

Honorable Mayor and City Council:

April 12, 2011

The fiscal year 2011-2012 proposed budget has been developed and is presented in accordance with the requirements of the Portage City Charter.

The City Administration remains committed to the delivery of balanced budgets to the City Council, as has been accomplished with the fiscal year 2011-2012 proposed budget. Pursuant to the Goals and Objectives adopted by the Portage City Council, highlights of the fiscal year 2011-2012 proposed budget include:

- Incorporation of a 2.9 percent decrease in property tax revenue (which impacts upon all millage supported funds).
- Incorporation of a planned loss of the remaining portion of statutory revenue sharing, as included in the Governor's budget proposal.
- Maintenance of a low, but slightly increased, overall city tax rate of 10.8916 mills.
- Maintenance of the Council-prescribed 13 percent fund balance for the General Fund.
- Maintenance 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.

Preparatory to development of the fiscal year 2011-2012 proposed budget, the City Administration completed an analysis and projection of budget trends through fiscal year 2014-2015. The results, which were shared with the City Council at the 2010 City Council Goal Setting Session, suggested:

- *General Fund revenue will continue to decline to levels just above \$21 million in subsequent years and remain stagnant at those levels for several years thereafter;*
- *An anticipated tax revenue decline in fiscal year 2011-2012 in the range of 2 percent to 4 percent;*
- *An anticipated loss in 2011 of the remainder of statutory revenue sharing.*
- *A continuing reduction in the city's core operating costs over the past several years. (Fiscal year 2009-2010 core operating costs were less than they were five years ago. Core meaning, before transfers to pay debt service);*
- *A growing share of General Fund expenditures being absorbed by police and fire services. In fiscal year 2009-2010, the Police and Fire Department budgets absorbed 61 percent of the General Fund budget, compared to 54 percent in fiscal year 2002-2003. (Between fiscal years 2002-2003 and 2009-2010, expenditures increased by \$1.6 million in the Police Department, by \$800,000 in the Fire Department and by \$100,000 in Parks & Recreation. Over the same period, expenses in all other departments have collectively decreased by \$600,000);*

- *Increasing support of the General Fund for the Major and Local Street Funds as a result of decreasing Act 51 revenues;*
- *Due to declining property tax revenue, anticipation of the need for a transfer from the General Fund to the Capital Improvement Program to support Capital Improvement Program debt service over the next several years;*
- *The need for additional expenditure reductions and a revised organizational structure over the next three years to adjust for additional revenue declines to support:*
 - a) *debt service costs in the Capital Improvement Program and Major and Local Street Funds,*
 - b) *public safety related services at current levels and*
 - c) *to best support the reduced work force and prepare for key administrator retirements;*
- *An anticipation that future expenditure reductions will be directed to Parks & Recreation, although not exclusively;*
- *An estimation that the window of opportunity for further expenditure reductions will extend for approximately three years (to fiscal year 2013-2014). Should an economic recovery continue to lag, it is anticipated that a need will exist for major service alterations or revenue enhancements.*

In accordance with the above-noted analysis and projection of budget trends, the fiscal year 2011-2012 proposed budget presents additional cost containment measures that are designed to further reduce operating expense while guarding against substantive impact to core service delivery. Notably, with the fiscal year 2011-2012 proposed budget, the city continues to reduce the number of full-time employees; continues to implement additional operating cost reductions; is further altering benefit levels for non-union employees hired after July 1, 2011; provides General Fund support of the Capital Improvement Program, the Major Street Fund and the Local Street Fund and continues for a third year, a freeze on merit pay increases for non-union and department head employees.

As was communicated during the 2010 City Council Goal Setting Session, fiscal year 2011-2012 cost control measures are being concentrated in Parks and Recreation services (although not exclusively) as reductions in this area have been deferred as long as practical. With regard to specific Park and Recreation reductions, funding has been further reduced for many aesthetic related expenditures, including flower plantings and holiday lighting, and has been eliminated for the Livery operation at Portage Creek Bicentennial Park, Apple Fest, the Fall Bicycle Tour, Haunted Forest, major event banners (e.g., Portage Invitational Cross Country Meet and the Portage Soccer Classic), the Fun Center program and the Senior Center wellness program. Furthermore, funding support has been minimized for the Summer Entertainment Series, which will impact upon the 2012 program year.

In addition to the expenditure reductions included in the fiscal year 2011-2012 proposed budget, a revised organizational structure is being implemented to adjust for continuing employment level reductions, to respond to key administrator retirements (taken and anticipated) and to focus administrative efforts to gain additional operating efficiencies over time. Two key elements of the organizational changes will be implemented July 1, 2011:

- A further reduction in Department of Community Development staff levels and promotion of Deputy Director Georgeau to Director of Community Development (confirmed by City Council on March 22, 2011).
- Co-location of the Department of Parks & Recreation and Department of Streets & Equipment, along with the appointment of the Department of Parks, Recreation & Public Services Director Designate Deming.

Additional reductions in the level of staffing in the Department of Community Development are reflective of the reduced level of building activity in the City of Portage and continuing reductions to the level of Community Development Block Grant funding to the city. Co-location of the Parks & Streets Departments is preliminary to a complete consolidation of these operations upon the future retirement of the Director of Streets & Equipment, providing for a more structured transition to a combined operation over the next year.

Although the City Administration projects a stabilization of the city property tax base in 2012, only marginal additions to General Fund revenue are expected, potentially for a number of years. Therefore, the ability of the city to absorb substantive increases to the base cost of operations is not anticipated to improve appreciably over the next few years. Furthermore, if projections prove to be optimistic, the potential for additional expense reductions without direct and noticeable impact upon services provided will be unlikely. Accordingly, financial conditions will continue to be monitored to enable the City Administration to take prompt action should conditions warrant.

Of particular note during the fiscal year 2011-2012 budget period:

- Total full-time staffing is being reduced to at least 184 from 188 positions in fiscal year 2010-2011 (and from 215 positions in fiscal year 2005-2006).
- Transfers from the General Fund to the Major and Local Street Funds in the amount of \$570,000 will be accomplished.
- A transfer from the General Fund of \$316,000 to the Capital Improvement Program will occur.

With little relief to area economic difficulties anticipated in the near term, the proposed budget has been drafted to prepare the city for the expected additional financial challenges that lie ahead. Should City Council desire changes to increase expenditure levels in the fiscal year 2011-2012 proposed budget or should city revenues erode further in the months ahead, additional staffing adjustments and/or service modifications will need to be implemented to ensure a balanced city budget.

Overview

A total city budget of \$60.3 million is presented to the City Council for consideration. The major categories of the city budget include the General Fund, Capital Improvement Program Fund, Curbside Recycling Fund, Leaf Pickup/Spring Cleanup Fund and 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 being supplemented by Federal Highway Funds and Special Assessment Revenue. Other major budget categories include the Utility Funds (supported through ratepayer service charges) and the Major and Local Street Funds (typically supported through intergovernmental revenue such as 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 2011-2012 proposed budget is 10.8916 mills, a slight increase to the fiscal year 2010-2011 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 0.4000 mills for the brush and leaf pickup/spring cleanup programs, the levy of 0.3603 mills for operation of the curbside recycling program and the levy of 0.6313 mills for the Municipal Street Fund millage. A comparison of the 2010-2011 millage and the 2011-2012 proposed millage is provided below:

Average Single Family Residence	2010 Taxable Value \$73,400		2011 Taxable Value \$73,300		2011 Inflation Adjusted Taxes	
	Mills	Taxes	Mills	Taxes	Mills	Taxes
General Fund	7.5000	550.50	7.5000	549.75	7.5000	540.56
Capital Improvement Fund	2.0000	146.80	2.0000	146.60	2.0000	144.15
Curbside Recycling Fund	0.2710	19.89	0.3603	26.40	0.3603	25.96
Leaf Pickup/Spring Cleanup Fund	0.2950	21.65	0.4000	29.32	0.4000	28.83
Municipal Street Fund	0.6652	48.82	0.6313	46.27	0.6313	45.50
Total Millage/Taxes	10.7312	787.66	10.8916	798.34	10.8916	785.00

Significant aspects of the major budget categories are outlined on the following pages.

General Fund

The city continues in a period of declining revenue. For the second consecutive year the city will realize a **decrease** in General Fund property tax revenue. The 4.0 percent decrease in property tax revenue experienced in fiscal year 2010-2011 is being followed with a

Projected State Revenue Sharing	2010-2011	2011-2012
Statutory	\$335,000	- 0 -
Constitutional	\$3,088,884	\$2,917,902
Total Revenue Sharing	\$3,423,884	\$2,917,902
% of General Fund Budget	14.9%	12.5%

further property tax revenue decrease of 2.9 percent in fiscal year 2011-2012. State shared revenue for the City of Portage has been estimated through the State Budget Office as \$2,917,902 for fiscal

year 2011-2012, representing a decrease of more than \$500,000 from the fiscal year 2010-2011 budgeted State Revenue Sharing amount.

Before transfers to the Major Street Fund, Local Street Fund and the Capital Improvement Fund, total expenditures of the General Fund are proposed at \$22,521,317, which represents a 0.4 percent decrease from fiscal year 2010-2011 budgeted expenditures before transfers. Including budget transfers, the fiscal year 2011-2012 proposed budget expenditures are \$23,407,317, which are approximately 1.6 percent greater than fiscal year 2010-2011. The level of budget transfer from the General Fund is reflective of the impact decreasing property tax revenue, decreasing Act 51 funding and reductions in State Revenue Sharing are having on most major budget expenditure categories, such as the Capital Improvement Fund and the Major and Local Streets Funds.

A 13 percent fund balance is planned for the fiscal year 2011-2012 proposed budget, as prescribed by City Council policy. 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 2011-2012, the Police and Fire Department budgets together represent nearly \$13.7 million (58.6 percent) of all General Fund expenditures.

In addition, due to decreases in Act 51 revenue, there is a continuing need for additional funding support of street related funds. 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 may need to be addressed on an annual basis. For the fiscal year 2011-2012 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 transfers from the General Fund through the fiscal year 2009-2010 and 2010-2011 city budgets. An additional transfer of \$570,000 from the General Fund to the Major and Local Streets Funds is included in the fiscal year 2011-2012 proposed budget.

The level of General Fund support for human service programs has been continued at the Council prescribed policy of 0.55 percent of General Fund revenue in the fiscal year 2011-2012 proposed budget. An appropriation of \$117,127 of fiscal year 2011-2012 General Fund revenue, in addition to \$47,334 of Community Development Block Grant revenue, is proposed for allocation to human service agencies. In the fiscal year 2011-2012 proposed budget, \$126,443 of this total amount of human service funding has been recommended by the City Administration for support of the Portage Community Center.

Human Public Service Funding	2010-2011	2011-2012
Portage Community Center	\$121,567	\$126,443
YWCA	\$9,070	\$9,405
Housing Resources, Inc.	\$18,835	\$19,504
The Ark of Catholic Family Services	\$8,775	\$9,109
Gryphon Place 211 Service	\$3,000	- 0 -
Portage Senior Center	\$138,280	\$123,297

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 2011-2012 proposed budget at a subsidy of approximately \$123,297.

The fiscal year 2011-2012 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 other post-employment benefits.

Capital Improvement Fund

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. The fiscal year 2011-2012 proposed Capital Improvement Fund provides funding support for construction-related projects to be undertaken by the city in the upcoming year. Additionally, the 2011-2021 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, special assessments and through a fund transfer from the General Fund.

As a consequence of continuing and projected financial constraints, capital projects have been redefined, deferred and rescheduled, as appropriate, and are recommended so that cost control and efficiencies can be achieved. The fiscal year 2011-2012 proposed Capital Improvement Fund supports an approximate \$8.482 million expense associated with infrastructure improvements. Of this total, approximately \$2.290 million is directed to street-related

improvements. In comparison to the fiscal year 2010-2011 Capital Improvement Fund, street-related infrastructure improvements are more directly focused on street reconstruction as opposed to street expansion projects. As an example, the fiscal year 2010-2011 Capital Improvement Fund allocated approximately 64 percent of all street-related funding to major and local street reconstruction as compared to 100 percent of street-related funding directed to these areas in the fiscal year 2011-2012 plan.

In addition to street-related expenditures, approximately \$150,000 is directed to utility infrastructure improvements and approximately \$739,000 is proposed in public facility, sidewalks/bikeways, police, fire and park and recreation improvements.

2011-2012 Top Ten Capital Improvement Expenditures	
1. Major Street Reconstruction Program	\$1,790,000
2. Local Street Reconstruction Program	\$500,000
3. Police Vehicles	\$152,000
4. Pineview Water Storage Facility	\$150,000
5. Information Systems Improvements	\$137,000
6. City Centre Parking / Walkway Resurface	\$60,000
7. Bikeway Improvements	\$56,000
8. Park Trail Improvements	\$50,000
9. Playground Improvements	\$50,000
10. Replace Personal Protective Fire Equipment	\$49,000

Maintaining the city street infrastructure continues to receive a high budget priority, with a total of over \$38 million proposed for investment in city streets through the 2011-2021 Capital Improvement Program. Significant emphasis is placed upon major and local street reconstruction projects over the duration of the ten-year program, with over \$24 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 Program. While SWEPs 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.

Utility Funds

The city undertakes a Utility Rate Financial Study each year to ensure that user rates are sufficient to fund the entire cost of the utility system operation. 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.

In preparation of the 2011 Utility Rate Financial Study, the city engaged the services of Utility Financial Solutions, LLC to undertake a comprehensive review of the city utility rate model. Evaluation of the current model revealed the need for modification of the method for allocating utility expense. Historically, the city has more heavily relied on the annual adjustment of commodity rates (covering expenses related to variable expenses such as

treatment charges, equipment rental cost, the utility operation and maintenance contract expense, etc.) as opposed to the basic quarterly charge (which covers fixed expenses despite the amount of water pumped or sewage transported such as personnel service costs, printing and publishing and equipment repair and maintenance, etc.). Modifying the cost allocation method to more accurately assign the fixed costs of the utility operation provides for a more equitable assessment of charges for utility services.

The amount of accumulated debt remains an issue with the utility funds. As a result, large working capital deficits that have developed in the Water Fund present an ongoing challenge, as do decreasing rates of water use. In the Sewer Fund, continuing decreases in sanitary sewer flow presents a further complication. Both situations result in the need to continue to increase consumer rates to enable adequate working capital balances to be maintained / achieved. At recommended levels of rate increases, positive working capital balances are expected to be maintained in the Sewer Fund and restored to the Water Fund in fiscal year 2013-2014.

Sewer Fund – The 2011 Utility Rate Financial Study recommends a proposed rate increase in the Sewer Fund of 9.59 percent to the typical residential customer, which is less than the 14.96 percent increase anticipated with the 2010 Utility Rate Study. The decreased rate of increase is reflective of the lower-than-expected treatment charge increase passed on to Portage rate payers by the City of Kalamazoo. For the typical average-use residential customer, the proposed increase would result in an added monthly expense of \$3.32 for municipal sewer service, \$2.78 for the typical low-use residential customer and \$6.74 for the typical high-use residential customer.

Water Fund – In the Water Fund, decreasing rates of consumption have significantly impacted upon system revenues. The recommended rate increase of 12.35 percent is, therefore, greater than the 11.64 percent rate of increase projected with the 2010 Utility Rate Financial Study. For the typical average-use residential customer the proposed increase would result in an added monthly expense of \$3.57 for municipal water service, \$3.12 for the typical low-use residential customer and \$7.75 for the typical high-use residential customer.

The combined rate of increase of 10.85 percent for the typical residential customer having both municipal water and sewer is considerably lower than the 13.45 percent rate of increase anticipated in the 2010 Utility Rate Financial Study. For the typical average-use residential customer, the proposed increase would result in an added monthly expense of \$6.89 for municipal sewer and water service, \$5.90 for the typical low-use residential customer and \$14.49 for the typical high-use residential customer.

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 2011 Utility Rate Study to address 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 2011-2012 proposed budget. Funding of \$295,000 for street pavement maintenance programs has been proposed.

Major and Local Street Funds have been scrutinized to minimize cost; however, as previously noted, it is clear that a major source of revenue for these funds, Act 51 revenue, has been 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 2011-2012 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. As will be recalled, the fiscal year 2010-2011 budget maintained the Curbside Recycling millage at the 2009-2010 levy of 0.2710 through the use of fund balance. However, as was communicated last year, a continuing decline in the property tax revenue base would necessitate either a millage increase or service reduction in 2011-2012. Accordingly, a millage increase of 0.0893 is recommended in order to maintain the current level of service. The Curbside Recycling millage levy is, therefore, recommended at 0.3603 mill.

Leaf Pickup/Spring Cleanup Fund

The fiscal year 2011-2012 proposed budget continues the provision of three fall leaf collection periods through the Leaf Pickup Program, as well as the separate Spring Cleanup Program and the quarterly Curbside Brush Collection Program. With additional demands placed on the Leaf Pickup/Spring Cleanup Fund due to the damage resulting from a major ice storm in February 2011, all reserves of the fund have been depleted. Furthermore, decreases in property tax revenue impact upon funding support for the leaf pickup and spring cleanup programs. In order to re-establish a fund balance for the Leaf Pickup/Spring Cleanup fund and maintain these programs at current levels, a millage levy increase is required. As a result, the Leaf Pickup/Spring Cleanup millage has been recommended at the maximum 0.4000 mill levy. However, even at the proposed millage level, a minimal projected ending fund balance of 7 percent will exist June 30, 2012. Obviously, encountering the need for an additional leaf pickup or brush pickup over the next fiscal year will be problematic, given the minimal projected fund balance in the Leaf Pickup/Spring Cleanup fund.

General Fund Balance

The City Council established policy for a 13 percent fund balance of General Fund expenditures has been met in the fiscal year 2011-2012 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. 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 2011-2012 proposed budget maintains the favorable position of the City of Portage being in the lower 25 percent 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 2011-2012**

City Officials as of May 24, 2011

Peter J. Strazdas
Mayor

Cory A. Bailes
Councilmember

Patricia M. Randall
Councilmember

Terry R. Urban
Councilmember

Ed Sackley
Mayor Pro Tempore

Elizabeth Campbell
Councilmember

Claudette Reid
Councilmember

Maurice S. Evans
City Manager

TABLE OF CONTENTS

<u>PAGE NUMBER</u>	
1	Transmittal Letter
15	Overview
18	Organizational Chart
19	City of Portage History
21	Community Profile
36	Fiscal Policy
44	Mission Statement, Goals and Objectives
50	Where Taxpayer Dollars Went in 2010-2011
51	Cost of City Services to the Average Resident
56	Millage Recap
59	Budget Summary by Fund Type
62	Summary of Revenues - All Funds
68	Summary of Expenditures - All Funds
69	Total Expenditures by Department and Fund Type
76	Constitutional Tax Limitations
78	Resolution to Adopt a Millage Rate Above the Base Tax Rate
79	General Appropriations Act Resolution to Adopt the Budget
80	Salary and Wage Resolution
81	<u>General Fund</u>
85	General Fund Revenues
91	Summary of Expenditures - General Fund
96	General Fund
97	Legislative:
98	City Council
98	Human Services
101	District Court
102	City Manager
104	Finance:
105	Accounting
106	Finance and Budget
107	Treasury
108	Information Technology Services
110	I/T
111	Public Information
112	City Assessor:
113	Assessor
114	Board of Review
115	City Attorney
116	City Clerk:
117	Elections
118	Clerk
119	Records Management
120	Employee Development
122	Benefit Services

PAGE NUMBER

General Fund (continued)

124	Purchasing:
125	Purchasing
126	Risk Management
127	Parks and Recreation/Property Management:
130	Buildings and Grounds
131	Cemeteries
132	Parks
133	Kalamazoo In Bloom
133	Recreation
137	Senior Citizen Services:
138	Senior Center
139	Senior Trips
139	Senior Activities
139	Senior Grant Programs
140	Public Safety – Police Division:
143	Administration and Staff
144	Youth Services
145	Investigation
146	Patrol
147	Volunteer Parking Enforcement
147	Training
149	Public Safety Dispatch/Technical Services
150	Records/Property
151	Drug Law Enforcement
152	Public Safety – Fire Division:
154	Administration
155	Operations
156	On-Call
156	Fire Prevention
157	Training/Safety
158	Emergency Management
159	Community Development Department:
162	Building Services
164	Planning and Development Services
165	Neighborhood Services
166	Street Lighting
167	Portage Public Schools Contract
167	Transfers Out

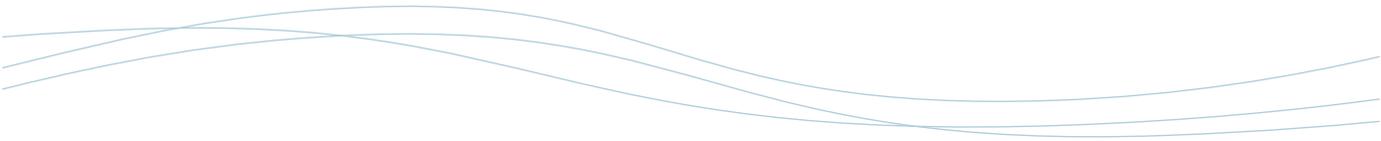
169 Streets and Transportation

173	Major Streets
179	Local Streets
185	Municipal Streets Fund
186	Brownfield Redevelopment Authority

PAGE NUMBER

187	<u>Utilities</u>
190	Sewer Operating
194	Water Operating
201	<u>Public Improvement Funds</u>
203	Capital Improvement
214	Sewer Capital Improvement
215	Water Capital Improvement
217	<u>Debt Service Funds</u>
223	Debt Summary
224	General Obligation Debt
225	MTF-1997 Major/Local Streets
226	MTF-2008 Major/Local Streets
226	MTF-2010 Refunding
227	Building Authority Debt Service
227	DDA Debt Service
228	L DFA Debt Service
229	Special Assessment Debt Service
231	<u>Other Funds</u>
233	Curbside Recycling
234	Leaf Pickup/Spring Cleanup
237	Cultural Activities
238	Community Development Block Grant (CDBG)
241	Cable Television
243	West Lake Weed Management
244	Cemetery Permanent Fund
245	CDBG Program Income Fund
247	<u>Appendices</u>
249	A Contributions to Outside Agencies
250	B Glossary of Terms and Acronyms
255	C Advisory Boards and Commissions
258	D Property Tax Rates - Direct and Overlapping Governments
260	E Full-Time Equivalent Positions by Department
261	E Authorized Full-Time Positions
262	E Position Comparison (Budgetary Basis)
265	F Capital Outlay
266	G Equipment Fund
268	H Financial Trends

Overview



PORTAGE

A Place for Opportunities to Grow

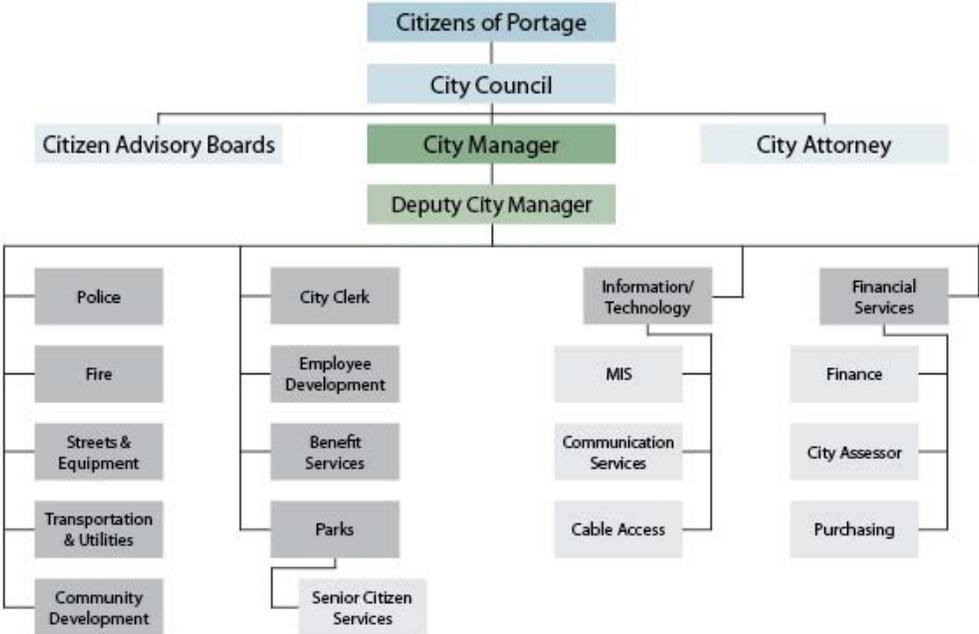
The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Portage for its annual budget for the fiscal year beginning July 1, 2010.



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



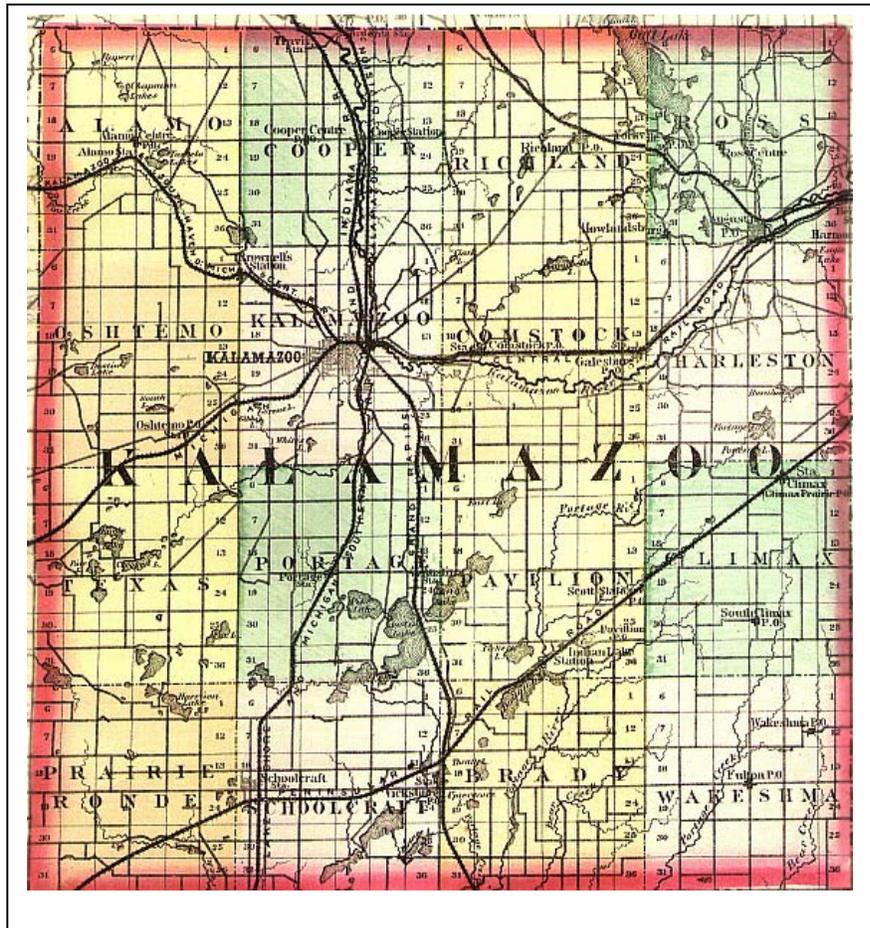
Rev. 1/19/2010

City of Portage History

History shows that the first inhabitants of Portage were the Potawatomi Indians. It is believed that the Potawatomis 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.



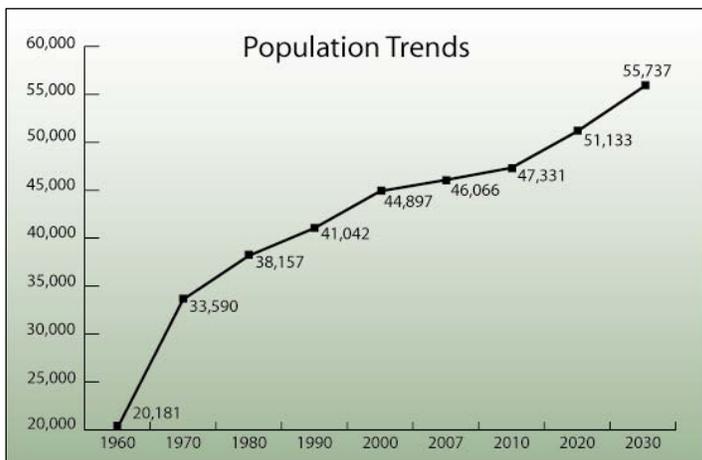
Portage Creek

CITY OF PORTAGE COMMUNITY PROFILE Fiscal Year 2011-2012

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. 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, an excellent school system, numerous shopping and recreational opportunities, is located in close proximity to a variety of post-secondary education institutions and maintains a highly educated workforce. These characteristics, coupled with one of the largest employment bases in the region, make Portage a very attractive place in which to live, work and learn.



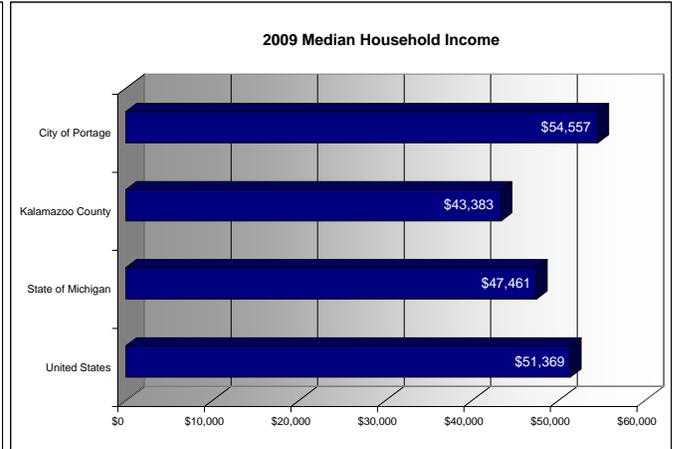
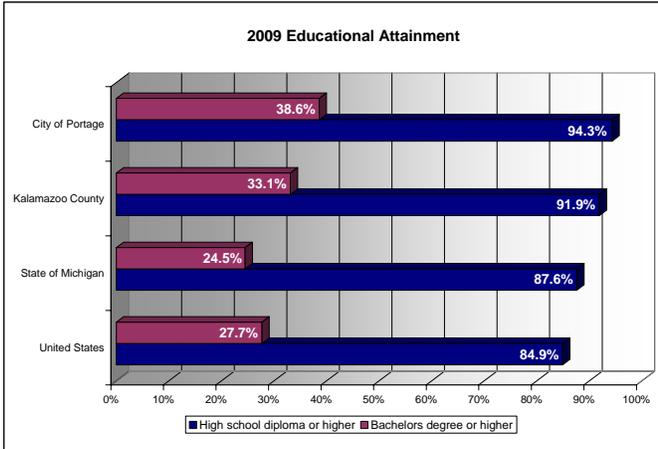
From the 1960's, and with the newly completed east-west Interstate-94 through southern Michigan, the former farming community experienced significant growth forces. Southland Mall, one of the first suburban shopping complexes in Kalamazoo County, was developed and expanded in the 1950's and early 1960's.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



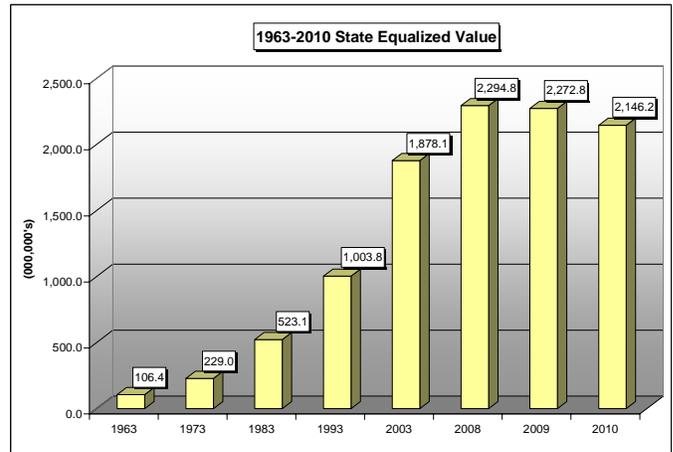
Today, Portage continues to be a place where opportunities can grow! The population of Portage has been growing at steady rates during the 1980's and 1990's and has more than doubled since 1960. By 2000, Portage had a population of 44,897 and Census Bureau estimates a 2009 population of 46,453. The population is expected to increase to nearly 56,000 by 2030 as shown on

the accompanying Population Trends chart. Portage continues to maintain one of the largest shares of population growth (in terms of absolute numbers) in the county.

As shown in the charts below, the median household income of Portage residents continues to exceed the county, state and national averages. This trend is also evident in the level of education attainment. Over 94% of Portage residents have a high school diploma and nearly 39% have a college degree.



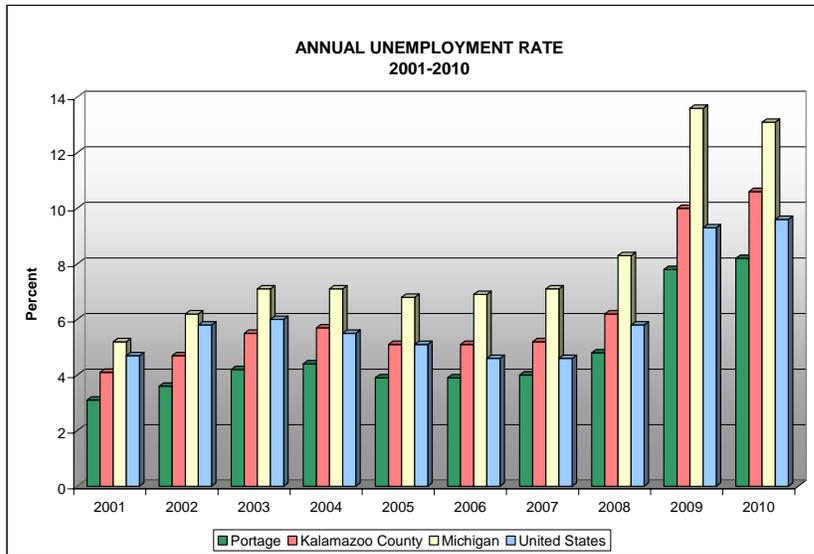
The City of Portage continues to have the largest Assessed Value (regular tax roll) of any other unit of government in Kalamazoo County. As the table to right shows, the State Equalized value of real and personal property has increased from \$106.4 million in 1963 when the township incorporated as a city to more than \$2.1 billion in 2010. Although the total SEV experienced a 6.5% decline between 2008 and 2010, as did the majority of Michigan communities, the rate of decline is less than the average Kalamazoo County rate of decline of 7.25% during the same time period.



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 2,100 people within the City of Portage. Other major employers in the city include:

- Stryker Corporation, a specialty surgical/medical products and instruments supplier that employs approximately 2,028 people;
- Portage Public School system that employs 950 people;
- State Farm Insurance Company employing 750 people;
- Meijer, Inc., a general merchandise/grocer that employs approximately 689 people;

As shown in the chart to the right, the unemployment rate for the City of Portage has generally followed the county, state and national trend during the past ten year period, but at a significantly lower rate. During this ten year period, the unemployment rate for Portage averaged 4.8%. In comparison, the ten year unemployment rate for Kalamazoo County, State of Michigan and United States averaged 6.2%, 8.1% and 6.1%, respectively.



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 Commercial Corridor. 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 resulting in an appropriate mix of land uses: 73 percent of the land zoned for residential use, 19 percent for industrial and 8 percent zoned for commercial uses. This appropriate mix of land uses together with a conservative financial strategy employed by the city has allowed the community to weather the continuing economic recession affecting the country.

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. Additional development opportunities are still available.

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 the initial establishment of the DDA district in 1998, it was amended in 2003 and is again proposed to be amended in 2011



to facilitate further development and investment activities. After completion of the infrastructure improvements in 1999, 23 new or expanded businesses have been completed. Additional development is in the planning stages.

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. Construction and investment activities continue today as a result of this city-initiated enhancement project.

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

Total 1996-2010 Economic Development Initiative Impacts							
Number of Businesses	Number of Industries	Jobs from Expansion	Jobs Retained	New Jobs	Total Jobs ¹	Taxable Value ²	Estimated Market Value ³
55		10	787	2,885	3,682	\$78,950,840	\$153,401,252
	35	131	265	604	1,000	\$26,837,896	\$55,866,649
Totals	90	141	1,052	3,489	4,682	\$105,788,736	\$209,267,901

¹ Includes both full- and part-time jobs.

² Taxable value as reported by the Office of the City Assessor or estimated from information provided by the developer.

³ 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 completed during the past 14 year period represent more than a 1,000 percent return for each dollar invested by the city. The 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 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 and placing

overhead utility lines underground, among other improvements. Additional phases of this initiative will be programmed following completion of the I-94/South Westnedge Avenue interchange reconstruction project by the State of Michigan as part of an overall \$182 million state project to widen I-94 through Kalamazoo County and the City of Portage. Reconstruction of the I-94/South Westnedge Avenue interchange as a single point urban interchange was formally announced in February 2009 by former Governor Granholm as one of several State of Michigan projects funded by the American Recovery and Reinvestment Act of 2009. The picture to the right shows an artist rendering of the completed interchange area and an inset that shows the current configuration. The \$68 million project began in 2009 and is expected to be complete in the Fall of 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 industries 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 Old Navy, among others, under went a major façade improvement project that was completed in 2007. Several other major retailers are located within the city: Target, Best Buy and the Lowe's, Home Depot, and Menards Home Improvement Centers. 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.

Following efforts by the city to reconstruct Shaver Road as a boulevard in 1999, the Shaver Road Business Corridor has evolved from a corridor consisting of a mix of aging and obsolete commercial/industrial facilities to a vibrant and desirable business location. The Business Corridor is now home to several new commercial businesses including a second Portage Meijer store (188,000 square feet), 152,000 square foot Wal-Mart store (with plans for a 66,500 "super center" expansion), Don's Automotive and Arby's restaurant. Several industrial businesses have also opened new or expanded existing facilities including Southside Collision, Bellaire Heating and Cooling, Eliason Corporation and Midwest Fasteners. Midwest Fasteners is currently underway with an 80,000 square foot building expansion project valued at \$5.3 million. Construction is expected to be complete in the Spring of 2011.

