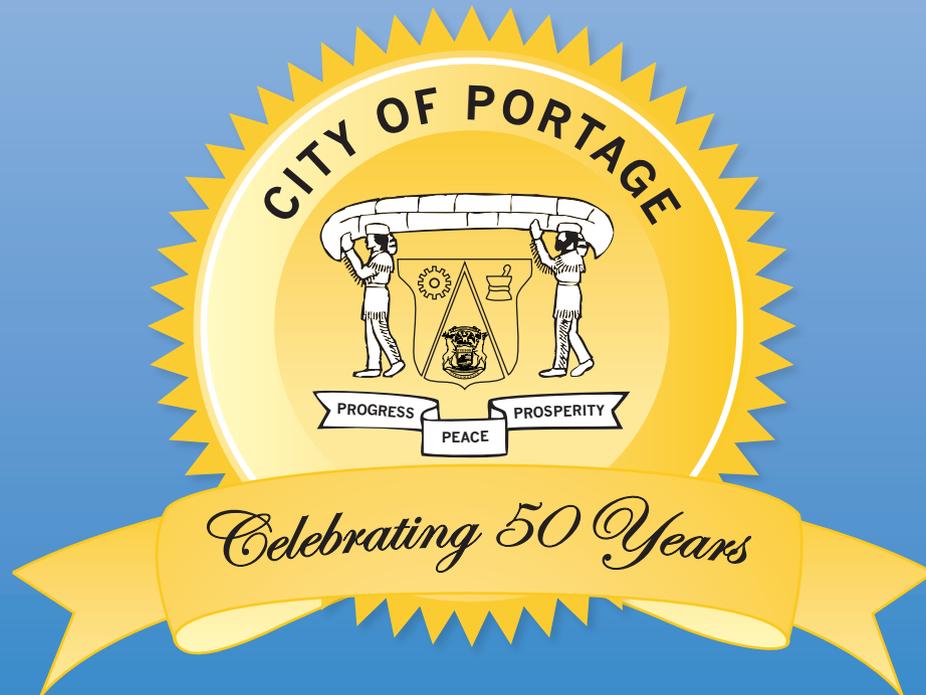




PORTAGE

A Natural Place to Move



Budget 2013-2014

Honorable Mayor and City Council

April 9, 2013

The fiscal year 2013-2014 proposed budget is presented in accordance with the requirements of the Portage City Charter and has been developed in conformity with the Goals and Objectives adopted by the Portage City Council as a balanced budget.

Highlights of the fiscal year 2013-2014 proposed budget include:

- Maintenance of the overall city tax rate (millage) at 10.7778 mills.
- Incorporation of an approximate 2.0 percent decrease in property tax revenue and an approximate 4.0 percent increase in State Revenue Sharing.
- Incorporation of Economic Vitality Incentive Program payments from the State of Michigan.
- Continuation of General Fund support for the Capital Improvement Program, the Major Street Fund and the Local Street Fund.
- Modification of the Capital Improvement Program by deferring or eliminating remaining elements of the South Westnedge Enhancement Projects; development of a tiered road reconstruction / sanitary sewer installation model to assist in the timely implementation of roadway improvement projects; planning of water utility improvements focused on system enhancements and incorporation of a *Placemaking* initiative to capitalize on past infrastructure investments directed to bikeway and trailway development.
- Incorporation of service adjustments necessary to address a continuing restrictive revenue environment, as well as to ensure compliance with requirements of the Affordable Care Act.
- Continuation of the City Council prescribed fund balance for the General Fund at 25 percent of General Fund expenditures.
- 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.

The fiscal year 2013-2014 proposed budget continues cost containment measures designed to limit operating expense while guarding against substantive impact to core service delivery. Notably, the fiscal year 2013-2014 proposed budget maintains cost reductions attributable to Public Act 152, which restricts the amount of employer contributions to employee health insurance premiums. In addition, the City Administration has implemented the further alteration of benefit levels for all future new hire employees in the areas of defined contribution (pension) and sick leave accruals.

An approximate 2 percent reduction in property tax revenue, combined with an approximate 4 percent increase in state revenue sharing, essentially equalizes property tax and state shared revenue between fiscal year 2012-2013 and fiscal year 2013-2014. Nevertheless, the continued reduction of property tax revenue clearly signals a local economy that has not yet stabilized, and which reinforces the appropriateness of the city's conservative budget strategy.

With budget constraints confronting the city over the past several years, an added reliance has been placed on the employment of part-time and seasonal personnel to address various service needs. A concentration of part-time and seasonal employees has particularly developed in the Department of Parks, Recreation and Public Services. While having an overall positive impact upon the city budget, added responsibilities have resulted in administrative areas, particularly recruitment and employment, training, payroll, workers compensation administration and general supervision. A continuing restrictive revenue environment has prompted during development of the fiscal year 2013-2014 proposed budget a review of city services more highly dependent on part time and seasonal employment resources to ensure appropriate resource allocation.

An additional incentive for further evaluation of part-time and seasonal employment resource allocations has developed in the preparation of the fiscal year 2013-2014 proposed budget due to pending requirements associated with the Affordable Care Act (ACA). Mandated employee work hour tracking and health insurance coverage issues related to the ACA present a significant administrative burden beginning in fiscal year 2013-2014. Additionally, the ACA requires that health insurance be offered to a minimum of 95 percent of the city's full time employees, while defining "full-time" employees as those who work a monthly average of 30 hours per week. Significant financial penalties can be assessed against the city for ACA non-compliance. Alternatively, the city could be faced with offering health insurance coverage to additional employees to remain compliant with the ACA. Although the ACA may provide some flexibility in regard to seasonal employment, the establishment of a strict limit on part-time and seasonal employment to no more than 28 hours per week will be utilized to address most areas of concern.

In light of the continuing revenue restrictions referenced above, as well as limitations associated with the ACA, several service modifications and position realignments are being pursued in the Department of Parks, Recreation and Public Services to ensure the most cost effective provision of non-essential city services. In evaluating opportunities for addressing these constraints in park and recreation areas, a priority has been placed on meeting core responsibilities of providing and maintaining secure recreation facilities/resources. Accordingly, a variety of park and recreation program and service alterations are being implemented over the next several months and within the context of the fiscal year 2013-2014 proposed budget.

Recreation program priorities have been centered on retaining a viable ice rink, adult softball, the Ramona Park beach operation and facilitating use of Portage trailways by various groups. Program eliminations will necessarily result, including the closure of the Celery Flats Interpretive Center and discontinuance of Celery Flats Tours, as well as the discontinuance of the Kids on Stage program, Teas at Stuart Manor, the Winter Sports Fest, the School of Fish program and complete closure of the Portage Creek Livery. Furthermore, Summer Entertainment Series (SES) programming will be discontinued at the conclusion of the 2013 SES season. All programs noted for discontinuation are impacted by low attendance, various venue related restrictions and/or the need for considerable staff involvement.

With discontinuation of the SES and cultural events programming, efforts will be redirected to marketing the availability of various facilities for private party rental. The Hayloft, Stuart Manor, Celery Flats Interpretive Center, Grain Elevator, Overlander Bandshell and Schrier Park pavilion all afford viable venues for weddings, family reunions, birthday parties and other family or club gatherings. Continued productive use of these city park facilities is envisioned through this effort.

In addition to park and recreation related service modifications, the expanded use of employment agency seasonal employees and the conversion of two part-time radio operator positions to one full-time radio operator position in the Department of Public Safety are being implemented. This approach presents the most cost-effective option for the city to adjust to continued revenue restrictions and to employee work hour limitations associated with the ACA.

An additional challenge for the city will be the phase-out of the personal property tax by the State of Michigan, if approved by voters in August 2014. Even with the planned reimbursement of 80 percent of personal property tax revenue for general city services and up to 100 percent reimbursement of personal property tax revenue associated with public safety related “essential services” through levy of an assessment by City Council, a substantive negative financial impact to the city will result over time. Future budget planning will incorporate this eventuality, pending final resolution if necessary after August 2014. Maintenance of a General Fund balance of 25 percent of General Fund expenditures will be important to add stability during this continuing period of uncertainty.

With the evidence of lingering negative growth characteristics in the local economy, the fiscal year 2013-2014 proposed budget has been designed to prepare the city for the anticipated additional financial challenges that lie ahead.

Overview

A total city budget of \$62.59 million is presented for consideration of the City Council. The major categories of the city budget include the General Fund, the Capital Improvement Program Fund, Curbside Recycling Fund, Leaf Pickup / Spring Cleanup Fund and the Municipal Street Fund. These funds are supported primarily through the local property tax base with the General Fund, in specific, being supplemented by state shared revenue and service fees. The Capital Improvement Program Fund is supplemented by Federal Highway Funds and Municipal Street Fund revenue, as well as transfers from the General Fund. Other major budget categories include the Utility Funds (supported through ratepayer service charges) and the Major and Local Street Funds (supported through intergovernmental revenue [i.e., Act 51 revenue] and through transfers from the General Fund). Several other fund categories represent the balance of the total city budget and include the Community Development Block Grant Fund, Cable Television Fund, West Lake Weed Management Fund and the Equipment Fund.

The total millage levy recommended through the fiscal year 2013-2014 proposed budget is 10.7778 mills – the same millage rate levied to support the fiscal year 2012-2013 budget. 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 0.3455 mills for the brush and leaf pickup / spring cleanup programs, 0.3049 mills for operation of the curbside recycling program and 0.6274 mills of the Municipal Street Fund millage.

A comparison of the fiscal year 2012-2013 millage and the fiscal year 2013-2014 proposed millage is provided below:

Average Single Family Residence	Millage Allowed	2012 Taxable Value - \$74,500		2013 Taxable Value - \$72,800		2013 Inflation Adjusted Taxes	
		Mills	Taxes	Mills	Taxes	Mills	Taxes
General Fund	7.5000	7.5000	558.75	7.5000	546.00	7.5000	533.20
Capital Improvement Fund	2.0000	2.0000	149.00	2.0000	145.60	2.0000	142.19
Curbside Recycling Fund	0.5000	0.3349	24.95	0.3049	22.19	0.3049	21.67
Leaf Pickup/Spring Cleanup Fund	0.4000	0.4000	29.80	0.3455	25.15	0.3455	24.56
Municipal Street Fund	1.0000	0.5429	40.44	0.6274	45.67	0.6274	44.60
Total Millage/Taxes	11.4000	10.7778	802.94	10.7778	784.61	10.7778	766.22

Significant aspects of the major budget categories are outlined below.

General Fund

After a one-year reprieve from declining property tax revenue, the city is once again facing an approximate 2.0 percent decrease (\$247,900) in General Fund property tax revenue in fiscal year 2013-2014. The modest revenue increase of 1.5 percent in fiscal year 2012-2013 was attributed solely to an increase in personal property and was in contrast to the 4.4 percent decrease in property tax revenue experienced in fiscal year 2010-2011 and the additional property tax revenue decrease of 2.6 percent in fiscal year 2011-2012.

Continued qualification of the city to receive Economic Vitality Incentive Program revenue is assumed for fiscal year 2013-2014. Additionally, the State Budget Office has indicated an increase in estimated constitutional revenue sharing of approximately 4.0 percent (\$133,647) for the city in fiscal year 2013-2014. As noted previously, the property tax

Projected State Revenue Sharing	2012-2013	2013-2014
Economic Vitality Incentive Program	\$270,036	\$289,000
Constitutional	\$3,341,184	\$3,474,831
Total Revenue Sharing	\$3,611,220	\$3,763,831
% of General Fund Budget	15.8%	15.6%

revenue reduction combined with the revenue sharing increase essentially equalizes property tax and revenue sharing total revenue between fiscal year 2012-2013 and fiscal year 2013-2014.

Of particular note in the fiscal year 2013-2014 proposed budget:

- Total full-time staffing has been temporarily increased to 181 full-time positions from 179 full-time positions. One full-time staff addition has been accomplished so as to enable the appropriate training of an employee prior to retirement of the position incumbent. It is anticipated that full-time employment will be restored to 180 positions during fiscal year 2013-2014, subsequent to the referenced retirement. The second full-time staff addition results from the conversion of two part-time radio operator positions to one full-time radio operator position in the Department of Public Safety due to issues associated with implementation of the ACA. Importantly, total full-time employment has been reduced from 215 full-time positions in fiscal year 2005-2006.
- Program and staffing adjustments being implemented in the Department of Parks, Recreation and Public Services will result in a reduction of approximately 1500 budgeted staff hours.
- Transfers from the General Fund to the Major and Local Street Funds in the amount of \$550,000 will be accomplished.
- A transfer from the General Fund of \$1,265,000 to the Capital Improvement Program will occur.
- A projected fiscal year 2013-2014 ending fund balance of 25 percent in the General Fund has been planned.

Before transfers to the Major Street Fund, Local Street Fund and the Capital Improvement Fund, total expenditures of the General Fund are proposed at \$22.267 million, which represents a 0.59 percent increase (\$130,822) from fiscal year 2012-2013 budgeted expenditures before transfers.

Transfers to the Capital Improvement Program noted above represent sizeable cash savings planned for expenditure during fiscal year 2013-2014 so as to avoid the issuance of additional debt. In total, \$1.265 million of planned expenditures are addressed through the use of cash reserves including \$250,000 for the replacement of 911 communication equipment, \$171,000 for police vehicle replacement, \$524,000 for replacement of a fire pumper and thermal imaging cameras and \$320,000 for Eliason Nature Reserve improvements. Including these budget transfers, as well as the noted transfers to the Major and Local Street Funds, the fiscal year 2013-2014 proposed budget expenditures are \$24.082 million, which is approximately 5.5 percent greater than fiscal year 2012-2013 budgeted expenditures, including transfers.

A 25 percent ending fund balance in the General Fund is maintained in the fiscal year 2013-2014 proposed budget. Continuation of this level of 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 Public Safety services. For fiscal year 2013-2014, the Public Safety Department budget represents nearly \$13.461 million (55.9 percent) of all General Fund expenditures.

The level of General Fund support for human service programs has been maintained at the Council-prescribed policy of 0.55 percent of General Fund revenue in the fiscal year 2013-2014 proposed budget. An appropriation of \$121,237 of General Fund revenue, in addition to \$31,804 of Community Development Block Grant revenue, is proposed for allocation

Human Public Service Funding	2012-2013	2013-2014
Portage Community Center	\$116,513	\$116,280
YWCA	\$8,570	\$8,501
Housing Resources, Inc.	\$17,400	\$17,295
The Ark of Catholic Family Services	\$9,080	\$8,989
Gryphon Place 211 Service	\$2,000	\$1,976
Portage Senior Center	\$74,927	\$78,342

to human service agencies. In the fiscal year 2013-2014 proposed budget, \$121,237 of this total amount of human service funding has been recommended for support of the Portage Community Center. In addition to the 0.55 percent of General Fund revenue provided to support community

human service programs, funding for the Portage Senior Citizen Center has also been continued in the fiscal year 2013-2014 proposed budget at a subsidy of \$78,342.

The fiscal year 2013-2014 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 assists with the maintenance of a sound financial base for the city in accordance with Governmental Accounting Standards Board (GASB) guidelines for funding post-employment benefits

Capital Improvement Fund

The Capital Improvement 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. Additionally, the proposed 2013-2023 Ten-Year Capital Improvement Program presents a long-term plan to address infrastructure needs into the future. Revenue is provided to the Capital Improvement Program through the property tax millage, Municipal Street Fund millage, utility funds, Federal and state funds, special assessments and through transfers from the General Fund.

2013-2014 Top Ten Capital Improvement Expenditures	
1. Major Street Reconstruction Program	\$2,475,000
2. Local Street Reconstruction Program	\$800,000
3. Replace 1986 Fire Pumper	\$500,000
4. South Westnedge Water Main Replacement - Melody to South Shore	\$400,000
5. Northwest Water Storage Facility	\$390,000
6. South Westnedge Water Main - Osterhout to South End	\$375,000
7. South 12th Street Lift Station Renovation	\$325,000
8. Eliason Nature Reserve Development	\$320,000
9. Consolidated Drain Rehabilitation Program	\$275,000
10. 911 Lifeline Equipment Phone and Radio Replacement	\$250,000

The proposed 2013-2023 Ten-Year Capital Improvement Program is transformative in that the plan has been prepared through modification of several principles that have guided Capital Improvement Program development over the past several years. Major changes that have framed the proposed 2013-2023 Ten-Year Capital Improvement Program include:

- An analysis of the South Westnedge Enhancement Projects (SWEPs) heretofore completed reveals the positive impact of these projects on traffic flow and traffic safety. Subsequently, a number of the remaining elements of the original SWEPs have been deferred or eliminated. Significant resources previously obligated to these projects have been redirected to other primary street related capital improvements.
- The practice of delaying street reconstruction projects in the absence of sanitary sewer installation was reviewed and revised in consideration of the vast majority of the city now being served with municipal sewer service. Remaining areas lacking municipal service have been prioritized for street reconstruction – with or without sanitary sewer – based on factors such as the availability of public water, proximity to established Wellhead Protection Areas, the age of septic systems, proximity to water bodies, existing land use / zoning and average parcel size. “Tier 1” areas are addressed consistent with past practice: sewer installation and mandatory connection is required along with street reconstruction. “Tier 2” street reconstruction areas are recommended for sanitary sewer installation via special assessment; however, properties will not be subject to mandatory sewer connection until such time as the current septic systems are deemed to have failed by the Kalamazoo County Health Department. “Tier 3” street reconstruction areas are the least environmentally sensitive and have minimal density / development. Street reconstruction in “Tier 3” areas will not be predicated on municipal sewer availability. Sanitary sewer in “Tier 3” areas will only be installed in response to resident petitions.
- Capital Improvement Program water installation projects were evaluated, with projects included in the proposed 2013-2023 Ten Year Capital Improvement Program focused on system related enhancements. The resultant project listing provides a more accurate representation of water utility improvements likely to be undertaken during the planning period and enables resources to be directed toward critical system improvements.
- A *Placemaking* initiative was undertaken in recognition of the City of Portage 50th anniversary in order to capitalize on past infrastructure investments directed to bikeway and trailway development. Accordingly, initial development of the Eliason Nature Reserve has been programmed as a major addition to the city park and recreation system. Ultimately, development of a paved bikeway through the Eliason Nature Reserve is envisioned as a southern gateway to the Portage Creek Bicentennial Park Trail. Funding for Phase I development has been programmed in fiscal year 2013-2014 of the proposed 2013-2023 Ten-Year Capital Improvement Program, through the recommended use of proceeds from the sale of the former Portage Community Center property on South Westnedge Avenue.

Recommended capital project expenditures are focused on essential government functions, with the level of additional debt being addressed through careful management of the Capital Improvement Program. The fiscal year 2013-2014 proposed Capital Improvement budget supports \$11.824 million of expense directed toward infrastructure improvements. Of this total, \$3.275 million is directed to major and local street reconstruction projects. In addition to street related expenditures, approximately \$1.900 million is directed to utility infrastructure improvements and \$2.032 million is proposed for improvements to public facilities, police, fire and parks and recreation in the fiscal year 2013-2014.

Maintenance of the city street infrastructure continues to receive a high budget priority, with a total of over \$37.335 million proposed for investment in city streets through the proposed 2013-2023 Ten-Year Capital Improvement Program.

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 evaluation of longer-term rate needs. Through this process, system revenues and expenditures are reviewed each year, with recommended rate adjustments being presented annually to the City Council through the Utility Rate Committee.

The wastewater and water rates recommended through the 2011 Utility Rate Financial Study began the trend of shifting revenue collection from commodity charges to basic quarterly charges based on meter size, as is recommended through the comprehensive rate structure analysis prepared in 2011 by Utility Financial Solutions, LLC.

The amount of accumulated debt remains an issue with the utility funds. As a result, large working capital deficits that 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 present a further complication. Both situations result in the need to continue to adjust consumer rates to enable adequate working capital balances to be maintained. On an encouraging note, recommended rate increases that have been implemented over the past several years have resulted in positive working capital balances being maintained in the Sewer Fund and restored to the Water Fund in fiscal year 2013-2014.

The 2013 Utility Rate Financial Study recommends a proposed rate increase in the Sewer Fund of 3.98 percent to the typical residential customer, which is equivalent to the rate increase projected with the 2012 Utility Rate Study. For the typical residential customer the proposed increase would result in an added monthly expense of \$1.28 for municipal sewer service.

In the Water Fund, decreasing consumption rates have significantly impacted system revenues. The recommended rate increase of 1.24 percent is equivalent to the rate increase projected with the 2012 Utility Rate Financial Study. For the typical residential customer the proposed increase would result in an added monthly expense of \$0.33 for municipal water service.

The combined rate of increase of 2.73 percent for the typical residential customer having both municipal water and sewer is equivalent to the rate of increase anticipated in the 2012 Utility Rate Financial Study, which equates to an added monthly expense of \$1.61.

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 2013-2014 proposed budget. Funding of \$375,000 for street pavement maintenance programs has been proposed.

Major and Local Street Funds have been scrutinized to minimize cost; however, as noted previously, 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.

Curbside Recycling Fund

The fiscal year 2013-2014 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. A slight decrease of 0.0300 mills is recommended as sufficient to maintain the current level of service. The Curbside Recycling millage levy of 0.3049 mills is, therefore, recommended.

Leaf Pickup / Spring Cleanup Fund

The fiscal year 2013-2014 proposed budget continues the provision of the Leaf Pickup Program with three fall leaf collection periods. The separate Spring Cleanup Program and the quarterly brush pickup program are maintained as well. The Leaf Pickup / Spring Cleanup millage has been decreased by 0.0545 mills, with a resultant levy of 0.3455 mills recommended.

Conclusion

In summary, through creative service delivery and continued efforts at cost containment, the fiscal year 2013-2014 proposed budget maintains the favorable standing of the City of Portage in the lower 25 percent of all Michigan cities of greater than 25,000 population in terms of millage level. This conservative financial plan is recommended to the City Council as a responsible and sound program for addressing community needs at this time, while placing the city in the best position to address the anticipated financial challenges that lie ahead.

Sincerely,



Maurice S. Evans
City Manager



City of Portage, Michigan

**PROPOSED
ANNUAL OPERATING BUDGET
Fiscal Year 2013-2014**

City Officials as of May 28, 2013

Peter J. Strazdas
Mayor

Claudette Reid
Mayor Pro Tempore

Elizabeth Campbell
Councilmember

Jim Pearson
Councilmember

Patricia M. Randall
Councilmember

Ed Sackley
Councilmember

Terry R. Urban
Councilmember

Maurice S. Evans
City Manager

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Overview



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Portage for its annual budget for the fiscal year beginning July 1, 2012.

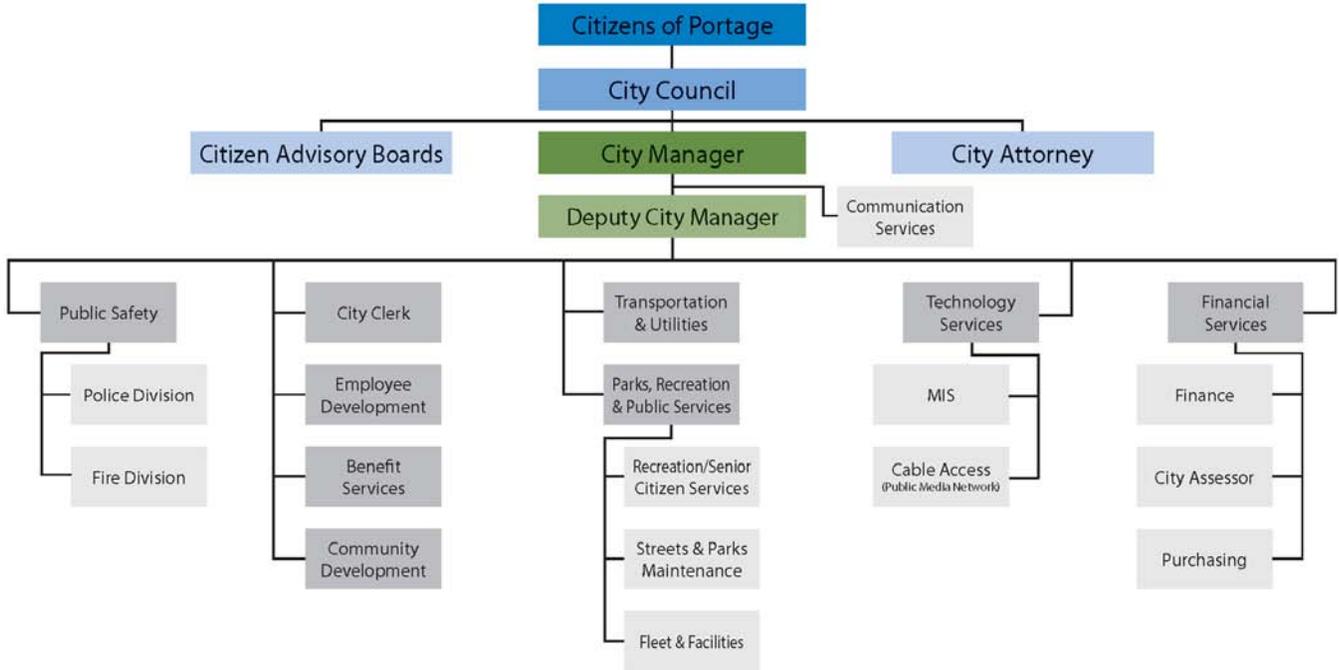


In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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



Revised: 3/2013

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.

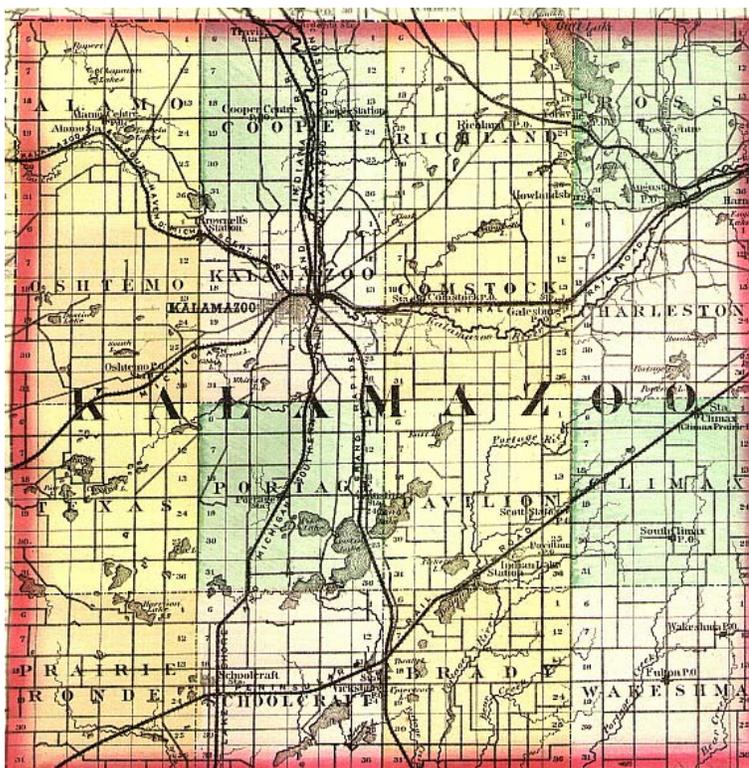
Initially Portage was known as a farming community, with corn and wheat being the primary crops. Nearby communities were also expanding in the late 1800’s including the Village of Kalamazoo and the Village of Vicksburg. By the turn of the century, Portage began to utilize its lakes. Commercial fishing, ice cutting and resort operations were prominent. The most significant thrust to the growth

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 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 2013-2014

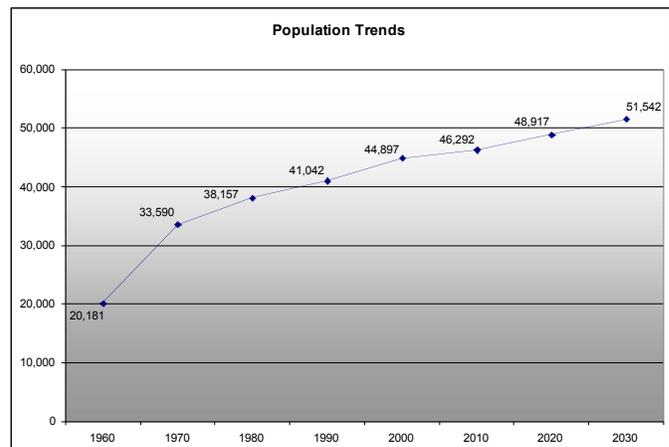
Portage is located in Kalamazoo County in southwest Michigan approximately half way between Chicago and Detroit at the crossroads of Interstate 94 and US-131 and encompasses approximately 35 square miles. Though originally known for its fertile farmland and agricultural production, Portage has grown into a community of excellent residential neighborhoods and as the retail trade center for 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.



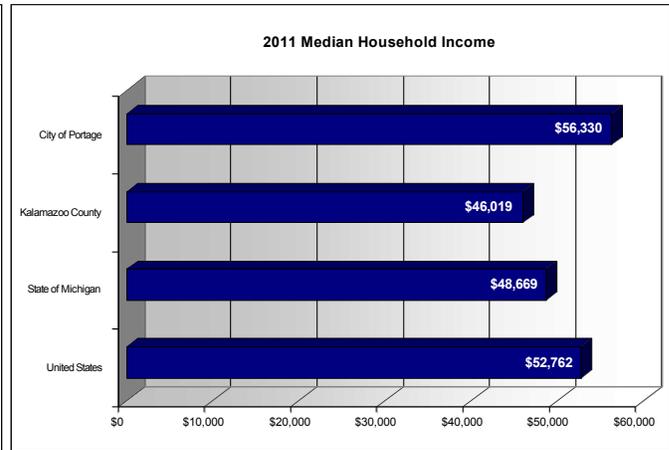
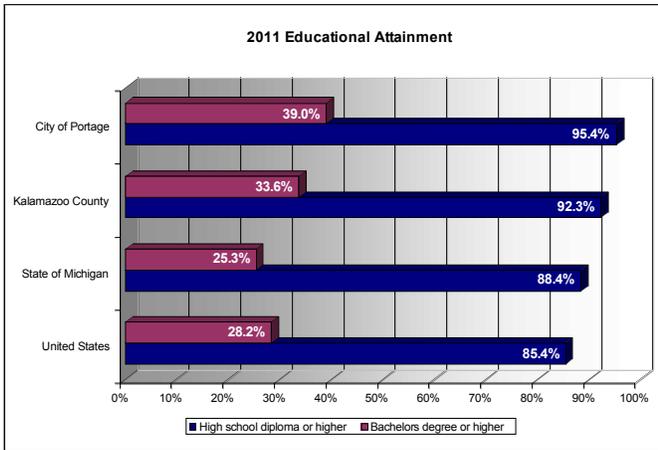
The year 2013 marks the 50th anniversary when the Township of Portage officially incorporated as the City of Portage on December 31, 1963. During the year-long celebration, the community will reflect on the accomplishments of the past but also recommit to the future. This commitment entails, among others, the desire of the community to promote active, healthy lifestyles through the use of the city's natural resources and development of sustainable, year-round, well maintained recreational amenities. As a result of this refreshed commitment to a quality community environment, the mid-century mark was used as a pivot-point to re-brand the community from "A Place for Opportunities to Grow" to "A Natural Place to Move" in support of active, healthy lifestyles and strong neighborhoods.

During the 1960's, and with the completion of Interstate-94 through southern Michigan, the community experienced significant growth. 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 were developed in Portage to capture disposable income from families in newly constructed residential neighborhoods. Additional retail growth continued to occur and in the late 1970's, the first regional mall was built on former celery 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.

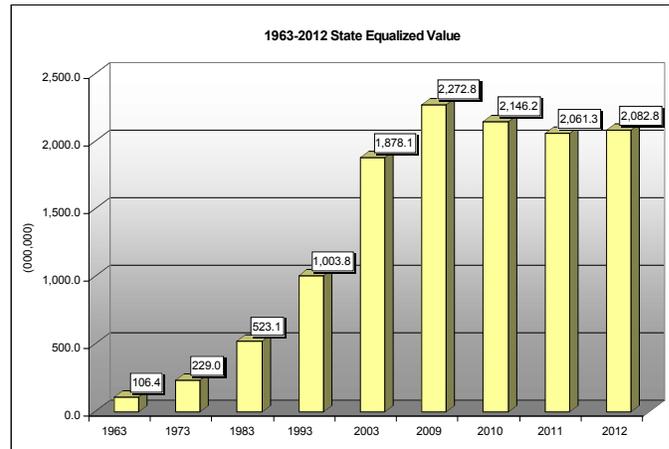
The population of Portage grew at steady rates during the 1980's and 1990's and more than doubled since 1960. By 2010, the population had grown to 46,292. The population is estimated to increase to nearly 52,000 by 2030 as shown on the accompanying Population Trends chart. Portage continues to maintain 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 educational attainment. Over 95% of Portage residents have a high school diploma and 39% have a college degree.



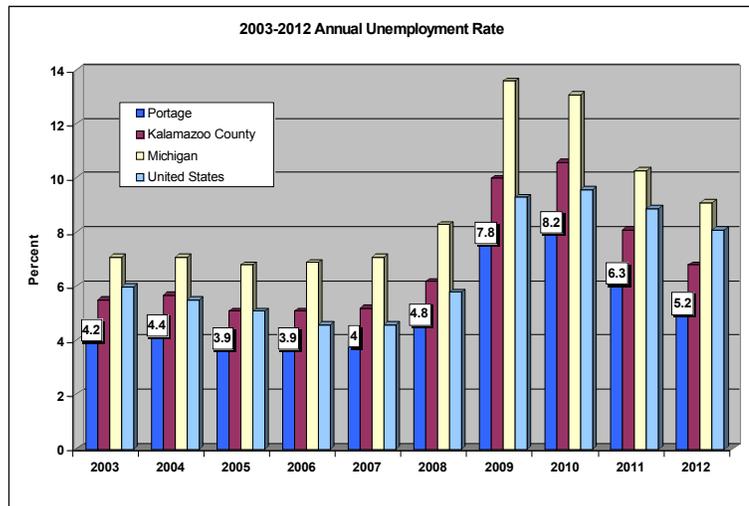
The City of Portage continues to have the largest State Equalized Value (SEV) of any other unit of government in Kalamazoo County. As the table to right shows, the SEV of real and personal property has increased from \$106.4 million in 1963 when the township incorporated as a city to more than \$2.0 billion in 2012. Although total SEV decreased between 2009 and 2011, as it did in the majority of Michigan communities, this trend is beginning to reverse itself as evidenced by the increase in SEV between 2011 and 2012.



Portage is the home of several major employers in Kalamazoo County. Included on the list is the Stryker Corporation. Stryker is one of the world’s leading medical technology companies and offers innovative medical technologies, including reconstructive, medical and surgical, and neurotechnology and spine products. The Stryker Corporation employs approximately 2,300 people within the City of Portage. Other major employers in the city include:

- Pfizer Corporation, a global manufacturer of pharmaceutical products whose primary U.S. manufacturing activities are located in Portage. The Pfizer Corporation employs approximately 2,100 people within the City of Portage;
- Portage Public Schools, which employs 950 people;
- State Farm Insurance Company also employs 950 people;
- Meijer, Inc., a general merchandise/grocer employs approximately 600 people.

As shown in the chart to the right, the unemployment rate for the City of Portage has generally followed county, state and national trends during the past ten year period, but at significantly lower rates. During this ten year period, the unemployment rate for Portage averaged 5.3%. In comparison, the ten year unemployment rate for Kalamazoo County, State of Michigan and United States averaged 6.8%, 8.9% and 6.8%, 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 four million square feet of commercial and office building space along South Westnedge Avenue Commercial Corridor. The residential and commercial 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, 36 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 again in 2011 to facilitate further development and investment activities. After completion of the public infrastructure improvements, 23 new or expanded business projects have been completed. The latest project, Marriott Courtyard Hotel, is currently under construction. Additional development, including another office building, hotel and several restaurants, 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 1996-2012 Economic Development Initiative Impacts							
Type of Use	Total Number	Jobs from Expansion	Jobs Retained	New Jobs	Total Jobs ¹	Taxable Value ²	Estimated Market Value ³
Business	62	10	1,256	2,890	4,156	\$87,177,640	\$169,854,852
Industry	39	131	369	568	1,068	\$26,941,896	\$56,071,649
Totals	101	141	1,625	3,458	5,224	\$114,119,536	\$226,529,501

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 16 year period represent over 1,100 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, which has helped the city endure the continuing effects of the Great Recession.

The most recent economic development initiative, **South Westnedge Enhancement Projects**, was announced in 2004. 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. The safe and efficient operation of this major arterial roadway is critical to the continued success of the South Westnedge Avenue Commercial Corridor. An initial public investment of more than \$16 million was planned to complete needed roadway and utility upgrade projects between Milham Avenue and Kilgore Road.

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. The next phase of the initiative involved reconstruction of the I-94 and South Westnedge Avenue interchange as a single point urban interchange by the State of Michigan as part of an overall \$182 million project to widen I-94 through Kalamazoo County and the City of Portage. Reconstruction of the I-94/South Westnedge Avenue interchange was formally announced in February 2009 as one of several Michigan projects funded by the American Recovery and Reinvestment Act. The \$68 million project was completed in November 2011.



An analysis of the impact of the completed South Westledge Enhancement Projects on traffic conditions within the project area was undertaken in late 2012. The analysis indicated that the several improvement projects completed to date have had a positive affect on traffic flow and safety within this section of South Westledge Avenue. As a result, the remaining elements of the South Westledge Enhancement Projects have either been deferred or eliminated and significant resources will be redirected to other major roadway and capital improvement projects.

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 the Pfizer, Inc. and Stryker Corporation 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. In 2011, Pfizer Corporation invested approximately \$8.4 million in their manufacturing operations and Stryker Corporation invested approximately \$8.2 million to expand administrative operations into a vacant 400,000 square foot office building located on Romence Road Parkway.



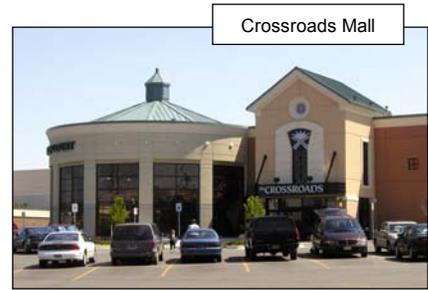
At this time, Stryker Corporation is occupying approximately 100,000 square feet of the building. In 2012, Stryker Corporation invested an additional \$5.6 million in their medical instruments facility located 4100 East Milham and Pfizer invested an additional \$1.2 million in their Portage Road manufacturing facility. In total, these facility improvements represent over \$85 million of investment.

In addition to Stryker and Pfizer, other industries located within the Sprinkle Road Industrial Corridor also made significant investments in 2012. Mueller Industries relocated their Wynne, Arkansas manufacturing facility to a vacant/underutilized facility located at 6700 South Sprinkle Road. The relocation resulted in a \$26.5 million dollar investment in the community. Mann+Hummel, 6400 Sprinkle Road, invested \$16 million in new equipment at their North American headquarters facility; Summit Polymers, 6715 Sprinkle Road, invested \$3 million in a new 38,000 square foot building addition and equipment; and Bower Manufacturing, 6565 Sprinkle Road, invested \$2.8 million in a new 38,000 square foot building addition and equipment. These investment projects will result in the creation of 110 new jobs and the retention of over 800 existing jobs.

