increasingly larger amounts, a detailed analysis of each revenue source should be conducted to pinpoint the source(s) and cause(s).

**Analysis:**

This chart indicates that, typically, estimating methods are relatively accurate and slightly on the conservative side. General fund shortfalls beginning in 2001/02 were caused primarily by cuts in revenue sharing payments from the state and secondarily by reduced investment earnings that resulted from low interest rates. Special revenue funds were negatively impacted in fiscal years since 2004/05. Collections of gasoline taxes have steadily decreased due to fewer gallons of gasoline sold. These gasoline revenues are directly based on the number of gallons sold and the tax rate in cents per gallon. More recently, the slow down in new construction due to the credit crisis, both residential and commercial, coupled with loss in value of real property across the board has combined to stall a growing economy over a very short period of time before the budget cycle could adapt.

## INTERGOVERNMENTAL OPERATING REVENUES

As a % of Gross Operating Revenues



**Warning Trend:**

Increasing amounts of Intergovernmental Operating Revenues as a percentage of gross operating revenues

**Formula:**

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

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

- General state-shared revenues received by the General fund
- Act 51 revenues received by the Major and Local Streets funds

**Description:**

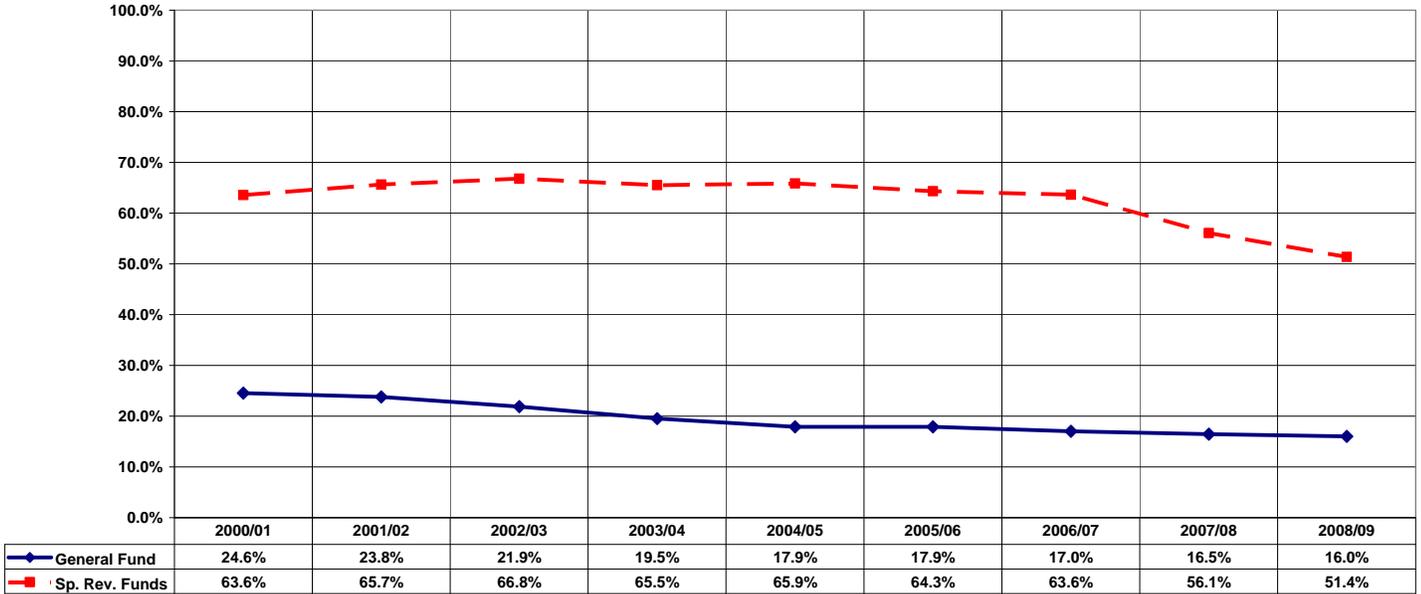
Monitoring of intergovernmental revenues is important because an overdependence on such revenues can be harmful. If the external governmental source withdraws the funds entirely or reduces its share of costs, the City is left with the choice of cutting programs or paying for the existing programs from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

**Analysis:**

The General Fund is dependent to some extent on general state-shared revenues. As illustrated in the chart, General Fund dependency is decreasing over time. Decreases in state revenue sharing revenues have caused a noticeable downward trend in the portion of General Fund revenue from intergovernmental sources. General economic conditions have caused a decrease in gasoline tax revenues.

## ELASTIC OPERATING REVENUES

As a % of Net Operating Revenues



**Warning Trend:**

Decreasing amount of Elastic Operating Revenues as a percentage of net operating revenues

**Formula:**

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

Note: Elastic Operating Revenues are those revenues which are highly responsive to changes in the economic base or inflation. Examples of these include:

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

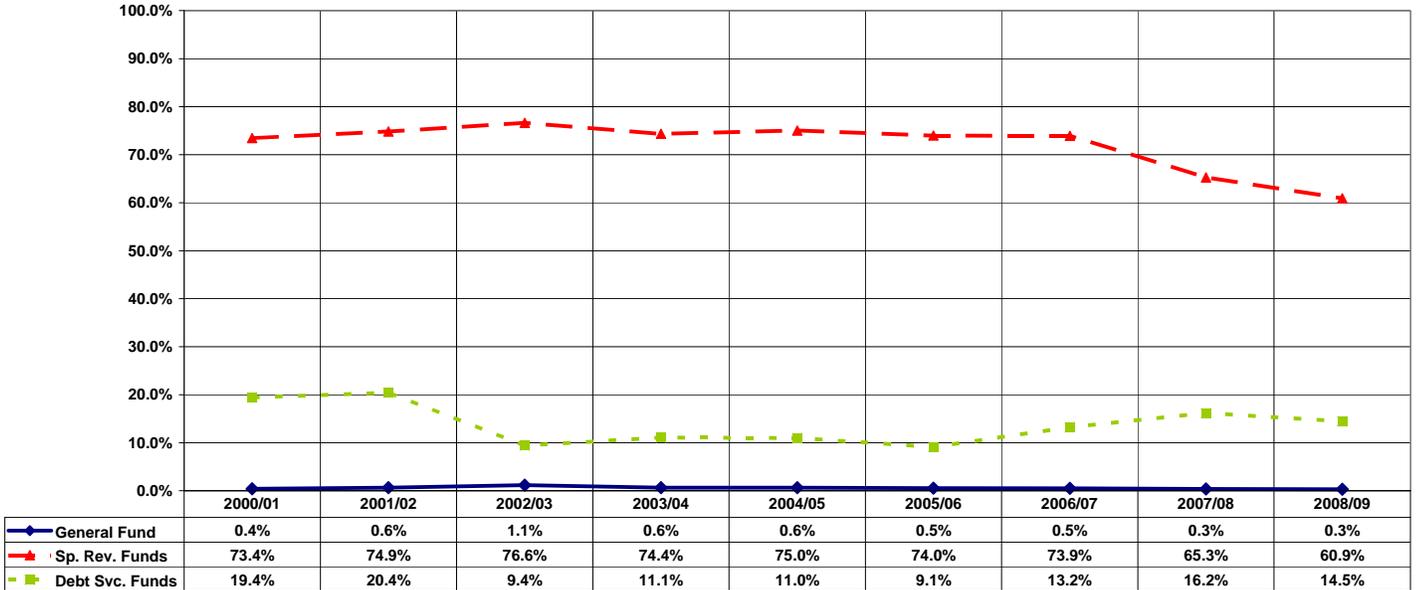
**Description:**

As the economic base expands or inflation increases, elastic operating revenues rise in approximately the same proportion or greater amounts. Conversely, if the economic base contracts or inflation decreases, elastic operating revenues decline in approximately the same proportion or greater amounts. A good example of this relationship is sales tax revenue which, even though the rate remains unchanged, increases during good economic periods and declines during poor economic times. Keeping a reasonable balance between elastic and inelastic sources of revenues mitigates the effects of changes in economic growth. During periods of inflation, it is desirable to have a higher percentage of elastic revenue because inflation pushes up the revenues and helps the City keep pace with the higher prices it must pay. If the percentage of elastic revenues declines during inflation, the City becomes more vulnerable because the inflationary pressures are pushing up the price of providing services but not providing a similar boost in revenues. During a period of economic recession, it is an advantage for the city to have a lower percentage of elastic revenues.

**Analysis:**

The General Fund is to some extent dependent on elastic revenues (e.g., state revenue sharing derived from sales taxes). The dependency of special revenue funds has generally been level. For example, the street funds are dependent on elastic Act 51 revenues because they depend on gasoline sales. There has been a decrease in the amount of gasoline actually sold thus resulting in a decrease in Act 51 revenues.

## RESTRICTED OPERATING REVENUES As a % of Net Operating Revenues



**Warning Trend:**

Increasing amounts of Restricted Operating Revenues as a percentage of Net Operating Revenues.

**Formula:**

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

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

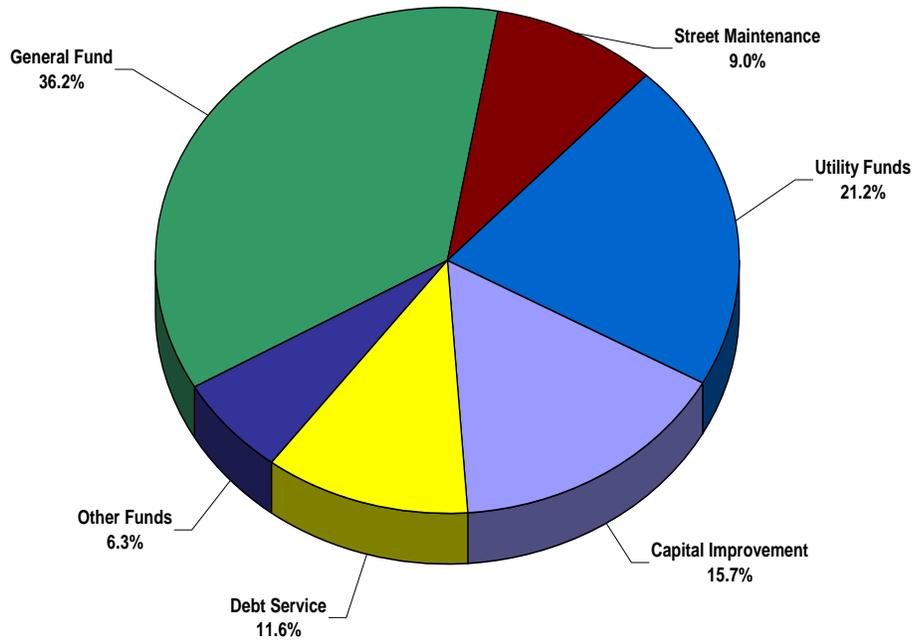
**Description:**

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

**Analysis:**

Restricted operating revenues are virtually nonexistent in the General Fund. A large portion of the revenues received by the special revenue funds are, by their very nature, legally restricted. For example, the gasoline tax revenue received by the street funds is legally restricted to be used only for street maintenance and construction. Similarly, a large portion of the revenue received by the debt service funds from general obligation millages and captured millages is also legally restricted.

## ALL FUNDS EXPENDITURES BY FUND GROUP



**SUMMARY OF EXPENDITURES  
ALL FUNDS  
FISCAL YEAR 2010 - 2011**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
GENERAL FUND	22,859,538	23,114,905	26,403,759	25,125,642	23,029,221
STREET FUNDS					
Major Streets	3,273,394	2,715,580	3,544,958	3,407,907	3,139,879
Local Streets	1,445,184	1,078,421	1,217,801	1,216,305	1,165,463
Municipal Streets	-	652,000	1,309,220	1,309,220	1,417,000
UTILITY FUNDS					
Sewer Operating	6,651,990	7,351,208	7,702,924	7,498,478	8,128,095
Water Operating	5,476,032	5,617,324	6,025,594	5,926,602	5,321,434
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	3,099,953	5,021,049	46,153,201	11,701,000	9,999,000
Brownfield Redevelopment	-	-	4,000	2,000	5,000
Lakes-Weed Management	27,385	45,483	45,000	45,000	45,000
DEBT SERVICE FUNDS					
General Obligation Debt	-	2,823,583	3,584,825	3,584,825	3,629,950
MTF 1997	156,406	151,706	146,935	146,935	142,035
MTF 1998 Refunding	684,434	601,259	467,075	467,075	-
MTF 1998 Major/Local Streets	-	251,556	284,670	284,670	-
MTF 2000	-	-	-	-	-
MTF 2001	243,175	238,331	233,325	233,325	-
MTF 2008	-	104,730	186,645	186,645	202,910
MTF 2010 Refunding	-	-	-	-	622,030
Building Authority Debt Service	-	1,112,341	985,385	985,385	961,540
DDA Debt Service	212,024	214,042	394,175	394,175	408,440
LDFA Debt Service	236,350	247,255	471,110	471,110	464,420
Special Assessment Debt Service	619,895	631,844	1,038,167	1,038,167	915,965
OTHER FUNDS					
Curbside Recycling	537,777	598,860	626,495	613,486	613,147
Leaf Pickup/Spring Cleanup	634,373	697,542	871,167	737,832	619,327
Cultural Activities	148,483	118,046	96,566	92,066	101,509
Community Development Block Grant	12,101	214,602	273,204	214,032	229,000
Mich State Housing Dev Auth Grant	64,829	37,927	131,755	131,755	-
Cable Television	513,668	759,330	710,597	583,226	607,326
Cemetery Permanent Fund	27,000	28,000	15,000	15,000	8,000
CDBG Program Income	-	71,726	75,000	75,000	65,000
<b>TOTAL EXPENDITURE</b>	<u>46,923,991</u>	<u>54,498,650</u>	<u>102,998,553</u>	<u>66,486,863</u>	<u>61,840,691</u>

Additional information is available in the respective detailed departmental budgets.

Total Expenditures by Department and Fund Type (Budgetary Basis)  
FISCAL YEAR 2010 - 2011

Department	General Fund	Special Assessments Fund	Capital Improvement Fund	Major Streets Fund	Local Streets Fund	Municipal Streets Fund	Enterprise Funds	Nonmajor Governmental Funds	Permanent Funds	Total
Legislative	66,738	-	-	-	-	-	-	-	-	66,738
District Court	56,855	-	-	-	-	-	-	-	-	56,855
City Manager	572,975	-	-	-	-	-	-	-	-	572,975
Finance	827,006	-	-	-	-	-	-	-	-	827,006
Management Information Systems	742,567	-	249,000	-	-	-	-	-	-	991,567
City Assessor	596,800	-	-	-	-	-	-	-	-	596,800
City Attorney	201,728	-	-	-	-	-	-	-	-	201,728
City Clerk	394,868	-	-	-	-	-	-	-	-	394,868
Employee Development	439,999	-	-	-	-	-	-	-	-	439,999
Benefit Services	462,243	-	-	-	-	-	-	-	-	462,243
Purchasing	160,346	-	-	-	-	-	-	-	-	160,346
Parks/Rec/Property Mgt	2,848,720	-	80,000	-	-	-	-	-	-	2,928,720
Police	9,139,683	-	287,000	-	-	-	-	-	-	9,426,683
Fire	4,512,224	-	45,000	-	-	-	-	-	-	4,557,224
Community Development	995,572	-	-	-	-	-	-	229,000	-	1,224,572
Public Services	600,897	-	4,059,000	1,917,879	1,143,463	80,000	13,319,529	1,917,569	-	23,038,337
Nondepartmental:										
Debt Service	-	915,965	-	-	-	-	-	6,431,325	-	7,347,290
Insurance Funds	-	-	-	-	-	-	-	-	-	-
Transfers to other funds	410,000	-	5,279,000	1,222,000	22,000	1,337,000	130,000	138,740	8,000	8,546,740
<b>TOTALS</b>	<b>23,029,221</b>	<b>915,965</b>	<b>9,999,000</b>	<b>3,139,879</b>	<b>1,165,463</b>	<b>1,417,000</b>	<b>13,449,529</b>	<b>8,716,634</b>	<b>8,000</b>	<b>61,840,691</b>

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

FISCAL YEAR 2010 - 2011

	Fund Balance/Net Assets				Expenditures & Expenses	Other Sources	Other Uses	Excess (Deficiency)	Net Assets/ Fund Balance End of Year
	Beginning of Year	Revenue	Other Sources	Expenditures & Expenses					
General Fund	4,009,687	22,409,289	8,000	22,619,221	410,000	(611,932)	3,397,755		
Major Streets	580,379	2,518,000	270,000	1,917,879	1,222,000	(351,879)	228,500		
Local Streets	418,303	716,400	140,000	1,143,463	22,000	(309,063)	109,240		
Municipal Streets	86,925	1,338,500	-	80,000	1,337,000	(78,500)	8,425		
Sewer Operating (Net Assets)	44,808,425	7,712,000	44,000	8,048,095	80,000	(372,095)	44,436,330		
Water Operating (Net Assets)	16,459,474	6,022,000	-	5,271,434	50,000	700,566	17,160,040		
Capital Improvement	548,848	7,123,000	2,876,000	4,720,000	5,279,000	-	548,848		
Brownfield Redevelopment	3,241	100	-	5,000	-	(4,900)	(1,659)		
Lakes-Weed Management	49,975	13,652	-	45,000	-	(31,348)	18,627		
General Obligation Debt	63,084	-	3,583,740	3,629,950	-	(46,210)	16,874		
MTF Debt Service	92,181	-	969,000	966,975	-	2,025	94,206		
Building Authority Debt Service	170,035	237,730	661,000	961,540	-	(62,810)	107,225		
DDA Debt Service	342,724	380,300	-	408,440	-	(28,140)	314,584		
LDFA Debt Service	1,863,093	470,000	-	464,420	-	5,580	1,868,673		
Special Assessment Debt Service	2,373,550	131,300	-	915,965	-	(784,665)	1,588,885		
Curbside Recycling	93,293	544,100	-	613,147	-	(69,047)	24,246		
Leaf Pickup/Spring Cleanup	133,611	593,200	-	599,587	19,740	(26,127)	107,484		
Cultural Activities	2,925	106,350	-	101,509	-	4,841	7,766		
Community Development Block Grant	-	229,000	-	229,000	-	-	-		
CDBG Program Income	(18,883)	40,000	-	65,000	-	(25,000)	(43,883)		
MISHDA Grant	3,637	-	-	-	-	-	3,637		
Cable Television	119,483	624,500	-	488,326	119,000	17,174	136,657		
Cemetery Permanent Fund	907,879	48,000	-	-	8,000	40,000	947,879		
<b>TOTAL</b>	<b>73,111,869</b>	<b>51,257,421</b>	<b>8,551,740</b>	<b>53,293,951</b>	<b>8,546,740</b>	<b>(2,031,530)</b>	<b>71,080,339</b>		

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

**General Fund:** In establishing the funds available for expenditure in the coming budget year, fund balance is added to inflows from all sources. The fund balance remaining after expenditures is mandated by City Council to be at least 13 percent of expenditures. As a result, if the fund balance at the beginning of a budget year is greater than 13 percent due to savings in the prior year, that additional sum is available for spending. A decrease in fund balance normally reflects the planned use of operating savings yielded in a prior year. The current decrease in fund balance reflects just such a usage.

**Major Streets Fund:** Major Streets is in a planned phase of maintaining their fund balance to provide for road surface reconstruction costs anticipated in the 2010/2011 fiscal year and beyond.

**Local Streets Fund:** In a manner similar to General Fund, Local Streets fund balance is being maintained at the level determined to be necessary for planned future activities.

**Sewer and Water Operating Funds:** Water rates, and corresponding Sewer rates, are determined by means of an annual rate study that seeks to limit the volatility in year-to-year rate changes by setting rates that alternately build net assets toward known cost increases and then draw down net assets to pay those increased costs. This gives Water and Sewer customers a stable rate payment structure over the long term. (Net assets are the enterprise fund equivalent of fund balance.)

**Debt Service Funds:** Special Assessment debt service funds accumulate citizen-paid special assessment taxes to pay special assessment indebtedness. City funds are likewise set aside to pay special assessment debt service. As a result, special assessment, and other, debt service funds alternate between increasing fund balance and drawing it down for the sole purpose of satisfying debt obligations.

**Curbside Recycling Fund:** In a manner similar to General Fund, the Curbside Recycling fund balance is being maintained at the level determined to be necessary for planned future activities.

**Leaf Pickup Fund:** Fund balance has been built up in order to ensure the ability to provide for brush pickup services in addition to leaf pick up and spring clean up in future years, as well as because of the volatility of the fuel market which has determined contract costs in the past few years.

**Cultural Activities Fund:** The goal for the fund is that its activities are to be self-sufficient. This fund works to maintain a fund balance equal to their projected start-up costs each year.

**Cable Television Fund:** Franchise fees and public service fees generated by contract with the local cable provider are dedicated to technological improvement and contractual support of equipment for public access programming. Fund balance builds up and is drawn down according to planned system support and improvements.

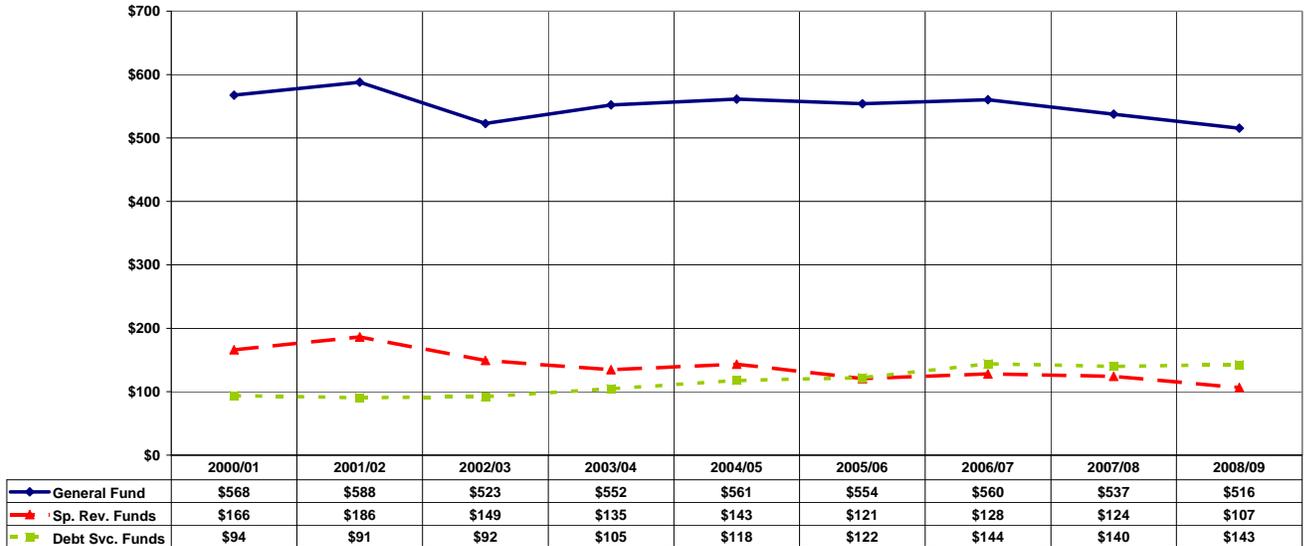


Equipment Fund: This internal service fund provides and maintains vehicles and equipment for the City. Savings in prior year operations are rolled back into the acquisition or maintenance of assets as only a minimal fund balance is required.

Cemetery Permanent Fund: The proceeds from sale of cemetery lots are accumulated to generate interest revenue that is used to 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 no fund balance maintained.

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



**Warning Trend:**

Increasing Net Operating Expenditures (in constant dollars) per household

**Formula:**

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

Note: Net operating expenditures are calculated as follows:

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

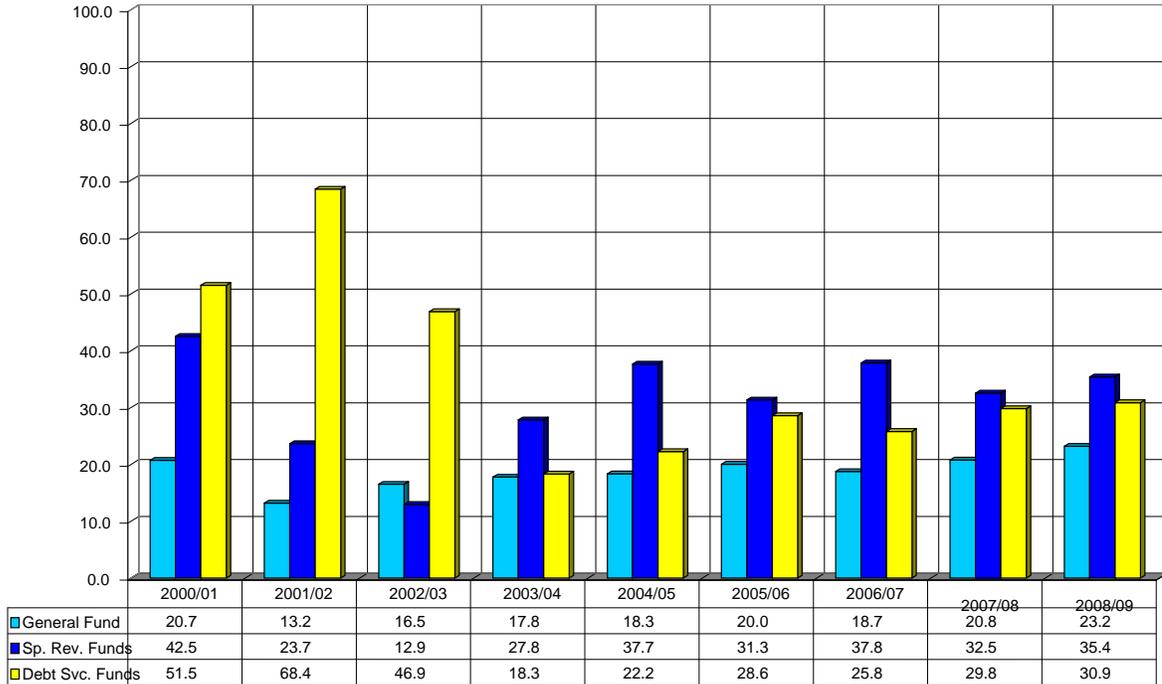
**Description:**

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

**Analysis:**

In general, inflation-adjusted net operating expenditures per household by the General Fund remain relatively constant. The increase in expenditures in 2000 is the result of higher equipment and facility maintenance expenses and personnel vacancies in 1999 that were filled in 2000. Changes in special revenue funds are generally due to the amount of revenue available, particularly Act 51 street maintenance revenues. A windstorm in October 2001 cost a combined \$1,000,000 in the General Fund and the Leaf Pickup Fund. Audited 2009 expenditures per household at \$516 is \$26 less than the audited 2009 per household revenues of \$542.

**UNRESERVED FUND**  
As a % of Net Operating



**Warning Trend:**

Declining unreserved fund balances as a percentage of net operating revenues.

**Formula:**

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

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

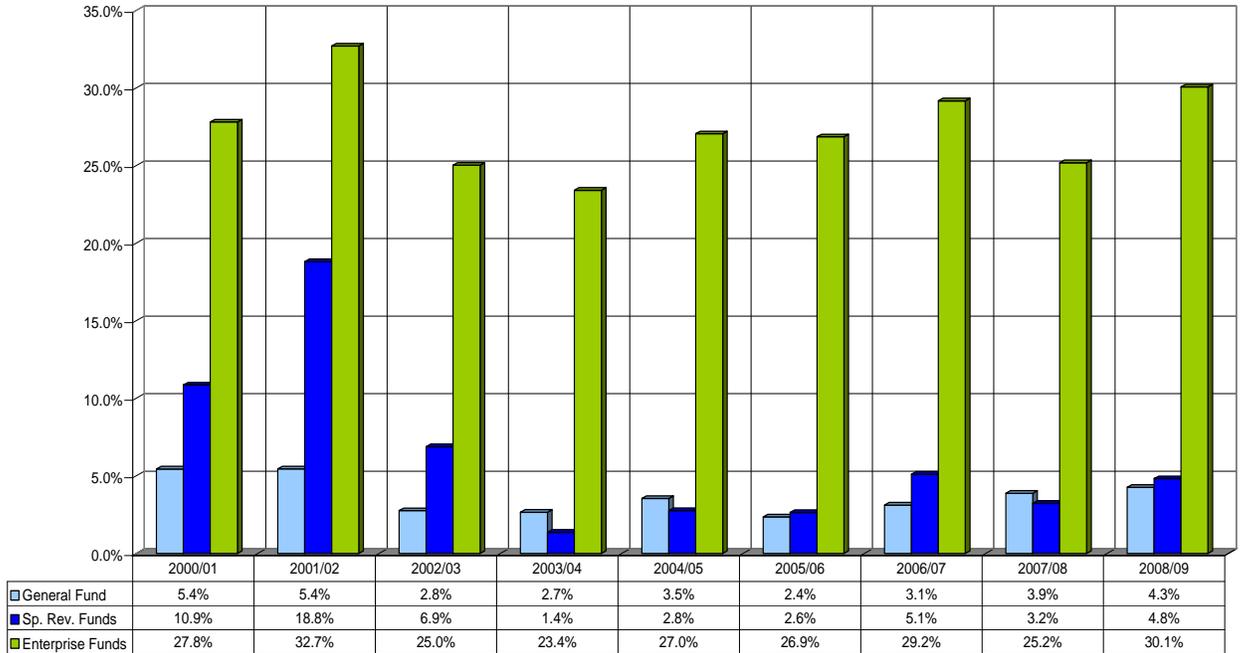
**Description:**

Although positive fund balances can also be thought of as reserves, the "fund balance" entry on a local government's annual report is not always synonymous with "available for appropriation." The annual report may also show a reservation of some or all of the fund balance as "reserved for prior years' encumbrances". 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's commercial and industrial sectors comprise almost one-half of the tax base. Growth has averaged approximately 5.5% per year. Revenue per household exceeds expenditures per household allowing for an increase in General Fund fund balance except for 2001/02. The increase in the debt service funds from 2000 through 2003 is attributable to the captured LDFA tax revenue in excess of the debt service requirements. The 2002 ending balance in the General Fund was adversely affected by the October 2001 windstorm and reserving fund balance in anticipation of the Pharmacia tax appeal settlement. The Leaf Pickup Fund was also affected by the cost of the windstorm cleanup. The tax appeal settlement also affected tax supported special revenue funds requiring reservation of fund balance for 2001/2002.

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



**Warning Trend:**

Increasing current liabilities as a percentage 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.

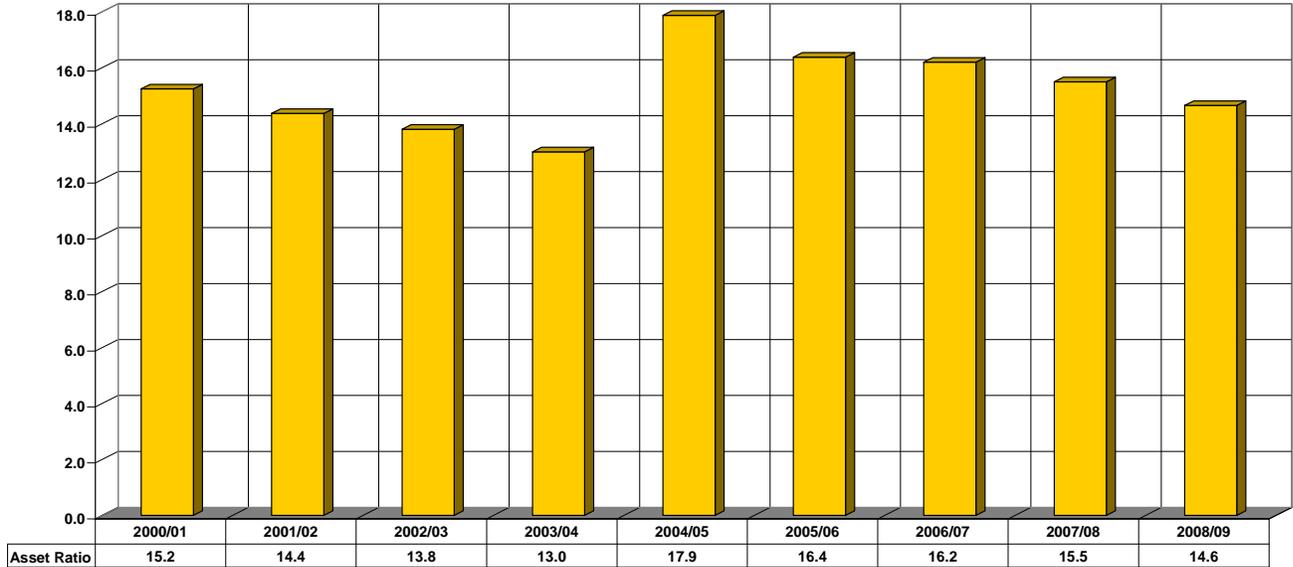
**Description:**

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 is relatively stable in the General Fund. GASB 34 revised the need to account for accrued paid leaves of absence as a liability. The General Fund's liabilities do not include this amount for Fiscal 2002/03 and forward. The enterprise funds include the current (i.e., short-term) portion of the long-term debt as a current liability. In fiscal 2008/09, the current portion of the enterprise funds long-term debt amounted to \$2,105,554 or 68% of the total current liabilities of the enterprise funds.

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



**Warning trend:**

Decreasing ratio of the value of pension plan assets to the pension benefits paid out.

**Formula:**

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

**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.

**Analysis:**

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

## **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 value 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. If the composite State Equalized Value ("SEV"), allowing for new construction and losses, increases more than the inflation rate, the millage rate is adjusted downward. As the composite SEV did not increase more than the inflation rate, the 2010-2011 millage rate does not require a downward adjustment.

In 1994, the voters approved Proposal A. Proposal A 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. The rate of decrease for 2010-2011 valuations is 4.36 percent.

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.

On the basis of the Truth in Taxation Act, the City published a "Notice of Public Hearing on Increasing Property Taxes" on April 29, 2010. The Public Hearing was held on May 11, 2010. On that same day, the City Council voted to approve the proposed levy not to exceed the base tax rate as computed in accordance with Public Act 5 of 1982 (MCLA 211.24e). A copy of that resolution follows.

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**

2009 Taxable Value (TV)	2,105,785,219
Cumulative changes	(91,791,554)
2010 Taxable Value (TV)	2,013,993,665
Consumer's Price Index (CPI):	-0.3%
2009-2010 Operating Millage Rate	10.6598
2010-2011 Operating Millage Rate	10.7312

Operating Millage Components:

	<u>2009/10</u>	<u>2010/11</u>
General Fund	7.5000	7.5000
Capital Improvement Program	2.0000	2.0000
Recycling Fund	.2710	.2710
Leaf Pickup/ Spring Cleanup Fund	.2950	.2950
Municipal Streets Fund	.5938	.6652
Total	<u>10.6598</u>	<u>10.7312</u>

**Formulas/Computations**

*2010 Truth-in-Taxation Base Tax Rate Fraction*

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

$$\frac{(\$2,105,785,219 - \$34,060,177)}{(\$2,013,993,665 - \$47,424,707)} = \frac{\$2,071,725,042}{\$1,966,568,958} = 1.0535$$

As shown above, the 2010 base tax rate fraction (BTRF) is calculated to be 1.0535. According to the State Tax Commission Bulletin No. 5, March 12, 2003, the BTRF may not be greater than 1.0000. Multiplying the BTRF of 1.0000 by last year's operating levy of 10.6598 mills yields a base tax rate of 10.6598 mills for 2010.

**2010 Headlee Millage Reduction Fraction**

$$\frac{(\text{2009 Total T.V.} - \text{2010 Losses}) \times \text{CPI}}{(\text{2010 Total T.V.} - \text{2010 Additions})} = \frac{(\$2,105,785,219 - \$34,060,177) \times 0.997}{\$1,966,568,958} = \frac{\$2,065,509,867}{\$1,966,568,958} = 1.0503$$

*2010 Millage Reduction Fraction (Headlee)*

As shown above, the 2010 millage reduction fraction (MRF) is calculated to be 1.0503. Beginning in 1995, however, the MRF used cannot exceed 1.0000. Since a MRF of 1.0000 will be used for 2010, no further reduction in the city's maximum authorized millage rate (due to Headlee rollback) will be required for 2010.

RESOLUTION TO ADOPT A MILLAGE RATE ABOVE THE BASE TAX RATE  
AS DEFINED BY PUBLIC ACT 5 OF 1982  
FOR FISCAL YEAR JULY 1, 2010 to JUNE 30, 2011

Moved by           Sackley  
Supported by       Reid

WHEREAS, Public Act 5 of 1982 requires that any millage rate above the base tax rate as defined by Public Act 5 of 1982, be adopted by a separate resolution of the City Council;

NOW, THEREFORE, BE IT RESOLVED that a millage of not to exceed 0.0714 mills over the base tax rate as defined by Public Act 5 of 1982 for the fiscal year ending June 30, 2011 be levied on all real and personal property in the City for the fiscal year beginning July 1, 2010 and ending June 30, 2011.