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 has also proven to be an excellent location for financial institutions, 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 is nearing completion: The Transportation and Maintenance facility and 12th Street Elementary School opened in 2009, Lake Center Elementary School in 2010 and the high schools will be complete and ready for occupancy in the Fall of 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. Over one half million passengers use the airport annually.

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 and open for service in April 2011.



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

Department of Community Development

Things You May Not Know About Portage

The City of Portage is 35.2 square miles in area. It contains:

- 721 acres of parks,
- 39 miles of paved shoulder bikeways,
- 17.5 miles of paved multi-use trails 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.



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.

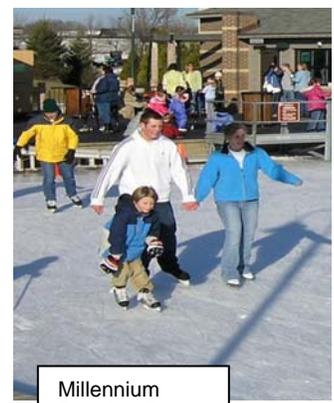
Portage is a National Weather Service designated Storm Ready Community.

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

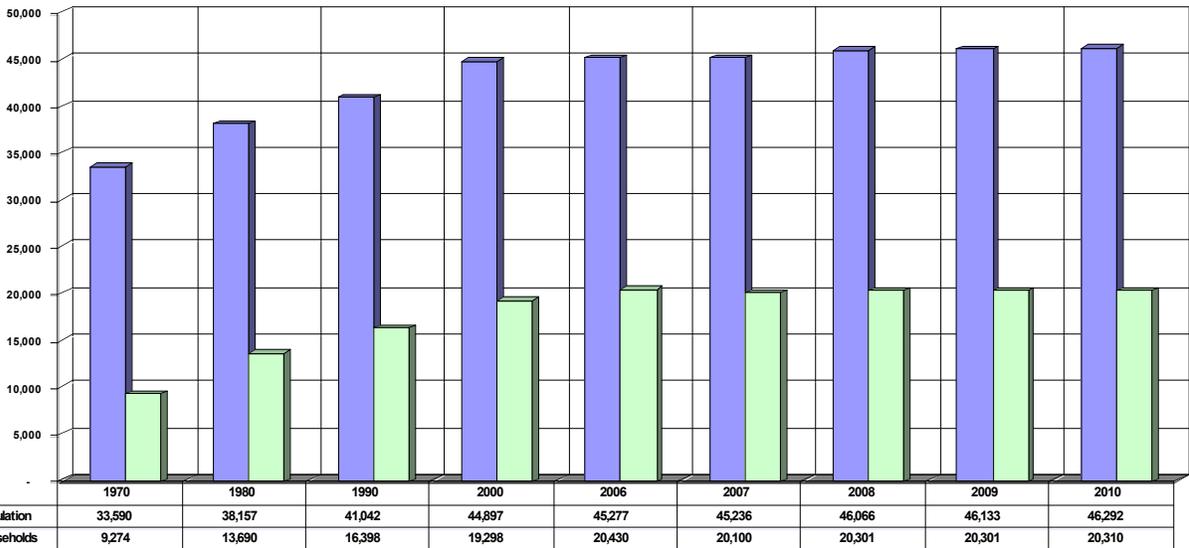
Portage was ranked a Bronze level Bicycle Friendly Community by the League of American Bicyclists.

The city has received the Certificate of Achievement for Excellence in Financial Reporting for 24 consecutive years.

The city has received the Distinguished Budget Presentation Award for 24 consecutive years.



POPULATION AND HOUSEHOLDS



Data Source	Census	Census	Census	Census	Estimate	Estimate	Estimate	Estimate	Census
Population per Household	3.62	2.79	2.50	2.33	2.22	2.25	2.27	2.27	2.28
Population % Change vs Prior Census		13.6%	7.6%	9.4%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	3.1%
Households % Change vs Prior Census		47.6%	19.8%	17.7%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	5.2%

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 3.62 persons in 1970 to 2.33 persons in 2000 and 2.28 persons in 2010. 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 *dwellings* 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. The number of households is used in many of the financial trend indicators throughout the remainder of this document.

Please note that extensive detailed information from the 2010 United States Census for individual cities had not yet been released at the time of publication of this budget. The following reports are from the 2000 United States Census.

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
Total population	44,897	100.0	HISPANIC OR LATINO AND RACE		
SEX AND AGE			Total population	44,897	100.0
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	RELATIONSHIP		
35 to 44 years.....	7,201	16.0	Total population	44,897	100.0
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	HOUSEHOLD BY TYPE		
Male.....	2,174	4.8	Total households	18,138	100.0
Female.....	3,117	6.9	Family households (families).....	12,139	66.9
RACE			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 ¹	97	0.2	HOUSING OCCUPANCY		
Native Hawaiian and Other Pacific Islander.....	10	-	Total housing units	18,880	100.0
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		
Other Pacific Islander ²	4	-	occasional use.....	80	0.4
Some other race.....	315	0.7	Homeowner vacancy rate (percent).....	1.4	(X)
Two or more races.....	828	1.8	Rental vacancy rate (percent).....	5.2	(X)
Race alone or in combination with one			HOUSING TENURE		
or more other races: ³			Occupied housing units	18,138	100.0
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.

¹ Other Asian alone, or two or more Asian categories.

² Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

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

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

¹The 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.

Table DP-4. Profile of Selected Housing 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
Total housing units	18,885	100.0	OCCUPANTS PER ROOM		
UNITS IN STRUCTURE			Occupied housing units	18,147	100.0
1-unit, detached.....	12,622	66.8	1.00 or less.....	17,838	98.3
1-unit, attached.....	740	3.9	1.01 to 1.50.....	229	1.3
2 units.....	194	1.0	1.51 or more.....	80	0.4
3 or 4 units.....	615	3.3			
5 to 9 units.....	1,265	6.7	Specified owner-occupied units	11,480	100.0
10 to 19 units.....	1,447	7.7	VALUE		
20 or more units.....	1,541	8.2	Less than \$50,000.....	261	2.3
Mobile home.....	461	2.4	\$50,000 to \$99,999.....	3,575	31.1
Boat, RV, van, etc.....	-	-	\$100,000 to \$149,999.....	4,019	35.0
			\$150,000 to \$199,999.....	2,017	17.6
YEAR STRUCTURE BUILT			\$200,000 to \$299,999.....	1,164	10.1
1999 to March 2000.....	312	1.7	\$300,000 to \$499,999.....	348	3.0
1995 to 1998.....	1,529	8.1	\$500,000 to \$999,999.....	91	0.8
1990 to 1994.....	1,363	7.2	\$1,000,000 or more.....	5	-
1980 to 1989.....	3,083	16.3	Median (dollars).....	120,800	(X)
1970 to 1979.....	3,878	20.5			
1960 to 1969.....	4,343	23.0	MORTGAGE STATUS AND SELECTED		
1940 to 1959.....	3,762	19.9	MONTHLY OWNER COSTS		
1939 or earlier.....	615	3.3	With a mortgage.....	8,308	72.4
			Less than \$300.....	48	0.4
ROOMS			\$300 to \$499.....	344	3.0
1 room.....	230	1.2	\$500 to \$699.....	1,054	9.2
2 rooms.....	678	3.6	\$700 to \$999.....	2,474	21.6
3 rooms.....	1,688	8.9	\$1,000 to \$1,499.....	2,852	24.8
4 rooms.....	2,587	13.7	\$1,500 to \$1,999.....	975	8.5
5 rooms.....	3,406	18.0	\$2,000 or more.....	561	4.9
6 rooms.....	3,254	17.2	Median (dollars).....	1,034	(X)
7 rooms.....	2,516	13.3	Not mortgaged.....	3,172	27.6
8 rooms.....	2,205	11.7	Median (dollars).....	301	(X)
9 or more rooms.....	2,321	12.3			
Median (rooms).....	5.8	(X)	SELECTED MONTHLY OWNER COSTS		
			AS A PERCENTAGE OF HOUSEHOLD		
Occupied housing units	18,147	100.0	INCOME IN 1999		
YEAR HOUSEHOLDER MOVED INTO UNIT			Less than 15.0 percent.....	5,018	43.7
1999 to March 2000.....	3,666	20.2	15.0 to 19.9 percent.....	2,302	20.1
1995 to 1998.....	5,730	31.6	20.0 to 24.9 percent.....	1,628	14.2
1990 to 1994.....	2,411	13.3	25.0 to 29.9 percent.....	986	8.6
1980 to 1989.....	2,895	16.0	30.0 to 34.9 percent.....	503	4.4
1970 to 1979.....	1,595	8.8	35.0 percent or more.....	1,012	8.8
1969 or earlier.....	1,850	10.2	Not computed.....	31	0.3
VEHICLES AVAILABLE			Specified renter-occupied units	5,586	100.0
None.....	782	4.3	GROSS RENT		
1.....	6,080	33.5	Less than \$200.....	155	2.8
2.....	8,067	44.5	\$200 to \$299.....	119	2.1
3 or more.....	3,218	17.7	\$300 to \$499.....	1,868	33.4
			\$500 to \$749.....	2,514	45.0
HOUSE HEATING FUEL			\$750 to \$999.....	588	10.5
Utility gas.....	16,220	89.4	\$1,000 to \$1,499.....	173	3.1
Bottled, tank, or LP gas.....	133	0.7	\$1,500 or more.....	15	0.3
Electricity.....	1,305	7.2	No cash rent.....	154	2.8
Fuel oil, kerosene, etc.....	327	1.8	Median (dollars).....	541	(X)
Coal or coke.....	-	-			
Wood.....	9	-	GROSS RENT AS A PERCENTAGE OF		
Solar energy.....	-	-	HOUSEHOLD INCOME IN 1999		
Other fuel.....	68	0.4	Less than 15.0 percent.....	1,119	20.0
No fuel used.....	85	0.5	15.0 to 19.9 percent.....	1,043	18.7
			20.0 to 24.9 percent.....	802	14.4
SELECTED CHARACTERISTICS			25.0 to 29.9 percent.....	701	12.5
Lacking complete plumbing facilities.....	27	0.1	30.0 to 34.9 percent.....	353	6.3
Lacking complete kitchen facilities.....	24	0.1	35.0 percent or more.....	1,359	24.3
No telephone service.....	123	0.7	Not computed.....	209	3.7

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

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>

December 2010

MICHIGAN ECONOMIC UPDATE

page 6

Local Area Unemployment Rate Falls In All Seventeen Local Areas

(Not Seasonally Adjusted)

December 2010 area unemployment rates ranged between 6.6 percent (Ann Arbor MSA) and 14.8 percent (Northeast Lower Michigan). The median unemployment rate was 10.6 percent. For calendar year 2010 as a whole, the Ann Arbor MSA recorded the lowest unemployment rate (8.6 percent); Northeast Lower Michigan saw the highest unemployment rate (15.9 percent). The median CY 2010 unemployment rate was 12.6 percent.

Compared to a year ago, the December unemployment rate fell in all seventeen major Michigan labor market areas with the rate falling by at least 2.6 percentage points in each area. The median unemployment rate decline was 3.4 percentage points. The Muskegon-Norton Shores MSA saw the largest rate decline (-4.8 percentage points) followed by the Monroe MSA (-4.4 percentage points) and the Jackson MSA (-4.3 percentage points).

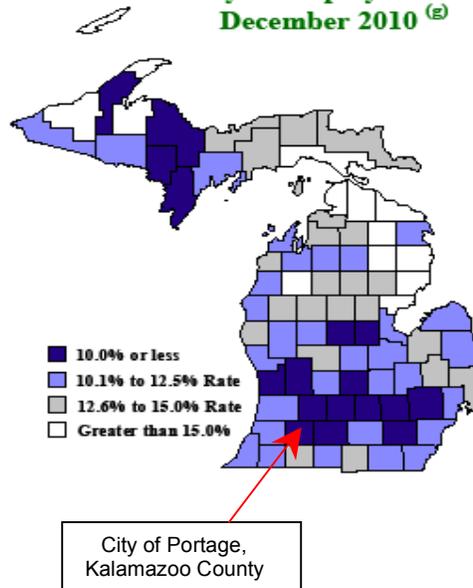
Between December 2009 and December 2010, sixteen labor market areas saw an employment increase and one area saw a decline. The median employment increase was 1.5 percent. The Detroit-Warren-Livonia MSA experienced the largest employment increase (3.1 percent), followed by the Grand Rapids-Wyoming MSA (2.3 percent). Compared to a year ago, the labor force fell in all seventeen areas with the Northeast Lower Michigan experiencing the largest decline (-5.7 percent) followed by the Muskegon-Norton Shores MSA (-4.4 percent). The median labor force decline was a 2.8 percent drop.

Between December 2009 and December 2010, the unemployment rate fell in all 83 Michigan counties with a median rate decrease of 3.6 percentage points. Baraga County posted the largest decline (-6.5 percentage points) followed by Iosco County (-5.8 percentage points). Seventeen counties saw a December 2010 unemployment rate below 10.0 percent. Thirteen counties reported rates higher than 15.0 percent.

Local Area Unemployment Rates^(e)

Local Area	Dec	Nov	Dec
	2009 Rate	2010 Rate	2010 Rate
Michigan	14.3%	11.3%	10.6%
Ann Arbor	9.2%	7.2%	6.6%
Battle Creek	12.5%	9.9%	9.4%
Bay City	13.7%	10.6%	10.4%
Detroit-Warren-Livonia	14.9%	12.0%	11.1%
Flint	16.0%	12.5%	11.8%
Grand Rapids-Wyoming	12.3%	9.5%	8.9%
Holland-Grand Haven	13.4%	10.1%	9.5%
Jackson	15.1%	11.3%	10.8%
Kalamazoo-Portage	12.3%	9.7%	9.3%
Lansing-East Lansing	11.7%	8.7%	8.3%
Monroe	15.0%	10.9%	10.6%
Muskegon-Norton Shores	16.2%	12.1%	11.4%
Niles-Benton Harbor	14.5%	11.4%	11.1%
Saginaw-Saginaw Township	13.7%	10.7%	10.2%
Upper Peninsula	14.5%	11.2%	11.3%
Northeast Lower Mich	18.9%	14.6%	14.8%
Northwest Lower Mich.	16.4%	13.0%	13.0%

County Unemployment Rates December 2010^(e)



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 2011-2012

BUDGET POLICY

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

The semi-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:

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

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

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

December - Council and Administration meet to establish city-wide goals and objectives using the annual citizen survey as a basis for prioritization. On the third Monday in December, completion of the review of the proposed 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.

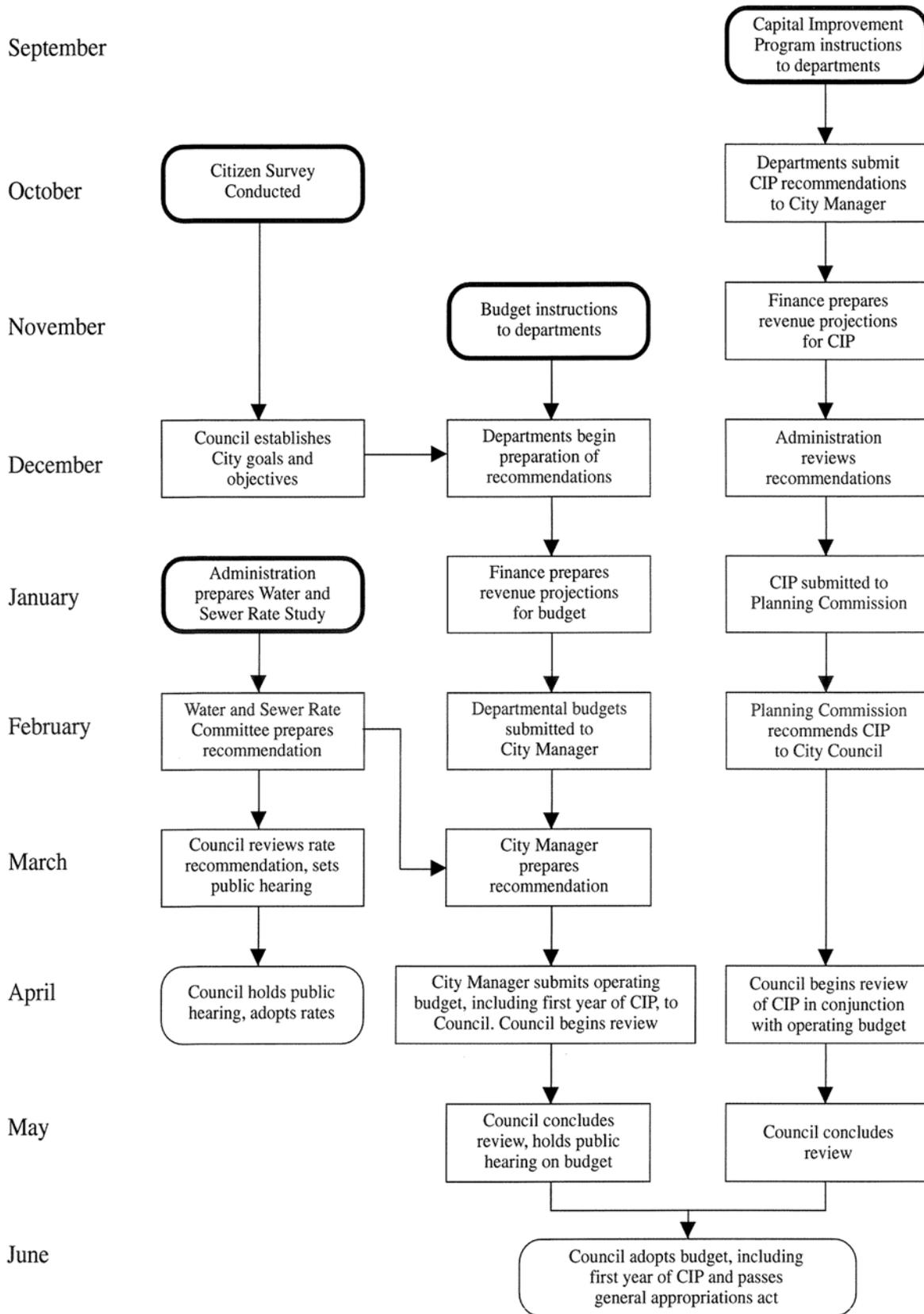
Amended Budget

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 2010/2011 the amount of encumbrances liquidated at the end of the 2009/2010 fiscal year and appropriated by City Council as an amendment to the 2010/2011 budget was \$2,378,228.

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
2011-2012 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
2011-2012 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
2011-2012 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
2011-2012 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
2011-2012 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
2011-2012 Council Mission Statement, Goals & Objectives

FINANCE AND BUDGETING

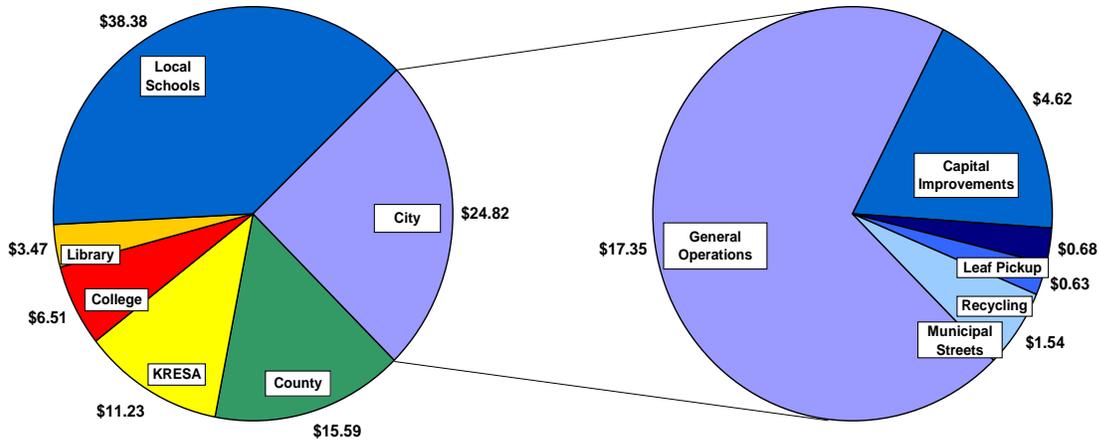
Goal: Maintain the financial health of the city.

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 2010-11

For each \$100 of property taxes paid (2010 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 2010 tax levy as shown below:

Percentage of Tax Levy

City	24.82%
County	15.59%
Kalamazoo Regional Ed. Services	11.23%
Community College	6.51%
Library	3.47%
Local Schools	<u>38.38%</u>
	100.00%

City Millage

General Operations	7.5000	\$17.35
Capital Improvements	2.0000	\$4.62
Leaf Pickup/Spring Cleanup	.2950	\$0.68
Curbside Recycling	.2710	\$0.63
Municipal Streets	<u>.6652</u>	<u>\$1.54</u>
	10.7312	\$24.82

Cost of City Services to the Typical City of Portage Residence

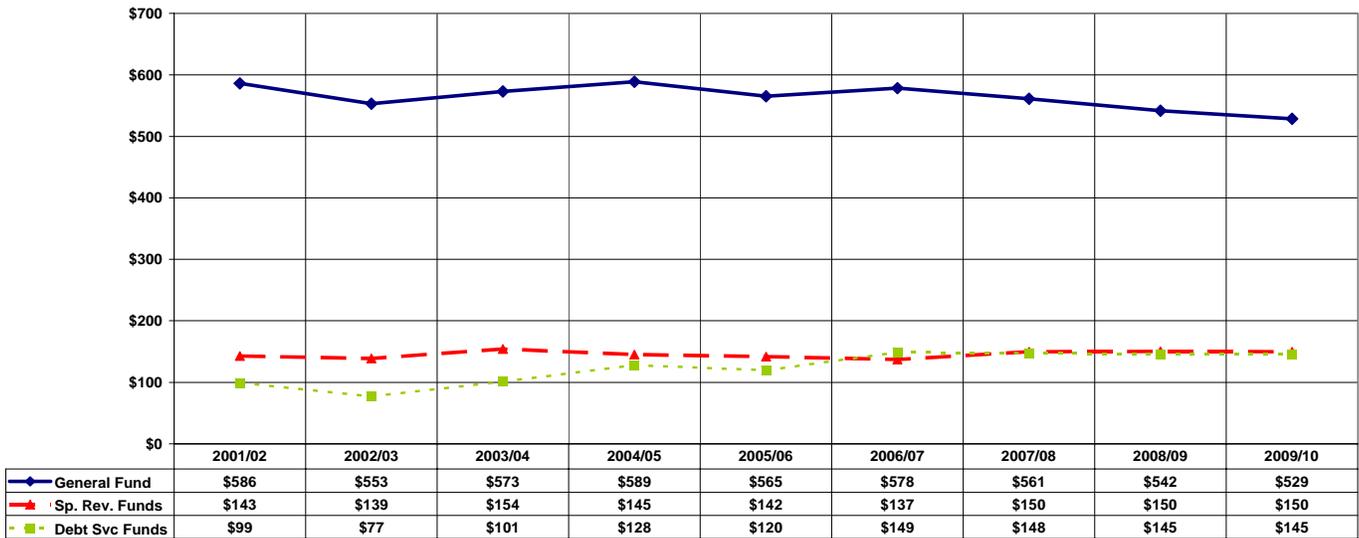


The chart above depicts the property tax and utility costs of a typical residence in the City of Portage. Given that:

- taxable value dropped 2.9% for 2011 from 2010,
- there is a 1.5% increase in city tax rate, and
- there is a necessary increase in city utility rates, primarily to pay for unfunded federal mandates and a need to establish adequate working capital,

the total cost of city service to the typical city resident will increase by \$93.36 in the upcoming year. After adjusting for inflation, this change actually represents an increase of \$65.90 in 2010/2011 dollars.

NET OPERATING REVENUES PER HOUSEHOLD
(in Constant \$)



Warning Trend:

Decreasing Net Operating Revenues in constant dollars per Household.

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

Net Operating Revenues are defined as:

Gross Revenues

less restricted revenues for capital improvements that remain in operating funds

less mandated capital improvement transfers

less revenues legally restricted for special non-operating purposes

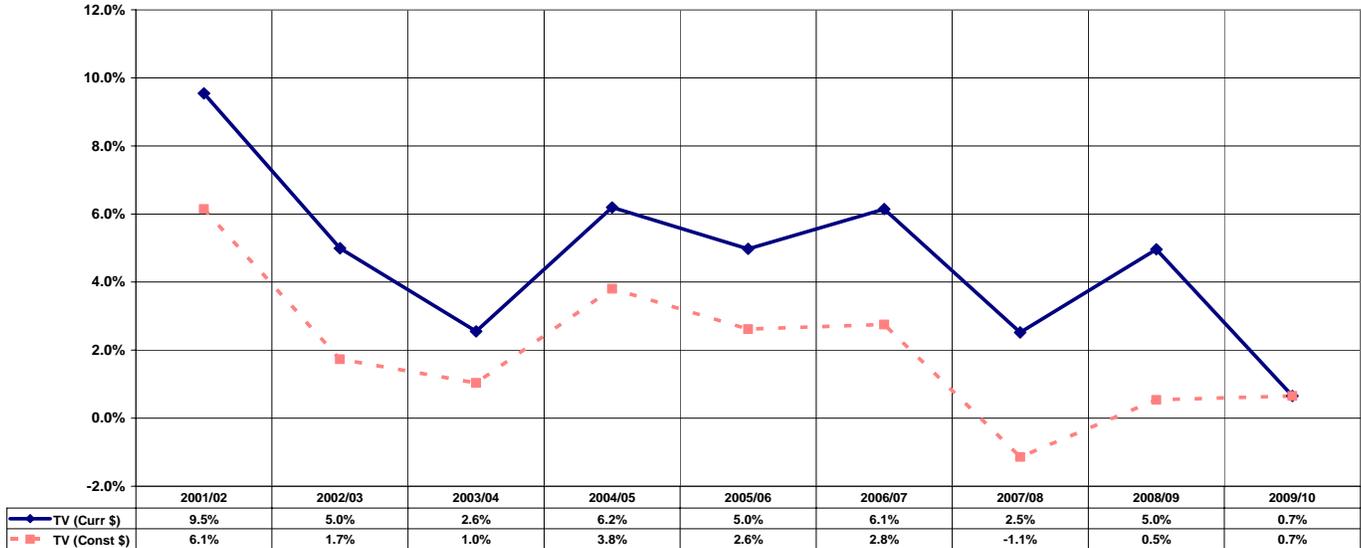
Description:

Examining per household revenues shows changes in revenues relative to changes in the number of households. As the number of households increases, it could be logically expected that revenues and the need for revenues would increase proportionately. Therefore, the level of per household revenues should remain relatively constant when adjusted for inflation. 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. In fiscal year 2008/2009 and 2009/2010, 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 2009/2010 was actually determined as of December 31, 2008. That taxable value then determined the property tax revenue available from the 7/1/2009 and 12/1/2009 billings. These billings provide revenue for Fiscal Year 2009/2010.

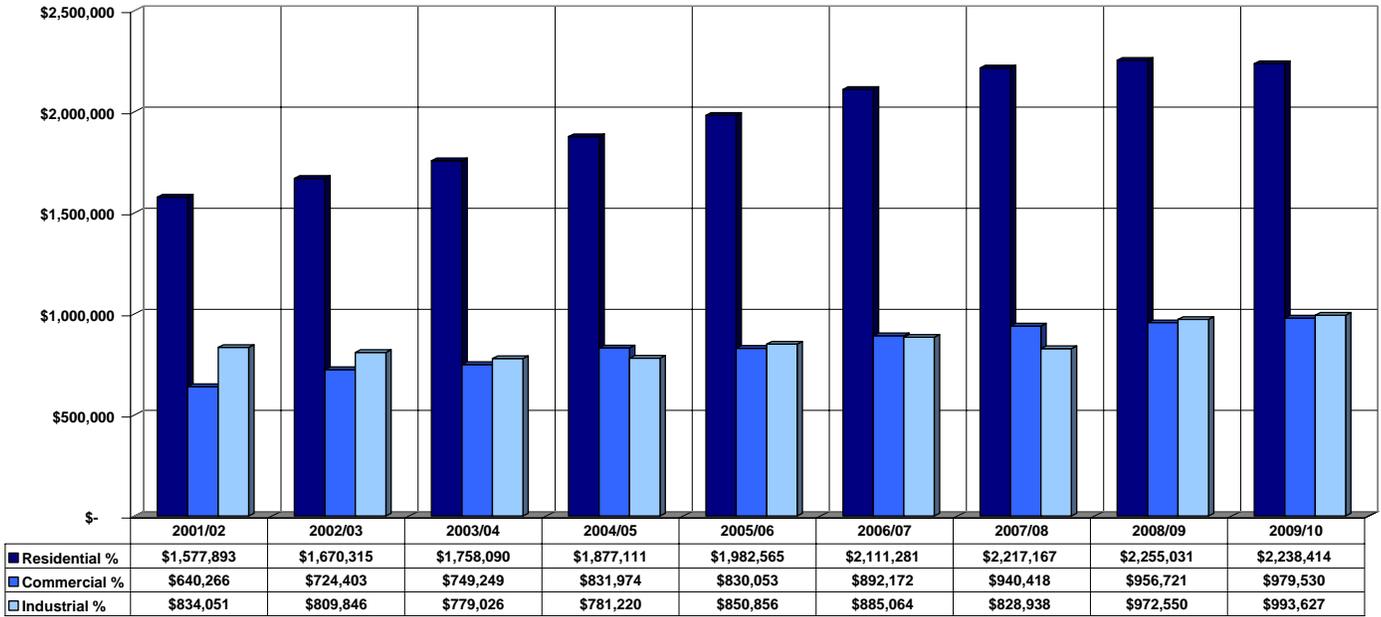
Description:

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:

The passage of Proposal A in 1994 regulates the Taxable Value on most property and the Taxable Value increases by the rate of increase in the Consumer Price Index. New construction of major properties provides a significant increase in taxable values and explains many of the spikes in this indicator some of which are related to the mortgage lending crisis. The market value of property, primarily residential property, decreased in 2009/2010 so that the Taxable Value increase allowed by the state's inflation adjustment factor did not increase the value of all properties. The Taxable Value may not be greater than the SEV (State Equalized Value). For the first time since enactment of Proposal A, a significant number of property Taxable Values were constrained due to this requirement.

PROPERTY MARKET VALUE
(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:

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

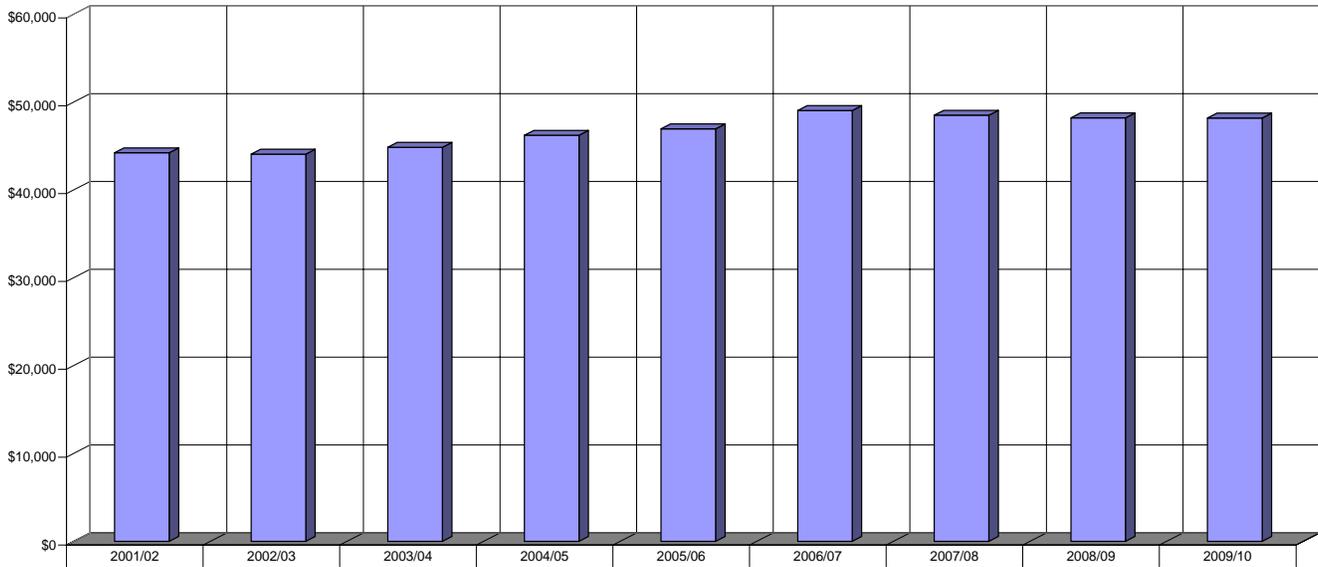
Description:

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 create more revenue receipts than it does expenditures. In an ideal situation, a city should have sufficient increases in commercial and industrial development in order to offset its inevitable increases in residential development. Although this general 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 51.7% in 2001/02 to 53.9% in 2008/09 and dropping slightly to 53.1% in 2009/10.

TAXABLE VALUE PER HOUSEHOLD
(in Constant \$)



Fiscal Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/2009	2009/2010
Current \$ Taxable Value (\$000)	\$ 1,526,105	\$ 1,602,282	\$1,643,182	\$ 1,744,903	\$ 1,831,737	\$1,944,258	\$2,014,092	\$2,089,834	\$2,105,785
Constant \$ Taxable Value (\$000)	\$ 876,293	\$ 891,506	\$ 900,751	\$ 1,744,903	\$ 959,469	\$985,874	\$984,845	\$978,814	\$ 986,285

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 in 1994, property taxes are determined using Taxable Value not SEV. All values shown above are based on Taxable Value.

Description:

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

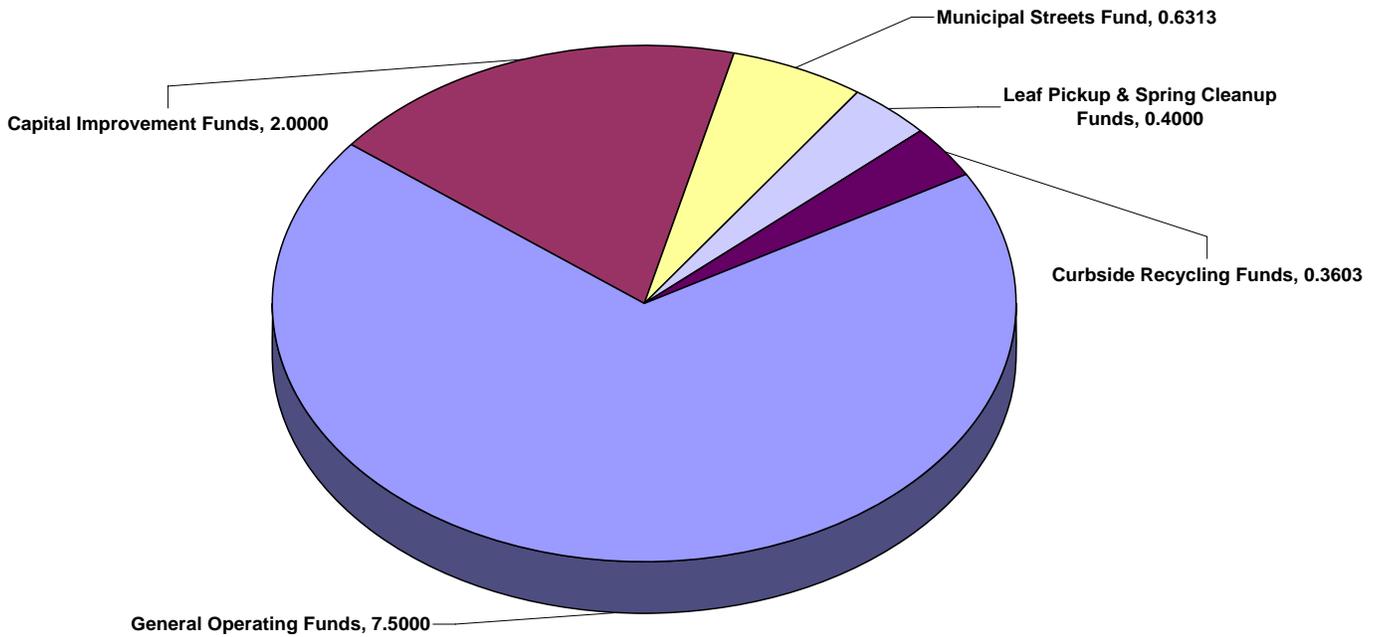
Analysis:

Taxable Value per household in inflation-adjusted dollars had remained relatively stable until 2009/2010. The growth of the commercial and industrial categories had kept pace with residential growth but real estate values were adversely affected by the recession and mortgage industry problems.