Also within the Sprinkle Road Industrial Corridor, a life science cluster consisting of smaller-scale companies continues a strong presence. These businesses include Eurofins/Lancaster Laboratories, Thermo Fisher Scientific, PharmOptima LLC, S & J Laboratories, Quality Air Service and Hospital Network. PharmOptima LLC and Hospital Network completed expansion projects in 2012. 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.

Other industries that have completed or are underway with expansion projects in 2012-2013 include FEMA Corporation and the Pfizer animal health business spin-off as Zoetis. These investment projects have also resulted in significant job retention and creation.

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, underwent 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. Four other major retail shopping centers, Portage Crossings, Carillon Center, Shoppes at Romence Village and Sam's Club Center have a combined building area of approximately 643,000 square feet. A fifth retail shopping center, the former K-Mart Center that has been vacant for several years, is currently being renovated to accommodate Dick's Sporting Goods, Hobby Lobby and several other unnamed tenants. When complete, the newly renovated center will consist of approximately 133,000 square feet of retail space. Finally, Celebration Cinema invested approximately \$2 million in 2011/2012 to renovate the existing facility to accommodate the region's only IMAX theater.



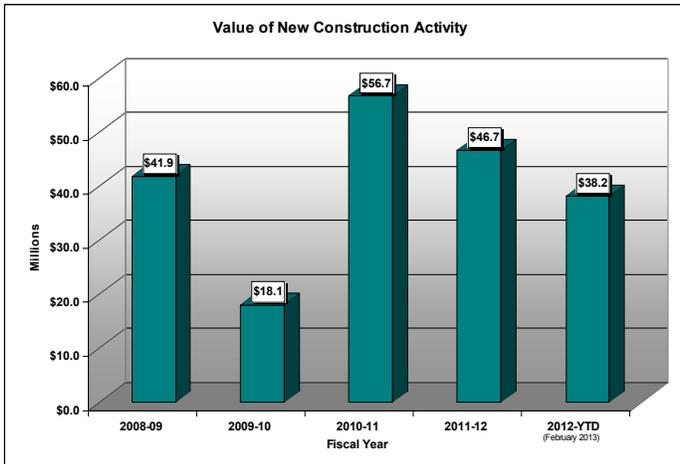
Following efforts by the city to reconstruct Shaver Road as a boulevard in 1999, the Shaver Road Business Corridor has evolved from a corridor consisting of a mix of aging and obsolete commercial/industrial facilities to a vibrant and desirable business location. The Business Corridor is now home to several commercial businesses including a second Meijer store (188,000 square feet) which completed a \$4 million renovation project in 2012, 152,000 square foot Wal-Mart store (with plans for a 66,500 "super center" expansion), Barrett's Smoke House, Extreme Clean Carwash (under construction) and Mulligan's Grill and Steakhouse (under construction). The Shaver Road Business Corridor is also home to several major industrial businesses including Midwest Fasteners, Eaton Filtration, Eliason Corporation, FEMA Corporation and several more located along Portage Industrial Drive. The FEMA Corporation completed a major expansion project in late 2012 representing an investment of nearly \$4 million and creation of additional jobs in the community.

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 corridors in Michigan. This corridor and the immediately adjacent developed area is the primary commercial corridor in southwest Michigan and contains approximately 4.2 million square feet of building area accommodating hundreds of retail, office and service activities. Likewise, Portage is also a desirable location for manufacturing, hi-tech and life-science based business operations. Portage continues to offer a low millage rate, convenient access to the interstate highway system, air and rail, access to skilled labor, range of housing choices and many quality of life issues important to the business community.



Woodbridge Hills Planned Development is a 600-acre master planned residential/office/ commercial project along West 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.

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. 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.



Economic development activity continues to remain strong since the peak of the recent recessionary period. As shown in the chart to the right, only \$18.2 million in new construction value occurred in FY2009-10. During FY2010-11 and FY2011-12 construction value increased significantly to \$56.7 and \$46.7 million, respectively. Through the first eight months of FY2012-2013, \$38.2 million of new investment has occurred. By the end of FY2012-2013, the value of new construction activity is expected to exceed the total amount recorded in FY2011-2012. Several new retail projects are

underway or have just been completed within the South Westnedge Avenue Corridor including the Marriott Courtyard Hotel, Riviera Maya Restaurant, Dick’s Sporting Goods, Hobby Lobby, Celebration Cinema IMAX, Pizza Hut, Osborne/Klein Financial and O’Reilly Auto Parts. Along West Centre Avenue, development of the new Greenspire Retail, a multi-phased retail/office project, continues. The first phase, which includes construction of a 13,000 square foot retail building and associated site improvements, has been completed and development of subsequent phases of the project are in process.

A quality public school system is also an important component to the continued strength of the local economy. Portage voters overwhelmingly approved \$119 million bond proposal in November 2007 to construct two new elementary schools, a new Central High School and renovate Portage Northern High School. Also included in the bond project were new facilities for Transportation and Maintenance as well as Technology and Training. Construction of the new or renovated facilities is complete: The Transportation and Maintenance facility and 12th Street Elementary School opened in 2009, Lake Center Elementary School in 2010 and the new Portage Central and renovated Portage Northern high schools opened 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 and Delta airlines providing approximately 25 daily departures and arrivals. This excellent level of air service provides the community with a diverse selection of air carriers and connecting hubs for both domestic and international air travel. In 2012, the airport handled 259,850 passenger trips.



In order to better serve Kalamazoo-Battle Creek International Airport passengers, a new \$39 million, 100,000 square foot airport terminal was completed in 2011. The new terminal offers expanded ticketing and baggage claim areas, passenger boarding bridges at all gates and an expanded area for Transportation Security Administration operations. Also, the Federal Aviation Administration completed the construction of a new control tower in 2012.

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.

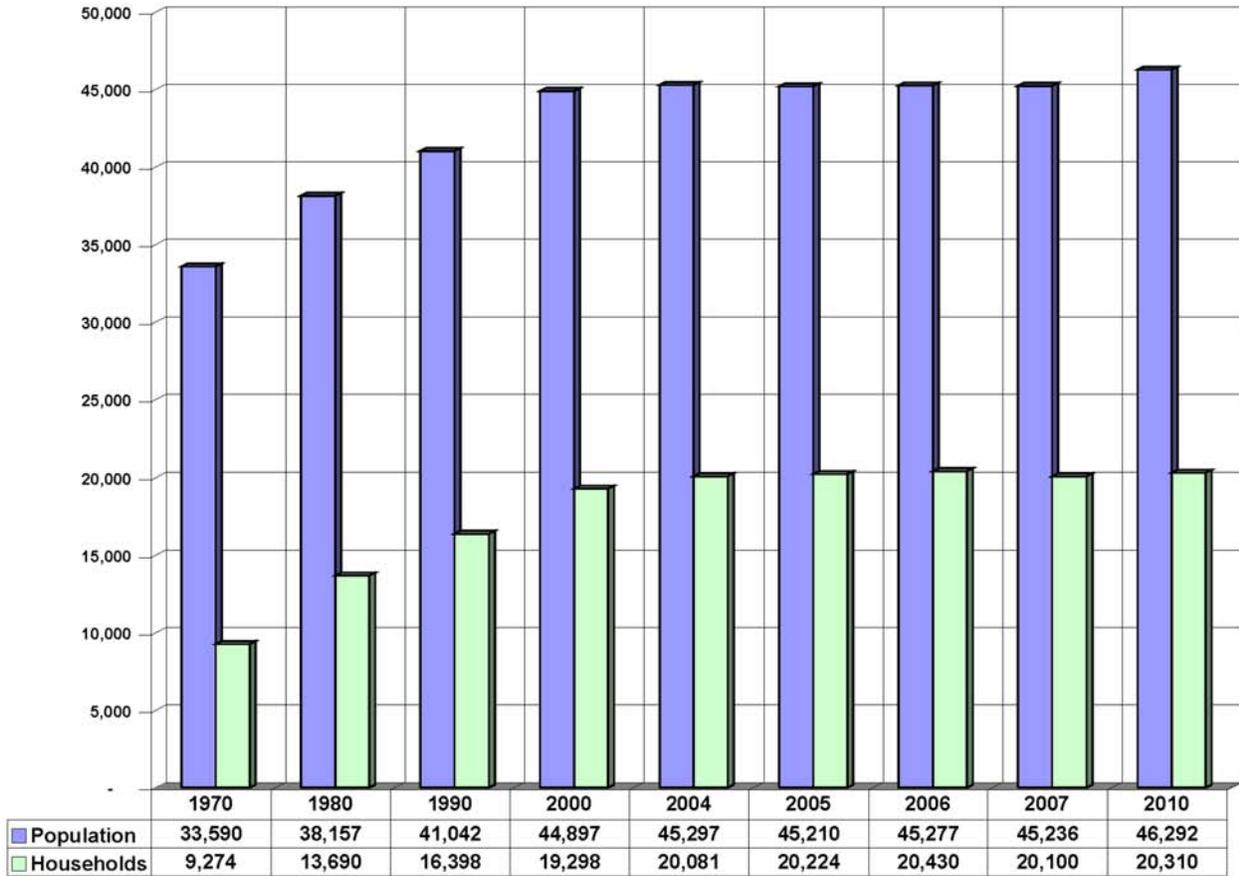
Department of Community Development

Things You May Not Know About Portage

- The City 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 26 consecutive years.
- The City has received the Distinguished Budget Presentation Award for 26 consecutive years.
- Portage Township officially incorporated as the City of Portage on December 31, 1963, making 2013 the 50th Anniversary of the City's incorporation.



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 annually, 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.

CITY OF PORTAGE
Fiscal Policy
Fiscal Year 2013-2014

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 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.

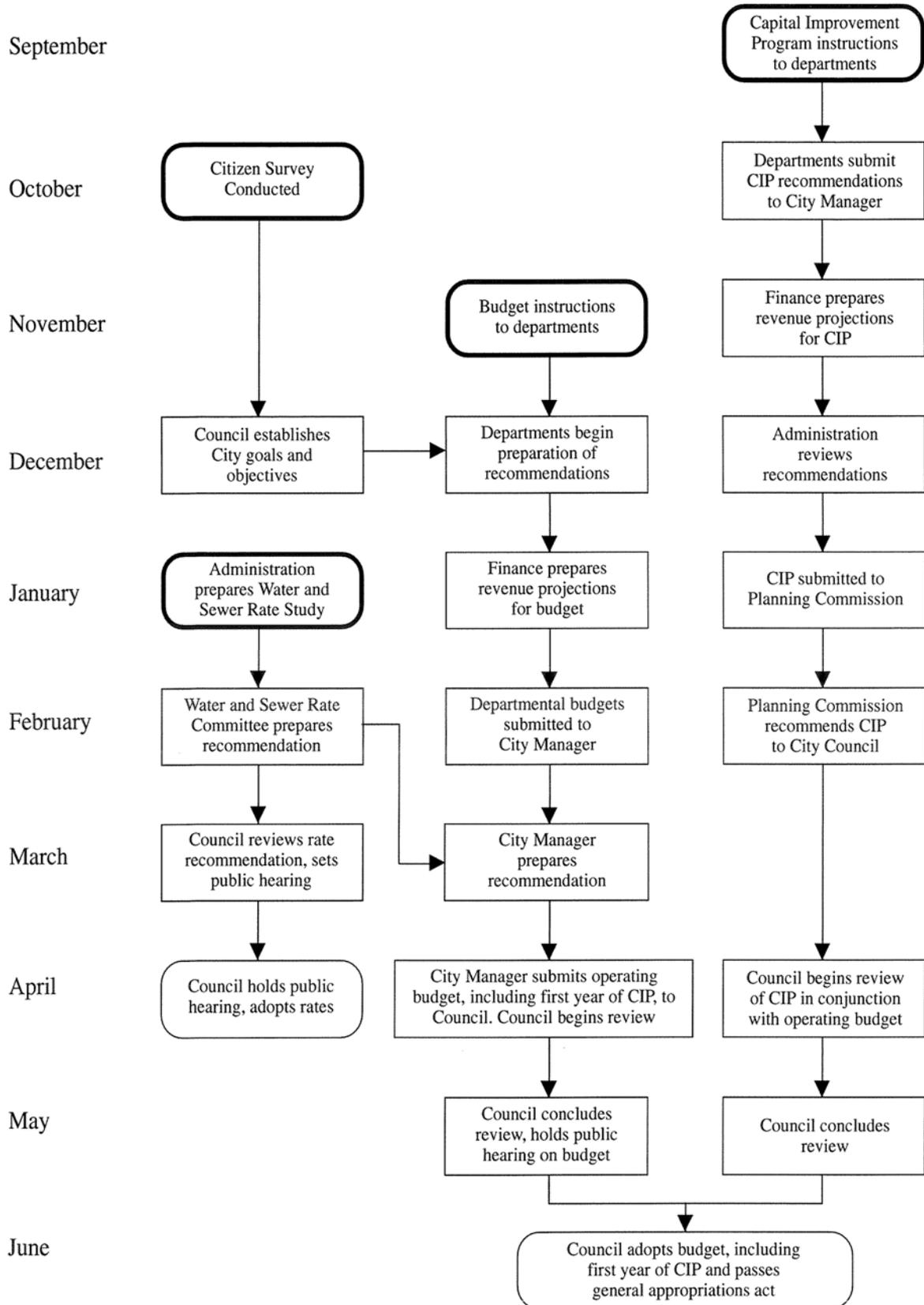
Amended Budget

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. That principle has been rendered obsolete by GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions that no longer recognize encumbrances as a true reservation of fund balance*. City Council properly appropriate fund balance for encumbrances as of July first, however, 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 2012/2013 the amount of encumbrances liquidated at the end of the 2011/2012 fiscal year and appropriated by City Council as an amendment to the 2012/2013 budget was \$3,493,323.

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, "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." With the all but certain elimination of personal property taxes and the current reduction in and potential for elimination of Act 51 funding for street maintenance at the hands of the state an increase in General Fund fund balance to 25% has been deemed necessary for the long term stability of the city effective with the 2012/2013 budget.

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 September 11, 2011, and is incorporated as a portion of the four phases of a comprehensive emergency management program which include: Mitigation, Preparedness, Response, and Recovery.

ACCOUNTING AND AUDITING POLICIES

The City has established and maintains a high standard of accounting practices in conformance with Michigan uniform financial reporting and Generally Accepted Accounting 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 in accordance with Generally Accepted Auditing Standards (GAAS) who 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 is the primary operating fund of the city. It is used to account for all financial resources except those 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.

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
2013-2014 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
2013-2014 Council Mission Statement, Goals & Objectives

COMMUNITY DEVELOPMENT

Goal: Promote quality of life in Portage.

Objectives:

- Continue prevention and enforcement efforts concerning substance abuse.
- Continue effective community safety programs through prevention, enforcement, and education.
- Ensure decent and safe housing and the livability of community neighborhoods.
- Maintain effective planning and development programs to promote orderly, attractive, and environmentally sound growth.
- Continue a commitment to human services to enhance the desirability of the community.
- Continue to encourage citizen involvement in crime prevention measures--business and residential.
- Maintain a coordinated and innovative approach toward developing park land and providing recreational opportunities.
- Continue planning and implementing programs and projects to enhance the City Centre area.
- Promote aesthetic and cultural enhancement.

CITY OF PORTAGE
2013-2014 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
2013-2014 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
2013-2014 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
2013-2014 Council Mission Statement, Goals & Objectives

FINANCE AND BUDGETING

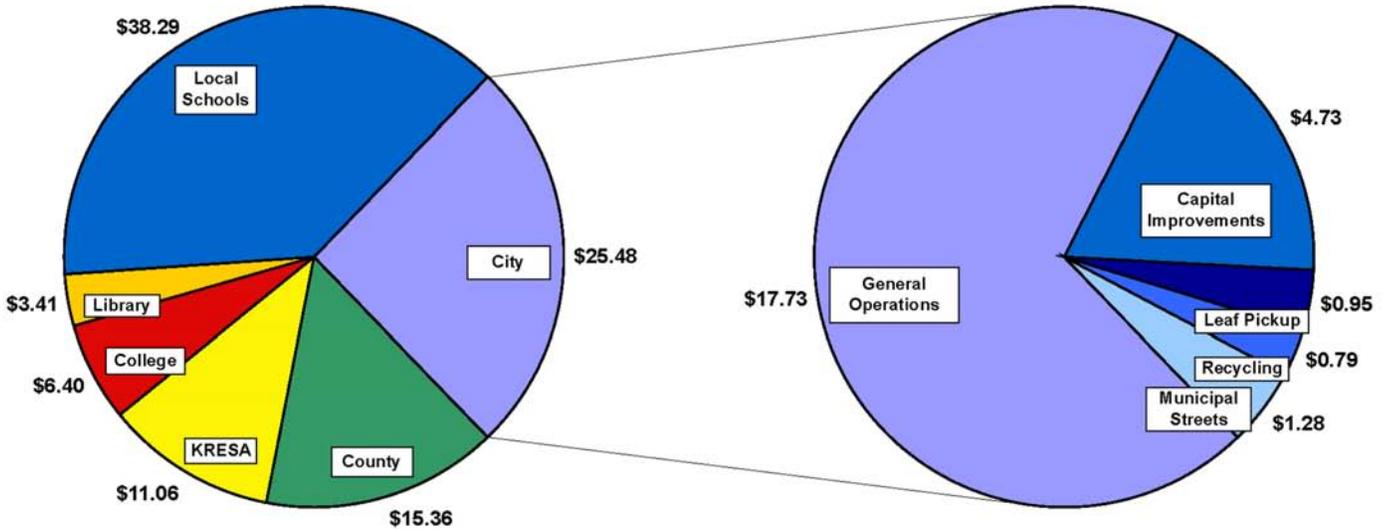
Goal: Maintain the financial health of the city.

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 2012-13

For each \$100 of property taxes paid (2012 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 2012 tax levy for the fiscal year ended June 30, 2013 as shown below:

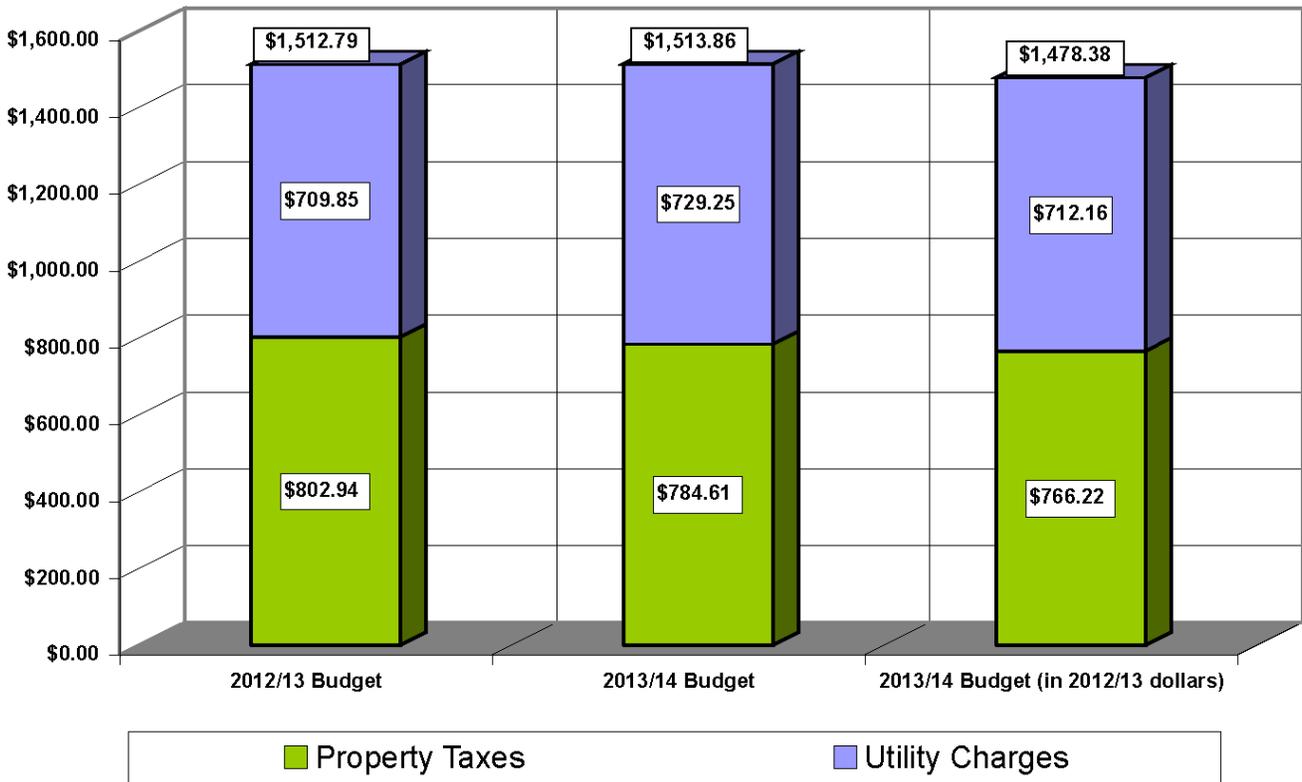
Percentage of Tax Levy

City	25.48%
County	15.36%
Kalamazoo Regional Ed. Services	11.06%
Community College	6.40%
Library	3.41%
Local Schools	38.29%
	100.00%

City Millage

General Operations	7.5000	\$17.73
Capital Improvements	2.0000	\$4.73
Leaf Pickup/Spring Cleanup	.4000	\$0.95
Curbside Recycling	.3349	\$0.79
Municipal Streets	.5429	\$1.28
	10.7778	\$25.48

Cost of City Services to the Typical City of Portage Residence



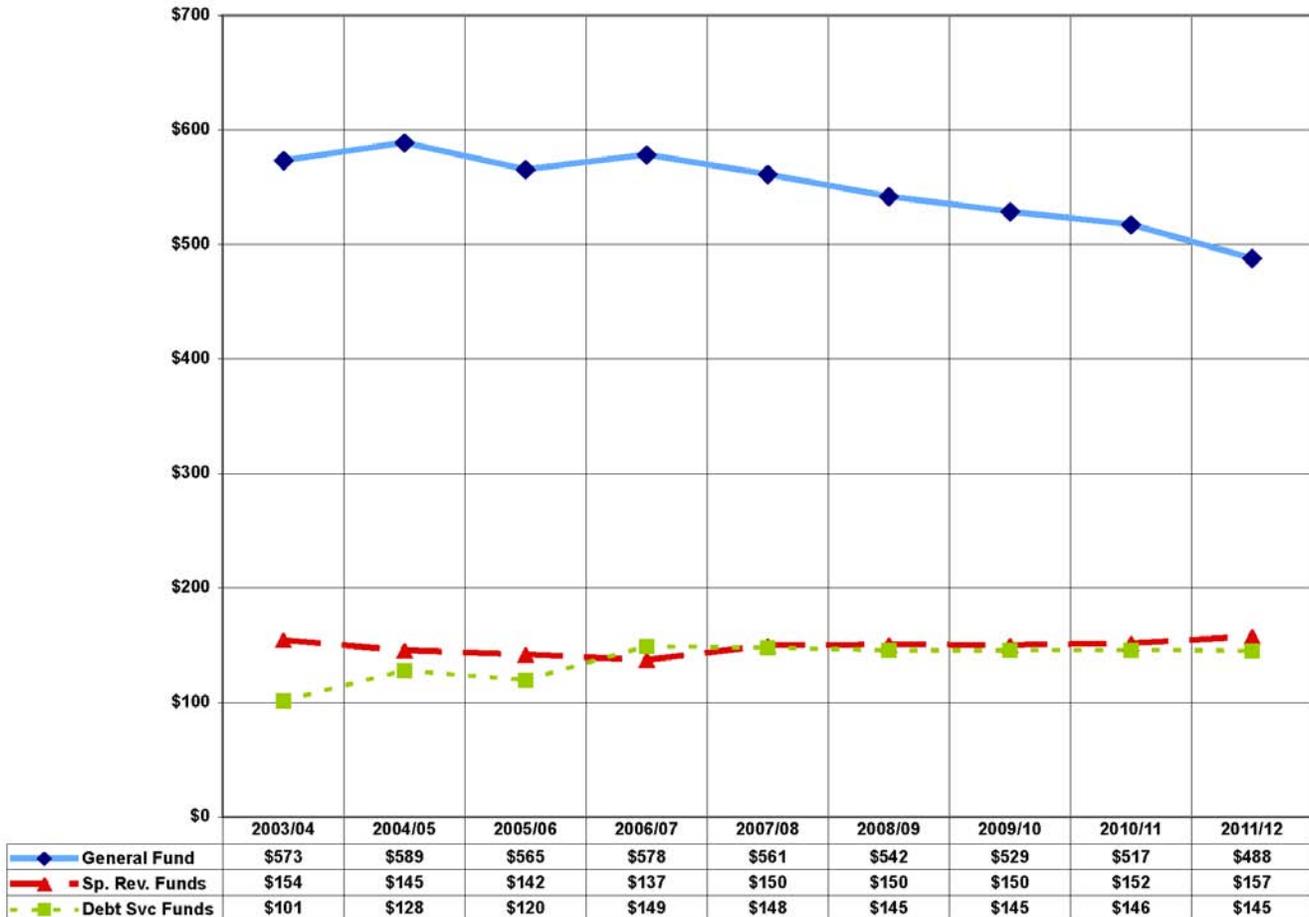
The chart above depicts the property tax and utility costs of a typical residence in the City of Portage. Given that:

- taxable value decrease of 2% for 2013,
- no change 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 \$1.70 in the upcoming year. After adjusting for inflation, this change actually represents a decrease of \$34.41 in 2012/2013 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

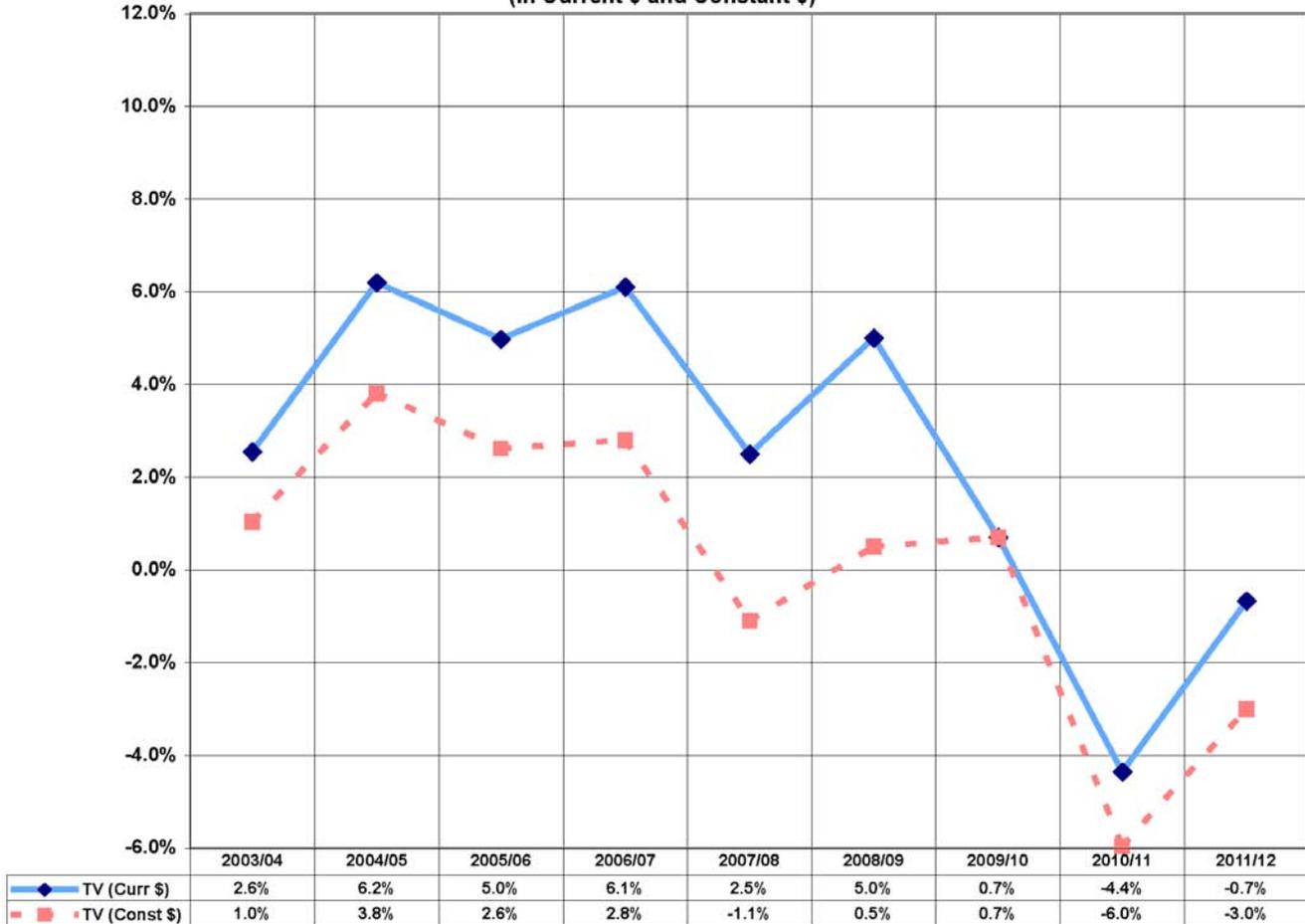
Description:

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. Since 2003-2004, 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. General Fund decreases since 2009-2010 are a result of loss of value in the tax base.

% 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 provided revenue for Fiscal Year 2009/2010.

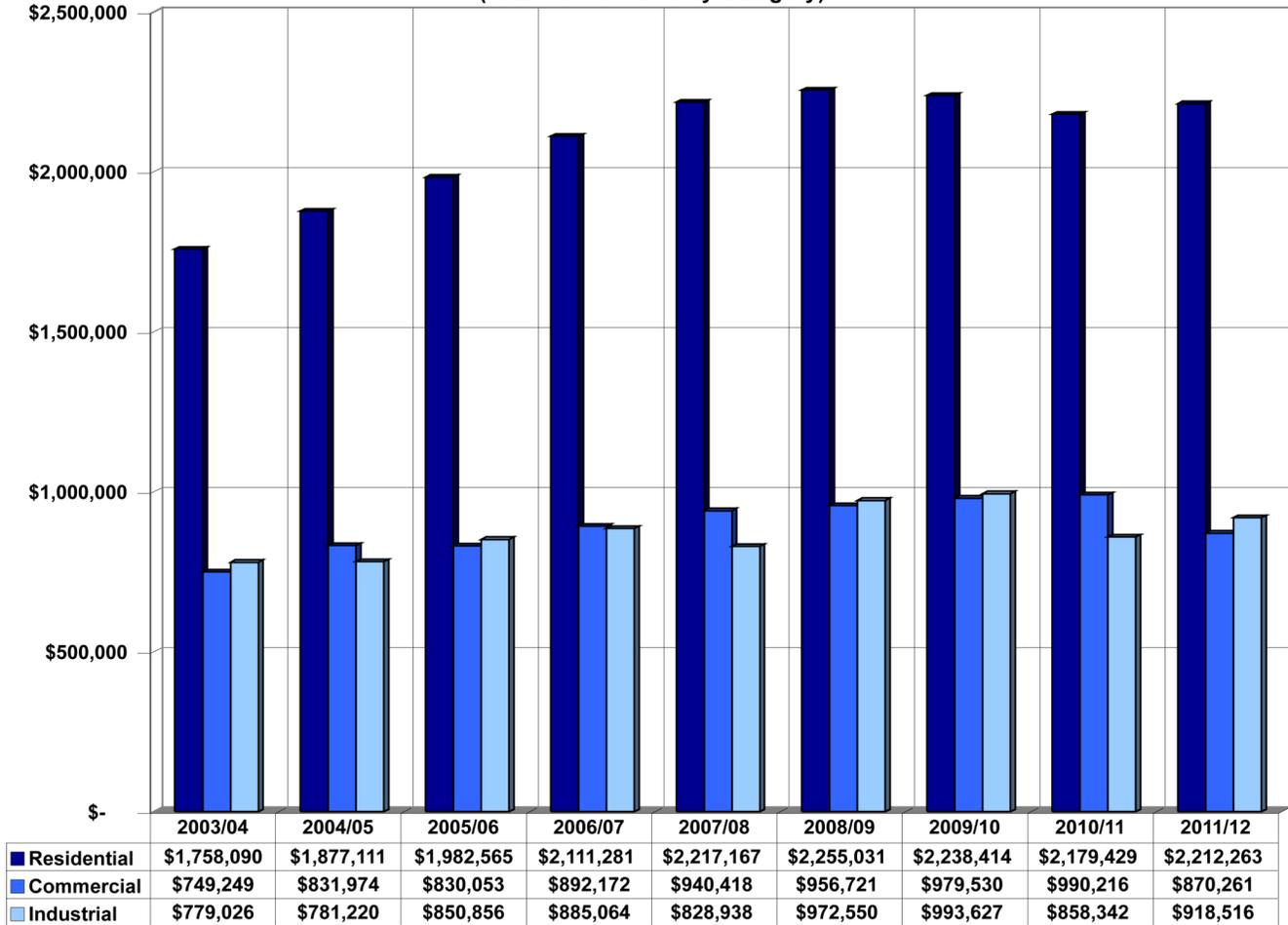
Description:

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 problem 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. Fiscal Year 2013-2014 saw a decrease in Taxable Value of 2.0%.

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:

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

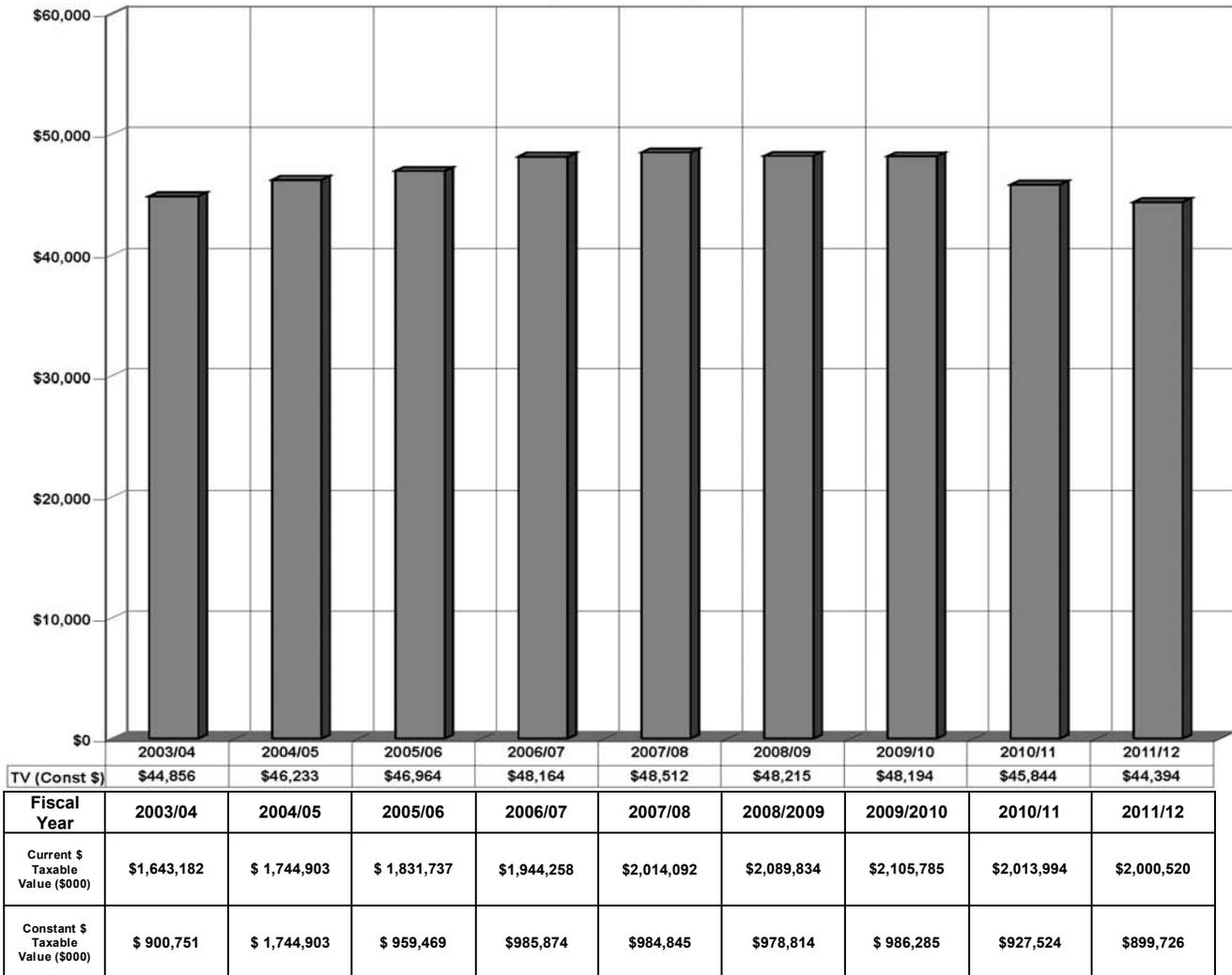
Description:

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 54.1% in 2010-2011 and 56.6% in 2011-2012.

TAXABLE VALUE PER HOUSEHOLD
(in Constant \$)



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

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.

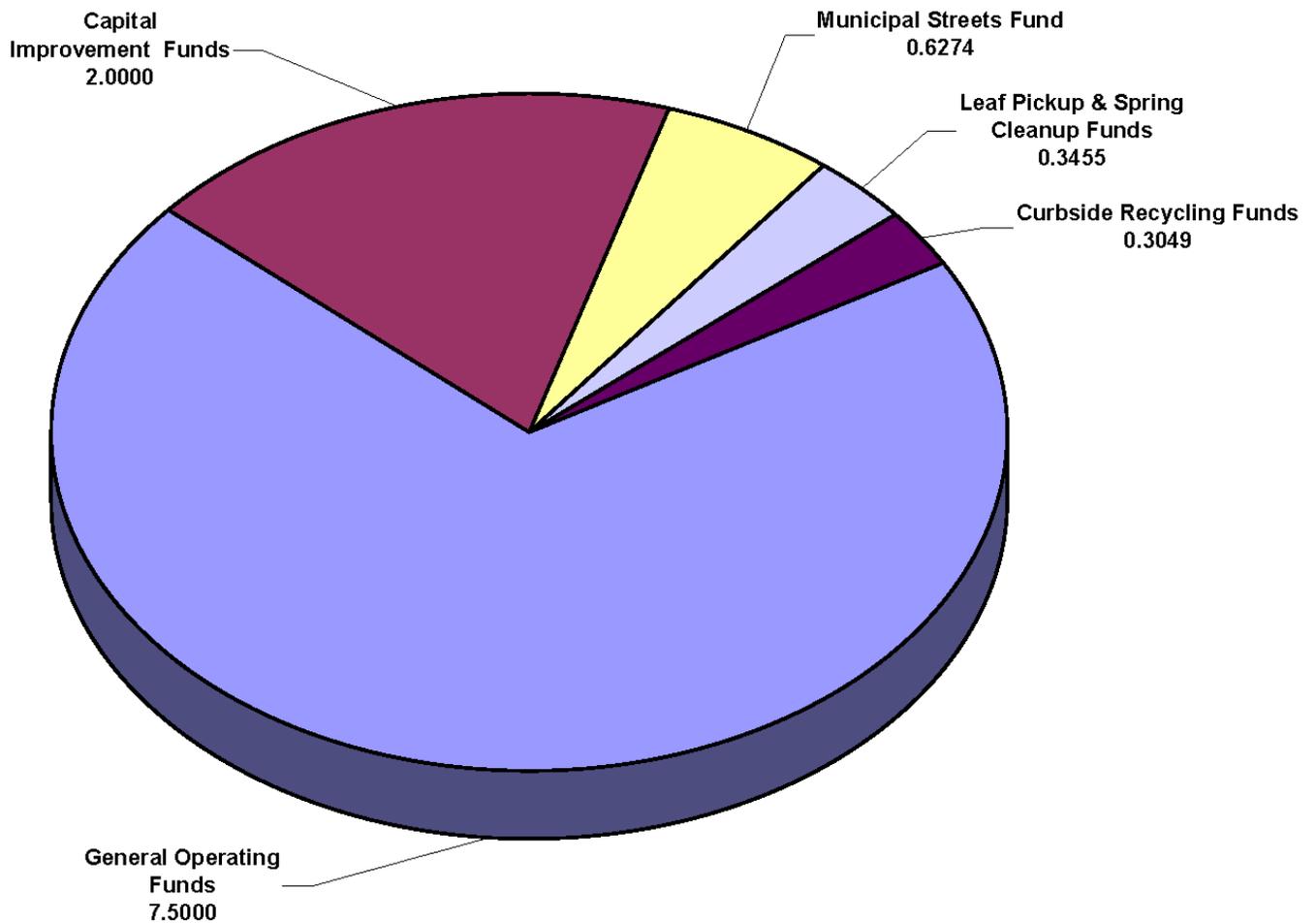
Analysis:

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.