BE IT FURTHER RESOLVED that should the City be notified by the State of Michigan that the applicable provisions of State Law require the City to levy a lower millage over the base rate, the City Assessor shall only levy the smaller amount above the base tax rate.

YES:       Campbell, O'Brien, Reid, Sackley, Strazdas, Urban  
NO:       None.  
ABSENT:   Randall

  
James R. Hudson, City Clerk

CERTIFICATION

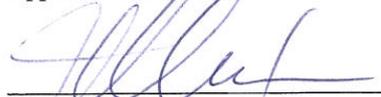
STATE OF MICHIGAN    )  
                                  )SS  
COUNTY OF KALAMAZOO )

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 11<sup>th</sup> day of May, 2010, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 11<sup>th</sup> day of May, 2010.

  
James R. Hudson, City Clerk

Approved as to form:

  
\_\_\_\_\_  
John R. Axe, Axe and Ecklund PC

GENERAL APPROPRIATIONS ACT  
 RESOLUTION TO ADOPT THE BUDGET  
 OF THE CITY OF PORTAGE FOR THE FISCAL YEAR  
 JULY 1, 2010 TO JUNE 30, 2011  
 AND TO MAKE APPROPRIATIONS THEREFORE

Moved by       Urban  
 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, 2010 to June 30, 2011.

BE IT FURTHER RESOLVED that the sum of \$21,612,600 be raised by taxation by the levy of 10.7312 mills for operations on the taxable value of all real and personal property in the City as follows:

General Operating Fund	7.5000 mills	\$15,105,000
Capital Improvement Fund	2.0000 mills	4,028,000
Curbside Recycling Fund	0.2710 mills	545,800
Leaf Pickup/Spring Cleanup Fund	0.2950 mills	594,100
Municipal Street Fund	<u>0.6652 mills</u>	<u>1,339,700</u>
	<u>10.7312 mills</u>	<u>\$21,612,600</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 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:    Campbell, O'Brien, Randall, Reid, Sackley, Strazdas, Urban  
 NO:     None.  
 ABSENT: None.

  
 James R. Hudson, 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, 2010 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, 2010

  
 James R. Hudson, City Clerk

SALARY AND WAGE RESOLUTION  
RESOLUTION TO ADOPT THE SALARY AND WAGE SCHEDULES FOR  
THE FISCAL YEAR JULY 1, 2010 TO JUNE 30, 2011

Moved by           Urban  
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, 2010 and until otherwise directed, salaries and wages shall be established and adjusted as follows:

- (1) Personnel of the following bargaining units shall receive compensation effective July 1, 2010 in accordance with applicable collective bargaining agreements:  
International Association of Firefighters (IAFF)
- (2) Personnel of the following bargaining units shall receive compensation in accordance with bargaining agreements to be negotiated during the fiscal year ending June 30, 2011:  
Portage Police Officers Association (PPOA)  
Portage Police Command Officers Association (PPCOA)  
United Auto Workers (Parks and Streets Department Laborers, Operators and Mechanics)
- (3) Department Heads, regular part-time non-union employees, and full-time non-union employees shall receive salary and benefit adjustments as provided for in the Non-union Employee Compensation and Classification Plan, as amended by the 2010-2011 Compensation & Benefit Plan Amendment, and as recommended by the City Manager and adopted with the budget on May 25, 2010. Other part-time and seasonal employees shall receive increases, with each classification to be adjusted separately, as approved by the City Manager. Compensation for the City Manager will be determined by the City Council.

YES:           Campbell, O'Brien, Randall, Reid, Sackley, Strazdas, Urban  
NO:           None.  
ABSENT:       None.

  
James R. Hudson, 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, 2010 the original of which resolution is on file in my office.

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James R. Hudson, City Clerk

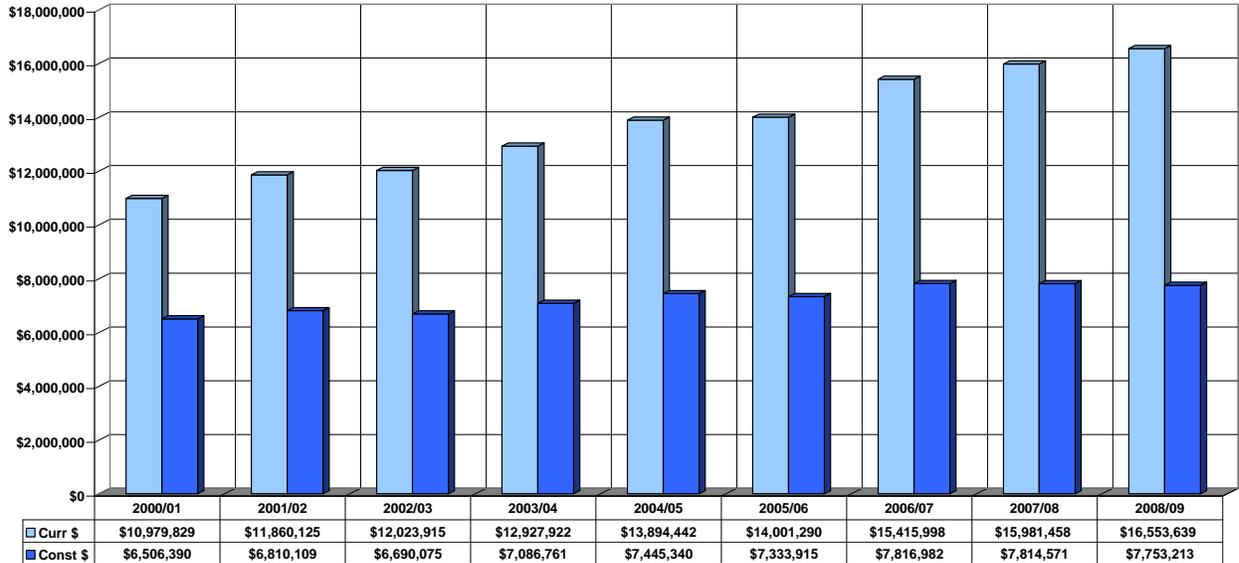


# General Fund



## GENERAL FUND PROPERTY TAX REVENUES

(in Current \$ and Constant \$)



### Warning Trend:

Decline in property tax revenues in constant dollars.

### 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.

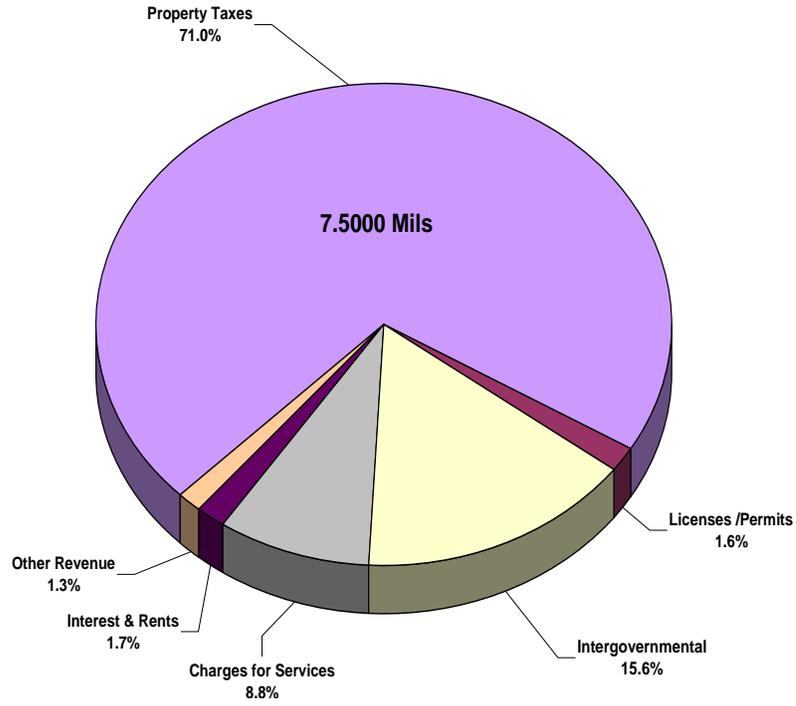
### Description:

Property tax revenues should be considered separately from other revenues because the City relies heavily on them. A decline or diminished growth rate in property taxes can result from two primary causes. First, it may reflect an overall decline in property values resulting from aging of buildings, a decline in local economic health, or decline in the number of occupied dwellings causing depression of the housing market. Second, it might reflect inefficient assessment or appraisal of property. Since the county government pays the amount of delinquent property taxes to the city annually and then collects the delinquencies itself, failure to pay property tax by the property owners is not an issue for the City.

### Analysis:

As the chart indicates, General Fund property tax revenue in constant dollars is generally increasing with only slight variations. The percentage gain in tax base growth varies from year to year causing inflation adjusted constant dollars to dip below its trend line occasionally. The slowing rate of growth may be noted prior to the 2010/2011 proposed budget lack of increase that will appear as a historical fact in next years' chart.

## GENERAL FUND REVENUES BY SOURCE



**GENERAL FUND REVENUES**  
**Fiscal Year 2010-2011**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
Revenues budgeted by department:					
Fees and permits	545,414	549,485	535,850	535,850	476,950
Federal revenue	-	10,000	5,000	-	-
State revenue	19,734	23,828	70,741	11,500	7,500
Other grants	48,332	42,714	54,100	54,100	45,600
Charges for services	334,948	360,970	371,890	362,296	295,300
Interest and rents	171,473	187,466	241,266	241,266	227,000
Other revenue	505,787	521,778	442,420	429,920	438,895
Transfers In	27,000	28,000	15,000	15,000	8,000
	<u>1,652,688</u>	<u>1,724,241</u>	<u>1,736,267</u>	<u>1,649,932</u>	<u>1,499,245</u>
Revenues not budgeted by department:					
Property taxes	15,981,458	16,498,975	16,453,800	16,453,800	15,933,000
State shared revenue	3,835,431	3,762,397	3,824,469	3,824,469	3,423,884
Charges for services	1,478,700	1,357,160	1,485,320	1,485,320	1,369,160
Interest and rents	381,125	252,676	150,000	150,000	150,000
Other revenue	51,602	36,658	42,257	42,000	42,000
Transfers In	79,507	88,000	88,000	88,000	-
	<u>21,807,823</u>	<u>21,995,866</u>	<u>22,043,846</u>	<u>22,043,589</u>	<u>20,918,044</u>
Total Revenue	<u>23,460,511</u>	<u>23,720,107</u>	<u>23,780,113</u>	<u>23,693,521</u>	<u>22,417,289</u>



## **CITY OF PORTAGE General Fund Revenues**

### **Property Taxes**

The City Charter authorizes property tax levies up to 7.5 mills for general municipal purposes. The millage rate for 2010-2011 is projected to be 7.5000 mills, which is the same as the 2009-2011 rate. A property tax administrative fee is charged for tax collection and assessing services (provided for by State statute). This fee helps offset the costs of the Assessor's office plus the printing, mailing and collecting twice-yearly property taxes, and the distributing of revenues to the various school systems and government units by the Treasury office. This revenue is calculated based on actual data for the upcoming year.

### **Licenses and Permits**

License and permit revenue consists of building and development permits and liquor license fees. The budget for 2010-2011 is approximately the same as 2009-2010 for liquor licenses, and less than 2009-2010 for development permits as the result of the continued slump in new housing starts due to the effects of the credit crisis, and slowing commercial development as a result of recessive economic conditions and the credit crisis. This revenue is estimated based on trend plus known upcoming projects.

### **State Collected - Locally Shared Taxes**

The 1994 passage of Proposal A has 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. However, current economic conditions demonstrate consumer spending has grown ever more conservative, and so the estimate for revenue sharing payments has been held to approximately the same level as in 2009/2010 for the 2010/2011 budget based on projections provided by the State of Michigan.

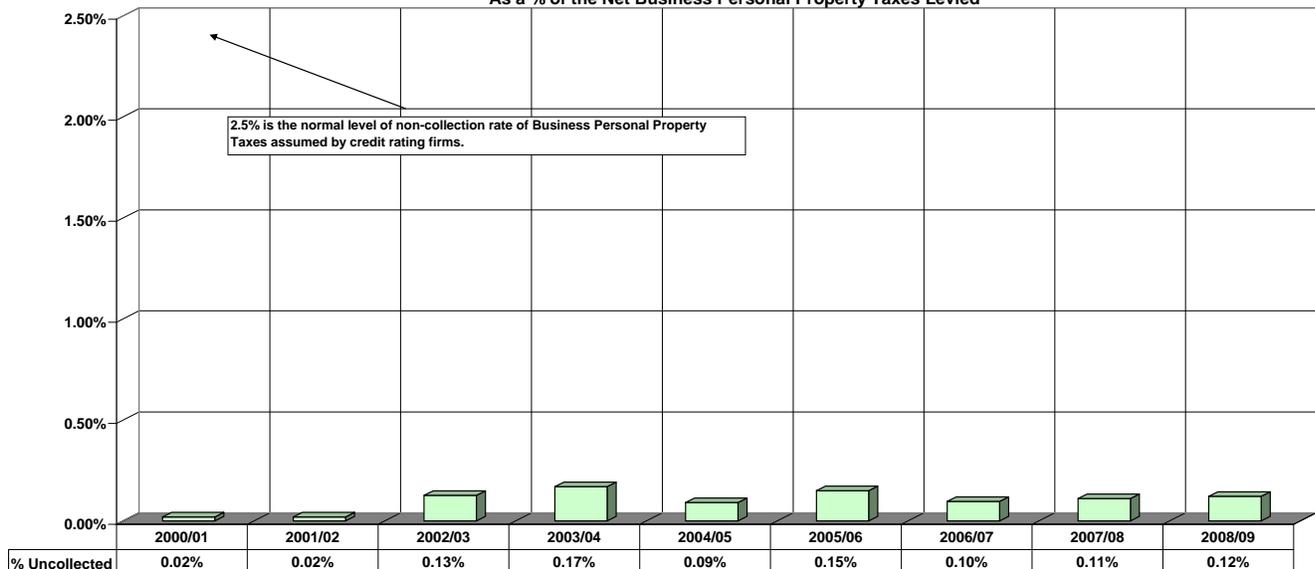
Also included in this category is State of Michigan grant money. This consists primarily of funding for police training programs ("PA 302").

### **Contribution - Local Units**

Contributions include an Area Agency on Aging Region III annual contribution which offsets staffing costs at the Portage Senior Center. "Local match" contributions fluctuate in response to State grant requirements. The grant revenue estimate is based on the results of the most recent grant application and award.

### UNCOLLECTED BUSINESS PERSONAL PROPERTY TAXES

As a % of the Net Business Personal Property Taxes Levied



**Warning Trend:**

An increasing amount of uncollected business personal property taxes as a percentage of the net property tax levy

**Formula:**

$$((\text{Uncollected Business Personal Property Taxes}) / (\text{Business Personal Property Taxes Levied})) \times 100$$

Note: Uncollected business personal property taxes are those which remain uncollected as of the close of the fiscal year.

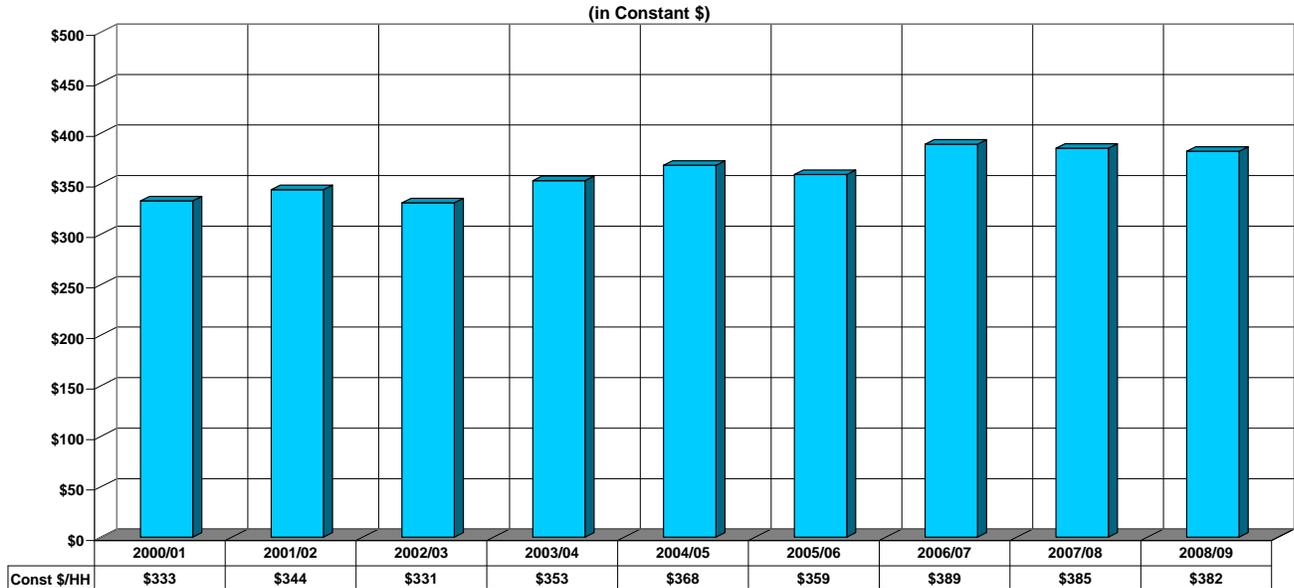
**Description:**

Every year a certain percentage of the owners of taxable business personal property are unable to pay the taxes due on that property. If this percentage is increasing over time, it may indicate an overall decline in the economic health of the City. The County revolving property tax collection fund guarantees that the city receives all of its property taxes due on real property before the close of the fiscal year. This is not true, however, for the uncollected business personal property taxes referred to above. Credit rating firms consider a normal non-collection rate for these taxes to be 2.5%. If this non-collection rate rises above 5.0%, it is considered a negative factor by those same credit rating firms.

**Analysis:**

As indicated by the chart, uncollected business personal property taxes are a tiny portion of the net property tax levy, and do not even approach the "normal" non-collection rate.

## GENERAL FUND PROPERTY TAX REVENUES PER HOUSEHOLD



**Warning Trend:**

Decline in the property tax revenues (adjusted to constant dollars) per household.

**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:**

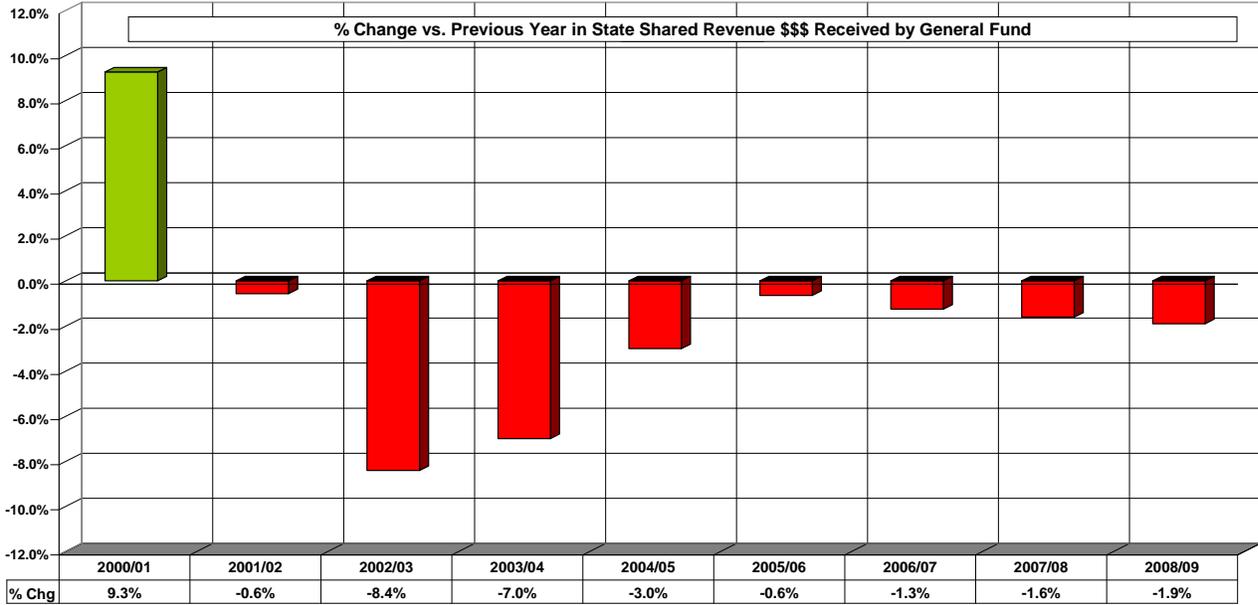
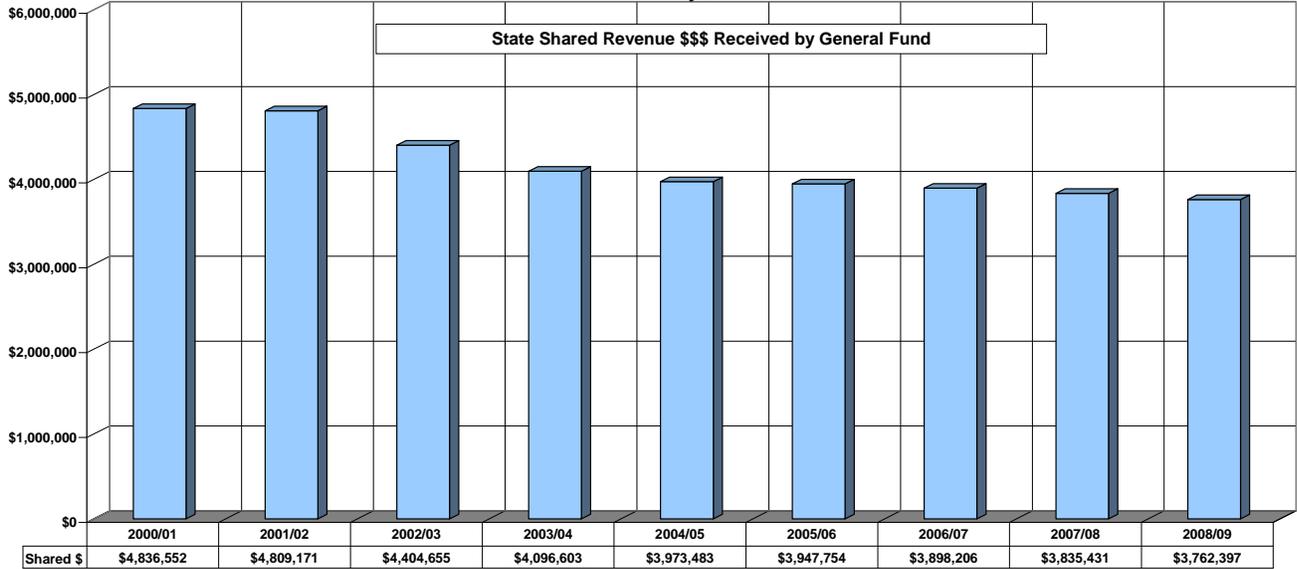
Examining property tax revenues on a *per household basis* shows changes in revenues relative to the changes in number of households. As the number of households increases, it could be reasonably expected that overall revenues and the need to expend those revenues will increase. As a result, one could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

**Analysis:**

The chart above indicates that the City's property tax revenue (in constant dollars) per household is remaining relatively constant over time. The slight decrease noted in fiscal 2002/03 resulted from a successful tax appeal by the largest taxpayer in the City.

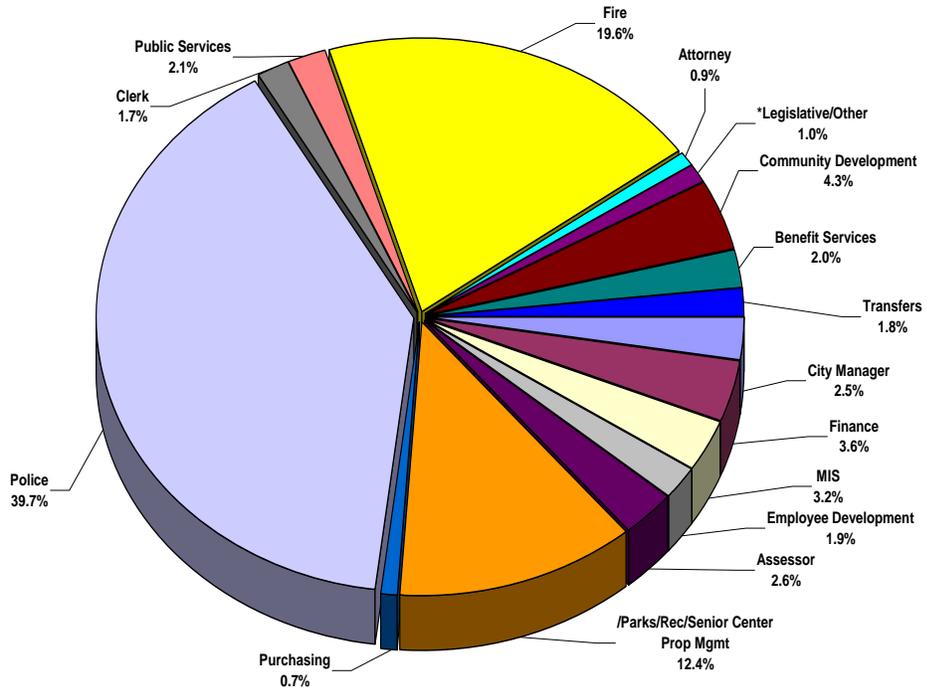
## GENERAL STATE-SHARED REVENUES

Received By General Fund



The above charts depict state-shared revenues received by the General Fund. Prior to 1999, these revenues were composed of primarily state sales tax, income tax, intangibles tax, single business tax, and the portion of single business tax allocated to replace the former inventory tax. Since some of these revenue distributions are made on a *per capita basis*, the 2000 Census has had a positive effect on these revenues received by the City. Changes in the law, however, earmarked sales tax revenue as the sole source of revenue sharing for cities. The state constitution guarantees 15% of 4% of the sales tax revenue to local governments. Additional amounts are set statutorily. The changes enacted in 1999 provided for a nine-year phase-out of the previous method of distribution and set a phase-in of the new formula. The current economic situation in state finances continues to affect state-shared revenues received by local governments. The City's state-shared revenues received by the General Fund which grew through 2001, have declined ever since.

## GENERAL FUND EXPENDITURES BY DEPARTMENT



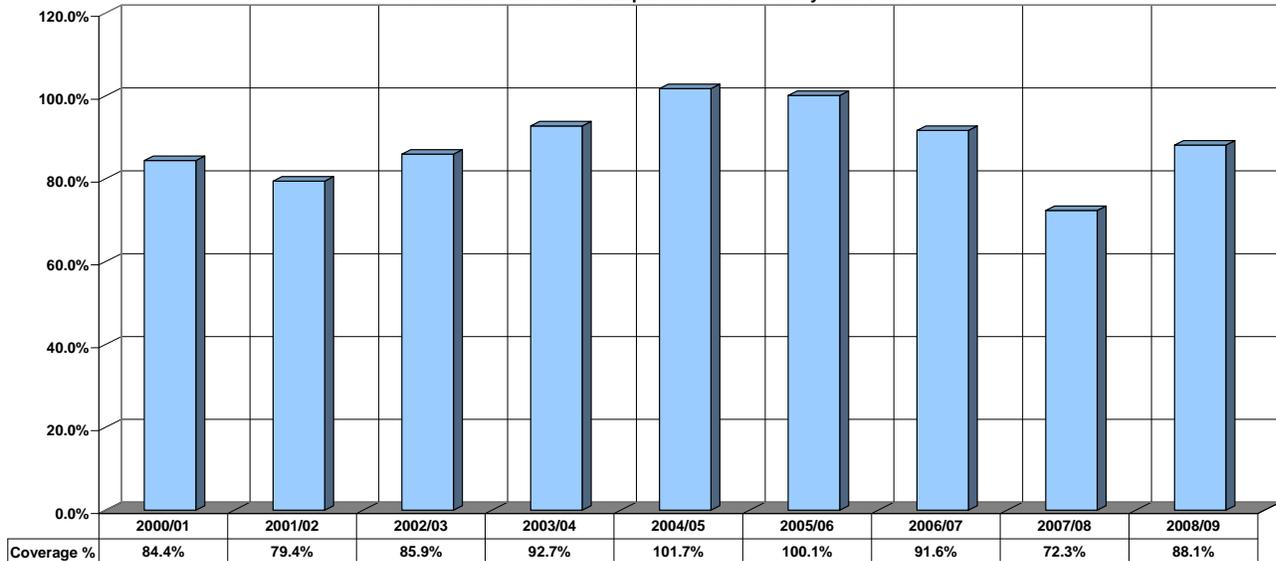
**\*Note: The Legislative/Other budget includes City Council, Court and Human Services**

## General Fund Expenditures by Department or Function

	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Adjusted</b>	<b>Adopted</b>	<b>Council</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Budget</b>	<b>Budget</b>	<b>Approved</b>
City Council	60,906	61,021	69,523	69,500	66,738
Human Service Funding	186,100	228,289	250,284	224,642	117,897
District Court Facility	49,063	46,786	61,126	56,855	56,855
City Manager	741,592	763,441	855,426	864,098	572,975
Finance	806,942	797,246	1,043,554	839,843	827,006
Information Technology	793,711	754,585	1,202,254	1,055,953	742,567
City Assessor	570,688	507,169	720,402	616,833	596,800
City Attorney	201,812	201,728	201,728	201,728	201,728
City Clerk	303,994	372,799	388,007	382,706	394,868
Employee Development	459,580	386,367	500,143	461,093	439,999
Benefit Services	385,684	400,068	549,983	512,367	462,243
Purchasing	169,479	155,532	181,511	167,511	160,346
Parks & Recreation	2,966,355	2,888,025	3,117,448	3,043,563	2,848,720
Police Department	8,900,840	9,136,444	9,786,021	9,254,502	9,139,683
Fire Department	4,329,830	4,364,726	4,600,956	4,525,545	4,512,224
Community Development	1,013,152	969,090	996,567	980,903	995,572
Street Lighting	373,810	431,589	493,826	483,000	483,000
Transfers Out	546,000	650,000	1,385,000	1,385,000	410,000
<b>Total Expenditures</b>	<b><u>22,859,538</u></b>	<b><u>23,114,905</u></b>	<b><u>26,403,759</u></b>	<b><u>25,125,642</u></b>	<b><u>23,029,221</u></b>

Additional information is available in the respective detailed departmental budgets.

**GENERAL FUND USER COVERAGE %**  
 % of Related General Fund Expenditures Covered by User Fees



**Warning Trend:**

Decreasing revenues from user service charges as a percentage of the total expenditures on related services.

**Formula:**

$$\text{((Revenues from User Service Fees and Charges) / (Total Expenditures for Related Services)) x 100}$$

Note: User service fees and charges include building services (i.e., permit inspections), recreation programs, cemetery operations, and the Portage Senior Center.

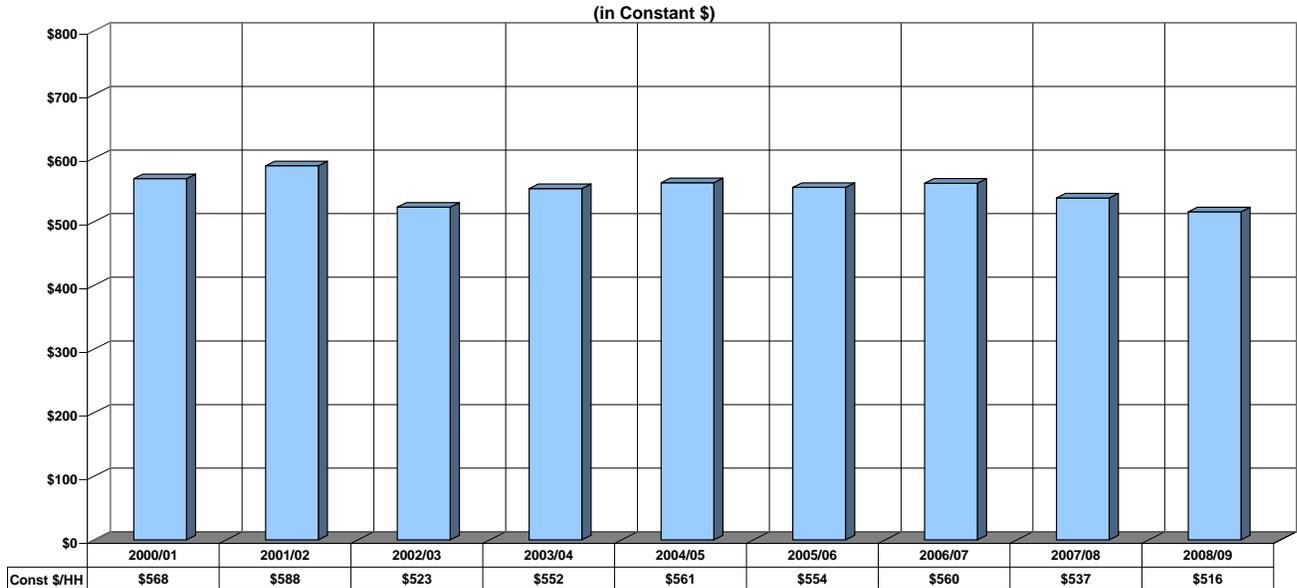
**Description:**

The term "user coverage" refers to whether the fees and other charges for certain services cover the entire cost of providing those services. The information depicted in the above chart applies only to General Fund programs and not those in the enterprise funds. When the fees and charges exactly match the related expenditures of providing those specific services, the user coverage percentage is equal to 100%. Similarly, if the fees and charges only cover half of the related expenditures, the user coverage percentage would equal 50%. As the user coverage % declines, it places a burden on other revenues to support these services. Since a typical municipal accounting system does not employ cost accounting techniques, it is very easy for inflation and other factors to erode the user coverage percentage unnoticed unless it is monitored explicitly in this fashion.

**Analysis:**

This indicator has been monitored since fiscal 1985/86 when user charges first began to be analyzed on an annual basis. Prior to Fiscal 1986/87, record show that user charge coverage percentage in the General Fund was typically less than 40%. Since then, the higher levels of user coverage percentage reflect an effort to increase the user service fees and other charges necessary to sustain the activities and curtailing/deleting certain programs which could not be made self-supporting. The decrease in the user coverage percentage in Fiscal 2001/02 resulted from cancelled and less than fully subscribed trips sponsored by the Portage Senior Center following September 11, 2001. User fee coverage remains above the 85% target level. Building Inspection revenues usually comprise one-half of service fees and are down significantly for 2008/9 causing the decrease in the coverage percentage. A 7.4% decrease in total program expenses coupled with a 7% increase in total program revenue resulted in an improved user coverage ratio.

## GENERAL FUND NET OPERATING EXPENDITURES PER HOUSEHOLD



**Warning Trend:**

Increasing Net Operating Expenditures (adjusted to constant dollars) per household

**Formula:**

$$\frac{((\text{Net Operating Expenditures in Current \$}) / (\text{CPI} / 100))}{(\text{Number of Households})}$$

Note: Net operating expenditures are defined as:

Total expenditures

*less mandated capital improvement transfers*

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

**Description:**

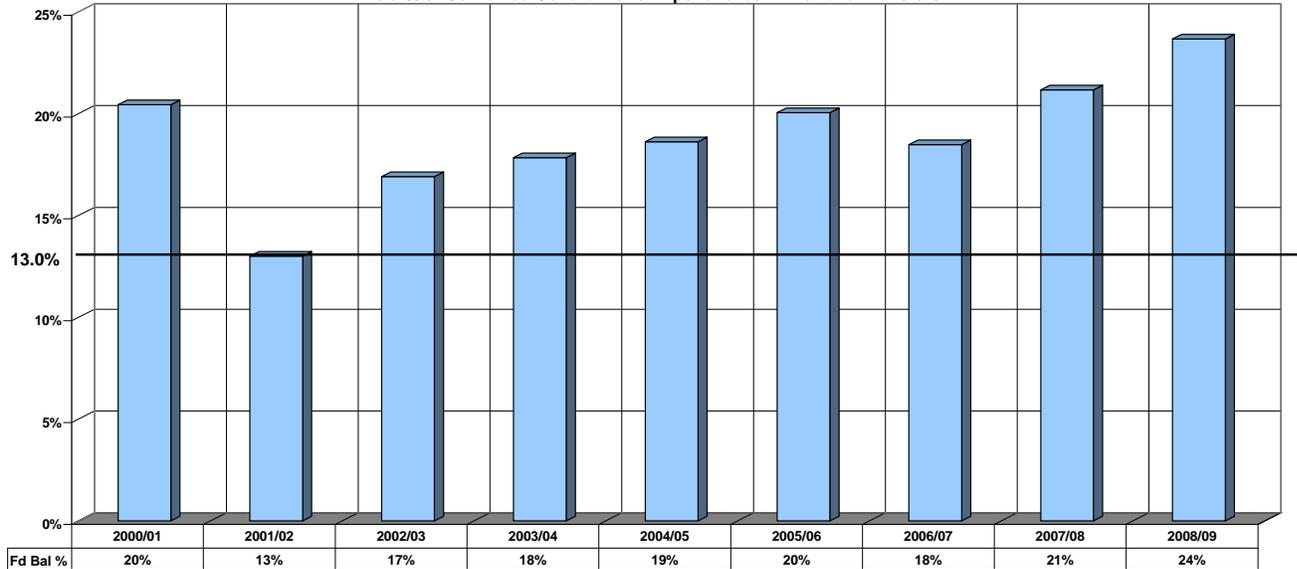
Examining expenditures on a *per household basis* shows changes in expenditures relative to the changes in number of households. Increasing per household expenditures can indicate that the cost of providing services is outstripping the City's ability to pay, especially if spending is increasing faster than the resident's collective personal income. From a different perspective, if the increase in spending is greater than can be accounted for by inflation adjustment or the addition of new services, it may well indicate declining productivity, i.e., the City is spending more in inflation-adjusted dollars to support the same level of services for its residents.