**MILLAGE RECAP
2011-2012 BUDGET**

	2010-2011 <u>RATES</u>	2011-2012 <u>RATES</u>	CHANGE FROM <u>2010-2011 RATES</u>
General Operating	7.5000	7.5000	0.0000
Capital Improvement	2.0000	2.0000	0.0000
Curbside Recycling	0.2710	0.3603	0.0893
Leaf Pickup/Spring Cleanup	0.2950	0.4000	0.1050
Municipal Streets Fund	0.6652	0.6313	-0.0339
	<hr/> 10.7312	<hr/> 10.8916	<hr/> 0.1604

City Millage Breakdown by Fund Category



City of Portage Discussion of Accounting Methods Budgetary vs. CAFR

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

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

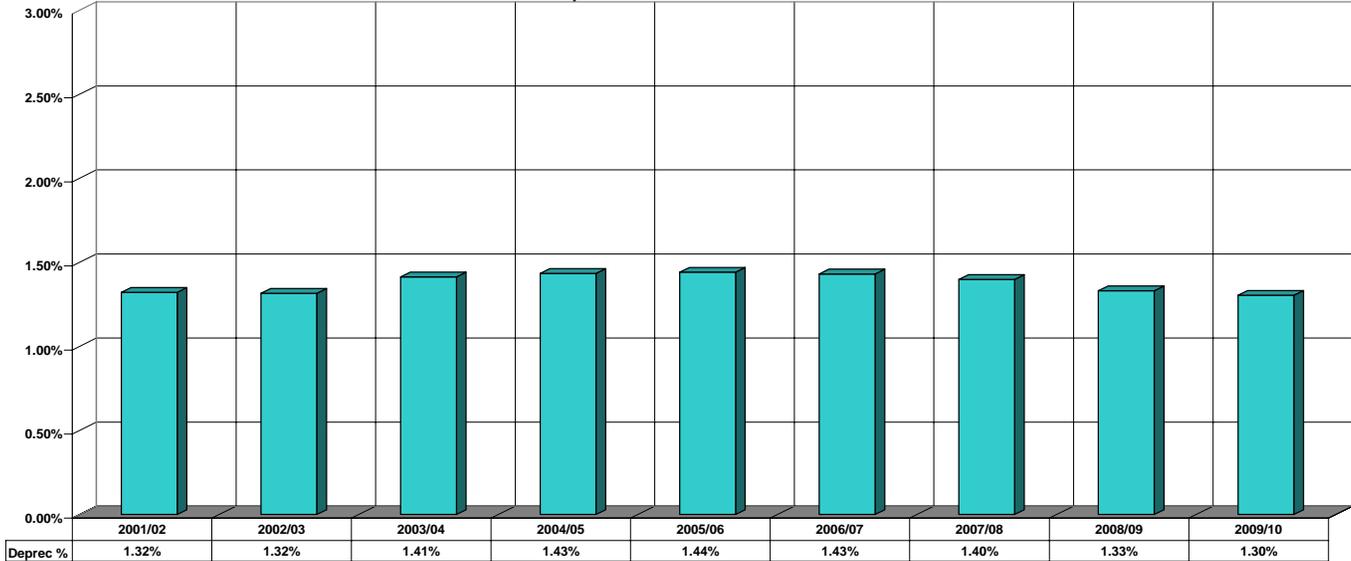
CITY OF PORTAGE, MICHIGAN

Budget Summary by Fund Type (Budgetary Basis)
FISCAL YEAR 2011 - 2012

	Modified Accrual				Full Accrual			Memorandum Only			
	General Fund	Special Revenue	Debt Service	Capital Project	Enterprise Funds	Permanent Funds	FY 2011-2012		FY 2010-2011		FY 2009-2010 Total
							Total	Total	Total	Total	
REVENUE:											
Property taxes	15,487,500	2,684,400	828,300	3,931,000	-	-	22,941,200	23,273,600	23,909,400	23,909,400	
Fees and permits	473,200	661,000	-	-	-	-	1,134,200	1,099,950	1,114,850	1,114,850	
Federal revenue	35,259	219,187	-	-	-	-	254,446	229,000	1,314,032	1,314,032	
State revenue	7,500	3,295,000	-	-	-	-	3,302,500	3,235,900	3,239,900	3,239,900	
State shared revenue	2,917,902	-	-	-	-	-	2,917,902	3,423,884	3,824,469	3,824,469	
Other grants	21,600	-	-	-	-	-	21,600	45,600	54,100	54,100	
Charges for services	1,662,160	71,500	-	-	14,169,590	40,000	15,943,250	15,453,260	14,243,616	14,243,616	
Interest and rents	304,500	19,100	615,111	50,000	65,000	8,000	1,061,711	910,180	1,081,785	1,081,785	
Other revenue	460,045	45,800	-	1,795,000	-	-	2,300,845	3,586,047	4,973,496	4,973,496	
TOTAL REVENUE	21,379,666	6,995,987	1,443,411	5,776,000	14,234,590	48,000	49,877,654	51,257,421	53,755,648	53,755,648	
EXPENDITURES:											
Legislative	61,500	-	-	-	-	-	61,500	66,738	69,500	69,500	
Judicial	56,855	-	-	-	-	-	56,855	56,855	56,855	56,855	
General government	4,561,027	38,546	-	-	-	-	4,599,573	4,439,582	5,149,766	5,149,766	
Public safety	14,490,774	66,224	-	-	-	-	14,556,998	14,713,975	14,821,608	14,821,608	
Public works	483,000	5,000	-	-	-	-	488,000	488,000	485,000	485,000	
Health and welfare	117,127	1,414,129	-	-	-	-	1,531,256	1,452,085	1,661,543	1,661,543	
Recreation and cultural	2,751,034	738,274	-	-	-	-	3,489,308	3,483,555	3,675,855	3,675,855	
Highways and streets	-	2,990,878	-	-	-	-	2,990,878	3,141,342	3,278,432	3,278,432	
Operations and maintenance	-	90,000	-	-	7,840,197	-	7,930,197	7,723,067	7,978,237	7,978,237	
Administration	-	-	-	-	4,960,273	-	4,960,273	5,531,462	5,211,843	5,211,843	
Capital outlay	-	-	-	3,179,000	170,000	-	3,349,000	4,850,000	6,212,000	6,212,000	
Debt service	-	-	7,415,167	-	-	-	7,415,167	7,347,290	7,792,312	7,792,312	
TOTAL EXPENDITURES	22,521,317	5,343,051	7,415,167	3,179,000	12,970,470	-	51,429,005	53,293,951	56,392,951	56,392,951	
Transfers In	168,000	570,000	5,395,861	2,706,000	44,000	-	8,883,861	8,551,740	9,089,157	9,089,157	
Transfers Out	(886,000)	(2,484,356)	-	(5,303,000)	(202,505)	(8,000)	(8,883,861)	(8,546,740)	(9,962,157)	(9,962,157)	
Addition to/Reduction of Fund Balance/Net Assets	(1,859,651)	(261,420)	(575,895)	-	1,105,615	40,000	(1,551,351)	(2,031,530)	(3,510,303)	(3,510,303)	
Beginning Fund Balance/Net Assets	5,528,047	1,243,479	4,209,031	1,373,894	62,372,030	946,483	75,672,964	73,111,869	76,301,282	76,301,282	
Ending Fund Balance/Net Assets	3,668,396	982,059	3,633,136	1,373,894	63,477,645	986,483	74,121,613	71,080,339	72,790,979	72,790,979	

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:

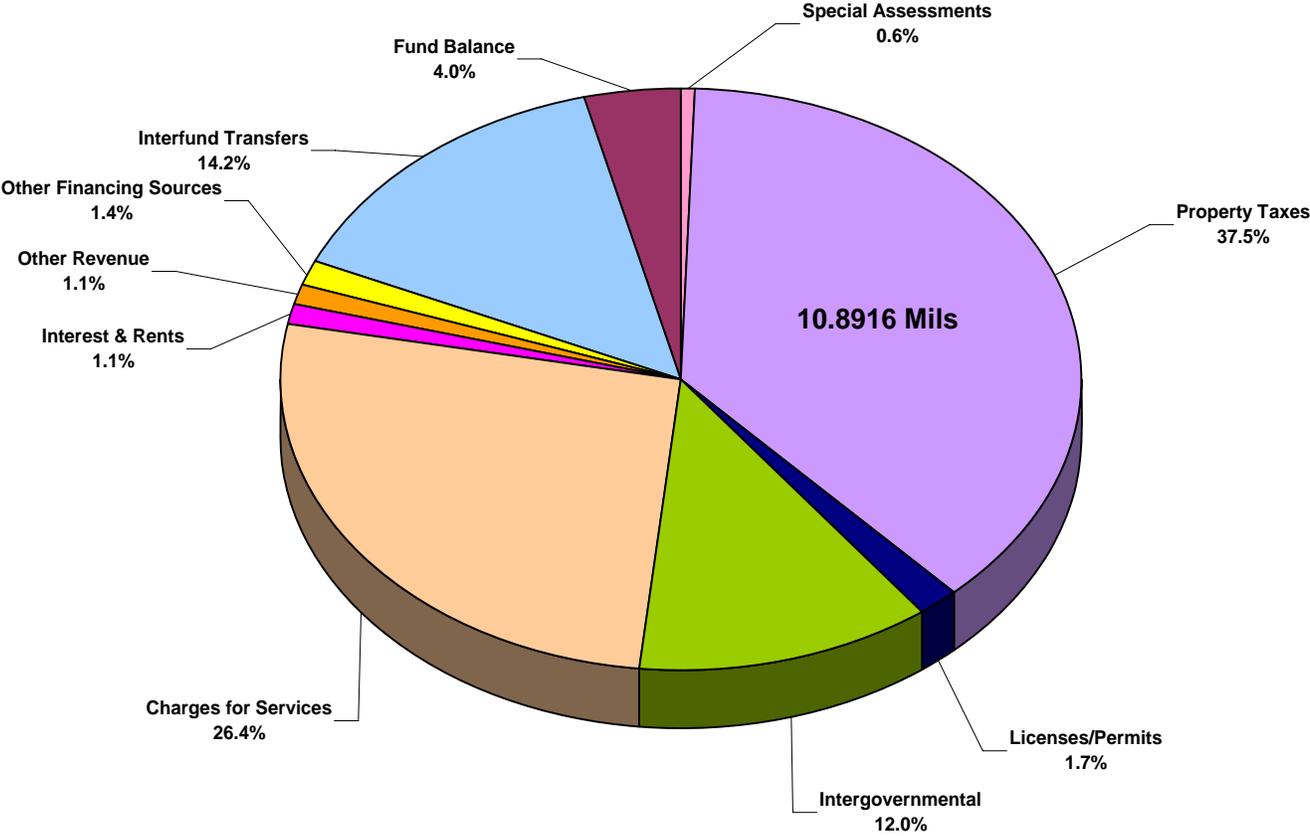
Depreciation is usually only recorded in enterprise (i.e., water and sewer funds) and internal service (i.e., equipment) funds. The total depreciation cost is generally a stable proportion of the cost of the fixed assets because older assets that are fully depreciated are often removed from service and 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

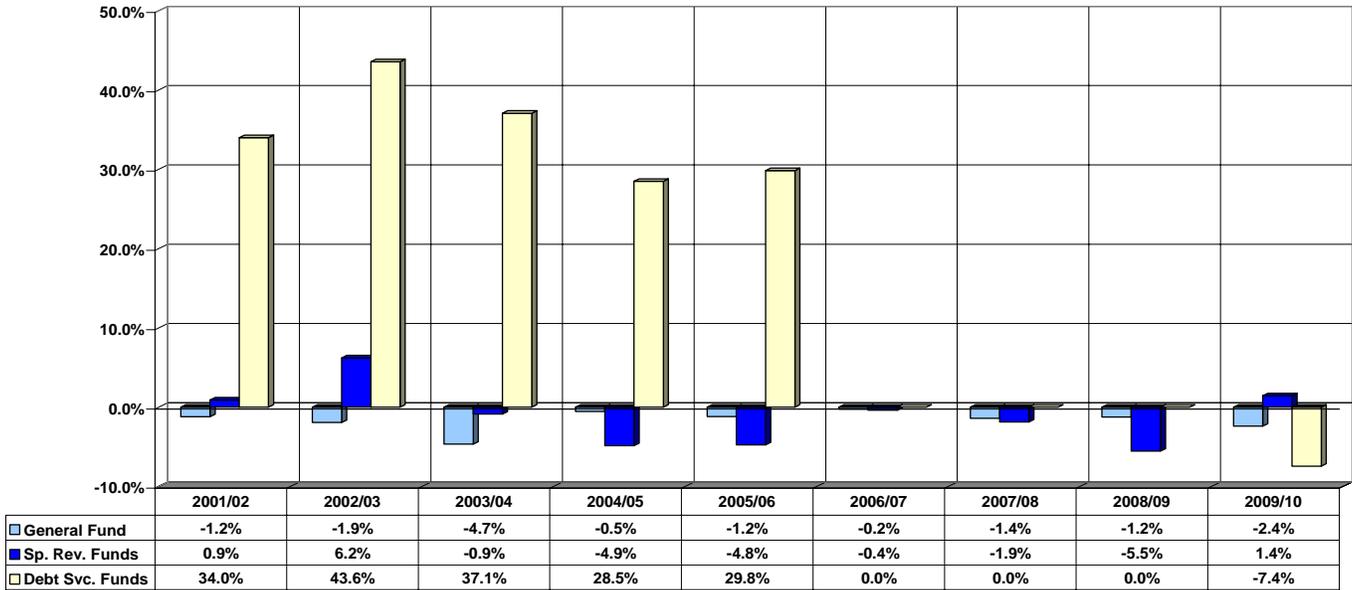


**SUMMARY OF REVENUES
ALL FUNDS
FISCAL YEAR 2011 - 2012**

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
GENERAL FUND	23,631,383	23,051,201	22,517,938	22,418,198	21,547,666
STREET FUNDS					
Major Streets	3,151,741	3,534,425	2,788,000	2,788,000	2,893,000
Local Streets	855,800	1,151,861	856,400	856,400	976,000
Municipal Streets	1,068,644	1,233,328	1,338,500	1,338,500	1,234,800
UTILITY FUNDS					
Sewer Operating	5,899,683	6,144,360	7,756,000	7,756,000	7,675,590
Water Operating	4,609,343	5,140,352	6,022,000	6,022,000	6,603,000
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	-	8,851,968	9,224,000	9,224,000	8,482,000
Brownfield Redevelopment	86	47	100	100	100
Lakes-Weed Management	6,948	6,072	13,652	13,652	13,300
DEBT SERVICE FUNDS					
General Obligation Debt	23,993	3,558,824	3,583,740	3,583,740	3,646,861
MTF 1997	-	146,158	142,000	142,000	137,000
MTF 2008	-	-	203,000	203,000	198,000
MTF 2010 Refunding	-	-	624,000	624,000	676,000
Building Authority Debt Service	246,905	842,509	898,730	898,730	961,111
DDA Debt Service	443,014	414,204	380,300	380,300	380,300
LDFA Debt Service	509,375	501,571	470,000	470,000	470,000
Special Assessment Debt Service	210,142	152,903	131,300	131,300	370,000
OTHER FUNDS					
Curbside Recycling	612,346	564,694	544,100	544,100	681,700
Leaf Pickup/Spring Cleanup	740,352	616,602	593,200	593,200	773,800
Cultural Activities	110,925	115,680	106,350	106,350	72,100
Community Development Block Grant	-	142,566	343,359	229,000	219,187
Mich State Housing Dev Auth Grant	41,079	77,951	150,210	-	-
Cable Television	623,277	666,362	699,500	624,500	662,000
Cemetery Permanent Fund	57,142	53,604	48,000	48,000	48,000
CDBG Program Income	72,310	96,735	65,000	40,000	40,000
TOTAL REVENUE	<u>42,914,488</u>	<u>57,063,977</u>	<u>59,499,379</u>	<u>59,035,070</u>	<u>58,761,515</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:

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

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

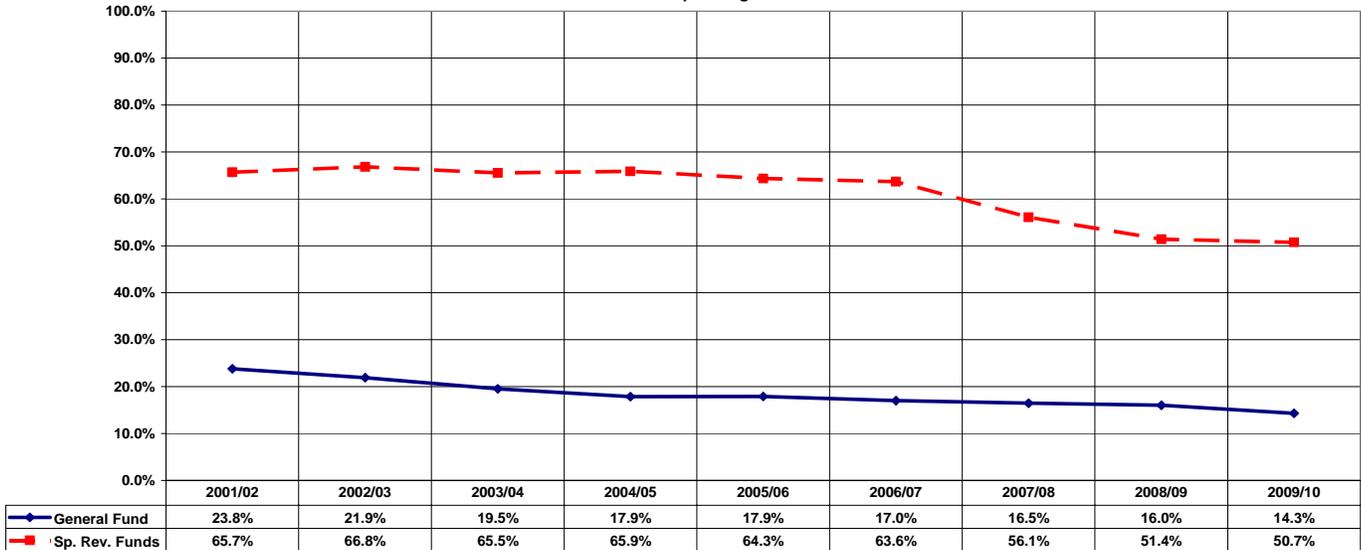
If there is a trend that indicates budgeted revenue estimates are differing from actual revenue results on a more frequent basis or by increasingly larger amounts, a detailed analysis of each revenue source should be conducted to pinpoint the source(s) and cause(s).

Analysis:

This chart indicates that, typically, budget 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. Fund balances in the debt service funds allowed for smaller than budgeted transfers into the debt service funds from the Capital Improvement Program Fund in fiscal year 2009/2010.

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:

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

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

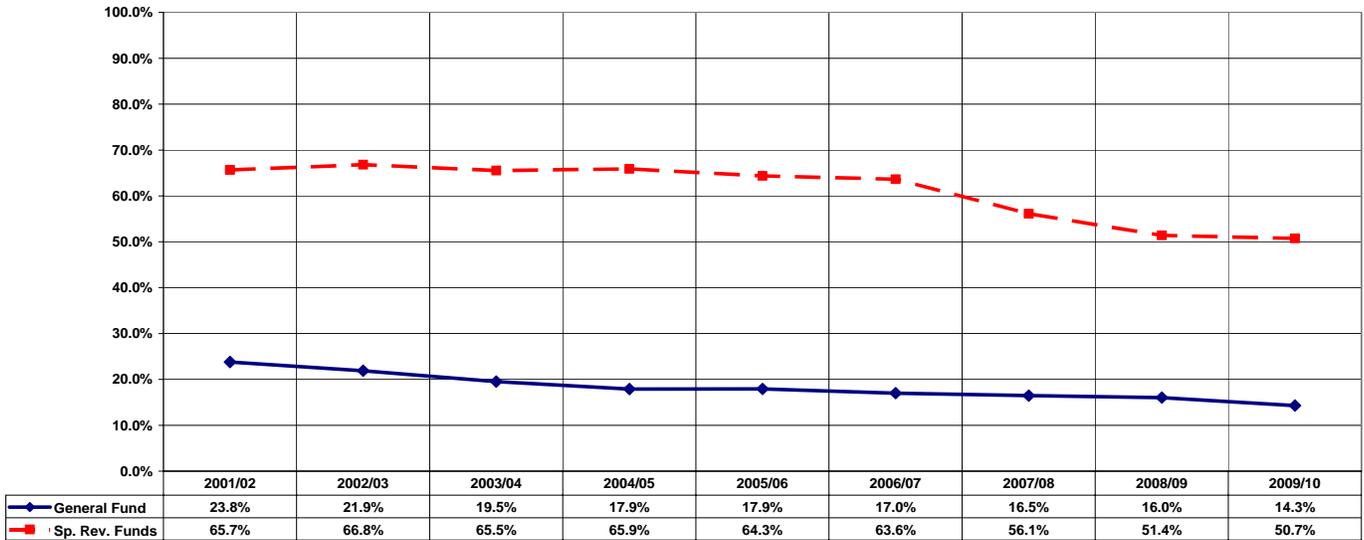
Description:

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 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

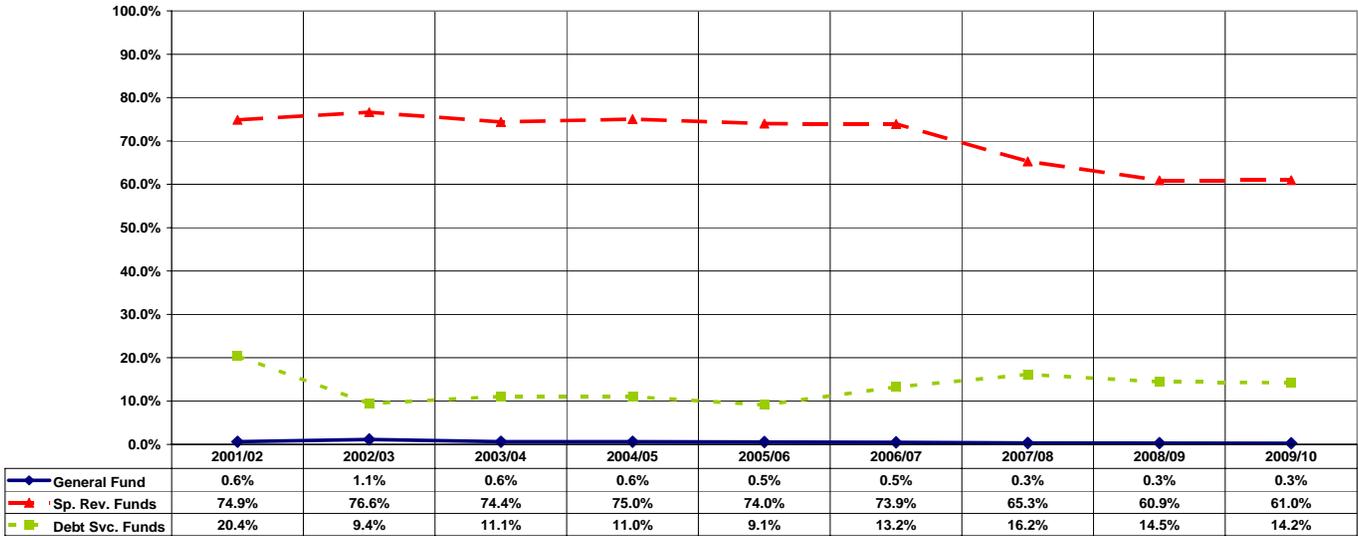
Description:

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.

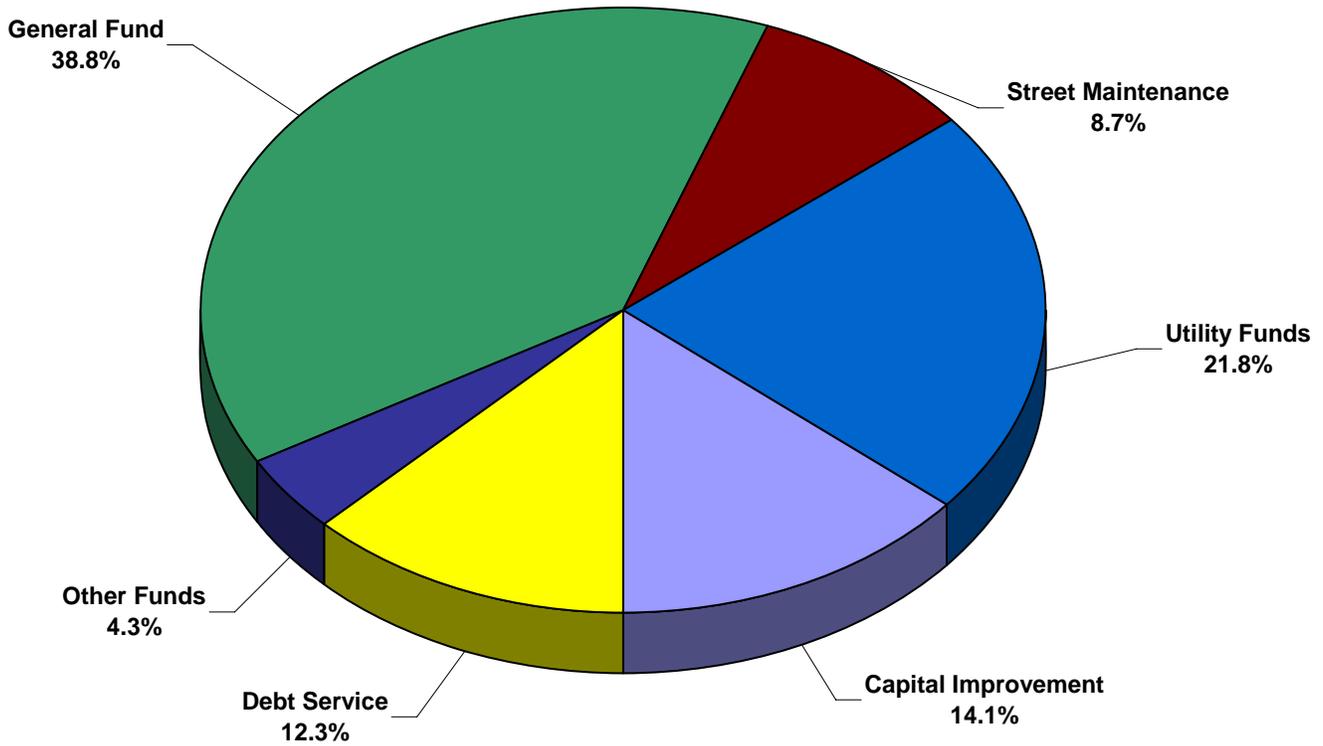
Description:

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 service levels.

Analysis:

Restricted operating revenues are virtually nonexistent in the General Fund. A large portion of the revenues received by the special revenue funds are, by their very nature, legally restricted. For example, the gasoline tax revenue received by the street funds is legally restricted 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



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

**SUMMARY OF EXPENDITURES
ALL FUNDS
FISCAL YEAR 2011 - 2012**

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
GENERAL FUND	23,012,616	22,372,022	24,520,862	23,030,180	23,407,317
STREET FUNDS					
Major Streets	1,705,080	3,139,534	3,166,468	3,139,879	3,069,029
Local Streets	1,078,421	1,137,839	1,166,201	1,165,463	1,094,449
Municipal Streets	652,000	1,309,220	1,417,000	1,417,000	1,091,400
UTILITY FUNDS					
Sewer Operating	7,271,208	7,421,626	8,848,137	8,151,585	7,568,261
Water Operating	5,521,281	6,085,036	5,392,289	5,363,467	5,604,714
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	-	7,178,120	17,734,671	9,224,000	8,482,000
Brownfield Redevelopment	-	-	8,950	5,000	5,000
Lakes-Weed Management	45,483	14,574	46,532	45,000	45,000
DEBT SERVICE FUNDS					
General Obligation Debt	2,823,583	3,671,242	3,678,850	3,678,850	3,696,861
MTF 1997	151,706	146,931	142,035	142,035	137,131
MTF 2008	104,730	193,701	210,215	210,215	206,152
MTF 2010 Refunding	-	19,059	682,020	682,020	696,334
Building Authority Debt Service	1,112,341	992,629	969,868	969,868	968,498
DDA Debt Service	214,042	393,921	408,440	408,440	416,675
LDFA Debt Service	247,255	460,533	464,420	464,420	457,728
Special Assessment Debt Service	618,891	598,657	2,142,515	915,965	835,788
OTHER FUNDS					
Curbside Recycling	598,860	601,565	627,986	613,147	631,903
Leaf Pickup/Spring Cleanup	697,542	688,107	777,018	619,327	688,165
Cultural Activities	118,046	95,190	101,509	101,509	87,748
Community Deveopment Block Grant	-	23,117	343,359	229,000	219,187
Mich State Housing Dev Auth Grant	37,927	81,588	150,210	-	-
Cable Television	571,330	468,027	781,992	607,326	805,526
Cemetery Permanent Fund	28,000	15,000	8,000	8,000	8,000
CDBG Program Income	71,726	24,558	65,000	65,000	90,000
TOTAL EXPENDITURE	<u>46,682,068</u>	<u>57,131,796</u>	<u>73,854,547</u>	<u>61,256,696</u>	<u>60,312,866</u>

Additional information is available in the respective detailed departmental budgets.

Total Expenditures by Department and Fund Type (Budgetary Basis)
FISCAL YEAR 2011 - 2012

<u>Department</u>	<u>General Fund</u>	<u>Special Assessments Fund</u>	<u>Capital Improvement Fund</u>	<u>Major Streets Fund</u>	<u>Local Streets Fund</u>	<u>Municipal Streets Fund</u>	<u>Enterprise Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
Legislative	61,500	-	-	-	-	-	-	-	-	61,500
District Court	56,855	-	-	-	-	-	-	-	-	56,855
City Manager	592,006	-	-	-	-	-	-	-	-	592,006
Finance	839,637	-	-	-	-	-	-	-	-	839,637
Management Information System	892,621	-	177,000	-	-	-	-	-	-	1,069,621
City Assessor	605,358	-	-	-	-	-	-	-	-	605,358
City Attorney	201,728	-	-	-	-	-	-	-	-	201,728
City Clerk	389,003	-	-	-	-	-	-	-	-	389,003
Employee Development	436,364	-	-	-	-	-	-	-	-	436,364
Benefit Services	452,547	-	-	-	-	-	-	-	-	452,547
Purchasing	151,763	-	-	-	-	-	-	-	-	151,763
Parks/Rec/Property Mgt	2,751,034	-	144,000	-	-	-	-	-	-	2,895,034
Police	9,078,362	-	187,000	-	-	-	-	-	-	9,265,362
Fire	4,652,648	-	60,000	-	-	-	-	-	-	4,712,648
Community Development	759,764	-	-	-	-	-	-	219,187	-	978,951
Public Services	600,127	-	2,611,000	1,847,029	1,072,449	71,400	12,970,470	2,132,986	-	21,305,461
Nondepartmental:										
Debt Service	-	835,788	-	-	-	-	-	6,579,379	-	7,415,167
Insurance Funds	-	-	-	-	-	-	-	-	-	-
Transfers to other funds	886,000	-	5,303,000	1,222,000	22,000	1,020,000	202,505	220,356	8,000	8,883,861
TOTALS	23,407,317	835,788	8,482,000	3,069,029	1,094,449	1,091,400	13,172,975	9,151,908	8,000	60,312,866

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

FISCAL YEAR 2011 - 2012

	Fund Balance/Net Assets				Expenditures & Expenses				Other		Excess		Net Assets/
	Beginning of Year	Revenue	Other Sources	Expenditures & Expenses	Other Uses	Excess (Deficiency)	Net Assets/ Fund Balance End of Year						
General Fund	5,528,047	21,379,666	168,000	22,521,317	886,000	(1,859,651)	3,668,396						
Major Streets	538,300	2,563,000	330,000	1,847,029	1,222,000	(176,029)	362,271						
Local Streets	208,170	736,000	240,000	1,072,449	22,000	(118,449)	89,721						
Municipal Streets	1,252	1,234,800	-	71,400	1,020,000	143,400	144,652						
Sewer Operating (Net Assets)	44,460,250	7,631,590	44,000	7,488,261	80,000	107,329	44,567,579						
Water Operating (Net Assets)	17,911,780	6,603,000	-	5,482,209	122,505	998,286	18,910,066						
Capital Improvement	1,373,894	5,776,000	2,706,000	3,179,000	5,303,000	-	1,373,894						
Brownfield Redevelopment	288	100	-	5,000	-	(4,900)	(4,612)						
Lakes-Weed Management	47,551	13,300	-	45,000	-	(31,700)	15,851						
General Obligation Debt	(45,663)	-	3,646,861	3,696,861	-	(50,000)	(95,663)						
MTF Debt Service	106,552	-	1,011,000	1,039,617	-	(28,617)	77,935						
Building Authority Debt Service	(59,030)	223,111	738,000	968,498	-	(7,387)	(66,417)						
DDA Debt Service	335,042	380,300	-	416,675	-	(36,375)	298,667						
LDFA Debt Service	1,910,822	470,000	-	457,728	-	12,272	1,923,094						
Special Assessment Debt Service	1,961,020	370,000	-	835,788	-	(465,788)	1,495,232						
Curbside Recycling	31,459	681,700	-	631,903	-	49,797	81,256						
Leaf Pickup/Spring Cleanup	153,610	773,800	-	667,809	20,356	85,635	239,245						
Cultural Activities	30,721	72,100	-	87,748	-	(15,648)	15,073						
Community Development Block Grant	-	219,187	-	219,187	-	-	-						
CDBG Program Income	(17,303)	40,000	-	90,000	-	(50,000)	(67,303)						
MISHDA Grant	-	-	-	-	-	-	-						
Cable Television	249,719	662,000	-	605,526	200,000	(143,526)	106,193						
Cemetery Permanent Fund	946,483	48,000	-	-	8,000	40,000	986,483						
TOTAL	75,672,964	49,877,654	8,883,861	51,429,005	8,883,861	(1,551,351)	74,121,613						

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 achieved during the prior year, that additional sum is available for spending. A decrease in fund balance normally reflects the planned use of operating savings yielded from a prior year. The current decrease in fund balance reflects just such a usage.

Major Streets Fund: Major Streets fund is in a phase of utilizing their fund balance to provide for road reconstruction activities.

Local Streets Fund: In a manner similar to Major Streets, Local Streets fund balance is being utilized for road reconstruction 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 both current and 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. Due to the occurrence of frequent severe storms and the resulting additional storm damage cleanup provided to citizens, the demands on this fund have been significant in 2009//2010 and are expected to continue into 2011/2012..

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.

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. The recent decrease in interest rates has had a severe impact on the level of income generated to support operating the cemeteries.

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

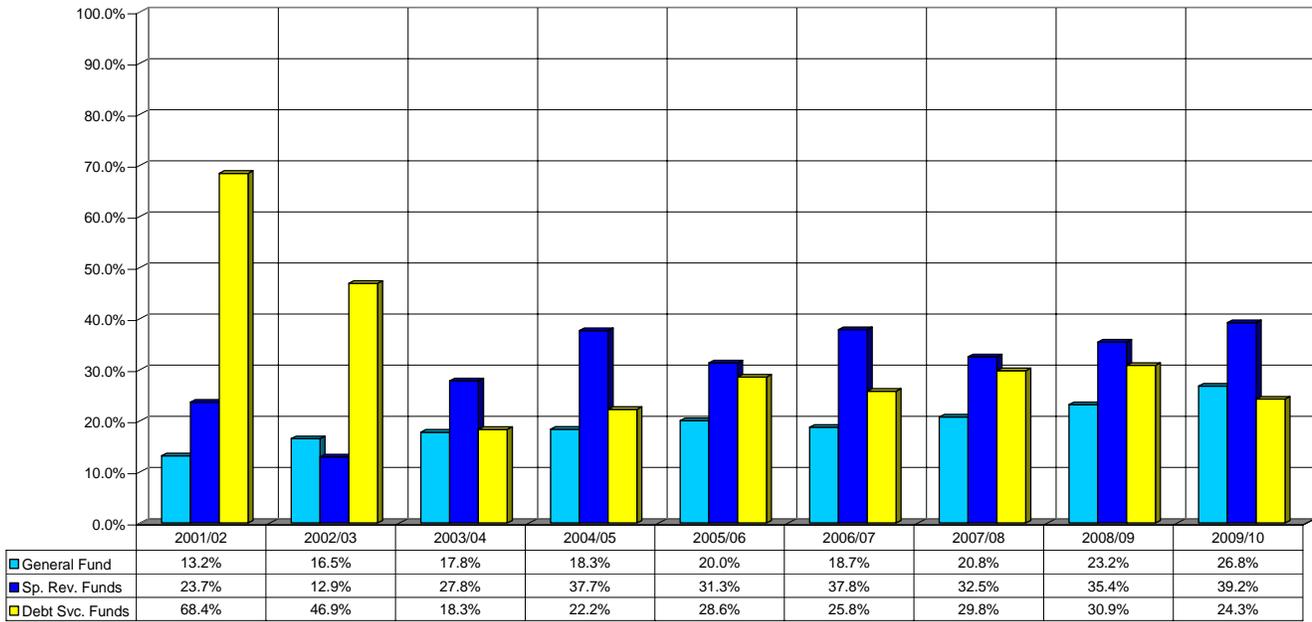
Description:

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:

Inflation-adjusted net operating expenditures per household by the General Fund remain relatively constant. 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 2010 expenditure per household at \$483 is \$46 less than the audited 2010 per household revenue of \$529.

UNRESERVED FUND BALANCE
As a % of Net Operating Revenues



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.

