PORTAGE
A Natural Place to Move

Office of the City Manager

April 14, 2015

Mayor Strazdas and members of the City Council,

The proposed fiscal year 2015-2016 (FY16) City of Portage budget contains a number of initiatives that provide new or restored services to the citizens of Portage.

The creation of the position of Director of Parks, Recreation and Senior Citizen Services splits the responsibilities previously found in the Director of Parks, Recreation and Public Services position. That change in responsibilities is designed to bring increased energy and focus to this important quality of life objective. Portage citizens expect to have excellent recreational and cultural programs. This rededication to quality of life values will allow for the return of the canoe livery, additional support for community events and advancements of cultural programs for the citizens of our community.

Two full-time maintenance employees are added to the Department of Public Services, which will continue to manage all park and cemetery properties. This move will provide the resources for higher-quality professional maintenance of our award-winning park and trail systems.

A code enforcement officer has been added in the Department of Community Development to provide important enforcement services. Neighborhoods are challenged by code violations that go unattended. Such enforcement services provide a higher quality of life for Portage residents by protecting neighborhoods from the effects of age and blight.

A training officer has been added to the Fire Division of the Department of Public Safety. Training is the single most important asset for the provision of safety for fire responders. The training officer provides a structured approach to the city's training obligation. The addition of a training officer is also an important step toward national accreditation of the Fire Division.

Dramatic increases in automation and the introduction of new software systems allow for greater efficiency and effectiveness to the organization and the people we serve. Those improvements translate into a host of new services for our citizens to include an assortment of social media efforts.

Consolidating functions within the administration allows for the elimination of the Employee Development Department and the Benefit Services Department. These two departments will be replaced by the Human Resources Department, saving $300,000 in the first year alone.

The goal of the budget is to identify opportunities to improve the quality of service and to reduce the costs for our citizens. The Portage team is committed to achieving that goal.

FY16 City of Portage Budget Highlights			
	FY15	FY16	% Change
Tax Rates	10.9256	10.9256	0.0%
Tax Assessments	$1,980,551,433	$2,039,228,581	3.0%
State Revenue Sharing	$3,881,220	$3,972,124	2.3%
Capital Improvement Cash Investment	$1,179,000	$1,800,000	52.7%
General Fund Balance	24%	24%	0.0%

Overview

A total city budget of $67.3 million is presented for consideration by the City Council. The major categories of the city budget include the General Fund, 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 FY16 proposed budget is 10.9256 mills, no increase in millage rate over the FY15 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 0.3049 mills for operation of the curbside recycling program, 0.3455 mills for the brush and leaf pickup / spring cleanup programs and 0.7752 mills of the Municipal Street Fund millage.

A comparison of the FY15 millage and the FY16 proposed millage is provided below:

Average Single Family Residence	Millage Allowed	2014 Taxable Value - $74,686		2015 Taxable Value - $75,914		2015 Inflation Adjusted Taxes	
	Mills	Mills	Taxes	Mills	Taxes	Mills	Taxes
General Fund	7.5000	7.5000	$560.15	7.5000	$569.36	7.5000	$560.39
Capital Improvement Fund	2.0000	2.0000	149.37	2.0000	151.83	2.0000	149.44
Curbside Recycling Fund	0.5000	0.3049	22.77	0.3049	23.15	0.3049	22.79
Leaf Pickup/Spring Cleanup Fund	0.4000	0.3455	25.80	0.3455	26.23	0.3455	25.82
Municipal Street Fund	1.0000	0.7752	57.90	0.7752	58.85	0.7752	57.92
Total Millage/Taxes	**11.4000**	**10.9256**	**$815.99**	**10.9256**	**$829.42**	**10.9256**	**$816.36**

Significant aspects of the major budget categories are outlined below:

General Fund

After several years of stagnant or declining property tax revenue, the city will see an approximate 2.9% increase in General Fund property tax revenue in FY16. Increases in construction and development activity over the past two years have contributed to the tax base in a positive way.

Projected State Revenue Sharing	2014-2015	2015-2016
City, Village and Township Revenue Sharing Program	$310,000	$320,345
Constitutional	$3,571,220	$3,651,779
Total Revenue Sharing	$3,881,220	$3,972,124
% of General Fund Budget	16.7%	15.8%

The State of Michigan revenue sharing program has been simplified and is now known as the City, Village, and Township Revenue Sharing (CVTRS) program. Qualification of the city for the program is assumed for FY16, along with an approximate 3.3% increase in revenue sharing payments. Additionally, the State Budget Office has indicated an increase in estimated constitutional revenue sharing of approximately 2.3% for the city in FY16.

Of particular note in the FY16 proposed budget:

- Total full-time staffing has been increased to 185 full-time positions from 182 in FY15, which is still lower than 215 positions in FY06. Human Resources (Benefit Services and Employee Development) staff is reduced by two positions, which are offset by the addition of two full-time laborer positions in the Department of Public Services, one director position in Parks, Recreation and Senior Citizen Services, one position in the Department of Public Safety – Fire Division, and one position in the Department of Community Development.
- 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 $1.8 million to the Capital Improvement Program will occur.
- A projected FY16 ending fund balance of 24% in the General Fund has been planned.

Before transfers to the Major Street Fund, Local Street Fund, Downtown Development Authority Fund and the Capital Improvement Fund, total expenditures of the General Fund are proposed at $22.784 million, which represents a 2.0% increase ($464,604) from FY15 budgeted expenditures before transfers.

Transfers to the Capital Improvement Program noted above represent sizeable cash savings planned for expenditure during FY16 so as to avoid the issuance of additional debt. In total, $1.8 million of planned expenditures are addressed through the use of cash reserves.

An ending fund balance in the General Fund of 24% is maintained in the FY16 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 FY16, the Department of Public Safety budget represents nearly $13.687 million (60.1%) of all General Fund expenditures.

Human Public Service Funding	2014-2015	2015-2016
Portage Community Center	$121,507	122,985
YWCA	$8,915	$11,130
Housing Resources, Inc.	$18,110	$19,780
The Ark of Catholic Family Services	$9,433	$11,100
Gryphon Place	$2,077	$2,340
Kalamazoo Anti-Human Trafficking Coalition	--	$800
Portage Senior Center	$100,380	$153,711

The level of General Fund support for human service programs has been maintained at the Council-prescribed amount of 0.55% of General Fund revenue in the FY16 proposed budget. An appropriation of $125,625 of General Fund revenue, in addition to $42,510 of Community Development Block Grant revenue, is proposed for allocation to human service agencies, for a total of $168,135 dedicated to human service funding. Of this amount, $122,985 has been recommended for support of the Portage Community Center. In addition to the 0.55% of General Fund revenue provided to support community human service programs, funding for the Portage Senior Center has also been continued in the FY16 proposed budget at a subsidy of $153,711.

The FY16 proposed budget includes continuation of the Health Management Program (HMP) introduced in 2006 for non-union and department head employees. The HMP continues to assist the city in realizing 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 2015-2025 Capital Improvement Program (2015-2025 CIP) 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.

The proposed 2015-2025 CIP is transformative in that the plan has been prepared through modification of several principles that have guided CIP development over the past several years. Major changes that have framed the proposed 2015-2025 CIP include:

2015-2016 Top Ten Capital Improvement Expenditures	
1. Major Street Reconstruction Program	$2,703,000
2. Local Street Reconstruction Program	$920,000
3. Computer Aided Dispatch and Police Records Conversion	$550,000
4. Public Safety Facility Improvements	$500,000
5. Lovers Lane Traffic Signal Improvements	$400,000
6. SCADA System Upgrade	$400,000
7. Zylman Lift Station Renovation	$400,000
8. South Shore Drive Sanitary Sewer	$390,000
9. South Westnedge / Kilgore Road Intersection	$270,000
10. South Shore Drive Water Main Replacement	$240,000

- Significant resources planned for major and local street improvements, including a "complete street" approach incorporated where practical to support active lifestyles and alternative modes of transportation. Local street projects will include enhancements as possible to widen narrow, uncurbed streets and improve drainage, lighting and street trees. Performance measures will evaluate the impact of improvements relative to neighborhood vitality and property values.
- Investments in existing sidewalks, multi-use trails and pedestrian networks that focus on the "***Natural Place to Move***" initiative. Expansion of sidewalk and trail connections are proposed in the Portage Road / East Centre Avenue area, providing connectivity for east Portage to the Portage Creek Bicentennial Trail system.
- Capital Improvement Program water installation projects focused on system related enhancements. An evaluation of recommended water projects resulted in a project listing that 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.
- Public safety related investments in vehicles and fire apparatus; new technologies, such as a pilot program to review body-worn video/audio cameras; continued development of the Eliason Nature Reserve and facility investments at the Senior Center, Public Services and City Hall to improve building security, technology and evaluation of various energy options.

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 FY16 proposed CIP budget supports $14.164 million of expenditures directed toward infrastructure improvements. Of this total, $4.903 million is directed to major and local street reconstruction projects. In addition to street related expenditures, approximately $1.780 million is directed to utility infrastructure improvements and $2.723 million is proposed for improvements to public facilities, police, fire and parks and recreation in FY16.

Maintenance of the city street infrastructure continues to receive a high budget priority, with a total of over $42.135 million programmed for investment in city streets through the proposed 2015-2025 CIP.

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, 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. The large working capital deficits that developed in the Water Fund beginning in FY05 have been eliminated; however, careful monitoring of the cash balance and adjustment of water rates as consumption levels decline are ongoing challenges. In the Sewer Fund, continuing decreases in sanitary sewer flow present a further complication. Both conditions confirm the need to continue to adjust consumer rates to maintain adequate working capital balances.

The 2015 Utility Rate Financial Study recommends a proposed rate increase in the Sewer Fund of 0.97% to the typical residential customer, which is equivalent to the rate increase projected in the 2013 Utility Rate Financial Study. For the typical residential customer, the proposed increase would result in an added monthly expense of $0.33 for municipal sewer service. In the Water Fund, decreasing consumption rates have significantly impacted system revenues. The 2015 recommended rate increase of 0.91% is less than the rate increase projected in the 2013 Utility Rate Financial Study. For the typical residential customer the proposed increase would result in an added monthly expense of $0.25 for municipal water service.

The combined rate increase of 0.94% for the typical residential customer having both municipal water and sewer is less than the rate increase anticipated in the 2013 Utility Rate Financial Study. The combined 2015 rate equates to an added monthly expense of $0.58.

Major and Local Streets Funds

In addition to the specific roadway reconstruction projects outlined in the Capital Improvement Program, street pavement maintenance receives support in the FY16 proposed budget. Funding of $300,000 for street pavement maintenance programs has been proposed.

Major and Local Street Funds have been scrutinized to minimize cost; however, it is clear that in recent years, 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 FY16 proposed budget provides for continuation of the weekly curbside recycling program and the Saturday household hazardous waste drop-off program initiated in 1999. Continuing the Curbside Recycling millage levy of 0.3049 mills is recommended.

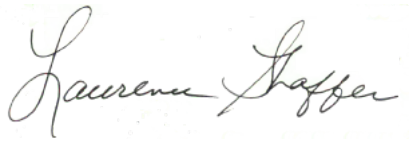
Leaf Pickup / Spring Cleanup Fund

The FY16 proposed budget expands the Leaf Pickup Program to include collection on private streets and maintains the three fall leaf collection periods. The separate Spring Cleanup Program and the Quarterly Curbside Brush Collection are maintained as well and will also be expanded to include pickup on private streets. The cost of the program expansion will be covered using existing resources and fund balance. The Leaf Pickup / Spring Cleanup Fund will remain at a levy of 0.3455 mills.

Conclusion

In summary, through creative service delivery and continued efforts at cost containment, the FY16 proposed budget maintains the favorable standing of the City of Portage in the lower 25% 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,



Laurence Shaffer
City Manager

PORTAGE

A Natural Place to Move

City of Portage, Michigan

ANNUAL OPERATING BUDGET
Fiscal Year 2015-2016

Elected City Officials as of May 26, 2015

Peter J. Strazdas
Mayor

Jim Pearson
Mayor Pro Tempore

Nasim Ansari
Councilmember

Richard J. Ford
Councilmember

Patricia M. Randall
Councilmember

Claudette Reid
Councilmember

Terry R. Urban
Councilmember

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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, 2014.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

City of Portage

Michigan

For the Fiscal Year Beginning

July 1, 2014

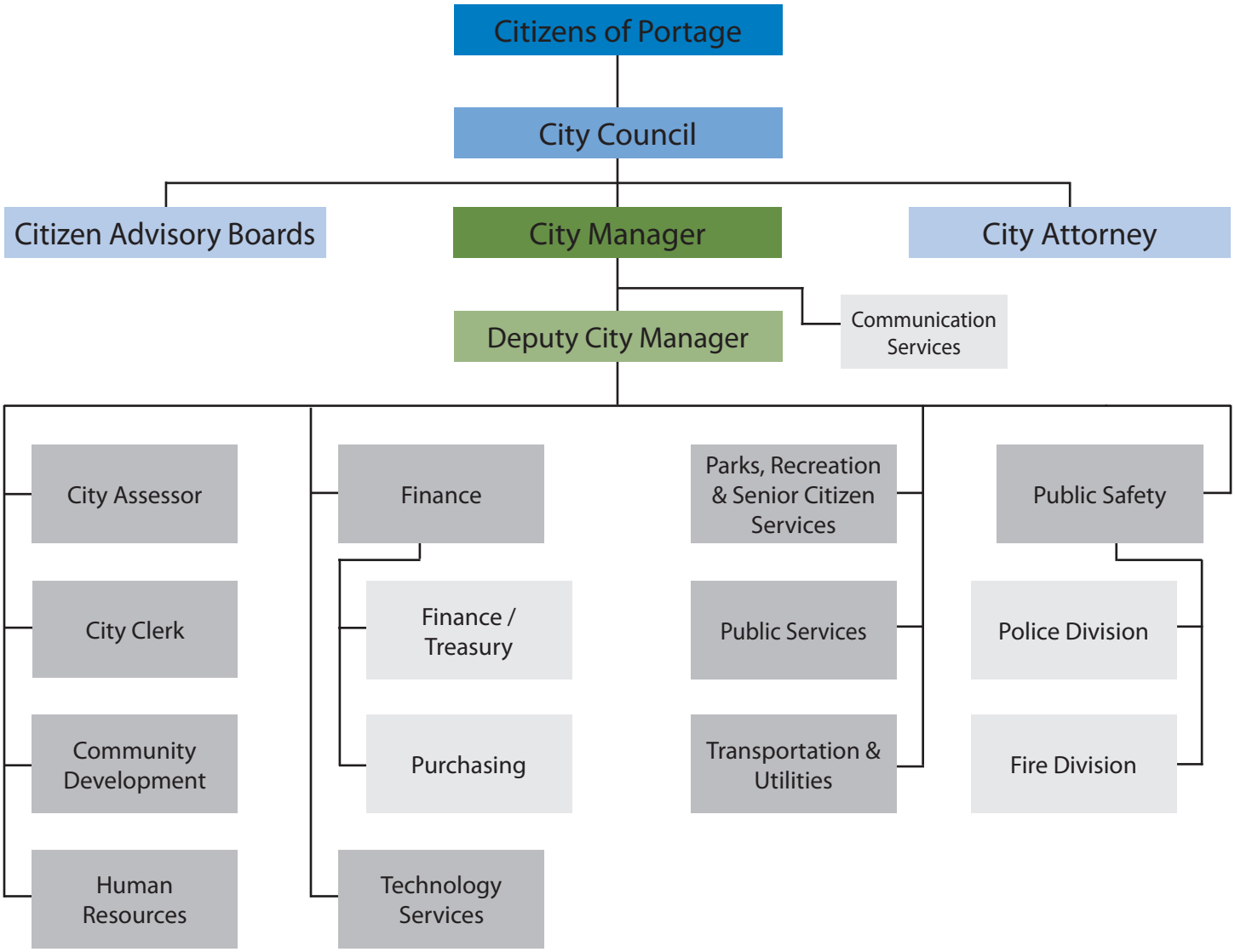
Executive Director

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

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

PORTAGE
A Natural Place to Move

Organizational Chart



CITY OF PORTAGE
HISTORY

History shows that the first inhabitants of Portage were the Potawatomi Indians. It is believed that the Potawatomi 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 1830s. 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 1830s, 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 1800s 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 and development in Portage was the construction of the original 33-acre Upjohn Company facility in the early 1950s, now Pfizer Corporation, a global pharmaceutical company that provided, and continues to provide a significant amount of jobs in the community.

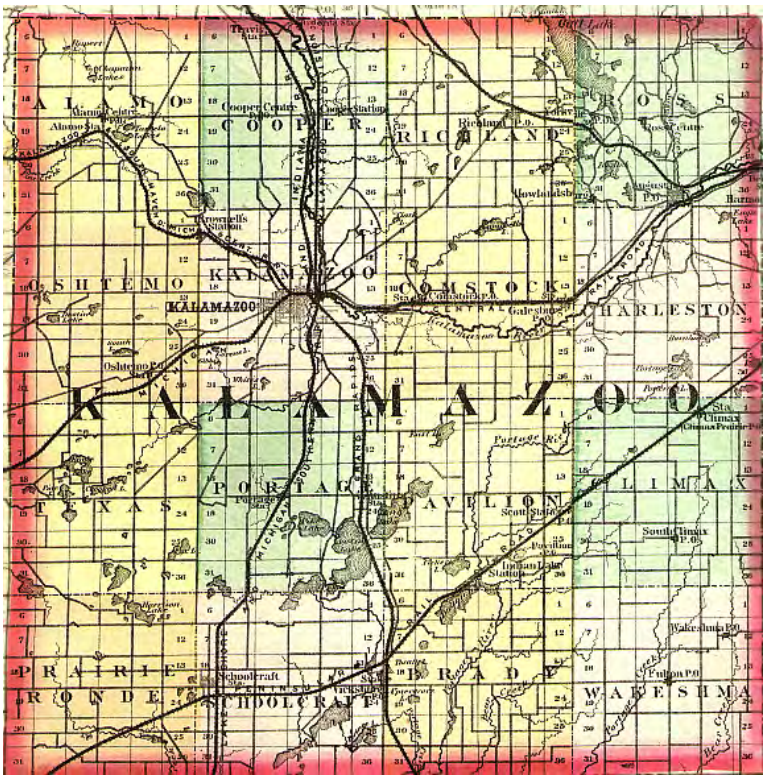
Portage was originally founded by settlers Caleb Sweetland, Thomas Cooley, Moses Austin & others, in the early 1830's, with the establishment of the township's first post office in 1836.

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

1874 Kalamazoo County Map



From the 1960s, 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 1950s and early 1960s. 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 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!

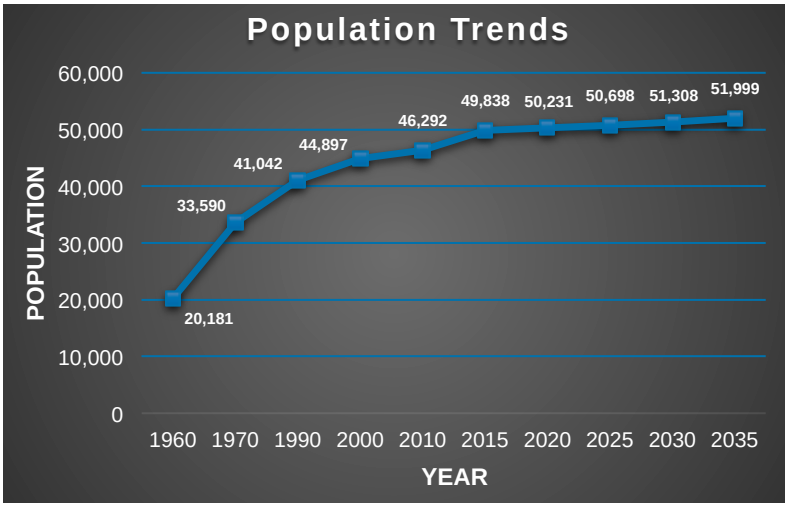
An excellent reference on the history of the City of Portage is This Place Called Portage: Its Past & Present (2006) by Larry B. Massie. The book features a wealth of photographs and information. For another history of the City of Portage, see Portage and Its Past (1976) by Grace J. Potts. This book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

Portage Creek

CITY OF PORTAGE
COMMUNITY PROFILE
Fiscal Year 2015-2016

Portage is located in Kalamazoo County approximately half way between Chicago and Detroit at the crossroads of I-94 and US-131 and encompasses approximately 35 square miles. 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.

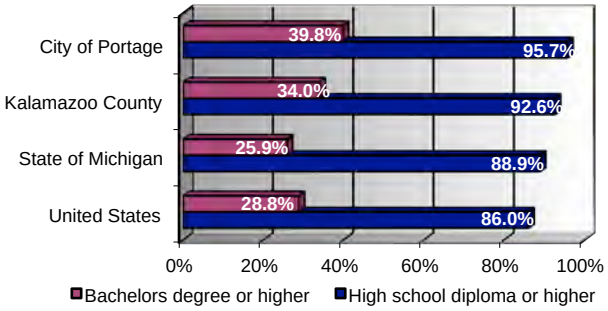
During the 1960's, and with the completion of Interstate-94 through southern Michigan, the community experienced significant growth. Southland Mall, one of the first suburban shopping complexes in Kalamazoo County, was developed and expanded in the 1950's and early 1960's. Due to the large population growth as shown in the chart on the following page, 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.



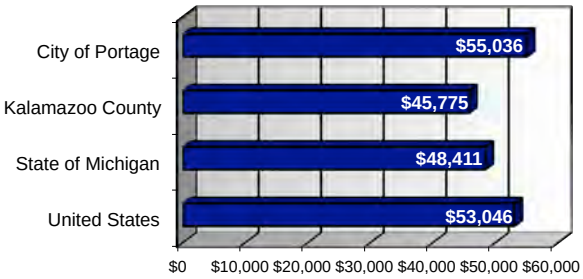
The population of Portage grew at steady rates during the 1980's and 1990's and more than doubled since 1960 as shown on the chart to the right. By 2010, the population had grown to 46,292. The population is estimated to increase to more than 51,000 by 2030 as shown on the accompanying Population Trends 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 following charts, 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 almost 40% have a college degree.

2013 Educational Attainment



2013 Median Household Income



From the initial "Portage" settlements to the early suburban Portage Township, the City of Portage is now a community with an educated workforce and excellent residential neighborhoods to accommodate a growing population. Portage is the regional retail trade center with more than four million square feet of commercial and office building space along the South Westnedge Avenue Commercial Corridor that historically has an occupancy rate greater than 95%. The residential and commercial sectors are complemented by an expanding industrial base, anchored by the Stryker and Pfizer Corporations and many other manufacturers and life science companies primarily located within the Sprinkle Road Industrial Corridor including Mann+Hummel, Summit Polymers, Bowers Manufacturing, Eurofins/Lancaster Laboratories, Thermo Fisher Scientific, PharmOptima LLC, among others.

Crossroads Mall

Office development also has a strong presence in the City of Portage and is primarily located within two office corridors – West Centre Avenue and Milham Avenue. West Centre Avenue has developed into a "medical mile" 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. 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.

Stryker Corporation

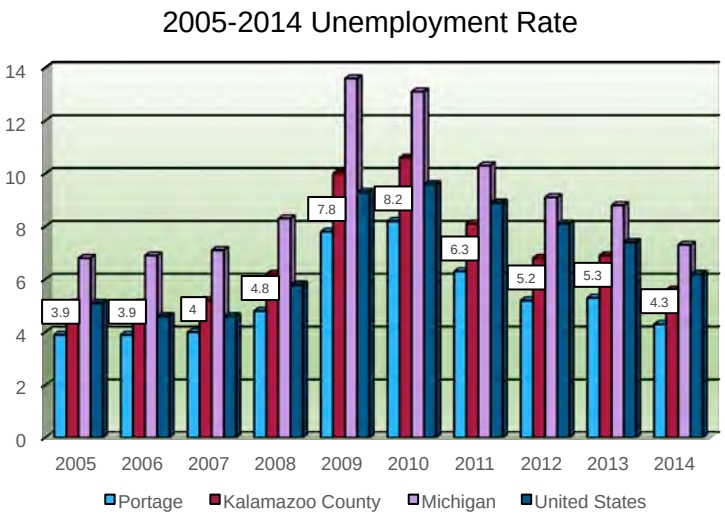
This land development pattern has resulted in a vibrant, progressive community resulting in an appropriate mix of land uses: 73 percent of the land zoned for residential use, 19 percent for industrial and 8 percent zoned for commercial uses. This appropriate mix of land uses together with a conservative financial strategy employed by the city allowed the community to weather the recent economic recession and is now facilitating an increase in private development activity.

The table below lists the top six employment sectors for employed Portage residents over 16 years of age in 2013. One-quarter of 22,388 Portage workers have found employment in educational services, health care, and social assistance. Manufacturing within the city remains an important sector as it employs more than 4,300 Portage residents. Nearly 2,600 residents are employed in the retail trade sector. Portage is home to major retail outlets along South Westnedge Avenue, including Crossroads Mall, Southland Mall, Portage Crossings, Carillion Center and Shoppes at Romence Village, which contribute to a significant portion of the employment base in the city.

Industry	Number	Percent
Education services, health care and social assistance	5,597	25%
Manufacturing	4,354	19.4%
Retail trade	2,573	11.5%
Professional, scientific, management, administrative and waste management services	2,219	9.9%
Finance, insurance, real estate, and rental and leasing	1,946	8.7%
Arts, entertainment, recreation, accommodation and food services	1,705	7.6%

Major corporations such as Stryker (one of the world's leading medical technology companies), Pfizer (world's largest pharmaceutical company), Portage Public Schools, State Farm Insurance Company, and Meijer are located within the city and provide thousands of strong employment opportunities for the higher-educated population of Portage.

As a result of the strong employment opportunities in the city, the unemployment rate for the City of Portage has remained considerably lower than the county, state and national averages. 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. However, during this ten year period, the unemployment rate for Portage averaged 5.3% in comparison to the 6.9% rate for Kalamazoo County, 9.1% rate for the State of Michigan and 6.9%, rate for the United States.



For many years, the city has been aggressively working to facilitate business growth and strengthen the local employment base and economy by planning for and implementing important public infrastructure improvement projects through the Capital Improvement Program. The Capital Improvement Program is prepared annually and addresses important public infrastructure projects that are supported by a City Charter authorized 2.0 mill levy. The City of Portage has been very successful in facilitating private sector investment through the construction of public infrastructure improvement projects funded through the Capital Improvement Program. The city has also taken a progressive approach to economic development by providing unique opportunities for businesses and industries to grow. Successful examples of economic development efforts and coordinated Capital Improvement Program projects that stimulated significant private sector investment included:

Industrial Development Initiative: This project was completed in 1997 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 underutilized industrial properties in three areas of the city. After completion of the infrastructure improvements in 1997, 42 new or expanded facilities have been completed.

Community Investment: The first phase of this project was completed in 1999 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. Additional projects were completed in 2004 and 2011 to facilitate further development and investment activities. Seventeen new or expanded business projects have been completed. The latest projects include a new Earth Fare organic and natural food market and a second hotel, Hilton Homewood Suites, which will open in summer 2015.

Commerce Square Enhancement: This project was completed in 2001 and involved more than $9 million of public investment that focused on enhancements to the South Westnedge Avenue commercial corridor 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.

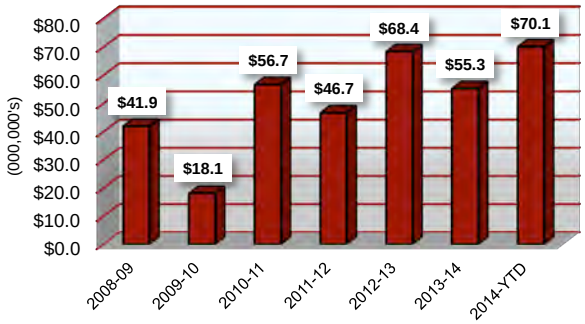
South Westnedge Enhancement Projects: Construction of the first phase north of I-94 was completed in November 2008. This approximately $4 million public investment involved widening South Westnedge Avenue, installation of a raised median island to improve traffic flow and safety and placing overhead utility lines underground, among other improvements. The next phase was completed in November 2011 and involved a 68 million project to reconstruct the I-94 and South Westnedge Avenue interchange as a single-point urban interchange. These improvements were critical since South Westnedge Avenue serves as the principal gateway into the primary regional retail trade center for southwest Michigan.

Redesigned I-94/South Westnedge Interchange

In addition to the construction of public infrastructure improvements such as roads, sanitary sewer and water mains, other important public projects intended to stimulate private investment in the community are also supported through the Capital Improvement Program. Other projects support quality of life standards such as parks and recreation amenities, installation of sidewalks and bikeways, public safety funding to support police and fire equipment needed for emergency response purposes, and public facility funding necessary to support the Senior Center and other governmental facilities intended to serve the citizenry.

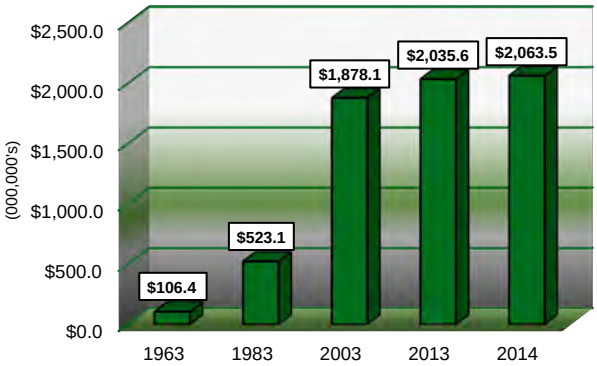
Economic development activity continues to remain strong since the peak of the recent recessionary period. As shown in the chart to the right, only $18.1 million in new construction value occurred in FY2009-10. During FY2010-11 through FY2013-14, construction value increased significantly to a four-year average of $56.8 million. Through the first eight months of FY2014-2015, $70.1 million of new investment has occurred.

New Construction Value
FY2008-09 to FY2014-YTD



As a result of both public and private investment activities, the City of Portage continues to have the largest State Equalized Value (SEV) of any other unit of government in Kalamazoo County. As the chart to 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 2014. Portage has a well-balanced and diversified economy: Residential uses account for 56 percent of the property value, industrial 22 percent and commercial 22 percent.

1963-2014 Total State Equalized Value

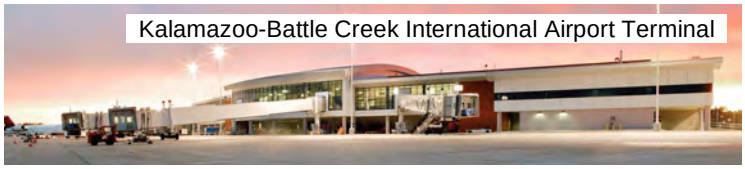


Portage Central High School

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 and 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 16 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.


Kalamazoo-Battle Creek International Airport Terminal

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.

Public and Private 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.

Portage continues to be a much-desired location for residential, commercial and industrial development opportunities. A range of housing opportunities are available that includes single-family residential, manufactured home communities, multi-family residential (low to high density apartment or condominium developments) and mixed-use developments. 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. Likewise, Portage is also desirable location for manufacturing, hi-tech and life-science based business operations.

The City of Portage offers a low millage rate, convenient access to the interstate highway system, air and rail, access to skilled labor, excellent public school system, range of housing choices and many quality of life issues important to the business community.

Department of Community Development

Things You May Not Know About Portage

The city is 35.2 square miles in area and contains:

- 849 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,
- 20 municipal water wells, over 2,600 fire hydrants, and 247 miles of water mains.

The Portage Police Department has received its fourth consecutive CALEA certification (Commission on Accreditation for Law Enforcement Agencies, Inc.). Only 10 percent 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 25th consecutive year.

The League of American Bicyclists ranked Portage a Bronze level Bicycle Friendly Community.

The city has received the Certificate of Achievement for Excellence in Financial Reporting for 28 consecutive years.

The city has received the Distinguished Budget Presentation Award for 28 consecutive years.

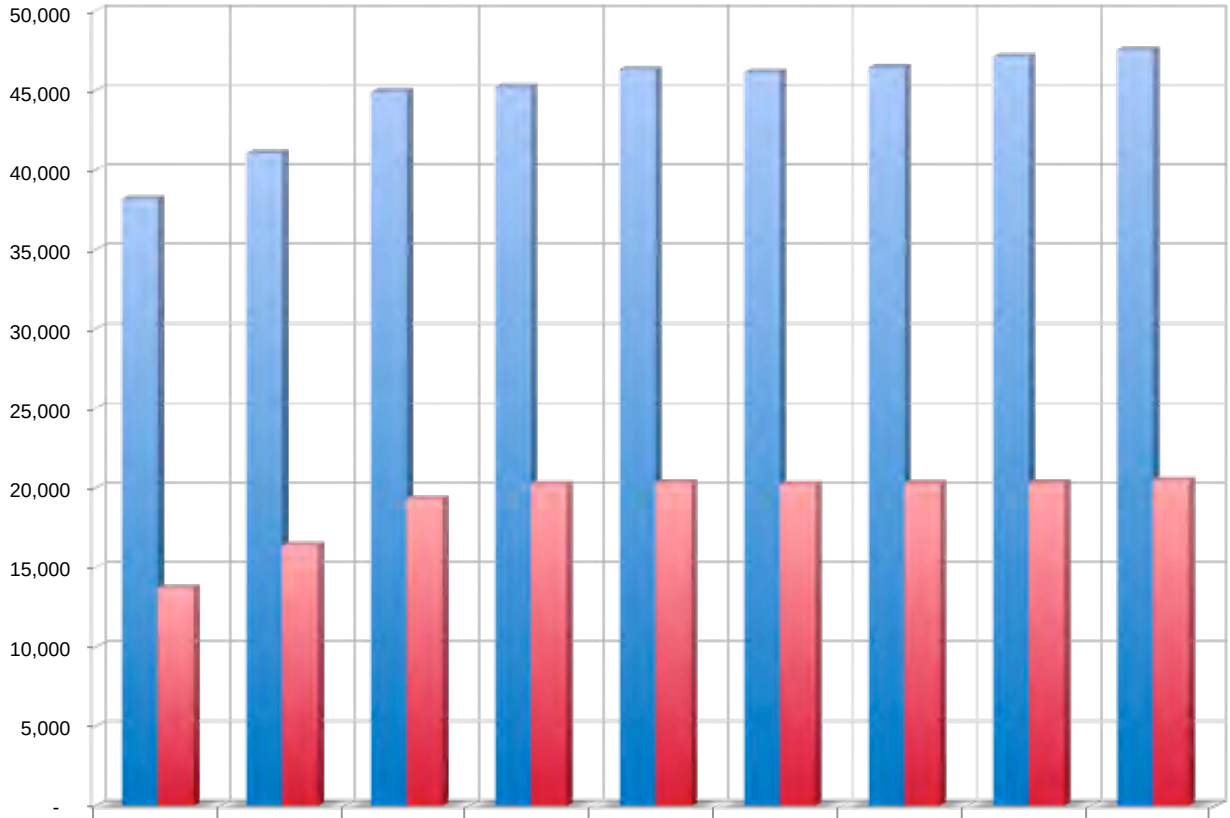
Portage Township officially incorporated as the City of Portage on December 31, 1963, celebrating the 50th Anniversary of the city's incorporation in 2013.

The Ice Rink at Millennium Park

Celery Flats Grain Elevator

Ramona Park Beach

POPULATION AND HOUSEHOLDS



	1980 Census	1990 Census	2000 Census	2005 Estimate	2010 Census	2011 Estimate	2012 Estimate	2013 Estimate	2014 Estimate
Population	38,157	41,042	44,897	45,210	46,292	46,135	46,425	47,126	47,523
Households	13,690	16,398	19,298	20,224	20,310	20,232	20,267	20,300	20,482
Data Source	**Census**	**Census**	**Census**	**Census**	**Census**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
Population per Household	**3.62**	**2.79**	**2.50**	**2.33**	**2.28**	**2.28**	**2.29**	**2.32**	**2.32**
Population % Change vs Prior Census		**13.6%**	**7.6%**	**9.4%**	**3.1%**	**Not Applicable**	**Not Applicable**	**Not Applicable**	**Not Applicable**
Households % Change vs. Prior Census		**47.6%**	**19.8%**	**17.7%**	**5.2%**	**Not Applicable**	**Not Applicable**	**Not Applicable**	**Not Applicable**

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.

PORTAGE

A Natural Place to Move

CITY OF PORTAGE
Fiscal Policy
Fiscal Year 2015-2016

BUDGET POLICY

Budget policy is established by City Council in the form of formally adopted citywide 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.

Citywide 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 citywide 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.

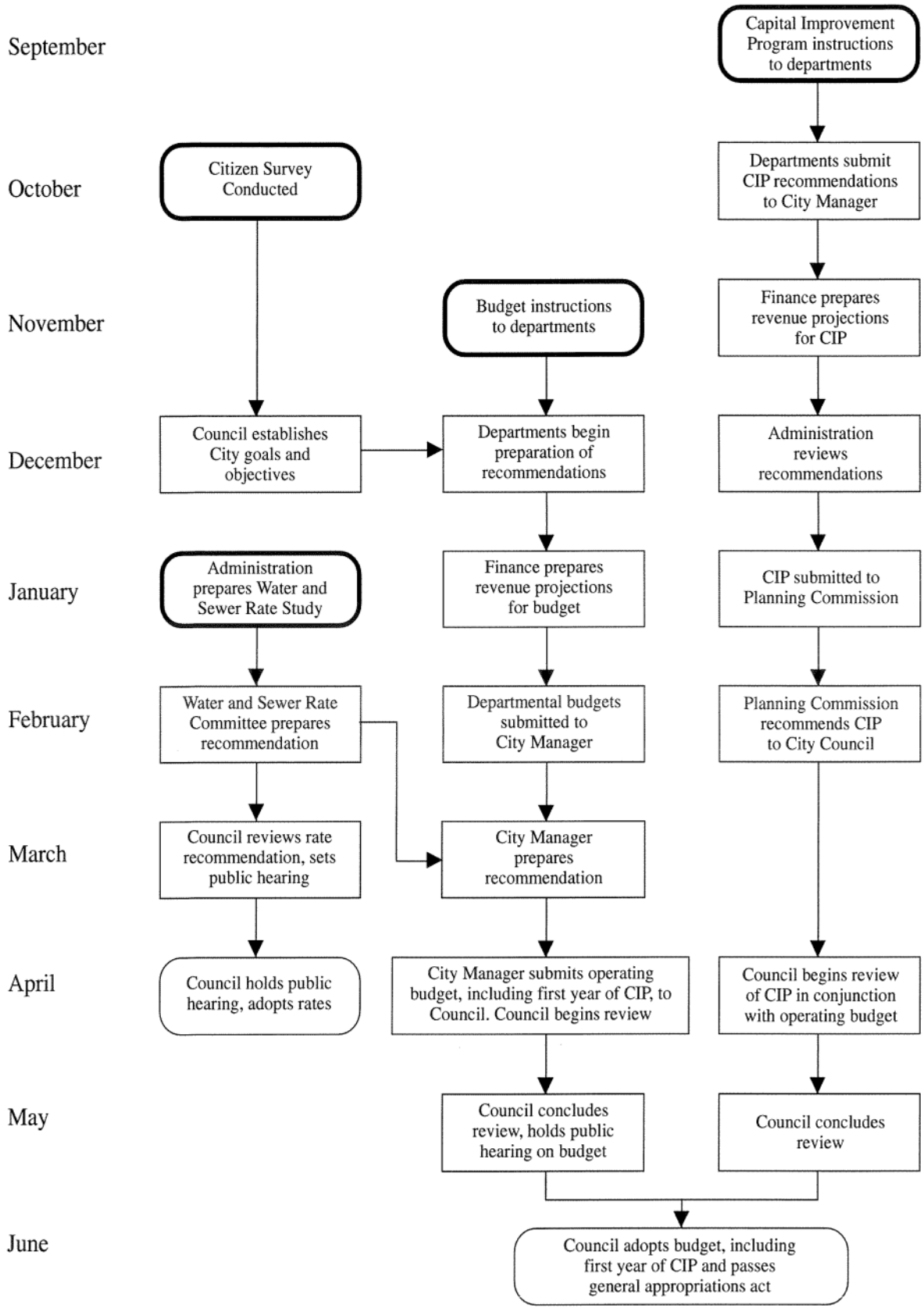
Amended Budget

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 2014/2015 the amount of encumbrances liquidated at the end of the 2013/2014 fiscal year and appropriated by City Council as an amendment to the 2014/2015 budget was $2,322,064.