**Analysis:**

In general, net operating expenditures per household in constant dollars is remaining fairly stable over time. During this same time, service levels have improved and new services have been added. It is worthwhile noting that almost the entire increase shown in Fiscal 2000/01 was due to the expenses incurred defending tax appeals. Fiscal 2001/02 also experienced continuing tax appeal expenses plus a major October 2001 windstorm damages that cost over \$1,000,000 for clean up and restoration. 2007/8 and 2008/9 spending was decreased to respond to the economic situation that continues to deteriorate.

### GENERAL FUND UNRESERVED FUND BALANCE

As a % of Combined General Fund Expenditures + Interfund Transfers



**Warning Trend:**

Continuing unreserved fund balance as a percentage of combined expenditures and interfund transfers that remain below the 13% level. *It is also considered a warning trend if this indicator falls below 10% for any fiscal year.*

**Formula:**

$$\left[ \frac{\text{(Unreserved Fund Balance)}}{\text{((Expenditures) + (Interfund Transfers))}} \right] \times 100$$

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

**Description:**

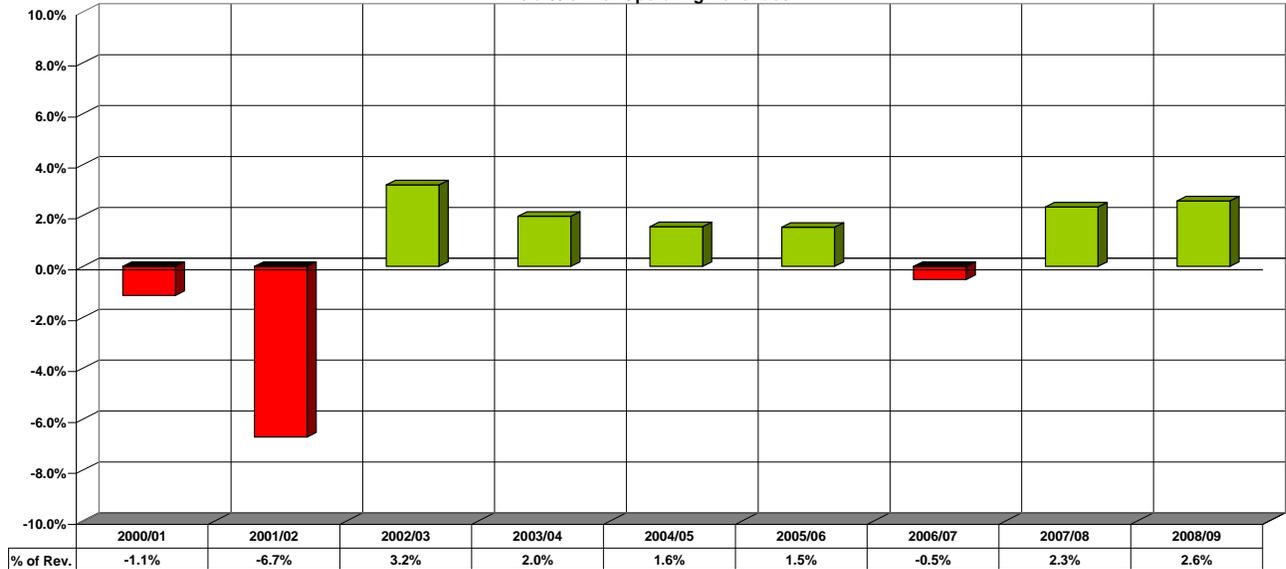
Although positive fund balances can also be thought of as reserves, the "Fund Balance" entry on a local government's annual report is not always synonymous with "available for appropriation." The annual report may also show a reservation of some or all of the fund balance as "reserved for prior years' encumbrances". The size of a local government's fund balance affects its ability to withstand unforeseen financial emergencies. Fund balance is an indicator of financial soundness. It provides a hedge against inflation and a reserve for emergencies. In 1985, the City Council adopted a resolution of intent to maintain the fund balance in the General Fund at a level of 13% of general fund expenditures plus Interfund transfers. Bond rating agencies consider a 10% fund balance to be more than adequate reserve against unexpected contingencies and to make debt payments if regular revenue sources are not sufficient.

**Analysis:**

With the exception of fiscal 2001/2002 (i.e., the fiscal year in which the major October 2001 windstorm damage and restoration occurred), the fund balance of the General Fund has remained well above the 13% level prescribed by the City Council.

## GENERAL FUND OPERATING SURPLUS/DEFICIT

As a % of Net Operating Revenues



**Warning Trend:**

Increasing General Fund operating deficits as a percentage of net operating revenues

**Formula:**

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

**Description:**

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

**Analysis:**

Typically, the City’s General Fund runs a small operating surplus. The following emergencies/events have impacted the General Fund’s operating surplus/deficit as a percentage of net operating revenues:

- The damage clean-up and restoration resulting from the October 2001 windstorm (fiscal 2001/2002)
- A tax settlement with the City’s largest taxpayer resulting in tax refunds covering 1999, 2000, and 2001 plus a reduction in tax revenues in 2002, (fiscal 2002/2003)

## GENERAL FUND

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

Budget Overview: Public safety expenditures account for 59 percent of the total General Fund operating expenditures, which reflects the city's commitment to providing quality services. In addition to this commitment, and furthering Council's mission statement of 'promoting the highest level of quality of life in all aspects for all residents,' the next highest General Fund expenditure category is Parks and Recreation (including Senior Citizen Services) at 12.4 percent of the budget.

The estimated fund balance at June 30, 2011 is at least 13 percent of fund expenditures as required by City Council resolution.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
Property taxes	15,981,458	16,498,975	16,453,800	16,453,800	15,933,000
Fees and permits	545,414	549,485	535,850	535,850	476,950
Federal revenue	-	10,000	5,000	-	-
State revenue	19,734	23,828	70,741	11,500	7,500
State shared revenue	3,835,431	3,762,397	3,824,469	3,824,469	3,423,884
Other grants	48,332	42,714	54,100	54,100	45,600
Charges for services	1,813,648	1,718,130	1,857,210	1,847,616	1,664,460
Interest and rents	552,598	440,142	391,266	391,266	377,000
Other revenue	557,389	558,436	484,677	471,920	480,895
Transfers In	106,507	116,000	103,000	103,000	8,000
<b>TOTAL REVENUE</b>	<b>23,460,511</b>	<b>23,720,107</b>	<b>23,780,113</b>	<b>23,693,521</b>	<b>22,417,289</b>
<b>EXPENDITURES:</b>					
Personnel Services	17,301,542	17,438,059	18,154,806	17,781,100	17,297,058
Operations & Maintenance	3,331,252	3,247,244	4,014,985	3,643,848	3,303,117
Administrative Charges	1,649,701	1,761,278	2,248,217	2,101,184	1,993,881
Capital Outlay	31,043	18,324	600,751	214,510	25,165
Transfers Out	546,000	650,000	1,385,000	1,385,000	410,000
<b>TOTAL EXPENDITURES</b>	<b>22,859,538</b>	<b>23,114,905</b>	<b>26,403,759</b>	<b>25,125,642</b>	<b>23,029,221</b>

## **LEGISLATIVE DEPARTMENT**

**Budget Overview:** In addition to City Council expenditures, the 2010-2011 Legislative budget includes contributions to various human service agencies. The human services contributions equal \$117,897 (see Appendix A for additional information) for 2010/2011.

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Human Services	Continue funding at .55% of General Fund revenue	<i>Community Development</i> Continue commitment to human services

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	41,715	40,369	42,000	42,000	42,000
Operations & Maintenance	205,291	248,941	277,807	252,142	142,635
<b>TOTAL EXPENDITURES</b>	<u>247,006</u>	<u>289,310</u>	<u>319,807</u>	<u>294,142</u>	<u>184,635</u>

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

**CITY COUNCIL 101-1001**

As the policy-making body, the City Council has the responsibility for establishing overall policy and setting the priorities and direction of local government. In addition to City Council stipends, the 2010-2011 City Council budget includes expenditures for Michigan Municipal League dues, planning retreats and Mayor Exchange Day.

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
EXPENDITURES:					
Personnel Services	41,715	40,369	42,000	42,000	42,000
Operations & Maintenance	19,191	20,652	27,523	27,500	24,738
<b>TOTAL EXPENDITURES</b>	<u>60,906</u>	<u>61,021</u>	<u>69,523</u>	<u>69,500</u>	<u>66,738</u>

**HUMAN SERVICES 101-1085**

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

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

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

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

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

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

The proposed 2010-2011 budget includes a General Fund appropriation of \$78,217 for youth development and program coordination activities. An additional \$43,350 is budgeted from Community Development Block Grant funds, bringing the total city contribution to PCC to \$121,567.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	4,037	4,000	4,000

2. **YOUNG WOMEN'S CHRISTIAN ASSOCIATION (YWCA)**

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

Domestic Assault - shelter and counseling for women and children.

Sexual Assault - crisis services for victims of sexual assault.

Youth Mentoring - mentoring/counseling to at risk adult & teenage women.

**HUMAN SERVICES, continued**

YOUNG WOMEN'S CHRISTIAN ASSOCIATION (YWCA) continued

The proposed 2010-2011 budget includes a General Fund appropriation of \$9,070.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	173	200	200

3. HOUSING RESOURCES, INC.

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

Housing Stabilization Program - homelessness prevention assistance.

The proposed 2010-2011 budget includes a General Fund appropriation of \$18,835.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	290	300	300

4. THE ARK OF CATHOLIC FAMILY SERVICES

The Ark of Catholic Family Services is a non-profit corporation that serves families in southwest Michigan and provides the following service for Portage families.

Crisis Intervention/Shelter for Runaway Youth - provides shelter for youth and counseling for families in crisis.

The proposed 2010-2011 budget includes a General Fund appropriation of \$8,775.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	220	220	175

5. GRYPHON PLACE

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

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

The proposed 2010-2011 budget includes a general fund appropriation of \$3,000.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	1,484	1,500	1,500

## **HUMAN SERVICES, continued**

	<u>2007-2008</u> <u>Actuals</u>	<u>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Adjusted</u> <u>Budget</u>	<u>2009-2010</u> <u>Adopted</u> <u>Budget</u>	<u>2010-2011</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	186,100	228,289	250,284	224,642	117,897
TOTAL EXPENDITURES	<u>186,100</u>	<u>228,289</u>	<u>250,284</u>	<u>224,642</u>	<u>117,897</u>

## **DISTRICT COURT 101-1501**

This activity accounts for the provision and maintenance of chambers provided to the District Court of Southwestern Michigan for which the City of Portage is reimbursed.

	<u>2007-2008</u> <u>Actuals</u>	<u>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Adjusted</u> <u>Budget</u>	<u>2009-2010</u> <u>Adopted</u> <u>Budget</u>	<u>2010-2011</u> <u>Council</u> <u>Approved</u>
REVENUE:					
Other revenue	37,316	40,500	40,500	40,500	40,500
<b>TOTAL REVENUE</b>	<u>37,316</u>	<u>40,500</u>	<u>40,500</u>	<u>40,500</u>	<u>40,500</u>
EXPENDITURES:					
Operations & Maintenance	20,095	14,997	19,855	19,855	19,855
Administrative Charges	28,968	31,789	41,271	37,000	37,000
<b>TOTAL EXPENDITURES</b>	<u>49,063</u>	<u>46,786</u>	<u>61,126</u>	<u>56,855</u>	<u>56,855</u>

## **CITY MANAGER**

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

**Budget Overview:** The 2010-2011 budget provides for the preparation of Council agenda reports and policy recommendations, implementation of Council policy directives, general supervision and oversight of departmental operations, budget development, recommendation and administration, representation and promotion of city interests on various boards and at various functions, oversight of economic development initiatives, public information/relations, grant monitoring and research, general administrative studies and the development of administrative procedures intended to improve organizational effectiveness, and the coordination of special events and projects.

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

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

## **CITY MANAGER 101-1720**

This activity accounts for the costs associated with the Office of the City Manager. The Office of the City Manager functions primarily to provide recommendations to the City Council regarding policy proposals and alternatives, to implement policy directives of the City Council, to coordinate and supervise activities of the various departments, and to provide general administration. Other service initiatives include monitoring State and Federal legislation, and research and preparation of applicable grant and foundation funding requests. *The Portager*, a full-color newspaper delivered to all Portage households, is designed and published under this budget.

**CITY MANAGER, continued**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other revenue	477	162	-	-	-
TOTAL REVENUE	<u>477</u>	<u>162</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Personnel Services	650,203	653,602	707,891	726,823	490,585
Operations & Maintenance	80,345	99,437	139,860	129,600	75,500
Administrative Charges	11,044	10,402	7,675	7,675	6,890
TOTAL EXPENDITURES	<u>741,592</u>	<u>763,441</u>	<u>855,426</u>	<u>864,098</u>	<u>572,975</u>

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Council meetings	41	35	38
Council committee meetings	23	32	28
Pre-Council meetings	24	24	24
Council items processed:			
Agenda items	269	244	257
Material transmitted	118	101	110
Portager issues	12	11	6

## **FINANCE**

The Finance Department is responsible for developing and maintaining sound financial management information systems, policies and practices to preserve and protect city financial resources while providing the City Council and City Administration with timely and accurate financial information to facilitate daily operations, policy development, and the accomplishment of short-term objectives and long-term goals. The department also has the responsibility for cash management, City-wide budget control, and financial software systems. To enhance coordination of financial matters for the City, a Financial Services Director has been appointed to oversee the City Assessor, Purchasing and Finance departments.

Budget Overview: In 2010-2011 the department will continue to evaluate expanded bill payment options for citizens, fine tune software for increased efficiency and more effective customer service, and take an active role in assisting departments in managing their budgets.

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Accounting	Administrative function	<i>Financial Health</i> Evaluate expenditures and processes to provide for the most effective and efficient use of city resources
Financial Management	Administrative function	<i>Service Delivery</i> Provide high quality, effective and cost efficient services Evaluate alternatives to meet increased service demands <i>Financial Health</i> Maintain financial health of city Pursue revenue enhancement through alternate funding opportunities Assess financing methods for capital improvement needs
Treasury	Administrative function	<i>Public Relations</i> Continue emphasis on courteous service

## **FINANCE, continued**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
Other revenue	4,134	5,637	2,500	2,500	2,500
<b>TOTAL REVENUE</b>	<b>4,134</b>	<b>5,637</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>EXPENDITURES:</b>					
Personnel Services	604,915	611,760	651,836	651,836	656,538
Operations & Maintenance	189,391	170,622	179,828	173,117	157,088
Administrative Charges	12,636	14,864	14,890	14,890	13,380
Capital Outlay	-	-	197,000	-	-
<b>TOTAL EXPENDITURES</b>	<b>806,942</b>	<b>797,246</b>	<b>1,043,554</b>	<b>839,843</b>	<b>827,006</b>

The responsibilities of the various activities are outlined as follows.

## **ACCOUNTING 101-2001**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Accounts payable checks issued	5,777	5,400	5,500
Payroll checks issued	8,104	7,550	7,600
W-2's issued	500	500	550
W-2 accuracy rate	100%	100%	100%
1099's issued	171	170	170
Issue date of annual financial report	Nov 30	Dec 10	Dec 10

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>EXPENDITURES:</b>					
Personnel Services	202,048	213,161	225,906	225,906	235,546
Operations & Maintenance	62,019	64,896	67,098	63,947	62,075
<b>TOTAL EXPENDITURES</b>	<b>264,067</b>	<b>278,057</b>	<b>293,004</b>	<b>289,853</b>	<b>297,621</b>

## **FINANCE and BUDGET 101-2002**

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

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Bond issues:			
Number	2	3	1
Dollar amount	\$2,750,000	\$3,440,000	\$3,850,000
Bond Refinancing	\$2,265,000	\$9,255,000	\$- 0 -
'Unqualified' audit report received	Yes	Yes	Yes

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	237,137	235,683	262,183	262,183	260,590
Operations & Maintenance	92,354	63,057	72,485	68,925	57,968
Administrative Charges	12,636	14,864	14,890	14,890	13,380
Capital Outlay	-	-	197,000	-	-
<b>TOTAL EXPENDITURES</b>	<b>342,127</b>	<b>313,604</b>	<b>546,558</b>	<b>345,998</b>	<b>331,938</b>

## TREASURY 101-2053

This activity accounts for the costs associated with the billing, collection and reconciliation of all receivables, including semi-annual tax bills and quarterly utility bills. The department collects and processes over \$64,000,000 in taxes a year for other jurisdictions, remitting them on a weekly basis. A state authorized 1% 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	37,805	37,860	38,000
Special assessment bills processed	1,967	1,716	1,100
Water and sewer bills processed	62,553	62,775	63,000
Cash receipts issued	108,938	109,000	109,100
Number of cash transactions per employee	27,235	27,250	27,275

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
REVENUE:					
Other revenue	4,134	5,637	2,500	2,500	2,500
<b>TOTAL REVENUE</b>	<u>4,134</u>	<u>5,637</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
EXPENDITURES:					
Personnel Services	165,730	162,916	163,747	163,747	160,402
Operations & Maintenance	35,018	42,669	40,245	40,245	37,045
<b>TOTAL EXPENDITURES</b>	<u>200,748</u>	<u>205,585</u>	<u>203,992</u>	<u>203,992</u>	<u>197,447</u>

## INFORMATION TECHNOLOGY SERVICES

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

Budget Overview: The 2010-2011 budget continues the management of the privatized I/T operation (initiated in 2000) in order to optimize the substantial investment. Priorities continue to focus on streamlining workflow, cost containment, continued development of electronic government opportunities through the use of the Internet and wireless communications networks, installing new PC's, and maintaining software applications.

Goals and Objectives: The I/T Department supports the following goals and objectives:

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

The Public Information division provides centralized mailing, shipping, printing, desktop publishing and photocopying services for all departments including development and mailing of the City newsletter, *The Portager*, and other marketing and communication materials.

Budget Overview: 2010-2011 provides for a continuation of current services.

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

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

**I/T, continued**

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	\$ 103,000	\$ 120,496	\$ 122,296	\$ 122,296	\$ 43,300
Other revenue	-	14	200	200	100
<b>TOTAL REVENUE</b>	<b>103,000</b>	<b>120,510</b>	<b>122,496</b>	<b>122,496</b>	<b>43,400</b>
EXPENDITURES:					
Personnel Services	87,222	74,950	120,182	120,182	31,497
Operations & Maintenance	691,518	676,254	737,222	720,921	697,045
Administrative Charges	14,971	3,381	14,850	14,850	14,025
Capital Outlay	-	-	330,000	200,000	-
<b>TOTAL EXPENDITURES</b>	<b>793,711</b>	<b>754,585</b>	<b>1,202,254</b>	<b>1,055,953</b>	<b>742,567</b>

The responsibilities of the various activities are outlined as follows.

**INFORMATION TECHNOLOGY SERVICES 101-2110**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Printers	76	76	73
PC's & Laptops	239	237	236
Network/PC training hours	700	800	800
Telephone lines supported	279	287	286
Network servers (see note 1)	16	14	13
Midrange computers (see note 2)	4	3	3
Help desk requests	1,925	1,900	1,900
Routers/switches/hubs	36	34	34
Terminals	7	7	7
Wireless devices (see note 3)	34	32	32
Cell phone/PDA (see note 4)	92	86	86
Video Monitoring Systems (Note 5)	1	2	2

Note 1: Mainfile/Print Server, GIS, PD Photos, ZENWorks, Groupwise including firewalls, DMS server ( H T E), Fire collection, 2 firewalls, Happy main file & print

Note 2: H.T.E. i5, Police Department i5, Police Wireless RS6000

Note 3: 19 PD, 1 CM, 3 IT, 5 Fire, 4 Parks, 5 T&U

Note 4. Assessor 2, Benefit Services 1, Clerk 2, City Manager 2, Community development 7, Employee Development 1, Fire 8, Parks, 13, Police 31, Streets and Equipment 6, IT 6, Senior Citizen Services 1, Transportation and Utilities 7.

Note 5: (System 1) Parks Facilities, (System 2) Finance , Assessor, Conference Rooms #1 and #2

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	638,316	669,674	731,222	714,921	691,645
Administrative Charges	14,971	3,381	14,850	14,850	14,025
Capital Outlay	-	-	330,000	200,000	-
<b>TOTAL EXPENDITURES</b>	<b>653,287</b>	<b>673,055</b>	<b>1,076,072</b>	<b>929,771</b>	<b>705,670</b>

**PUBLIC INFORMATION 101-2133**

The Public Information division provides photocopying, printing, faxing, scanning, website editing, desktop publishing, and mailing and shipping services for all departments. This division also supports city marketing and communications efforts.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of copies made	476,015	430,000	400,000
Number of fax pages	1,927	2,000	2,300
Number of printing jobs processed	246	244	250
Desktop publishing hours	212	215	110**
Pieces of mail processed	77,812	87,000	90,000
Website update hours	120	300*	120
Package receiving/deliveries	946	1,000	1,000
Document scans	12,150	14,500	16,000

\*Indicates website revision/upgrades

\*\*Indicates reduction of number of Portager issues

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
<b>REVENUE:</b>					
Charges for services	103,000	120,496	122,296	122,296	43,300
Other revenue	-	14	200	200	100
<b>TOTAL REVENUE</b>	<u>103,000</u>	<u>120,510</u>	<u>122,496</u>	<u>122,496</u>	<u>43,400</u>
<b>EXPENDITURES:</b>					
Personnel Services	87,222	74,950	120,182	120,182	31,497
Operations & Maintenance	53,202	6,580	6,000	6,000	5,400
<b>TOTAL EXPENDITURES</b>	<u>140,424</u>	<u>81,530</u>	<u>126,182</u>	<u>126,182</u>	<u>36,897</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 records for all real and personal property located in the city. The department is comprised of the Assessors' Office and the Board of Review.

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

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Assessor	Provide prompt and courteous service	<i>Public Relations</i> Maintain positive public relations
	Continue to improve internet accessible information system	<i>Service Delivery</i> Continue to increase efficiency by applying new technology
	Continue development of digital building sketches	
	Design and implement a five year Property inspection program (20% Of real estate parcels per year)	To ensure that all property assessment records are as current as possible
	Develop and defend special assessments	<i>Financial Health</i> Maintain the financial health of the city
	Prepare and defend the city assessment roll	

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other revenue	\$ 38	\$ 65	\$ -	\$ -	\$ 500
<b>TOTAL REVENUE</b>	<b>38</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>500</b>
EXPENDITURES:					
Personnel Services	466,389	439,063	439,484	465,184	464,396
Operations & Maintenance	96,643	61,289	270,044	142,800	124,140
Administrative Charges	7,656	6,817	10,874	8,849	8,264
<b>TOTAL EXPENDITURES</b>	<b>570,688</b>	<b>507,169</b>	<b>720,402</b>	<b>616,833</b>	<b>596,800</b>

The responsibilities of the various activities are outlined as follows.

**ASSESSOR 101-2209**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Property descriptions	19,500	19,000	19,000
Processing of title and transfer documents	5,500	5,000	5,000
New appraisals - real and personal property	3,500	3,500	3,500
Property taxes levied, city only (in millions)	\$22.4	\$22.4	\$21.6
Property taxes levied, all taxing entities (in millions)	\$98.0	\$98.0	\$94.0

	<u>2007-2008 Actuals</u>	<u>2008-2009 Actuals</u>	<u>2009-2010 Adjusted Budget</u>	<u>2009-2010 Adopted Budget</u>	<u>2010-2011 Council Approved</u>
REVENUE:					
Other revenue	38	65	-	-	500
<b>TOTAL REVENUE</b>	<u>38</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>500</u>
EXPENDITURES:					
Personnel Services	441,581	413,059	414,509	437,209	436,032
Operations & Maintenance	94,912	61,289	265,794	138,550	121,890
Administrative Charges	7,656	6,817	10,874	8,849	8,264
<b>TOTAL EXPENDITURES</b>	<u>544,149</u>	<u>481,165</u>	<u>691,177</u>	<u>584,608</u>	<u>566,186</u>

**BOARD OF REVIEW 101-2247**

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

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Appeals reviewed	275	350	350

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	24,808	26,004	24,975	27,975	28,364
Operations & Maintenance	1,731	-	4,250	4,250	2,250
<b>TOTAL EXPENDITURES</b>	<u>26,539</u>	<u>26,004</u>	<u>29,225</u>	<u>32,225</u>	<u>30,614</u>

**CITY ATTORNEY 101-2310**

The City Attorney provides general legal services to the City Council and all departments regarding municipal matters. The specialized areas of labor counsel and bond counsel are budgeted in the specific departments or programs for which the services are provided.

**Budget Overview:** The City Attorney is an outside contractor who provides services to the city on an annual fee basis. This fee covers legal services, office supplies, transportation, reference materials and other expenses.

	<u>2007-2008</u> <u>Actuals</u>	<u>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Adjusted</u> <u>Budget</u>	<u>2009-2010</u> <u>Adopted</u> <u>Budget</u>	<u>2010-2011</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	201,812	201,728	201,728	201,728	201,728
<b>TOTAL EXPENDITURES</b>	<u>201,812</u>	<u>201,728</u>	<u>201,728</u>	<u>201,728</u>	<u>201,728</u>

**CITY CLERK**

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

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

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Records Management	Microfilming of records Imaging of records Records storage Records access	<i>Service Delivery</i> Evaluate alternatives to meet service demands Increase efficiency through technology

	<u>2007-2008</u> Actuals	<u>2008-2009</u> Actuals	<u>2009-2010</u> Adjusted Budget	<u>2009-2010</u> Adopted Budget	<u>2010-2011</u> Council Approved
<b>REVENUE:</b>					
Fees and permits	\$ 32,542	\$ 32,055	\$ 32,000	\$ 32,000	\$ 33,000
Other revenue	3,358	4,191	1,000	1,000	1,000
<b>TOTAL REVENUE</b>	<u><u>35,900</u></u>	<u><u>36,246</u></u>	<u><u>33,000</u></u>	<u><u>33,000</u></u>	<u><u>34,000</u></u>
<b>EXPENDITURES:</b>					
Personnel Services	247,970	288,389	292,931	292,931	308,923
Operations & Maintenance	51,649	79,511	89,851	84,550	81,150
Administrative Charges	4,375	4,899	5,225	5,225	4,795
<b>TOTAL EXPENDITURES</b>	<u><u>303,994</u></u>	<u><u>372,799</u></u>	<u><u>388,007</u></u>	<u><u>382,706</u></u>	<u><u>394,868</u></u>

The responsibilities of the various activities are outlined as follows.

## ELECTIONS 101-2491

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Elections	3	2	3
New registrations	3,257	3,500	3,500
Cancellations	3,361	3,000	3,000
Change of address	3,000	2,100	2,100
Registered voters	30,965	35,612	36,000

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	100,177	140,694	137,996	137,996	155,816
Operations & Maintenance	25,083	39,956	34,804	32,850	32,450
Administrative Charges	412	286	455	455	455
<b>TOTAL EXPENDITURES</b>	<u>125,672</u>	<u>180,936</u>	<u>173,255</u>	<u>171,301</u>	<u>188,721</u>

**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. Miscellaneous duties of the Clerk include cemetery lot sales and burial arrangements in city cemeteries, citizen petition verifications, Code of Ordinances Updates, certifications, Freedom of Information Act coordination, liquor license coordination, and liaison to the Youth Advisory Committee.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Ordinances and amendments adopted	6	6	6
Resolutions adopted	46	60	55
Cemetery lot burials	60	60	60
Number of meetings clerked	41	35	38

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
REVENUE:					
Fees and permits	32,542	32,055	32,000	32,000	33,000
Other revenue	3,358	4,191	1,000	1,000	1,000
<b>TOTAL REVENUE</b>	<u>35,900</u>	<u>36,246</u>	<u>33,000</u>	<u>33,000</u>	<u>34,000</u>
EXPENDITURES:					
Personnel Services	101,868	99,188	103,178	103,178	102,553
Operations & Maintenance	21,292	25,175	38,783	36,900	33,900
Administrative Charges	3,588	4,215	4,220	4,220	3,790
<b>TOTAL EXPENDITURES</b>	<u>126,748</u>	<u>128,578</u>	<u>146,181</u>	<u>144,298</u>	<u>140,243</u>

## RECORDS MANAGEMENT 101-2416

This activity accounts for the costs associated with records retention, tracking, storage and destruction.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Rolls of microfilm processed	118	148	150
Number of documents filmed	157,717	227,000	225,000
Processed boxes in storage	207	189	210
FOIA Requests	168	70	80

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	45,925	48,507	51,757	51,757	50,554
Operations & Maintenance	5,274	14,380	16,264	14,800	14,800
Administrative Charges	375	398	550	550	550
<b>TOTAL EXPENDITURES</b>	<u>51,574</u>	<u>63,285</u>	<u>68,571</u>	<u>67,107</u>	<u>65,904</u>

## **EMPLOYEE DEVELOPMENT 101-2610**

The Employee Development Department provides staff support in the areas of recruitment and selection, safety, employee and labor relations, legal compliance and data analysis. The department also administers training programs for the city, which are designed to enhance employee technical skills, enhance customer service, prevent employee injury, and support diversity. This activity accounts for the costs associated with the administration of safety and compliance programs, recruitment and assessment programs, and provision of employee and labor relations consultation to city departments. The Employee Development staff provides assistance to the City Manager in recruitment and selection, data compilation and analysis, contract administration and negotiation, job descriptions, assessment testing, performance evaluation, employee orientation and training, affirmative action and employee/labor relations. Major initiatives in 2010-11 will be in the safety compliance, risk auditing, labor negotiations, recruitment and selection of high quality employees and training.

Budget Overview: 2010-2011 will show a continued emphasis in the development and delivery of training programs to enhance customer service and address operations needs. Proactive approaches will continue to be focused on the prevention of employee injury, and compliance with the safety regulations. Objective criteria achieved through developing and administering job related assessments will support the recruitment and selection of employees that can be successful in job performance and customer service.

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Employee Development	Training	<i>Training/Service Delivery</i> Continual development of employees in order to provide the highest level of service, focusing on new technology, job skills, safety and customer service
	Safety	Provide a safe environment through the review of compliance programs, an aggressive audit of city facilities and a thorough investigation of safety procedures and accidents.
	Recruitment	Recruit and select a highly skilled, professional and diverse group of employees

**EMPLOYEE DEVELOPMENT, continued**

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Applications & resumes processed	1,491	1,400	1,400
Training programs (internal)	900	900	900
Training programs (external)	260	220	220
Testing and assessments	383	320	350
Labor contracts negotiated	1	2	3
Grievances processed	16	25	20
New employee orientations	86	75	75
MIOSHA recordable injuries	18	17	17
Performance evaluations processed	460	432	432
Safety audits conducted	28	30	30
Interviews conducted	623	504	504

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	319,911	293,660	282,431	269,799	272,975
Operations & Maintenance	138,097	90,876	215,807	189,389	165,289
Administrative Charges	1,572	1,831	1,905	1,905	1,735
<b>TOTAL EXPENDITURES</b>	<b>459,580</b>	<b>386,367</b>	<b>500,143</b>	<b>461,093</b>	<b>439,999</b>

**BENEFIT SERVICES 101-2650**

The Benefit Services Department provides staff support in the areas of benefits and compensation administration for all city employee groups. The department also administers the city workers' compensation program and Health Management Programs. This activity accounts for the cost associated with the administration of employee benefit and compensation programs, workers' compensation and Health Management Programs. The Department of Benefit Services staff provides assistance to the City Manager in the areas of wages, salary and benefit administration, benefit legal compliance, and workers' compensation program compliance.

Budget Overview: The Department of Benefit Services will continue to focus in the area of workers' compensation case management and the employee Health Management Program for 2010-2011. Goals for the Health Management Program will include increasing employee health awareness, facilitating positive health behavior and reducing the number of employee health high risk factors resulting in cost savings to the city. Finally, benefit and compensation plans will continue to be reviewed for innovative cost savings initiatives, while ensuring the city maintains competitive benefit plans for retention and recruitment purposes.

Goals and Objectives: Benefit Services budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Benefits	Benefits, Compensation, Workers' Compensation & Health Management	<p><i>Financial Health</i>            Maintain the financial health of the city:            Continue to evaluate expenditures to provide the most effective and efficient use of city resources, and to consider and implement alternative means of addressing city insurance needs to further enhance the financial health of the city.</p>
	Administrative	<p><i>Service Delivery</i>            Continue to provide high quality, effective and cost efficient municipal services            Continue to increase efficiency by applying new technology</p>
	Wellness	<p><i>Service Delivery</i>            Expand employee training and wellness programs and opportunities to ensure a well trained, healthy and motivated work force</p>

**BENEFIT SERVICES (continued)**

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Lost time workers' compensation cases	10	10	10
Benefit Contracts/Service Agreements			
Negotiated	12	8	10
Benefit/Payroll orientations	89	80	80
Participation in labor negotiations	1	2	3
Family Medical Leave Act notifications	178	280	290
COBRA (Health Ins Continuation) notifications	46	46	46

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	338,353	364,422	478,109	444,559	386,703
Operations & Maintenance	44,430	32,674	68,564	65,003	73,180
Administrative Charges	2,901	2,972	3,310	2,805	2,360
<b>TOTAL EXPENDITURES</b>	<u>385,684</u>	<u>400,068</u>	<u>549,983</u>	<u>512,367</u>	<u>462,243</u>

**PURCHASING**

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

Budget Overview: The 2010-2011 Purchasing and Risk Management budget provides for the comprehensive review of liability insurance, additional joint governmental purchasing projects, and identification of additional opportunities for cost savings through contractual services.

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

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

**PURCHASING, continued**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	153,354	139,534	157,016	143,016	138,916
Operations & Maintenance	9,723	8,521	17,005	17,005	14,700
Administrative Charges	6,402	7,477	7,490	7,490	6,730
<b>TOTAL EXPENDITURES</b>	<b>169,479</b>	<b>155,532</b>	<b>181,511</b>	<b>167,511</b>	<b>160,346</b>

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	4,200	4,200	4,200
Sealed bids taken	26	26	30
Joint governmental bidding projects	8	7	7

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	104,580	98,965	112,830	102,830	98,278
Operations & Maintenance	8,898	7,661	12,655	12,655	11,200
Administrative Charges	190	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>113,668</b>	<b>106,626</b>	<b>125,485</b>	<b>115,485</b>	<b>109,478</b>

**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	66	50	50

	<u>2007-2008 Actuals</u>	<u>2008-2009 Actuals</u>	<u>2009-2010 Adjusted Budget</u>	<u>2009-2010 Adopted Budget</u>	<u>2010-2011 Council Approved</u>
EXPENDITURES:					
Personnel Services	48,774	40,569	44,186	40,186	40,638
Operations & Maintenance	825	860	4,350	4,350	3,500
Administrative Charges	6,212	7,477	7,490	7,490	6,730
<b>TOTAL EXPENDITURES</b>	<u>55,811</u>	<u>48,906</u>	<u>56,026</u>	<u>52,026</u>	<u>50,868</u>

**PARKS, RECREATION and PROPERTY MANAGEMENT**

The Parks and Recreation Department is responsible for the operation of parks, cemeteries, and recreation and cultural arts programs, senior citizen services, the management and maintenance of City Hall and Senior Center buildings and grounds, and the operation of the cultural, interpretive and visitor facilities.