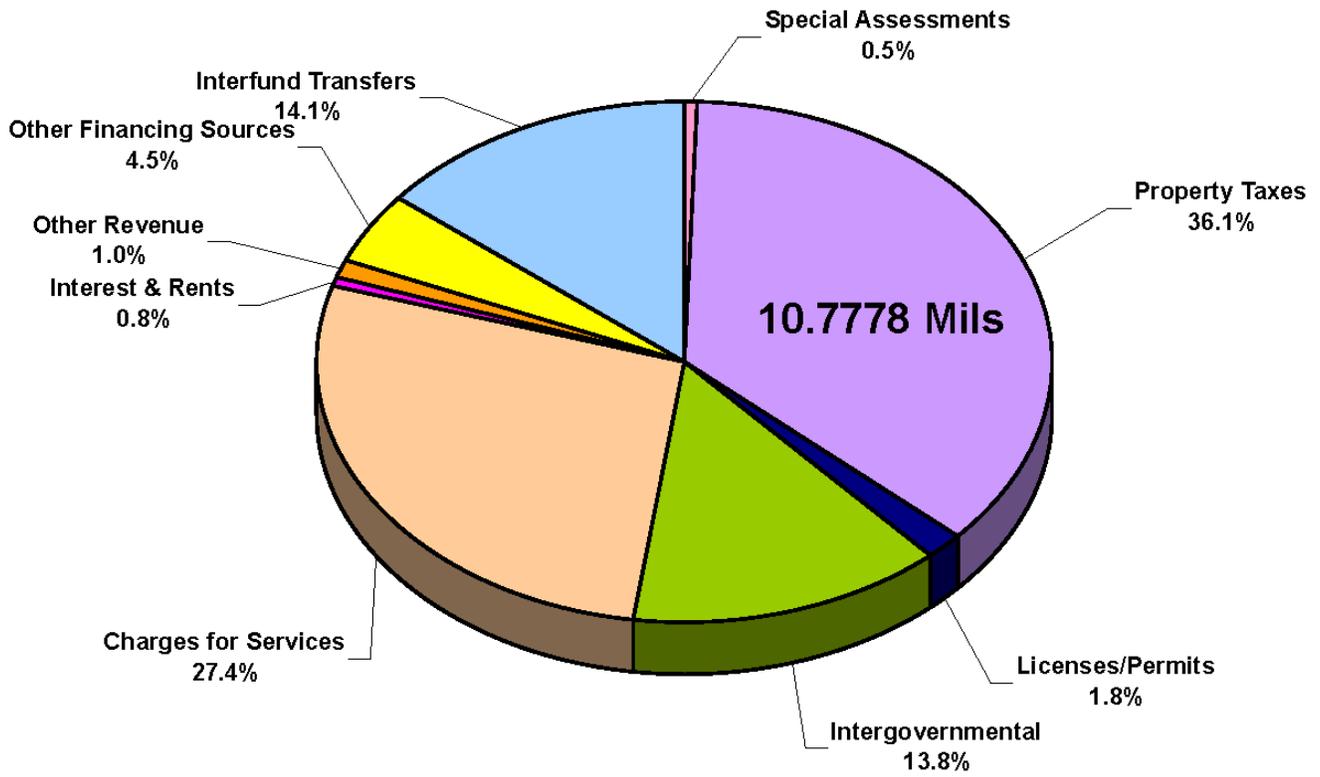
**MILLAGE RECAP
2013/14 BUDGET**

	2012/13	2013/14	CHANGE FROM
	<u>RATES</u>	<u>Recommended</u>	<u>2012/13 RATES</u>
General Operating	7.5000	7.5000	0.0000
Capital Improvement	2.0000	2.0000	0.0000
Curbside Recycling	0.3349	0.3049	-0.0300
Leaf Pickup/Spring Cleanup	0.4000	0.3455	-0.0545
Municipal Streets Fund	0.5429	0.6274	0.0845
	<hr/> 10.7778	<hr/> 10.7778	<hr/> 0.0000

City Millage Breakdown by Fund Category



SOURCES OF FUNDING - ALL FUNDS

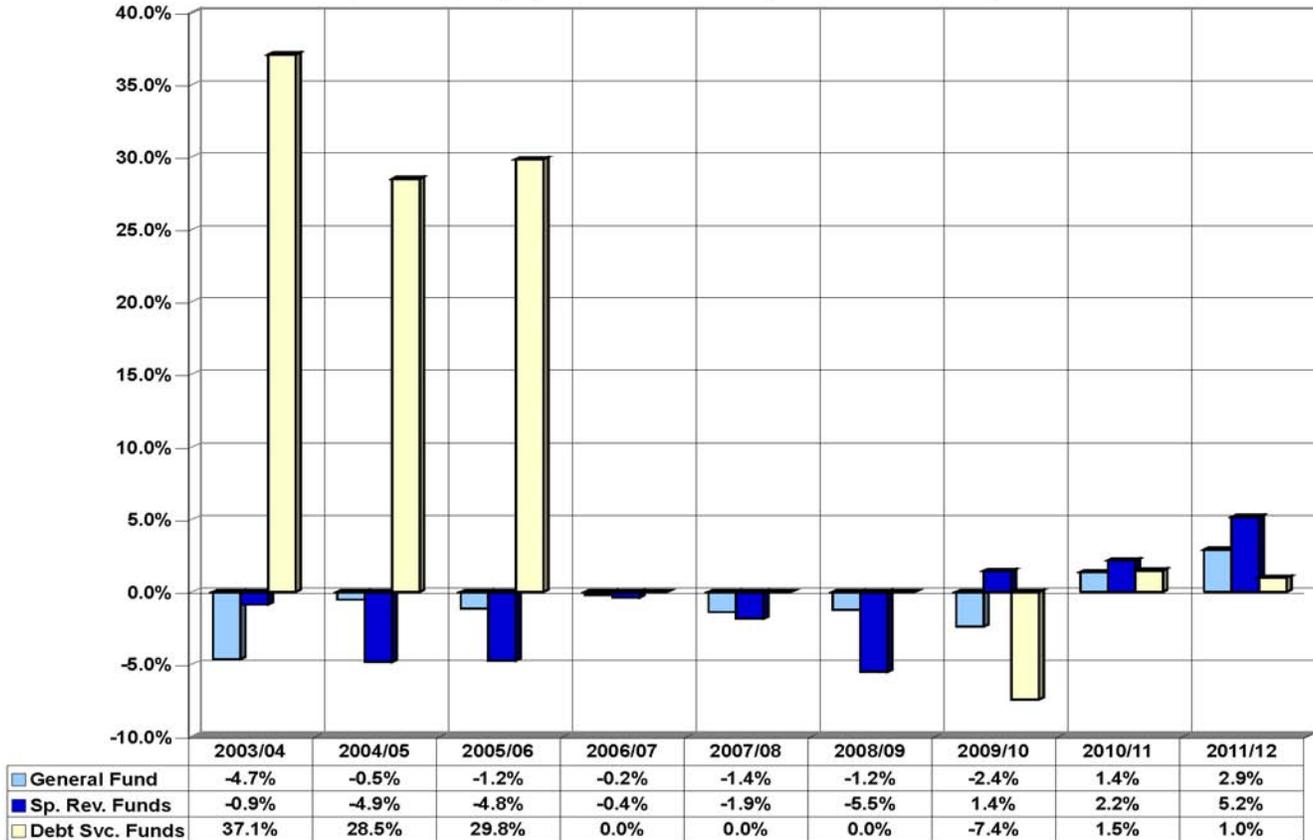


**SUMMARY OF REVENUES
ALL FUNDS
FISCAL YEAR 2013 - 2014**

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
GENERAL FUND	22,655,876	22,145,517	22,458,762	22,387,313	22,071,881
STREET FUNDS					
Major Streets	2,853,575	3,078,191	3,050,267	3,062,500	2,981,500
Local Streets	920,417	1,031,567	1,301,000	796,000	1,098,000
Municipal Streets	1,327,655	1,216,653	1,072,600	1,072,600	1,218,300
UTILITY FUNDS					
Sewer Operating	7,072,627	7,660,308	8,269,000	8,269,000	8,703,000
Water Operating	5,699,814	6,640,196	6,758,000	6,758,000	6,846,000
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	6,993,127	6,813,631	10,867,864	10,968,000	11,758,000
Lakes-Weed Management	14,868	13,596	11,800	11,800	23,800
DEBT SERVICE FUNDS					
General Obligation Debt	3,706,986	3,661,494	3,594,709	3,736,942	3,039,647
MTF 1997	142,000	137,000	132,000	132,000	128,000
MTF 2008	388,260	198,000	258,000	258,000	272,000
MTF 2010 Refunding	661,602	676,000	557,000	557,000	823,000
Building Authority Debt Service	1,040,252	956,538	657,283	657,283	610,810
DDA Debt Service	432,280	366,347	387,800	387,800	477,750
LDFA Debt Service	470,264	536,219	510,000	510,000	505,000
Special Assessment Debt Service	109,897	87,075	242,221	242,221	193,145
OTHER FUNDS					
Curbside Recycling	541,149	695,316	661,600	661,600	592,200
Leaf Pickup/Spring Cleanup	589,849	772,215	790,500	790,500	671,600
Cultural Activities	129,026	99,561	88,800	88,800	46,100
Community Development Block Grant	-	172,750	325,353	214,178	198,100
Mich State Housing Dev Auth Grant	56,689	20,651	63,467	-	-
Cable Television	708,449	766,488	755,900	755,900	765,900
Cemetery Permanent Fund	38,386	38,858	44,000	44,000	42,500
CDBG Program Income	34,731	29,192	70,000	30,000	25,000
TOTAL REVENUE	<u>56,587,779</u>	<u>57,813,363</u>	<u>62,927,926</u>	<u>62,391,437</u>	<u>63,091,233</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:

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

Description:

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

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

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

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

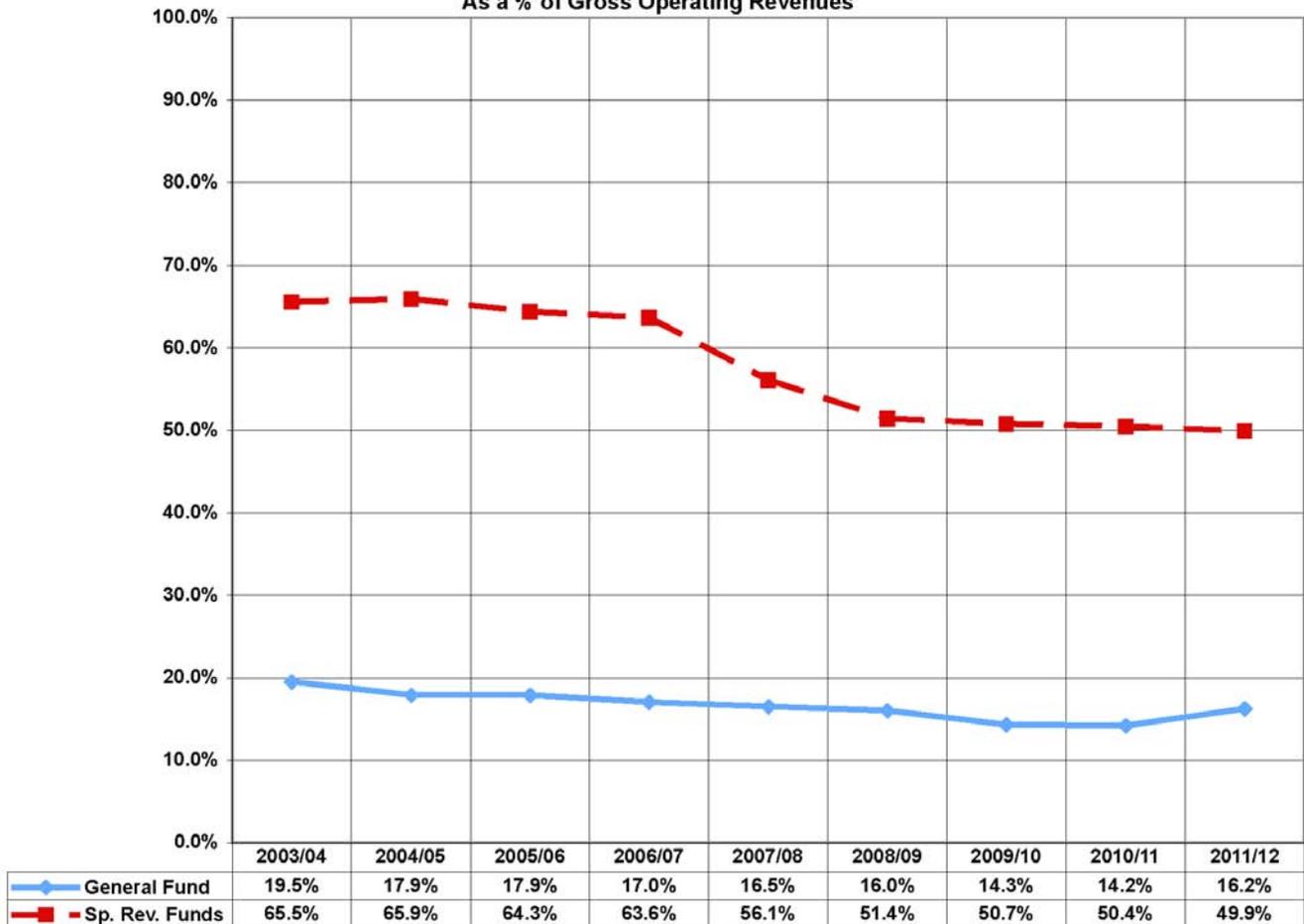
If there is a trend that indicates budgeted revenue estimates are differing from actual revenue results on a more frequent basis or by increasingly larger amounts, a detailed analysis of each revenue source should be conducted to pinpoint the source(s) and cause(s).

Analysis:

This chart indicates that, typically, budget estimating methods are relatively accurate and slightly on the conservative side. General Fund shortfalls, which began in 2002/03, 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. Careful spending led to small surpluses in 2010-2011 and 2011-2012.

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:

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

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

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

Description:

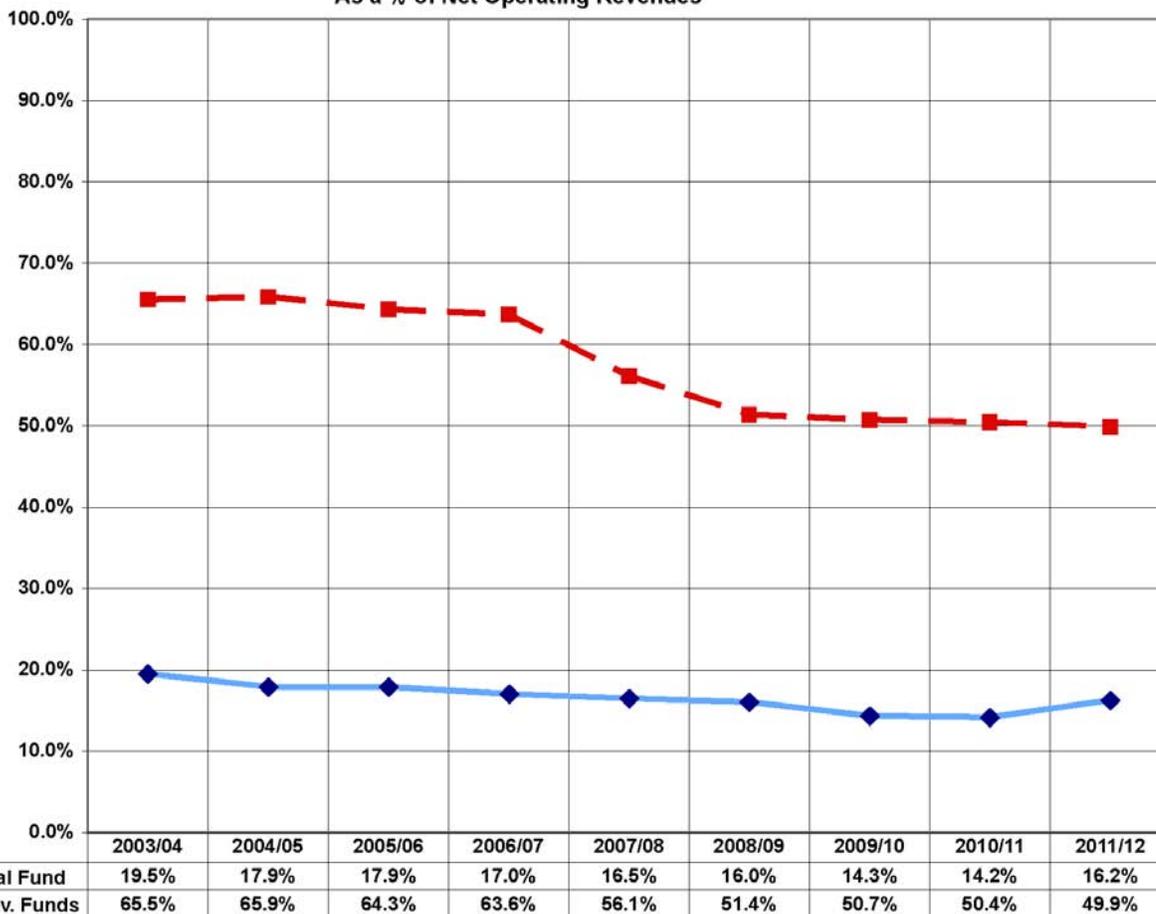
Monitoring of intergovernmental revenues is important because an overdependence on such revenues can be harmful. If the external governmental source withdraws the funds entirely or reduces its share of costs, the City is left with the choice of cutting programs or paying for the existing programs from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

Analysis:

The General Fund is dependent to some extent on 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:

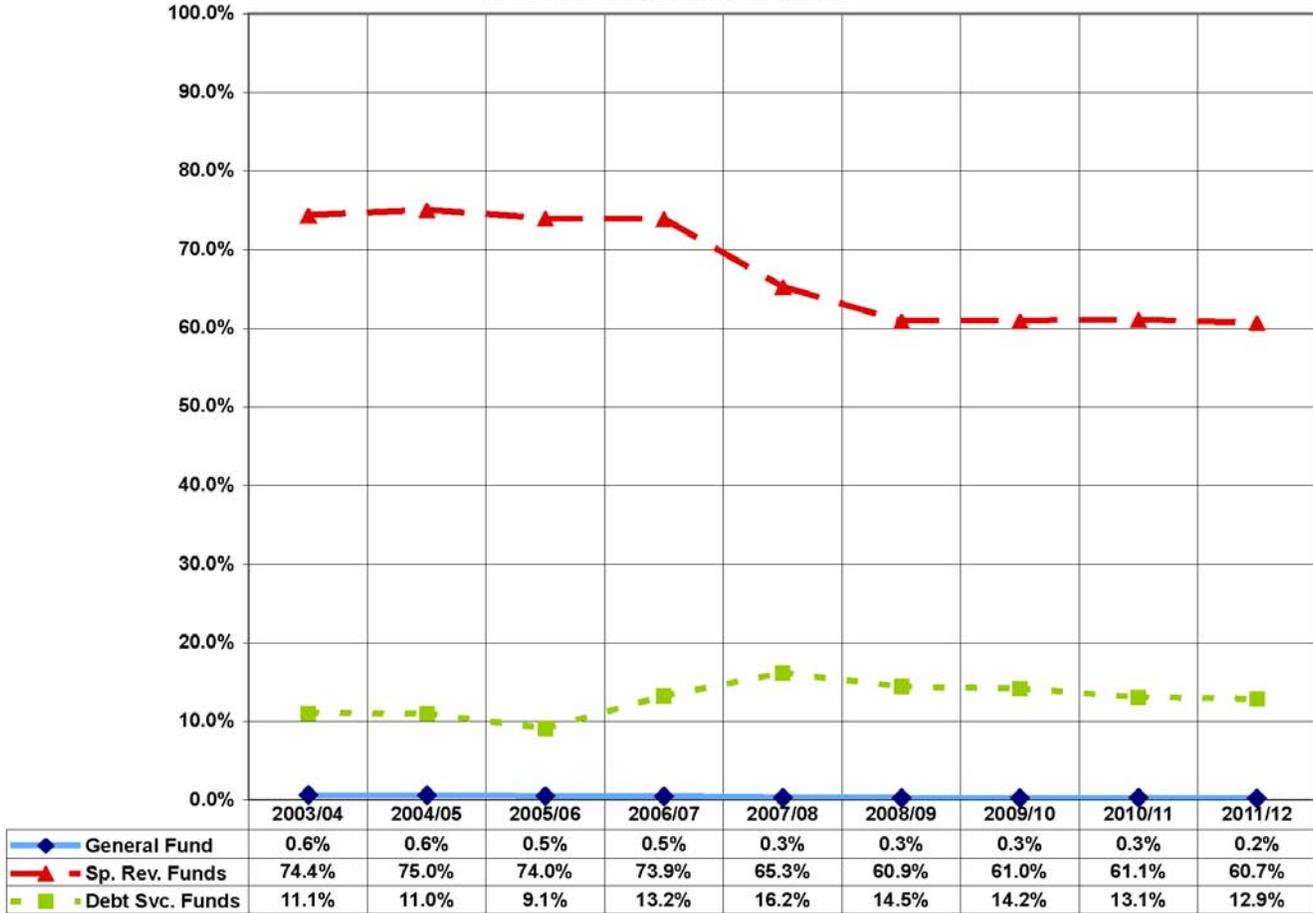
As the economic base expands or inflation increases, elastic operating revenues rise in approximately the same proportion or greater amounts. Conversely, if the economic base contracts or inflation decreases, elastic operating revenues decline in approximately the same proportion or greater amounts. 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.

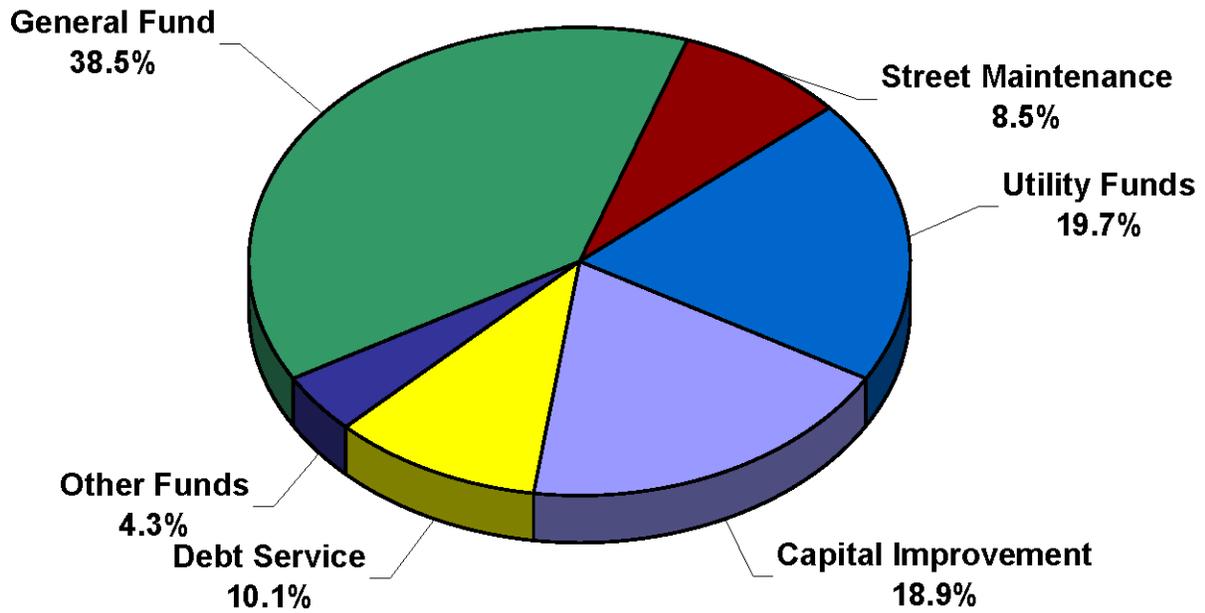
Description:

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 2013 - 2014**

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
GENERAL FUND	21,417,230	20,848,004	25,353,203	22,835,928	24,081,750
STREET FUNDS					
Major Streets	2,927,354	2,928,614	3,328,763	3,222,408	3,052,305
Local Streets	987,836	984,443	1,567,930	1,059,709	1,065,386
Municipal Streets	1,407,408	1,091,400	1,043,400	1,043,400	1,229,400
UTILITY FUNDS					
Sewer Operating	6,672,962	7,565,485	8,187,597	7,738,202	7,406,013
Water Operating	4,701,805	5,564,122	5,198,612	5,078,661	4,944,052
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	7,505,977	8,852,681	16,698,673	10,868,000	11,824,000
Lakes-Weed Management	33,590	28,450	43,550	25,000	35,000
DEBT SERVICE FUNDS					
General Obligation Debt	3,670,412	3,660,478	3,555,819	3,698,052	3,024,690
MTF 1997	142,031	137,131	132,150	132,150	127,150
MTF 2008	202,656	198,062	258,750	258,750	272,000
MTF 2010 Refunding	661,602	675,775	558,000	558,000	822,025
Building Authority Debt Service	960,700	645,272	649,930	649,930	611,555
DDA Debt Service	408,189	416,424	406,985	406,985	493,965
LDFA Debt Service	453,843	447,153	535,750	535,750	525,250
Special Assessment Debt Service	269,187	339,236	565,460	565,460	433,795
OTHER FUNDS					
Curbside Recycling	614,136	659,990	660,861	648,808	648,124
Leaf Pickup/Spring Cleanup	655,225	714,237	801,929	801,929	756,369
Cultural Activities	95,365	96,720	111,337	111,137	80,572
Community Deveopment Block Grant	27,289	33,950	325,353	214,178	198,100
Mich State Housing Dev Auth Grant	56,689	20,651	63,467	-	-
Cable Television	662,205	768,822	911,715	785,033	894,956
Cemetery Permanent Fund	1,872	2,808	4,000	4,000	4,000
CDBG Program Income	-	12,746	110,000	70,000	60,000
TOTAL EXPENDITURE	<u>54,535,563</u>	<u>56,692,654</u>	<u>71,073,234</u>	<u>61,311,470</u>	<u>62,590,457</u>

Additional information is available in the respective detailed departmental budgets.

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 has been mandated by City Council to be at least 25 percent of expenditures. As a result, if the fund balance at the beginning of a budget year is greater than 25 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 small decrease in total 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 maintenance and reconstruction activities.

Local Streets Fund: Local Streets fund balance is Close to breaking even on the current year road maintenance and 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 minimum 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 and are expected to continue into 2013/2014.

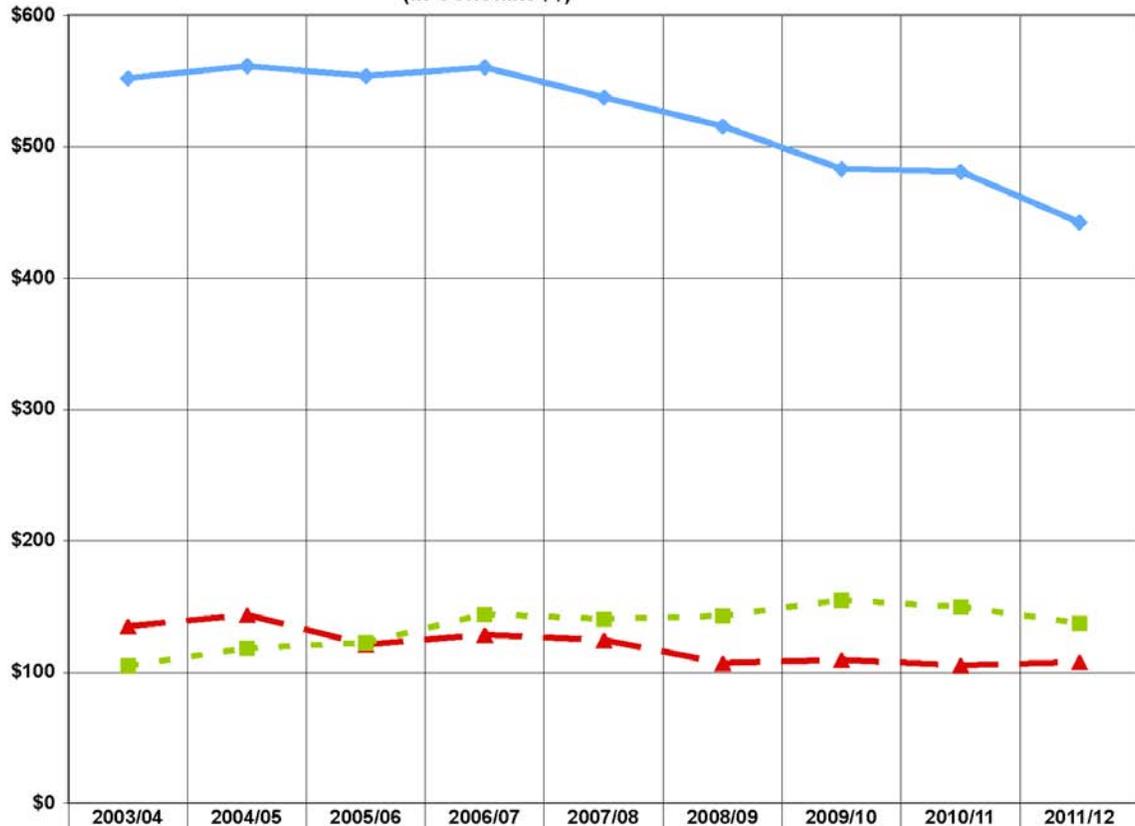
Cultural Activities Fund: The goal for the fund is that its activities are to be self-sufficient. This fund works to maintain a fund balance equal to their projected start-up costs each year. The fund is also striving to contribute to the restoration of the Celery Flats property that provides the setting for so many summer events.

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 \$\$)



	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
General Fund	\$552	\$561	\$554	\$560	\$537	\$516	\$483	\$481	\$442
Sp. Rev. Funds	\$135	\$143	\$121	\$128	\$124	\$107	\$109	\$105	\$107
Debt Svc. Funds	\$105	\$118	\$122	\$144	\$140	\$143	\$155	\$149	\$137

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

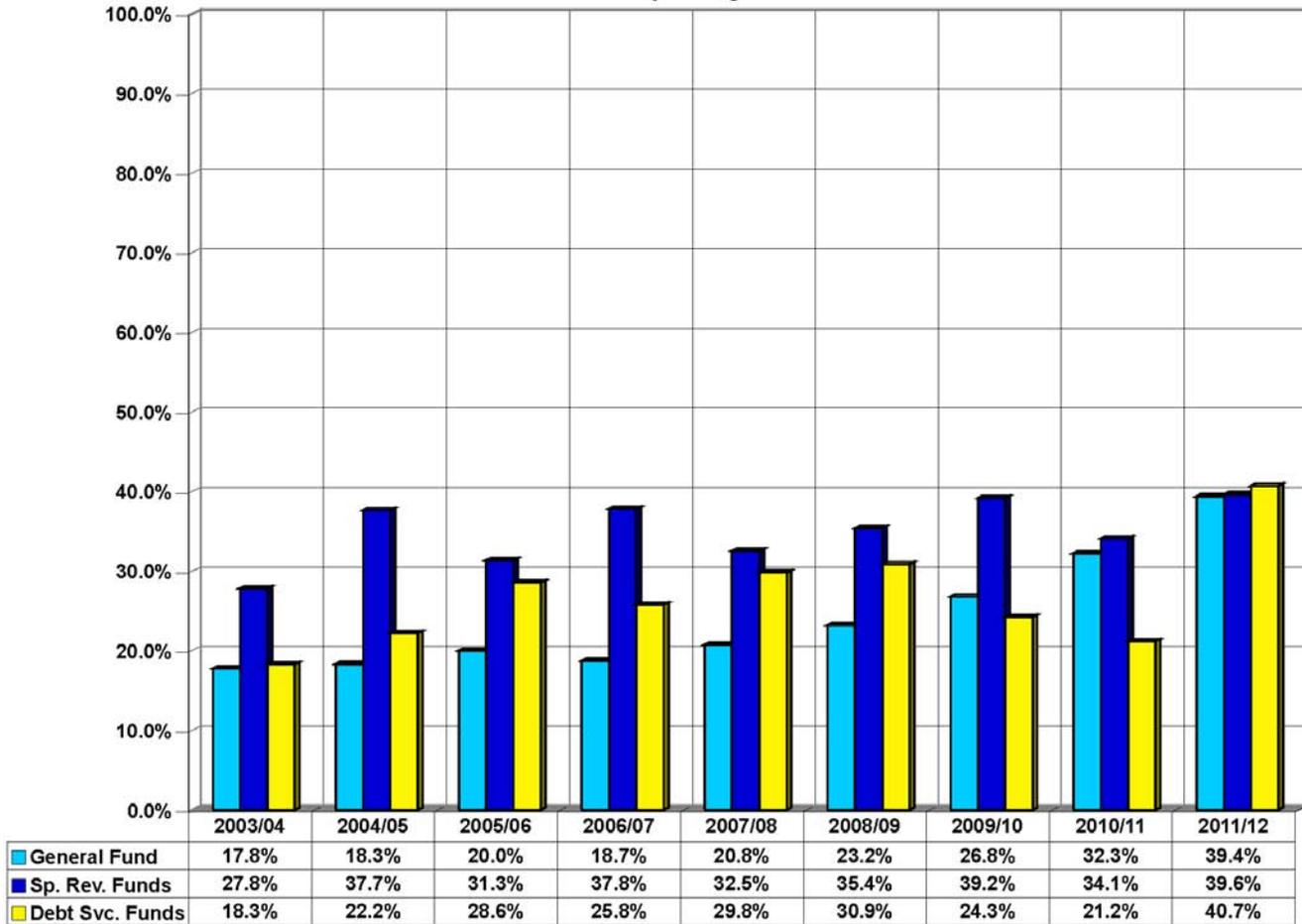
Description:

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 remained relatively constant through 2007-2008. Changes in special revenue funds are generally due to the amount of revenue available, particularly Act 51 street maintenance revenues. Audited 2012 expenditure per household at \$442 is \$46 less than the audited 2012 per household revenue of \$488.

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.

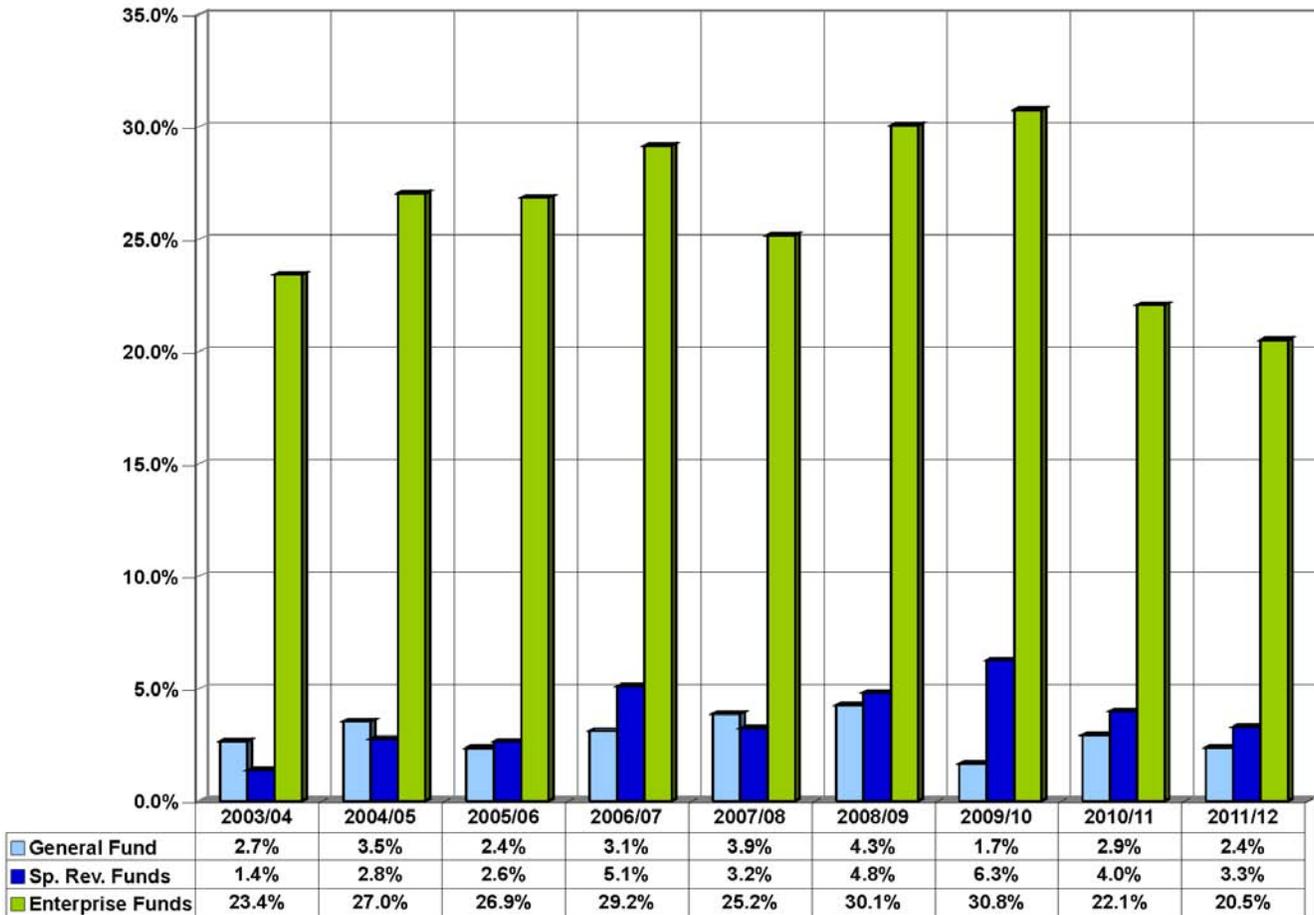
Description:

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 had averaged approximately 5.5% per year prior to 2009. Revenue per household exceeds expenditures per household allowing for an increase in the fund balance of the General Fund.