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 percent of General Fund expenditures and inter-fund transfers." That policy was in effect until City Council approved a resolution on May 27, 2014, establishing that the level of the General Fund fund balance be set at 24 percent at the end of a fiscal year. To the extent that the audited fund balance exceeds 24 percent, the available excess fund balance shall be used to pay cash for future non-utility fund capital improvement projects in an effort to reduce long-term debt.

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 Principles (GAAP) for governmental entities as promulgated by the Governmental Accounting Standards Board (GASB).

The city has engaged an independent firm of certified public accountants to perform an annual financial 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, Human Resources, 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 Community Development Block Grant Fund, a special revenue fund, accounts for the revenue and expenditures of Community Development Block Grants provided by the U.S. Department of Housing and Urban Development.

The Community Development Block Grant Program Income Fund, a special revenue fund, accounts for repayments on housing rehabilitation loans funded through the Community Development Block Grant program. The repayments are available to loan for additional rehabilitation projects.

The Cable Television Fund, a special revenue fund, accounts for revenues received from the cable television permit holders. This Fund supports the operation of public access broadcasting and administration of the city's cable access television ordinance.

The Municipal 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.

CITY OF PORTAGE

2015-2016 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
2015-2016 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
2015-2016 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
2015-2016 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 storm-water systems.
- Continue to improve the water system.
- Promote underground utilities within the city.
- Continue to expand, update and maintain equipment and facilities to provide for the effective operation of city departments.
- Maintain a systematic preventative maintenance program for city-owned buildings.

QUALITY OF ENVIRONMENT

Goal: Enhance environmental quality and protect natural resources.

Objectives:

- Continue to promote effective recycling plans, the use of recycled/recyclable products, and the responsible disposal of hazardous and solid waste.
- Protect water quality through the continued implementation of water management principles, including surface water, groundwater, and stormwater programs.
- Further promote environmental protection, planning, monitoring, and educational programs.

CITY OF PORTAGE
2015-2016 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
2015-2016 Council Mission Statement, Goals & Objectives

FINANCE AND BUDGETING

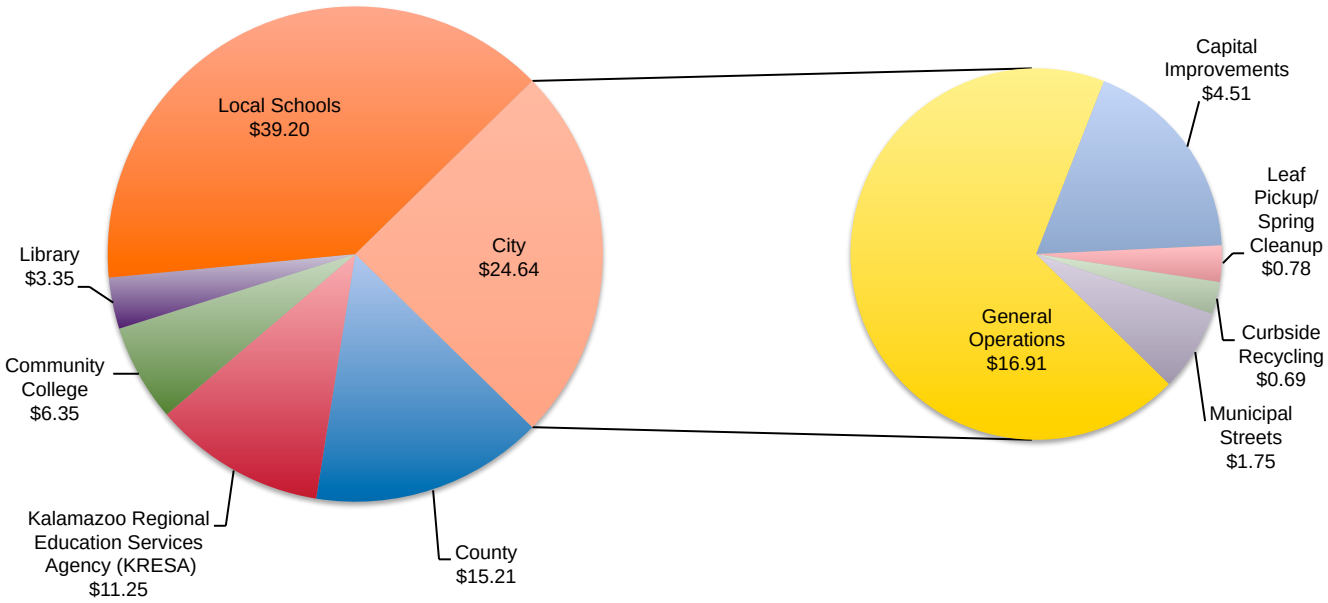
Goal: Maintain the financial health of the city.

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 2014-2015

For each $100 of property taxes paid (2014 tax billings), the City Treasurer distributed to the schools, county, library and city in the amounts indicated below:



The above graphs are based on the 2014 tax levy for the fiscal year ended June 30, 2015 as shown below:

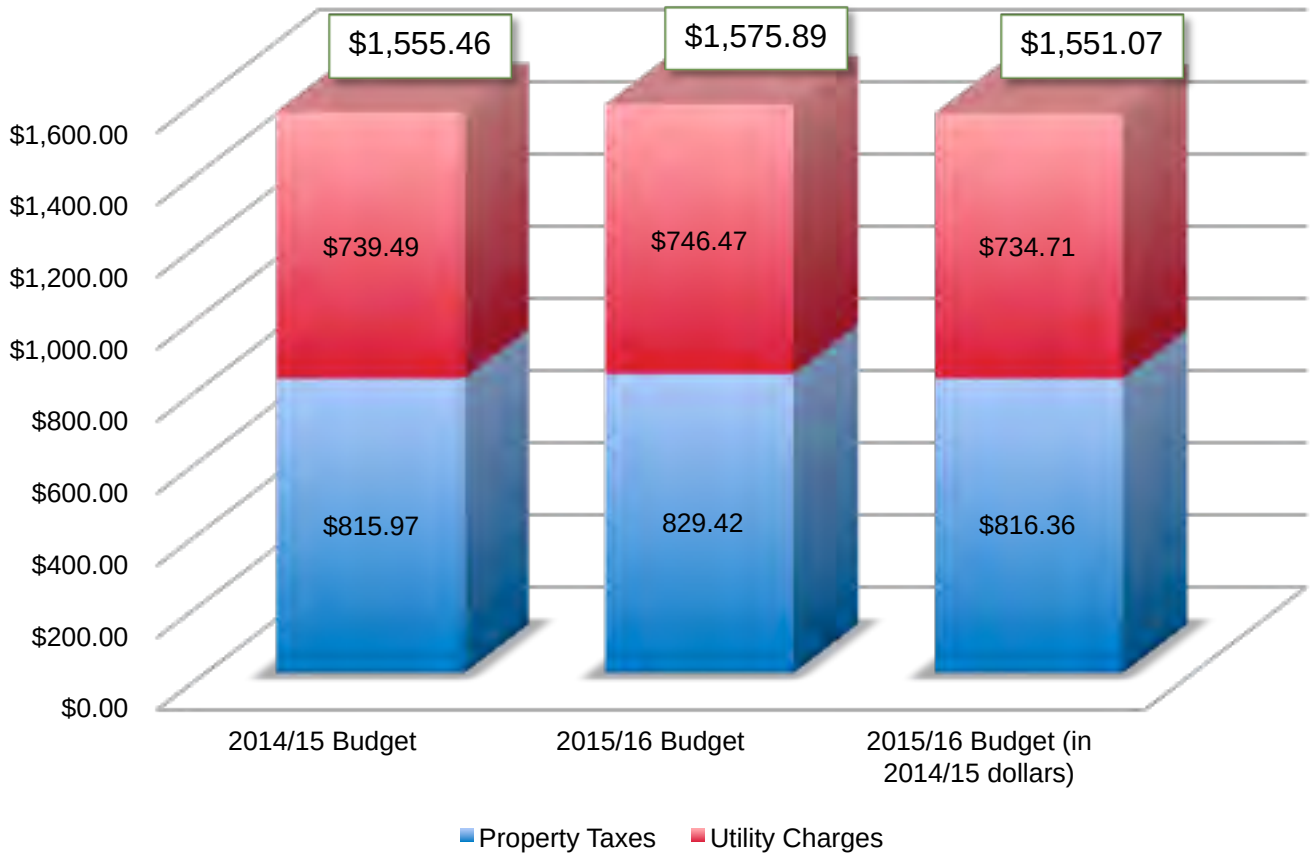
Percentage of Tax Levy

City	24.64%
County	15.21%
Kalamazoo Regional Ed. Services	11.25%
Community College	6.35%
Library	3.35%
Local Schools	39.20%
	100.00%

City Millage

General Operations	7.5000	$16.91
Capital Improvements	2.0000	$4.51
Leaf Pickup/Spring Cleanup	.3455	$0.78
Curbside Recycling	.3049	$0.69
Municipal Streets	.7752	$1.75
	10.9256	$24.64

COST OF CITY SERVICES TO THE TYPICAL CITY OF PORTAGE RESIDENCE

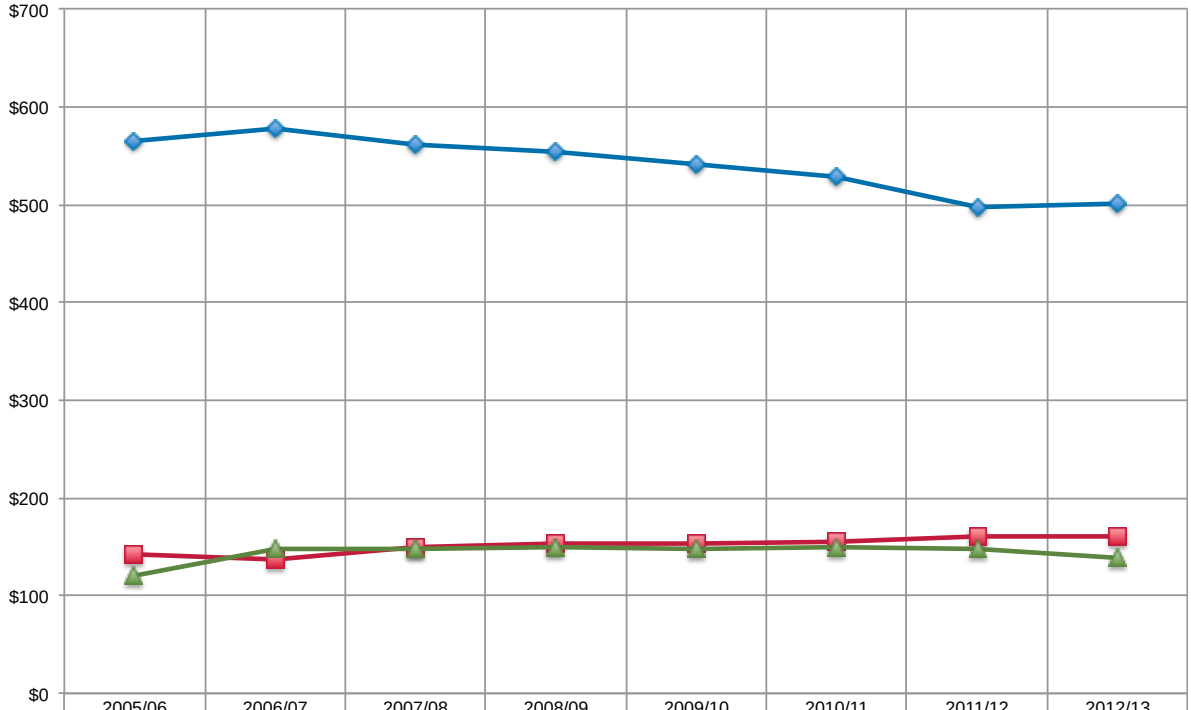


The chart above depicts the property tax and utility costs of a typical residence in the City of Portage.
Given that:

- **taxable value increased approximately 2.9% for 2015,**
- **the city tax rate for services remained the same, and**
- **there is a necessary increase in city utility rates, primarily to maintain adequate working capital,**

the total cost of city service to the typical city resident will increase by $20.43 in the upcoming year. After adjusting for inflation, this change actually represents a decrease of $4.39 in 2014/2015 dollars.

NET OPERATING REVENUES PER HOUSEHOLD
(in Constant $)



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
General Fund	$565	$578	$561	$555	$541	$529	$498	$501
Sp. Rev. Funds	$142	$137	$150	$154	$153	$155	$161	$161
Debt Svc Funds	$120	$149	$148	$149	$149	$149	$148	$138

Formula:

((Net Operating Revenues in constant $) / (Number of Households))

Net Operating Revenues are defined as:

Gross Revenues
less restricted revenue for capital improvements that remain in operating funds
less mandated capital improvement transfers
less revenues legally restricted for special non-operating purposes

Description:
Examining per household revenues shows changes in revenues relative to changes in the number of households. As the number of households 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. Decreasing per-household revenues could mean the city would be unable to maintain existing service levels unless it finds new revenue sources or ways to reduce the cost of providing services, assuming that the demand for services is directly related to the number of households. A decreasing trend in per household revenues can result from such factors as property values, general economic declines, changes in population or population-related demographics, problems with revenue structure, or periods of high inflation.

Analysis:
The trend through fiscal 2007/08 was positive, followed by the downturn that began in 2008 with losses in taxable values. The increases in revenues seen by Debt Service and Special Revenue Funds also slowed during that time. From 2008 to 2011 state sharing revenue decreased, and while that trend reversed in 2012, payments have not returned to pre-2007 levels. Interest income has remained depressed, but building permit revenues have recently increased.

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

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
TV (Curr $)	5.0%	6.1%	2.5%	5.0%	0.7%	-4.4%	-0.7%	-1.6%	0.4%
TV (Const $)	2.6%	2.8%	-1.1%	0.5%	0.7%	-6.0%	-3.3%	-3.9%	-0.9%

Formula:

((Amount of $ Change in Taxable Value / Taxable Value $ in Previous Year) – 1.000) x 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 2013/2014 was actually determined as of December 31, 2012. That taxable value then determined the property tax revenue available from the 7/1/2013 and 12/1/2014 billings. These billings provided revenue for Fiscal Year 2013/2014.

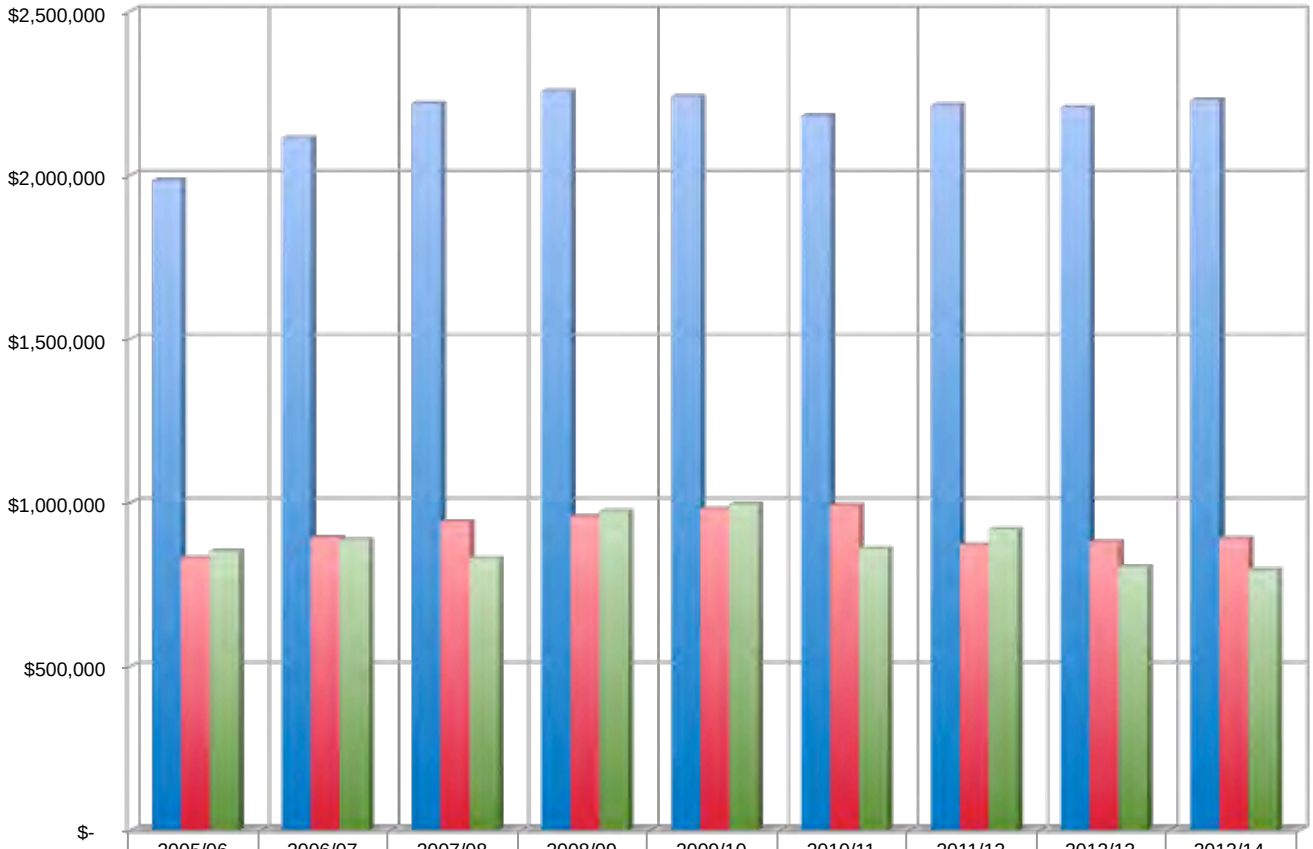
Description:

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 (TV) on most property and the TV increases by the rate of increase in the Consumer Price Index. New construction of major properties provides a significant increase in taxable values and explains many of the spikes in this indicator some of which are related to the mortgage lending crisis. The market value of property, primarily residential property, decreased in 2009/10 so that the TV increase allowed by the state's inflation adjustment factor did not increase the value of all properties. The TV may not be greater than the State Equalized Value. For the first time since enactment of Proposal A, a significant number of property Taxable Values were constrained due to this requirement. Fiscal Year 2012-2013 saw a decrease in TV of 1.6 percent, but there was a 0.4 percent increase in 2013-2014.

PROPERTY MARKET VALUE
(Total Market Value by Category)



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Residential	$1,982,565	$2,111,281	$2,217,167	$2,255,031	$2,238,414	$2,179,429	$2,212,263	$2,205,661	$2,228,274
Commercial	$830,053	$892,172	$940,418	$956,721	$979,530	$990,216	$870,261	$879,038	$889,333
Industrial	$850,856	$885,064	$828,938	$972,550	$993,627	$858,342	$918,516	$803,600	$793,733

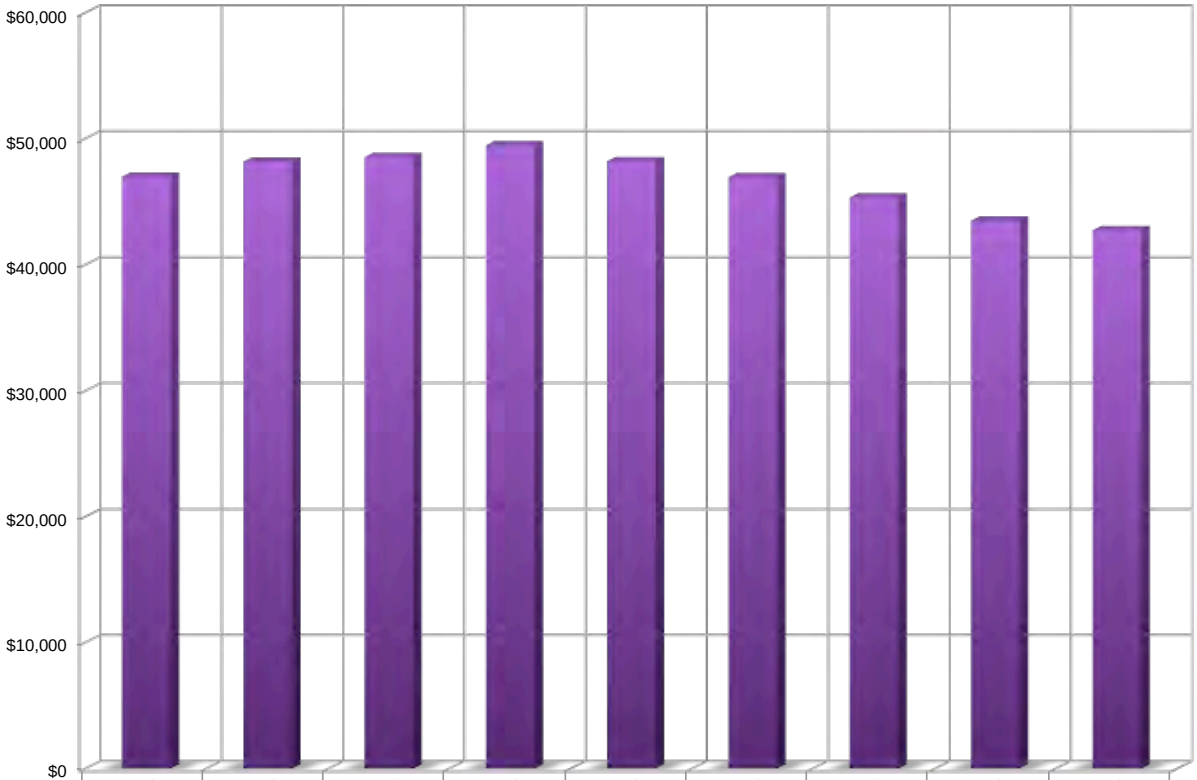
Formula:
For any market category, the percent of market value represented by a specific category is:

((Market Value of Specific Category) / (Combined Market Value of All Categories)) x 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 principle 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 has risen in recent years from 53.1 percent in 2009-2010 to 55.3 percent in 2011-2012 and 67.9 percent in 2013-2014.

TAXABLE VALUE PER HOUSEHOLD
(in Constant $)



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
TV (Const $)	$46,964	$48,164	$48,512	$49,447	$48,194	$46,926	$45,309	$43,470	$42,699

Fiscal Year	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Current $ Taxable Value ($000)	$1,831,737	$ 1,909,188	$1,993,1262	$2,092,151	$2,105,785	$2,013,994	$2,000,520	$1,968,925	$1,977,365
Constant $ Taxable Value ($000)	$ 959,469	$ 968,091	$ 984,845	$1,000,014	$1,009,560	$ 949,413	$ 918,268	$882,449	$874,553

Formula:

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

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

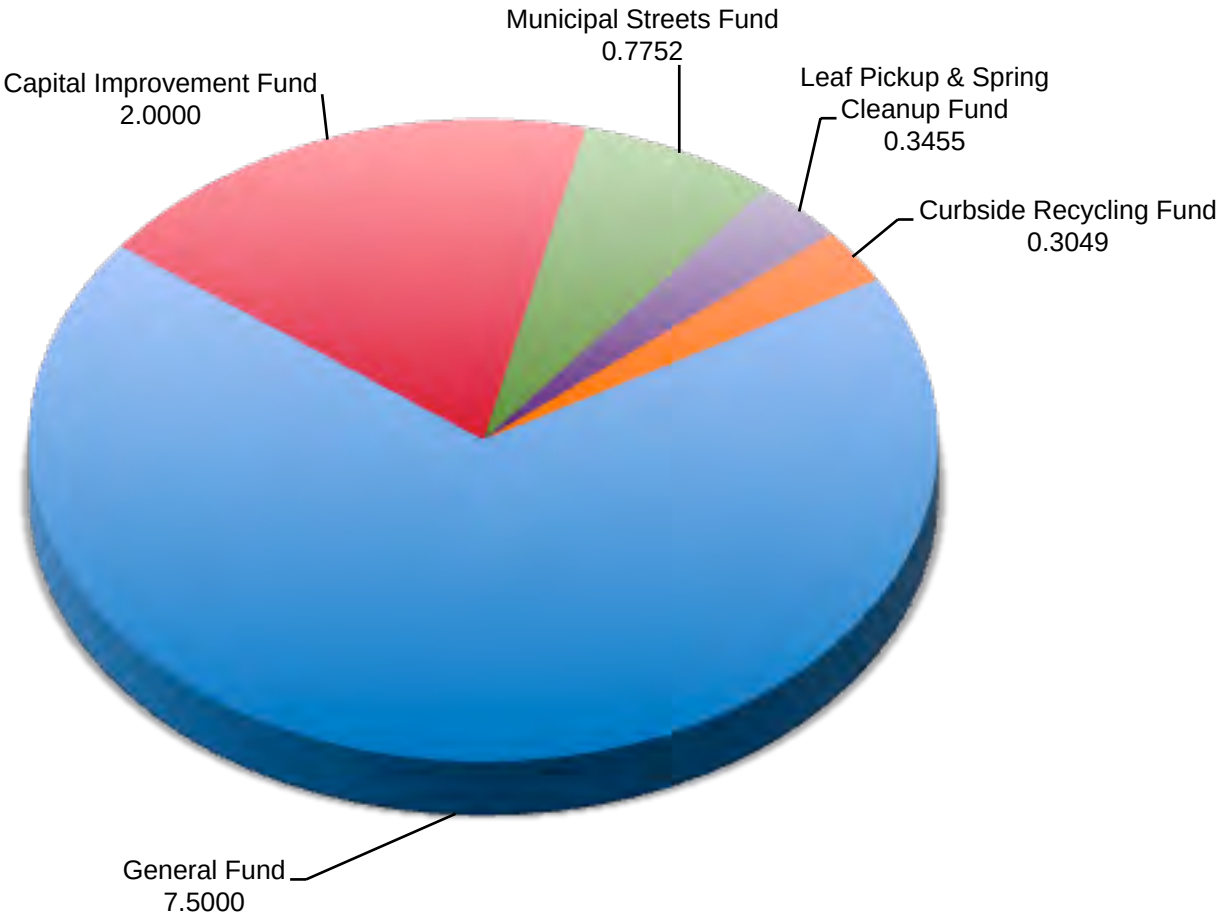
Description:
Taxable Value (TV) is a measure of the property tax base and is the primary source of revenue to the city. Measuring TV in inflation-adjusted dollars over time gives the city a measurement of how well this important revenue base is being maintained in comparison to the category that generates the primary demand for services from the city. Increases in TV, however, do not necessarily equate to tax revenue increases. Millage levies are also subject to Michigan statues 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 2009/10. Since that time, 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
2015 – 2016 BUDGET

	2014/15 RATES	2015/16 RATES	CHANGE FROM 2014/15 RATES
General Fund	7.5000	7.5000	0.0000
Capital Improvement	2.0000	2.0000	0.0000
Curbside Recycling	0.3049	0.3049	0.0000
Leaf Pickup/Spring Cleanup	0.3455	0.3455	0.0000
Municipal Streets Fund	0.7752	0.7752	0.0000
	10.9256	10.9256	0.0000

CITY MILLAGE BREAKDOWN BY FUND CATEGORY



City of Portage
Discussion of Accounting Methods
Budgetary vs. CAFR

The City of Portage fully implemented GASB Statement No. 34 in the fiscal year ended June 30, 2003. This permits consolidation of all funds into one comprehensive summary. The Consolidated Annual Financial Report (CAFR) uses the full accrual method of accounting in all funds; budgetary presentation does not. The Governmental Accounting Standards Board Statement No. 34 permits units of government answer the question "What is the relative financial burden that each of the units' programs places on the taxpayers?" through their financial reporting. The statement that follows has been prepared on a budgetary basis using the new reporting model under Generally Accepted Accounting Principles (GAAP).

There are several very significant differences between this statement that presents the budget in the same form as the CAFR and the CAFR itself. Some of the main differences are:

1. The timing of revenue and expenditures may differ under a GAAP basis of accounting from the budgetary basis of accounting. For example, accounting revenues under GAAP are recognized in governmental funds as soon as they are both "measurable" and "available" whereas revenue recognition under the budgetary basis of accounting may be deferred until amounts are actually received in cash.
2. Encumbered amounts are commonly treated as expenditures under the assumptions of the budgetary basis of accounting while encumbrances are never classified as expenditures for the CAFR.
3. Under the basis of accounting used in proprietary funds, the receipt of long-term debt proceeds, capital outlays, and debt service principal payments are not reported in operations, but allocations for depreciation and amortization are recorded. The opposite is true under the budgetary basis of accounting.
4. Capital improvements do not appear on the Statement of Activities (Income Statement) in the CAFR. Instead, capital improvements are capitalized and are reported in the Statement of Net Assets (Balance Sheet). Capital improvements are depreciated over the expected life of the asset for the CAFR, and infrastructure assets such as streets and sidewalks have been capitalized and depreciated. In accordance with GASB Statement No. 34, the historical cost balance of infrastructure assets has been reconstructed back to the incorporation of the City in 1963 for CAFR purposes. Capital improvements are shown as expenditures under the budgetary basis.
5. The budget document does not include all of the component units incorporated into the Consolidated Annual Financial Statement (CAFR) because the GAAP definition of control for financial reporting purposes differs from the legal capacity to appropriate funding. Certain funds may be excluded because appropriations come to them through other funds. For example, the defined benefit plan pension trust is excluded from the budgetary funds because contributions to it are appropriated through the personnel cost appropriations in the operating funds. Funds excluded from the budgetary funds include: insurance fund, pension trust, and the component units LDFA and Economic Development that are legally distinct entities from the City of Portage. Debt service undertaken by the City on behalf of the component units is, however, included because the borrowing commits the full faith and credit of the City.

CITY OF PORTAGE
Budgetary Fund Structure

Using the Modified Accrual method of accounting:

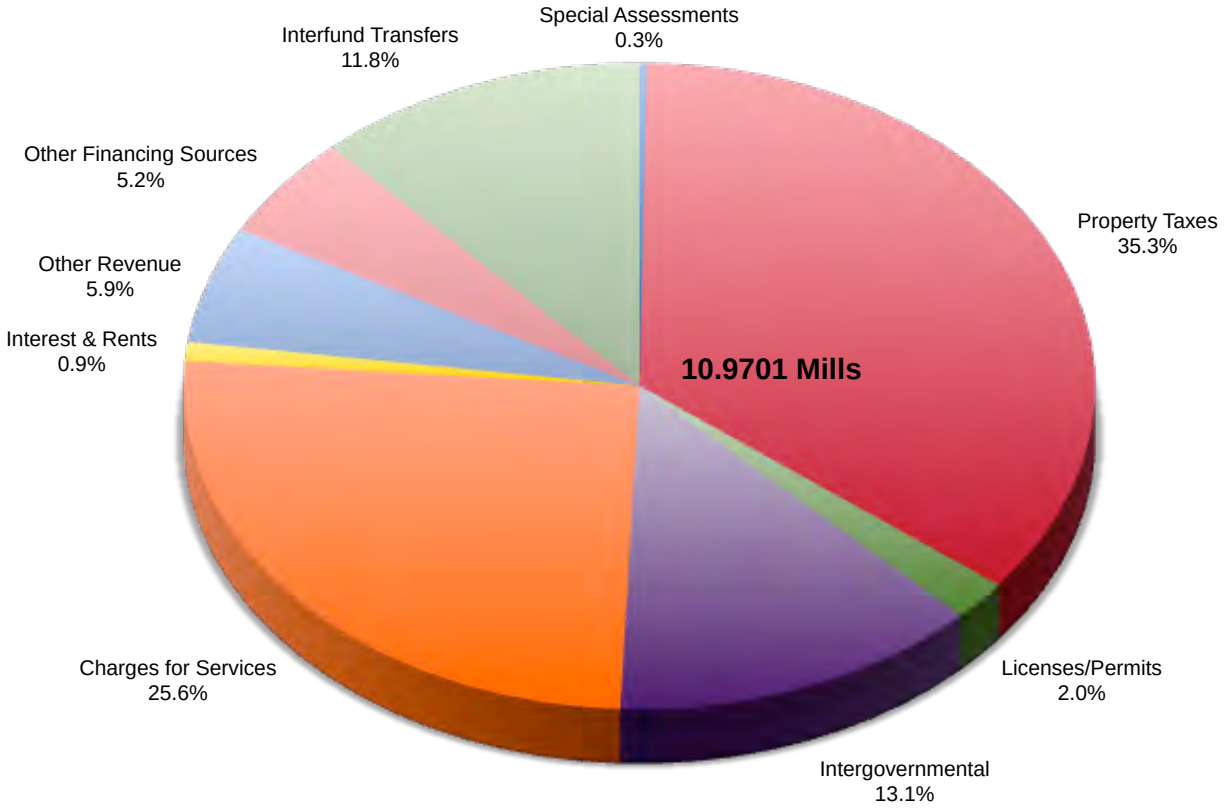
- General Fund
- Special Revenue Funds:
  - Major Streets Fund
  - Local Streets Fund
  - Municipal Streets Fund
  - Curbside Recycling Fund
  - Leaf Pickup Fund
  - Cultural Activities Fund
  - CDBG Fund
  - Cable Television Fund
  - West Lake Weed Management Fund
  - CDBG Program Income Fund
- Debt Service Funds
- Capital Improvement Funds
- Enterprise Funds:
  - Sewer Operating Fund
  - Water Operating Fund
- Cemetery Permanent Fund
- Internal Service Fund:
  - Equipment Fund

CITY OF PORTAGE, MICHIGAN

Budget Summary by Fund Type (Budgetary Basis)
FISCAL YEAR 2015 - 2016

	Modified Accrual				Full Accrual		Memorandum Only		
	General Fund	Special Revenue	Debt Service	Capital Project	Enterprise Funds	Permanent Funds	FY 2015-2016 Total	FY 2014-2015 Total	FY 2013-2014 Total
REVENUE:									
Property taxes	16,192,200	2,897,000	784,000	4,030,000	-	-	23,903,200	23,162,100	22,790,400
Fees and permits	667,900	765,000	-	-	-	-	1,432,900	1,288,900	1,240,950
Federal revenue	1,000	321,442	-	994,000	-	-	1,316,442	1,010,672	1,364,100
State revenue	8,000	3,632,807	-	-	-	-	3,640,807	3,630,500	3,534,500
State shared revenue	3,972,124	-	-	-	-	-	3,972,124	3,881,220	3,763,831
State grants	-	-	-	-	-	-	-	810,000	-
Other grants	22,000	-	-	-	-	-	22,000	12,000	21,600
Charges for services	1,448,030	35,000	-	-	15,873,000	40,000	17,396,030	17,420,100	17,179,680
Interest and rents	293,000	12,700	357,413	22,000	31,300	4,100	720,513	685,243	632,340
Other revenue	888,760	23,400	-	4,715,000	-	-	5,627,160	2,185,070	3,352,920
TOTAL REVENUE	23,493,014	7,687,349	1,141,413	9,761,000	15,904,300	44,100	58,031,176	54,085,805	53,880,321
EXPENDITURES:									
Legislative	66,300	-	-	-	-	-	66,300	67,100	61,500
Judicial	67,818	-	-	-	-	-	67,818	67,355	55,355
General government	4,173,139	19,758	-	-	-	-	4,192,897	4,444,791	4,411,638
Public safety	14,869,533	101,528	-	-	-	-	14,971,061	14,390,748	14,351,158
Public works	519,650	-	-	-	-	-	519,650	565,000	577,000
Health and welfare	125,625	1,577,187	-	-	-	-	1,702,812	1,543,646	1,630,058
Recreation and cultural	2,962,354	922,083	-	-	-	-	3,884,437	3,524,013	3,473,300
Public facilities	-	-	-	-	-	-	-	-	50,000
Highways and streets	-	3,580,060	-	-	-	-	3,580,060	3,264,540	3,074,091
Operations and maintenance	-	-	-	-	7,298,932	-	7,298,932	7,086,896	7,063,690
Administration	-	-	-	-	5,278,833	-	5,278,833	5,478,591	4,969,590
Capital outlay	-	60,000	-	9,406,000	260,000	-	9,726,000	7,830,000	7,422,000
Debt service	-	-	6,088,420	-	-	-	6,088,420	6,104,986	6,240,165
TOTAL EXPENDITURES	22,784,419	6,260,616	6,088,420	9,406,000	12,837,765	-	57,377,220	54,367,666	53,379,545

SOURCES OF FUNDING - ALL FUNDS

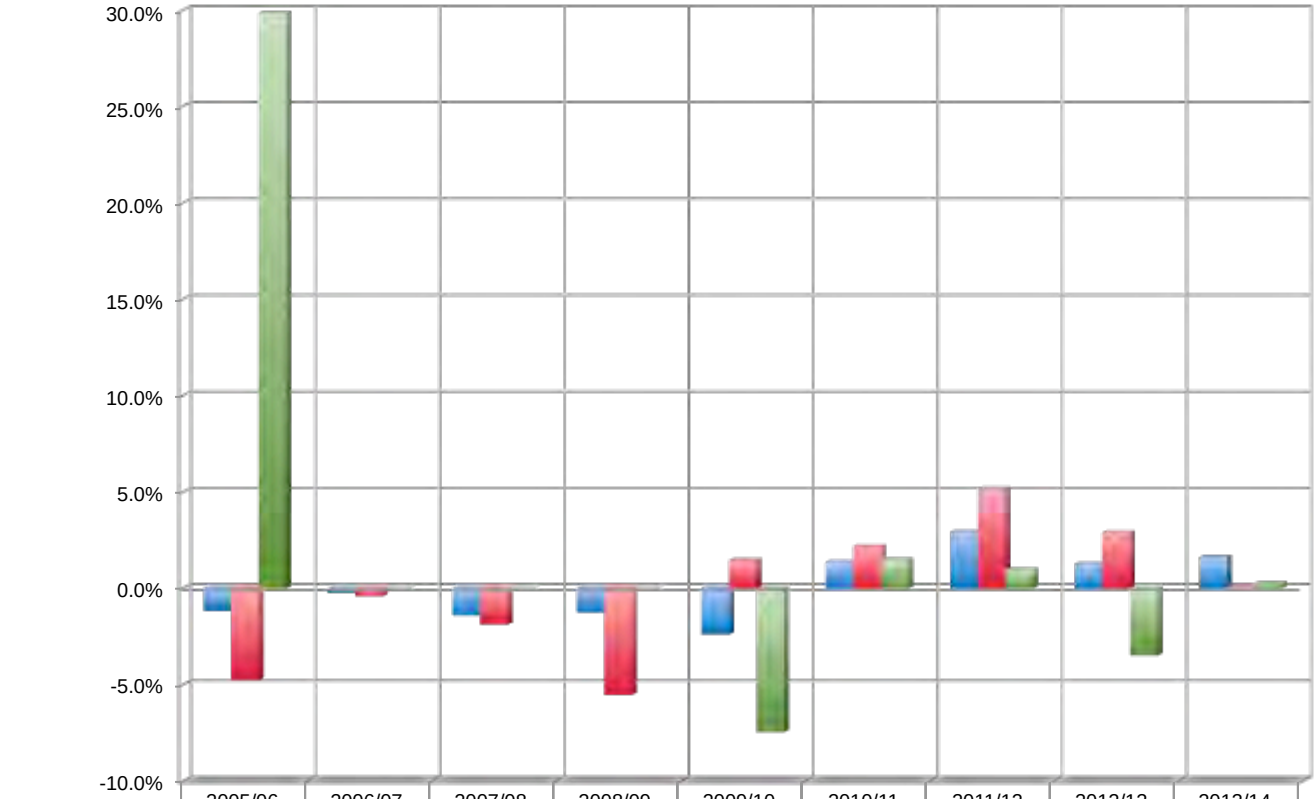


SUMMARY OF REVENUES
ALL FUNDS
FISCAL YEAR 2015 - 2016

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
GENERAL FUND	22,840,322	22,603,015	22,517,374	22,497,740	23,497,014
STREET FUNDS					
Major Streets	3,278,661	4,142,681	3,266,680	3,048,180	3,059,744
Local Streets	1,424,212	1,147,202	1,131,220	1,112,720	1,129,563
Municipal Streets	1,076,379	1,224,151	1,526,800	1,526,800	1,577,400
UTILITY FUNDS					
Sewer Operating	8,233,774	8,621,045	8,865,700	8,865,700	8,927,600
Water Operating	6,943,475	6,791,871	6,942,600	6,942,600	7,022,700
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	8,822,419	9,606,568	12,548,001	12,305,000	14,164,000
Lakes-Weed Management	10,762	10,643	10,450	10,450	23,600
DEBT SERVICE FUNDS					
General Obligation Debt	6,894,508	3,039,822	3,064,600	3,064,600	2,991,300
MTF 1997	132,000	128,002	122,135	122,135	117,100
MTF 2008	258,066	272,052	274,400	274,400	217,500
MTF 2010 Refunding	556,991	823,011	935,565	935,565	1,027,400
Building Authority Debt Service	644,326	650,654	575,443	575,443	617,713
DDA Debt Service	311,439	303,259	358,100	358,100	390,700
LDFA Debt Service	487,399	487,513	492,600	492,600	501,900
Special Assessment Debt Service	92,835	130,472	191,465	191,465	175,065
OTHER FUNDS					
Curbside Recycling	663,551	596,597	602,400	602,400	621,300
Leaf Pickup/Spring Cleanup	792,842	677,123	681,600	681,600	703,500
Community Development Block Grant	187,388	199,236	378,815	218,672	221,442
Cable Television	782,041	806,406	765,700	765,700	765,800
Cemetery Permanent Fund	39,439	49,721	43,700	43,700	44,100
CDBG Program Income	32,289	79,517	25,000	25,000	135,000
TOTAL REVENUE	64,505,118	62,390,561	65,320,348	64,660,570	67,931,441

Additional information is available in the respective detailed departmental budget.