The Senior Citizen Services division is responsible for programs that benefit mature adults, and other residents of all ages through intergenerational programming, information and referral and community service. The Portage Senior Center is one of fewer than 150 nationally accredited senior centers in the country. It offers educational programs, recreation, health promotion and screening, support groups, transportation, information to seniors and families, travel and volunteer opportunities. Some programs and services are offered at no cost or at minimal cost to residents. Recreational and educational programs are funded with user charges. Several programs are offered in collaboration with other community organizations and agencies. Portage Senior Center volunteers provide services throughout the community.

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 2010-2011 budget provides for critical attention to city grounds, a continued systematic preventative maintenance program for all city buildings and operation of the Ice Rink at Millennium Park and canoe livery at Bicentennial Park. The 2010-2011 Senior Citizens Services budget provides for the continuation of services to meet needs for this growing population.

Goals and Objectives: The Parks/Recreation/Property Management budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Buildings, Grounds & Senior Citizen Services	Maintenance of City Centre Area and Public Buildings	<i>Community Development</i> Enhance City Centre Area Promote aesthetic enhancement <i>Public Improvements</i> Systematic preventative maintenance program
Parks	Parks maintenance and contractual services	<i>Community Development</i> Promote quality of life Coordinated and innovative approach to developing parkland Enhance City Centre Area Promote aesthetic enhancement <i>Public Improvements</i> Systematic preventative maintenance program <i>Service Delivery</i> Evaluate contracting or privatizing <i>Financial Health</i>

**PARKS, RECREATION and PROPERTY MANAGEMENT**

*continued*

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Recreation & Senior Citizen Services	Program operating costs offset by grant revenue	<i>Financial Health</i> Promote volunteerism to assist with services Evaluate expenditures for efficient use of resources Pursue alternate funding methods
	Cooperative programming	<i>Service Delivery</i> Promote teamwork between the public and private sector
	Eliminate programs with low utilization and replace with new program initiatives	<i>Service Delivery</i> Prioritize existing services Evaluate contracting city programs
	Volunteer staffing	<i>Financial Health</i> Promote volunteerism to assist with services
	Brochures/flyers	<i>Public Relations</i> Enhance communication
Millennium Park Ice Rink & Bicentennial Park Livery	Expanded recreational opportunities	<i>Community Development</i> Coordinated and innovative approach to providing recreational opportunities
Senior Center	Continue balanced & innovative programs including evidence based programs such as: falls prevention, chronic disease self-management, Enhance Fitness, cultural events, men's activities, brain health education, leadership development (volunteers)	<i>Community Development</i> Promote highest quality of life for all residents
	Expand community service involvement by members in cooperation with Portage Community Center. Work with county transit authority and/or alternative to provide transportation for Portage elders.	<i>Community Development</i> Continue a commitment to human services
	Utilize cost effective marketing strategies such as media releases, PSAs, web pages,	<i>Public Relations</i> Promote excellent public relations

**PARKS, RECREATION and PROPERTY MANAGEMENT**

Senior Center,  
*cont.*

photo opportunities to raise  
community awareness of PSC  
Maintain ongoing advocacy  
efforts for sustainability  
of older adult services in  
southwestern Michigan  
Increase base of support for PSC  
by extending fundraising efforts to  
the greater community

*Finance and Budgeting*  
Pursue revenue enhancements  
through alternative funding  
opportunities

Seek grants to implement  
electronic sign-in system and  
registration for better record  
keeping and attendance  
monitoring

*Service Delivery*  
Continue to increase efficiency  
by and applying new technology

**PARKS, RECREATION, and PROPERTY MANAGEMENT Budget**

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	47,329	44,246	43,000	43,000	43,000
Federal revenue	-	10,000	5,000	-	-
Other grants	2,500	2,500	2,500	2,500	2,500
Charges for services	231,948	240,474	249,594	240,000	252,000
Interest and rents	37,911	45,551	43,000	43,000	52,000
Other revenue	11,787	11,651	17,000	13,500	13,500
Transfers In	27,000	28,000	15,000	15,000	8,000
<b>TOTAL REVENUE</b>	<b>358,475</b>	<b>382,422</b>	<b>375,094</b>	<b>357,000</b>	<b>371,000</b>
EXPENDITURES:					
Personnel Services	1,333,610	1,295,553	1,316,615	1,315,990	1,262,404
Operations & Maintenance	638,509	596,415	647,150	590,245	536,414
Administrative Charges	576,990	574,673	740,149	739,243	667,422
Capital Outlay	8,909	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,558,018</b>	<b>2,466,641</b>	<b>2,703,914</b>	<b>2,645,478</b>	<b>2,466,240</b>

Parks, Recreation and Property Management is comprised of five primary activities and a number of recreation programs, followed by senior citizen services as a separate listing of activities.

**BUILDINGS and GROUNDS 101-2865**

This activity accounts for the costs associated with the management and maintenance of the City Hall building and grounds and monitoring services for Police/Court and Senior Center facilities which includes holiday decorations, contract management, snow/ice removal, irrigation system maintenance, special projects and landscaping needs. Operational needs for City Hall are reflected within this budget.

<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
Holiday lights	100,000	65,000	65,000

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other revenue	3,250	2,038	5,500	2,000	2,000
<b>TOTAL REVENUE</b>	<u>3,250</u>	<u>2,038</u>	<u>5,500</u>	<u>2,000</u>	<u>2,000</u>
EXPENDITURES:					
Personnel Services	150,425	148,516	153,391	153,391	146,086
Operations & Maintenance	135,845	121,416	127,770	121,250	95,750
Administrative Charges	235,540	270,868	359,905	358,999	293,939
<b>TOTAL EXPENDITURES</b>	<u>521,810</u>	<u>540,800</u>	<u>641,066</u>	<u>633,640</u>	<u>535,775</u>

**CEMETERIES 101-2876**

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

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Interments per year	60	60	60

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
REVENUE:					
Fees and permits	47,329	44,246	43,000	43,000	43,000
Other revenue	7,537	7,005	11,000	11,000	11,000
Transfers In	27,000	28,000	15,000	15,000	8,000
 TOTAL REVENUE	<u>81,866</u>	<u>79,251</u>	<u>69,000</u>	<u>69,000</u>	<u>62,000</u>
 EXPENDITURES:					
Personnel Services	61,163	57,976	60,840	60,840	59,310
Operations & Maintenance	15,736	16,240	22,363	19,300	13,200
Administrative Charges	17,919	14,396	19,800	19,800	12,492
 TOTAL EXPENDITURES	<u>94,818</u>	<u>88,612</u>	<u>103,003</u>	<u>99,940</u>	<u>85,002</u>

**PARKS 101-2877**

This activity accounts for the costs associated with the development, improvement, and maintenance of 16 parks and other properties, and the operation of the Celery Flats Interpretive Center. The costs associated with maintaining flowerbeds in the City Centre area and Celery Flats are also accounted for in this budget. Additionally, contractual service for grounds maintenance, landscaped areas and restrooms are included in this budget.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Acreage of intensive maintenance	208	209	209
Kalamazoo in Bloom flowers annually planted/maintained	145,000	110,000	85,000
Acres of blvd./interchange mowing	132	131	131

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</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:					
Federal revenue	-	10,000	5,000	-	-
Interest and rents	27,183	27,168	29,000	29,000	33,000
Other revenue	-	1,608	-	-	-
<b>TOTAL REVENUE</b>	<u>27,183</u>	<u>38,776</u>	<u>34,000</u>	<u>29,000</u>	<u>33,000</u>
EXPENDITURES:					
Personnel Services	917,648	889,651	901,020	901,020	864,897
Operations & Maintenance	384,010	352,493	371,118	335,220	298,220
Administrative Charges	276,736	246,604	308,380	308,380	309,567
<b>TOTAL EXPENDITURES</b>	<u>1,578,394</u>	<u>1,488,748</u>	<u>1,580,518</u>	<u>1,544,620</u>	<u>1,472,684</u>

**KALAMAZOO IN BLOOM, INC. 101-2878**

This program within the Parks activity accounts for direct costs in conjunction with the countywide Kalamazoo in Bloom, Inc. organization programs.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	39,241	40,862	34,132	34,132	29,820
Operations & Maintenance	14,112	11,199	12,000	12,000	12,000
<b>TOTAL EXPENDITURES</b>	<b>53,353</b>	<b>52,061</b>	<b>46,132</b>	<b>46,132</b>	<b>41,820</b>

**RECREATION - ADMINISTRATION 101-2880**

This program accounts for the costs associated with administration of all recreational programs, services and special events not accounted for in the Cultural Activities Fund. Programs include youth sports camps and Bicentennial Park trail walk/run events.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Participants	2,773	5,223	5,500
Programs	18	22	25

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other grants	2,500	2,500	2,500	2,500	2,500
Charges for services	180,092	194,723	194,594	190,000	202,000
Interest and rents	929	760	1,000	1,000	1,000
<b>TOTAL REVENUE</b>	<b>183,521</b>	<b>197,983</b>	<b>198,094</b>	<b>193,500</b>	<b>205,500</b>
EXPENDITURES:					
Personnel Services	71,650	67,788	67,190	67,190	67,959
Operations & Maintenance	17,364	17,698	26,620	26,250	26,250
Administrative Charges	5,382	6,323	6,330	6,330	5,690
<b>TOTAL EXPENDITURES</b>	<b>94,396</b>	<b>91,809</b>	<b>100,140</b>	<b>99,770</b>	<b>99,899</b>

Specific programs under the Recreation activity are:

**RECREATION - TEAM SPORTS 101-2882**

This program accounts for the costs associated with adult softball leagues and youth and adult softball tournaments. A new fall adult softball league is proposed.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Registrants	3,097	3,433	3,500
Teams	212	235	240
Programs	22	22	24
Tournaments	10	9	10

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	8,883	11,304	10,269	9,644	10,444
Operations & Maintenance	42,487	55,075	56,144	52,025	58,994
<b>TOTAL EXPENDITURES</b>	<b>51,370</b>	<b>66,379</b>	<b>66,413</b>	<b>61,669</b>	<b>69,438</b>

**RECREATION - ACTIVITIES and CRAFTS 101-2883**

This program accounts for the costs associated with the eight-week summer fun center, the youth drama day camp and co-sponsored youth activities with the Kalamazoo Nature Center

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Participants	3,200	3,000	3,000
Programs	6	6	6

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	10,075	7,999	11,138	11,138	8,338
Operations & Maintenance	750	329	805	800	800
<b>TOTAL EXPENDITURES</b>	<b>10,825</b>	<b>8,328</b>	<b>11,943</b>	<b>11,938</b>	<b>9,138</b>

**RECREATION - PORTAGE CREEK BICENTENNIAL PARK LIVERY 101-2885**

This program accounts for the summer activities of the Portage Creek Bicentennial Park livery. The City operates the livery at Portage Creek Bicentennial Park. The rental of bicycle surreys, canoes and kayaks is provided by City staff to expand recreational opportunities and access to the Portage Creek corridor.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Operating days	60	60	60
Bicycle surrey rentals	239	323	400
Canoe/kayak rentals	822	905	1,000

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
REVENUE:					
Interest and rents	9,799	17,623	13,000	13,000	18,000
<b>TOTAL REVENUE</b>	<u>9,799</u>	<u>17,623</u>	<u>13,000</u>	<u>13,000</u>	<u>18,000</u>
EXPENDITURES:					
Personnel Services	7,618	6,227	8,397	8,397	8,397
Operations & Maintenance	432	702	625	600	600
<b>TOTAL EXPENDITURES</b>	<u>8,050</u>	<u>6,929</u>	<u>9,022</u>	<u>8,997</u>	<u>8,997</u>

**RECREATION - SWIMMING PROGRAM 101-2886**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Beach visitations	21,034	24,355	25,000
Daily beach permits	3,646	4,271	4,500
Annual beach permits	329	548	600

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	32,901	35,563	34,720	34,720	34,020
Operations & Maintenance	4,202	5,802	7,105	7,000	7,000
<b>TOTAL EXPENDITURES</b>	<u>37,103</u>	<u>41,365</u>	<u>41,825</u>	<u>41,720</u>	<u>41,020</u>

**RECREATION - SPECIAL EVENTS 101-2887**

This program accounts for the costs associated with Kalamazoo Nature Center activities, Haunted Forest, Schrier Park Applefest, Bicycle Tour, Punt/Pass/Kick, the Winter Festival, winter ski programs, Ramona beach celebration, Angling Adventures, skatepark events and canoe/kayak clinics. Participation is influenced by weather.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Participants	5,256	3,707	4,000
Special Events	15	13	14

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
REVENUE:					
Other revenue	1,000	1,000	500	500	500
<b>TOTAL REVENUE</b>	<u>1,000</u>	<u>1,000</u>	<u>500</u>	<u>500</u>	<u>500</u>
EXPENDITURES:					
Personnel Services	1,969	1,161	1,680	1,680	1,680
Operations & Maintenance	7,945	8,520	8,800	8,800	8,800
<b>TOTAL EXPENDITURES</b>	<u>9,914</u>	<u>9,681</u>	<u>10,480</u>	<u>10,480</u>	<u>10,480</u>

**MILLENNIUM PARK ICE RINK 101-2888**

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

<u>Service Indicators</u>	<u>Prior year</u>	<u>Current Year</u>	<u>Budget Year</u>
Operating days	61	70	75
Total participants	6,551	9,000	9,500

	<u>2007-2008 Actuals</u>	<u>2008-2009 Actuals</u>	<u>2009-2010 Adjusted Budget</u>	<u>2009-2010 Adopted Budget</u>	<u>2010-2011 Council Approved</u>
REVENUE:					
Charges for services	51,856	45,751	55,000	50,000	50,000
<b>TOTAL REVENUE</b>	<u>51,856</u>	<u>45,751</u>	<u>55,000</u>	<u>50,000</u>	<u>50,000</u>
EXPENDITURES:					
Personnel Services	32,037	28,506	33,838	33,838	31,453
Operations & Maintenance	15,626	6,941	13,800	7,000	14,800
Administrative Charges	41,413	36,482	45,734	45,734	45,734
Capital Outlay	8,909	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>97,985</u>	<u>71,929</u>	<u>93,372</u>	<u>86,572</u>	<u>91,987</u>

## **SENIOR CITIZEN SERVICES Budget**

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Other grants	45,832	40,214	51,600	51,600	43,100
Interest and rents	7,570	11,707	10,000	10,000	10,000
Other revenue	181,634	196,412	194,700	194,700	191,100
<b>TOTAL REVENUE</b>	<b>235,036</b>	<b>248,333</b>	<b>256,300</b>	<b>256,300</b>	<b>244,200</b>
EXPENDITURES:					
Personnel Services	301,934	309,761	281,578	269,578	254,214
Operations & Maintenance	75,589	81,978	90,956	89,106	89,300
Administrative Charges	30,814	29,645	41,000	39,401	38,966
<b>TOTAL EXPENDITURES</b>	<b>408,337</b>	<b>421,384</b>	<b>413,534</b>	<b>398,085</b>	<b>382,480</b>

The total budget for Senior Citizen Services, a division of the Parks, Recreation and Building Management department is shown separately because the activity lies in a different section of the State of Michigan chart of accounts under which this budget is organized. The individual activities provided through Senior Citizen Services are detailed as follows:

**SENIOR CENTER, 101-6720**

This activity accounts for the costs associated with provision of activities and services which contribute to the physical and mental well-being of mature adults over the age of 50. This activity also accounts for the costs of building maintenance. Each year changes have been made in programs and services in response to the needs and desires of participants. Expenses have been reduced or modified annually in response to decreased funding provided through the state. However, service levels have been maintained through expanded emphasis on volunteerism.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of participants	3,000	3,000	3,000
Activity attendance	73,474	72,976	73,000
Number of mini-bus rides	2,079	1,808	1,900
Number of volunteer hours	31,082	33,512	33,000

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other grants	22,110	19,364	27,600	27,600	19,100
Interest and rents	7,570	11,707	10,000	10,000	10,000
Other revenue	109,381	118,580	121,300	121,300	123,800
<b>TOTAL REVENUE</b>	<b>139,061</b>	<b>149,651</b>	<b>158,900</b>	<b>158,900</b>	<b>152,900</b>
EXPENDITURES:					
Personnel Services	240,888	256,999	218,135	206,135	201,774
Operations & Maintenance	68,012	73,777	78,437	76,798	77,700
Administrative Charges	30,814	29,645	41,000	39,401	38,966
<b>TOTAL EXPENDITURES</b>	<b>339,714</b>	<b>360,421</b>	<b>337,572</b>	<b>322,334</b>	<b>318,440</b>

## **SENIOR TRIPS, 101-6721**

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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other revenue	51,100	55,539	50,000	50,000	50,000
TOTAL REVENUE	<u>51,100</u>	<u>55,539</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
EXPENDITURES:					
Personnel Services	19,660	20,410	21,316	21,316	21,316
Operations & Maintenance	4,002	4,455	5,508	5,308	5,600
TOTAL EXPENDITURES	<u>23,662</u>	<u>24,865</u>	<u>26,824</u>	<u>26,624</u>	<u>26,916</u>

## **SENIOR ACTIVITIES, 101-6722**

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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other revenue	6,086	-	2,000	2,000	2,000
TOTAL REVENUE	<u>6,086</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

## **SENIOR GRANT PROGRAMS, 101-6724**

This program accounts for the cost of senior health programs funded by grants and fund-raising activities.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other grants	23,722	20,850	24,000	24,000	24,000
Other revenue	15,067	22,293	21,400	21,400	15,300
TOTAL REVENUE	<u>38,789</u>	<u>43,143</u>	<u>45,400</u>	<u>45,400</u>	<u>39,300</u>
EXPENDITURES:					
Personnel Services	41,386	32,352	42,127	42,127	31,124
Operations & Maintenance	3,575	3,746	7,011	7,000	6,000
TOTAL EXPENDITURES	<u>44,961</u>	<u>36,098</u>	<u>49,138</u>	<u>49,127</u>	<u>37,124</u>

## PUBLIC SAFETY-POLICE

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

Budget Overview: The 2010-2011 budget supports fulfillment of the Police Department's responsibilities and includes the following activities: Administration and Staff, Youth Services, Investigations, Patrol, Training, Central Communications, Records and Technical Services, and Drug Law Enforcement. The Police Department budget includes two Police/School Liaison Officer positions, which are 50 percent funded by Portage schools, participation in the Southwest Enforcement Team (SWET) area-wide drug enforcement effort, continuation of crime prevention activities, and traffic enforcement, education and accident prevention programs.

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

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

**PUBLIC SAFETY-POLICE, continued**

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

**PUBLIC SAFETY-POLICE, continued**

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

**POLICE DEPARTMENT budget**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Fees and permits	65,014	68,769	62,550	62,550	63,550
State revenue	19,734	23,828	70,741	11,500	7,500
Other revenue	219,923	217,697	162,890	162,890	169,500
<b>TOTAL REVENUE</b>	<b>304,671</b>	<b>310,294</b>	<b>296,181</b>	<b>236,940</b>	<b>240,550</b>
EXPENDITURES:					
Personnel Services	7,970,241	8,116,660	8,398,635	8,069,635	8,015,312
Operations & Maintenance	527,234	576,586	721,494	674,392	631,436
Administrative Charges	387,061	429,867	592,141	495,965	478,425
Capital Outlay	16,304	13,331	73,751	14,510	14,510
<b>TOTAL EXPENDITURES</b>	<b>8,900,840</b>	<b>9,136,444</b>	<b>9,786,021</b>	<b>9,254,502</b>	<b>9,139,683</b>

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 Department. 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	13	10	10
Internal investigations	7	8	8
Letters to citizens/other agencies	130	130	130

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
<b>REVENUE:</b>					
Fees and permits	65,014	68,769	62,550	62,550	63,550
State revenue	-	-	59,241	-	-
Other revenue	153,558	140,827	122,640	122,640	129,300
<b>TOTAL REVENUE</b>	<u>218,572</u>	<u>209,596</u>	<u>244,431</u>	<u>185,190</u>	<u>192,850</u>
<b>EXPENDITURES:</b>					
Personnel Services	470,390	492,537	441,821	426,821	460,282
Operations & Maintenance	96,863	125,375	142,848	126,915	111,190
Administrative Charges	267,330	280,390	318,386	316,240	300,750
<b>TOTAL EXPENDITURES</b>	<u>834,583</u>	<u>898,302</u>	<u>962,296</u>	<u>869,976</u>	<u>872,222</u>

**YOUTH SERVICES, 101-3006**

This activity accounts for the costs associated with youth services and crime prevention. The two Police/School Liaison Officers conduct criminal and non-criminal investigations and provide a specialized approach to youth crime prevention. Youth services include the police school liaison 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. School Crossing Guards are part of this activity.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Juvenile arrests	78	108	108
Adult arrests	14	12	12
Cases assigned	316	400	400
Police/School liaison hours	3,600	3,600	3,600
Crime prevention assignments	200	228	228

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	369,338	443,576	422,715	422,715	459,856
Operations & Maintenance	16,216	18,279	20,932	18,950	18,950
Administrative Charges	-	416	275	275	275
<b>TOTAL EXPENDITURES</b>	<u>385,554</u>	<u>462,271</u>	<u>443,922</u>	<u>441,940</u>	<u>479,081</u>

**INVESTIGATION, 101-3007**

This activity accounts for the costs associated with providing assistance to patrol officers in the investigation of major crimes such as rape, robbery, burglary, fraud, arson and white collar crime. It also provides a liaison between the department and banks, the County Prosecutor and state and federal investigative agencies. The detectives also assist in the coordination of liquor license and solicitation applications.

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Cases assigned to investigators	837	828	828
Charges authorized	201	180	180
Cases cleared	719	698	750
Cases assigned to crime analysis	456	300	300
Intelligence reports	97	146	146
Liquor license application investigations	18	14	14

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	757,288	726,080	722,740	722,740	630,054
Operations & Maintenance	13,641	16,383	18,674	18,100	18,100
Administrative Charges	1,690	1,513	1,925	1,925	1,650
<b>TOTAL EXPENDITURES</b>	<u>772,619</u>	<u>743,976</u>	<u>743,339</u>	<u>742,765</u>	<u>649,804</u>

**PATROL, 101-3010**

This activity accounts for the costs associated with the patrol and the parking enforcement programs. 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>Performance Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Total calls for service	21,262	21,748	21,800
Cases investigated	10,095	10,368	10,400
Average response time (minutes)	16.3	16.00	16.00
Personal injury accidents	220	236	240
Property damage accidents	1,253	1,214	1,240
Drunk-driving arrests	204	200	200
Total patrol arrests	3,610	3,472	3,500
Property recovered	\$542,030	\$581,854	\$580,000
Property loss	\$2,010,687	\$2,200,000	\$2,200,000
Hazardous traffic citations	2,372	2,354	2,354
Non-hazardous traffic citations (excludes parking)	1,262	1,300	1,300

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Other revenue	180	340	250	250	200
<b>TOTAL REVENUE</b>	<u>180</u>	<u>340</u>	<u>250</u>	<u>250</u>	<u>200</u>
EXPENDITURES:					
Personnel Services	4,734,511	4,885,332	5,238,835	4,934,835	5,056,495
Operations & Maintenance	125,504	140,544	187,173	181,320	165,210
Administrative Charges	116,930	146,860	269,330	175,300	174,925
Capital Outlay	15,850	13,331	14,510	14,510	14,510
<b>TOTAL EXPENDITURES</b>	<u>4,992,795</u>	<u>5,186,067</u>	<u>5,709,848</u>	<u>5,305,965</u>	<u>5,411,140</u>

## **VOLUNTEER PARKING ENFORCEMENT, 101-3011**

This program within the Patrol activity accounts for the costs associated with handicapped only and fire lane parking enforcement. Citizen volunteers, who receive no compensation, staff this function.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Parking violation notices issued	277	300	300
Total volunteer hours	1,649	1,700	1,700

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
EXPENDITURES:					
Operations & Maintenance	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## **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	659	894	600	950	600	950
Criminal investigation	249	562	206	524	206	524
Legal/Civil Law	225	173	680	614	680	614
Self defense	57	456	57	456	57	456
First Aid/CPR	57	257	57	257	57	257
Crime prevention	1	8	1	8	1	8
Management	4	104	4	104	4	104
Tactical training	355	1,002	400	2,500	400	2,500
Support Operations	54	47	54	80	54	80
Corrections	0	0	0	0	0	0
Policy/CALEA	1,684	426	2,392	800	2,392	800
Field Training	3	96	3	96	3	96
Public/Private School Resource	14	114	14	114	14	114

**TRAINING, continued**

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	138,820	108,923	114,800	114,800	62,573
Operations & Maintenance	64,869	39,102	65,987	57,075	47,075
Administrative Charges	187	(344)	275	275	275
<b>TOTAL EXPENDITURES</b>	<b>203,876</b>	<b>147,681</b>	<b>181,062</b>	<b>172,150</b>	<b>109,923</b>

**TRAINING - CRIMINAL JUSTICE GRANT, 101-3021**

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

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
State revenue	12,944	11,876	10,000	10,000	6,000
<b>TOTAL REVENUE</b>	<b>12,944</b>	<b>11,876</b>	<b>10,000</b>	<b>10,000</b>	<b>6,000</b>
EXPENDITURES:					
Operations & Maintenance	14,849	6,641	13,330	12,840	12,840
<b>TOTAL EXPENDITURES</b>	<b>14,849</b>	<b>6,641</b>	<b>13,330</b>	<b>12,840</b>	<b>12,840</b>

**PUBLIC SAFETY DISPATCH/TECHNICAL SERVICES, 101-3030/31/35**

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

This activity accounts for the costs associated with additional computer support functions for the Police Department. The Communications and Technical Services Manager is responsible for planning and implementing new computer technology within the police department.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Calls for service (police and fire)	24,258	24,300	24,300
*9-1-1 wireline calls & "other"	8,564	8,500	8,500
9-1-1 cell calls	17,896	18,000	18,500
Warrants processed	1,215	1,200	1,200

\*includes VOIP, unknown and ANI Failure calls

**Division 30 Public Safety Dispatch**

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	792,780	789,817	676,063	666,063	573,556
Operations & Maintenance	143,388	199,614	228,277	221,662	220,045
Administrative Charges	356	190	275	275	-
<b>TOTAL EXPENDITURES</b>	<b>936,524</b>	<b>989,621</b>	<b>904,615</b>	<b>888,000</b>	<b>793,601</b>

**Division 31 Emergency Warning Siren**

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	10,758	4,045	5,100	5,100	8,000
Administrative Charges	-	275	550	550	-
<b>TOTAL EXPENDITURES</b>	<b>10,758</b>	<b>4,320</b>	<b>5,650</b>	<b>5,650</b>	<b>8,000</b>

**PUBLIC SAFETY DISPATCH/TECHNICAL SERVICES, 101-3030/31/35 (continued)**

**Division 35 911 CMRS PSAP**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
State revenue	-	4,102	-	-	-
Other revenue	66,185	76,530	40,000	40,000	40,000
<b>TOTAL REVENUE</b>	<b>66,185</b>	<b>80,632</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>EXPENDITURES:</b>					
Personnel Services	104,679	108,386	94,541	94,541	187,724
<b>TOTAL EXPENDITURES</b>	<b>104,679</b>	<b>108,386</b>	<b>94,541</b>	<b>94,541</b>	<b>187,724</b>

**RECORDS/PROPERTY/JAIL, 101-3040**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Arrests processed	3,037	3,000	3,000
Subpoena services	1,554	1,500	1,500
False alarms processed	1,047	1,050	1,050
Computerized case documents	18,415	18,500	18,500
Scanned documents	15,096	16,000	16,000
Juvenile Court charges	571	600	500
Criminal record checks	721	750	750
Freedom of Information Act requests	1,654	1,650	1,650

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

<u>Performance Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Prisoners lodged	1,201	1,200	1,200
Equipment maintenance	667	650	650
Warrants processed	641	650	650
Handgun registration	732	730	750
Handgun purchase permits	486	475	500
Evidence submitted	2,016	2,100	2,100

**RECORDS/PROPERTY/JAIL, 101-3040 continued**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>EXPENDITURES:</b>					
Personnel Services	413,788	392,973	520,073	520,073	481,170
Operations & Maintenance	41,146	26,603	39,173	32,430	30,026
Administrative Charges	187	397	850	850	275
Capital Outlay	454	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>455,575</b>	<b>419,973</b>	<b>560,096</b>	<b>553,353</b>	<b>511,471</b>

**DRUG LAW ENFORCEMENT, 101-3050**

This activity accounts for the activities of the drug law enforcement effort. One officer is assigned full-time to the county-wide cooperative drug enforcement team known as the Southwest Enforcement Team (SWET). The activity is the result of the enforcement team assigned to Kalamazoo County.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Arrests	9133	100	100
Estimated value of seized drugs	\$18,927,921	\$14,527,274	\$14,527,274
Search warrants obtained	51	44	44
Cases investigated	151	110	110

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
State revenue	6,790	3,478	1,500	1,500	1,500
<b>TOTAL REVENUE</b>	<b>6,790</b>	<b>3,478</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>EXPENDITURES:</b>					
Personnel Services	188,647	169,036	167,047	167,047	103,602
Administrative Charges	381	170	275	275	275
<b>TOTAL EXPENDITURES</b>	<b>189,028</b>	<b>169,206</b>	<b>167,322</b>	<b>167,322</b>	<b>103,877</b>

## PUBLIC SAFETY-FIRE

The Fire Department 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 department operates the Emergency Coordination Center and oversees emergency management for the city. The department operates with a combination of highly trained career and on-call personnel.

Budget Overview: The 2010-2011 budget provides for the provision of Fire Department services to the community. The budget includes: a) funding to maintain the firefighting apparatus, support vehicles, three fire stations and the training facility; b) initial training and ongoing education for all members; c) maintenance or replacement of essential equipment needed for fire, rescue, and emergency medical services; and d) operational costs of the department.

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Administration	Facilities maintenance and renovation initiatives	<i>Public Improvements</i> Maintain a systematic preventative maintenance program for station buildings
	Pre-fire survey development	Increase efficiency through Applying new technology
	Apparatus maintenance and replacement initiatives	Maintain a systematic preventative maintenance and replacement plan for equipment for effective operations
Operations	Kalamazoo County Haz-Mat Team	<i>Service Delivery</i> Promote teamwork and unity of purpose between public and private sector Pursue intergovernmental ventures
	Technological equipment upgrades	Increase efficiency by applying new technology
Fire Prevention	Annual fire inspection program	<i>Community Development</i> Effective community safety programs
	Expand public education activities	
On-call	On-call firefighter program	<i>Service Delivery</i> Evaluate alternatives to meet service demands

**PUBLIC SAFETY-FIRE, continued**

Training	Continuing education	<i>Service Delivery</i> Employee training for a well-trained work force
	Safety Initiatives	<i>Finance</i> Promote safety and minimize Risk exposure by identifying Situation to prevent accidents
Emergency Management	Backup County EOC	<i>Service Delivery</i> Pursue intergovernmental ventures
	Emergency Management Exercises	Promote teamwork and unity between public and Private sector
	Kalamazoo County Mobile Command Post	Evaluate alternatives to meet service demands

**FIRE DEPARTMENT budget**

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
REVENUE:					
Fees and permits	799	1,101	300	300	300
Other revenue	12,033	1,399	930	930	920
<b>TOTAL REVENUE</b>	<u>12,832</u>	<u>2,500</u>	<u>1,230</u>	<u>1,230</u>	<u>1,220</u>
EXPENDITURES:					
Personnel Services	3,894,899	3,936,511	4,112,500	4,092,500	4,083,850
Operations & Maintenance	267,086	237,433	240,066	217,300	209,919
Administrative Charges	162,015	185,789	248,390	215,745	207,800
Capital Outlay	5,830	4,993	-	-	10,655
<b>TOTAL EXPENDITURES</b>	<u>4,329,830</u>	<u>4,364,726</u>	<u>4,600,956</u>	<u>4,525,545</u>	<u>4,512,224</u>

The Fire Department is comprised of six activities that follow.

**ADMINISTRATION, 101-3310**

This activity accounts for the costs associated with the administration of the Fire Department. 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>
Insurance company information requests	16	19	18
FOIA requests processed	19	16	20
Pre-fire surveys completed	40	80	75
Vehicle service/maintenance performed	240	305	275

	<u>2007-2008 Actuals</u>	<u>2008-2009 Actuals</u>	<u>2009-2010 Adjusted Budget</u>	<u>2009-2010 Adopted Budget</u>	<u>2010-2011 Council Approved</u>
REVENUE:					
Fees and permits	799	1,101	300	300	300
Other revenue	10,625	125	100	100	100
<b>TOTAL REVENUE</b>	<u>11,424</u>	<u>1,226</u>	<u>400</u>	<u>400</u>	<u>400</u>
EXPENDITURES:					
Personnel Services	239,266	253,872	316,568	306,568	341,167
Operations & Maintenance	181,327	154,973	161,865	150,240	139,278
Administrative Charges	129,296	144,270	159,220	157,745	149,800
<b>TOTAL EXPENDITURES</b>	<u>549,889</u>	<u>553,115</u>	<u>637,653</u>	<u>614,553</u>	<u>633,245</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	140	115	120
Emergency medical calls	2,100	1,778	1,800
Rescue calls	200	208	200
Other calls for service	1,050	959	1,000
Mutual Aid provided	70	67	65
Mutual Aid received	40	31	35
Lecture/demonstration provided	100	54	65
Building inspections (commercial, industrial, including hazardous material sites)	3,026	3,025	3,000

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	3,391,385	3,383,988	3,482,509	3,472,509	3,423,227
Operations & Maintenance	50,755	49,240	50,459	38,460	40,586
Administrative Charges	32,719	41,519	89,170	58,000	58,000
Capital Outlay	5,830	4,993	-	-	7,655
<b>TOTAL EXPENDITURES</b>	<u><u>3,480,689</u></u>	<u><u>3,479,740</u></u>	<u><u>3,622,138</u></u>	<u><u>3,568,969</u></u>	<u><u>3,529,468</u></u>

## **ON-CALL FIREFIGHTERS, 101-3330**

Performance Measures for the Operations Activity apply to this activity. This activity accounts for the expenses associated with the on-call firefighter operations. On-call firefighter activity is included in the service indicator activity for fire operations above.

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	78,518	107,205	103,984	103,984	102,940
Operations & Maintenance	5,115	24,691	10,392	11,250	13,440
<b>TOTAL EXPENDITURES</b>	<b>83,633</b>	<b>131,896</b>	<b>114,376</b>	<b>115,234</b>	<b>116,380</b>

## **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	60	39	42
Technical inspections	150	226	200
Public education events	95	67	75
Recreational fire permits issued	100	130	115
Infant/child car seat installation activity	50	70	75

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Other revenue	1,408	1,274	830	830	820
<b>TOTAL REVENUE</b>	<b>1,408</b>	<b>1,274</b>	<b>830</b>	<b>830</b>	<b>820</b>
EXPENDITURES:					
Personnel Services	96,539	99,533	107,840	107,840	112,148
Operations & Maintenance	8,522	5,209	7,200	7,200	7,890
<b>TOTAL EXPENDITURES</b>	<b>105,061</b>	<b>104,742</b>	<b>115,040</b>	<b>115,040</b>	<b>120,038</b>

**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>
Fire training sessions	230	135	150
EMS training sessions	65	51	55
Technical rescue training sessions	35	39	35
Hazardous materials training sessions	10	9	10
Other department training sessions	36	15	20
Kalamazoo Country HazMat Team Training	12	12	12

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
REVENUE:					
Other revenue	-	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Personnel Services	89,191	91,913	101,599	101,599	104,368
Operations & Maintenance	20,997	2,330	7,950	7,950	8,225
<b>TOTAL EXPENDITURES</b>	<u>110,188</u>	<u>94,243</u>	<u>109,549</u>	<u>109,549</u>	<u>112,593</u>

**EMERGENCY MANAGEMENT, 101-3331**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
City emergency management exercises	2	1	1
Countywide emergency management Exercises	1	1	1

	<u>2007-2008 Actuals</u>	<u>2008-2009 Actuals</u>	<u>2009-2010 Adjusted Budget</u>	<u>2009-2010 Adopted Budget</u>	<u>2010-2011 Council Approved</u>
EXPENDITURES:					
Operations & Maintenance	370	990	2,200	2,200	500
<b>TOTAL EXPENDITURES</b>	<u>370</u>	<u>990</u>	<u>2,200</u>	<u>2,200</u>	<u>500</u>

## COMMUNITY DEVELOPMENT

The Department of Community Development has oversight responsibility for all private development projects and planning for community growth in order to maintain and improve the safety and overall quality of life in the community. This is accomplished through the provision of services designed to preserve and improve housing stock and helping to assure that housing is available for citizens at all income levels in the city. Activities designed to achieve compliance with city codes relevant to new construction, rehabilitation, housing, zoning, signs, and historic districts are performed by this department. The department also plays a role in encouraging existing business expansion, and attracting new business and industrial development. This department also administers Community Development Block Grant (CDBG) funds, which are accounted for in non-General Fund accounts.

