THE CITY OF Kalamazoo

PROPOSED 2017 BUDGET

City of Kalamazoo

Michigan

Fiscal Year 2017

Proposed Budget

City of Kalamazoo
51st CITY COMMISSION

From Left to Right: Commissioner Shannon Sykes, Commissioner Erin Knott, Commissioner Jack Urban, Commissioner, Matt Milcarek, Vice Mayor Don Cooney, Mayor Bobby Hopewell, Commissioner David Anderson

Appointees

City Manager
James K. Ritsema

City Attorney
Clyde Robinson

City Clerk
Scott Borling

City Assessor
Aaron Powers

Internal Auditor
Ann Videtich

Administration

Deputy City Manager-Operations
Patsy Moore

Assistant City Manager/ Economic Development Director
Jerome Kisscorni

Human Resources/Labor Relations Director
Interim: Karianne Thomas

Management Services Director
Thomas C. Skrobola

Public Safety Chief
Jeff Hadley

Deputy City Manager-Strategic Planning
Jeff Chamberlain

Community Planning & Development Director
Laura Lam

Information Technology Director
Tim Clark

Parks & Recreation Director
Sean Fletcher

Public Services Director
James Baker

City of Kalamazoo

2017 Organizational Chart

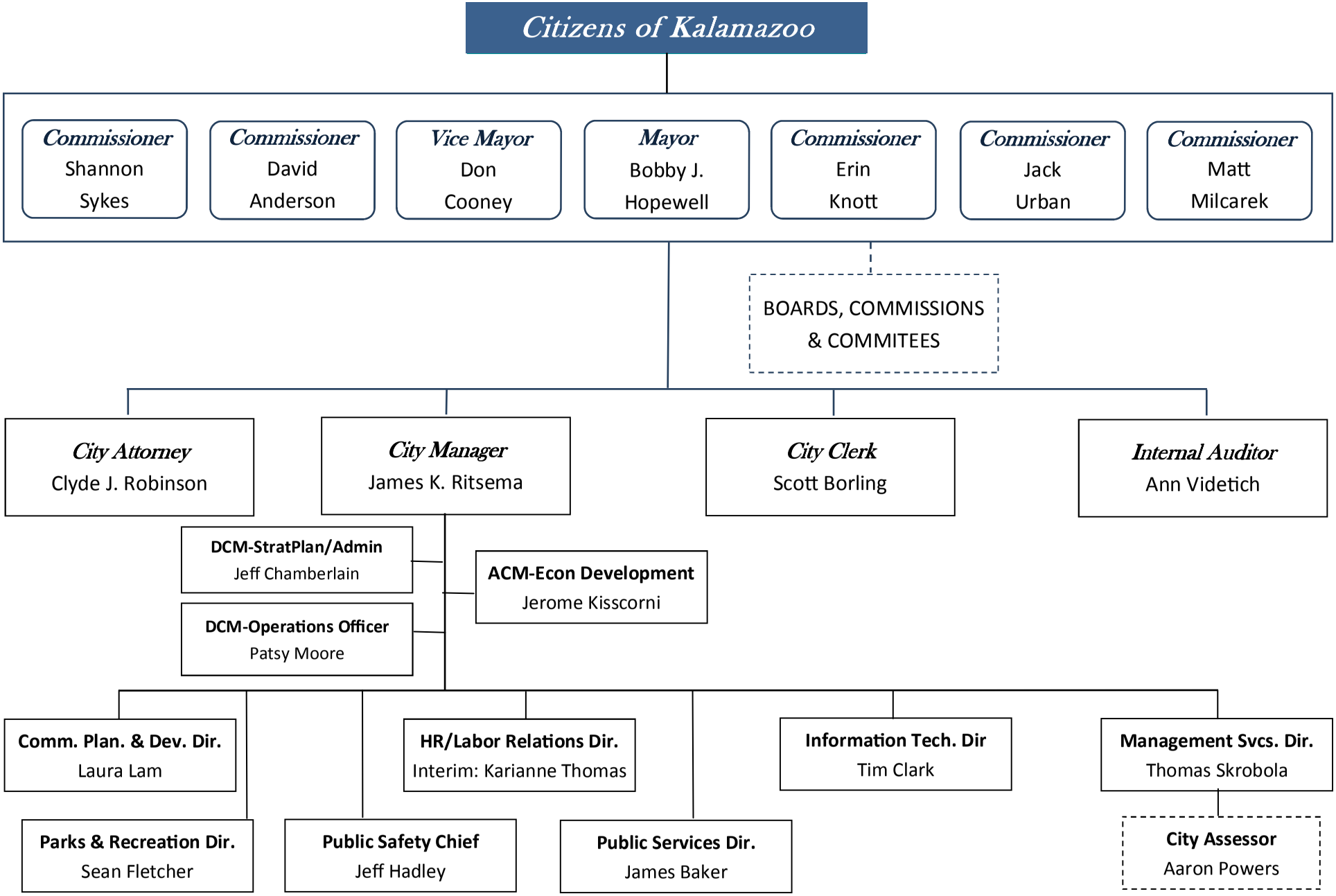

TABLE OF CONTENTS
2017 PROPOSED BUDGET

City Elected Officials & Administration
City Organizational Chart
Table of Contents
City Manager's Transmittal 7
Budget Policies 22
Budget Calendar 35

Budget Summary
Community Profile 36
Summary of Expenditures – All Funds 60
Summary of Revenues and Expenditures by Category – All Funds 61
Projected Fund Balance 63
Position Comparison 66
Budget Overview 76
Taxable Values and Levy Projections 84
Debt Statements 85
General Fund Five Year Budget Projections 86
Capital Improvement Fund Five Year Budget Projections 87
Major Streets Fund Five Year Budget Projections 88
Local Streets Fund Five Year Budget Projections 89

Budget By Fund
General Fund 90
Special Revenue Funds 96
Enterprise Funds 102
Pension Administration 104
OPEB Trust Fund 105
Internal Service Funds 106

Budget By Department
Commission Appointees
City Manager 107
City Attorney 108
City Clerk 109
Internal Auditor 110

City Administration
Human Resources 111
Information Technology 112
Management Services Department 113

Public Safety Department 114

Public Services Department
Public Works 115
City Wide Maintenance 116
Fleet 117
Engineering 118
Major Streets 119
Local Streets 120
Cemeteries 121
Solid Waste 122
Wastewater Division 123
Water Division 124

Community Planning and Development 125

Economic Development 126

TABLE OF CONTENTS
2017 PROPOSED BUDGET

Parks and Recreation Department 127

Five Year Capital Summaries
CIP Budget Summary 128
Street Capital Budget Summary 130
Wastewater Capital Budget Summary 132
Water Capital Budget Summary 132

Component Budgets
Brownfield Redevelopment Authority 138
Downtown Development Authority 139
Economic Development Corporation 141

Appendix
Five-Year Fiscal Plan 142
Glossary 156

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FISCAL YEAR 2017-18 PROPOSED BUDGET TRANSMITTAL LETTER

To: Mayor Hopewell, Vice Mayor Anderson, and City Commissioners

From: James K. Ritsema, ICMA-CM, City Manager

Subject: Proposed Fiscal Year 2017 - 18 Budget

Date: November 30, 2016

I am pleased to present to you the Proposed Fiscal Year 2017 - 18 Budget. This document represents the Administration's recommendation to the Kalamazoo City Commission based on projected revenues for the upcoming year to fund operations, as well as the proposed maintenance of capital assets and payments related to the City's long-term debt.

Over the last three years, we have worked diligently to define the nexus between the needs of the community via Imagine Kalamazoo 2025 and Priority Based Budgeting, and the organizational and financial resources required to satisfy those needs through the Legacy Task Force, Blue Ribbon Revenue Panel, and Foundation for Excellence efforts.

Consistent with our previous Budget Transmittal Letters, I would like to take this opportunity to communicate our financial status (**where are we?**), review past trends and realignment strategies (**how did we get here?**) and explain processes to navigate the challenges and generate solutions to manage legacy costs, service level expectations and revenue enhancements (**where are we going?**). In the development of this plan, we have strived to be inclusive, transparent, and deliberate, tapping the creative talent of City employees and those outside of the organization to figure out a way to 'do government' differently.

Foundation of a comprehensive plan

The City Commission and Administration held a public retreat in February 2014 to create the "2014-2015 Priorities" document. The priorities for the administration that emanated from the retreat create the foundation for a comprehensive plan that answers the question of where we are going. Those Five Priorities are as follows:

- Creating Long-Term Sustainability
- Building a new organizational culture
- Creating a shared vision/future direction through intentional community engagement
- Continuing to provide exceptional services – "Core"
- Foster collective action to reduce unacceptable poverty- especially of children.

The City Commission identified a number of objectives that align with each of the above goals, to be achieved in 2016. As we prepare to enter the fourth year under these priorities, itis time to take stock of our efforts.

Foundation For Excellence (FFE)

In order to fulfill the foundational goals of the City Commission's comprehensive plan, the City is forming the Foundation for Excellence (FFE). The FFE is a unique creation which was formally embraced by the City Commission through the approval of a Memorandum of Understanding (MOU) between the City and two "Lead Donors" who have unparalleled records of philanthropy in the Kalamazoo community.

The FFE, like many great ideas, was born of necessity. After the completion of the Blue Ribbon Revenue Panel (BRRP) in 2015, the resulting report highlighted a handful of options that the City has moved forward on quickly (these successes are highlighted later in this letter). However, these recommended approaches did not address the underlying structural deficiency of the General Fund's existing revenue sources, principally the Property Tax and State Revenue Sharing. The Administration investigated the Income Tax, which was the one available solution that had the potential to meet the City's structural revenue needs.

It should be noted however that the Income Tax was not recommended by the BRRP and to be implemented would need to be placed on the ballot by the City Commission and approved by the voters. In response to this uncertainty, the Mayor and City Manager approached philanthropic leaders in the community to explore alternatives. Namely, philanthropists would donate sufficient dollars into a new Foundation that would provide the revenue that the City needed.

The MOU that was formed has two segments:

- 2017 – 2019: the FFE will provide $70.3 million to the City for the following:
    - Lower the City's General Operating Millage from 19.2705 to 12 mills (at a cost of $10.9 million per year, which will be placed in the General Fund to "backfill" lost Property Tax revenues from the lowered millage rate);
    - Provide $3.8 million to the General Fund to alleviate fiscal deficits;
    - Allocate $10 million in each of the three years for "Aspirational Projects", based on the results of the Imagine Kalamazoo 2025 process, the recommendations of the City Manager and approval by the City Commission which may include, but are not limited to:
        - Develop and commit resources to address generational poverty, promote youth development and remove barriers to employment opportunities for youth, under employed and unemployed individuals, and persons seeking re-entry to our community;
        - Address capital and human infrastructure and improvement/maintenance needs as identified by the Imagine Kalamazoo 2025 process and the City's Capital Improvement Program;
        - Develop and implement neighborhood improvement efforts and projects which reimagine and reinvest public spaces to attract and connect people.
    - To actively promote the goal of having the Foundation for Excellence fully endowed by June 30, 2019.

- The City will, for its part, commit to:
    - Lower the City's General Operating Millage from 19.2705 to 12.0000 mills.
    - Explore further budgetary savings that may be realized by shared service delivery with regional municipal, post-secondary school educational institutions, and private partners.
    - Develop best practices and measures intended to show the impact of the donations on the efforts and initiatives of the City to achieve the Five Priorities for the future direction of the community.

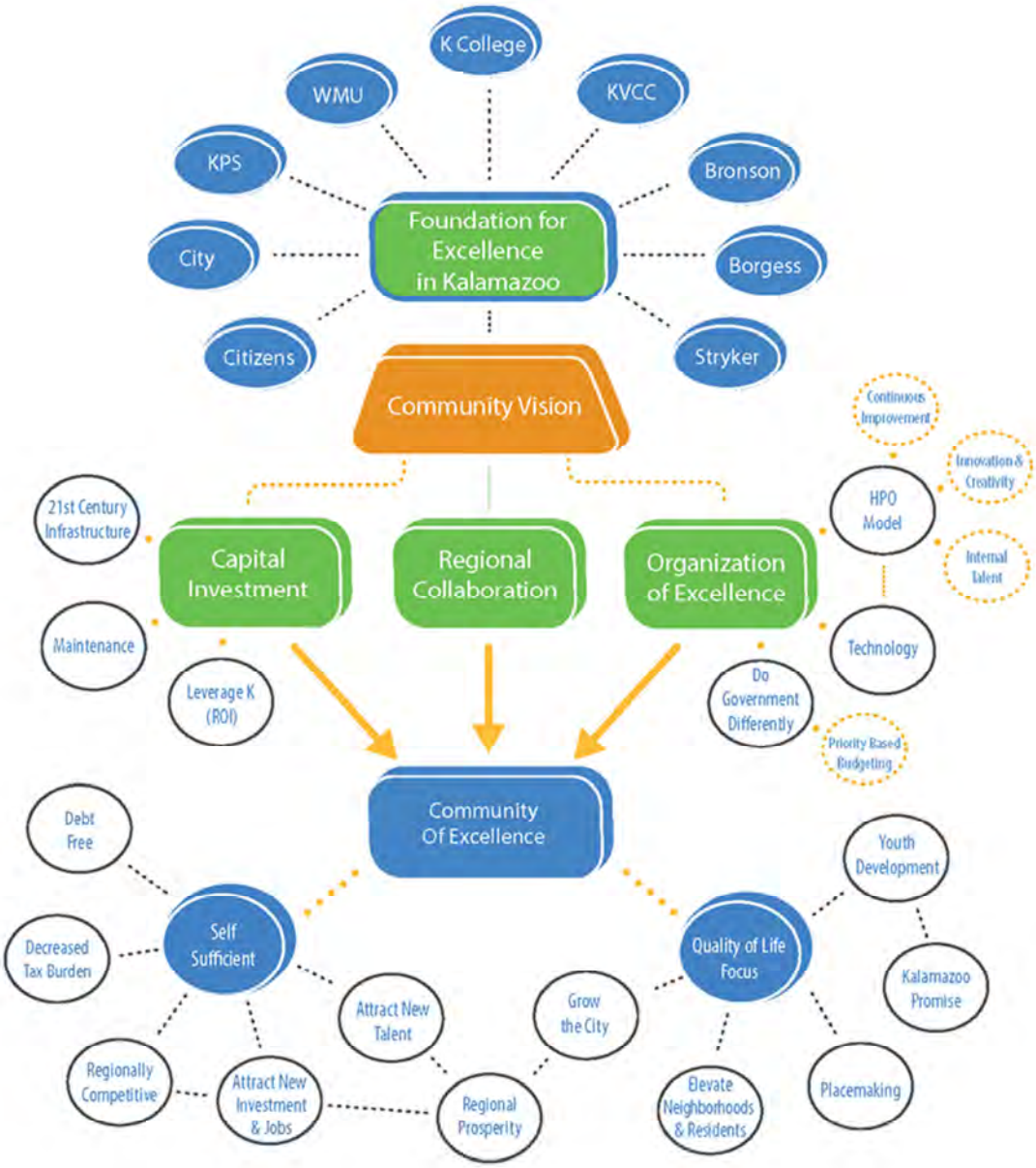
Finally, the MOU states:

> "The Lead Donors believe the Foundation for Excellence will last into perpetuity. As such the Foundation will endure for generations to come beyond our current Mayor, City Commissioners, City administrators, donors and citizens. The Lead Donors require that substantial research and thoughtful deliberation be engaged in to create an organizational document that will stand the test of time and include the appropriate governance structure that assures that the funds will be administered as defined in the organizational indenture."

The organizational document will provide the formula for the FFE's future success, including and beyond the FY 2017 – 2019 period. This will define the governing structure of the FFE, as well as the parameters for the investment of FFE assets, and the parameters for the provision of FFE assets to the City for expenditure, among other important matters.

In order to better contextualize the nuts and bolts of the FFE, on the next page is a diagram which conceptualizes the vital connections between the City and other organizations and leaders in Kalamazoo that will make the FFE and the community a long-term sustainable success.

Imagine Kalamazoo



Foundation for Excellence in Kalamazoo

Establishment of a Foundation to invest in the City of Kalamazoo and support the objectives of the community. Through the City, this foundation would support investments in neighborhoods, mixed income housing, capital improvement projects, streetscape improvements, youth development programs, and other quality of life initiatives. These investments in our community would make Kalamazoo more attractive to potential residents, businesses, and private investment, resulting in the growth of the city and a self sufficient government organization focused on elevating our community and promoting continued growth and high quality of life for all residents .

A "Vision-Driven" Trajectory

Our budget is the natural result of continued negotiation between the expected role that the City plays in promoting and preserving the quality of life that our citizens desire and deserve, in the context of the realities presented by our economic and cultural environment. In order that our activities remain fresh and relevant, and our budgeting process propels continuous improvement in our outcomes, we need to constantly reground ourselves in the vision and values of our organizational leadership and the community at large. The City utilizes a number of collaborative bodies and processes to bring these visions into focus in the form of strategic plans.

The graphic below shows how these plans and strategies flow into the budget and relate to the daily activities of the City.

In 2017, the City will finalize a new Strategic Vision and Master Plan Update under the auspices of the Imagine Kalamazoo 2025 initiative. As the name suggests, the result of this process will be a new shared community vision, expressed through the many strategic phases that the above graphic depicts.

Having surveyed the City's new strategic direction, let's now review how we have performed against the Commission's Five Priorities over the past several years. First, this diagram outlines the way that the strategic pieces fit together:

Creating Long-Term Sustainability

As indicated above, long-term sustainability is the keystone to achieving the community's aspirations. Chief among the objectives required for sustainability is controlling legacy costs, followed by creating a budget process that addresses new realities, advocacy, intergovernmental cooperation, and finally having a productive discussion around sustainable revenue for the City that fixes the current model under Michigan law, which is broken. I am happy to report the following progress:

- **Legacy Costs**: the Legacy Cost Task Force studied the problems of legacy costs related to retiree health care and identified workable solutions to manage the issues that were accepted by the City Commission in September 2014.

  The Plan

  - Issue so-called OPEB Bonds, which were issued in January 2015 to finance roughly 75% of the existing liabilities, and which will produce estimated savings in excess of $100 million over 30 years. The new fixed debt service will be combined with fixed annual contributions to the OPEB Trust Fund to fully fund the City's retiree health care liabilities and future benefits. This plan will also effectively cap the City's operating funds and taxpayers from retiree health care expense inflation;

  - Collaborate with retirees and current employees to identify cost containment strategies; over 80 retirees have been incentivized to join Medicare, at an estimated savings of over $100 thousand per year. An advisory board has been formed to review retiree health care data and provide constructive advice

about cost containment, wellness initiatives to save money and build a healthy culture.

The Results (so far):

- In 2015, the City's unfunded liability increased by roughly $20 million. This was caused by two factors:

  - Return on investment = negative 1.75%, as compared to the long-term projected average of 7.5%. The losses on investments have been recouped as of the publication of this Proposed FY 2017 Budget.

  - Retiree health care costs were also higher than projected by several hundred thousand dollars.

Next Steps:

- The City has consulted our Health Care Committee and is planning to bargain additional health care cost containment into place that will affect both active and also non-"legacy" retirees with retiree health care plans that are tie-barred to those of their active counterparts.

- **Debt Financing Policy Development:** with the advent of the FFE, it is important to take stock of the City's use of debt financing for capital projects. The Adopted FY 2016 and Proposed FY 2017 Budgets scales back the planned use of debt financing in a number of ways. The following objects are not financed with debt:

  - Repairs of facilities and equipment
  - Vehicles (other than Fire Trucks and large specialty vehicles in Public Services, such as the Vactor, Paver, etc.).
  - Local Streets (beginning in FY 2021)

  The above decisions have been made without formalizing a written Debt policy. The FFE provides the opportunity to further define/curtail the use of debt financing in the future. Rather than to "beg the question" on an emergent and overarching issue, it seems most prudent for the Administration to focus first on defining the FFE's criteria and decision-making process for projects and activities over the coming year, and to engage the City Commission in a thoughtful discussion about how best to optimize debt issuance over the long-term.

- **Priority-Based Budgeting (PBB)**: with the Proposed FY 2017 – 18 Budget, the Administration has completed the second year of Priority-Based Budgeting.

  PBB provides a tool that refocuses decision-making around well-defined programs, maximizing scarce resources towards achieving the Community's desired and required results. PBB also involves continuous improvement in efficiencies by way of new technologies, better organization, and leveraging partnerships or handing off functions to other overlapping entities, in order to lower costs and improve outcomes. The City is working on identifying meaningful and accurate measurements to ensure that high-priority programs are achieving results and to improve overall organizational efficiency.

- **Advocacy:** in 2015 the administration and City Commissioners worked in concert with our legislators, lobbyist and other advocacy partners to impact the State's budgeting process, resulting in a significant portion of the State's budget surplus being appropriated to assist cities including Kalamazoo. The City has already realized over $500,000 in new revenue sharing and Act 51 monies as a result of these initiatives.

  However, the need for advocacy is continuous and we must remain vigilant. Over the next five years, millions of dollars of General Fund revenue is at risk from State budgeting decisions left over from several major State legislative initiatives that were designed to "fix" tax and funding issues.

  Personal Property Tax Reform (PA 86 of 2014): Our efforts also influenced legislation regarding the elimination of the Industrial Personal Property tax, which has resulted in new statutes known collectively as "PA 86 of 2014" which is designed to completely reimbursement of estimated losses to municipalities going forward. The State is funding reimbursements from a new statewide replacement tax.

  Despite the stated intention of Gov. Snyder that the State would permanently reimburse local governments annually for all exempted Personal Property Tax revenues (which in the City's case will exceed $3M per year by 2023), PA 86 only guarantees about 2/3^{rds} of the lost revenue based on the State's "Essential Services" calculation, which estimates the portion of the City's General Fund related to Police and Fire services. The other 1/3rd will be funded as long as the State has the funds available to do so, which may require special State budget appropriations in the future.

  New State Road Funding: Also, new legislation adopted by the State will provide substantial new funding for road repairs and construction, saving the General Fund millions of dollars in subsidies and enhancing our overall road resources by additional millions of dollars over the next 5 years.

  The legislation creates $1.2 billion annually for roads starting in 2019 (with smaller amounts of new funding in 2016, 2017 and 2018). However the State has only identified new funding to cover roughly ½ of the $1.2 billion on a permanent basis, leaving the other $600 million to be found out of the State's existing General Fund budget. While the road funding is guaranteed, the State Legislature and Governor may decide at some point to "find" the $600 million by cutting Statutory Revenue Sharing to municipalities, which has been a favorite target for cutting, and is the only major spending area in the State's General Fund that remains at a level lower than the State's FY 2002 Budget.

  The two issues above (PA 86 non-guaranteed reimbursements and the $600 million road funding hole looming in the State's General Fund in FY 2019) could ultimately cost the City as much as $2 million per year (and possibly even more) of projected City General Fund revenue by 2023 and beyond, and possibly hundreds of thousands a year in the meantime.

- **Intergovernmental cooperation:** the City has made dramatic and historic progress in the area of Countywide Emergency Dispatching by way of an interlocal agreement including the County, City of Kalamazoo, City of Portage and other local governments. The objective is to bring about the long-desired goal of consolidated dispatching.

It is anticipated that a Countywide vote to fund Consolidated Dispatch through an increase in the existing phone surcharge will take place in 2017, leading to implementation of Consolidated Dispatch in the 1st quarter of 2018 and operational savings to the City of $2 million per year.

The goal of moving Metro Transit operations to a regionalized system has been achieved in 2016. The CCTA, KCTA, Transportation Authority Board (TAB) and City Commission all unanimously approved a Comprehensive Transfer Agreement which has resulted in the smooth transition of title to all transportation system assets and liabilities to the CCTA on October 1, 2016. A Support Services Agreement for the City to continue to provide back-office support services including finance, human resources and information technology to the new CCTA for a period of three years, ensuring continuity for transportation operations, transportation employee pay and benefits, and the fiscal condition of the City and the transportation system, as well as new enhanced service delivery to the public.

- **Sustainable revenue:** the City has been highly dependent on local property taxes and State Revenue Sharing in order to support the City's General Fund. These sources of revenue have not kept pace with the public's need for service and infrastructure.

  To address this issue, the Blue Ribbon Revenue Panel (BRRP) of community and business leaders was convened by the Administration and completed their study in 2015, recommending the following options:

Revenue Options	Estimated Annual Revenue	Estimated Revenue 2016-2020
Countywide Emergency Dispatch	$1.4 – $2.0 million	$5.6 – $8.0 million
Countywide Law Enforcement Millage	$3.1 million	Depends on the date of the millage election
Development Infill	$200,000 to $500,000	$800,000 to $2 million
Countywide Water and Wastewater Authority	Depended on PILOT payments to be negotiated	Depended on PILOT payments to be negotiated
Sell or Lease Some/All of Parking System	Requires a market appraisal	Requires a market appraisal

The Administration has already made substantial progress regarding the above recommendations:

- <u>Countywide Emergency Dispatch:</u> As indicated previously in this letter, Countywide Emergency Dispatch is anticipated to be a reality by Q2 of 2018.

- <u>Countywide Law Enforcement Millage:</u> The Administration has consulted with Kalamazoo County's leadership regarding the expansion of the existing Countywide Law Enforcement Millage to fund a Countywide consolidation of certain segments of the City's Public Safety Department, which would save the City money, in a fashion similar to the Dispatch project. The Countywide Law Enforcement Millage was renewed by a popular countywide vote in May 2016. The County administration and legislature are in a period of leadership transition;

the City will continue to dialogue with the County leadership to explore any opportunity for moving this proposal forward.

- Development infill: The Urban Growth Initiative (UGI) is designed to address a number of questions, including the prospect for infill development. The UGI is a partnership between the City of Kalamazoo, local anchor institutions, major employers, downtown businesses, philanthropic organizations, and additional partners that seeks to develop new vision, action, and implementation strategies to advance development and quality of place in the urban core, impacting overall growth for the community. "Growing the pie" to bring new sources of revenue to the community was seen as preferable to seeking to find that revenue from existing businesses and residents. The Urban Growth Initiative will develop the strategies and tools to effectively manage the process of planning for attracting, and managing new development within the core of the City of Kalamazoo. The proposed timeline:

  - Jan-Feb 2017: Begin to develop the plan (synthesize data and information from November work session + research, Strategy Team plan discussion and input, and determine metrics, funding options, and action items)
  - February 2017: Prepare a draft action plan
  - March-April 2017: Community and stakeholder review/feedback of draft plan
  - May 2017: Finalize plan, based on review and feedback
  - June 2017: Present the plan
  - July 2017: Begin plan implementation

- Countywide Water/Wastewater Authority: this would require a completely new approach to the ownership, governance, financing, design and operation of numerous existing water and wastewater systems in the County, which would impact and re-order many millions of dollars of existing public and private sector interests between the City, all other local governments in Kalamazoo County, and numerous major private, public and non-profit entities. The City is open to any arrangement that would benefit City residents and maintain strong water and wastewater systems, and is currently involved in a multi-year process of negotiating new long-term deals with a number of township entities. This process holds the potential of substantially improving the water and wastewater systems long into the future, addressing many of the opportunities and issues surrounding the Water and Wastewater systems that were raised by the BRRP, although a Countywide Authority is not a specific model of mutual interest among the parties at this time.

- Sale of City-owned assets: the sale of City owned assets is being pursued with the expectation of $1 million of revenue being provided directly to the City's General Fund in FY 2017. Other opportunities for strategic divestment of assets and/or the redevelopment of City real property remain on the table for future discussion and evaluation with potentially interested private and public sector partners and counterparties.

Building a new organizational culture

We have worked throughout 2016 to align the capacity of the organization with the goals of the City Commission and administration. The Strategic Alignment Plan and Early Retirement Initiative were milestones in the organization's evolution, infusing over 100 new people and creating many new "waves" of thought around how to better serve the public. I have engaged a broad cross-section of management leadership within the organization to identify opportunities for better technology, teamwork, innovation, efficiencies, and further alignment of activities with the organization's mission and goals. We have surveyed and trained employees at all levels of the organization to increase capacity and effectiveness. The High Performance Organization Model below provides the framework for building a new organizational culture.

Creating a shared vision/future direction

Throughout my tenure my office has worked to improve and broaden communication, information-sharing and collaboration as hallmarks of engagement, and to broaden the circle of ownership and engagement within the organization and community.

The transparency, deliberation and inclusiveness of the Legacy Cost Task Force, Priority-Based Budgeting and Blue Ribbon Revenue Panel processes have showcased this strategy. My Administration formed a Leadership Team in 2014 consisting of nearly 50 manager-leaders who are meeting periodically to promote change from the heart of the organization. Interdepartmental teams continue to identify areas for improvement and have established targeted work groups to study options and identify solutions. Numerous tangible improvements have been identified, including:

- "One IT": the departmental fragmentation of Information Technology staff, resources and decision-making has limited the opportunity for concerted and focused technology problem identification and resolution, as well as the deliberate design, implementation and operation of technology hardware and software platforms. With the hiring of our new Chief Information Officer (CIO) in 2016, I have directed the consolidation of information technology staff across the City under the direction of the CIO, in order to drive citywide information technology improvements.

- Fleet: the planning, selection, financing, and maintenance of fleet resources have also been highly department-centric in the past. After several decades of organization-wide budget cut backs, fleet replacement has been continually sacrificed, leaving a number of small pools of older, obsolete and costly fleet without any resources to replace them, but with increasing amounts of resources dedicated to keeping them on the road. A Fleet Venture Team has identified fleet leasing as a cost-neutral way to replace and maintain fleet, which will provide more stable, reliable and effective fleet resources "on the street" without costing the City any additional dollars versus the current approach. This is possible because the current aged and obsolete fleet is inefficient in terms of fuel and maintenance and ineffective in terms of staying on the road.

  A pilot program involving six select vehicles needing critical/immediate replacement has been initiated with the support of the City Commission, and a second phase of that pilot program involving another 35 vehicles of similar vintage/need is about to be presented to the City Commission for approval. The CFO is also working with the State of Michigan's Municipal Service Authority (MMSA) to design an RFP that will enable the City to evaluate the potential for a permanent city-wide fleet solution.

- City Intranet: the use of a City Intranet "splash page", which is managed by the Communications Coordinator in the City Manager's Office, is sharing useful real-time information among all City staff regarding City and community events, meetings, organizational changes, and after relevant topics for employees.

Many other high-impact projects are being considered at this time, including a 311 Call Center, which consolidates all call-taking within the City to one functional group. This streamlines and improves phone-based customer service while helping multiple City departments to re-focus their remaining technical staff from assisting in call taking to more critical technical work.

Continuing to provide exceptional services – "Core"

The goal of exceptional core services has much in common with long-term sustainability. The implementation of the recommendations of the Legacy Cost Task Force has already saved the City millions of dollars of operational funds by capping the City's operational fund outlays for retiree health care.

Increased financial capacity to deliver exceptional core services: In the Budgetary and Fiscal Plan section below, the City has experienced a material improvement in the City's FY 2015 and FY 2016 budgetary performance compared to expectations, an improved Budgetary picture for FY 2017, and improved fiscal planning outlook for FY 2018 – 2021 when compared to the Amended FY 2016 Budget.

The reasons for the positive changes in FY 2018 – FY 2022 and beyond are largely driven by two things:

(a) new FFE budget balancing revenue, which is assumed to continue beyond FY 2019 at $3.8M + a 3% inflator, and

(b) Consolidated Dispatch, fully implemented, will cause projected savings of $2.0M per year starting in FY 2019 (partial savings are projected in FY 2018).

There are other factors, such as assumed growth in Property Tax values of 3% beginning in FY 2020 (with 2% growth in FY 2018 and 2.5% growth in FY 2019), which is improved over the previous assumption of 1.5%. This improvement is driven by recent sales data as well as an assumed positive effect on property demand and prices due to the large cut in Property Taxes caused by the implementation of FFE. Also, federal COPS grants are assumed to continue at $500 thousand per year after FY 2018, their current expiration date.

It should be noted that structural increases in other revenues and expenditures are expected to be relatively modest, including relatively small and roughly offsetting changes to revenue and expenditure growth assumptions for permits and fees revenues and supplies and services expenditures.

Proposed new organizational capacity (additional staffing): it has become apparent that new capacity (personnel) is needed to better meet the needs of our community, achieve a High Performance Organization, and realize the promise of the FFE. Accordingly, the City Manager's Office requested that departments identify shortcomings in the organization's current service delivery capacity. Departments have recommended new full-time positions that have been incorporated into the Proposed FY 2017 Budget, the majority of which are in Public Safety and Public Services.

Some requested positions are financing themselves by driving revenue enhancements and/or grants in aid; for example, the requested Parking Enforcement Officers will generate new parking enforcement revenue.

Furthermore, it is vital that any new Public Safety Officer positions that are added are assumed to be funded by a combination of savings from the Consolidated Countywide Dispatch project as well as new outside grants. Without the Consolidated Countywide Dispatch savings **and** new

outside grant funding, the General Fund would not have the means to afford the requested Public Safety positions.

The Administration is prepared to enter into dialogue with the City Commission regarding the recommended new positions as part of the City Commission's review of the Proposed FY 2017 Budget.

Conclusion

In 2016, we moved beyond transitional management tactics and fully engaged the organization and the environment with new strategic tools, including IK2025, Priority Based Budgeting, and the FFE and.

2017 will be a transformational year. We will see the completion of the Imagine Kalamazoo 2025 Strategic Vision and Master Plan Update process and begin translating the community's ideas into action. We will continue the work of designing FFE, identifying and delivering aspirational projects, and building on the innovative high-performance organization model. Through Priority Based Budgeting, we will ensure the integration of our strategic planning into our everyday activities, by aligning the allocation of resources with the vision and values of the Imagine Kalamazoo 2025 initiative.

I would like to thank the Budget team of Patsy Moore, Jeff Chamberlain, Jerome Kisscorni, Laura Lam, Karianne Thomas, Thomas C. Skrobola, Stephanie McGowan, the entire Cabinet, and key budget personnel across the City for their dedication to this process.

In addition, I would like to thank the 51st City Commission for your vision, leadership, direction and support. Pursuant to Section 43(f) of the City of Kalamazoo Charter, the following summary and Proposed Fiscal Year 2017 - 18 Budget is presented for your consideration.

James K. Ritsema, ICMA-CM, City Manager

THE CITY OF

Kalamazoo

STATE LAW AND CITY CHARTER REQUIREMENTS

The City of Kalamazoo budget policies are governed by the City Charter, the Uniform Budgeting and Accounting Act for Local Units of Government in Michigan, and generally accepted accounting principles. These laws provide for budget control, establish tax levy and assessment valuation limits, and provide for bonded debt limits. The City's resources and appropriations policies are extensions of these laws, and follow generally accepted accounting and budgeting principles.