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



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund	-1.2%	-0.2%	-1.4%	-1.2%	-2.4%	1.4%	2.9%	1.2%	1.6%
Sp. Rev. Funds	-4.8%	-0.4%	-1.9%	-5.5%	1.4%	2.2%	5.2%	2.9%	0.03%
Debt Svc. Funds	29.8%	0.0%	0.0%	0.0%	-7.4%	1.5%	1.0%	-3.5%	0.3%

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

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

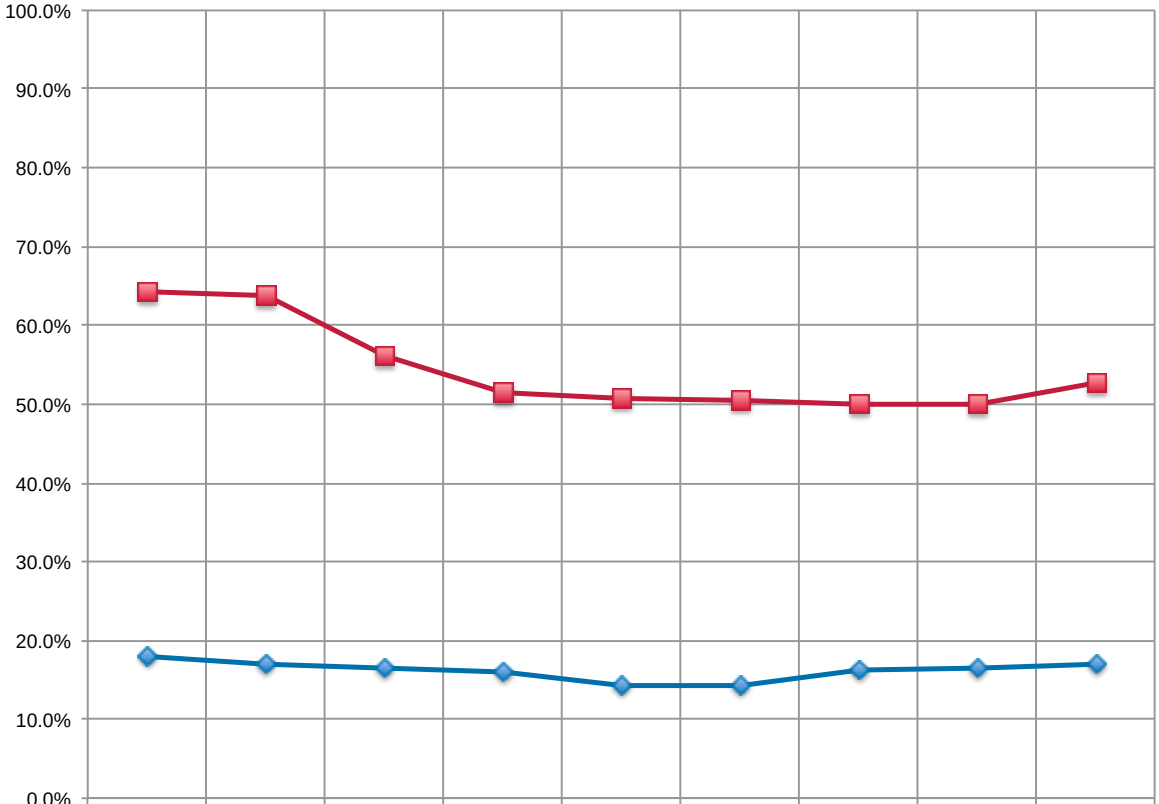
Revenue shortfalls can also be a sign of other issues including:

- 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 have primarily been caused by cuts in revenue sharing payments from the state and secondarily by reduced investment earnings. A more conservative outlook has yielded different results in the last few years. An increase in road funds from the state was a boost for Special Revenue Streets fund revenues, while a decline in property tax capture in the Downtown Development Authority Fund was the primary cause of that shortfall.

INTERGOVERNMENTAL OPERATING REVENUES
As a % of Gross Operating Revenues



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund	17.9%	17.0%	16.5%	16.0%	14.3%	14.2%	16.2%	16.6%	17.0%
Sp. Rev. Funds	64.3%	63.6%	56.1%	51.4%	50.7%	50.4%	49.9%	50.0%	52.7%

Formula:

((Intergovernmental Operating Revenues) / (Gross Operating Revenues)) x 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

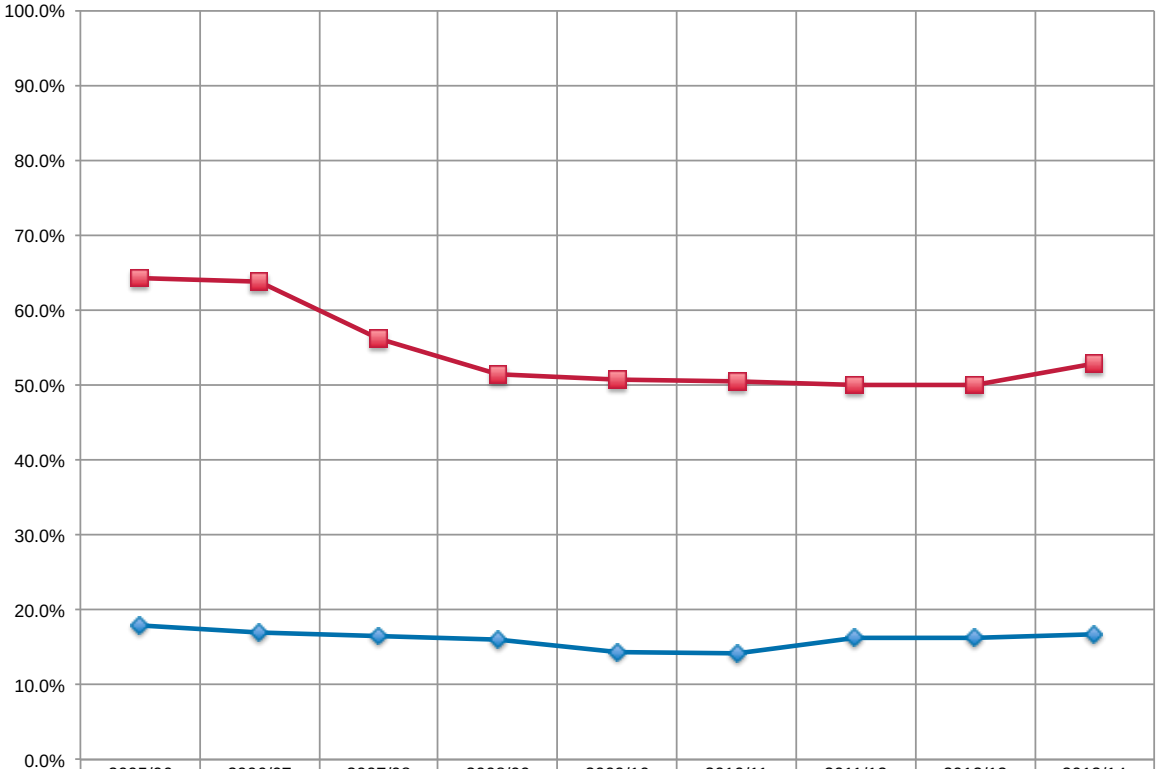
Description:

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, intergovernmental revenues continue to hover at a level around 16 percent of General Fund revenues. The decline of state revenue sharing has ceased for the time being, and the city actually saw increases in recent years, although unadjusted annual totals remain below levels from 2006 and before. In Special Revenue funds, Act 51 revenues declined between 2009 and 2012, then settled at a level that has been providing 50 percent of revenues in those funds, increasing slightly in 2013-2014.

ELASTIC OPERATING REVENUES
As a % of Net Operating Revenues



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund	17.9%	17.0%	16.5%	16.0%	14.3%	14.2%	16.2%	16.1%	16.7%
Sp. Rev. Funds	64.3%	63.6%	56.1%	51.4%	50.7%	50.4%	49.9%	50.0%	52.8%

Formula:

((Elastic Operating Revenues) / (Net Operating Revenues)) x 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

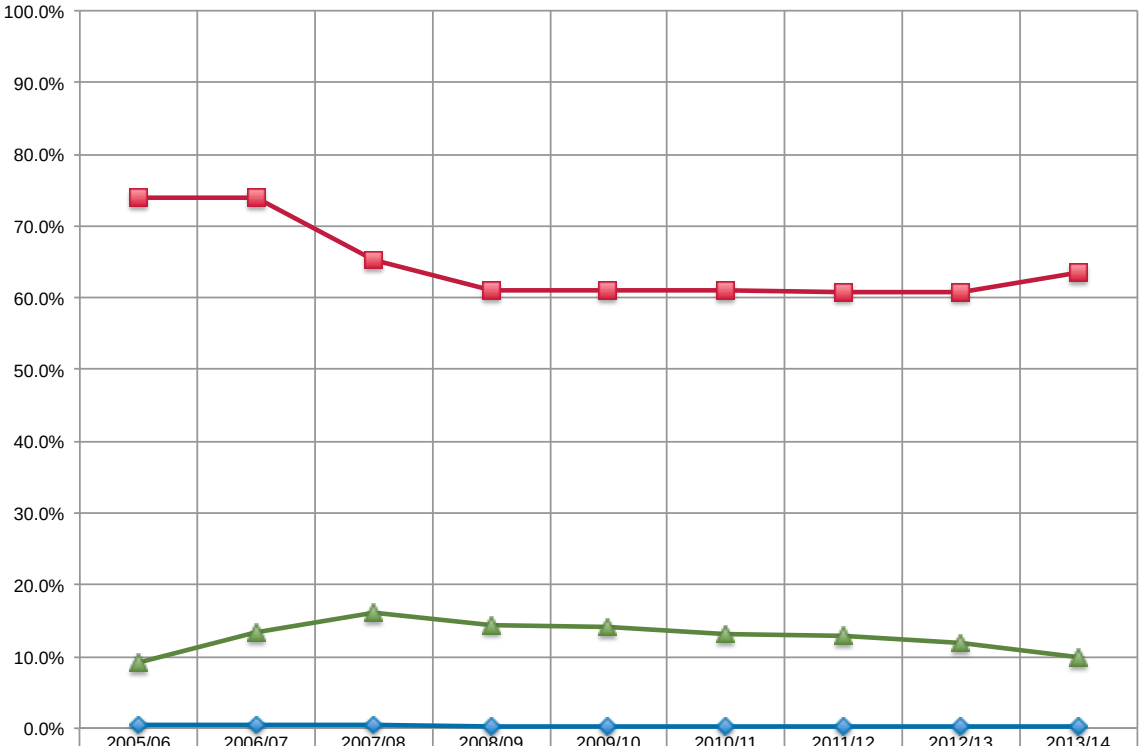
Description:

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 on elastic revenues has generally been level. As an example, the street funds are dependent on Act 51 revenues which are elastic because they depend on gasoline sales: as the amount of gasoline sold in Michigan declines, so do Act 51 revenues.

RESTRICTED OPERATING REVENUES
As a % of Net Operating Revenues



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund	0.5%	0.5%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
Sp. Rev. Funds	74.0%	73.9%	65.3%	60.9%	61.0%	61.1%	60.7%	60.8%	63.6%
Debt Svc. Funds	9.1%	13.2%	16.2%	14.5%	14.2%	13.1%	12.9%	11.8%	9.8%

Formula:

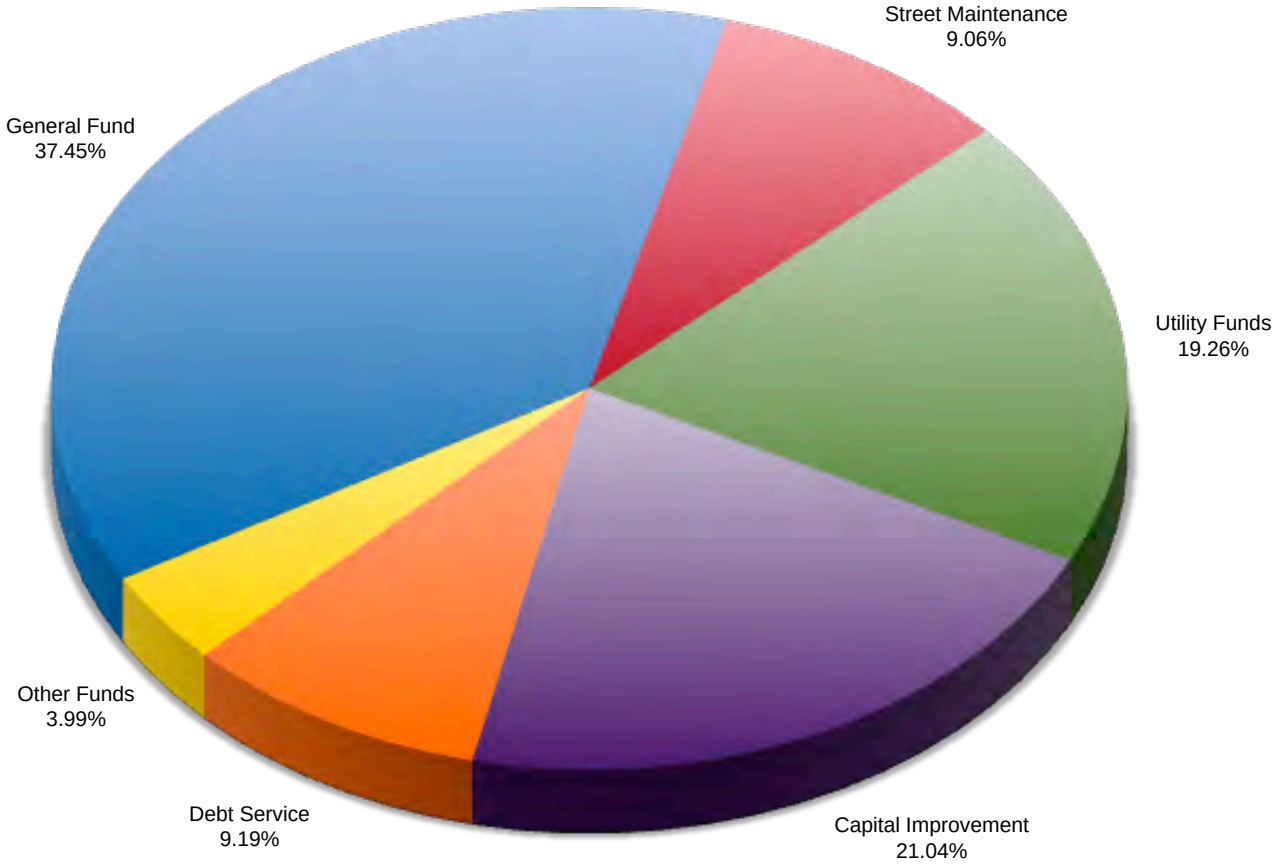
((Restricted Operating Revenues) / (Net Operating Revenues)) x 100

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 (Act 51) 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 2015 - 2016

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
GENERAL FUND	22,629,772	23,066,188	24,489,466	24,148,815	25,234,419
STREET FUNDS					
Major Streets	2,961,717	4,043,793	3,880,248	3,593,911	3,298,988
Local Streets	1,401,687	1,137,899	1,194,145	1,118,629	1,195,742
Municipal Streets	1,043,400	1,229,400	1,529,000	1,529,000	1,604,330
UTILITY FUNDS					
Sewer Operating	7,046,956	7,066,579	8,991,595	8,721,705	7,844,078
Water Operating	4,185,689	4,151,316	5,061,401	5,003,782	5,123,687
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	7,024,025	8,055,649	16,076,838	8,828,000	14,164,000
Lakes-Weed Management	21,170	5,300	41,200	35,000	40,000
DEBT SERVICE FUNDS					
General Obligation Debt	6,751,416	2,994,463	3,048,010	3,048,010	2,990,335
MTF 1997	132,131	127,131	122,135	122,135	117,060
MTF 2008	258,475	271,763	274,300	274,300	216,980
MTF 2010 Refunding	556,475	820,525	935,925	935,925	1,027,225
Building Authority Debt Service	645,765	610,812	577,130	577,130	613,992
DDA Debt Service	404,750	429,859	384,695	384,695	430,145
LDFA Debt Service	548,475	515,013	504,775	504,775	490,330
Special Assessment Debt Service	352,382	178,700	328,281	328,281	302,618
OTHER FUNDS					
Curbside Recycling	635,671	636,239	604,991	604,991	684,225
Leaf Pickup/Spring Cleanup	736,701	729,283	674,868	674,868	717,806
Community Development Block Grant	187,388	199,237	379,315	218,672	221,442
Cable Television	646,985	820,407	769,707	749,307	882,083
Cemetery Permanent Fund	3,724	4,000	3,500	3,500	4,100
CDBG Program Income	32,289	79,548	60,000	60,000	135,000
TOTAL EXPENDITURE	58,207,043	57,173,104	69,931,525	61,465,431	67,338,585

Additional information is available in the respective detailed departmental budgets.

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

Changes in Fund Balance (Budgetary Basis)

FISCAL YEAR 2015 - 2016

	Fund Balance/Net Assets Beginning of Year	Revenue	Other Sources	Expenditures & Expenses	Other Uses	Excess (Deficiency)	Net Assets/ Fund Balance End of Year
General Fund	8,821,738	23,493,014	4,000	22,784,419	2,450,000	(1,737,405)	7,084,333
Major Streets	1,140,080	2,809,744	250,000	2,339,988	959,000	(239,244)	900,836
Local Streets	613,012	829,563	300,000	1,172,742	23,000	(66,179)	546,833
Municipal Streets	188,287	1,577,400	-	67,330	1,537,000	(26,930)	161,357
Sewer Operating (Net Assets)	48,974,472	8,881,600	46,000	7,764,078	80,000	1,083,522	50,057,994
Water Operating (Net Assets)	27,925,165	7,022,700	-	5,073,687	50,000	1,899,013	29,824,178
Capital Improvement	4,692,588	9,761,000	4,403,000	9,406,000	4,758,000	-	4,692,588
Lakes-Weed Management	29,464	23,600	-	40,000	-	(16,400)	13,064
General Obligation Debt	206,058	500	2,990,800	2,990,335	-	965	207,023
MTF Debt Service	60	100	1,361,900	1,361,265	-	735	795
Building Authority Debt Service	347,983	273,413	344,300	613,992	-	3,721	351,704
DDA Debt Service	90,692	290,700	100,000	329,880	100,265	(39,445)	51,247
LDFA Debt Service	1,916,807	501,900	-	490,330	-	11,570	1,928,377
Special Assessment Debt Service	418,978	74,800	100,265	302,618	-	(127,553)	291,425
Curbside Recycling	56,405	621,300	-	684,225	-	(62,925)	(6,520)
Leaf Pickup/Spring Cleanup	184,623	703,500	-	717,806	-	(14,306)	170,317
Community Development Block Grant	-	221,442	-	221,442	-	-	-
CDBG Program Income	6,054	135,000	-	135,000	-	-	6,054
Cable Television	329,962	765,800	-	882,083	-	(116,283)	213,679
Cemetery Permanent Fund	1,100,683	44,100	-	-	4,100	40,000	1,140,683
TOTAL	96,971,984	58,031,176	9,900,265	57,377,220	9,961,365	592,856	97,564,840

Total Expenditures by Department and Fund Type (Budgetary Basis)
FISCAL YEAR 2015 - 2016

Department	General Fund	General Obligation Debt Fund	Special Assessments Fund	Capital Improvement Fund	Enterprise Funds	Nonmajor Governmental Funds	Permanent Funds	Total
Legislative	66,300	-	-	-	-	-	-	66,300
District Court	67,818	-	-	-	-	-	-	67,818
City Manager	495,234	-	-	-	-	-	-	495,234
Finance	884,194	-	-	-	-	-	-	884,194
Management Information Systems	870,571	-	-	230,000	-	-	-	1,100,571
City Assessor	561,367	-	-	-	-	-	-	561,367
City Attorney	226,728	-	-	-	-	-	-	226,728
City Clerk	435,223	-	-	-	-	-	-	435,223
Human Resources	594,077	-	-	-	-	-	-	594,077
Purchasing	105,745	-	-	-	-	-	-	105,745
Parks/Rec/Property Mgt	2,680,745	-	-	445,000	-	-	-	3,125,745
Police	9,017,112	-	-	1,327,000	-	-	-	10,344,112
Fire	4,930,940	-	-	551,000	-	-	-	5,481,940
Community Development	1,203,090	-	-	-	-	221,442	-	1,424,532
Public Services	645,275	-	-	6,853,000	12,837,765	6,039,174	-	26,375,214
Nondepartmental:								
Debt Service	-	2,990,335	302,618	-	-	2,795,467	-	6,088,420
Transfers to other funds	2,450,000	-	-	4,758,000	130,000	2,619,265	4,100	9,961,365
TOTALS	25,234,419	2,990,335	302,618	14,164,000	12,967,765	11,675,348	4,100	67,338,585

Notes on 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. On May 27, 2014, City Council passed a resolution that the fund balance of the General Fund remaining after expenditures be maintained at 24 percent of expenditures and inter-fund transfers. The available amount in excess of 24 percent shall be used to pay cash for future non-utility fund capital improvement fund projects in an effort to reduce long term debt. As the audit is completed each fall and the General Fund audited balance becomes known, the amount in excess of the adopted budget for expenditures and inter-fund transfers will be appropriated and transferred to fund the planned capital improvements in lieu of debt issuance and additional capital improvements as approved.

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. Debt Service funds are budgeted quite tightly and may show a budgeted small negative fund balance due to uncertainty with regard to amount paid to the paying agent. The city changed the paying agent on a number of bond issues in order to reduce fees.

Curbside Recycling Fund: As with the General Fund, the Curbside Recycling fund balance is being maintained at the level determined to be necessary for both current and planned future activities. A long term contract with a new recycling service provider was signed which will reduce the annual cost in the near term and hold down costs long term.

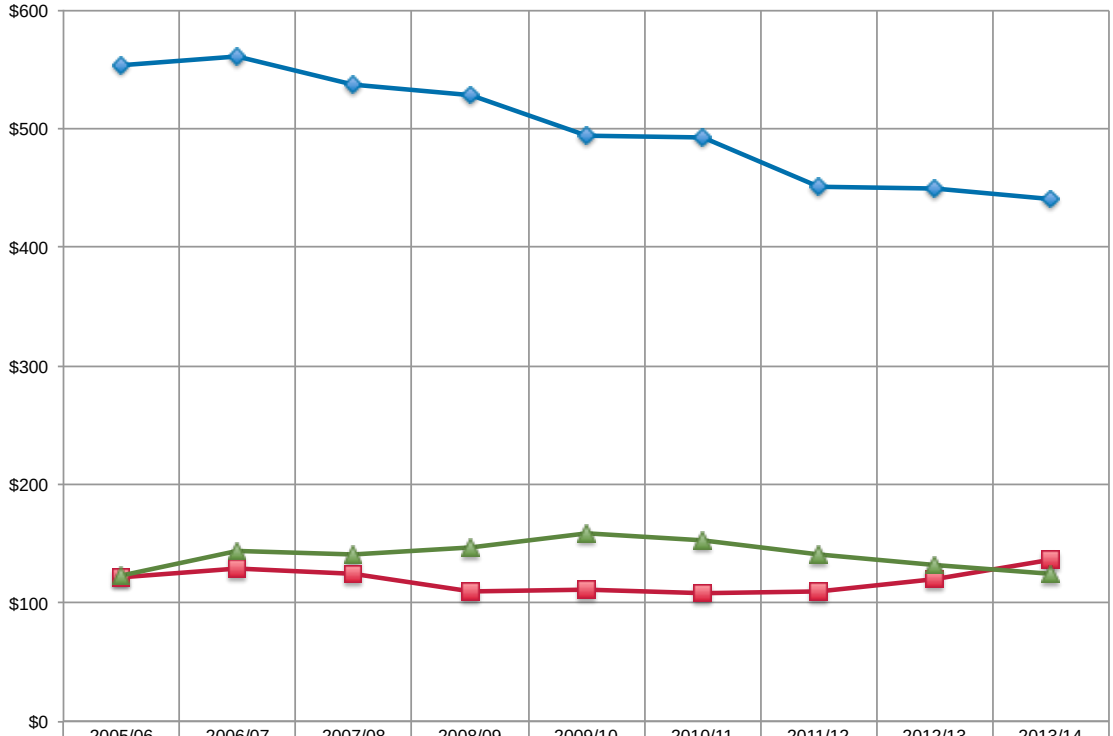
Leaf Pickup / Spring Cleanup Fund: Fund balance has been built up in order to ensure the ability to provide for brush pickup services in addition to leaf pick up and spring cleanup in future years, as well as because of the volatility of the fuel market which has determined contract costs in the past few years. Service will be expanded to include leaf pickup on private streets, resulting in additional demand on this fund in 2015/2016.

Cable Television Fund: Franchise fees and public service fees generated by contract with the local cable providers are dedicated to technological improvement and contractual support of equipment for public access programming. Residual revenue is dedicated to technological needs of the City. 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 $$)



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund	$554	$560	$537	$528	$494	$492	$451	$449	$440
Sp. Rev. Funds	$121	$128	$124	$109	$112	$108	$110	$119	$136
Debt Svc. Funds	$122	$144	$140	$146	$158	$153	$140	$132	$124

Formula:

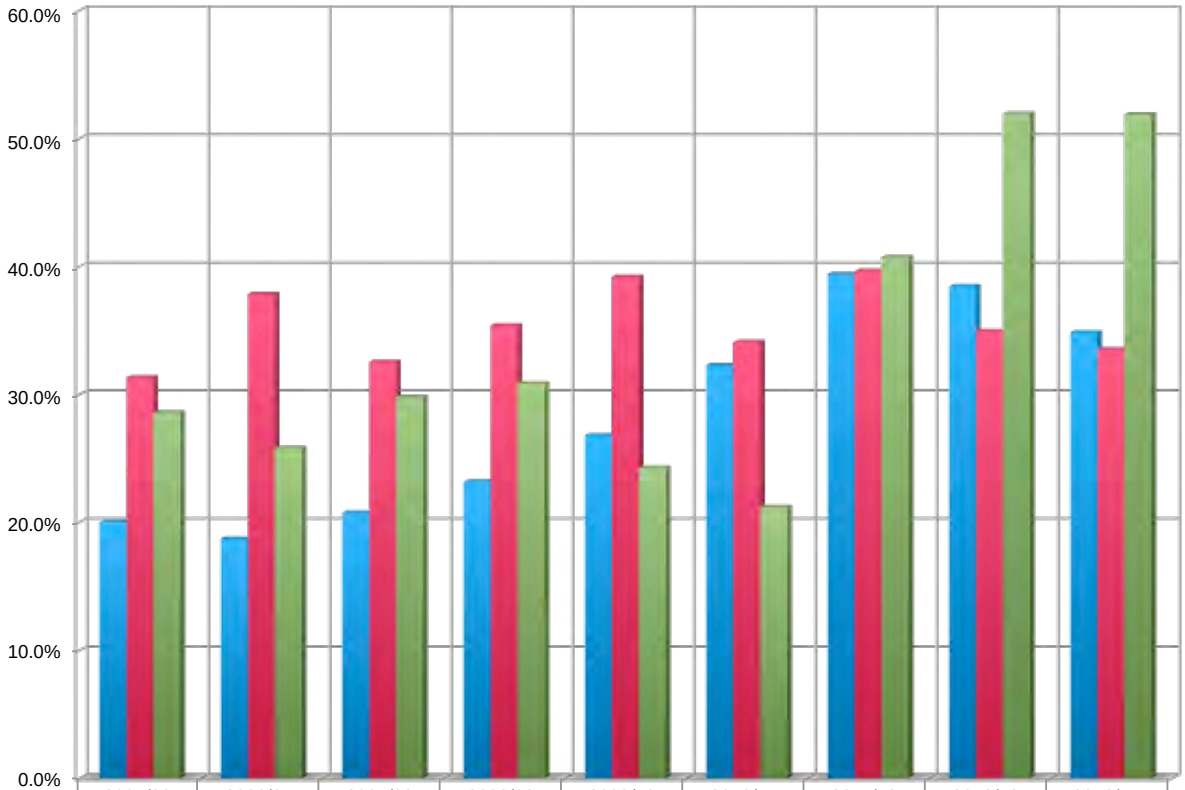
(Net Operating Expenditures adjusted to Constant $) / (Number of Households)

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 that 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, and since that time cost control efforts put in place have held or reduced General Fund expenditures in several areas. Changes in special revenue funds are generally due to the amount of revenue available, particularly Act 51 street maintenance revenues. Annual expenditure per household has been reduced every year since 2007.

UNRESERVED FUND BALANCE
As a % of Net Operating Revenues



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund	20.0%	18.7%	20.8%	23.2%	26.8%	32.3%	39.4%	38.4%	34.8%
Sp. Rev. Funds	31.3%	37.8%	32.5%	35.4%	39.2%	34.1%	39.6%	35.0%	33.5%
Debt Svc. Funds	28.6%	25.8%	29.8%	30.9%	24.3%	21.2%	40.7%	51.9%	51.9%

Formula:

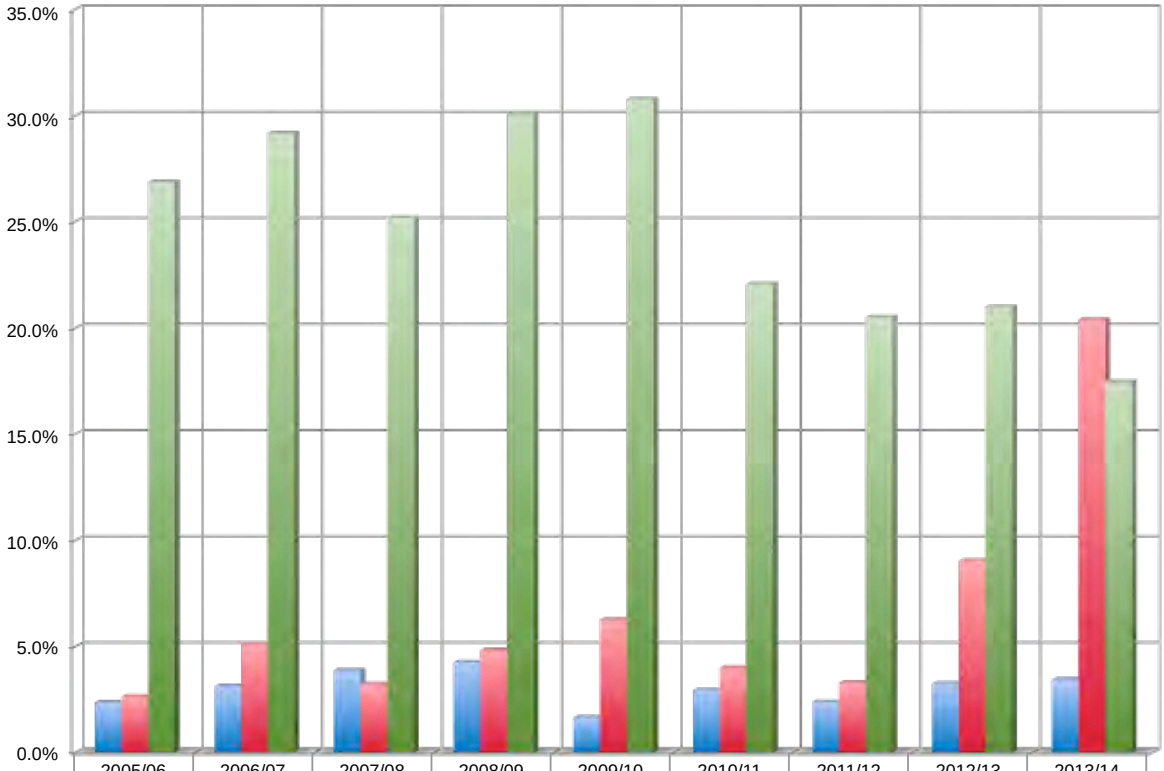
((Unreserved Fund Balance) / (Net Operating Revenues)) x 100

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 strives to maintain an adequate minimum fund balance level in all funds; both as a safety measure and to ensure a stable cash balance to fund continuing operations. Reduction of expenditures where possible through the recent economic downturn has outpaced declines in revenues, resulting in healthy levels of unreserved fund balance.

CURRENT LIABILITIES
As a % of Net Operating Revenues



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund	2.4%	3.1%	3.9%	4.3%	1.7%	2.9%	2.4%	3.3%	3.4%
Sp. Rev. Funds	2.6%	5.1%	3.2%	4.8%	6.3%	4.0%	3.3%	9.0%	20.4%
Enterprise Funds	26.9%	29.2%	25.2%	30.1%	30.8%	22.1%	20.5%	21.0%	17.5%

Formula:

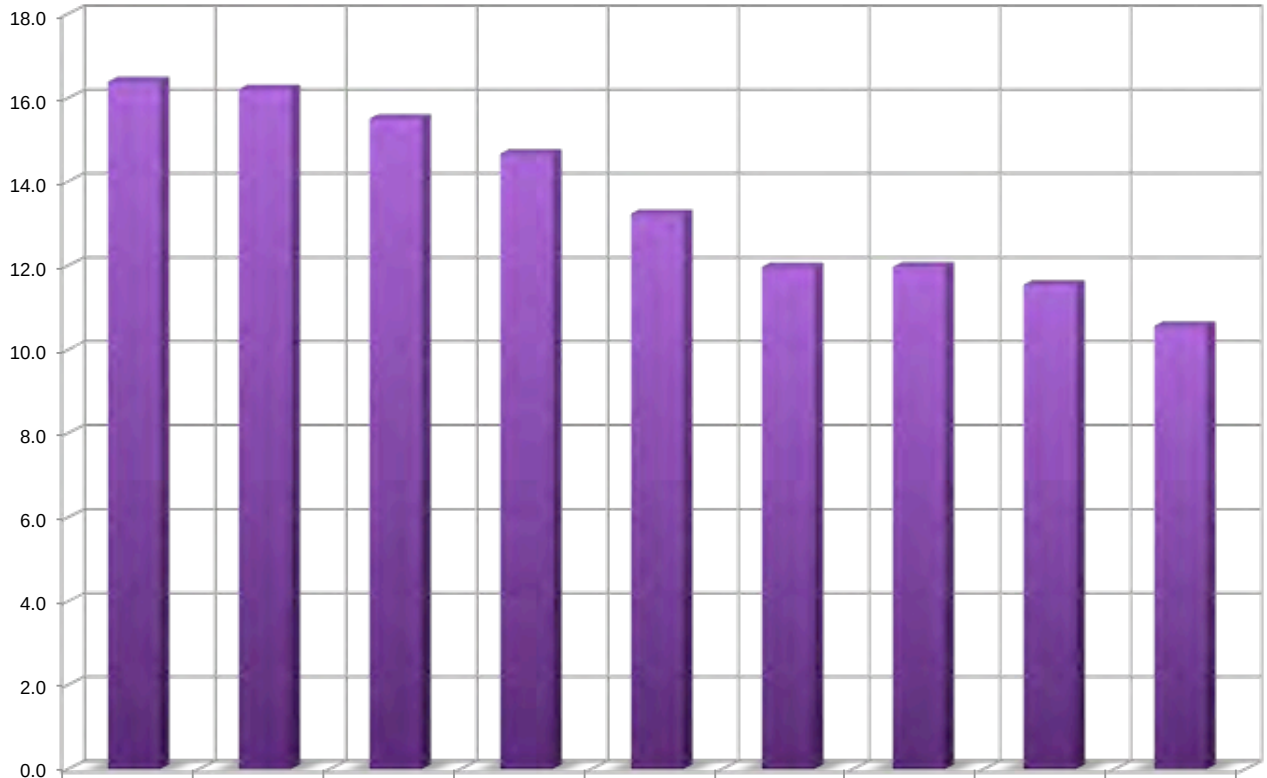
((Current Liabilities) / (Net Operating Revenues)) x 100

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 2013-2014, the current portion of the enterprise funds long-term debt amounted to $1,923,551 or 72 percent of the total current liabilities of the enterprise funds. An accrued payment for street reconstruction of over $1 million is responsible for the large increase in the Special Revenue funds ratio.

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



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Asset Ratio	16.4	16.2	15.5	14.6	13.2	12.0	12.0	11.5	10.5

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. It may also indicate a decreasing number of retirees, which is the case with the City of Portage.

Analysis:
In 1984, the city converted the defined benefit pension plan to a defined contribution (i.e., "money purchase") pension plan. Almost all city employees who had accrued benefits under the previous plan have agreed to be "cashed out" of the previous plan. Consequently, the long-term liability 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 remains very well funded.

CONSTITUTIONAL TAX LIMITATIONS, HEADLEE AMENDMENT, “TRUTH IN TAXATION" ACT, “TRUTH IN ASSESSING” ACT, AND “ASSESSMENT NOTICE” ACT

Property taxes, in general, are calculated by multiplying a property’s assessed value (SEV) by a specified millage rate. Several initiatives, both legislative and voter-approved, have impacted the levying of taxes in varying ways. A brief discussion of the major initiatives follows, with formulas and figures following the discussion.

In 1978, the voters of Michigan approved Constitutional Amendment Proposal E (the Headlee Amendment). This amendment limits the maximum tax rates that may be levied by local governments for most purposes, excluding debt service and pension levies. The City may not levy a rate higher than the Headlee Amendment allows without voter approval. The formula which computes Headlee values is computed City-wide, and affects total millage rates. If the composite State Equalized Value (“SEV”), allowing for new construction and losses, increases more than the inflation rate, the millage rate is adjusted downward. As the composite SEV did not increase more than the inflation rate, the 2014-2015 millage rate does not require a downward adjustment.

In 1994, the voters approved Proposal A. Proposal A created the concept of taxable value. Prior to Proposal A, taxes were levied on the State Equalized Value (SEV). Taxable value is capped at the lesser of the rate of inflation or 5%. A transfer in ownership allows the taxable value to become uncapped in the year following the transfer. Decreases in taxable value are not limited. The Proposal A formula is computed on an individual parcel basis, and affects the valuation of the parcel, rather than affecting the millage rate levied against the parcel.

Since each parcel’s increase is limited to the rate of inflation according to Proposal A, and the Headlee Amendment only requires a reduction when the total value of parcels City-wide exceeds inflation, the Headlee Amendment has almost been superseded by Proposal A. A marked increase in property transfers could trigger the Headlee Amendment, though, as the percentage increase in valuations due to the resetting of many parcels’ value to 50 percent of their true market value, may exceed the rate of inflation.

Along with the voter-approved Headlee Amendment and Proposal A, the Legislature-approved “Truth in Taxation” Act, adopted in 1982, also affects property taxes. This Act requires that certain procedures be followed in setting millage rates. The formula states that last year’s millage rate must be decreased in proportion to the increase in the current year’s taxable value, making allowances for additions and losses. This adjusted rate is called the “Base Tax Rate.” To levy a rate higher than the base tax rate, a “Notice of Public Hearing on Increasing Property Taxes” must be published, a public hearing must be held, and the City Council must approve that portion of the millage rate which exceeds the Base Tax Rate. The Truth in Taxation Act effectively mandates that a public hearing be held even when the millage rate does not change from one year to the next, since the City would collect a higher tax amount due to increases in property values.

The City published a “Notice of Public Hearing” on May 1, 2015. The Public Hearing was held on May 12, 2015.