Budget Overview: The 2010-2011 budget includes: a) continuation of overall planning and development activities; b) continuation of building and project review and inspection services; and c) continuation of the neighborhood protection activities to ensure safe housing and protection of the livability of neighborhoods.

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Building Services	Building project review	<i>Customer Relations</i> Maintain positive public relations
	Liaison to construction boards	<i>Community Development</i> Promote quality of life Maintain orderly attractive growth and development Ensure decent and safe housing
	Cross connection backflow prevention	Ensure protection of municipal water supply
Planning and Development Services	Economic development programs	<i>Community Development</i> Promote quality economic development
	Coordination with area wide economic development organizations	Promote quality economic development
	Development review/approval	<i>Public Improvements</i> Promote underground utilities
	Quality community development	<i>Economic Development</i> Evaluate industrial park development Maintain effective planning and Development programs

**COMMUNITY DEVELOPMENT, continued**

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
	Safe construction practices	<i>Community Development</i> Promote safety
	Liaison to Planning Commission Local Development Finance Authority, Brownfield Redevelopment Authority Tax Increment Finance Authority Economic Development Corporation/ Tax Increment Finance Authority	<i>Service Delivery</i> Promote teamwork and unity of purpose between public and, private sectors
Neighborhood Services	Neighborhood support program/ neighborhood protection	<i>Community Development</i> Further promote quality of life in Portage Ensure decent and safe housing and the livability of community neighborhoods Customer relations Enhance communication with citizens/business/educational community Emphasize courteous public service
	Housing Rehab Programs Human Services Board	Ensure decent and safe housing Continue commitment to human services to enhance desirability of community Further improve the utility of citizen advisory board
	Zoning Review and Zoning Administration	Continue emphasis on courteous public service Maintain/promote orderly, attractive, environmentally sound growth
	Code Administration and Enforcement	Ensure decent and safe housing and the livability of neighborhoods Evaluate and propose possible ordinance revisions
	Liaison to Human Services Board and Human/Public Services	Continue a commitment to human services to enhance the desirability of the community
	Liaison to Zoning Board of Appeals	Maintain/promote orderly, attractive and environmentally sound growth

**COMMUNITY DEVELOPMENT, continued**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
Fees and permits	399,730	403,314	398,000	398,000	337,100
Interest and rents	125,992	130,208	188,266	188,266	165,000
Other revenue	35,087	44,050	22,700	13,700	14,475
<b>TOTAL REVENUE</b>	<b>560,809</b>	<b>577,572</b>	<b>608,966</b>	<b>599,966</b>	<b>516,575</b>
<b>EXPENDITURES:</b>					
Personnel Services	890,826	873,825	873,598	877,067	888,745
Operations & Maintenance	93,840	69,982	97,748	76,695	83,738
Administrative Charges	28,486	25,283	25,221	27,141	23,089
<b>TOTAL EXPENDITURES</b>	<b>1,013,152</b>	<b>969,090</b>	<b>996,567</b>	<b>980,903</b>	<b>995,572</b>

The responsibilities of the various activities are outlined as follows.

**BUILDING SERVICES, 101-3710**

This activity accounts for the costs associated with ensuring that construction projects conform to various professional codes and ordinances.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Building permits*	371	400	400
Plumbing permits*	288	300	300
Electrical permits*	429	425	425
Mechanical permits*	452	450	450

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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
Fees and permits	366,178	367,558	350,000	350,000	300,000
Interest and rents	125,992	130,208	-	-	-
Other revenue	4,011	12,820	10,000	1,000	1,000
<b>TOTAL REVENUE</b>	<b>496,181</b>	<b>510,586</b>	<b>360,000</b>	<b>351,000</b>	<b>301,000</b>
<b>EXPENDITURES:</b>					
Personnel Services	454,267	458,149	415,865	410,865	389,979
Operations & Maintenance	44,498	2,512	19,969	8,725	11,250
Administrative Charges	17,815	15,305	15,233	17,258	14,161
<b>TOTAL EXPENDITURES</b>	<b>516,580</b>	<b>475,966</b>	<b>451,067</b>	<b>436,848</b>	<b>415,390</b>

**PLANNING and DEVELOPMENT SERVICES, 101-3720**

This activity accounts for the costs associated with providing community planning, zoning, and computer mapping services. The Planning and Development staff administers the Zoning Code and reviews plats, site plans, parking plans and various development applications. The Planning and Development staff also oversees private development projects, the Capital Improvement Program and assists with activities of the Planning Commission. Economic development activities are also included in this area, particularly involving the Portage EDC/TIFA, Brownfield Authority, Portage LDFA and Portage DDA.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plan review	42	24	25
Special Land Use Permits	19	16	15
Rezoning	1	2	2
Zoning Ordinance amendments	2	3	3
Act 198 abatement requests	5	4	4
Commercial Parking/Plot Plan Review	3	4	5
Plat reviews	0	1	1
Public utility plan review	11	8	12
Landscape plan review	23	18	20
Land division/lot line adjustment reviews	29	12	15
Computer mapping:			
Notification maps	30	32	30
Maps/prints for customer use	2,104	2,072	2,000
Residential driveway applications review	41	46	40
Assign addresses for properties	32	14	20

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</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	33,552	35,756	30,000	30,000	25,000
<b>TOTAL REVENUE</b>	<b>33,552</b>	<b>35,756</b>	<b>30,000</b>	<b>30,000</b>	<b>25,000</b>
EXPENDITURES:					
Personnel Services	207,524	214,345	242,593	242,593	282,593
Operations & Maintenance	34,564	59,975	62,974	57,100	59,508
Administrative Charges	8,551	8,671	8,109	8,004	7,333
<b>TOTAL EXPENDITURES</b>	<b>250,639</b>	<b>282,991</b>	<b>313,676</b>	<b>307,697</b>	<b>349,434</b>

**NEIGHBORHOOD SERVICES, 101-3730**

This activity accounts for the costs associated with providing a range of neighborhood services to community residents and businesses. The Neighborhood Services staff ensures compliance with city codes, reviews residential projects, reviews applications to the Zoning Board of Appeals, responds to citizen requests, administers the Community Development Block Grant program and oversees a range of other activities including the Neighborhood Support Program and Human Service contracts. Neighborhood Services staff acts as liaison to the Human Services Board and the Zoning Board of Appeals. The Neighborhood Services staff is also involved in assisting in planning activities related to housing and neighborhoods (e.g. Zoning Code revisions and the housing element of the Comprehensive Plan).

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Citizen service requests	1,362	1,500	1,500
Zoning Board of Appeals application reviews	29	25	25
Residential plot plan reviews	120	130	130
Home occupation reviews	6	5	5
Business special event application reviews	12	10	10
Sign permit application reviews	127	125	125
Zoning compliance reviews	4	5	5

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
REVENUE:					
Fees and permits	-	-	18,000	18,000	12,100
Interest and rents	-	-	188,266	188,266	165,000
Other revenue	31,076	31,230	12,700	12,700	13,475
<b>TOTAL REVENUE</b>	<u>31,076</u>	<u>31,230</u>	<u>218,966</u>	<u>218,966</u>	<u>190,575</u>
EXPENDITURES:					
Personnel Services	229,035	201,331	215,140	223,609	216,173
Operations & Maintenance	14,778	7,495	14,805	10,870	12,980
Administrative Charges	2,120	1,307	1,879	1,879	1,595
<b>TOTAL EXPENDITURES</b>	<u>245,933</u>	<u>210,133</u>	<u>231,824</u>	<u>236,358</u>	<u>230,748</u>

**STREET LIGHTING, 101-4210**

Budget Overview: The 2010-2011 budget provides for costs associated with the Street Lighting program. The street lighting budget includes the funding for existing and estimated future streetlights on major and local streets. As new streetlights are installed, the fixtures are converted from mercury vapor to high pressure sodium bulbs resulting in lower energy costs.

<u>Activity Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Current street lights	2,661	2,661	2,666
Street light requests	10	0	5

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Administrative Charges	373,810	431,589	493,826	483,000	483,000
<b>TOTAL EXPENDITURES</b>	<u>373,810</u>	<u>431,589</u>	<u>493,826</u>	<u>483,000</u>	<u>483,000</u>

**PORTAGE PUBLIC SCHOOLS CONTRACT, 101-8111**

**Budget Overview:** On July 17, 2009, the City of Portage entered into a contract with Portage Public Schools (PPS) to provide fuel from the City fueling station for PPS staff vehicles. The contract shall run for a term of two years, with one renewal period of an additional two years unless cancelled by the City. Fuel is provided to PPS at cost, and PPS pays the City a service and usage fee to cover the administrative overhead incurred by the City for overseeing and administering the contract, as well as the additional wear and tear on the site and equipment over the term of the contract. The service and usage fee is \$400 per month.

**Dept 81 PPS Contract  
Division 11 PPS Fuel**

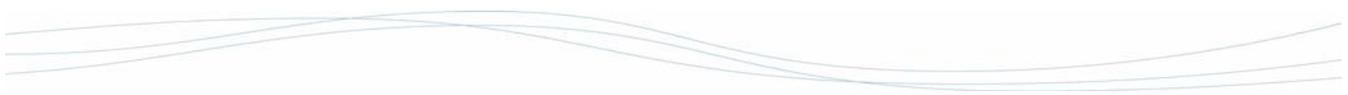
	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Other revenue	-	-	-	-	4,800
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,800</b>

**TRANSFERS OUT, 101-9610**

**Budget Overview:** Subsidies to other funds are: Major Streets Fund \$270,000, Local Streets Fund \$140,000.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Transfers Out	546,000	650,000	1,385,000	1,385,000	410,000
<b>TOTAL EXPENDITURES</b>	<b>546,000</b>	<b>650,000</b>	<b>1,385,000</b>	<b>1,385,000</b>	<b>410,000</b>

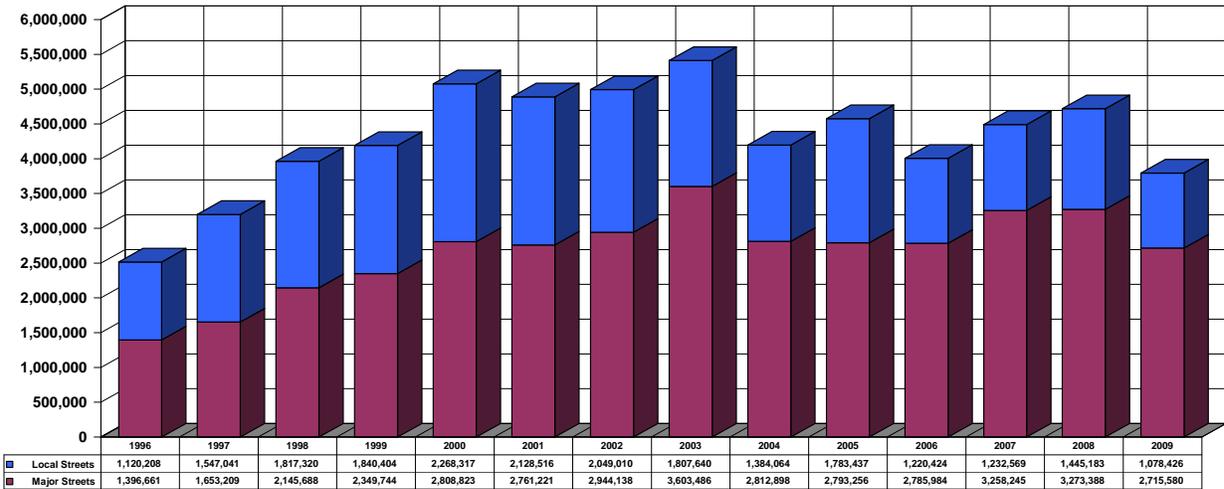
This activity reflects subsidies provided to other funds.



# Streets



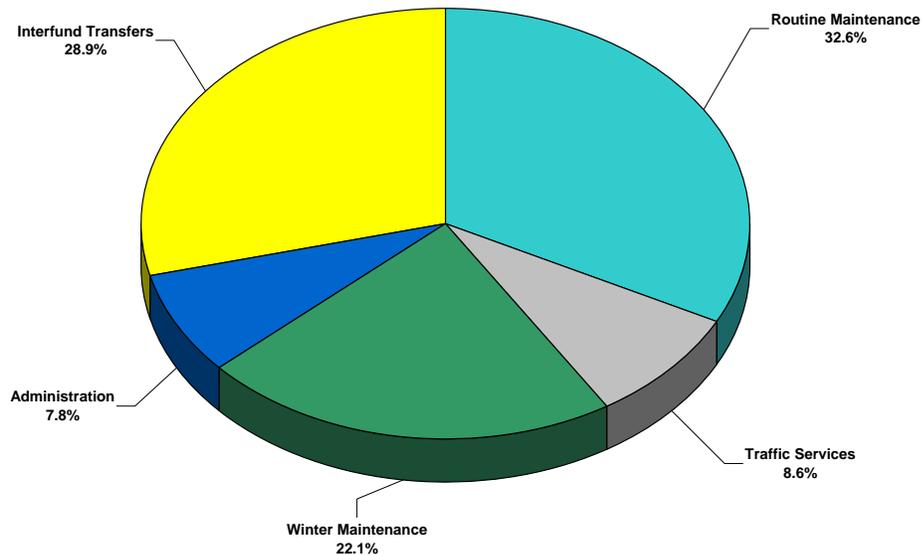
## STREET MAINTENANCE EXPENDITURES



Major Street and Local Street fund expenditures are funded by state gasoline taxes and vehicle registration revenues. Since a portion of these revenues are allocated based on population, the 2000 Census results had a positive effect on those revenues. Additional monies are made available through General Fund transfers since the revenues from the gasoline tax and vehicle registrations are seldom sufficient to provide a continuing level of service in these critical areas of maintenance. The maintenance expenditure increase in the beginning of 1997/98 was for an expanded local street paving program.

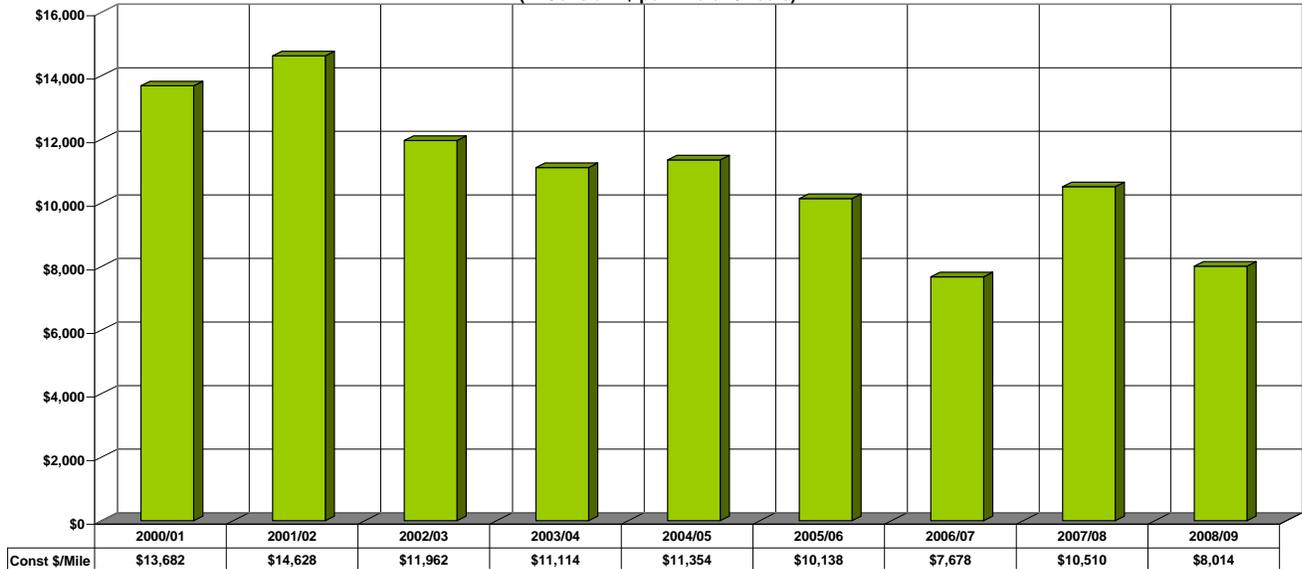
Note: The state gasoline tax was increased by 27% in August 1997.

## STREET MAINTENANCE EXPENDITURES BY CATEGORY



### STREET MAINTENANCE EFFORT

(in Constant \$ per Mile of Streets)



**Warning Trend:**

Declining street maintenance expenditures in constant dollars per mile of streets

**Formula:**

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

**Description:**

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

**Analysis:**

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

**MAJOR STREETS FUND**

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

Budget Overview: The 2010-2011 Major Streets Fund budget provides for contracted tree trimming/removal, tree planting, pavement markings, guardrail replacements, and traffic signal maintenance.

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

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

**MAJOR STREETS FUND, continued**

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

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
State revenue	2,712,710	2,599,842	2,514,000	2,514,000	2,514,000
Interest and rents	11,021	1,899	9,000	9,000	4,000
Transfers In	-	550,000	970,000	970,000	270,000
<b>TOTAL REVENUE</b>	<b><u>2,723,731</u></b>	<b><u>3,151,741</u></b>	<b><u>3,495,498</u></b>	<b><u>3,493,000</u></b>	<b><u>2,788,000</u></b>
EXPENDITURES:					
Personnel Services	798,280	667,275	699,833	687,883	647,782
Operations & Maintenance	937,741	800,328	1,095,386	973,403	968,494
Administrative Charges	266,873	216,477	308,239	305,121	301,603
Transfers Out	1,270,500	1,031,500	1,441,500	1,441,500	1,222,000
<b>TOTAL EXPENDITURES</b>	<b><u>3,273,394</u></b>	<b><u>2,715,580</u></b>	<b><u>3,544,958</u></b>	<b><u>3,407,907</u></b>	<b><u>3,139,879</u></b>

The responsibilities of the various activities are outlined as follows.

**ROUTINE MAINTENANCE, 202-4216**

This program includes:

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

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

Cold patch - During the winter months patch material is applied to potholes.

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Miles of mowing	9.2	9.2	9.2
Permanent patch - tons	90	90	90
Cold patch - tons	50	50	100
Contracted strip paving in miles	2.32	2.43	2.85

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</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:					
State revenue	2,712,710	2,599,842	2,514,000	2,514,000	2,514,000
Interest and rents	11,021	1,899	9,000	9,000	4,000
Transfers In	-	550,000	970,000	970,000	270,000
<b>TOTAL REVENUE</b>	<b><u>2,723,731</u></b>	<b><u>3,151,741</u></b>	<b><u>3,493,000</u></b>	<b><u>3,493,000</u></b>	<b><u>2,788,000</u></b>

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	384,202	319,880	329,526	317,576	288,644
Operations & Maintenance	321,041	217,104	375,307	342,200	292,900
Administrative Charges	147,710	129,456	177,376	174,258	170,738
<b>TOTAL EXPENDITURES</b>	<b><u>852,953</u></b>	<b><u>666,440</u></b>	<b><u>882,209</u></b>	<b><u>834,034</u></b>	<b><u>752,282</u></b>

## **TRAFFIC SERVICES MAINTENANCE, 202-4215**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Lineal miles of major streets restriped (by contract)	72.04	72.04	72.04
Street signs repaired or replaced	102	70	75
New signs	0	10	10
Guardrails repaired or replaced, ft.	0	0	0

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	67,944	57,137	54,625	54,625	52,814
Operations & Maintenance	79,414	78,924	130,647	95,500	89,500
Administrative Charges	11,258	7,822	12,442	12,442	12,442
<b>TOTAL EXPENDITURES</b>	<b>158,616</b>	<b>143,883</b>	<b>197,714</b>	<b>162,567</b>	<b>154,756</b>

## **WINTER MAINTENANCE, 202-4217**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Miles of major roads	72.04	72.04	72.04
Tons of sand	450	460	460
Tons of salt	2,400	3,500	3,500

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	206,946	195,110	208,190	208,190	188,168
Operations & Maintenance	166,306	190,783	180,350	178,750	182,600
Administrative Charges	94,484	69,463	103,517	103,517	103,519
<b>TOTAL EXPENDITURES</b>	<b>467,736</b>	<b>455,356</b>	<b>492,057</b>	<b>490,457</b>	<b>474,287</b>

**ADMINISTRATION-MAINTENANCE, 202-4218**

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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	30,883	13,465	12,512	12,512	12,653
Operations & Maintenance	10,109	5,900	11,723	11,510	21,260
Administrative Charges	13,421	9,736	14,904	14,904	14,904
<b>TOTAL EXPENDITURES</b>	<b>54,413</b>	<b>29,101</b>	<b>39,139</b>	<b>38,926</b>	<b>48,817</b>

**ADMINISTRATION-TRANSPORTATION, 202-4225**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plan reviews	25	20	22
Plat reviews	1	1	1

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	108,305	81,683	94,980	94,980	105,503
Operations & Maintenance	21,347	13,259	19,610	19,493	15,384
<b>TOTAL EXPENDITURES</b>	<b>129,652</b>	<b>94,942</b>	<b>114,590</b>	<b>114,473</b>	<b>120,887</b>

**SIGNALS AND CROSSINGS, 202-4226**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>		
Signal locations shared with:					
City of Kalamazoo	5	5	5		
Kalamazoo County Road Commission	5	5	5		
Michigan Department of Transportation	4	4	4		
Railroad crossing locations (major streets)	9	9	9		
	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Operations & Maintenance	134,371	115,585	186,358	160,950	170,350
<b>TOTAL EXPENDITURES</b>	<u>134,371</u>	<u>115,585</u>	<u>186,358</u>	<u>160,950</u>	<u>170,350</u>

**ROADSIDE MAINTENANCE, 202-4228**

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

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Operations & Maintenance	205,153	178,773	191,391	165,000	196,500
<b>TOTAL EXPENDITURES</b>	<u>205,153</u>	<u>178,773</u>	<u>191,391</u>	<u>165,000</u>	<u>196,500</u>

**TRANSFERS OUT, 202-9610**

Interfund transfers are as follows: To the Capital Improvement Fund for Major Street related expenditures, \$1,200,000; transfer to the Sewer Fund for a share of the street sweeping costs, \$22,000.

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Transfers Out	1,270,500	1,031,500	1,441,500	1,441,500	1,222,000
<b>TOTAL EXPENDITURES</b>	<u>1,270,500</u>	<u>1,031,500</u>	<u>1,441,500</u>	<u>1,441,500</u>	<u>1,222,000</u>

## LOCAL STREETS FUND

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

Budget Overview: The 2010-2011 Local Streets Fund budget provides for contracting tree trimming/ removal, tree planting, pavement markings, a portion of the road repair programs and an extensive strip paving program.

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

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

## LOCAL STREETS, continued

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
State revenue	774,016	747,141	714,400	714,400	714,400
Interest and rents	4,417	8,619	2,000	2,000	2,000
Other revenue	-	40	-	-	-
Transfers In	546,000	100,000	415,000	415,000	140,000
<b>TOTAL REVENUE</b>	<b><u>1,324,433</u></b>	<b><u>855,800</u></b>	<b><u>1,131,400</u></b>	<b><u>1,131,400</u></b>	<b><u>856,400</u></b>
EXPENDITURES:					
Personnel Services	624,874	644,680	643,423	643,423	627,216
Operations & Maintenance	572,231	238,680	306,623	305,186	272,680
Administrative Charges	227,579	174,061	246,255	246,196	243,567
Transfers Out	20,500	21,000	21,500	21,500	22,000
<b>TOTAL EXPENDITURES</b>	<b><u>1,445,184</u></b>	<b><u>1,078,421</u></b>	<b><u>1,217,801</u></b>	<b><u>1,216,305</u></b>	<b><u>1,165,463</u></b>

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 all local streets 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 an inch 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.

Cold patch - During the winter months patch material is applied to potholes.

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Trees and stumps removed	41	260	250
Miles of mowing	41	41	41
Permanent patch - tons	140	90	90
Cold patch - tons	120	100	100
Contracted reconstruction in miles	1.6	1.73	2.85
Yards of gravel used	197	165	170
Miles of reconstructed shoulders	2.0	1.4	1.5

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</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:					
State revenue	774,016	747,141	714,400	714,400	714,400
Interest and rents	4,417	8,619	2,000	2,000	2,000
Other revenue	-	40	-	-	-
Transfers In	546,000	100,000	415,000	415,000	140,000
<b>TOTAL REVENUE</b>	<b>1,324,433</b>	<b>855,800</b>	<b>1,131,400</b>	<b>1,131,400</b>	<b>856,400</b>

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Personnel Services	300,617	295,872	296,401	296,401	263,984
Operations & Maintenance	371,737	25,305	74,980	75,000	61,475
Administrative Charges	122,708	96,957	129,684	129,684	127,103
<b>TOTAL EXPENDITURES</b>	<b>795,062</b>	<b>418,134</b>	<b>501,065</b>	<b>501,085</b>	<b>452,562</b>

**TRAFFIC SERVICES MAINTENANCE, 203-4215**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Lineal miles of local streets restriped (by contract)	3.4	3.7	3.7
Street signs repaired or replaced	59	105	110
New signs	0	10	10
Visual obstructions cleared	8	25	25

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	23,507	22,905	29,357	29,357	29,105
Operations & Maintenance	25,081	15,740	31,754	30,731	11,000
Administrative Charges	1,647	1,144	1,820	1,820	1,820
<b>TOTAL EXPENDITURES</b>	<b>50,235</b>	<b>39,789</b>	<b>62,931</b>	<b>61,908</b>	<b>41,925</b>

**WINTER MAINTENANCE, 203-4217**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Miles of local streets	145.96	146.79	147.49
Tons of sand	450	460	460
Tons of salt	2,500	3,500	3,500

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	201,644	231,564	210,173	210,173	191,971
Operations & Maintenance	161,262	186,917	177,384	176,950	182,600
Administrative Charges	90,857	67,090	100,874	100,874	100,875
<b>TOTAL EXPENDITURES</b>	<b>453,763</b>	<b>485,571</b>	<b>488,431</b>	<b>487,997</b>	<b>475,446</b>

**ADMINISTRATION-MAINTENANCE, 203-4218**

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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	11,406	12,431	12,512	12,512	12,653
Operations & Maintenance	9,589	6,537	10,390	10,390	8,190
Administrative Charges	12,066	8,560	13,463	13,404	13,404
<b>TOTAL EXPENDITURES</b>	<b>33,061</b>	<b>27,528</b>	<b>36,365</b>	<b>36,306</b>	<b>34,247</b>

**ADMINISTRATION-TRANSPORTATION, 203-4225**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plan reviews	6	5	5
Plat reviews	0	0	1

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	87,700	81,908	94,980	94,980	129,503
Operations & Maintenance	4,562	4,181	6,915	6,915	4,215
Administrative Charges	301	310	414	414	365
<b>TOTAL EXPENDITURES</b>	<b>92,563</b>	<b>86,399</b>	<b>102,309</b>	<b>102,309</b>	<b>134,083</b>

## **SIGNALS and CROSSINGS, 203-4226**

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

	<u>2007-2008</u> <u>Actuals</u>	<u>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Adjusted</u> <u>Budget</u>	<u>2009-2010</u> <u>Adopted</u> <u>Budget</u>	<u>2010-2011</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	-	-	5,200	5,200	5,200
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>

## **TRANSFERS OUT, 203-9610**

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

	<u>2007-2008</u> <u>Actuals</u>	<u>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Adjusted</u> <u>Budget</u>	<u>2009-2010</u> <u>Adopted</u> <u>Budget</u>	<u>2010-2011</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Transfers Out	20,500	21,000	21,500	21,500	22,000
<b>TOTAL EXPENDITURES</b>	<u>20,500</u>	<u>21,000</u>	<u>21,500</u>	<u>21,500</u>	<u>22,000</u>

**MUNICIPAL STREET FUND - 204**

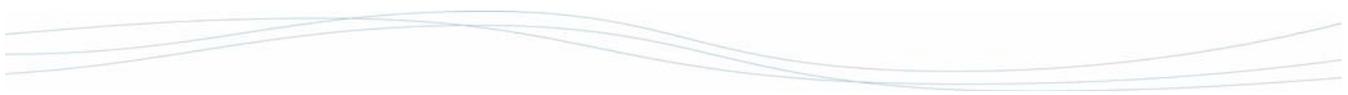
The municipal street fund was established beginning in fiscal 2007-2008 to administer up to a 1 mill tax levy to fund street improvements that were formerly funded by special assessments on the property benefiting from the improvement. The purpose of the fund is to collect the tax assessment and forward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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
Property taxes	\$ 685,919	\$1,066,197	\$1,239,000	\$1,239,000	\$1,337,000
Interest and rents	1,439	2,447	1,500	1,500	1,500
<b>TOTAL REVENUE</b>	<u>687,358</u>	<u>1,068,644</u>	<u>1,240,500</u>	<u>1,240,500</u>	<u>1,338,500</u>
<b>EXPENDITURES:</b>					
Administrative Charges	-	-	117,220	117,220	80,000
Transfers Out	-	652,000	1,192,000	1,192,000	1,337,000
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>652,000</u>	<u>1,309,220</u>	<u>1,309,220</u>	<u>1,417,000</u>

**BROWNFIELD REDEVELOPMENT AUTHORITY - 243**

The Brownfield Redevelopment Authority was established to administer expenses incurred to encourage reclamation of specifically identified properties in the City that are hampered by environmental or other contamination requiring special restoration and rehabilitation processes in order to be developed into productive businesses. The authority will also monitor the tax capture as provided by state law.

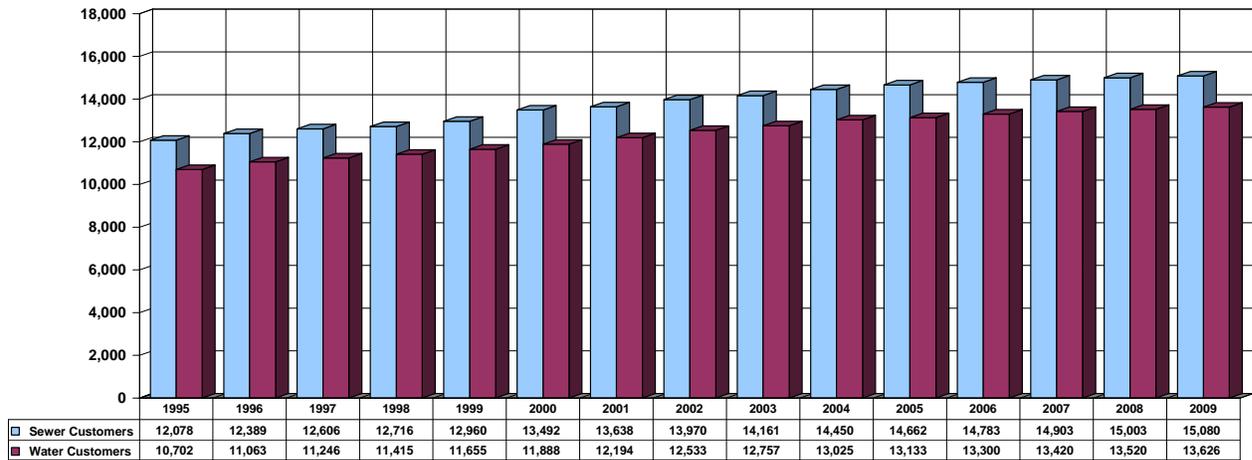
	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Interest and rents	55	86	100	100	100
TOTAL REVENUE	<u>55</u>	<u>86</u>	<u>100</u>	<u>100</u>	<u>100</u>
EXPENDITURES:					
Operations & Maintenance	-	-	4,000	2,000	5,000
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>2,000</u>	<u>5,000</u>



# Utilities

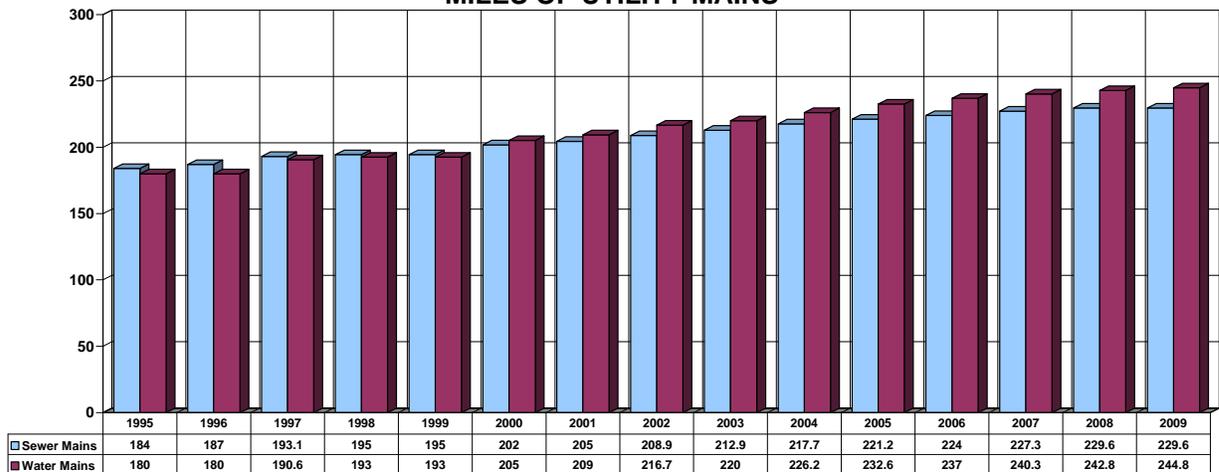


### NUMBER OF UTILITY CUSTOMERS



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.

### MILES OF UTILITY MAINS



The rapid extension of mains in the late 1970's was due mostly to grant-funded projects. However, the city renewed expansion efforts in conjunction with the inception of the first six-year Capital Improvement Program initiated in fiscal 1985. 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.

**SEWER OPERATING FUND**

The Sewer Fund accounts for the costs associated with the collection and transport of sewage from approximately 15,000 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 2010-2011 budget provides funding for waste water collections, which includes the inspection and maintenance of sanitary sewer lines, force mains and pumping stations. The city contracted with a private company to operate the city-owned sewer facilities in March of 1997.

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

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

**SEWER OPERATING FUND (continued)**

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
<b>REVENUE:</b>					
Charges for services	5,355,674	5,821,925	6,591,000	6,591,000	7,672,000
Interest and rents	41,075	35,758	75,000	75,000	40,000
Transfers In	20,500	42,000	43,000	43,000	44,000
<b>TOTAL REVENUE</b>	<b><u>5,417,249</u></b>	<b><u>5,899,683</u></b>	<b><u>6,709,000</u></b>	<b><u>6,709,000</u></b>	<b><u>7,756,000</u></b>
<b>EXPENDITURES:</b>					
Personnel Services	403,109	405,188	431,123	431,123	525,999
Operations & Maintenance	2,476,677	2,985,559	2,615,084	2,584,480	2,569,826
Administrative Charges	3,692,204	3,846,164	4,516,717	4,342,875	4,892,270
Transfers Out	80,000	80,000	80,000	80,000	80,000
<b>TOTAL EXPENDITURES</b>	<b><u>6,651,990</u></b>	<b><u>7,351,208</u></b>	<b><u>7,702,924</u></b>	<b><u>7,498,478</u></b>	<b><u>8,128,095</u></b>

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	15,003	15,080	15,130
Sewage transported (MG)	1,795	1,800	1,800
Number of lift stations	55	55	55
Lift station inspections	2,361	1,900	1,800
Lift station pumps repaired	20	22	20
Sanitary sewer overflows	0	0	0
Miles of sanitary sewer	230	230	231
Miles of sanitary sewer cleaned	78	77	76
Sanitary sewer blockages per mile	0.04	0.01	0.04

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Charges for services	5,355,674	5,821,925	6,591,000	6,591,000	7,672,000
Interest and rents	41,075	35,758	75,000	75,000	40,000
Transfers In	20,500	42,000	43,000	43,000	44,000
<b>TOTAL REVENUE</b>	<b>5,417,249</b>	<b>5,899,683</b>	<b>6,709,000</b>	<b>6,709,000</b>	<b>7,756,000</b>

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Operations & Maintenance	994,983	1,481,096	1,760,129	1,739,000	1,784,500
Administrative Charges	3,011,288	3,081,206	3,901,013	3,727,986	4,208,505
Capital Outlay	-	34,297	60,000	60,000	60,000
<b>TOTAL EXPENDITURES</b>	<b>4,006,271</b>	<b>4,596,599</b>	<b>5,721,142</b>	<b>5,526,986</b>	<b>6,053,005</b>

## **ADMINISTRATION, 590-4501**

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

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	403,109	405,188	431,123	431,123	525,999
Operations & Maintenance	784,367	790,572	79,875	70,400	70,400
Administrative Charges	680,916	764,958	615,704	614,889	683,765
<b>TOTAL EXPENDITURES</b>	<b>1,868,392</b>	<b>1,960,718</b>	<b>1,126,702</b>	<b>1,116,412</b>	<b>1,280,164</b>

## **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.

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	697,327	713,891	775,080	775,080	714,926
<b>TOTAL EXPENDITURES</b>	<b>697,327</b>	<b>713,891</b>	<b>775,080</b>	<b>775,080</b>	<b>714,926</b>

## **TRANSFERS OUT, 590-9610**

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

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Transfers Out	80,000	80,000	80,000	80,000	80,000
<b>TOTAL EXPENDITURES</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>

## WATER OPERATING FUND

The Water Operating fund accounts for the costs associated with providing water service to approximately 13,600 customers. The system also provides water to residences in Pavilion and Schoolcraft Townships.