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:

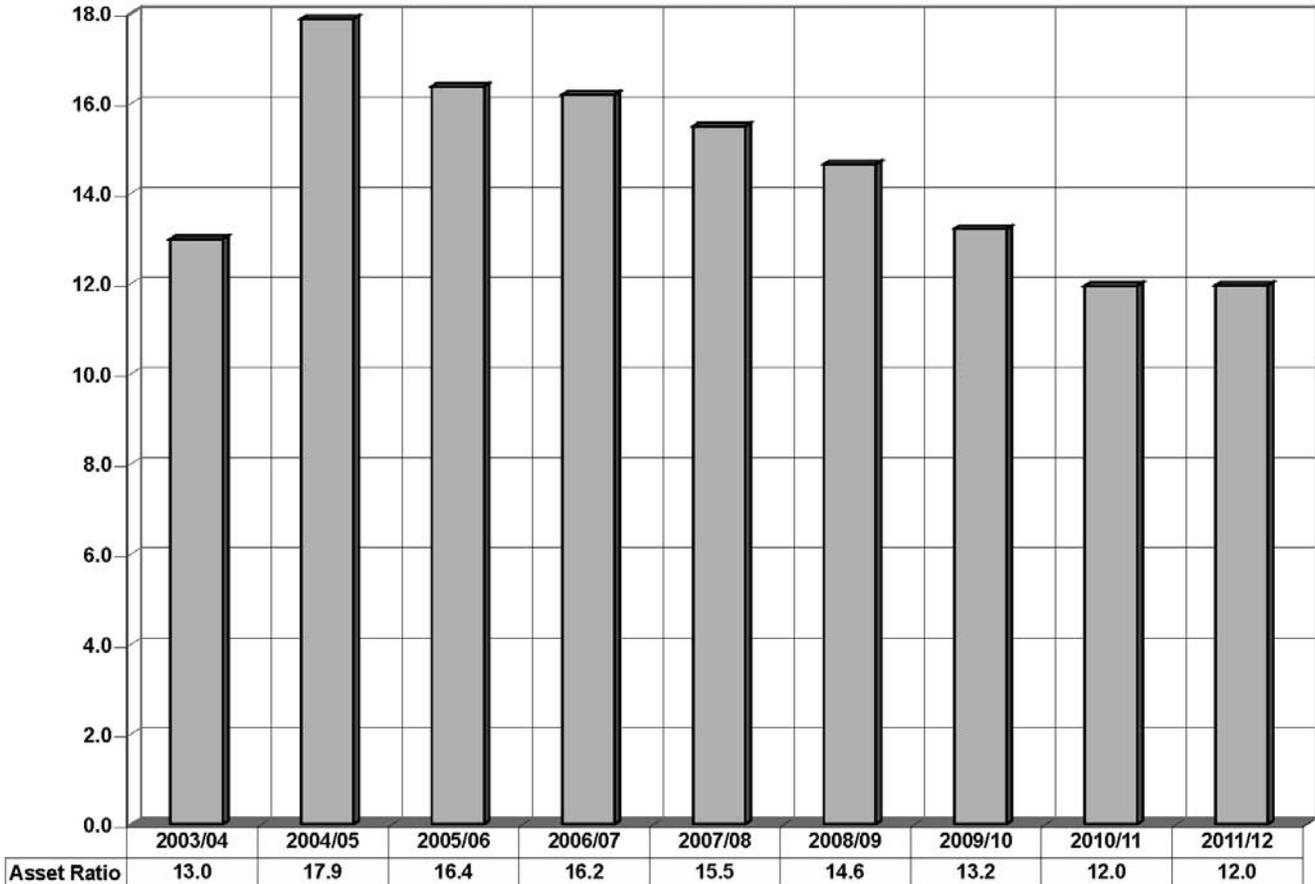
A trend of increasing percentage of short-term debt outstanding at the end of successive fiscal years can indicate liquidity problems, deficit spending, or both.

Analysis:

Current liabilities as a percentage of net operating revenues are relatively stable in the General Fund. GASB 34 revised the need to account for accrued paid leaves of absence as a liability. The enterprise funds include the current (i.e., short-term) portion of the long-term debt as a current liability. In fiscal 2011-2012, the current portion of the enterprise funds long-term debt amounted to \$2,026,499 or 64.0% 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.

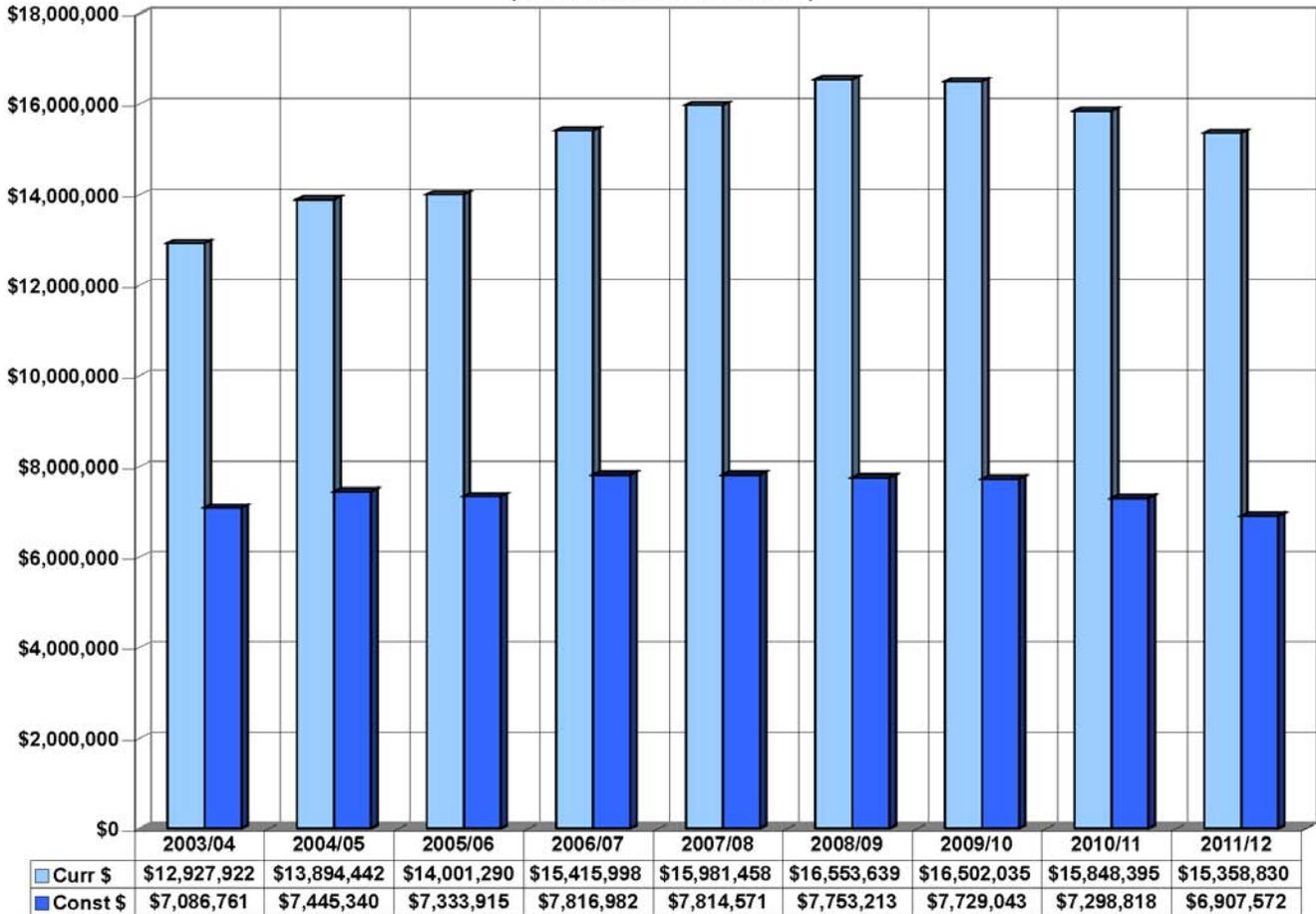
Analysis:

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.

General Fund



GENERAL FUND PROPERTY TAX REVENUES
(in Current \$ and Constant \$)



Warning Trend:

Decline in property tax revenues in constant dollars.

Formula:

For property tax revenues in constant dollars

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

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

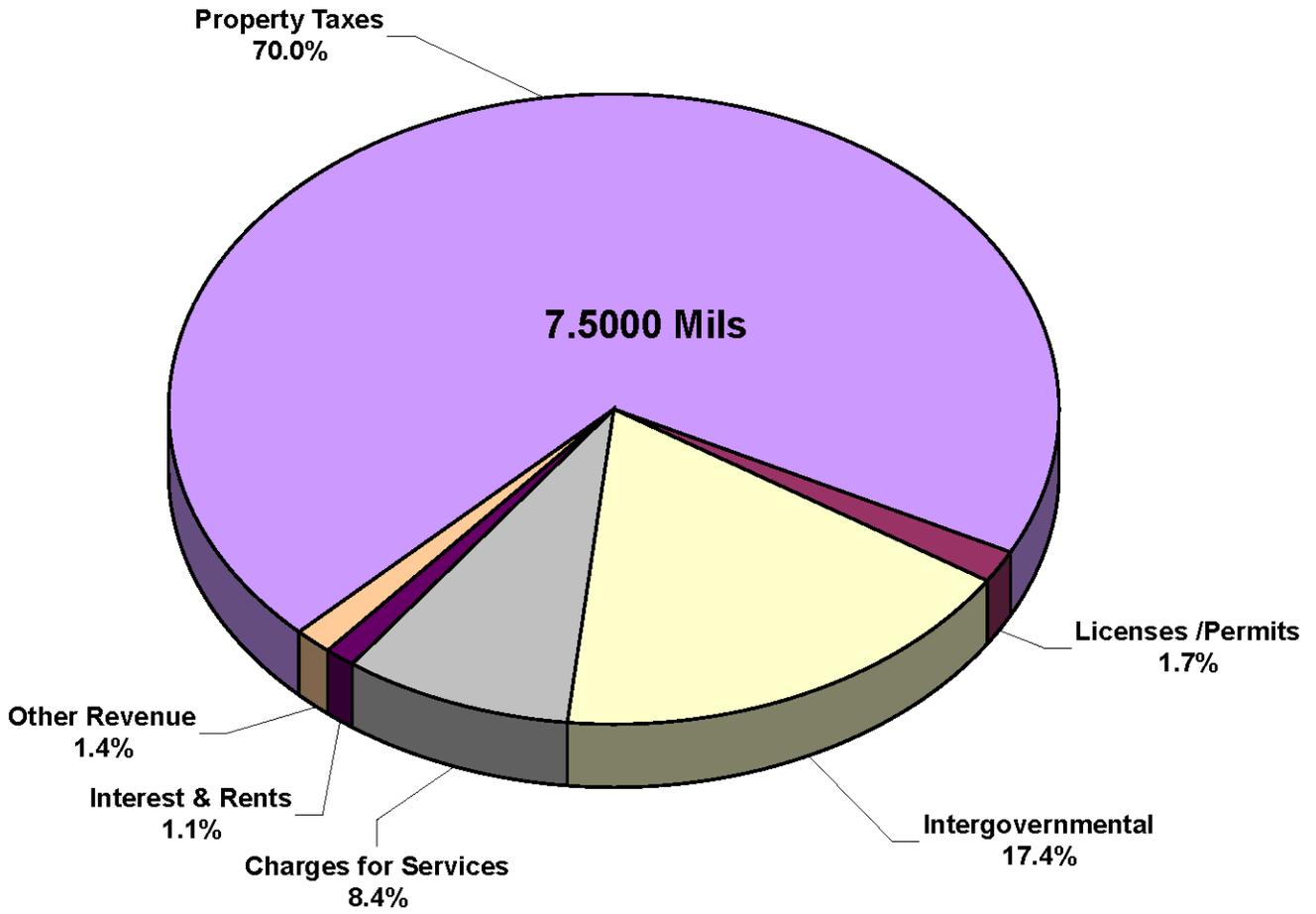
Description:

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

Analysis:

As the chart indicates, General Fund property tax revenue in constant dollars 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, and a decrease starting in Fiscal Year 2010-2011.

GENERAL FUND REVENUES BY SOURCE



GENERAL FUND REVENUES
Fiscal Year 2012-2013

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
Revenues budgeted by department:					
Fees and permits	629,586	604,165	476,200	473,200	475,950
Federal revenue	7,584	10,630	81,809	31,809	51,000
State revenue	17,325	18,424	9,500	9,500	9,500
Other grants	19,438	9,500	21,600	21,600	21,600
Charges for services	293,107	291,767	270,500	270,500	274,000
Interest and rents	256,457	197,303	198,200	196,200	195,750
Other revenue	482,087	448,044	424,129	407,680	407,370
Transfers In	1,872	2,808	4,000	4,000	4,000
	<u>1,707,456</u>	<u>1,582,641</u>	<u>1,485,938</u>	<u>1,414,489</u>	<u>1,439,170</u>
Revenues not budgeted by department:					
Property taxes	15,848,396	15,358,830	15,773,900	15,773,900	15,452,200
State shared revenue	3,219,927	3,566,935	3,611,184	3,611,184	3,763,831
Charges for services	1,369,160	1,384,510	1,366,940	1,366,940	1,344,680
Interest and rents	68,808	34,432	68,800	68,800	40,000
Other revenue	442,129	58,169	32,000	32,000	32,000
Transfers In	-	160,000	120,000	120,000	-
	<u>20,948,420</u>	<u>20,562,876</u>	<u>20,972,824</u>	<u>20,972,824</u>	<u>20,632,711</u>
Total Revenue	<u>22,655,876</u>	<u>22,145,517</u>	<u>22,458,762</u>	<u>22,387,313</u>	<u>22,071,881</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 2013-2014 is projected to be 7.5000 mills, which is the same as the 2012-2013 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 2013-2014 slightly more than 2012-2013 for liquor licenses, and the same as 2012-2012 for development permits. This is the result of the continued slump in new housing starts due to the effects of the credit crisis, and a slow recovery in commercial development as a result of recessive but improving economic conditions due to low interest rates. This revenue is estimated based on trend plus known upcoming projects.

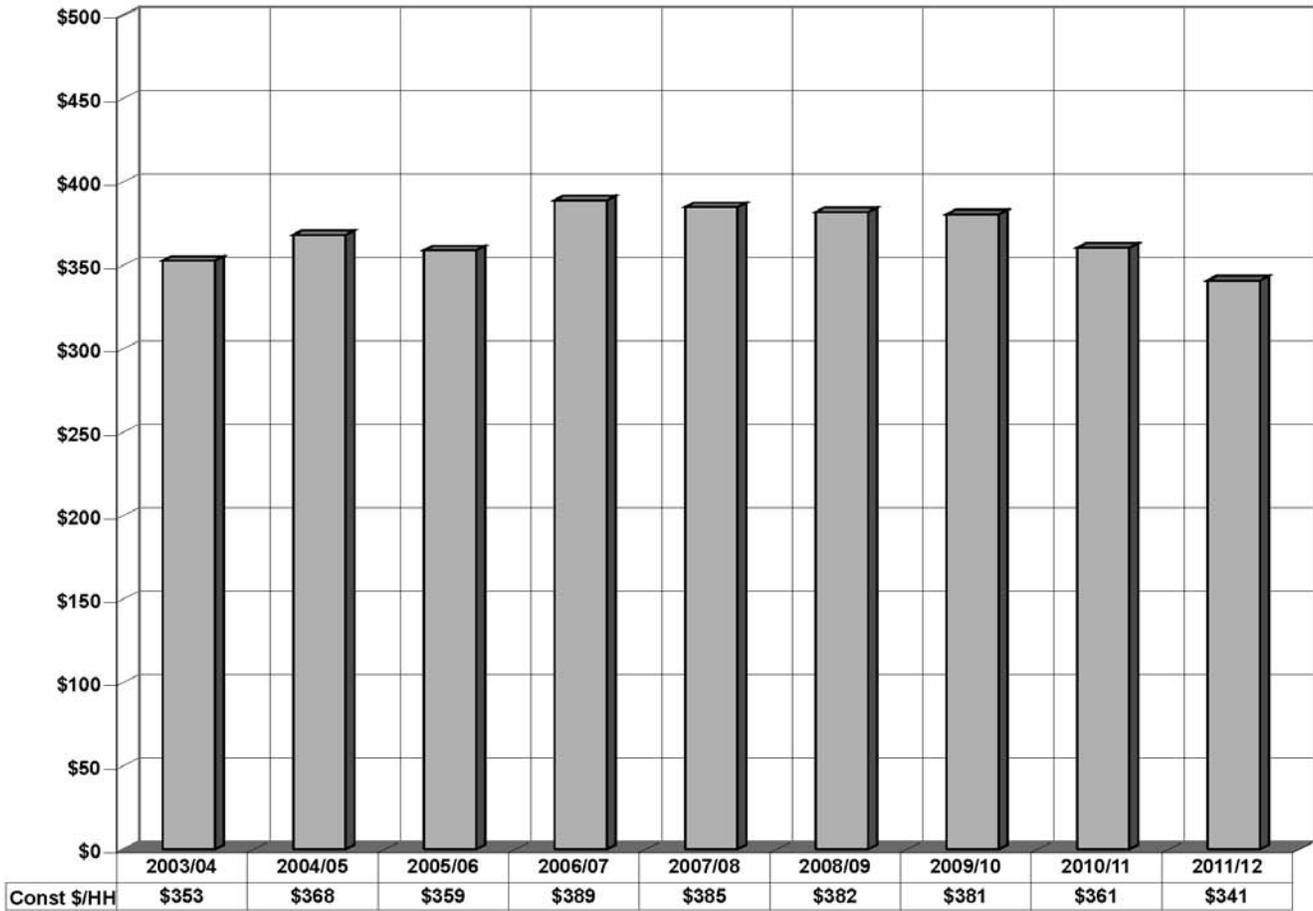
State Collected - Locally Shared Taxes

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.

Grants

The grant revenue estimate is based on the results of the most recent grant applications and awards.

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:

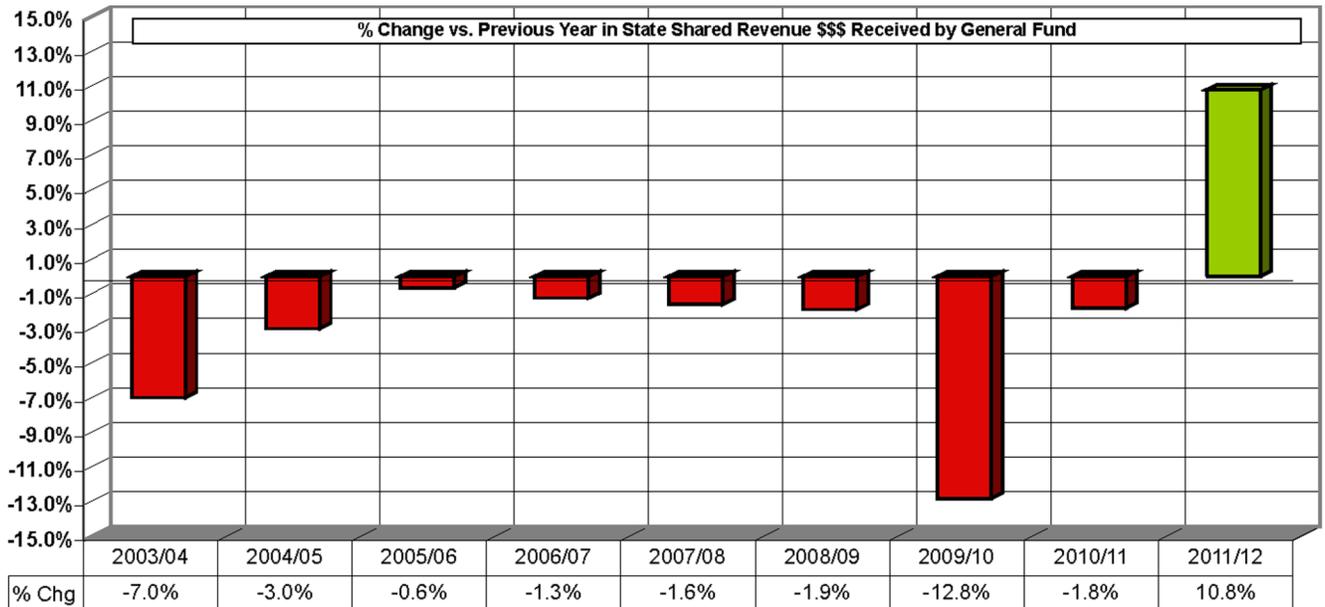
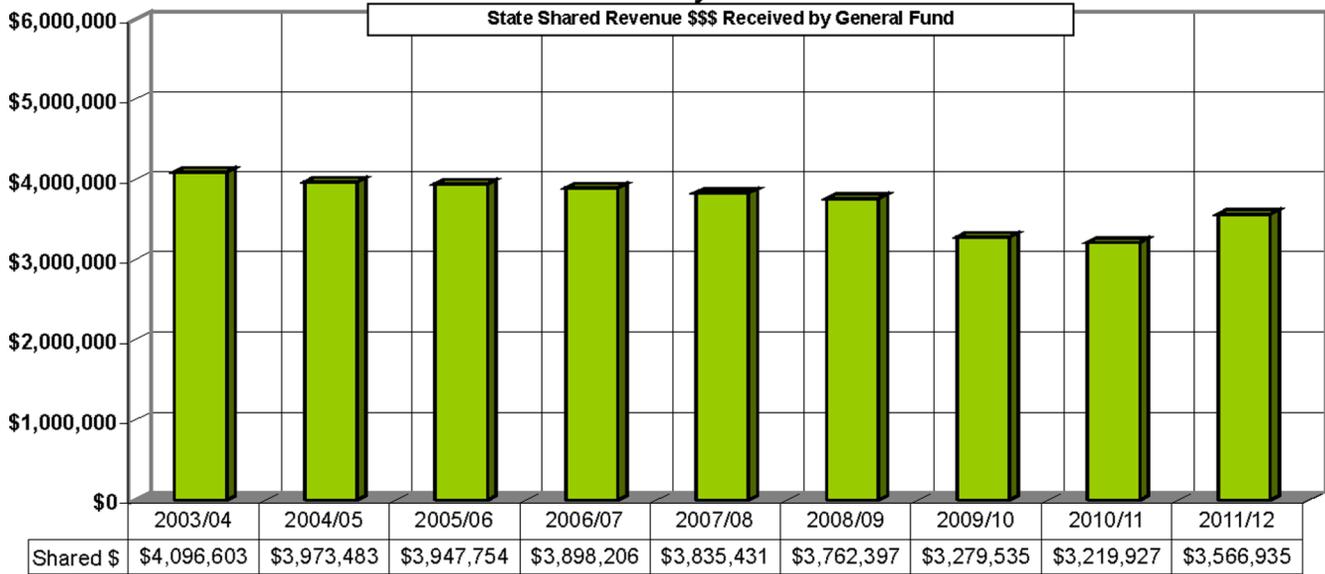
Examining property tax revenues on a *per household basis* shows changes in revenues relative to the changes in number of households. As the number of households increases, it could be reasonably expected that overall revenues and the need to expend those revenues will increase. As a result, one could 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. In 2009/2010, there was virtually no increase in the tax base which caused a decrease when valued in inflation adjusted constant dollars. Tax base loss since Fiscal Year 2010-2011 forced adjustments in staffing. Full time positions have decreased through attrition. Please see APPENDIX E for changes in staffing.

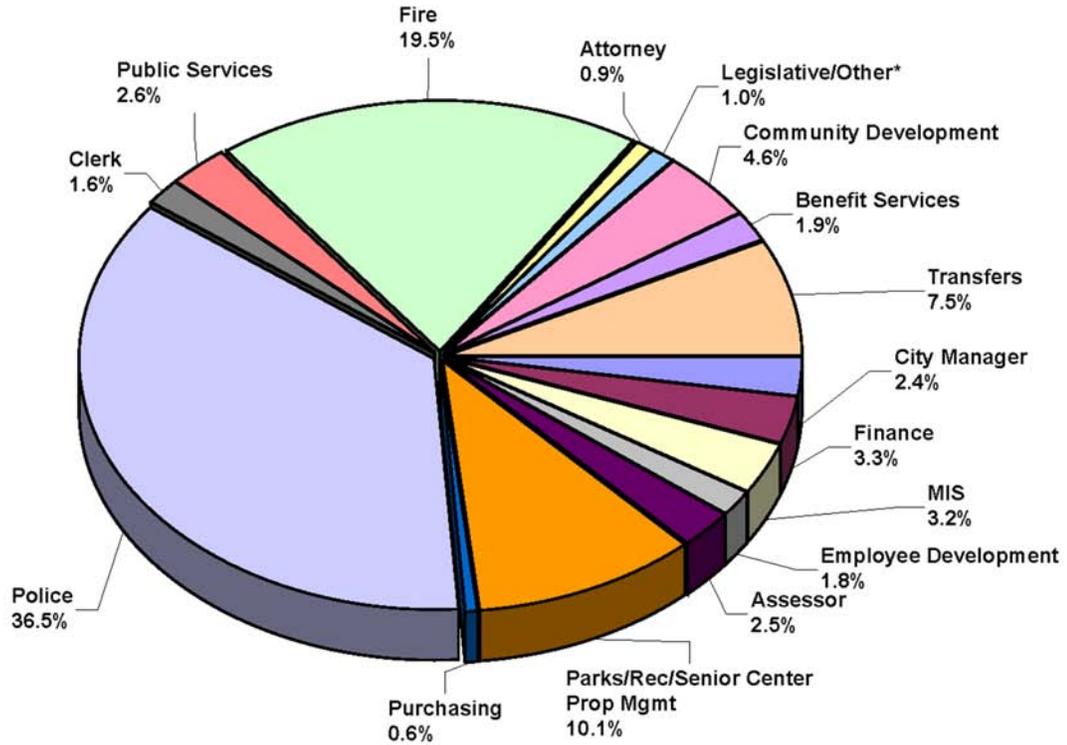
GENERAL STATE-SHARED REVENUES

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 had 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, declined through 2010-2011. The Governor's E.V.I.P. 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



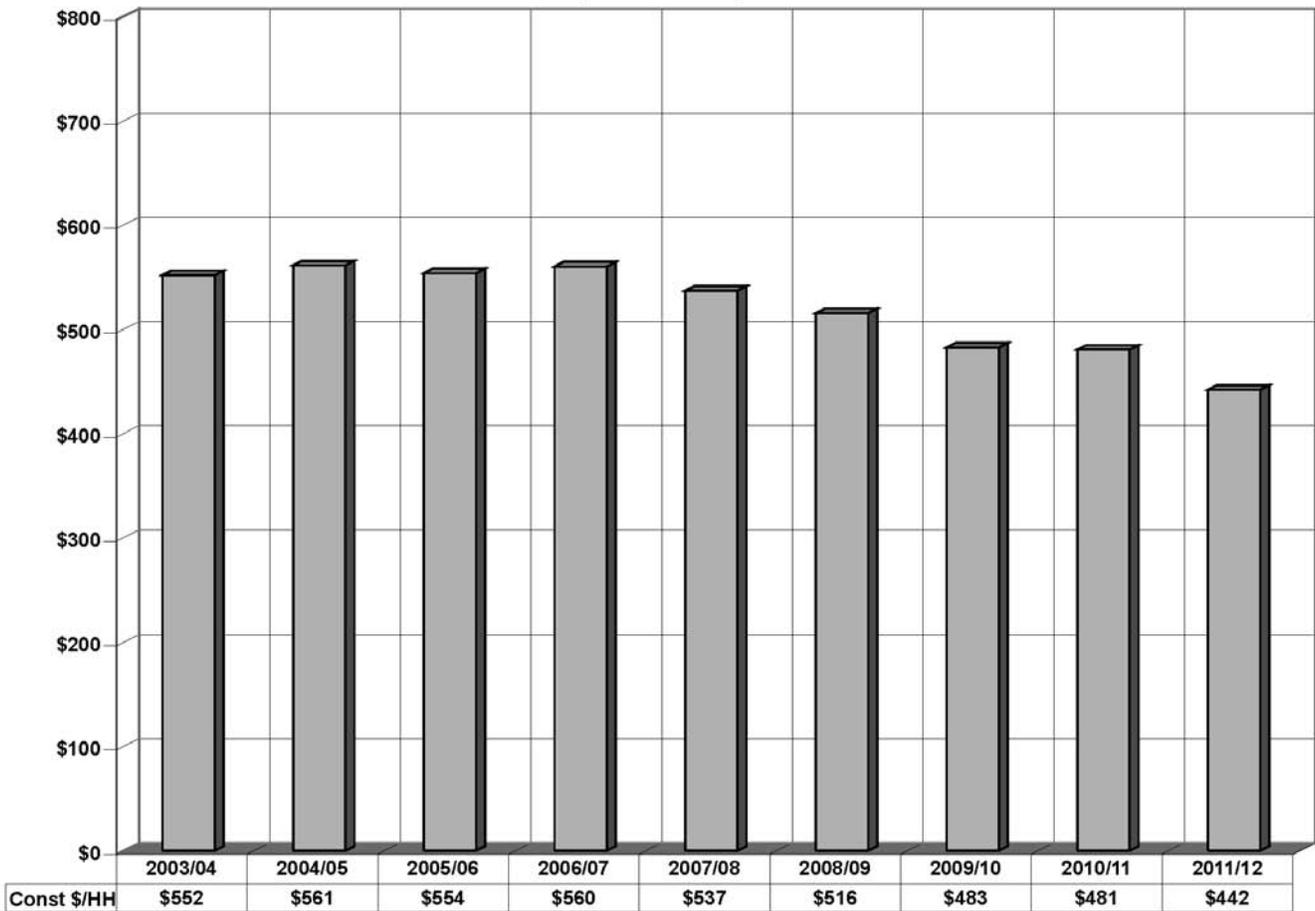
*Note: The Legislative/Other budget includes City Council, Court and Human Services

General Fund Expenditures by Department or Function

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted	Adopted	Admin
	Actuals	Actuals	Budget	Budget	Recommend
City Council	58,705	60,889	166,500	166,500	61,500
Human Service Funding	114,820	117,204	117,563	117,563	121,237
District Court Facility	48,468	47,165	60,855	56,855	55,355
City Manager	525,227	507,781	581,236	581,112	570,377
Finance	751,453	722,520	1,013,448	808,081	787,469
Information Technology	689,498	702,034	1,460,598	882,744	780,563
City Assessor	550,152	508,013	677,274	601,508	600,291
City Attorney	200,987	200,934	201,728	201,728	226,728
City Clerk	350,420	335,595	404,079	401,657	395,506
Employee Development	362,829	376,770	435,547	433,525	433,601
Benefit Services	374,485	346,004	442,958	442,958	448,257
Purchasing	145,452	136,120	148,168	147,585	147,499
Parks & Recreation	2,598,183	2,305,601	2,385,965	2,344,332	2,436,897
Police Department	8,424,438	8,101,432	9,363,540	8,696,571	8,778,735
Fire Department	4,307,019	4,016,515	4,605,682	4,605,453	4,696,945
Community Development	946,283	961,459	1,321,559	1,082,756	1,098,790
Street Lighting	558,811	515,968	561,603	565,000	627,000
Transfers Out	410,000	886,000	1,404,900	700,000	1,815,000
Total Expenditures	21,417,230	20,848,004	25,353,203	22,835,928	24,081,750

Additional information is available in the respective detailed departmental budgets.

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

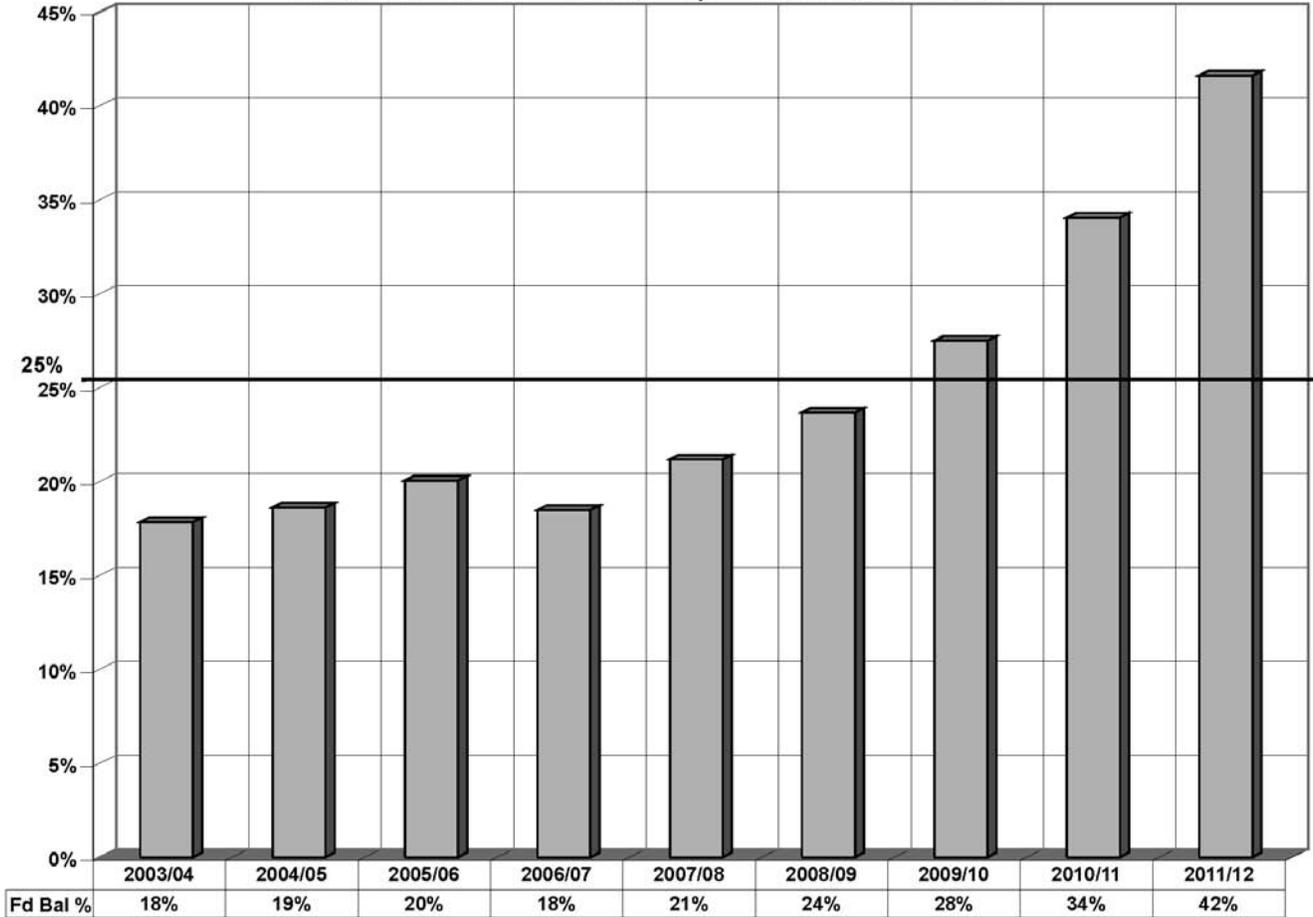
Description:

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. 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 25% 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.

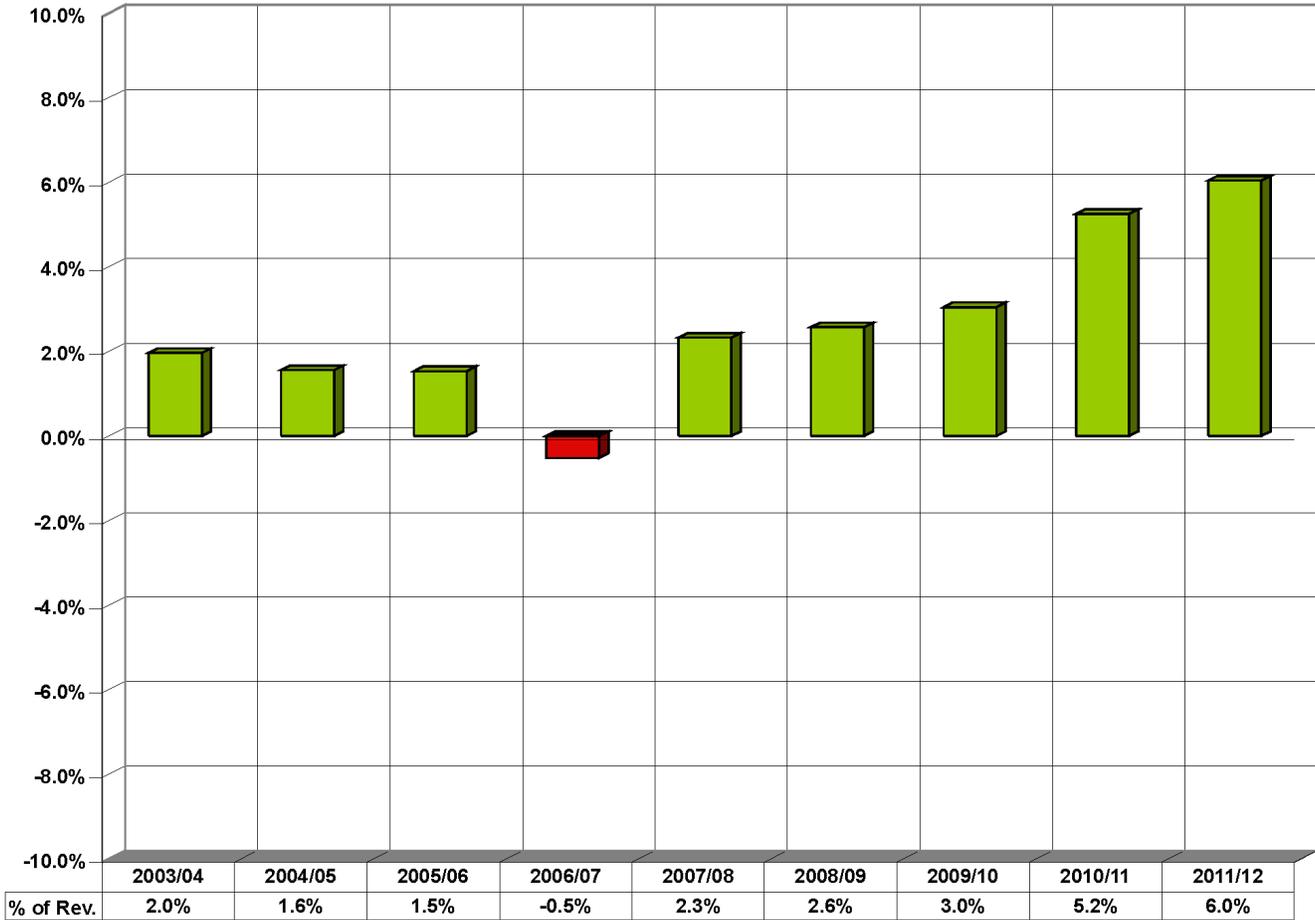
Description:

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. Give the likelihood of significant loss of tax revenue when personal property is removed from the tax base, 25% is required for the ability to cope with the loss.