The final legislation which affects property values and millage rates is the “Truth in Assessing” Act, adopted in 1981. This Act requires a rollback in the maximum authorized tax rate when the total assessed value of all property is less than its total State Equalized Value. As the City maintains an equalization factor of 1.000, which means that the assessed value equals the State Equalized Value, this rollback does not apply.

The City annually notifies property owners of their parcel's Assessed Value, the tentative equalization factor, and the taxable valuation. These disclosures are mandated by Proposal A and the "Assessment Notice" Act of 1981.

Raw Data

2014 Taxable Value (TV)	1,980,551,433
Cumulative changes	58,677,148
2015 Taxable Value (TV)	2,039,228,581
Consumer's Price Index (CPI):	1.6%
2014-2015 Operating Millage Rate	10.9256
2015-2016 Operating Millage Rate	10.9256

Operating Millage Components:

	2014/15	2015/16
General Fund	7.5000	7.5000
Capital Improvement Program	2.0000	2.0000
Recycling Fund	.3049	.3049
Leaf Pickup/ Spring Cleanup Fund	.3455	.3455
Municipal Streets Fund	.7752	.7752
Total	10.9256	10.9256

Formulas/Computations

2015 Truth-in-Taxation Base Tax Rate Fraction

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

$$\frac{(\$1{,}980{,}551{,}433 - \$22{,}961{,}670)}{(\$2{,}039{,}228{,}581 - \$92{,}446{,}164)} = \frac{\$1{,}957{,}589{,}763}{\$1{,}946{,}782{,}417} = 1.0055$$

As shown above, the 2015 base tax rate fraction (BTRF) is calculated to be 1.0055. Multiplying the BTRF of 1.0055 by last year's operating levy of 10.9256 mills yields a base tax rate of 10.9867 mills for 2015.

2015 Headlee Millage Reduction Fraction

$$\frac{\textit{(2014 Total T.V. - 2015 Losses) x CPI}}{\textit{(2015 Total T.V. – 2015 Additions)}}$$

$$\frac{(\$1{,}980{,}551{,}433 - \$22{,}961{,}670) \times 1.016}{(\$2{,}039{,}228{,}581 - \$92{,}446{,}164)} \quad \frac{\$1{,}988{,}911{,}199}{\$1{,}946{,}782{,}417} = 1.0216 = 1.0000$$

2015 Millage Reduction Fraction (Headlee)

As shown above, the 2015 millage reduction fraction (MRF) is calculated to be 1.0216. Beginning in 1995, however, the MRF used cannot exceed 1.0000. Since a MRF of 1.0000 will be used for 2014, no further reduction in the city's maximum authorized millage rate (due to Headlee rollback) will be required for 2015.

GENERAL APPROPRIATIONS ACT
RESOLUTION TO ADOPT THE BUDGET
OF THE CITY OF PORTAGE FOR THE FISCAL YEAR
JULY 1, 2015 TO JUNE 30, 2016
AND TO MAKE APPROPRIATIONS THEREFORE

Moved by Ford
Supported by Randall

WHEREAS, Chapter 7 of the City Charter requires: That the City Manager submit a budget proposal with his recommendation to the City Council; that a public hearing be held on said budget proposal; that the City Council by resolution adopt a budget for the ensuing fiscal year, make an appropriation of the money needed therefore, and designate the sum to be raised by taxation; and

WHEREAS, the Manager has submitted said budget and recommendations and a public hearing has been held thereon;

NOW, THEREFORE, BE IT RESOLVED as provided in Chapter 7 of the City Charter, and in conformity with Public Act 621 of 1978, the Uniform Budgeting and Accounting Act, that the budgets attached hereto and made a part hereof by reference are hereby considered and adopted, to be administered on an activity level, with the exception of the Capital Improvement Fund, which will be administered on a program/project level, as the budgets of the City of Portage to cover the operations and expenditures thereof for the fiscal year July 1, 2015 to June 30, 2016.

BE IT FURTHER RESOLVED that the sum of $22,370,000 be raised by taxation by the levy of 10.9256 mills for operations on the taxable value of all real and personal property in the City as follows:

General Operating Fund	7.5000 mills	$15,294,000
Capital Improvement Fund	2.0000 mills	4,078,000
Curbside Recycling Fund	0.3049 mills	622,000
Leaf Pickup/Spring Cleanup Fund	0.3455 mills	795,000
Municipal Street Fund	0.7752 mills	1,581,000
	10.9256 mills	$22,370,000

BE IT FURTHER RESOLVED that the City Manager be authorized to transfer necessary amounts between activities/departments within a fund and make any adjustments within or between funds which do not change ending fund balance. The Capital Improvement Funds shall be considered one fund for the purposes of this provision.

BE IT FURTHER RESOLVED that for the General Fund, the fund balance shall be at least 24% of the 2015-2016 appropriations, including transfers.

BE IT FURTHER RESOLVED that a copy of this budget resolution be furnished to the City Assessor, who together with the Finance Director shall then proceed to assess and collect the taxes in accordance with the City Charter and State Statutes.

YES: Ansari, Ford, Pearson, Randall, Reid, Strazdas, Urban
NO: None.
ABSENT: None.

James R. Hudson, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and acting City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 26 day of May, 2015 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 26th day of May, 2015

James R. Hudson, City Clerk

APPROVED AS TO FORM
DATE 5/20/15

CITY ATTORNEY

SALARY AND WAGE RESOLUTION
RESOLUTION TO ADOPT THE SALARY AND WAGE SCHEDULES FOR
THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016

Moved by Ford
Supported by Randall

WHEREAS, Section 6.18(a) of the City Charter and Section 248.06 of the City Code require that upon recommendation of the City Manager, the City Council shall establish uniform salary and wage scales for all officers and employees of the City;

NOW, THEREFORE, BE IT RESOLVED that for the period beginning July 1, 2015 and until otherwise directed, salaries and wages shall be established and adjusted as follows:

(1) Personnel of the following bargaining units shall receive compensation effective July 1, 2015 in accordance with applicable current and replacement bargaining agreements:

Bargaining Unit	Contract Expiration Date
Portage Police Officers Association (PPOA) -	June 30, 2016
Portage Police Command Officers Association (PPCOA)	June 30, 2016
International Association of Firefighters (IAFF)	June 30, 2015
United Auto Workers (UAW) – Department of Public Services	June 30, 2015

(2) Department Head and regular full-time non-union employees shall receive salary adjustments as provided for in the Non-Union Employee Compensation and Classification Plan, and as recommended by the City Manager and adopted with the budget on May 26, 2015. The 2015/2016 recommended budget provides for merit bonus or adjustments for Department Head and regular full-time Non-Union employees and for organizational restructuring and certain attainment adjustments authorized by the City Manager during the fiscal year. Total adjustments for Department Head and regular full-time Non-Union employees shall not exceed $115,000. The scale of salaries for Department Head and regular full-time Non-Union employees shall be increased by 2 percent. Part-time and seasonal employees receive wage increases as approved by the City Manager. Compensation for the City Manager shall be determined by the City Council.

YES: Ansari, Ford, Pearson, Randall, Reid, Strazdas, Urban
NO: None.
ABSENT: None.

James R. Hudson, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 26th day of May, 2015 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 26th day of May, 2015.

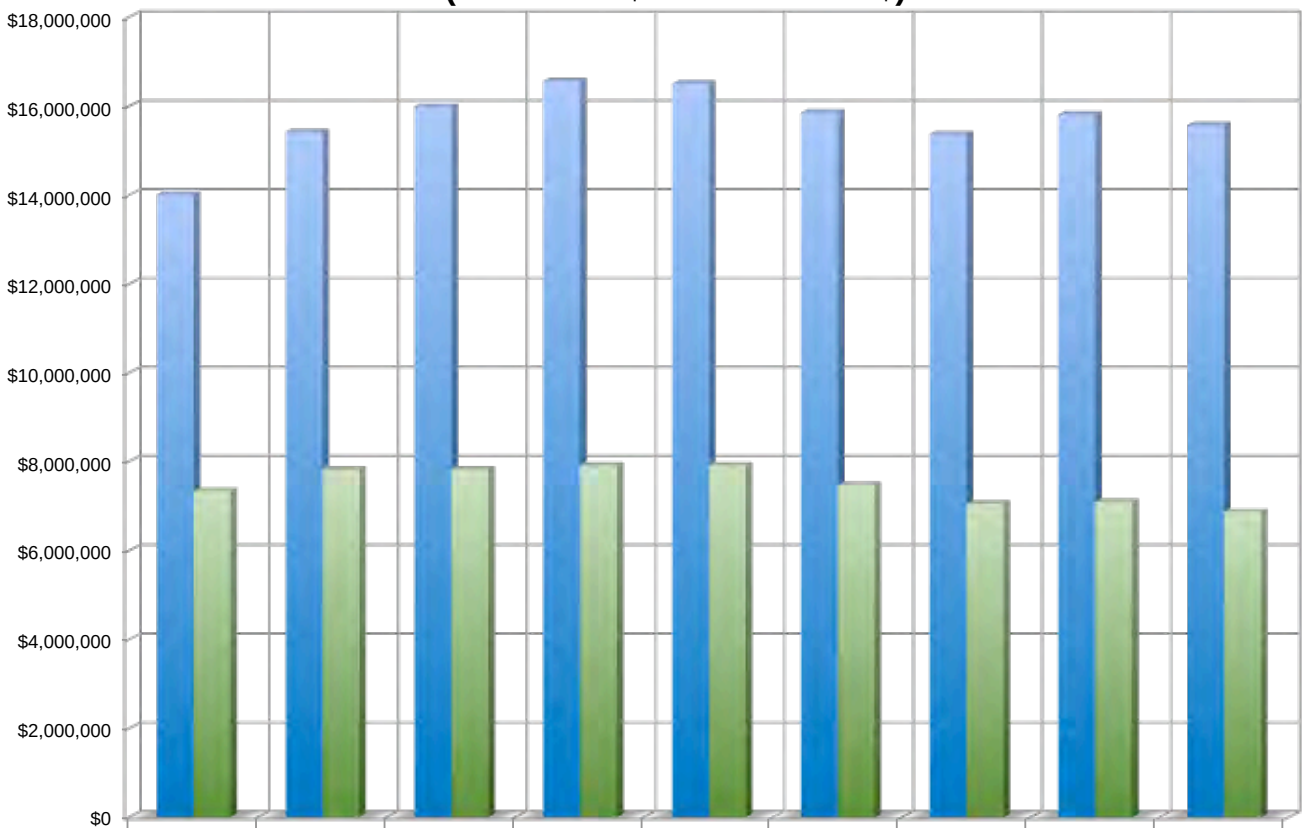
James R. Hudson, City Clerk

APPROVED AS TO FORM
DATE 5/20/15

CITY ATTORNEY

General Fund

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



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Curr $	$14,001,290	$15,415,998	$15,981,458	$16,553,639	$16,502,035	$15,848,395	$15,358,830	$15,809,073	$15,563,371
Const $	$7,333,915	$7,816,982	$7,814,571	$7,912,370	$7,911,438	$7,471,061	$7,049,928	$7,086,519	$6,865,184

Formula:

For property tax revenues in constant dollars

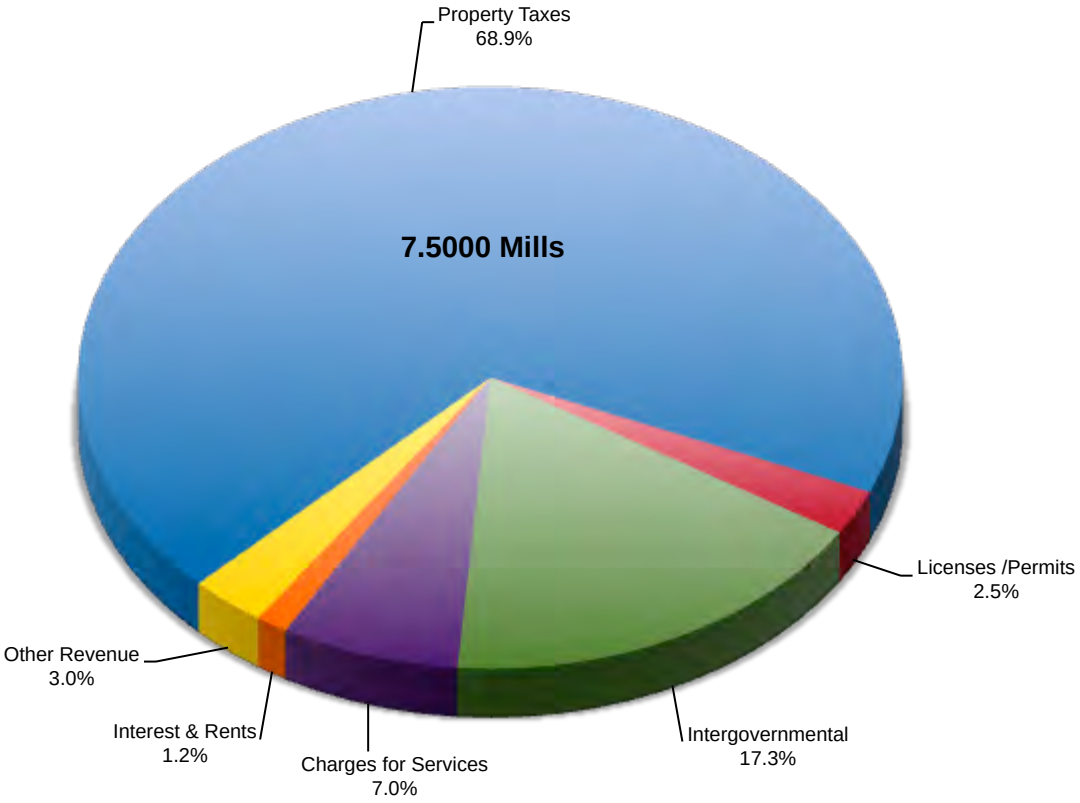
((Property Tax Revenues in Current $) / (CPI / 100))

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 2008-2009 followed by a 3-year period of decline. In 2012-2013 a small increase was noted, followed by another small decrease, suggesting the recent downward trend may be mitigating.

GENERAL FUND REVENUES BY SOURCE



GENERAL FUND REVENUES
BY SOURCE

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
Revenues budgeted by department:					
Fees and permits	783,962	673,380	523,900	523,900	667,900
Federal revenue	79,094	58,839	1,000	1,000	1,000
State revenue	23,341	9,864	22,000	22,000	8,000
Other grants	12,465	11,060	21,644	13,000	22,000
Charges for services	277,453	279,022	273,800	273,800	221,800
Interest and rents	200,837	216,286	206,000	206,000	229,000
Other revenue	542,166	546,105	486,810	475,820	521,760
Transfers In	3,724	4,000	3,500	3,500	4,000
	1,923,042	1,798,556	1,538,654	1,519,020	1,675,460
Revenues not budgeted by department:					
Property taxes	15,809,073	15,563,371	15,677,100	15,677,100	16,192,200
State shared revenue	3,655,738	3,752,809	3,881,220	3,881,220	3,972,124
Charges for services	1,366,940	1,344,680	1,337,300	1,337,300	1,226,230
Interest and rents	(50,795)	94,215	66,100	66,100	64,000
Other revenue	16,324	19,384	17,000	17,000	367,000
	20,917,280	20,804,459	20,978,720	20,978,720	21,821,554
Total Revenue	22,840,322	22,603,015	22,517,374	22,497,740	23,497,014

CITY OF PORTAGE
General Fund Revenues

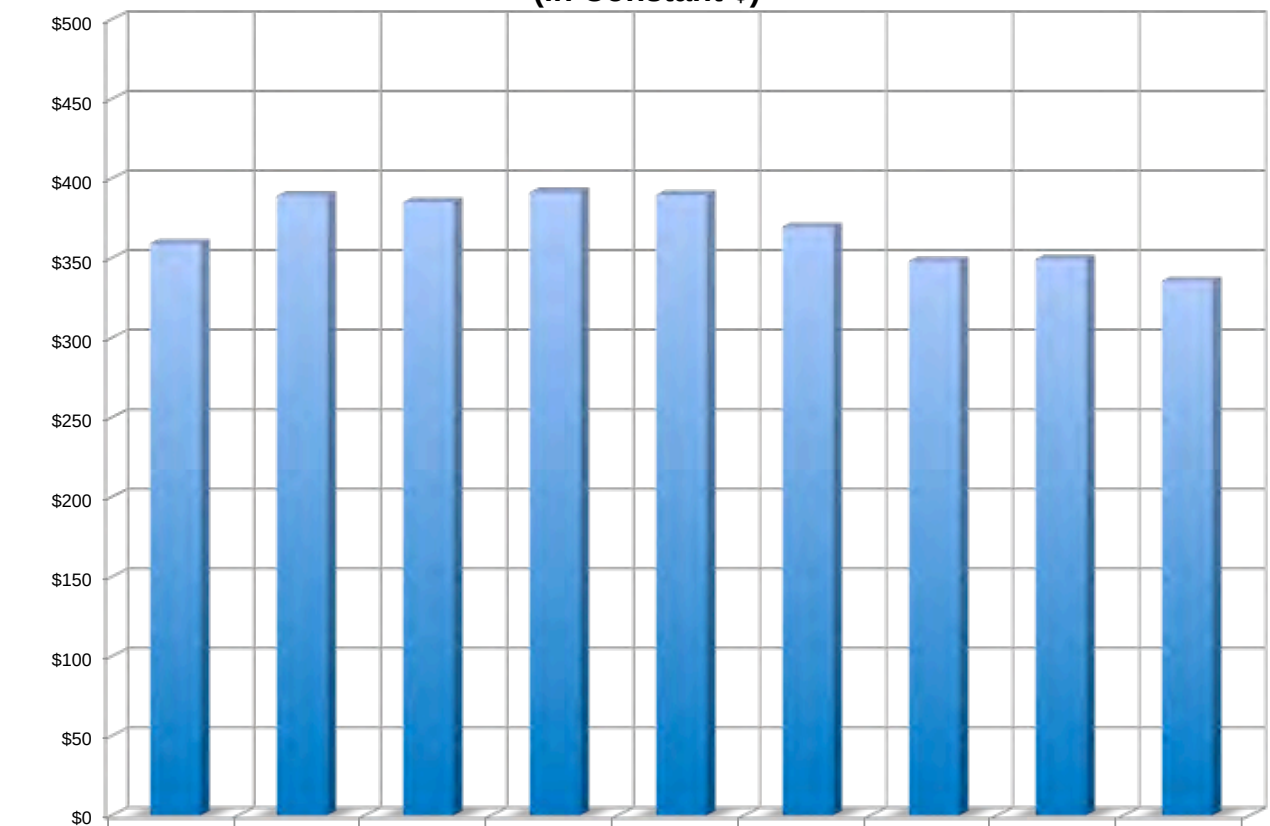
Property Taxes

The City Charter authorizes property tax levies up to 7.5 mills for general municipal purposes. The millage rate for 2015-2016 is projected to be 7.5000 mills, which is the same as the 2014-2015 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.

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.

GENERAL FUND PROPERTY TAX REVENUES PER HOUSEHOLD (in Constant $)



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Const $/HH	$359	$389	$385	$391	$390	$369	$348	$349	$335

Formula:

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

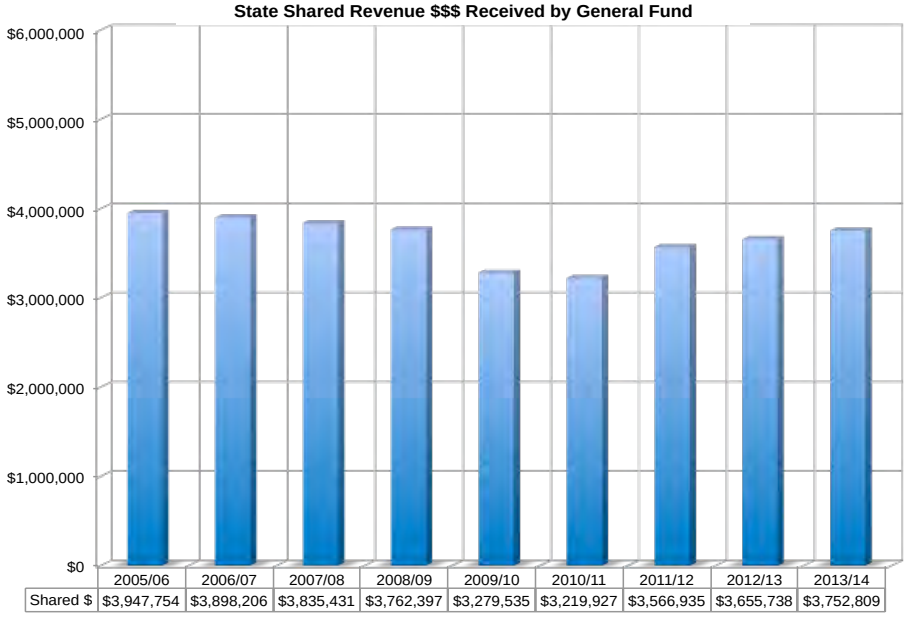
Note: Property tax revenues include *all* property taxes from the regular tax roll, the abatement tax roll, administrative charges, and late fees.

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 2009/10, 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 2010/11 forced adjustments in staffing, including some full time positions that decreased through attrition. Please see APPENDIX E for changes in staffing.

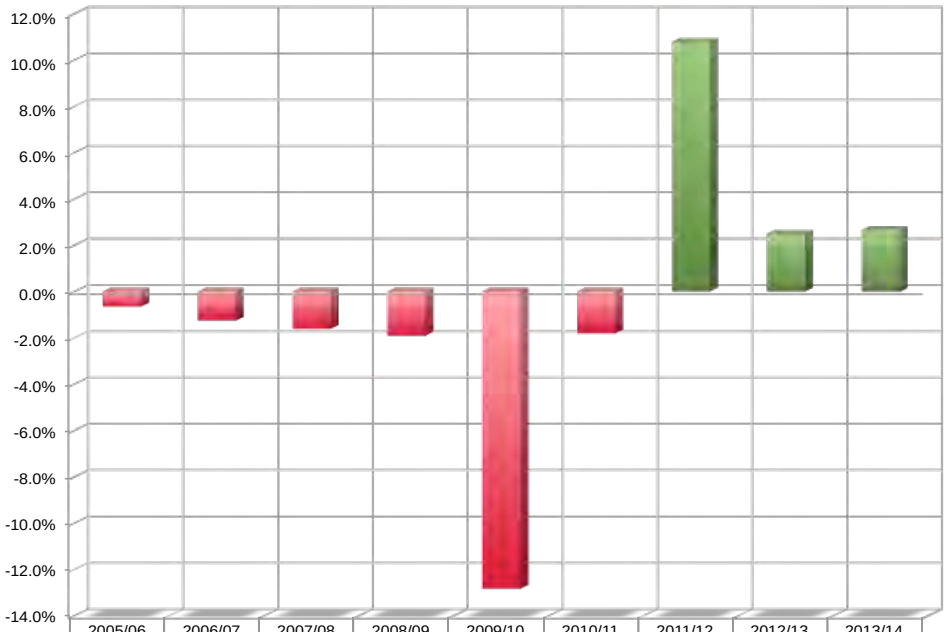
GENERAL STATE-SHARED REVENUES
Received By General Fund

State Shared Revenue $$$ Received by General Fund



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Shared $	$3,947,754	$3,898,206	$3,835,431	$3,762,397	$3,279,535	$3,219,927	$3,566,935	$3,655,738	$3,752,809

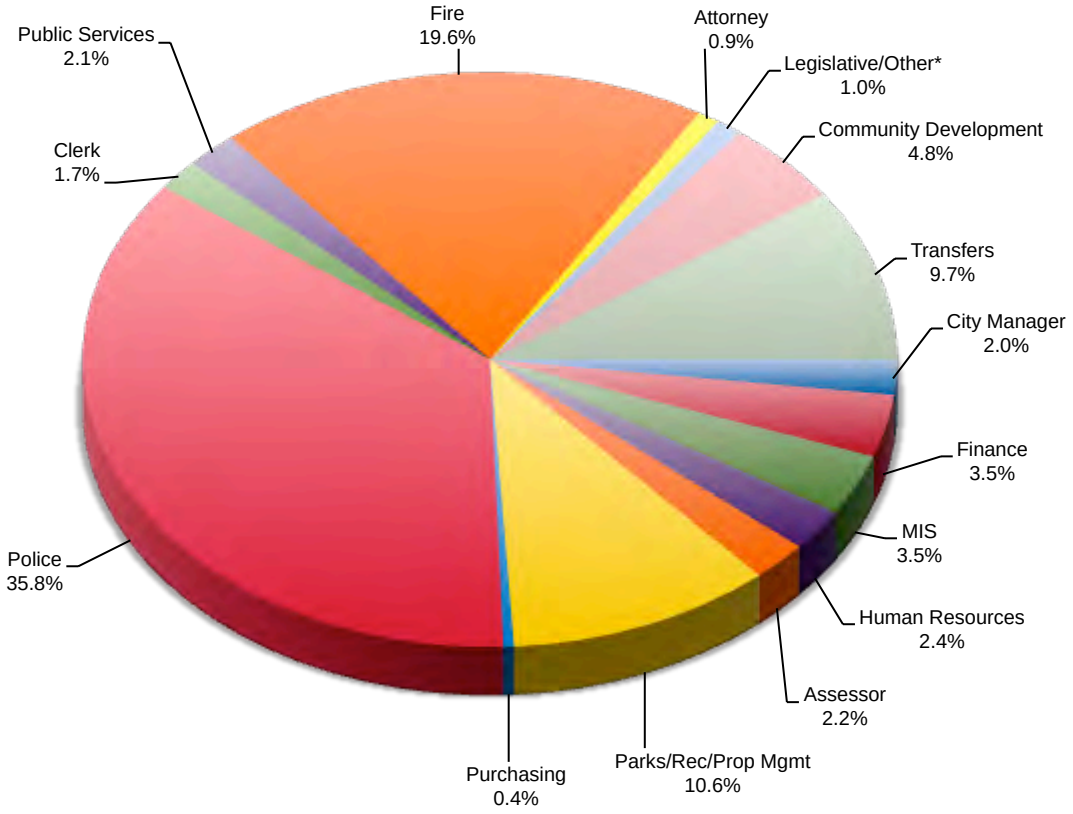
% Change vs. Previous Year in State Shared Revenue $$$ Received by General Fund



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
% Chg	-0.6%	-1.3%	-1.6%	-1.9%	-12.8%	-1.8%	10.8%	2.5%	2.7%

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 percent of 4 percent 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 plan for City, Village, and Township Revenue Sharing (CVTRS), formerly called the Economic Vitality Incentive Plan, requires each community to qualify for a statutory revenue-sharing allotment by showing that they are trying to share more services with other communities, limit employee compensation costs, and increase public transparency of finances.

GENERAL FUND EXPENDITURES BY DEPARTMENT OR FUNCTION



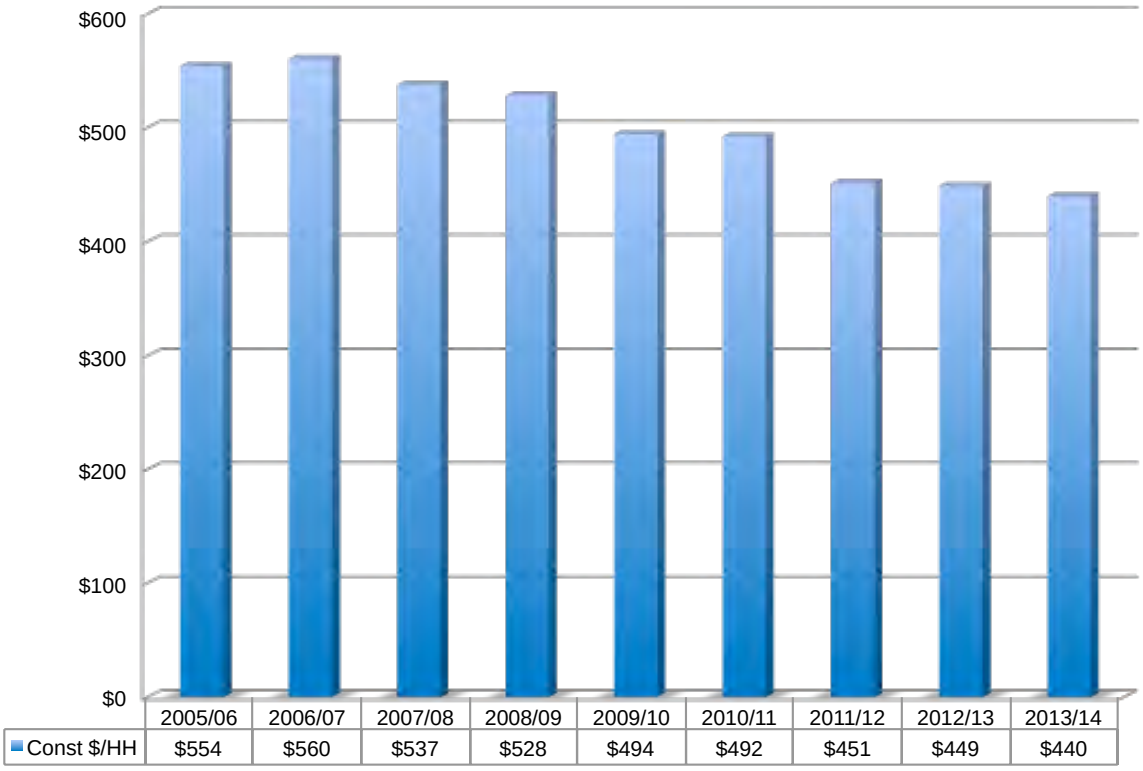
* Note: The Legislative/Other budget includes City Council and Human Services

General Fund Expenditures by Department or Function

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
City Council	63,829	89,318	140,658	67,100	66,300
Human Service Funding	117,563	121,237	123,090	123,090	125,625
District Court Facility	51,475	50,224	70,318	67,355	67,818
City Manager	510,946	417,963	594,866	593,154	495,234
Finance	711,890	650,213	769,095	753,972	884,194
Information Technology	711,228	722,486	819,571	783,215	870,571
City Assessor	489,741	528,146	597,496	574,872	561,367
City Attorney	201,041	226,076	226,728	226,728	226,728
City Clerk	380,185	336,339	409,137	407,220	435,223
Human Resources	751,406	772,054	953,587	948,355	594,077
Purchasing	127,866	132,688	136,535	151,385	105,745
Parks & Recreation	2,281,025	2,321,334	2,525,410	2,458,568	2,680,745
Police Department	8,146,812	8,248,029	8,766,466	8,741,905	9,017,112
Fire Department	4,237,307	4,274,752	4,806,008	4,737,861	4,930,940
Community Development	1,006,951	1,010,239	1,131,952	1,120,035	1,203,090
Street Lighting	482,287	535,454	589,549	565,000	519,650
Transfers Out	2,358,220	2,629,636	1,829,000	1,829,000	2,450,000
Total Expenditures	22,629,772	23,066,188	24,489,466	24,148,815	25,234,419

Additional information is available in the respective detailed departmental budgets.

GENERAL FUND NET OPERATING EXPENDITURES PER HOUSEHOLD (in Constant $)



Formula:

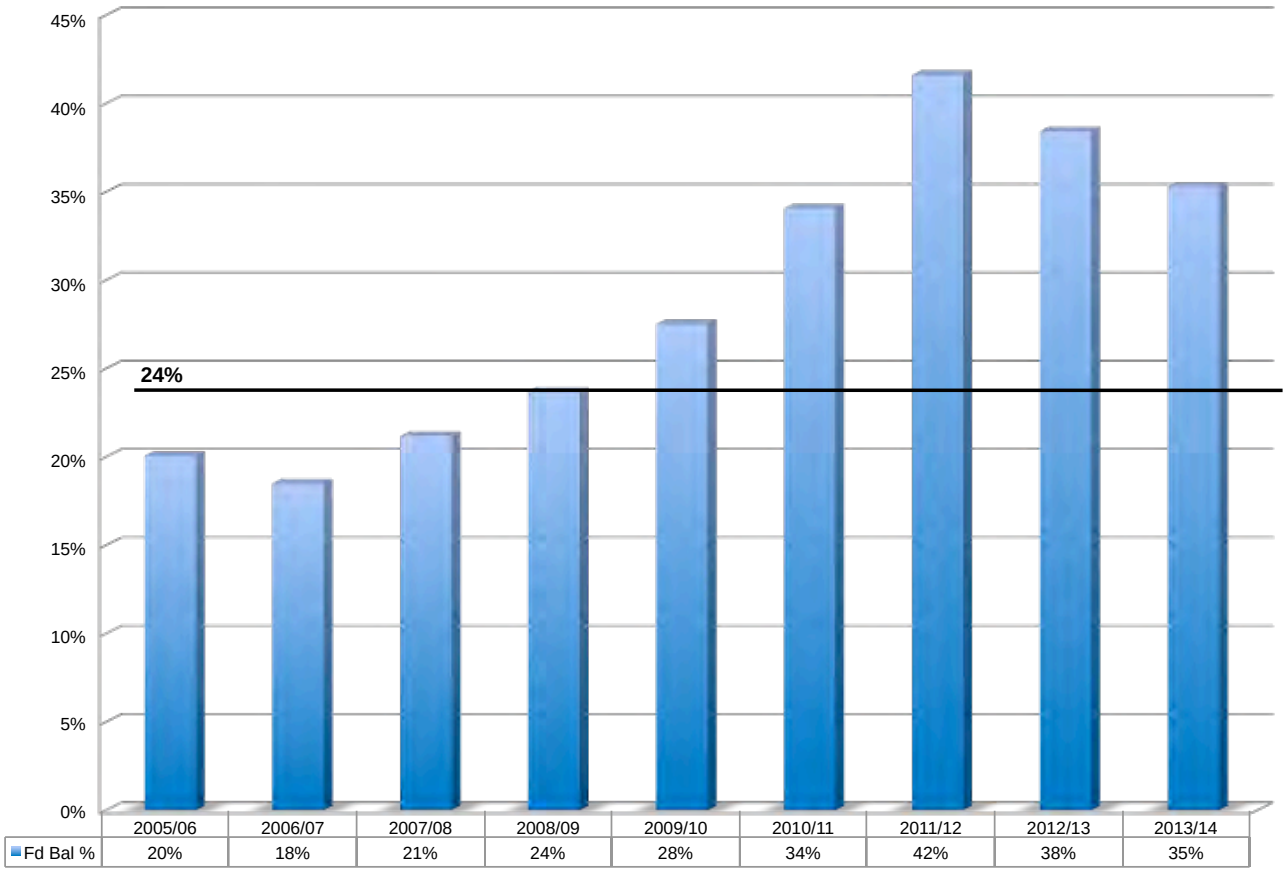
$$\frac{\textit{((Net Operating Expenditures in Current \$) / (CPI / 100))}}{\textbf{(Number of Households)}}$$

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 have decreased to respond to declining economic situation.

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



Formula:

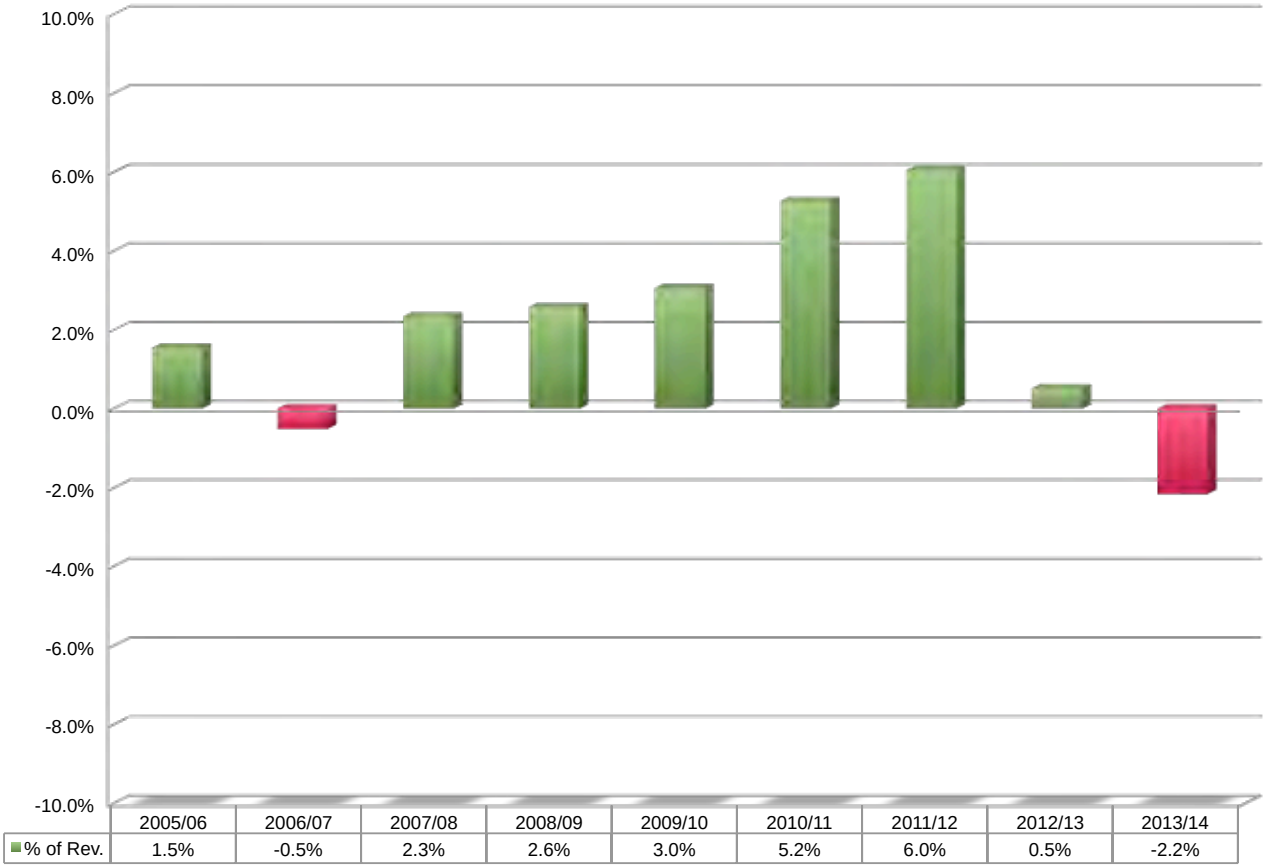
$$\left[\frac{\textbf{(Unreserved Fund Balance)}}{\textbf{((Expenditures) + (Inter-fund Transfers))}}\right] \textbf{ x 100}$$

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 on a local government's annual report is not always synonymous with "available for appropriation." The size of a local government's fund balance affects its ability to withstand unforeseen financial emergencies. Fund balance is an indicator of financial soundness. It provides a hedge against inflation and a reserve for emergencies. In 2014, the City Council adopted a resolution of intent to maintain the fund balance in the General Fund at a level of 24 percent of general fund expenditures plus inter-fund transfers. To achieve top bond ratings, Standard & Poors requires an available fund balance as a percentage of expenditures to exceed 15 percent. The Government Finance Officers Association recommends, at a minimum, that general-purpose governments incorporate in its financial policies that unrestricted fund balance in their general fund be no less than two months of regular general fund operating revenues or expenditures, which equates to 17 percent. However, the adequacy of unrestricted fund balance in the general fund should be assessed based upon a government's specific circumstances. Given the likelihood of significant loss of tax revenue when personal property is removed from the tax base, 24 percent is required for the ability to cope with the loss.

Analysis:
Since 2009/10, the fund balance of the General Fund has remained above the level prescribed by the City Council.

GENERAL FUND OPERATING SURPLUS/DEFICIT
As a % of Net Operating Revenues



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
% of Rev.	1.5%	-0.5%	2.3%	2.6%	3.0%	5.2%	6.0%	0.5%	-2.2%

Formula:

$$\left[\frac{\textit{((General Fund Revenues) – (General Fund Expenditures))}}{\textit{(Net Operating Revenues)}}\right] \textit{x 100}$$

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 - OVERVIEW

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

Budget Overview: Public safety expenditures account for 60 percent of the total General Fund operating expenditures, which reflects the city's commitment to providing quality services. In addition to this commitment, and furthering Council's mission statement of 'promoting the highest level of quality of life in all aspects for all residents', the next highest General Fund expenditure category is Parks and Recreation (including Senior Citizen Services) at 12 percent of the budget.