The City of Kalamazoo Charter (Section 67) states that by December 1 of each year, the City Manager shall submit to the City Commission an estimate of the expenditures and revenues for the upcoming fiscal year. Section 68 of the Charter requires that on or before February 1 of each year, the City Commission pass an annual appropriation resolution to cover expenditures. At the same time, the City Commission establishes certain policies covering the administration of the budget. A public hearing must be held prior to final adoption. Public notice must be posted at least six days prior to the hearing.

If the upcoming budget appropriation resolution is not ready for adoption prior to December 31, the Chief Finance Officer is authorized and directed to continue processing and issuing checks for normal payroll and expense operations of the City in accordance with prevailing practices. The Chief Finance Officer is authorized to revise any payroll, fringe benefits and other expenses paid by the City to conform to the terms of any labor contracts or commitments which have been approved by this City Commission, as needed for the above purpose.

By May 31st of each year the Board of Review will have completed its review and correction of the assessment roll. The assessment roll is presented to the City Commission along with the proposed amended annual appropriation resolution. They may revise the appropriation provided that the property tax revenue required shall not increase more than 5% over the amount in said resolution.

Act 5 of the Public Acts of 1982, as amended, requires a public hearing be held prior to the levying of an additional millage rate (The Truth-In-Taxation Act). The Charter, under Section 85, requires the City Commission will fully and finally confirm the annual assessment roll upon completion of the review, and correction of the roll by the Board of Review. This must be at least seven days after the public hearing and is confirmed by resolution along with confirming the general appropriation resolution, as amended.

The City is also required by the State of Michigan to present a balanced budget. An appropriation resolution cannot be adopted that would cause total expenditures, including an accrued deficit, to exceed total revenues, including an available surplus, according to Section 16 of Public Act 621 of 1978.

The City shall comply with Act 279 that generally provides the debt limit for a "home rule" city is 10% of its State Equalized Value (SEV). City Charter provides that the fiscal year of the City shall begin January 1.

The City Charter prescribes that the City Manager will submit to the City Commission a brief executive summary of the City's financial activity on a monthly basis.

DEBT

Subject to the applicable provisions of statutory and constitutional debt provisions and the City Charter, the City Commission, by proper ordinance or resolution, may authorize the borrowing of money for any purpose within the scope of the powers vested in the City. The City Commission may pledge the full faith credit and resources of the City for the payment of debt obligations. Section 21 of Article VII of the Michigan Constitution establishes the authority, subject to statutory and constitutional limitations, for municipalities to incur debt for public purposes. State law limits the rate of ad valorem property taxation for municipal purposes, and restricts the powers of cities and villages to borrow money and contract debts. Each city and village is granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by this constitution or by law.

In accordance with the foregoing authority granted to the State Legislature, the Home Rule Cities Act limits the amount of debt a city may have outstanding at any time. The Act provides that the net indebtedness incurred for all public purpose shall not exceed ten percent of the assessed value of all real and personal property in the city plus the combined constitutional and statutory state revenue sharing amount divided by the City's millage rate.

Exceptions to the debt limitation have been permitted by the Home rule Cities Act for certain types of indebtedness. All special assessment bonds, Michigan Transportation Fund bonds, revenue bonds payable from revenues only, whether secured by a mortgage or not, and bonds issued or contract obligations assessments incurred to comply with an order of the Water Resources Commission of the State of Michigan or a court of competent jurisdiction. Any obligations incurred for water supply, sewage, drainage or refuse disposal or resource recovery projects necessary to protect the public health by abating pollution, and bonds issued or assessments or contract obligations incurred for the construction, improvement or replacement of a combined sewer overflow abatement facility.

Although the City has sufficient legal debt margin, all decisions to enter in debt obligations are contingent upon the City's ability to make debt service payments and maintain adequate reserves.

Pursuant to the statutory and constitutional debt provisions set for the herein, the following table reflects the amount of additional debt the City may legally incur as of June, 2016.

City's 2016 Ad Valorem SEV	$1,573,848,720	
Plus Half of Act 198 Property	$16,638,850	
Plus for Revenue Sharing (1)	$405,991,457	
Total 2015 SEV Value	$1,996,479,027	
Debt Limit (2)		$199,647,902
Debt Outstanding	$ 177,115,000	
Less: Exempt Debt (3)	$30,575,000	$146,540,000
Legal Debt Margin		$ 53,107,902

(1) Constitutional and statutory revenue sharing of $8,554,443 divided by the City's 2016 millage rate of 21.0705 mills.

(2) 10% of the City's 2015 Ad Valorem SEV for the fiscal year ending December 31, 2016, plus half of the SEV abated under ACT 198, plus the constitutional and statutory revenue sharing divided by the City's millage rate of 21.0705 mills.

(3) Outstanding amount of Michigan Transportation Fund Bonds, and Water and Wastewater System Bonds.

The City has historically issued short-term tax anticipation notes for cash flow purposes because the fiscal year is January 1 to December 31 and operating taxes are levied on July 1 of each year. The City plans to continue issuing short-term tax anticipation notes for the foreseeable future.

Debt will be used to finance long term capital and operating assets within the constraints of maintaining or improving bond ratings and debt service capacity.

Debt management will provide for the protection of bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument provisions and appropriate disclosures to investors, underwriters, and rating agencies.

INVESTMENTS

Investment management will strive to maximize investment return on the City's funds through pooling of funds where permitted, frequent market analysis, cash forecasting procedures, and competitive bidding. Interest income is applied on a percentage basis to each fund based on the fund's balance compared to total fund balances.

DISCRETIONARY FUNDS

The Kalamazoo City Commission may set aside discretionary funds for community programs and projects geared toward improving the quality of life for our residents. During the budget cycle, applications are accepted from organizations that sponsor programs and projects that perpetuate a positive influence on the lives of residents of all ages.

Funding awards range from $3,000 to $16,000. Organizations must meet the following criteria:

- The physical location of the organization must be within the Kalamazoo city limits;
- the organization must be a 501(c)(3) organization under the Internal Revenue Code;
- the organization must support programs and projects geared toward improving the quality of life of City residents throughout the year

Organizations are required to submit completed grant applications with all supporting documentation. All organizations which have received previous funding are required to submit a final report outlining the scope of services provided as well as a financial report itemizing City fund usage with this application. Failure to submit the final report will disqualify an organization from future funding considerations**.**

Applications are reviewed by the Community Development Act Advisory Committee (CDAAC) and City Manager staff. Reviewers measure how well applicants answer the questions that correlate with the following eight categories of focus which include program objectives, benefits to residents, need in the community, other programs provided by the applying agency throughout the year, organizational resources, community partnerships, and the organizations overall budget.

The Community Development Act Advisory Committee (CDAAC)
A thirteen-member citizen's advisory panel made up of seven members-at-large, and six representatives from Kalamazoo's core neighborhoods, will coordinate the review of applications, and submit funding recommendations to City Manager staff. CDAAC will base its recommendations on the quality, need, and impact each program/project has on the community's goal structure as it relates to the Blueprint for Action.

Scoring in each category is based on 1 (lowest) to 5 (highest). The reviewer scores are tallied, and divided by the number of reviewers to obtain a committee average "score" for each project. City Manager staff prepares funding recommendations based on the feedback from CDAAC for City Commission approval. After City Commission approval, organizations are notified of funding decisions.

USE OF PUBLIC FUNDS

Acceptable uses of City funds for food, awards, and appropriations to outside organizations are as follows:

- The City may host events in appreciation of the City's workforce and provide tokens of appreciation to employees to recognize new hires, years of service and retirements.

- The City may provide beverages to employees, volunteer workers, elected officials and business guests during regular working hours and events that require public participation.

- The City may provide meals to employees, volunteer workers and elected officials for work conducted during normal meal times.

- Awards or prizes may be given to employees or outside parties in association with fundraising efforts or events to raise awarenes.

- The City may host Wellness Luncheons to provide education to employees in an effort to reduce the City's health care costs.

- The City may make financial payments to outside organizations where a written agreement between the City and such organization has been executed.

ACCOUNTING

Basis of Accounting

All governmental and agency funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized when received, or accrued as a receivable when they become measurable and available to finance current operations. Significant revenues accrued by the City include property taxes, expenditure reimbursement type grants, certain inter-governmental revenues and special assessments.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt and compensated absences, which are recorded when paid. In addition, self-insurance health care costs for retirees are recorded when paid. The financial statements of proprietary, pension trust and non-expendable trust funds are reflected on the accrual basis of accounting, the revenues are recorded when earned and expenses are recorded as incurred.

Budgetary Basis vs. "Generally Accepted Accounting Policies" (GAAP)

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

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

- Property taxes in the General Fund and Solid Waste funds are accrued for the annual property tax levy, regardless of whether the collections are received in the year levied or in subsequent years. By comparison, GAAP recognize property taxes only when collected within 60 days after December 31 of the year levied.

- Compensated absences in the Enterprise funds are not expensed for budgetary purposes. GAAP requires compensated absences to be accrued when earned by the employees.

- Principal payments on outstanding debt in the Enterprise funds are expensed for budgetary purposes instead of being recorded as an adjustment to the balance sheet long-term liability.

- Capital outlay in Enterprise Funds is expensed for budgetary purposes instead of being recorded as an adjustment to the balance sheet capital asset.

Pension and Other Post-Employment Benefits (OPEB) in Enterprise Funds are expensed for budgetary purposes when paid. GAAP requires pension and OPEB to be accrued when earned by the employees.

BUDGET PROCESS

Budget preparation begins with a priority setting session with the City Commission. Budget instructions are distributed to department directors and accounting support staff that outline budgeting parameters for the operating and capital budgets.

The department directors review and submit their budget requests using the parameters outlined by Management Services and City Manager. A technical review is completed by Management Services. The City Manager prepares and submits to the City Commission the recommended budget by December 1, for the next fiscal year beginning January 1.

The City Commission reviews the City Manager's proposed budget. All review sessions are open to the general public. A copy of the proposed budget, as presented by the City Manager to the City Commission is available for viewing at the office of the City Clerk, and on the City web-site. Outlines for each budget review session are available at the time of the session.

A Public Hearing is held prior to the budget adoption to allow for citizen input. The notice of public hearing must be posted six days prior to the hearing. After the public hearing is closed, the budget is formally adopted by February 1. If an annual appropriation resolution is not ready for adoption prior to the beginning of the new fiscal year, an interim resolution shall be adopted to authorize expenditures until February 1, or adoption of the annual appropriation resolution.

Confirmation of the Tax Roll

The Board of Review completes its review of the assessment roll. A public hearing is held prior to the confirmation of the assessment roll to allow for citizen input. Once the required public hearing has been held, the City Commission confirms the roll and approves the tax levy resolution. If an amended appropriation resolution is necessary it will also be approved at this time.

APPROPRIATIONS

Interim Appropriation

Interim funding is appropriated if the next fiscal year's budget is not ready for adoption prior to December 31, of the current fiscal year. The Chief Financial Officer is authorized and directed to continue processing and issuing checks for normal payroll and expense operations of the City in accordance with the practices prevailing at the end of the current fiscal year.

Budget Amendments
Only the City Commission shall make new or additional appropriations. Budgets may be amended after adoption with approval of the City Commission if changes result in an increase in appropriation. Budget amendment requests must be made in writing and approval is required from the appropriate department director, the Management Services Director/CFO, and the City Manager. The City Manager ultimately requests approval from the City Commission.

Salaries, Wages, and New Positions
Any increase in salaries or wages, or the creating of positions, shall be made only by resolution or motion of the City Commission. The Chief Financial Officer is authorized to revise any payroll, fringe benefits, and other expenses paid by the City to conform to the terms of any labor contracts or other commitments, which have been approved by the City Commission.

Grants and Donations
The City Manager is authorized to accept grants and donations under $25,000. The acceptance of grants shall be considered as authority to expend funds for those purposes. A summary of grants and donations accepted by the City Manager will be presented to the City Commission twice a year as an informational item.

Limitations of Expenditures
It shall be the duty of the City Manager to oversee that each department director, excluding the City Attorney, City Clerk, and Internal Auditor, does not exceed the amount appropriated for their department except by prior authority of the City Commission. Only the City Commission shall make new or additional appropriations. It shall be the duty of the City Attorney, City Clerk, and Internal Auditor to see that they do not exceed the amount appropriated for their department except by prior specific authority of the City Commission.

Legislative action by the City Commission to issue bonds, accept grants, and authorize special assessment projects shall be considered as authority to expend funds for those purposes, and no further appropriation authority will be necessary.

TRANSFERS

City Commission Approval
Transfers shall require City Commission approval if the transfer will result in an increase or decrease in one or more items in the annual appropriation resolution. All transfers from the City Commission contingency account shall require City Commission approval regardless of the amount.

City Manager Approval
The City Manager may approve the transfer of operating funds to capital projects for changes up to the greater of $10,000 or to 10% of the project cost per project. The City Manager or designee may also approve the reallocation of funds within the capital accounts on the same basis, or in any amount as long as the funds are still used for the purpose for which they were originally appropriated. All other transfers

affecting capital projects shall require City Commission approval.

After receiving a request for transfer from the City Manager and hearing any objections to the request, transfers may be approved or disapproved by the City Commission. When approved by the City Commission or City Manager the transfer shall be considered an amendment to the budget and shall become effective immediately.

CARRY FORWARDS

Unexpended balances, both encumbered and unencumbered, of previously authorized construction or capital improvements not completed as of December 31 are hereby re-appropriated. Any such carry forwards shall be presented to the City Commission as an informational item at a regular City Commission meeting. Carry forward requests for non-capital items, shall be submitted to the City Commission for approval.

ALLOCATION OF ADMINISTRATIVE COSTS

A cost allocation plan will be developed each year to determine an appropriate amount to be allocated for central service costs to the various operations of the City. The allocation plan will be prepared in accordance with federal laws and guidelines for allocation of costs to federal grants. Allocation of costs to operations and cost centers other than federal grants may include allocation of costs that are disallowed for federal grants. A qualified, independent firm will prepare the allocation plan.

Utility operations will be allocated the full costs as provided in the plan. Metro Transit will be allocated actual costs as provided in the plan. No allocation will be charged to general fund operations since this would only inflate general fund revenues and expenses equally without impacting the financial position of the fund.

All other funds will be charged an amount not to exceed the allocation determined by the plan. In order to make the allocations determined by the plan, some funds may be provided with a General Fund subsidy if for some reason the fund cannot be reasonably expected to pay the full allocation.

REVENUES

Tax Levy
The amount annually to be raised shall not exceed 2% ($20 per $1,000) of the assessed valuation as equalized of all real and personal property in the City, per Section 77 of the Charter.

Special Assessments
Section 108 of the Charter states the City Commission shall have power to determine, with or without a petition, that all or part of the expense of any public improvement or repair may be defrayed by special assessments upon the parcels or property especially benefited, and declare by resolution.

User Fees
The City Commission has jurisdiction over establishing schedules of charges, including recreational activities, cemetery fees, and neighborhood and community development fees and charges.

Metro Transit System
The Transit Authority Board has the jurisdiction to levy the special assessment for mass transit, and the City Commission joint with the Transit Authority Board establishes the fare structure.

Enterprise Functions
The enterprise funds include the City Market, Metro Transit System, Water Division, Wastewater Division, and the Kalamazoo Municipal Golf Association which are fully self-supporting from user fees and charges, or subsidies from other intergovernmental sources.

Payment In-Lieu of Taxes (PILOT)
PILOT is charged to the Water and Wastewater Divisions.

Interest Earnings
Interest earnings from the investment of temporarily idle funds are credited to the fund generating the earnings.

RESERVES

General Fund Undesignated Reserve
A balance will be maintained within a range of 13% to 15% of current projected revenues. For purposes of this calculation, all property taxes levied for the current fiscal year, except for a reserve for delinquent taxes, are accrued to the current year.

Capital Contingency Reserve
Funds will be designated in a capital reserve account within the General Fund equal to 0.5% - 1.0% of the General Fund operating budget. The funds will be used for emergency capital needs and may be transferred with City Manager approval. The Capital Contingency Reserve stipulates that purchases must meet capitalization criteria, and any expense that causes the balance to fall below the recommended level will be replaced within a three year period, in equal installments.

Reserve for Self Insurance
A reserve will be established to provide funding of a risk management program whereby the City is self-insured for workers' compensation, auto comprehensive and collision coverage, and is a member of the Michigan Municipal Risk Management Authority and Michigan Transit Pool with various deductibles and coverage limitations. This reserve is to be held in the Insurance Fund.

BUDGET FORMAT

Budgeted Funds
The annual appropriation resolution shall apply to all funds except internal service funds, debt service funds, permanent funds and trust and agency funds. The City Commission is also required to approve the administrative budget for the pension trust fund.

Operating Budget
The operating budget will be based on the principle of financing current expenditures with current revenues or accumulated reserves. Expenditures shall include adequate funding of the retirement system and adequate maintenance and replacement of capital and operating assets.

Budgeted expenditures will reflect the City's perceived needs and desires of the community based on the results of Priority Based Budgeting and the priorities established by the City Commission . The budget will be based on generally accepted accounting principles.

Five-year projections are included for the General Fund, the Major and Local Street Funds, and the Capital Projects Fund. The five-year projection for the Capital Improvement Program for the Water and Wastewater funds is also included.

The Operating Budget provides for general services including personnel costs, supplies, services, and capital equipment and improvements. These capital purchases are on-going and include vehicles such as cars and trucks, miscellaneous machinery and equipment, and building improvements under $20,000. Revenues for the Operating Budget include property taxes, user fees and intergovernmental sources.

Fund Descriptions
The budget is adopted on a basis generally consistent with City Charter, State of Michigan rules and guidelines, and generally accepted accounting principles (GAAP). The budget is prepared by line item listing dollar amounts budgeted for each expenditure category separately. The expenditure categories are Personnel, Operating, Services, Debt Service, and Transfers

Revenues are presented within the resource sections by fund type (General Fund, Special Revenue, Capital Project, and Enterprise) by revenue category. Summary schedules of estimated revenues are presented in the Budget Summary section of the Annual Budget.

The financial activities of the City are recorded in separate funds and account groups, categorized and described as follows:

Governmental Funds

General Fund

This fund is used to account for all general operating revenues and expenditures of the City not accounted for in another fund. Revenues are derived primarily from property taxes, state distributions, charges for inter-departmental services and transfers from other funds. These revenues are used to finance basic City services such as Public Safety, Parks & Recreation, General Government activities, and Public Services.

Special Revenue Funds

These funds are used to account for specific governmental revenues (other than specific revenues for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special revenue funds include the Major Street Fund, Local Street Fund, Cemeteries Fund, Solid Waste Collection Fund, grant and donations funds, and various other funds supporting economic development, community planning and development, and public safety.

Capital Projects Fund

This fund is used to account for acquisitions and construction of major capital facilities other than those financed by proprietary fund operations and special assessments.

Proprietary Funds

Enterprise Funds

These funds are used to account for operations that provide services financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes. Enterprise funds include the City Market Fund, Wastewater Fund, Water Fund, and the Kalamazoo Municipal Golf Association.

Internal Service Funds

These funds are used to account for the financing of goods or services provided by the City to other departments and funds on a cost reimbursement basis. The Insurance Fund is the only fund in this category and is included in the budget for informational purposes only.

Fiduciary Funds

These funds are used to account for assets held in trust or as an agent for others. Fiduciary funds include the Pension Trust Fund, Cemeteries Perpetual Care Fund, General Trust and Agency Fund, Tax Increment Financing Fund and Collector's Account Fund. The Pension Trust Fund is included in the budget for informational purposes only.

Operating Structure

The City of Kalamazoo is organized on a departmental basis. The City's operations are accounted for under various cost centers known as activities or organizations within the departments. These activities or organizational units are consistent with the State of Michigan Chart of Accounts. The departmental unit is responsible for compliance with the approved budget. Each budgeting unit is within a particular fund of the City. Each revenue and expense item is assigned to a line item account number, and expenditures are presented at a line item detail within the following categories:

Personnel
Includes all salary and fringe benefit related costs, including base pay, overtime pay, vacation pay, holiday pay, sick leave pay, and special pays such as food allowance, tool reimbursement, pension contribution, health insurance, dental insurance, life insurance, workers' compensation, and employer social security expense.

Operating
The operating expense of the City which includes but is not limited to the purchase of supplies and services, repair parts, travel and training, professional services, fees paid to outside sources for contractual services, radio maintenance, utilities, liability insurance, lease payments, advertising, memberships and dues, and vehicle maintenance.

Capital Outlay
This includes expenditures for items added to the City's general fixed assets. These expenditures include the purchase of land, land improvements, building additions and improvements, machinery and equipment, office equipment and furniture, and vehicular equipment.

Debt Service
This includes the cost for interest and principal payments on the City’s long-term and short-term debt.

Transfers
Includes expenditures in the form of transfers to other funds, and payment to another fund for the purpose of having an expense or cost recorded in the legally correct fund.

CAPITAL IMPROVEMENTS PROGRAM

In addition to budgets for City Operations, the City of Kalamazoo Budget includes the Capital Improvement Program. The Capital Improvements Program (CIP) is a six-year forecast of capital expenses together with available funding resources. The first year of the forecast is adopted as the current year CIP budget.

Capital outlay for the purpose of the Capital Improvements Program is defined as expenditures that result in the acquisition or addition to fixed assets that have an estimated life of at least five years and monetary value of at least $20,000. Examples include construction of buildings or other structures, roads, sewers, parks, and the purchase of heavy equipment, fire trucks and buses. Funding for CIP include bond proceeds, donations, grants, and intergovernmental sources.

The debt service for bonds associated with the CIP for the Enterprise funds are recorded directly in the Enterprise Funds. In Governmental funds, the debt service is paid from a separate Debt Service fund, not included in the City Budget. In this case, the transfer to the debt service fund is made from the CIP fund.

The Capital Improvements Program (CIP) will reflect a consensus of the perceived needs and desires of the community based on current surveys and long range planning. Projects included in the Capital Improvements Program shall be consistent with the City of Kalamazoo Comprehensive Plan. The CIP provides funding for those operations exclusive of enterprise funds. Eligible uses include capital projects, major equipment, debt service, and non-utility environmental expenses. The City will develop and maintain a CIP to plan and fund capital projects over a minimum five year period coordinated with the Operating Budget. The Capital Improvements Program will, to the extent possible, be designed to protect the City's investments in capital and operating assets through timely and adequate maintenance and replacement of those assets.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET

Calendar

September 7	**FY 2017 Budget Directives Issued** **FY 2017 Allocation Worksheets Distributed**
September 7	**Eden Budget Module Open for Entry** **FY 2016 Year End Projection** **FY 2017 Position Budget Worksheet Distributed**
September 23	**Final Position Changes for FY 2017 Submitted to Budget &** **FY 2016 Budget Projections Due (Revenue & Expense)** **FY 2017 Budget Proposals Due (Revemue & Expense)**
September 30	**FY 2017 CIP Budget Proposal Due**
October 14	**Department Descriptions and Outcomes (formally know as "Narratives") Distributed to Departments for Update**
November 11	**FY 2017 Proposed Budget Finalized**
December 1	**FY 2017 Proposed Budget Transmitted to City Commission & Posted on Website** **CIP Presented to Planning Commission**
December 5	**FY 2017 Proposed Printed Document Distributed** **Adopt Resolution for FY 2017 Budget Public Hearing**
December 19	**FY 2017 Proposed Budget Public Hearing**
January 16	**FY 2017 Proposed Budget Presented for Consideration by City Commission**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

History

Kalamazoo began during the late 18th and early 19th centuries when European fur traders made their way to the area to set up trading posts. The Pottawatomie inhabited the area, but by the 1820's pioneers began making permanent settlements in the vicinity. The first plat of land was recorded in March of 1831 for the village of Bronson, which included a jail and academy squares. This parcel would later become Bronson Park, the city's most prominent park. The Michigan and Huron Institute (renamed Kalamazoo College in 1855) was granted a charter in 1833, while The Michigan Statesman, a weekly newspaper, which would become the Kalamazoo Gazette, was founded in 1835. The biggest change happened in 1836 when the name was changed to Kalamazoo, a word derived from the Algonquin language, but the true meaning is still debated.

The late 1870s and early 1880s saw more improvements for Kalamazoo. The first telephone line connected the Merrill and McCourtie Mill to its downtown offices in 1878. In 1884 Kalamazoo was the largest village in the United States with 16,500 citizens and voted in April of that year became the City of Kalamazoo. Banker and entrepreneur Allen Potter was elected the City's first Mayor. During the industrial age Kalamazoo was known world-wide for the production of wind engines, carriages, pharmaceuticals, corsets, musical instruments, fishing reels, stoves, mint oils, cigars, playing cards, regalia, paper products, celery, beer and coffins.

The City of Kalamazoo was incorporated as a commission-manager form of government in 1918, which grants the Commission as the legislative and governing body of the City. The first golf course, Gateway, was developed in 1924 south of Michigan Avenue where Western Michigan University now stands, and the City Hall was constructed in 1931 using the city's pay-as-you-go plan requiring no increase in property taxes or bonded indebtedness.

In 1959 the City closed sections of Burdick Street to create the nation's first open-air pedestrian shopping mall. To operate more efficiently, the City of Kalamazoo's Fire and Police departments were consolidated into the Department of Public Safety in 1982 and officers were cross-trained for better and quicker response. Like many communities in the early 1990's Kalamazoo struggled with the effects of increased unemployment combined with decreased revenue for both businesses and governments. Globalization forced downsizing and job losses at Upjohn, the area's largest employer, which would eventually merge with Pfizer, then the world's largest pharmaceutical company. Global competition also caused great losses in the automotive industry, the foundation of Michigan's economy.

The City's Economic Development Department employed creative tools to counter this trend. Investment in downtown became a priority, led by the City's Downtown Development Authority. Projects included the redevelopment of the Arcadia Commons area featuring a new home for the Kalamazoo Valley Museum and an outdoor festival site to draw citizen's downtown. The Kalamazoo Center, a hotel and convention center,

opened in the City in 1975, was later sold, and eventually was renovated extensively and became the Radisson Hotel. The City of Kalamazoo was one of the first cities in Michigan to create a Brownfield Redevelopment Authority (BRA) and implement a Brownfield Plan. The BRA remains a committed partner in the community, supporting sustainable redevelopment projects

There is an in depth history of the City of Kalamazoo on the web-site www.kalamazoocity.org additional history on the businesses; architecture and renovation of the City's historic structures can be found in the book "Kalamazoo Lost & Found" by Lynn Smith and Pamela Hall O'Connor Houghton.

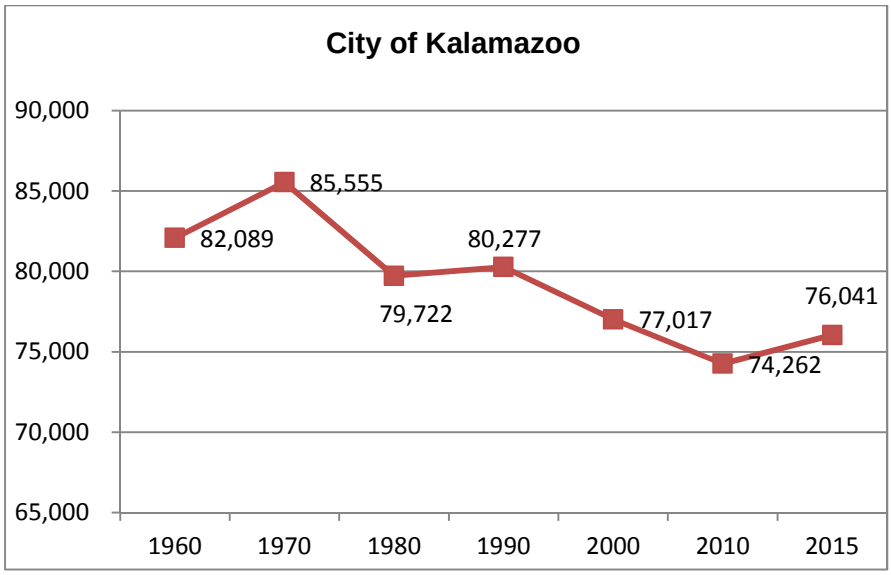
Today

Area and Location

The City of Kalamazoo resides within Kalamazoo County and encompasses an area approximately 26 square miles located in the southwest corner of Michigan's lower peninsula, approximately 136 miles west of Detroit, 73 miles southwest of Lansing (state capital of Michigan), and 145 miles east of Chicago Illinois. The City, also the county seat, is easily accessible from both I-94 and US 131, which cross the State from east to west and north to south respectively.

Population

Kalamazoo saw a decline in population in the 1980's due to the loss of manufacturing jobs particularly in the automotive industry. This was a trend for the entire State of Michigan during the 1980's and 1990's. Today the City's population is increasing with an estimated population in 2015 of 76,041 an increase of 2.3% since 2010. The population is 48.8% male and 51.1% female, and the median age of City residents is 26.4years. Over 89% of Kalamazoo residents have a high school diploma and 3% have a bachelor's degree or higher.

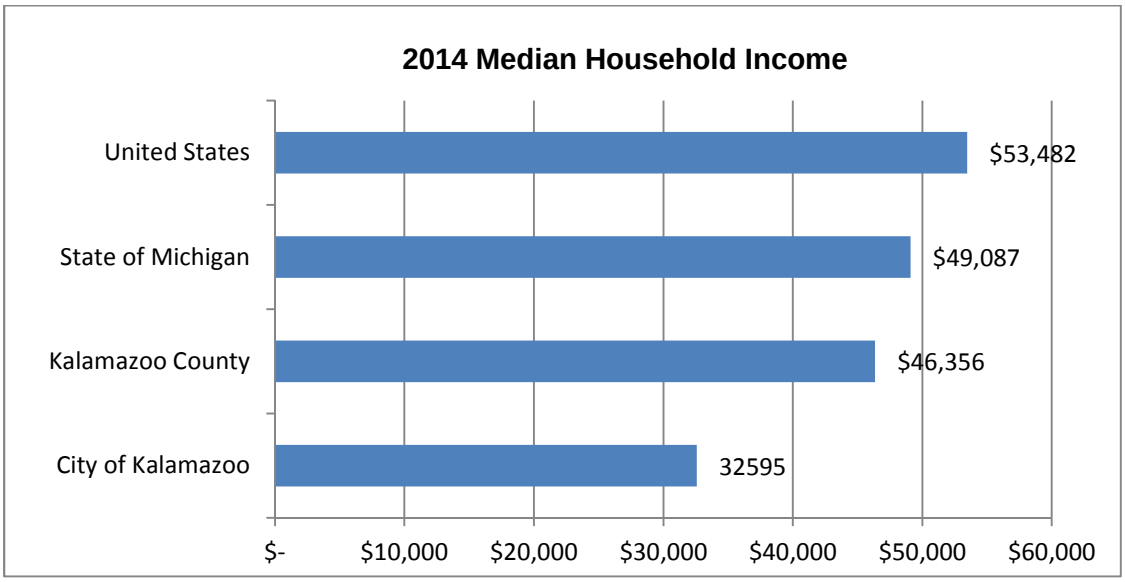


CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

Income

The City of Kalamazoo had an estimated median household income in of $32,959 in 2014 with 35% of the population living in poverty. According to the 2014 population estimates from the US Census Bureau, the population of the City living in poverty was 68,112 residents, of which 23,828 lived below the poverty limits split by gender with 11,564 male and 12,264 females determined to be living in poverty.

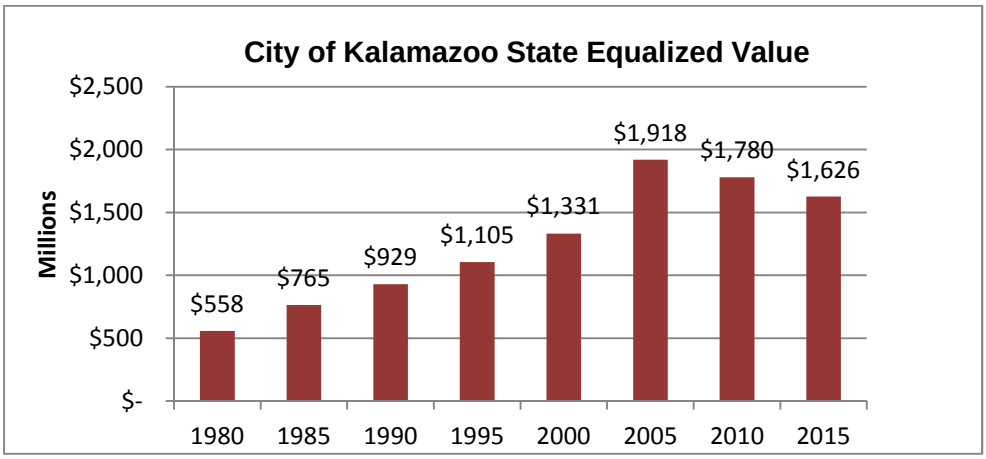
The median income for the City falls below the County, State and national averages. Working to eliminate poverty in the City is one of the priorities established by the City Commission in February of 2015.



Housing

The State Equalized Value (SEV) in the City is recovering from a 7% decline from of $1.9 billion in 2005 to the current amount of $1.63 billion in 2015. The split of the taxable value has remained consistent with 50.45% residential, 32.38% commercial and 17.17% industrial. The City has 40% of its tax base owned by institutions that are not taxable including three colleges and two hospitals. As a result, the City does not recover all costs on services delivered under the current revenue structure.

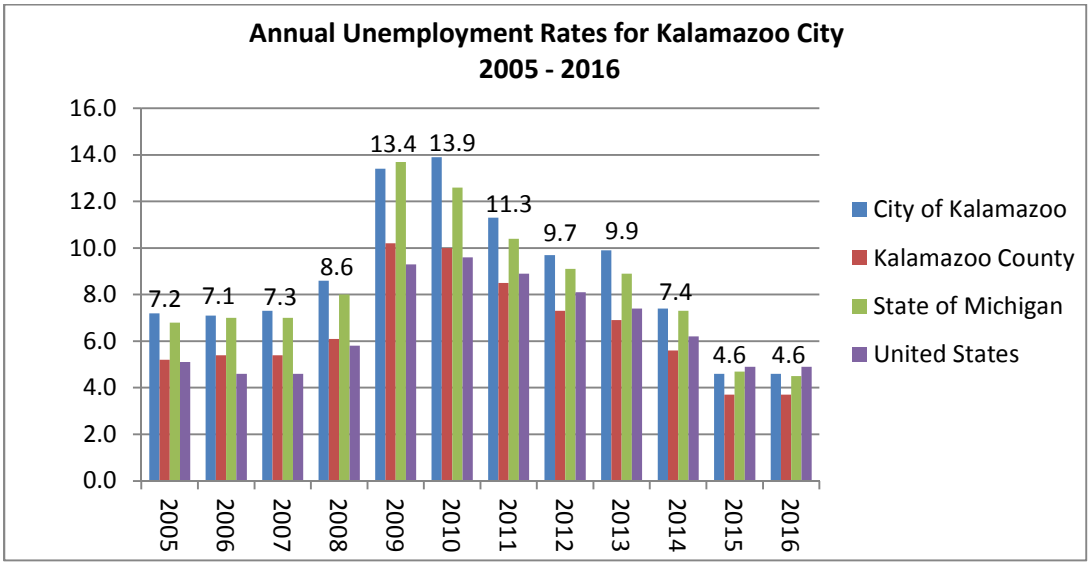
CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE



The City of Kalamazoo has over 20 active neighborhood associations. According to 2014 US Census Bureau, American Fact Finder, there are 32,411 units of housing of which 28,064 are occupied and 13.4% or 4,347 are vacant. The median monthly housing cost for residents with a mortgage is $1,121, owners without a mortgage averaged $475 and renters paid on average $707 in the City.