Budget Overview: The 2010-2011 budget provides funding for the operation and maintenance of the water and storm sewer systems, which includes the pumping and treatment of water, maintenance of water mains and hydrants, maintenance of all storm sewers, street sweeping, environmental monitoring and response and all functions directed at protecting and preserving groundwater quality. The city contracted with a private company to operate the city-owned facilities in March of 1997. The 2010-2011 budget continues that relationship.

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

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

**WATER OPERATING FUND, continued**

Activity/Program      Description  
Administration (continued)

Goal/Objective  
*Environmental Quality*  
Ensure all environmental standards are met in new developments  
Enforce environmental requirements in all development projects  
Protect surface water and lake quality  
*Financial Health*  
Maintain financial health through annual rate evaluation

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	4,074,943	4,545,463	5,695,000	5,695,000	5,997,000
Interest and rents	21,237	62,410	25,000	25,000	25,000
Other revenue	991	1,470	-	-	-
<b>TOTAL REVENUE</b>	<b>4,097,171</b>	<b>4,609,343</b>	<b>5,720,000</b>	<b>5,720,000</b>	<b>6,022,000</b>
EXPENDITURES:					
Personnel Services	452,256	466,294	492,065	492,065	239,515
Operations & Maintenance	4,212,000	4,175,453	4,492,478	4,395,569	4,322,727
Administrative Charges	788,390	779,756	870,652	868,968	639,192
Capital Outlay	23,386	145,821	70,399	70,000	70,000
Transfers Out	-	50,000	100,000	100,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>5,476,032</b>	<b>5,617,324</b>	<b>6,025,594</b>	<b>5,926,602</b>	<b>5,321,434</b>

The responsibilities of the various activities are outlined as follows.

## **WATER SERVICES, 591-4625**

This activity accounts for the costs associated with the installation of water services, which is one of the duties of the contractor.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of meters	14,882	14,938	15,000
New meters installed	98	80	70
Meters requiring repair	724	610	600
Meter reads for billing	66,210	64,000	64,000
Estimated bills	68	51	60

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
EXPENDITURES:					
Operations & Maintenance	88,598	100,701	87,739	87,739	85,368
<b>TOTAL EXPENDITURES</b>	<b>88,598</b>	<b>100,701</b>	<b>87,739</b>	<b>87,739</b>	<b>85,368</b>

## **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.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of water customers	13,520	13,626	13,700
Water pumped and treated (MG)	2,108	2,002	2,200
Production well inspections	4,083	4,650	4,200
Samples analyzed	5,845	7,000	6,000
Water monitoring violations	0	0	0
Miles of water mains	243	245	246
Number of fire hydrants	2,600	2,627	2,640
Fire hydrants flushed and inspected	5,194	5,280	5,500
Main breaks per mile of main	0.11	0.10	0.10
Miles of streets	220	220	220
Miles of street sweeping	4,036	4,985	5,000
Sweepings collected (cubic yards)	2,633	2,920	1,700

**WATER OPERATIONS, 591-4626, continued**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Charges for services	4,074,943	4,545,463	5,695,000	5,695,000	5,997,000
Interest and rents	21,237	62,410	25,000	25,000	25,000
Other revenue	991	1,470	-	-	-
<b>TOTAL REVENUE</b>	<b>4,097,171</b>	<b>4,609,343</b>	<b>5,720,000</b>	<b>5,720,000</b>	<b>6,022,000</b>
	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Operations & Maintenance	1,418,584	1,031,314	1,546,609	1,449,700	1,383,800
<b>TOTAL EXPENDITURES</b>	<b>1,418,584</b>	<b>1,031,314</b>	<b>1,546,609</b>	<b>1,449,700</b>	<b>1,383,800</b>

**GENERAL and ADMINISTRATIVE, 591-4601**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plans reviewed	30	16	20
Environmental inspections/monitoring	55	60	60
Responses to hazardous materials incidents	5	1	4

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	452,256	466,294	492,065	492,065	239,515
Operations & Maintenance	745,295	763,321	141,500	141,500	131,700
Administrative Charges	788,390	779,756	870,652	868,968	639,192
Capital Outlay	23,386	69,614	30,399	30,000	30,000
<b>TOTAL EXPENDITURES</b>	<b>2,009,327</b>	<b>2,078,985</b>	<b>1,534,616</b>	<b>1,532,533</b>	<b>1,040,407</b>

**GENERAL and ADMINISTRATIVE, 591-4601, continued**

<b>Division 66 Retention Basin Rehab</b>					
	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Capital Outlay	-	76,207	40,000	40,000	40,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>76,207</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>

**DEBT SERVICE, 591-9510**

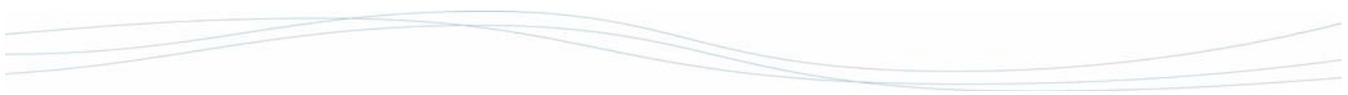
This activity accounts for the costs associated with the interest and principal payments on debt associated with Water Fund capital assets.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Operations & Maintenance	1,959,523	2,280,117	2,716,630	2,716,630	2,721,859
<b>TOTAL EXPENDITURES</b>	<b>1,959,523</b>	<b>2,280,117</b>	<b>2,716,630</b>	<b>2,716,630</b>	<b>2,721,859</b>

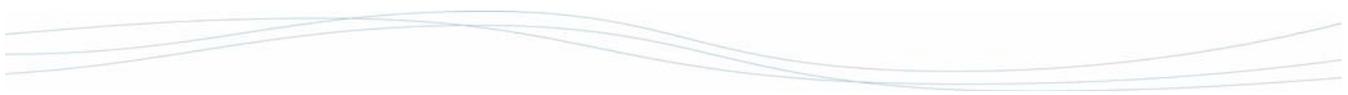
**TRANSFERS OUT, 591-9610**

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

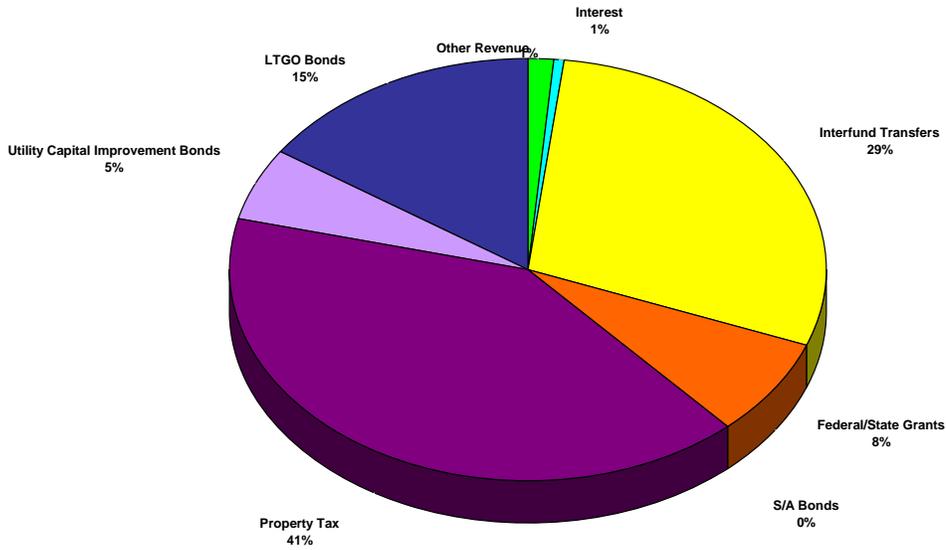
	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Transfers Out	-	50,000	100,000	100,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>50,000</b>	<b>100,000</b>	<b>100,000</b>	<b>50,000</b>



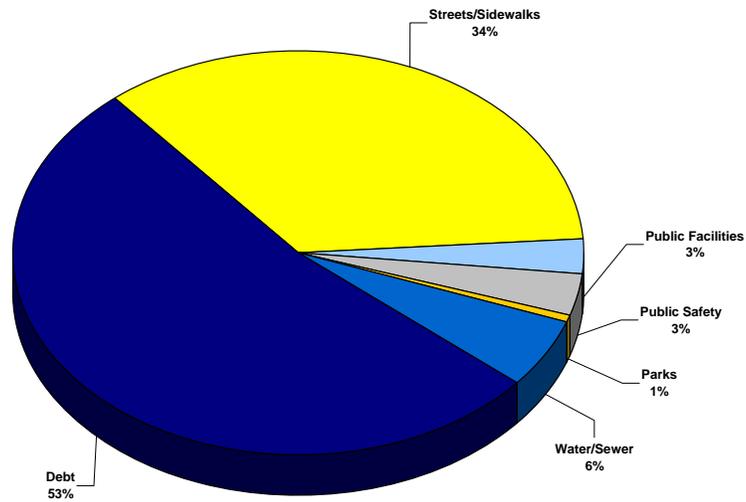
# Public Improvements



## CAPITAL IMPROVEMENT REVENUES



## CAPITAL IMPROVEMENT EXPENDITURES



**These graphs show the revenues and expenditures by category for the first year of the 2010-2020 Capital Improvement Program.**

CAPITAL IMPROVEMENT PROGRAM SUMMARY

Revenues and Expenditures (000)

	Fiscal Year											Total
	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20		
<b>[REVENUES AND OTHER SOURCES]</b>												
Property tax	4,044	3,964	3,964	4,052	4,123	4,225	4,351	4,481	4,611	4,753	42,568	
Interest	50	50	50	200	200	200	200	200	200	200	1,550	
LDEA Bonds				1,153	1,153						1,153	
Revenue from General Obligation bonds (1)	324	342	270	558	420	987	98	1,283	190	380	4,852	
Utility Capital Improvement revenue from bonds	540	150	1,510	465	3,447	910	1,555	2,235	2,975	13,645	27,432	
MTF revenue from bonds (1)	395	395	250	270	835	730	1,397	2,330	1,785	3,885	12,272	
DDA revenue from bonds (850-TradeCenter/WestFork)	850								500	250	1,600	
Cable TV Fund	119	40									159	
Major Street Fund	1,200	1,200	1,122	1,069	1,000	1,000	718	529	71		7,909	
Reprogrammed CIP funds	90	51									141	
Municipal Street Fund	1,337	1,020	875	1,045	1,085	1,195	973	1,015	1,375	1,910	11,830	
Sanitary Sewer Fund	80	80	80	80	80	80	80	80	80	80	800	
Water Fund	50	50	105	50	50	50	50	105	50	50	610	
General Fund	0	426	487	251	143	138					1,445	
Total city revenues and sources	9,079	7,768	8,713	8,040	12,536	9,515	9,422	12,258	11,837	25,153	114,321	
SAFTEA-LU	775	875	1,080	1,150	1,020	1,165	1,610	1,100	1,100	1,100	10,975	
Federal/State grants	0	0	0	0	0	0	0	0	0	25	25	
Other Revenue	145	260	45	0	40	65	0	175	0	0	730	
Special Assessments/bonds-Water and Sewer only	0	0	0	0	40	150	335	110	185	960	1,780	
Total Revenues and Sources	9,999	8,903	9,838	9,190	13,636	10,895	11,367	13,643	13,122	27,238	127,831	
<i>(1) In 2002 the use of general obligation bonds became available for a wider range of projects. All bond revenue will be from the sale of General Obligation Bonds and when permitted, combined into one issue to decrease cost of issuance expenses.</i>												
<b>[EXPENDITURES]</b>												
Streets	3,370	2,290	2,205	2,465	2,900	3,020	3,910	4,910	5,125	7,185	37,380	
Sidewalks and Bikeways	119	66	35	35	35	35		35			290	
Water	495	150	1,205	465	4,000	440	1,060	1,060	1,265	9,250	19,390	
Sanitary Sewer	45	360	360	680	690	900	875	1,530	1,530	5,315	10,395	
Police	287	259	235	218	505	300	172	123	112	146	2,357	
Fire	45	11	11	310	60	630	98	1,076	160	545	2,775	
Public Facilities	279	272	200	160	110	170	80	262	160	80	1,773	
Parks and Recreation	80	465	220	135	50	215	165	140	140	265	1,735	
Debt Service	5,279	5,390	5,413	5,402	5,331	5,395	5,147	5,137	4,790	4,452	51,736	
Total Expenditures	9,999	8,903	9,838	9,190	13,636	10,895	11,367	13,643	13,122	27,238	127,831	

## **CAPITAL IMPROVEMENT**

The Capital Improvement Funds account for the revenue and costs of all capital projects in the city when the project costs are equal to, or greater than, \$10,000. These funds reflect the 2010-2011 portion of the 2010-2020 ten-year Capital Improvement Program (CIP). Additional information and supporting documentation regarding all of the various facets of the CIP are included in the Capital Improvement Program document. In conformance with generally accepted accounting principles, project-related debt service is paid from the appropriate debt service fund or enterprise fund. Where that debt was planned to have been paid from the CIP, a corresponding transfer is made from the Capital Improvement Fund to the appropriate fund in which the debt payment is recorded. A capital improvement is defined as a public physical improvement or acquisition related to a public physical improvement with a minimum cost of \$10,000 and an expected service life of at least 3 years. In contrast, public physical improvements and acquisitions with costs between \$5,000 and \$10,000 are considered capital outlays and are separately shown in the operating budgets of the City, while improvements and acquisitions costing less than \$5,000 are treated as general costs of operation within the annual budgets of City departments.

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

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

**CAPITAL IMPROVEMENT - continued**

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

The 2010-2011 Capital Improvement Fund expenditures will not materially affect the operating expenditures of the tax supported funds of the city. The budgets for Public Facilities, Parks and Recreation, Sidewalks and Bikeways, Police and Fire capital improvement activities total \$532,000 or approximately 58% percent of the total Capital Improvement Fund budget. The other activities in the Capital Improvement Fund are related to operations which are either supported by rate payers (e.g., Water and Sewer) or State shared revenue (e.g., Streets).

	<u>2010-2011 Council Approved</u>
REVENUE:	
Property taxes	4,044,000
Interest and rents	50,000
Other revenue	3,029,000
Transfers In	2,876,000
<b>TOTAL REVENUE</b>	<b><u>9,999,000</u></b>
EXPENDITURES:	
Capital Outlay	4,720,000
Transfers Out	5,279,000
<b>TOTAL EXPENDITURES</b>	<b><u>9,999,000</u></b>

## **PUBLIC FACILITIES**

PROGRAM TITLE: Senior Center Improvements-400-9007  
PROGRAM DESCRIPTION: Fire alarm system upgrade/replacement; exterior and interior painting and laminate upgrades as specified in the 2006 city building maintenance study. Actions are required to maintain appearance and efficient operation of facility. The fire system was noted for upgrade in 2001 and again in 2006. The cost of the upgrades are offset by membership fees and fees paid by program participants.

PROGRAM TITLE: Microsoft Office Upgrade, 400-2159  
PROGRAM DESCRIPTION: Upgrade current Office 2003 applications to most current and supported version. All city personal computers and laptops run on the Windows XP operating system and the Microsoft Office 2003 software suite. Microsoft no longer supports Office 2003, and an upgrade to the newest Office product is required. The upgrade will make it possible for city staff to continue to utilize the Microsoft Office suite of programs.

PROGRAM TITLE: Information System Improvements, 400-2114  
PROGRAM DESCRIPTION: Information system infrastructure sustainability and equipment upgrades required for citywide operations. Currently, over 300 core components are replaced on an industry-standard 3-to-4 year schedule including computers, printers, scanners, servers and other essential hardware. Savings will continue to be realized due to warrantee provisions and extensions paid under the lease agreement that precludes the necessity to purchase separate maintenance contracts with operating funds.

<u>Public Facility - Other</u>	
Senior Center improvement	30,000
<u>Public Facility – I/T</u>	
Info System Improvements	170,000
MS Office Upgrade	79,000
<b>Total Public Facilities</b>	<b>\$279,000</b>



**PARKS AND RECREATION**

PROGRAM TITLE: Park Trail Improvements, 400-2812  
PROGRAM DESCRIPTION: Park improvements will include overlaying the asphalt trails at Schrier Park; crack fill and heat treating as needed on other park trails. Wood chip mulch will be renewed on the trails at Schrier Park and West Lake Nature Preserve. Superdeck will be replaced/upgraded as well as benches along the trails.

PROGRAM TITLE: Softball Field Improvements, 400-2837  
PROGRAM DESCRIPTION: Replace and repaint unsightly or damaged chain link fencing and other needed improvements on all eight softball diamonds at South Westnedge Park and Ramona Park. Capital investment in softball facilities will decrease annual expenditures for infield and outfield maintenance and irrigation repairs by approximately \$2,000 per year.

Park trail improvements	50,000
Softball Field Improvements	30,000
<b>TOTAL EXPENDITURES</b>	<b><u>80,000</u></b>

## **POLICE**

**PROGRAM TITLE:** Police Vehicles, 400-3002  
**PROGRAM DESCRIPTION:** Replace marked units after 95,000 miles. Replace unmarked units after 95,000 miles or ten years. New marked vehicle purchases to include extended warranty. Corresponding replacements of both marked and unmarked vehicles with equipment are planned for future years. Additional monies added to replace police car model. The current model, Ford Crown Victoria, will become unavailable in year 2011. Patrol vehicles are required to respond to emergency calls 24 hours a day, 7 days a week, and reliability must be assured. The number of hours on an engine far exceeds the odometer reading. As a result, the wear on engine and parts is greater than a personal vehicle with similar mileage. As the mileage and engine hours increase the vehicles become less responsive in maneuvering, and the repair costs increase significantly.

**PROGRAM TITLE:** Police Facility Improvements, 400-3014  
**PROGRAM DESCRIPTION:** This project will ensure facility integrity and maintain structural, electrical, plumbing, mechanical and heating systems. The projects were outlined in the 2006 building infrastructure review conducted by the Design Forum, Inc. dated February 2007. Priority of the listed projects include replacement of the flat north roof, windows, secondary generator and flooring. The benefits of these projects are to maintain the quality of the building structure and appearance, improve safety, and to decrease energy costs.

**PROGRAM TITLE:** Protective Vests for Police Officers, 400-3055  
**PROGRAM DESCRIPTION:** The purchase of replacement vests for sworn police officers pursuant to contractual agreements is necessary to maintain maximum safety and current warranty/liability parameters. The benefit of the project is to provide safety to police staff and minimize personnel liability.

Police vehicles	157,000
Police facility improvement	50,000
Protective vests	80,000
<b>TOTAL EXPENDITURES</b>	<b><u>287,000</u></b>



**FIRE**

PROGRAM TITLE: Mobile Computers, 400-3344  
PROGRAM DESCRIPTION: Install mobile computers in Fire Department apparatus in fiscal year 2010-2011. Subsequent years will add integrated digital recording and enhanced connectivity to the city network. Wireless connectivity fees and program support costs will be paid out of the Fire Department operating budget.

Mobile Computers	45,000
TOTAL EXPENDITURES	<u>45,000</u>

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## **STREETS**

PROGRAM TITLE:	Major Street Reconstruction Program, 400-4294
PROGRAM DESCRIPTION:	Reconstruction of major streets that were previously strip paved, or where heavy maintenance activities have been applied, that are anticipated to require a greater level of sub-base and pavement rehabilitation to ensure long-term serviceability. Improvements will also include localized storm drainage improvements, necessary curb and gutter or paved shoulder replacement/repair, necessary drive approaches and lawn restoration as appropriate. A decrease in maintenance costs will be enjoyed by the operating fund.
PROGRAM TITLE:	West Milham Avenue, South 12 <sup>th</sup> Street Intersection, 400-4290
PROGRAM DESCRIPTION:	Widen and realign Trade Center Way from South Westnedge Avenue to west of West From Crossing. Improvements include property acquisition, the realignment of the south end of West Fork Crossing at the Trade Center Way intersection, South Westnedge Avenue Improvements and new curbs, gutters, storm drainage facilities, pavement, boulevard islands, underground private utilities, and new streetlights.
PROGRAM TITLE:	Trade Center Way/West Fork Crossing, 400-4296
PROGRAM DESCRIPTION:	Improvements to the South Westnedge Avenue/Trade Centre Way intersection includes realignment and widening of Trade Centre Way west of South Westnedge Avenue and installation of a temporary traffic signal at the South Westnedge Avenue/Trade Centre Way intersection. The traffic signal would be removed in conjunction with installation of permanent traffic signals at the I94/South Westnedge Avenue Interchange. There are estimated to be nominal impacts in terms of the cost of operating a traffic signal on the operating fund.
PROGRAM TITLE:	Street Infrastructure Improvements – Portage Public Schools, 400-4298
PROGRAM DESCRIPTION:	Street infrastructure improvements associated with the planned improvements by Portage Public Schools at Portage Central High School and Portage Northern High. Planned improvements include a new traffic signal on South Westnedge Avenue at the main entrance to Portage Central High School, and modifications to existing traffic signals on West Milham Avenue in conjunction with Portage Northern High School improvements. The city will incur an increase in utility and maintenance costs connected with additional traffic signals.

PROGRAM TITLE: Local Street Reconstruction Program, 426-4343  
 PROGRAM DESCRIPTION: Reconstruction of local streets that were previously strip paved, or where heavy maintenance activities have been applied, that require a greater level of sub-base pavement rehabilitation to ensure long-term serviceability. Improvements will also include localized storm drainage improvements, necessary curb and gutter or paved shoulder replacement/repair, sidewalk repairs, including installation of Americans with Disabilities Act specified handicap ramps and necessary drive approaches and lawn restoration as appropriate. A significant decrease in maintenance costs will be enjoyed by the operating fund.

**Major Streets**

W Milham / 12th St intersection	100,000
Major street reconstruction	1,650,000
S Westnedge / Trade Cntr Way	850,000
Mustang Blvd	270,000
TOTAL EXPENDITURES	<u>2,870,000</u>

**Local Streets**

Local street reconstruction	500,000
TOTAL EXPENDITURES	<u>500,000</u>



## **SIDEWALK/BIKEWAYS**

PROGRAM TITLE: Bikeway Improvements, 400-4405  
PROGRAM DESCRIPTION: Crack repair, sealcoat and overlays to Lovers Lane, Romence Road Parkway, and Shaver Road Bikeway trails. Improvements to paved shoulder bikeways include overlays, reconstruction, sealing and striping.

PROGRAM TITLE: Sidewalk Improvements – Portage Public Schools, 400-4426  
PROGRAM DESCRIPTION: City share of cost of sidewalks to facilitate pedestrian connections at the new public schools, the new sidewalk on the east side of South 12<sup>th</sup> Street from the new elementary school south to Queen Victoria Lane, and the new sidewalk on the west side of Portage Road from Bacon Avenue to Auburn Woods Trail. New sidewalks allow students to walk to school rather than being bussed. Portage Public Schools have installed the sidewalks, and the city would share in the cost.

Bikeway improvements	74,000
Sidewalk improvements - PPS	45,000
TOTAL EXPENDITURES	<u>119,000</u>



**TRANSFERS OUT, 400-9610**

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

Transfers Out	5,279,000
TOTAL EXPENDITURES	<u>5,279,000</u>



## **SEWER CAPITAL IMPROVEMENT**

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

<b>PROGRAM TITLE:</b>	Barberry Avenue Sanitary Sewer Rehabilitation, 490-4592
<b>PROGRAM DESCRIPTION</b>	Rehabilitate the sanitary sewer system on Barberry Avenue as necessary to prevent groundwater contamination. A study will be conducted to determine the necessary repairs needed to restore the integrity of the system. The Barberry Avenue sanitary sewer system is showing signs of deterioration. The system consists of gravity sewer, force main, and sanitary sewer lift station. Deterioration in the system leads to groundwater contamination and subsequent contamination of West Lake. The rehabilitation would reduce maintenance and operating costs.

Barberry	45,000
<b>TOTAL EXPENDITURES</b>	<u><u>45,000</u></u>

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## WATER CAPITAL IMPROVEMENT

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

**PROGRAM TITLE:** Storm Drainage Improvements Program, 491-4702  
**PROGRAM DESCRIPTION:** Address identified flooding problem areas that adversely impact public streets, commercial areas and private properties. Improvements planned under this program include expansion of certain critical retention basins, structural modifications to problem storm retention basins, storm sewer improvements, and drainage channel re-grading, among others. Planned projects will ultimately reduce maintenance costs.

**PROGRAM TITLE:** South Westnedge Avenue Water Main Replacement, 491-4705  
**PROGRAM DESCRIPTION:** Replacement of deteriorating water mains in South Westnedge Avenue from Melody Avenue to East Centre Avenue. The existing water main in this area of south Westnedge Avenue has been identified as older cast iron pipe which has been prone to leaks and breakage. This project is scheduled to coincide with scheduled improvements to this section of the South Westnedge Avenue roadway. The improvements would result in a \$4,000 annual decrease in maintenance costs.

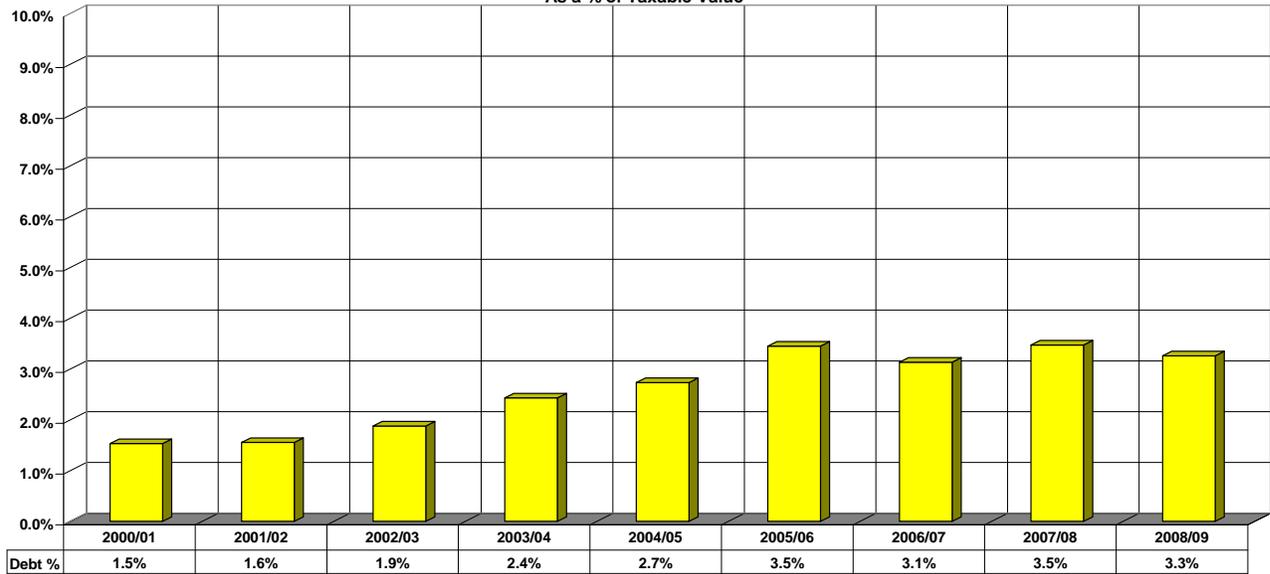
Storm drainage	175,000
Water Main Replacement	320,000
<b>TOTAL EXPENDITURES</b>	<u><u>495,000</u></u>



# Debt Service



**NET LONG-TERM DEBT**  
As a % of Taxable Value



**Warning Trend:**

Increasing levels of net direct long-term debt as a percentage of taxable value (TV)

**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 TIFA 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 revenue bonds or LTGO bonds paid through the enterprise funds.

**Description:**

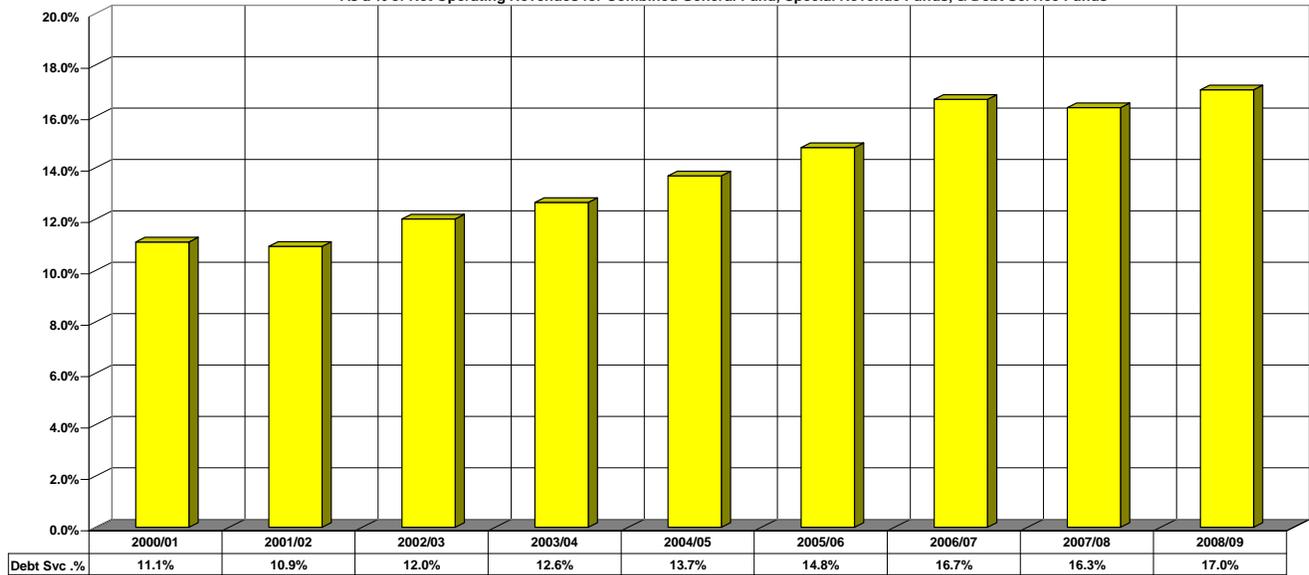
Direct debt is bonded debt for which the City has pledged its full faith and credit. Self-supporting debt is bonded debt that the City has pledged to repay from a source separate from its general tax revenues. In order to apply this indicator correctly for this City, direct debt includes all debt except utility revenue bonds, special assessment bonds (self-supporting debt) and all other debt repaid through the Enterprise Funds (LTGO bonds for the City's Share of Water and Sewer Projects). This provides an accurate measure of all long-term debt for which the City has obligated general tax revenues. The payment sources for this debt include General Obligation Millage, Capital Improvement Millage, Local Development Finance Authority property taxes, Downtown Development Authority property taxes, and rental income from the Portage District Library.

**Analysis:**

Tax-supported debt is remaining relatively stable and under 10% of SEV which is a benchmark used by credit rating agencies.

## NET DEBT SERVICE

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



### Warning Trend:

Increasing net direct debt service as a percentage of total net operating revenues

### 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:

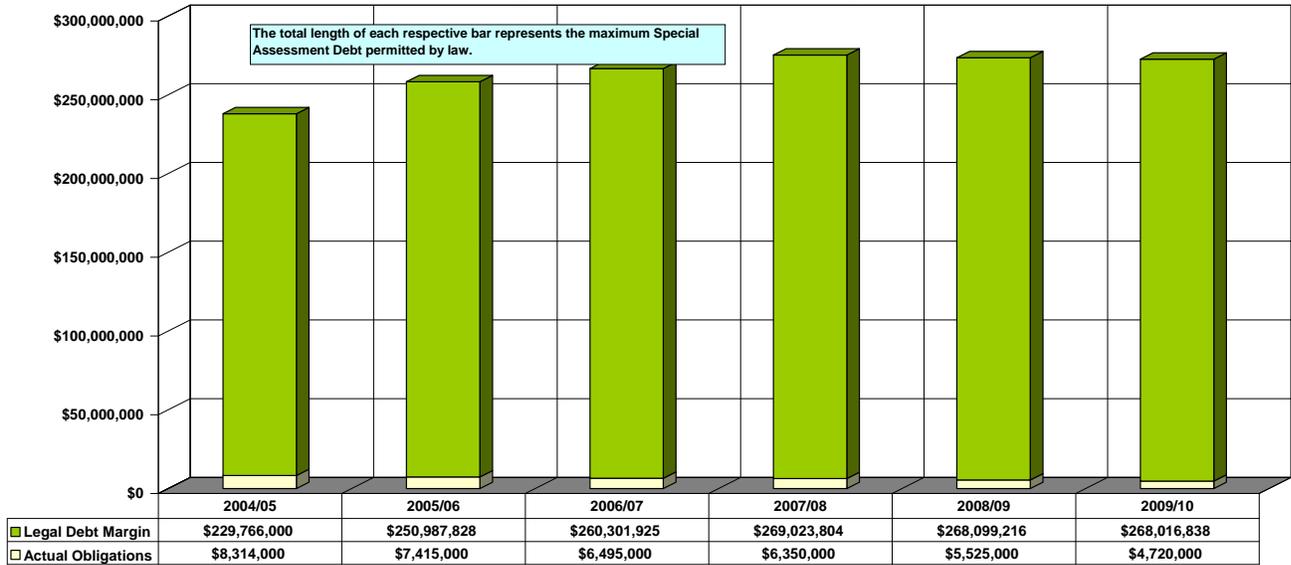
Increasing debt service reduces expenditure flexibility, primarily in the Capital Improvement Fund, by adding to the City's obligations. Debt service is a major part of the City's fixed costs. Increasing net direct debt service as a percentage of total net operating revenues may indicate excessive debt and fiscal strain.

### Analysis:

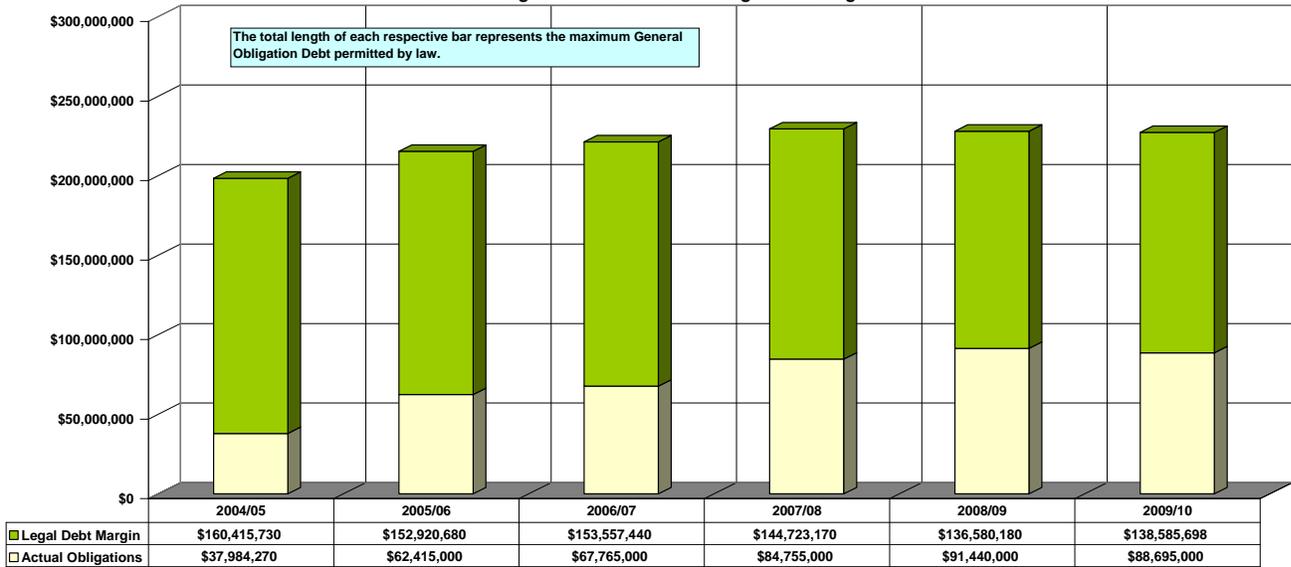
A net direct debt service percentage that exceeds 20% of net operating revenues is considered a potential problem. The city's net direct debt service percentage is below 20% of net operating revenues.

Significant capital improvements made in the early 2000's that were financed by the sale of bonds have increased the level of debt as a percentage of net operating revenues. This chart includes the Michigan Transportation Fund bond debt service.