The estimated fund balance at June 30, 2016 is at least 24 percent of fund expenditures.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Property taxes	15,809,073	15,563,371	15,677,100	15,677,100	16,192,200
Fees and permits	783,962	673,380	523,900	523,900	667,900
Federal revenue	79,094	58,839	1,000	1,000	1,000
State revenue	23,341	9,864	22,000	22,000	8,000
State shared revenue	3,655,738	3,752,809	3,881,220	3,881,220	3,972,124
Other grants	12,465	11,060	21,644	13,000	22,000
Charges for services	1,644,393	1,623,702	1,611,100	1,611,100	1,448,030
Interest and rents	150,042	310,501	272,100	272,100	293,000
Other revenue	558,490	565,489	503,810	492,820	888,760
Transfers In	123,724	34,000	3,500	3,500	4,000
TOTAL REVENUE	22,840,322	22,603,015	22,517,374	22,497,740	23,497,014
EXPENDITURES:					
Personnel Services	15,441,067	15,165,150	16,268,159	16,348,063	16,503,930
Operations & Maintenance	2,979,122	3,230,118	4,151,101	3,778,650	4,013,764
Administrative Charges	1,851,363	1,961,631	2,087,902	2,087,902	2,090,000
Capital Outlay	-	79,653	153,304	105,200	176,725
Transfers Out	2,358,220	2,629,636	1,829,000	1,829,000	2,450,000
TOTAL EXPENDITURES	22,629,772	23,066,188	24,489,466	24,148,815	25,234,419

LEGISLATIVE DEPARTMENT

Budget Overview: In addition to City Council expenditures, the 2015-2016 Legislative budget includes contributions to various human service agencies. The human services contributions equal $125,625 (see Appendix A for additional information) for 2015-2016.

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

Activity/Program	Description	*Goal*/Objective
Human Services	Continue funding at .55 percent of General Fund revenue	*Community Development* Continue commitment to human services

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	40,369	44,406	42,000	42,000	42,000
Operations & Maintenance	141,023	166,149	221,748	148,190	149,925
TOTAL EXPENDITURES	181,392	210,555	263,748	190,190	191,925

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 2015-2016 City Council budget includes expenditures for Michigan Municipal League dues, planning retreats and the Mayor and City Council for the Day program.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	40,369	44,406	42,000	42,000	42,000
Operations & Maintenance	23,460	44,912	98,658	25,100	24,300
TOTAL EXPENDITURES	63,829	89,318	140,658	67,100	66,300

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 2015-2016 budget includes a General Fund appropriation of $80,475 for youth development and program coordination activities. An additional $42,510 is proposed from Community Development Block Grant funds, bringing the potential total city contribution to PCC to $122,985.

Service Indicator	Prior Year	Current Year	Budget Year
Number of Portage clients served	6,078	6,500	6,500

HUMAN SERVICES, continued

2. YOUNG WOMEN'S CHRISTIAN ASSOCIATION (YWCA)
The YWCA is a non-profit corporation which primarily serves Kalamazoo County and provides the following programs to be funded.
Domestic Assault – emergency shelter and counseling for women and children.
Sexual Assault - crisis services for victims of sexual assault.
Youth Mentoring - mentoring/counseling to at risk adult & teenage women.

The 2015-2016 budget includes a General Fund appropriation of $11,130.

Service Indicator	Prior Year	Current Year	Budget Year
Number of Portage clients served	70	80	100

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 2015-2016 budget includes a General Fund appropriation of $19,780.

Service Indicator	Prior Year	Current Year	Budget Year
Number of Portage clients served	410	350	350

4. CATHOLIC CHARITIES
Catholic Charities is a non-profit corporation that serves families in southwest Michigan. Funding will provide the following service for Portage families.
Ark of Catholic Charities - Crisis Intervention/Shelter for Homeless Youth - provides emergency shelter for youth, transition and permanent housing and counseling for families in crisis.

The 2015-2016 budget includes a General Fund appropriation of $11,100.

Service Indicator	Prior Year	Current Year	Budget Year
Number of Portage clients served	120	125	125

HUMAN SERVICES, continued

5. GRYPHON PLACE

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

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

The 2015-2016 budget includes a General Fund appropriation of $2,340.

Service Indicator	Prior Year	Current Year	Budget Year
Number of Portage clients served	2,634	2,600	2,750

6. KALAMAZOO ANTI-HUMAN TRAFFICKING COALITION (KAHTC)

KAHTC is intended to prevent and raise awareness on human trafficking in Southwest Michigan. Funding will provide the following services: host informational awareness events, outreach to people at risk, professional training and launch the School Education Program.

The 2015-2016 budget includes a General Fund appropriation of $800.

Service Indicator*	Prior Year	Current Year	Budget Year
Number of Clients Served	N/A	N/A	275

*KAHTC did not receive funding in 2013-2014 or in 2014-2015

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	117,563	121,237	123,090	123,090	125,625
TOTAL EXPENDITURES	117,563	121,237	123,090	123,090	125,625

CITY MANAGER

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

Budget Overview: The 2015-2016 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.

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

CITY MANAGER, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	453,305	395,946	495,268	495,268	439,140
Operations & Maintenance	53,319	17,602	94,280	92,568	52,340
Administrative Charges	4,322	4,415	5,318	5,318	3,754
TOTAL EXPENDITURES	510,946	417,963	594,866	593,154	495,234

Service Indicator	Prior Year	Current Year	Budget Year
Council meetings	34	37	35
Council committee meetings	21	5	15
Pre-Council meetings	24	2	0
Committee of the Whole meetings	0	12	24
Council items processed:			
Agenda items	286	272	275
Material transmitted	92	90	88
Weekly Reports	41	22	53

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, citywide budget control, and financial software systems.

Budget Overview: In 2015-2016 the department will continue to fine tune software for increased efficiency and more effective customer service, and take an active role in assisting departments in managing their budgets.

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

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

FINANCE, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	-	853	1,000	1,000	1,000
TOTAL REVENUE	-	853	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	569,681	474,937	470,315	535,369	627,296
Operations & Maintenance	133,269	164,139	287,682	207,505	245,076
Administrative Charges	8,940	11,137	11,098	11,098	11,822
TOTAL EXPENDITURES	711,890	650,213	769,095	753,972	884,194

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.

Service Indicators	Prior Year	Current Year	Budget Year
Accounts payable checks issued	4,112	4,253	4,183
Electronic Vendor Payments (wire, EFT)	1,086	1,022	1,054
Payroll checks issued	6,908	6,775	6,900
W-2's issued	484	450	500
W-2 accuracy rate	100%	100%	100%
1099's issued	185	180	180
Issue date of annual financial report	Dec 24	Dec 15	Dec 15

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	220,998	223,715	201,888	228,692	291,099
Operations & Maintenance	40,087	57,455	155,549	75,645	111,876
TOTAL EXPENDITURES	261,085	281,170	357,437	304,337	402,975

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 citywide 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.

Service Indicators	Prior Year	Current Year	Budget Year
Bond issues:			
Number	1	1	1
Dollar amount	$3,130,000	$1,600,000	$4,615,000
Bond Refinancing	$0	$2,180,000	$6,220,000
'Unqualified' audit report received	Yes	Yes	Yes

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	220,228	147,176	113,528	143,428	238,961
Operations & Maintenance	52,854	64,709	77,648	77,375	89,451
Administrative Charges	8,940	11,137	11,098	11,098	11,822
TOTAL EXPENDITURES	282,022	223,022	202,274	231,901	340,234

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 almost $65,000,000 in taxes a year for other jurisdictions, remitting them on a weekly basis. A state authorized 1 percent property tax administration fee is collected by the city to offset the cost of providing this service to the other taxing jurisdictions.

Service Indicators	Prior Year	Current Year	Budget Year
Tax bills processed	37,714	36,012	36,000
Special assessment bills processed	1,244	1,146	1,350
Water and sewer bills processed	63,483	61,312	61,500
Cash receipts issued	110,000	115,000	120,000
Number of transactions per employee	27,500	28,750	30,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	-	853	1,000	1,000	1,000
TOTAL REVENUE	-	853	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	128,455	104,046	154,899	163,249	97,236
Operations & Maintenance	40,328	41,975	54,485	54,485	43,749
TOTAL EXPENDITURES	168,783	146,021	209,384	217,734	140,985

TECHNOLOGY SERVICES

The Technology Services 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 2015-2016 budget continues the management of the privatized technology services 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 Technology Services Department supports the following goals and objectives:

Activity/Program	Description	*Goal/*Objective
	Information technology improvements	*Public Improvements* Continue to update and maintain equipment & facilities
	Evaluate emerging technology	*Service Delivery* 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: 2015-2016 provides for a continuation of current services.

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

TECHNOLOGY SERVICES, continued

Activity/Program	Description	*Goal/*Objective
All activities	All programs	*Service Delivery*
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	*Public Relations* Enhance public relations by offering assistance to departments in developing communications materials

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	60,698	65,935	69,865	69,865	74,381
Operations & Maintenance	647,172	652,904	744,606	708,250	791,090
Administrative Charges	3,358	3,647	5,100	5,100	5,100
TOTAL EXPENDITURES	711,228	722,486	819,571	783,215	870,571

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.

Service Indicators	Prior Year	Current Year	Budget Year
Printers	76	81	78
PC's & Laptops	239	250	249
Applications (Note 1)	400	250	220
Network/PC training hours	700	600	550
Telephone lines supported	279	290	298
Network servers	16	16	14
Help desk requests (Note 2)	1,925	2,585	2,000
Routers/switches/hubs	36	13	13
Terminals	7	7	7
Mobile devices (phones, tablets, etc.)	34	86	88
Video Monitoring Systems (Note 3)	1	4	4

Note 1: Due to software consolidation
Note 2: New technology implemented
Note 3: (System 1) Parks Facilities, (System 2) Finance, Assessor, Conference Rooms #1 and #2, (Sys 3), Police Interview Room.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	14,974	19,247	20,880	20,880	24,247
Operations & Maintenance	643,073	650,061	739,021	702,665	785,490
Administrative Charges	3,358	3,647	5,100	5,100	5,100
TOTAL EXPENDITURES	661,405	672,955	765,001	728,645	814,837

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.

Service Indicators	Prior Year	Current Year	Budget Year
Number of copies made	259,967	295,000	275,000
Reams of paper distributed	1,615	1,650	1,600
Number of fax pages	253	170	200
Pieces of mail processed	71,491	84,000	77,000
Website update hours	200	200	200
Desktop Publishing Hours	52	50	50
Package receiving/deliveries	871	800	850

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	45,724	46,688	48,985	48,985	50,134
Operations & Maintenance	4,099	2,843	5,585	5,585	5,600
TOTAL EXPENDITURES	49,823	49,531	54,570	54,570	55,734

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.

Activity/Program	Description	*Goal*/Objective
Assessor	Provide prompt and courteous service	*Public Relations* Maintain positive public relations
	Continue to improve an internet accessible information system Continue development of digital building sketches and updated photographs Develop and defend property assessments	*Service Delivery* Continue to increase efficiency by applying new technology to ensure that all property assessment records are as current as possible
	Prepare the assessment roll and administer the appeal process.	*Financial Health* Maintain the financial health of the city

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	381,236	410,860	444,966	444,966	452,576
Operations & Maintenance	100,350	107,768	143,687	121,063	99,005
Administrative Charges	8,155	9,518	8,843	8,843	9,786
TOTAL EXPENDITURES	489,741	528,146	597,496	574,872	561,367

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.

Service Indicators	Prior Year	Current Year	Budget Year
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)	$20.9	$20.3	$20.7
Property taxes levied, all taxing entities (in millions)	$81.5	$83.1	$84.8

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	356,232	383,472	409,950	409,950	417,179
Operations & Maintenance	83,189	101,507	140,961	118,337	94,205
Administrative Charges	8,155	9,518	8,843	8,843	9,786
TOTAL EXPENDITURES	447,576	494,497	559,754	537,130	521,170

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.

Service Indicator	Prior Year	Current Year	Budget Year
Appeals reviewed	200	200	250

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	25,004	27,388	35,016	35,016	35,397
Operations & Maintenance	17,161	6,261	2,726	2,726	4,800
TOTAL EXPENDITURES	42,165	33,649	37,742	37,742	40,197

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	201,041	226,076	226,728	226,728	226,728
TOTAL EXPENDITURES	201,041	226,076	226,728	226,728	226,728

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.

Activity/Program	Description	*Goal*/Objective
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 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	*Service Delivery* Evaluate alternatives to meet service demands Increase efficiency through technology

CITY CLERK, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	45,546	34,414	36,000	36,000	36,000
Other revenue	26,590	20,664	900	900	40,900
TOTAL REVENUE	72,136	55,078	36,900	36,900	76,900
EXPENDITURES:					
Personnel Services	295,793	254,346	303,048	303,048	329,514
Operations & Maintenance	81,129	77,936	102,087	100,170	101,677
Administrative Charges	3,263	4,057	4,002	4,002	4,032
TOTAL EXPENDITURES	380,185	336,339	409,137	407,220	435,223

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.

Service Indicators	Prior Year	Current Year	Budget Year
Elections	3	2	3
New registrations	3,006	2,427	3,000
Cancellations	2,920	1,886	3,000
Change of address	2,250	2,000	2,100
Registered voters	37,234	36,186	37,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	25,488	19,717	-	-	40,000
TOTAL REVENUE	25,488	19,717	-	-	40,000
EXPENDITURES:					
Personnel Services	151,362	106,565	146,873	146,873	169,791
Operations & Maintenance	44,295	48,697	46,545	46,300	53,900
Administrative Charges	455	534	455	455	455
TOTAL EXPENDITURES	196,112	155,796	193,873	193,628	224,146

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.

Service Indicators	Prior Year	Current Year	Budget Year
Ordinances and amendments adopted	13	5	10
Resolutions adopted	45	37	50
Cemetery lot burials	57	26	55
Number of meetings clerked	44	27	40

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	45,546	34,414	36,000	36,000	36,000
Other revenue	1,102	947	900	900	900
TOTAL REVENUE	46,648	35,361	36,900	36,900	36,900
EXPENDITURES:					
Personnel Services	96,717	99,409	105,100	105,100	107,773
Operations & Maintenance	23,668	16,372	36,770	36,770	30,670
Administrative Charges	2,538	3,158	3,147	3,147	3,177
TOTAL EXPENDITURES	122,923	118,939	145,017	145,017	141,620

RECORDS MANAGEMENT 101-2416

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

Service Indicators	Prior Year	Current Year	Budget Year
Rolls of microfilm processed	26	16	100
Number of documents filmed	116,249	68,168	150,000
Processed boxes in storage	444	234	450
FOIA Requests	50	34	60
CD's processed	4	3	8

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	47,714	48,372	51,075	51,075	51,950
Operations & Maintenance	13,166	12,867	18,772	17,100	17,107
Administrative Charges	270	365	400	400	400
TOTAL EXPENDITURES	61,150	61,604	70,247	68,575	69,457

HUMAN RESOURCES 101-2610

The Human Resources Department provides staff support in the areas of recruitment, training, safety, benefits, compensation, employee and labor relations, legal compliance and budgeting to support benefit plans. In 2015-2016 the department will continue to provide assistance to the City Manager in the recruitment and selection of employees capable of providing excellent job performance and delivering excellent customer service. The department will provide oversight of employee leave and attendance policies, manage compliance with the Affordable Health Care Act and administer the workers' compensation and safety programs. 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 2015-2016, the Human Resources 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 Human Resources budget supports the following goals and objectives.

Activity/Program	Description	*Goal*/Objective
Human Resources	Recruitment	Recruit and select a highly skilled, professional and diverse group of employees
	Benefits/Compensation	Provide employees with competitive and financially sustainable pay and benefits
	Safety	Provide a safe environment through a review of compliance programs, audit of city facilities and investigation of accidents.
	Workers' Compensation	Mange the workers' Compensation program in an financially effective manner.
	Training	Continual development of employees in order to provide the highest level of service, focusing on new technology, safety and customer service

HUMAN RESOURCES, continued

Service Indicators	Prior Year	Current Year	Budget Year
Applications & resumes processed	1,696	1,900	1,900
Training programs (internal)	896	1,200	1,100
Training programs (external)	281	340	340
Testing and assessments	339	350	350
Labor contracts negotiated	3	2	2
Grievances processed	12	4	6
New employee orientations	91	90	90
MIOSHA recordable injuries	19	12	12
Performance evaluations processed	400	400	400
Safety audits conducted	23	23	23
Interviews conducted	581	500	500
Lost time workers' compensation cases	15	11	11
Reportable Workers' Compensation Cases	21	15	15

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	586,246	644,987	728,578	728,578	413,108
Operations & Maintenance	162,353	124,298	222,167	216,935	177,800
Administrative Charges	2,807	2,769	2,842	2,842	3,169
TOTAL EXPENDITURES	751,406	772,054	953,587	948,355	594,077

PURCHASING

The Purchasing Department is responsible for the procurement of goods, services, equipment and capital improvements in a cost-effective manner and 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, seeking to minimize injury and loss.

Budget Overview: The 2015-2016 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.

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

PURCHASING, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	118,533	121,231	116,258	131,108	85,314
Operations & Maintenance	4,843	5,860	14,700	14,700	14,800
Administrative Charges	4,490	5,597	5,577	5,577	5,631
TOTAL EXPENDITURES	127,866	132,688	136,535	151,385	105,745

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.

Service Indicators	Prior Year	Current Year	Budget Year
Purchase orders processed	3,720	3,824	4,000
Sealed bids taken	36	30	30
Joint governmental contracts	22	20	20

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	81,432	83,612	82,593	90,243	68,953
Operations & Maintenance	3,758	5,100	11,200	11,200	11,300
TOTAL EXPENDITURES	85,190	88,712	93,793	101,443	80,253

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.

Service Indicators	Prior Year	Current Year	Budget Year
Liability/property/automobile claims administered	44	35	35

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	37,101	37,619	33,665	40,865	16,361
Operations & Maintenance	1,085	760	3,500	3,500	3,500
Administrative Charges	4,490	5,597	5,577	5,577	5,631
TOTAL EXPENDITURES	42,676	43,976	42,742	49,942	25,492

DEPARTMENT OF PARKS, RECREATION and SENIOR CITIZEN SERVICES

The Parks and Recreation division is responsible for the operation of parks, cemeteries, recreation, senior citizen services, the management and maintenance of Senior Center buildings and grounds, and the operation of park 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 2015-2016 budget provides for critical attention to city grounds, and operation of the Ice Rink at Millennium Park and the beach at Ramona Park. The 2015-2016 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.

Activity/Program	Description	*Goal*/Objective
Parks	Park maintenance and contractual services	*Community Development* Promote quality of life Coordinated and innovative approach to developing park land while promoting aesthetic enhancement *Public Improvements* Systematic preventative maintenance program *Service Delivery* Evaluate contracting or privatizing *Financial Health* Promote volunteerism to assist with services

DEPARTMENT OF PARKS, RECREATION and SENIOR CITIZEN SERVICES, continued

Activity/Program	Description	*Goal/*Objective
Recreation & Senior Citizen Services	Program operating costs offset by grant revenue	*Financial Health* Evaluate expenditures for efficient use of resources Pursue alternate funding methods
	Cooperative programming	*Service Delivery* Promote teamwork between the public and private sector
	Eliminate programs with low utilization and replace with new program initiatives	*Service Delivery* Prioritize existing services Evaluate contracting city programs
	Volunteer staffing	*Financial Health* Promote volunteerism to assist with services
	Brochures/flyers	*Public Relations* Enhance communication
Millennium Park Ice Rink	Expanded recreational opportunities	*Community Development* Coordinated and innovative approach to providing recreational opportunities

DEPARTMENT OF PARKS, RECREATION and SENIOR CITIZEN SERVICES, continued

Activity/Program	Description	*Goal/*Objective
Senior Center	Continue balanced & innovative programs including: fall prevention, chronic disease self-management, fitness, cultural events, men's activities, brain health education, leadership development (volunteers)	*Community Development* 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.	*Community Development* 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	*Public Relations* Promote excellent public relations
	Maintain ongoing advocacy efforts for sustainability of older adult services in southwestern Michigan	*Finance and Budgeting* 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	*Service Delivery* Continue to increase efficiency by and applying new technology

DEPARTMENT OF PARKS, RECREATION and SENIOR CITIZEN SERVICES, continued

Department of Parks and Recreation:

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	37,250	41,125	40,000	40,000	40,000
Other grants	-	-	2,000	2,000	-
Charges for services	230,503	232,022	224,800	224,800	221,800
Interest and rents	31,511	38,954	42,500	42,500	52,000
Other revenue	29,881	15,740	26,390	15,400	14,700
Transfers In	3,724	4,000	3,500	3,500	4,000
TOTAL REVENUE	332,869	331,841	339,190	328,200	332,500
EXPENDITURES:					
Personnel Services	1,101,993	958,916	997,557	1,035,417	1,114,365
Operations & Maintenance	424,054	598,974	655,705	629,800	691,270
Administrative Charges	495,984	487,739	495,421	495,421	510,899
Capital Outlay	-	-	32,293	-	5,000
TOTAL EXPENDITURES	2,022,031	2,045,629	2,180,976	2,160,638	2,321,534

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 Centre grounds, which includes holiday decorations, contract management, snow/ice removal, irrigation system maintenance, special projects and landscaping needs.

Service Indicators	Prior Year	Current Year	Budget Year
City Centre acres managed	6.5	6.5	6.5
Holiday lights	35,000	35,000	35,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	2,400	3,150	1,000	1,000	1,000
TOTAL REVENUE	2,400	3,150	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	86,830	79,207	90,388	90,388	84,577
Operations & Maintenance	25,269	41,884	38,000	38,000	39,000
Administrative Charges	130,575	96,263	145,000	145,000	145,000
TOTAL EXPENDITURES	242,674	217,354	273,388	273,388	268,577

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.

Service Indicator	Prior Year	Current Year	Budget Year
Interments per year	60	49	50

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	37,250	41,125	40,000	40,000	40,000
Other revenue	7,306	5,744	11,000	11,000	11,000
Transfers In	3,724	4,000	3,500	3,500	4,000
TOTAL REVENUE	48,280	50,869	54,500	54,500	55,000
EXPENDITURES:					
Personnel Services	48,857	38,508	42,791	42,791	42,677
Operations & Maintenance	12,297	12,920	17,300	17,300	17,300
Administrative Charges	11,262	13,399	11,862	11,862	11,892
TOTAL EXPENDITURES	72,416	64,827	71,953	71,953	71,869

PARKS 101-2877

This activity accounts for the costs associated with the development, improvement, and maintenance of 18 parks and other properties, and the operation of the Celery Flats 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.

Service Indicators	Prior Year	Current Year	Budget Year
Acreage of intensive maintenance	209	209	211
Kalamazoo in Bloom flowers annually planted/maintained	20,000	20,000	20,000
Acres of blvd./interchange mowing	131	140	140

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Interest and rents	28,661	38,574	42,000	42,000	42,000
Other revenue	20,175	6,846	14,390	3,400	2,700
TOTAL REVENUE	48,836	45,420	56,390	45,400	44,700
EXPENDITURES:					
Personnel Services	804,731	720,921	727,727	731,934	803,761
Operations & Maintenance	288,904	443,825	464,632	445,200	514,700
Administrative Charges	319,299	339,248	295,099	295,099	310,501
Capital Outlay	-	-	32,293	-	5,000
TOTAL EXPENDITURES	1,412,934	1,503,994	1,519,751	1,472,233	1,633,962

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	3,253	5,541	6,000	6,000	6,000
TOTAL EXPENDITURES	3,253	5,541	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. Programs include youth sports camps, Bicentennial Park trail walk/run events, nature discovery activities, fishing camps and events, and winter activities.

Service Indicators	Prior Year	Current Year	Budget Year
Participants	5,348	5,000	5,300
Programs	35	30	32

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other grants	-	-	2,000	2,000	-
Charges for services	169,595	185,363	170,000	170,000	167,000
Interest and rents	2,850	380	500	500	500
TOTAL REVENUE	172,445	185,743	172,500	172,500	167,500
EXPENDITURES:					
Personnel Services	75,106	76,753	68,832	98,278	77,885
Operations & Maintenance	18,870	19,528	13,050	13,050	15,050
Administrative Charges	3,804	4,743	4,726	4,726	4,772
TOTAL EXPENDITURES	97,780	101,024	86,608	116,054	97,707

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.

Service Indicators	Prior Year	Current Year	Budget Year
Registrants	2,134	2,613	2,500
Teams	161	160	160
League Divisions	24	26	26
Tournaments	8	13	10

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	13,719	11,678	14,123	14,123	14,123
Operations & Maintenance	45,513	45,999	56,450	56,450	53,300
TOTAL EXPENDITURES	59,232	57,677	70,573	70,573	67,423

RECREATION – PORTAGE CREEK BICENTENNIAL PARK LIVERY 101-2885

This program accounts for the summer activities of the Portage Creek Bicentennial Park livery. The city operates the livery at Portage Creek Bicentennial Park. The rental of canoes and kayaks is provided by city staff to expand recreational opportunities and access to the Portage Creek corridor. The city has not budgeted for the livery since fiscal year 2010-2011 and therefore, service indicators are not applicable at this time.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Interest and rents	-	-	-	-	9,500
TOTAL REVENUE	-	-	-	-	9,500
EXPENDITURES:					
Personnel Services	-	-	-	-	8,400
Operations & Maintenance	-	-	-	-	4,500
TOTAL EXPENDITURES	-	-	-	-	12,900

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.

Service Indicators	Prior Year	Current Year	Budget Year
Beach visitations	31,253	35,000	35,000
Daily beach permits	5,372	6,000	5,500
Annual beach permits	702	800	700

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	40,251	27,509	24,861	24,861	48,139
Operations & Maintenance	7,790	9,013	35,375	34,400	11,350
TOTAL EXPENDITURES	48,041	36,522	60,236	59,261	59,489

RECREATION – SPECIAL EVENTS 101-2887

This program accounts for the costs associated with various city special events that are influenced by the weather. The city has not budgeted for special events since fiscal year 2010-2011 and therefore, service indicators are not applicable at this time.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	-	-	-	-	5,680
Operations & Maintenance	-	-	-	-	8,320
TOTAL EXPENDITURES	-	-	-	-	14,000

ICE RINK AT MILLENNIUM PARK 101-2888

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

Service Indicators	Prior year	Current Year	Budget Year
Operating days	49	49	52
Total participants	6,712	6,500	6,500

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Charges for services	60,908	46,659	54,800	54,800	54,800
TOTAL REVENUE	60,908	46,659	54,800	54,800	54,800
EXPENDITURES:					
Personnel Services	32,499	4,340	28,835	33,042	29,123
Operations & Maintenance	13,079	13,991	20,915	19,400	21,750
Administrative Charges	31,044	34,086	38,734	38,734	38,734
TOTAL EXPENDITURES	76,622	52,417	88,484	91,176	89,607

SENIOR CITIZEN SERVICES

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other grants	11,800	10,619	18,644	10,000	20,000
Interest and rents	7,771	5,950	8,000	8,000	10,000
Other revenue	143,081	152,857	179,550	179,550	175,500
TOTAL REVENUE	162,652	169,426	206,194	197,550	205,500
EXPENDITURES:					
Personnel Services	167,484	175,877	242,142	204,282	245,497
Operations & Maintenance	62,035	65,620	80,000	71,356	86,040
Administrative Charges	29,475	34,208	22,292	22,292	22,674
Capital Outlay	-	-	-	-	5,000
TOTAL EXPENDITURES	258,994	275,705	344,434	297,930	359,211

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. Continued use of new technology (launched in March 2013) has improved the accuracy and forecasting of member and volunteer activities at the Senior Center. A robust calendar of programs and activities continues to be maintained through a concerted emphasis on supporting volunteer leadership roles and building community partnerships.

Service levels have been maintained through a continued emphasis on volunteerism and inter-agency collaboration. The Senior Center also accounts for the costs of building maintenance.

Service Indicators	Prior Year	Current Year	Budget Year
Number of members	1,374	1,400	1,500
Activity attendance	24,816	25,000	26,000
Number of mini-bus rides	1,061	1,100	1,200
Number of volunteer hours	21,679	22,000	23,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other grants	11,800	10,619	18,644	10,000	20,000
Interest and rents	7,771	5,950	8,000	8,000	10,000
Other revenue	95,177	106,790	131,550	131,550	127,500
TOTAL REVENUE	114,748	123,359	158,194	149,550	157,500
EXPENDITURES:					
Personnel Services	147,591	157,021	221,241	183,381	224,282
Operations & Maintenance	57,655	61,555	77,600	68,956	83,600
Administrative Charges	29,475	34,208	22,292	22,292	22,674
Capital Outlay	-	-	-	-	5,000
TOTAL EXPENDITURES	234,721	252,784	321,133	274,629	335,556

SENIOR TRIPS, 101-6721

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	47,904	35,447	45,000	45,000	45,000
TOTAL REVENUE	47,904	35,447	45,000	45,000	45,000
EXPENDITURES:					
Personnel Services	19,893	18,856	20,901	20,901	21,215
Operations & Maintenance	4,380	4,065	2,400	2,400	2,440
TOTAL EXPENDITURES	24,273	22,921	23,301	23,301	23,655

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	-	10,620	3,000	3,000	3,000
TOTAL REVENUE	-	10,620	3,000	3,000	3,000

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. 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. The District Court of Southwest Michigan vacated the space they had rented under an "in perpetuity" lease in March, 2013, terminating that lease for a separately negotiated agreement. The former District Court Chambers are located in the Police facility, and are maintained as part of that facility in a separate budget.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	75,688	41,129	52,900	52,900	36,900
Federal revenue	79,094	58,839	1,000	1,000	1,000
State revenue	23,341	9,864	22,000	22,000	8,000
Other grants	665	441	1,000	1,000	2,000
Other revenue	295,565	312,253	272,320	272,320	283,160
TOTAL REVENUE	474,353	422,526	349,220	349,220	331,060
EXPENDITURES:					
Personnel Services	10,988,654	10,927,704	11,619,182	11,619,182	11,853,729
Operations & Maintenance	838,535	875,231	1,169,480	1,089,620	1,231,473
Administrative Charges	608,405	709,949	738,119	738,119	785,393
Capital Outlay	-	60,121	116,011	100,200	145,275
TOTAL EXPENDITURES	12,435,594	12,573,005	13,642,792	13,547,121	14,015,870

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 2015-2016 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 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.

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

PUBLIC SAFETY-POLICE, continued

Activity/Program	Description	*Goal*/Objective
Youth	Continue Police/School Resource Officer Program	*Community Development* 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	*Community Development* 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	*Service Delivery* Increase efficiency by applying new technology
	Continue traffic enforcement and accident prevention	*Transportation* 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	*Service Delivery* Co-host programs with outside providers *Public Improvements* Explore uses of technology to provide training, computer based training, etc.
Public Safety Dispatch	Continue enhancements to computer aided dispatch	*Public Relations* Continue emphasis on courteous public service Continue efforts to enhance communications between local government, citizens and business

PUBLIC SAFETY-POLICE, continued

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

POLICE Division budget

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	73,746	40,724	52,000	52,000	36,000
Federal revenue	44,081	58,839	1,000	1,000	1,000
State revenue	23,341	9,864	22,000	22,000	8,000
Other grants	665	441	1,000	1,000	2,000
Other revenue	243,025	239,917	199,900	199,900	211,800
TOTAL REVENUE	384,858	349,785	275,900	275,900	258,800
EXPENDITURES:					
Personnel Services	7,185,761	7,122,378	7,595,998	7,595,998	7,713,961
Operations & Maintenance	534,755	579,212	637,566	613,005	700,330
Administrative Charges	426,296	512,789	506,202	506,202	558,021
Capital Outlay	-	33,650	26,700	26,700	44,800
TOTAL EXPENDITURES	8,146,812	8,248,029	8,766,466	8,741,905	9,017,112

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.

Service Indicators	Prior Year	Current Year	Budget Year
Grievances processed	9	0	5
Internal investigations	22	12	17
Letters to citizens/other agencies	61	92	80

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	73,746	40,724	52,000	52,000	36,000
Federal revenue	44,081	58,839	1,000	1,000	1,000
Other grants	-	-	-	-	1,000
Other revenue	155,435	153,360	114,700	114,700	113,600
TOTAL REVENUE	273,262	252,923	167,700	167,700	151,600
EXPENDITURES:					
Personnel Services	400,536	400,532	424,179	424,179	469,636
Operations & Maintenance	32,158	38,374	49,500	49,100	55,950
Administrative Charges	250,456	347,560	305,962	305,962	373,151
TOTAL EXPENDITURES	683,150	786,466	779,641	779,241	898,737

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.

Service Indicators	Prior Year	Current Year	Budget Year
Juvenile referrals	22	30	30
Adult arrests	14	20	20
Cases assigned	232	230	230
Police/School Resource hours	3,600	3,600	3,600
Crime prevention assignments	110	110	110

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	398,848	367,575	426,840	426,840	405,099
Operations & Maintenance	17,203	10,725	15,640	15,640	66,630
Administrative Charges	220	240	720	720	250
TOTAL EXPENDITURES	416,271	378,540	443,200	443,200	471,979

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. Detectives investigate liquor licensed establishments, solicitation applications, and write violations of state law in accordance with Michigan Liquor Control Commission (MLCC).

Service Indicator	Prior Year	Current Year	Budget Year
Cases assigned to investigators	494	500	500
Charges authorized	95	125	125
Cases cleared	420	450	450
Intelligence reports	31	40	40
Liquor inspections	40	40	40
Liquor licence violations	1	1	1
Tobacco inspections	51	40	40
Tobacco violations	5	2	2

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	562,983	594,924	591,357	591,357	608,236
Operations & Maintenance	10,725	14,547	18,880	17,880	21,240
Administrative Charges	1,270	3,341	4,400	4,400	6,460
TOTAL EXPENDITURES	574,978	612,812	614,637	613,637	635,936

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.

Service Indicators	Prior Year	Current Year	Budget Year
Total calls for service	25,718	25,000	25,000
Cases investigated	10,957	10,200	10,200
Average response time (minutes)	15.21	15.00	15.00
Personal injury accidents	250	250	250
Property damage accidents	1,312	1,200	1,200
Drunk-driving arrests	232	250	250
Total adult arrests	3,840	4,000	4,000
Property recovered	$302,447	$300,000	$300,000
Property loss	$1,370,437	$1,300,000	$1,300,000
Hazardous traffic citations	2,646	2,600	2,600
Non-hazardous traffic citations (excludes parking)	1,622	1,800	1,800

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	200	1,540	200	200	200
TOTAL REVENUE	200	1,540	200	200	200
EXPENDITURES:					
Personnel Services	4,467,373	4,339,658	4,633,145	4,633,145	4,698,437
Operations & Maintenance	129,647	157,075	161,794	161,607	165,807
Administrative Charges	173,652	161,168	186,800	186,800	172,190
Capital Outlay	-	9,539	26,700	26,700	44,800
TOTAL EXPENDITURES	4,770,672	4,667,440	5,008,439	5,008,252	5,081,234

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.

Service Indicators	Prior Year	Current Year	Budget Year
Total volunteer hours	475	475	475

The volunteer parking enforcement officer activity was inactive July 1, 2013 through December 2014 due to separation of employment of the parking enforcement volunteer. It is anticipated that a replacement will occur during fiscal year 2015-2016.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	-	-	-	-	-
Operations & Maintenance	-	-	-	-	-
Administrative Charges	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-

TRAINING, 101-3020

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

Service Indicators	Prior Year		Current Year		Budget Year	
	Participants	Hours	Participants	Hours	Participants	Hours
Patrol procedures	450	1,800	450	1,800	450	1,800
Criminal investigation	80	1,280	80	1,095	80	1,095
Legal/Civil Law	600	198	600	198	600	198
Self-defense	46	304	46	304	46	304
First Aid/CPR	46	92	46	92	46	92
Crime prevention	2	88	2	80	2	80
Management	14	232	14	232	14	232
Tactical training	300	1,800	300	1,800	300	1,800
Support Operations	54	520	54	560	54	560
Policy/CALEA	400	150	400	150	400	150
Field Training	5	200	2	64	2	64
Public/Private School Resource	15	120	15	120	15	120

TRAINING, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	61,332	63,231	60,395	60,395	63,533
Operations & Maintenance	39,480	42,356	49,205	48,200	49,205
Administrative Charges	364	240	420	420	610
TOTAL EXPENDITURES	101,176	105,827	110,020	109,015	113,348

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 that are related to grant revenue be segregated.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
State revenue	9,459	9,864	8,000	8,000	8,000
TOTAL REVENUE	9,459	9,864	8,000	8,000	8,000
EXPENDITURES:					
Operations & Maintenance	6,931	6,013	8,000	8,000	8,000
TOTAL EXPENDITURES	6,931	6,013	8,000	8,000	8,000

PUBLIC SAFETY DISPATCH, 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.

Service Indicators	Prior Year	Current Year	Budget Year
Calls for service (police and fire)	25,718	26,000	26,000
*9-1-1 wireline calls & "other"	5,457	5,500	5,500
9-1-1 cell calls	24,700	24,000	24,000
Warrants processed	1,684	1,600	1,600

*includes VOIP, unknown and ANI Failure calls

DISPATCH / TECHNICAL SERVICES, 101-3030

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
State revenue	13,882	-	14,000	14,000	-
Other revenue	-	-	-	-	18,000
TOTAL REVENUE	13,882	-	14,000	14,000	18,000
EXPENDITURES:					
Personnel Services	643,786	686,846	742,240	742,240	706,414
Operations & Maintenance	194,628	242,784	206,127	206,127	209,472
TOTAL EXPENDITURES	838,414	929,630	948,367	948,367	915,886

EMERGENCY WARNING SIRENS, 101-3031

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	6,485	2,000	8,000	8,000	8,000
TOTAL EXPENDITURES	6,485	2,000	8,000	8,000	8,000

911 COMMERCIAL MOBILE RADIO SERVICE (CMRS) – PUBLIC SAFETY ANSWERING POINT (PSAP), 101-3035

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	87,390	85,017	85,000	85,000	80,000
TOTAL REVENUE	87,390	85,017	85,000	85,000	80,000
EXPENDITURES:					
Personnel Services	173,983	173,849	195,521	195,521	200,127
TOTAL EXPENDITURES	173,983	173,849	195,521	195,521	200,127

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.

Service Indicators	Prior Year	Current Year	Budget Year
Arrests processed	3,840	3,900	3,900
Subpoena services	1,559	1,500	1,500
False alarms processed	990	1,000	1,000
Computerized case documents	21,624	20,000	20,000
Scanned documents	17,824	18,000	18,000
Juvenile Court petitions	359	300	300
Criminal record checks	424	450	450
Freedom of Information Act requests	2,049	2,100	2,100

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.

Service Indicators	Prior Year	Current Year	Budget Year
Equipment maintenance	579	400	400
State handgun registration document processing, units	1,006	1,000	1,000
Handgun purchase permits	180	200	200
Evidence submitted	2,168	2,100	2,100
Evidence disposed	3,903	3,000	3,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	413,781	427,440	439,171	439,171	381,676
Operations & Maintenance	28,184	26,627	36,126	36,051	39,126
TOTAL EXPENDITURES	441,965	454,067	475,297	475,222	420,802

DRUG LAW ENFORCEMENT, 101-3050

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

Service Indicators	Prior Year	Current Year	Budget Year
Arrests	172	250	250
Estimated value of seized drugs	$60,000	$70,000	$70,000
Search warrants obtained	8	10	10
Cases investigated	261	350	350

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other grants	665	441	1,000	1,000	1,000
TOTAL REVENUE	665	441	1,000	1,000	1,000
EXPENDITURES:					
Personnel Services	63,139	68,323	83,150	83,150	180,803
Administrative Charges	334	240	7,900	7,900	5,360
TOTAL EXPENDITURES	63,473	68,563	91,050	91,050	186,163

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	69,314	38,711	84,294	62,400	76,900
Capital Outlay	-	24,111	-	-	-
TOTAL EXPENDITURES	69,314	62,822	84,294	62,400	76,900

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 2015-2016 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.