Employment

Industries in Kalamazoo include pharmaceuticals, healthcare, education, automotive manufacturing, banking, and insurance. Bronson Methodist Hospital is the City's largest employer with over 4,700 employees, followed by Borgess Medical Center with 4,200 employees. Western Michigan University, a leader in education, is the third largest employing over 4,000. The chart below demonstrates the unemployment rate for the City which has historically followed the State unemployment rate. In August 2016 the unemployment rates for the State of Michigan and Kalamazoo County were 4.5% and 3.7% respectively. The unemployment rate for the City of Kalamazoo was 4.6%.



CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

Education

The Kalamazoo Public School System (KPS) consists of 25 schools with a total enrollment of 12,538 students and 811 teachers. The four year graduation rate for KPS is 71.03% with a 12.71% dropout rate, compared to the State wide graduation percentage of 78.6%, and a 9.6% dropout rate.

During the school year the City's population increases by approximately 35,000 students. There are 8 colleges, universities, and trade schools within the City limits including Western Michigan University, Kalamazoo College, Davenport University, Kalamazoo Valley Community College, three satellite campuses including the University of Phoenix, Cornerstone University, and Spring Arbor College, and one trade school Olympia Career Training Institute.

The Kalamazoo Promise, created in 2005, brought state and national recognition to the Kalamazoo Public School System. To qualify for the scholarship a student has to live inside the district boundaries, attend KPS continuously through at least high school, and graduate from Kalamazoo Central, Loy Norrix or Phoenix high schools. The program covers up to 100 percent of tuition and mandatory fees for up to 130 credits at Michigan's public, private and community colleges. Students have up to 10 years after graduation to use the scholarship. At present, more than 4,948 students have been eligible for the Kalamazoo Promise Scholarship.

In August of 2015, the Kalamazoo Promise celebrated its 10-year anniversary at a community event in Bronson Park. The celebration took place just months after the June release of a study, "The Effects of the Kalamazoo Promise Scholarship on College Enrollment, Persistence, and Completion" published by the W.E. Upjohn Institute. The study found that students were a third more likely to graduate from college within six years of high school graduation as a result of the Kalamazoo Promise Scholarship. The study also found that recipients of the Promise enrolled in more college classes, were more likely to attend an in-state public university, and more likely to enroll in college the fall after their graduation. The increase in lifetime earnings for recipients of the scholarship compared with the costs of the program, indicate a rate of return of over 11%.

The Kalamazoo Promise®
The Promise We Keep
CELEBRATING 2005 10 2015 TEN YEARS

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

Healthcare

Residents of Kalamazoo are served by Bronson Methodist Hospital a national leader in healthcare quality and safety. A Level I Trauma Center since 1989, Bronson Hospital was also the first accredited Chest Pain Emergency Center in Southwest Michigan. The hospital was awarded the Magnet Recognition for Nursing excellence considered the gold standard in nursing care, a distinction held by only 7% of the nation's hospitals. The community is also served by Borgess Medical Center and the Family Health Center; providing care to uninsured and low income residents of Kalamazoo County.

Public Safety

The City of Kalamazoo provides police, fire and emergency medical services (EMS) through the Kalamazoo Department of Public Safety (KDPS). KDPS is the largest fully integrated police, fire and EMS department in the United States with 271 employees budgeted for 2017. Operating out of seven Public Safety facilities, the 212 sworn personnel provide a range of services to ensure that the residents and visitors of Kalamazoo are able to maintain a high quality of life. The organization is divided into six (6) divisions which are:

- Administration
- Community Outreach and Problem Solving
- Operations
- Criminal Investigations
- Service
- Training

The department was recognized in a study on "Engaging Communities One Step at a Time," conducted by the law-enforcement improvement organization, The Police Foundation. The report aims to provide models to demonstrate how other organizations can utilize the practices of other agencies. The foot patrols conducted by KDPS were described as "particularly innovative" in the report. In March of 2014, KDPS set out to knock on every residential door in the community, to learn about community problems and gather feedback on the department's performance.

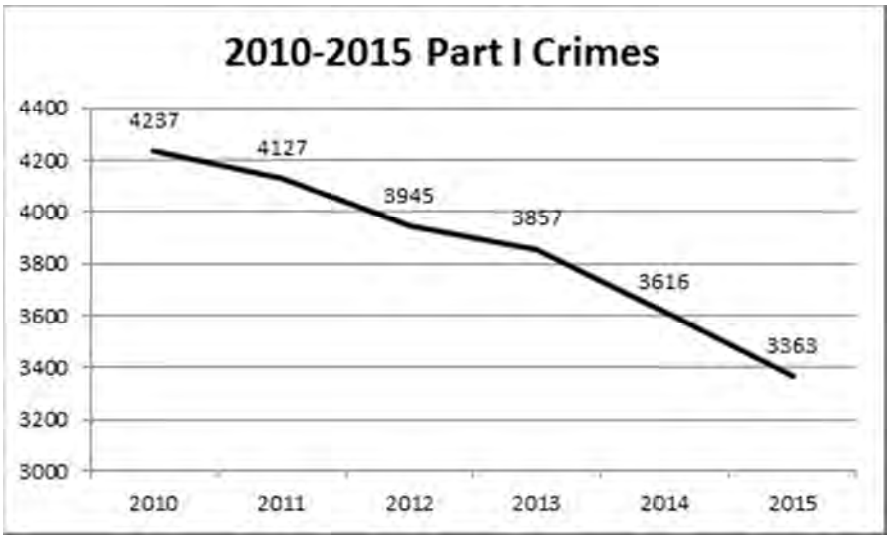
Officers canvas one of seven zones in the City on a daily basis, two blocks at a time, knocking on doors, and having conversations with residents. If the resident was not home a card was left that provided a contact number to call. To increase interaction and visibility with downtown shoppers and the business community, offices also conduct six-hour daily foot patrols down the Kalamazoo Mall. The study ultimately found that foot patrols positively impact police and community relationships, and have the potential to change how the community views the police, and is also rewarding for the officers involved.

Table 4: Identified Benefits and Challenges of Foot Patrol
Benefits of Foot Patrol
• Foot patrol facilitates relationship-building between officers and the community.
• Foot patrol enhances the enforcement and problem-solving capability of law enforcement.
• Relationships built through foot patrol can change how the community views police officers.
• Relationships built through foot patrol can increase the legitimacy of the police in the eyes of the community.
• Foot patrol is rewarding and psychologically beneficial for the officers involved.
Challenges for Implementation of Foot Patrol
• Foot patrol is manpower intensive.
• Traditional productivity measures may be inappropriate for assessing the performance of foot patrol officers.
• Foot patrol focused on community engagement may be seen as antithetical to the traditional crime control model of policing, which may create challenges for internal acceptance in some cases.

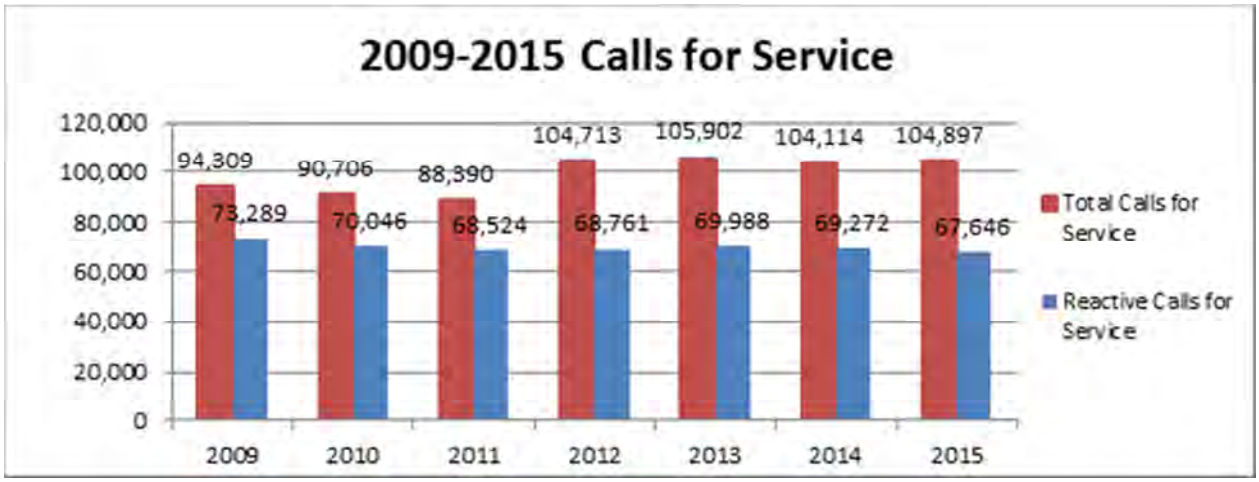
Analysis of foot patrol deployments in the five departments revealed a number of noticeable themes, some of which offer support for prior research on foot patrol.

The Police Foundation

Part I crime rates are defined by the Federal Bureau of Investigations as murder, arson, rape, robbery, auto theft, aggravated assault, burglary and larceny. The City of Kalamazoo continues to see a decrease in Part I crimes as a result of the professionalism and hard work provided by the men and women of KDPS. KDPS continues to proactively build meaningful relationships and trust in the community while providing the most efficient, effective and professional police/fire and EMS services to the residents and visitors of Kalamazoo.



Calls for service in the City of Kalamazoo include proactive and reactive responses to police, fire and EMS incidents. Over the past four (4) years, the calls for service have remained relatively steady with over 104,000 calls each year.



Transportation

The City's Metro Transit buses and the Metro County Connect service travels throughout the Kalamazoo urbanized area operating seven days a week. In September 2016, Sunday and late evening service was added to Metro Transit's existing schedule as a result of the Central County Transportation Authority millage that was approved by voters in August 2015. Fixed route bus service is now offered hourly on Sundays from 8:15 a.m. – 5:15 p.m. and many routes are available as late as 12:15 a.m. during the week.

There are currently 36 buses in service with 11 of them being hybrid electric buses. The goal is to increase routes and service times which will have a positive impact on ridership. There were 3.2 million trips in 2014 and 2.9 million in 2015 which is a decrease of 7%. The Kalamazoo/Battle Creek International Airport located within the City limits, is a non-hub, commercial services airport and serves the Kalamazoo and Battle Creek areas, among other communities in southwest Michigan. Additionally, a major east-west Amtrak rail line passes through the City providing daily rail passenger service.

In October of 2015, the Kalamazoo County Transportation Authority (KCTA), City of Kalamazoo Transportation Authority Board (TAB), and the City of Kalamazoo approved a Comprehensive Transfer Agreement with the Central County Transportation Authority (CCTA). The agreement would facilitate the transfer of the City of Kalamazoo Metro Transit bus system to the CCTA. After many months of preparing for the transfer, the transition to CCTA took effect on October 1, 2016.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

Public Services

The City of Kalamazoo provides residents with a wide variety of services such as water, wastewater, street and sidewalk maintenance, and snow removal. The department also provides environmental protection programs, maintains two city cemeteries, and offers bulk trash, brush, leaf, and recycling collection throughout the year.

Kalamazoo's public water supply system is the second largest groundwater-based drinking water system in Michigan and is ranked one of the lowest for water rates out of the twelve largest systems within the state. The city has a Michigan Department of Environmental Quality (MDEQ) approved Wellhead protection program, and in 2014 was awarded the Exemplary Source Water Protection Award by the American Water Works Association. Kalamazoo has also been designated a Groundwater Guardian Community by the Groundwater Foundation every year since 1998. Kalamazoo's water system provides 17 million gallons of water on an average day to 121,000 customers within 10 jurisdictions. The system includes approximately 813 miles of water main and 5,757 hydrants.

The City of Kalamazoo Water Reclamation Plant (KWRP) provides treatment services to more than 150,000 residents in 18 Kalamazoo-area municipal jurisdictions. The KWRP uses an innovative treatment system to treat a variety of pollutants in concentrations that most other plants cannot. The plant incorporates powdered activated carbon (PAC) treatment into its secondary process, which enables treatment of wastewater from a variety of industries without the need for pretreatment.

Parks & Recreation

The department of Parks and Recreation is vital to the Kalamazoo Community. The Parks Division maintains a total of 33 parks that includes eight major parks; La Crone, Milham, Spring Valley, Rose Park, Veterans Memorial, Crane Park, Martin Luther King Memorial, Bronson Park, and Mayor's Riverfront with Homer Stryker Field which is home to the Growlers, a semi-professional baseball team. The Bronson Park 21st Century Campaign was launched to raise awareness of the parks historical fountain and gather community input on the parks redevelopment. The $2.8 million dollar fundraising campaign will upgrade the park to include various seating options, an enhanced sound for stage performances, an ice rink and splash pad, and utilization of the park for educational purposes. The recreation division holds several community events during the year which are free to the citizens of Kalamazoo including, the Christmas tree lighting, egg and candy cane hunts, Movies in the Park, Safe Halloween, and several youth and adult recreation programs to promote health and fitness. Other events like Lunchtime Live are sponsored by the department to engage local businesses and create an economic impact.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

Economy & Development

The Brownfield Redevelopment Authority continues to play an integral role in Kalamazoo's economy and development. Plans have been approved to renovate the building that houses Heritage Guitars. An estimated $12 million will be put towards the renovation. PlazaCorp will reduce the size of the facility from 167,000 square-feet to 147,000 and the 5 acres it resides on will have a mixed-use purpose. Along with updated and expanding area for manufacturing there will be an addition of a 2000-square-foot beer garden and a restaurant. The BRA agreed to contribute $1.9 million towards site improvement such as; demolition, lead and asbestos abatement, site preparation, infrastructure improvement, environmental assessment, and environmental response activities.

The historic Depot building in downtown Kalamazoo is being renovated and converted for commercial and office use. First National Bank of Kalamazoo, the Michigan Economic Development Corporation, the city of Kalamazoo's BRA along with the Kalamazoo DDA have all funded the project that will bring Hopcat, a craft beer bar, Maru Sushi and Grill, and office space to the former train depot. Barfly LLC plans to invest $2 million into the building renovation. This project is expected to create 100 jobs.

Another mixed-use project is The Foundry. The first phase will cost $10 million and may grow to become a three-phase office-retail-residential complex. Phase I will update the 53,000 square-foot building which sits on 3.6 acres by creating 6,000 square feet of two story office space, and a 47,000 square-foot attached warehouse. Treystar, the developer, has also purchased 7 acres of land south of the current location to continue phases II and III. The later phases will include residential space and the tenants of The Foundry can expect the renovation to be completed in May of 2017 and the creation of 100 jobs.

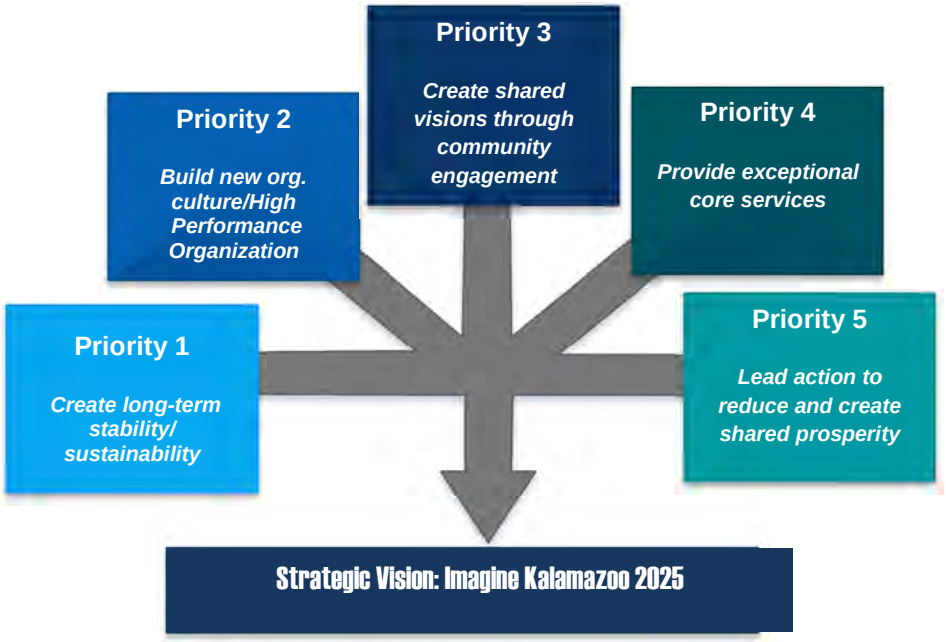
Developer Tom Huff has bought the building that formerly housed PNC Bank and resides in downtown Kalamazoo. Part of the 46,000 square foot space was first occupied by First National Bank of Kalamazoo in 1863. The building will feature indoor parking, with luxury apartments on the second and third floors. Renovation of the interior is expected to cost around $5-6 million and is expected to be completed during FY 2017.

North of Downtown, local entrepreneurs Jon Durham, Herb Ayres, and Mac Waldorf invested approximately $4.4 million into converting a former warehouse into micro-apartments geared towards young adults and recent college graduates. These apartments have a rustic, yet modern look. The structure is 34,000 square feet and includes 31 one- and two-bedroom apartments and 16 micro-apartments with a restaurant and patio attached. The renovation was completed in 2016.

Also, in Kalamazoo's river edge area, a new structure will be built at Harrison and Ransom streets which will be called Harrison Circle. The structure will cost NoMi Developers $15 million and is expected to be finished the summer of 2017. This plan includes a five-story building with two tower-like sections of 30,000 square feet of residential space and 40,000 square feet of commercial space totaling 70,000. There are 50 micro-apartments and an equal number of larger one- and two-bedroom apartments planned in the development.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

2016-2017 City Commission Priorities



The City Commission maintained their focus on five priorities

1. <u>Create long-term stability/sustainability given new realities</u>

A. Legacy costs

The Legacy Costs Task Force (LCTF) will research, study, and explore options that account for the City's long-term financial liability for providing health care to its retirees. The Task Force will study the legacy costs, and recommend workable options for the City Commission to consider before the end of the summer of 2014.

<u>2016 Accomplishments & Outcomes</u>

- The City established an Other Post Employment Benefit (OPEB) trust and issued a $90 million bond in 2015 to pay for retiree healthcare and stabilize the annual expense associated with these benefits.
- Retirees who elected to enroll in Medicare Part B reported no issues in 2016. Retirees who elected not to participate are being contacted by mail and offered the same incentive for 2016.
- Health Savings Plan is currently being developed for Non-Bargaining Unit employees for 2016.
- A working group established in 2015 investigated issues surrounding compensation for NBU employees. The human resources department is currently exploring options for a more appropriate compensation system for non-union employees.

B. Creating a budget process that addresses new realities (Priority Based Budget)

The team will research best practices around developing a Priority Based Budget (PBB) process and will recommend how this process can be used in Kalamazoo; it will implement a PBB process per the direction of the City Manager and City Commission.

2016 Accomplishments & Outcomes

- The PBB Fiscal Wellness Tool was created to inform and guide resource allocation decisions and will be available FY2016.
- Staff have prepared a second annual budget guided by the principals of priority based budgeting. The process was greatly streamlined and refined in its second year.
- City Staff refined an initial inventory of 1100 service delivery programs. This more accurate inventory was then costed, scored and ranked by relevance to community results. The Resource Alignment Tool allows the City to continue a community dialogue regarding resource allocation.
- City staff will continue making resource allocation decisions through the PBB lens, to ensure budgets that are responsible and consistent with community values.

C. Generating new revenue

The team will review other forms of revenue including non-profits, income tax, a county-wide tax; produce a comprehensive menu of options for new revenue to support the City's operations, capital and long-range goals; re-evaluate tax breaks/pro-growth policies; and review examples of cities that have successfully implemented different tax break policies and pro-growth policies.

2016 Accomplishments & Outcomes

- A 21-member Blue Ribbon Revenue Panel was convened in 2015 to explore revenue options that could be considered by the City Commission. The panel consisted of representatives throughout the city representing the entire s of sectors and interests. The Panel concluded their work and offered a report to the City Commission in January 2016.
- The panel ultimately recommended five of the ten options considered. City Administration are currently working to implement a Countywide emergency dispatch which is estimated to provide savings of up to $2.0 million annually, however the Panel's recommendations fell short of addressing the complete shortfall.

In light of this, City Officials began exploring the feasibility of a philanthropic approach to addressing the budget shortfall. At a July 2016 City Commission Work session, City Officials introduced the "Foundation for Excellence," a partnership with area philanthropists to create an endowment to provide funding for inspirational programs, infrastructure, and a lower property tax rate. A memorandum of understanding is anticipated to be presented to the City Commission in fall 2016 as the first official step of this option.

D. Advocacy

The team will be pro-active in tracking and engaging in legislation/policy that affects local units of government. They plan to meet on a quarterly basis with the City Commission Legislative Committee and our lobbyist to identify legislation to track and, if need be, testify before the State Legislature. The team will also look at convening regular meetings in Kalamazoo with our local legislators to discuss proposed legislation, policies and issues pertinent to local government.

2016 Accomplishments & Outcomes

- The Legislative committee continues to work with local representatives in state and federal government to promote legislation benefiting the city and its residents including issues such as road funding, municipal financing, and economic development.

2. Building a new organizational culture by engaging the workforce in developing a high performance organization

A. Strategic Alignment Plan/Workforce realignment

The team will evaluate the outcomes of the Strategic Alignment Plans to determine if the results are the best possible outcomes to meet the City's needs, and recommend adjustments as needed (position structure, assignments and training)

B. Optimize the talent of the workforce

The team will look for ways to use the talents of our current employees that will create efficiencies, making the workforce more flexible and team-oriented. Emphasis will be made on developing cultural competency in the workforce.

2016 Accomplishments & Outcomes

- A workgroup was formed with staff members from across the organization to explore possible efficiencies in processes and utilization of staff. A list of over 40 recommendations was provided to top-level management for consideration in 2015. Many of these have been implemented or are in process such as centralizing and streamlining accounts payable functions, improving electronic document management, consolidating special events management with the Parks & Recreation Department, the addition of a Grants Specialist position, and expanding the VOIP telephone system organization-wide.
- The City's Public Services Department is undergoing a reorganization to better utilize staff and resources, and offer services in a more effective manner.

C. Foster a high performance culture/expectation – broadly, across the organization

The team will create a work environment throughout the City that motivates employees to provide the best possible customer service with the resources available.

2016 Accomplishments & Outcomes

- The High Performance Organization model is being implemented organization-wide, with emphasis on employee attraction & retention, training, documenting institutional knowledge, and creating a new vision for employees and the organization. A study group completed their work reviewing the current compensation system for non-bargaining (NBU) employees and recommend changes which are being considered by Human Resources.

D. Policy effectiveness

The team will recommend tactics for ensuring new proposals comply with applicable policies, plans and strategies; recommend goals and tactics for measuring and reporting on the implementation and effectiveness of the City's current policies, plans and strategies.

2016 Accomplishments & Outcomes

- City Staff prepared a comprehensive list of customer service standards to be implemented city-wide in all departments. Staff are in the preliminary stages of preparing various trainings for new and current staff.
- Several internal processes were modified to improve efficiency based on recommendations from the internal staff SSG workgroup.

E. Technology use to increase service efficiency

The team will make recommendations for efficiency improvements to be gained by the use of technology. All potential efficiency improvements will be broken down by department or detailed as City-wide.

2016 Accomplishments & Outcomes

- Increased focus on social media as a low-cost method of informing and engaging city residents. In the first nine months of 2016, Facebook likes have increased over 400% and average post reach has increased over 700% (when compared to the prior nine month period).
- The City's bi-weekly newsletter continues to highlight important news, events, and meetings, and encourages residents to participate in public events.

Public Services partnered with Recycle Coach to offer a mobile app and website plug in for residential services. The app and plug in provide customized collection schedules, notices, recycling information, and also provide an avenue to report issues.

3. Creating a shared vision/future direction based on Intentional community engagement

A. Develop an effective process for intentional engagement to create shared vision/future direction

2016 Accomplishments & Outcomes

- Staff has a strategic vision effort, Imagine Kalamazoo 2025, which is a community driven effort to create a 10 year strategic vision that guides five-year plans and policies and directs

annual actions and budgets. This process will integrate multiple efforts including PBB, updates to the Master Plan, a Downtown Comprehensive Plan, and aNon-motorized Plan.

- The Imagine Kalamazoo 2025 Master Plan and Strategic Vision update effort began in February 2016. Staff and volunteers have held workshops and meetings throughout the year. They have also hosted tables at events, created "meetings on the go", offered online participation, and partnered with area organizations to make participation convenient and encourage engagement.
- Staff continue to develop a framework to guide public participation on city projects, policies, and key decisions. This draft framework will be vetted and shaped with community members to inform a Public Participation Plan to direct future communication and community engagement strategies.
- After implementing ImagineKalamazoo.com, staff has elected to switch vendors to optimize community input opportunities and offer unique engagement tools.

B. Comprehensive communications plan – two way street / education

The team will inventory all the communications activities of the City to determine how we are currently communicating with the public, staff and the City Commission and how those activities can be better coordinated; it will address how the community can better communicate with their local government; and how we can better use technology, social media, etc. to inform and communicate with the public.

2016 Accomplishments & Outcomes

- Vastly improved social media presence via Facebook and Twitter. Dramatically increased engagement, followers, and reach. Social media has been an effective tool in communicating Imagine Kalamazoo 2025 events, changes to public services, construction projects, and other items.
- The City's bi-weekly newsletter continues to highlight important news, events, and meetings, and encourage residents to participate in decision making.
- Increased use of email lists to communicate with stakeholder groups regarding PBB and Shared Prosperity Kalamazoo.
- Planning staff introduced a new Imagine Kalamazoo website for the Master Plan and Strategic Vision update process, including changing vendors for online engagement. Planning staff and volunteers also have made an effort to attend public events to engage residents about Imagine Kalamazoo 2025 and pursued a variety of alternative engagement strategies.

4. Continuing to provide exceptional services – "core"

Measurement of success/results we expect: The team will provide a reporting system that can be utilized to track and evaluate the progress of each Commission Priority. Measurable goals will follow SMART goal criteria-Specific; Measurable; Allowable; Relevant and Timely. Once goals and targets are established, performance will be evaluated by documenting actual results with proposed targets through a scorecard. The scorecard will contain a summary page and individual priority worksheets that may combine narrative, scheduling and data formats.

2016 Accomplishments & Outcomes

- PBB "Resource Allocation Diagnostic Tool" has been developed to evaluate city programs and their impact relative to priorities identified by city residents. PBB process will continue to inform resource allocation decisions and continue to be refined.
- Ground was broken on the downtown Kalamazoo River Valley Trail Connection in September. The trail will connect segments of the KRVT through downtown as well as providing a connection to the Kal-Haven Trail.
- Insight gleaned from the PBB process will be used as measurement criteria for effectiveness of city services and policies.
- Kalamazoo Metro Transit began offering late night service and Sunday service in September. This was possible do the CCTA millage that was approved by voters in August 2015.

5. The Kalamazoo City Commission will take a leadership role in fostering collective action to reduce unacceptable poverty – especially of children – in the City of Kalamazoo

2016 Accomplishments & Outcomes

- "Shared Prosperity Kalamazoo," continues to work with stakeholder groups to address issues contributing to poverty in the city.
- All thing Possible program was held again this summer and staff are currently working to expand the program, designing a version for the Fall
- SPK is expanding community partnerships and targeting reentry efforts, entrepreneurial activity, and working poor families
- Kalamazoo passed a fair chance ordinance to "ban the box", expanding opportunities to at risk individuals.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

Priority Based Budgeting

As part of the City's efforts to create long-term stability and sustainability, a new approach to budgeting was introduced in 2015 that will be implemented beginning with the 2016 budget. This new approach, Priority Based Budgeting (PBB), is a process that evaluates current city programs by their influence in achieving the most desired outcomes of the community, and uses this as the basis for allocating resources more effectively.

City staff held a series of public meetings with 160 attendees and other outreach efforts including the web-site “Imagine Kalamazoo” with 100 participants to determine what the community expects from its local government, and what is most important to the citizens of Kalamazoo. The end result of this process was the creation of a series of “Results Maps,” identifying the critical attributes of community-oriented and governance priorities of the community.

The City reviewed the original PBB program inventory which resulted in a total of 514 programs consisting of 456 community and governance programs, and 24 administrative programs. The projected program cost for the FY 2017 Proposed budget is $94.8 million with 610 full time employees.

The City has evaluated each program based on a multitude of factors, including the dependency of the community on the City to provide the service, the amount of the community served, changes in the demand for service, potential partners who can collaborate to deliver the service more cost-effectively, the level of cost recovery, and how each program achieves the outcomes and results that are of the highest priority to the City’s residents.

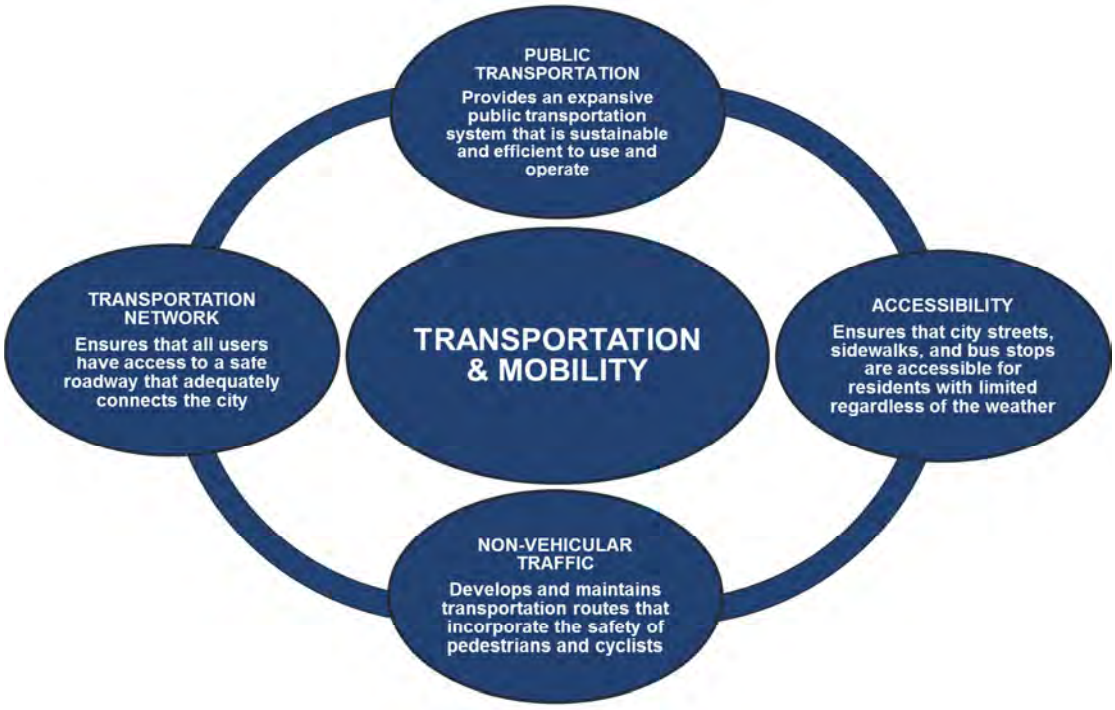
For additional information on Priority Based Budgeting, visit www.kalamazoocity.org/pbb.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

Result Map #1 – Strong Community

Results Map #2 – Economic Success

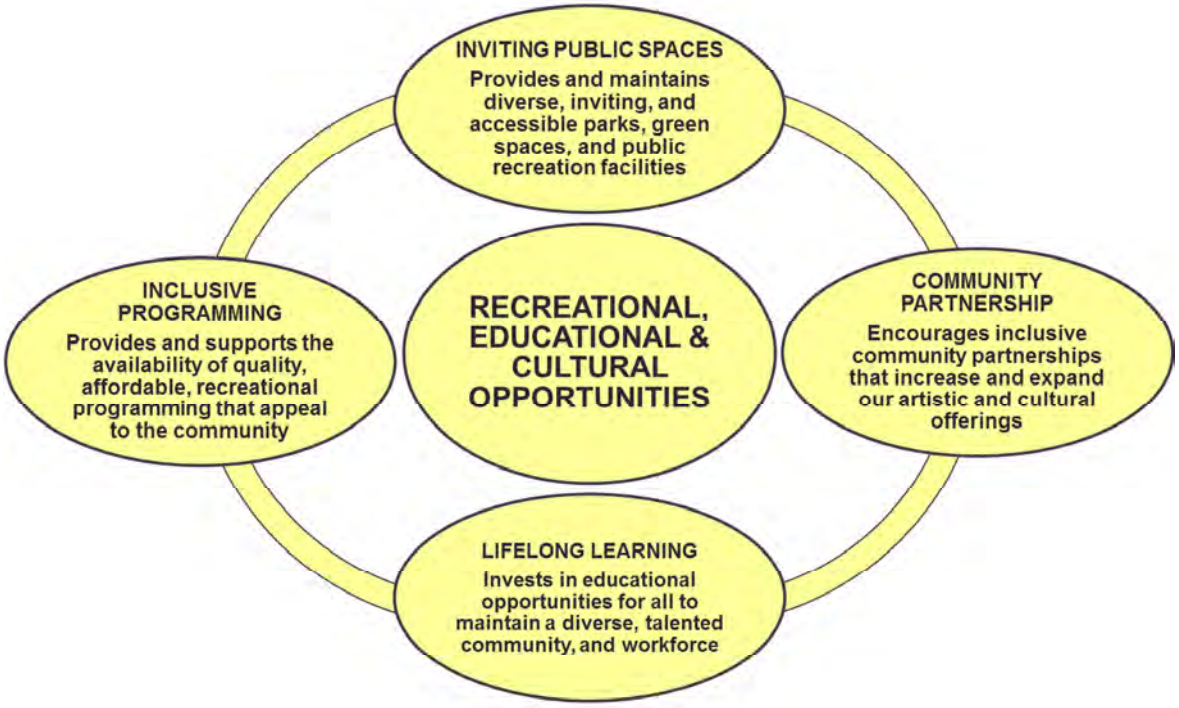
Result Map #3 – Transportation & Mobility



Result Map #4 – Environmental Responsibility

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

Result Map #5 – Recreational, Educational & Cultural Opportunities



Result Map #6 – Safe Community

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

The **Governance Result Map** is a map of the unique support functions of City government. These functions help other programs achieve the Strategic Results maps.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

What makes Kalamazoo a great place to live?