Analysis:

Since 2009/2010 the fund balance of the General Fund has remained above the 25% 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.

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 10.6 percent of the budget.

The estimated fund balance at June 30, 2014 is at least 25 percent of fund expenditures.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Property taxes	15,848,396	15,358,830	15,773,900	15,773,900	15,452,200
Fees and permits	629,586	604,165	476,200	473,200	475,950
Federal revenue	7,584	10,630	81,809	31,809	51,000
State revenue	17,325	18,424	9,500	9,500	9,500
State shared revenue	3,219,927	3,566,935	3,611,184	3,611,184	3,763,831
Other grants	19,438	9,500	21,600	21,600	21,600
Charges for services	1,662,267	1,676,277	1,637,440	1,637,440	1,618,680
Interest and rents	325,265	231,735	267,000	265,000	235,750
Other revenue	924,216	506,213	456,129	439,680	439,370
Transfers In	1,872	162,808	124,000	124,000	4,000
TOTAL REVENUE	22,655,876	22,145,517	22,458,762	22,387,313	22,071,881
EXPENDITURES:					
Personnel Services	16,408,259	15,482,677	16,733,429	16,402,029	16,441,428
Operations & Maintenance	2,757,548	2,857,074	3,680,693	3,470,631	3,640,811
Administrative Charges	1,768,786	1,587,839	2,053,670	2,056,509	2,076,111
Capital Outlay	72,637	34,414	1,480,511	206,759	108,400
Transfers Out	410,000	886,000	1,404,900	700,000	1,815,000
TOTAL EXPENDITURES	21,417,230	20,848,004	25,353,203	22,835,928	24,081,750

LEGISLATIVE DEPARTMENT

Budget Overview: In addition to City Council expenditures, the 2013-2014 Legislative budget includes contributions to various human service agencies. The human services contributions equal \$121,237 (see Appendix A for additional information) for 2013/2014.

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

<u>Activity/Program</u> Human Services	<u>Description</u> Continue funding at .55% of General Fund revenue	<u>Goal/Objective</u> <i>Community Development</i> Continue commitment to human services
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	<u>2010-2011</u> Actuals	<u>2011-2012</u> Actuals	<u>2012-2013</u> Adjusted Budget	<u>2012-2013</u> Adopted Budget	<u>2013-2014</u> Admin Recommend
EXPENDITURES:					
Personnel Services	41,714	41,714	42,000	42,000	42,000
Operations & Maintenance	131,811	136,379	242,063	242,063	140,737
 TOTAL EXPENDITURES	<u>173,525</u>	<u>178,093</u>	<u>284,063</u>	<u>284,063</u>	<u>182,737</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 2013-2014 City Council budget includes expenditures for Michigan Municipal League dues, planning retreats and Mayor Exchange Day.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	41,714	41,714	42,000	42,000	42,000
Operations & Maintenance	16,991	19,175	124,500	124,500	19,500
TOTAL EXPENDITURES	58,705	60,889	166,500	166,500	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.

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

The proposed 2013-2014 budget includes a General Fund appropriation of \$84,476 for youth development and program coordination activities. An additional \$31,804 is proposed from Community Development Block Grant funds, depending on the final grant amount, bringing the potential total city contribution to PCC to \$116,280.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	4,326	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 2013-2014 budget includes a General Fund appropriation of \$8,501.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	193	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.

Homelessness Prevention and Rapid Re-housing Assistance Programs

The proposed 2013-2014 budget includes a General Fund appropriation of \$17,295.

<u>Performance Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	330	300	300

3. THE ARK OF CATHOLIC CHARITIES

The Ark of Catholic Charities 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 2013-2014 budget includes a General Fund appropriation of \$8,989.

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

HUMAN SERVICES, continued

4. GRYPHON PLACE

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

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

The proposed 2013-2014 budget includes a General Fund appropriation of \$1,976.

<u>Performance Indicator*</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of Portage clients served	1,500	2,500	2,500
*Gryphon Place did not receive funding in 2011-2012			

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	114,820	117,204	117,563	117,563	121,237
TOTAL EXPENDITURES	<u>114,820</u>	<u>117,204</u>	<u>117,563</u>	<u>117,563</u>	<u>121,237</u>

CITY MANAGER

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

Budget Overview: The 2013-2014 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

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	464,219	450,764	483,832	483,832	475,157
Operations & Maintenance	54,760	56,160	92,624	92,500	90,300
Administrative Charges	6,248	857	4,780	4,780	4,920
TOTAL EXPENDITURES	525,227	507,781	581,236	581,112	570,377

<u>Service Indicator</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Council meetings	35	34	35
Council committee meetings	23	21	22
Pre-Council meetings	23	24	24
Council items processed:			
Agenda items	258	286	272
Material transmitted	87	92	87
Weekly Reports	43	41	52
Portager issues	6	7	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 2013-2014 the department will continue to evaluate expanded bill payment options for citizens, fine tune or change 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	<p><i>Financial Health</i></p> <p>Evaluate expenditures and processes to provide for the most effective and efficient use of city resources</p>
Financial Management	Administrative function	<p><i>Service Delivery</i></p> <p>Provide high quality, effective and cost efficient services</p> <p>Evaluate alternatives to meet increased service demands</p> <p><i>Financial Health</i></p> <p>Maintain financial health of city</p> <p>Pursue revenue enhancement through alternate funding opportunities</p> <p>Assess financing methods for capital improvement needs</p>
Treasury	Administrative function	<p><i>Public Relations</i></p> <p>Continue emphasis on courteous service</p>

FINANCE, continued

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other revenue	(1,668)	4,308	1,000	1,000	1,000
TOTAL REVENUE	(1,668)	4,308	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	601,541	580,175	618,944	618,944	585,840
Operations & Maintenance	137,217	142,345	186,834	178,467	191,719
Administrative Charges	12,695	-	10,670	10,670	9,910
Capital Outlay	-	-	197,000	-	-
TOTAL EXPENDITURES	751,453	722,520	1,013,448	808,081	787,469

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	4,572	4,575	4,600
Electronic Vendor Payments (wire, EFT)	851	900	950
Payroll checks issued	7,338	7,472	7,400
W-2's issued	565	585	550
W-2 accuracy rate	100%	100%	100%
1099's issued	160	149	180
Issue date of annual financial report	Dec 18	Dec 17	Dec 16

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	218,870	222,186	232,569	232,569	230,925
Operations & Maintenance	44,995	43,977	69,132	62,344	68,285
TOTAL EXPENDITURES	263,865	266,163	301,701	294,913	299,210

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	4	3	1
Dollar amount	\$2,875,000	\$2,135,000	\$2,525,000
Bond Refinancing	\$12,150,000	\$6,320,000	\$-0-
'Unqualified' audit report received	Yes	Yes	Yes

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	229,150	222,633	248,885	248,885	247,108
Operations & Maintenance	61,918	55,655	76,133	75,503	76,615
Administrative Charges	12,695	-	10,670	10,670	9,910
Capital Outlay	-	-	197,000	-	-
TOTAL EXPENDITURES	<u>303,763</u>	<u>278,288</u>	<u>532,688</u>	<u>335,058</u>	<u>333,633</u>

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	37,696	38,342	38,300
Special assessment bills processed	1,118	1,272	1,350
Water and sewer bills processed	63,400	62,500	63,000
Cash receipts issued	109,000	110,000	110,000
Number of cash transactions per employee	27,250	27,500	27,500

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Other revenue	(1,668)	4,308	1,000	1,000	1,000
TOTAL REVENUE	(1,668)	4,308	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	153,521	135,356	137,490	137,490	107,807
Operations & Maintenance	30,304	42,713	41,569	40,620	46,819
TOTAL EXPENDITURES	183,825	178,069	179,059	178,110	154,626

TECHNOLOGY SERVICES

The 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 2013-2014 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

Communication Services 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: 2012-2013 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.

TECHNOLOGY SERVICES, continued

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Charges for services	43,300	44,960	47,000	47,000	47,000
Other revenue	295	-	100	100	100
TOTAL REVENUE	43,595	44,960	47,100	47,100	47,100
EXPENDITURES:					
Personnel Services	40,899	41,949	67,733	67,733	68,787
Operations & Maintenance	645,924	657,173	699,339	691,485	708,250
Administrative Charges	2,675	2,912	3,526	3,526	3,526
Capital Outlay	-	-	690,000	120,000	-
TOTAL EXPENDITURES	689,498	702,034	1,460,598	882,744	780,563

The responsibilities of the various activities are outlined as follows.

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	74	74
PC's & Laptops	239	250	249
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	16	8
Midrange computers (see note 2)	4	4	4
Help desk requests	1,925	1,623	1,300
Routers/switches/hubs	36	13	13
Terminals	7	7	7
Wireless devices (see note 3)	34	32	32
Cell phone (see note 4)	92	85	85
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: 18 stipend, 67 city-issued non-stipend

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)

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	-	263	19,644	19,644	20,456
Operations & Maintenance	640,377	656,008	693,754	685,900	702,665
Administrative Charges	2,675	2,912	3,526	3,526	3,526
Capital Outlay	-	-	690,000	120,000	-
TOTAL EXPENDITURES	<u>643,052</u>	<u>659,183</u>	<u>1,406,924</u>	<u>829,070</u>	<u>726,647</u>

PUBLIC INFORMATION 101-2133

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of copies made	347,802	376,752	362,000
Reams of paper distributed	1,761	1,755	1,700
Number of fax pages	622	548	550
Pieces of mail processed	74,318	84,417	79,000
Website update hours	120	120	120
Package receiving/deliveries	752	1,104	925
Document scans	57,662	60,000	60,000

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Charges for services	43,300	44,960	47,000	47,000	47,000
Other revenue	295	-	100	100	100
TOTAL REVENUE	<u>43,595</u>	<u>44,960</u>	<u>47,100</u>	<u>47,100</u>	<u>47,100</u>
EXPENDITURES:					
Personnel Services	40,899	41,686	48,089	48,089	48,331
Operations & Maintenance	5,547	1,165	5,585	5,585	5,585
TOTAL EXPENDITURES	<u>46,446</u>	<u>42,851</u>	<u>53,674</u>	<u>53,674</u>	<u>53,916</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 and updated photographs	To ensure that all property assessment records are as current as possible
	Develop and defend property assessments	<i>Financial Health</i> Maintain the financial health of the city
	Prepare the assessment roll and administer the appeal process.	

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other revenue	42	232	200	200	200
TOTAL REVENUE	42	232	200	200	200
EXPENDITURES:					
Personnel Services	441,573	437,816	470,626	470,626	469,077
Operations & Maintenance	102,029	64,527	198,394	122,628	122,628
Administrative Charges	6,550	5,670	8,254	8,254	8,586
TOTAL EXPENDITURES	550,152	508,013	677,274	601,508	600,291

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)	\$20.6	\$21.4	\$20.9
Property taxes levied, all taxing entities (in millions)	\$82.0	\$83.2	\$81.5

	<u>2010-2011 Actuals</u>	<u>2011-2012 Actuals</u>	<u>2012-2013 Adjusted Budget</u>	<u>2012-2013 Adopted Budget</u>	<u>2013-2014 Admin Recommend</u>
REVENUE:					
Other revenue	42	232	200	200	200
TOTAL REVENUE	<u>42</u>	<u>232</u>	<u>200</u>	<u>200</u>	<u>200</u>
EXPENDITURES:					
Personnel Services	411,202	409,258	435,639	435,639	434,090
Operations & Maintenance	102,029	64,517	170,668	119,902	119,902
Administrative Charges	6,550	5,670	8,254	8,254	8,586
TOTAL EXPENDITURES	<u>519,781</u>	<u>479,445</u>	<u>614,561</u>	<u>563,795</u>	<u>562,578</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>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	30,371	28,558	34,987	34,987	34,987
Operations & Maintenance	-	10	27,726	2,726	2,726
TOTAL EXPENDITURES	<u>30,371</u>	<u>28,568</u>	<u>62,713</u>	<u>37,713</u>	<u>37,713</u>

CITY ATTORNEY 101-2310

The City Attorney provides legal services including, but not limited to, opinions to the City Council and all city departments regarding municipal matters, attendance at all City Council, planning commission, and zoning board of appeals meetings; preparation of all ordinances; preparation and/or review and approval of all contracts and any other written instruments; ordinance enforcement; ordinance prosecutions and FOIA request review. The specialized areas of labor counsel and bond counsel are budgeted in the specific departments or programs for which those services are provided.

Budget Overview: The City Attorney is an outside contractor law firm maintaining offices within the City of Portage providing legal services to the city on an annual fee basis. The present City Attorney has been representing the city’s legal interests continuously since August of 1984 and the Assistant City Attorney has been doing so since 2000. The combined years of experience in municipal law, responsive assistance and knowledge of city legal matters are valuable assets to the city. For the budgeted fee, the City Attorney’s office is responsible for the professional services of the City Attorney and the Assistant City Attorney, as well as office staff, employment costs, professional liability insurance, library and all other expenses associated with the office and the provision of legal services for the city.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	200,987	200,934	201,728	201,728	226,728
TOTAL EXPENDITURES	<u>200,987</u>	<u>200,934</u>	<u>201,728</u>	<u>201,728</u>	<u>226,728</u>

CITY CLERK

The City Clerk administers 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, occupancy and map records for all City-owned cemeteries.

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

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

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
City Clerk	Coordinate production of City Council, agenda packets, Coordinate the Freedom of Information Act, Boards and Commissions interviews and Liquor License procedure	Provide leadership, service delivery and versatility to the departments and to the public
Elections	Program and test all election Equipment, assign precincts, Train election officials, implement State Election Law, Publish Notices, maintain the Qualified Qualified Voter File	Service delivery, preserve integrity and accuracy in elections, and voter files, apply new technology, to increase efficiency and productivity in the electoral process
Records Management	Microfilming of records Imaging of records Records storage Records access State Record Retention Schedule	<i>Service Delivery</i> Evaluate alternatives to meet service demands Increase efficiency through technology

CITY CLERK, continued

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	29,424	33,528	31,400	31,400	32,550
Other revenue	2,468	1,298	500	500	500
TOTAL REVENUE	31,892	34,826	31,900	31,900	33,050
EXPENDITURES:					
Personnel Services	292,759	263,179	297,924	297,924	296,220
Operations & Maintenance	53,351	71,629	102,395	99,973	95,623
Administrative Charges	4,310	787	3,760	3,760	3,663
TOTAL EXPENDITURES	350,420	335,595	404,079	401,657	395,506

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	2	3	1
New registrations	3,411	4,000	3,100
Cancellations	2,950	3,250	3,100
Change of address	2,100	2,250	2,000
Registered voters	36,219	37,116	37,500

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	145,012	120,414	146,171	146,171	146,118
Operations & Maintenance	26,994	43,744	46,650	46,650	42,300
Administrative Charges	301	455	455	455	455
TOTAL EXPENDITURES	<u>172,307</u>	<u>164,613</u>	<u>193,276</u>	<u>193,276</u>	<u>188,873</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. The City Clerk also coordinates all special meetings of City Council, including all City Council Advisory Boards and Commissions, and schedules all City Hall conference rooms and meetings with city, county and state representatives. 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	13	8	10
Resolutions adopted	42	50	50
Cemetery lot burials	36	60	55
Number of meetings clerked	35	35	35

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	29,424	33,528	31,400	31,400	32,550
Other revenue	2,468	1,298	500	500	500
TOTAL REVENUE	31,892	34,826	31,900	31,900	33,050
EXPENDITURES:					
Personnel Services	99,995	96,723	101,377	101,377	100,540
Operations & Maintenance	17,707	20,164	37,024	36,875	36,875
Administrative Charges	3,596	-	3,030	3,030	2,810
TOTAL EXPENDITURES	121,298	116,887	141,431	141,282	140,225

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	140	138	125
Number of documents filmed	44,142	79,328	200,000
Processed boxes in storage	143	167	225
FOIA Requests	45	60	65
CD's processed	4	7	10

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	47,752	46,042	50,376	50,376	49,562
Operations & Maintenance	8,650	7,721	18,721	16,448	16,448
Administrative Charges	413	332	275	275	398
TOTAL EXPENDITURES	<u><u>56,815</u></u>	<u><u>54,095</u></u>	<u><u>69,372</u></u>	<u><u>67,099</u></u>	<u><u>66,408</u></u>

EMPLOYEE DEVELOPMENT 101-2610

The Employee Development Department provides staff support in the areas of recruitment, training, safety, employee and labor relations, legal compliance and data analysis. In 2013-2014 the department will continue to provide assistance to the City Manager in the recruitment, assessment testing and selection of employees capable of providing excellent job performance and delivering excellent customer service. The department will continue to provide, assist with and monitor training programs for the purpose of enhancing employee technical and customer service skills and to keep pace with new technologies and best practices regarding delivering municipal services that best serves the community. New employee orientation, employee wellness, preventing employee injury, diversity and ensuring a professional work environment will continue to be supported through training activities. Focus will continue to be placed on labor agreement administration and negotiations, accurate job descriptions, performance evaluations and improvement plans, EEOC compliance, compliance with safety regulations, performing safety inspections, and providing a safe work environment.

Budget Overview: In 2013-2014, the Employee Development Department will continue to focus on the areas described above as well as to take a proactive approach in the areas of customer service, safety and providing positive labor and employee relations.

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	1,799	1,900	1,900
Training programs (internal)	834	800	800
Training programs (external)	327	325	325
Testing and assessments	109	350	300
Labor contracts negotiated	3	2	3
Grievances processed	14	8	12
New employee orientations	78	80	80
MIOSHA recordable injuries	11	15	12
Performance evaluations processed	425	400	400
Safety audits conducted	24	30	30
Interviews conducted	617	615	615

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	273,336	265,787	270,805	270,805	268,961
Operations & Maintenance	87,919	110,927	163,572	161,550	163,550
Administrative Charges	1,574	56	1,170	1,170	1,090
TOTAL EXPENDITURES	<u>362,829</u>	<u>376,770</u>	<u>435,547</u>	<u>433,525</u>	<u>433,601</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 including the administration of the city self insured 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 and legal mandates. 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 2013-2014. 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	9	9	9
Benefit Contracts/Service Agreements			
Negotiated	11	8	11
Benefit/Payroll orientations	67	65	65
Participation in labor negotiations	3	2	3
Family Medical Leave Act notifications	223	231	241
COBRA (Health Ins Continuation) notifications	29	36	36

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	321,204	320,790	398,618	398,618	409,512
Operations & Maintenance	51,063	24,483	41,995	41,995	37,255
Administrative Charges	2,218	731	2,345	2,345	1,490
TOTAL EXPENDITURES	<u>374,485</u>	<u>346,004</u>	<u>442,958</u>	<u>442,958</u>	<u>448,257</u>

PURCHASING

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

Budget Overview: The 2013-2014 Purchasing and Risk Management budget provides for the comprehensive review of liability insurance, additional joint governmental purchasing projects, and identification of additional opportunities for cost savings through contractual services.

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

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

PURCHASING, continued

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	132,870	127,153	127,525	127,525	127,819
Operations & Maintenance	6,196	8,967	15,283	14,700	14,700
Administrative Charges	6,386	-	5,360	5,360	4,980
TOTAL EXPENDITURES	145,452	136,120	148,168	147,585	147,499

The responsibilities of the various activities are outlined as follows.

PURCHASING 101-2733

This activity accounts for the costs associated with the provision of goods and services in a systematic and cost effective manner.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Purchase orders processed	3,468	3,500	3,500
Sealed bids taken	29	35	35
Joint governmental bidding projects	6	11	11

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	92,442	88,128	87,777	87,777	87,979
Operations & Maintenance	5,436	8,207	11,783	11,200	11,200
TOTAL EXPENDITURES	97,878	96,335	99,560	98,977	99,179

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	51	60	60

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	40,428	39,025	39,748	39,748	39,840
Operations & Maintenance	760	760	3,500	3,500	3,500
Administrative Charges	6,386	-	5,360	5,360	4,980
TOTAL EXPENDITURES	47,574	39,785	48,608	48,608	48,320

DEPARTMENT OF PARKS, RECREATION and PUBLIC SERVICES

In 2012, the Department of Parks, Recreation and Public Services was formed to consolidate the former Department of Parks, Recreation and Property Management and the Department of Streets and Equipment. For budget purposes, the General Fund elements of the Department of Parks, Recreation and Public Services consist of the division of Parks and Recreation and the Senior Center presented here. It also includes the separate special revenue funds Major Streets, Local Streets, Curbside Recycling, Leaf Pickup and Spring Cleanup, and Cultural Activities that have their own budget presentations elsewhere in this publication.

The Parks and Recreation division is responsible for the operation of parks, cemeteries, the recreation and cultural arts programs, senior citizen services, the management and maintenance of 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. The Portage Senior Center offers educational programs, recreation, support groups, transportation, information to seniors and families, travel and volunteer opportunities.

Budget Overview: The department continually reviews and adjusts fees to maintain a reasonable user charge structure and generate alternative funding wherever possible. The department also reviews programs to evaluate levels of participation and make program adjustments. The 2013-2014 budget provides for critical attention to city grounds, and operation of the Ice Rink at Millennium Park and the beach at Ramona Park. The 2013-2014 Senior Citizens Services budget provides for the continuation of services to meet needs for this growing population.

Goals and Objectives: The Parks and Recreation, and Senior Citizen Services budget supports the following goals and objectives.

<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

DEPARTMENT OF PARKS, RECREATION and PUBLIC SERVICES, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Parks	Parks maintenance and contractual services	<p><i>Community Development</i> Promote quality of life Coordinated and innovative approach to developing parkland Enhance City Centre Area Promote aesthetic enhancement</p> <p><i>Public Improvements</i> Systematic preventative maintenance program</p> <p><i>Service Delivery</i> Evaluate contracting or privatizing</p>
Recreation & Senior Citizen Services	Program operating costs offset by grant revenue	<p><i>Financial Health</i> Promote volunteerism to assist with services</p> <p><i>Financial Health</i> Evaluate expenditures for efficient use of resources Pursue alternate funding methods</p>
	Cooperative programming	<p><i>Service Delivery</i> Promote teamwork between the public and private sector</p>
	Eliminate programs with low utilization and replace with new program initiatives	<p><i>Service Delivery</i> Prioritize existing services Evaluate contracting city programs</p>
	Volunteer staffing	<p><i>Financial Health</i> Promote volunteerism to assist with services</p>
	Brochures/flyers	<p><i>Public Relations</i> Enhance communication</p>
Millennium Park Ice Rink	Expanded recreational opportunities	<p><i>Community Development</i> Coordinated and innovative approach to providing recreational opportunities</p>

DEPARTMENT OF PARKS, RECREATION and PUBLIC SERVICES, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
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, photo opportunities to raise community awareness of PSC	<i>Public Relations</i> Promote excellent public relations
	Maintain ongoing advocacy efforts for sustainability of older adult services in southwestern Michigan	<i>Finance and Budgeting</i> Pursue revenue enhancements through alternative funding opportunities
	Increase base of support for PSC by extending fundraising efforts to the greater community	
	Seek grants to implement electronic sign-in system and registration for better record keeping and attendance monitoring	<i>Service Delivery</i> Continue to increase efficiency by and applying new technology

DEPARTMENT OF PARKS, RECREATION and PUBLIC SERVICES, continued

Department of Parks and Recreation:

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Fees and permits	37,225	22,370	43,000	43,000	43,000
Other grants	835	2,000	2,500	2,500	2,500
Charges for services	249,807	246,807	223,500	223,500	227,000
Interest and rents	38,539	39,461	32,500	30,500	30,750
Other revenue	12,789	19,526	31,560	15,860	15,600
Transfers In	1,872	2,808	4,000	4,000	4,000
TOTAL REVENUE	341,067	332,972	337,060	319,360	322,850
EXPENDITURES:					
Personnel Services	1,260,383	1,218,909	1,130,298	1,128,898	1,061,065
Operations & Maintenance	499,321	406,730	463,849	425,185	593,773
Administrative Charges	534,664	436,233	505,822	505,822	497,667
TOTAL EXPENDITURES	2,294,368	2,061,872	2,099,969	2,059,905	2,152,505

Parks and Recreation is comprised of four primary activities and a number of recreation programs, followed by Senior Citizen Services as a separate listing of activities.

GROUNDS MAINTENANCE 101-2865

This activity accounts for the costs associated with the management and maintenance of the City Center grounds and which includes holiday decorations, contract management, snow/ice removal, irrigation system maintenance, special projects and landscaping needs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
City Center acres managed	6.5	6.5	6.5
Holiday lights	35,000	35,000	35,000

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Other revenue	2,700	3,700	1,700	1,000	1,000
TOTAL REVENUE	<u>2,700</u>	<u>3,700</u>	<u>1,700</u>	<u>1,000</u>	<u>1,000</u>
EXPENDITURES:					
Personnel Services	144,224	136,820	92,706	92,706	90,300
Operations & Maintenance	127,159	11,579	27,333	26,000	33,564
Administrative Charges	236,221	90,335	137,000	137,000	136,500
TOTAL EXPENDITURES	<u>507,604</u>	<u>238,734</u>	<u>257,039</u>	<u>255,706</u>	<u>260,364</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	36	60	55

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Fees and permits	37,225	22,370	43,000	43,000	43,000
Other revenue	6,659	11,466	11,000	11,000	11,000
Transfers In	1,872	2,808	4,000	4,000	4,000
TOTAL REVENUE	<u>45,756</u>	<u>36,644</u>	<u>58,000</u>	<u>58,000</u>	<u>58,000</u>
EXPENDITURES:					
Personnel Services	73,248	64,229	52,366	52,366	39,989
Operations & Maintenance	12,000	12,755	13,200	13,200	15,100
Administrative Charges	9,327	8,782	11,742	11,742	11,532
TOTAL EXPENDITURES	<u>94,575</u>	<u>85,766</u>	<u>77,308</u>	<u>77,308</u>	<u>66,621</u>

PARKS 101-2877

This activity accounts for the costs associated with the development, improvement, and maintenance of 17 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 at the parks throughout the city 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	40,000	20,000	20,000
Acres of blvd./interchange mowing	131	131	140

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Interest and rents	28,237	37,595	30,000	30,000	30,000
Other revenue	2,930	4,360	18,860	3,860	3,600
TOTAL REVENUE	<u>31,167</u>	<u>41,955</u>	<u>48,860</u>	<u>33,860</u>	<u>33,600</u>
EXPENDITURES:					
Personnel Services	862,201	843,815	815,084	813,684	752,255
Operations & Maintenance	258,073	292,856	307,771	285,144	442,059
Administrative Charges	253,218	303,728	317,806	317,806	310,681
TOTAL EXPENDITURES	<u>1,373,492</u>	<u>1,440,399</u>	<u>1,440,661</u>	<u>1,416,634</u>	<u>1,504,995</u>

KALAMAZOO IN BLOOM, INC. 101-2878

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	22,594	9,738	-	-	-
Operations & Maintenance	8,711	3,330	6,000	6,000	6,000
TOTAL EXPENDITURES	31,305	13,068	6,000	6,000	6,000

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, Bicentennial Park trail walk/run events, nature discovery activities, fishing camps and events, and winter activities.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Participants	7,092	7,000	7,000
Programs	63	60	50

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other grants	835	2,000	2,500	2,500	2,500
Charges for services	193,612	187,416	167,000	167,000	170,500
Interest and rents	620	870	2,500	500	250
TOTAL REVENUE	195,067	190,286	172,000	170,000	173,250
EXPENDITURES:					
Personnel Services	64,400	76,988	80,328	80,328	88,218
Operations & Maintenance	21,263	15,468	25,148	22,950	22,950
Administrative Charges	5,399	-	4,540	4,540	4,220
TOTAL EXPENDITURES	91,062	92,456	110,016	107,818	115,388

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.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Registrants	2,535	2,700	2,700
Teams	169	180	180
League Divisions	23	26	26
Tournaments	8	7	7

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	8,087	10,979	15,147	15,147	13,822
Operations & Maintenance	49,672	50,296	50,493	50,091	50,100
TOTAL EXPENDITURES	<u>57,759</u>	<u>61,275</u>	<u>65,640</u>	<u>65,238</u>	<u>63,922</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	26,552	28,232	26,000
Daily beach permits	6,027	5,923	6,000
Annual beach permits	796	766	750

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	38,545	42,412	42,151	42,151	44,029
Operations & Maintenance	4,820	7,166	9,104	7,000	9,200
TOTAL EXPENDITURES	<u>43,365</u>	<u>49,578</u>	<u>51,255</u>	<u>49,151</u>	<u>53,229</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	64	63	65
Total participants	8,153	8,400	8,500

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Charges for services	56,195	59,391	56,500	56,500	56,500
TOTAL REVENUE	<u>56,195</u>	<u>59,391</u>	<u>56,500</u>	<u>56,500</u>	<u>56,500</u>
EXPENDITURES:					
Personnel Services	32,578	33,928	32,516	32,516	32,452
Operations & Maintenance	8,786	13,280	14,800	14,800	14,800
Administrative Charges	30,499	33,388	34,734	34,734	34,734
TOTAL EXPENDITURES	<u>71,863</u>	<u>80,596</u>	<u>82,050</u>	<u>82,050</u>	<u>81,986</u>

SENIOR CITIZEN SERVICES

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Other grants	18,603	7,500	19,100	19,100	19,100
Interest and rents	9,378	8,334	10,000	10,000	11,000
Other revenue	139,449	123,857	181,149	180,400	175,950
TOTAL REVENUE	167,430	139,691	210,249	209,500	206,050
EXPENDITURES:					
Personnel Services	219,650	161,134	182,451	182,451	182,646
Operations & Maintenance	58,179	56,882	71,111	70,100	70,100
Administrative Charges	25,986	25,713	32,434	31,876	31,646
TOTAL EXPENDITURES	303,815	243,729	285,996	284,427	284,392

The total budget for Senior Citizen Services, a division of the Parks and Recreation 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 two divisions, as follows:

SENIOR CENTER, 101-6720

This activity accounts for the costs associated with the provision of activities and services that contribute to the physical, mental and social well-being of mature adults 50 years of age and older. In March 2013, the Senior Center launched a new web-based member registration and statistical management system, suitably named MySeniorCenter™. The system was purchased with grant funding from the Irving S. Gilmore Foundation, with matching funds from the Friends of the Portage Senior Center. This computerized management system makes it possible to easily track the invaluable services provided by volunteers at the Center. Service levels have been maintained through a continued emphasis on volunteerism and inter-agency collaboration. The Senior Center also accounts for the costs of building maintenance.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of members	1,650	1,800	1,950
Activity attendance	64,000	36,000	40,000
Number of mini-bus rides	2,900	3,600	4,000
Number of volunteer hours	30,800	30,000	30,000

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other grants	18,603	7,500	19,100	19,100	19,100
Interest and rents	9,378	8,334	10,000	10,000	11,000
Other revenue	92,701	84,407	134,149	133,400	128,950
TOTAL REVENUE	120,682	100,241	163,249	162,500	159,050
EXPENDITURES:					
Personnel Services	198,403	141,751	162,351	162,351	162,155
Operations & Maintenance	54,562	53,258	66,411	65,400	65,400
Administrative Charges	25,986	25,713	32,434	31,876	31,646
TOTAL EXPENDITURES	278,951	220,722	261,196	259,627	259,201

SENIOR TRIPS, 101-6721

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other revenue	39,397	34,989	45,000	45,000	45,000
TOTAL REVENUE	39,397	34,989	45,000	45,000	45,000
EXPENDITURES:					
Personnel Services	19,327	18,474	20,100	20,100	20,491
Operations & Maintenance	3,489	3,446	4,700	4,700	4,700
TOTAL EXPENDITURES	22,816	21,920	24,800	24,800	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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other revenue	7,351	4,461	2,000	2,000	2,000
TOTAL REVENUE	7,351	4,461	2,000	2,000	2,000
EXPENDITURES:					
TOTAL EXPENDITURES	-	-	-	-	-

PUBLIC SAFETY

In 2011, the administrative reorganization of the Police and Fire Departments into the Department of Public Safety was deemed necessary for proper and efficient operation. In light of significant revenue losses from personal property tax and statutory revenue sharing, City Administration continues a prudent course of merger and reorganization in administrative levels where cost reduction can be accomplished and service delivery maximized. The Department of Public Safety maintains separate operating divisions for Police and Fire, and a shared administrative services division. The administrative costs are allocated between the individual budgets, showing a reduced cost in each.

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Fees and permits	74,025	64,617	55,300	55,300	55,900
Federal revenue	7,584	10,630	81,809	31,809	51,000
State revenue	17,325	18,424	9,500	9,500	9,500
Other revenue	288,489	262,370	197,320	197,320	207,520
TOTAL REVENUE	387,423	356,041	343,929	293,929	323,920
EXPENDITURES:					
Personnel Services	11,447,381	10,936,978	11,916,579	11,586,579	11,730,043
Operations & Maintenance	672,002	783,449	1,039,316	984,870	988,953
Administrative Charges	587,905	410,271	705,671	705,671	720,639
Capital Outlay	72,637	34,414	368,511	81,759	91,400
TOTAL EXPENDITURES	12,779,925	12,165,112	14,030,077	13,358,879	13,531,035

PUBLIC SAFETY-POLICE

The Police Division is responsible for the protection of life and property, the prevention and suppression of crime, the detection, identification and apprehension of criminals, the safe and accident-free flow of pedestrian, bicycle and vehicular traffic, and to nurture public trust and confidence by holding the department to the highest standards of performance. 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 2013-2014 budget supports fulfillment of the Police Division'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 Division budget includes two Police/School Resource Officer positions, which are 50 percent funded by Portage Public Schools, participation in area-wide drug enforcement efforts, continuation of crime prevention activities, and traffic enforcement, education and accident prevention programs.

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

<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	<i>Service Delivery</i> Pursue 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 Resource Officer 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 Division budget

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	72,638	63,458	55,000	55,000	55,000
Federal revenue	7,584	10,630	81,809	31,809	51,000
State revenue	17,325	18,424	9,500	9,500	9,500
Other revenue	236,268	228,924	155,900	155,900	206,400
TOTAL REVENUE	333,815	321,436	302,209	252,209	321,900
EXPENDITURES:					
Personnel Services	7,531,670	7,284,554	7,889,426	7,559,426	7,663,046
Operations & Maintenance	433,065	509,866	670,297	620,080	606,020
Administrative Charges	397,023	288,627	461,756	461,756	480,269
Capital Outlay	62,680	18,385	342,061	55,309	29,400
TOTAL EXPENDITURES	8,424,438	8,101,432	9,363,540	8,696,571	8,778,735

The responsibilities of the various activities are outlined as follows.

ADMINISTRATION and STAFF, 101-3005

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Grievances processed	5	5	5
Internal investigations	20	20	20
Letters to citizens/other agencies	56	70	70

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	72,638	63,458	55,000	55,000	55,000
Federal revenue	7,584	10,630	81,809	31,809	51,000
Other revenue	153,199	141,951	113,700	113,700	121,200
TOTAL REVENUE	233,421	216,039	250,509	200,509	227,200
EXPENDITURES:					
Personnel Services	448,737	550,562	422,298	422,298	416,455
Operations & Maintenance	25,449	29,542	53,899	44,800	44,100
Administrative Charges	255,500	103,500	285,020	284,551	277,026
Capital Outlay	48,170	10,550	30,809	30,809	-
TOTAL EXPENDITURES	777,856	694,154	792,026	782,458	737,581

YOUTH SERVICES, 101-3006

This activity accounts for the costs associated with youth services and crime prevention. The two Police/School Resource Officers conduct criminal and non-criminal investigations and provide a specialized approach to youth crime prevention. Youth services include the police school 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	43	50	50
Adult arrests	22	20	20
Cases assigned	198	200	200
Police/School Resource hours	3,600	3,600	3,600
Crime prevention assignments	101	170	170

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	425,105	416,410	448,595	448,595	463,238
Operations & Maintenance	12,066	14,245	19,788	18,410	17,190
Administrative Charges	-	152	396	275	398
TOTAL EXPENDITURES	<u>437,171</u>	<u>430,807</u>	<u>468,779</u>	<u>467,280</u>	<u>480,826</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	452	500	500
Charges authorized	115	125	125
Cases cleared	311	400	400
Intelligence reports	44	50	50
Liquor license application investigations	16	15	15

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	579,452	538,211	593,172	593,172	589,293
Operations & Maintenance	12,114	11,282	17,880	17,760	17,680
Administrative Charges	1,986	1,240	1,350	1,650	4,273
TOTAL EXPENDITURES	<u>593,552</u>	<u>550,733</u>	<u>612,402</u>	<u>612,582</u>	<u>611,246</u>

PATROL, 101-3010

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

<u>Performance Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Total calls for service	21,796	21,300	21,300
Cases investigated	9,559	9,000	9,000
Average response time (minutes)	16.00	16.00	16.00
Personal injury accidents	235	250	250
Property damage accidents	1,214	1,200	1,200
Drunk-driving arrests	219	200	200
Total adult arrests	2,335	2,400	2,400
Property recovered	\$325,475	\$360,000	\$360,000
Property loss	\$1,785,121	\$1,600,000	\$1,600,000
Hazardous traffic citations	2,745	2,600	2,600
Non-hazardous traffic citations (excludes parking)	1,920	2,000	2,000

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Other revenue	40	140	200	200	200
TOTAL REVENUE	40	140	200	200	200
EXPENDITURES:					
Personnel Services	4,722,826	4,480,281	5,014,363	4,746,523	4,755,204
Operations & Maintenance	130,948	132,694	165,411	160,812	160,832
Administrative Charges	138,494	173,477	166,159	167,230	190,276
Capital Outlay	14,510	7,835	25,941	19,600	24,500
TOTAL EXPENDITURES	5,006,778	4,794,287	5,371,874	5,094,165	5,130,812

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	0	35	35
Total volunteer hours	0	50	50

*There were no volunteer parking enforcement officers from July 1, 2011 through February, 2013. Parking enforcement is anticipated to be a filled position in 2013/2014.

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Y-T-D</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	-	-	-	-	-
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	375	1,500	345	1,380	345	1,380
Criminal investigation	80	1,280	75	1,095	75	1,095
Legal/Civil Law	620	205	620	205	620	205
Self defense	46	304	46	304	46	304
First Aid/CPR	46	92	46	92	46	92
Crime prevention	2	88	3	120	3	120
Management	14	232	14	232	14	232
Tactical training	400	3,200	400	3,200	400	3,200
Support Operations	46	480	52	542	52	542
Policy/CALEA	546	164	546	164	546	164
Field Training	5	200	2	64	2	64
Public/Private School Resource	15	120	15	120	15	120

TRAINING, continued

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	56,392	58,964	59,905	59,905	60,013
Operations & Maintenance	46,035	42,690	49,480	47,000	48,200
Administrative Charges	303	273	1,056	275	398
TOTAL EXPENDITURES	102,730	101,927	110,441	107,180	108,611

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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
State revenue	10,000	9,656	8,000	8,000	8,000
TOTAL REVENUE	10,000	9,656	8,000	8,000	8,000
EXPENDITURES:					
Operations & Maintenance	2,843	10,680	11,120	10,800	8,000
TOTAL EXPENDITURES	2,843	10,680	11,120	10,800	8,000

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 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 that integrates the Law Enforcement Information Network (LEIN), Secretary of State (SOS) and National Crime Information Center (NCIC) systems with the in-house database.