Activity/Program	Description	*Goal/*Objective
Administration	Facilities maintenance and renovation initiatives	*Public Improvements* 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 Kalamazoo County Training Committee Kalamazoo County Fire Investigation Team 5th District Technical Rescue Team	*Service Delivery* Promote teamwork and unity of purpose between public and private sector Pursue intergovernmental ventures Provide teamwork and unity
	Technological equipment upgrades	Increase efficiency by applying new technology

PUBLIC SAFETY-FIRE, continued

Fire Prevention	Annual fire inspection program Public education	*Community Development* Effective community safety programs
On-call	On-call firefighter program	*Service Delivery* Evaluate alternatives to meet service demands
Training	Continuing education Safety Initiatives	*Service Delivery* Employee training for a well-trained work force *Finance* Promote safety and minimize risk exposure by identifying situations to prevent accidents
Emergency Management	Backup County EOC Emergency Management Exercises	*Service Delivery* Pursue intergovernmental ventures Promote teamwork and unity between public and private sector

FIRE Division budget

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	1,942	405	900	900	900
Federal revenue	35,013	-	-	-	-
Other revenue	1,782	2,336	2,420	2,420	1,360
TOTAL REVENUE	38,737	2,741	3,320	3,320	2,260
EXPENDITURES:					
Personnel Services	3,802,893	3,805,326	4,023,184	4,023,184	4,139,768
Operations & Maintenance	282,111	275,058	497,096	444,760	496,325
Administrative Charges	152,303	167,897	196,417	196,417	194,372
Capital Outlay	-	26,471	89,311	73,500	100,475
TOTAL EXPENDITURES	4,237,307	4,274,752	4,806,008	4,737,861	4,930,940

The Fire Division is comprised of seven activities that follow.

ADMINISTRATION, 101-3310

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

Service Indicators	Prior Year	Current Year	Budget Year
Pre-fire surveys completed	20	20	20
Vehicle service and equipment Maintenance performed	300	300	300

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	1,942	405	900	900	900
Federal revenue	35,013	-	-	-	-
Other revenue	769	949	1,600	1,600	400
TOTAL REVENUE	37,724	1,354	2,500	2,500	1,300
EXPENDITURES:					
Personnel Services	312,193	321,227	345,017	345,017	322,830
Operations & Maintenance	144,658	166,506	313,918	264,070	227,725
Administrative Charges	117,225	133,681	140,917	140,917	141,247
Capital Outlay	-	-	7,500	7,500	4,500
TOTAL EXPENDITURES	574,076	621,414	807,352	757,504	696,302

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.

Service Indicators	Prior Year	Current Year	Budget Year
Fire calls	114	100	100
Emergency medical calls	2,360	2,300	2,300
False Alarm	290	280	280
Hazardous Conditions	220	200	200
Service Calls	350	350	350
Good Intent Calls	440	500	500
Mutual Aid provided	45	40	40
Mutual Aid received	62	50	50
Lecture/demonstration provided	70	80	80
Building inspections (commercial, industrial, including hazardous material sites)	2,500	2,500	2,500

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	3,298,683	3,333,067	3,433,465	3,433,465	3,465,092
Operations & Maintenance	48,331	28,349	71,065	69,675	81,835
Administrative Charges	35,078	34,216	55,500	55,500	53,125
Capital Outlay	-	26,471	81,811	66,000	95,975
TOTAL EXPENDITURES	3,382,092	3,422,103	3,641,841	3,624,640	3,696,027

ON-CALL FIREFIGHTERS, 101-3330

Service Indicators 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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	93,718	72,803	138,119	138,119	141,163
Operations & Maintenance	8,248	3,177	19,970	19,530	24,230
TOTAL EXPENDITURES	101,966	75,980	158,089	157,649	165,393

FIRE PREVENTION, 101-3340

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

Service Indicators	Prior Year	Current Year	Budget Year
Fire investigations	115	100	100
Plan Reviews	155	150	150
Technical inspections	325	300	300
Public education events	70	90	90
Recreational fire permits issued	105	100	100
Infant/child car seat installation activity	240	240	240

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	1,013	1,387	820	820	960
TOTAL REVENUE	1,013	1,387	820	820	960
EXPENDITURES:					
Personnel Services	98,299	78,229	106,083	106,083	106,010
Operations & Maintenance	8,328	8,526	15,078	14,560	21,905
TOTAL EXPENDITURES	106,627	86,755	121,161	120,643	127,915

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.

Service Indicators	Prior Year	Current Year	Budget Year
Fire training sessions	260	200	200
EMS training sessions	69	40	40
Technical rescue training sessions	40	40	40
Hazardous materials training sessions	16	20	20
Other department training sessions	45	50	50
County-wide Fire Investigations	10	10	10
Kalamazoo Country HazMat Team Training	10	10	10

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	-	-	500	500	104,673
Operations & Maintenance	17,995	18,633	24,405	24,405	68,380
TOTAL EXPENDITURES	17,995	18,633	24,905	24,905	173,053

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.

Service Indicators	Prior Year	Current Year	Budget Year
City emergency management exercises	1	1	1
Countywide emergency management Exercises	1	1	1

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	550	567	5,800	5,800	5,800
TOTAL EXPENDITURES	550	567	5,800	5,800	5,800

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	54,001	49,300	46,860	46,720	66,450
TOTAL EXPENDITURES	54,001	49,300	46,860	46,720	66,450

COURT FACILITY 101-1501

This activity accounts for the maintenance of chambers formerly 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. The property was leased by the District Court "in perpetuity". In vacating the property, an agreement was negotiated with Kalamazoo County providing for compensatory income through June 30, 2023.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Other revenue	50,758	70,000	70,000	70,000	70,000
TOTAL REVENUE	50,758	70,000	70,000	70,000	70,000
EXPENDITURES:					
Operations & Maintenance	21,669	20,961	34,818	31,855	34,818
Administrative Charges	29,806	29,263	35,500	35,500	33,000
TOTAL EXPENDITURES	51,475	50,224	70,318	67,355	67,818

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 2015-2016 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.

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

COMMUNITY DEVELOPMENT, continued

Activity/Program	Description	*Goal*/Objective
	Housing Assistance Programs	Ensure decent and safe housing and the livability of community neighborhoods Coordinate with area-wide economic development organizations. *Service Delivery* Evaluate and propose possible ordinance revisions
	Public Buildings Maintenance	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 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 the community
	Zoning Review and Zoning Administration	Continue planning and implementing programs and projects to enhance the City Centre area

COMMUNITY DEVELOPMENT, continued

Activity/Program	Description	*Goal*/Objective
	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 by applying new technology communicate service delivery options Evaluate and propose possible ordinance revisions
	Liaison to Planning Commission, Human Services Board, Zoning Board of Appeals, Brownfield Authority, Local Development Finance Authority, Economic Development Authority/Tax Increment Finance Authority, and Downtown Development Authority	Improve the utility of citizen advisory boards *Public Relations* Continue emphasis on courteous public service Continue efforts to enhance communication between government, citizens, the business community and educational institutions on city projects and services

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	625,478	556,712	395,000	395,000	555,000
Interest and rents	161,555	171,382	155,500	155,500	167,000
Other revenue	46,999	43,688	6,500	6,500	6,500
TOTAL REVENUE	834,032	771,782	557,000	557,000	728,500
EXPENDITURES:					
Personnel Services	677,075	690,005	738,980	738,980	827,010
Operations & Maintenance	129,999	124,108	163,682	151,765	146,540
Administrative Charges	199,877	185,344	229,290	229,290	229,540
Capital Outlay	-	10,782	-	-	-
TOTAL EXPENDITURES	1,006,951	1,010,239	1,131,952	1,120,035	1,203,090

The responsibilities of the various activities are outlined as follows.

BUILDING AND HOUSING SERVICES, 101-3710

This activity accounts for the costs associated with ensuring that new construction and redevelopment projects conform to various professional codes and ordinances and assists with development responsibilities associated with housing and property maintenance administration and enforcement. This 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.

Service Indicators	Prior Year	Current Year	Budget Year
Building permits*	426	430	450
Plumbing permits*	317	400	425
Electrical permits*	510	525	525
Mechanical permits*	594	650	675
Housing/Property Maintenance inspections	35	50	50
Backflow Program			
Coordination and inspections	310	200	400

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	586,209	515,120	350,000	350,000	500,000
Other revenue	-	15,827	-	-	-
TOTAL REVENUE	586,209	530,947	350,000	350,000	500,000
EXPENDITURES:					
Personnel Services	316,390	321,121	342,287	342,287	367,142
Operations & Maintenance	9,095	9,306	8,350	8,350	13,350
Administrative Charges	12,713	14,838	13,697	13,697	15,573
TOTAL EXPENDITURES	338,198	345,265	364,334	364,334	396,065

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.

Service Indicators	Prior Year	Current Year	Budget Year
Site plan review	26	27	30
Special Land Use Permits	8	10	10
Rezonings[1]	5	5	5
Zoning Ordinance amendments	1	4	4
Zoning Board of Appeals application reviews	16	24	25
Commercial Parking/Plot Plan Review	2	4	5
Residential plot plan reviews	224	250	300
Business special event application reviews	18	18	20
Sign permit application reviews	170	170	175
Zoning compliance reviews	21	25	25
Plat reviews	3	6	6
Public utility plan review	11	10	12
Landscape plan review	18	18	20
Land division/lot line adjustment reviews	17	25	25
Geographic Information System:			
Notification maps	28	55	55
Maps/analysis/data requests	388	442	450
Residential driveway applications review	51	50	55
Assign addresses for properties	101	70	75
Neighborhood Support Program (CSR)	1,443	1,350	1,350
Act 198 abatement requests	2	6	6
Payment in lieu of taxes (PILOT)	2	1	2
Collection box permit (incl. renewal)	14	17	17
Urban chicken permits	12	10	10

[1]Also includes tentative plan amendments and re-approvals.

These three activities follow:

PLANNING and DEVELOPMENT, 101-3720

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	39,269	41,592	25,000	25,000	35,000
Other revenue	-	-	500	500	500
TOTAL REVENUE	39,269	41,592	25,500	25,500	35,500
EXPENDITURES:					
Personnel Services	203,474	207,566	224,210	224,210	240,596
Operations & Maintenance	53,701	48,225	61,680	55,070	44,800
Administrative Charges	5,600	8,297	7,779	7,779	7,819
TOTAL EXPENDITURES	262,775	264,088	293,669	287,059	293,215

NEIGHBORHOOD SERVICES, 101-3730

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	-	-	20,000	20,000	20,000
Interest and rents	161,555	171,382	155,500	155,500	167,000
Other revenue	46,999	27,861	6,000	6,000	6,000
TOTAL REVENUE	208,554	199,243	181,500	181,500	193,000
EXPENDITURES:					
Personnel Services	157,211	161,318	172,080	172,080	219,272
Operations & Maintenance	10,271	16,624	16,168	13,795	10,840
Administrative Charges	2,815	1,840	1,629	1,629	2,089
TOTAL EXPENDITURES	170,297	179,782	189,877	187,504	232,201

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.

Service Indicators	Prior Year	Current Year	Budget Year
Building area (square feet)	28,000	28,000	28,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	-	-	403	403	-
Operations & Maintenance	56,932	49,953	77,484	74,550	77,550
Administrative Charges	178,749	160,369	206,185	206,185	204,059
Capital Outlay	-	10,782	-	-	-
TOTAL EXPENDITURES	235,681	221,104	284,072	281,138	281,609

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 2015-2016 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 capital outlay amount includes $17,700 for new street lights and upgrades of some existing lights to LED technology. The remainder represents the city share of special assessment payments for the Austin Lake bio-augmentation project. It is the fourth of five annual assessments of $3,750 by Austin Lake Governmental Lake Board on the city.

Activity Measures	Prior Year	Current Year	Budget Year
Current street lights	2,722	2,725	2,788
Street light requests	4	10	15

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	-	23,453	24,549	-	-
Administrative Charges	482,287	503,251	560,000	560,000	498,200
Capital Outlay	-	8,750	5,000	5,000	21,450
TOTAL EXPENDITURES	482,287	535,454	589,549	565,000	519,650

TRANSFERS OUT, 101-9610

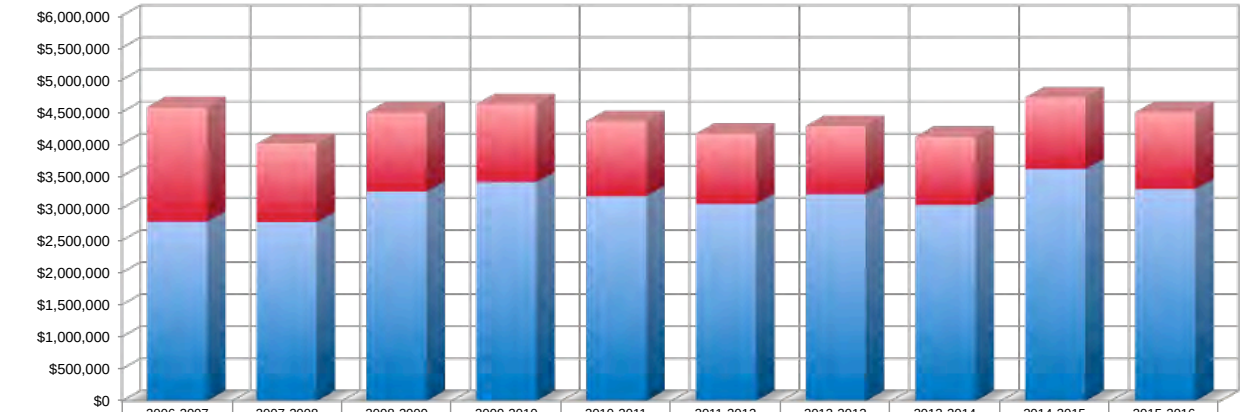
Budget Overview: Subsidies to other funds are: Major Streets Fund $250,000, Local Streets Fund $300,000, $1,800,000 to the Capital Improvement Fund, and $100,000 to the Downtown Development Authority.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Transfers Out	2,358,220	2,629,636	1,829,000	1,829,000	2,450,000
TOTAL EXPENDITURES	2,358,220	2,629,636	1,829,000	1,829,000	2,450,000

This activity reflects subsidies provided to other funds.

Streets

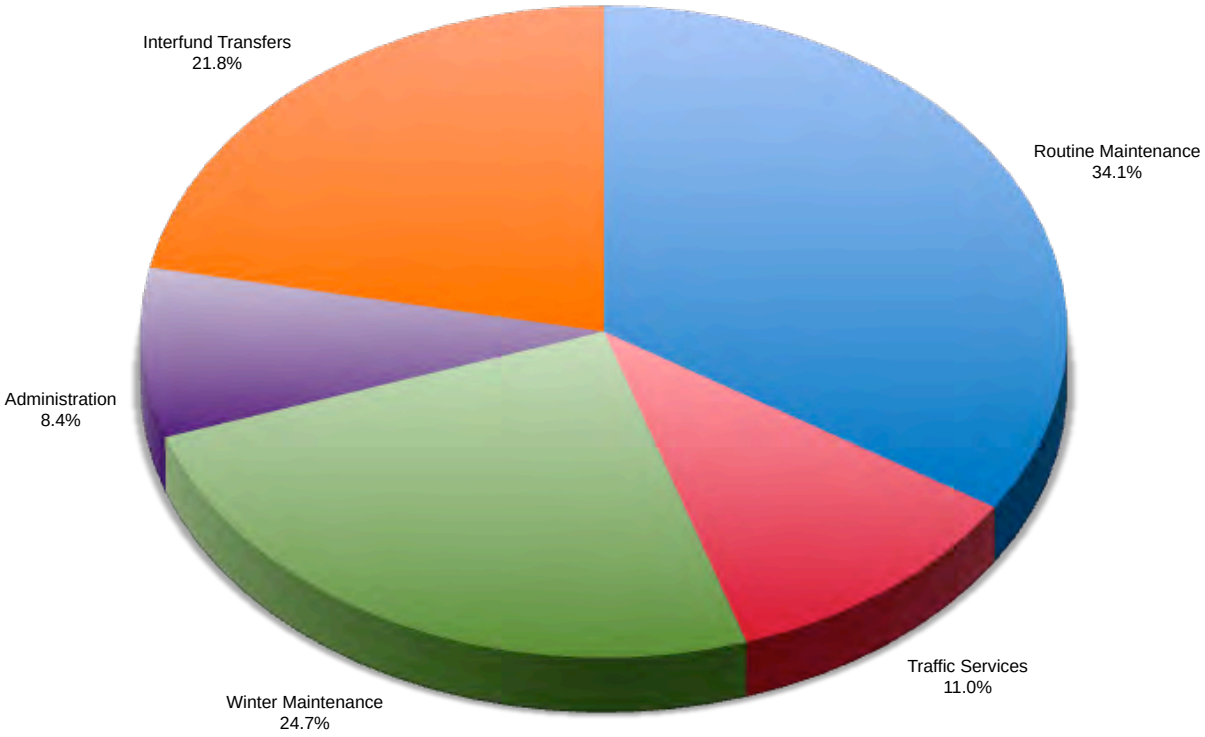
STREET MAINTENANCE EXPENDITURES



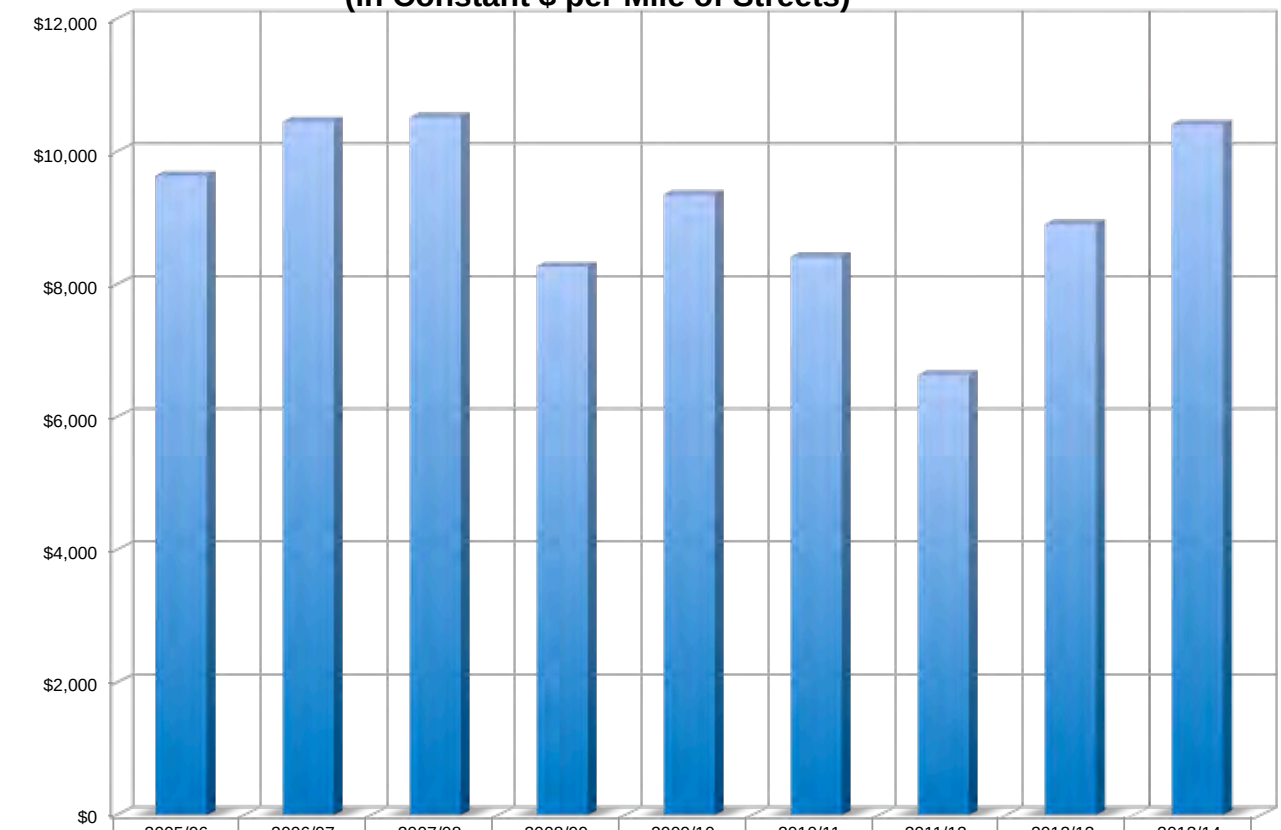
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Local Streets	1,783,437	1,220,424	1,232,569	1,216,305	1,165,463	1,094,449	1,059,709	1,065,386	1,114,829	1,195,742
Major Streets	2,793,256	2,785,984	3,258,245	3,407,907	3,189,879	3,069,029	3,222,408	3,052,305	3,611,411	3,298,988

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)



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Const $/Mile	$9,626	$10,446	$10,510	$8,261	$9,341	$8,405	$6,625	$8,898	$10,401

Formula:

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

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

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

MAJOR STREETS FUND

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

Budget Overview: The 2015-2016 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.

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

MAJOR STREETS FUND, continued

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
State revenue	2,789,864	3,081,073	3,014,080	2,795,580	2,805,144
Interest and rents	(8,970)	11,972	2,600	2,600	4,600
Transfers In	497,767	1,049,636	250,000	250,000	250,000
TOTAL REVENUE	3,278,661	4,142,681	3,266,680	3,048,180	3,059,744
EXPENDITURES:					
Personnel Services	568,914	548,633	577,676	577,676	637,782
Operations & Maintenance	1,008,524	2,103,197	1,330,849	1,244,512	1,396,476
Administrative Charges	252,012	299,963	271,723	271,723	285,730
Transfers Out	1,132,267	1,092,000	1,700,000	1,500,000	959,000
TOTAL EXPENDITURES	2,961,717	4,043,793	3,880,248	3,593,911	3,298,988

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, patch material is applied to potholes.

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

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

Service Indicators	Prior Year	Current Year	Budget Year
Locations mowed	30	30	30
Hot patch - tons	110	45	45
Cold patch - tons	62	25	40
Dura Patch - Gallons	N/A	10,000	10,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	254,758	251,524	247,220	247,220	276,579
Operations & Maintenance	327,609	1,380,935	468,627	447,127	473,900
Administrative Charges	128,197	150,435	122,071	122,071	117,366
TOTAL EXPENDITURES	710,564	1,782,894	837,918	816,418	867,845

TRAFFIC SERVICES MAINTENANCE, 202-4215

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

Service Indicators	Prior Year	Current Year	Budget Year
Lineal miles of major streets restriped (by contract)	72.04	72.04	72.04
Street signs repaired or replaced	244	200	200
Guardrails repaired or replaced, ft.	107	150	150

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	47,207	45,281	51,188	51,188	57,137
Operations & Maintenance	95,246	99,629	114,807	100,500	139,084
Administrative Charges	12,442	14,605	12,442	12,442	12,442
TOTAL EXPENDITURES	154,895	159,515	178,437	164,130	208,663

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.

Service Indicators	Prior Year	Current Year	Budget Year
Miles of major roads	72.04	72.04	72.04
Tons of salt	2,358	2,336	2,100
Gallons of Deicer	12,550	20,000	30,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	166,707	136,904	152,775	152,775	168,616
Operations & Maintenance	116,667	197,588	270,848	228,066	258,000
Administrative Charges	103,519	119,280	122,779	122,779	142,408
TOTAL EXPENDITURES	386,893	453,772	546,402	503,620	569,024

ADMINISTRATION-MAINTENANCE, 202-4218

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	5,921	9,001	9,410	9,410	11,624
Operations & Maintenance	21,985	25,593	28,002	27,650	28,170
Administrative Charges	7,854	15,643	14,431	14,431	13,514
TOTAL EXPENDITURES	35,760	50,237	51,843	51,491	53,308

ADMINISTRATION-TRANSPORTATION, 202-4225

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

Service Indicators	Prior Year	Current Year	Budget Year
Site plan reviews	24	26	28
Plat reviews	4	3	3

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	94,321	105,923	117,083	117,083	123,826
Operations & Maintenance	17,506	29,626	37,865	34,069	36,572
TOTAL EXPENDITURES	111,827	135,549	154,948	151,152	160,398

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.

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	137,723	160,676	183,700	183,700	208,100
Capital Outlay	-	-	-	-	20,000
TOTAL EXPENDITURES	137,723	160,676	183,700	183,700	228,100

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).

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	291,788	209,150	227,000	223,400	252,650
TOTAL EXPENDITURES	291,788	209,150	227,000	223,400	252,650

TRANSFERS OUT, 202-9610

Inter-fund transfers are as follows: To the Capital Improvement Fund for Major Street related expenditures, $936,000; a transfer to the Sewer Fund for a share of the street sweeping costs, $23,000.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Transfers Out	1,132,267	1,092,000	1,700,000	1,500,000	959,000
TOTAL EXPENDITURES	1,132,267	1,092,000	1,700,000	1,500,000	959,000

LOCAL STREETS FUND

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

Budget Overview: The 2015-2016 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.

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

LOCAL STREETS FUND, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
State revenue	864,894	828,698	830,420	811,920	827,663
Interest and rents	(5,792)	3,359	800	800	1,900
Other revenue	110	145	-	-	-
Transfers In	565,000	315,000	300,000	300,000	300,000
TOTAL REVENUE	1,424,212	1,147,202	1,131,220	1,112,720	1,129,563
EXPENDITURES:					
Personnel Services	532,147	498,766	534,016	534,016	587,341
Operations & Maintenance	632,876	363,301	403,377	327,861	375,490
Administrative Charges	214,164	252,832	233,752	233,752	209,911
Transfers Out	22,500	23,000	23,000	23,000	23,000
TOTAL EXPENDITURES	1,401,687	1,137,899	1,194,145	1,118,629	1,195,742

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 patch material is applied to potholes.

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

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

Service Indicators	Prior Year	Current Year	Budget Year
Trees and stumps removed	91	260	250
Locations mowed	15	15	15
Hot patch - tons	144	25	25
Cold patch - tons	21	20	40
Dura Patch – gallons	221	7,000	5,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	229,398	212,761	224,178	224,178	248,954
Operations & Maintenance	481,492	132,927	133,165	87,075	82,200
Administrative Charges	98,296	121,260	90,535	90,535	78,925
TOTAL EXPENDITURES	809,186	466,948	447,878	401,788	410,079

TRAFFIC SERVICES MAINTENANCE, 203-4215

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

Service Indicators	Prior Year	Current Year	Budget Year
Lineal miles of local streets restriped (by contract)	3.7	3.7	3.7
Street signs repaired or replaced	193	200	225
Visual obstructions cleared	12	15	15

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	29,819	30,816	28,530	28,530	31,549
Operations & Maintenance	15,854	9,791	11,000	11,000	12,000
Administrative Charges	1,820	2,136	1,820	1,820	1,820
TOTAL EXPENDITURES	47,493	42,743	41,350	41,350	45,369

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.

Service Indicators	Prior Year	Current Year	Budget Year
Miles of local streets	147.77	147.77	147.77
Tons of sand	850	2,500	2,500
Tons of salt	2,358	2,376	2,100

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	172,474	140,718	154,815	154,815	171,388
Operations & Maintenance	112,219	204,535	229,276	202,386	249,600
Administrative Charges	100,875	114,008	120,049	120,049	120,959
TOTAL EXPENDITURES	385,568	459,261	504,140	477,250	541,947

ADMINISTRATION-MAINTENANCE, 203-4218

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	5,875	9,001	9,410	9,410	11,624
Operations & Maintenance	10,385	9,624	10,696	10,330	10,770
Administrative Charges	12,993	15,228	13,931	13,931	8,054
TOTAL EXPENDITURES	29,253	33,853	34,037	33,671	30,448

ADMINISTRATION-TRANSPORTATION, 203-4225

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

Service Indicators	Prior Year	Current Year	Budget Year
Site plan reviews	3	4	4
Plat reviews	4	3	3

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	94,581	105,470	117,083	117,083	123,826
Operations & Maintenance	7,740	1,424	13,540	11,370	9,920
Administrative Charges	180	200	7,417	7,417	153
TOTAL EXPENDITURES	102,501	107,094	138,040	135,870	133,899

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	5,186	5,000	5,700	5,700	11,000
TOTAL EXPENDITURES	5,186	5,000	5,700	5,700	11,000

TRANSFERS OUT, 203-9610

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Transfers Out	22,500	23,000	23,000	23,000	23,000
TOTAL EXPENDITURES	22,500	23,000	23,000	23,000	23,000

MUNICIPAL STREETS FUND - 204

The municipal streets 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.

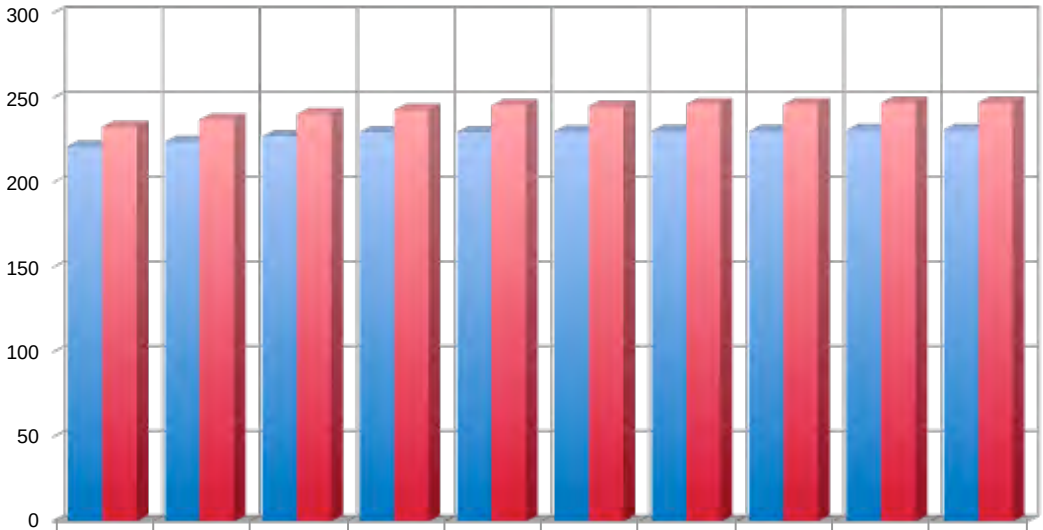
	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Property taxes	1,076,435	1,221,197	1,525,000	1,525,000	1,575,000
Interest and rents	(56)	2,954	1,800	1,800	2,400
TOTAL REVENUE	1,076,379	1,224,151	1,526,800	1,526,800	1,577,400
EXPENDITURES:					
Administrative Charges	71,400	71,400	75,000	75,000	67,330
Transfers Out	972,000	1,158,000	1,454,000	1,454,000	1,537,000
TOTAL EXPENDITURES	1,043,400	1,229,400	1,529,000	1,529,000	1,604,330

PORTAGE

A Natural Place to Move

Utilities

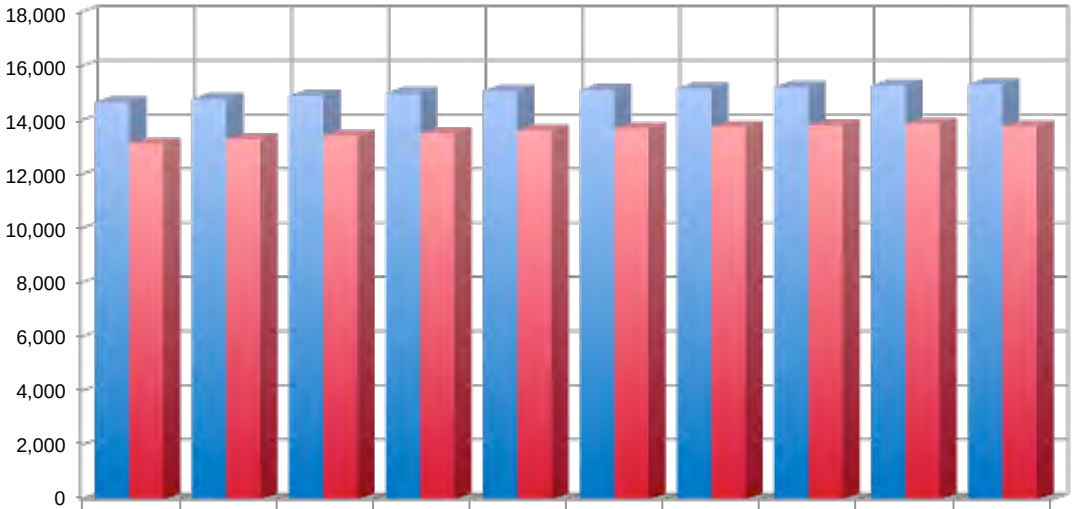
MILES OF UTILITY MAINS



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sewer Mains	221	224	227	230	230	230	230	230	231	231
Water Mains	233	237	240	243	246	245	246	246	247	247

The current ten-year Capital Improvement Program maintains the focus in this vital area of infrastructure. Since the system is close to its maximum in potential customers, the need for new mains will come primarily from new housing developments.

NUMBER OF UTILITY CUSTOMERS



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sewer Customers	14,662	14,783	14,903	15,003	15,080	15,124	15,177	15,222	15,282	15,322
Water Customers	13,133	13,300	13,420	13,520	13,626	13,692	13,752	13,800	13,868	13,768

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

SEWER OPERATING FUND

The Sewer Fund accounts for the costs associated with the collection and transport of sewage from approximately 15,300 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 2015-2016 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.

Activity/Program	Description	*Goal*/Objective
Operations and Maintenance	All programs	*Public Improvements* Improve sanitary sewer system Expand the public sanitary sewer system to all properties in the city *Environmental Quality* Protect ground water and lake quality Meet all state and federal environmental standards *Service Delivery* Meet increased service demands Increase efficiency by applying new technology
Administration		*Public Improvements* Ensure sanitary sewer systems in new developments meet city standards Cooperate with adjoining township in expanding sanitary sewer systems *Environmental Quality* Ensure all environmental standards are met in new developments Enforce environmental requirements in all development projects

SEWER OPERATING FUND, continued

Activity/Program	Description	*Goal*/Objective
Administration (continued)		Protect lakes and surface water quality *Financial Health* Maintain financial health of sewer fund through annual rate evaluation

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Charges for services	8,183,828	8,523,599	8,813,000	8,813,000	8,867,000
Interest and rents	4,946	51,446	6,700	6,700	14,600
Transfers In	45,000	46,000	46,000	46,000	46,000
TOTAL REVENUE	8,233,774	8,621,045	8,865,700	8,865,700	8,927,600
EXPENDITURES:					
Personnel Services	445,292	408,501	404,348	404,348	434,510
Operations & Maintenance	2,548,674	2,515,765	2,542,482	2,470,433	2,504,636
Administrative Charges	3,967,735	4,045,527	4,984,765	4,786,924	4,674,932
Capital Outlay	5,255	16,786	150,000	150,000	150,000
Transfers Out	80,000	80,000	910,000	910,000	80,000
TOTAL EXPENDITURES	7,046,956	7,066,579	8,991,595	8,721,705	7,844,078

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.

Service Indicators	Prior Year	Current Year	Budget Year
Number of sewer customers	15,270	15,322	15,385
Sewage transported (MG)	1,522	1,552	1,600
Number of lift stations	55	55	55
Lift station inspections	1,959	1,809	1,800
Lift station pumps repaired	10	9	20
Sanitary sewer overflows	1	0	0
Miles of sanitary sewer	230	231	232
Miles of sanitary sewer cleaned	73	82	80
Sanitary sewer blockages per mile	0.04	0.03	0.04

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	1,568,169	1,548,787	1,826,000	1,754,900	1,769,000
Administrative Charges	3,231,809	3,299,884	4,204,958	4,007,117	4,008,652
Capital Outlay	5,255	16,786	150,000	150,000	150,000
TOTAL EXPENDITURES	4,805,233	4,865,457	6,180,958	5,912,017	5,927,652

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	445,292	408,501	404,348	404,348	434,510
Operations & Maintenance	754,476	759,158	81,402	80,453	84,875
Administrative Charges	735,926	745,643	779,807	779,807	666,280
TOTAL EXPENDITURES	1,935,694	1,913,302	1,265,557	1,264,608	1,185,665

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	226,029	207,820	635,080	635,080	650,761
TOTAL EXPENDITURES	226,029	207,820	635,080	635,080	650,761

TRANSFERS OUT, 590-9610

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Transfers Out	80,000	80,000	910,000	910,000	80,000
TOTAL EXPENDITURES	80,000	80,000	910,000	910,000	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 2015-2016 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 2015-2016 budget continues that relationship.

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

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

WATER OPERATING FUND, continued

Activity/Program	Description	*Goal*/Objective
Administration		*Public Improvements* Ensure water and storm water systems in new developments meet city standards Cooperate with adjoining townships in expanding their water systems *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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Charges for services	6,806,281	6,755,054	6,931,000	6,931,000	7,006,000
Interest and rents	(6,419)	35,047	11,600	11,600	16,700
Other revenue	1,380	1,770	-	-	-
TOTAL REVENUE	6,943,475	6,791,871	6,942,600	6,942,600	7,022,700
EXPENDITURES:					
Personnel Services	223,307	256,973	259,955	259,955	290,312
Operations & Maintenance	3,024,196	3,027,990	3,949,779	3,892,160	4,069,474
Administrative Charges	654,587	652,667	691,667	691,667	603,901
Capital Outlay	109,519	96,901	110,000	110,000	110,000
Transfers Out	174,080	116,785	50,000	50,000	50,000
TOTAL EXPENDITURES	4,185,689	4,151,316	5,061,401	5,003,782	5,123,687

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.

Service Indicators	Prior Year	Current Year	Budget Year
Number of meters	15,310	15,310	15,394
New meters installed	68	67	75
Meters requiring repair	712	711	500
Meter reads for billing	57,300	57,200	60,000
Estimated bills	18,647	450	100

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	101,278	109,988	122,185	119,785	119,955
TOTAL EXPENDITURES	101,278	109,988	122,185	119,785	119,955

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.

Service Indicators	Prior Year	Current Year	Budget Year
Number of water customers	13,698	13,768	13,825
Water pumped and treated (MG)	1,846	1,778	2,000
Production well inspections	6,398	4,492	4,200
Samples analyzed	6,657	5,754	7,200
Water monitoring violations	0	0	0
Miles of water mains	246.5	247	247
Number of fire hydrants	2,670	2,686	2,700
Fire hydrants flushed and inspected	6,034	5,643	5,500
Main breaks per mile of main	0.11	0.12	0.10
Miles of streets	220	220	220
Miles of street sweeping	2,143	1,878	2,500
Sweepings collected (cubic yards)	1,760	1,718	1,700

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	1,018,623	1,048,716	1,233,203	1,202,189	1,252,294
TOTAL EXPENDITURES	1,018,623	1,048,716	1,233,203	1,202,189	1,252,294

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.