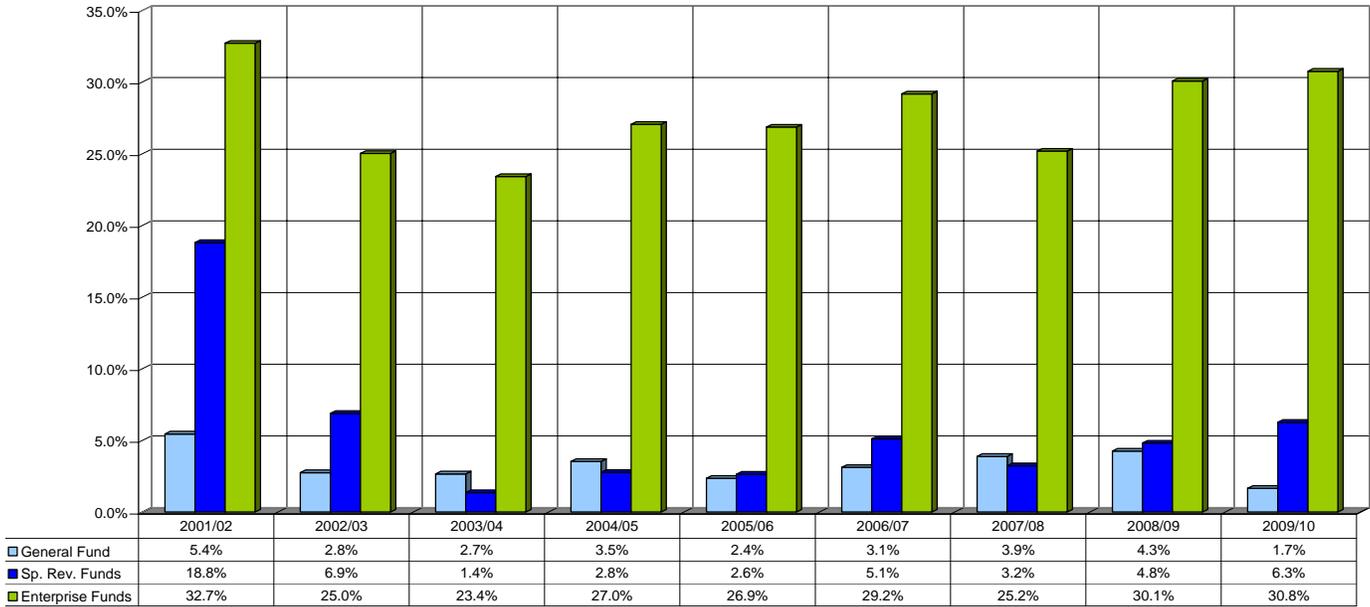
Description:

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 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:

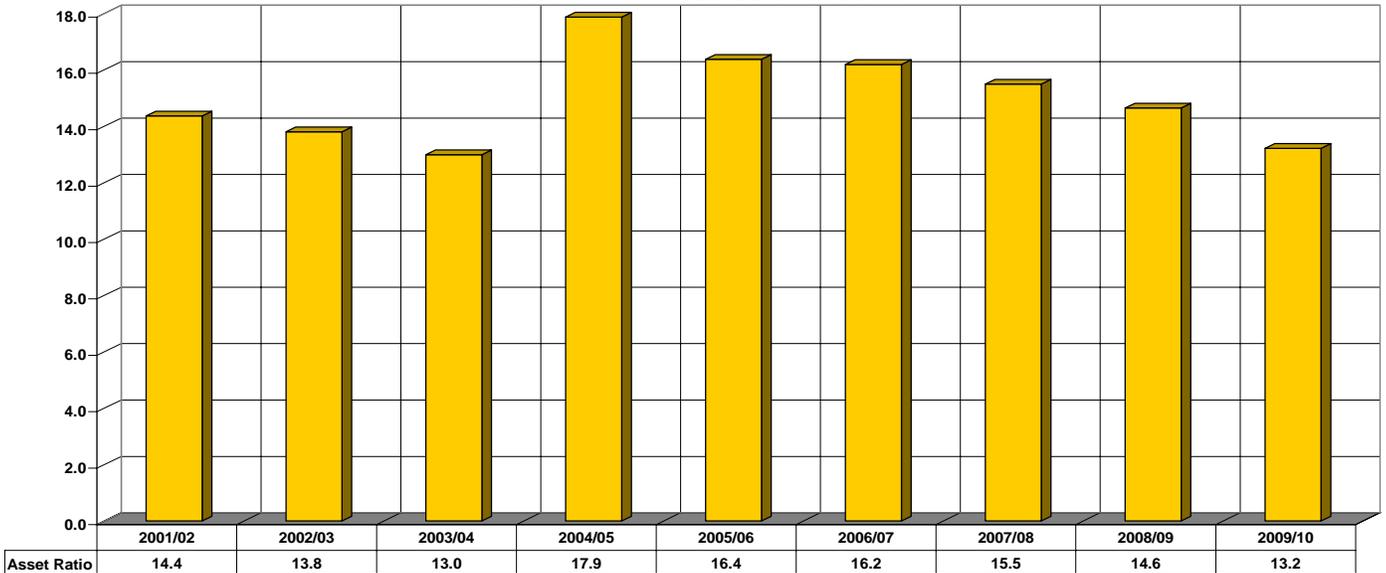
A trend of increasing percentage of short-term debt outstanding at the end of successive fiscal years can indicate liquidity problems, deficit spending, or both.

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 2009/10, the current portion of the enterprise funds long-term debt amounted to \$2,164,258 or 63% 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 2011-2012 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 2011-2012 valuations is 2.6 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 28, 2011. The Public Hearing was held on May 10, 2011. 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

2010 Taxable Value (TV)	2,013,993,665
Cumulative changes	(51,764,202)
2011 Taxable Value (TV)	1,962,229,463
Consumer's Price Index (CPI):	1.7%
2010-2011 Operating Millage Rate	10.7312
2011-2012 Operating Millage Rate	10.8916

Operating Millage Components:

	<u>2010/11</u>	<u>2011/12</u>
General Fund	7.5000	7.5000
Capital Improvement Program	2.0000	2.0000
Recycling Fund	.2710	.3603
Leaf Pickup/ Spring Cleanup Fund	.2950	.4000
Municipal Streets Fund	.6652	.6313
Total	<u>10.7312</u>	<u>10.8916</u>

Formulas/Computations

2011 Truth-in-Taxation Base Tax Rate Fraction

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

$$\frac{(\$2,012,015,142 - \$30,210,208)}{(\$1,848,447,263 - \$56,914,798)} = \frac{\$1,981,804,934}{\$11,902,532,465} = 1.0417 = 1.0000$$

As shown above, the 2011 base tax rate fraction (BTRF) is calculated to be 1.0417. 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 10.7312 mills yields a base tax rate of 10.7312 mills for 2011.

2011 Headlee Millage Reduction Fraction

$$\frac{(\text{2010 Total T.V.} - \text{2011 Losses}) \times \text{CPI}}{(\text{2011 Total T.V.} - \text{2011 Additions})} = \frac{(\$2,012,015,142 - \$30,210,208) \times 1.017}{\$1,902,532,465} = 1.0594 = 1.0000$$

2011 Millage Reduction Fraction (Headlee)

As shown above, the 2011 millage reduction fraction (MRF) is calculated to be 1.0594. Beginning in 1995, however, the MRF used cannot exceed 1.0000. Since a MRF of 1.0000 will be used for 2011, no further reduction in the city's maximum authorized millage rate (due to Headlee rollback) will be required for 2011.

GENERAL APPROPRIATIONS ACT
 RESOLUTION TO ADOPT THE BUDGET
 OF THE CITY OF PORTAGE FOR THE FISCAL YEAR
 JULY 1, 2011 TO JUNE 30, 2012
 AND TO MAKE APPROPRIATIONS THEREFORE

Moved by **Urban**
 Supported by **Bailes**

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, 2011 to June 30, 2012.

BE IT FURTHER RESOLVED that the sum of \$21,345,100 be raised by taxation by the levy of 10.8916 mills for operations on the taxable value of all real and personal property in the City as follows:

General Operating Fund	7.5000 mills	\$14,698,300
Capital Improvement Fund	2.0000 mills	3,919,600
Curbside Recycling Fund	0.3603 mills	706,100
Leaf Pickup/Spring Cleanup Fund	0.4000 mills	783,900
Municipal Street Fund	<u>0.6313 mills</u>	<u>1,237,200</u>
	<u>10.8916 mills</u>	<u>\$21,345,100</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: **Bailes, Sackley, Strazdas, Urban**
 NO: **Randall**
 ABSENT: **Campbell, Reid**


 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 24th day of May, 2011 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 24th day of May, 2011


 James R. Hudson, City Clerk

SALARY AND WAGE RESOLUTION
RESOLUTION TO ADOPT THE SALARY AND WAGE SCHEDULES FOR
THE FISCAL YEAR JULY 1, 2011 TO JUNE 30, 2012

Moved by Urban
Supported by Bailes

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, 2011 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, 2011 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, 2012:
Portage Police Officers Association (PPOA)
Portage Police Command Officers Association (PPCOA)
United Auto Workers (Parks and Streets Department Laborers, Operators and Mechanics)
- (3) Department Head and regular full-time Non-Union employees receive salary and benefit adjustments as provided for in the Non-Union Employee Compensation and Classification Plan, as amended by the 2011-2012 Compensation & Benefit Plan Amendment, and as recommended by the City Manager and adopted with the budget on May 24, 2011. In addition, part-time and seasonal employees receive wage increases within each classification and adjusted separately, as approved by the City Manager. Again this year, however, the 2011-2012 recommended budget does not provide for salary adjustments for Department Head, regular full-time Non-Union, part-time, or seasonal employees other than those associated with organizational restructuring and certain attainment adjustments authorized during the fiscal year. All expenses will be covered by the savings associated with the reorganization. Compensation for the City Manager shall be determined by the City council.

YES: Bailes, Sackley, Strazdas, Urban
NO: Randall
ABSENT: Campbell, Reid


James R. Hudson, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

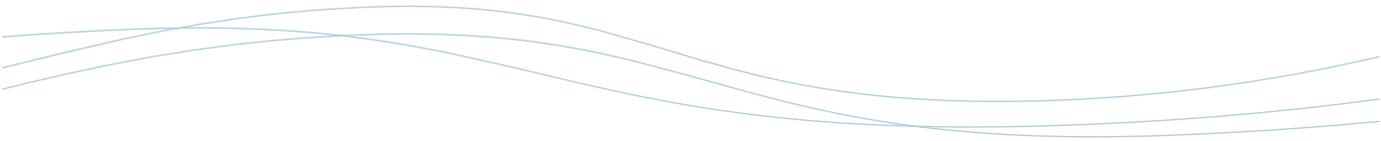
I, the undersigned, the duly qualified City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 24th day of May, 2011 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 24th day of May, 2011.


James R. Hudson, City Clerk



General Fund

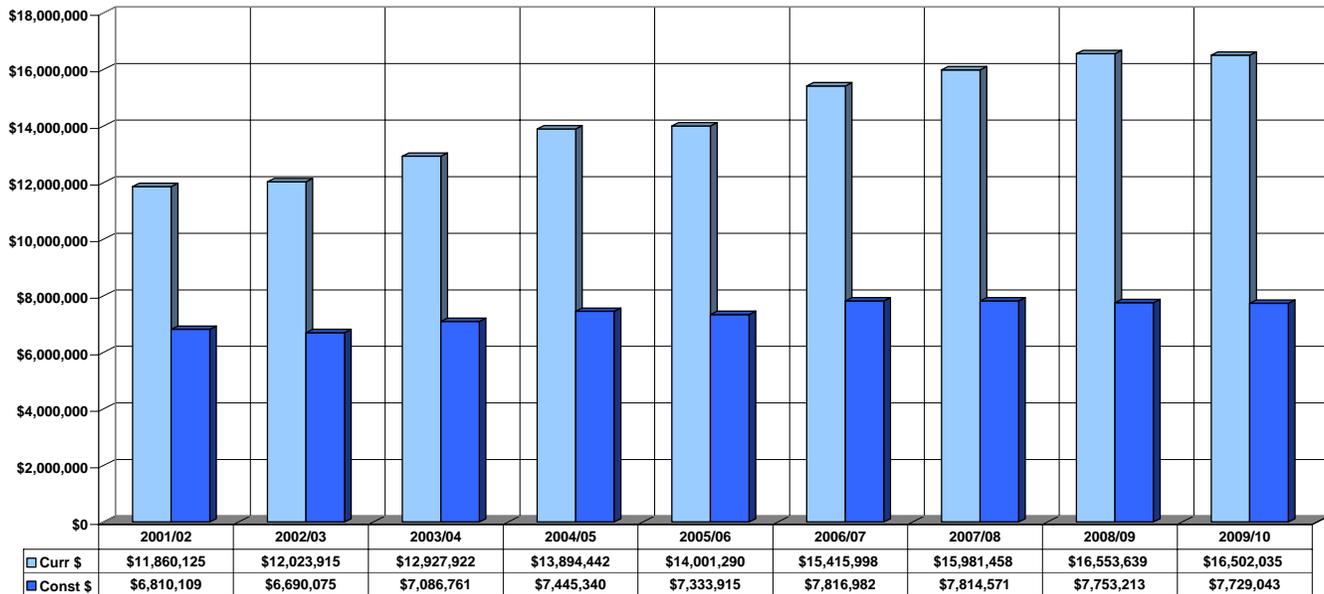


PORTAGE

A Place for Opportunities to Grow

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.

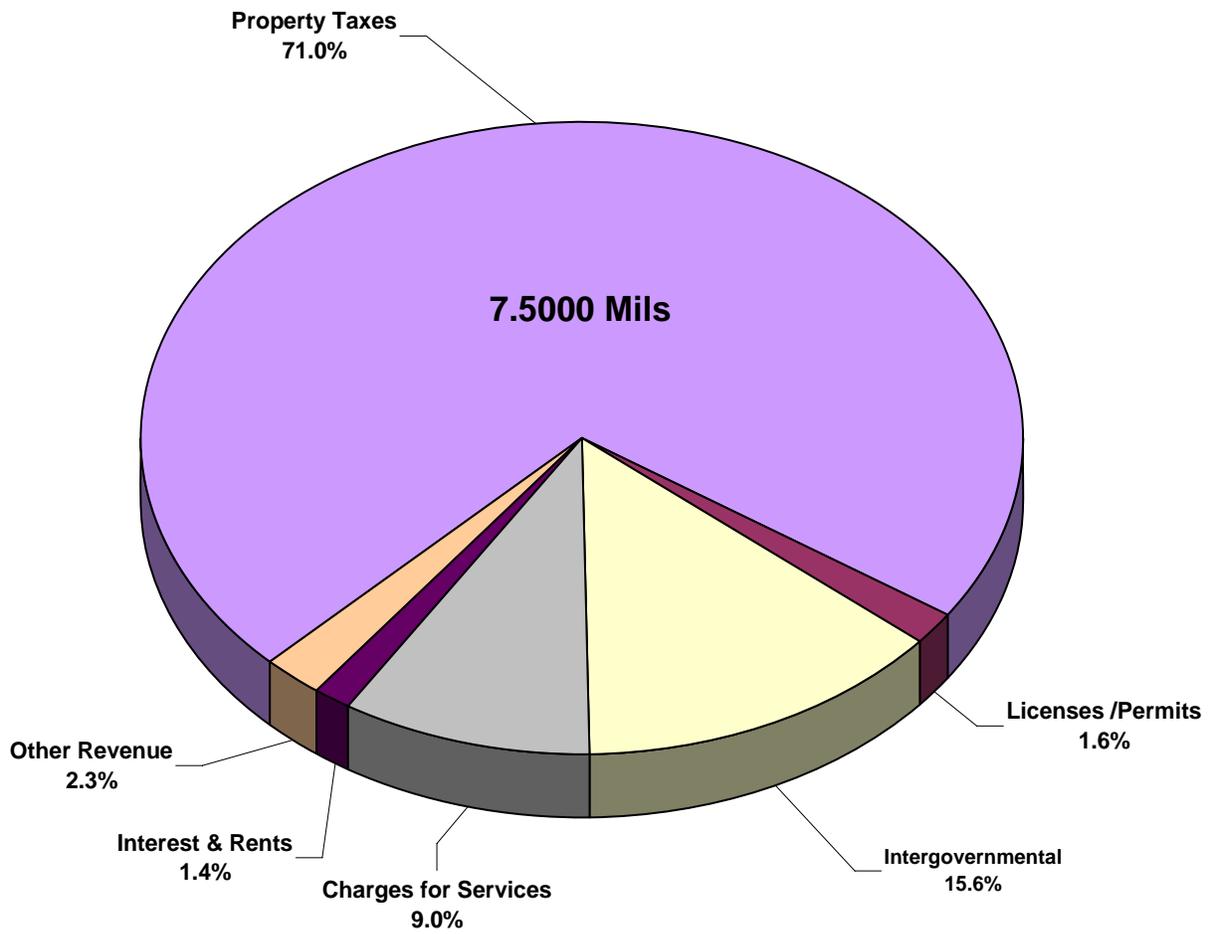
Description:

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 generally increased through 2007/08. The slowing rate of growth may be noted prior to the 2009/2010 is replaced with virtually no growth in 2009/2010.

GENERAL FUND REVENUES BY SOURCE



GENERAL FUND REVENUES
Fiscal Year 2011-2012

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Admin Recommend
Revenues budgeted by department:					
Fees and permits	549,436	413,194	476,900	476,900	473,200
Federal revenue	10,000	5,000	89,607	-	35,259
State revenue	23,828	22,687	7,500	7,500	7,500
Other grants	42,714	52,252	45,600	45,600	21,600
Charges for services	360,970	386,440	295,300	295,300	293,000
Interest and rents	187,466	227,055	227,000	227,000	184,500
Other revenue	521,103	514,559	448,059	439,854	418,045
Transfers In	28,000	15,000	8,000	8,000	8,000
	<u>1,723,517</u>	<u>1,636,187</u>	<u>1,597,966</u>	<u>1,500,154</u>	<u>1,441,104</u>
Revenues not budgeted by department:					
Property taxes	16,498,975	16,502,035	15,933,000	15,933,000	15,497,500
State shared revenue	3,762,397	3,279,535	3,423,884	3,423,884	2,917,902
Charges for services	1,357,160	1,485,320	1,369,160	1,369,160	1,369,160
Interest and rents	252,676	120,288	150,000	150,000	120,000
Other revenue	36,658	27,836	42,000	42,000	42,000
Transfers In	-	-	-	-	160,000
	<u>21,907,866</u>	<u>21,415,014</u>	<u>20,918,044</u>	<u>20,918,044</u>	<u>20,106,562</u>
Total Revenue	<u>23,631,383</u>	<u>23,051,201</u>	<u>22,516,010</u>	<u>22,418,198</u>	<u>21,547,666</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 2011-2012 is projected to be 7.5000 mills, which is the same as the 2010-2012 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 2011-2012 is approximately the same as 2010-2011 for liquor licenses, and less than 2010-2011 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

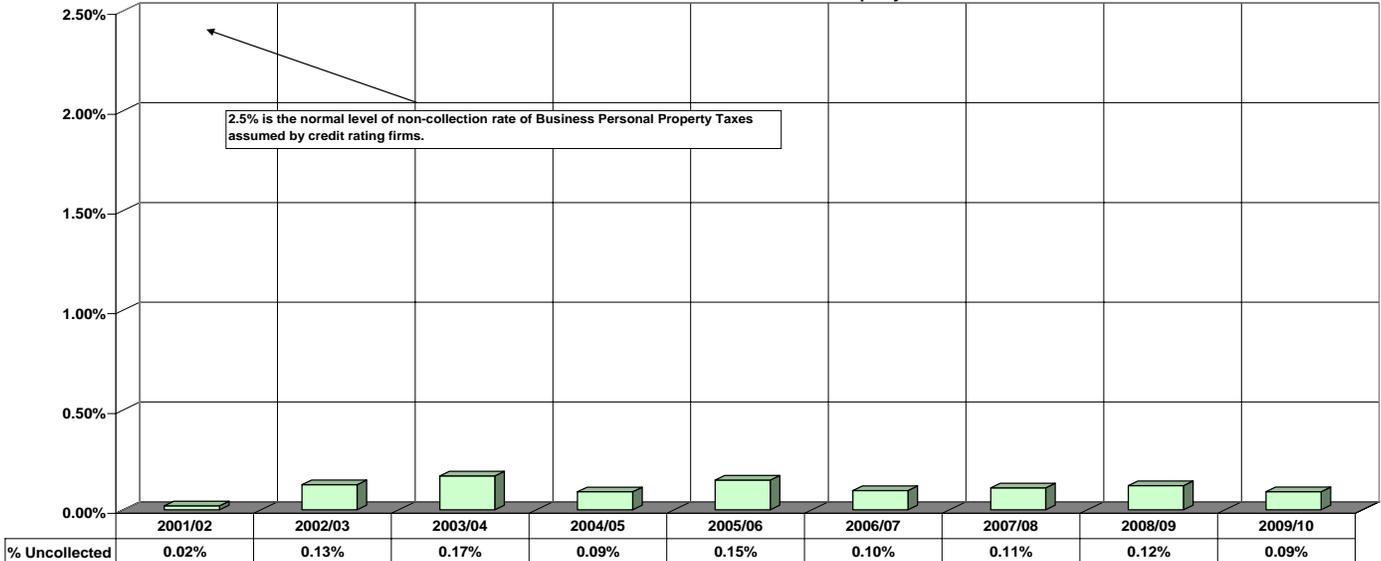
The 1994 passage of Proposal A has significantly altered the State's distribution of revenues to local units of government. What used to be a fairly stable, easily-predictable estimating process has become more uncertain, as funding is now partially subjected to the State legislative allocation process. 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 Constitutional revenue sharing payments has been held to approximately the same level as in 2009/2010 for the 2011/2012 budget based on projections provided by the State of Michigan, and the budget for Statutory revenue sharing has been reduced to zero based on statements by the Governor.

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:

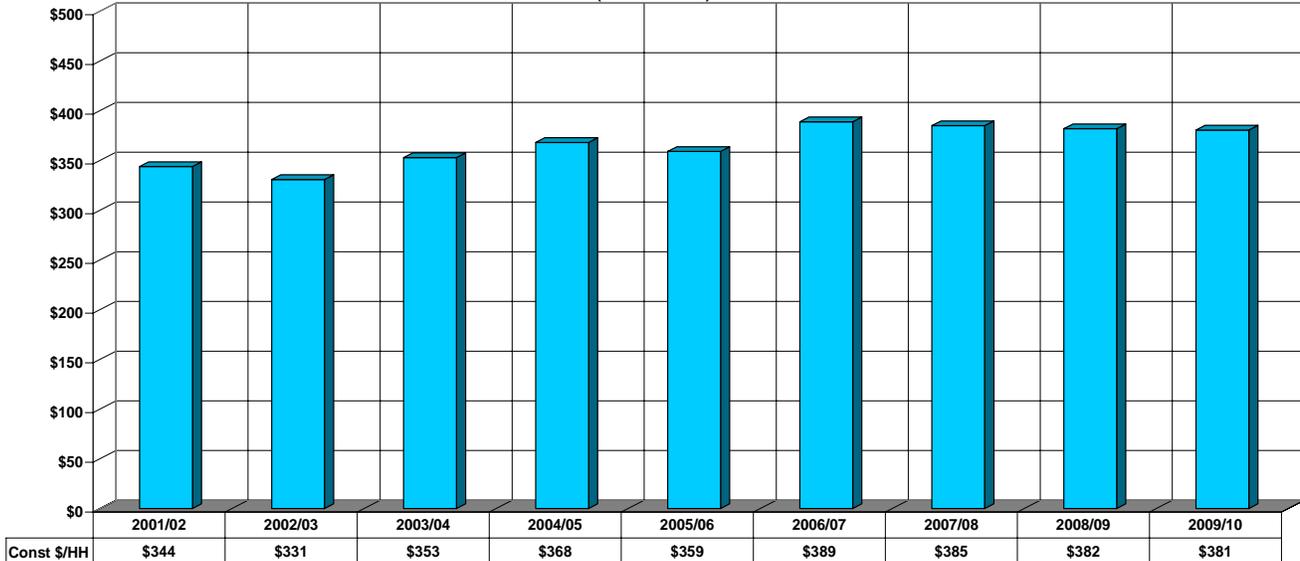
Every year a certain percentage of the owners of taxable business personal property are unable to pay the taxes due on that property. If this percentage is increasing over time, it may indicate an overall decline in the economic health of the City. The County revolving property tax collection fund guarantees 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

(in Constant \$)



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:

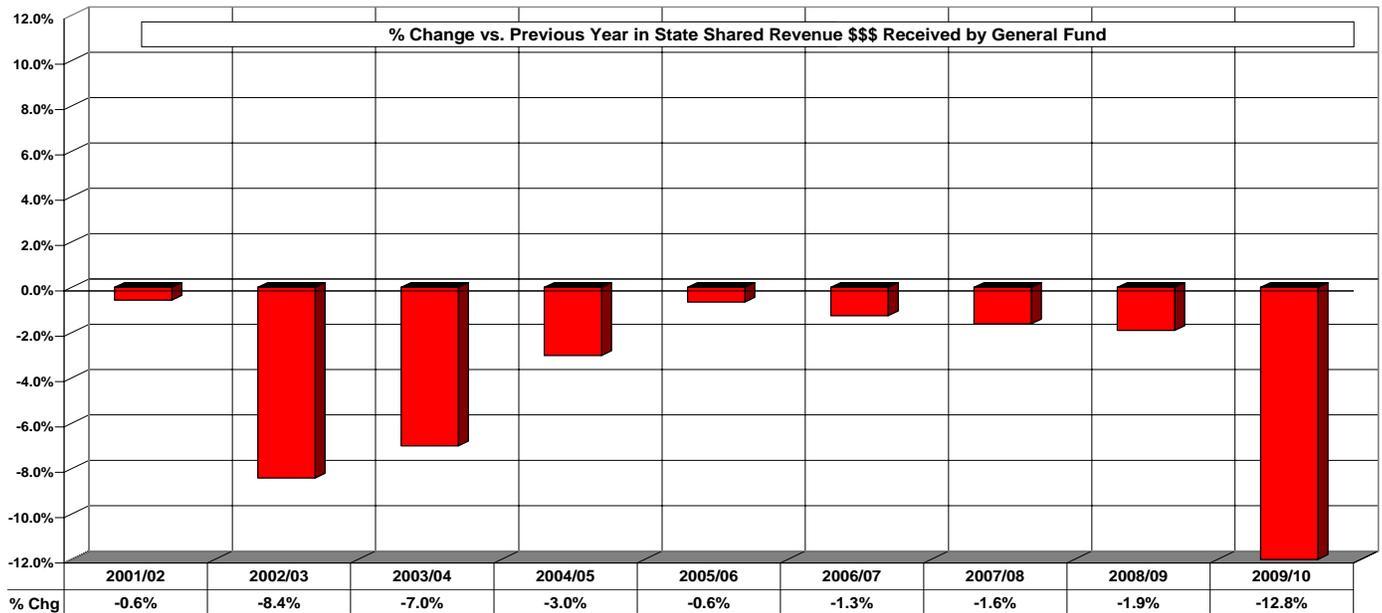
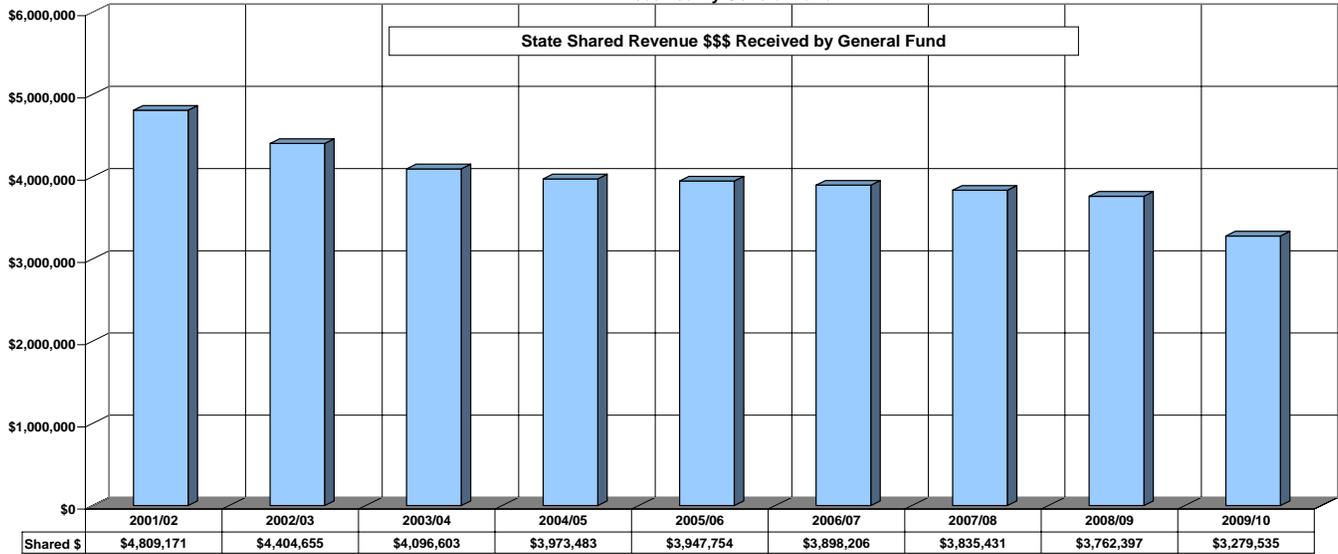
Examining property tax revenues on a *per household basis* shows changes in revenues relative to the changes in number of households. As the number of households increases, it could be reasonably expected that overall revenues and the need to expend those revenues will increase. As a result, one could 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 had remained relatively constant. The slight decrease in fiscal 2002/03 resulted from a successful tax appeal by the largest taxpayer in the City. In 2009/2010, there was virtually no increase in the tax base which caused a decrease when valued in inflation adjusted constant dollars.

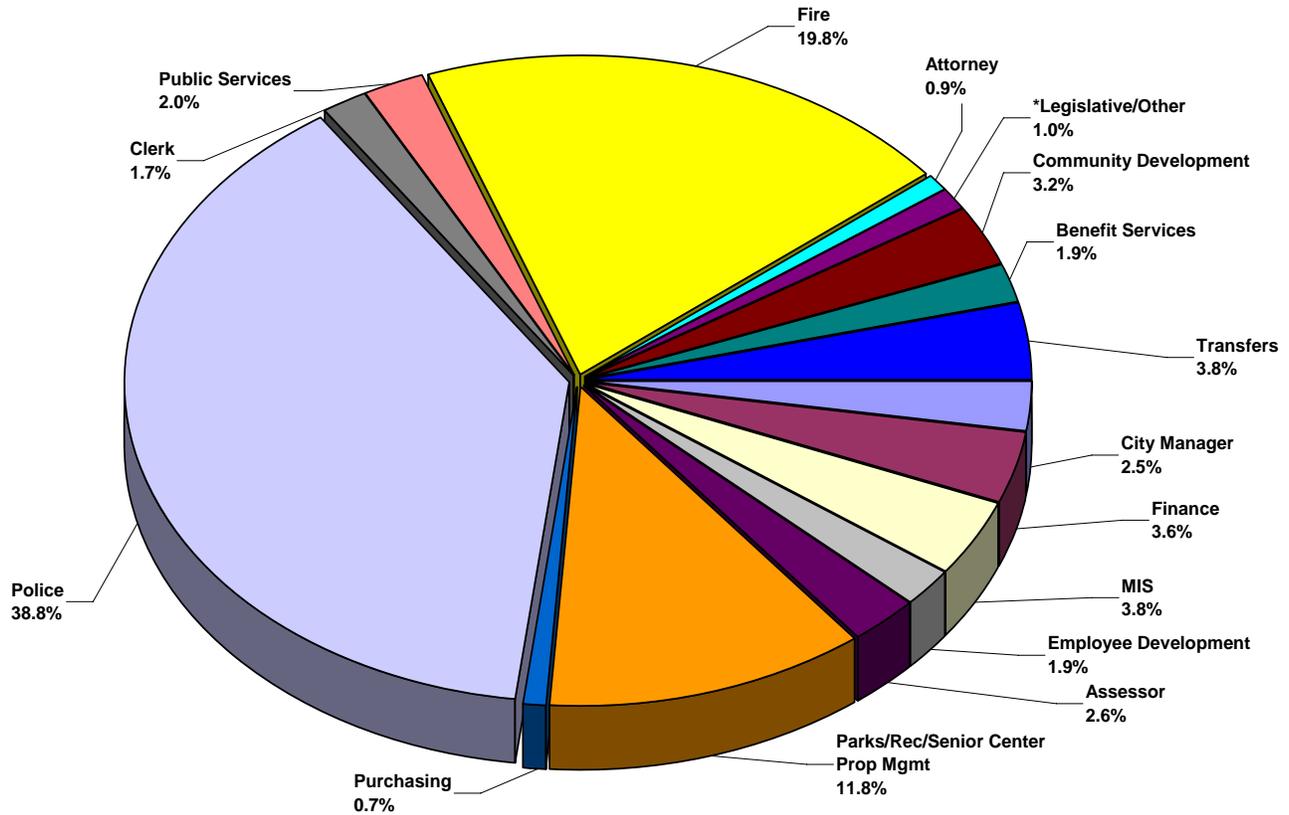
GENERAL STATE-SHARED REVENUES

Received By General Fund



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

GENERAL FUND EXPENDITURES BY DEPARTMENT



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

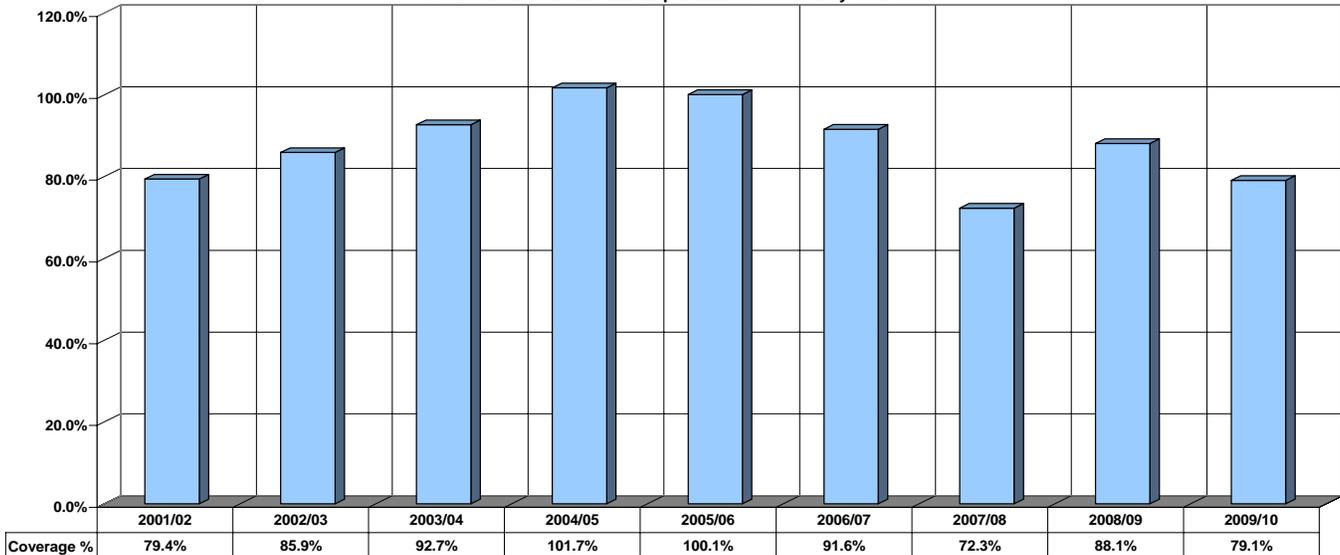
General Fund Expenditures by Department or Function

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted	Adopted	Council
			Budget	Budget	Approved
City Council	59,335	60,430	66,738	66,738	61,500
Human Service Funding	178,289	175,978	131,437	117,897	117,127
District Court Facility	46,786	49,874	57,426	56,855	56,855
City Manager	747,612	634,360	582,975	572,975	592,006
Finance	796,156	764,553	1,028,340	827,006	839,637
Information Technology	754,585	655,501	1,087,627	742,567	892,621
City Assessor	507,169	540,157	705,811	596,800	605,358
City Attorney	201,728	201,145	201,728	201,728	201,728
City Clerk	372,799	292,572	413,780	394,868	389,003
Employee Development	386,283	377,677	449,999	439,999	436,364
Benefit Services	369,176	351,053	479,493	462,243	452,547
Purchasing	152,824	146,879	174,346	160,346	151,763
Parks & Recreation	2,888,025	2,803,117	2,882,687	2,849,679	2,751,034
Police Department	9,136,444	8,496,023	9,769,217	9,139,683	9,078,362
Fire Department	4,364,726	4,154,683	4,584,203	4,512,224	4,652,648
Community Development	969,090	860,017	1,012,055	995,572	759,764
Street Lighting	431,589	423,003	483,000	483,000	483,000
Transfers Out	650,000	1,385,000	410,000	410,000	886,000
Total Expenditures	23,012,616	22,372,022	24,520,862	23,030,180	23,407,317

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:

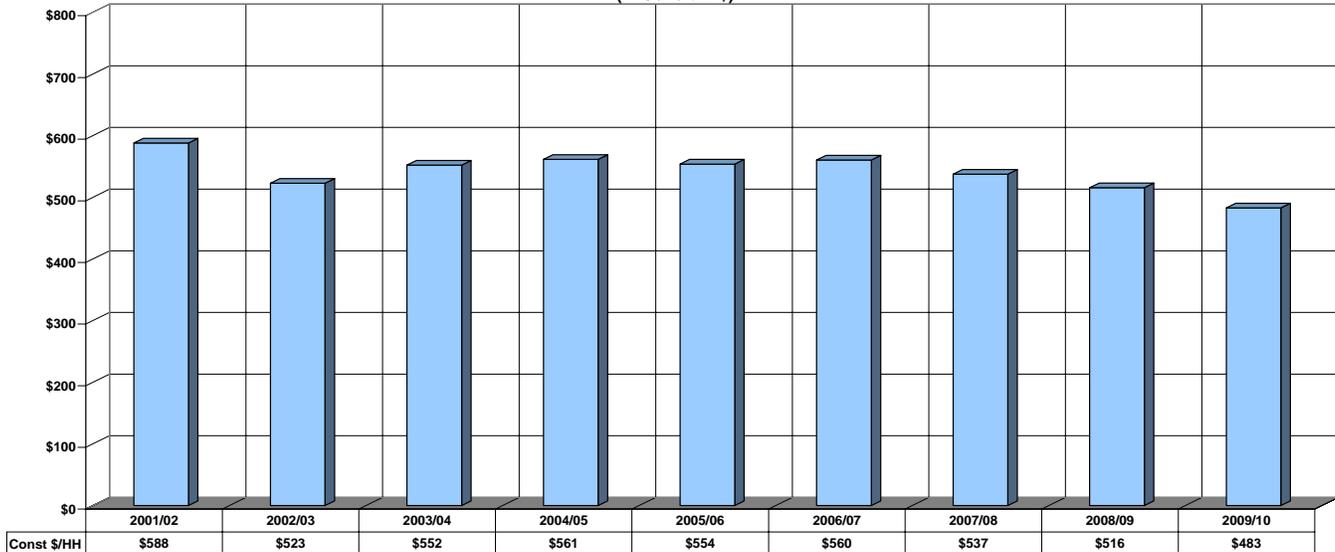
The term "user coverage" refers to whether the fees and other charges for certain services cover the entire cost of providing those services. The information depicted in the above chart applies only to General Fund programs and not those in the enterprise funds. When the fees and charges exactly match 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, records show that user charge coverage percentage in the General Fund was typically less than 40%. Since then, the higher levels of the 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 reduction 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. On average 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 and 2009/10 causing the decrease in the coverage percentage.