The City of Kalamazoo's Parks and Cemetery Systems

667 acres of parkland (36 separate facilities)
275 acres of lakes
3 municipal golf courses
1 swimming pool
2 public cemeteries
1 festival site
Mayors' Riverfront Ballpark

The City of Kalamazoo's Street System

83 miles of major streets
166 miles of local streets
15 miles of paved bike lanes
10 miles of bike routes
4.6 miles of multi-use trails

The City of Kalamazoo's Water System

766 miles of water main
19 million gallons per day average demand
Approximately 5,836 hydrants
8 storage tanks
16 water supply stations
99 wells
Water franchise agreements with 10 municipalities

The City of Kalamazoo's Wastewater System

52.4 million gallons per day treatment plant capacity
300 miles of sanitary sewer (2014 in-city only)
62 lift stations (city and townships)
Franchise agreements with 20 municipalities

The City of Kalamazoo's Stormwater System

228 miles of stormwater drain
470 total outfalls
11,616 catch basins/inlets
4,670 manholes

The City of Kalamazoo's Awards

Citizen Award, Michigan Historic Preservation Network, 2011
Daniel L Becker Award for Local Leadership in Preservation, National Alliance of Preservation Commissions, 2014
MEDC Redevelopment Ready Certification Program (accepted into program 2015)

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PROFILE

GFOA Certificate of Excellence in Budgeting, 22 years
GFOA Certificate of Achievement for Excellence in Financial Reporting,
National Exemplary Source Water Protection Award (Large Groundwater Systems), American Water Works Association, 2014
Exemplary Wellhead Protection Program Award (Large Groundwater Systems), American Water Works Association (Michigan Section), 2013
Groundwater Guardian Community, The Groundwater Foundation, 17 years, expected to receive again in fall 2015
MDEQ Wellhead Protection Program Grant Recipient, 15 years
Tree City USA, 23 years

THE CITY OF

Kalamazoo

CITY OF KALAMAZOO
2017 PROPOSED BUDGET

SUMMARY OF EXPENDITURES - ALL FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2016/2017 Variance	2018 Projected
GOVERNMENTAL							
GENERAL	**50,621,611**	**55,662,114**	**56,201,914**	**55,928,157**	**57,960,076**	**4.13%**	**59,884,209**
CAPITAL IMPROVEMENT	**5,297,285**	**7,569,520**	**11,189,526**	**11,241,963**	**5,842,769**	**-22.81%**	**8,755,753**
SPECIAL REVENUE							
Major Streets	8,639,814	11,406,619	12,608,616	11,478,923	11,474,089	0.59%	10,432,692
Local Streets	4,493,419	3,578,445	3,750,082	3,442,974	3,683,810	2.94%	3,813,156
Cemeteries	562,220	511,811	512,133	377,987	651,658	27.32%	602,191
Solid Waste	4,015,215	2,638,932	2,638,932	2,775,626	2,664,716	0.98%	2,723,003
Blight Abatement	269	-	-	-	26,529	0.00%	-
Brownfield LSRR	309,597	2,250,750	2,250,750	107,875	2,475,375	9.98%	331,000
Economic Intiative	790,000	1,080,312	1,330,312	1,008,312	282,000	-73.90%	107,000
Economic Opportunity	360,000	101,389	101,389	101,136	-	-100.00%	-
Façade Improvement Program	31,585	-	-	852	611	0.00%	-
Small Business Loans	85,212	1,323	1,323	12,148	1,200	-9.30%	-
Private Purpose Trust & Donations	115,922	162,707	201,579	220,990	131,740	-19.03%	131,740
K-VET Drug Enforcement	340,217	363,334	363,334	388,126	283,142	-22.07%	283,150
Micro-Enterprise Revolving Loans	10,867	-	-	-	-	0.00%	-
Community Development Administration	915,830	964,884	1,004,884	894,194	865,547	-10.30%	906,898
Community Development Entitlement	1,352,440	150,004	1,661,519	1,661,040	150,000	0.00%	150,000
Miscellaneous Grants	1,773,615	832,002	2,092,056	1,962,105	922,000	10.82%	922,000
TOTAL SPECIAL REVENUE	**23,796,222**	**24,042,512**	**28,516,909**	**24,432,288**	**23,612,417**	**-1.79%**	**20,402,830**
TOTAL GOVERNMENTAL	**79,715,118**	**87,274,146**	**95,908,349**	**91,602,408**	**87,415,262**	**0.16%**	**89,042,792**
ENTERPRISE							
Kalamazoo Farmers Market	21,845	15,569	15,569	17,622	15,634	0.42%	15,948
Wastewater Division	24,224,982	26,082,226	27,066,204	26,912,845	32,324,932	23.93%	32,422,479
Water Division	19,256,441	20,459,760	21,180,325	20,938,901	25,908,674	26.63%	25,472,022
Kalamazoo Municpal Golf Association	1,894,685	1,704,259	1,704,259	1,704,259	1,704,259	0.00%	1,704,259
TOTAL ENTERPRISE	**45,397,953**	**48,261,814**	**49,966,357**	**49,573,627**	**59,953,498**	**24.23%**	**59,614,708**
GRAND TOTAL ALL FUNDS	**125,113,071**	**135,535,960**	**145,874,706**	**141,176,035**	**147,368,761**	**8.73%**	**148,657,500**
Informational Purposes Only							
PENSION SYSTEM	30,696,754	30,937,924	30,937,924	30,543,266	30,915,599	-0.07%	31,224,555
OPEB SYSTEM	9,931,048	11,106,500	11,106,500	9,534,870	9,876,125	-11%	9,974,626
INTERNAL SERVICE FUNDS (ISF)							
Insurance	15,576,889	13,090,370	13,115,777	13,349,403	13,404,345	2.40%	15,042,721

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
REVENUES AND EXPENDITURES BY CATEGORY
BY ALL FUND CATEGORIES

2015 ACTUALS

	GENERAL FUND	CIP FUND	SPECIAL REVENUE FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
REVENUES					
Operating Taxes- Current Year	28,391,408	-	3,099,151	-	31,490,559
Other Taxes / PILOT Payment	1,909,653	-	-	-	1,909,653
Licenses, Permits & Fees	2,464,874	-	-	-	2,464,874
Intergovernmental Contributions	9,862,730	326,880	9,943,174	76,986	20,209,770
Charges for Services	10,046,810	-	176,689	35,376,287	45,599,786
Fines & Forfeitures	30,588	-	-	-	30,588
Other Revenue	715,661	672,308	4,777,329	3,877,463	10,042,761
Local Contributions	-	-	127,573	-	127,573
Bond Proceeds	-	2,325,738	2,703,500	-	5,029,238
Transfers In	525,589	2,100,004	1,509,428	-	4,135,021
Working Capital Contribution (to)/from	(3,325,702)	(127,645)	1,459,378	6,067,217	4,073,248
TOTAL REVENUES	**50,621,611**	**5,297,285**	**23,796,222**	**45,397,953**	**125,113,071**
EXPENDITURES					
Personnel	34,033,090	-	7,262,862	10,847,427	52,143,379
Operating	7,858,190	-	8,332,536	26,749,219	42,939,945
Capital	643,886	2,503,732	294,023	3,379,391	6,821,032
Services	2,376,828	-	3,468,170	-	5,844,998
Debt Service	3,609,614	2,793,553	2,652,552	4,421,916	13,477,635
Transfers Out	2,100,004	-	1,786,079	-	3,886,083
Expenditure Reductions	-	-	-	-	-
					-
TOTAL EXPENDITURES	**50,621,611**	**5,297,285**	**23,796,222**	**45,397,953**	**125,113,071**
			-		

PROJECTED 2016

	GENERAL FUND	CIP FUND	SPECIAL REVENUE FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
REVENUES					
Operating Taxes- Current Year	27,931,949	-	3,216,526	-	31,148,475
Other Taxes / PILOT Payment	1,963,951	-	-	-	1,963,951
Licenses, Permits & Fees	2,375,335	-	-	-	2,375,335
Intergovernmental Contributions	9,521,542	1,262,628	13,459,789	60,842	24,304,801
Charges for Services	10,040,658	-	155,280	35,402,344	45,598,282
Fines & Forfeitures	30,800	-	-	-	30,800
Other Revenue	559,512	555,000	1,523,266	679,503	3,317,281
Local Contributions	-	3,604,702	69,316	-	3,674,018
Bond Proceeds	-	3,054,445	2,650,000	-	5,704,445
Transfers In	650,000	2,100,000	1,507,836	-	4,257,836
Working Capital Contribution (to)/from	2,854,409	665,188	1,850,275	13,430,938	18,800,810
TOTAL REVENUES	**55,928,157**	**11,241,963**	**24,432,288**	**49,573,627**	**141,176,035**
EXPENDITURES					
Personnel	38,537,958	-	4,047,137	9,135,305	51,720,400
Operating	8,091,438	-	8,678,839	29,624,673	46,394,950
Capital	958,457	8,423,256	341,679	6,669,531	16,392,923
Services	2,407,379	-	6,907,600	-	9,314,979
Debt Service	3,832,925	2,818,707	2,584,585	4,144,118	13,380,335
Transfers Out	2,100,000	-	1,872,448	-	3,972,448
Expenditure Reductions	-	-	-	-	-
					-
TOTAL EXPENDITURES	**55,928,157**	**11,241,963**	**24,432,288**	**49,573,627**	**141,176,035**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
REVENUES AND EXPENDITURES BY CATEGORY
BY ALL FUND CATEGORIES

PROPOSED 2017

	GENERAL FUND	CIP FUND	SPECIAL REVENUE FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
REVENUES					
Operating Taxes- Current Year	18,351,382	-	2,861,081	-	21,212,463
Other Taxes / PILOT Payment	1,997,442	-	-	-	1,997,442
Licenses, Permits & Fees	2,384,980	-	-	-	2,384,980
Intergovernmental Contributions	9,973,349	300,000	12,769,374	-	23,042,723
Charges for Services	10,356,680	-	151,350	38,576,270	49,084,300
Fines & Forfeitures	36,300	-	-	-	36,300
Other Revenue	1,521,752	555,000	727,794	573,948	3,378,494
Local Contributions	-	124,000	-	-	124,000
Bond Proceeds	-	2,654,800	4,055,600	-	6,710,400
Transfers In	-	2,100,000	850,578	-	2,950,578
Foundation for Excellence	11,039,677	-	-	-	11,039,677
Working Capital Contribution (to)/from	2,298,514	108,969	2,196,640	20,803,280	25,407,404
TOTAL REVENUES	**57,960,076**	**5,842,769**	**23,612,417**	**59,953,498**	**147,368,761**
EXPENDITURES					
Personnel	39,883,481	-	4,242,242	10,014,810	54,140,533
Operating	8,706,936	-	6,510,670	29,816,552	45,034,158
Capital	1,039,300	2,978,800	183,500	15,858,000	20,059,600
Services	2,394,427	-	7,697,171	-	10,091,598
Debt Service	3,835,932	2,863,969	2,595,023	4,264,136	13,559,060
Transfers Out	2,100,000	-	2,383,811	-	4,483,811
					-
TOTAL EXPENDITURES	**57,960,076**	**5,842,769**	**23,612,417**	**59,953,498**	**147,368,761**

PROJECTED 2018

	GENERAL FUND	CIP FUND	SPECIAL REVENUE FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
REVENUES					
Operating Taxes- Current Year	18,718,409	-	3,389,641	-	22,108,050
Other Taxes / PILOT Payment	2,037,391	-	-	-	2,037,391
Licenses, Permits & Fees	2,432,680	-	-	-	2,432,680
Intergovernmental Contributions	9,822,816	-	13,098,159	-	22,920,975
Charges for Services	11,492,929	-	151,350	38,576,270	50,220,549
Fines & Forfeitures	37,026	-	-	-	37,026
Other Revenue	536,970	556,500	768,483	573,948	2,435,901
Local Contributions	-	2,262,500	-	-	2,262,500
Bond Proceeds	-	3,375,750	2,785,000	-	6,160,750
Transfers In	670,000	2,225,000	1,460,578	170,000	4,525,578
Foundation for Excellence	14,979,355	-	-	-	14,979,355
Working Capital Contribution (to)/from	(843,367)	336,003	(1,250,381)	20,294,490	18,536,744
TOTAL REVENUES	**59,884,209**	**8,755,753**	**20,402,830**	**59,614,708**	**148,657,500**
EXPENDITURES					
Personnel	41,433,496	-	4,444,737	10,556,490	56,434,723
Operating	8,905,769	-	6,038,841	30,384,706	45,329,316
Capital	1,091,480	5,638,250	183,500	14,461,000	21,374,230
Services	2,392,532	-	5,254,000	-	7,646,532
Debt Service	3,835,932	3,117,503	3,449,752	4,212,511	14,615,698
Transfers Out	2,225,000	-	1,032,000	-	3,257,000
					-
TOTAL EXPENDITURES	**59,884,209**	**8,755,753**	**20,402,830**	**59,614,708**	**148,657,500**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
2016 PROJECTED FUND BALANCE - ALL FUNDS

	January 1 Balance	Estimated Resources	Projected Expenditures & Transfers	Over/ (Under) Expenses & Transfers	Use of / (Contribution to) Designations	December 31 2016 Balance
GOVERNMENTAL						
GENERAL	**12,821,521**	**53,073,747**	**55,928,157**	**(2,854,409)**	**-**	**9,967,112**
CAPITAL IMPROVEMENT	**1,338,466**	**10,576,775**	**11,241,963**	**(665,188)**	**-**	**673,278**
SPECIAL REVENUE						
Major Streets	2,257,726	9,765,697	11,478,923	(1,713,226)	335,912	880,412
Local Streets	1,274,033	3,489,756	3,442,974	46,782	-	1,320,815
Cemeteries	245,111	472,476	377,987	94,489	-	339,600
Solid Waste	575,340	2,551,171	2,775,626	(224,455)	-	350,885
Blight Abatement	26,515	14	-	14	-	26,529
Brownfield LSRR	1,870,000	878,889	107,875	771,014	-	2,641,014
Economic Intiative	1,280,561	37,000	1,008,312	(971,312)	-	309,249
Economic Opportunity	100,836	300	101,136	(100,836)	-	-
Façade Improvement Program	-	852	852	-	-	-
Small Business Loans	114,789	15,228	12,148	3,080	-	117,869
Private Purpose Trust & Donations	515,706	428,040	220,990	207,050	-	722,756
Micoenterprise Revolving Loans	79,133	-	-	-	-	79,133
K-VET Drug Enforcement	434,196	280,500	388,126	(107,626)	-	326,570
Community Development Entitlement	164,785	2,549,190	2,555,234	(6,044)	-	158,741
Miscellaneous Grants	74	2,112,900	1,962,105	150,795	-	150,869
TOTAL SPECIAL REVENUE	**8,938,804**	**23,476,207**	**24,432,288**	**(956,081)**	**335,912**	**8,318,636**
TOTAL GOVERNMENTAL	**23,098,791**	**87,126,729**	**91,602,408**	**(4,475,678)**	**335,912**	**18,959,025**
ENTERPRISE						
Kalamazoo Farmers Market	111,629	17,500	17,622	(122)	-	111,507
Wastewater Division	99,097,813	20,021,932	26,912,845	(6,890,913)	-	92,206,900
Water Division	90,502,624	14,502,351	20,938,901	(6,436,550)	-	84,066,074
Kalamazoo Municipal Golf Association	202,252	1,600,906	1,704,259	(103,353)	-	98,899
TOTAL ENTERPRISE	**189,914,318**	**36,142,689**	**49,573,627**	**(13,430,938)**	**-**	**176,483,380**
TOTAL ALL FUNDS	**213,013,109**	**123,269,418**	**141,176,035**	**(17,906,616)**	**335,912**	**195,442,405**
Informational Purposes Only						
PENSION SYSTEM	589,527,061	31,310,777	30,543,266	767,511	-	590,294,572
OPEB SYSTEM	9,323,070	15,949,814	9,534,870	6,414,944	-	15,738,014
INTERNAL SERVICE						
Insurance	(1,109,040)	15,070,791	13,349,403	1,721,388	-	612,348

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
2017 PROJECTED FUND BALANCE - ALL FUNDS

	January 1 Balance	Estimated Resources	Proposed Expenditures & Transfers	Over/ (Under) Expenses & Transfers	Use of / (Contribution to) Designations	December 31 2017 Balance
GOVERNMENTAL FUNDS						
GENERAL	**9,967,112**	**55,661,562**	**57,960,076**	**(2,298,514)**	**-**	**7,668,597**
CAPITAL IMPROVEMENT	**673,278**	**5,733,800**	**5,842,769**	**(108,969)**	**-**	**564,308**
SPECIAL REVENUE						
Major Streets	880,412	12,473,760	11,474,089	999,671	-	1,880,083
Local Streets	1,320,815	3,157,167	3,683,810	(526,643)	-	794,172
Cemeteries	339,600	461,928	651,658	(189,730)	-	149,870
Solid Waste	350,885	2,715,731	2,664,716	51,015	-	401,900
Blight Abatement	26,529	-	26,529	(26,529)	-	-
Brownfield LSRR	2,641,014	255,350	2,475,375	(2,220,025)	-	420,989
Economic Intiative	309,249	37,000	282,000	(245,000)	-	64,249
Façade Improvement	-	611	611	-	-	-
Small Business Loans	117,869	11,200	1,200	10,000	-	127,869
Private Purpose Trust & Donations	722,756	63,883	131,740	(67,857)	-	654,899
Microenterprise Revolving Loans	79,133	-	-	-	-	79,133
K-VET Drug Enforcement	326,570	301,600	283,142	18,458	-	345,028
Community Development Administration	894,194	865,547	865,547	-	-	894,194
Community Development Entitlement	158,741	150,000	150,000	-	-	158,741
Miscellaneous Grants	150,869	922,000	922,000	-	-	150,869
TOTAL SPECIAL REVENUE	**8,318,636**	**21,415,777**	**23,612,417**	**(2,196,640)**	**-**	**6,121,996**
TOTAL GOVERNMENTAL	**18,959,025**	**82,811,139**	**87,415,262**	**(4,604,123)**	**-**	**14,354,901**
ENTERPRISE						
Kalamazoo Farmers Market	111,507	17,500	15,634	1,866	-	113,373
Wastewater Division	92,206,900	22,516,513	32,324,932	(9,808,419)	-	82,398,481
Water Division	84,066,074	14,906,205	25,908,674	(11,002,469)	-	73,063,605
Kalamazoo Municipal Golf Association	98,899	1,710,000	1,704,259	5,741	-	104,640
TOTAL ENTERPRISE	**176,483,380**	**39,150,218**	**59,953,498**	**(20,803,280)**	**-**	**155,680,100**
TOTAL ALL FUNDS	**195,442,405**	**121,961,357**	**147,368,761**	**(25,407,404)**	**-**	**170,035,001**
Informational Purposes Only						
PENSION SYSTEM	590,294,572	34,704,858	30,915,599	3,789,259	-	594,083,831
OPEB SYSTEM	15,738,014	9,000,180	9,876,125	(875,945)	-	14,862,069
INTERNAL SERVICE						
Insurance	612,348	15,215,776	13,404,345	1,811,431	-	2,423,779

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
2018 PROJECTED FUND BALANCE - ALL FUNDS

	January 1 Balance	Estimated Resources	Proposed Expenditures & Transfers	Over/ (Under) Expenses & Transfers	Use of / (Contribution to) Designations	December 31 2018 Balance
GOVERNMENTAL FUNDS						
GENERAL	**7,668,597**	**60,727,576**	**59,884,209**	**843,367**	**-**	**8,511,965**
CAPITAL IMPROVEMENT	**564,308**	**8,419,750**	**8,755,753**	**(336,003)**	**-**	**228,306**
SPECIAL REVENUE						
Major Streets	1,880,083	11,448,086	10,432,692	1,015,394	-	2,895,477
Local Streets	794,172	3,794,175	3,813,156	(18,981)	-	775,191
Cemeteries	149,870	461,928	602,191	(140,263)	-	9,607
Solid Waste	401,900	2,887,641	2,723,003	164,638	-	566,538
Brownfield LSRR	420,989	640,000	331,000	309,000	-	729,989
Economic Intiative	64,249	50,000	107,000	(57,000)	-	7,249
Small Business Loans	127,869	27,000	-	27,000	-	154,869
Private Purpose Trust & Donations	654,899	63,883	131,740	(67,857)	-	587,042
Microenterprise Revolving Loans	79,133	-	-	-	-	79,133
K-VET Drug Enforcement	345,028	301,600	283,150	18,450	-	363,477
Community Development Administration	894,194	906,898	906,898	-	-	894,194
Community Development Entitlement	158,741	150,000	150,000	-	-	158,741
Miscellaneous Grants	150,869	922,000	922,000	-	-	150,869
TOTAL SPECIAL REVENUE	**6,121,996**	**21,653,211**	**20,402,830**	**1,250,381**	**-**	**7,372,377**
TOTAL GOVERNMENTAL	**14,354,901**	**90,800,537**	**89,042,792**	**1,757,745**	**-**	**16,112,647**
ENTERPRISE						
Kalamazoo Farmers Market	113,373	17,500	15,948	1,552	-	114,925
Wastewater Division	82,398,481	22,616,513	32,422,479	(9,805,966)	-	72,592,515
Water Division	73,063,605	14,976,205	25,472,022	(10,495,817)	-	62,567,788
Kalamazoo Municipal Golf Association	104,640	1,710,000	1,704,259	5,741	-	110,381
TOTAL ENTERPRISE	**155,680,100**	**39,320,218**	**59,614,708**	**(20,294,490)**	**-**	**135,385,610**
TOTAL ALL FUNDS	**170,035,001**	**130,120,755**	**148,657,500**	**(18,536,744)**	**-**	**151,498,257**
Informational Purposes Only						
PENSION SYSTEM	594,083,831	35,041,535	31,224,555	3,816,980	-	597,900,811
OPEB SYSTEM	14,862,069	18,296,037	9,974,626	8,321,411	-	23,183,480
INTERNAL SERVICE						
Insurance	2,423,779	15,564,271	15,042,721	521,550	-	2,945,329

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

PERMANENT FULL TIME AUTHORIZED POSITIONS

DEPARTMENT	POSITION NUMBER	Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
CITY ADMINISTRATION					
CITY MANAGER	N0213-001	1.0	1.0	-	1.0
DEPUTY CITY MANAGER/STRATEGIC	N0211-001	1.0	1.0	-	1.0
DEPUTY CITY MANAGER/OPERATIONS	N0211-002	1.0	1.0	-	1.0
CLERK TYPIST	N1001-001	1.0	1.0	-	1.0
EXECUTIVE ASSISTANT TO THE CM	N1069-001	1.0	1.0	-	1.0
EXECUTIVE ASSISTANT TO ECONOMIC DEV	N1070-001	-	-	1.0	1.0
COMMUNICATIONS COORDINATOR	N1503-001	1.0	1.0	-	1.0
GRANTS COORDINATOR	N0201-001	-	1.0	-	1.0
FFE COORDINATOR	R9999-077	-	-	1.0	1.0
TOTAL CITY ADMINISTRATION		**6.0**	**7.0**	**2.0**	**9.0**
CITY ATTORNEY					
CITY ATTORNEY	N0207-001	1.0	1.0	-	1.0
LEGAL SECRETARY	N1027-005	1.0	1.0	-	1.0
LEGAL SECRETARY	N1030-001	1.0	1.0	-	1.0
ASSISTANT ATTORNEY III	N1242-001	1.0	1.0	-	1.0
ASSISTANT ATTORNEY III	N1242-002	1.0	1.0	-	1.0
ASSISTANT ATTORNEY III	N1242-003	1.0	1.0	-	1.0
ASSISTANT ATTORNEY I	R9999-001	-	-	1.0	1.0
TOTAL CITY ATTORNEY		**6.0**	**6.0**	**1.0**	**7.0**
CITY CLERK					
CITY CLERK	N2101-001	1.0	1.0	-	1.0
DEPUTY CITY CLERK/OFFICE MGR	N1066-001	1.0	1.0	-	1.0
ELECTIONS SPECIALIST	K0108-001	1.0	1.0	-	1.0
CITY RECORDS COORDINATOR	K0091-001	1.0	1.0	-	1.0
RECORDS MANAGER	R9999-076	-	-	1.0	1.0
TOTAL CITY CLERK		**4.0**	**4.0**	**1.0**	**5.0**
INTERNAL AUDITOR	N1142-001	**1.0**	**1.0**	**-**	**1.0**
HUMAN RESOURCES DEPARTMENT					
HUMAN RESOURCES LR DIRECTOR	N0210-001	1.0	1.0	-	1.0
HUMAN RESOURCES ASSISTANT	N1029-001	1.0	1.0	-	1.0
HR BENEFITS SPECIALIST	N1221-001	1.0	1.0	-	1.0
SENIOR HUMAN RESOURCES ADVISOR	N1223-001	1.0	1.0	-	1.0
SENIOR HUMAN RESOURCES ADVISOR	N1223-002	1.0	1.0	-	1.0
HUMAN RESOURCES ADVISOR	N1223-003	1.0	1.0	-	1.0
LABOR RELATIONS SPECIALIST	N1225-001	1.0	1.0	-	1.0
TOTAL HUMAN RESOURCES		**7.0**	**7.0**	**-**	**7.0**
INFORMATION TECHNOLOGY					
IT DIRECTOR	N1206-001	1.0	1.0	-	1.0
SENIOR TECHNICAL ANALYST LVL 2	N1201-011	-	-	1.0	1.0
SENIOR SYSTEMS ANALYST LVL 2	N1210-003	1.0	1.0	-	1.0
SENIOR SYSTEMS ANALYST LVL 2	N1210-004	1.0	1.0	-	1.0
SENIOR SYSTEMS ANALYST LVL 2	N1210-008	-	-	1.0	1.0
SENIOR TECHNICAL ANALYST	N1204-007	1.0	1.0	-	1.0
SENIOR SYSTEMS ANALYST	N1210-002	1.0	1.0	-	1.0
SENIOR TECHNICAL ANALYST	N1210-010	1.0	1.0	-	1.0

INFORMATION TECHNOLOGY contd.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
SENIOR SYSTEMS ANALYST	N1210-001	-	-	1.0	1.0
PUBLIC SAFETY TECH MANAGER	N1208-001	-	-	1.0	1.0
SR SYS ANLYST - PRG MANAGER	N1210-007	-	-	1.0	1.0
DEPUTY INFORMATION TECHNOLOGY	R9999-006	-	-	1.0	1.0
IT STORAGE SECURITY OFFICER	R9999-007	-	-	1.0	1.0
TOTAL INFORMATION TECHNOLOGY		**6.0**	**6.0**	**7.0**	**13.0**
MANAGEMENT SERVICES					
ADMINISTRATION					
MANAGEMENT SERVICES DIRECTOR/CFO	N0202-001	-	1.0	-	1.0
ADMIN SUPPORT COORDINATOR	N1025-001	-	1.0	-	1.0
FINANCIAL ANALYST/ASSISTANT TO CFO	R9999-011	-	-	1.0	1.0
		-	**2.0**	**1.0**	**3.0**
BUDGET & ACCOUNTING					
MANAGEMENT SERVICES DIRECTOR/CFO	N0202-001	1.0	-	-	-
ACCOUNTING DIVISION MANAGER	N1157-002	1.0	1.0	-	1.0
BUDGET DIVISION MANAGER	N1155-003	-	1.0	-	1.0
BUDGET & ACCOUNTING SPECIALIST	N1156-001	1.0	-	-	-
SENIOR ACCOUNTANT	K0220-001	1.0	1.0	-	1.0
SENIOR ACCOUNTANT	K0220-002	1.0	1.0	-	1.0
SENIOR ACCOUNTANT	K0220-003	1.0	1.0	-	1.0
		6.0	**5.0**	**-**	**5.0**
FINANCIAL SERVICES					
DEPUTY DIRECTOR MGMT SERV/PURCHASING M	N1151-002	-	-	1.0	1.0
FINANCIAL SERVICES DIVISION MANAGER	N1157-001	1.0	1.0	(1.0)	-
PAYROLL CONTROL CLERK	N1041-001	1.0	-	-	-
FINANCIAL SPECIALIST	N1141-007	-	1.0	-	1.0
FINANCIAL SERVICES SUPERVISOR	N1150-003	-	-	1.0	1.0
ACCOUNTS COORDINATOR	K0215-003	1.0	1.0	-	1.0
ACCOUNTS COORDINATOR	K0215-006	1.0	1.0	-	1.0
ACCOUNTS COORDINATOR	K0215-009	1.0	1.0	-	1.0
ACCOUNTS COORDINATOR	K0215-010	1.0	1.0	-	1.0
		6.0	**6.0**	**1.0**	**7.0**
TREASURY					
CITY TREASURER	N1152-001	1.0	1.0	-	1.0
ASST CITY ASSESSOR/TREASURER	N1181-001	1.0	1.0	-	1.0
UTILITY BILLING COORDINATOR	K8032-001	1.0	1.0	-	1.0
UTILITIES COORDINATOR	N1622-001	1.0	1.0	-	1.0
CLERK CASHIER III	K0202-002	1.0	-	-	-
CLERK CASHIER II	K0205-001	1.0	1.0	-	1.0
CLERK CASHIER II	K0205-002	1.0	1.0	-	1.0
CLERK CASHIER II	K0205-003	1.0	1.0	-	1.0
CLERK CASHIER II	K0205-004	-	1.0	-	1.0
CLERK CASHIER II	K0205-005	-	1.0	-	1.0
ACCOUNTS RECEIVABLE COORD	K0214-001	1.0	1.0	-	1.0
PUBLIC SERVICES COORDINATOR	K0223-001	1.0	1.0	-	1.0
PUBLIC SERVICES COORDINATOR	K0223-002	1.0	1.0	-	1.0
TREASURY TAX COLL SPECIALIST	K0260-001	1.0	1.0	-	1.0
		12.0	**13.0**	**-**	**13.0**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
PURCHASING					
PURCHASING MANAGER	N1168-001	1.0	1.0	-	1.0
SENIOR BUYER	K0405-001	1.0	1.0	-	1.0
ADMIN SUPPORT COORDINATOR	N1025-001	1.0	-	-	-
PURCHASING/MAIL RECORDS CLERK	K0212-001	1.0	1.0	-	1.0
BUYER	R9999-010	-	-	1.0	1.0
		4.0	**3.0**	**1.0**	**4.0**
TOTAL MANAGEMENT SERVICES		**28.0**	**29.0**	**3.0**	**32.0**
KALAMAZOO PUBLIC SAFETY					
PUBLIC SAFETY - ADMINISTRATION					
PUBLIC SAFETY CHIEF	N0209-001	1.0	1.0	-	1.0
PUBLIC SAFETY ASSISTANT CHIEF	N2002-002	1.0	1.0	-	1.0
PUBLIC SAFETY DEPUTY CHIEF	N2004-001	1.0	1.0	-	1.0
PUBLIC SAFETY DEPUTY CHIEF	N2004-002	1.0	1.0	-	1.0
PUBLIC SAFETY LIEUTENANT 42 HR	S0149-XXX	1.0	1.0	-	1.0
ADMINISTRATIVE SUPPORT COORDINATOR	N1027-002	1.0	1.0	-	1.0
PUBLIC SAFETY LIEUTENANT 42 HR	R9999-046	-	-	1.0	1.0
PUBLIC INFORMATION OFFICER	R9999-047	-	-	1.0	1.0
		6.0	**6.0**	**2.0**	**8.0**
COPS					
KVET SECRETARY	N1024-001	1.0	1.0	-	1.0
PUBLIC SAFETY OFFICER II 42 HR	P0117-XXX	8.0	8.0	-	8.0
PUBLIC SAFETY OFFICER II 56 HR	P0217-XXX	9.0	9.0	-	9.0
PUBLIC SAFETY SERGEANT 42 HR	S0134-XXX	2.0	2.0	-	2.0
PUBLIC SAFETY CAPTAIN 42 HR	S0149-XXX	1.0	1.0	-	1.0
		21.0	**21.0**	**-**	**21.0**
OPERATIONS					
OPERATIONS DIVISION SECRETARY	K0081-002	1.0	1.0	-	1.0
FIRE MARSHAL	P0051-001	1.0	1.0	-	1.0
DEPUTY FIRE MARSHALL	R9999-031	-	-	1.0	1.0
PUBLIC SAFETY CAPTAIN 42 HR	S0149-XXX	1.0	1.0	-	1.0
PUBLIC SAFETY LIEUTENANT 42 HR	S0139-XXX	7.0	7.0	-	7.0
EXECUTIVE LIEUTENANT KDPS	S0138-002	1.0	1.0	-	1.0
SR PUBLIC SAFETY LIEUTENANT 42	S0137-001	1.0	1.0	-	1.0
SR PUBLIC SAFETY LIEUTENANT 42	S0137-002	1.0	1.0	-	1.0
PUBLIC SAFETY SERGEANT 42 HR	S0134-XXX	25.0	25.0	-	25.0
PUBLIC SAFETY OFFICER II 42 HR	P0117-XXX	96.0	96.0	1.0	97.0
PUBLIC SAFETY OFFICER II 56 HR	P0217-XXX	21.0	21.0	-	21.0
PUBLIC SAFETY OFFICER II 42 HR	R9999-XXX	-	-	16.0	16.0
		155.0	**155.0**	**18.0**	**173.0**
CRIMINAL INVESTIGATION					
CID DIVISION SECRETARY	K0045-001	1.0	1.0	-	1.0
CID DIVISION SECRETARY	K0045-002	1.0	1.0	-	1.0
PUBLIC SAFETY CAPTAIN 42 HOUR	S0149-XXX	1.0	1.0	-	1.0
EXECUTIVE LIEUTENANT KDPS	S0138-003	1.0	1.0	-	1.0
PUBLIC SAFETY SERGEANT 42 HR	S0134-XXX	1.0	1.0	-	1.0
POLYGRAPH EXAMINER	P0034-001	1.0	1.0	-	1.0
CRIME LAB SPECIALIST II	P0033-001	1.0	1.0	-	1.0
CRIME LAB SPECIALIST II	P0033-002	1.0	1.0	-	1.0
LAB TECHNICIAN I	P0030-002	1.0	1.0	-	1.0

KALAMAZOO PUBLIC SAFETY contd.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
LAB TECHNICIAN I	P0030-003	1.0	1.0	-	1.0
LAB TECHNICIAN I	P0030-004	1.0	1.0	-	1.0
DETECTIVE	P0026-XXX	16.0	16.0	-	16.0
CSO INVESTIGATIVE AIDE	P0071-003	1.0	1.0	-	1.0
		28.0	**28.0**	**-**	**28.0**
SUPPORT SERVICES					
EXECUTIVE LIEUTENANT KDPS	S0138-XXX	1.0	1.0		1.0
PUBLIC SAFETY CAPTAIN	S0149-XXX	1.0	1.0		1.0
PUBLIC SAFETY SERGEANT 42 HR	S0134-XXX	2.0	2.0		2.0
PUBLIC SAFETY TECH MANAGER	N1208-001	1.0	1.0	(1.0)	-
SENIOR SYSTEMS ANALYST	N1210-001	1.0	1.0	(1.0)	-
SENIOR SYSTEMS ANALYST	N1210-002	1.0	1.0	(1.0)	-
ACCOUNTS COORDINATOR	K0215-001	1.0	1.0	-	1.0
ACCOUNTS COORDINATOR/SECRETARY	K0217-003	1.0	1.0	-	1.0
ACCOUNTS COORDINATOR/SECRETARY	K0217-005	1.0	1.0	-	1.0
PUBLIC SAFETY RCDS COORDINATOR	K0222-001	1.0	1.0	-	1.0
PUBLIC SAFETY RCDS COORDINATOR	K0222-002	1.0	1.0	-	1.0
PUBLIC SAFETY RCDS COORDINATOR	K0222-003	1.0	1.0	-	1.0
PUBLIC SAFETY RCDS COORDINATOR	K0222-004	1.0	1.0	-	1.0
PUBLIC SAFETY RECORDS CLERK	K0016-001	1.0	1.0	-	1.0
PUBLIC SAFETY RECORDS CLERK	K0016-002	1.0	1.0	-	1.0
PUBLIC SAFETY OFFICER II 42 HR	P0117-XXX	4.0	4.0	-	4.0
CSO SERVICE	P0077-001	1.0	1.0	-	1.0
CSO EVIDENCE CUSTOD/QRTRMASTER	P0078-001	1.0	1.0	-	1.0
CSO EVIDENCE CUSTOD/QRTRMASTER	P0078-002	1.0	1.0	-	1.0
CSO EVIDENCE CUSTOD/QRTRMASTER	P0078-003	1.0	1.0	-	1.0
CSO COMPUTER ANALYST	P0075-001	1.0	1.0	-	1.0
CSO DISPATCHER	P0072-XXX	15.0	15.0	-	15.0
CSO DISPATCH GROUP LEADER	P0075-002	1.0	1.0	-	1.0
CSO DISPATCH GROUP LEADER	P0075-003	1.0	1.0	-	1.0
CSO DISPATCH GROUP LEADER	P0075-004	1.0	1.0	-	1.0
CSO DISPATCH GROUP LEADER	P0075-005	1.0	1.0	-	1.0
		44.0	**44.0**	**(3.0)**	**41.0**
TOTAL PUBLIC SAFETY		**254.0**	**254.0**	**17.0**	**271.0**
PUBLIC SERVICES					
CITY-WIDE MAINTENANCE					
MAINTENANCE FOREPERSON	N1681-001	1.0	1.0	-	1.0
BUILDINGS TECHNICIAN	K7043-001	1.0	1.0	-	1.0
LEAD MAINTENANCE MECHANIC	A7030-XXX	2.0	2.0	1.0	3.0
CUSTODIAN II	A6085-005	1.0	1.0	-	1.0
CUSTODIAN II	A6085-006	1.0	1.0	-	1.0
		6.0	**6.0**	**1.0**	**7.0**
ENGINEERING					
CITY ENGINEER	N1415-001	1.0	1.0	-	1.0
ASSISTANT CITY ENGINEER	N1413-001	1.0	1.0	(1.0)	-
ENGINEERING ASSOCIATE/SURVEYOR	N1405-001	1.0	1.0	-	1.0
TRAFFIC ENGINEER	N1406-001	1.0	1.0	-	1.0
PUB SERV RECORDS SUPERVISOR	N1411-001	1.0	1.0	-	1.0
SENIOR CIVIL ENGINEER	N1403-001	1.0	1.0	-	1.0
SENIOR CIVIL ENGINEER	N1403-003	1.0	1.0	-	1.0
SENIOR CIVIL ENGINEER	N1403-005	1.0	1.0	-	1.0

PUBLIC SERVICES contd.