Service Indicators	Prior Year	Current Year	Budget Year
Site plans reviewed	10	10	10
Environmental inspections/monitoring	62	62	62
Responses to hazardous materials incidents	2	1	3

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	223,307	256,973	259,955	259,955	290,312
Operations & Maintenance	895,013	911,073	189,061	164,856	169,625
Administrative Charges	654,587	652,667	691,667	691,667	603,901
Capital Outlay	77,490	96,901	110,000	110,000	110,000
TOTAL EXPENDITURES	1,850,397	1,917,614	1,250,683	1,226,478	1,173,838

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	1,009,282	958,213	2,405,330	2,405,330	2,527,600
TOTAL EXPENDITURES	1,009,282	958,213	2,405,330	2,405,330	2,527,600

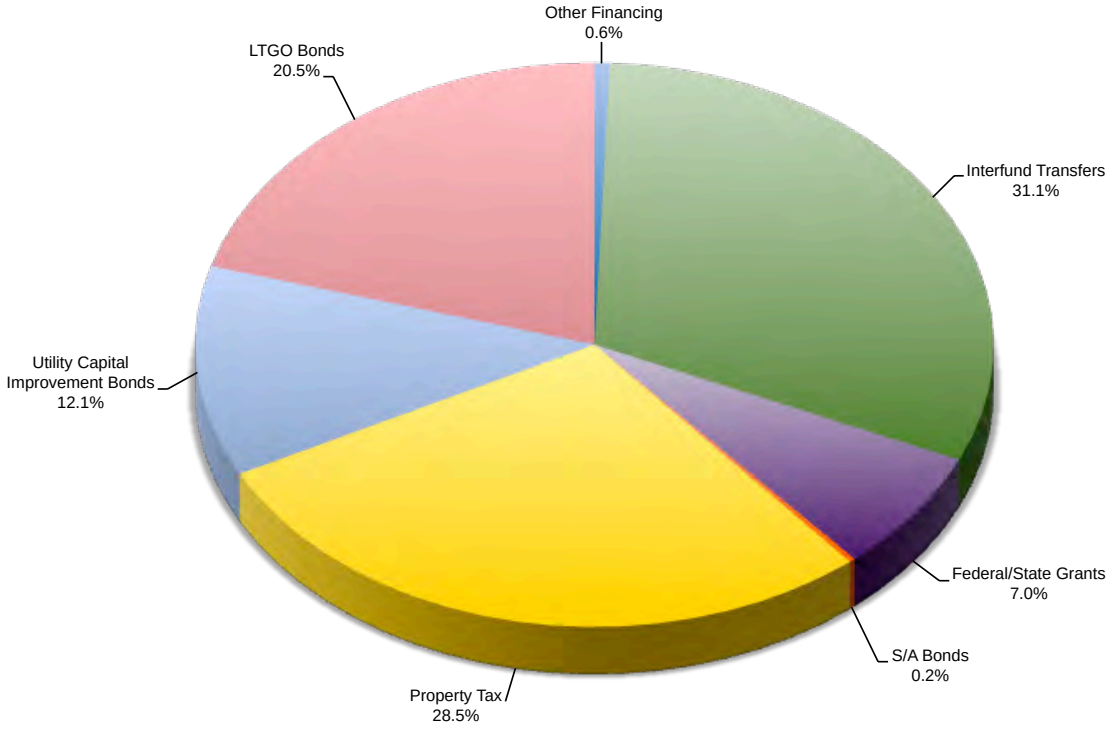
TRANSFERS OUT, 591-9610

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

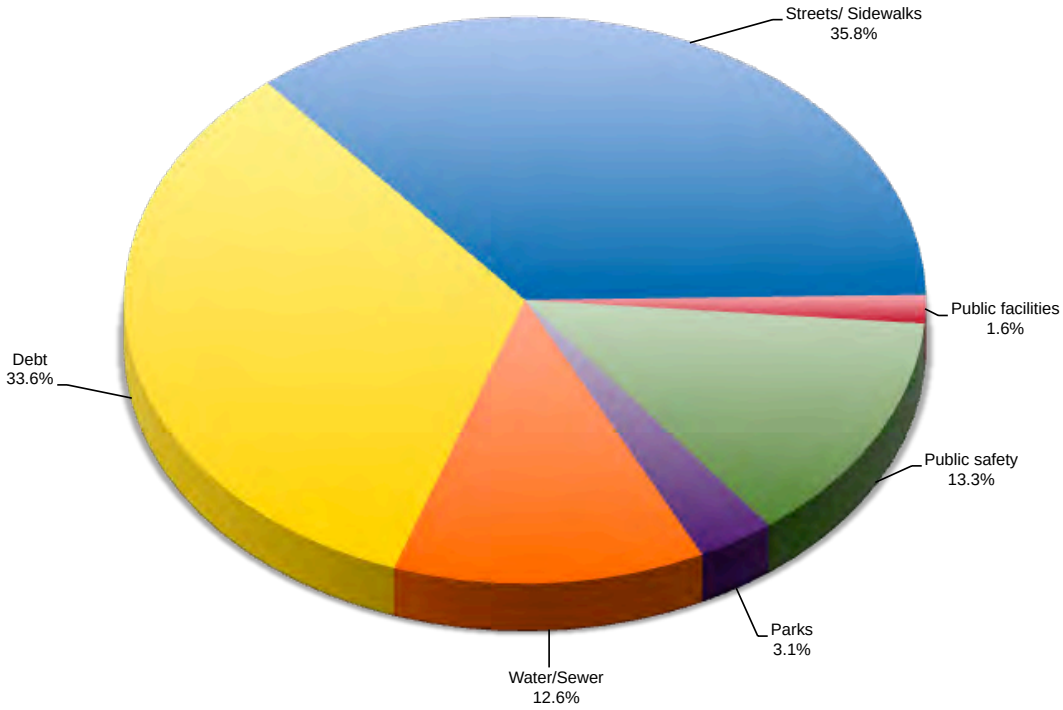
	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Transfers Out	174,080	116,785	50,000	50,000	50,000
TOTAL EXPENDITURES	174,080	116,785	50,000	50,000	50,000

Public Improvements

CAPITAL IMPROVEMENT REVENUES



CAPITAL IMPROVEMENT EXPENDITURES



These graphs show the revenues and expenditures by category for the first year of the 2015-2025 Capital Improvement Program.

Revenues and Expenditures (000)

	Fiscal Year										
	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	Total
[REVENUES AND OTHER SOURCES]											
Property tax	4,030	4,067	4,108	4,149	4,191	4,232	4,275	4,318	4,361	4,404	42,135
Interest	22	15	15	15	15	50	70	90	100	100	492
Revenue from General Obligation bonds	1,420	764	2,228	1,296	1,601	899	649	685	936	2,089	12,567
Utility Capital Improvement revenue from bonds	1,710	2,245	1,805	2,205	1,395	2,000	1,100	740	1,100	150	14,450
MTF revenue from bonds	1,485	900	1,550	1,300	1,770	1,500	1,200	1,000	750	1,500	12,955
Major Street Fund	936	900	1,200	941	694	1,080	518	119	21		6,409
Municipal Street Fund	1,537	1,646	1,714	1,543	1,548	1,578	1,581	1,505	1,307	1,242	15,201
Sanitary Sewer Fund	80	80	80	80	80	80	80	80	80	80	800
Water Fund	50	50	50	6,105	50	50	50	4,850	205	50	11,510
General Fund - for debt service	1,800	411	1,357			230					3,798
Total city revenues and sources	13,070	11,078	14,107	17,634	11,344	11,699	9,523	13,387	8,860	9,615	120,317
											-
MAP - 21 Funding	944	956	800	800	925	800	1,000	1,000	1,000	1,000	9,225
Federal/State grants(SAFETEA-LU Parks)	50	200					250				500
Other Revenue	65		40							40	145
Special Assessments/bonds-Water and Sewer only	35	165	195	55							450
Total Revenues and Sources	**14,164**	**12,399**	**15,142**	**18,489**	**12,269**	**12,499**	**10,773**	**14,387**	**9,860**	**10,655**	**130,637**
[EXPENDITURES]											
Streets	4,903	3,524	4,452	3,630	4,104	4,508	3,824	3,595	3,626	4,444	40,610
Sidewalks and Bikeways	170	100	435	110	340	90	70	100	80	170	1,665
Water	590	1,325	715	7,835	875	1,550	700	5,540	1,255	150	20,535
Sanitary Sewer	1,190	1,250	1,400	535	620	450	400				5,845
Police	1,327	189	165	222	244	514	164	215	431	171	3,642
Fire	551	302	1,565	680	912	70	125	300	332	1,800	6,637
Public Facilities	230	170	861	276	155	130	50	113	85	100	2,170
Parks and Recreation	445	610	470	90	300	275	630	210	195	100	3,325
Debt Service	4,758	4,929	5,079	5,111	4,719	4,912	4,810	4,314	3,856	3,720	46,208
Total Expenditures	**14,164**	**12,399**	**15,142**	**18,489**	**12,269**	**12,499**	**10,773**	**14,387**	**9,860**	**10,655**	**130,637**

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 2015-2016 portion of the 2015-2025 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.

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

CAPITAL IMPROVEMENT, continued

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

The 2015-2016 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 $2,723,000 or approximately 19.2 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).

	2015-2016 Council Approved
REVENUE:	
Property taxes	4,030,000
Federal grants	994,000
Interest and rents	22,000
Other revenue	4,715,000
Transfers In	4,403,000
TOTAL REVENUE	14,164,000
EXPENDITURES:	
Capital Outlay	9,406,000
Transfers Out	4,758,000
TOTAL EXPENDITURES	14,164,000

PUBLIC FACILITIES

PROGRAM TITLE: Information System Improvements, 400-9040
PROGRAM DESCRIPTION: Information system infrastructure sustainability and equipment upgrades.

PROGRAM TITLE: Phone System Upgrade, 400-2153
PROGRAM DESCRIPTION: Upgrade of the city Voice-Over-Internet-Protocol phone system.

Public Facilities	
Information System Improvements	160,000
Phone System Upgrade	70,000
Total Public Facilities	230,000

PARKS AND RECREATION

PROGRAM TITLE: Court Resurfacing/Repair, 400-2820
PROGRAM DESCRIPTION: Oakland Drive Park tennis court surface repairs and restriping lines. Basketball court repairing and painting surface. Ramona Park tennis and basketball courts: Removal of one tennis court and reconstruction of two tennis courts. Renovation of basketball courts which includes repairing and painting surface.

PROGRAM TITLE: Ramona Park Improvements, 400-2802
PROGRAM DESCRIPTION: Permanent repair of plumbing and draining issues throughout the beach house. Repair concrete slab in beach house and add durable floor covering. Replace ADA ramp at beach to meet current standards. Replace roof on beach house. Upgrade restroom spaces to better meet codes and improve shower system for patron use.

PROGRAM TITLE: Celery Flats Historical Area Improvements, 400-2815
PROGRAM DESCRIPTION: Improvements and enhancements to the schoolhouse, Hayloft Theatre, Grain Elevator and Stuart Manor are necessary in accordance with 2013 building maintenance review. The Celery Flats Interpretive Center will be modified for use as a group rental facility. Additional work will include the upgrade of brick landscaping, fence replacement/repair, park lighting, parking lot improvements and an ADA accessible ramp.

PROGRAM TITLE: Park Parking Lot/Walkway Improvements, 400-2838
PROGRAM DESCRIPTION: Overlay Lakeview Park parking lot and repairs to Stuart Manor/Hayloft Theatre drive and parking lot. Continued repairs to failed asphalt in other park lots and walkways.

PROGRAM TITLE: Dog Park Development, 400-2843
PROGRAM DESCRIPTION: Development of a controlled access and fenced dog park facility as part of the park system, located at Lakeview Park. The Dog Park would include water stations, refuse disposal stations and asphalt pathways for accessibility.

PARKS AND RECREATION, continued

PROGRAM TITLE: Park Trail Improvements, 400-2812

PROGRAM DESCRIPTION: Filling and sealing asphalt cracks and seal coating of park trails, Superdeck replacement, and woodchip trail upgrades.

Parks and Recreation	
Court Resurfacing/Repair	105,000
Ramona Park Improvements	90,000
Celery Flats Historical Area Improvements	75,000
Park Parking Lot/Walkway Improvements	70,000
Dog Park Development	55,000
Park Trail Improvements	50,000
Total Parks and Recreation	445,000

POLICE

PROGRAM TITLE: Computer Aided Dispatch and Police Records Upgrade and Conversion, 400-3086

PROGRAM DESCRIPTION: Conversion of existing Computer Aided Dispatch and Records Management Systems from the AS/400 based programs to Windows.

PROGRAM TITLE: Public Safety Facility Improvements, 400-3004

PROGRAM DESCRIPTION: Based on recent building study, prepare detailed scope of work, specifications and cost estimates for heating, cooling, and associated repairs to South Public Safety building.

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. Corresponding replacements of both marked and unmarked vehicles with related equipment are planned for future years.

PROGRAM TITLE: Fingerprint Machine, 400-3052

PROGRAM DESCRIPTION: Replace the current Indentix Fingerprint machine with an updated version. The use of the equipment is required to upload fingerprint and palm print data to the State of Michigan identification database for subjects arrested, as well as, employment backgrounds.

PROGRAM TITLE: Body Worn Video/Audio Camera Pilot Project, 400-3087

PROGRAM DESCRIPTION: The body worn video/audio camera project will provide approximately 25 hardware units worn by police officers in the field for documentation of field contacts with the public. The hardware purchase will be compatible with the current mobile video equipment in all public safety vehicles.

POLICE, continued

Police

Computer Aided Dispatch and Police Records Upgrade and Conversion	550,000
Public Safety Facility Improvements	500,000
Police Vehicles	227,000
Fingerprint Machine	25,000
Body Worn Video/Audio Camera Pilot Project	25,000
Total Police	1,327,000

FIRE

PROGRAM TITLE: Mobile Computer/Mobile Video Replacement, 400-3344
PROGRAM DESCRIPTION: The mobile computer/mobile video project will upgrade all existing hardware, including all ruggedized mobile computers and digital mobile recorders. The project includes integrated digital recording capabilities, enhanced connectivity to the city network, and replacement of equipment, which has reached end of life, including server upgrades.

PROGRAM TITLE: Breathing Air System, 400-3304
PROGRAM DESCRIPTION: Replace the breathing air system used to fill Self Contained Breathing Apparatus (SCBA) bottles, in order to reduce maintenance costs and improve capabilities. Purchase SCBA porta count machine required to perform fit-testing as required by MIOSHA on an annual basis and purchase flow test equipment required to perform maintenance on high pressure system of the SCBA units.

PROGRAM TITLE: Replace 2003 Utility Vehicle, 400-3302
PROGRAM DESCRIPTION: Replace 2003 Chevrolet Utility Vehicle with a vehicle with towing capacity to transport the enclosed trailer that contains technical rescue equipment to emergency scenes.

PROGRAM TITLE: Fire Station No. 2 Facility Improvements, 400-3306
PROGRAM DESCRIPTION: Repairs to include extensive painting, restroom upgrades, and replacement of electrical panels. In addition to repairs, project includes completion of feasibility study to determine whether the remodeling of the current facility with improved living quarters or the replacement of the current living quarters, along with the potential replacement of the entire station to better serve the needs of the community.

PROGRAM TITLE: Replace Personal Protective Equipment, 400-3338
PROGRAM DESCRIPTION: Replacement of firefighting personal protective equipment components.

FIRE, continued

PROGRAM TITLE: Fire Station No.1 Facility Improvements, 400-3314
PROGRAM DESCRIPTION: Replacement of the current natural gas emergency generator to provide the needed electrical loads of the entire Station No. 1 complex which also serves as the Emergency Coordination Center for the city.

PROGRAM TITLE: Fire Station No. 2 Alarm System, 400-3306
PROGRAM DESCRIPTION: Replacement of existing fire alarm system at Fire Station No. 2.

Fire

Mobile Computer/Mobile Video Replacement	180,000
Breathing Air System	98,000
Replace 2003 Utility Vehicle	70,000
Fire Station No. 2 Facility Improvements	65,000
Replace Personal Protective Equipment	63,000
Fire Station No.1 Facility Improvements	50,000
Fire Station No. 2 Alarm System	25,000
Total Fire	551,000

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, repair of necessary drive approaches and lawn restoration as appropriate.

PROGRAM TITLE: Local Street Reconstruction Program, 400-4343

PROGRAM DESCRIPTION: Reconstruction of local streets that were previously strip paved, or that require a greater level of sub-base pavement rehabilitation. Projects will include localized storm drainage improvements, curb, gutter and paved shoulder replacement/repair, pavement widening for narrow streets, sidewalk repairs and gap construction, including installation of specified handicap ramps, and necessary drive approaches and lawn restoration.

PROGRAM TITLE: Lovers Lane Traffic Signal Improvements, 400-4255

PROGRAM DESCRIPTION: Installation of fiber optic interconnection, traffic signal hardware and traffic signal timing optimization to coordinate for optimal traffic flow. The interconnect will include East Kilgore Road/Woodmont Drive, West Kilgore Road/Lovers Lane, Lovers Lane/East Milham Avenue and Lovers Lane/Romence Road intersections. Interconnection of the traffic signals will allow for the coordination of the signal timing and improve traffic progression through the traffic corridor. The project will also include the installation of video monitor traffic cameras and new traffic signal mast arms.

STREETS, continued

PROGRAM TITLE: South Westnedge Avenue/West Kilgore Road Intersection Improvements, 400-4208

PROGRAM DESCRIPTION: Traffic signal, driveway and pedestrian access improvements of the South Westnedge Avenue/West Kilgore Road intersection and South Westnedge Avenue from Old Kilgore to West Kilgore Road. Project includes the installation of new traffic signal mast arms, controllers, pedestrian signals and installation of sidewalk connections.

PROGRAM TITLE: US-131 Improvements, south city limits to West Milham Avenue, 400-4267

PROGRAM DESCRIPTION: Project to resurface pavement and shoulders of US-131 from the south city limits to West Milham Avenue. Improvements will be done by the Michigan Department of Transportation with the City of Portage paying a local share of cost as mandated by ACT 51.

PROGRAM TITLE: West Centre Avenue/Cooley Drive/Old Centre Road Improvements, 400-4268

PROGRAM DESCRIPTION: Project to include four elements: installation of a traffic signal at Old Centre Road and West Centre Avenue; reconstruction of Cooley Drive and sidewalks on both sides of the street; realignment of Cooley Drive at Old Centre Road; and installation of traffic signal at Cooley Drive and West Centre Avenue.

PROGRAM TITLE: Railroad Crossing Upgrades, 400-4281

PROGRAM DESCRIPTION: Improve the safety and rideability of existing street crossings of the Grand Elk Railroad (formerly Norfolk Southern) tracks at the West Centre Avenue location.

PROGRAM TITLE: Portage Road/Lakeview Drive Intersection Improvements, 400-4238

PROGRAM DESCRIPTION: Design engineering of the Portage Road/Lakeview Drive intersection to improve safety, operation and functionality of the intersection.

STREETS, continued

PROGRAM TITLE: Local Street Traffic Calming Program, 400-4344
PROGRAM DESCRIPTION: Preparation of a citywide policy and procedure guide for traffic calming features and measures to promote speed limit compliance for vehicle speeds on local streets.

PROGRAM TITLE: Accessible Pedestrian Signal Installation, 400-4234
PROGRAM DESCRIPTION: Installation of audible pedestrian signal actuators and indicators at signalized intersections as warranted by citizen requests and pedestrian traffic analysis.

Streets	
Major Street Reconstruction Program	2,703,000
Local Street Reconstruction Program	920,000
Lovers Lane Traffic Signal Improvements	400,000
South Westnedge Avenue/West Kilgore Road Intersection Improvements	270,000
US-131 Improvements, south city limits to West Milham Avenue	220,000
West Centre Avenue/Cooley Drive/Old Centre Road Improvements	220,000
Railroad Crossing Upgrades	85,000
Portage Road/Lakeview Drive Intersection Improvements	40,000
Local Street Traffic Calming Program	25,000
Accessible Pedestrian Signal Installation	20,000
Total Streets	4,903,000

SIDEWALK/BIKEWAYS

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

PROGRAM TITLE: Sidewalk Improvements, 400-4403
PROGRAM DESCRIPTION: Public sidewalk reconstruction and repairs to deteriorating sidewalks, and construction of new sidewalks where minor gaps in existing networks exist. Funding is provided through the Community Development Block Grant Program and sidewalk repairs will be completed within qualified Neighborhood Strategy Areas.

PROGRAM TITLE: Portage Bikeway Trail System Improvements, 400-4427
PROGRAM DESCRIPTION: Comprehensive asphalt overlay program to enhance off road bikeway trail segments. For FY 2015-16, the Lovers Lane Bikeway (East Milham Avenue to Romence Road Parkway) will be enhanced.

PROGRAM TITLE: Portage Road Sidewalk, Ames Drive to McClish Court, 400-4402
PROGRAM DESCRIPTION: Construction of a five-foot wide sidewalk on the west side of Portage Road from Ames Drive to McClish Court. This project is part of the “Natural Place to Move” initiative and will provide a sidewalk connection to the recently completed Portage Road pedestrian refuge island.

PROGRAM TITLE: Austin Court/East Shore Drive Trail Connection, 400-4402
PROGRAM DESCRIPTION: Development of a non-motorized trail connection from Austin Court northeast to East Shore Drive to include restricted access and fencing.

SIDEWALK/BIKEWAYS, continued

Sidewalks/Bikeways	
Bikeway Improvements	40,000
Sidewalk Improvements	50,000
Portage Bikeway Trail System Improvements	25,000
Portage Road Sidewalk, Ames Drive to McClish Court	35,000
Austin Court/East Shore Drive Trail Connection	20,000
Total Sidewalks/Bikeways	170,000

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; 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.

Total Transfers Out	4,758,000

SEWER CAPITAL IMPROVEMENT

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

PROGRAM TITLE: SCADA System Upgrade, 490-4548
PROGRAM DESCRIPTION: Replacement of the program logic controllers and radios for the utility supervisory control and data acquisition system (SCADA), which controls and monitors the utility system consisting of 20 wells at 14 city well sites, 55 sanitary sewer lift stations, Garden Lane Water Treatment Facility and two water towers. The city plans the replacement/upgrade of the critical hardware of the SCADA system every five years.

PROGRAM TITLE: Zylman Lift Station Renovation, 490-4543
PROGRAM DESCRIPTION: Replacement of control panels, pumps, wet well and additional site landscaping.

PROGRAM TITLE: South Shore Drive Sanitary Sewer, South Westnedge Avenue to West End Drive, 490-4511
PROGRAM DESCRIPTION: Install sanitary sewer and appurtenances in South Shore Drive from South Westnedge Avenue to West End Drive. This project is in conjunction with the local street reconstruction.

Sewer Capital Improvement	
SCADA System Upgrade	400,000
Zylman Lift Station Renovation	400,000
South Shore Drive Sanitary Sewer, South Westnedge Avenue to West End Drive	390,000
Total Sewer Capital Improvement	1,190,000

WATER CAPITAL IMPROVEMENT

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

PROGRAM TITLE: South Shore Drive Water Main Replacement, 491-4711
PROGRAM DESCRIPTION: Replacement of deteriorating water mains in South Shore Drive from South Westnedge Avenue to West End Drive.

PROGRAM TITLE: Lexington Green Drainage Improvements, 491-4712
PROGRAM DESCRIPTION: city share costs for repair, cleaning and maintenance of storm drainage channel through Lexington Green Park and a portion of the Lexington Green subdivision with connection to Davis Creek. The channel has been petitioned to City Council in 2011 for establishing a county drain and the drain was conveyed to the Office of the Drain Commissioner in 2013.

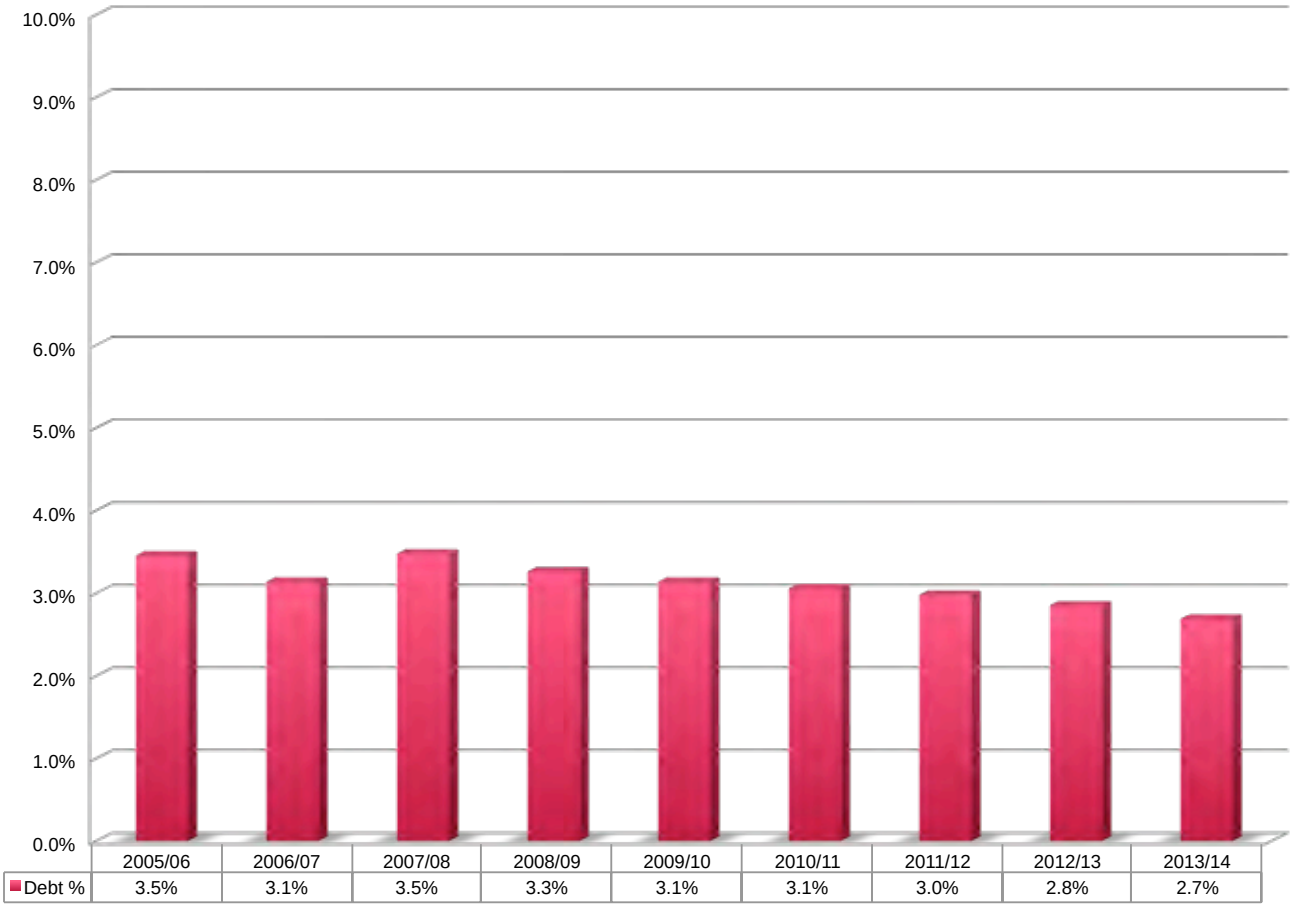
PROGRAM TITLE: Storm Drainage Improvements Program, 491-4702
PROGRAM DESCRIPTION: Address identified flooding problem areas that adversely impact public streets, commercial areas and private properties. Improvements planned under this program include expansion of retention basins, structural modifications, storm retention basins, berming to redirect storm flows, storm sewer improvements, and drainage channel regrading among others.

PROGRAM TITLE: SCADA System Upgrade, 491-4648
PROGRAM DESCRIPTION: Replacement of the program logic controllers and radios of the utility supervisory control and data acquisition system (SCADA), which controls and monitors the water system consisting of 21 wells at 14 city well sites, Garden Lane Water Treatment Facility, 55 sanitary sewer lift stations and two water towers. The replacement/upgrade of the critical hardware of the SCADA system is planned every five years.

Water Capital Improvement	
South Shore Drive Water Main Replacement	240,000
Lexington Green Drainage Improvements	200,000
Storm Drainage Improvements Program	100,000
SCADA System Upgrade	50,000
Total Water Capital Improvement	590,000

Debt Service

NET LONG-TERM DEBT
As a % of Taxable Value



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Debt %	3.5%	3.1%	3.5%	3.3%	3.1%	3.1%	3.0%	2.8%	2.7%

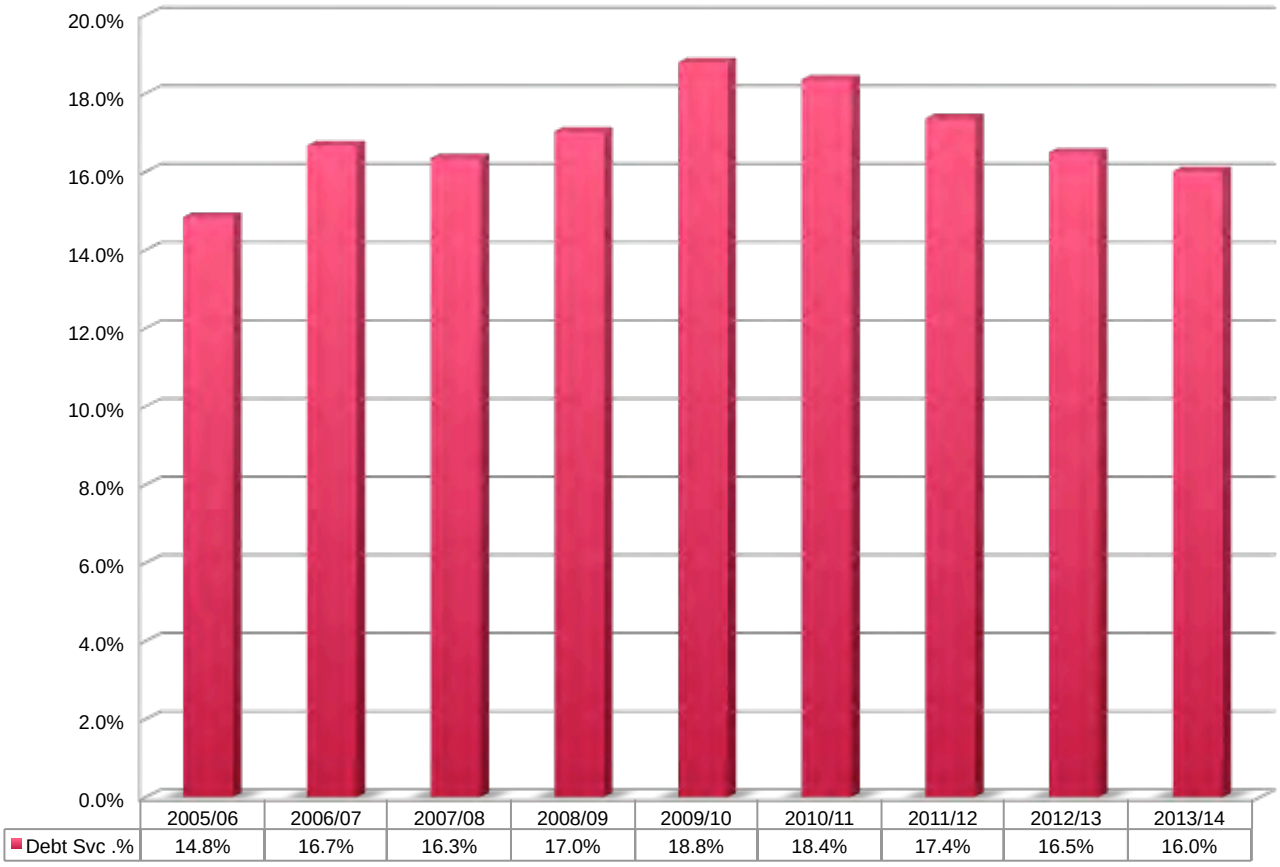
Formula:

(Net Direct Long-Term Debt) / (Taxable Value) x 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.

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



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Debt Svc .%	14.8%	16.7%	16.3%	17.0%	18.8%	18.4%	17.4%	16.5%	16.0%

Formula:

((Net Direct Debt Service) / (Total Net Operating Revenues)) x 100

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

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

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

Analysis:
Debt Service on net direct debt exceeding 20 percent of operating revenues is considered a potential problem. Ten percent is considered acceptable.

DEBT SUMMARY

At March 30, 2015, the outstanding debt obligations of the city not associated with proprietary fund type areas are as follows:

Special Assessment Bonds	$ 1,635,000
Limited Tax General Obligation Bonds	594,542
Unlimited Tax General Obligation Bonds	0
Local Development Finance Authority Bond	4,950,000
Building Authority Bonds	4,813,984
Downtown Development Authority	4,410,000
Motor Vehicle Highway Bonds	5,375,000
Capital Improvement Bonds	25,697,157
Land Contracts and Notes Payable	0
Total	$47,475,683

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

	Special Assessment Bonds	Limited Tax General Obligation Bonds	Notes Payable	Capital Improvement Bonds
SEV	$2,063,546,000	$2,063,546,000	$2,063,546,000	$2,063,546,000
Applicable percentage limitation	12.00%	10.00%	1.25%	5.00%
Legal debt limitation	$ 247,625,520	$206,354,600	$25,794,325	$103,177,300
Related obligations	$1,635,000	$594,542	-	$25,697,157
Legal debt margin	$245,990,520	$205,760,058	$25,795,325	$77,480,143

With this comparison of related obligation-types to their specific legal debt margins, the city is significantly under the dollar limits as prescribed by state law. As illustrated in the charts on the preceding pages, the debt load is manageable and should not adversely impact future operations.

GENERAL OBLIGATION DEBT, 301

The General Obligation Debt Fund accumulates monies for the payment of principal and interest on various street, 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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Interest and rents	(1,106)	1,175	600	600	500
Other revenue	3,301,905	-	-	-	-
Transfers In	3,593,709	3,038,647	3,064,000	3,064,000	2,990,800
TOTAL REVENUE	6,894,508	3,039,822	3,064,600	3,064,600	2,991,300
EXPENDITURES:					
Bond costs	6,751,416	2,994,463	3,048,010	3,048,010	2,990,335
TOTAL EXPENDITURES	6,751,416	2,994,463	3,048,010	3,048,010	2,990,335

MTF 1997, 347

This fund is used to account for the debt service on the Michigan Transportation Fund (MTF) bonds issued for Oakland/Milham intersection, Angling Road research park improvements, South Westnedge Avenue improvements, City Centre railroad safety improvements and Oakland/Romence intersection.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Transfers In	132,000	128,000	122,135	122,135	117,100
TOTAL REVENUE	132,000	128,002	122,135	122,135	117,100
EXPENDITURES:					
Bond costs	132,131	127,131	122,135	122,135	117,060
TOTAL EXPENDITURES	132,131	127,131	122,135	122,135	117,060

MTF 2008, 352

This fund refinanced the 2000 MTF issue that accounted for the debt service on $2,445,000 in MTF bonds issued for twelve road improvement projects.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Interest and rents	66	52	100	100	100
Transfers In	258,000	272,000	274,300	274,300	217,400
TOTAL REVENUE	258,066	272,052	274,400	274,400	217,500
EXPENDITURES:					
Bond costs	258,475	271,763	274,300	274,300	216,980
TOTAL EXPENDITURES	258,475	271,763	274,300	274,300	216,980

MTF REFUNDING 2010, 353

In March, 2010, three MTF 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 MTF debt. The principal value refinanced was $6,680,000 at an interest rate of 2.75 percent.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Transfers In	557,000	823,000	935,565	935,565	1,027,400
TOTAL REVENUE	556,991	823,011	935,565	935,565	1,027,400
EXPENDITURES:					
Bond costs	556,475	820,525	935,925	935,925	1,027,225
TOTAL EXPENDITURES	556,475	820,525	935,925	935,925	1,027,225

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 Services facilities, the Library expansion, Bicentennial Park acquisition and development, South Westnedge Park improvements, and major equipment purchases.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Interest and rents	205,326	243,654	236,443	236,443	273,413
Transfers In	439,000	407,000	339,000	339,000	344,300
TOTAL REVENUE	644,326	650,654	575,443	575,443	617,713
EXPENDITURES:					
Bond costs	645,765	610,812	577,130	577,130	613,992
TOTAL EXPENDITURES	645,765	610,812	577,130	577,130	613,992

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Property taxes	259,973	250,495	257,000	257,000	290,000
Interest and rents	(1,784)	1,139	1,100	1,100	700
Other revenue	53,250	51,625	-	-	-
Transfers In	-	-	100,000	100,000	100,000
TOTAL REVENUE	311,439	303,259	358,100	358,100	390,700
EXPENDITURES:					
Bond costs	404,750	423,588	314,430	314,430	329,880
Transfers Out	-	6,271	70,265	70,265	100,265
TOTAL EXPENDITURES	404,750	429,859	384,695	384,695	430,145

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Property taxes	479,811	479,605	485,000	485,000	494,000
Interest and rents	7,588	7,908	7,600	7,600	7,900
TOTAL REVENUE	487,399	487,513	492,600	492,600	501,900
EXPENDITURES:					
Bond costs	525,463	515,013	504,775	504,775	490,330
Development expenditures	23,012	-	-	-	-
TOTAL EXPENDITURES	548,475	515,013	504,775	504,775	490,330

SPECIAL ASSESSMENT DEBT SERVICE FUNDS

	2013-2014 Actual	2014-2015 Amended Budget	2014-2015 Final Estimate	2015-2016 Council Approved
Beginning Fund Balance	604,024	555,794	555,794	523,966
Revenue:				
Special Assessments	266,522	200,000	172,300	170,000
Interest on Special Assessments	84,275	115,500	104,400	115,500
Interest on Investments	4,601	5,675	10,090	5,800
Total Revenue	355,398	321,175	286,790	291,300
Expenditures:				
Interest and Fiscal Charges	104,899	98,280	98,280	92,618
Bond Principal	305,000	230,000	230,000	210,000
Total Expenditures	409,899	328,280	328,280	302,618
Transfers In	6,271	70,265	9,662	100,265
Ending Fund Balance	555,794	618,954	523,966	613,005

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.

SPECIAL ASSESSMENT DEBT SERVICE FUNDS, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Payments on special assessments	103,881	114,111	115,500	115,500	69,300
Interest on investments	(11,046)	10,090	5,700	5,700	5,500
Transfers In	-	6,271	70,265	70,265	100,265
TOTAL REVENUE	92,835	130,472	191,465	191,465	175,065
EXPENDITURES:					
Interest and fiscal charges	133,056	44,832	98,280	98,280	92,618
Bond principal	219,326	133,868	230,001	230,001	210,000
TOTAL EXPENDITURES	352,382	178,700	328,281	328,281	302,618

PORTAGE

A Natural Place to Move

Other Funds

CURBSIDE RECYCLING FUND - 223

The Curbside Recycling Fund accounts for the revenue and expenditures associated with the operation of the Curbside Recycling Program. This program, provided through a contract with a private vendor, is funded through a voter approved 0.5 mill maximum tax levy and includes payment for use of the 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.

Activity/Program	Description	*Goal*/Objective
Recycling	Hazardous Waste Program	*Environmental Quality* Responsible disposal of hazardous waste
	Reduced millage	*Service Delivery* Continue to evaluate privatizing city services *Financial Health* Continue to evaluate expenditures to provide for effective and efficient use of city resources
	Curbside recycling All programs	*Environmental Quality* Enhance environmental quality Promote effective recycling *Service Delivery* Evaluate alternatives to meet service demands

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

Service Indicators	Prior Year	Current Year	Budget Year
Number of recycling pickups per month	20,127	20,127	20,727
Pounds collected per month	237,295	240,000	250,000

CURBSIDE RECYCLING FUND – 223, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Property taxes	663,794	594,921	601,000	601,000	620,000
Interest and rents	(243)	1,676	1,400	1,400	1,300
TOTAL REVENUE	663,551	596,597	602,400	602,400	621,300
EXPENDITURES:					
Personnel Services	31,854	33,458	32,738	32,738	33,598
Operations & Maintenance	546,430	545,511	571,077	571,077	592,800
Administrative Charges	57,387	57,270	1,176	1,176	57,827
TOTAL EXPENDITURES	635,671	636,239	604,991	604,991	684,225

LEAF PICKUP/SPRING CLEANUP FUND

This fund is now part of the Department Public Services.

This fund accounts for the costs associated with the Fall Leaf Pickup, Leaf/Branch Removal/Management, Spring Cleanup and Quarterly Brush Pickup programs.

Goals and Objectives: The Leaf Pickup/Spring Cleanup budget supports the following goals and objectives.

Activity/Program	Description	*Goal*/Objective
Administration	All programs	*Community Development* Promote quality of life *Service Delivery* Evaluate service provision options *Financial Health* Maintain financial health

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Property taxes	792,737	674,551	680,000	680,000	702,000
Interest and rents	105	2,261	1,600	1,600	1,500
Other revenue	-	311	-	-	-
TOTAL REVENUE	792,842	677,123	681,600	681,600	703,500
EXPENDITURES:					
Personnel Services	95,069	64,442	84,367	64,367	85,919
Operations & Maintenance	470,772	510,271	504,755	519,455	492,680
Administrative Charges	150,998	134,708	85,746	91,046	139,207
Transfers Out	19,862	19,862	-	-	-
TOTAL EXPENDITURES	736,701	729,283	674,868	674,868	717,806

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Administrative Charges	84,427	61,250	10,976	10,976	61,137
TOTAL EXPENDITURES	84,427	61,250	10,976	10,976	61,137

SPRING CLEANUP and QUARTERLY BRUSH PICKUP, 226-4532/4533

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

Service Indicators	Prior Year	Current Year	Budget Year
Compacted cubic yards collected	1,841	1,900	1,900
Days offered	24	24	24
Cubic yards of brush collected	3,682	5,000	5,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	-	-	20,000	-	15,000
Operations & Maintenance	221,967	230,457	209,780	229,780	197,780
TOTAL EXPENDITURES	221,967	230,457	229,780	229,780	212,780

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.