This activity accounts for the costs associated with additional computer support functions. The Technical Services Manager is responsible for planning and implementing new computer technology within Public Safety.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Calls for service (police and fire)	24,972	25,000	25,000
*9-1-1 wireline calls & "other"	8,916	6,500	6,500
9-1-1 cell calls	24,678	22,000	22,000
Warrants processed	1,356	1,400	1,400

*includes VOIP, unknown and ANI Failure calls

Division 30 Public Safety Dispatch

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
State revenue	5,336	8,684	-	-	-
TOTAL REVENUE	<u>5,336</u>	<u>8,684</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Personnel Services	558,082	542,591	617,782	555,622	648,544
Operations & Maintenance	182,538	190,618	226,246	207,897	209,217
Administrative Charges	-	194	-	-	-
TOTAL EXPENDITURES	<u>740,620</u>	<u>733,403</u>	<u>844,028</u>	<u>763,519</u>	<u>857,761</u>

PUBLIC SAFETY DISPATCH/TECHNICAL SERVICES, 101-3030/31/35 (continued)
Division 31 Emergency Warning Siren

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	11,672	5,600	8,000	8,000	8,000
TOTAL EXPENDITURES	11,672	5,600	8,000	8,000	8,000

Division 35 911 CMRS PSAP

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other revenue	83,029	86,833	42,000	42,000	85,000
TOTAL REVENUE	83,029	86,833	42,000	42,000	85,000
EXPENDITURES:					
Personnel Services	192,597	180,789	184,333	184,333	185,104
TOTAL EXPENDITURES	192,597	180,789	184,333	184,333	185,104

RECORDS/PROPERTY, 101-3040

This activity accounts for the costs associated with support functions for the Police Division. These functions include: coordination of computer services, maintenance of all Police Division 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	2,395	2,400	2,400
Subpoena services	1,177	1,000	1,000
False alarms processed	1,067	1,050	1,050
Computerized case documents	23,564	23,000	23,000
Scanned documents	18,335	18,000	18,000
Juvenile Court petitions	320	350	350
Criminal record checks	766	750	750
Freedom of Information Act requests	2,351	2,300	2,300

RECORDS/PROPERTY, 101-3040, continued

This activity also accounts for the costs associated with additional support functions for the Police Division. These functions include: the processing, safekeeping and disposal of all evidence and property, operation of the information center, non-criminal fingerprinting, vehicle repairs, building maintenance, weapon permits and registrations, and general information telephone calls. The school crossing guard program is part of this activity.

<u>Performance Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Equipment maintenance	418	400	400
State handgun registration			
document processing, units	1,364	1,100	1,100
Handgun purchase permits	512	475	475
Evidence submitted	2,908	2,800	2,800

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	448,988	416,321	453,134	453,134	468,421
Operations & Maintenance	9,400	21,578	32,998	29,601	33,301
Administrative Charges	453	-	-	-	-
TOTAL EXPENDITURES	<u>458,841</u>	<u>437,899</u>	<u>486,132</u>	<u>482,735</u>	<u>501,722</u>

DRUG LAW ENFORCEMENT, 101-3050

This activity accounts for the activities of drug law enforcement efforts.

<u>*Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Arrests	192	252	252
Estimated value of seized drugs	\$60,000	\$70,000	\$70,000
Search warrants obtained	10	10	10
Cases investigated	222	200	200

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

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
State revenue	1,989	84	1,500	1,500	1,500
TOTAL REVENUE	<u>1,989</u>	<u>84</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
EXPENDITURES:					
Personnel Services	99,491	100,425	95,844	95,844	76,774
Administrative Charges	287	9,791	7,775	7,775	7,898
TOTAL EXPENDITURES	<u>99,778</u>	<u>110,216</u>	<u>103,619</u>	<u>103,619</u>	<u>84,672</u>

BUILDING MAINTENANCE, 101-3065

This activity provides for the costs associated with operating and maintaining the Police Division facility. The budget was formerly in Police administration, 101-3005.

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Operations & Maintenance	-	50,937	85,475	75,000	59,500
Capital Outlay	-	-	285,311	4,900	4,900
TOTAL EXPENDITURES	-	50,937	370,786	79,900	64,400

PUBLIC SAFETY-FIRE

The Fire Division provides fire prevention and emergency response services including fire suppression, technical rescues (ice, confined space, high angle, etc.), emergency medical responses, vehicle extraction and hazardous materials incident mitigation. The Fire prevention activities include plan reviews, technical inspections and a range of public education activities including fall and spring presentations in the Portage Public Schools. Firefighters perform annual inspections of all commercial and industrial facilities to ensure compliance with the fire code and ordinances, as well as providing infant and child car safety seat installation services. The Emergency Coordination Center is located at Fire Station #1, and oversight of emergency management is provided by the Public Safety administrative division. The Fire Division operates with a combination of highly trained career and on-call personnel.

Budget Overview: The 2013-2014 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 Division 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
	Kalamazoo County Training Committee	Pursue intergovernmental ventures
	Kalamazoo County Fire Investigation Team	Increase efficiency by applying new technology
	Technological equipment upgrades	
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

FIRE DIVISION budget

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	1,387	1,159	300	300	900
Other revenue	1,910	3,071	920	920	1,120
TOTAL REVENUE	<u>3,297</u>	<u>4,230</u>	<u>1,220</u>	<u>1,220</u>	<u>2,020</u>
EXPENDITURES:					
Personnel Services	3,915,711	3,652,424	4,027,153	4,027,153	4,066,997
Operations & Maintenance	221,168	255,835	345,164	344,935	363,078
Administrative Charges	160,183	92,227	206,915	206,915	204,870
Capital Outlay	9,957	16,029	26,450	26,450	62,000
TOTAL EXPENDITURES	<u>4,307,019</u>	<u>4,016,515</u>	<u>4,605,682</u>	<u>4,605,453</u>	<u>4,696,945</u>

The Fire Division is comprised of six activities that follow.

ADMINISTRATION, 101-3310

This activity accounts for the costs associated with the administration of the Fire Division. Areas of responsibility include personnel management, fleet maintenance, physical plant operation, budget preparation, goals and objectives development, labor relations and contract administration, and response to citizen service requests.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Pre-fire surveys completed	100	90	90
Vehicle service and equipment Maintenance performed	310	200	250

	<u>2010-2011 Actuals</u>	<u>2011-2012 Actuals</u>	<u>2012-2013 Adjusted Budget</u>	<u>2012-2013 Adopted Budget</u>	<u>2013-2014 Admin Recommend</u>
REVENUE:					
Fees and permits	1,387	1,159	300	300	900
Other revenue	659	1,223	100	100	300
TOTAL REVENUE	<u>2,046</u>	<u>2,382</u>	<u>400</u>	<u>400</u>	<u>1,200</u>
EXPENDITURES:					
Personnel Services	344,194	219,610	338,673	338,673	337,069
Operations & Maintenance	154,879	132,474	201,204	201,204	211,350
Administrative Charges	128,261	56,985	137,115	137,115	134,870
Capital Outlay	2,340	1,674	1,200	1,200	-
TOTAL EXPENDITURES	<u>629,674</u>	<u>410,743</u>	<u>678,192</u>	<u>678,192</u>	<u>683,289</u>

OPERATIONS, 101-3320

This activity accounts for the costs associated with fire suppression, rescue and EMS services and the annual fire inspection of commercial and industrial facilities.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Fire calls	122	130	130
Emergency medical calls	2,125	2,272	2,200
False Alarm	276	288	300
Hazardous Conditions	146	200	200
Service Calls	259	256	250
Good Intent Calls	331	360	360
Mutual Aid provided	46	60	50
Mutual Aid received	29	30	30
Lecture/demonstration provided	40	50	50
Building inspections (commercial, industrial, including hazardous material sites)	2,578	2,500	2,500

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	3,213,198	3,237,591	3,440,394	3,440,394	3,487,518
Operations & Maintenance	39,734	38,661	48,470	48,470	51,275
Administrative Charges	31,922	35,242	69,800	69,800	70,000
Capital Outlay	7,617	14,355	25,250	25,250	62,000
TOTAL EXPENDITURES	<u>3,292,471</u>	<u>3,325,849</u>	<u>3,583,914</u>	<u>3,583,914</u>	<u>3,670,793</u>

ON-CALL FIREFIGHTERS, 101-3330

Performance Measures for Fire Operations 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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	146,024	107,831	142,138	142,138	137,660
Operations & Maintenance	11,660	4,967	11,620	11,620	19,230
TOTAL EXPENDITURES	157,684	112,798	153,758	153,758	156,890

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	93	95	95
Plan Reviews	115	114	114
Technical inspections	246	250	250
Public education events	88	80	90
Recreational fire permits issued	127	130	120
Infant/child car seat installation activity	242	240	240

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other revenue	1,251	1,848	820	820	820
TOTAL REVENUE	1,251	1,848	820	820	820
EXPENDITURES:					
Personnel Services	115,911	62,596	105,948	105,948	104,250
Operations & Maintenance	6,497	8,058	8,595	8,595	9,830
TOTAL EXPENDITURES	122,408	70,654	114,543	114,543	114,080

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	112	120	120
EMS training sessions	42	40	40
Technical rescue training sessions	51	50	50
Hazardous materials training sessions	7	10	10
Other department training sessions	34	35	35
County-wide Fire Investigations	5	10	10
Kalamazoo Country HazMat Team Training	12	12	12

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	96,384	24,796	-	-	500
Operations & Maintenance	7,848	15,468	18,227	18,227	18,877
TOTAL EXPENDITURES	<u>104,232</u>	<u>40,264</u>	<u>18,227</u>	<u>18,227</u>	<u>19,377</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>2010-2011 Actuals</u>	<u>2011-2012 Actuals</u>	<u>2012-2013 Adjusted Budget</u>	<u>2012-2013 Adopted Budget</u>	<u>2013-2014 Admin Recommend</u>
EXPENDITURES:					
Operations & Maintenance	550	684	688	688	750
TOTAL EXPENDITURES	<u>550</u>	<u>684</u>	<u>688</u>	<u>688</u>	<u>750</u>

BUILDING MAINTENANCE, 101-3365

This activity provides for the costs associated with operating and maintaining the Fire Division facilities. The budget was formerly in Fire administration, 101-3310.

	<u>2010-2011 Actuals</u>	<u>2011-2012 Actuals</u>	<u>2012-2013 Adjusted Budget</u>	<u>2012-2013 Adopted Budget</u>	<u>2013-2014 Admin Recommend</u>
EXPENDITURES:					
Operations & Maintenance	-	55,523	56,360	56,131	51,766
TOTAL EXPENDITURES	<u>-</u>	<u>55,523</u>	<u>56,360</u>	<u>56,131</u>	<u>51,766</u>

DISTRICT COURT FACILITY 101-1501

This activity accounts for the provision and maintenance of chambers provided to the District Court of Southwestern Michigan. The District Court vacated the premises, located within the Portage Police Department building, on March 1, 2013, and they are presently vacant.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Other revenue	50,311	30,375	40,500	40,500	-
TOTAL REVENUE	50,311	30,375	40,500	40,500	-
EXPENDITURES:					
Operations & Maintenance	17,769	17,748	23,855	19,855	19,855
Administrative Charges	30,699	29,417	37,000	37,000	35,500
TOTAL EXPENDITURES	48,468	47,165	60,855	56,855	55,355

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 is the building manager for City Hall.

Budget Overview: The 2013-2014 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	<p><i>Public Improvements</i> Continue to improve the water system</p>
	Housing Assistance Programs	<p>Ensure decent and safe housing and the livability of community neighborhoods</p>

COMMUNITY DEVELOPMENT, continued

Activity/Program

Description

Goal/Objective

Service Delivery

Public Buildings Maintenance

Coordinate with area-wide economic development organizations.

Evaluate and propose possible ordinance revisions
Continue to evaluate contracting/ privatizing of service/programs
Community Development
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

Public Relations

Continue emphasis on courteous public service

Planning, Development and Neighborhood Services

Community and Economic Development

Community Development

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

Quality of Environment

Enhance environmental quality and protect natural resources

Economic Development.

Promote business diversification

Service Delivery

Promote teamwork and unity of purpose between public and private sectors.

Continue to increase efficiency

COMMUNITY DEVELOPMENT, continued

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
		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 <i>Public Relations</i> 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

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Fees and permits	488,912	483,650	346,500	343,500	344,500
Interest and rents	208,540	149,508	155,700	155,700	154,000
Other revenue	35,423	31,653	7,500	7,500	6,500
	<u>732,875</u>	<u>664,811</u>	<u>509,700</u>	<u>506,700</u>	<u>505,000</u>
TOTAL REVENUE					
EXPENDITURES:					
Personnel Services	870,730	636,329	726,094	726,094	724,301
Operations & Maintenance	56,789	136,489	162,190	143,387	146,495
Administrative Charges	18,764	188,641	213,275	213,275	227,994
Capital Outlay	-	-	220,000	-	-
	<u>946,283</u>	<u>961,459</u>	<u>1,321,559</u>	<u>1,082,756</u>	<u>1,098,790</u>
TOTAL EXPENDITURES					

The responsibilities of the various activities are outlined as follows.

COMMUNITY DEVELOPMENT, continued

BUILDING AND HOUSING SERVICES, 101-3710

This activity accounts for the costs associated with ensuring that new construction and redevelopment projects conform to various professional codes and ordinances and assists with development responsibilities associated with housing and property maintenance administration and enforcement. This 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 involves 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 City Hall building maintenance activities and coordinates the National Flood Insurance program annual certification.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Building permits*	402	400	400
Plumbing permits*	334	300	250
Electrical permits*	562	450	500
Mechanical permits*	653	500	600
Housing/ Property Maintenance inspections	50	75	75
Backflow Program			
Coordination and inspections	217	335	400

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	458,959	448,174	303,000	300,000	300,000
Other revenue	1,244	8,733	-	-	-
TOTAL REVENUE	<u>460,203</u>	<u>456,907</u>	<u>303,000</u>	<u>300,000</u>	<u>300,000</u>
EXPENDITURES:					
Personnel Services	379,277	312,005	338,097	338,097	336,413
Operations & Maintenance	8,544	5,834	11,370	7,750	7,550
Administrative Charges	11,127	8,196	13,011	13,011	13,191
TOTAL EXPENDITURES	<u>398,948</u>	<u>326,035</u>	<u>362,478</u>	<u>358,858</u>	<u>357,154</u>

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

This activity accounts for the costs associated with providing community planning, zoning, and computer mapping services. The Planning, Development and Neighborhood staff oversees private development projects, the Capital Improvement Program and assists with activities of the Planning Commission. The section administers the Zoning Code and reviews plats, site plans, parking plans and various development applications. This activity also administers the Community Development Block Grant program and oversees a range of other activities including Human Service contracts and the Neighborhood Support Program. Staff acts as 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	28	25	25
Special Land Use Permits	10	10	10
Rezoning ¹	8	3	5
Zoning Ordinance amendments	0	2	2
Zoning Board of Appeals application reviews	23	25	25
Commercial Parking/Plot Plan Review	6	5	7
Residential plot plan reviews	215	180	180
Home occupation reviews	1	1	1
Business special event application reviews	17	15	16
Sign permit application reviews	127	140	140
Zoning compliance reviews	6	10	10
Plat reviews	2	2	2
Public utility plan review	6	10	10
Landscape plan review	13	15	20
Land division/lot line adjustment reviews	8	15	15
Computer mapping:			
Notification maps	44	50	45
Maps/prints for customer use	1,096	1,180	1,200
Residential driveway applications review	34	30	35
Assign addresses for properties	22	30	30
Citizen service requests	1,106	1,200	1,250
Act 198 abatement requests	0	5	5
Urban chicken permits	8	5	5

¹Also includes tentative plan amendments and re-approvals.

These two activities follow:

PLANNING and DEVELOPMENT, 101-3720

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	29,953	35,476	25,000	25,000	25,500
Other revenue	-	-	1,500	1,500	500
TOTAL REVENUE	29,953	35,476	26,500	26,500	26,000
EXPENDITURES:					
Personnel Services	275,987	205,122	218,904	218,904	219,181
Operations & Maintenance	39,819	45,364	60,352	53,600	55,100
Administrative Charges	6,571	1,730	6,365	6,365	7,254
TOTAL EXPENDITURES	322,377	252,216	285,621	278,869	281,535

NEIGHBORHOOD SERVICES, 101-3730

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	-	-	18,500	18,500	19,000
Interest and rents	208,540	149,508	155,700	155,700	154,000
Other revenue	34,179	22,920	6,000	6,000	6,000
TOTAL REVENUE	242,719	172,428	180,200	180,200	179,000
EXPENDITURES:					
Personnel Services	214,685	119,202	168,690	168,690	168,304
Operations & Maintenance	8,426	11,195	16,918	12,690	14,295
Administrative Charges	1,066	2,689	2,930	2,930	1,627
TOTAL EXPENDITURES	224,177	133,086	188,538	184,310	184,226

BUILDING MAINTENANCE, 101-3765

This activity accounts for the costs associated with the management and maintenance of the City Hall building. The operational needs for City Hall include operating supply, repairs, maintenance contracts, janitorial services, and utilities.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Building area (square feet)	28,000	28,000	28,000

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	781	-	403	403	403
Operations & Maintenance	-	74,096	73,550	69,347	69,550
Administrative Charges	-	176,026	190,969	190,969	205,922
Capital Outlay	-	-	220,000	-	-
TOTAL EXPENDITURES	<u>781</u>	<u>250,122</u>	<u>484,922</u>	<u>260,719</u>	<u>275,875</u>

GENERAL PUBLIC SERVICES, 101-4210

This division has long been titled for the single purpose it has served, the provision of street lighting. With the addition of another activity, the formal name of General Public Services returns to use to more fully describe the range of activities covered.

Budget Overview: The 2013-2014 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.

The building maintenance area contains funding to address the results of the CIP funded building maintenance study planned during 2013-2014. The funds will be moved to the appropriate General Fund departments by budget amendment when the results of the study are known. Meanwhile, the funds are secured from spending on any other purpose.

The entry listed as capital outlay represents the city share of special assessment payments for the Austin Lake bio-augmentation project. This is the first of 5 annual assessments of \$5,000 by Austin Lake Governmental Lake Board on the city. For 2013-2014, also includes the city share of a one-time special assessment for West Lake.

<u>Activity Measures</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Current street lights	2,704	2,710	2,712
Street light requests	7	7	2

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	-	-	-	-	50,000
Administrative Charges	558,811	515,968	556,603	560,000	560,000
Capital Outlay	-	-	5,000	5,000	17,000
TOTAL EXPENDITURES	<u>558,811</u>	<u>515,968</u>	<u>561,603</u>	<u>565,000</u>	<u>627,000</u>

TRANSFERS OUT, 101-9610

Budget Overview: Subsidies to other funds are: Major Streets Fund \$250,000, Local Streets Fund \$300,000, and \$1,265,000 to the Capital Improvement Fund.

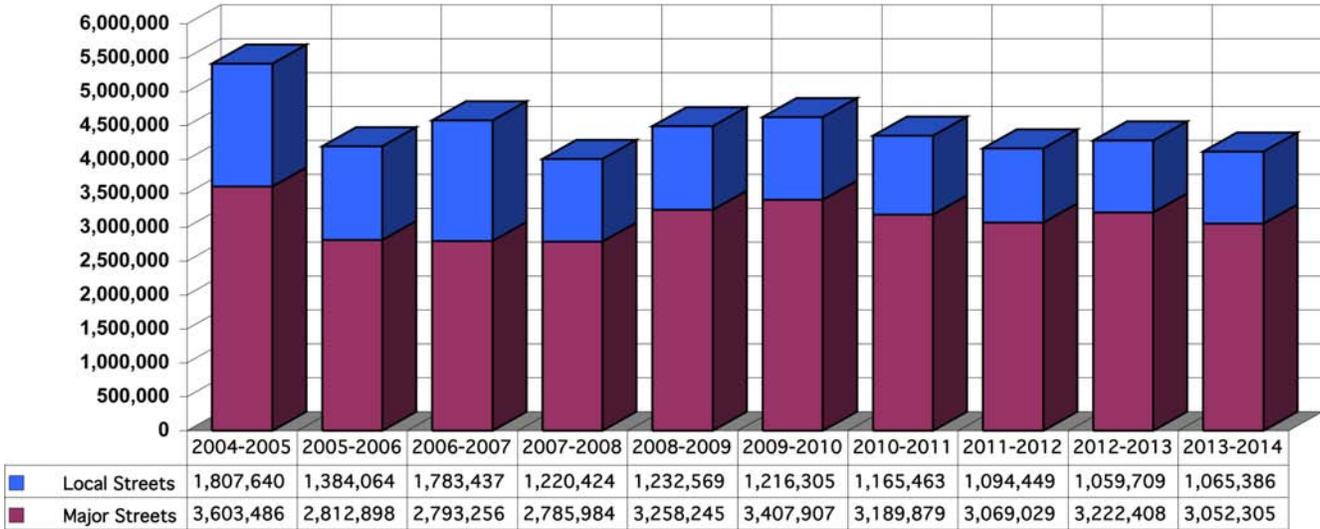
	<u>2010-2011</u> <u>Actuals</u>	<u>2011-2012</u> <u>Actuals</u>	<u>2012-2013</u> <u>Adjusted</u> <u>Budget</u>	<u>2012-2013</u> <u>Adopted</u> <u>Budget</u>	<u>2013-2014</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Transfers Out	410,000	886,000	1,404,900	700,000	1,815,000
 TOTAL EXPENDITURES	<u>410,000</u>	<u>886,000</u>	<u>1,404,900</u>	<u>700,000</u>	<u>1,815,000</u>

This activity reflects subsidies provided to other funds.

Streets

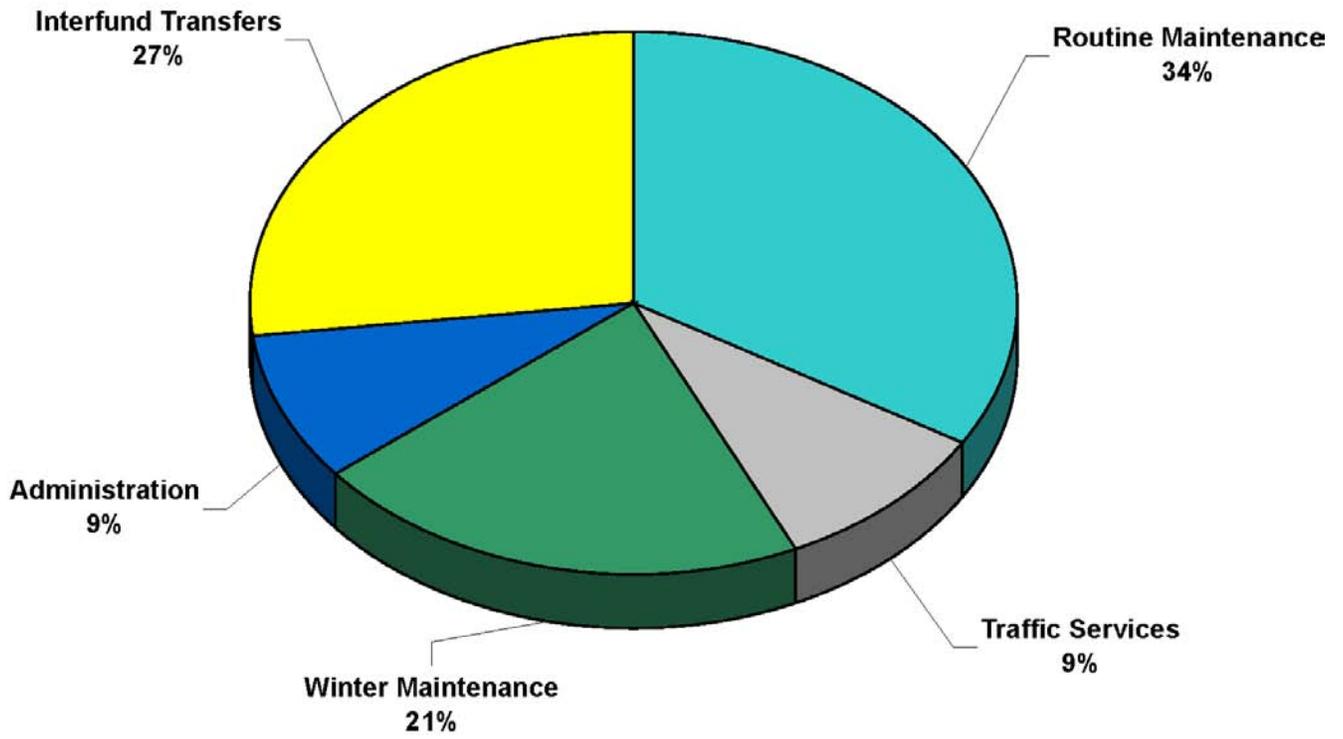


STREET MAINTENANCE EXPENDITURES

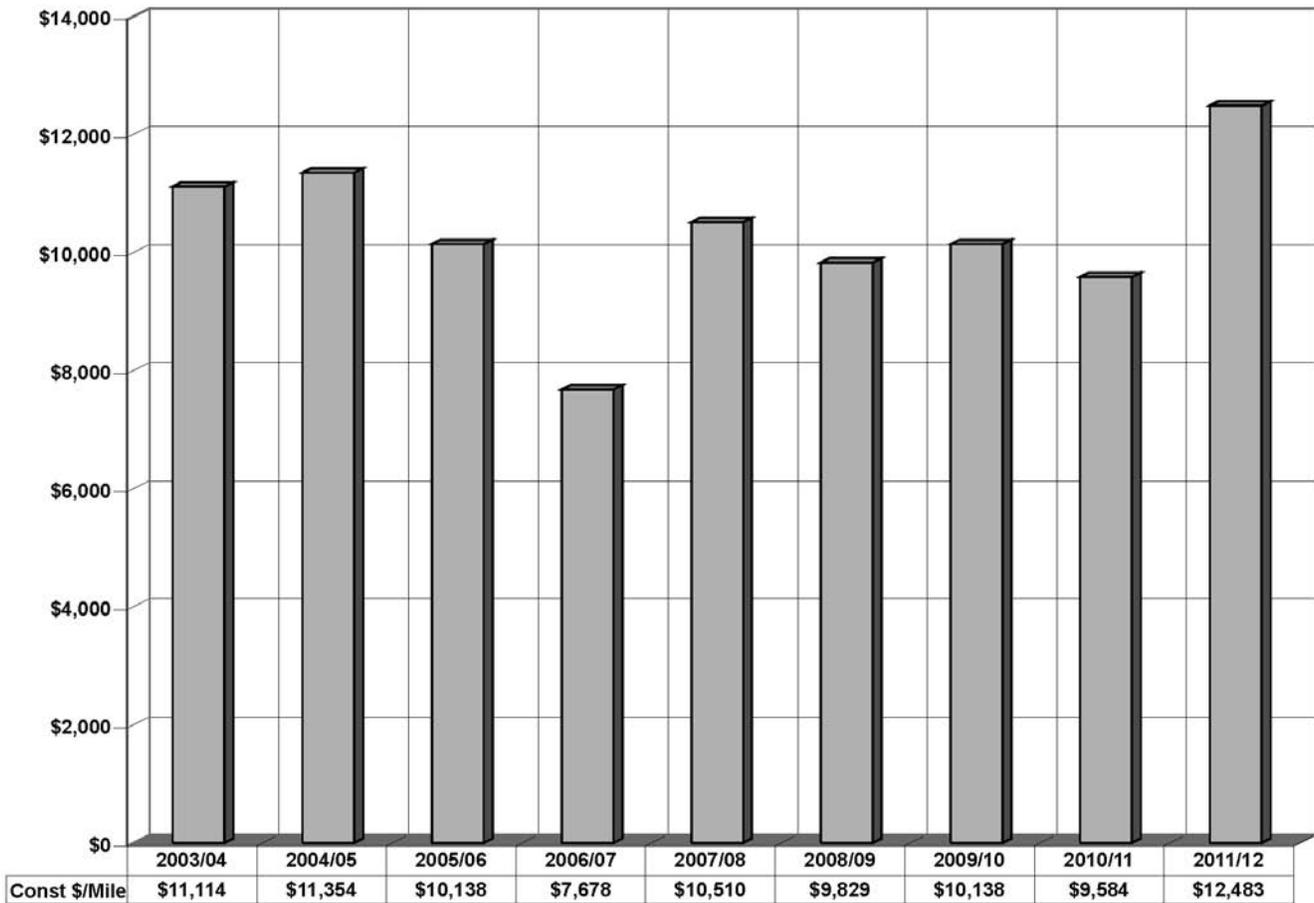


Local Street fund expenditures are funded by state gasoline taxes and vehicle registration revenue. Since a portion of these revenues is allocated based on population, the population gain from the 2010 Census count has had a positive effect on revenues. Additional monies are made available through General 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

This fund is now part of the Department of Parks, Recreation and Public Services.

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 2013-2014 Major Streets Fund budget provides for routine street maintenance, winter maintenance, contracted tree trimming/removal, tree planting, pavement markings, guardrail replacements, traffic signal maintenance and boulevard mowing.

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

<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 <i>Transportation</i> Enhance maintenance programs
	Sign program	<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

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
State revenue	2,581,305	2,746,859	2,550,000	2,550,000	2,729,000
Interest and rents	2,270	1,332	2,500	2,500	2,500
Transfers In	270,000	330,000	497,767	510,000	250,000
TOTAL REVENUE	2,853,575	3,078,191	3,050,267	3,062,500	2,981,500
EXPENDITURES:					
Personnel Services	603,546	569,780	590,403	578,327	566,627
Operations & Maintenance	895,157	910,313	1,341,907	1,235,395	1,124,954
Administrative Charges	206,651	226,521	264,186	264,186	268,724
Transfers Out	1,222,000	1,222,000	1,132,267	1,144,500	1,092,000
TOTAL EXPENDITURES	2,927,354	2,928,614	3,328,763	3,222,408	3,052,305

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.

Hot/Cold patch - During the winter and summer 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	8	8	8
Permanent patch - tons	172	90	45
Cold patch - tons	15	45	25
Hot Patch - Tons	131	130	350

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
State revenue	2,581,305	2,746,859	2,550,000	2,550,000	2,729,000
Interest and rents	2,270	1,332	2,500	2,500	2,500
Transfers In	270,000	330,000	497,767	510,000	250,000
TOTAL REVENUE	2,853,575	3,078,191	3,050,267	3,062,500	2,981,500

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	283,740	265,946	244,430	238,392	243,969
Operations & Maintenance	296,995	284,421	559,700	559,700	404,050
Administrative Charges	120,573	97,336	138,802	138,802	136,722
TOTAL EXPENDITURES	701,308	647,703	942,932	936,894	784,741

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	78	80	85
New signs	1	5	5
Guardrails repaired or replaced, ft.	217	70	70

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	40,840	47,578	49,958	49,958	53,162
Operations & Maintenance	95,102	94,512	97,233	93,500	97,000
Administrative Charges	8,227	12,442	12,442	12,442	12,442
TOTAL EXPENDITURES	144,169	154,532	159,633	155,900	162,604

WINTER MAINTENANCE, 202-4217

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Miles of major roads	72.04	72.04	72.04
Tons of salt	1,780	1,750	1,440
Gallons of Deicer	9,664	23,000	42,000

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	167,912	170,175	184,809	178,771	146,471
Operations & Maintenance	164,472	177,286	131,671	176,084	185,410
Administrative Charges	68,446	103,519	103,519	103,519	104,429
TOTAL EXPENDITURES	400,830	450,980	419,999	458,374	436,310

ADMINISTRATION-MAINTENANCE, 202-4218

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	16,535	13,959	9,075	9,075	9,190
Operations & Maintenance	22,998	20,170	24,160	24,160	25,160
Administrative Charges	9,405	13,224	9,423	9,423	15,131
TOTAL EXPENDITURES	48,938	47,353	42,658	42,658	49,481

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	28	14	20
Plat reviews	2	1	1

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	94,519	72,122	102,131	102,131	113,835
Operations & Maintenance	12,228	15,317	20,801	20,801	38,834
TOTAL EXPENDITURES	106,747	87,439	122,932	122,932	152,669

SIGNALS AND CROSSINGS, 202-4226

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Signal locations shared with: Kalamazoo County Road Commission	5	5	5
Michigan Department of Transportation	4	4	4

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	108,628	141,216	192,283	165,250	179,100
TOTAL EXPENDITURES	108,628	141,216	192,283	165,250	179,100

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).

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	194,734	177,391	316,059	195,900	195,400
TOTAL EXPENDITURES	194,734	177,391	316,059	195,900	195,400

TRANSFERS OUT, 202-9610

Interfund transfers are as follows: To the Capital Improvement Fund for Major Street related expenditures, \$1,069,000; transfer to the Sewer Fund for a share of the street sweeping costs, \$23,000.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Transfers Out	1,222,000	1,222,000	1,132,267	1,144,500	1,092,000
TOTAL EXPENDITURES	1,222,000	1,222,000	1,132,267	1,144,500	1,092,000

LOCAL STREETS FUND

This fund is now part of the Department of Parks, Recreation and Public Services.

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 2013-2014 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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
State revenue	778,676	790,461	734,000	734,000	796,000
Interest and rents	1,711	966	2,000	2,000	2,000
Other revenue	30	140	-	-	-
Transfers In	140,000	240,000	565,000	60,000	300,000
TOTAL REVENUE	920,417	1,031,567	1,301,000	796,000	1,098,000
EXPENDITURES:					
Personnel Services	550,873	517,502	563,379	551,303	522,640
Operations & Maintenance	246,027	248,672	763,499	267,354	302,406
Administrative Charges	168,936	196,269	218,552	218,552	217,340
Transfers Out	22,000	22,000	22,500	22,500	23,000
TOTAL EXPENDITURES	987,836	984,443	1,567,930	1,059,709	1,065,386

The responsibilities of the various activities are outlined as follows.

ROUTINE MAINTENANCE, 203-4216

This program includes:

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

Roadside mowing - Mowing along city owned property and intersections to maximize visibility and appearance.

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

Reconstruction, limited - The addition of asphalt to road surfaces. This process is the best use of the limited funds available, as limited reconstruction lowers maintenance cost and adds additional years to driving surfaces.

Hot and Cold patch - During the winter and summer 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	232	260	270
Miles of mowing	41	41	41
Permanent patch - tons	74	108	25
Cold patch - tons	16	20	25
Hot Patch – tons	0	0	175

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
State revenue	778,676	790,461	734,000	734,000	796,000
Interest and rents	1,711	966	2,000	2,000	2,000
Other revenue	30	140	-	-	-
Transfers In	140,000	240,000	565,000	60,000	300,000
TOTAL REVENUE	920,417	1,031,567	1,301,000	796,000	1,098,000

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	251,388	237,274	237,770	231,732	220,391
Operations & Maintenance	60,141	57,406	567,102	61,500	79,125
Administrative Charges	91,870	80,244	101,964	101,964	100,414
TOTAL EXPENDITURES	403,399	374,924	906,836	395,196	399,930

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)	3.7	3.7	3.7
Street signs repaired or replaced	116	110	125
New signs	2	3	5
Visual obstructions cleared	6	9	10

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	23,201	25,655	27,640	27,640	30,783
Operations & Maintenance	10,048	6,695	9,000	9,000	10,000
Administrative Charges	1,203	1,820	1,820	1,820	1,820
TOTAL EXPENDITURES	34,452	34,170	38,460	38,460	42,603

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	147.49	147.77	147.77
Tons of sand	800	2,400	2,500
Tons of salt	2,275	2,180	2,275

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	186,761	174,864	186,763	180,725	148,441
Operations & Maintenance	168,189	174,351	161,423	171,564	182,091
Administrative Charges	66,697	100,875	100,875	100,875	100,875
TOTAL EXPENDITURES	421,647	450,090	449,061	453,164	431,407

ADMINISTRATION-MAINTENANCE, 203-4218

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	12,325	9,488	9,075	9,075	9,190
Operations & Maintenance	3,743	6,444	9,190	9,190	9,190
Administrative Charges	8,852	13,068	13,683	13,683	13,931
TOTAL EXPENDITURES	24,920	29,000	31,948	31,948	32,311

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	3	4	10
Plat reviews	2	2	2

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	77,198	70,221	102,131	102,131	113,835
Operations & Maintenance	3,906	2,826	11,584	10,900	16,300
Administrative Charges	314	262	210	210	300
TOTAL EXPENDITURES	81,418	73,309	113,925	113,241	130,435

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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	-	950	5,200	5,200	5,700
TOTAL EXPENDITURES	<u>-</u>	<u>950</u>	<u>5,200</u>	<u>5,200</u>	<u>5,700</u>

TRANSFERS OUT, 203-9610

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Transfers Out	22,000	22,000	22,500	22,500	23,000
TOTAL EXPENDITURES	<u>22,000</u>	<u>22,000</u>	<u>22,500</u>	<u>22,500</u>	<u>23,000</u>

MUNICIPAL STREET FUND - 204

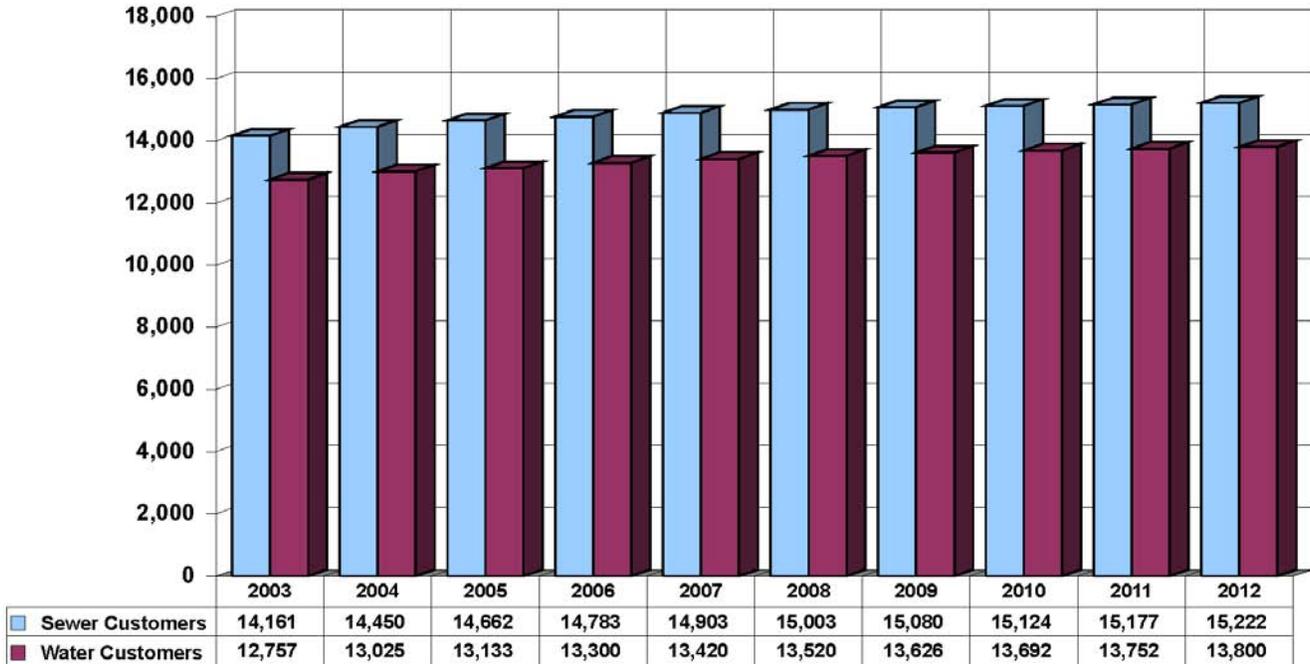
The municipal street fund was established beginning in fiscal 2007-2008 to administer up to a 1 mill tax levy to fund street improvements that were formerly funded by special assessments on the property benefiting from the improvement. The purpose of the fund is to collect the tax assessment and forward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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Property taxes	1,324,839	1,215,423	1,070,100	1,070,100	1,215,800
Interest and rents	2,816	1,230	2,500	2,500	2,500
TOTAL REVENUE	1,327,655	1,216,653	1,072,600	1,072,600	1,218,300
EXPENDITURES:					
Administrative Charges	80,000	71,400	71,400	71,400	71,400
Transfers Out	1,327,408	1,020,000	972,000	972,000	1,158,000
TOTAL EXPENDITURES	1,407,408	1,091,400	1,043,400	1,043,400	1,229,400

Utilities

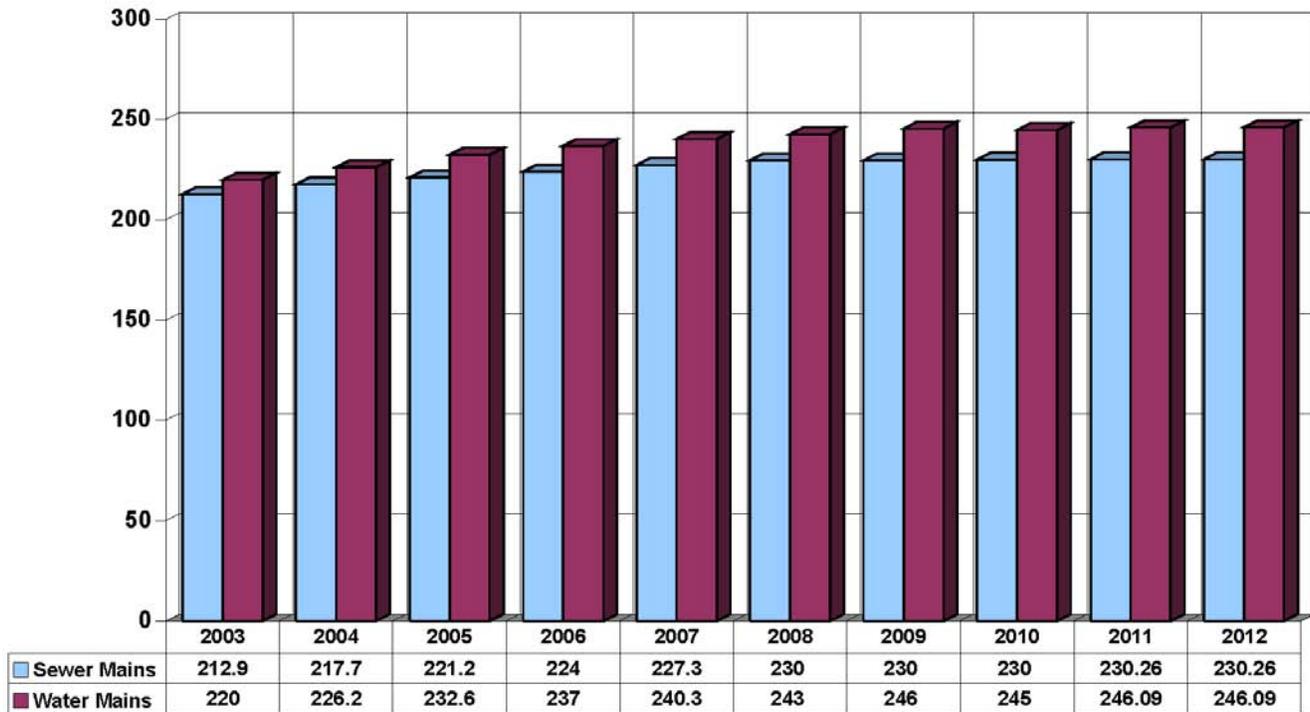


NUMBER OF UTILITY CUSTOMERS



There were significant increases in customers up to the late 1990's but the system is close to serving the maximum number of potential customers available. Any significant increase in future customers is likely to come from new housing developments.