ENGINEERING

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
LEAD DRAFTER	K1025-001	1.0	1.0	-	1.0
TRAFFIC/ENGINEERING TECHNICIAN	K1082-001	1.0	1.0	-	1.0
ADMINISTRATIVE ANALYST	N1401-001	-	1.0	-	1.0
ENG AND PUBLIC SERV SECRETARY	K0084-001	1.0	1.0	-	1.0
RIGHT-OF-WAY COORDINATOR	N1646-002	-	1.0	-	1.0
TRAFFIC SIGNAL TECHNICIAN	K8029-001	-	1.0	-	1.0
ENGINEERING TECH I -- UTILITY	K8082-001	1.0	1.0	-	1.0
ENGINEERING TECH I -- UTILITY	K8082-002	1.0	1.0	-	1.0
		13.0	**16.0**	**(1.0)**	**15.0**
FLEET					
CITY FLEET DIRECTOR	N1726-001	1.0	1.0	-	1.0
LEAD MASTER MECHANIC	A7020-001	1.0	1.0	-	1.0
VEHICLE OPERATIONS SUPERVISOR	N1724-002	1.0	1.0	-	1.0
VEHICLE MECHANIC I	A7000-002	1.0	1.0	-	1.0
VEHICLE MECHANIC III	A7010-002	1.0	1.0	-	1.0
MASTER MECHANIC	A7015-002	1.0	1.0	-	1.0
MASTER MECHANIC	A7015-004	1.0	1.0	-	1.0
MASTER MECHANIC	A7015-005	1.0	1.0	-	1.0
MASTER MECHANIC	A7015-007	1.0	1.0	-	1.0
		9.0	**9.0**	**-**	**9.0**
PUBLIC WORKS					
FORESTRY SUPERVISOR	N1901-001	1.0	1.0	-	1.0
PUBLIC WORKS COORDINATOR	K0053-001	1.0	1.0	-	1.0
UTILITY ZONE FOREPERSON	N1641-002	1.0	1.0	-	1.0
UTILITY ZONE FOREPERSON	N1641-003	1.0	1.0	-	1.0
TREE TRIMMER	A6092-001	1.0	1.0	-	1.0
TREE TRIMMER	A6092-002	1.0	1.0	-	1.0
TREE TRIMMER	A6092-003	1.0	1.0	-	1.0
TREE TRIMMER	A6092-004	1.0	1.0	-	1.0
LEAD TREE TRIMMER	A6093-001	1.0	1.0	-	1.0
LEAD TREE TRIMMER	A6093-002	1.0	1.0	-	1.0
EQUIPMENT OPERATOR II	A6055-XXX	5.0	5.0	(3.0)	2.0
MASON	A7045-003	1.0	1.0	-	1.0
LEAD MAINTENANCE MECHANIC	A7030-XXX	2.0	2.0	-	2.0
RIGHT-OF-WAY COORDINATOR	N1646-002	1.0	-	-	-
LABOR FOREPERSON I	A6010-001	1.0	1.0	-	1.0
LABORER II	A6005-XXX	3.0	2.0	(1.0)	1.0
MUNICIPAL WORKER (APPR, I, II, III)	A6058-XXX	11.0	12.0	2.0	14.0
PUBLIC WORKS MANAGER	R9999-066	-	-	1.0	1.0
PUBLIC SERVICES SUPERVISOR	R9999-067	-	-	1.0	1.0
MUNICIPAL WORKER APPR	R9999-068	-	-	1.0	1.0
MUNICIPAL WORKER APPR	R9999-069	-	-	1.0	1.0
MUNICIPAL WORKER APPR	R9999-070	-	-	1.0	1.0
MUNICIPAL WORKER APPR	R9999-071	-	-	1.0	1.0
MUNICIPAL WORKER APPR	R9999-072	-	-	1.0	1.0
MUNICIPAL WORKER APPR	R9999-073	-	-	1.0	1.0
MUNICIPAL WORKER APPR	R9999-074	-	-	1.0	1.0
		34.0	**33.0**	**7.0**	**40.0**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
WATER & WASTEWATER					
PUBLIC SERVICES DIRECTOR	N0208-001	1.0	1.0	-	1.0
DEPUTY DIRECTOR PUBLIC SRVCS	N1630-001	1.0	1.0	-	1.0
PUBLIC SERVICES ADMIN SUPPORT COORD	N1027-004	-	-	1.0	1.0
ADMINISTRATIVE SUPPORT MANAGER	N1063-002	1.0	1.0	-	1.0
PUBLIC SERVICES FINANCIAL MANAGER	N1149-001	1.0	1.0	(1.0)	-
FINANCIAL ANALYST	N1141-006	1.0	1.0	(1.0)	-
ADMIN & FINANCIAL SERVICES MANAGER	N1157-003	-	-	1.0	1.0
SR SYS ANALYST - PROGRAM MGR	N1210-007	1.0	1.0	(1.0)	-
SENIOR SYSTEMS ANALYST LVL 2	N1210-008	1.0	1.0	(1.0)	-
PROCESS CNTRL ENGINEERNG SPVSR	N1412-001	1.0	1.0	-	1.0
ASSISTANT CITY ENGINEER-WATER	N1413-002	-	-	1.0	1.0
FACILITIES ENGINEER	N1414-001	1.0	1.0	-	1.0
SENIOR ENVIRON SRVCS SPRVSR	N1608-001	1.0	1.0	-	1.0
LABORATORY SUPERVISOR	N1609-001	1.0	1.0	-	1.0
ENVIROMENTAL PROGRAMS MANAGER	N1610-001	1.0	1.0	(1.0)	-
ENVIROMENTAL PROGRAMS MANAGER	N1610-002	-	1.0	-	1.0
PUBLIC SERVICES DISPATCH COORD	N1623-001	1.0	1.0	-	1.0
WATER OPS/MAINT SUPERVISOR	N1624-002	1.0	1.0	-	1.0
ENVIRON SRVCS SUPERINTENDENT	N1628-001	1.0	1.0	(1.0)	-
WATER SUPERINTENDENT	N1629-002	1.0	1.0	-	1.0
WASTEWATER SUPERINTENDENT	N1629-003	1.0	1.0	-	1.0
WATER RESOURCES DIV MANAGER	N1629-004	-	-	1.0	1.0
PUBLIC SERVICES SUPERVISOR	N1641-001	1.0	1.0	-	1.0
UTILITY ZONE FOREPERSON	N1641-004	1.0	1.0	-	1.0
PUBLIC SERVICES SUPERVISOR	N1641-007	1.0	1.0	-	1.0
PUBLIC SERVICES FIELD MANAGER	N1645-001	1.0	1.0	-	1.0
SR EQUIPMENT MAINTENANCE SUPV	N1685-001	1.0	1.0	-	1.0
SAFETY COORDINATOR	N1689-003	-	-	1.0	1.0
TREATMENT CONTROL SUPERVISOR	N1690-001	1.0	1.0	-	1.0
TREATMENT OPS SUPERVISOR	N1690-XXX	6.0	6.0	-	6.0
PUBLIC SVCS ENG RECORDS CLERK	K0085-001	1.0	1.0	-	1.0
ACCOUNTS COORDINATOR	K0215-004	1.0	1.0	-	1.0
ACCOUNTS COORDINATOR/SECRETARY	K0217-004	1.0	1.0	-	1.0
STORES/PROCUREMENT CLERK	K0250-002	1.0	1.0	-	1.0
STORES/PROCUREMENT CLERK	K0250-003	1.0	-	-	-
STORES PROCUREMENT COORDINATOR	K0251-001	-	1.0	-	1.0
UTILITY ELECTRICIAN	K7044-001	1.0	1.0	-	1.0
MASTER UTILITY ELECTRICIAN	K7046-001	1.0	1.0	-	1.0
ENVIRON SERV TECH III	K8020-001	1.0	1.0	-	1.0
ENVIRON SERV TECH III	K8020-003	1.0	1.0	-	1.0
ENVIRON SERV TECH II	K8026-001	1.0	1.0	-	1.0
ENVIRON SERV TECH II	K8026-002	1.0	1.0	-	1.0
ENVIRON SERV TECH II	K8026-003	-	-	1.0	1.0
ENVIRON SERV TECH II	K8026-004	-	-	1.0	1.0
ENVIRON SERV TECH I	K8021-001	1.0	1.0	(1.0)	-
ENVIRON SERV TECH I	K8021-004	1.0	1.0	(1.0)	-
INSTRUMENT TECHNICIAN	K8027-002	1.0	1.0	-	1.0
INSTRUMENT TECHNICIAN	K8027-003	1.0	1.0	-	1.0
INSTRUMENT TECHNICIAN	K8027-004	1.0	1.0	-	1.0
INSTRUMENT TECHNICIAN	K8027-005	1.0	1.0	-	1.0
ELECTRONICS TECHNICIAN	K8028-001	1.0	1.0	-	1.0
INSTRUMENTATION RECORDS SPLST	K8035-001	1.0	1.0	-	1.0
LABORER II	A6005-XXX	3.0	2.0	-	2.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
WATER & WASTEWATER contd.					
EQUIPMENT OPERATOR II	A6055-XXX	3.0	1.0	-	1.0
MUNICIPAL WORKER (APPR, I, II, III)	A6058-XXX	22.0	22.0	1.0	23.0
VACTOR JET OPERATOR	A6065-001	1.0	1.0	-	1.0
VACTOR JET OPERATOR	A6065-003	1.0	1.0	-	1.0
LEAD EQUIPMENT OPERATOR III	A6075-004	1.0	1.0	-	1.0
LEAD MAINTENANCE MECHANIC	A7030-XXX	2.0	2.0	1.0	3.0
MASON	A7045-004	1.0	1.0	-	1.0
MASON	A7045-005	1.0	1.0	-	1.0
WATER WELL DRILLER II	A8019-002	1.0	1.0	-	1.0
WW O/M I - OPS (MAINT, I, II)	A8025-XXX	20.0	20.0	-	20.0
WATER OPERATOR/MAINTAINER I	A8051-XXX	9.0	9.0	-	9.0
DISTRIBUTION SERVICER II	A8069-007	1.0	1.0	-	1.0
SEWER SURVEYOR	A8080-001	1.0	1.0	-	1.0
FINANCIAL ANALYST	R9999-048	-	-	1.0	1.0
ENVIRONMENTAL PROGRAMS MANAGER	R9999-049	-	-	1.0	1.0
PUBLIC SERVICES SUPERVISOR	R9999-050	-	-	1.0	1.0
PUBLIC SERVICES SUPERVISOR	R9999-051	-	-	1.0	1.0
ENGINEERING TECH I -- UTILITY	R9999-052	-	-	1.0	1.0
WASTEWATER SUPERINTENDENT	R9999-053	-	-	1.0	1.0
WASTEWATER SENIOR SUPERVISOR	R9999-054	-	-	1.0	1.0
ASSISTANT CITY ENGINEER - WASTEWATER	R9999-055	-	-	1.0	1.0
WASTEWATER COLLECTIONS MAINTENANCE M/	R9999-056	-	-	1.0	1.0
WASTEWATER COLLECTIONS - INSPECTION SUPI	R9999-057	-	-	1.0	1.0
WASTEWATER COLLECTIONS - INSPECTION SUPI	R9999-058	-	-	1.0	1.0
WASTEWATER COLLECTIONS - CREW	R9999-059	-	-	1.0	1.0
WASTEWATER COLLECTIONS - CREW	R9999-060	-	-	1.0	1.0
WASTEWATER COLLECTIONS - CREW	R9999-061	-	-	1.0	1.0
WASTEWATER COLLECTIONS - CREW	R9999-062	-	-	1.0	1.0
ADMINISTRATIVE COORDINATOR - LEAD PROGR	R9999-063	-	-	1.0	1.0
ASSET MANAGEMENT COORDINATOR	R9999-064	-	-	1.0	1.0
TRAINING COORDINATOR	R9999-065	-	-	1.0	1.0
		115.0	**113.0**	**19.0**	**132.0**
TOTAL PUBLIC SERVICES		**177.0**	**177.0**	**26.0**	**203.0**
COMMUNITY PLANNING AND DEVELOPMENT					
PLANNING					
CITY PLANNER	N1809-001	1.0	1.0	-	1.0
SENIOR DEVELOPMENT PLANNER	N1802-001	1.0	1.0	-	1.0
NEIGHBORHOOD PLANNER	R9999-002	-	-	1.0	1.0
		2.0	**2.0**	**1.0**	**3.0**
CODE ENFORCEMENT					
HOUSING INSPECTIONS SUPERVISOR	N1822-001	1.0	1.0	-	1.0
CODE ADMIN MANAGER/BUILDING OFFICIAL	N1827-001	1.0	1.0	-	1.0
ZONING INSPECTOR	N1804-001	1.0	1.0	-	1.0
ZONING INSPECTOR	K3003-002	1.0	1.0	-	1.0
CODE COMPLIANCE INSPECTOR I	K3004-001	1.0	1.0	-	1.0
CODE COMPLIANCE INSPECTOR I	K3004-002	1.0	1.0	-	1.0
CODE COMPLIANCE INSPECTOR II	K3006-003	1.0	1.0	-	1.0
CODE COMPLIANCE INSPECTOR II	K3006-004	1.0	1.0	-	1.0
BUILDING INSP/PLAN REVIEW TECH	K3005-001	1.0	1.0	-	1.0
BUILDING INSP/PLAN REVIEW TECH	K3005-002	1.0	1.0	-	1.0
HOUSING INSPECTOR II	K3010-001	1.0	1.0	-	1.0
COMMUNITY PLANNING AND DEVELOPMENT contd.					

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
CODE ENFORCEMENT					
HOUSING INSPECTOR II	K3010-002	1.0	1.0	-	1.0
HOUSING INSPECTOR II	K3010-005	1.0	1.0	-	1.0
HOUSING INSPECTOR II	K3010-007	1.0	1.0	-	1.0
HOUSING INSPECTOR II	K3010-008	1.0	1.0	-	1.0
CODE PERMIT TECHNICIAN	K3011-001	1.0	1.0	-	1.0
MECHANICAL/PLUMBING INSPECTOR	K3023-001	1.0	1.0	-	1.0
ELECTRICAL INSPECTOR/PLAN REV	K3025-001	1.0	1.0	-	1.0
RENTAL REGISTRATION/CERT COORD	K0052-001	1.0	1.0	-	1.0
CODE ADMIN RECORDS CLK/CASHIER	K0058-002	1.0	1.0	-	1.0
CODE ADMIN RECORDS CLK/CASHIER	K0058-003	1.0	1.0	-	1.0
DEPUTY BUILDING OFFICIAL	R9999-003	-	-	1.0	1.0
PLUMBING INSPECTOR	R9999-004	-	-	1.0	1.0
		21.0	**21.0**	**2.0**	**23.0**
COMMUNITY DEVELOPMENT					
CP&D DIRECTOR	N0203-001	1.0	1.0	-	1.0
COMMUNITY DEVELOPMENT MANAGER	N1830-001	1.0	1.0	-	1.0
GRANTS FINANCE OFFICER	N1147-001	1.0	1.0	-	1.0
HISTORIC PRESERVATION COORD	N1808-001	1.0	1.0	-	1.0
CD COMPLIANCE SPECIALIST II	N1810-001	1.0	1.0	-	1.0
COMMUNITY DEV SECRETARY	K0037-002	1.0	1.0	-	1.0
SENIOR PROGRAMS SPECIALIST	K3062-001	1.0	1.0	-	1.0
SHARED PROSPERITY COORDINATOR	R9999-078	-	-	1.0	1.0
		7.0	**7.0**	**-**	**7.0**
TOTAL COMMUNITY PLANNING & DEVELOPMENT		**30.0**	**30.0**	**3.0**	**33.0**
ECONOMIC DEVELOPMENT					
ACM/ECONOMIC DEV DIRECTOR	N0214-002	1.0	1.0	-	1.0
REDEVELOPMENT COORDINATOR	N1806-001	-	1.0	-	1.0
REDEVELOPMENT PROJECT MANAGER	N1825-001	1.0	1.0	-	1.0
DEVELOPMENT MANAGER	N1826-001	1.0	1.0	-	1.0
EXECUTIVE ASSISTANT TO ECONOMIC DEV	N1070-001	1.0	1.0	(1.0)	-
NEIGHBORHOOD BUS & SPECIAL PROJECTS COO	N1807-001	-	1.0	-	1.0
ECONOMIC DEVELOPMENT ADM ASST	R9999-005	-	-	1.0	1.0
TOTAL ECONOMIC DEVELOPMENT		**4.0**	**6.0**	**-**	**6.0**
PARKS AND RECREATION					
PARKS					
PARKS MANAGER	N1904-001	1.0	1.0	-	1.0
P&R BLDG AND GROUNDS TECH	A7042-001	1.0	1.0	-	1.0
PARKS COORDINATOR	A6062-001	1.0	1.0	-	1.0
PARKS COORDINATOR	A6062-002	1.0	1.0	-	1.0
PARKS COORDINATOR	R9999-012	-	-	1.0	1.0
PARKS COORDINATOR	R9999-013	-	-	1.0	1.0
		4.0	**4.0**	**2.0**	**6.0**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
RECREATION					
PARKS & RECREATION DIRECTOR	N0205-001	1.0	1.0	-	1.0
ASST DIRECTOR RECREATION	N9999-005	-	-	1.0	1.0
FINANCIAL SERVICES MANAGER	N1150-003	1.0	1.0	(1.0)	-
RECREATION MANAGER	N1902-001	1.0	1.0	(1.0)	-
SPECIAL EVENTS COORDINATOR	K0039-001	-	-	1.0	1.0
ACCOUNTS COORDINATOR	K0215-008	1.0	1.0	-	1.0
LEAD FIELD & PARKS MAINT OPRTR	A7041-001	1.0	1.0	-	1.0
PROGRAM COORDINATOR I	K4052-001	-	1.0	-	1.0
PROGRAM COORDINATOR II	K4053-001	-	1.0	-	1.0
PARKS & RECREATION PROGRAM ASSISTANT	K4056-001	1.0	-	-	-
PARKS & RECREATION PROGRAM COORDINATO	K0120-001	1.0	-	-	-
YOUTH DEVELOPMENT COORDINATOR	R9999-079	-	-	1.0	1.0
		7.0	**7.0**	**1.0**	**8.0**
TOTAL PARKS & RECREATION		**11.0**	**11.0**	**3.0**	**14.0**
METRO TRANSIT					
TRANSPORTATION DIRECTOR	N0206-001	1.0	1.0	(1.0)	-
TRANSPORTATION DEPUTY DIRECTOR	N1728-001	1.0	1.0	(1.0)	-
DEPUTY DIRECTOR SUPPORT SERV	N1728-002	-	-	-	-
ADMINISTRATIVE DIVISION MANAGER	N1727-001	-	1.0	(1.0)	-
ADMIN SUPPORT COORDINATOR	N1025-002	1.0	1.0	(1.0)	-
PARATRANSIT SPECIALIST	N1026-001	1.0	1.0	(1.0)	-
CUSTOMER SERVICE SUPV (TRANS)	N1067-001	1.0	1.0	(1.0)	-
FINANCIAL ANALYST	N1141-005	1.0	1.0	(1.0)	-
PROGRAM & FINANCIAL SERVICES MANAGER	N1154-001	1.0	-	-	-
IT TECHNICAL ANALYST	N1210-009	1.0	1.0	(1.0)	-
MARKETING COORDINATOR	N1502-001	1.0	1.0	(1.0)	-
SPECIAL PROJECT COORD - TRANS	N1701-001	1.0	1.0	(1.0)	-
SPECIAL PROJECT COORD - TRANS	N1701-002	1.0	1.0	(1.0)	-
TRANS EQUIP MAINT SUPERVISOR	N1721-002	1.0	1.0	(1.0)	-
MAINTENANCE FOREPERSON	N1721-003	1.0	1.0	(1.0)	-
TRANS DISPATCH SUPERVISOR	N1723-001	1.0	1.0	(1.0)	-
TRANS DISPATCH SUPERVISOR	N1723-003	1.0	1.0	(1.0)	-
TRANS DISPATCH SUPERVISOR	N1723-004	1.0	1.0	(1.0)	-
TRANS DISPATCH SUPERVISOR	N1723-005	1.0	1.0	(1.0)	-
PROCUREMENT MAINT SUPERVISOR	N1723-006	1.0	1.0	(1.0)	-
TRANS DISPATCH SUPERVISOR	N1723-009	1.0	1.0	(1.0)	-
SENIOR MAINTENANCE SUPERVISOR	N1724-001	1.0	1.0	(1.0)	-
PROCUREMENT/COMPLIANCE SPECIALIST	N9999-003	-	1.0	(1.0)	-
TRANS DISPATCH SUPERVISOR	N9999-004	-	1.0	(1.0)	-
CLERK CASHIER I	K0204-002	1.0	1.0	(1.0)	-
CLERK CASHIER I	K0204-003	1.0	1.0	(1.0)	-
CLERK CASHIER I	K0204-004	1.0	1.0	(1.0)	-
PAYROLL/ACCOUNTS PAYABLE CLERK	K0207-001	1.0	1.0	(1.0)	-
UTILITY WORKER	T9005-001	1.0	1.0	(1.0)	-
UTILITY WORKER	T9005-002	1.0	1.0	(1.0)	-
UTILITY WORKER	T9005-003	1.0	1.0	(1.0)	-
SERVICE LANE ATTENDANT	T9008-001	1.0	1.0	(1.0)	-
SERVICE LANE ATTENDANT	T9008-002	1.0	1.0	(1.0)	-
SERVICE LANE ATTENDANT	T9008-003	1.0	1.0	(1.0)	-
SERVICE LANE ATTENDANT	T9008-004	-	1.0	(1.0)	-
BUS DRIVER FULL TIME	T9010-XXX	55.0	62.0	(62.0)	-

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
POSITION COMPARISON

METRO TRANSIT contd.		Adopted Budget 2015	Adopted Budget 2016	Proposed Changes	Proposed Budget 2017
CLASS C MECHANIC	T9015-002	1.0	-	-	-
CLASS B MECHANIC	T9020-001	1.0	1.0	(1.0)	-
CLASS B MECHANIC	T9020-002	-	1.0	(1.0)	-
CLASS B MECHANIC	T9020-003	1.0	1.0	(1.0)	-
CLASS B MECHANIC	T9020-004	1.0	1.0	(1.0)	-
CLASS A MECHANIC	T9025-002	1.0	1.0	(1.0)	-
CLASS A MECHANIC	T9025-003	1.0	1.0	(1.0)	-
CLASS A MECHANIC	T9025-004	1.0	1.0	(1.0)	-
CLASS A MECHANIC	T9025-005	1.0	1.0	(1.0)	-
CLASS A MECHANIC	T9025-006	1.0	1.0	(1.0)	-
MASTER MECHANIC/METRO	T9030-XXX	3.0	3.0	(3.0)	-
INVENTORY CONTROL CLERK	T9045-001	1.0	1.0	(1.0)	-
BODY REPAIR PERSON	T9047-001	1.0	1.0	(1.0)	-
LEAD MAINTENANCE MECHANIC	A7030-001	1.0	1.0	(1.0)	-
TOTAL METRO TRANSIT		**100.0**	**110.0**	**(110.0)**	**-**
TOTAL FULL TIME POSITIONS		**634.0**	**648.0**	**(47.0)**	**601.0**
PERMANENT PART TIME AUTHORIZED POSITIONS					
INFORMATION TECHNOLOGY					
ACCOUNTS COORDINATOR/SECRETARY	K0217-002	**1.0**	**1.0**	**(1.0)**	**-**
CITY CLERK					
CLERK TYPIST	R9999-080	**-**	**-**	**1.0**	**1.0**
KALAMAZOO PUBLIC SAFETY					
PARKING ENFORCEMENT ATTENDANT	K5050-001	1.0	1.0	-	1.0
PARKING ENFORCEMENT ATTENDANT	K5050-002	1.0	1.0	-	1.0
PARKING ENFORCEMENT ATTENDANT	K5050-003	1.0	1.0	-	1.0
PARKING ENFORCEMENT OFFICERS	R9999-014	-	-	1.0	1.0
PARKING ENFORCEMENT OFFICERS	R9999-015	-	-	1.0	1.0
PARKING ENFORCEMENT OFFICERS	R9999-016	-	-	1.0	1.0
CSO DISPATCHER PT	P0070-001	1.0	1.0	-	1.0
CSO DISPATCHER PT	P0070-002	1.0	1.0	-	1.0
TOTAL PUBLIC SAFETY PART TIME		**5.0**	**5.0**	**3.0**	**8.0**
PARKS AND RECREATION					
LANDSCAPE COORDINATOR-8MOS	A6063-001	1.0	1.0	-	1.0
CLERK CASHIER I	K0203-002	1.0	1.0	(1.0)	-
MARKETING & COMMUNICATIONS ASST	N1502-002	1.0	-	-	-
TOTAL PARKS AND RECREATION PT		**3.0**	**2.0**	**(1.0)**	**1.0**
METRO TRANSIT					
BUS DRIVERS PT	T9000-XXX	19.0	21.0	(21.0)	-
ACCOUNTS COORDINATOR	K0215-002	1.0	1.0	(1.0)	-
TOTAL METRO TRANSIT PT		**20.0**	**22.0**	**(22.0)**	**-**
TOTAL PART TIME POSITIONS		**29.0**	**30.0**	**(20.0)**	**10.0**
TOTAL CITY ALLOCATED POSITIONS		**663.0**	**678.0**	**(67.0)**	**611.0**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
BUDGET OVERVIEW

The City of Kalamazoo Proposed FY 2017 Budget includes expenditures of $147,369,230, representing an increase of 8.73% from the FY 2016 Adopted Budget total expenditures. The citywide budget is made up of various funding groups (see Chart 1). The highlights of the recommended spending plan are discussed below in greater detail. The increase of 8.73% is due to additional capital outlay in water and wastewater to ensure adequate water supply, quality, and wastewater flow and treatment.

2017 Proposed Budget

$ 147,369,230

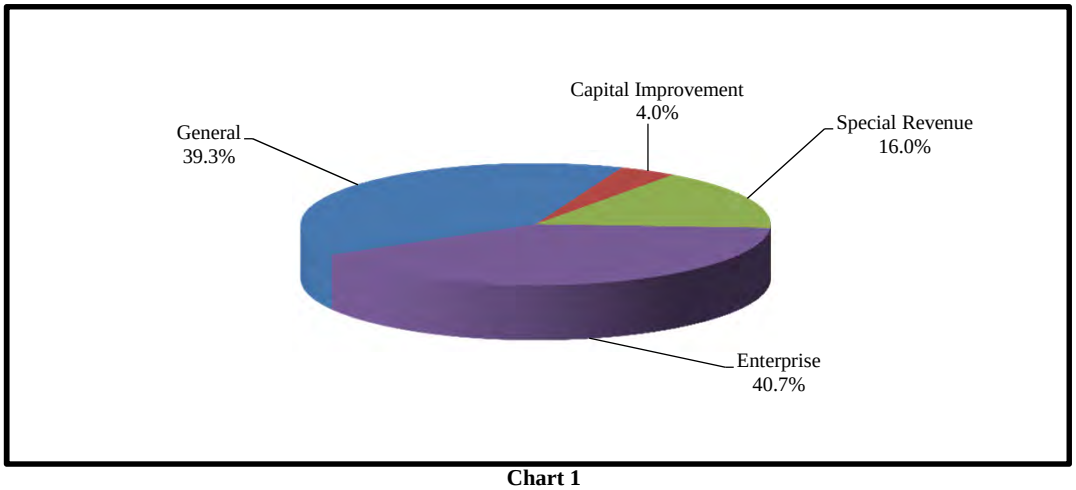


Chart 1

Revenue

General Fund

General Fund operating revenue is estimated at $55,661,562 in Proposed FY 2017 Budget, which represents an increase of 5.11% from the Adopted FY 2016 amount. The reduction in propety tax revenue in the Proposed FY 2017 budget is the result of decreasing the operating milage from 19.275 mills to 12.000 mills, reflecting the first year of the Foundation for Excellence (FFE), which will backfill the $10.9M of lost tax revenue for the General Fund. Other additional revenue includes $1.7M for the sale of City owned parking ramp #3, and additional $0.35M of Fire Reimbursement revenue appropriated by the State of Michigan.

2017 General Fund Revenue

$ 55,661,562

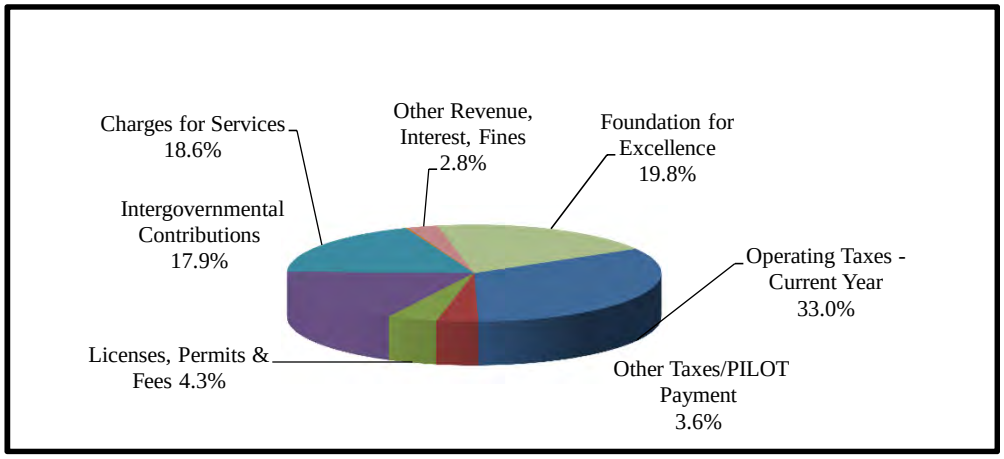


Chart 2

The two largest revenue sources, Property Taxes and Foundation funding, represent 52.8% of all estimated General Fund resources (see Chart 2). Property Taxes are estimated to decline by 33.4% in FY 2017.This reduction is due to the decrease in General Operating mills from 19.2705 to 12.0000 mills, which are offset by Foundation for Excellence funding.

Property Tax Revenue

Growth Trend (2006-2017)

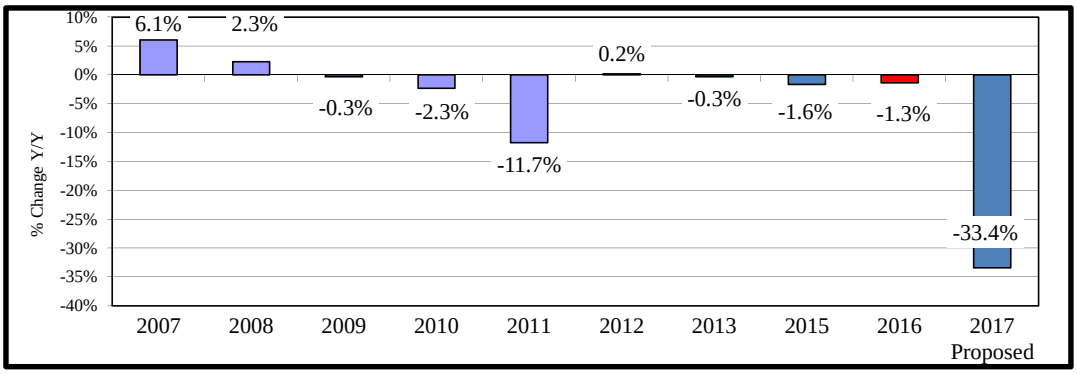


Chart 3

The estimated Revenue Sharing payments of $8.6 million in FY 2017 is an increase of 1.1% compared to FY 2016 projected receipts of $8.5 million. (see Chart 4).