GENERAL FUND NET OPERATING EXPENDITURES PER HOUSEHOLD

(in Constant \$)



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:

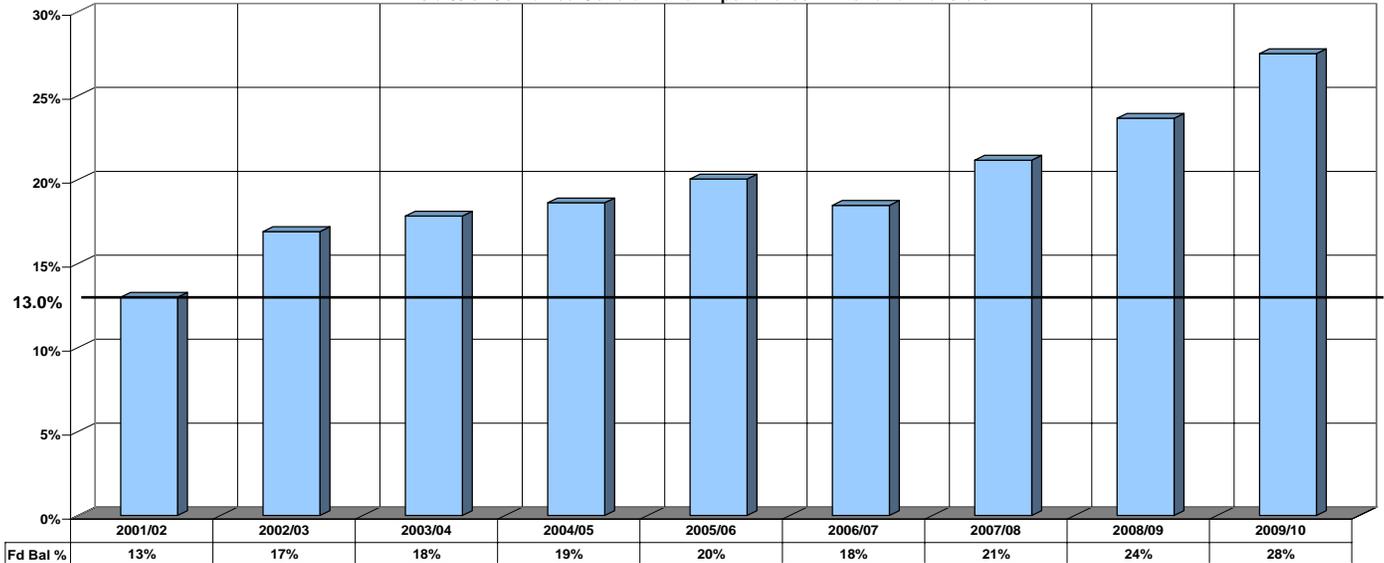
Examining expenditures on a *per household basis* shows changes in expenditures relative to the changes in number of households. Increasing per household expenditures can indicate that the cost of providing services is outstripping the City's ability to pay, especially if spending is increasing faster 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. Fiscal 2001/02 experienced continuing tax appeal expenses plus a major October 2001 windstorm damages that cost over \$1,000,000 for clean up and restoration. Expenditures since 2007/2008 are decreasing 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:

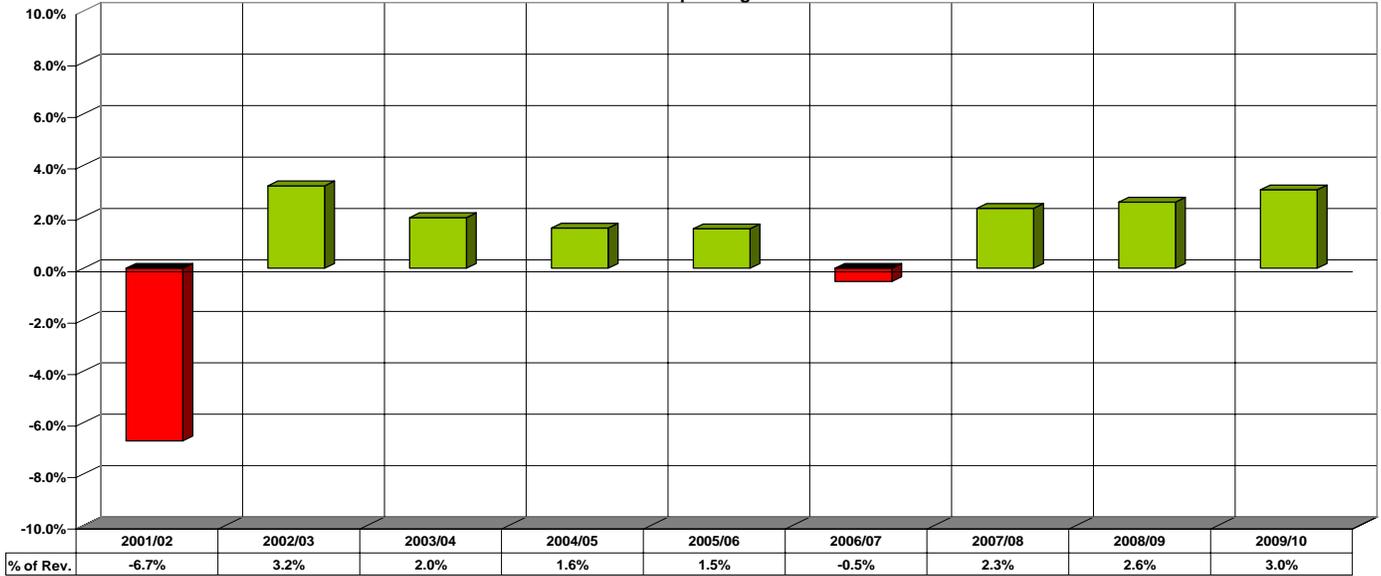
Although positive fund balances can also be thought of as reserves, the "Fund Balance" entry on a local government's annual report is not always synonymous with "available for appropriation." The annual report may also show a reservation of some or all of the fund balance as "reserved for prior years' 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 11.8 percent of the budget.

The estimated fund balance at June 30, 2012 is at least 13 percent of fund expenditures as required by City Council resolution.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Property taxes	16,498,975	16,502,035	15,933,000	15,933,000	15,497,500
Fees and permits	549,436	413,194	476,900	476,900	473,200
Federal revenue	10,000	5,000	89,607	-	35,259
State revenue	23,828	22,687	7,500	7,500	7,500
State shared revenue	3,762,397	3,279,535	3,423,884	3,423,884	2,917,902
Other grants	42,714	52,252	45,600	45,600	21,600
Charges for services	1,718,130	1,871,760	1,666,388	1,664,460	1,662,160
Interest and rents	440,142	347,343	377,000	377,000	304,500
Other revenue	557,761	542,395	490,059	481,854	460,045
Transfers In	28,000	15,000	8,000	8,000	168,000
TOTAL REVENUE	23,631,383	23,051,201	22,517,938	22,418,198	21,547,666
EXPENDITURES:					
Personnel Services	17,404,950	16,351,826	17,711,919	17,297,058	17,025,921
Operations & Maintenance	3,181,497	2,957,634	3,552,098	3,304,076	3,282,900
Administrative Charges	1,757,845	1,674,977	2,209,073	1,993,881	1,986,577
Capital Outlay	18,324	2,585	637,772	25,165	225,919
Transfers Out	650,000	1,385,000	410,000	410,000	886,000
TOTAL EXPENDITURES	23,012,616	22,372,022	24,520,862	23,030,180	23,407,317

LEGISLATIVE DEPARTMENT

Budget Overview: In addition to City Council expenditures, the 2011-2012 Legislative budget includes contributions to various human service agencies. The human services contributions equal \$117,127 (see Appendix A for additional information) for 2011/2012.

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>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	40,369	41,715	42,000	42,000	42,000
Operations & Maintenance	197,255	194,693	156,175	142,635	136,627
TOTAL EXPENDITURES	<u>237,624</u>	<u>236,408</u>	<u>198,175</u>	<u>184,635</u>	<u>178,627</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 2011-2012 City Council budget includes expenditures for Michigan Municipal League dues, planning retreats and Mayor Exchange Day.

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	40,369	41,715	42,000	42,000	42,000
Operations & Maintenance	18,966	18,715	24,738	24,738	19,500
TOTAL EXPENDITURES	59,335	60,430	66,738	66,738	61,500

HUMAN SERVICES 101-1085

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

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

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

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

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

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

The proposed 2011-2012 budget includes a General Fund appropriation of \$79,109 for youth development and program coordination activities. An additional \$47,334 is proposed from Community Development Block Grant funds, depending on the final grant amount, bringing the potential total city contribution to PCC to \$126,443.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	4,172	4,000	4,000

HUMAN SERVICES, continued

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

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

Domestic Assault – emergency 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.

The proposed 2011-2012 budget includes a General Fund appropriation of \$9,405.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	132	125	125

3. **HOUSING RESOURCES, INC.**

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

Housing Stabilization Program - homelessness prevention and rapid re-housing assistance.

The proposed 2011-2012 budget includes a General Fund appropriation of \$19,504.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	295	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 Homeless Youth - provides emergency shelter for youth, transition and permanent housing and counseling for families in crisis.

The proposed 2011-2012 budget includes a General Fund appropriation of \$9,109.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	114	125	125

HUMAN SERVICES, continued

	<u>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Actuals</u>	<u>2010-2011</u> <u>Adjusted</u> <u>Budget</u>	<u>2010-2011</u> <u>Adopted</u> <u>Budget</u>	<u>2011-2012</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	178,289	175,978	131,437	117,897	117,127
TOTAL EXPENDITURES	<u>178,289</u>	<u>175,978</u>	<u>131,437</u>	<u>117,897</u>	<u>117,127</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>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	40,500	40,500	40,500	40,500	40,500
TOTAL REVENUE	<u>40,500</u>	<u>40,500</u>	<u>40,500</u>	<u>40,500</u>	<u>40,500</u>
EXPENDITURES:					
Operations & Maintenance	14,997	17,677	20,426	19,855	19,855
Administrative Charges	31,789	32,197	37,000	37,000	37,000
TOTAL EXPENDITURES	<u>46,786</u>	<u>49,874</u>	<u>57,426</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 2011-2012 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

	<u>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Actuals</u>	<u>2010-2011</u> <u>Adjusted</u> <u>Budget</u>	<u>2010-2011</u> <u>Adopted</u> <u>Budget</u>	<u>2011-2012</u> <u>Council</u> <u>Approved</u>
REVENUE:					
Other revenue	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-
EXPENDITURES:					
Personnel Services	652,535	547,123	490,015	490,585	497,826
Operations & Maintenance	39,606	32,077	60,070	49,500	61,000
Administrative Charges	6,969	5,905	6,890	6,890	6,980
TOTAL EXPENDITURES	699,110	585,105	556,975	546,975	565,806

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Council meetings	36	32	34
Council committee meetings	40	35	38
Pre-Council meetings	23	24	24
Council items processed:			
Agenda items	271	226	249
Material transmitted	101	73	87
Weekly Reports	44	48	52
Portager issues	11	6	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 2011-2012 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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other revenue	5,637	7,865	2,500	2,500	750
TOTAL REVENUE	5,637	7,865	2,500	2,500	750
EXPENDITURES:					
Personnel Services	611,021	597,085	656,538	656,538	647,085
Operations & Maintenance	170,271	154,748	161,422	157,088	178,902
Administrative Charges	14,864	12,720	13,380	13,380	13,650
Capital Outlay	-	-	197,000	-	-
TOTAL EXPENDITURES	796,156	764,553	1,028,340	827,006	839,637

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	5,508	5,390	5,000
Electronic Vendor Payments (wire, EFT)	765	830	1,200
Payroll checks issued	8,104	7,965	7,800
W-2's issued	500	564	550
W-2 accuracy rate	100%	100%	100%
1099's issued	171	177	180
Issue date of annual financial report	Nov 30	Nov 30	Dec 10

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	212,422	211,301	235,546	235,546	235,232
Operations & Maintenance	64,896	54,641	66,409	62,075	62,608
TOTAL EXPENDITURES	277,318	265,942	301,955	297,621	297,840

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	3	1	3
Dollar amount	\$3,440,000	\$3,850,000	\$3,060,000
Bond Refinancing	\$9,255,000	\$-0-	\$4,770,000
'Unqualified' audit report received	Yes	Yes	Yes

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Council</u>
					<u>Approved</u>
EXPENDITURES:					
Personnel Services	235,683	233,175	260,590	260,590	251,715
Operations & Maintenance	63,057	72,926	57,968	57,968	75,334
Administrative Charges	14,864	12,720	13,380	13,380	13,650
Capital Outlay	-	-	197,000	-	-
TOTAL EXPENDITURES	313,604	318,821	528,938	331,938	340,699

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	37,860	37,696	37,800
Special assessment bills processed	1,716	1,118	1,050
Water and sewer bills processed	63,369	63,400	63,500
Cash receipts issued	109,112	109,000	109,100
Number of cash transactions per employee	27,278	27,250	27,275

	<u>2008-2009 Actuals</u>	<u>2009-2010 Actuals</u>	<u>2010-2011 Adjusted Budget</u>	<u>2010-2011 Adopted Budget</u>	<u>2011-2012 Council Approved</u>
REVENUE:					
Other revenue	5,637	7,865	2,500	2,500	750
TOTAL REVENUE	<u>5,637</u>	<u>7,865</u>	<u>2,500</u>	<u>2,500</u>	<u>750</u>
EXPENDITURES:					
Personnel Services	162,916	152,609	160,402	160,402	160,138
Operations & Maintenance	42,318	27,181	37,045	37,045	40,960
TOTAL EXPENDITURES	<u>205,234</u>	<u>179,790</u>	<u>197,447</u>	<u>197,447</u>	<u>201,098</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 2011-2012 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, and photocopying services for all departments including development and mailing of the City newsletter, *The Portager*, and other marketing and communication materials.

Budget Overview: 2011-2012 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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Charges for services	\$ 120,496	\$ 117,948	\$ 43,300	\$ 43,300	\$ 45,000
Other revenue	14	2	100	100	100
TOTAL REVENUE	120,510	117,950	43,400	43,400	45,100
EXPENDITURES:					
Personnel Services	74,950	54,459	44,937	31,497	43,095
Operations & Maintenance	676,254	598,543	698,665	697,045	686,000
Administrative Charges	3,381	2,499	14,025	14,025	3,526
Capital Outlay	-	-	330,000	-	160,000
TOTAL EXPENDITURES	754,585	655,501	1,087,627	742,567	892,621

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	80	78
PC's & Laptops	239	238	236
Applications	400	400	400
Network/PC training hours	700	600	550
Telephone lines supported(note 6)	279	290	290
Network servers (see note 1)	16	15	15
Midrange computers (see note 2)	4	5	5
Help desk requests	1,925	1,125	1,500
Routers/switches/hubs	36	13	13
Terminals	7	7	7
Wireless devices (see note 3)	34	32	32
Cell phone/PDA (see note 4)	92	80	79
Video Monitoring Systems (Note 5)	1	3	3

Note 1: 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, interview room server

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

Note 4. Assessor 3, Benefit Services 1, Clerk 2, City Manager 2, Community development 6, Employee Development 1, Fire 8, Parks, 14, Police 28, Streets and Equipment 6, IT 2, Senior Citizen Services 1, Transportation and Utilities 5.

Note 5: (System 1) Parks Facilities, (System 2) Finance , Assessor, Conference Rooms #1 and #2, (Sys 3), Police Interview Room.

Note 6. VIOP System – CISCO call manager (2), call recording devices (1), PAI (2)

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	669,674	595,180	693,265	691,645	680,415
Administrative Charges	3,381	2,499	14,025	14,025	3,526
Capital Outlay	-	-	330,000	-	160,000
TOTAL EXPENDITURES	673,055	597,679	1,037,290	705,670	843,941

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	452,086	430,000
Number of fax pages	1,927	1,353	1,000
Number of printing jobs processed	246	255	250
Desktop publishing hours**	212	115	115
Pieces of mail processed***	77,812	138,743	100,000
Website update hours*	120	300	120
Package receiving/deliveries	946	886	900
Document scans	12,150	12,261	13,000

*Indicates website revision/upgrades

**Indicates reduction in number of Portager issues

***Indicates increases from elections

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	120,496	117,948	43,300	43,300	45,000
Other revenue	14	2	100	100	100
TOTAL REVENUE	<u>120,510</u>	<u>117,950</u>	<u>43,400</u>	<u>43,400</u>	<u>45,100</u>
EXPENDITURES:					
Personnel Services	74,950	54,459	44,937	31,497	43,095
Operations & Maintenance	6,580	3,363	5,400	5,400	5,585
TOTAL EXPENDITURES	<u>81,530</u>	<u>57,822</u>	<u>50,337</u>	<u>36,897</u>	<u>48,680</u>

CITY ASSESSOR

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

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

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Assessor	Provide prompt and courteous service	<i>Public Relations</i> Maintain positive public relations
	Continue to improve 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	

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other revenue	\$ 65	\$ 110	\$ 500	\$ 500	\$ 500
TOTAL REVENUE	<u>65</u>	<u>110</u>	<u>500</u>	<u>500</u>	<u>500</u>
EXPENDITURES:					
Personnel Services	439,063	400,892	472,316	464,396	473,556
Operations & Maintenance	61,289	128,721	224,681	124,140	123,478
Administrative Charges	6,817	10,544	8,814	8,264	8,324
TOTAL EXPENDITURES	<u>507,169</u>	<u>540,157</u>	<u>705,811</u>	<u>596,800</u>	<u>605,358</u>

The responsibilities of the various activities are outlined as follows.

ASSESSOR 101-2209

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Property descriptions	19,000	19,000	19,000
Processing of title and transfer documents	5,000	5,000	5,000
New appraisals - real and personal property	3,500	3,500	3,500
Property taxes levied, city only (in millions)	\$22.4	\$21.6	\$20.9
Property taxes levied, all taxing entities (in millions)	\$98.0	\$94.0	\$90.7

	<u>2008-2009 Actuals</u>	<u>2009-2010 Actuals</u>	<u>2010-2011 Adjusted Budget</u>	<u>2010-2011 Adopted Budget</u>	<u>2011-2012 Council Approved</u>
REVENUE:					
Other revenue	65	110	500	500	500
TOTAL REVENUE	<u>65</u>	<u>110</u>	<u>500</u>	<u>500</u>	<u>500</u>
EXPENDITURES:					
Personnel Services	413,059	376,944	436,032	436,032	438,348
Operations & Maintenance	61,289	128,721	222,431	121,890	120,752
Administrative Charges	6,817	10,544	8,814	8,264	8,324
TOTAL EXPENDITURES	<u>481,165</u>	<u>516,209</u>	<u>667,277</u>	<u>566,186</u>	<u>567,424</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	350	200	200

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	26,004	23,948	36,284	28,364	35,208
Operations & Maintenance	-	-	2,250	2,250	2,726
TOTAL EXPENDITURES	<u>26,004</u>	<u>23,948</u>	<u>38,534</u>	<u>30,614</u>	<u>37,934</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>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Actuals</u>	<u>2010-2011</u> <u>Adjusted</u> <u>Budget</u>	<u>2010-2011</u> <u>Adopted</u> <u>Budget</u>	<u>2011-2012</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	\$ 201,728	\$ 201,145	\$ 201,728	\$ 201,728	\$ 201,728
TOTAL EXPENDITURES	<u>201,728</u>	<u>201,145</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	<i>Service Delivery</i>
	Imaging of records	Evaluate alternatives to meet
	Records storage	service demands
	Records access	Increase efficiency through
		technology

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	\$ 32,055	\$ 33,990	\$ 33,000	\$ 33,000	\$ 31,400
Other revenue	4,191	1,448	1,000	1,000	500
TOTAL REVENUE	<u>36,246</u>	<u>35,438</u>	<u>34,000</u>	<u>34,000</u>	<u>31,900</u>
EXPENDITURES:					
Personnel Services	288,389	238,453	308,923	308,923	299,938
Operations & Maintenance	79,511	49,694	100,062	81,150	84,190
Administrative Charges	4,899	4,425	4,795	4,795	4,875
TOTAL EXPENDITURES	<u>372,799</u>	<u>292,572</u>	<u>413,780</u>	<u>394,868</u>	<u>389,003</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	2,572	3,500
Cancellations	3,361	2,581	3,300
Change of address	3,000	1,520	2,100
Registered voters	30,965	36,288	36,500

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	140,694	93,492	155,816	155,816	147,036
Operations & Maintenance	39,956	24,560	35,863	32,450	35,450
Administrative Charges	286	480	455	455	455
TOTAL EXPENDITURES	<u>180,936</u>	<u>118,532</u>	<u>192,134</u>	<u>188,721</u>	<u>182,941</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	62	20	50
Cemetery lot burials	57	35	60
Number of meetings clerked	32	29	35

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	32,055	33,990	33,000	33,000	31,400
Other revenue	4,191	1,448	1,000	1,000	500
TOTAL REVENUE	<u>36,246</u>	<u>35,438</u>	<u>34,000</u>	<u>34,000</u>	<u>31,900</u>
EXPENDITURES:					
Personnel Services	99,188	97,539	102,553	102,553	102,416
Operations & Maintenance	25,175	13,204	48,900	33,900	33,940
Administrative Charges	4,215	3,605	3,790	3,790	3,870
TOTAL EXPENDITURES	<u>128,578</u>	<u>114,348</u>	<u>155,243</u>	<u>140,243</u>	<u>140,226</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	122	125	125
Number of documents filmed	184,267	44,142	180,000
Processed boxes in storage	245	143	225
FOIA Requests	74	45	60
CD's processed	3	4	6

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	48,507	47,422	50,554	50,554	50,486
Operations & Maintenance	14,380	11,930	15,299	14,800	14,800
Administrative Charges	398	340	550	550	550
TOTAL EXPENDITURES	<u>63,285</u>	<u>59,692</u>	<u>66,403</u>	<u>65,904</u>	<u>65,836</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, providing a safe work environment, labor agreement administration and negotiation, job descriptions, assessment testing, performance evaluation, employee orientation and training, diversity and employee/labor relations. Major initiatives in 2011-12 will be in the safety compliance, risk auditing, labor negotiations, recruitment and selection of high quality employees and training.

Budget Overview: 2011-2012 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	1,431	1,412	1,412
Training programs (internal)	984	992	992
Training programs (external)	276	242	242
Testing and assessments	331	280	260
Labor contracts negotiated	1	3	4
Grievances processed	29	20	20
New employee orientations	70	64	58
MIOSHA recordable injuries	20	18	18
Performance evaluations processed	450	425	425
Safety audits conducted	24	24	24
Interviews conducted	400	400	400

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	293,576	268,628	282,975	272,975	272,360
Operations & Maintenance	90,876	107,488	165,289	165,289	162,239
Administrative Charges	1,831	1,561	1,735	1,735	1,765
TOTAL EXPENDITURES	<u>386,283</u>	<u>377,677</u>	<u>449,999</u>	<u>439,999</u>	<u>436,364</u>

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 2011-2012. 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. 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	<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.
	Administrative	<i>Service Delivery</i> Continue to provide high quality, effective and cost efficient municipal services Continue to increase efficiency by applying new technology
	Wellness	<i>Service Delivery</i> Expand employee training and wellness programs and opportunities to ensure a well trained, healthy and motivated work force

BENEFIT SERVICES (continued)

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Lost time workers' compensation cases	8	8	8
Benefit Contracts/Service Agreements			
Negotiated	8	9	11
Benefit/Payroll orientations	77	70	70
Participation in labor negotiations	2	3	4
Family Medical Leave Act notifications	226	252	262
COBRA (Health Ins Continuation) notifications	24	24	24

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	333,530	338,160	393,586	386,703	401,757
Operations & Maintenance	32,674	10,937	83,547	73,180	48,400
Administrative Charges	2,972	1,956	2,360	2,360	2,390
TOTAL EXPENDITURES	369,176	351,053	479,493	462,243	452,547

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 2011-2012 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	<i>Public Relations</i> Continue efforts to enhance communication between local government, citizens, the business community, and the local educational institutions on city projects and services.
	Evaluate and improve purchasing service delivery function	<i>Service Delivery</i> 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
Risk Management	Continue to evaluate risk exposures	<i>Financial Health</i> 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.

PURCHASING, continued

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	139,207	134,967	152,916	138,916	130,203
Operations & Maintenance	6,140	5,513	14,700	14,700	14,700
Administrative Charges	7,477	6,399	6,730	6,730	6,860
TOTAL EXPENDITURES	152,824	146,879	174,346	160,346	151,763

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	4,601	4,398	4,400
Sealed bids taken	27	27	30
Joint governmental bidding projects	8	9	9

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	98,703	95,165	108,278	98,278	89,620
Operations & Maintenance	5,280	4,653	11,200	11,200	11,200
Administrative Charges	-	-	-	-	-
TOTAL EXPENDITURES	103,983	99,818	119,478	109,478	100,820

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	38	31	35

	<u>2008-2009 Actuals</u>	<u>2009-2010 Actuals</u>	<u>2010-2011 Adjusted Budget</u>	<u>2010-2011 Adopted Budget</u>	<u>2011-2012 Council Approved</u>
EXPENDITURES:					
Personnel Services	40,504	39,802	44,638	40,638	40,583
Operations & Maintenance	860	860	3,500	3,500	3,500
Administrative Charges	7,477	6,399	6,730	6,730	6,860
TOTAL EXPENDITURES	<u><u>48,841</u></u>	<u><u>47,061</u></u>	<u><u>54,868</u></u>	<u><u>50,868</u></u>	<u><u>50,943</u></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.

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 2011-2012 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 the beach at Ramona Park. The 2011-2012 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

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Fees and permits	44,246	37,963	43,000	43,000	43,000
Federal revenue	10,000	5,000	4,000	-	-
Other grants	2,500	2,500	2,500	2,500	2,500
Charges for services	240,474	268,492	253,928	252,000	248,000
Interest and rents	45,551	50,321	52,000	52,000	30,500
Other revenue	11,651	18,031	14,459	14,459	11,000
Transfers In	28,000	15,000	8,000	8,000	8,000
TOTAL REVENUE	382,422	397,307	377,887	371,959	343,000
EXPENDITURES:					
Personnel Services	1,295,553	1,283,883	1,264,332	1,262,404	1,206,577
Operations & Maintenance	596,415	541,702	553,519	537,373	520,214
Administrative Charges	574,673	633,403	670,356	667,422	686,346
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	2,466,641	2,458,988	2,488,207	2,467,199	2,413,137

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	65,000	65,000	35,000

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other revenue	2,038	6,952	2,959	2,959	-
TOTAL REVENUE	<u>2,038</u>	<u>6,952</u>	<u>2,959</u>	<u>2,959</u>	<u>-</u>
EXPENDITURES:					
Personnel Services	148,516	135,580	146,086	146,086	119,550
Operations & Maintenance	121,416	104,573	98,948	96,709	118,250
Administrative Charges	270,868	257,940	296,873	293,939	319,999
TOTAL EXPENDITURES	<u>540,800</u>	<u>498,093</u>	<u>541,907</u>	<u>536,734</u>	<u>557,799</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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Fees and permits	44,246	37,963	43,000	43,000	43,000
Other revenue	7,005	6,650	11,000	11,000	11,000
Transfers In	28,000	15,000	8,000	8,000	8,000
TOTAL REVENUE	79,251	59,613	62,000	62,000	62,000
EXPENDITURES:					
Personnel Services	57,976	64,237	59,310	59,310	60,137
Operations & Maintenance	16,240	18,707	15,836	13,200	13,200
Administrative Charges	14,396	20,485	12,492	12,492	12,562
TOTAL EXPENDITURES	88,612	103,429	87,638	85,002	85,899

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	209	209	209
Kalamazoo in Bloom flowers annually planted/maintained	110,000	85,000	70,000
Acres of blvd./interchange mowing	131	131	

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	4,000	-	-
Interest and rents	27,168	32,358	33,000	33,000	30,000
Other revenue	1,608	3,929	-	-	-
TOTAL REVENUE	<u>38,776</u>	<u>41,287</u>	<u>37,000</u>	<u>33,000</u>	<u>30,000</u>
EXPENDITURES:					
Personnel Services	889,651	892,359	864,897	864,897	868,930
Operations & Maintenance	352,493	302,882	309,221	298,220	277,620
Administrative Charges	246,604	313,675	309,567	309,567	313,251
TOTAL EXPENDITURES	<u>1,488,748</u>	<u>1,508,916</u>	<u>1,483,685</u>	<u>1,472,684</u>	<u>1,459,801</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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	40,862	29,599	29,820	29,820	11,578
Operations & Maintenance	11,199	11,210	12,000	12,000	6,000
TOTAL EXPENDITURES	52,061	40,809	41,820	41,820	17,578

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	5223	5,986	6,000
Programs	22	22	23

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other grants	2,500	2,500	2,500	2,500	2,500
Charges for services	194,723	208,482	203,928	202,000	188,000
Interest and rents	760	450	1,000	1,000	500
TOTAL REVENUE	197,983	211,432	207,428	205,500	191,000
EXPENDITURES:					
Personnel Services	67,788	63,634	67,959	67,959	62,179
Operations & Maintenance	17,698	21,353	26,250	26,250	23,950
Administrative Charges	6,323	5,408	5,690	5,690	5,800
TOTAL EXPENDITURES	91,809	90,395	99,899	99,899	91,929

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	3,433	3,111	3,200
Teams	235	213	220
Programs	22	21	22
Tournaments	9	13	10

	2008-2009 <u>Actuals</u>	2009-2010 <u>Actuals</u>	2010-2011 <u>Adjusted Budget</u>	2010-2011 <u>Adopted Budget</u>	2011-2012 <u>Council Approved</u>
EXPENDITURES:					
Personnel Services	11,304	11,486	10,444	10,444	10,444
Operations & Maintenance	55,075	55,485	59,264	58,994	59,394
TOTAL EXPENDITURES	<u>66,379</u>	<u>66,971</u>	<u>69,708</u>	<u>69,438</u>	<u>69,838</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	24,355	26,604	25,000
Daily beach permits	4,271	5,105	4,500
Annual beach permits	548	668	650

	2008-2009 <u>Actuals</u>	2009-2010 <u>Actuals</u>	2010-2011 <u>Adjusted Budget</u>	2010-2011 <u>Adopted Budget</u>	2011-2012 <u>Council Approved</u>
EXPENDITURES:					
Personnel Services	35,563	35,315	35,948	34,020	42,151
Operations & Maintenance	5,802	5,165	7,000	7,000	7,000
TOTAL EXPENDITURES	<u>41,365</u>	<u>40,480</u>	<u>42,948</u>	<u>41,020</u>	<u>49,151</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	65	70	70
Total participants	8,690	9,000	9,000

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	45,751	60,010	50,000	50,000	60,000
TOTAL REVENUE	<u>45,751</u>	<u>60,010</u>	<u>50,000</u>	<u>50,000</u>	<u>60,000</u>
EXPENDITURES:					
Personnel Services	28,506	35,085	31,453	31,453	31,608
Operations & Maintenance	6,941	13,043	14,800	14,800	14,800
Administrative Charges	36,482	35,895	45,734	45,734	34,734
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>71,929</u>	<u>84,023</u>	<u>91,987</u>	<u>91,987</u>	<u>81,142</u>

SENIOR CITIZEN SERVICES

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Other grants	40,214	49,752	43,100	43,100	19,100
Interest and rents	11,707	8,871	10,000	10,000	10,000
Other revenue	195,899	161,413	191,100	191,100	185,500
TOTAL REVENUE	<u>247,820</u>	<u>220,036</u>	<u>244,200</u>	<u>244,200</u>	<u>214,600</u>
EXPENDITURES:					
Personnel Services	309,761	249,207	266,214	254,214	231,751
Operations & Maintenance	81,978	64,607	89,300	89,300	73,100
Administrative Charges	29,645	30,315	38,966	38,966	33,046
TOTAL EXPENDITURES	<u>421,384</u>	<u>344,129</u>	<u>394,480</u>	<u>382,480</u>	<u>337,897</u>

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 in four divisions, 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	77,455	78,000	76,000
Number of mini-bus rides	1,991	2,400	1,900
Number of volunteer hours	35,029	31,000	33,000

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
REVENUE:					
Other grants	19,364	25,041	19,100	19,100	19,100
Interest and rents	11,707	8,871	10,000	10,000	10,000
Other revenue	118,580	102,303	123,800	123,800	133,400
TOTAL REVENUE	149,651	136,215	152,900	152,900	162,500
EXPENDITURES:					
Personnel Services	256,999	197,591	213,774	201,774	202,142
Operations & Maintenance	73,777	58,640	77,700	77,700	65,400
Administrative Charges	29,645	30,315	38,966	38,966	33,046
TOTAL EXPENDITURES	360,421	286,546	330,440	318,440	300,588

SENIOR TRIPS, 101-6721

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other revenue	55,539	34,248	50,000	50,000	45,000
TOTAL REVENUE	55,539	34,248	50,000	50,000	45,000
EXPENDITURES:					
Personnel Services	20,410	18,481	21,316	21,316	20,491
Operations & Maintenance	4,455	3,768	5,600	5,600	4,700
TOTAL EXPENDITURES	24,865	22,249	26,916	26,916	25,191

SENIOR ACTIVITIES, 101-6722

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other revenue	-	6,078	2,000	2,000	2,000
TOTAL REVENUE	-	6,078	2,000	2,000	2,000

SENIOR GRANT PROGRAMS, 101-6724

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other grants	20,850	24,711	24,000	24,000	-
Other revenue	21,780	18,784	15,300	15,300	5,100
TOTAL REVENUE	42,630	43,495	39,300	39,300	5,100
EXPENDITURES:					
Personnel Services	32,352	33,135	31,124	31,124	9,118
Operations & Maintenance	3,746	2,199	6,000	6,000	3,000
TOTAL EXPENDITURES	36,098	35,334	37,124	37,124	12,118

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 2011-2012 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 Kalamazoo Valley Enforcement Team (KVET) 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	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

	2008-2009 <u>Actuals</u>	2009-2010 <u>Actuals</u>	2010-2011 <u>Adjusted Budget</u>	2010-2011 <u>Adopted Budget</u>	2011-2012 <u>Council Approved</u>
REVENUE:					
Fees and permits	68,720	59,083	63,500	63,500	51,000
State revenue	23,828	22,687	7,500	7,500	7,500
Other revenue	217,697	229,073	172,705	169,500	160,000
TOTAL REVENUE	<u>310,245</u>	<u>310,843</u>	<u>329,312</u>	<u>240,500</u>	<u>253,759</u>
EXPENDITURES:					
Personnel Services	8,116,660	7,654,246	8,344,312	8,015,312	7,933,066
Operations & Maintenance	576,586	501,856	690,685	631,436	639,246
Administrative Charges	429,867	337,336	634,103	478,425	461,291
Capital Outlay	13,331	2,585	100,117	14,510	44,759
TOTAL EXPENDITURES	<u>9,136,444</u>	<u>8,496,023</u>	<u>9,769,217</u>	<u>9,139,683</u>	<u>9,078,362</u>

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	11	12	12
Internal investigations	17	15	15
Letters to citizens/other agencies	112	100	100

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	68,720	59,083	63,500	63,500	51,000
State revenue	-	-	-	-	-
Other revenue	140,827	145,799	132,505	129,300	119,800
TOTAL REVENUE	<u>209,547</u>	<u>204,882</u>	<u>281,612</u>	<u>192,800</u>	<u>206,059</u>
EXPENDITURES:					
Personnel Services	492,537	417,506	475,282	460,282	578,712
Operations & Maintenance	125,375	96,745	130,975	111,190	119,190
Administrative Charges	280,390	222,924	305,428	300,750	276,986
TOTAL EXPENDITURES	<u>898,302</u>	<u>737,175</u>	<u>997,292</u>	<u>872,222</u>	<u>995,147</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 referrals	72	100	108
Adult arrests	23	20	20
Cases assigned	408	400	400
Police/School liaison hours	3,600	3,600	3,600
Crime prevention assignments	236	230	230

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	443,576	468,709	457,256	459,856	451,448
Operations & Maintenance	18,279	7,144	18,950	18,950	18,610
Administrative Charges	416	-	275	275	275
TOTAL EXPENDITURES	<u>462,271</u>	<u>475,853</u>	<u>476,481</u>	<u>479,081</u>	<u>470,333</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	966	900	900
Charges authorized	229	180	180
Cases cleared	863	700	700
Cases assigned to crime analysis	284	300	300
Intelligence reports	140	146	146
Liquor license application investigations	31	14	14

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	726,080	637,944	625,374	630,054	607,868
Operations & Maintenance	16,383	9,178	18,100	18,100	18,760
Administrative Charges	1,513	1,787	1,650	1,650	1,650
TOTAL EXPENDITURES	<u>743,976</u>	<u>648,909</u>	<u>645,124</u>	<u>649,804</u>	<u>628,278</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	20,525	21,438	21,750
Cases investigated	10,196	10,463	10,500
Average response time (minutes)	18.79	17.50	17.00
Personal injury accidents	229	250	250
Property damage accidents	1,180	1,300	1,320
Drunk-driving arrests	152	170	180
Total adult arrests	3,007	2,970	3,000
Property recovered	\$551,536	\$413,158	\$475,000
Property loss	\$2,253,071	\$1,978,232	\$2,100,000
Hazardous traffic citations	2,404	2,362	2,500
Non-hazardous traffic citations (excludes parking)	886	1,090	1,200

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	340	70	200	200	200
TOTAL REVENUE	<u>340</u>	<u>70</u>	<u>200</u>	<u>200</u>	<u>200</u>
EXPENDITURES:					
Personnel Services	4,885,332	4,739,150	5,367,775	5,056,495	4,919,149
Operations & Maintenance	140,544	139,125	180,972	165,210	164,732
Administrative Charges	146,860	111,656	325,925	174,925	173,850
Capital Outlay	13,331	2,585	14,510	14,510	24,500
TOTAL EXPENDITURES	<u>5,186,067</u>	<u>4,992,516</u>	<u>5,889,182</u>	<u>5,411,140</u>	<u>5,282,231</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	128	130	130
Total volunteer hours	258	300	300

*There were no volunteer parking enforcement officers from July 1, 2009 through February, 2010.