MILES OF UTILITY MAINS



The 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 15,222 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 2013-2014 budget provides funding for waste water collections, which includes the inspection and maintenance of sanitary sewer lines, force mains and pumping stations. The city contracted with a private company to operate the city-owned sewer facilities in March of 1997.

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

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

SEWER OPERATING FUND (continued)

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Charges for services	7,020,251	7,604,320	8,209,000	8,209,000	8,642,000
Interest and rents	8,376	11,988	15,000	15,000	15,000
Transfers In	44,000	44,000	45,000	45,000	46,000
TOTAL REVENUE	<u>7,072,627</u>	<u>7,660,308</u>	<u>8,269,000</u>	<u>8,269,000</u>	<u>8,703,000</u>
EXPENDITURES:					
Personnel Services	471,870	419,062	483,741	465,628	454,355
Operations & Maintenance	2,324,544	3,072,110	2,795,479	2,656,069	2,463,625
Administrative Charges	3,796,548	3,994,313	4,738,377	4,446,505	4,318,033
Capital Outlay	-	-	90,000	90,000	90,000
Transfers Out	80,000	80,000	80,000	80,000	80,000
TOTAL EXPENDITURES	<u>6,672,962</u>	<u>7,565,485</u>	<u>8,187,597</u>	<u>7,738,202</u>	<u>7,406,013</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	15,177	15,222	15,270
Sewage transported (MG)	1,442	1,420	1,450
Number of lift stations	55	55	55
Lift station inspections	1,916	1,800	1,800
Lift station pumps repaired	17	10	20
Sanitary sewer overflows	0	0	0
Miles of sanitary sewer	230	230	230
Miles of sanitary sewer cleaned	76	75	77
Sanitary sewer blockages per mile	0.08	0.07	0.10

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Charges for services	7,020,251	7,604,320	8,209,000	8,209,000	8,642,000
Interest and rents	8,376	11,988	15,000	15,000	15,000
Transfers In	44,000	44,000	45,000	45,000	46,000
TOTAL REVENUE	<u>7,072,627</u>	<u>7,660,308</u>	<u>8,269,000</u>	<u>8,269,000</u>	<u>8,703,000</u>

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	1,569,843	1,583,145	2,013,567	1,877,357	1,752,000
Administrative Charges	3,119,500	3,304,171	3,994,480	3,702,608	3,577,143
Capital Outlay	-	-	90,000	90,000	90,000
TOTAL EXPENDITURES	<u>4,689,343</u>	<u>4,887,316</u>	<u>6,098,047</u>	<u>5,669,965</u>	<u>5,419,143</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.

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	471,870	419,062	483,741	465,628	454,355
Operations & Maintenance	27,451	771,584	87,600	84,400	86,900
Administrative Charges	677,048	690,142	743,897	743,897	740,890
TOTAL EXPENDITURES	1,176,369	1,880,788	1,315,238	1,293,925	1,282,145

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.

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Operations & Maintenance	727,250	717,381	694,312	694,312	624,725
TOTAL EXPENDITURES	727,250	717,381	694,312	694,312	624,725

TRANSFERS OUT, 590-9610

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

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Transfers Out	80,000	80,000	80,000	80,000	80,000
TOTAL EXPENDITURES	80,000	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 13,800 customers. The system also provides water to residences in Pavilion and Schoolcraft Townships.

Budget Overview: The 2013-2014 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 2013-2014 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		<p><i>Public Improvements</i></p> <p>Expand the public water system to all properties in the city</p> <p>Expand the storm water system to address known flooding areas</p> <p>Improve fire protection throughout the city</p> <p>Improve water system operating characteristics</p> <p><i>Environmental quality</i></p> <p>Meet all state and federal environmental standards</p> <p>Protect and improve water quality</p> <p>Properly manage ground water resources</p> <p><i>Service Delivery</i></p> <p>Meet increased service demands</p> <p>Increase efficiency by applying new technology</p> <p>Provide safe drinking water</p> <p>Ensure storm water system is clean and properly maintained</p>
Administration		<p><i>Public Improvements</i></p> <p>Ensure water and storm water systems in new developments meet city standards</p> <p>Cooperate with adjoining townships in expanding their water systems</p>

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Charges for services	5,698,410	6,631,281	6,752,000	6,752,000	6,840,000
Interest and rents	5,412	4,777	6,000	6,000	6,000
Other revenue	(4,008)	4,138	-	-	-
TOTAL REVENUE	5,699,814	6,640,196	6,758,000	6,758,000	6,846,000
EXPENDITURES:					
Personnel Services	205,317	200,921	236,005	217,892	265,857
Operations & Maintenance	3,781,162	4,601,853	3,991,218	3,960,833	3,819,853
Administrative Charges	634,446	600,481	655,856	655,856	651,557
Capital Outlay	30,880	38,362	141,453	70,000	90,000
Transfers Out	50,000	122,505	174,080	174,080	116,785
TOTAL EXPENDITURES	4,701,805	5,564,122	5,198,612	5,078,661	4,944,052

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	15,210	15,259	15,310
New meters installed	74	50	75
Meters requiring repair	1,065	800	1,000
Meter reads for billing	70,782	59,000	60,000
Estimated bills	42	41	60

	2010-2011 <u>Actuals</u>	2011-2012 <u>Actuals</u>	2012-2013 <u>Adjusted Budget</u>	2012-2013 <u>Adopted Budget</u>	2013-2014 <u>Admin Recommend</u>
EXPENDITURES:					
Operations & Maintenance	63,145	64,338	111,108	111,108	109,918
TOTAL EXPENDITURES	<u>63,145</u>	<u>64,338</u>	<u>111,108</u>	<u>111,108</u>	<u>109,918</u>

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	13,752	13,800	13,850
Water pumped and treated (MG)	1,835	2,200	2,000
Production well inspections	6,021	6,700	6,500
Samples analyzed	7,551	6,700	7,200
Water monitoring violations	0	0	0
Miles of water mains	246	246.5	246.5
Number of fire hydrants	2,653	2,662	2,670
Fire hydrants flushed and inspected	5,316	5,321	5,400
Main breaks per mile of main	0.11	0.10	0.10
Miles of streets	220	220	220
Miles of street sweeping	4,395	2,910	5,000
Sweepings collected (cubic yards)	2,348	1,695	1,700

WATER OPERATIONS, 591-4626, continued

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Charges for services	5,698,410	6,631,281	6,752,000	6,752,000	6,840,000
Interest and rents	5,412	4,777	6,000	6,000	6,000
Other revenue	(4,008)	4,138	-	-	-
TOTAL REVENUE	5,699,814	6,640,196	6,758,000	6,758,000	6,846,000
EXPENDITURES:					
Operations & Maintenance	934,055	949,465	1,218,985	1,192,300	1,212,739
TOTAL EXPENDITURES	934,055	949,465	1,218,985	1,192,300	1,212,739

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	10	10	10
Environmental inspections/monitoring	60	62	60
Responses to hazardous materials incidents	1	2	3

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Personnel Services	205,317	200,921	236,005	217,892	265,857
Operations & Maintenance	49,458	860,713	147,400	143,700	174,200
Administrative Charges	634,446	600,481	655,856	655,856	651,557
Capital Outlay	29,880	30,390	109,425	70,000	90,000
TOTAL EXPENDITURES	919,101	1,692,505	1,148,686	1,087,448	1,181,614

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.

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
EXPENDITURES:					
Operations & Maintenance	2,734,504	2,727,337	2,513,725	2,513,725	2,322,996
TOTAL EXPENDITURES	2,734,504	2,727,337	2,513,725	2,513,725	2,322,996

TRANSFERS OUT, 591-9610

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

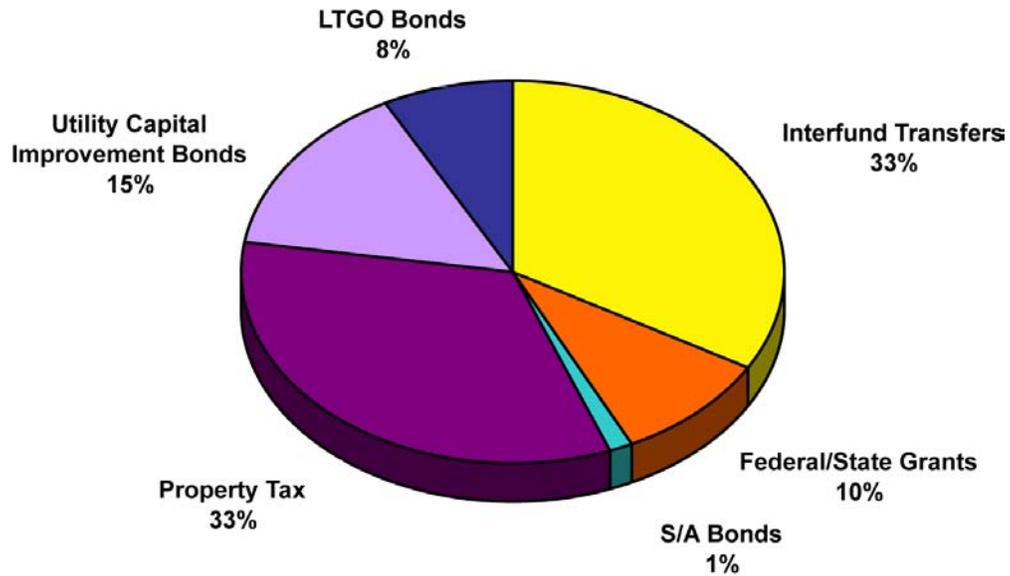
	<u>2010-2011</u> <u>Actuals</u>	<u>2011-2012</u> <u>Actuals</u>	<u>2012-2013</u> <u>Adjusted</u> <u>Budget</u>	<u>2012-2013</u> <u>Adopted</u> <u>Budget</u>	<u>2013-2014</u> <u>Admin</u> <u>Recommend</u>
EXPENDITURES:					
Transfers Out	50,000	122,505	174,080	174,080	116,785
 TOTAL EXPENDITURES	<u>50,000</u>	<u>122,505</u>	<u>174,080</u>	<u>174,080</u>	<u>116,785</u>



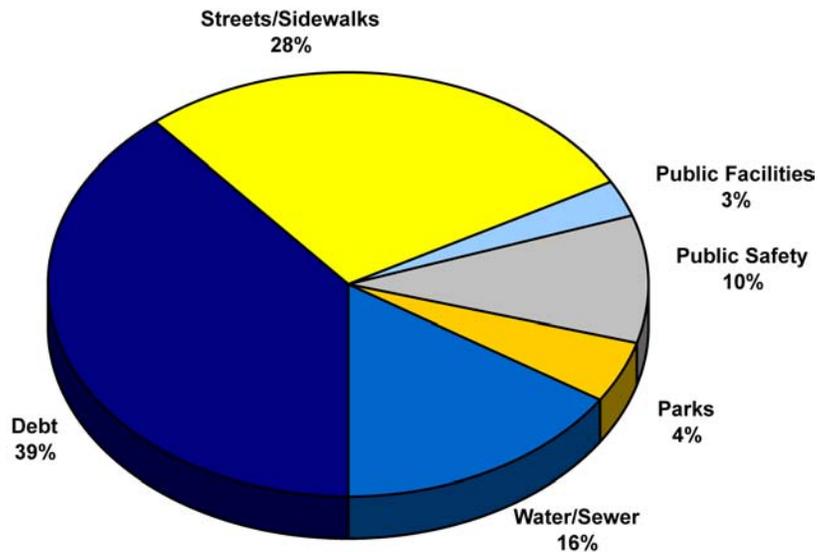
Public Improvements



CAPITAL IMPROVEMENT REVENUES



CAPITAL IMPROVEMENT EXPENDITURES



These graphs show the revenues and expenditures by category for the first year of the 2013-2023 Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

Revenues and Expenditures (000)

	Fiscal Year										Total
	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	
[REVENUES AND OTHER SOURCES]											
Property tax (1)	3,938	3,856	3,857	3,879	3,933	3,988	4,045	4,102	4,161	4,222	39,981
Interest	15	15	15	15	15	15	50	70	90	110	410
LDFA Bonds		1,153									1,153
Revenue from General Obligation bonds	625	1,342	666	1,122	1,185	1,067	1,075	1,440	660	586	9,768
Utility Capital Improvement revenue from bonds	1,753	2,427	380	990	1,410	760	745	2,740	5,350	1,840	18,395
MTF revenue from bonds	293	983	1,156	1,535	934	1,180	390	1,050	1,687	1,743	10,951
DDA revenue from bonds							500	250			750
Transfer from the General Fund for Police, Fire, and Parks projects	1,265										1,265
Major Street Fund	1,069	1,000	1,000	1,000	1,000	1,000	850	700	500		8,119
Reprogrammed CIP Funds	316										316
Municipal Street Fund	1,158	1,362	1,359	1,485	1,436	1,545	1,308	1,558	1,818	1,886	14,915
Sanitary Sewer Fund	80	380	630	650	80	80	80	80	80	80	2,220
Water Fund	50	1,050	1,275	1,585	105	50	50	50	50	105	4,370
General Fund - for debt service		180	221	244	444	312					1,401
Total city revenues and sources	10,562	13,748	10,559	12,505	10,542	9,997	9,093	12,040	14,396	10,572	114,014
[EXPENDITURES]											
MAP - 21 Funding	1,115	1,250	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,365
Federal/State grants	0	0	0	360	0	0	25	0	0	0	385
Other Revenue	0	45	0	0	40	0	0	40	0	0	125
Special Assessments/bonds-Water and Sewer only	147	75	80	165	55	50	50	0	0	0	622
Total Revenues and Sources	11,824	15,118	11,639	14,030	11,637	11,047	10,168	13,080	15,396	11,572	125,511
<i>(1) In FY 2016-17, Industrial personal property taxes (PPT) may be phased out. The revenue estimates for property taxes account for this change and includes an estimated 80% reimbursement from the state for non-essential services. This plan assumes a local assessment by the Council to provide for 100% reimbursement of PPT revenue related to Police and Fire Services.</i>											
Streets	3,275	3,620	3,435	3,855	3,300	3,670	3,150	3,875	4,505	4,650	37,335
Sidewalks and Bikeways	35	50	45	430	45	50	45	50	45	50	845
Water	1,575	4,050	1,225	2,175	355	335	225	2,540	5,350	1,895	19,725
Sanitary Sewer	325	980	1,090	1,250	1,250	535	620	200			6,250
Police	466	1,037	252	176	165	225	244	164	165	165	3,059
Fire	699	462	221	65	525	837	710	1,260	85	306	5,170
Public Facilities	327	97	177	80	410	115	140	130	180	105	1,761
Parks and Recreation	540	75	305	975	325	130	285	120	430	205	3,390
Debt Service	4,582	4,747	4,889	5,024	5,262	5,150	4,749	4,741	4,636	4,196	47,976
Total Expenditures	11,824	15,118	11,639	14,030	11,637	11,047	10,168	13,080	15,396	11,572	125,511

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 2013-2014 portion of the 2013-2023 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 2013-2014 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 \$2,067,000 or approximately 17.5% 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).

	2013-2014 Admin <u>Recommend</u>
REVENUE:	
Property taxes	3,938,000
Federal grants	1,115,000
Interest and rents	15,000
Other revenue	2,818,000
Transfers In	3,872,000
TOTAL REVENUE	<u><u>11,758,000</u></u>
EXPENDITURES:	
Capital Outlay	7,242,000
Transfers Out	4,582,000
TOTAL EXPENDITURES	<u><u>11,824,000</u></u>

PUBLIC FACILITIES

PROGRAM TITLE: Building Maintenance Study, 400-9039
 PROGRAM DESCRIPTION: Independent consultant study of all city buildings and facilities to determine infrastructure improvement and maintenance needs in City Hall, Police/Court, Public Services, Senior Center, Central Fire Station, Fire Station No. 1, Fire Station No. 2, plus five structures in the Celery Flats Historical Area.

PROGRAM TITLE: Comprehensive Plan Update, 400-9015
 PROGRAM DESCRIPTION: Update of the City of Portage Comprehensive Plan will be completed. Initial collection and analysis of U.S. Census and existing land use data has been accomplished and will be utilized to prepare a full evaluation of a myriad of community needs, including, but not limited to: future land use, redevelopment areas and strategies, Complete Streets, concepts, community character and City Centre Area implementation, among others.

PROGRAM TITLE: City Hall Improvements, 400-9006
 PROGRAM DESCRIPTION: Painting of walls and trim in Council Chambers and throughout City Hall; new dais seating in Council Chambers; new acoustic panels in Council chambers and throughout City Hall; installation of new flooring in work areas and conference rooms; refurbishment of bathrooms and customer service counters.

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.

Public Facilities - other	
Building Maintenance Study	30,000
Comprehensive Plan Update	35,000
City Hall Improvements	150,000
Information System Improvements	112,000
Total Public Facilities	327,000

PARKS AND RECREATION

PROGRAM TITLE: Picnic Support Equipment Improvements, 400-2832
 PROGRAM DESCRIPTION: Activities will include purchase and installation of uniform refuse receptacles, park benches and the replacement of park grills and picnic tables. Reduced annual maintenance costs are anticipated with these improvements.

PROGRAM TITLE: Court Resurfacing/Repair, 400-2820
 PROGRAM DESCRIPTION: Complete rebuild of Westfield Park tennis courts. Upgrade perimeter gate and fencing and replace accessories as needed. Crack sealing repairs to Westfield basketball court. Asphalt overlay to basketball courts and color coating basketball and tennis courts at Oakland Drive Park. There is no impact on annual operating costs forseen.

PROGRAM TITLE: Park Parking Lot/Walkway Improvements, 400-2838
 PROGRAM DESCRIPTION: Repair subsurface and replace the upper lot at South Westnedge Park and overlay West Lake Nature Preserve lot. Add walkway access to Oakland Drive Park. Repair failed asphalt, seal drives, lots and asphalt walkways, and restripe parking lots at other parks.

PROGRAM TITLE: Playground Improvements, 400-2822
 PROGRAM DESCRIPTION: Replacement of play structures and swing sets at Bicentennial Park, Oakland Drive Park, and Lakeview Park (near picnic shelters) is needed to maintain safe play areas for the community.

PROGRAM TITLE: Eliason Nature Reserve Development, 400-2842
 PROGRAM DESCRIPTION: Phase I development to include initial section of Park entry drive, small parking lot, picnic shelter, and nature trail loop.

Parks and Recreation	
Picnic Support Improvements	25,000
Court Resurfacing/Repair	40,000
Park Parking Lot/Walkway Improvements	50,000
Playground Improvement	105,000
Eliason Nature Reserve Development	320,000
Total Parks and Recreation	540,000

POLICE

PROGRAM TITLE: Police Vehicles, 400-3002
PROGRAM DESCRIPTION: Replace marked units after 105,000 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. Project will reduce annual repair and maintenance costs estimated at \$30,000 annually.

PROGRAM TITLE: Automated External Defibrillator (AED), 400-3057
PROGRAM DESCRIPTION: Equips all Public Safety vehicles with automated external defibrillators in order to provide a tool for use in medical emergencies.

PROGRAM TITLE: 9-1-1 Lifeline Phone & Radio Equipment Replacement, 400-3058
PROGRAM DESCRIPTION: Replace and upgrade existing 9-1-1 Portage Public Safety Communications Center phone and radio equipment. The existing equipment is 18 years old and functionally obsolete in terms of technology, and effectively obsolete as repair parts are no longer being manufactured.

Police	
Police Vehicles	171,000
Automated External Defibrillators	45,000
9-1-1 Lifeline Phone Replacement	250,000
Total Police	466,000

FIRE

PROGRAM TITLE: Replace Thermal Imaging Devices, 400-3313
PROGRAM DESCRIPTION: Replace existing thermal imaging devices with new, state-of-the-art units at planned intervals. These units are used to locate trapped occupants, find hidden fire during overhaul, and locate heat sources to enable firefighters to be more efficient and safer at fire scenes. Replacement will result in reduced maintenance costs.

PROGRAM TITLE: Fire Staff Vehicles,400-3329
PROGRAM DESCRIPTION: Replace 2 four-wheel drive Blazers for Emergency Operations by SUV four-wheel drive Tahoe type vehicles. Existing vehicles are 13 years old with 95,000 miles each. The vehicles will be marked as emergency response vehicles, and used as rescue response vehicles. Operating costs will be reduced by providing more flexible vehicles for rescue response.

PROGRAM TITLE: Fire Station #2 Parking Lot, 400-3306
PROGRAM DESCRIPTION: Replace the parking lot at Fire Station #2. The lot is showing significant wear including exposed sub base in several areas. Reduced maintenance cost is anticipated from frequent patching required.

PROGRAM TITLE: Replace 1986 Fire Pumper, 400-3339
PROGRAM DESCRIPTION: Replace the 1986 Type I Fire Pumper with the new fire engine. The 2002 Fire Pumper will be moved to reserve, and the current reserve fire engine, 1986 Fire Pumper, will be decommissioned.

Fire	
Replace Thermal Imaging Equip.	24,000
Replace 2 Staff Vehicles	75,000
Fire Station #2 Parking Lot	100,000
Replace 1986 Fire Pumper	500,000
Total Fire	699,000

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, 400-4343

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 Street Reconstruction	2,475,000
Local Street Reconstruction	800,000
Streets total	3,275,000

SIDEWALK/BIKEWAYS

PROGRAM TITLE: Bikeway Improvements, 400-4405
PROGRAM DESCRIPTION: Pave shoulder bikeway overlays, upgrade signs and ongoing preventative maintenance to existing off road trails.

Sidewalks and Bikeways	
Bikeway Improvement	35,000
Bikeway total	35,000

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	4,582,000
Total Transfers Out	4,582,000

SEWER CAPITAL IMPROVEMENT

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

PROGRAM TITLE: South 12th Street Lift Station Renovation (north), 490-4594
PROGRAM DESCRIPTION: Replacement of control panels, pumps, wet well and additional site landscaping. Facility renovation will improve the efficiency and reliability of the lift station and reduce required annual maintenance costs.

	2013-2014 Admin Recommend
REVENUE:	
Other revenue	325,000
TOTAL REVENUE	<u>325,000</u>
EXPENSES:	
N 12th lift station renovation	325,000
TOTAL EXPENSES	<u>325,000</u>

WATER CAPITAL IMPROVEMENT

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

- PROGRAM TITLE: Metsa Court Water Main Extension, 491-4707
PROGRAM DESCRIPTION: Install water main on Metsa Court, a private drive, extending west from Portage Road approximately 240 feet, to service 4 existing residences on Metsa Court.
- PROGRAM TITLE: Storm Drainage Improvements Program, 491-4702
PROGRAM DESCRIPTION: Address identified flooding problem areas that adversely impact public streets, commercial areas, and private properties. Improvements planned under this program include expansion of retention basins, structural modifications, storm retention basins, berming to redirect storm flows, storm sewer improvements, and drainage channel, among others.
- PROGRAM TITLE: South Westnedge Avenue Water Main, Osterhout Avenue to South End, 491-4708
PROGRAM DESCRIPTION: Installation of new water mains in South Westnedge Avenue from Osterhout Avenue to the south end with a loop connection to Marylynn Court. Project will cause a nominal increase in operating costs.
- PROGRAM TITLE: Northwest Water Storage Facility, 491-4709
PROGRAM DESCRIPTION: The project involves the design and construction of the replacement of Haverhill elevated water tank with a larger facility to serve the city. In 2012-2013, the project effort is directed toward the design and engineering phase.
- PROGRAM TITLE: South Westnedge Avenue Water Main Replacement, Melody Avenue to South Shore Drive, 491-4710
PROGRAM DESCRIPTION: Replacement of deteriorating water mains in South Westnedge Avenue from Melody Avenue to South Shore Drive.

WATER CAPITAL IMPROVEMENT, continued

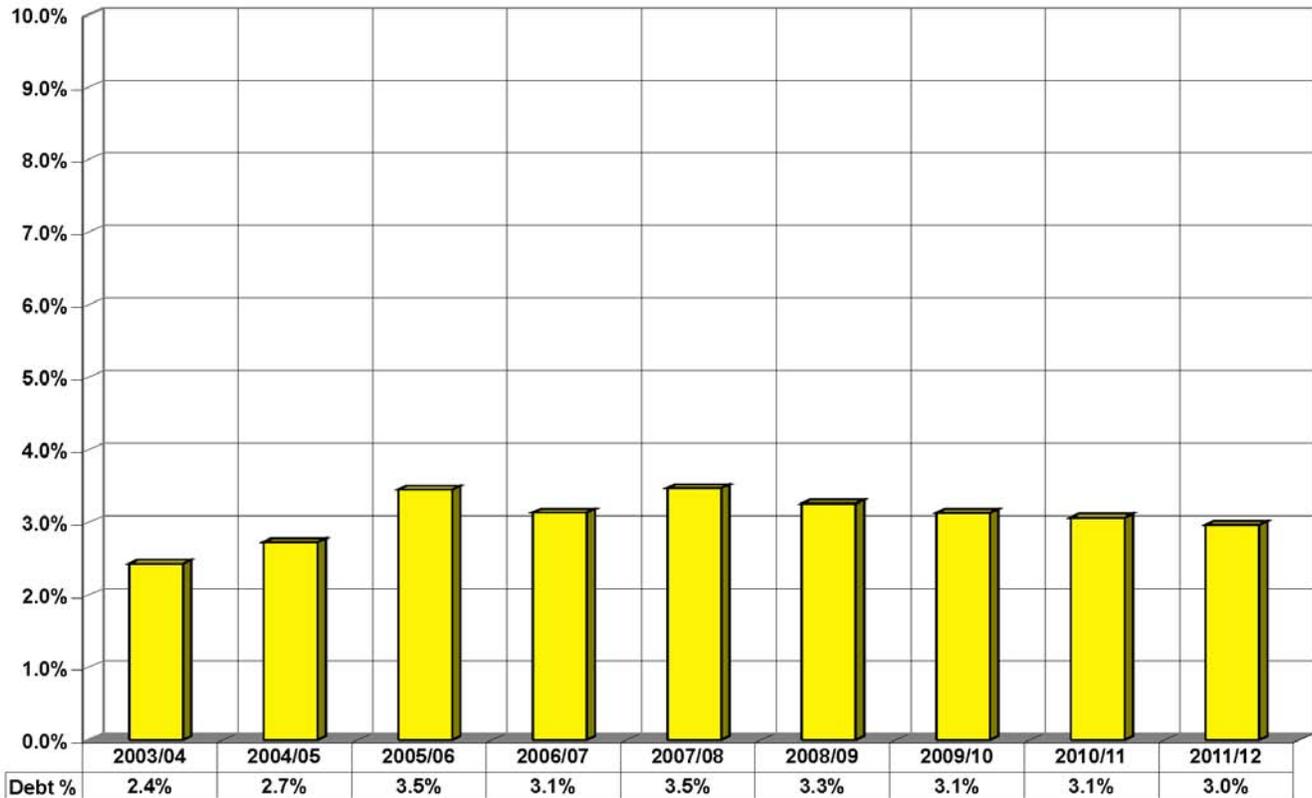
PROGRAM TITLE: Consolidated Drain Rehabilitation Program, 491-4619
PROGRAM DESCRIPTION: Soils and water testing, analysis, pipe repair, and rehabilitation of the existing Consolidated Drain facility. Current emphasis is on stabilization of soils and replacement of settled pipe system south of Romence Road.

	2013-2014 Admin <u>Recommend</u>
REVENUE:	
Other revenue	1,575,000
TOTAL REVENUE	<u>1,575,000</u>
EXPENSES	
Consolidated drain rehab	275,000
Storm drainage	85,000
Metsa Ct water main extension	50,000
S Westnedge wtr main/Osterhout	375,000
NW water storage facility	390,000
S Westnedge wtr main/Melody-S Shore	400,000
TOTAL EXPENSES	<u>1,575,000</u>

Debt Service



NET LONG-TERM DEBT As a % of Taxable Value



Warning Trend:

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

Formula:

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

Net direct long-term debt is defined as:

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

Description:

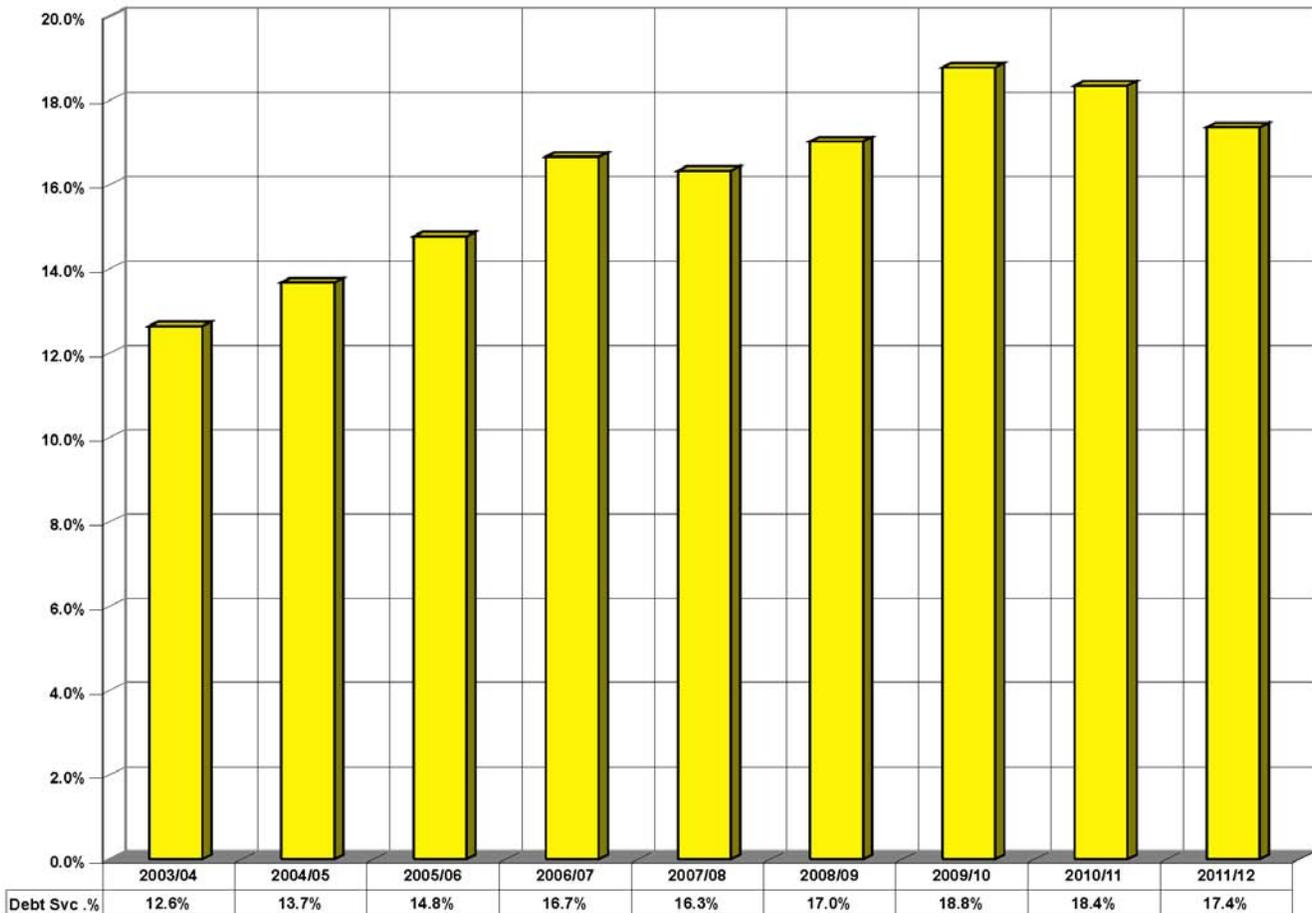
Direct debt is bonded debt for which the City has pledged its full faith and credit. Self-supporting debt is bonded debt that the City has pledged to repay from a source separate from its general tax revenues. In order to apply this indicator correctly for this City, direct debt includes all debt except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

Analysis:

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

NET DEBT SERVICE

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



Warning Trend:

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

Formula:

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

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

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

Description:

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

Analysis:

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

Significant capital improvements made in the early 2000's that were financed by the sale of bonds have increased the level of debt as a percentage of net operating revenues. Also, the loss of tax base growth, reduction in interest income and reduction in new building has caused a decrease in operating revenues. This chart includes the Michigan Transportation Fund bond debt service.

DEBT SUMMARY

At March 30, 2012 the outstanding debt obligations of the city not associated with proprietary fund type areas are as follows:

Special Assessment Bonds	\$ 3,110,000
Limited Tax General Obligation Bonds	2,145,000
Unlimited Tax General Obligation Bonds	-0-
Local Development Finance Authority Bond	5,345,000
Building Authority Bonds	5,815,000
Downtown Development Authority	4,825,000
Motor Vehicle Highway Bonds	7,505,000
Capital Improvement Bonds	54,615,000
Land Contracts and Notes Payable	<u>-0-</u>
Total	<u>\$83,360,000</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:

	<u>Special Assessment Bonds</u>	<u>Limited Tax General Obligation Bonds</u>	<u>Notes Payable</u>	<u>Capital Improvement Bonds</u>
SEV	\$2,038,065,700	\$2,038,065,700	\$2,038,065,700	\$2,038,065,700
Applicable percentage limitation	12.00%	10.00%	1.25%	5.00%
Legal debt limitation	\$ 244,567,884	\$203,806,570	\$25,475,821	\$101,903,285
Related obligations	\$ 3,110,000	\$ 75,855,000	-	\$ 54,615,000
Legal debt margin	\$ 241,457,884	\$127,951,570	\$ 25,475,821	\$ 47,288,285

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 \$130,000 was required from the General Fund by the Capital Improvement Fund in fiscal year 2012/2013 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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Interest and rents	1,145	1,016	1,000	1,000	1,000
Transfers In	3,705,841	3,660,478	3,593,709	3,735,942	3,038,647
TOTAL REVENUE	<u>3,706,986</u>	<u>3,661,494</u>	<u>3,594,709</u>	<u>3,736,942</u>	<u>3,039,647</u>
EXPENDITURES:					
Bond costs	3,670,412	3,660,478	3,555,819	3,698,052	3,024,690
TOTAL EXPENDITURES	<u>3,670,412</u>	<u>3,660,478</u>	<u>3,555,819</u>	<u>3,698,052</u>	<u>3,024,690</u>

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>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2012-2013</u>	<u>2013-2014</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Adjusted</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
Transfers In	142,000	137,000	132,000	132,000	128,000
TOTAL REVENUE	<u>142,000</u>	<u>137,000</u>	<u>132,000</u>	<u>132,000</u>	<u>128,000</u>
EXPENDITURES:					
Bond costs	142,031	137,131	132,150	132,150	127,150
TOTAL EXPENDITURES	<u>142,031</u>	<u>137,131</u>	<u>132,150</u>	<u>132,150</u>	<u>127,150</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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Transfers In	388,260	198,000	258,000	258,000	272,000
TOTAL REVENUE	<u>388,260</u>	<u>198,000</u>	<u>258,000</u>	<u>258,000</u>	<u>272,000</u>
EXPENDITURES:					
Bond costs	202,656	198,062	258,750	258,750	272,000
TOTAL EXPENDITURES	<u>202,656</u>	<u>198,062</u>	<u>258,750</u>	<u>258,750</u>	<u>272,000</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%.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Transfers In	661,602	676,000	557,000	557,000	823,000
TOTAL REVENUE	<u>661,602</u>	<u>676,000</u>	<u>557,000</u>	<u>557,000</u>	<u>823,000</u>
EXPENDITURES:					
Bond costs	661,602	675,775	558,000	558,000	822,025
TOTAL EXPENDITURES	<u>661,602</u>	<u>675,775</u>	<u>558,000</u>	<u>558,000</u>	<u>822,025</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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Interest and rents	227,939	218,538	218,283	218,283	203,810
Transfers In	812,313	738,000	439,000	439,000	407,000
TOTAL REVENUE	1,040,252	956,538	657,283	657,283	610,810
EXPENDITURES:					
Bond costs	960,700	645,272	649,930	649,930	611,555
TOTAL EXPENDITURES	960,700	645,272	649,930	649,930	611,555

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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Property taxes	373,678	310,412	385,800	385,800	424,000
Interest and rents	1,987	1,060	2,000	2,000	2,000
Other revenue	56,615	54,875	-	-	51,750
TOTAL REVENUE	432,280	366,347	387,800	387,800	477,750
EXPENDITURES:					
Bond costs	408,189	416,424	406,985	406,985	423,700
Transfers Out	-	-	-	-	70,265
TOTAL EXPENDITURES	408,189	416,424	406,985	406,985	493,965

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.