State Revenue Sharing consists of two different programs: (1) Constitutional Revenue Sharing, which is based on the Michigan Constitution's apportionment of statewide Sales Tax revenues based on population; and (2) Statutory Revenue Sharing, which is appropriated by the State Legislature and Governor as part of the State's annual Budget process. Statutory Revenue Sharing is allocated to each local community based on percentages that were fixed by the State Legislature in 2002. Statutory Revenue Sharing appropriations have been cut dramatically over the years by the Legislature since the 2001 peak of $12.5 million, however appropriations rebounded somewhat in the last two State budgets, contributing to roughly 1/2 of the increase since the low point in 2012 of $7.9 million.

State Revenue Sharing

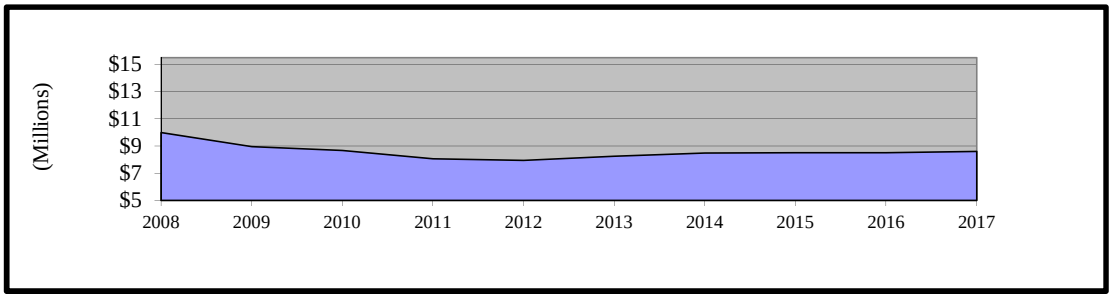


Chart 4

The remaining 47.2% of estimated revenues includes permits, licenses and fees, fines and forfeitures, and charges for services. There is an increase in charges for service due to recognizing Public Safety contracts as revenue in the General Fund. In past budgets these have been in a separate fund for Public Safety contracts or presented as an offsetting expense. User fees and charges are analyzed annually to ensure that cost recovery is at optimal levels.

Revenues for Charges for Services are estimated to increase by 4.8% in the Proposed FY 2017 Budget. Revenue for License, Permits and Fees are anticipated to increase by 7.4%. This is based on increased building permit activity as compared to the amount in the Adopted FY 2016 Budget.

Non-General Fund Revenue

Major & Local Streets

The Major & Local Streets operations are primarily funded by Statewide Gas & Weight Taxes, which are apportioned to the State and Local road and transportation systems through Public Act 51 formulas. Act 51 revenue (as it is known) is expected to see a 27.8% increase. Major Street revenues are sufficient to fund operations. The Local Street Fund will require an operating subsidy of $0.45 million from the Major Street Fund for FY 2017, and will not require and operating subsidy from the Major Street Fund for projected for FY 2018.

Capital projects are funded with CIP Bonds in the amount of $2.65 million.

Cemetery

Cemetery operational revenue is projected to remain at FY 2016 levels for FY 2017. Operational revenue is not sufficient to cover operations and capital improvements, therefore a subsidy of $311 thousand from the Perpetual Care Fund supports the cemetery activity.

Solid Waste

Solid Waste operations are funded by a special millage. The rate was increased in FY 2016 to 1.8 mills and is estimated to yield $2.61 million in tax revenue in the Proposed 2017 budget. This represents a decrease of 4.2%, due to the City recognizing tax revenue when collected (which is based on Generally Accepted Accounting Principles or GAAP), rather than when billed, which was the previous method. The Solid Waste activity is projected to contribute $51 thousand to fund balance at the end of FY 2017.

Water Fund

The Proposed FY 2017 Budget currently reflects no change in Water rates. An increase of 8% will be presented to the City Commission in December 2016. If the City Commission adopts the increase, that will be reflected in the Adopted FY 2017 Budget.

Wastewater Fund

The Proposed FY 2017 Budget customer rate revenues reflect no change overall, although individual customer rate classes may be subject to some modification.

Expenditures

General Fund

The Proposed FY 2017 Budget for the General Fund is $57,960,545, representing an overall increase of 4.1% when compared to the Adopted FY 2016 Budget, and a 3.1% increase compared to the Amended FY 2016 Budget.

The General Fund is made up of five major service areas: Public Safety (Police and Fire), Non-Departmental (General Service Expenditures), Administrative Support (City Manager, City Attorney, City Clerk, Human Resources, Information Technology and Management Services), Capital (machinery and equipment), Operating Transfers and Initiatives and Non-Public Safety Line Services (Public Works, Parks & Recreation and Community Planning & Development) (See Chart 5).

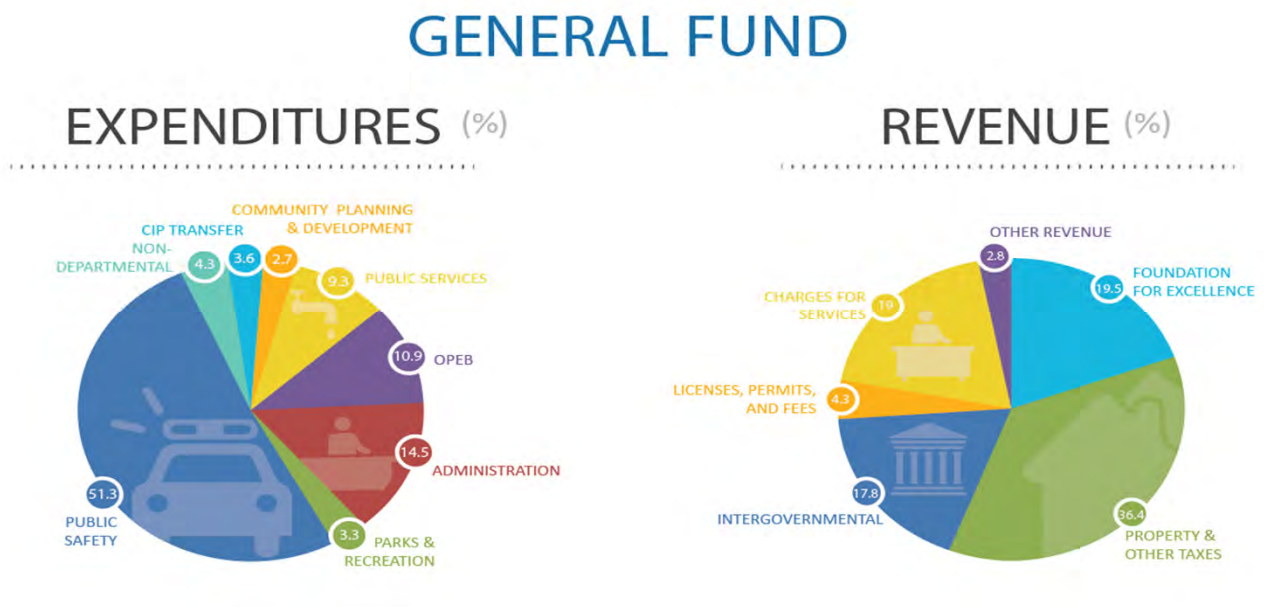


Chart 5

Public Safety represents the largest share of General Fund expenditures, 51.3% (see Chart 5). Personnel costs account for 64.3% of all General Fund expenditures as illustrated below (see Chart 6).

2017 General Fund Budget by Object

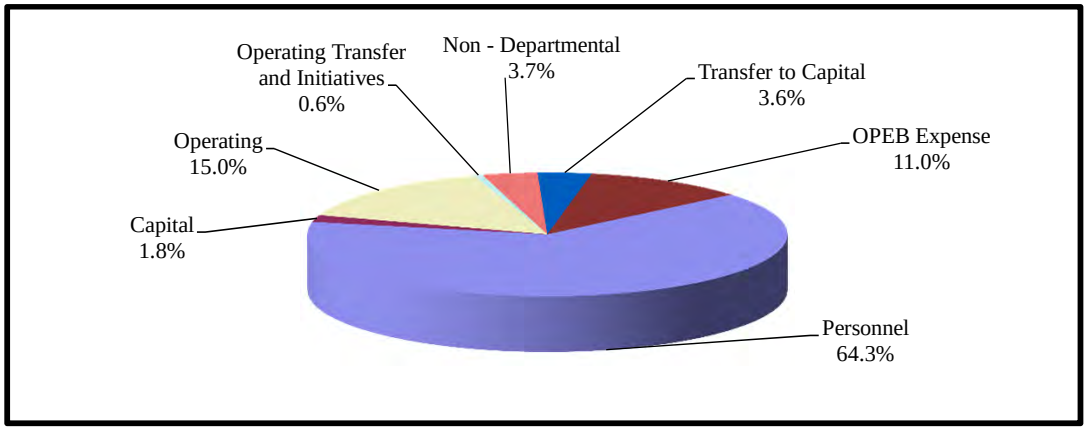


Chart 6

Projected General Fund

The City's road system will be impacted positively by the projected infusion of new revenue for Major and Local Streets, totaling $1.2 billion per year statewide by the mid-2020s, based on new legislation adopted by the State of Michigan. New funding will begin in FY 2017 at $1.3 million, and to grow to over $3.6 million in FY 2021. It should be noted, however, that this new funding is predicated on the State of Michigan realizing $600 million annually of improved funding. If the State does not realize this additional funding, expense reductions will have to occur, which could include cuts to State Revenue Sharing to cities including Kalamazoo.

Finally, the City has recognized and reported two different kinds of fund balance for the General Fund: "GAAP" fund balance, which is based on Generally Accepted Accounting Principles, which are required by the State of Michigan, and the financial and regulatory community; and "Non-GAAP" or "budgetary" fund balance, which represented the GAAP fund balance figure plus all billed but uncollected amounts (i.e., taxes, invoices, etc.). It was once necessary to track Non-GAAP fund balance when the City's tax collection and delinquent process ran independently of the State of Michigan until 2009, when the two were aligned through State legislation. By the end of FY 2016, the City will have completely eliminated the Non-GAAP fund balance, and will use GAAP fund balance for budgeting and financial reporting.

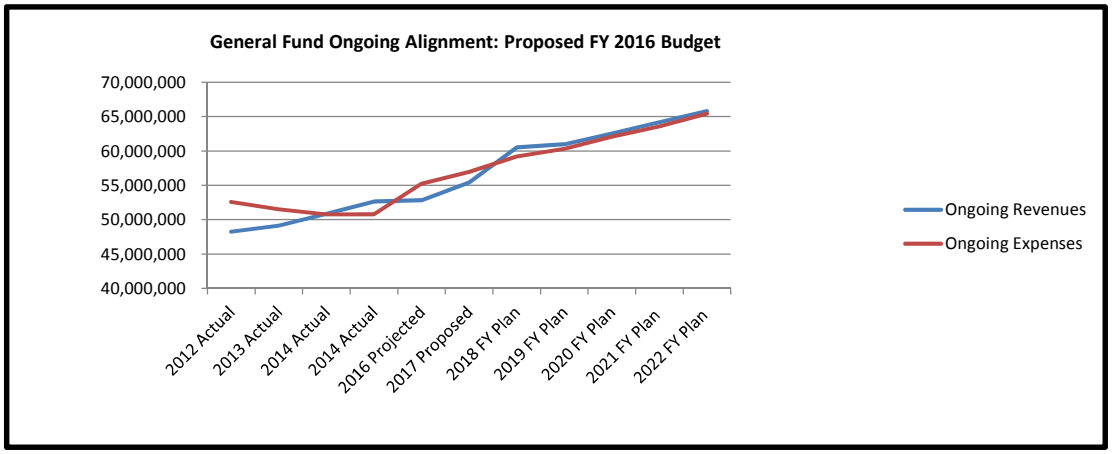


Chart 7

As Chart 8 indicates, income and fund balance are currently in projected balance with expenditures in the General Fund, and are projected to remain as such as long as the Foundation for Excellence is in place permanently and is functioning nominally . The Foundation for Excellence contains budget balancing resources which is designed to avoid General Fund budgetary stress in the future. Please note that the amount that the Foundation is providing directly to the General Fund for operations in 2018 and 2019 ($10.9M for Property Tax relief and $3.8M for budget balancing) is projected to continue unabated permanently with a 3% inflator, in order to track with the nominal inflation of the City's cost of wages, benefits, goods and services. The City will need to build up personnel and other operational capacity in order to fully execute the FFE's projects and objectives, and to realize the promise of a High Performance Organization, which is a foundational part of the City Commission's 2014 Goals. The Administration will be bringing forth to the City Commission staffing and programming proposals that will achieve these goals and objectives.

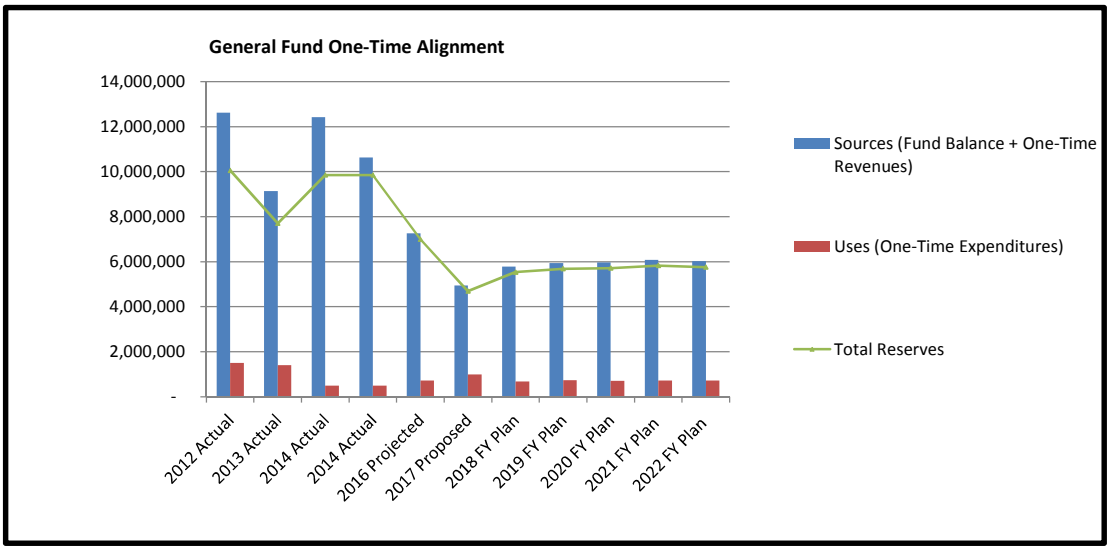


Chart 8

Fund Balance

General Fund revenues are projected to fall short of expenditures by $2.3 million dollars in FY 2017. The projected fund balance in FY 2017 is $7,668,128, which is 13.8% of estimated revenues which exceeds the target of 13% to 15% of General Fund revenues in the Five-Year Fiscal Plan. The projected fund balance does not include the Capital Contingency account, which has a balance of $0.35 million.

Historical General Fund Budget Reductions

It is important to recall that most local governments in Michigan, especially core cities, have been wrestling with major budget balancing decisions for at least 20 years. This is attributed to the broken model of municipal finance in Michigan, where the growth of traditional revenue sources do not keep pace with the cost inflation of government services, which are heavily influenced by energy and health care inflation.

Over the last 13 years in particular, as Chart 9 indicates, the City has implemented major and continual budget reduction measures totaling $25 million, one-half of these occurring since 2009. These budget reductions have dramatically reduced staffing in every department, including Public Safety, where the number of sworn Public Safety Officers has been reduced from over 250 to just over 200 in FY 2016. Total full-time employee headcount has been reduced from 845 in 2003 to 541 (see Chart 10).

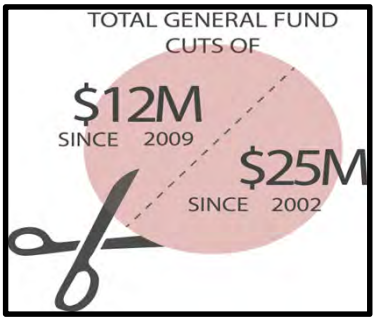


Chart 9

The City has worked with our employee bargaining units to negotiate major changes to employee benefits, particularly health care, where the City's annual per-employee health care cost inflation has been under 3.5% since 2005, roughly half of the national average for that period. Employees out-of-paycheck contributions are equal to 20% of the City's health care costs, up from 5% in 2005; more importantly, employees pay a much more substantial portion of the costs associated with hospital visits, prescription drugs, and procedures.

Furthermore, the Early Retirement Incentive Program and Strategic Alignment Plan implementation of FY 2012 and 2013 reduced staff and created efficiencies throughout the City, resulting in over $6 million of annual budget reductions for the General Fund and over $7 million city-wide.

Position Allocations

The Proposed FY 2017 Budget includes 601 full-time positions, a decrease of 47 from the Adopted FY 2016 Budget. The reduction is the net of City Metro Transit employees transitioning to the Central County Transit Authority in October of 2016, and increaseing staffing city-wide to better meet the needs of the community. For Changes by Department, see the 'Position Comparison,' for detail.

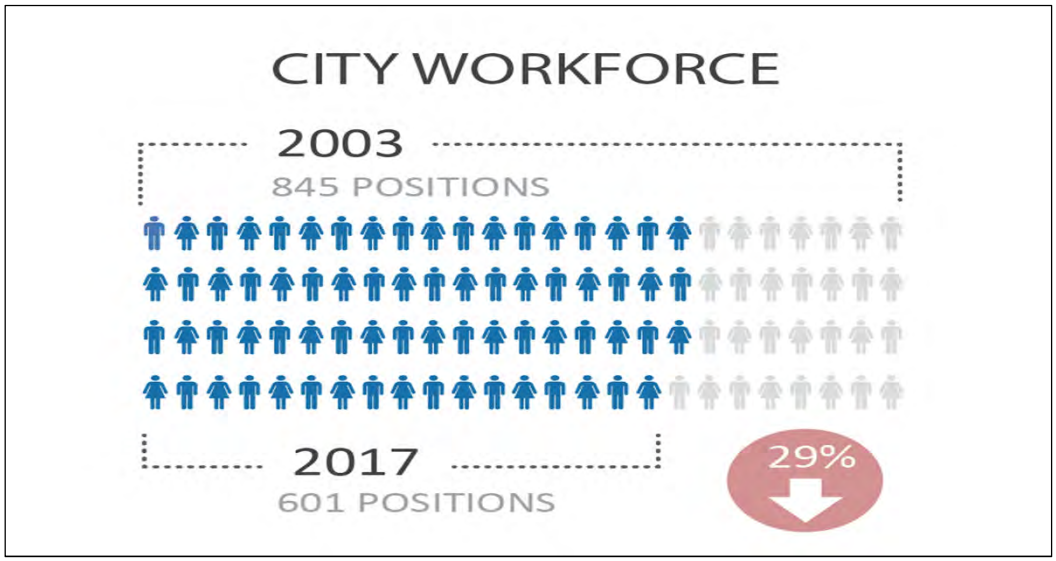


Chart 10

Capital Projects (Roads, Infrastructure, Buildings, etc.)

The Five-Year Fiscal Plan targets annual general capital investment of $5 million. The General Fund capital program for FY 2017, including street funds is $5.84 million. The General Fund will transfer $2.1 million to the Capital Improvement Program in FY 2017.

The Capital Contingency Account is designed to be used for emergency capital repairs or acquisitions. There are no contributions or withdrawals adopted in FY 2017. The Account stands at $350,000, which is the target amount.

Capital improvements planned for FY 2017 total $25.33 million and will be funded by bonds, private donations, and state and federal funding.

General Fund Capital
General capital projects, which are funded in the Capital Improvements Program (CIP) Fund, total $2.98 million. Capital projects in the CIP Fund include $0.32 million in City Hall facility and equipment improvements, $1.42 for Public Safety facilities and equipment, $1.16 in Public Services equipment and trailway improvements, and $0.08 million in Park improvements.

Non-General Fund Capital

Local Streets

Improvements to various local streets total $1 million and will be funded with capital improvement bonds.

Major Streets

The Major Street Capital Budget is proposed at $6.78 million, to be funded with $2.33 million in federal funds, $1.2 of local contributions, and $3.06 million in new capital improvement bonds.

Cemeteries

Cemetery improvements for FY 2017 Proposed Budget are for the amount of $159 thousand and will be funded by the Perpetual Care Fund, which has financed capital improvements in the Cemetery system for over 30 years. These include continued cemetery road repair and replacement, along with grounds and facility maintenance. Additionally, erosion control and stone wall conditions will be enhanced with the additional resources.

Water & Wastewater

Capital improvements of $7.8 million and $8 million are planned in the Wastewater and Water Funds, respectively. This represents an increase of over $10M in projects over 2016, and more than triples the historic average. This is necessary to address decades of chronic underinvestment in critical utilities capital infrastructure, in order to ensure the supply and quality of drinking water and the flow and treatment of sanitary sewer. This includes new & replacement water mains, service connections, hydrants, meters, pumping station upgrades, capital maintenance, and improvement of existing infrastructure. Other various projects include computers, software, security upgrades and replacements, along with plant controls.

2017 Capital Financing by Source

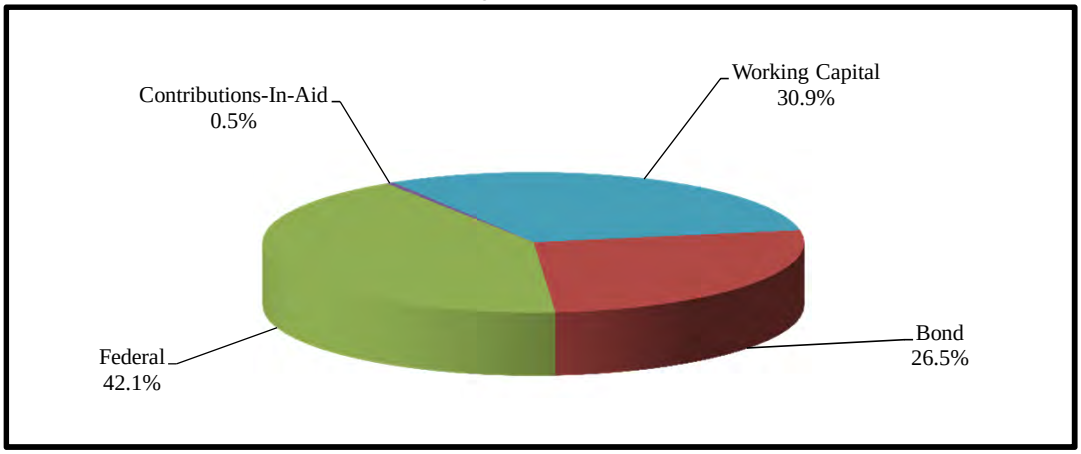


Chart 11

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
TAXABLE VALUE AND TAX LEVY PROJECTIONS

	2016 Adopted Budget	2016 Roll Confirmation	2017 Proposed Budget	2018 Projected Budget	2019 Projected Budget	2020 Projected Budget	2021 Projected Budget	2022 Projected Budget
Effective Taxable Value (a)	1,556,860,140	1,564,580,830	1,575,580,034	1,607,091,635	1,647,268,925	1,696,686,993	1,747,587,603	1,800,015,231
MILLAGE RATES:								
Operating Millage (c)	19.2705	19.2705	12.0000	12.0000	12.0000	12.0000	12.0000	12.0000
Solid Waste Millage	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000
Metro Transit Millage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
TOTAL	**21.0705**	**21.0705**	**13.8000**	**13.8000**	**13.8000**	**13.8000**	**13.8000**	**13.8000**
TAX REVENUES:								
Operating Revenues	30,001,473	30,150,255	18,906,960	19,285,100	19,767,227	20,360,244	20,971,051	21,600,183
Less: Total Captured TIF (b)	-1,345,006	-1,190,178	-555,579	-566,690	-580,858	-598,283	-616,232	-634,719
Net Operating Revenue	28,656,467	28,960,077	18,351,382	18,718,409	19,186,369	19,761,961	20,354,819	20,965,464
Solid Waste Revenues	2,802,348	2,816,245	2,836,044	2,892,765	2,965,084	3,054,037	3,145,658	3,240,027
Less: Total Captured TIF (b)	-81,198	-86,224	-52,082	-53,124	-54,452	-56,086	-57,768	-59,501
Net Operating Revenue	2,721,150	2,730,021	2,783,962	2,839,641	2,910,632	2,997,951	3,087,889	3,180,526
TOTAL	31,377,619	31,690,098	21,135,343	21,558,050	22,097,001	22,759,911	23,442,709	24,145,990

(a) Taxable Values are reduced for approved Renaissance Zone properties, and includes reimbursements of Personal Property exemptions under Public Act 86 of 2013.

(b) Represents property tax revenue captured for Brownfield Redevelopment and the Downtown Development Authorities Tax Increment Financing (TIF) plans.

(c) Reduction of General Operating Millage from 19.2705 to 12.0000 in FY 2017 based on Foundation for Excellence MOU (approved by City Commission on 10.26.16).

CITY OF KALAMAZOO
2017 PROPOSED BUDGET

DEBT SERVICE SCHEDULE

As of: January 1, 2017

City Debt Issues		Remaining Debt: Original Issue Amount	Remaining Debt: Gross Principal Outstanding	Remaining Debt: Self-Supporting	Remaining Debt: Net	2017: Principal	2017: Interest	2017: Total		2018: Principal	2018: Interest	2018: Total
Building Authority Bonds:												
Dated: 8/4/15	2015B Building Authority Refunding	$ 8,620,000	$ 7,910,000	$ 7,910,000	$ -	$ 515,000	$ 263,060	$ 778,060		$ 530,000	$ 256,674	$ 786,674
Dated: 8/14/15	2015A Building Authority Refunding	$ 7,465,000	$ 7,075,000	$ 7,075,000	$ -	$ 600,000	$ 302,850	$ 902,850		$ 615,000	$ 290,850	$ 905,850
Dated: 3/1/11	2011 Building Authority Refunding	$ 4,105,000	$ 2,180,000	$ 246,879	$ 1,933,121	$ 285,000	$ 93,413	$ 378,413		$ 295,000	$ 82,013	$ 377,013
Dated: 11/17/98	1998 BA Refunding	$ 5,770,000	$ 240,000	$ 240,000	$ -	$ 240,000	$ 12,600	$ 252,600		$ -	$ -	$ -
	Subtotal	**$ 25,960,000**	**$ 17,405,000**	**$ 15,471,879**	**$ 1,933,121**	**$ 1,640,000**	**$ 671,923**	**$ 2,311,923**		**$ 1,440,000**	**$ 629,537**	**$ 2,069,537**
Michigan Transportation Fund Bonds:												
Dated: 7/14/16	2016 Michigan Transportaion Fund Refunding	$ 1,645,000	$ 1,645,000	$ 1,645,000	$ -	$ 30,000	$ 23,309	$ 53,309		$ 320,000	$ 20,861	$ 340,861
Dated: 7/12/07	2007 Michigan Transportation Fund	$ 3,860,000	$ 275,000	$ 275,000	$ -	$ 275,000	$ 5,638	$ 280,638		$ -	$ -	$ -
	Subtotal	**$ 5,505,000**	**$ 1,920,000**	**$ 1,920,000**	**$ -**	**$ 305,000**	**$ 28,947**	**$ 333,947**		**$ 320,000**	**$ 20,861**	**$ 340,861**
Wastewater Bonds:												
Dated: 5/1/13	2014 Wastewater Supply Systems Refunding	$ 2,285,000	$ 2,095,000	$ 2,095,000	$ -	$ 85,000	$ 72,278	$ 157,278		$ 90,000	$ 69,345	$ 159,345
Dated: 3/29/12	2012 Wastewater Supply Systems	$ 6,100,000	$ 5,145,000	$ 5,145,000	$ -	$ 265,000	$ 173,078	$ 438,078		$ 270,000	$ 167,778	$ 437,778
Dated: 7/26/11	2011 Wastewater Supply Systems Refunding	$ 2,815,000	$ 1,380,000	$ 1,380,000	$ -	$ 330,000	$ 39,375	$ 369,375		$ 340,000	$ 31,125	$ 371,125
	Subtotal	**$ 11,200,000**	**$ 8,620,000**	**$ 8,620,000**	**$ -**	**$ 680,000**	**$ 284,731**	**$ 964,731**		**$ 700,000**	**$ 268,248**	**$ 968,248**
Water Bonds:												
Dated: 12/10/15	2015 Water Supply Systems Revenue	$ 3,035,000	$ 2,920,000	$ 2,920,000	$ -	$ 85,000	$ 87,075	$ 172,075		$ 90,000	$ 85,375	$ 175,375
Dated: 5/1/14	2014 Water Supply Systems Refunding	$ 11,170,000	$ 10,605,000	$ 10,605,000	$ -	$ 290,000	$ 418,898	$ 708,898		$ 300,000	$ 407,443	$ 707,443
Dated: 6/5/12	2012 Water Supply Systems Refunding	$ 5,370,000	$ 1,765,000	$ 1,765,000	$ -	$ 620,000	$ 26,475	$ 646,475		$ 590,000	$ 17,175	$ 607,175
Dated: 7/12/07	2007 Water Supply Systems	$ 1,900,000	$ 1,425,000	$ 1,425,000	$ -	$ 65,000	$ 65,294	$ 130,294		$ 65,000	$ 62,450	$ 127,450
Dated: 11/29/06	2006 Water Supply System and Refunding	$ 4,690,000	$ 1,420,000	$ 1,420,000	$ -	$ 120,000	$ 59,241	$ 179,241		$ 120,000	$ 54,441	$ 174,441
	Subtotal	**$ 26,165,000**	**$ 18,135,000**	**$ 18,135,000**	**$ -**	**$ 1,180,000**	**$ 656,983**	**$ 1,836,983**		**$ 1,165,000**	**$ 626,884**	**$ 1,791,884**
Dated: 3/1/11	2011 Downtown Development Refunding	$ 2,115,000	$ 900,000	$ 900,000	$ -	$ 450,000	$ 27,000	$ 477,000		$ 450,000	$ 9,000	$ 459,000
	Subtotal	**$ 2,115,000**	**$ 900,000**	**$ 900,000**	**$ -**	**$ 450,000**	**$ 27,000**	**$ 477,000**		**$ 450,000**	**$ 9,000**	**$ 459,000**
Other Post Employment Benefit Bonds:												
Dated: 1/22/15	2015 Limited Tax GO - OPEB Bonds	$ 90,955,000	$ 87,055,000	$ 87,055,000	$ -	$ 1,885,000	$ 3,594,120	$ 5,479,120		$ 1,915,000	$ 3,564,469	$ 5,479,469
	Subtotal	**$ 90,955,000**	**$ 87,055,000**	**$ 87,055,000**	**$ -**	**$ 1,885,000**	**$ 3,594,120**	**$ 5,479,120**		**$ 1,915,000**	**$ 3,564,469**	**$ 5,479,469**
Capital Improvement Bonds:												
Dated : 7/19/16	2016 Capital Improvement	$ 5,580,000	$ 5,580,000	$ -	$ 5,580,000	$ 225,000	$ 215,550	$ 440,550		$ 305,000	$ 206,900	$ 511,900
Dated 6/2/15	2015 Capital Improvement	$ 5,150,000	$ 4,855,000	$ -	$ 4,855,000	$ 300,000	$ 133,338	$ 433,338		$ 305,000	$ 127,288	$ 432,288
Dated: 5/1/14	2014 Capital Improvement	$ 5,660,000	$ 4,705,000	$ -	$ 4,705,000	$ 495,000	$ 128,376	$ 623,376		$ 510,000	$ 113,904	$ 623,904
Dated: 4/11/13	2013 Capital Improvement	$ 4,200,000	$ 3,425,000	$ -	$ 3,425,000	$ 260,000	$ 73,250	$ 333,250		$ 265,000	$ 68,000	$ 333,000
Dated: 3/29/12	2012 Capital Improvement	$ 4,400,000	$ 3,370,000	$ -	$ 3,370,000	$ 275,000	$ 100,053	$ 375,053		$ 280,000	$ 94,553	$ 374,553
Dated: 7/14/11	2011 Capital Improvement	$ 4,685,000	$ 3,390,000	$ -	$ 3,390,000	$ 285,000	$ 125,900	$ 410,900		$ 295,000	$ 118,063	$ 413,063
Dated: 7/8/10	2010 Capital Improvement	$ 2,855,000	$ 1,880,000	$ -	$ 1,880,000	$ 180,000	$ 75,200	$ 255,200		$ 185,000	$ 68,000	$ 253,000
Dated: 6/24/09	2009 Capital Improvement	$ 4,585,000	$ 2,820,000	$ -	$ 2,820,000	$ 300,000	$ 116,948	$ 416,948		$ 310,000	$ 105,698	$ 415,698
Dated: 7/1/08	2008 Capital Improvement	$ 4,165,000	$ 2,250,000	$ -	$ 2,250,000	$ 285,000	$ 93,469	$ 378,469		$ 295,000	$ 82,069	$ 377,069
Dated: 7/12/07	2007 Capital Improvement	$ 855,000	$ 40,000	$ -	$ 40,000	$ 40,000	$ 1,740	$ 41,740		$ -	$ -	$ -
	Subtotal	**$ 42,135,000**	**$ 32,315,000**	**$ -**	**$ 32,315,000**	**$ 2,645,000**	**$ 1,063,824**	**$ 3,708,824**		**$ 2,750,000**	**$ 984,473**	**$ 3,734,473**
	Grand Total:	**$ 204,035,000**	**$ 166,350,000**	**$ 132,101,879**	**$ 34,248,121**	0 **$ 8,785,000**	**$ 6,327,526**	**$ 15,112,526**	0	**$ 8,740,000**	**$ 6,103,470**	**$ 14,843,470**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
GENERAL FUND OPERATING BUDGET SUMMARY AND FIVE YEAR FISCAL PLAN