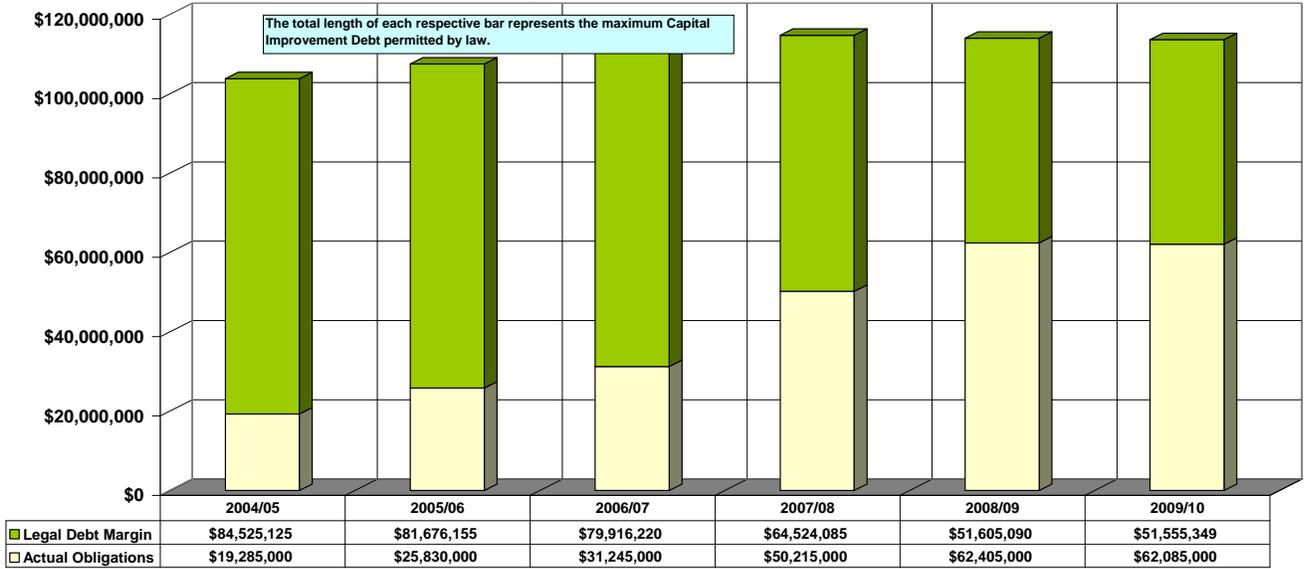
**Special Assessment Indebtedness**  
Actual Obligations and the Unused Legal Debt Margin



**General Obligation Indebtedness**  
Actual Obligations and the Unused Legal Debt Margin



**Capital Improvement Indebtedness**  
**Actual Obligations and the Unused Legal Debt Margin**



## DEBT SUMMARY

At March 1, 2010 the outstanding debt obligations of the city not associated with proprietary fund type areas are as follows:

Special Assessment Bonds	\$ 4,720,000
Limited Tax General Obligation Bonds	3,315,000
Unlimited Tax General Obligation Bonds	-0-
Local Development Finance Authority Bond	5,850,000
Building Authority Bonds	7,405,000
Downtown Development Authority	5,320,000
Motor Vehicle Highway Bonds	9,630,000
Capital Improvement Bonds	62,085,000
Land Contracts and Notes Payable	<u>-0-</u>
<b>Total</b>	<b><u>\$98,325,000</u></b>

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

	<u>Special Assessment Bonds</u>	<u>Limited Tax General Obligation Bonds</u>	<u>Notes Payable</u>	<u>Capital Improvement Bonds</u>
SEV	\$2,272,806,980	\$2,272,806,980	\$2,272,806,980	\$2,272,806,980
Applicable percentage limitation	12.00%	10.00%	1.25%	5.00%
Legal debt limitation	\$ 272,736,838	\$227,280,698	\$28,410,087	\$113,640,349
Related obligations	\$ 4,720,000	\$ 88,695,000	-	\$ 62,085,000
Legal debt margin	\$ 268,016,838	\$138,585,698	\$ 28,410,087	\$ 51,555,349

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. The City Manager's budget transmittal letter notes that an additional \$400,000 to \$500,000 will be required from the General Fund by the Capital Improvement Fund in fiscal year 2011/2012 to support debt service due to declining taxable values. In the event of continuing further declines in taxable values, there may be adverse impacts.

**GENERAL OBLIGATION DEBT, 301**

The General Obligation Debt Fund accumulates monies for the payment of principal and interest on various street, public facilities and the city share of special assessment bond issues. These serial bonds are due in annual principal installments, plus semi-annual interest installments, until maturity. Financing is to be provided by a specific annual property tax levy for bonds issued prior to December 23, 1978 when tax limitation amendments to the Michigan Constitution became effective. All of these bonds have been paid in full. Financing for debt issued after December 23, 1978 is provided by appropriation of a portion of a property tax levy for public improvements authorized pursuant to the City Charter.

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

The expenditures classified as bond costs can be further classified into the following groups:

Limited Tax General Obligation  
 Installment Notes Payable

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Property taxes	238	4	-	-	-
Interest and rents	-	4,557	-	-	-
Transfers In	19,729	19,432	3,575,157	3,575,157	3,583,740
<b>TOTAL REVENUE</b>	<b>19,967</b>	<b>23,993</b>	<b>3,575,157</b>	<b>3,575,157</b>	<b>3,583,740</b>
EXPENDITURES:					
Bond costs	-	2,823,583	3,584,825	3,584,825	3,629,950
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>2,823,583</b>	<b>3,584,825</b>	<b>3,584,825</b>	<b>3,629,950</b>

### **MTF 1997, 347**

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

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Transfers In	-	-	147,000	147,000	142,000
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>147,000</u>	<u>147,000</u>	<u>142,000</u>
EXPENDITURES:					
Bond costs	156,406	151,706	146,935	146,935	142,035
TOTAL EXPENDITURES	<u>156,406</u>	<u>151,706</u>	<u>146,935</u>	<u>146,935</u>	<u>142,035</u>

### **MTF-1998 REFUNDING, 348**

In May 1998 a number of Michigan Transportation Fund (M.T.F.) bond issues were partially refunded due to current low interest rates. This refunding provided a net present value savings and resulted in a restructuring of the remaining M.T.F. debt. This obligation was refunded (refinanced) on March 4, 2010, and ceases to exist as an independent debt issue for the 2010-2011 fiscal year. The refunded debt is now consolidated in fund 353.

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Interest and rents	46	268	-	-	-
Transfers In	-	-	468,000	468,000	-
TOTAL REVENUE	<u>46</u>	<u>268</u>	<u>468,000</u>	<u>468,000</u>	<u>-</u>
EXPENDITURES:					
Bond costs	684,434	601,259	467,075	467,075	-
TOTAL EXPENDITURES	<u>684,434</u>	<u>601,259</u>	<u>467,075</u>	<u>467,075</u>	<u>-</u>

**MTF 1998, 349**

This fund is used to account for the debt service on the Motor Transportation Fund (M.T.F.) bonds issued for Shaver Road/Centre to Vanderbilt, Milham Avenue/South Westledge to Lovers Lane, Shaver/Oakland intersection, Centre Avenue/US 131 Bridge, Milham technology business park, and Portage Road/Milham to Centre. This obligation was refunded (refinanced) on March 4, 2010, and ceases to exist as an independent debt issue for the 2010-2011 fiscal year. The refunded debt is now consolidated in fund 353.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
Interest and rents	36	316	-	-	-
Transfers In	-	-	285,000	285,000	-
<b>TOTAL REVENUE</b>	<b>36</b>	<b>316</b>	<b>285,000</b>	<b>285,000</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Bond costs	-	251,556	284,670	284,670	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>251,556</b>	<b>284,670</b>	<b>284,670</b>	<b>-</b>

**MTF 2001, 351**

This fund will be used to account for the debt service on the MTF bonds issue for I-94 improvements, west city limits to Portage Road; Lovers Lane, Kilgore to Milham; Romence Road/Constitution intersection widening; E. Milham Blvd., Lovers Lane to Portage; West Milham Blvd, Oakland to S. Westledge. This obligation was refunded (refinanced) on March 4, 2010, and ceases to exist as an independent debt issue for the 2010-2011 fiscal year. The refunded debt is now consolidated in fund 353.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
<b>REVENUE:</b>					
Interest and rents	31	281	-	-	-
Transfers In	-	-	233,000	233,000	-
<b>TOTAL REVENUE</b>	<b>31</b>	<b>281</b>	<b>233,000</b>	<b>233,000</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Bond costs	243,175	238,331	233,325	233,325	-
<b>TOTAL EXPENDITURES</b>	<b>243,175</b>	<b>238,331</b>	<b>233,325</b>	<b>233,325</b>	<b>-</b>

### **MTF 2008, 352**

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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Interest and rents	-	210	-	-	-
Transfers In	-	-	186,000	186,000	203,000
TOTAL REVENUE	<u>-</u>	<u>210</u>	<u>186,000</u>	<u>186,000</u>	<u>203,000</u>
EXPENDITURES:					
Bond costs	-	104,730	186,645	186,645	202,910
TOTAL EXPENDITURES	<u>-</u>	<u>104,730</u>	<u>186,645</u>	<u>186,645</u>	<u>202,910</u>

### **MTF REFUNDING 2010, 353**

In March, 2010, three Michigan Transportation Fund (M.T.F.) bond issues were refunded due to current low interest rates. This refunding provided a net present value savings and resulted in a restructuring of the M.T.F. debt. The principal value refinanced was \$6,680,000 at an interest rate of 2.75%.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Transfers In	-	-	-	-	624,000
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>624,000</u>
EXPENDITURES:					
Bond costs	-	-	-	-	622,030
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>622,030</u>

## **BUILDING AUTHORITY DEBT SERVICE, 369**

This fund is used to account for the debt service on Building Authority bonds issued for city projects such as Fire Station #3, Department of Public Service facilities, the Library expansion, Bicentennial Park acquisition and development, South Westnedge Park improvements, and major equipment purchases.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Interest and rents	256,130	246,905	256,519	256,519	237,730
Transfers In	-	-	745,000	745,000	661,000
TOTAL REVENUE	<u>256,130</u>	<u>246,905</u>	<u>1,001,519</u>	<u>1,001,519</u>	<u>898,730</u>
EXPENDITURES:					
Bond costs	-	1,112,341	985,385	985,385	961,540
TOTAL EXPENDITURES	<u>-</u>	<u>1,112,341</u>	<u>985,385</u>	<u>985,385</u>	<u>961,540</u>

## **DDA DEBT SERVICE, 394**

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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Property taxes	390,419	436,298	390,000	390,000	378,300
Interest and rents	9,410	6,716	4,000	4,000	2,000
TOTAL REVENUE	<u>399,829</u>	<u>443,014</u>	<u>394,000</u>	<u>394,000</u>	<u>380,300</u>
EXPENDITURES:					
Bond costs	212,024	214,042	394,175	394,175	408,440
TOTAL EXPENDITURES	<u>212,024</u>	<u>214,042</u>	<u>394,175</u>	<u>394,175</u>	<u>408,440</u>

**LDFA DEBT SERVICE, 397**

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

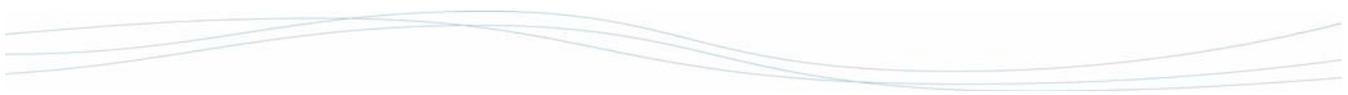
	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Property taxes	598,964	473,791	450,000	450,000	450,000
Interest and rents	47,392	35,584	20,000	20,000	20,000
<b>TOTAL REVENUE</b>	<b>646,356</b>	<b>509,375</b>	<b>470,000</b>	<b>470,000</b>	<b>470,000</b>
EXPENDITURES:					
Bond costs	236,350	247,255	471,110	471,110	464,420
<b>TOTAL EXPENDITURES</b>	<b>236,350</b>	<b>247,255</b>	<b>471,110</b>	<b>471,110</b>	<b>464,420</b>

## SPECIAL ASSESSMENT DEBT SERVICE FUNDS

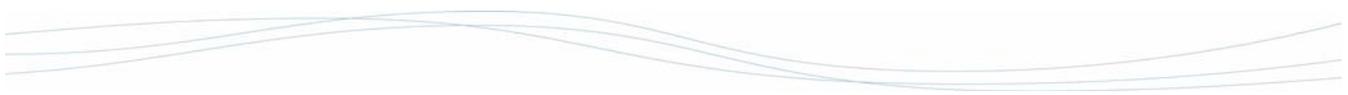
	2008-2009 <u>Actual</u>	2009-2010 <u>Amended Budget</u>	2009-2010 <u>Final Estimate</u>	2010-2011 <u>Council Approved</u>
Beginning Fund Balance	<u>3,622,517</u>	<u>3,201,417</u>	<u>3,201,417</u>	<u>2,941,417</u>
Revenue:				
Special Assessments	458,044	600,000	600,000	450,000
Interest on Special Assessments	149,337	145,100	150,000	113,500
Interest on Investments	<u>61,407</u>	<u>65,200</u>	<u>22,000</u>	<u>17,800</u>
Total Revenue	668,788	810,300	772,000	581,300
Expenditures:				
Interest and Fiscal Charges	264,888	227,000	227,000	200,965
Bond Principal	<u>825,000</u>	<u>805,000</u>	<u>805,000</u>	<u>715,000</u>
Total Expenditures	1,089,888	1,032,000	1,032,000	915,965
Ending Fund Balance	<u>3,201,417</u>	<u>2,979,717</u>	<u>2,941,417</u>	<u>2,606,752</u>

The Special Assessment Debt Service Fund is used to account for the repayment of bonds issued to finance the costs of various construction projects. Costs of the projects are estimated and property owners are assessed a proportionate share, as determined by Council resolution. The property owners have the option of either paying the assessment in full within 60 days of the first billing, or over an extended period (up to 20 years) through annual installments which include interest. The installment plan is very popular. Interest is charged on the unpaid assessment at rates approximately equal to the interest on the related bonds. Bond principal and interest are paid with the monies collected through the assessment process. This information summarizes the 800 series of funds.

	2007-2008 <u>Actuals</u>	2008-2009 <u>Actuals</u>	2009-2010 <u>Adjusted Budget</u>	2009-2010 <u>Adopted Budget</u>	2010-2011 <u>Council Approved</u>
REVENUE:					
Payments on special assessments	154,746	149,336	145,100	145,100	113,500
Interest on investments	115,520	61,407	65,200	65,200	17,800
TOTAL REVENUE	<u>270,266</u>	<u>210,743</u>	<u>210,300</u>	<u>210,300</u>	<u>131,300</u>
EXPENDITURES:					
Interest and fiscal charges	219,229	236,663	233,167	233,167	200,965
Bond principal	400,666	395,181	805,000	805,000	715,000
TOTAL EXPENDITURES	<u>619,895</u>	<u>631,844</u>	<u>1,038,167</u>	<u>1,038,167</u>	<u>915,965</u>



# Other Funds



**CURBSIDE RECYCLING FUND - 223**

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 use of the Allied Waste Recycling Facility and funding for the Household Hazardous Waste Disposal program.

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

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

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of recycling pickups per week	7,536	7,005	7,200
Pounds collected per week	365,320	402,560	405,000

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
REVENUE:					
Property taxes	547,723	606,116	561,400	561,400	541,700
Interest and rents	8,389	6,230	8,000	8,000	2,400
<b>TOTAL REVENUE</b>	<u>556,112</u>	<u>612,346</u>	<u>569,400</u>	<u>569,400</u>	<u>544,100</u>
EXPENDITURES:					
Personnel Services	25,340	24,621	32,722	32,722	33,088
Operations & Maintenance	455,194	511,880	537,283	524,274	523,399
Administrative Charges	57,243	62,359	56,490	56,490	56,660
<b>TOTAL EXPENDITURES</b>	<u>537,777</u>	<u>598,860</u>	<u>626,495</u>	<u>613,486</u>	<u>613,147</u>

## LEAF PICKUP/SPRING CLEANUP

This fund accounts for the costs associated with the Fall Leaf Pickup, Leaf Composting/Management and Spring Cleanup programs.

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

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

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Property taxes	738,468	730,843	611,200	611,200	589,600
Interest and rents	11,546	9,162	9,000	9,000	3,600
Other revenue	1,044	347	-	-	-
<b>TOTAL REVENUE</b>	<b>751,058</b>	<b>740,352</b>	<b>620,200</b>	<b>620,200</b>	<b>593,200</b>
EXPENDITURES:					
Personnel Services	51,868	60,721	69,760	64,640	65,238
Operations & Maintenance	404,390	475,539	620,528	492,313	381,058
Administrative Charges	158,386	141,850	160,722	160,722	153,291
Transfers Out	19,729	19,432	20,157	20,157	19,740
<b>TOTAL EXPENDITURES</b>	<b>634,373</b>	<b>697,542</b>	<b>871,167</b>	<b>737,832</b>	<b>619,327</b>

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.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Administrative Charges	92,304	86,499	88,930	88,930	76,000
TOTAL EXPENDITURES	<u>92,304</u>	<u>86,499</u>	<u>88,930</u>	<u>88,930</u>	<u>76,000</u>

## **SPRING CLEANUP, 226-4532**

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Compacted cubic yards collected	2,383	1,688	2,035
Days offered	24	24	24

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Operations & Maintenance	261,160	263,688	371,102	260,152	212,718
TOTAL EXPENDITURES	<u>261,160</u>	<u>263,688</u>	<u>371,102</u>	<u>260,152</u>	<u>212,718</u>

## **LEAF PICKUP, 226-4523**

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

<u>Activity Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Compacted cubic yards collected	13,726	17,809	14,000

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Personnel Services	51,868	60,721	69,760	64,640	65,238
Operations & Maintenance	126,522	120,541	151,469	125,340	147,819
Administrative Charges	37,237	34,052	39,911	39,911	45,411
TOTAL EXPENDITURES	<u>215,627</u>	<u>215,314</u>	<u>261,140</u>	<u>229,891</u>	<u>258,468</u>

**LEAF COMPOSTING/MANAGEMENT, 226-4540**

Leaf composting and management has been identified as a separate program in order to monitor costs.

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>
Cubic yards compost produced	6,600		6,700		6,600
	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Operations & Maintenance	16,708	91,310	97,957	106,821	20,521
Administrative Charges	28,845	21,299	31,881	31,881	31,880
<b>TOTAL EXPENDITURES</b>	<b>45,553</b>	<b>112,609</b>	<b>129,838</b>	<b>138,702</b>	<b>52,401</b>

**TRANSFERS OUT, 226-9610**

Transfer is made to the General Obligation Debt fund.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Transfers Out	19,729	19,432	20,157	20,157	19,740
<b>TOTAL EXPENDITURES</b>	<b>19,729</b>	<b>19,432</b>	<b>20,157</b>	<b>20,157</b>	<b>19,740</b>

**CULTURAL ACTIVITIES - 235**

This fund accounts for the costs of the Cultural Activities Program. The Cultural Activities Program includes the Bandshell Concert Series, Celery Flats Special Events, the Hayloft Theatre, the Celery Flats Amphitheater, and Millennium Park Amphitheater. Attendance is impacted by weather.

Goals and Objectives: The Cultural Activities Fund supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
All activities	All programs	<i>Community Development</i> Promote aesthetic and cultural enhancement
		<i>Service Delivery</i> Promote teamwork between the public and private sector
		<i>Financial Health</i> Pursue revenue enhancement

As the budget is prepared during the very early stages of the events-booking process, no further detail can be provided regarding specific programs. An events guide will be published in early May and distributed through the local newspaper. Expenditures exceed revenues due to timing differences from restricted contributions received in the prior fiscal year for budget year programs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Concert attendance	7,273	8,290	9,500
Performances	21	37	43
Special events	3	2	2

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Charges for services	48,556	28,743	24,500	20,000	39,800
Interest and rents	2,073	2,454	2,100	2,100	2,550
Other revenue	95,002	79,728	67,500	67,500	64,000
<b>TOTAL REVENUE</b>	<b>145,631</b>	<b>110,925</b>	<b>94,100</b>	<b>89,600</b>	<b>106,350</b>
EXPENDITURES:					
Personnel Services	54,033	44,703	37,086	32,586	38,769
Operations & Maintenance	89,599	67,932	53,650	53,650	56,150
Administrative Charges	4,851	5,411	5,830	5,830	6,590
<b>TOTAL EXPENDITURES</b>	<b>148,483</b>	<b>118,046</b>	<b>96,566</b>	<b>92,066</b>	<b>101,509</b>

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

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

Budget Overview: The CDBG Fund budget is highlighted by continued funding of improvement of the housing stock through housing rehabilitation loans, downpayment assistance loans, funding of the Portage Community Center (P.C.C.) for human/public service needs, neighborhood improvement, fair housing activities and administration. The city was notified that the 2010-2011 entitlement would be \$229,000. The 2009-2010 the grant total was \$214,020, and the 2008-2009 grant total was \$210,576 .

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

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

## **CDBG, continued**

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Federal revenue	-	198,354	273,204	214,032	229,000
TOTAL REVENUE	<u>-</u>	<u>198,354</u>	<u>273,204</u>	<u>214,032</u>	<u>229,000</u>
EXPENDITURES:					
Personnel Services	-	160,968	171,851	171,851	173,465
Operations & Maintenance	12,101	53,634	101,353	42,181	55,535
Administrative Charges	-	-	-	-	-
TOTAL EXPENDITURES	<u>12,101</u>	<u>214,602</u>	<u>273,204</u>	<u>214,032</u>	<u>229,000</u>

The responsibilities of the various activities are outlined as follows.

## **HUMAN SERVICES, 291-6624**

These funds are earmarked for the Portage Community Center, which is a primary provider of human service related activities within the City of Portage.

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
EXPENDITURES:					
Operations & Maintenance	-	-	13,442	13,442	18,350
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>13,442</u>	<u>13,442</u>	<u>18,350</u>

## **HOUSING PROGRAMS, 291-6625**

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.

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	-	60,903	66,434	66,434	69,469
Operations & Maintenance	12,101	53,634	85,036	25,864	33,635
Administrative Charges	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>12,101</b>	<b>114,537</b>	<b>151,470</b>	<b>92,298</b>	<b>103,104</b>

## **NEIGHBORHOOD IMPROVEMENT, 291-6626**

This activity accounts for the costs associated with maintaining and improving low and moderate income neighborhoods within the city. The equivalent of .085 full-time zoning and code administrator will be funded.

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	-	56,923	60,608	60,608	65,646
Operations & Maintenance	-	-	50	50	850
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>56,923</b>	<b>60,658</b>	<b>60,658</b>	<b>66,496</b>

## **ADMINISTRATION, 291-6627**

This activity accounts for the administrative costs for both the CDBG annual program and the CDBG Program Income (Fund 792) program. Additionally, fair housing activities will be funded including support for the Fair Housing Center of Southwest Michigan.

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	-	43,142	44,809	44,809	38,350
Operations & Maintenance	-	-	2,825	2,825	2,700
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>43,142</b>	<b>47,634</b>	<b>47,634</b>	<b>41,050</b>

**CABLE TELEVISION FUND**

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

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

<u>Activity/Program</u> Administration	<u>Description</u> All programs	<u>Goal/Objective</u> <i>Public Relations</i> Continue efforts to enhance communication with citizens
-------------------------------------------	------------------------------------	-------------------------------------------------------------------------------------------------------------

	<u>2007-2008</u> Actuals	<u>2008-2009</u> Actuals	<u>2009-2010</u> Adjusted Budget	<u>2009-2010</u> Adopted Budget	<u>2010-2011</u> Council Approved
REVENUE:					
Fees and permits	570,470	621,283	634,000	579,000	623,000
Interest and rents	3,033	1,994	1,500	1,500	1,500
<b>TOTAL REVENUE</b>	<u><u>573,503</u></u>	<u><u>623,277</u></u>	<u><u>635,500</u></u>	<u><u>580,500</u></u>	<u><u>624,500</u></u>
EXPENDITURES:					
Personnel Services	95,337	99,388	111,486	111,486	109,626
Operations & Maintenance	278,330	350,878	398,200	280,700	264,200
Administrative Charges	38,330	62,960	44,040	44,040	51,500
Capital Outlay	14,271	58,104	68,871	59,000	63,000
Transfers Out	87,400	188,000	88,000	88,000	119,000
<b>TOTAL EXPENDITURES</b>	<u><u>513,668</u></u>	<u><u>759,330</u></u>	<u><u>710,597</u></u>	<u><u>583,226</u></u>	<u><u>607,326</u></u>

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

### **ADMINISTRATION, 298-7015**

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

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	95,337	99,388	111,486	111,486	109,626
Operations & Maintenance	278,330	350,878	398,200	280,700	264,200
Administrative Charges	38,330	62,960	44,040	44,040	51,500
<b>TOTAL EXPENDITURES</b>	<b>411,997</b>	<b>513,226</b>	<b>553,726</b>	<b>436,226</b>	<b>425,326</b>

### **PUBLIC SERVICE FEE, 298-7014**

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

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Capital Outlay	14,271	58,104	68,871	59,000	63,000
<b>TOTAL EXPENDITURES</b>	<b>14,271</b>	<b>58,104</b>	<b>68,871</b>	<b>59,000</b>	<b>63,000</b>

### **TRANSFERS OUT, 298-9610**

To supply resources required for technology enhancements in the Capital Improvement Fund.

	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Transfers Out	87,400	188,000	88,000	88,000	119,000
<b>TOTAL EXPENDITURES</b>	<b>87,400</b>	<b>188,000</b>	<b>88,000</b>	<b>88,000</b>	<b>119,000</b>

**WEST LAKE WEED MANAGEMENT - 252**

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

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

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

	<u>2007-2008</u> Actuals	<u>2008-2009</u> Actuals	<u>2009-2010</u> Adjusted Budget	<u>2009-2010</u> Adopted Budget	<u>2010-2011</u> Council Approved
REVENUE:					
Interest and rents	3,992	1,665	1,500	1,500	1,500
Other revenue	11,383	5,283	6,076	6,076	12,152
<b>TOTAL REVENUE</b>	<u><u>15,375</u></u>	<u><u>6,948</u></u>	<u><u>7,576</u></u>	<u><u>7,576</u></u>	<u><u>13,652</u></u>
EXPENDITURES:					
Operations & Maintenance	27,385	45,483	45,000	45,000	45,000
<b>TOTAL EXPENDITURES</b>	<u><u>27,385</u></u>	<u><u>45,483</u></u>	<u><u>45,000</u></u>	<u><u>45,000</u></u>	<u><u>45,000</u></u>

## **CEMETERY PERMANENT FUND - 711**

The Cemetery Permanent Fund accounts for revenue from the sale of cemetery lots. Per State law, the principal received from such sales must remain intact, but the interest earned may be used to fund the ongoing care of the cemeteries. This activity accounts for the transfer to the General Fund to partially offset the cost of cemetery maintenance. In 2010-2011 the cost of cemetery operations will exceed the permanent fund transfers and other cemetery revenue by approximately \$23,002.

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2009-2010</u>	<u>2010-2011</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:					
Charges for services	48,125	42,850	40,000	40,000	40,000
Interest and rents	22,485	14,292	15,000	15,000	8,000
<b>TOTAL REVENUE</b>	<u><u>70,610</u></u>	<u><u>57,142</u></u>	<u><u>55,000</u></u>	<u><u>55,000</u></u>	<u><u>48,000</u></u>
EXPENDITURES:					
Transfers Out	27,000	28,000	15,000	15,000	8,000
<b>TOTAL EXPENDITURES</b>	<u><u>27,000</u></u>	<u><u>28,000</u></u>	<u><u>15,000</u></u>	<u><u>15,000</u></u>	<u><u>8,000</u></u>

**CDBG PROGRAM INCOME FUND**

The Community Development Block Grant (CDBG) Program Income Fund is comprised of the repayment of loans originally made through CDBG programs and the subsequent reallocation of these monies for CDBG eligible activities. Such activities have included housing rehabilitation projects, downpayment assistance loans, funding for human services, including Portage Community Center (P.C.C.), affordable housing development by non-profit organizations and park improvement projects.

Budget Overview: The CDBG Program Income Fund 2010-2011 budget is expected to result in no change in fund balance.

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Housing Loans	Housing rehabilitation and Downpayment assistance loans	<i>Community Development</i> Ensure decent and safe housing
Human Services	P.C.C. and/or other agencies as approved by City Council	<i>Community Development</i> Continue commitment to human services

	<u>2007-2008</u> Actuals	<u>2008-2009</u> Actuals	<u>2009-2010</u> Adjusted Budget	<u>2009-2010</u> Adopted Budget	<u>2010-2011</u> Council Approved
REVENUE:					
Charges for services	50,997	72,310	50,000	50,000	40,000
<b>TOTAL REVENUE</b>	<u><u>50,997</u></u>	<u><u>72,310</u></u>	<u><u>50,000</u></u>	<u><u>50,000</u></u>	<u><u>40,000</u></u>
EXPENDITURES:					
Operations & Maintenance	-	71,726	75,000	75,000	65,000
<b>TOTAL EXPENDITURES</b>	<u><u>-</u></u>	<u><u>71,726</u></u>	<u><u>75,000</u></u>	<u><u>75,000</u></u>	<u><u>65,000</u></u>

The activities carried out by this fund are as follows.



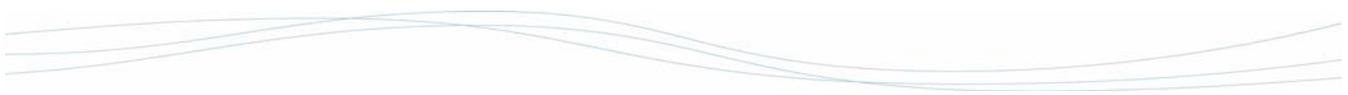
## **HOUSING PROGRAMS, 792-6015**

The CDBG Program Income Fund was instituted to make monies available under the same criteria as those adopted for the Community Development Block Grant program. As loans made by the CDBG housing programs are repaid, the funds will become available to this program.

	<u>2007-2008</u> <u>Actuals</u>	<u>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Adjusted</u> <u>Budget</u>	<u>2009-2010</u> <u>Adopted</u> <u>Budget</u>	<u>2010-2011</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	-	71,726	75,000	75,000	65,000
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>71,726</u>	<u>75,000</u>	<u>75,000</u>	<u>65,000</u>



# Appendices



**CITY of PORTAGE**  
Contributions to Outside Agencies  
Fiscal Year 2010-2011

	2009-2010 Original Budget	2010-2011 Agency Request	2010-2011 Council Approved
General Fund			
Legislative:			
Michigan Municipal League	10,000	9,238	9,238
	10,000	9,238	9,238
Human Services:			
Portage Community Center	96,342	96,342	78,217
+PCC Fund Development	28,142	0	0
YWCA	10,734	14,000	9,070
Housing Resources, Inc.	24,203	24,200	18,835
Catholic Family Services (Ark)	11,137	11,137	8,775
Gryphon Place	4,084	6,000	3,000
Goodwill	0	0	0
Local Housing Assistance Fund	50,000	0	0
	224,642	151,679	117,897
Parks:			
Kalamazoo in Bloom, Inc.	12,000	12,000	12,000
Total, General Fund	246,642	172,917	139,135
Other Funds			
CDBG Fund:			
Portage Community Center	13,442	40,000	18,350
CDBG Program Income Fund:			
Portage Community Center	24,558	0	25,000
Total, All Funds	284,642	212,917	182,485
Total, Portage Community Center			
	134,342	136,342	121,567

## APPENDIX B

### CITY OF PORTAGE Glossary of Terms and Acronyms

**Activity** - The budgetary expenditure level adopted in the General Appropriations Act. An activity is generally a subset of a departmental organization for budgetary purposes. For example, the Fire Department is budgeted in the General Fund as five separate operational activities: Administration, Operations, On-Call Firefighter Program, Fire Prevention, and Training/Safety. An activity is further broken down into object classes of expenditures: Activity categories are in conformance with the *Uniform Chart of Accounts for Counties and Local Units of Government in Michigan*.

**Accrual Basis** - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at the same time or not), synonymous with "full accrual".

**Adopted Budget, Approved Budget** - The revenue and expenditure plan of the city for the fiscal year as reviewed and given final approval by the City Council.

**Appropriation** - An authorization or allocation made by the legislative body that permits officials to incur obligations against, and to make expenditures of, governmental resources (revenues).

**Assessed Valuation** - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

**Authorized Positions** - Employee positions that are authorized in the adopted budget to be filled during the year.

**Bond** - A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

**General Obligation (G.O.) Bond** - This type of bond is backed by the full faith, credit and taxing power of the City.

**Revenue Bond** - This type of bond is backed only by revenues from a specific enterprise or project.

**Budget Amendment** - An adjustment made to the budget during the fiscal year by the City Council to properly account for unanticipated changes which occur in revenues and/or expenditures and for program initiatives approved during the fiscal year. The adjustment is made by formally amending the General Appropriations Act.

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

**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



## APPENDIX B

capital outlay item (fixed asset), the purchase must have a value of at least \$5,000 and a useful life of more than one fiscal year. See also Capital Projects Funds.

**Capital Projects/Improvements Fund** - A fund used to account for the purchase and/or construction of public physical improvements and major acquisitions. The Capital Improvement Fund is the first fiscal year of the annually updated 10 year Capital Improvement Program (CIP). The detailed ten-year CIP plan is contained in a separate document. The Capital Improvement Fund is divided into activities related to various operations of the city, e.g., Water Construction, Street Construction. Capital projects are financed through a combination of dedicated tax millage, bonds, and grants unlike capital outlay items (See Appendix F) that are considered departmental operating expenditures, and are not a part of the 10 year Capital Improvement Program.

**Cash Basis** - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

**CDBG** - Community Development Block Grant. Funding administered by the U.S. Department of Housing and Urban Development (HUD).

**CIP** - Capital Improvement Program. A 10-year plan, revised and approved annually, governing the purchase and/or installation of facility and infrastructure improvements, and the method of financing public physical improvements.

**DDA** - Downtown Development Authority. See Appendix C.

**Debt Service** - Expenditures relating to the retirement of long-term bonded debt principal and interest.

**Debt Service Funds** - are used to account for the payment of general long-term debt principal and interest. Budgeted debt service funds are General Obligation Debt, Special Assessment Debt Service, Building Authority, Downtown Development Authority, and Local Development Finance Authority each defined by the type of bond financing issued.

**Enterprise Funds** - are used to account for the financing of services provided to the general public where all or most of the costs involved are recovered through service charges to the users. The Sewer Operating and Water Operating Funds are Enterprise Funds. Enterprise funds employ the full accrual method of accounting in contrast to governmental funds that employ modified accrual method for budgetary purposes.

**Fiscal Year** - a twelve-month period designated as the operating year for an entity. The fiscal year for the city is July 1 - June 30. In general use, "Fiscal 2006" would refer to the fiscal year ending June 30, 2006.

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**Fund** - An independent fiscal entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are categorized for accounting purposes as General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Permanent. Within the budget, funds are categorized on an operational organizational basis: General, Major and Local Streets, Equipment, Utility, Capital Improvements, Debt Service, and Other Funds. For budgetary purposes a fund may consist of the activities of one or more departments. Funds are defined in the *Uniform Chart of Accounts for Counties and Local Units of Government in Michigan*.

**Fund Balance** - An accumulated excess of revenues over expenditures segregated by fund. Exception: proprietary funds (Enterprise, Internal Service) are accounted for in a similar manner as private businesses, and record net assets as opposed to fund balance. The budgets for these funds are prepared on a net asset basis, which equates to fund balance. See Unreserved Fund Balance and Net Assets. Fund balance is a cash basis concept applicable to budget policy, but superceded by full accrual basis net assets for financial reporting purposes under GASB Statement No. 34.

**General Appropriations Act** - The formal act by which the City Council adopts the recommended budget and establishes the millage rate for taxation of property during the budget year.

**General Fund** - The fund used to account for all financial transactions except those required to be accounted for in another fund. Serves as the primary operating fund for the City.

**Interfund Transfers** - Budgeted allocations of the resources of one fund transferred to another fund. This is typical for those funds that do not receive sufficient revenues to pay for necessary expenditures incurred in their operations. Transfers are also made from certain operating funds to debt retirement funds to retire debt related to the operations of the transferring fund.

**Intergovernmental Revenue** - Funds received from federal, state and other local government sources in the forms of grants, shared revenues, and payments in lieu of taxes.

**Internal Service Funds** - Are used to finance, administer, and account for the financing of goods and services provided by one department to other departments of the city on a cost reimbursement basis. The Equipment Fund is an internal service fund used to centralize repair and maintenance of vehicles and machinery used by city departments.