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Property taxes	461,762	530,503	500,000	500,000	500,000
Interest and rents	8,502	5,716	10,000	10,000	5,000
TOTAL REVENUE	<u>470,264</u>	<u>536,219</u>	<u>510,000</u>	<u>510,000</u>	<u>505,000</u>
EXPENDITURES:					
Bond costs	453,843	447,153	525,750	525,750	515,250
Development expenditures	-	-	10,000	10,000	10,000
TOTAL EXPENDITURES	<u>453,843</u>	<u>447,153</u>	<u>535,750</u>	<u>535,750</u>	<u>525,250</u>

SPECIAL ASSESSMENT DEBT SERVICE FUNDS

	2011-2012 <u>Actual</u>	2012-2013 <u>Amended Budget</u>	2012-2013 <u>Final Estimate</u>	2013-2014 <u>Admin Recommend</u>
Beginning Fund Balance ¹	<u>1,061,566</u>	<u>858,797</u>	<u>858,797</u>	<u>652,535</u>
Revenue:				
Special Assessments	296,318	280,000	227,500	201,000
Interest on Special Assessments	94,050	95,000	71,900	117,200
Interest on Investments	<u>4,979</u>	<u>15,000</u>	<u>5,000</u>	<u>5,000</u>
Total Revenue	395,347	390,000	304,400	323,200
Expenditures:				
Interest and Fiscal Charges	158,116	149,570	149,570	138,795
Bond Principal	<u>440,000</u>	<u>415,000</u>	<u>415,000</u>	<u>295,000</u>
Total Expenditures	598,116	564,570	564,570	433,795
Ending Fund Balance	<u>858,797</u>	<u>684,227</u>	<u>652,535</u>	<u>541,940</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.

¹Beginning balance in 2012/2013 includes \$53,908 of capitalized interest payable in fiscal year 2012/2013.

SPECIAL ASSESSMENT DEBT SERVICE FUNDS, continued

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Payments on special assessments	100,019	82,096	232,421	232,421	117,200
Interest on investments	9,878	4,979	9,800	9,800	5,680
Transfers In	-	-	-	-	70,265
TOTAL REVENUE	<u>109,897</u>	<u>87,075</u>	<u>242,221</u>	<u>242,221</u>	<u>193,145</u>
EXPENDITURES:					
Interest and fiscal charges	93,007	134,554	150,460	150,460	133,795
Bond principal	176,180	204,682	415,000	415,000	300,000
TOTAL EXPENDITURES	<u>269,187</u>	<u>339,236</u>	<u>565,460</u>	<u>565,460</u>	<u>433,795</u>

Other Funds



CURBSIDE RECYCLING FUND - 223

This fund is now part of the Department of Parks, Recreation and Public Services.

The Curbside Recycling Fund accounts for the revenue and expenditures associated with the operation of the Curbside Recycling Program. This program, provided through a contract with a private vendor, is funded through a voter approved 0.5 mill maximum tax levy and includes payment for 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
		<i>Financial Health</i> Continue to evaluate expenditures to provide for effective and efficient use of city resources
	Curbside recycling All programs	<i>Environmental Quality</i> Enhance environmental quality Promote effective recycling <i>Service Delivery</i> Evaluate alternatives to meet service demands

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

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Number of recycling pickups per month	15,300	15,300	15,300
Pounds collected per month	330,578	309,143	320,000

CURBSIDE RECYCLING FUND – 223, continued

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Property taxes	539,826	694,541	660,200	660,200	590,800
Interest and rents	1,323	775	1,400	1,400	1,400
TOTAL REVENUE	<u>541,149</u>	<u>695,316</u>	<u>661,600</u>	<u>661,600</u>	<u>592,200</u>
EXPENDITURES:					
Personnel Services	32,732	30,368	32,711	32,711	31,994
Operations & Maintenance	524,816	574,722	570,570	558,517	558,990
Administrative Charges	56,588	54,900	57,580	57,580	57,140
TOTAL EXPENDITURES	<u>614,136</u>	<u>659,990</u>	<u>660,861</u>	<u>648,808</u>	<u>648,124</u>

LEAF PICKUP/SPRING CLEANUP

This fund is now part of the Department of Parks, Recreation and Public Services.

This fund accounts for the costs associated with the Fall Leaf Pickup, Leaf Composting/Management, Spring Cleanup and Quarterly Brush Pickup 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

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Property taxes	587,647	771,128	788,500	788,500	669,600
Interest and rents	1,924	832	2,000	2,000	2,000
Other revenue	278	255	-	-	-
TOTAL REVENUE	589,849	772,215	790,500	790,500	671,600
EXPENDITURES:					
Personnel Services	71,653	76,182	89,249	89,249	63,177
Operations & Maintenance	436,860	477,162	516,240	516,240	532,140
Administrative Charges	126,972	140,537	176,578	176,578	141,190
Transfers Out	19,740	20,356	19,862	19,862	19,862
TOTAL EXPENDITURES	655,225	714,237	801,929	801,929	756,369

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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Property taxes	587,647	771,128	788,500	788,500	669,600
Interest and rents	1,924	832	2,000	2,000	2,000
Other revenue	278	255	-	-	-
TOTAL REVENUE	589,849	772,215	790,500	790,500	671,600
EXPENDITURES:					
Administrative Charges	75,928	71,690	84,620	84,620	61,120
TOTAL EXPENDITURES	75,928	71,690	84,620	84,620	61,120

SPRING CLEANUP and BRUSH PICKUP, 226-4532

This activity accounts for the costs associated with the collection of discarded materials to enhance community appearance and encourage the removal of brush and recycling.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Compacted cubic yards collected	1,760	1,800	1,800
Days offered	24	24	24
Number of brush stops	7,223	7,100	7,100
Cubic years of brush chipped	1,866	2,124	2,100

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	280,422	220,832	232,600	232,600	225,780
TOTAL EXPENDITURES	280,422	220,832	232,600	232,600	225,780

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	14,739		13,615		14,000
	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	71,653	76,182	89,249	89,249	63,177
Operations & Maintenance	139,160	130,226	183,619	183,619	206,285
Administrative Charges	29,965	46,781	91,958	91,958	80,070
TOTAL EXPENDITURES	<u>240,778</u>	<u>253,189</u>	<u>364,826</u>	<u>364,826</u>	<u>349,532</u>

LEAF/BRANCH REMOVAL/MANAGEMENT, 226-4540

The removal and management of the large mass of leaves and branches from the spring clean up and leaf pick up programs has been identified as a separate program in order to monitor costs.

<u>Service Indicators</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>
Cubic yards of leaves/chips removed	20,558		20,000		20,000
	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Operations & Maintenance	17,278	126,104	100,021	100,021	100,075
Administrative Charges	21,079	22,066	-	-	-
TOTAL EXPENDITURES	<u>38,357</u>	<u>148,170</u>	<u>100,021</u>	<u>100,021</u>	<u>100,075</u>

TRANSFERS OUT, 226-9610

Transfer is made to the General Obligation Debt fund.

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Transfers Out	19,740	20,356	19,862	19,862	19,862
TOTAL EXPENDITURES	<u>19,740</u>	<u>20,356</u>	<u>19,862</u>	<u>19,862</u>	<u>19,862</u>

CULTURAL ACTIVITIES – 235

This fund is now part of the Department of Parks, Recreation and Public Services.

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 Portager and other local media outlets. Expenditures may exceed revenues due to timing differences from restricted contributions received in the prior fiscal year for budget year programs.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Concert attendance	7,400	5,640	7,200
Performances	30	28	28
Special events	2	1	2

CULTURAL ACTIVITIES – 235, continued

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
REVENUE:					
Charges for services	43,020	35,443	30,700	30,700	14,000
Interest and rents	4,996	5,168	6,100	6,100	12,100
Other revenue	81,010	58,950	52,000	52,000	20,000
TOTAL REVENUE	<u>129,026</u>	<u>99,561</u>	<u>88,800</u>	<u>88,800</u>	<u>46,100</u>
EXPENDITURES:					
Personnel Services	36,505	36,245	46,107	46,107	39,642
Operations & Maintenance	52,327	54,425	57,650	57,450	32,740
Administrative Charges	6,533	6,050	7,580	7,580	8,190
TOTAL EXPENDITURES	<u>95,365</u>	<u>96,720</u>	<u>111,337</u>	<u>111,137</u>	<u>80,572</u>

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, down payment assistance loans, funding of the Portage Community Center (P.C.C.) for human/public service needs, neighborhood improvement, fair housing activities and administration. The city estimates that the 2013-2014 entitlement will be \$198,100. The 2012-2013 the grant total was \$214,178, and the 2011-2012 grant total was \$192,252.

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

CDBG, continued

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Federal revenue	-	172,750	325,353	214,178	198,100
TOTAL REVENUE	-	172,750	325,353	214,178	198,100
EXPENDITURES:					
Personnel Services	-	-	120,279	120,279	119,289
Operations & Maintenance	27,289	33,950	205,074	93,899	78,811
TOTAL EXPENDITURES	27,289	33,950	325,353	214,178	198,100

The responsibilities of the various activities are outlined as follows.

HUMAN SERVICES, 294-6624

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	-	-	36,000	36,000	31,804
TOTAL EXPENDITURES	-	-	36,000	36,000	31,804

HOUSING PROGRAMS, 294-6625

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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	-	-	49,992	49,992	49,581
Operations & Maintenance	27,289	33,950	165,022	53,847	42,805
TOTAL EXPENDITURES	27,289	33,950	215,014	103,839	92,386

NEIGHBORHOOD IMPROVEMENT, 294-6626

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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	-	-	52,141	52,141	51,711
Operations & Maintenance	-	-	852	852	852
TOTAL EXPENDITURES	-	-	52,993	52,993	52,563

ADMINISTRATION, 294-6627

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.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	-	-	18,146	18,146	17,997
Operations & Maintenance	-	-	3,200	3,200	3,350
TOTAL EXPENDITURES	-	-	21,346	21,346	21,347

CABLE TELEVISION FUND

This fund accounts for the receipt and allocation of cable television permit holder fees and administration of the city cable television ordinance. It also provides for operation of public access broadcasting.

Goals and Objectives: The Cable Television Fund budget supports the following goals and objectives.

<u>Activity/Program</u> Administration	<u>Description</u> All programs	<u>Goal/Objective</u> <i>Public Relations</i> Continue efforts to enhance communication with citizens
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	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Fees and permits	707,563	747,074	755,000	755,000	765,000
Interest and rents	886	539	900	900	900
Other revenue	-	18,875	-	-	-
TOTAL REVENUE	708,449	766,488	755,900	755,900	765,900
EXPENDITURES:					
Personnel Services	103,894	101,298	101,603	101,603	104,661
Operations & Maintenance	343,322	322,975	337,160	297,700	300,125
Administrative Charges	51,500	52,510	57,730	57,730	62,170
Capital Outlay	44,489	92,039	265,222	178,000	178,000
Transfers Out	119,000	200,000	150,000	150,000	250,000
TOTAL EXPENDITURES	662,205	768,822	911,715	785,033	894,956

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.

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Personnel Services	103,894	101,298	101,603	101,603	104,661
Operations & Maintenance	292,429	310,868	336,160	296,700	299,125
Administrative Charges	51,500	52,510	57,730	57,730	62,170
Capital Outlay	-	-	80,000	-	-
TOTAL EXPENDITURES	<u>447,823</u>	<u>464,676</u>	<u>575,493</u>	<u>456,033</u>	<u>465,956</u>

PUBLIC SERVICE FEE, 298-7014

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

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Operations & Maintenance	50,893	12,107	1,000	1,000	1,000
Capital Outlay	44,489	92,039	185,222	178,000	178,000
TOTAL EXPENDITURES	<u>95,382</u>	<u>104,146</u>	<u>186,222</u>	<u>179,000</u>	<u>179,000</u>

TRANSFERS OUT, 298-9610

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

	2010-2011	2011-2012	2012-2013	2012-2013	2013-2014
	Actuals	Actuals	Adjusted Budget	Adopted Budget	Admin Recommend
EXPENDITURES:					
Transfers Out	119,000	200,000	150,000	150,000	250,000
TOTAL EXPENDITURES	<u>119,000</u>	<u>200,000</u>	<u>150,000</u>	<u>150,000</u>	<u>250,000</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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	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Interest and rents	468	282	-	-	-
Other revenue	14,400	13,314	11,800	11,800	23,800
TOTAL REVENUE	<u>14,868</u>	<u>13,596</u>	<u>11,800</u>	<u>11,800</u>	<u>23,800</u>
EXPENDITURES:					
Operations & Maintenance	33,590	28,450	43,550	25,000	35,000
TOTAL EXPENDITURES	<u>33,590</u>	<u>28,450</u>	<u>43,550</u>	<u>25,000</u>	<u>35,000</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 2013-2014 the cost of cemetery operations will exceed the permanent fund transfers and other cemetery revenue by approximately \$13,000.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Charges for services	34,450	36,050	40,000	40,000	40,000
Interest and rents	3,936	2,808	4,000	4,000	2,500
TOTAL REVENUE	38,386	38,858	44,000	44,000	42,500
EXPENDITURES:					
Transfers Out	1,872	2,808	4,000	4,000	4,000
TOTAL EXPENDITURES	1,872	2,808	4,000	4,000	4,000

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, down payment 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 2013-2014 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 Down payment assistance loans	<i>Community Development</i> Ensure decent and safe housing

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Charges for services	34,731	29,192	30,000	30,000	25,000
Transfers In	-	-	40,000	-	-
TOTAL REVENUE	<u>34,731</u>	<u>29,192</u>	<u>70,000</u>	<u>30,000</u>	<u>25,000</u>
EXPENDITURES:					
Operations & Maintenance	-	12,746	110,000	70,000	60,000
TOTAL EXPENDITURES	<u>-</u>	<u>12,746</u>	<u>110,000</u>	<u>70,000</u>	<u>60,000</u>

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 2013/2014 designates \$54,000 for housing rehabilitation/emergency repairs, and \$6,000 for down-payment assistance.

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	-	12,746	110,000	70,000	60,000
TOTAL EXPENDITURES	<u>-</u>	<u>12,746</u>	<u>110,000</u>	<u>70,000</u>	<u>60,000</u>

Appendices



CITY of PORTAGE						
Contributions to Outside Agencies						
Fiscal Year 2013-2014						
			2012-2013	2013-2014	2013-2014	
			Original	Agency	Administration	
			Budget	Request	Recommendation	
General Fund						
Legislative:						
	Michigan Municipal League		9,000	9,000	9,000	
			9,000	9,000	9,000	
Human Services:						
	Portage Community Center		80,513	98,000	84,476	
	YWCA		8,570	9,250	8,501	
	Housing Resources, Inc.		17,400	25,000	17,295	
	Catholic Family Services (Ark)		9,080	11,137	8,989	
	Gryphon Place		2,000	6,000	1,976	
			117,563	149,387	121,237	
Parks:						
	Kalamazoo in Bloom, Inc.		6,000	6,000	6,000	
	Total, General Fund		132,563	164,387	136,237	
Other Funds						
CDBG Fund:						
	Portage Community Center		36,000	32,000	31,804	
CDBG Program Income Fund:						
	Portage Community Center		0	0	0	
	Total, All Funds		168,563	196,387	168,041	
	Total, Portage Community					
	Center		116,513	130,000	116,280	

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.

APPENDIX B

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

Capital Projects/Improvements Fund - A fund used to account for the purchase and/or construction of public physical improvements and major acquisitions. The Capital Improvement Fund is the first fiscal year of the annually updated 10 year Capital Improvement Program (CIP). The detailed ten-year CIP plan is contained in a separate document. The Capital Improvement Fund is divided into activities related to various operations of the city, e.g., 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.

APPENDIX B

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.



APPENDIX D

CITY OF PORTAGE

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

1999-2013

City of Portage

Fiscal Year Ended June 30	General Fund	Capital Improvements	Debt Service	Curbside Recycling	Leaf Pickup / Spring Cleanup	Municipal Street	Total City of Portage Tax Rate
2013	7.5000	2.0000	.0000	.3349	.4000	.5429	10.7778
2012	7.5000	2.0000	.0000	.3603	.4000	.6313	10.8916
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

APPENDIX D

CITY OF PORTAGE

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

1999-2013

Portage District Library	State Education Tax	Portage Public Schools ¹	Kalamazoo County	Kalamazoo Regional Educational Service Agency	Kalamazoo Valley Community College	Total All Jurisdictions
1.5000	6.00	5.8000	6.7596 ²	4.8666	2.8135	38.5175
1.5000	6.00	5.0400	6.7412 ²	4.8616	2.8135	37.8470
1.5000	6.00	5.0400	6.7412 ²	4.8566	2.8135	37.6825
1.5000	6.00	5.0400	6.7412 ²	4.8316	2.8135	37.5661
1.4900	6.00	5.0400	6.3012	4.8316	2.8135	37.1361
1.4900	6.00	2.7000	6.7162	4.5416	2.8135	34.7505
1.4900	6.00	2.7000	6.5862	4.5416	2.8135	34.2755
1.4900	6.00	2.7000	6.1362	4.5416	2.8135	33.8255
1.4900	6.00	2.7000	6.1362	3.0416	2.8135	33.3255
1.4900	5.00	2.7000	6.1362	3.0416	2.8139	32.3259
1.4900	6.00	2.7000	6.1362	3.0416	3.8139	33.4834
1.4900	6.00	2.7000	6.1400	3.0416	2.8151	33.1867
1.4900	6.00	2.7000	6.1400	3.0416	2.8151	33.1867
1.3800	6.00	2.6762	6.1400	3.0418	2.8152	32.1532

¹ Assumes Principal Residence Exemption (PRE) (formerly called 'Homestead') status. Add 18.00 mills for non-PRE.

² Includes 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 2013-2014

Department	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Administration Recommend
City Manager	4.00	5.00	5.00	5.00
Finance	9.00	9.00	9.00	9.00
Technology Services	2.00	1.00	1.00	1.00
City Assessor	5.00	5.00	5.00	5.00
City Clerk	3.00	3.00	3.00	3.00
Purchasing	2.50	2.50	2.00	2.00
Employee Development	3.50	3.50	3.50	3.50
Benefit Services	4.00	4.50	4.50	4.50
Parks and Recreation	15.33	13.73	12.14	12.00
Public Safety - Police	74.25	74.15	75.15	75.15
Public Safety - Fire	34.50	33.00	31.13	31.13
Community Development	14.00	13.50	12.00	12.00
Senior Center	4.71	4.23	2.83	3.68
Transportation and Utilities	6.00	5.00	5.00	6.00
Streets and Equipment	19.10	19.10	19.10	20.10
Total	200.89	196.21	190.35	193.06

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

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

CITY OF PORTAGE
 Authorized Full-Time Positions
 1991-2014

Fiscal Year	Positions
2013-14	181
2012-13	179
2011-12	184
2010-11	188
2009-10	197
2008-09	207
2007-08	213
2006-07	211
2005-06	215
2004-05	213
2003-04	219
2002-03	216
2001-02	219
2000-01	219
1999-00	217
1998-99	234
1997-98	235
1996-97	257
1995-96	260
1994-95	259
1993-94	254
1992-93	246
1991-92	241
1990-91	237

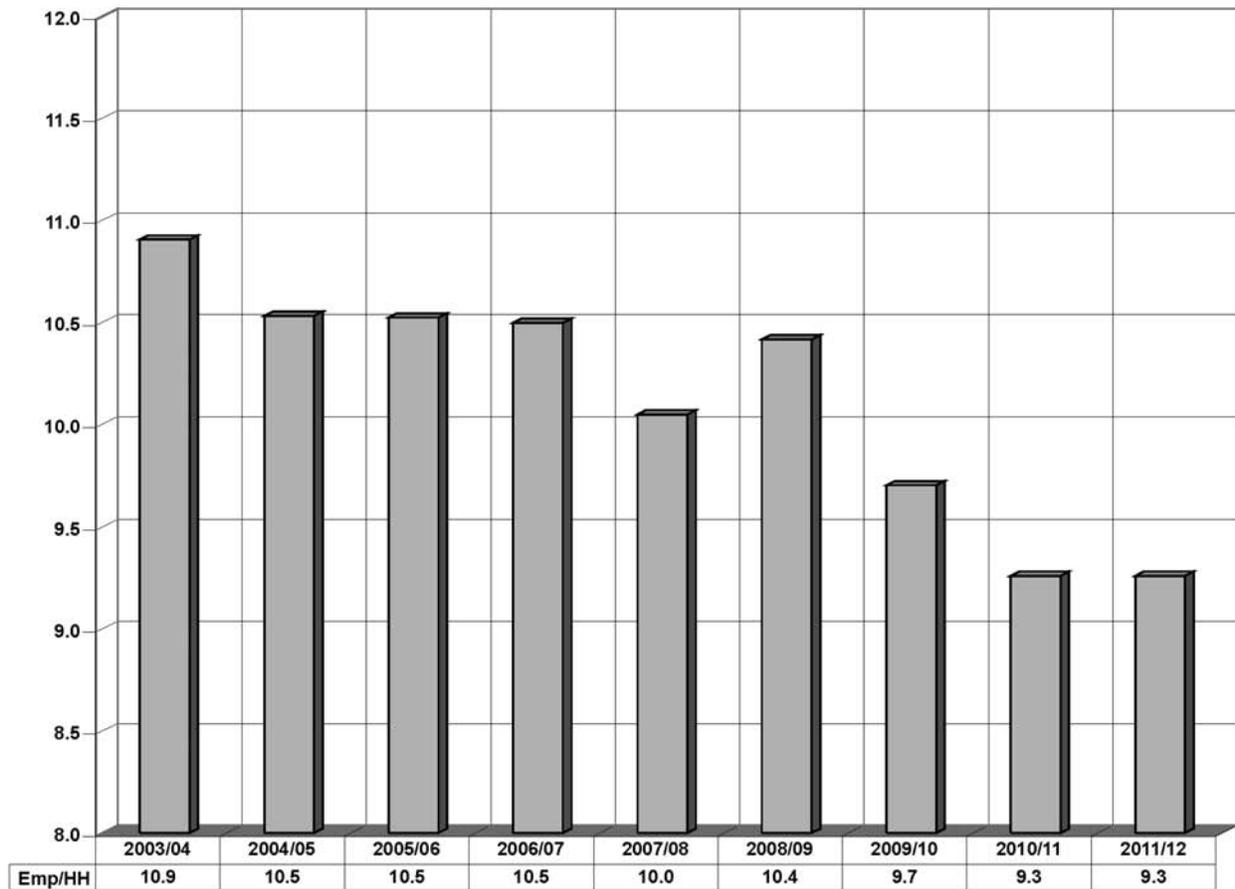
This chart illustrates the number of full-time employees as opposed to full-time *equivalent* employees. Full-time employees receive a comprehensive benefit package, as negotiated through union contracts or granted by City Council. The decrease in 1997-98 was due to privatizing the water and sewer operations. The decrease from 2007/2008 to 2008/2009 was from planned staff reductions based on retirements and attrition. The decrease from 2008/2009 through 2012/2013 has resulted from internal reorganizations based on retirements and attrition. The increase from 2012/13 to 2013/2014 is to accomplish levels of succession planning, and also optimization of operational efficiency in certain areas.

APPENDIX E

CITY OF PORTAGE
 2013-2014 Budget
 Position Comparison (Budgetary Basis)

Full Time Authorized Positions	<u>Actual 2010-2011</u>	<u>Actual 2011-2012</u>	<u>Budget 2012-2013</u>	<u>Administration Recommend 2013/2014</u>
General Fund				
City Administration	4	4	4	4
Finance	9	9	9	9
Technology Services	1	1	1	1
City Assessor	5	5	5	5
City Clerk	3	3	3	3
Employee Development	3	3	3	3
Benefit Services	4	4	4	4
Purchasing	2	2	2	2
Parks and Recreation	11.9	11.9	11.9	12
Public Safety				
Police Command	13	13	13	10
Police Sworn Officers	46	45	45	50
Police Civilian	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>
Police total	70	69	69	70
Fire	34	33	33	30
Community Development	14	13	12	12
Senior Citizen Services	2	2	1	1
Total, General Fund	162.90	159.9	154.9	156
Streets and Equipment Funds	19.10	19.10	19.10	19
Transportation and Utilities	<u>6</u>	<u>5</u>	<u>5</u>	<u>6</u>
Total Full Time Positions	188	184	179	181

NUMBER OF MUNICIPAL EMPLOYEES PER 1000 HOUSEHOLDS



Fiscal Year	2003/04	2003/05	2005/06	2006/07	2007/08	2008/2009	2009/10	2010/11	2011/12
Number of Full-Time Employees	219	213	215	211	213	207	197	188	197
Number of Households	20,081	20,224	20,430	20,100	20,310	19,872	20,301	20,301	20,267

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:

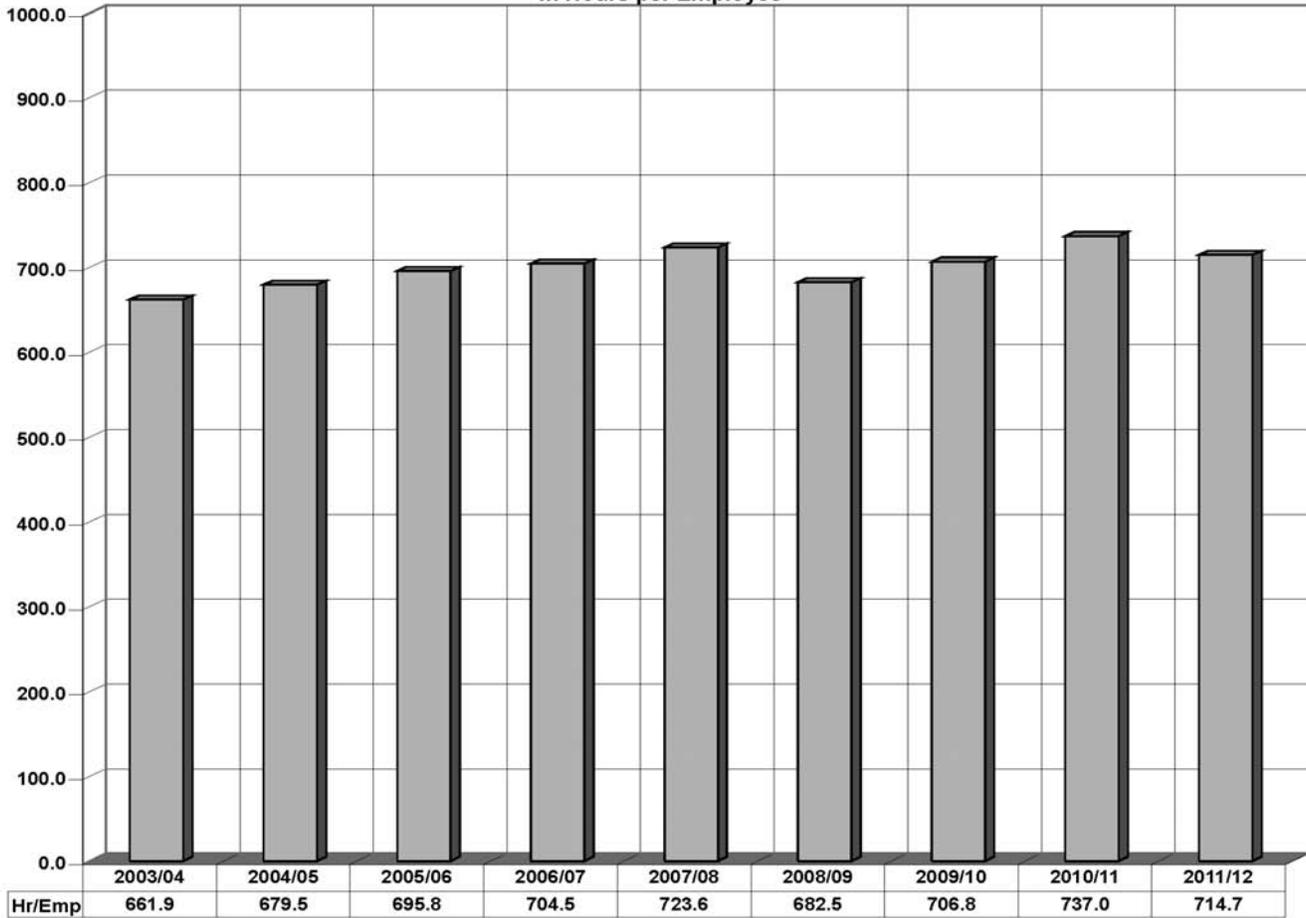
Personnel costs are a major component of the City's operating budget. Tracking change in the number of municipal employees per 1,000 households provides an excellent way to track change in productivity. Increases in this indicator might indicate that personnel expenditures are rising faster than the 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 2001, when a position becomes vacant, the need for replacement is analyzed and, if warranted, the position is filled. As the economy has worsened, attrition has provided opportunities to reorganize operations for efficiency.

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, 2014
 Capital Outlay

General Fund

Police

Scheduled replacement of Tasers	9,800	
Scheduled replacement of old protective vests	9,800	
Additional Building Repairs to HVAC System	4,900	
Replace "Total Station" hardware and software program used for accident reconstruction	4,900	
	<hr/>	
	29,400	

29,400

Fire

Personal Protective Equipment: 15 leather boots, 7 rubber boots, 25 each gloves, hoods, etc; 25 each fire helmets that are at the end of service life	27,000	
Technical Rescue: annual hardware/software upgrades	5,000	
Training ground building improvements	6,000	
2 Automatic external defibrillator	6,000	
Hose roller/reloader	6,500	
Extrication high tension cutters	6,500	
Fire hose replacement	5,000	
	<hr/>	
	62,000	

62,000

Austin Lake Assessment

5,000

West Lake Weed Management Assessment

12,000

Total General Fund

108,400

Equipment Fund

Vac Con - replaces #180 1994 Vac Con 32,987 Miles AND #143 1990 Ford Jet Rodder 114,791 miles	377,000	
Dump Truck - replaces #230 1995 Ford Dump 73,284 miles	185,000	
Pickup Truck - replaces #40 1997 GMC Pickup 72,210 miles	28,000	
Pickup Truck - replaces #312 2002 GMC Pickup 131,285 miles	22,500	
Sedan - replaces #185 2000 Pontiac Sedan 76,840 miles	15,500	
Sedan - replaces #189 2000 Pontiac Sedan 62,312 miles	15,500	
High Capacity Mower - replaces #251 2000 Jacobsen High Capacity Mower 4,035 hours	80,000	
	<hr/>	
	723,500	

723,500

Cable TV Fund

Cable Access Equipment Management with PMN	75,000	
Internet Content Filtering	15,000	
Centralized Storage Array	30,000	
Council Chambers Upgrades Phase III	30,000	
Training Video Equipment Upgrades	28,000	
	<hr/>	
	178,000	

178,000

Sewer Fund

Manhole reconstruction	15,000	
Lift Station Rehabilitation	75,000	
	<hr/>	
	90,000	

90,000

Water Fund

Localized Flooding - Street leaching basins	30,000	
Retention Basin Rehab and Reconstruction	60,000	
	<hr/>	
	90,000	

90,000

Total Capital Outlay Requested

1,189,900

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 2013-2014 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> Update equipment and facilities maintenance
	Building maintenance	Maintain facilities

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
REVENUE:					
Charges for services	1,301,248	1,618,070	1,555,683	1,555,683	1,543,671
Interest and rents	549	746	500	500	500
Other revenue	63,813	73,979	36,000	36,000	36,000
TOTAL REVENUE	<u>1,365,610</u>	<u>1,692,795</u>	<u>1,592,183</u>	<u>1,592,183</u>	<u>1,580,171</u>
EXPENDITURES:					
Personnel Services	354,627	334,119	309,752	309,752	294,009
Operations & Maintenance	811,829	822,077	1,100,417	1,082,400	925,530
Administrative Charges	149,839	134,334	102,275	102,275	102,398
Debt Service	262,907	258,979	256,386	256,386	326,310
Capital Outlay	-	1,329	522,500	444,000	723,500
TOTAL EXPENDITURES	<u>1,579,202</u>	<u>1,550,838</u>	<u>2,291,330</u>	<u>2,194,813</u>	<u>2,371,747</u>

The activities carried out by this fund are as follows:

APPENDIX G

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>
Preventive maintenance service requests	132	88	90
Work orders completed	1,172	1,250	1,250
Gasoline usage - gallons	46,969	46,131	46,000
Diesel fuel usage - gallons	28,494	26,300	29,000

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	123,132	123,465	132,081	132,081	131,716
Operations & Maintenance	713,953	586,861	1,009,448	992,500	812,630
Capital Outlay	-	1,329	522,500	444,000	723,500
TOTAL EXPENDITURES	837,085	711,655	1,664,029	1,568,581	1,667,846

BUILDING ADMINISTRATION, 661-4026

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Personnel Services	231,495	210,654	177,671	177,671	162,293
Operations & Maintenance	97,876	235,216	90,969	89,900	112,900
Administrative Charges	149,839	134,334	102,275	102,275	102,398
TOTAL EXPENDITURES	479,210	580,204	370,915	369,846	377,591

DEBT SERVICE, 661-9510

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

	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Adjusted Budget	2012-2013 Adopted Budget	2013-2014 Admin Recommend
EXPENDITURES:					
Debt service	262,907	258,979	256,386	256,386	326,310
TOTAL EXPENDITURES	262,907	258,979	256,386	256,386	326,310

APPENDIX H

CITY OF PORTAGE Financial Trends Fiscal Year 2013-2014

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

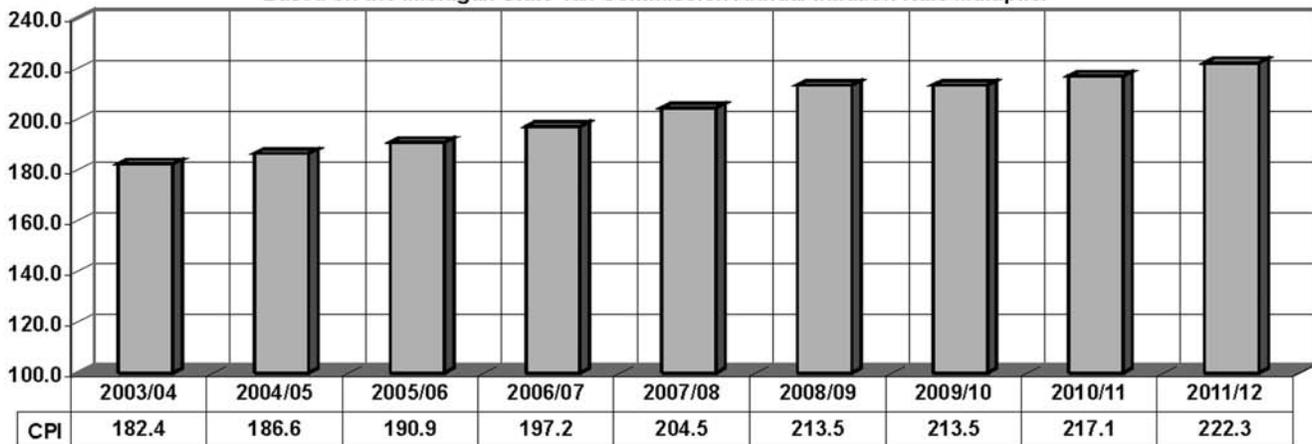
The indicators are monitored regularly. Results are used in administrative sessions and presented to City Council at least annually. They are used as tools for evaluating the financial condition of the city in the goal setting process as well as reviewing the proposed annual operating budget.

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.

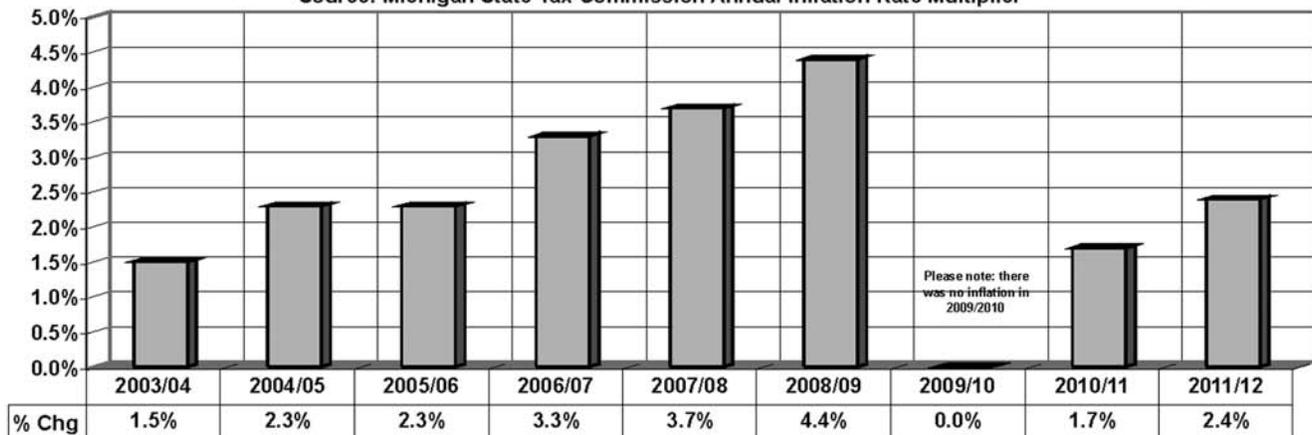
CONSUMER PRICE INDEX

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.