	<u>2009-2010 Actuals</u>	<u>2010-2011 Y-T-D Actuals</u>	<u>2010-2011 Adjusted Budget</u>	<u>2010-2011 Adopted Budget</u>	<u>2011-2012 Council Approved</u>
EXPENDITURES:					
TOTAL EXPENDITURES	-	-	-	-	-

TRAINING, 101-3020

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

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>	
	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>	<u>Participants</u>	<u>Hours</u>
Patrol procedures	311	1,396	400	1,850	414	1,850
Criminal investigation	63	485	112	1,200	112	1,200
Legal/Civil Law	1,017	350	520	580	520	580
Self defense	75	890	53	250	53	250
First Aid/CPR	54	255	54	257	54	257
Crime prevention	2	32	5	80	5	80
Management	13	208	25	350	25	350
Tactical training	390	2,120	390	2,120	390	2,120
Support Operations	32	324	40	450	40	450
Policy/CALEA	220	95	380	125	380	125
Field Training	3	96	5	200	5	200
Public/Private School Resource	15	120	15	120	15	120

TRAINING, continued

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	108,923	79,304	62,573	62,573	61,239
Operations & Maintenance	39,102	28,614	64,502	47,075	47,000
Administrative Charges	(344)	228	275	275	275
TOTAL EXPENDITURES	147,681	108,146	127,350	109,923	108,514

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
State revenue	11,876	11,091	6,000	6,000	6,000
TOTAL REVENUE	11,876	11,091	6,000	6,000	6,000
EXPENDITURES:					
Operations & Maintenance	6,641	7,719	12,840	12,840	12,840
TOTAL EXPENDITURES	6,641	7,719	12,840	12,840	12,840

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)	23,511	24,080	24,200
*9-1-1 wireline calls & "other"	6,815	6,800	6,800
9-1-1 cell calls	18,948	19,000	19,500
Warrants processed	1,192	1,200	1,200

*includes VOIP, unknown and ANI Failure calls

Division 30 Public Safety Dispatch

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	789,817	609,330	583,556	573,556	567,533
Operations & Maintenance	199,614	194,415	220,720	220,045	220,463
Administrative Charges	190	184	-	-	480
TOTAL EXPENDITURES	989,621	803,929	804,276	793,601	788,476

Division 31 Emergency Warning Siren

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	4,045	-	13,600	8,000	8,000
Administrative Charges	275	-	-	-	-
TOTAL EXPENDITURES	4,320	-	13,600	8,000	8,000

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

Division 35 911 CMRS PSAP

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
State revenue	4,102	-	-	-	-
Other revenue	76,530	83,204	40,000	40,000	40,000
TOTAL REVENUE	80,632	83,204	40,000	40,000	40,000
EXPENDITURES:					
Personnel Services	108,386	89,456	187,724	187,724	185,317
TOTAL EXPENDITURES	108,386	89,456	187,724	187,724	185,317

RECORDS/PROPERTY, 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	3,007	3,000	3,000
Subpoena services	1,690	1,700	1,700
False alarms processed	942	1,000	1,000
Computerized case documents	20,188	21,000	21,000
Scanned documents	14,309	15,000	15,000
Juvenile Court charges	599	600	600
Criminal record checks	1,131	1,100	1,100
Freedom of Information Act requests	1,798	1,800	1,800

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, 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>
Equipment maintenance	442	650	650
State handgun registration document processing, units	812	800	800
Handgun purchase permits	490	500	500
Evidence submitted	2,462	2,500	2,500

RECORDS/PROPERTY/JAIL, 101-3040 continued

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	392,973	495,123	481,170	481,170	459,206
Operations & Maintenance	26,603	18,916	30,026	30,026	29,651
Administrative Charges	397	283	275	275	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	419,973	514,322	511,471	511,471	488,857

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 Kalamazoo Valley Enforcement Team (KVET). 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	27	50	50
Estimated value of seized drugs	\$13,231	\$13,000	\$13,000
Search warrants obtained	8	30	30
Cases investigated	34	60	60

*The indicators are based on calendar year statistics from KVET.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
State revenue	3,478	3,373	1,500	1,500	1,500
TOTAL REVENUE	3,478	3,373	1,500	1,500	1,500
EXPENDITURES:					
Personnel Services	169,036	117,724	103,602	103,602	102,594
Administrative Charges	170	274	275	275	7,775
TOTAL EXPENDITURES	169,206	117,998	103,877	103,877	110,369

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 2011-2012 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
	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 Emergency Management Vehicles	Evaluate alternatives to meet service demands

FIRE DEPARTMENT budget

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Fees and permits	1,101	259	300	300	300
Other revenue	1,399	12,466	920	920	920
TOTAL REVENUE	<u>2,500</u>	<u>12,725</u>	<u>1,220</u>	<u>1,220</u>	<u>1,220</u>
EXPENDITURES:					
Personnel Services	3,936,511	3,772,896	4,090,410	4,083,850	4,183,387
Operations & Maintenance	237,433	232,053	219,308	209,919	235,541
Administrative Charges	185,789	149,734	263,830	207,800	212,560
Capital Outlay	4,993	-	10,655	10,655	21,160
TOTAL EXPENDITURES	<u>4,364,726</u>	<u>4,154,683</u>	<u>4,584,203</u>	<u>4,512,224</u>	<u>4,652,648</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	19	15	18
FOIA requests processed	16	17	20
Pre-fire surveys completed	80	72	70
Vehicle service/maintenance performed	305	301	275

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	1,101	259	300	300	300
Other revenue	125	11,170	100	100	100
TOTAL REVENUE	1,226	11,429	400	400	400
EXPENDITURES:					
Personnel Services	253,872	234,627	337,727	341,167	349,320
Operations & Maintenance	154,973	171,194	144,843	139,278	170,341
Administrative Charges	144,270	124,697	150,130	149,800	152,060
TOTAL EXPENDITURES	553,115	530,518	635,700	633,245	673,521

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	115	116	120
Emergency medical calls	1,778	1,822	1,800
Rescue calls	208	214	200
Other calls for service	959	947	900
Mutual Aid provided	67	42	55
Mutual Aid received	31	48	40
Lecture/demonstration provided	54	25	40
Building inspections (commercial, industrial, including hazardous material sites)	3,025	2,153	2,314

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	3,383,988	3,219,584	3,433,227	3,423,227	3,461,330
Operations & Maintenance	49,240	40,108	44,060	40,586	41,150
Administrative Charges	41,519	25,037	113,700	58,000	60,500
Capital Outlay	4,993	-	7,655	7,655	19,360
TOTAL EXPENDITURES	<u><u>3,479,740</u></u>	<u><u>3,284,729</u></u>	<u><u>3,598,642</u></u>	<u><u>3,529,468</u></u>	<u><u>3,582,340</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 on-call firefighter employment. On-call firefighter activity is included in the service indicator activity for fire operations above.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	107,205	125,596	102,940	102,940	151,100
Operations & Maintenance	24,691	8,763	13,440	13,440	4,980
TOTAL EXPENDITURES	131,896	134,359	116,380	116,380	156,080

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	39	60	50
Technical inspections	226	355	300
Public education events	67	70	70
Recreational fire permits issued	130	126	130
Infant/child car seat installation activity	70	79	90

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other revenue	1,274	1,296	820	820	820
TOTAL REVENUE	1,274	1,296	820	820	820
EXPENDITURES:					
Personnel Services	99,533	100,309	112,148	112,148	114,802
Operations & Maintenance	5,209	3,614	7,890	7,890	6,090
TOTAL EXPENDITURES	104,742	103,923	120,038	120,038	120,892

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	135	308	250
EMS training sessions	51	114	65
Technical rescue training sessions	39	22	30
Hazardous materials training sessions	9	11	10
Other department training sessions	15	104	50
Kalamazoo Country HazMat Team Training	12	12	12

	<u>2008-2009 Actuals</u>	<u>2009-2010 Actuals</u>	<u>2010-2011 Adjusted Budget</u>	<u>2010-2011 Adopted Budget</u>	<u>2011-2012 Council Approved</u>
REVENUE:					
Other revenue	-	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Personnel Services	91,913	92,780	104,368	104,368	106,835
Operations & Maintenance	2,330	7,865	8,525	8,225	12,292
TOTAL EXPENDITURES	<u>94,243</u>	<u>100,645</u>	<u>112,893</u>	<u>112,593</u>	<u>119,127</u>

EMERGENCY MANAGEMENT, 101-3331

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

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

	<u>2008-2009 Actuals</u>	<u>2009-2010 Actuals</u>	<u>2010-2011 Adjusted Budget</u>	<u>2010-2011 Adopted Budget</u>	<u>2011-2012 Council Approved</u>
EXPENDITURES:					
Operations & Maintenance	990	509	550	500	688
TOTAL EXPENDITURES	<u>990</u>	<u>509</u>	<u>550</u>	<u>500</u>	<u>688</u>

COMMUNITY DEVELOPMENT

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

Budget Overview: The 2011-2012 budget includes: a) continuation of planning, development and neighborhood activities; and b) continuation of residential and nonresidential construction and inspection services and neighborhood protection activities all of which help to ensure functional, quality business and industrial centers and the livability of neighborhoods

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

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

COMMUNITY DEVELOPMENT, continued

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

COMMUNITY DEVELOPMENT, continued

Activity/Program

Description

Goal/Objective

by applying new technology
communicate service delivery
options

Evaluate and propose possible
ordinance revisions

Liaison to Planning Commission,
Human Services Board, Zoning
Board of Appeals, Brownfield
Authority, Local Development
Finance Authority,
Economic Development
Authority/Tax Increment
Finance Authority, and
Downtown Development
Authority

Improve the utility of
citizen advisory boards

Public Relations

Continue emphasis on
courteous public service

Continue efforts to enhance
communication between
government, citizens, the
business community and
educational institutions on
city projects and services

COMMUNITY DEVELOPMENT, continued

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Fees and permits	403,314	281,899	337,100	337,100	347,500
Interest and rents	130,208	167,863	165,000	165,000	144,000
Other revenue	44,050	39,380	19,475	14,475	13,475
TOTAL REVENUE	577,572	489,142	521,575	516,575	504,975
EXPENDITURES:					
Personnel Services	873,825	770,112	902,445	888,745	663,320
Operations & Maintenance	69,982	66,925	86,521	83,738	71,480
Administrative Charges	25,283	22,980	23,089	23,089	24,964
TOTAL EXPENDITURES	969,090	860,017	1,012,055	995,572	759,764

The responsibilities of the various activities are outlined as follows.

BUILDING SERVICES, 101-3710

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Building permits*	355	400	400
Plumbing permits*	270	300	300
Electrical permits*	447	450	450
Mechanical permits*	532	450	450
Housing/ Property Maintenance inspections	50	100	150
Public Building Maintenance/Custodial service - Cross Connection Backflow Prevention		4 sites	4 sites
Program coordination and inspections	400	400	400
National Flood Insurance Program annual Certification inspections	40	40	40

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

BUILDING SERVICES, 101-3710

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Fees and permits	367,558	247,203	300,000	300,000	300,000
Interest and rents	130,208	-	-	-	-
Other revenue	12,820	4,235	6,000	1,000	-
TOTAL REVENUE	510,586	251,438	306,000	301,000	300,000
EXPENDITURES:					
Personnel Services	458,149	364,384	397,879	389,979	312,457
Operations & Maintenance	2,512	9,568	16,414	11,250	7,750
Administrative Charges	15,305	14,409	14,161	14,161	14,271
TOTAL EXPENDITURES	475,966	388,361	428,454	415,390	334,478

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

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Site plan review	20	20	25
Special Land Use Permits	10	12	14
Rezoning	2	2	2
Zoning Ordinance amendments	3	2	2
Zoning Board of Appeals application reviews	22	25	25
Commercial Parking/Plot Plan Review	3	6	8
Residential plot plan reviews	142	130	130
Home occupation reviews	2	2	2
Business special event application reviews	13	15	15
Sign permit application reviews	156	135	135
Zoning compliance reviews	9	10	10
Plat reviews	2	1	1
Public utility plan review	7	8	8
Landscape plan review	14	15	15
Land division/lot line adjustment reviews	11	12	12
Computer mapping:			
Notification maps	34	32	30
Maps/prints for customer use	1,481	800	1,000
Residential driveway applications review	44 46	48	48
Assign addresses for properties	41	26	30
Citizen service requests	1,436	1,400	1,300
Act 198 abatement requests	2	2	2

These two activities follow:

PLANNING and DEVELOPMENT, 101-3720

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Fees and permits	35,756	34,696	25,000	25,000	25,000
TOTAL REVENUE	35,756	34,696	25,000	25,000	27,000
EXPENDITURES:					
Personnel Services	214,345	215,235	285,493	282,593	221,225
Operations & Maintenance	59,975	46,588	56,608	59,508	53,650
Administrative Charges	8,671	7,050	7,333	7,333	7,870
TOTAL EXPENDITURES	282,991	268,873	349,434	349,434	282,745

NEIGHBORHOOD SERVICES, 101-3730

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Fees and permits	-	-	12,100	12,100	22,500
Interest and rents	-	167,863	165,000	165,000	144,000
Other revenue	31,230	35,145	13,475	13,475	11,475
TOTAL REVENUE	31,230	203,008	190,575	190,575	177,975
EXPENDITURES:					
Personnel Services	201,331	190,493	219,073	216,173	129,638
Operations & Maintenance	7,495	10,769	13,499	12,980	10,080
Administrative Charges	1,307	1,521	1,595	1,595	2,823
TOTAL EXPENDITURES	210,133	202,783	234,167	230,748	142,541

STREET LIGHTING, 101-4210

Budget Overview: The 2011-2012 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	2,667	2,680
Street light requests	0	0	5

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	431,589	423,003	483,000	483,000	483,000
TOTAL EXPENDITURES	<u>431,589</u>	<u>423,003</u>	<u>483,000</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. It is anticipated that the contract will be renewed for the additional two year period at this time. 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.

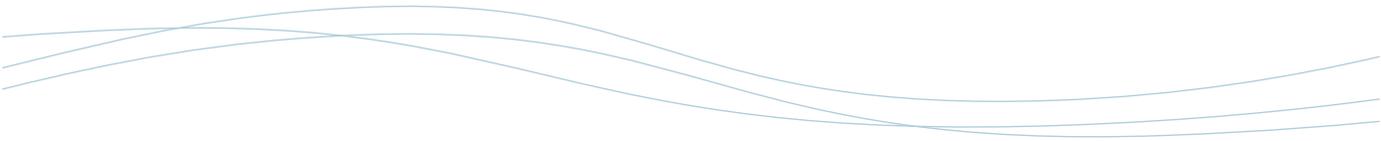
	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Other revenue	-	4,271	4,800	4,800	4,800
TOTAL REVENUE	-	4,271	4,800	4,800	4,800

TRANSFERS OUT, 101-9610

Budget Overview: Subsidies to other funds are: Major Streets Fund \$330,000, Local Streets Fund \$240,000, \$316,000 to Capital Improvement Fund.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Transfers Out	650,000	1,385,000	410,000	410,000	886,000
TOTAL EXPENDITURES	650,000	1,385,000	410,000	410,000	886,000

This activity reflects subsidies provided to other funds.

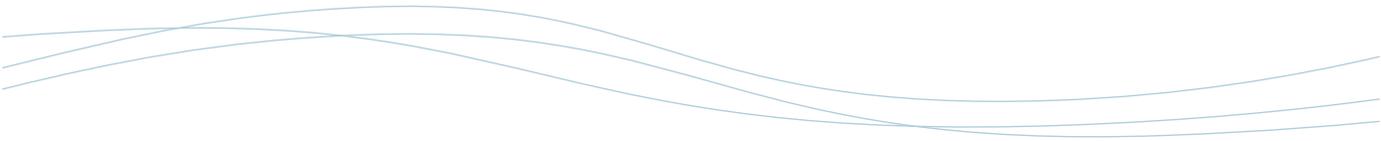


PORTAGE

A Place for Opportunities to Grow



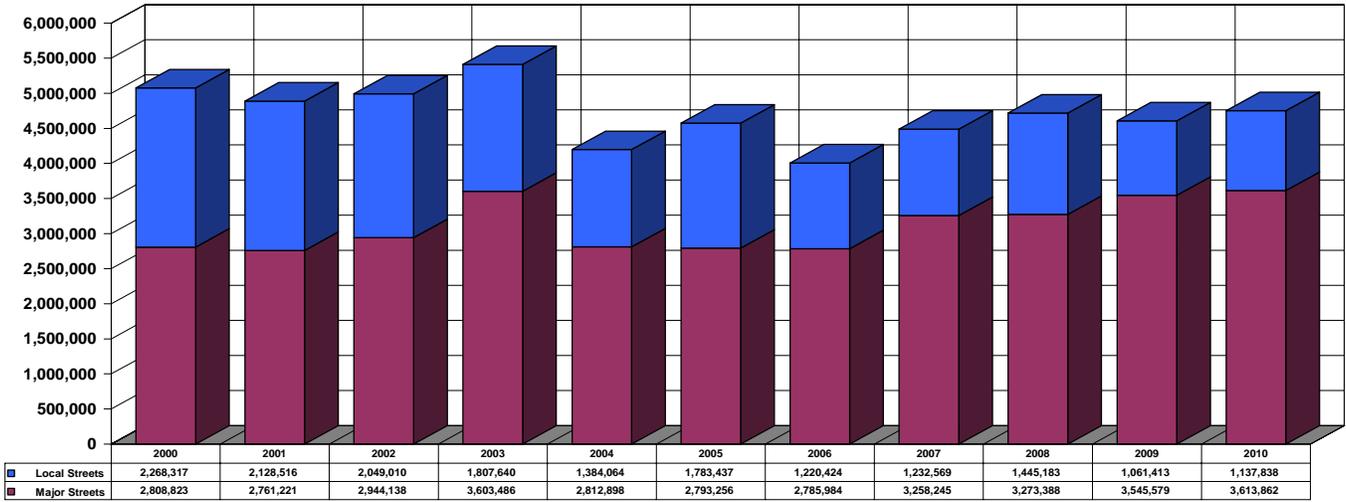
Streets



PORTAGE

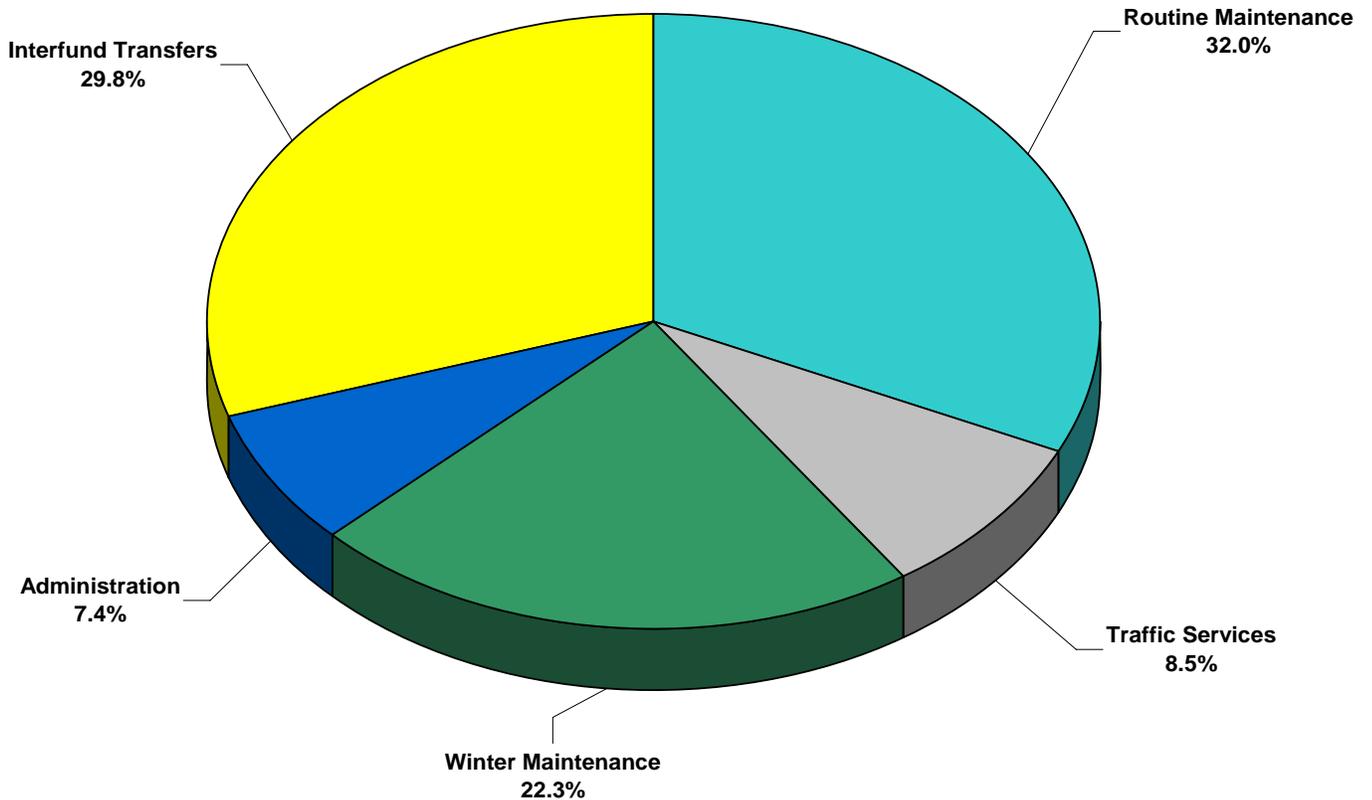
A Place for Opportunities to Grow

STREET MAINTENANCE EXPENDITURES

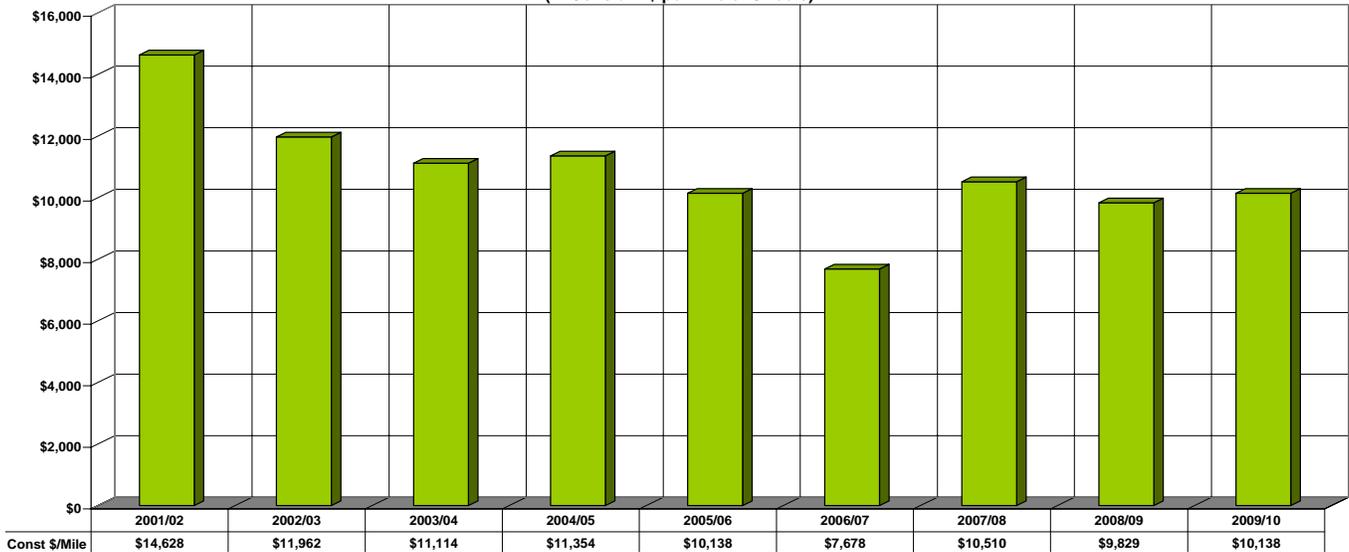


Local Street fund expenditures are funded by state gasoline taxes and vehicle registration revenue. Since a portion of these revenues is allocated based on population, the 2010 Census count is expected to have a positive effect on future revenues. Additional monies are made available through General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

STREET MAINTENANCE EXPENDITURES BY CATEGORY



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



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 federal stimulus grants are not reflected in this chart.

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 2011-2012 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	Reconstruction & 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

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
State revenue	2,599,842	2,559,889	2,514,000	2,514,000	2,561,000
Interest and rents	1,899	2,038	4,000	4,000	2,000
Transfers In	550,000	970,000	270,000	270,000	330,000
TOTAL REVENUE	<u>3,151,741</u>	<u>3,534,425</u>	<u>2,788,000</u>	<u>2,788,000</u>	<u>2,893,000</u>
EXPENDITURES:					
Personnel Services	667,275	587,109	647,782	647,782	640,386
Operations & Maintenance	800,328	807,680	995,000	968,494	929,146
Administrative Charges	216,477	303,245	301,686	301,603	277,497
Transfers Out	21,000	1,441,500	1,222,000	1,222,000	1,222,000
TOTAL EXPENDITURES	<u>1,705,080</u>	<u>3,139,534</u>	<u>3,166,468</u>	<u>3,139,879</u>	<u>3,069,029</u>

The responsibilities of the various activities are outlined as follows.

ROUTINE MAINTENANCE, 202-4216

This program includes:

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

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

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	100
Cold patch - tons	50	100	75
Contracted paving in miles	2.43	2.85	3.35

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	2,599,842	2,559,889	2,514,000	2,514,000	2,561,000
Interest and rents	1,899	2,038	4,000	4,000	2,000
Transfers In	550,000	970,000	270,000	270,000	330,000
TOTAL REVENUE	<u>3,151,741</u>	<u>3,531,927</u>	<u>2,788,000</u>	<u>2,788,000</u>	<u>2,893,000</u>

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	319,880	288,544	288,644	288,644	284,745
Operations & Maintenance	217,104	240,007	298,996	292,900	286,315
Administrative Charges	129,456	166,751	170,738	170,738	146,932
TOTAL EXPENDITURES	<u>666,440</u>	<u>695,302</u>	<u>758,378</u>	<u>752,282</u>	<u>717,992</u>

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

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	57,137	40,365	52,814	52,814	52,443
Operations & Maintenance	78,924	99,441	102,788	89,500	96,912
Administrative Charges	7,822	13,122	12,442	12,442	12,442
TOTAL EXPENDITURES	143,883	152,928	168,044	154,756	161,797

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	1,000	800	800
Tons of salt	2,000	2,250	2,250

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	195,110	184,990	188,168	188,168	187,497
Operations & Maintenance	190,783	171,789	174,800	182,600	173,500
Administrative Charges	69,463	109,177	103,519	103,519	103,519
TOTAL EXPENDITURES	455,356	465,956	466,487	474,287	464,516

ADMINISTRATION-MAINTENANCE, 202-4218

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	13,465	5,877	12,653	12,653	12,636
Operations & Maintenance	5,900	6,474	22,964	21,260	18,960
Administrative Charges	9,736	14,195	14,987	14,904	14,604
TOTAL EXPENDITURES	29,101	26,546	50,604	48,817	46,200

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	20	18	24
Plat reviews	1	0	1

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	81,683	67,333	105,503	105,503	103,065
Operations & Maintenance	13,259	15,737	15,384	15,384	16,959
TOTAL EXPENDITURES	94,942	83,070	120,887	120,887	120,024

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>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Actuals</u>	<u>2010-2011</u> <u>Adjusted</u> <u>Budget</u>	<u>2010-2011</u> <u>Adopted</u> <u>Budget</u>	<u>2011-2012</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	115,585	103,472	180,963	170,350	150,600
TOTAL EXPENDITURES	115,585	103,472	180,963	170,350	150,600

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>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Actuals</u>	<u>2010-2011</u> <u>Adjusted</u> <u>Budget</u>	<u>2010-2011</u> <u>Adopted</u> <u>Budget</u>	<u>2011-2012</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	178,773	170,760	199,105	196,500	185,900
TOTAL EXPENDITURES	178,773	170,760	199,105	196,500	185,900

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>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Actuals</u>	<u>2010-2011</u> <u>Adjusted</u> <u>Budget</u>	<u>2010-2011</u> <u>Adopted</u> <u>Budget</u>	<u>2011-2012</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Transfers Out	21,000	1,441,500	1,222,000	1,222,000	1,222,000
TOTAL EXPENDITURES	21,000	1,441,500	1,222,000	1,222,000	1,222,000

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 2011-2012 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	Reconstruction & 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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
State revenue	747,141	734,165	714,400	714,400	734,000
Interest and rents	8,619	2,390	2,000	2,000	2,000
Other revenue	40	306	-	-	-
Transfers In	100,000	415,000	140,000	140,000	240,000
TOTAL REVENUE	<u>855,800</u>	<u>1,151,861</u>	<u>856,400</u>	<u>856,400</u>	<u>976,000</u>
EXPENDITURES:					
Personnel Services	644,680	580,642	627,216	627,216	596,181
Operations & Maintenance	238,680	282,549	273,418	272,680	251,790
Administrative Charges	174,061	253,148	243,567	243,567	224,478
Transfers Out	21,000	21,500	22,000	22,000	22,000
TOTAL EXPENDITURES	<u>1,078,421</u>	<u>1,137,839</u>	<u>1,166,201</u>	<u>1,165,463</u>	<u>1,094,449</u>

The responsibilities of the various activities are outlined as follows.

ROUTINE MAINTENANCE, 203-4216

This program includes:

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

Roadside mowing - Mowing along 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	230	100	100
Cold patch - tons	100	75	75
Contracted reconstruction in miles	1.73	3.9	3.26
Yards of gravel used	197	165	170
Miles of reconstructed shoulders	2.0	1.4	1.5

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
State revenue	747,141	734,165	714,400	714,400	734,000
Interest and rents	8,619	2,390	2,000	2,000	2,000
Other revenue	40	306	-	-	-
Transfers In	100,000	415,000	140,000	140,000	240,000
TOTAL REVENUE	855,800	1,151,861	856,400	856,400	976,000

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	295,872	267,897	263,984	263,984	260,310
Operations & Maintenance	25,305	77,650	61,475	61,475	57,500
Administrative Charges	96,957	130,703	127,103	127,103	108,014
TOTAL EXPENDITURES	418,134	476,250	452,562	452,562	425,824

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	22,905	21,411	29,105	29,105	28,915
Operations & Maintenance	15,740	16,184	11,562	11,000	6,500
Administrative Charges	1,144	1,920	1,820	1,820	1,820
TOTAL EXPENDITURES	39,789	39,515	42,487	41,925	37,235

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	1,000	800	800
Tons of salt	2,000	2,250	2,250

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	231,564	212,303	191,971	191,971	191,255
Operations & Maintenance	186,917	177,242	182,776	182,600	171,000
Administrative Charges	67,090	106,389	100,875	100,875	100,875
TOTAL EXPENDITURES	485,571	495,934	475,622	475,446	463,130

ADMINISTRATION-MAINTENANCE, 203-4218

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	12,431	11,574	12,653	12,653	12,636
Operations & Maintenance	6,537	7,759	8,190	8,190	6,690
Administrative Charges	8,560	13,845	13,404	13,404	13,404
TOTAL EXPENDITURES	27,528	33,178	34,247	34,247	32,730

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	5	5	6
Plat reviews	0	1	1

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	81,908	67,457	129,503	129,503	103,065
Operations & Maintenance	4,181	3,714	4,215	4,215	4,900
Administrative Charges	310	291	365	365	365
TOTAL EXPENDITURES	86,399	71,462	134,083	134,083	108,330

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>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Actuals</u>	<u>2010-2011</u> <u>Adjusted</u> <u>Budget</u>	<u>2010-2011</u> <u>Adopted</u> <u>Budget</u>	<u>2011-2012</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	-	-	5,200	5,200	5,200
TOTAL EXPENDITURES	<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>2008-2009</u> <u>Actuals</u>	<u>2009-2010</u> <u>Actuals</u>	<u>2010-2011</u> <u>Adjusted</u> <u>Budget</u>	<u>2010-2011</u> <u>Adopted</u> <u>Budget</u>	<u>2011-2012</u> <u>Council</u> <u>Approved</u>
EXPENDITURES:					
Transfers Out	21,000	21,500	22,000	22,000	22,000
TOTAL EXPENDITURES	<u>21,000</u>	<u>21,500</u>	<u>22,000</u>	<u>22,000</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.

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Property taxes	\$1,066,197	\$1,229,261	\$1,337,000	\$1,337,000	\$1,233,300
Interest and rents	2,447	4,067	1,500	1,500	1,500
TOTAL REVENUE	<u>1,068,644</u>	<u>1,233,328</u>	<u>1,338,500</u>	<u>1,338,500</u>	<u>1,234,800</u>
EXPENDITURES:					
Administrative Charges	-	117,220	80,000	80,000	71,400
Transfers Out	652,000	1,192,000	1,337,000	1,337,000	1,020,000
TOTAL EXPENDITURES	<u>652,000</u>	<u>1,309,220</u>	<u>1,417,000</u>	<u>1,417,000</u>	<u>1,091,400</u>

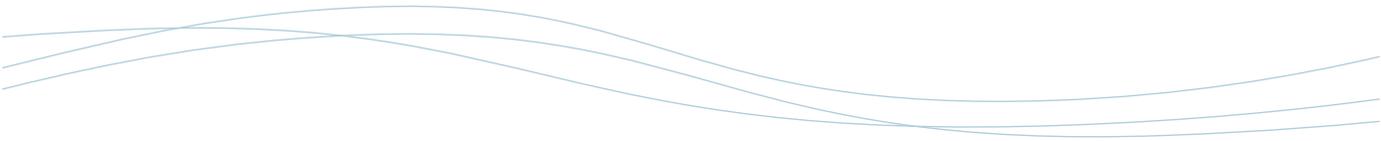
BROWNFIELD REDEVELOPMENT AUTHORITY - 243

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Interest and rents	86	47	100	100	100
TOTAL REVENUE	86	47	100	100	100
EXPENDITURES:					
Operations & Maintenance	-	-	8,950	5,000	5,000
TOTAL EXPENDITURES	-	-	8,950	5,000	5,000



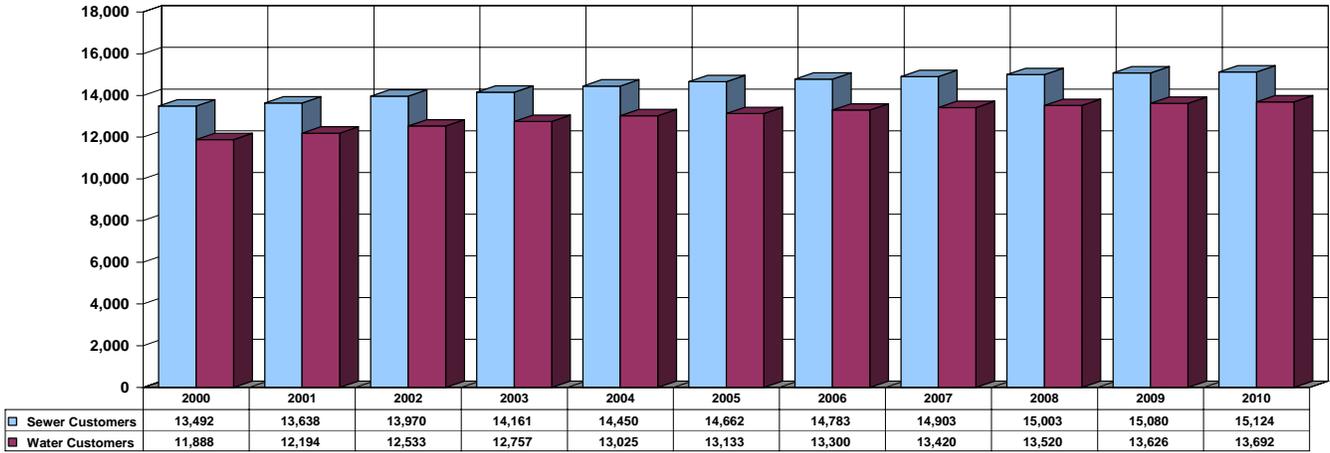
Utilities



PORTAGE

A Place for Opportunities to Grow

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 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 15,124 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 2011-2012 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	<p><i>Public Improvements</i> Improve sanitary sewer system Expand the public sanitary sewer system to all properties in the city.</p> <p><i>Environmental Quality</i> Protect ground water and lake quality Meet all state and federal environmental standards</p> <p><i>Service Delivery</i> Meet increased service demands Increase efficiency by applying new technology</p>
Administration		<p><i>Public Improvements</i> Ensure sanitary sewer systems in new developments meet city standards Cooperate with adjoining township in expanding sanitary sewer systems</p> <p><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</p> <p><i>Financial Health</i> Maintain financial health of sewer fund through annual rate evaluation</p>

SEWER OPERATING FUND (continued)

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Charges for services	5,821,925	6,087,537	7,672,000	7,672,000	7,591,590
Interest and rents	35,758	13,823	40,000	40,000	40,000
Transfers In	42,000	43,000	44,000	44,000	44,000
TOTAL REVENUE	<u>5,899,683</u>	<u>6,144,360</u>	<u>7,756,000</u>	<u>7,756,000</u>	<u>7,675,590</u>
EXPENDITURES:					
Personnel Services	405,188	380,677	525,999	525,999	469,017
Operations & Maintenance	2,985,559	3,042,352	2,721,401	2,593,316	2,604,841
Administrative Charges	3,846,164	3,918,597	5,460,737	4,892,270	4,354,403
Transfers Out	-	80,000	80,000	80,000	80,000
TOTAL EXPENDITURES	<u>7,271,208</u>	<u>7,421,626</u>	<u>8,848,137</u>	<u>8,151,585</u>	<u>7,568,261</u>

The responsibilities of the various activities are outlined as follows.