**Infrastructure** - The basic physical framework or foundation of the city, referring to its buildings, roads, bridges, sidewalks, water system, and sewer system.

**KRESA** - Kalamazoo Regional Education Service Agency.

**LDFA** - Local Development Finance Authority. See Appendix C.

**Mill** - A taxation unit equal to one dollar of tax obligation for every \$1,000 of taxable valuation of property.

**Millage** - The total tax obligation per \$1,000 of taxable valuation of property.

**Modified Accrual Basis of Accounting** - The method of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time that liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

**MTF** - Michigan Transportation Funds. Funds established for the repayment of motor vehicle highway bonds issued by the State of Michigan to finance Major Street improvements.

**Net Assets** - For proprietary funds, the equivalent of retained earnings in a private business; the difference between assets and liabilities.

**Object Class of Expenditure** - Totals of detailed line items that are grouped to facilitate comparison and discussion. Object classes include Personnel Services, Operation and Maintenance, Administrative Charges, Capital Outlay, Debt Service and Transfers Out.

**Operation and Maintenance** - Expenditures for the materials, supplies, and contracted goods and services required for a department to function.

**Organizational Chart** - A chart representing the authority, responsibility, and relationships of departmental entities within the city organization.

**Other Services and Charges** - Expenditures relating to services rendered to the city by private contractors or other units of government such as telephone service, utility costs, repairs and maintenance, insurance, and publishing and printing.

**Permanent Funds** - Are used to account for assets held by the city as trustee. These funds are legally restricted to the extent that any earnings, and not principal, may be used for purposes that support the reporting government's programs. Budgeted trust funds are the Cemetery Permanent Fund, and CDBG Program Income Fund.

**Personnel Services** - Expenditures relating to compensating employees of the city including wages and salaries, longevity pay, holiday pay, shift differential, contractual fringe benefits, employer share of Social Security tax, health insurance, and pension plan payments.

**Prior Year** - The most recently completed fiscal year. In the current budget document, 'prior year' refers to fiscal year 2008-2009.



## APPENDIX B

**Professional** - Expenditures relating to services rendered to the city by external providers of legal services, auditing, architectural services, medical services, and other professional consultation.

**Proposal A** - an Act passed in 1994 which limits the increase of a parcel's taxable value to not more than the increase in the Consumer Price Index or 5 percent, whichever is less.

**Recommended Budget** - The revenue and expenditure plan of the city for the budget year as prepared and recommended by the City Manager for consideration by City Council; administration recommendation.

**Special Assessment District** - A method of financing public improvements by distributing the cost of a project to those properties realizing a direct benefit. Types of projects most often financed through special assessments include sanitary sewers, water mains, road construction and reconstruction, and sidewalk construction.

**Special Revenue Funds** - Are used to account for the proceeds of specific revenue sources or to finance specified activities in accordance with statutory or administrative requirements. Budgeted special revenue funds are Major Streets, Local Streets, Curbside Recycling, Leaf Pickup, Cultural Activities, Community Development Block Grant, and Cable Television.

**State Equalized Valuation (SEV)** - The assessed valuation of property in the City as determined by the City Assessor subject to review by higher levels of government to assure that it equals 50 percent of market value, as required by State law.

**Supplies and Materials** - Expenditures relating to the purchase of expendable items utilized in service delivery such as office supplies, operating supplies, and parts and repair items.

**Tax Base** - The total value of taxable property in the city.

**TIFB** - Tax Increment Finance Board. Established in 1985 pursuant to Public Act No. 450 of 1980 (MCL 125.1801 et seq., MSA 3.540 (201) 35 seq.) The mission of the board is to advise and implement recommendations relative to promoting urban growth and improvement in development areas.

**Transfers Out** - See Interfund transfers.

**Unreserved Fund Balance** - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

**CITY OF PORTAGE**  
Advisory Boards and Commissions

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

**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 D**

**CITY OF PORTAGE**

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

1997-2010

Fiscal Year Ended June 30,	City of Portage						Total City of Portage Tax Rate
	General Fund	Capital Improvements	Debt Service	Curbside Recycling	Leaf Pickup Spring Cleanup	Muni Street	
2010	7.5000	2.0000	.0000	.2710	.2950	.5938	10.6598
2009	7.5000	2.0000	.0000	.2922	.3520	.5156	10.6598
2008	7.5000	2.0000	.0000	.2742	.3700	.3450	10.4892
2007	7.5000	2.0000	.0000	.2742	.3700	--	10.1442
2006	7.4372	2.0000	.0000	.3070	.4000	--	10.1442
2005	7.4712	2.0000	.0000	.3200	.3530	--	10.1442
2004	7.3592	2.0000	.0000	.3850	.4000	--	10.1442
2003	7.4672	2.0000	.1575	.2900	.3870	--	10.3017
2002	7.1480	2.0000	.1920	.3730	.2870	--	10.0000
2001	7.0849	2.0000	.1931	.4350	.2870	--	10.0000
2000	7.1469	2.0000	.1931	.3600	.4000	--	10.1000
1999	7.1559	2.0000	.2011	.4200	.4000	--	10.1770
1998	7.2100	2.0000	.2130	.4200	.3340	--	10.1770
1997	7.0000	2.0000	.2290	.3910	--	--	9.6200

## CITY OF PORTAGE

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

1997-2010

<u>Portage District Library<sup>1</sup></u>	<u>State Education Tax</u>	<u>Portage Public Schools</u>	<u>Kalamazoo County</u>	<u>Kalamazoo Regional Educational Service Agency</u>	<u>Kalamazoo Valley Community College</u>	<u>Total All Jurisdictions</u>
1.5000	6.00	5.0400 <sup>2</sup>	6.7212 <sup>3</sup>	4.8316	2.8135	37.5661
1.4900	6.00	5.0400 <sup>2</sup>	6.3012	4.8316	2.8135	37.1361
1.4900	6.00	2.7000 <sup>2</sup>	6.7162	4.5416	2.8135	34.7505
1.4900	6.00	2.7000 <sup>2</sup>	6.5862	4.5416	2.8135	34.2755
1.4900	6.00	2.7000 <sup>2</sup>	6.1362	4.5416	2.8135	33.8255
1.4900	6.00	3.7000 <sup>2</sup>	6.1362	3.0416	2.8135	33.3255
1.4900	5.00	3.7000 <sup>2</sup>	6.1362	3.0416	2.8139	32.3259
1.4900	6.00	3.7000 <sup>2</sup>	6.1362	3.0416	2.8139	33.4834
1.4900	6.00	3.7000 <sup>2</sup>	6.1400	3.0416	2.8151	33.1867
1.4900	6.00	3.7000 <sup>2</sup>	6.1400	3.0416	2.8151	33.1867
1.3800	6.00	2.6762 <sup>2</sup>	6.1400	3.0418	2.8152	32.1532
1.4200	6.00	2.6762 <sup>2</sup>	6.1400	3.0500	2.8231	32.2863
1.1570	6.00	2.6762 <sup>2</sup>	5.8405	3.0500	2.8231	31.7238

<sup>1</sup>In 1998, the Portage District Library became a separate legal entity apart from the City of Portage. To facilitate comparison, all historical Library data has been segregated from city operations.

<sup>2</sup>Assumes Principal Residence Exemption (PRE) (formerly called 'Homestead') status. Add 18.00 mills for non-PRE.

<sup>3</sup>Includes County Transportation Authority Millage at .4 mills first levied in 2009.

## APPENDIX E

### CITY OF PORTAGE Full-Time Equivalent Positions by Department Fiscal Year 2010-2011

Department	2007-2008 Actual	2008-2009 Actual	2009-2010 Budget	2010-2011 Council Approved
City Manager	6.00	6.00	5.00	4.00
Finance	9.00	10.00	9.00	9.00
Information Technology	3.00	3.00	3.00	2.00
City Assessor	6.00	5.00	5.00	5.00
City Clerk	3.00	3.00	3.00	3.00
Purchasing	3.00	3.00	2.50	2.50
Employee Development	4.00	3.00	3.00	3.50
Benefit Services	5.00	5.00	5.00	4.00
Parks and Recreation	17.08	16.58	15.58	15.33
Police	77.75	77.25	77.25	74.25
Fire	35.50	36.50	35.50	34.50
Community Development	17.00	16.00	15.00	14.00
Senior Center	5.94	6.02	4.94	4.71
Transportation and Utilities	9.00	7.00	7.00	6.00
Streets and Equipment	23.35	20.85	19.85	19.10
<b>Total</b>	<b>225.81</b>	<b>218.20</b>	<b>209.62</b>	<b>200.89</b>

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 work week.  $60 / 40 = 1.5$ ).

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

**CITY OF PORTAGE**  
 Authorized Full-Time Positions  
 1989-2011

Fiscal Year	Positions
2010-11	188
2009-10	197
2008-09	207
2007-08	213
2006-07	211
2005-06	215
2004-05	213
2003-04	219
2002-03	216
2001-02	219
2000-01	219
1999-00	217
1998-99	234
1997-98	235
1996-97	257
1995-96	260
1994-95	259
1993-94	254
1992-93	246
1991-92	241
1990-91	237
1989-90	234

This chart illustrates the number of full-time employees as opposed to full-time *equivalent* employees. Full-time employees receive a comprehensive benefit package, as negotiated through union contracts or granted by City Council. The decrease in 1997-98 was due to privatizing the water and sewer operations. The decrease from 2007/2008 to 2008/2009 was from planned staff reductions based on retirements and attrition. The decrease from 2008/2009 to 2009/2010, and from 2009/2010 to 2010/2011 have been from internal reorganizations based on retirements and attrition.

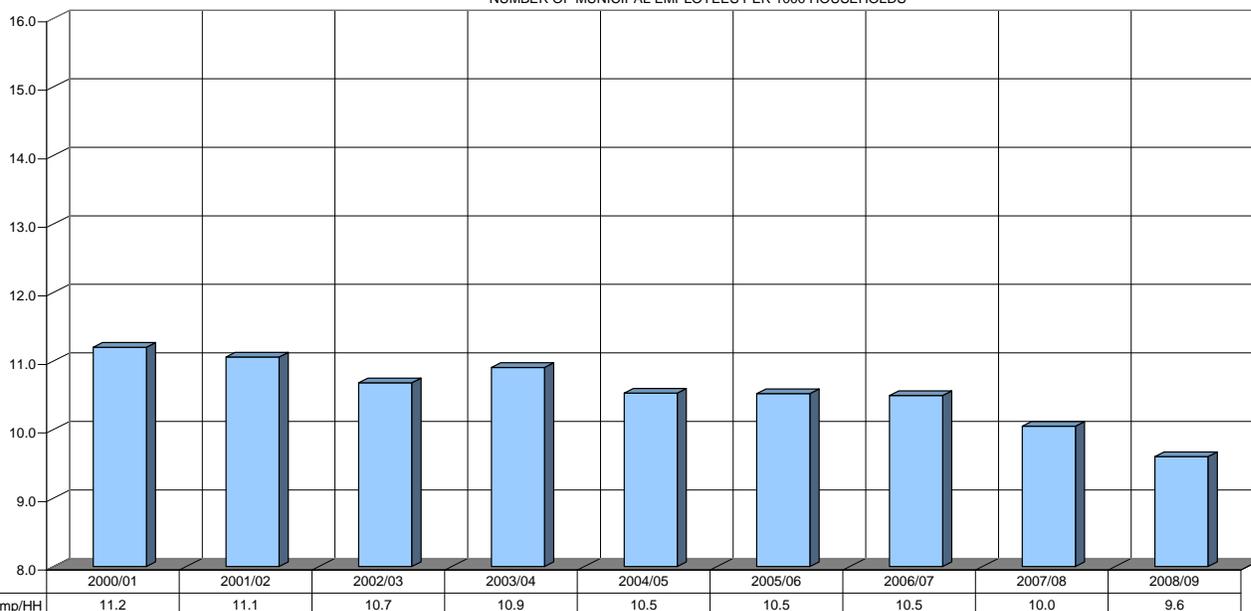
**APPENDIX E**

**City of Portage**  
**2010-2011 Budget**  
**Position Comparison (Budgetary Basis)**

Full Time Authorized Positions	Actual <u>2007-2008</u>	Actual <u>2008-2009</u>	Budget <u>2009-2010</u>	Council Approved <u>2010/2011</u>
<b>General Fund</b>				
City Administration	6	6	6	4
Finance	9	10	9	9
IT/Communications	2	2	2	1
City Assessor	6	5	5	5
City Clerk	3	3	3	3
Employee Development	4	4	3	3
Benefit Services	5	5	4	4
Purchasing	3	3	2	2
Parks and Recreation	13.65	13.15	12.15	11.9
<b>Police Department</b>				
Command	13	13	13	13
Sworn Officers	43	43	42	46
Civilian	<u>18</u>	<u>18</u>	<u>17</u>	<u>11</u>
	74	74	72	70
Fire Department	36	35	35	34
Community				
Development	17	16	15	14
Senior Citizen Services	3	3	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
Total, General Fund	181	179	170.15	162.90
Streets and Equipment Funds	23.35	20.85	19.85	19.10
Transportation and Utilities	<u>9</u>	<u>7</u>	<u>7</u>	<u>6</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Full Time Positions	213	207	197	188

The partial positions in Parks and Streets departments represent the sharing of employees between the two departments. This permits them to maximize utilization of staffing in departments that have offsetting peak labor seasons.

NUMBER OF MUNICIPAL EMPLOYEES PER 1000 HOUSEHOLDS



Fiscal Year	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/2009	2008/09
Number of Full-Time Employees	219	219	216	219	213	215	211	213	207
Number of Households	19,551	19,804	20,220	20,081	20,224	20,430	20,100	20,310	19,872

**Warning Trend:**

Increasing number of municipal employees per 1,000 households

**Formula:**

$$((\text{Number of Municipal Employees}) / (\text{Number of City Households})) \times 1000$$

**Description:**

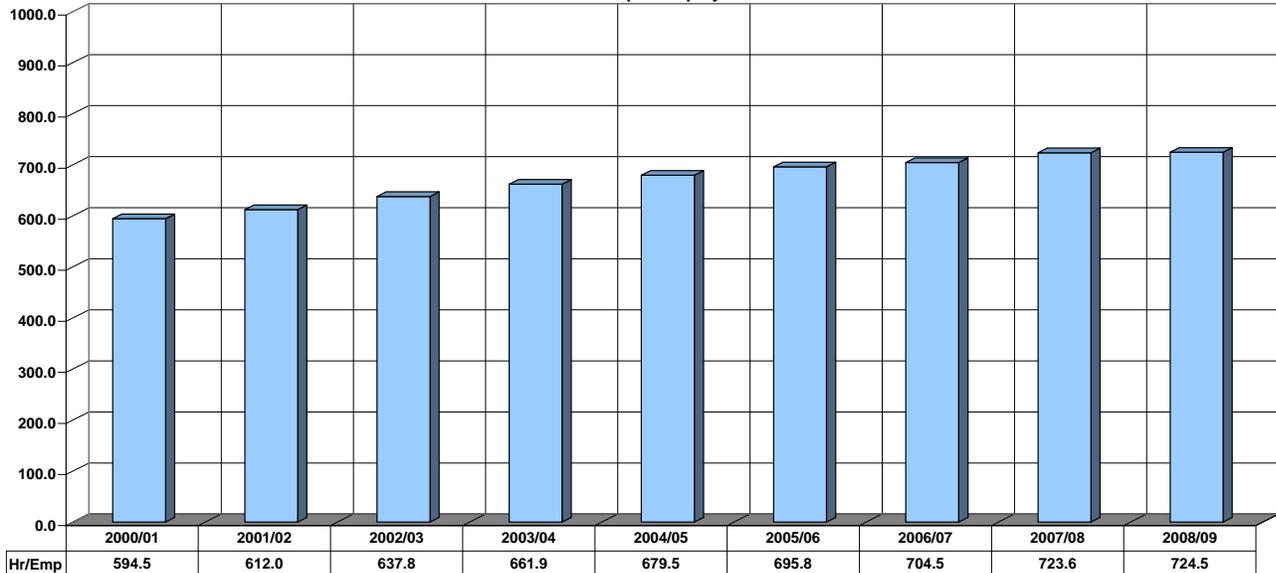
Personnel costs are a major component of the City's operating budget. Tracking change in the number of municipal employees per 1,000 households provides an excellent way to track change in productivity. Increases in this indicator might indicate that personnel expenditures are rising faster than the revenue base that supports it. It might also indicate that the services provided by the City are becoming more labor intensive or that personnel productivity is declining.

**Analysis:**

Historically through 1997, the number of municipal employees per 1,000 Households had remained relatively constant at about 13-15 employees per 1,000 households. Through use of technology where appropriate, the City has been able to increase the effectiveness of its staff and maintain constant staffing levels in times of increasing service demands. The lower staffing level that began in 1997 is due to the City's decision to operate the Water and Sewer systems on a contractual basis instead of using City employees. A further decrease was noted in 2000 when the District Court operations were taken over by Kalamazoo County. Since 2000, when a position becomes vacant, the need for replacement is analyzed and, if warranted, the position is filled. As the economy has worsened, attrition has provided opportunities to reorganize operations for efficiency.

## ACCUMULATED EMPLOYEE LEAVE

In Hours per Employee



### Warning Trend:

Increasing number of accumulated leave hours per employee

Formula:

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

### Description:

The City generally allows employees to accumulate no more than 150% 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% 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 continues to increase primarily due to higher maximum sick leave accumulations permitted in bargaining unit agreements or personnel rules covering non-union staff. The maximum accumulated sick leave hours were raised from 1,200 hours to 1,400 hours as follows:

- As of July 1, 2000 for the PPCOA
- As of July 1, 2002 for the PPOA
- As of July 1, 2003 for non-union staff
- As of July 1, 2004 for the IAFF

## APPENDIX F

City of Portage  
**Fiscal Year Ending June 30, 2011**  
 Budget Request  
 Capital Outlay

### General Fund

#### Police

Radios on Replacement Schedule, upgrading to narrow bandwidth per FCC regulations. Continuing program.	<u>14,510</u>	14,510
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#### Fire

Replace mattresses.	3,000	
Replace four mobile radios to narrow bandwidth per FCC regulations. Continuing program.	2,600	
Rope rescue equipment. Commencement of a phased replacement program of safety ropes.	<u>5,055</u>	10,655

### **Total General Fund**

**25,165**

### Equipment Fund

Replace #68 1997 GMC pickup 117,090 miles	29,500	
Replace #27 GMC pickup 116,223 miles	35,000	
Replace #60 1997 GMC pickup 98,163 miles	<u>30,000</u>	<b>94,500</b>

### Cable TV Fund

Cable Access Equipment Management with PMN	<u>63,000</u>	<b>63,000</b>
--------------------------------------------	---------------	---------------

### Sewer Fund

Lift Station Rehabilitation	<u>60,000</u>	<b>60,000</b>
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### Water Fund

Localized flooding for leaching basins	30,000	
Retention Basin Reconstruction	<u>40,000</u>	<b>70,000</b>

### **Total Capital Outlay Requested**

**312,665**

## APPENDIX G

### **EQUIPMENT FUND-Information Only**

The equipment fund is an internal service fund whose function is to simplify accounting for centrally owned and maintained vehicles and equipment used by other city departments. The revenue received by the Equipment fund is the amount of interfund rental budgeted in each city department and division that uses the equipment fund assets. The equipment fund budget is established to break even. Including the fund in the overall budget would have the effect of double counting the costs. As a result, it is shown in this appendix in detail to support the underlying costs that are charged out by the Equipment fund as equivalent to the rent budgeted by the operating funds. The Equipment Fund records the costs of purchasing, maintaining, and operating vehicles and other equipment. It functions as an Internal Service Fund with the costs of its operations charged to the user departments.

**Budget Overview:** The 2010-2011 budget includes funding for the orderly repair, maintenance, and replacement of the city fleet. The fund is planning to rent large items on an as-needed basis, rather than purchasing and maintaining a large fleet of equipment that may be called upon a few times per year.

**Goals and Objectives:** The Equipment Fund budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Operation and Administration	Upgrade fleet	<i>Public Improvements</i>
	Building maintenance	Update equipment and facilities maintenance
		Maintain facilities

	2007-2008 Actuals	2008-2009 Actuals	2009-2010 Adjusted Budget	2009-2010 Adopted Budget	2010-2011 Council Approved
REVENUE:					
Charges for services	1,588,500	1,308,847	1,703,241	1,703,241	1,691,248
Interest and rents	11,671	3,428	4,000	4,000	4,000
Other revenue	25,311	14,931	40,000	36,000	36,000
<b>TOTAL REVENUE</b>	<b>1,625,482</b>	<b>1,327,206</b>	<b>1,747,241</b>	<b>1,743,241</b>	<b>1,731,248</b>
EXPENDITURES:					
Personnel Services	300,772	290,772	293,274	293,274	375,319
Operations & Maintenance	1,142,365	1,163,502	925,184	918,430	866,380
Administrative Charges	96,366	104,348	141,666	140,463	118,500
Debt Service	-	348,678	270,283	270,283	259,353
Capital Outlay	137,189	10,596	364,900	168,000	94,500
<b>TOTAL EXPENDITURES</b>	<b>1,676,692</b>	<b>1,917,896</b>	<b>1,995,307</b>	<b>1,790,450</b>	<b>1,714,052</b>

The activities carried out by this fund are as follows:

## **OPERATION and MAINTENANCE, 661-4020**

This activity accounts for the costs associated with acquisition, operation, and maintenance of approximately 185 pieces of equipment.

<u>Performance Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Preventative maintenance service requests	191	150	180
Work orders completed	2,239	1,800	2,000
Gasoline usage - gallons	45,202	47,000	48,000
Diesel fuel usage - gallons	42,640	40,000	40,000

	<u>2007-2008 Actuals</u>	<u>2008-2009 Actuals</u>	<u>2009-2010 Adjusted Budget</u>	<u>2009-2010 Adopted Budget</u>	<u>2010-2011 Council Approved</u>
EXPENDITURES:					
Personnel Services	118,191	116,563	125,293	125,293	128,457
Operations & Maintenance	651,803	776,825	802,940	798,130	764,980
Capital Outlay	91,990	3,900	324,900	128,000	94,500
<b>TOTAL EXPENDITURES</b>	<b>861,984</b>	<b>897,288</b>	<b>1,253,133</b>	<b>1,051,423</b>	<b>987,937</b>

## **BUILDING ADMINISTRATION, 661-4026**

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

	<u>2007-2008 Actuals</u>	<u>2008-2009 Actuals</u>	<u>2009-2010 Adjusted Budget</u>	<u>2009-2010 Adopted Budget</u>	<u>2010-2011 Council Approved</u>
EXPENDITURES:					
Personnel Services	182,581	174,209	167,981	167,981	246,862
Operations & Maintenance	490,562	386,677	122,244	120,300	101,400
Administrative Charges	96,366	104,348	141,666	140,463	118,500
Capital Outlay	45,199	6,696	40,000	40,000	-
<b>TOTAL EXPENDITURES</b>	<b>814,708</b>	<b>671,930</b>	<b>471,891</b>	<b>468,744</b>	<b>466,762</b>

## **DEBT SERVICE, 661-9510**

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

	<u>2007-2008 Actuals</u>	<u>2008-2009 Actuals</u>	<u>2009-2010 Adjusted Budget</u>	<u>2009-2010 Adopted Budget</u>	<u>2010-2011 Council Approved</u>
EXPENDITURES:					
Debt service	-	348,678	270,283	270,283	259,353
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>348,678</b>	<b>270,283</b>	<b>270,283</b>	<b>259,353</b>

## APPENDIX H

### CITY OF PORTAGE Financial Trends Fiscal Year 2010-2011

The Finance Department is using the Financial Trend Monitoring System (FTMS) developed by the International City Management Association for evaluating the financial condition of the city. The first presentation of city historical and projected financial condition using the FTMS was made at the City Council goal setting session in December of 1986. The FTMS charts provide flags for identifying problems, clues to their causes, and time to take corrective action. Financial condition refers to: the ability to maintain existing service levels, withstand local and regional economic disruption, and meet the demands of natural growth, decline, and change. These charts are featured throughout the budget document where they can best help explain the material presented.

Information subjected to analysis is derived from Comprehensive Annual Financial Reports (CAFR), annual operating budgets, actuarial reports, and other sources as necessary. Financial condition indicators analyzed and discussed within this report fall into seven broad categories: Revenues, Expenditures, Operating Position, Debt Structure, Unfunded Liabilities, Condition of Capital Plant, and Community Needs and Resources.

The information provided in the FTMS charts is presented in the following manner:

- Unless specifically noted otherwise, the data presented refers to a period consistent with the City's fiscal year ending June 30. The City's historical financial data used in these charts comes from the same data sources as used in the City's Comprehensive Annual Financial Report (CAFR).
- The charts present at least five years of history to provide the reader with a clear picture of both short-term and long-term trends.
- Differences in the FTMS charts between the data presented with this 2009/10 Annual Budget and previous annual budgets result from a conscious effort to correct previously used data, where appropriate, add data to make the report more complete, and ensure that all data elements are used in a consistent manner from chart to chart.
- The pages containing the FTMS charts generally provide:
  - A bar chart or line chart with an underlying data table that contains the data depicted on the chart.
  - A text explanation of the formula used to derive the data shown in the chart and identification of what trend in the indicator would serve as a "warning trend".
  - A text explanation containing more detailed commentary and analysis of the trends and spikes that are evident in the data depicted on the FTMS chart.

## **REVENUE**

Revenues determine the capacity of a city to provide services. Important issues to consider are growth, diversity, reliability, flexibility, and administration. Under ideal conditions, the revenue bases would be growing at a rate equal to or greater than the combined effects of inflation and service demands. Additionally, they would be sufficiently flexible to allow necessary adjustments to changing conditions. They would also be balanced with some growing with the economic base and others growing with inflation. Finally, they would be diversified by source and user fees that would be regularly reevaluated to cover costs of services.

## **EXPENDITURES**

Expenditures are a rough measure of municipal service output. Since most cities are required to have a balanced budget, it seems unlikely that expenditure growth could exceed revenue growth. There are, however, a number of ways to balance the annual budget but still create an imbalance that would have a long-term negative impact on financial condition. Some of the more common ways are to use bond proceeds for operations, borrow from other funds, defer maintenance and capital outlay purchases, or defer funding of a pension plan. Analyzing a city's expenditure profile helps to identify these types of problems.

## **OPERATING POSITION**

The term *operating position* refers to the city's ability to (1) balance its budget on a current basis, (2) maintain reserves for emergencies, and (3) have sufficient liquidity to pay its bills on time.

## **DEBT**

Debt structure is important to analyze because debt is an obligation that must be satisfied when due. Debt is an effective way to finance capital improvements and even out short-term revenue flows, but misuse can cause serious financial difficulties. Temporary inability to repay can result in loss of credit rating, increased cost of future borrowing, and loss of autonomy to State and other regulatory bodies. The most common forms of city debt are general obligation, limited tax general obligation, special assessment, and revenue bonds. The city also purchases equipment through installment contracts and land for parks through land contracts.

## **UNFUNDED LIABILITIES**

An unfunded liability is one that is incurred during the current or prior years that does not have to be paid until a future year, and for which reserves have not been set aside. It is similar to debt in that it represents a legal commitment to pay at some time in the future. An analysis of unfunded pension liabilities can point out whether pension contributions, pension plan assets and investment earnings are keeping pace with the growth in liabilities. (The City has zero unfunded pension liabilities.) Also analyzed is employee leave (compensated absences) so that related liabilities do not go unnoticed until severe problems have been created.



## **APPENDIX H**

### **CAPITAL PLANT**

These indicators include major maintenance of buildings and equipment, maintenance of the street system, and timely replacement of Enterprise and Internal Service Fund assets. Deferral of these expenditures is a relatively painless, short-term way to reduce expenditures and ease financial strain. If continued, it can create serious problems that become exaggerated because of the huge sums of money invested in capital facilities.

### **COMMUNITY NEEDS AND RESOURCES**

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

### **SUMMARY**

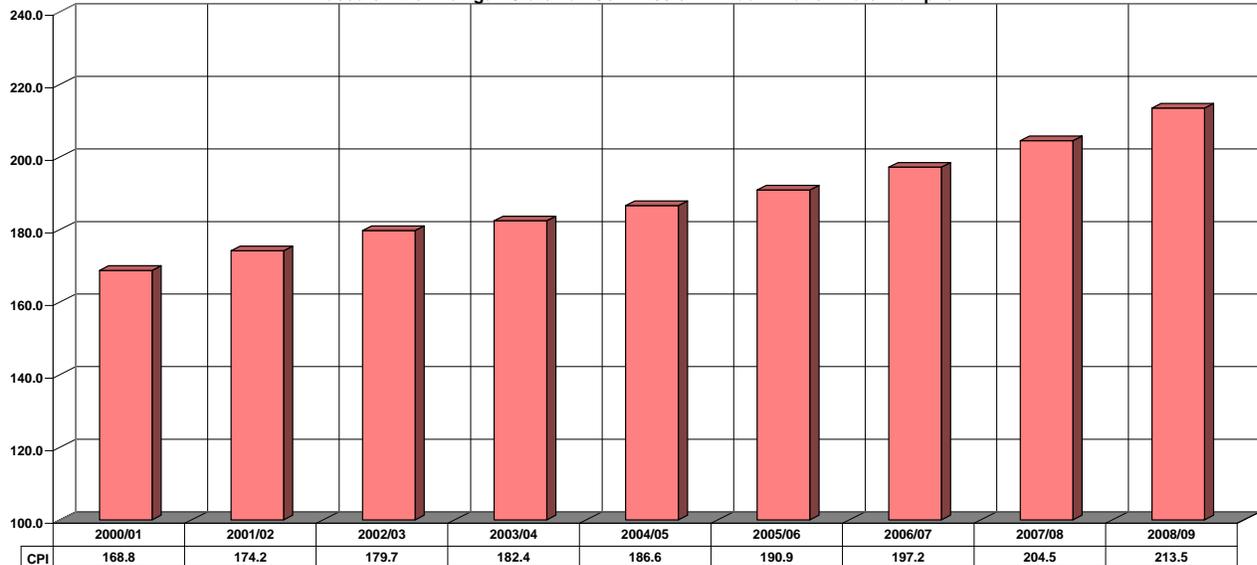
The indicators are monitored regularly. Results are used in administrative sessions and presented to City Council at least annually. They are used as tools for evaluating the financial condition of the city in the goal setting process as well as reviewing the proposed annual operating budget.

The indicators show projections of marginally slowed growth for the city. Past growth has caused general long-term expansion of resources necessary to fund growth-related service demands. Per capita real dollar expenditures are stable in the long term. Reliance on external and elastic revenues is not too heavily weighted. Therefore, adverse economic fluctuations and funding decisions by higher levels of government will not have too strong a negative impact on city services unless escalated and continued over a period of years. Operating position is at a reasonable level with very favorable fund balances. Previous Enterprise Fund shortfalls will be eliminated over the near term. Debt indicators require a continued focus; short-term and long-term debt will continue to be managed closely. Capital maintenance indicators are also favorable.

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

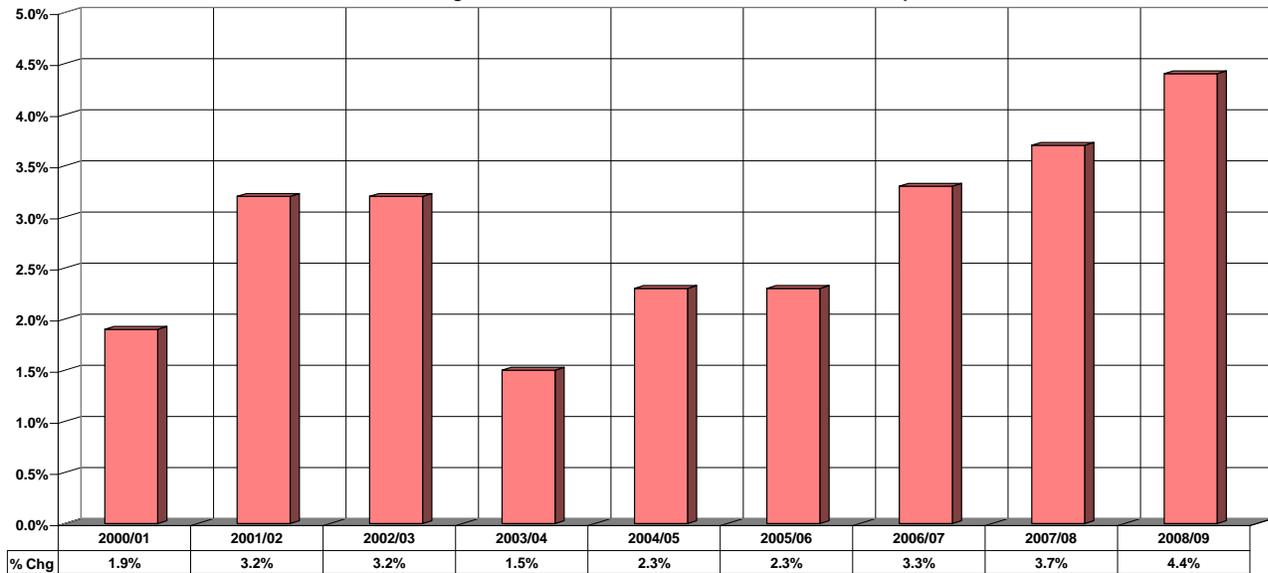
## CONSUMER PRICE INDEX

Based on the Michigan State Tax Commission Annual Inflation Rate Multiplier



## ANNUAL % CHANGE IN THE CONSUMER PRICE INDEX

Source: Michigan State Tax Commission Annual Inflation Rate Multiplier



The City of Portage has determined that the most relevant measure of inflation to use in analyzing its financial indicators on a “constant dollar” basis is the Inflation Rate Multiplier published annually by the Michigan State Tax Commission. Its basis is the numerical average of the monthly CPI-U values from the Bureau of Labor Statistics for the last two State of Michigan fiscal years. The Inflation Rate Multiplier is used by local assessors in the Annual Capped Value Formula and the Headlee Millage Reduction Fraction calculations required by law. These calculations effectively place a maximum value on the amount of revenue that a local government can collect via property taxes in a given fiscal year.

The CPI index value shown in the chart above reflects annual adjustment of the CPI index received from the Michigan State Tax Commission.

## Governmental Accounting Standards Board Statement No. 34

The City of Portage fully implemented GASB Statement No. 34 in the fiscal year ended June 30, 2003. This permits consolidation of all funds into one comprehensive summary. The Consolidated Annual Financial Report (CAFR) uses the full accrual method of accounting in all funds; budgetary presentation does not. The Governmental Accounting Standards Board Statement No. 34 permits units of government answer the question "What is the relative financial burden that each of the units' programs places on the taxpayers?" through their financial reporting. The statement that follows has been prepared on a budgetary basis using the new reporting model under Generally Accepted Accounting Principals (GAAP).

There are several very significant differences between this statement that presents the budget in the same form as the CAFR and the CAFR itself. Some of the main differences are:

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 CAFR.
3. Under the basis of accounting used in proprietary funds, the receipt of long-term debt proceeds, capital outlays, and debt service principal payments are not reported in operations, but allocations for depreciation and amortization are recorded. The opposite is true under the budgetary basis of accounting.
4. Capital improvements do not appear on the Statement of Activities (Income Statement) in the CAFR. Instead, capital improvements are capitalized and are reported in the Statement of Net Assets (Balance Sheet). Capital improvements are depreciated over the expected life of the asset for the CAFR, and infrastructure assets such as streets and sidewalks have been capitalized and depreciated. In accordance with GASB Statement No. 34, the historical cost balance of infrastructure assets has been reconstructed back to the incorporation of the City in 1962 for CAFR purposes. 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 Consolidated Annual Financial Statement (CAFR) because the GAAP definition of control for financial reporting purposes differs from the legal capacity to appropriate funding. Certain funds may be excluded because appropriations come to them through other funds. For example, the defined benefit plan pension trust is excluded from the budgetary funds because contributions to it are appropriated through the personnel cost appropriations in the operating funds. Funds excluded from the budgetary funds include: insurance fund, pension trust, and the component units LDFA and Economic Development that are legally distinct entities from the City of Portage. Debt service undertaken by the City on behalf of the component units is, however, included because the borrowing commits the full faith and credit of the City.



**CITY OF PORTAGE  
Budgetary Fund Structure**

**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 Fund

Cultural Activities Fund

MSHDA Grant Fund

CDBG Fund

Cable Television Fund

West Lake Weed Management Fund

CDBG Program Income Fund

Debt Service Funds

Capital Improvement Funds

Enterprise Funds:

Sewer Operating Fund

Water Operating Fund

Cemetery Permanent Fund

Internal Service Fund:

Equipment Fund