Activity Measures	Prior Year	Current Year	Budget Year
Compacted cubic yards collected	14,450	14,738	14,500

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	95,069	64,442	64,367	64,367	70,919
Operations & Maintenance	150,817	183,639	194,400	189,100	193,700
Administrative Charges	66,571	73,458	74,770	80,070	78,070
TOTAL EXPENDITURES	312,457	321,539	333,537	333,537	342,689

LEAF/BRANCH REMOVAL/MANAGEMENT, 226-4540

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

Service Indicators	Prior Year	Current Year	Budget Year
Cubic yards of leaves/chips removed	12,155	13,000	13,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	97,988	96,175	100,575	100,575	101,200
TOTAL EXPENDITURES	97,988	96,175	100,575	100,575	101,200

TRANSFERS OUT, 226-9610

Transfer made to the General Obligation Debt fund has been discontinued.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Transfers Out	19,862	19,862	-	-	-
TOTAL EXPENDITURES	19,862	19,862	-	-	-

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

The Community Development Block Grant Fund accounts for the receipt and disbursement of funds received from the U.S. Department of Housing and Urban Development. The use of these funds is restricted by the grantor to those programs and services that benefit low and moderate income families.

Budget Overview: The CDBG Fund budget is highlighted by continued funding of improvement of the housing stock through housing rehabilitation loans, down payment assistance loans, funding of the Portage Community Center (P.C.C.) for human/public service needs, neighborhood improvement, fair housing activities and administration. The 2015-2016 entitlement will be $221,442. The 2014-2015 grant total was $218,672, and the 2013-2014 grant total was $218,364.

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

Activity/Program	Description	*Goal*/Objective
Human Services	Continued P.C.C. funding	*Community Development* Continued commitment to human services
Housing Programs	Homeowner Rehabilitation Loan programs Emergency repair grant Homebuyer assistance program	*Community Development* Ensure decent and safe housing
Neighborhood Improvement	Administer and Enforce community quality codes	*Community Development* Continue effective community safety programs through prevention, enforcement and education
	Neighborhood protection program	Enhance the livability of community neighborhoods
	Fair Housing and services	Fair housing education *Community Development* Further promote quality of life Further promote aesthetic and cultural enhancement

CDBG FUND, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Federal revenue	187,388	150,862	378,815	218,672	221,442
Transfers In	-	48,374	-	-	-
TOTAL REVENUE	187,388	199,236	378,815	218,672	221,442
EXPENDITURES:					
Personnel Services	110,624	111,538	121,895	121,895	153,855
Operations & Maintenance	76,764	87,699	257,420	96,777	67,587
TOTAL EXPENDITURES	187,388	199,237	379,315	218,672	221,442

The responsibilities of the various activities are outlined as follows.

HUMAN SERVICES, 296-6624

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	36,000	34,844	37,972	37,972	42,510
TOTAL EXPENDITURES	36,000	34,844	37,972	37,972	42,510

HOUSING PROGRAMS, 296-6625

This activity accounts for the costs associated with various payment-deferred loans for low/moderate income homeowners. Programs include: home rehabilitation loans, emergency repair grants, and down-payment assistance loans.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	45,663	46,367	50,621	50,621	101,597
Operations & Maintenance	37,722	50,218	214,747	54,604	4,500
TOTAL EXPENDITURES	83,385	96,585	265,368	105,225	106,097

NEIGHBORHOOD IMPROVEMENT, 296-6626

This activity accounts for the costs associated with maintaining and improving low and moderate-income neighborhoods within the city. The equivalent of 0.73 full-time zoning and code administrator will be funded to carry out code enforcement activities.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	48,045	48,142	52,810	52,810	34,270
Operations & Maintenance	812	812	851	851	17,217
TOTAL EXPENDITURES	48,857	48,954	53,661	53,661	51,487

ADMINISTRATION, 296-6627

This activity accounts for the administrative costs for both the CDBG annual program and the CDBG Program Income (Fund 230) program. Additionally, fair housing activities will be funded including support for the Fair Housing Center of Southwest Michigan.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	16,916	17,029	18,464	18,464	17,988
Operations & Maintenance	2,230	1,825	3,850	3,350	3,360
TOTAL EXPENDITURES	19,146	18,854	22,314	21,814	21,348

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.

Activity/Program	Description	*Goal*/Objective
Administration	All programs	*Public Relations* Continue efforts to enhance communication with citizens

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Fees and permits	784,466	805,077	765,000	765,000	765,000
Interest and rents	(2,425)	1,329	700	700	800
TOTAL REVENUE	782,041	806,406	765,700	765,700	765,800
EXPENDITURES:					
Personnel Services	100,468	100,784	106,887	106,887	120,973
Operations & Maintenance	338,787	316,589	424,820	404,420	457,500
Administrative Charges	57,730	62,170	60,000	60,000	73,610
Capital Outlay	-	90,864	178,000	178,000	230,000
Transfers Out	150,000	250,000	-	-	-
TOTAL EXPENDITURES	646,985	820,407	769,707	749,307	882,083

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.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	100,468	100,784	106,887	106,887	120,973
Operations & Maintenance	338,787	316,589	314,125	314,125	315,200
Administrative Charges	57,730	62,170	60,000	60,000	73,610
TOTAL EXPENDITURES	496,985	479,543	481,012	481,012	509,783

PUBLIC SERVICE FEE, 298-7014

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	-	-	1,000	1,000	1,000
Capital Outlay	-	90,864	178,000	178,000	230,000
TOTAL EXPENDITURES	-	90,864	179,000	179,000	231,000

COMMUNITY MARKETING 298-7016

To provide a coordinated marketing approach for the city in all its media and publications. The *Portager*, a full-color newsletter delivered twelve times annually to all Portage households, is designed, published and delivered under this budget.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	-	-	109,695	89,295	141,300
TOTAL EXPENDITURES	-	-	109,695	89,295	141,300

TRANSFERS OUT, 298-9610

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Transfers Out	150,000	250,000	-	-	-
TOTAL EXPENDITURES	150,000	250,000	-	-	-

WEST LAKE WEED MANAGEMENT FUND - 252

This fund accounts for the costs associated with the lake management program at West Lake. This is a multi-year program funded primarily by special assessments to the lakeside residences. Expenditures vary from year to year based on guidance from consultants as to the required treatment that will improve lake quality with the least environmental impact.

Goals and Objectives: The West Lake Weed Management fund supports the following goals and objectives:

Activity/Program	Description	*Goal*/Objective
Weed Control	Weed control	*Environmental Quality* Protect water quality Promote environmental protection planning, monitoring and educational programs *Service Delivery* Alternatives to handle service demands

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Interest and rents	(288)	393	200	200	200
Other revenue	11,050	10,250	10,250	10,250	23,400
TOTAL REVENUE	10,762	10,643	10,450	10,450	23,600
EXPENDITURES:					
Operations & Maintenance	21,170	5,300	41,200	35,000	40,000
TOTAL EXPENDITURES	21,170	5,300	41,200	35,000	40,000

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 2015-2016 the cost of cemetery operations will exceed the permanent fund transfers and other cemetery revenue by approximately $40,000.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Charges for services	35,715	41,874	40,000	40,000	40,000
Interest and rents	3,724	7,847	3,700	3,700	4,100
TOTAL REVENUE	39,439	49,721	43,700	43,700	44,100
EXPENDITURES:					
Transfers Out	3,724	4,000	3,500	3,500	4,100
TOTAL EXPENDITURES	3,724	4,000	3,500	3,500	4,100

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. Activities included in 2015-2016 are: housing rehabilitation projects, down payment assistance loans, sidewalk improvements, unsafe structure demolition and grant planning activities.

Budget Overview: The CDBG Program Income Fund 2015-2016 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.

Activity/Program	Description	*Goal*/Objective
Housing Loans	Housing rehabilitation and Down payment assistance loans	*Community Development* Ensure decent and safe housing

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Charges for services	23,420	79,517	25,000	25,000	35,000
Federal revenue	-	-	-	-	100,000
Transfers In	8,869	-	-	-	-
TOTAL REVENUE	32,289	79,517	25,000	25,000	135,000
EXPENDITURES:					
Operations & Maintenance	32,289	31,174	60,000	60,000	75,000
Capital Outlay	-	-	-	-	60,000
Transfers Out	-	48,374	-	-	-
TOTAL EXPENDITURES	32,289	79,548	60,000	60,000	135,000

The activities carried out by this fund are as follows.

PROGRAMS, 230-6015

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 2015-2016 designates $45,000 for housing rehabilitation/emergency repairs, $10,000 for down-payment assistance, $50,000 for sidewalk improvement, $10,000 for unsafe structure demolition, and $20,000 for grant planning activities.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Operations & Maintenance	32,289	31,174	60,000	60,000	75,000
Capital Outlay	-	-	-	-	60,000
Transfers Out	-	48,374	-	-	-
TOTAL EXPENDITURES	32,289	79,548	60,000	60,000	135,000

Appendices

PORTAGE

A Natural Place to Move

APPENDIX A

CITY of PORTAGE
Contributions to Outside Agencies
Fiscal Year 2015-2016

	2014-2015 Original Budget	2015-2016 Agency Request	2015-2016 Council Approved
General Fund			
Legislative:			
Michigan Municipal League	9,100	9,100	9,100
	9,100	9,100	9,100
Human Services:			
Portage Community Center	83,535	98,000	80,475
YWCA	8,915	8,695	11,130
Housing Resources, Inc.	18,110	20,000	19,780
Catholic Charities (Ark)	9,433	11,137	11,100
Gryphon Place	2,077	6,000	2,340
Goodwill Industries	1,020	0	0
Kalamazoo Anti-Human Trafficking Coalition	0	2,500	800
	123,090	146,332	125,625
Parks:			
Kalamazoo in Bloom, Inc.	6,000	6,000	6,000
Total, General Fund	138,190	161,432	140,725
Other Funds			
CDBG Fund:			
Portage Community Center	37,972	35,000	42,510
Total, All Funds	176,162	199,652	183,235

APPENDIX B

CITY OF PORTAGE
Glossary of Terms and Acronyms

Activity - The budgetary expenditure level adopted in the General Appropriations Act. An activity is generally a subset of a departmental organization for budgetary purposes. For example, the Fire Department is budgeted in the General Fund as five separate operational activities: Administration, Operations, On-Call Firefighter Program, Fire Prevention, and Training/Safety. An activity is further broken down into object classes of expenditures: Activity categories are in conformance with the *Uniform Chart of Accounts for Counties and Local Units of Government in Michigan.*

Accrual Basis - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at the same time or not), synonymous with "full accrual".

Adopted Budget, Approved Budget - The revenue and expenditure plan of the city for the fiscal year as reviewed and given final approval by the City Council.

Appropriation - An authorization or allocation made by the legislative body that permits officials to incur obligations against, and to make expenditures of, governmental resources (revenues).

Assessed Valuation - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

Authorized Positions - Employee positions that are authorized in the adopted budget to be filled during the year.

Bond - A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

- **General Obligation (G.O.) Bond -** This type of bond is backed by the full faith, credit and taxing power of the city.
- **Revenue Bond -** This type of bond is backed only by revenues from a specific enterprise or project.

Budget Amendment - An adjustment made to the budget during the fiscal year by the City Council to properly account for unanticipated changes which occur in revenues and/or expenditures and for program initiatives approved during the fiscal year. The adjustment is made by formally amending the General Appropriations Act.

Budget Year - The fiscal year to which the recommended budget relates, i.e., the fiscal year beginning on July 1 following the current fiscal year.

Capital Outlay - Expenditures relating to the purchase of equipment, facility modifications, land, or other fixed assets made out of general operating funds. To be categorized as a 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 contract 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 2014" would refer to the fiscal year ending June 30, 2014. And so, fiscal year would refer to the current year ending June 30th.

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Fund - An independent fiscal entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are categorized for accounting purposes as General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Permanent. Within the budget, funds are categorized on an operational organizational basis: General, Major and Local Streets, Equipment, Utility, Capital Improvements, Debt Service, and Other Funds. For budgetary purposes a fund may consist of the activities of one or more departments. Funds are defined in the *Uniform Chart of Accounts for Counties and Local Units of Government in Michigan*.

Fund Balance - An accumulated excess of revenues over expenditures segregated by fund. Exception: proprietary funds (Enterprise, Internal Service) are accounted for in a similar manner as private businesses, and record net assets as opposed to fund balance. The budgets for these funds are prepared on a net asset basis, which equates to fund balance. See Unreserved Fund Balance and Net Assets. Fund balance is a cash basis concept applicable to budget policy, but superceded by full accrual basis net assets for financial reporting purposes under GASB Statement No. 34.

General Appropriations Act - The formal act by which the City Council adopts the recommended budget and establishes the millage rate for taxation of property during the budget year.

General Fund - The fund used to account for all financial transactions except those required to be accounted for in another fund. Serves as the primary operating fund for the city.

Interfund Transfers - Budgeted allocations of the resources of one fund transferred to another fund. This is typical for those funds that do not receive sufficient revenues to pay for necessary expenditures incurred in their operations. Transfers are also made from certain operating funds to debt retirement funds to retire debt related to the operations of the transferring fund.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the forms of grants, shared revenues and payments in lieu of taxes.

Internal Service Funds - Are used to finance, administer, and account for the financing of goods and services provided by one department to other departments of the city on a cost reimbursement basis. The Equipment Fund is an internal service fund used to centralize repair and maintenance of vehicles and machinery used by city departments.

Infrastructure - The basic physical framework or foundation of the city, referring to its buildings, roads, bridges, sidewalks, water system, and sewer system.

KRESA - Kalamazoo Regional Education Service Agency.

LDFA - Local Development Finance Authority. See Appendix C.

Mill - A taxation unit equal to one dollar of tax obligation for every $1,000 of taxable valuation of property.

Millage - The total tax obligation per $1,000 of taxable valuation of property.

Modified Accrual Basis of Accounting - The method of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time that liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

MTF - Michigan Transportation Funds. Funds established for the repayment of motor vehicle highway bonds issued by the State of Michigan to finance Major Street improvements.

Net Assets - For proprietary funds, the equivalent of retained earnings in a private business; the difference between assets and liabilities.

Object Class of Expenditure - Totals of detailed line items that are grouped to facilitate comparison and discussion. Object classes include Personnel Services, Operation and Maintenance, Administrative Charges, Capital Outlay, Debt Service and Transfers Out.

Operation and Maintenance - Expenditures for the materials, supplies, and contracted goods and services required for a department to function.

Organizational Chart - A chart representing the authority, responsibility, and relationships of departmental entities within the city organization.

Other Services and Charges - Expenditures relating to services rendered to the city by private contractors or other units of government such as telephone service, utility costs, repairs and maintenance, insurance, and publishing and printing.

Permanent Funds - Are used to account for assets held by the city as trustee. These funds are legally restricted to the extent that any earnings, and not principal, may be used for purposes that support the reporting government's programs. Budgeted trust funds are the Cemetery Permanent Fund, and CDBG Program Income Fund.

Personnel Services - Expenditures relating to compensating employees of the city including wages and salaries, longevity pay, holiday pay, shift differential, contractual fringe benefits, employer share of Social Security tax, health insurance, and pension plan payments.

Prior Year - The most recently completed fiscal year. In the current budget document, 'prior year' refers to fiscal year 2013-2014.

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, Community Development Block Grant (CDBG), CDBG Program Income, and Cable Television.

State Equalized Valuation (SEV) - The assessed valuation of property in the city as determined by the City Assessor subject to review by higher levels of government to assure that it equals 50 percent of market value, as required by State law.

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.

APPENDIX C

CITY OF PORTAGE
Advisory Boards and Commissions

Advisory Boards and Commissions are comprised of interested residents who give their time to assist in many facets of city government and the Portage community. This appendix lists all Advisory Boards and Commissions alphabetically and provides a brief summary of their responsibilities, the meeting schedules and the number of members. For further information, contact the City Clerk.

Board of Canvassers - confirms the result of votes cast at all city elections and performs a recount if necessary. This Board meets after all city elections, and is made up of four members (two Democrats, two Republicans) who have four-year terms.

Board of Review - hears tax assessment appeals. This Board meets for four days every March, and is made up of three members serving three-year terms.

Brownfield Redevelopment Authority - aids in the redevelopment of brownfield areas in the community. The members meet when called.

Building Authority - assists in financing new city buildings through sale of bonds. The members meet when called.

Construction Board of Appeals - hears appeals of building, electrical, mechanical and plumbing code requirements. This board has monthly meetings and is made up of seven members serving three-year terms.

Downtown Development Authority (DDA) - meets to create and implement development plans within the specified district. The members meet when called.

Economic Development Corporation - reviews economic development initiatives; provides financial assistance through sale of bonds and other financial tools. This group has nine members serving six-year terms and meets when called.

Environmental Board - conducts environmental studies and research, drafts plans to protect the environment and recommends policies for preserving the environment. Recommends strategies and policies protecting the quality of groundwater aquifers. This Board meets monthly, and has nine members serving three-year terms.

Historic District and Commission - reviews plans for exterior alterations to sites in the Historic District. Promotes historic preservation and researches historic sites in Portage. This Commission meets monthly and has nine members serving three-year terms.

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Human Services Board - advises City Council on present and future social and public transportation needs. This Board meets monthly, and has nine members serving three-year terms.

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

Park Board - promotes parks and recreation programs and recommends policies for operating city parks. This Board has monthly meetings and has nine members serving three-year terms.

Planning Commission - reviews site plans, plats, preliminary plan applications and zoning changes, recommends a ten-year Capital Improvement Program and advises City Council regarding implementation of the Comprehensive Plan. This Commission meets bi-monthly and has nine members serving three-year terms.

Senior Citizens Advisory Board - recommends programs and activities, develops policies, and promotes fundraising for the Portage Senior Center. This Board meets monthly and has nine members serving three-year terms.

Youth Advisory Board – to provide involvement and participation of youthful members of the community in city government.

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.

CITY OF PORTAGE

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

2006 - 2015

Fiscal Year Ended June 30	City of Portage					
	General Fund	Capital Improvements	Curbside Recycling	Fall Leaf/ Spring Cleanup	Municipal Streets	Total City Millage
2015	7.5000	2.0000	0.3049	0.3455	0.7752	10.9256
2014	7.5000	2.0000	0.3049	0.3455	0.6274	10.7778
2013	7.5000	2.0000	0.3349	0.4000	0.5429	10.7778
2012	7.5000	2.0000	0.3603	0.4000	0.6313	10.8916
2011	7.5000	2.0000	0.2710	0.2950	0.6652	10.7312
2010	7.5000	2.0000	0.2710	0.2950	0.5938	10.6598
2009	7.5000	2.0000	0.2922	0.3520	0.5156	10.6598
2008	7.5000	2.0000	0.2742	0.3700	0.3450	10.4892
2007	7.5000	2.0000	0.2742	0.3700	-	10.1442
2006	7.4372	2.0000	0.3070	0.4000	-	10.1442

Fiscal Year Ended June 30	Overlapping Governments						
	State Education Tax	Portage Public Schools	Portage District Library	Kalamazoo County	Kalamazoo Regional Educational Service Agency	Kalamazoo Valley Community College	Total All Jurisdictions
2015	6.0000	5.8000	1.5000	6.7601	4.8916	2.8135	38.6908
2014	6.0000	5.8000	1.5000	6.7695	4.8916	2.8135	38.5524
2013	6.0000	5.8000	1.5000	6.3596	4.8666	2.8135	38.1175
2012	6.0000	5.0400	1.5000	6.7412	4.8616	2.8135	37.8479
2011	6.0000	5.0400	1.5000	6.7412	4.8566	2.8135	37.6825
2010	6.0000	5.0400	1.5000	6.7212	4.8316	2.8135	37.5661
2009	6.0000	5.0400	1.4900	6.3311	4.8316	2.8135	37.1660
2008	6.0000	2.7000	1.4900	6.7162	4.5416	2.8135	34.7505
2007	6.0000	2.7000	1.4900	6.5862	4.5416	2.8135	34.2755
2006	6.0000	2.7000	1.4900	6.1362	4.5416	2.8135	33.8255

APPENDIX E

CITY OF PORTAGE
Full-Time Equivalent Positions by Department
Fiscal Year 2015-2016

Department	2012-2013 Actual	2013-2014 Actual	2014-2015 Budget	2015-2016 Council Approved
City Manager	5.00	5.00	5.00	5.00
Finance and Purchasing	11.00	11.00	11.00	12.50
Technology Services	1.00	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
Human Resources	8.00	8.00	8.63	5.13
Parks and Recreation	12.14	12.94	12.89	11.67
Public Safety - Police	75.15	75.21	77.21	77.16
Public Safety - Fire	31.13	31.13	31.13	32.25
Community Development	12.00	12.00	12.00	13.00
Senior Center	2.83	2.83	3.51	4.46
Transportation and Utilities	5.00	6.00	5.00	5.00
Streets and Equipment	19.10	20.10	20.10	22.60
Total	190.35	193.21	195.47	197.77

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.

APPENDIX E

CITY OF PORTAGE
Authorized Full-Time Positions
1991-2016

Fiscal Year	Positions
2015-16	185
2014-15	182
2013-14	181
2012-13	179
2011-12	184
2010-11	188
2009-10	197
2008-09	207
2007-08	213
2006-07	211
2005-06	215
2004-05	213
2003-04	219
2002-03	216
2001-02	219
2000-01	219
1999-00	217
1998-99	234
1997-98	235
1996-97	257
1995-96	260
1994-95	259
1993-94	254
1992-93	246
1991-92	241
1990-91	237

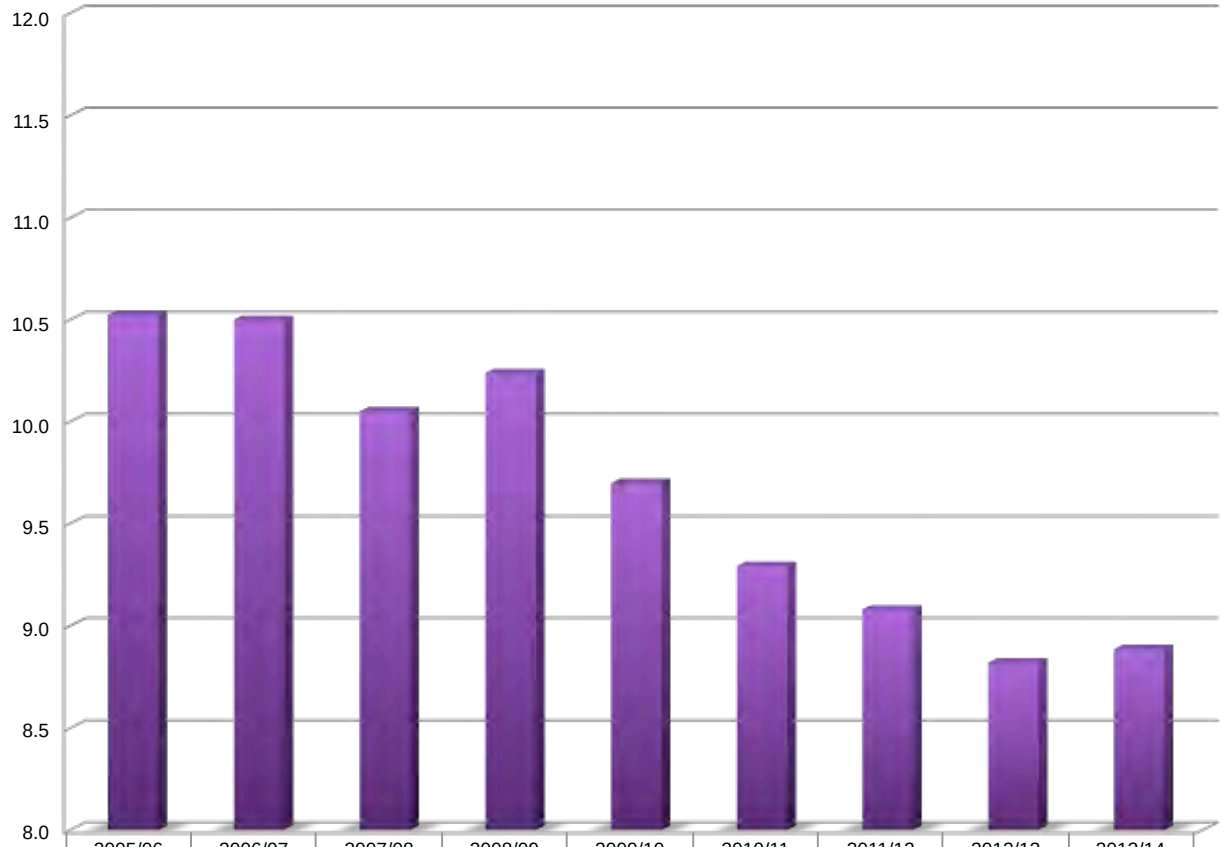
This chart illustrates the number of full-time employees as opposed to full-time *equivalent* employees. Full-time employees receive a comprehensive benefit package, as negotiated through union contracts or granted by City Council. The decrease in 1997-98 was due to privatizing the water and sewer operations. The decrease from 2007-2008 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 2015-2016 is to accomplish levels of succession planning, and also optimization of operational efficiency in certain areas.

APPENDIX E

CITY OF PORTAGE
2015-2016 Budget
Position Comparison (Budgetary Basis)

Full Time Authorized Positions	2012-2013 Actual	2013-2014 Actual	2014-2015 Budget	2015-2016 Council Approved
General Fund				
City Administration	4	4	4	4
Finance and Purchasing	11	11	11	12
Technology Services	1	1	1	1
City Assessor	5	5	5	5
City Clerk	3	3	3	3
Human Resources	7	7	7	4
Parks and Recreation	11.9	11.4	11.4	10.90
Public Safety				
Police	69	70	72	72
Fire	30	30	30	31
Community Development	12	12	12	13
Senior Citizen Services	1	1	1	2
Total General Fund	154.9	156	157.4	157.9
Streets and Equipment Funds	19.1	19.6	19.6	22.1
Transportation and Utilities	5	6	5	5
Total Full Time Positions	179	181	182	185

NUMBER OF MUNICIPAL EMPLOYEES PER 1000 HOUSEHOLDS



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Emp/HH	10.5	10.5	10.0	10.2	9.7	9.3	9.1	8.82	8.89

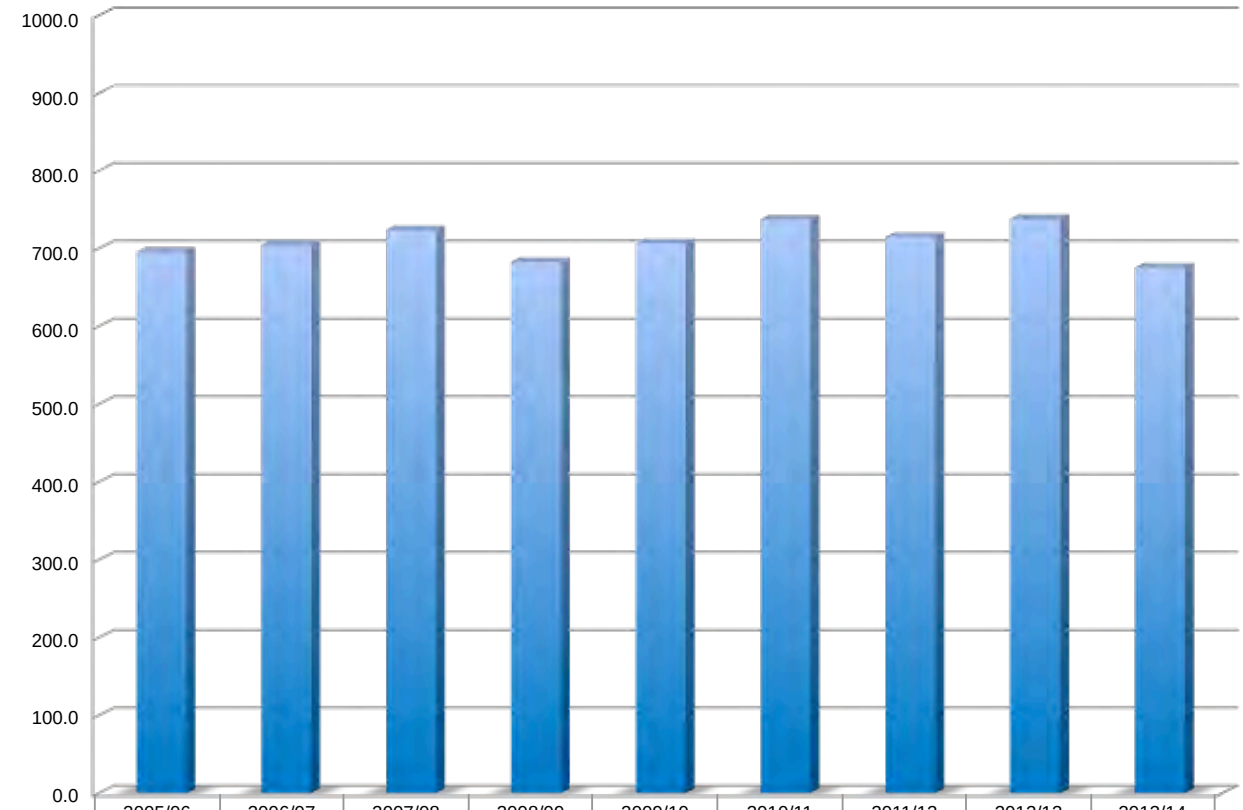
Fiscal Year	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of Full-Time Employees	213	211	213	207	197	188	184	179	182
Number of Households	20,430	20,100	20,301	20,224	20,310	20,232	20,267	20,300	20,482

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



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Hr/Emp	695.8	704.5	723.6	682.5	706.8	737.0	714.7	737.9	675.5

Formula:

((Total Unused Employee Vacation Hours) + (Total Unused Employee Sick Hours)) / (Number of Employees)

Description:
The city generally allows employees to accumulate no more than 150 percent of their annual vacation leave allowance. However, depending on the rules and contracts governing various employee groups, sick leave hours may be accumulated to a stated maximum amount. At retirement or termination, 50 percent of accumulated sick leave hours is paid, subject to maximums determined by contract or personnel rules. On an annual basis, these accumulations represent a potential amount of work for which payment is made but work is not performed by the employee in the ensuing fiscal year. Most importantly, these hours become a real expenditure for the city when an employee retires or terminates employment.

Analysis:
This indicator has been relatively stable over the past decade, averaging just under 709 hours, even with higher maximum sick leave accumulations permitted in bargaining unit agreements and personnel rules covering non-union staff. The maximum accumulated sick leave hours were raised from 1,200 hours to 1,400 hours for all employee groups as of July 1, 2004, but the accrual rate and maximum accumulated amount for full time employees hired after July 1, 2011 was reduced.

City of Portage - Capital Outlay
Fiscal Year Ending June 30, 2016

General Fund		
Police		
Scheduled replacement of Tasers	8,900	
Scheduled replacement of old protective vests	8,800	
Fingerprint dusting station for police lab	3,700	
Fuming hood replacement for lab	9,800	
Ducted fume hood for lab	2,300	
Solar powered speed monitoring trailers	4,000	
New lab tech cameras	7,300	
		44,800
Fire		
Range and hood for Station #1 kitchen	4,500	
Replace mobile air cart for SAR system	6,500	
Replace 12 100' SAR hoses	5,500	
Fire hose storage cart	3,200	
Extrication shoring and stabilization (2)	13,250	
Technical Rescue - annual hardware and software updates	5,000	
Replacement of 4 Automated External Defibrillators	14,900	
SCBA packs and spare bottles (6)	47,625	
		100,475
Parks		
Bicycle racks for parks		5,000
General Public Services		
Austin Lake Assessment	3,750	
New street lights	7,700	
LED upgrades	10,000	
		21,450
Senior Center		
Table replacement		5,000
Total General Fund		**176,725**

APPENDIX F

City of Portage - Capital Outlay
Fiscal Year Ending June 30, 2016, continued

Equipment Fund		
Building Services hybrid sedans, replace two '00 Chevys w/ 93,500 mi	44,000	
Parks maintenance van, replace '01 Chevy van w/ 90,000 mi	24,000	
Parks pickups, replace two '02 Chevys w/ 122,000+ mi	54,000	
Streets skid steer, replace '99 New Holland w/ unknown hours	48,000	
Streets front end loader, replace Hyundai w/ 9600 hours	136,000	
Mini Excavator (Bob Cat), replace backhoe	58,000	
		364,000
Major Streets Fund		
Replacement of backup batteries		**20,000**
Cable TV Fund		
Cable Access equipment management with PMN	75,000	
Unified messaging (Jabber)	20,000	
Intranet site rebuild	5,000	
Internet site rebuild	50,000	
Centralized storage	50,000	
Various hardware & software replacements & upgrades	20,000	
City Wi-Fi components	10,000	
		230,000
Sewer Fund		
Lift station rehabilitation	75,000	
Electrical updates	15,000	
Landscaping	10,000	
Manhole reconstruction	50,000	
		150,000
Water Fund		
Brush removal	40,000	
Sediment removal	20,000	
Fence replacements	20,000	
		80,000
CDBG Program Income Fund		
Sidewalk improvements	50,000	
Unsafe structure demolition	10,000	
		60,000
Total Capital Outlay Requested		**1,080,725**

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 inter-fund 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 2015-2016 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.

Activity/Program	Description	*Goal*/Objective
Operation and Administration	Upgrade fleet	*Public Improvements* Update equipment and facilities maintenance
	Building maintenance	Maintain facilities

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
REVENUE:					
Charges for services	1,556,369	1,718,087	1,489,359	1,489,359	1,609,847
Interest and rents	(1,700)	3,510	1,800	1,800	2,200
Other revenue	707	34,102	21,000	21,000	21,000
TOTAL REVENUE	1,555,376	1,755,699	1,512,159	1,512,159	1,633,047
EXPENDITURES:					
Personnel Services	272,117	275,564	290,187	290,187	303,922
Operations & Maintenance	860,568	999,124	957,030	952,160	944,637
Administrative Charges	84,843	100,801	147,400	147,400	96,400
Debt Service	26,708	34,858	188,490	188,490	330,950
Capital Outlay	68,974	3,255	611,000	611,000	364,000
TOTAL EXPENDITURES	1,313,210	1,413,602	2,194,107	2,189,237	2,039,909

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 196 pieces of equipment.

Service Indicators	Prior Year	Current Year	Budget Year
Preventive maintenance service requests	98	117	110
Work orders completed	1,299	1,305	1,320
Gasoline usage - gallons	42,734	48,000	48,000
Diesel fuel usage - gallons	37,428	36,000	40,000

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	122,386	132,779	137,425	137,425	139,538
Operations & Maintenance	629,748	692,892	827,188	823,360	802,837
Capital Outlay	68,974	3,255	611,000	611,000	364,000
TOTAL EXPENDITURES	821,108	828,926	1,575,613	1,571,785	1,306,375

BUILDING ADMINISTRATION, 661-4026

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Personnel Services	149,731	142,785	152,762	152,762	164,384
Operations & Maintenance	230,820	306,232	129,842	128,800	141,800
Administrative Charges	84,843	100,801	147,400	147,400	96,400
TOTAL EXPENDITURES	465,394	549,818	430,004	428,962	402,584

DEBT SERVICE, 661-9510

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

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Adjusted Budget	2014-2015 Adopted Budget	2015-2016 Council Approved
EXPENDITURES:					
Debt service	26,708	34,858	188,490	188,490	330,950
TOTAL EXPENDITURES	26,708	34,858	188,490	188,490	330,950

APPENDIX H

CITY OF PORTAGE
Financial Trends
Fiscal Year 2015-2016

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 2015-2016 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.

APPENDIX H

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.

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.

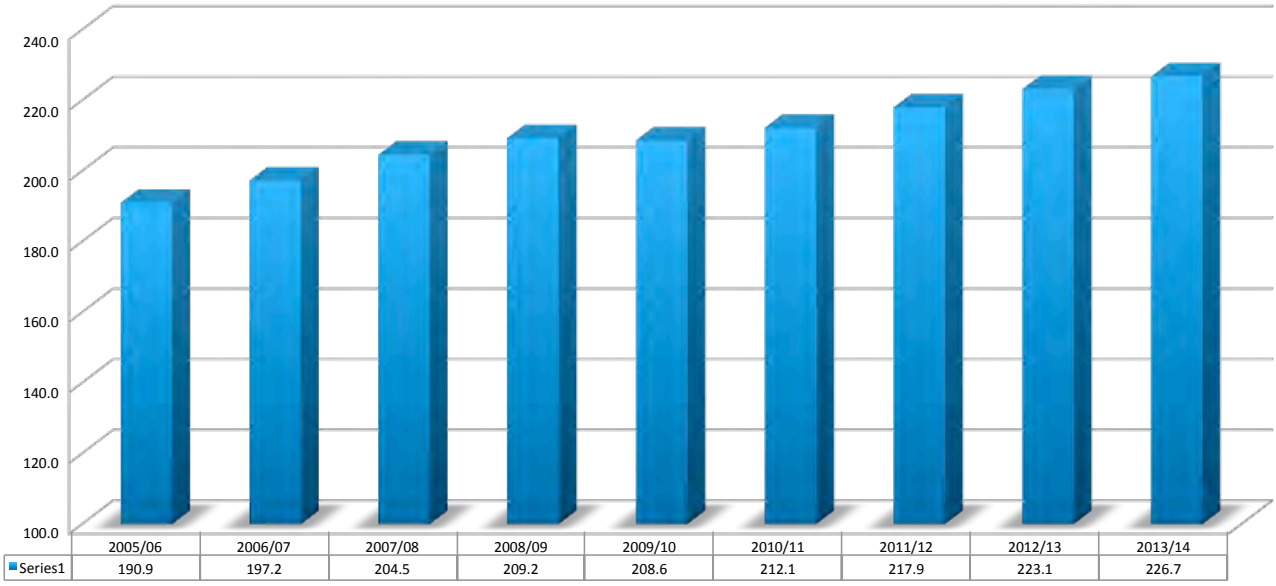
The indicators show projections of marginally slowed growth for the city. Past growth has caused general long-term expansion of resources necessary to fund growth-related service demands. Per capita real dollar expenditures are stable in the long term. Reliance on external and elastic revenues is not 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.

APPENDIX H

CONSUMER PRICE INDEX

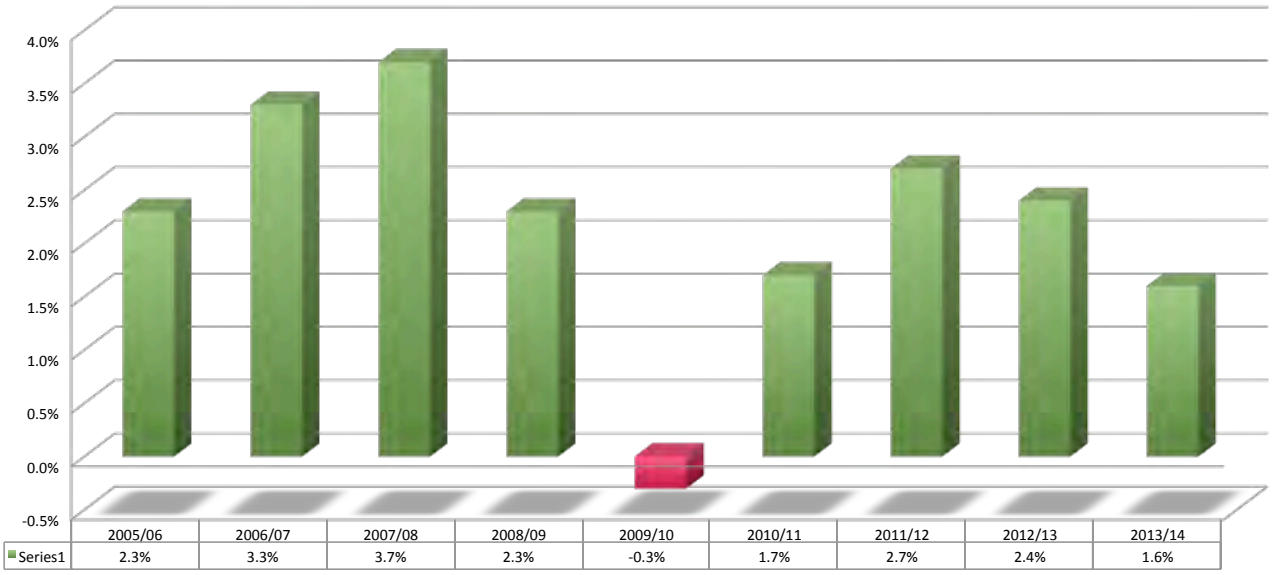
Based on the Michigan State Tax Commission Annual Inflation Rate Multiplier



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Series1	190.9	197.2	204.5	209.2	208.6	212.1	217.9	223.1	226.7

ANNUAL % CHANGE IN THE CONSUMER PRICE INDEX

Source: Michgian State Tax Commission Annual Inflation Rate Multiplier



	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Series1	2.3%	3.3%	3.7%	2.3%	-0.3%	1.7%	2.7%	2.4%	1.6%

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.