OPERATION and MAINTENANCE, 590-4550

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of sewer customers	15,080	15,124	15,175
Sewage transported (MG)	1,444	1,420	1,400
Number of lift stations	55	55	55
Lift station inspections	1,879	1,929	1,800
Lift station pumps repaired	24	16	20
Sanitary sewer overflows	0	0	0
Miles of sanitary sewer	230	230	231
Miles of sanitary sewer cleaned	77	77	77
Sanitary sewer blockages per mile	0.01	0.01	0.02

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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	5,821,925	6,087,537	7,672,000	7,672,000	7,591,590
Interest and rents	35,758	13,823	40,000	40,000	40,000
Transfers In	42,000	43,000	44,000	44,000	44,000
TOTAL REVENUE	<u>5,899,683</u>	<u>6,144,360</u>	<u>7,756,000</u>	<u>7,756,000</u>	<u>7,675,590</u>

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	1,481,096	1,478,814	1,912,585	1,784,500	1,808,900
Administrative Charges	3,081,206	3,316,738	4,776,961	4,208,505	3,610,640
Capital Outlay	34,297	-	60,000	60,000	60,000
TOTAL EXPENDITURES	<u>4,596,599</u>	<u>4,795,552</u>	<u>6,749,546</u>	<u>6,053,005</u>	<u>5,479,540</u>

ADMINISTRATION, 590-4501

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	405,188	380,677	525,999	525,999	469,017
Operations & Maintenance	790,572	800,155	70,400	70,400	70,400
Administrative Charges	764,958	601,859	683,776	683,765	743,763
TOTAL EXPENDITURES	1,960,718	1,782,691	1,280,175	1,280,164	1,283,180

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Operations & Maintenance	713,891	763,383	738,416	738,416	725,541
TOTAL EXPENDITURES	713,891	763,383	738,416	738,416	725,541

TRANSFERS OUT, 590-9610

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Transfers Out	-	80,000	80,000	80,000	80,000
TOTAL EXPENDITURES	-	80,000	80,000	80,000	80,000

WATER OPERATING FUND

The Water Operating fund accounts for the costs associated with providing water service to approximately 13,692 customers. The system also provides water to residences in Pavilion and Schoolcraft Townships.

Budget Overview: The 2011-2012 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 2011-2012 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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Charges for services	4,545,463	5,118,157	5,997,000	5,997,000	6,578,000
Interest and rents	62,410	11,501	25,000	25,000	25,000
Other revenue	1,470	10,694	-	-	-
TOTAL REVENUE	4,609,343	5,140,352	6,022,000	6,022,000	6,603,000
EXPENDITURES:					
Personnel Services	466,294	429,648	239,515	239,515	219,446
Operations & Maintenance	4,129,410	4,678,369	4,393,521	4,364,760	4,546,893
Administrative Charges	779,756	867,387	639,253	639,192	605,870
Capital Outlay	145,821	59,632	70,000	70,000	110,000
Transfers Out	-	50,000	50,000	50,000	122,505
TOTAL EXPENDITURES	5,521,281	6,085,036	5,392,289	5,363,467	5,604,714

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	14,938	15,013	15,100
New meters installed	84	60	75
Meters requiring repair	638	951	700
Meter reads for billing	63,968	66,076	66,000
Estimated bills	32	35	60

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Operations & Maintenance	100,701	91,594	85,368	85,368	85,788
TOTAL EXPENDITURES	100,701	91,594	85,368	85,368	85,788

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	13,626	13,692	13,750
Water pumped and treated (MG)	1,993	1,610	1,510
Production well inspections	4,634	5,300	5,000
Samples analyzed	7,041	7,600	7,250
Water monitoring violations	0	0	0
Miles of water mains	245	245.5	246
Number of fire hydrants	2,627	2,639	2,645
Fire hydrants flushed and inspected	5,283	5,300	5,400
Main breaks per mile of main	0.10	0.12	0.10
Miles of streets	220	220	220
Miles of street sweeping	4,985	4,615	5,000
Sweepings collected (cubic yards)	2,930	2,229	1,700

WATER OPERATIONS, 591-4626, continued

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Charges for services	4,545,463	5,118,157	5,997,000	5,997,000	6,578,000
Interest and rents	62,410	11,501	25,000	25,000	25,000
Other revenue	1,470	10,694	-	-	-
TOTAL REVENUE	4,609,343	5,140,352	6,022,000	6,022,000	6,603,000
	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	1,031,314	1,095,936	1,399,381	1,383,800	1,567,539
TOTAL EXPENDITURES	1,031,314	1,095,936	1,399,381	1,383,800	1,567,539

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	16	12	25
Environmental inspections/monitoring	60	60	60
Responses to hazardous materials incidents	1	3	5

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	466,294	429,648	239,515	239,515	219,446
Operations & Maintenance	763,321	804,926	144,880	131,700	131,700
Administrative Charges	779,756	867,387	639,253	639,192	605,870
Capital Outlay	69,614	19,986	30,000	30,000	70,000
TOTAL EXPENDITURES	2,078,985	2,121,947	1,053,648	1,040,407	1,027,016

Division 66 Retention Basin Rehab

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Capital Outlay	76,207	39,646	40,000	40,000	40,000
TOTAL EXPENDITURES	76,207	39,646	40,000	40,000	40,000

DEBT SERVICE, 591-9510

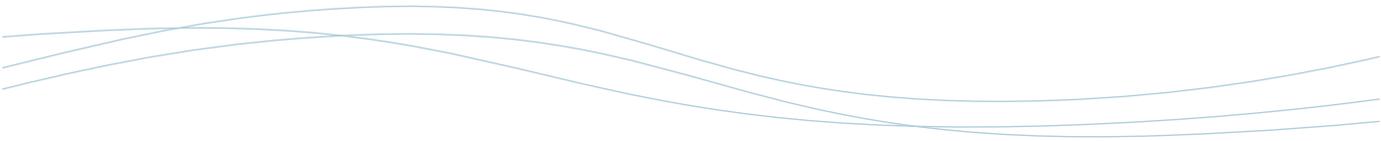
This activity accounts for the costs associated with the interest and principal payments on debt associated with Water Fund capital assets.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Operations & Maintenance	2,234,074	2,685,913	2,763,892	2,763,892	2,761,866
TOTAL EXPENDITURES	2,234,074	2,685,913	2,763,892	2,763,892	2,761,866

TRANSFERS OUT, 591-9610

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

	<u>2008-2009 Actuals</u>	<u>2009-2010 Actuals</u>	<u>2010-2011 Adjusted Budget</u>	<u>2010-2011 Adopted Budget</u>	<u>2011-2012 Council Approved</u>
EXPENDITURES:					
Transfers Out	-	50,000	50,000	50,000	122,505
TOTAL EXPENDITURES	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>122,505</u>

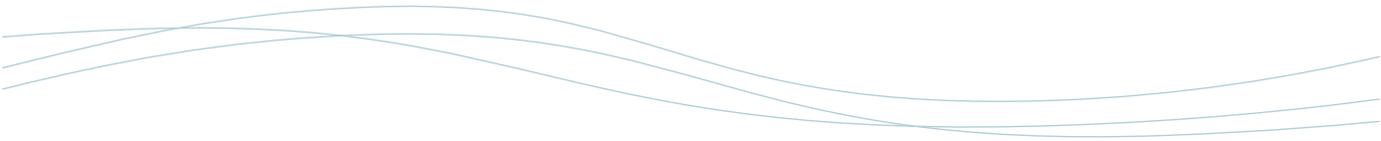


PORTAGE

A Place for Opportunities to Grow



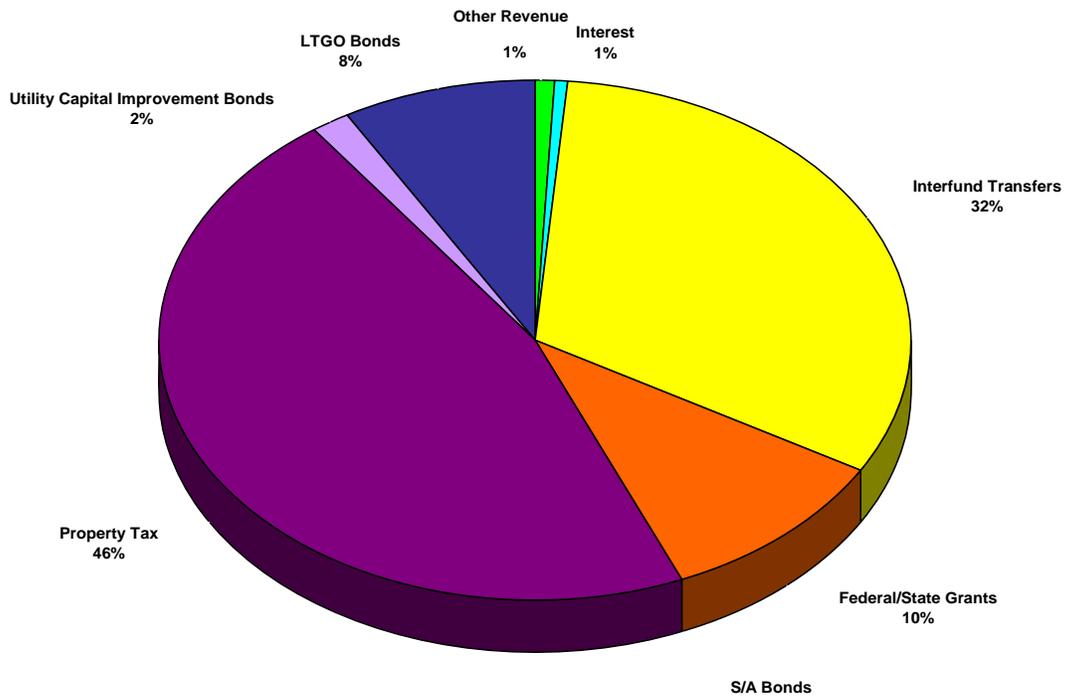
Public Improvements



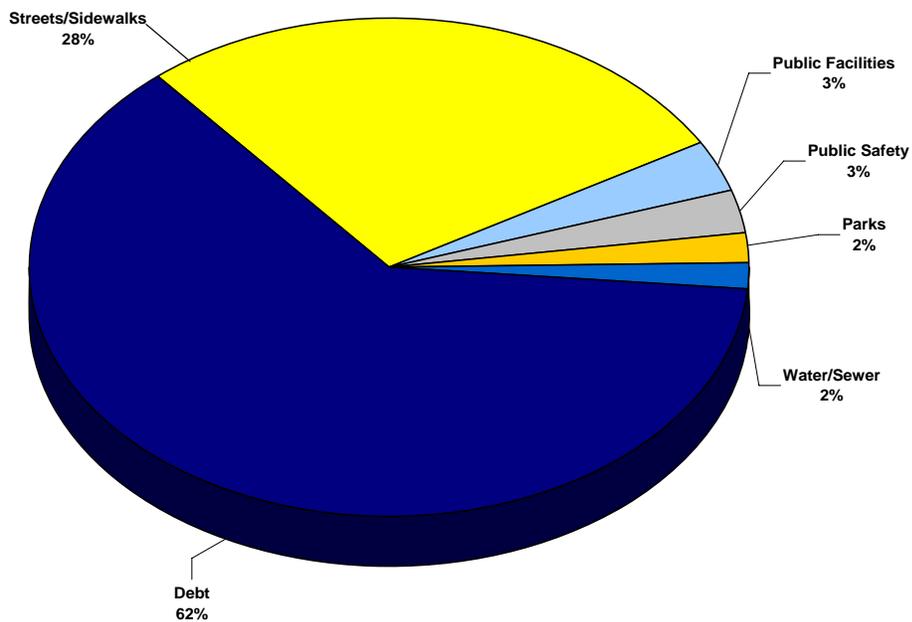
PORTAGE

A Place for Opportunities to Grow

CAPITAL IMPROVEMENT REVENUES



CAPITAL IMPROVEMENT EXPENDITURES



These graphs show the revenues and expenditures by category for the first year of the 2011-2021 Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

Revenues and Expenditures (000)

	Fiscal Year											Total
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21		Total
[REVENUES AND OTHER SOURCES]												
Property tax	3,931	3,931	3,931	4,019	4,089	4,191	4,316	4,445	4,573	4,714		42,140
Interest	50	50	50	200	200	200	200	200	200	200		1,550
L DFA Bonds				1,153								1,153
Revenue from General Obligation bonds (1)	310	280	555	557	993	223	1,403	240	709	112		5,382
Utility Capital Improvement revenue from bonds	150	850	765	3,537	1,425	1,545	1,660	1,585	2,669	13,099		27,285
MTF revenue from bonds (1)	395	350	270	835	735	1,267	2,183	1,685	3,185	2,157		13,062
DDA revenue from bonds								750	500			1,250
Cable TV Fund	40											40
Major Street Fund	1,200	1,122	1,069	1,000	1,000	668	901	486				7,446
Reprogrammed CIP funds												
Municipal Street Fund	1,020	875	1,045	1,085	1,190	973	962	1,260	1,310	2,058		11,778
Sanitary Sewer Fund	80	80	80	80	80	80	80	80	80	80		800
Water Fund	50	105	50	50	50	50	105	50	50	50		610
General Fund	316	416	696	413	485							2,326
Total city revenues and sources	7,542	8,059	8,511	12,929	10,247	9,197	11,810	10,781	13,276	22,470		114,822
SAFETEA-LU	875	2,580	1,320	1,020	1,165	1,100	1,100	1,100	1,100	0		11,360
Federal/State grants	0	0	0	0	0	0	0	0	25	0		25
Other Revenue	65	5	0	40	9	0	120	0	30	0		269
Special Assessments/bonds-Water and Sewer only					70	345	60	140	165	960		1,780
Total Revenues and Sources	8,482	10,644	9,831	14,029	11,491	10,642	13,090	12,021	14,596	23,430		128,256
<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>												
[EXPENDITURES]												
Streets	2,290	3,805	2,635	2,900	3,020	3,270	4,760	5,275	6,435	3,750		38,140
Sidewalks and Bikeways	76		35		35		35			60		241
Water	150	545	765	4,090	875	1,060	1,005	345	1,265	9,250		19,350
Sanitary Sewer		360		680	690	900	255	900	1,250	5,315		10,350
Police	187	259	211	522	338	194	186	244	170	187		2,498
Fire	60		310	117	630	98	1,111		545	114		2,985
Public Facilities	272	210	160	110	170	130	262	160	80			1,554
Parks and Recreation	144	170	135	130	205	75	195	140	265	50		1,509
Debt Service	5,303	5,295	5,580	5,480	5,528	4,915	5,281	4,957	4,586	4,704		51,629
Total Expenditures	8,482	10,644	9,831	14,029	11,491	10,642	13,090	12,021	14,596	23,430		128,256

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 2011-2012 portion of the 2011-2021 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 2011-2012 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 \$739,000 or approximately 23% 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>2011-2012 Council Approved</u>
REVENUE:	
Property taxes	3,931,000
Interest and rents	50,000
Other revenue	1,795,000
Transfers In	2,706,000
 TOTAL REVENUE	 <u><u>8,482,000</u></u>
 EXPENDITURES:	
Capital Outlay	3,179,000
Transfers Out	5,303,000
 TOTAL EXPENDITURES	 <u><u>8,482,000</u></u>

PUBLIC FACILITIES

PROGRAM TITLE: Former PCOC Building Demolition, 400-9037
 PROGRAM DESCRIPTION: Demolition of the former Portage Community Outreach Center (PCOC) building on south Westnedge Avenue to remove an unsightly liability and make the property more appealing for new development. Impact on the operating fund is to limit liability of abandoned building and increase marketability of parcel.

PROGRAM TITLE: Windows Operating System Upgrade,400-2161
 PROGRAM DESCRIPTION: Upgrade current Windows XP operating system to most current and supported version. Impact on operating funds is to put the Windows operating system on a supported system for the suite of software applications used by the city.

PROGRAM TITLE: City Centre Parking/Walkway Resurfacing, 400-9021
 PROGRAM DESCRIPTION: Milling, asphalt overlay, curb repair and striping of the City Hall parking lot. Repair cracks, seal coat and stripe Police/Sourt/Central Park parking lots. Repair/raise City Centre sidewalks as needed

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 Facilities - other</u>	
Former PCOC Bldg Demolition	35,000.00
City Centre Parking Lot Resurface	60,000.00
<u>Public facilities - I/T</u>	
Windows O/S Upgrade	40,000.00
Information System Upgrade	137,000.00
Total Public Facilities	<u>272,000.00</u>

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. PCBP bridges and overlooks will be replaced/upgraded.

PROGRAM TITLE: Celery Flats Historical Area Improvements, 400-2815
 PROGRAM DESCRIPTION: Repair of grain elevator metal awning and reconstruction of steps and landing structure.

PROGRAM TITLE: Disc Golf Course Development, 400, 2841
 PROGRAM DESCRIPTION: Development of an eighteen-hole Disc Golf course to include concrete tees, target baskets, tee signs, benches and trash receptacles at Ramona Park. Impact on operating funds will be about \$500 per year for upkeep after development which is to be from 100% public contributions.

PROGRAM TITLE: Playground Improvements, 400, 2822
 PROGRAM DESCRIPTION: Retrofit playgrounds and alter protective use zones and surfacing to meet all state and federal guidelines. Meeting compliance standards includes installation of signs at each of 14 sites indicating age group for playground usage and other safety information. Replacement of entire play structure at Westfield Park is needed as the current play structure is out of compliance and retrofit parts are not available. Surfacing at West Lake Nature Preserve playground is substandard and several borders require renovations. Operating impact will be to extend the useful life of the facilities, but otherwise not impact daily operations.

<u>Parks and Recreation</u>	
Celery Flats Historical Area Improvements	14,000
Disc Golf Course Development	30,000
Park Trail Improvements	50,000
Playground ilmprovements	50,000
Total Parks and Recreation	<u>144,000</u>

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. 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 include replacement of the building HVAC system. Also concrete repairs are necessary in and around the north building to prevent further water damage to the interior and exterior of the building. Impact on operating costs is estimated to reduce ongoing repair costs and extend structural life.

PROGRAM TITLE: Upgrade 150 MHz Base Stations & Sirens, 400-3056
PROGRAM DESCRIPTION: Replace outdoor warning sirens and base stations to become compliant with Federal Communications Commission mandate regarding narrow banding of 150 MHz radio frequencies. Replacement of existing equipment will reduce annual repair costs by approximately \$1,000 per year.

Police	
Police Facility Improvements	15,000
Upgrade 150 MHz Siren & Base Station	20,000
Police Vehicles	<u>152,000</u>
Total Police	187,000

FIRE

PROGRAM TITLE: Fire Station No. 1 Refurbishment, 400-3314
PROGRAM DESCRIPTION: Various preventative and corrective projects as identified in the latest city-wide facilities study will be undertaken to extend the operational life of the building. Impact on operating fund will be to reduce repair costs.

PROGRAM TITLE: Replace Personal Protective Equipment, 400-3338
PROGRAM DESCRIPTION: Replacement of firefighting personal protective equipment components. Impact on operating fund will be to reduce repair costs.

Fire	
<hr/>	
Fire Station #1 Refurbishment	11,000
Personal Protective Gear	49,000
Total Fire	<hr/> 60,000

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: 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.

Streets

Major: South Westmedge Enhancement Projects	500,000
Local: Street reconstruction Program	1,790,000
	2,290,000

SIDEWALK/BIKEWAYS

PROGRAM TITLE: Bikeway Improvements, 400-4405
PROGRAM DESCRIPTION: Seal coat, crack fill, and overlays to East Centre, Sprinkle Road, South Westnedge, Isabelle Street, Angling Boulevard, and Milham Avenue Trails, and Northwest Portage Bikeway. Improvements to paved shoulder bikeways to include overlays, reconstruction, sealing and striping.

PROGRAM TITLE: Sidewalk Improvements – Portage Public Schools, 400-4426
PROGRAM DESCRIPTION: Installation of new sidewalk on the west side of Portage Road from Auburn Woods Trail to Lancelot Court, New sidewalks would allow students to walk to school rather than being bussed. City of Portage would install the sidewalks and the Portage Public Schools would share in the project costs. There is no expected impact on operating costs.

<u>Sidewalks and Bikeways</u>	
Sidewalk Extension - Portage Schools	20,000
Bikeways Improvements	56,000
	<u>76,000</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.

Debt Service Funds	5,289,000
Total Transfers Out	<u>5,289,000</u>



SEWER CAPITAL IMPROVEMENT

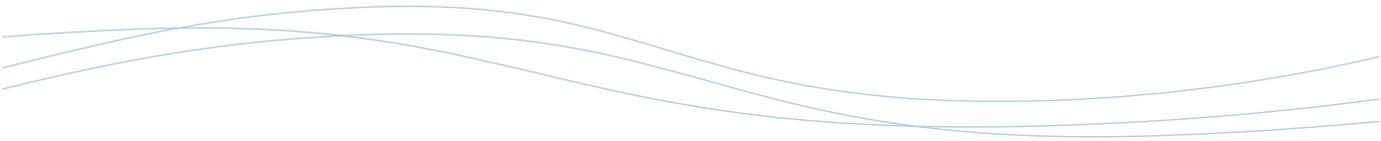
This fund, one of the Capital Improvement Funds, accounts for sewer-related projects, and has no activity except for debt service in fiscal year 2011-2012

WATER CAPITAL IMPROVEMENT

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

PROGRAM TITLE: Pineview Water Storage Facility Renovation, 491-4706
PROGRAM DESCRIPTION: Cleaning, repairs, and recoating the steel areas of the Pineview water storage facility with a 3-coat epoxy coating system. The interior work will be performed in FY 2011-12, and the exterior work will be performed in FY 2012-13. The operating fund will enjoy a minimal decrease in exterior maintenance of the facility.

<u>Water Capital Improvements</u>	
Pineview Water Storage Facility	150,000
Total Water Capital Improvements	<u>150,000</u>

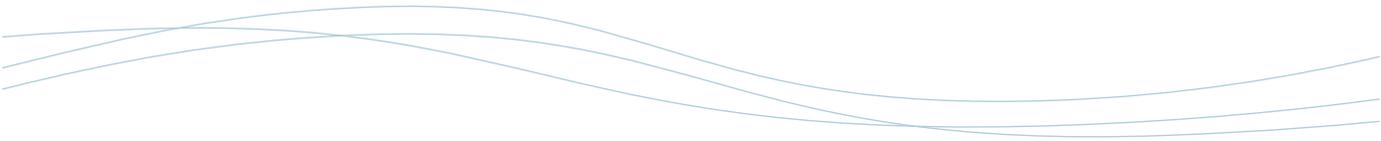


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Debt Service

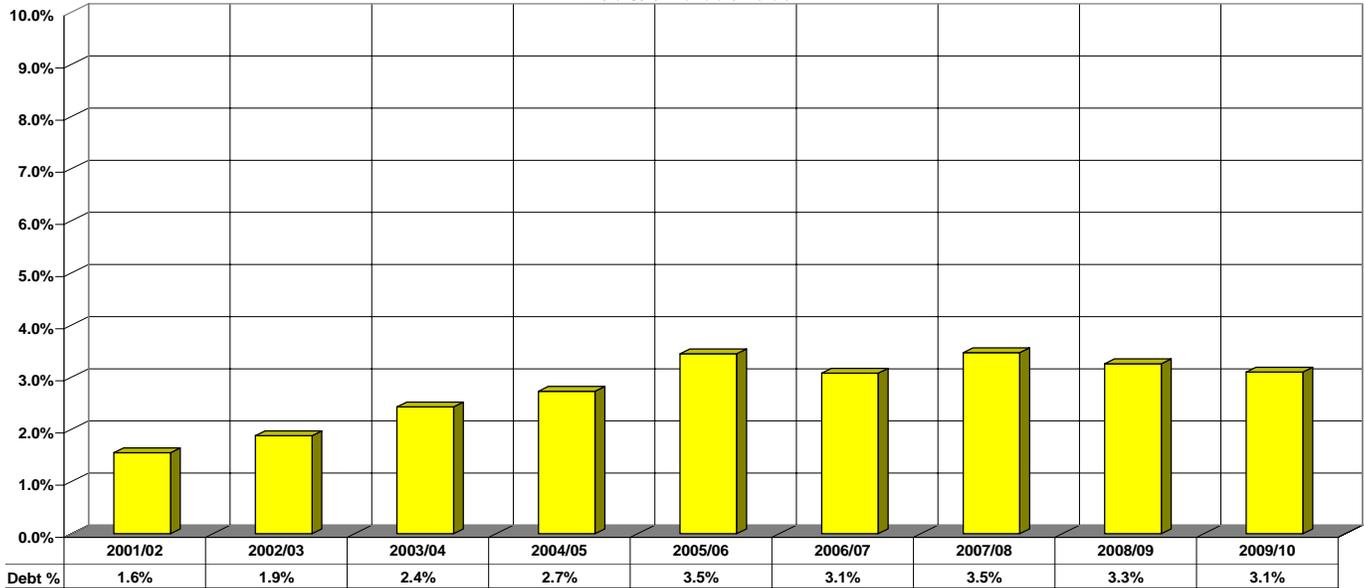


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NET LONG-TERM DEBT

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:

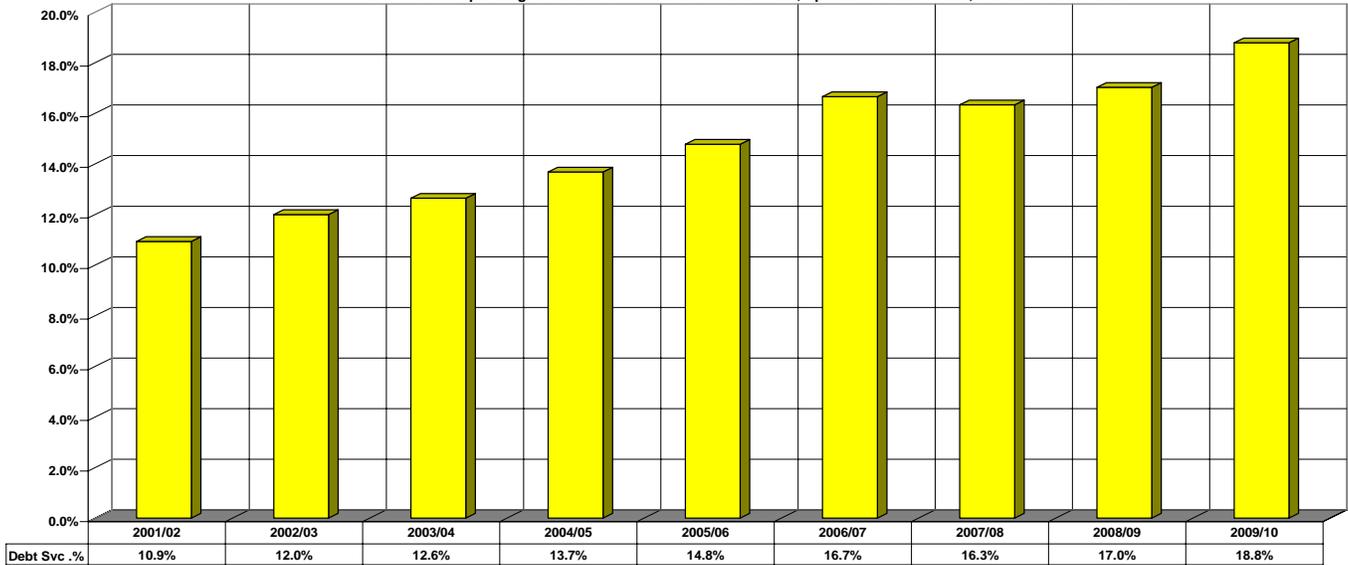
Direct debt is bonded debt for which the City has pledged its full faith and credit. Self-supporting debt is bonded debt that the City has pledged to repay from a source separate from its general tax revenues. In order to apply this indicator correctly for this City, direct debt includes all debt except 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:

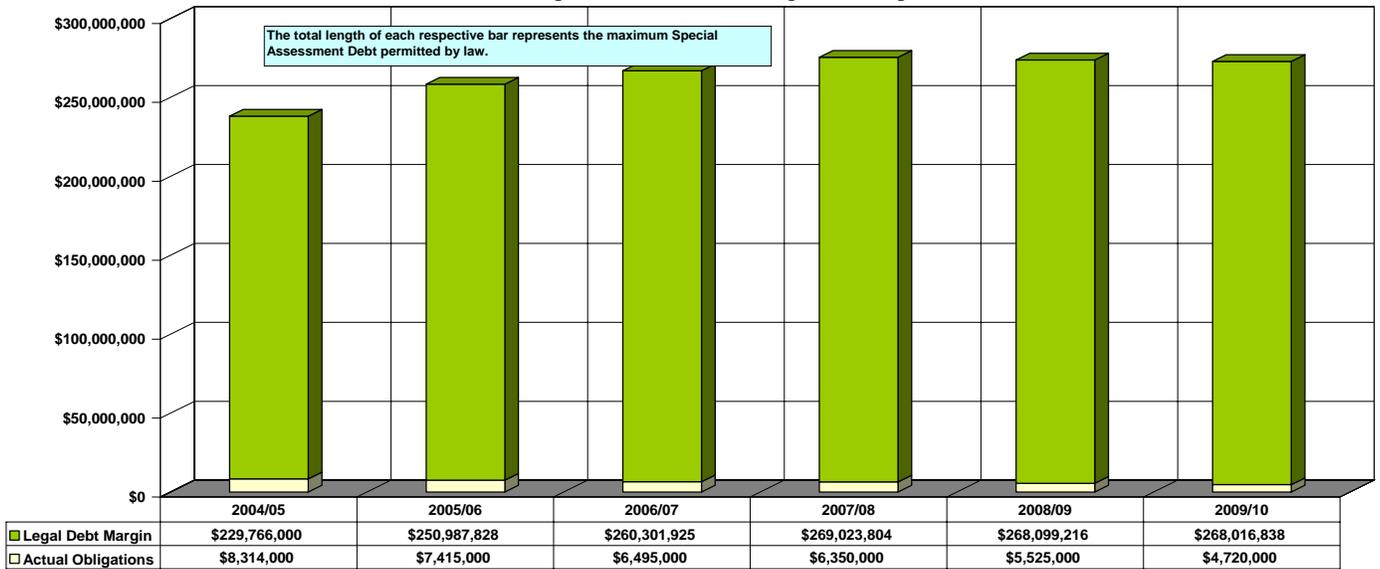
Increasing debt service reduces expenditure flexibility, primarily in the Capital Improvement Fund, by adding to the City's obligations. Debt service is a major part of the City's fixed costs. Increasing net direct debt service as a percentage of total net operating revenues may indicate excessive debt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

Analysis:

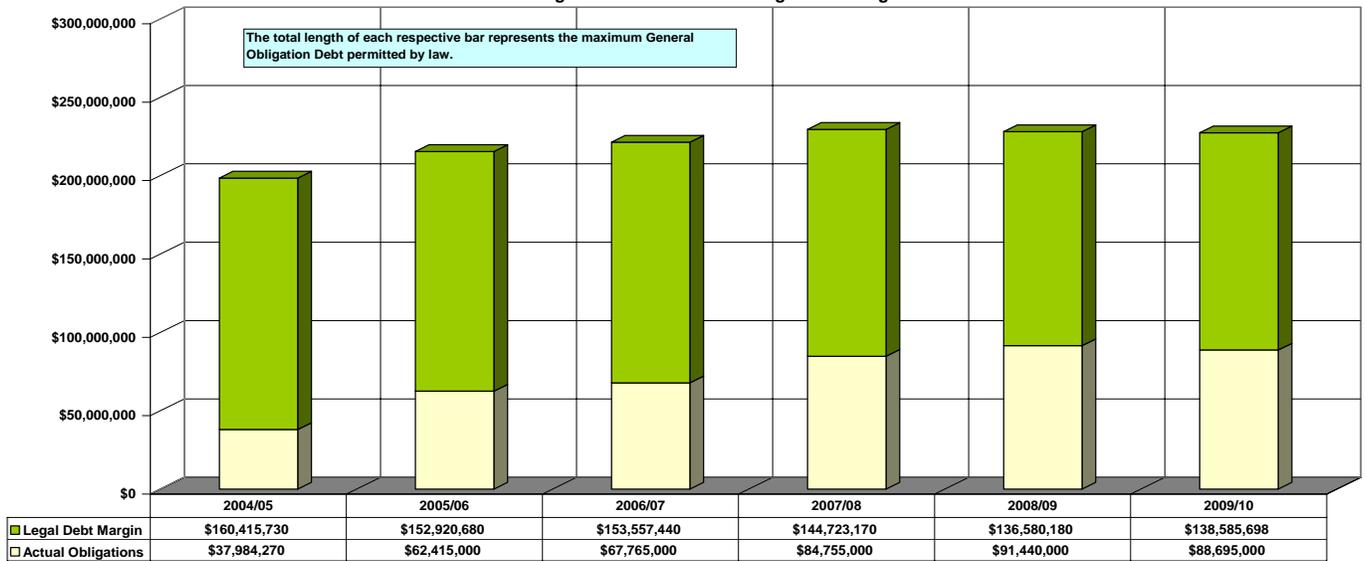
A net direct debt service percentage that exceeds 20% of net operating revenues is considered a potential problem. The city's net direct debt service percentage is below 20% of net operating revenues.

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. Also, the loss of tax base growth, reduction in interest income and reduction in new building has cause a decrease in operating revenues. This chart includes the Michigan Transportation Fund bond debt service.

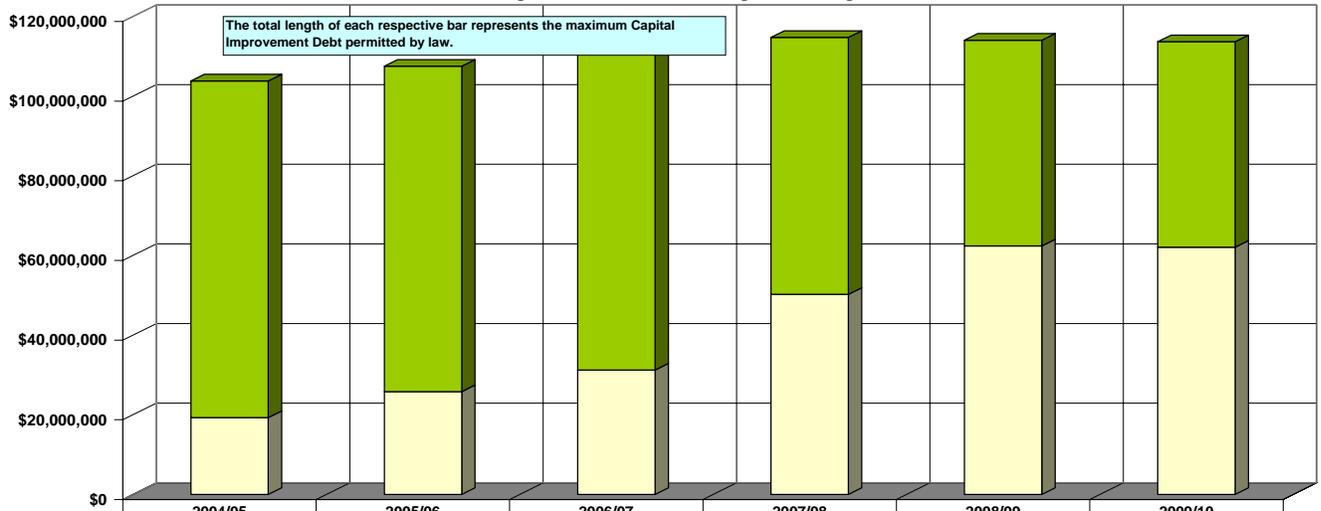
Special Assessment Indebtedness Actual Obligations and the Unused Legal Debt Margin



General Obligation Indebtedness Actual Obligations and the Unused Legal Debt Margin



Capital Improvement Indebtedness
Actual Obligations and the Unused Legal Debt Margin



	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Legal Debt Margin	\$84,525,125	\$81,676,155	\$79,916,220	\$64,524,085	\$51,605,090	\$51,555,349
Actual Obligations	\$19,285,000	\$25,830,000	\$31,245,000	\$50,215,000	\$62,405,000	\$62,085,000

DEBT SUMMARY

At March 30, 2011 the outstanding debt obligations of the city not associated with proprietary fund type areas are as follows:

Special Assessment Bonds	\$ 4,005,000
Limited Tax General Obligation Bonds	2,980,000
Unlimited Tax General Obligation Bonds	-0-
Local Development Finance Authority Bond	5,710,000
Building Authority Bonds	6,690,000
Downtown Development Authority	5,160,000
Motor Vehicle Highway Bonds	8,950,000
Capital Improvement Bonds	61,985,000
Land Contracts and Notes Payable	<u>-0-</u>
 Total	 <u>\$95,480,000</u>

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

	Special Assessment Bonds	Limited Tax General Obligation Bonds	Notes Payable	Capital Improvement Bonds
SEV	\$2,063,996,250	\$2,063,996,250	\$2,063,996,250	\$2,063,996,250
Applicable percentage limitation	12.00%	10.00%	1.25%	5.00%
Legal debt limitation	\$ 247,679,550	\$206,399,625	\$25,799,953	\$103,199,813
Related obligations	\$ 4,005,000	\$ 86,530,000	-	\$ 61,985,000
Legal debt margin	\$ 243,674,550	\$119,869,625	\$ 25,799,953	\$ 41,214,813

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 \$316,000 was 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 on city services because this support will continue to be required.

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

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Property taxes	4	-	-	-	-
Interest and rents	4,557	1,667	-	-	-
Other revenue	-	-	-	-	-
Transfers In	19,432	3,557,157	3,583,740	3,583,740	3,646,861
TOTAL REVENUE	23,993	3,558,824	3,583,740	3,583,740	3,646,861
EXPENDITURES:					
Bond costs	2,823,583	3,671,242	3,678,850	3,678,850	3,696,861
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	2,823,583	3,671,242	3,678,850	3,678,850	3,696,861

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.