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2018 Fiscal Plan	2019 Fiscal Plan	2020 Fiscal Plan	2021 Fiscal Plan	2022 Fiscal Plan
REVENUE										
Tax Levy Revenue	28,391,408	28,656,467	28,656,467	27,931,949	18,351,382	18,718,409	19,186,369	19,761,961	20,354,819	20,965,464
Other Tax or PILOT Payments	1,909,653	1,888,281	1,888,281	1,963,951	1,997,442	2,037,391	2,088,326	2,150,976	2,215,505	2,281,970
Licenses, Permits & Fees	2,464,874	2,220,640	2,220,640	2,375,335	2,384,980	2,432,680	2,481,334	2,530,960	2,581,579	2,633,211
Intergovernmental Revenue	9,862,730	9,620,633	9,620,633	9,521,542	9,973,349	9,822,816	10,019,272	10,219,658	10,424,051	10,632,532
Charges for Services	10,046,810	9,884,251	9,884,251	10,040,658	10,356,680	11,492,929	11,872,606	12,110,058	12,352,259	12,599,304
Fines and Forfeitures	30,588	36,800	36,800	30,800	36,300	37,026	37,767	38,522	39,292	40,078
Interest & Rentals	181,236	182,108	182,108	157,852	150,352	151,856	154,893	156,442	158,006	159,586
Other Revenue	527,236	468,452	526,352	401,660	1,371,400	385,114	388,965	392,855	396,784	400,752
Foundation for Excellence					11,039,677	14,979,355	14,979,355	15,428,736	15,891,598	16,368,346
Total Revenue	**53,414,535**	**52,957,632**	**53,015,532**	**52,423,747**	**55,661,562**	**60,057,576**	**61,208,887**	**62,790,167**	**64,413,893**	**66,081,243**
EXPENDITURES										
City Commission	78,350	73,708	73,708	70,666	80,269	80,741	81,495	83,394	85,346	87,352
City Administration	769,734	860,447	871,964	826,403	943,843	988,005	997,224	1,020,469	1,044,354	1,068,901
City Attorney	661,619	649,270	669,126	667,408	718,919	767,440	774,601	792,657	811,210	830,277
City Clerk	478,986	622,473	631,297	635,849	513,044	693,117	550,991	715,892	591,744	749,868
Internal Auditor	84,959	85,957	87,667	87,034	86,961	87,916	88,736	90,804	92,930	95,114
Human Resources	575,645	672,028	685,302	706,185	763,850	768,198	775,366	793,440	812,011	831,097
Information Technology	1,105,153	1,184,453	1,284,734	1,009,055	1,767,172	2,109,131	2,128,811	2,178,433	2,229,421	2,281,822
Management Services	2,855,926	2,900,259	3,020,935	2,915,200	3,307,884	3,438,573	3,470,659	3,551,559	3,634,686	3,720,117
Public Safety	28,100,640	28,663,357	28,726,269	29,534,404	29,863,276	30,396,737	30,980,367	32,001,521	33,048,480	34,122,046
Public Services	4,615,706	5,514,193	5,531,105	5,143,500	5,177,615	5,312,930	5,362,505	5,487,504	5,615,944	5,747,943
Community Planning & Development	1,369,545	1,506,212	1,577,692	1,545,982	1,670,924	1,834,789	1,851,909	1,895,077	1,939,432	1,985,017
Economic Development	76,468	105,540	115,444	56,056	213,780	243,494	245,766	251,495	257,381	263,431
Parks & Recreation	1,762,434	1,824,117	1,851,145	1,898,810	1,930,879	2,018,374	2,037,207	2,084,694	2,133,488	2,183,634
Non-Departmental Expenditures	2,073,834	2,240,875	2,244,736	2,000,814	2,159,427	2,262,532	2,307,783	2,353,939	2,401,018	2,449,038
Initiatives	302,994	335,000	406,565	406,565	335,000	330,000	330,000	330,000	330,000	330,000
OPEB Expense	3,609,614	6,324,225	6,324,225	6,324,225	6,327,232	6,327,232	6,327,232	6,327,232	6,327,232	6,327,232
Total Operating Expenditure	**48,521,607**	**53,562,114**	**54,101,914**	**53,828,157**	**55,860,076**	**57,659,209**	**58,310,651**	**59,958,110**	**61,354,677**	**63,072,889**
Transfer to CIP Fund	2,100,004	2,100,000	2,100,000	2,100,000	2,100,000	2,225,000	2,750,000	2,800,000	2,950,000	3,075,000
Total Transfer for Capital Improvement	**2,100,004**	**2,100,000**	**2,100,000**	**2,100,000**	**2,100,000**	**2,225,000**	**2,750,000**	**2,800,000**	**2,950,000**	**3,075,000**
TOTAL EXPENDITURES	**50,621,611**	**55,662,114**	**56,201,914**	**55,928,157**	**57,960,076**	**59,884,209**	**61,060,651**	**62,758,110**	**64,304,677**	**66,147,889**
Beginning Fund Balance	**9,495,819**	**12,821,521**	**12,821,521**	**12,821,521**	**9,967,112**	**7,668,597**	**8,511,965**	**8,660,200**	**8,692,257**	**8,801,473**
Surplus / (Deficit)	**2,792,924**	**(2,704,482)**	**(3,186,382)**	**(3,504,409)**	**(2,298,514)**	**173,367**	**148,235**	**32,057**	**109,216**	**(66,646)**
Net Proceeds from OPEB Bonds	7,189	-	-	-	-	-	-	-	-	-
Elimination of Non-GAAP Fund Balance	-	(1,000,000)	(1,000,000)	-	-	-	-	-	-	-
Contribution from/(to) Other Funds	525,589	650,000	650,000	650,000	-	670,000	-	-	-	-
Ending Fund Balance	**12,821,521**	**9,767,039**	**9,285,139**	**9,967,112**	**7,668,597**	**8,511,965**	**8,660,200**	**8,692,257**	**8,801,473**	**8,734,827**
Target Fund Balance	6,943,890	6,884,492	6,892,019	6,815,087	7,236,003	7,807,485	7,957,155	8,162,722	8,373,806	8,590,562
Amount Over (Under) Target	5,877,631	2,882,547	2,393,120	3,152,024	432,594	704,480	703,045	529,535	427,667	144,266
Cumulative Amount Over (Under) Target										
Actual Percentage of Revenues	24.0%	18.4%	17.5%	19.0%	13.8%	14.2%	14.1%	13.8%	13.7%	13.2%
Target Percentage of Revenues	**13.0%**	**13.0%**	**13.0%**	**13.0%**	**13.0%**	**13.0%**	**13.0%**	**13.0%**	**13.0%**	**13.0%**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
CAPITAL IMPROVEMENT PROGRAM AND FIVE YEAR PLAN

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
RESOURCES										
Transfer From General Fund	2,100,004	2,100,000	2,100,000	2,100,000	2,100,000	2,225,000	2,750,000	2,800,000	2,950,000	3,075,000
Interest	1,485	5,000	5,000	5,000	5,000	6,500	15,000	15,000	15,000	15,000
Reimbursements - Various Sources	670,823	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Federal Grants	-	-	1,308	1,308	300,000	-	-	-	-	-
State Grants	326,880	200,000	1,261,320	1,261,320	-	-	300,000	600,000	-	-
Bond Proceeds	2,325,738	1,950,250	2,930,064	3,054,445	2,654,800	3,375,750	2,006,350	1,723,500	3,375,350	528,750
Private / Local Contributions	-	2,653,000	3,604,702	3,604,702	124,000	2,262,500	744,000	2,800,000	6,000,000	-
TOTAL RESOURCES	**5,424,930**	**7,458,250**	**10,452,394**	**10,576,775**	**5,733,800**	**8,419,750**	**6,365,350**	**8,488,500**	**12,890,350**	**4,168,750**
EXPENDITURES										
Bond Issuance + Other										
Bond Issuance Expenses	135,174	-	-	125,544	-	-	-	-	-	-
Other Expense	89,207	-	-	-	-	-	-	-	-	-
Total Bond Issuance + Other	**224,381**	**-**	**-**	**125,544**	**-**	**-**	**-**	**-**	**-**	**-**
Existing Debt Service										
Justice Facility (Crosstown)	468,848	-	-	-	-	-	-	-	-	-
Park Street Public Safety Station - 2006B BA	240,122	208,500	208,500	208,500	-	-	-	-	-	-
Building Authority 2011 Refunding	343,607	326,293	326,293	326,293	248,268	246,868	240,963	244,163	241,963	244,100
Building Authority 2015 Refunding	243,957	700,650	700,650	701,400	902,850	905,850	906,250	890,650	894,650	892,450
General Capital Projects - 2007 GO	69,463	67,763	67,763	67,763	42,240	-	-	-	-	-
General Capital Projects - 2008 GO	179,354	179,548	179,548	179,336	178,864	178,203	177,353	178,675	179,525	177,524
General Capital Projects - 2009 GO	213,039	213,769	213,769	213,536	215,766	215,119	216,464	217,498	220,719	220,750
General Capital Projects - 2010 GO	193,952	194,788	194,788	194,446	194,256	192,584	190,760	192,584	190,304	191,672
General Capital Projects - 2011 GO	139,179	138,933	138,933	138,780	139,842	140,577	140,968	140,998	142,350	141,542
General Capital Projects - 2012 GO	105,797	105,686	105,686	105,686	104,161	104,022	103,778	103,268	102,483	102,843
General Capital Projects - 2013 GO	81,971	80,733	80,733	80,733	79,495	79,436	79,352	78,067	77,959	77,828
General Capital Projects - 2014 GO	269,374	269,374	269,374	268,897	267,012	266,319	267,267	109,523	108,392	108,545
General Capital Projects - 2015 GO	20,509	189,436	189,436	189,674	200,899	200,635	200,328	202,330	198,840	199,337
General Capital Projects - 2016 GO	-	90,798	90,798	18,120	179,700	226,000	225,300	219,500	223,500	222,200
Total Existing Debt Service	**2,569,172**	**2,766,270**	**2,766,270**	**2,693,163**	**2,753,353**	**2,755,613**	**2,748,783**	**2,577,254**	**2,580,684**	**2,578,792**
New Planned Debt Service										
General Capital Projects - 2017 GO	-	-	-	-	110,617	221,233	221,233	221,233	221,233	221,233
General Capital Projects - 2018 GO	-	-	-	-	-	140,656	281,313	281,313	281,313	281,313
General Capital Projects - 2019 GO							83,598	167,196	167,196	167,196
General Capital Projects - 2020 GO								71,813	143,625	143,625
General Capital Projects - 2021 GO									140,640	281,279
General Capital Projects - 2022 GO										22,031
Total Planned New Debt Service	**-**	**-**	**-**	**-**	**110,617**	**361,890**	**586,144**	**741,554**	**954,006**	**1,116,677**
TOTAL DEBT SERVICE	**2,793,553**	**2,766,270**	**2,766,270**	**2,818,707**	**2,863,969**	**3,117,503**	**3,334,927**	**3,318,808**	**3,534,690**	**3,695,469**
Park Improvements	1,055,055	3,310,000	3,448,051	3,448,051	75,000	3,107,000	1,838,000	3,685,000	6,012,000	488,000
Facilities & Equipment	368,132	200,000	825,000	825,000	324,800	125,000	125,000	0	0	0
Public Safety Facilities & Equipment	132,857	378,000	1,152,028	1,152,028	1,424,000	2,370,000	1,000,000	1,100,000	1,200,000	0
Public Service Facilities & Equipment	947,688	915,250	2,998,177	2,998,177	1,155,000	36,250	87,350	338,500	2,163,350	40,750
Total Capital Projects	**2,503,732**	**4,803,250**	**8,423,256**	**8,423,256**	**2,978,800**	**5,638,250**	**3,050,350**	**5,123,500**	**9,375,350**	**528,750**
TOTAL CAPITAL IMPROVEMENT	**5,297,285**	**7,569,520**	**11,189,526**	**11,241,963**	**5,842,769**	**8,755,753**	**6,385,277**	**8,442,308**	**12,910,040**	**4,224,219**
(Use of) Addition to Working Capital	**127,645**	**(111,270)**	**(737,132)**	**(665,188)**	**(108,969)**	**(336,003)**	**(19,927)**	**46,192**	**(19,690)**	**(55,469)**
BEGINNING FUND BALANCE	**1,038,463**	**1,166,108**	**1,166,108**	**1,166,108**	**500,920**	**391,950**	**55,947**	**36,021**	**82,213**	**62,523**
ENDING FUND BALANCE	**1,166,108**	**1,054,838**	**428,976**	**500,920**	**391,950**	**55,947**	**36,021**	**82,213**	**62,523**	**7,054**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
MAJOR STREETS BUDGET SUMMARY AND FIVE YEAR FISCAL PLAN

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated	2022 Estimated
Revenue										
Highway Maintenance	175,611	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gas & Weight Tax	4,336,895	4,187,394	4,187,394	4,187,394	5,353,160	6,413,086	6,787,423	7,232,432	7,741,106	8,505,145
Other State Revenue (Metro Act)	467,174	447,187	553,413	538,303	265,000	450,000	450,000	450,000	450,000	450,000
Interest	3,028	5,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Bond Discount	-	-	-	-	-	-	-	-	-	-
Other	1,228,408	10,000	240,000	240,000	10,000	10,000	10,000	10,000	10,000	10,000
Transfer from Insurance Fund	-	-	-	-	-	20,000	-	-	-	-
Total Revenue	**6,211,116**	**4,899,581**	**5,235,807**	**5,221,697**	**5,884,160**	**7,149,086**	**7,503,423**	**7,948,432**	**8,457,106**	**9,221,145**
Expenditures										
Debt Service	1,734,875	1,681,642	1,681,642	1,681,342	1,561,178	1,692,596	1,686,958	1,685,050	1,684,591	1,684,086
New Debt Service	-	-	-	-	127,317	381,950	550,700	719,450	888,200	1,069,450
Operations & Maintenance	2,236,578	2,603,049	2,603,216	2,672,533	2,436,745	2,554,749	2,580,296	2,606,099	2,632,160	2,658,482
OPEB Debt Service + Contribution	1,280,401	116,762	116,762	116,762	116,820	462,298	462,298	462,298	462,298	462,298
Total Debt Service & Operations	**5,251,854**	**4,401,453**	**4,401,620**	**4,470,637**	**4,242,060**	**5,091,592**	**5,280,252**	**5,472,897**	**5,667,249**	**5,874,316**
Transfers										
Transfer to Local Streets	900,000	1,000,000	1,000,000	1,000,000	450,000	1,000,000	1,250,000	1,350,000	1,500,000	1,300,000
Total Expenditure & Transfers	**6,151,854**	**5,401,453**	**5,401,620**	**5,470,637**	**4,692,060**	**6,091,592**	**6,530,252**	**6,822,897**	**7,167,249**	**7,174,316**
Available for Construction	59,262	(501,872)	(165,813)	(248,940)	1,192,100	1,057,494	973,171	1,125,535	1,289,857	2,046,829
Other Resources for Capital										
Federal Aid	-	2,774,000	2,774,000	2,774,000	2,334,000	2,274,000	2,089,000	1,411,000	1,929,000	1,900,000
Other State Revenue	-	-	-	-	-	-	-	-	-	-
Private Funding	-	1,281,000	1,200,000	-	1,200,000	-	-	-	-	-
Bond Proceeds	1,703,500	2,000,000	1,770,000	1,770,000	3,055,600	2,025,000	2,025,000	2,025,000	2,175,000	2,025,000
Total Capital Resources	**1,703,500**	**6,055,000**	**5,744,000**	**4,544,000**	**6,589,600**	**4,299,000**	**4,114,000**	**3,436,000**	**4,104,000**	**3,925,000**
Capital Expenditures										
Construction	2,487,960	6,005,166	7,206,996	6,008,286	6,782,029	4,341,100	4,114,000	3,436,000	4,104,000	3,925,000
Surplus / (Deficit)	(725,198)	(452,038)	(1,628,809)	(1,713,226)	999,671	1,015,394	973,171	1,125,535	1,289,857	2,046,829
Transfer from LDFA (Reimbursement to Fund Balance)	328,619	335,912	335,912	335,912	-	-	-	-	-	-
Beginning Fund Balance	2,654,305	2,257,726	2,257,726	2,257,726	880,412	1,880,083	2,895,477	3,868,648	4,994,183	6,284,041
Ending Fund Balance	**2,257,726**	**2,141,600**	**964,829**	**880,412**	**1,880,083**	**2,895,477**	**3,868,648**	**4,994,183**	**6,284,041**	**8,330,870**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
LOCAL STREETS BUDGET SUMMARY AND FIVE YEAR FISCAL PLAN

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated	2022 Estimated
Revenue & Other Resources										
Operating Revenues										
Gas & Weight Tax	1,225,244	1,182,517	1,182,517	1,182,517	1,512,667	1,812,175	1,917,953	2,043,701	2,187,440	2,403,338
Interest	1,291	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Bond Discount	-	-	-	120,000	-	10,000	10,000	10,000	10,000	10,000
Other	1,666,023	192,151	312,151	305,239	192,500	200,000	190,000	190,000	190,000	190,000
Total Operating Revenue	**2,892,558**	**1,376,668**	**1,496,668**	**1,609,756**	**1,707,167**	**2,024,175**	**2,119,953**	**2,245,701**	**2,389,440**	**2,605,338**
Other Resources										
Transfer From Major Streets	900,000	1,000,000	1,000,000	1,000,000	450,000	1,000,000	1,250,000	1,350,000	1,500,000	1,300,000
Transfer From General Fund	-	-	-	-	-	-	-	-	-	-
Transfer From Insurance Fund	-	-	-	-	-	20,000	-	-	-	-
Total Other Resources	**900,000**	**1,000,000**	**1,000,000**	**1,000,000**	**450,000**	**1,020,000**	**1,250,000**	**1,350,000**	**1,500,000**	**1,300,000**
Total Revenue and Other Sources	**3,792,558**	**2,376,668**	**2,496,668**	**2,609,756**	**2,157,167**	**3,044,175**	**3,369,953**	**3,595,701**	**3,889,440**	**3,905,338**
Expenditures										
Operations & Maintenance	1,561,953	1,789,888	1,789,888	1,668,367	1,892,091	1,898,171	1,917,153	1,936,324	1,955,687	1,975,244
Existing Debt Service	707,834	680,419	680,419	680,419	641,861	681,847	680,674	593,040	590,001	592,843
Proposed New Debt Service	-	-	-	-	41,667	125,000	187,500	229,167	250,000	250,000
OPEB Debt Service + Contribution	1,184,849	108,138	108,138	108,138	108,191	108,138	108,138	108,138	108,138	108,138
Total Debt Service & Operations	**3,454,636**	**2,578,445**	**2,578,445**	**2,456,924**	**2,683,810**	**2,813,156**	**2,893,465**	**2,866,668**	**2,903,826**	**2,926,225**
Transfers										
Transfer to Pension Fund (ERI Payback)	-	-	-	-	-	-	-	-	-	-
Total Expenditure & Transfers	**3,454,636**	**2,578,445**	**2,578,445**	**2,456,924**	**2,683,810**	**2,813,156**	**2,893,465**	**2,866,668**	**2,903,826**	**2,926,225**
Available for Construction	337,922	(201,777)	(81,777)	152,832	(526,643)	231,019	476,489	729,033	985,614	979,113
Other Resources for Capital										
Local and Other Contributions	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	1,000,000	1,000,000	880,000	880,000	1,000,000	750,000	500,000	250,000	-	-
Other/Transfer from CIP Bond Reserves	-	-	-	-	-	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-
Transfer from Major Streets	-	-	-	-	-	-	-	-	-	-
Total Capital Resources	**1,000,000**	**1,000,000**	**880,000**	**880,000**	**1,000,000**	**750,000**	**500,000**	**250,000**	**-**	**-**
Capital Expenditures										
Construction	**1,038,783**	**1,000,000**	**1,171,637**	**986,050**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**
Surplus / (Deficit)	299,139	(201,777)	(373,414)	46,782	(526,643)	(18,981)	(23,511)	(20,967)	(14,386)	(20,887)
Beginning Fund Balance	974,894	1,274,033	1,274,033	1,274,033	1,320,815	794,172	775,191	751,679	730,713	716,326
Ending Fund Balance	**1,274,033**	**1,072,256**	**900,619**	**1,320,815**	**794,172**	**775,191**	**751,679**	**730,713**	**716,326**	**695,439**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
GENERAL FUND

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
REVENUES:							
Operating Taxes- Current Year	28,391,408	28,656,467	28,656,467	27,931,949	18,351,382	-35.96%	18,718,409
Other Taxes / PILOT Payment	1,909,653	1,888,281	1,888,281	1,963,951	1,997,442	5.78%	2,037,391
Licenses, Permits & Fees	2,464,874	2,220,640	2,220,640	2,375,335	2,384,980	7.40%	2,432,680
Intergovernmental Contributions	9,862,730	9,620,633	9,620,633	9,521,542	9,973,349	3.67%	9,822,816
Charges for Services	10,046,810	9,884,251	9,884,251	10,040,658	10,356,680	4.78%	11,492,929
Interest	181,236	182,108	182,108	157,852	150,352	-17.44%	151,856
Fines & Forfeitures	30,588	36,800	36,800	30,800	36,300	-1.36%	37,026
Other Revenue	527,236	468,452	526,352	401,660	1,371,400	192.75%	385,114
Foundation for Excellence	-	-	-	-	11,039,677	0.00%	14,979,355
TOTAL OPERATING REVENUE	**53,414,535**	**52,957,632**	**53,015,532**	**52,423,747**	**55,661,562**	**5.11%**	**60,057,576**
EXPENDITURES:							
CITY COMMISSION							
Personnel	57,638	56,519	56,519	56,519	56,519	0.00%	56,516
Operating	20,712	17,189	17,189	14,147	23,750	38.17%	24,225
TOTAL CITY COMMISSION	**78,350**	**73,708**	**73,708**	**70,666**	**80,269**	**8.90%**	**80,741**
CITY ADMINISTRATION							
Personnel	667,000	752,535	764,052	710,066	833,058	10.70%	875,004
Operating	102,734	107,912	107,912	116,337	110,785	2.66%	113,001
TOTAL CITY ADMINISTRATION	**769,734**	**860,447**	**871,964**	**826,403**	**943,843**	**9.69%**	**988,005**
CITY ATTORNEY							
Personnel	564,064	558,355	578,211	575,856	618,582	10.79%	665,097
Operating	97,555	90,915	90,915	91,552	100,337	10.36%	102,344
TOTAL CITY ATTORNEY	**661,619**	**649,270**	**669,126**	**667,408**	**718,919**	**10.73%**	**767,440**
CITY CLERK:							
ADMINISTRATION							
Personnel	157,630	131,050	139,874	134,541	101,578	-22.49%	102,783
Operating	29,153	32,525	32,525	34,950	40,545	24.66%	41,356
Capital	3,588	-	-	499	-		-
TOTAL ADMINISTRATION	**190,371**	**163,575**	**172,399**	**169,990**	**142,123**	**-13.11%**	**144,139**
ELECTIONS							
Personnel	142,216	233,917	233,917	234,838	138,233	-40.91%	230,813
Operating	40,315	69,765	69,765	70,223	38,323	-45.07%	70,223
Capital	2,065	-	-	-	-		-
TOTAL ELECTIONS	**184,596**	**303,682**	**303,682**	**305,061**	**176,556**	**-41.86%**	**301,036**
RECORDS MANAGEMENT							
Personnel	38,641	85,104	85,104	87,022	127,021	49.25%	179,251
Operating	54,479	70,112	70,112	72,161	67,344	-3.95%	68,691
Capital	10,899	-	-	1,615	-		-
TOTAL RECORDS MANAGEMENT	**104,019**	**155,216**	**155,216**	**160,798**	**194,365**	**25.22%**	**247,942**
TOTAL CITY CLERK	**478,986**	**622,473**	**631,297**	**635,849**	**513,044**	**-17.58%**	**693,117**
INTERNAL AUDITOR							
Personnel	83,903	84,411	86,121	85,488	85,355	1.12%	86,278
Operating	1,056	1,546	1,546	1,546	1,606	3.88%	1,638
TOTAL INTERNAL AUDITOR	**84,959**	**85,957**	**87,667**	**87,034**	**86,961**	**1.17%**	**87,916**
HUMAN RESOURCES							
Personnel	514,599	607,018	620,172	630,896	610,826	0.63%	612,114
Operating	61,046	65,010	65,130	75,289	153,024	135.39%	156,084
TOTAL HUMAN RESOURCES	**575,645**	**672,028**	**685,302**	**706,185**	**763,850**	**13.66%**	**768,198**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
GENERAL FUND

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
INFORMATION TECHNOLOGY							
Personnel	508,176	529,365	535,886	482,593	1,003,572	89.58%	1,285,241
Operating	405,501	512,088	605,848	476,234	553,600	8.11%	559,690
Capital	191,476	143,000	143,000	50,228	210,000	46.85%	264,200
TOTAL INFORMATION TECHNOLOGY	**1,105,153**	**1,184,453**	**1,284,734**	**1,009,055**	**1,767,172**	**49.20%**	**2,109,131**
MANAGEMENT SERVICES							
ADMINISTRATION							
Personnel	915,032	180,986	180,986	184,554	221,262	0.00%	261,929
Operating	49,845	27,254	27,254	35,866	67,110	0.00%	67,110
Capital	-	-	-	-	3,000	0.00%	-
TOTAL ADMINISTRATION	**964,877**	**208,240**	**208,240**	**220,420**	**291,372**	**-**	**329,039**
BUDGET AND ACCOUNTING							
Personnel	-	424,653	439,113	425,203	431,673	0.00%	436,501
Operating	-	12,535	12,535	6,867	3,550	0.00%	3,621
TOTAL BUDGET AND ACCOUNTING	**-**	**437,188**	**451,648**	**432,070**	**435,223**	**-0.45%**	**440,122**
FINANCIAL SERVICES							
Personnel	-	416,646	488,540	436,056	469,509	0.00%	475,328
Operating	-	12,748	12,748	8,670	5,755	0.00%	5,755
TOTAL FINANCIAL SERVICES	**-**	**429,394**	**501,288**	**444,726**	**475,264**	**-**	**481,083**
ASSESSOR							
Personnel	41,126	41,410	41,410	42,139	42,590	2.85%	43,065
Operating	393,603	437,124	453,348	452,667	422,760	-3.29%	431,215
TOTAL ASSESSOR	**434,729**	**478,534**	**494,758**	**494,806**	**465,350**	**-2.76%**	**474,280**
TREASURY							
Personnel	737,479	772,986	777,283	792,115	789,374	2.12%	808,993
Operating	437,629	345,555	355,316	316,353	487,805	41.17%	497,561
Capital	8,792	2,500	2,500	1,200	-	-100.00%	-
TOTAL TREASURER	**1,183,900**	**1,121,041**	**1,135,099**	**1,109,668**	**1,277,179**	**13.93%**	**1,306,554**
PURCHASING							
Personnel	253,630	204,410	208,449	191,202	299,749	46.64%	342,473
Operating	18,790	21,452	21,452	22,308	63,747	197.16%	65,022
Capital	-	-	-	-	-		-
TOTAL PURCHASING	**272,420**	**225,862**	**229,901**	**213,510**	**363,496**	**60.94%**	**407,495**
TOTAL MANAGEMENT SERVICES	**2,855,926**	**2,900,259**	**3,020,935**	**2,915,200**	**3,307,884**	**14.05%**	**3,438,573**
PUBLIC SAFETY							
ADMINISTRATION							
Personnel	829,426	698,928	708,888	721,981	804,464	15.10%	783,959
Operating	113,205	299,300	299,300	297,582	302,700	1.14%	308,754
TOTAL ADMINISTRATION	**942,631**	**998,228**	**1,008,188**	**1,019,563**	**1,107,164**	**10.91%**	**1,092,713**
PUBLIC SAFETY CONTRACTS							
Personnel	601,988	687,258	687,258	603,654	610,707	-11.14%	619,501
Operating	-	-	-	-	-		-
TOTAL PUBLIC SAFETY CONTRACTS	**601,988**	**687,258**	**687,258**	**603,654**	**610,707**	**-11.14%**	**619,501**
COPS - FORMERLY KVET							
Personnel	1,697,694	1,678,201	1,679,659	1,757,253	1,779,571	6.04%	1,738,775
Operating	-	-	-	-	-		-
TOTAL COPS	**1,697,694**	**1,678,201**	**1,679,659**	**1,757,253**	**1,779,571**	**6.04%**	**1,738,775**
OPERATIONS DIVISION							
Personnel	15,372,767	15,649,937	15,649,937	16,348,609	15,891,518	1.54%	16,204,450
Operating	375,925	42,185	42,185	47,418	42,210	0.06%	43,054
TOTAL OPERATIONS	**15,748,692**	**15,692,122**	**15,692,122**	**16,396,027**	**15,933,728**	**1.54%**	**16,247,504**
CRIMINAL INVESTIGATIONS							
Personnel	2,965,093	2,974,476	2,974,476	2,993,118	2,975,309	0.03%	3,023,774
Operating	47,106	43,406	43,406	55,517	41,406	-4.61%	42,234
TOTAL CRIMINAL INVESTIGATIONS	**3,012,199**	**3,017,882**	**3,017,882**	**3,048,635**	**3,016,715**	**-0.04%**	**3,066,008**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
GENERAL FUND

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
SERVICE DIVISION							
Personnel	3,301,895	3,601,639	3,607,471	3,577,853	4,107,599	14.05%	4,258,288
Operating	2,419,684	2,445,027	2,465,436	2,563,077	2,707,792	10.75%	2,761,948
Capital	375,857	543,000	568,253	568,342	600,000	10.50%	612,000
TOTAL SERVICE	**6,097,436**	**6,589,666**	**6,641,160**	**6,709,272**	**7,415,391**	**12.53%**	**7,632,235**
TOTAL PUBLIC SAFETY	**28,100,640**	**28,663,357**	**28,726,269**	**29,534,404**	**29,863,276**	**4.19%**	**30,396,737**
PUBLIC SERVICES							
CITY MAINTENANCE							
Personnel	313,325	322,791	323,309	342,698	396,098	22.71%	399,990
Operating	381,149	437,529	437,529	470,244	494,198	12.95%	504,082
Capital	-	223,135	223,135	150,000	162,300	0.00%	150,000
TOTAL CITY WIDE MAINTENANCE	**694,474**	**983,455**	**983,973**	**962,942**	**1,052,596**	**7.03%**	**1,054,072**
ENGINEERING							
Personnel	1,015,063	1,051,450	1,065,746	1,049,087	932,629	-11.30%	947,100
Operating	136,011	134,087	134,087	149,637	130,254	-2.86%	132,859
TOTAL ENGINEERING	**1,151,074**	**1,185,537**	**1,199,833**	**1,198,724**	**1,062,883**	**-10.35%**	**1,079,959**
CITY EQUIPMENT							
Personnel	642,086	668,828	670,926	655,125	648,057	-3.11%	655,121
Operating	1,329,112	1,637,187	1,637,187	1,197,678	1,510,689	-7.73%	1,540,903
Capital	915	78,500	78,500	79,500	64,000	-18.47%	65,280
TOTAL CITY EQUIPMENT	**1,972,113**	**2,384,515**	**2,386,613**	**1,932,303**	**2,222,746**	**-6.78%**	**2,261,304**
PUBLIC WORKS							
FORESTRY							
Personnel	186,160	235,046	235,046	236,526	305,074	29.79%	373,388
Operating	23,974	37,265	37,265	36,221	37,484	0.59%	38,234
TOTAL FORESTRY	**210,134**	**272,311**	**272,311**	**272,747**	**342,558**	**25.80%**	**411,621**
DOWNTOWN MAINTENANCE							
Personnel	99,811	110,374	110,374	109,931	106,471	-3.54%	107,815
Operating	219,661	266,628	266,628	266,672	231,222	-13.28%	235,846
TOTAL DOWNTOWN MAINTENANCE	**319,472**	**377,002**	**377,002**	**376,603**	**337,693**	**-10.43%**	**343,661**
ENVIRONMENTAL INSPECTIONS							
Personnel	2,859	2,891	2,891	2,891	2,933	1.45%	2,982
Operating	154,754	172,376	172,376	172,444	156,206	-9.38%	159,330
Capital	-	-	-	-	-	0.00%	-
TOTAL ENVIRONMENTAL INSPECTIONS	**157,613**	**175,267**	**175,267**	**175,335**	**159,139**	**-9.20%**	**162,312**
SIDEWALKS							
Personnel	93,750	116,720	116,720	206,496	-	-100.00%	-
Operating	17,077	19,386	19,386	18,350	-	-100.00%	-
TOTAL SIDEWALKS	**110,827**	**136,106**	**136,106**	**224,846**	**-**	**-100.00%**	**-**
TOTAL PUBLIC WORKS	**798,046**	**960,686**	**960,686**	**1,049,531**	**839,390**	-12.63%	**917,595**
TOTAL PUBLIC SERVICES	**4,615,706**	**5,514,193**	**5,531,105**	**5,143,500**	**5,177,615**	**-6.10%**	**5,312,930**
COMMUNITY PLANNING AND DEVELOPMENT							
CODE ADMINISTRATION							
HOUSING							
Personnel	522,517	547,594	547,594	571,505	598,207	9.24%	613,367
Operating	69,831	82,410	82,410	68,301	78,609	-4.61%	80,181
Capital	2,625	18,475	36,134	36,548	-	-100.00%	-
TOTAL HOUSING	**594,973**	**648,479**	**666,138**	**676,354**	**676,816**	**4.37%**	**693,548**
TRADES							
Personnel	345,988	458,753	458,753	380,803	477,305	4.04%	504,749
Operating	139,890	80,934	80,934	150,598	80,585	-0.43%	82,197
Capital	17,769	2,391	2,391	461	-	-100.00%	-
TOTAL TRADES	**503,647**	**542,078**	**542,078**	**531,862**	**557,890**	**2.92%**	**586,946**
TOTAL CODE ADMINISTRATION	**1,098,620**	**1,190,557**	**1,208,216**	**1,208,216**	**1,234,706**	**3.71%**	**1,280,494**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
GENERAL FUND