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</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:					
Interest and rents	-	-	-	-	-
Transfers In	-	146,158	142,000	142,000	137,000
TOTAL REVENUE	<u>-</u>	<u>146,158</u>	<u>142,000</u>	<u>142,000</u>	<u>137,000</u>
EXPENDITURES:					
Bond costs	151,706	146,931	142,035	142,035	137,131
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	<u>151,706</u>	<u>146,931</u>	<u>142,035</u>	<u>142,035</u>	<u>137,131</u>

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Interest and rents	-	-	-	-	-
Transfers In	-	-	203,000	203,000	198,000
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>203,000</u>	<u>203,000</u>	<u>198,000</u>
EXPENDITURES:					
Bond costs	104,730	193,701	210,215	210,215	206,152
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	<u>104,730</u>	<u>193,701</u>	<u>210,215</u>	<u>210,215</u>	<u>206,152</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%.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Interest and rents	-	-	-	-	-
Transfers In	-	-	624,000	624,000	676,000
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>624,000</u>	<u>624,000</u>	<u>676,000</u>
EXPENDITURES:					
Bond costs	-	19,059	682,020	682,020	696,334
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>19,059</u>	<u>682,020</u>	<u>682,020</u>	<u>696,334</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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Interest and rents	246,905	237,509	237,730	237,730	223,111
Transfers In	-	605,000	661,000	661,000	738,000
TOTAL REVENUE	246,905	842,509	898,730	898,730	961,111
EXPENDITURES:					
Bond costs	1,112,341	992,629	969,868	969,868	968,498
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	1,112,341	992,629	969,868	969,868	968,498

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Property taxes	436,298	410,511	378,300	378,300	378,300
Interest and rents	6,716	3,693	2,000	2,000	2,000
Transfers In	-	-	-	-	-
TOTAL REVENUE	443,014	414,204	380,300	380,300	380,300
EXPENDITURES:					
Bond costs	214,042	393,921	408,440	408,440	416,675
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	214,042	393,921	408,440	408,440	416,675

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.

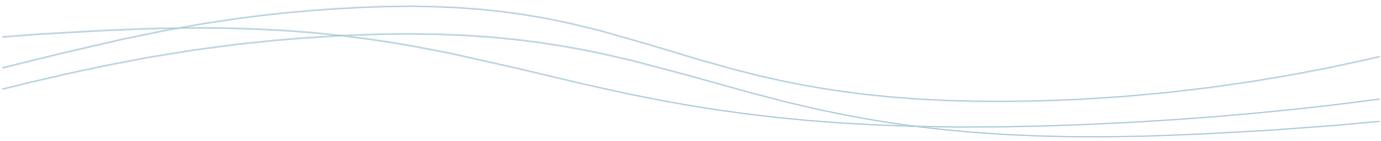
	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Property taxes	473,791	484,093	450,000	450,000	450,000
Interest and rents	35,584	17,478	20,000	20,000	20,000
Transfers In	-	-	-	-	-
TOTAL REVENUE	509,375	501,571	470,000	470,000	470,000
EXPENDITURES:					
Bond costs	247,255	460,533	464,420	464,420	457,728
Development expenditures	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	247,255	460,533	464,420	464,420	457,728

SPECIAL ASSESSMENT DEBT SERVICE FUNDS

	2009-2010 <u>Actual</u>	2010-2011 <u>Amended Budget</u>	2010-2011 <u>Final Estimate</u>	2011-2012 <u>Council Approved</u>
Beginning Fund Balance	<u>3,201,417</u>	<u>2,745,685</u>	<u>2,745,685</u>	<u>2,411,020</u>
Revenue:				
Special Assessments	427,697	450,000	450,000	260,000
Interest on Special Assessments	124,816	113,500	113,500	95,000
Interest on Investments	<u>28,315</u>	<u>17,800</u>	<u>17,800</u>	<u>15,000</u>
Total Revenue	580,828	581,300	581,300	370,000
Expenditures:				
Interest and Fiscal Charges	231,560	200,965	200,965	165,788
Bond Principal	<u>805,000</u>	<u>715,000</u>	<u>715,000</u>	<u>670,000</u>
Total Expenditures	1,089,888	1,032,000	1,032,000	915,965
Ending Fund Balance	<u>1,036,560</u>	<u>915,965</u>	<u>915,965</u>	<u>1,945,232</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.

	2008-2009 <u>Actuals</u>	2009-2010 <u>Actuals</u>	2010-2011 <u>Adjusted Budget</u>	2010-2011 <u>Adopted Budget</u>	2011-2012 <u>Council Approved</u>
REVENUE:					
Payments on special assessments	148,773	124,589	113,500	113,500	355,000
Interest on investments	61,369	28,314	17,800	17,800	15,000
TOTAL REVENUE	<u>210,142</u>	<u>152,903</u>	<u>131,300</u>	<u>131,300</u>	<u>370,000</u>
EXPENDITURES:					
Interest and fiscal charges	234,713	208,016	212,515	200,965	165,788
Bond principal	384,178	390,641	1,930,000	715,000	670,000
TOTAL EXPENDITURES	<u>618,891</u>	<u>598,657</u>	<u>2,142,515</u>	<u>915,965</u>	<u>835,788</u>

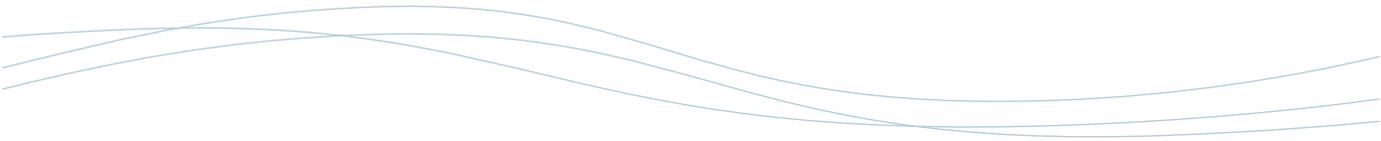


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Other Funds



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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 Republic 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 <i>Service Delivery</i> Promote effective recycling Evaluate alternatives to meet service demands

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of recycling pickups per month	12,800	12,800	12,800
Pounds collected per month	385,000	388,071	390,000

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Property taxes	606,116	561,688	541,700	541,700	679,300
Interest and rents	6,230	3,006	2,400	2,400	2,400
TOTAL REVENUE	612,346	564,694	544,100	544,100	681,700
EXPENDITURES:					
Personnel Services	24,621	39,184	33,088	33,088	33,046
Operations & Maintenance	511,880	506,120	538,238	523,399	542,517
Administrative Charges	62,359	56,261	56,660	56,660	56,340
TOTAL EXPENDITURES	598,860	601,565	627,986	613,147	631,903

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Property taxes	730,843	611,805	589,600	589,600	771,800
Interest and rents	9,162	4,722	3,600	3,600	2,000
Other revenue	347	75	-	-	-
TOTAL REVENUE	740,352	616,602	593,200	593,200	773,800
EXPENDITURES:					
Personnel Services	60,721	60,334	78,305	65,238	65,056
Operations & Maintenance	475,539	447,233	525,682	381,058	460,803
Administrative Charges	141,850	160,383	153,291	153,291	141,950
Transfers Out	19,432	20,157	19,740	19,740	20,356
TOTAL EXPENDITURES	697,542	688,107	777,018	619,327	688,165

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Property taxes	730,843	611,805	589,600	589,600	771,800
Interest and rents	9,162	4,722	3,600	3,600	2,000
Other revenue	347	75	-	-	-
TOTAL REVENUE	740,352	616,602	593,200	593,200	773,800
EXPENDITURES:					
Administrative Charges	86,499	88,701	76,000	76,000	73,130
TOTAL EXPENDITURES	86,499	88,701	76,000	76,000	73,130

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	1,688	2,035	2,050
Days offered	24	24	24

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Operations & Maintenance	263,688	213,752	329,718	212,718	217,882
TOTAL EXPENDITURES	263,688	213,752	329,718	212,718	217,882

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	17,809		15,914		15,000
	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Personnel Services	60,721	60,334	78,305	65,238	65,056
Operations & Maintenance	120,541	146,368	151,943	147,819	155,400
Administrative Charges	34,052	38,058	45,411	45,411	46,754
TOTAL EXPENDITURES	215,314	244,760	275,659	258,468	267,210

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	6,700		6,600		6,800
	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Operations & Maintenance	91,310	87,113	44,021	20,521	87,521
Administrative Charges	21,299	33,624	31,880	31,880	22,066
TOTAL EXPENDITURES	112,609	120,737	75,901	52,401	109,587

TRANSFERS OUT, 226-9610

Transfer is made to the General Obligation Debt fund.

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
EXPENDITURES:					
Transfers Out	19,432	20,157	19,740	19,740	20,356
TOTAL EXPENDITURES	19,432	20,157	19,740	19,740	20,356

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	8,290	7,988	6,500
Performances	37	47	35
Special events	2	2	2

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Charges for services	28,743	31,516	39,800	39,800	31,500
Interest and rents	2,454	5,074	2,550	2,550	6,600
Other revenue	79,728	79,090	64,000	64,000	34,000
TOTAL REVENUE	110,925	115,680	106,350	106,350	72,100
EXPENDITURES:					
Personnel Services	44,703	36,846	38,769	38,769	37,188
Operations & Maintenance	67,932	52,690	56,150	56,150	43,400
Administrative Charges	5,411	5,654	6,590	6,590	7,160
TOTAL EXPENDITURES	118,046	95,190	101,509	101,509	87,748

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 2011-2012 entitlement would be \$219,000. The 2010-2011 the grant total was \$230,723, and the 2009-2010 grant total was \$214,020 .

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 Playground facility Enhancements –Westfield Park	<i>Community Development</i> Continue effective community safety programs through prevention, enforcement and education Enhance the livability of community neighborhoods Further promote quality of life in Portage
Fair Housing	Fair housing education and services	<i>Community Development</i> Further promote quality of life Further promote aesthetic and cultural enhancement

CDBG, continued

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Federal revenue	-	142,566	343,359	229,000	219,187
TOTAL REVENUE	-	142,566	343,359	229,000	219,187
EXPENDITURES:					
Personnel Services	-	-	173,465	173,465	174,627
Operations & Maintenance	-	23,117	169,894	55,535	44,560
Administrative Charges	-	-	-	-	-
TOTAL EXPENDITURES	-	23,117	343,359	229,000	219,187

The responsibilities of the various activities are outlined as follows.

HUMAN SERVICES, 292-6624

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Operations & Maintenance	-	-	18,350	18,350	22,334
TOTAL EXPENDITURES	-	-	18,350	18,350	22,334

HOUSING PROGRAMS, 292-6625

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	-	-	69,469	69,469	73,434
Operations & Maintenance	-	23,117	147,994	33,635	18,649
Administrative Charges	-	-	-	-	-
TOTAL EXPENDITURES	-	23,117	217,463	103,104	92,083

NEIGHBORHOOD IMPROVEMENT, 292-6626

This activity accounts for the costs associated with maintaining and improving low and moderate income neighborhoods within the city. The equivalent of 0.90 full-time zoning and code administrator will be funded.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	-	-	65,646	65,646	65,372
Operations & Maintenance	-	-	850	850	852
TOTAL EXPENDITURES	-	-	66,496	66,496	66,224

ADMINISTRATION, 292-6627

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	-	-	38,350	38,350	35,821
Operations & Maintenance	-	-	2,700	2,700	2,725
TOTAL EXPENDITURES	-	-	41,050	41,050	38,546

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>	<u>Description</u>	<u>Goal/Objective</u>
Administration	All programs	<i>Public Relations</i> Continue efforts to enhance communication with citizens

	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Council Approved
REVENUE:					
Fees and permits	621,283	665,308	698,000	623,000	661,000
Interest and rents	1,994	1,054	1,500	1,500	1,000
TOTAL REVENUE	623,277	666,362	699,500	624,500	662,000
EXPENDITURES:					
Personnel Services	99,388	101,737	109,626	109,626	109,816
Operations & Maintenance	350,878	319,145	436,100	264,200	280,200
Administrative Charges	62,960	44,040	51,500	51,500	52,510
Capital Outlay	58,104	3,105	65,766	63,000	163,000
Transfers Out	-	-	119,000	119,000	200,000
TOTAL EXPENDITURES	571,330	468,027	781,992	607,326	805,526

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.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Personnel Services	99,388	101,737	109,626	109,626	109,816
Operations & Maintenance	350,878	319,145	373,100	264,200	279,200
Administrative Charges	62,960	44,040	51,500	51,500	52,510
TOTAL EXPENDITURES	<u>513,226</u>	<u>464,922</u>	<u>534,226</u>	<u>425,326</u>	<u>521,526</u>

PUBLIC SERVICE FEE, 298-7014

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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Capital Outlay	58,104	3,105	65,766	63,000	83,000
TOTAL EXPENDITURES	<u>58,104</u>	<u>3,105</u>	<u>128,766</u>	<u>63,000</u>	<u>84,000</u>

TRANSFERS OUT, 298-9610

To supply resources required for technology enhancements in the Capital Improvement Fund.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
EXPENDITURES:					
Transfers Out	-	-	119,000	119,000	200,000
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>119,000</u>	<u>119,000</u>	<u>200,000</u>

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
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	<u>2008-2009</u> Actuals	<u>2009-2010</u> Actuals	<u>2010-2011</u> Adjusted Budget	<u>2010-2011</u> Adopted Budget	<u>2011-2012</u> Council Approved
REVENUE:					
Interest and rents	1,665	848	1,500	1,500	1,500
Other revenue	5,283	5,224	12,152	12,152	11,800
TOTAL REVENUE	<u><u>6,948</u></u>	<u><u>6,072</u></u>	<u><u>13,652</u></u>	<u><u>13,652</u></u>	<u><u>13,300</u></u>
EXPENDITURES:					
Operations & Maintenance	45,483	14,574	46,532	45,000	45,000
TOTAL EXPENDITURES	<u><u>45,483</u></u>	<u><u>14,574</u></u>	<u><u>46,532</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 2011-2012 the cost of cemetery operations will exceed the permanent fund transfers and other cemetery revenue by approximately \$23,899.

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Charges for services	42,850	45,525	40,000	40,000	40,000
Interest and rents	14,292	8,079	8,000	8,000	8,000
TOTAL REVENUE	57,142	53,604	48,000	48,000	48,000
EXPENDITURES:					
Transfers Out	28,000	15,000	8,000	8,000	8,000
TOTAL EXPENDITURES	28,000	15,000	8,000	8,000	8,000

CDBG PROGRAM INCOME FUND

The Community Development Block Grant (CDBG) Program Income Fund is comprised of the repayment of housing assistance loans originally made through CDBG programs and the subsequent reallocation of these monies for CDBG eligible activities. 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 2011-2012 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
Neighborhood Improvement	Westfield Park Playground Improvement	Further promote quality of life in Portage

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Charges for services	72,310	96,735	65,000	40,000	40,000
TOTAL REVENUE	72,310	96,735	65,000	40,000	40,000
EXPENDITURES:					
Operations & Maintenance	71,726	24,558	65,000	65,000	90,000
TOTAL EXPENDITURES	71,726	24,558	65,000	65,000	90,000

The activities carried out by this fund are as follows.

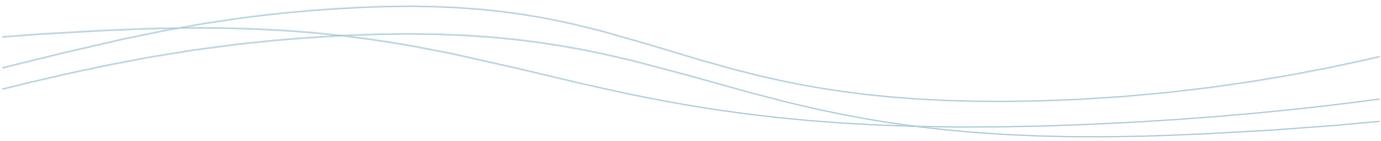
PROGRAMS, 792-6015

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. The plan for 2011/2012 designates \$34,000 for housing rehabilitation/emergency repairs, an award of \$25,000 to the Portage Community Center, which is a primary provider of human services within the City of Portage, and \$25,000 for recreational facility enhancement at Westfield Park involving primary playground reconstruction. The remaining \$6,000 is reserved for downpayment housing assistance activities.

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Council</u>
			<u>Budget</u>	<u>Budget</u>	<u>Approved</u>
EXPENDITURES:					
Operations & Maintenance	71,726	24,558	65,000	65,000	90,000
TOTAL EXPENDITURES	<u>71,726</u>	<u>24,558</u>	<u>65,000</u>	<u>65,000</u>	<u>90,000</u>



Appendices



PORTAGE

A Place for Opportunities to Grow

CITY of PORTAGE
 Contributions to Outside Agencies
 Fiscal Year 2011-2012

	2010-2011 Original Budget	2011-2012 Agency Request	2011-2012 Council Approved
General Fund			
Legislative:			
Michigan Municipal League	9,238	9,000	9,000
	9,238	9,000	9,000
Human Services:			
Portage Community Center	78,217	89,342	79,109
YWCA	9,070	14,000	9,405
Housing Resources, Inc.	18,835	25,000	19,504
Catholic Family Services (Ark)	8,775	11,137	9,109
Gryphon Place	3,000	0	0
	117,897	139,479	117,127
Parks:			
Kalamazoo in Bloom, Inc.	12,000	12,000	6,000
Total, General Fund	139,135	160,479	132,127
Other Funds			
CDBG Fund:			
Portage Community Center	18,350	22,334	22,334
CDBG Program Income Fund:			
Portage Community Center	25,000	24,666	25,000
Total, All Funds	182,485	207,479	179,461
Total, Portage Community Center	121,567	136,342	126,443

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.

APPENDIX B

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 2010-2011.

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.



APPENDIX C

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.

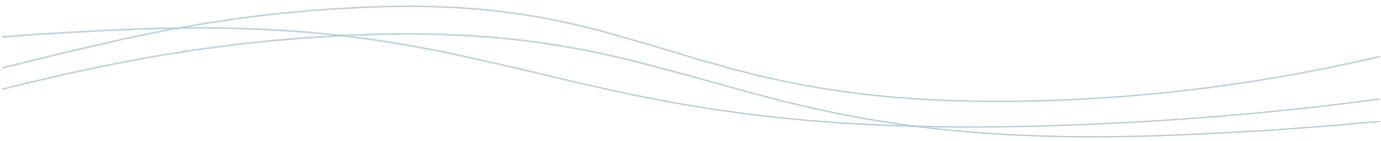
Local Development Finance Authority (LDFA) - meets to create and implement development plans within the boundaries of the Local Development Authority district. The members meet when called.

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.



PORTAGE

A Place for Opportunities to Grow

APPENDIX D

CITY OF PORTAGE

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

1997-2011

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	
2011	7.5000	2.0000	.0000	.2710	.2950	.6652	10.7312
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)

1997-2011

<u>Portage District Library¹</u> <u>Jurisdictions</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</u>
1.5000	6.00	5.0400 ²	6.7412 ³	4.8566	2.8135	37.6825
1.5000	6.00	5.0400 ²	6.7212 ³	4.8316	2.8135	37.5661
1.4900	6.00	5.0400 ²	6.3012	4.8316	2.8135	37.1361
1.4900	6.00	2.7000 ²	6.7162	4.5416	2.8135	34.7505
1.4900	6.00	2.7000 ²	6.5862	4.5416	2.8135	34.2755
1.4900	6.00	2.7000 ²	6.1362	4.5416	2.8135	33.8255
1.4900	6.00	3.7000 ²	6.1362	3.0416	2.8135	33.3255
1.4900	5.00	3.7000 ²	6.1362	3.0416	2.8139	32.3259
1.4900	6.00	3.7000 ²	6.1362	3.0416	2.8139	33.4834
1.4900	6.00	3.7000 ²	6.1400	3.0416	2.8151	33.1867
1.4900	6.00	3.7000 ²	6.1400	3.0416	2.8151	33.1867
1.3800	6.00	2.6762 ²	6.1400	3.0418	2.8152	32.1532
1.4200	6.00	2.6762 ²	6.1400	3.0500	2.8231	32.2863
1.1570	6.00	2.6762 ²	5.8405	3.0500	2.8231	31.7238

¹In 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.

²Assumes Principal Residence Exemption (PRE) (formerly called 'Homestead') status. Add 18.00 mills for non-PRE.

³Includes County Transportation Authority Millage at .4 mills first levied in 2009, and Juvenile Home levy in 2011.

APPENDIX E

CITY OF PORTAGE
 Full-Time Equivalent Positions by Department
 Fiscal Year 2011-2012

Department	2008-2009 Actual	2009-2010 Actual	2010-2011 Budget	2011-2012 Council Approved
City Manager	6.00	5.00	4.00	5.00
Finance	10.00	9.00	9.00	9.00
Information Technology	3.00	3.00	2.00	1.00
City Assessor	5.00	5.00	5.00	5.00
City Clerk	3.00	3.00	3.00	3.00
Purchasing	3.00	2.50	2.50	2.00
Employee Development	3.00	3.00	3.50	3.50
Benefit Services	5.00	5.00	4.00	4.50
Parks and Recreation	16.58	15.58	15.33	13.73
Police	77.25	77.25	74.25	75.15
Fire	36.50	35.50	34.50	33.00
Community Development	16.00	15.00	14.00	13.50
Senior Center	6.02	4.94	4.71	4.23
Transportation and Utilities	7.00	7.00	6.00	5.00
Streets and Equipment	20.85	19.85	19.10	19.10
Total	218.20	209.62	200.89	196.71

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
 1989-2012

Fiscal Year	Positions
2011-12	184
2010-11	188
2009-10	197
2008-09	207
2007-08	213
2006-07	211
2005-06	215
2004-05	213
2003-04	219
2002-03	216
2001-02	219
2000-01	219
1999-00	217
1998-99	234
1997-98	235
1996-97	257
1995-96	260
1994-95	259
1993-94	254
1992-93	246
1991-92	241
1990-91	237
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 through 2011/2012 have been from internal reorganizations based on retirements and attrition.

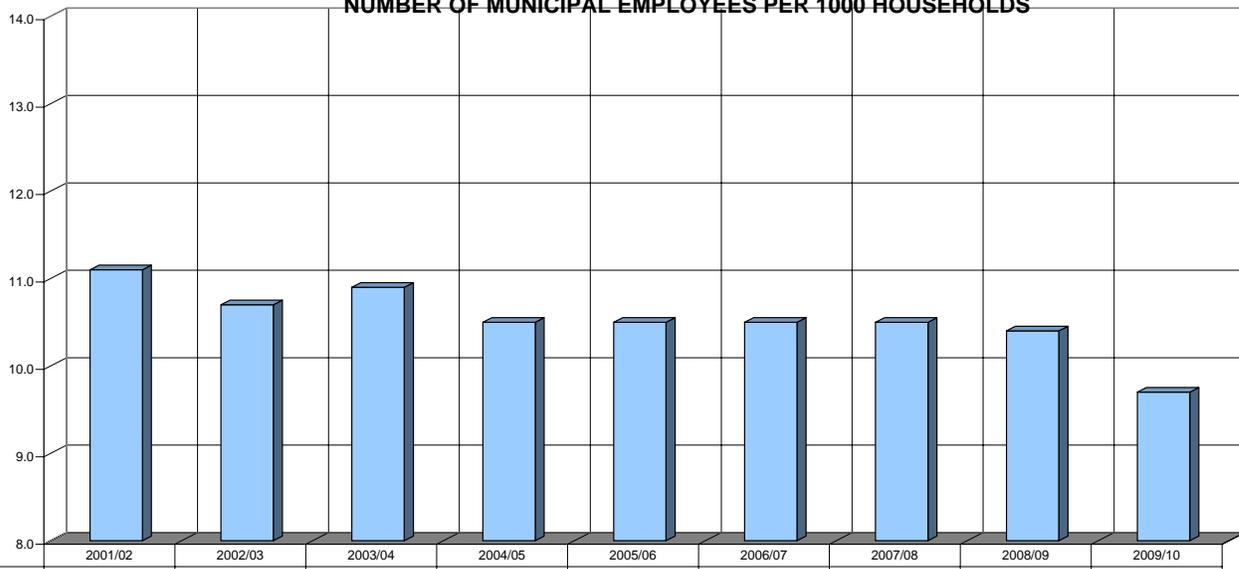
APPENDIX E

City of Portage 2011-2012 Budget Position Comparison (Budgetary Basis)

Full Time Authorized Positions	Actual <u>2008-2009</u>	Actual <u>2009-2010</u>	Budget <u>2010-2011</u>	Council Approved <u>2011/2012</u>
General Fund				
City Administration	6	6	4	4
Finance	10	9	9	9
IT	2	2	1	1
City Assessor	5	5	5	5
City Clerk	3	3	3	3
Employee Development	4	3	3	3
Benefit Services	5	4	4	4
Purchasing	3	2	2	2
Parks and Recreation	13.15	12.15	11.9	11.9
Police Department				
Command	13	13	13	13
Sworn Officers	43	42	46	45
Civilian	<u>18</u>	<u>17</u>	<u>11</u>	<u>11</u>
	74	72	70	69
Fire Department	35	35	34	33
Community Development	16	15	14	13
Senior Citizen Services	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>
Total, General Fund	179	170.15	162.90	159.9
Streets and Equipment Funds	20.85	19.85	19.10	19.10
Transportation and Utilities	<u>7</u>	<u>7</u>	<u>6</u>	<u>5</u>
Total Full Time Positions	207	197	188	184

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	2001/02	2002/03	2003/04	2003/05	2005/06	2006/07	2007/08	2008/2009	2009/10
Number of Full-Time Employees	219	216	219	213	215	211	213	207	197
Number of Households	19,804	20,220	20,081	20,224	20,430	20,100	20,310	19,872	20,301

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:

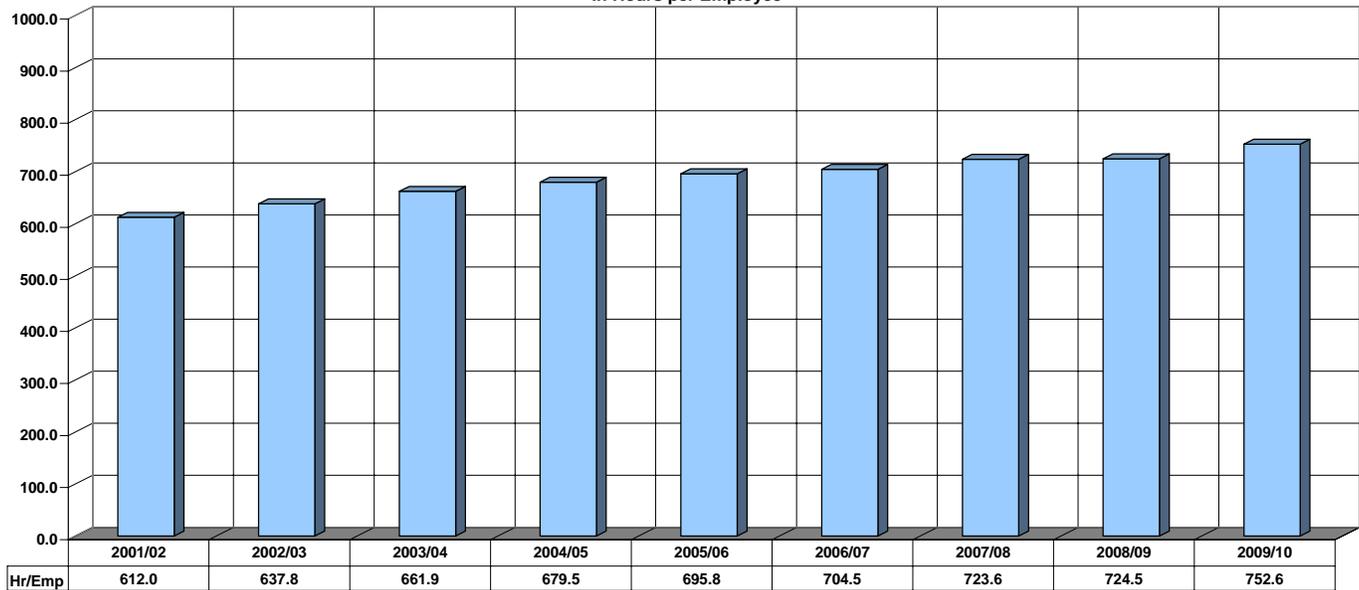
Personnel costs are a major component of the City's operating budget. Tracking change in the number of municipal employees per 1,000 households provides an excellent way to track change in productivity. Increases in this indicator might indicate that personnel expenditures are rising faster than the 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. Since

APPENDIX E

ACCUMULATED EMPLOYEE LEAVE In Hours per Employee



Warning Trend:

Increasing number of accumulated leave hours per employee

Formula:

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

Description:

The City generally allows employees to accumulate no more than 150% 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, 2012		
	Capital Outlay		
General Fund			
	<u>Information Technology</u>		
	Replace H T E network software modules for integrated government functions	160,000	
			160,000
	<u>Police</u>		
	Hardware and software for computer-based training system for all employees funded by federal grants	20,259	
	Replacement of Civil Defence system and sirens, replacement and reprogramming of mobile radios, realignment of base stations to be compliant with narrow banding of radio system	8,500	
		6,000	
	Independent study of police building HVAC systems by mechanical engineer to properly isolate resolution of air quality and ongoing humidity problems	10,000	
		44,759	
			44,759
	<u>Fire</u>		
	Replace mattresses at stations 2 & 3	1,800	
	Replace four mobile radios to narrow bandwidth per FCC regulations. Continuing program.	2,600	
	Turnout boots and helmets	6,000	
	Radio pagers. 12 at \$480 to replace obsolete models	5,760	
	Road safety safe driving system - 50% match to install in final 3 vehicles	5,000	
		21,160	
			21,160
	Total General Fund		225,919
	Equipment Fund		
	Replace #416 2006 Ford pickup 114,766 miles, Parks	28,000	
	Replace #426 2006 Ford pickup 111,953 miles, Parks	20,000	
	Heavy duty mower for additional mowing duties	11,000	
	Replace #28 1997 GMC pickup & plow 104,731 miles T&U	31,333	
	Replace #172 1998 pickup & plow 126,483 miles Equip	31,333	
	Replace #68 1997 HD pickup & plow 125,188 T&U	52,000	
			173,666
	Cable TV Fund		
	Equipment and software upgrades for Council Chambers and conference rooms	80,000	
	Cable Access Equipment Management with PMN	63,000	
			143,000
	Sewer Fund		
	Lift Station Rehabilitation	60,000	
			60,000
	Water Fund		
	Localized flooding for leaching basins	30,000	
	Retention Basin Reconstruction	80,000	
			110,000
	Total Capital Outlay Requested		712,585

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 2011-2012 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

	2008-2009 Actuals	2009-2010 Actuals	2010-2011 Adjusted Budget	2010-2011 Adopted Budget	2011-2012 Council Approved
REVENUE:					
Charges for services	1,308,847	1,764,274	1,691,248	1,691,248	1,618,070
Interest and rents	3,428	-	4,000	4,000	4,000
Other revenue	14,931	48,115	40,600	36,000	36,000
TOTAL REVENUE	1,327,206	1,812,389	1,735,848	1,731,248	1,658,070
EXPENDITURES:					
Personnel Services	290,772	283,148	375,319	375,319	379,787
Operations & Maintenance	1,163,502	1,008,391	865,649	866,380	939,800
Administrative Charges	104,348	129,067	119,010	118,500	102,500
Debt Service	348,678	267,332	262,669	262,669	267,443
Capital Outlay	10,596	12,519	105,523	94,500	173,666
TOTAL EXPENDITURES	1,917,896	1,700,457	1,728,170	1,717,368	1,863,196

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	244	190	180
Work orders completed	2,556	1,700	1,800
Gasoline usage - gallons	46,882	47,902	48,000
Diesel fuel usage - gallons	37,215	31,886	40,000

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	116,563	122,874	128,457	128,457	133,230
Operations & Maintenance	776,825	669,792	763,041	764,980	853,400
Capital Outlay	3,900	8,426	105,523	94,500	173,666
TOTAL EXPENDITURES	897,288	801,092	997,021	987,937	1,160,296

BUILDING ADMINISTRATION, 661-4026

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

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Personnel Services	174,209	160,274	246,862	246,862	246,557
Operations & Maintenance	386,677	338,599	102,608	101,400	86,400
Administrative Charges	104,348	129,067	119,010	118,500	102,500
Capital Outlay	6,696	4,093	-	-	-
TOTAL EXPENDITURES	671,930	632,033	468,480	466,762	435,457

DEBT SERVICE, 661-9510

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

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2010-2011</u>	<u>2011-2012</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted Budget</u>	<u>Adopted Budget</u>	<u>Council Approved</u>
EXPENDITURES:					
Debt service	348,678	267,332	262,669	262,669	267,443
TOTAL EXPENDITURES	348,678	267,332	262,669	262,669	267,443

APPENDIX H

CITY OF PORTAGE Financial Trends Fiscal Year 2011-2012

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

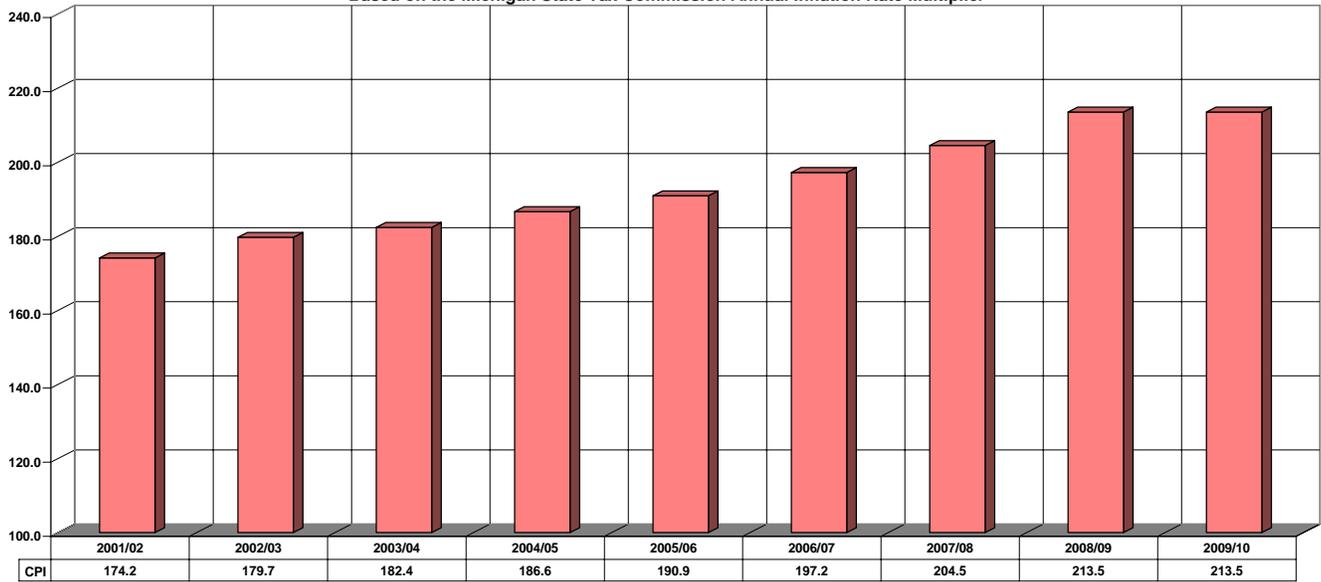
The indicators are monitored regularly. Results are used in administrative sessions and presented to City Council at least annually. They are used as tools for evaluating the financial condition of the city in the goal setting process as well as reviewing the proposed annual operating budget.

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.

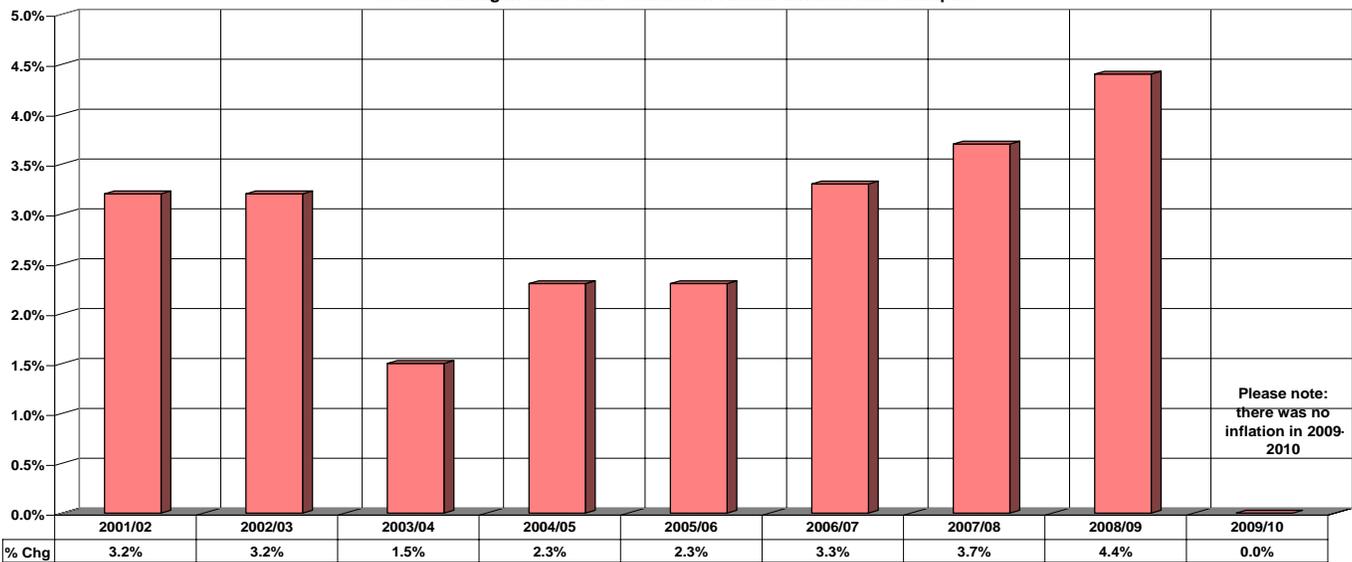
CONSUMER PRICE INDEX

Based on the Michigan State Tax Commission Annual Inflation Rate Multiplier



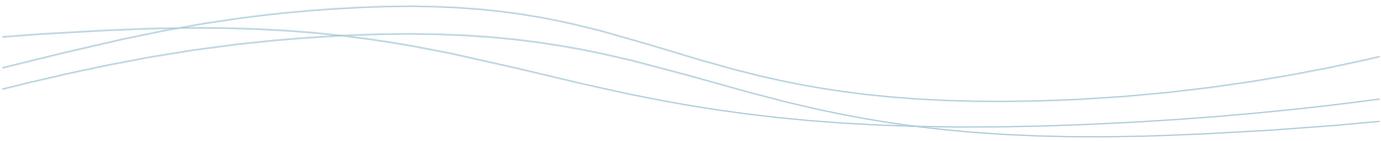
ANNUAL % CHANGE IN THE CONSUMER PRICE INDEX

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.



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