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
PLANNING							
Personnel	249,044	249,507	268,328	253,948	366,444	46.87%	483,125
Operating	21,881	66,148	101,148	83,818	69,774	5.48%	71,169
Capital	-	-	-	-	-		-
TOTAL PLANNING	**270,925**	**315,655**	**369,476**	**337,766**	**436,218**	**38.19%**	**554,294**
TOTAL COMMUNITY PLANNING AND DEVELOPM	**1,369,545**	**1,506,212**	**1,577,692**	**1,545,982**	**1,670,924**	**10.94%**	**1,834,789**
ECONOMIC DEVELOPMENT							
Personnel	9,372	75,666	80,570	33,168	181,126	139.38%	210,187
Operating	67,096	29,874	34,874	22,888	32,654	9.31%	33,307
TOTAL ECONOMIC DEVELOPMENT	**76,468**	**105,540**	**115,444**	**56,056**	**213,780**	**102.56%**	**243,494**
PARKS AND RECREATION							
PARKS							
GENERAL PARKS							
Personnel	476,918	507,314	479,827	454,884	500,505	-1.34%	546,377
Operating	216,229	242,890	228,655	240,256	234,394	-3.50%	239,082
Capital	6,325	-	48,235	45,673	-		-
TOTAL GENERAL PARKS	**699,472**	**750,204**	**756,717**	**740,813**	**734,899**	**-2.04%**	**785,459**
BRONSON PARK MAINTENANCE							
Personnel	35,659	38,882	38,882	38,678	39,278	1.02%	39,803
Operating	26,861	26,808	26,808	40,838	25,818	-3.69%	26,334
Capital	-	-	-	-	-		-
TOTAL BRONSON PARK	**62,520**	**65,690**	**65,690**	**79,516**	**65,096**	**-0.90%**	**66,137**
TOTAL PARKS	**761,992**	**815,894**	**822,407**	**820,329**	**799,995**	**-1.95%**	**851,596**
RECREATION							
GENERAL RECREATION							
Personnel	472,186	528,158	490,773	522,439	622,177	17.80%	649,395
Operating	250,625	256,468	256,468	300,364	290,973	13.45%	296,792
Capital	-	-	-	-	-		-
TOTAL GENERAL RECREATION	**722,811**	**784,626**	**747,241**	**822,803**	**913,150**	**16.38%**	**946,188**
RECREATION ADULT SPORTS							
Personnel	28,831	22,443	22,443	22,693	23,131	3.07%	23,291
Operating	58,697	24,780	24,780	20,237	26,068	5.20%	26,589
Capital	-	-	-	-	-		-
TOTAL ADULT SPORTS	**87,528**	**47,223**	**47,223**	**42,930**	**49,199**	**4.18%**	**49,881**
INTERGENERATIONAL AND INCLUSIVE SERVICE							
Personnel	4,482	5,816	5,816	6,066	6,416	10.32%	6,467
Operating	1,398	4,150	4,150	3,350	2,350	-43.37%	2,397
TOTAL INTERGENERATIONAL AND INCLUSIVE SERVICE	**5,880**	**9,966**	**9,966**	**9,416**	**8,766**	**-12.04%**	**8,864**
RECREATION / SPORTS COMPLEX							
Personnel	85,042	88,734	88,734	88,163	88,260	-0.53%	88,906
Operating	75,606	77,674	84,074	90,778	71,509	-7.94%	72,939
Capital	23,575	-	51,500	24,391	-		-
TOTAL SPORTS COMPLEX	**184,223**	**166,408**	**224,308**	**203,332**	**159,769**	**-3.99%**	**161,845**
TOTAL RECREATION	**1,000,442**	**1,008,223**	**1,028,738**	**1,078,481**	**1,130,884**	**12.17%**	**1,166,778**
TOTAL PARKS & RECREATION	**1,762,434**	**1,824,117**	**1,851,145**	**1,898,810**	**1,930,879**	**5.85%**	**2,018,374**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
GENERAL FUND

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
GENERAL :							
NON-DEPARTMENTAL EXPENDITURES							
TOTAL STREET LIGHTING	**1,164,151**	**1,260,273**	**1,260,273**	**950,750**	**1,064,151**	**-15.56%**	**1,064,151**
MEMBERSHIP DUES							
County Chamber of Commerce	-	500	500	-	-	-100.00%	-
Michigan Municipal League	15,623	15,747	15,747	15,873	15,900	0.97%	15,900
National League of Cities	5,952	5,952	5,952	-	-	-100.00%	-
TOTAL MEMBERSHIP DUES	**21,575**	**22,199**	**22,199**	**15,873**	**15,900**	**-28.38%**	**15,900**
CONTRACTUAL							
Cable Franchise Fee - CAC	264,731	265,000	265,000	276,978	265,000	0.00%	265,000
Auto Park - Parking Enforcement	53,250	60,000	60,000	60,000	60,000	0.00%	60,000
District Court Subsidy	146,909	143,174	143,174	143,174	143,174	0.00%	143,174
General Insurance	33,864	33,863	33,863	33,863	34,543	2.01%	34,543
TOTAL CONTRACTUAL	**498,754**	**502,037**	**502,037**	**514,015**	**502,717**	**0.14%**	**502,717**
OUTSIDE CONTRACTUAL							
External Auditor	54,200	58,000	58,000	58,254	60,000	3.45%	60,000
Financial Advisors	28,800	30,000	30,000	30,000	30,000	0.00%	30,000
Enviromental Remediation	-	-	33,196	33,196	35,000	0.00%	35,000
Other	171,885	67,250	167,915	235,000	182,960	172.06%	182,960
TOTAL OUTSIDE CONTRACTUAL	**254,885**	**155,250**	**289,111**	**356,450**	**307,960**	**98.36%**	**307,960**
GENERAL SERVICE							
Salary Reserve	-	130,000	-	-	100,000	0.00%	200,000
TANS/CIP Debt Issuance Expense	26,498	61,500	61,500	54,305	61,750	0.41%	61,750
OPEB Bond Debt Issuance Expense	-	-	-	-	-	0.00%	-
Stockbridge Rental Fee	107,700	109,331	109,331	109,331	106,849	-2.27%	110,054
Other	271	285	285	90	100	-64.91%	-
TOTAL GENERAL SERVICE	**134,469**	**301,116**	**171,116**	**163,726**	**268,699**	**-10.77%**	**371,804**
TOTAL NON-DEPARTMENTAL	**2,073,834**	**2,240,875**	**2,244,736**	**2,000,814**	**2,159,427**	**-3.63%**	**2,262,532**
TOTAL OPERATING BUDGET	**44,608,999**	**46,902,889**	**47,371,124**	**47,097,367**	**49,197,844**	**4.89%**	**51,001,977**
INITIATIVES							
Summer Youth Employment	90,000	90,000	90,000	90,000	90,000	0.00%	90,000
Neighborhood Association Funding	183,335	215,000	236,565	236,565	215,000	0.00%	215,000
City Commission Initiatives	4,659	5,000	5,000	5,000	5,000	0.00%	-
Contribution to Housing Demolition	-	-	50,000	50,000	-	0.00%	-
Contribution to Communities in Schools	25,000	25,000	25,000	25,000	25,000	0.00%	25,000
TOTAL INITIATIVES	**302,994**	**335,000**	**406,565**	**406,565**	**335,000**	**0.00%**	**330,000**
TOTAL OPERATING & INITIATIVES	**44,911,993**	**47,237,889**	**47,777,689**	**47,503,932**	**49,532,844**	**4.86%**	**51,331,977**
TRANSFERS OUT							
Contribution to CIP Fund	2,100,004	2,100,000	2,100,000	2,100,000	2,100,000	0.00%	2,225,000
Local Streets	-	-	-	-	-		-
TOTAL CIP CONTRIBUTION	**2,100,004**	**2,100,000**	**2,100,000**	**2,100,000**	**2,100,000**	**0.00%**	**2,225,000**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
GENERAL FUND

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
OPEB EXPENSE							
Contributions to OPEB Trust	-	2,491,300	2,491,300	2,491,300	2,491,300	0.00%	2,491,300
Debt Service OPEB Bonding	3,609,614	3,832,925	3,832,925	3,832,925	3,835,932	0.08%	3,835,932
TOTAL OPEB EXPENSE	**3,609,614**	**6,324,225**	**6,324,225**	**6,324,225**	**6,327,232**	**0.05%**	**6,327,232**
TOTAL GENERAL FUND EXPENDITURES	**50,621,611**	**55,662,114**	**56,201,914**	**55,928,157**	**57,960,076**	**4.13%**	**59,884,209**
NET REVENUES - EXPENDITURES	**2,792,924**	**(2,704,482)**	**(3,186,382)**	**(3,504,409)**	**(2,298,514)**	**-15%**	**173,367**
Net Proceeds from OPEB Bonds	**7,189**	**-**	**-**	**-**	**-**		**-**
Elimination of Non-GAAP Fund Balance	**-**	**(1,000,000)**	**(1,000,000)**	**-**	**-**	**0.00%**	**-**
Transfer from Other Funds	**525,589**	**650,000**	**650,000**	**650,000**	**-**	**-100.00%**	**670,000**
BEGINNING UNRESERVED FUND BALANCE	**9,495,819**	**12,821,521**	**12,821,521**	**12,821,521**	**9,967,112**	**-22.26%**	**7,668,597**
(USE OF WORKING CAPITAL) OR TRANSFER TO SURPLUS	**3,325,702**	**(3,054,482)**	**(3,536,382)**	**(2,854,409)**	**(2,298,514)**	**-24.75%**	**843,367**
ENDING UNRESERVED FUND BALANCE	**12,821,521**	**9,767,039**	**9,285,139**	**9,967,112**	**7,668,597**	**-21.48%**	**8,511,965**
Target Fund Balance	**6,943,890**	**6,884,492**	**6,892,019**	**6,815,087**	**7,236,003**	**5.11%**	**7,807,485**
Over / (Under) Target Fund Balance	**5,877,631**	**2,882,547**	**2,393,120**	**3,152,024**	**432,594**		**704,480**
Fund Balance Percentage of Revenue	**24.0%**	**18.4%**	**17.5%**	**19.0%**	**13.8%**		**14.2%**
Ending Budget Stablization Reserves	**-**	**-**	**-**	**-**	**-**		**-**
Ending Capital Reserve	**350,000**	**350,000**	**350,000**	**350,000**	**350,000**		**350,000**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
SPECIAL REVENUE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
MAJOR STREETS							
Operating							
RESOURCES							
Highway Maintenance	175,611	250,000	250,000	250,000	250,000	0.00%	250,000
Gas and Weight Tax	4,336,895	4,187,394	4,187,394	4,187,394	5,353,160	27.84%	6,413,086
Other State Revenue (Metro Act)	467,174	447,187	553,413	538,303	265,000	-40.74%	450,000
Interest	3,028	5,000	5,000	6,000	6,000	20.00%	6,000
Bond Financing	-	-	-	-	-		-
Other	1,228,408	10,000	240,000	240,000	10,000	0.00%	10,000
Transfer from Insurance Fund	-	-	-	-	-		20,000
Use of (Contribution to) Working Capital	(59,262)	501,872	165,813	248,940	(1,192,100)	-337.53%	(1,057,494)
TOTAL RESOURCES	**6,151,854**	**5,401,453**	**5,401,620**	**5,470,637**	**4,692,060**	**-13.13%**	**6,091,592**
EXPENDITURES							
Personnel	556,548	862,303	862,303	683,375	756,870	-12.23%	874,874
Operating	1,680,030	1,740,746	1,740,913	1,989,158	1,679,875	-3.50%	1,679,875
Debt Service	1,734,875	1,681,642	1,681,642	1,681,342	1,688,495	0.41%	2,074,546
Debt Service - OPEB Bonding	69,088	73,362	73,362	73,362	73,420	0.00%	418,898
Contribution OPEB Trust	1,211,313	43,400	43,400	43,400	43,400	0.00%	43,400
Transfer to Local Streets	900,000	1,000,000	1,000,000	1,000,000	450,000	-55.00%	1,000,000
TOTAL MAJOR STREETS OPERATING	**6,151,854**	**5,401,453**	**5,401,620**	**5,470,637**	**4,692,060**	**-13.13%**	**6,091,592**
CAPITAL							
RESOURCES							
Federal Aid	-	2,774,000	2,774,000	2,774,000	2,334,000	-15.86%	2,274,000
Local and Other Contributions	-	1,281,000	1,200,000	-	1,200,000	0.00%	-
Contribution from Bond Proceeds	1,703,500	2,000,000	1,770,000	1,770,000	3,055,600	52.78%	2,025,000
Use of (Contribution to) Working Capital	784,460	(49,834)	1,462,996	1,464,286	192,429	-486.14%	42,100
TOTAL RESOURCES	**2,487,960**	**6,005,166**	**7,206,996**	**6,008,286**	**6,782,029**	**12.94%**	**4,341,100**
STREET CONSTRUCTION							
Personnel	7,485	42,429	42,429	42,429	42,429	0.00%	42,100
Materials and Services	2,476,472	5,962,737	7,161,741	5,963,979	6,739,600	13.03%	4,299,000
Capital	4,003	-	2,826	1,878	-	0.00%	-
TOTAL STREET CONSTRUCTION	**2,487,960**	**6,005,166**	**7,206,996**	**6,008,286**	**6,782,029**	**12.94%**	**4,341,100**
TOTAL MAJOR STREETS	**8,639,814**	**11,406,619**	**12,608,616**	**11,478,923**	**11,474,089**	**0.59%**	**10,432,692**
LOCAL STREETS							
Operating							
RESOURCES							
Gas and Weight Taxes	1,225,244	1,182,517	1,182,517	1,182,517	1,512,667	27.92%	1,812,175
Interest	1,291	2,000	2,000	2,000	2,000	0.00%	2,000
Bond Financing	-	-	-	-	-	0.00%	10,000
Other	1,666,023	192,151	312,151	425,239	192,500	0.18%	200,000
Transfer from Major Streets	900,000	1,000,000	1,000,000	1,000,000	450,000	-55.00%	1,000,000
Transfer from Insurance Fund	-	-	-	-	-	0.00%	20,000
Use of (Contribution to) Working Capital	(337,922)	201,777	81,777	(152,832)	526,643	161.00%	(231,019)
TOTAL RESOURCES	**3,454,636**	**2,578,445**	**2,578,445**	**2,456,924**	**2,683,810**	4.09%	**2,813,156**
EXPENDITURES							
Personnel	503,447	691,118	691,118	564,535	823,196	19.11%	829,276
Operating	1,058,506	1,098,770	1,098,770	1,103,832	1,068,895	-2.72%	1,068,895
Debt Service	707,834	680,419	680,419	680,419	683,528	0.46%	806,847
Debt Service - OPEB Bonding	63,933	67,888	67,888	67,888	67,941	0.00%	67,888
Contribution OPEB Trust	1,120,916	40,250	40,250	40,250	40,250	0.00%	40,250
Transfer to Pension Fund (ERI payback)	-	-	-	-	-	0.00%	-
TOTAL LOCAL STREETS OPERATING	**3,454,636**	**2,578,445**	**2,578,445**	**2,456,924**	**2,683,810**	4.09%	**2,813,156**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
SPECIAL REVENUE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
LOCAL STREETS, continued							
CAPITAL							
RESOURCES							
Bond Proceeds	1,000,000	1,000,000	880,000	880,000	1,000,000	0.00%	750,000
Use of (Contribution to) Working Capital	38,783	-	291,637	106,050	-	0.00%	250,000
TOTAL RESOURCES	**1,038,783**	**1,000,000**	**1,171,637**	**986,050**	**1,000,000**	**0.00%**	**1,000,000**
STREET CONSTRUCTION							
Personnel	47,085	42,429	42,429	42,429	42,429	0.00%	45,000
Supplies and Services	991,698	957,571	1,129,208	943,621	957,571	0.00%	955,000
TOTAL STREET CONSTRUCTION	**1,038,783**	**1,000,000**	**1,171,637**	**986,050**	**1,000,000**	**0.00%**	**1,000,000**
TOTAL LOCAL STREETS	**4,493,419**	**3,578,445**	**3,750,082**	**3,442,974**	**3,683,810**	**2.94%**	**3,813,156**
CEMETERIES							
RESOURCES							
Lot and Burial Sales	140,260	130,350	130,350	130,280	130,350	0.00%	130,350
Foundations	36,429	21,000	21,000	25,000	21,000	0.00%	21,000
Interest	386	-	-	-	-	0.00%	-
Other	-	-	-	2,467	-	0.00%	-
Transfer from Cemetery Trust / Capital	390,826	314,407	314,729	314,729	310,578	-1.22%	310,578
Use of (Contribution to) Working Capital	(5,681)	46,054	46,054	(94,489)	189,730	311.97%	140,263
TOTAL RESOURCES	**562,220**	**511,811**	**512,133**	**377,987**	**651,658**	**27.32%**	**602,191**
EXPENDITURES							
Personnel	27,818	28,853	28,853	28,853	29,290	1.51%	29,823
Operating	323,577	323,958	323,958	334,134	463,368	43.03%	413,368
Capital	210,825	159,000	159,322	15,000	159,000	0.00%	159,000
Transfer to Pension Fund (ERI payback)	-	-	-	-	-	0.00%	-
TOTAL CEMETERIES	**562,220**	**511,811**	**512,133**	**377,987**	**651,658**	27.32%	**602,191**
SOLID WASTE							
RESOURCES							
Taxes - Current and Prior Years	2,256,082	2,721,150	2,721,150	2,441,526	2,607,731	-4.17%	2,759,641
Interest	456	5,000	5,000	5,000	5,000	0.00%	5,000
Other	1,355,230	41,300	41,300	104,645	103,000	0.00%	103,000
Transfer Insurance Fund	-	-	-	-	-	0.00%	20,000
Use of (Contribution to) Working Capital	403,447	(128,518)	(128,518)	224,455	(51,015)	-60.31%	(164,638)
TOTAL RESOURCES	**4,015,215**	**2,638,932**	**2,638,932**	**2,775,626**	**2,664,716**	**0.98%**	**2,723,003**
EXPENDITURES							
Personnel	582,488	665,233	665,233	604,965	628,377	-5.54%	686,729
Operating	2,008,997	1,843,825	1,843,825	2,040,787	1,906,400	3.39%	1,906,400
Debt Service - OPEB Bonding	76,822	81,574	81,574	81,574	81,639	0.00%	81,574
Contribution OPEB Trust	1,346,908	48,300	48,300	48,300	48,300	0.00%	48,300
Transfer to Pension Fund (ERI payback)	-	-	-	-	-	0.00%	-
TOTAL SOLID WASTE	**4,015,215**	**2,638,932**	**2,638,932**	**2,775,626**	**2,664,716**	**0.98%**	**2,723,003**
BLIGHT ABATEMENT							
RESOURCES							
Charges for Services	-	-	-	-	-		-
Other	27	-	-	14	-		-
Transfer from General Fund	-	-	-	-	-		-
Use of (Contribution to) Working Capital	242	-	-	(14)	26,529		-
TOTAL RESOURCES	**269**	**-**	**-**	**-**	**26,529**		**-**
EXPENDITURES							
Operating	269	-	-	-	26,529		-
Capital	-	-	-	-	-		-
TOTAL BLIGHT ABATEMENT	**269**	**-**	**-**	**-**	**26,529**		**-**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
SPECIAL REVENUE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
BROWNFIELD LOCAL SITE REM REVOLVING							
RESOURCES							
Tax Capture	843,069	722,979	722,979	775,000	253,350	-64.96%	630,000
Interest on Investments	2,393	400	400	2,500	2,000	400.00%	10,000
Transfer from EOF	-	101,389	101,389	101,389	-	0.00%	-
Use of (Contribution to) Working Capital	(535,865)	1,527,371	1,527,371	(771,014)	2,220,025	45.35%	(309,000)
TOTAL RESOURCES	**309,597**	**2,352,139**	**2,352,139**	**107,875**	**2,475,375**	**5.24%**	**331,000**
EXPENDITURES							
Operating	309,597	969,750	969,750	107,875	575,375	-40.67%	331,000
Transfers to Other Funds	-	1,281,000	1,281,000	-	1,900,000	48.32%	-
TOTAL LOCAL SITE REM REVOLVING	**309,597**	**2,250,750**	**2,250,750**	**107,875**	**2,475,375**	**9.98%**	**331,000**
ECONOMIC INITIATIVE							
RESOURCES							
Principal on Loans	-	165,000	165,000	-	-	-100.00%	-
Interest on Loans	32,502	40,200	40,200	35,000	35,000	-12.94%	40,000
Interest on Investments	2,381	500	500	2,000	2,000	300.00%	10,000
Use of (Contribution to) Working Capital	755,117	874,612	1,124,612	971,312	245,000	-71.99%	57,000
TOTAL RESOURCES	**790,000**	**1,080,312**	**1,330,312**	**1,008,312**	**282,000**	**-73.90%**	**107,000**
EXPENDITURES							
Operating	-	250,000	500,000	250,000	250,000	0.00%	75,000
Transfers to Other Funds	790,000	830,312	830,312	758,312	32,000	0.00%	32,000
TOTAL ECONOMIC INITIATIVE	**790,000**	**1,080,312**	**1,330,312**	**1,008,312**	**282,000**	**-73.90%**	**107,000**
ECONOMIC OPPORTUNITY							
RESOURCES							
Interest on Investments	48	300	300	300	-	-100.00%	-
Use of (Contribution to) Working Capital	359,952	101,089	101,089	100,836	-	-100.00%	-
TOTAL RESOURCES	**360,000**	**101,389**	**101,389**	**101,136**	**-**	**-100.00%**	**-**
EXPENDITURES							
Operating	360,000	-	-	-	-		-
Transfers to Other Funds	-	101,389	101,389	101,136	-	-100.00%	-
TOTAL ECONOMIC OPPORTUNITY	**360,000**	**101,389**	**101,389**	**101,136**	**-**	**-100.00%**	**-**
FAÇADE IMPROVEMENT PROGRAM							
RESOURCES							
Other	993	-	-	852	611	0.00%	-
Transfer from Other Funds	10,867	-	-	-	-	0.00%	-
Use of (Contribution to) Working Capital	19,725	-	-	-	-	0.00%	-
TOTAL RESOURCES	**31,585**	**-**	**-**	**852**	**611**	**0.00%**	**-**
EXPENDITURES							
Operating	31,585	-	-	-	-	0.00%	-
Transfer to CDBG Grants	-	-	-	852	611	0.00%	-
TOTAL FAÇADE IMPROVEMENT PROGRAM	**31,585**	**-**	**-**	**852**	**611**	**0.00%**	**-**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
SPECIAL REVENUE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
SMALL BUSINESS REVOLVING LOANS							
RESOURCES							
Principal on Loans	49,329	14,228	14,228	14,033	10,000	-29.72%	25,000
Interest from Loans	2,550	1,323	1,323	1,195	1,200	-9.30%	2,000
Use of (Contribution to) Working Capital	33,333	(14,228)	(14,228)	(3,080)	(10,000)	-29.72%	(27,000)
TOTAL RESOURCES	**85,212**	**1,323**	**1,323**	**12,148**	**1,200**	**-9.30%**	**-**
EXPENDITURES							
Operating	-	-	-	-	-		-
Transfer to other CDBG programs	85,212	1,323	1,323	12,148	1,200	0.00%	-
TOTAL SMALL BUSINESS REVOLVING LOANS	**85,212**	**1,323**	**1,323**	**12,148**	**1,200**	**-9.30%**	**-**
PRIVATE PURPOSE TRUST AND DONATIONS							
RESOURCES							
Donations & Contributions	238,264	98,082	136,954	428,433	64,333	-34.41%	64,333
Interest on Investments	239	1,963	1,963	(393)	(450)	-122.92%	(450)
Transfers from Other Funds	-	-	-	-	-		-
Use of (Contribution to) Working Capital	(122,581)	62,662	62,662	(207,050)	67,857	8.29%	67,857
TOTAL RESOURCES	**115,922**	**162,707**	**201,579**	**220,990**	**131,740**	**-19.03%**	**131,740**
EXPENDITURES							
PUBLIC SAFETY-							
Personnel	-	-	-	-	-		-
Operating	49,701	62,598	62,598	103,830	62,598	0.00%	62,598
Capital	5,083	-	-	-	-	0.00%	-
TOTAL PUBLIC SAFETY	54,784	**62,598**	**62,598**	**103,830**	**62,598**	**-**	62,598
PARKS AND RECREATION-							
Personnel	5,164	-	-	2,867	-		-
Operating	24,444	64	38,936	33,619	64	0.00%	64
Capital	-	-	-	-	-		-
TOTAL PARKS AND RECREATION	**29,608**	**64**	**38,936**	**36,486**	**64**	**-**	**64**
COMMUNITY PLANNING & DEVELOPMENT -							
Personnel	-	-	-	-	-	0.00%	-
Operating	31,530	100,045	100,045	80,674	69,078	-30.95%	69,078
TOTAL COMMUNITY PLANNING & DEVELOPME	**31,530**	**100,045**	**100,045**	**80,674**	**69,078**		**69,078**
TOTAL PRIVATE PURPOSE TRUST & DONATION	**115,922**	**162,707**	**201,579**	**220,990**	**131,740**	**-19.03%**	**131,740**
MICROENTERPRISE REVOLVING LOANS							
RESOURCES							
Use of (Contribution to) Working Capital	10,867	-	-	-	-		-
TOTAL RESOURCES	**10,867**	**-**	**-**	**-**	**-**	**-**	**-**
EXPENDITURES							
Operating	-	-	-	-	-		-
Transfer to CDBG Grants	10,867	-	-	-	-		-
TOTAL MICROENTERPRISE LOANS	**10,867**	**-**	**-**	**-**	**-**		**-**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
SPECIAL REVENUE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
KVET DRUG ENFORCEMENT FORFEITURE							
RESOURCES							
KVET-Federal Forfeiture Justice Fund	59,496	20,000	20,000	20,000	20,000	0.00%	20,000
Drug Forfeiture Revenue	132,154	210,000	210,000	210,000	210,000	0.00%	210,000
Drug Enforcement Task Force	17,116	20,000	20,000	20,000	20,000	0.00%	20,000
Clandestine Lab Program	1,545	1,600	1,600	5,500	1,600	0.00%	1,600
Interest on Investments	615	-	-	-	-	0.00%	-
Auction Sale and Sale of Assets	13,365	50,000	50,000	25,000	50,000	0.00%	50,000
Use of (Contribution to) Working Capital	115,926	61,734	61,734	107,626	(18,458)	-129.90%	(18,450)
TOTAL RESOURCES	**340,217**	**363,334**	**363,334**	**388,126**	**283,142**	**-22.07%**	**283,150**
EXPENDITURES							
Personnel	17,825	16,070	16,070	35,426	16,079	0.06%	16,087
Operating	248,280	274,764	274,764	280,200	242,563	-11.72%	242,563
Capital	74,112	72,500	72,500	72,500	24,500	-66.21%	24,500
TOTAL KVET DRUG ENFORCEMENT	**340,217**	**363,334**	**363,334**	**388,126**	**283,142**	**-22.07%**	**283,150**
COMMUNITY DEVELOPMENT GRANT ADMINISTRATION							
RESOURCES							
Federal Revenues	898,872	952,624	992,624	894,194	852,547	-10.51%	896,898
Community Grants and Contributions	-	-	-	-	-	0.00%	-
Other	16,955	13,000	13,000	-	13,000	0.00%	10,000
Transfer from Other Funds	-	-	-	-	-	-100.00%	-
Working Capital	3	(740)	(740)	-	-	0.00%	-
TOTAL RESOURCES	**915,830**	**964,884**	**1,004,884**	**894,194**	**865,547**	**-10.30%**	**906,898**
EXPENDITURES							
Personnel	820,414	851,787	891,787	789,138	789,622	-7.30%	806,898
Operating	95,416	113,097	113,097	105,056	75,925	-32.87%	100,000
Capital	-	-	-	-	-	0.00%	-
TOTAL COMMUNITY DEVELOPMENT GRANT ADMINISTRATION	**915,830**	**964,884**	**1,004,884**	**894,194**	**865,547**	**-10.30%**	**906,898**
COMMUNITY DEVELOPMENT ENTITELMENT GRANTS							
RESOURCES							
Federal Revenues	1,267,230	150,000	1,659,797	1,659,797	150,000	0.00%	150,000
Community Grants and Contributions	-	-	-	-	-	0.00%	-
Other	1,164	-	-	(6,519)	-		-
Transfer from Other Funds	85,212	-	1,718	1,718	-	-100.00%	-
Working Capital	(1,166)	4	4	6,044	-	0.00%	-
TOTAL RESOURCES	**1,352,440**	**150,004**	**1,661,519**	**1,661,040**	**150,000**	**0.00%**	**150,000**
EXPENDITURES							
Personnel	156,765	150,004	325,411	325,892	150,000	0.00%	150,000
Operating	1,195,675	-	1,336,108	1,335,148	-	-100.00%	-
Transfer to Other Funds	-	-	-	-	-	0.00%	-
TOTAL COMMUNITY DEVELOPMENT ENTITLEMENT GRANTS	**1,352,440**	**150,004**	**1,661,519**	**1,661,040**	**150,000**	**0.00%**	**150,000**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
SPECIAL REVENUE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
MISCELLANEOUS GRANTS							
RESOURCES							
Federal and State Grants	1,512,652	832,002	1,932,281	1,953,584	832,000	0.00%	832,000
Local Contributions	127,573	-	69,777	69,316	-	0.00%	-
Internal Contributions	133,390	-	90,000	90,000	90,000	0.00%	90,000
Working Capital	-	-	(2)	(150,795)	-	0.00%	-
TOTAL RESOURCES	**1,773,615**	**832,002**	**2,092,056**	**1,962,105**	**922,000**	**0.00%**	**922,000**
EXPENDITURES							
PUBLIC SAFETY-							
Personnel	841,944	832,002	831,999	750,561	832,000	0.00%	832,000
Operating	227,536	-	408,237	278,382	-	0.00%	-
Capital	-	-	138,491	252,301	-	0.00%	-
TOTAL PUBLIC SAFETY	**1,069,480**	**832,002**	**1,378,727**	**1,281,244**	**832,000**	0.00%	**832,000**
PARKS AND RECREATION-							
Personnel	10,293	-	30,110	29,842	-	0.00%	-
Operating	211,340	-	311,769	257,135	90,000	0.00%	90,000
Capital	-	-	-	-	-	0.00%	-
TOTAL PARKS AND RECREATION	**221,633**	**-**	**341,879**	**286,977**	**90,000**	0.00%	**90,000**
COMMUNITY DEVELOPMENT-							
Personnel	6,449	-	14,875	14,875	-	0.00%	-
Operating	476,053	-	356,575	379,009	-	0.00%	-
Capital	-	-	-	-	-	0.00%	-
TOTAL COMMUNITY DEVELOPMENT	**482,502**	**-**	**371,450**	**393,884**	**-**	0.00%	**-**
TOTAL GENERAL GOVERNMENT	**-**	**-**	**-**	**-**	**-**		**-**
TOTAL MISCELLANEOUS GRANTS	**1,773,615**	**832,002**	**2,092,056**	**1,962,105**	**922,000**	**0.00%**	**922,000**
TOTAL SPECIAL REVENUES	**23,796,222**	**24,042,512**	**28,516,909**	**24,432,288**	**23,612,417**	**-1.79%**	**20,402,830**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
ENTERPRISE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
WASTEWATER							
RESOURCES							
Operational	19,819,545	22,480,313	22,480,313	19,875,614	22,480,313	0.00%	22,480,313
Interest	82,257	33,200	33,200	80,430	33,200	0.00%	33,200
Federal Subsidy - Interest on BAB	-	-	-	-	-		-
Other Income	26,024	3,000	3,000	65,888	3,000	0.00%	3,000
CIA - Capital	17,828	-	30,000	-	-		-
Transfer from Insurance Fund	-	-	-	-	-		100,000
Use of (Contribution to) Working Capital	4,279,328	3,565,713	4,519,691	6,890,913	9,808,419	175.08%	9,805,966
TOTAL RESOURCES	**24,224,982**	**26,082,226**	**27,066,204**	**26,912,845**	**32,324,932**	**23.93%**	**32,422,479**
EXPENDITURES							
Personnel	4,807,121	5,177,249	5,177,249	5,044,698	5,349,799	3.33%	5,536,480
Operating	14,630,814	16,092,615	16,093,657	16,130,492	17,219,370	7.00%	17,563,757
Capital	1,673,317	2,871,542	3,854,478	3,796,835	7,824,200	172.47%	7,393,100
Debt Service	753,959	981,439	981,439	981,439	971,707	-0.99%	969,248
Debt Service - OPEB Bonding	599,734	601,681	601,681	601,681	602,156	0.00%	602,194
Contribution OPEB Trust	1,760,037	357,700	357,700	357,700	357,700	0.00%	357,700
Transfer to Pension Fund (ERI payback)	-	-	-	-	-		-
TOTAL WASTEWATER	**24,224,982**	**26,082,226**	**27,066,204**	**26,912,845**	**32,324,932**	**23.93%**	**32,422,479**
WATER							
RESOURCES							
Operational	14,349,783	15,211,798	15,211,798	14,405,824	14,890,957	-2.11%	14,890,957
Interest	29,280	5,000	5,000	5,000	5,000	0.00%	5,000
State Grants and Other State Revenue	76,986	-	-	60,842	-		-
Federal Subsidy - Interest on BAB	-	-	-	-	-		-
Other	70,723	10,248	10,248	24,681	10,248	0.00%	10,248
Capital CIA	3,123,218	-	23,575	6,004	-		-
Transfer from Other Funds	-	-	-	-	-		70,000
Use of (Contribution to) Working Capital	1,606,451	5,232,714	5,929,704	6,436,550	11,002,469	110.26%	10,495,817
TOTAL RESOURCES	**19,256,441**	**20,459,760**	**21,180,325**	**20,938,901**	**25,908,674**	**26.63%**	**25,472,022**
EXPENDITURES							
Personnel	2,868,013	3,154,271	3,154,271	3,433,525	4,007,921	27.06%	4,362,894
Operating	10,446,914	12,010,330	12,010,330	12,068,921	11,173,919	-6.96%	11,397,397
Capital	1,706,074	2,731,400	3,451,965	2,872,696	8,033,800	194.13%	7,067,900
Debt Service	2,278,564	1,714,244	1,714,244	1,714,244	1,843,086	7.52%	1,793,884
Debt Service - OPEB Bonding	549,529	551,315	551,315	551,315	551,748	0.00%	551,747
Contribution OPEB Trust	1,407,347	298,200	298,200	298,200	298,200	0.00%	298,200
Transfer to Pension Fund (ERI payback)	-	-	-	-	-		-
TOTAL WATER	**19,256,441**	**20,459,760**	**21,180,325**	**20,938,901**	**25,908,674**	**26.63%**	**25,472,022**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
ENTERPRISE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
KALAMAZOO FARMERS MARKET							
RESOURCES							
Property Rental	17,000	15,000	15,000	15,000	15,000	0.00%	15,000
Other	2,548	2,500	2,500	2,500	2,500	0.00%	2,500
Use of (Contribution to) Working Capital	2,297	(1,931)	(1,931)	122	(1,866)	-3.37%	(1,552)
TOTAL RESOURCES	**21,845**	**15,569**	**15,569**	**17,622**	**15,634**	**0.42%**	**15,948**
EXPENDITURES							
Personnel	4,909	1,146	1,146	1,182	1,191	3.93%	1,216
Operating	16,936	14,423	14,423	16,440	14,443	0.14%	14,732
TOTAL FARMERS MARKET	**21,845**	**15,569**	**15,569**	**17,622**	**15,634**	**0.42%**	**15,948**
KALAMAZOO MUNICIPAL GOLF ASSOCIATION							
RESOURCES							
Operational	1,206,959	1,120,906	1,120,906	1,120,906	1,205,000	7.50%	1,205,000
Other	508,585	480,000	480,000	480,000	505,000	5.21%	505,000
Use of (Contribution to) Working Capital	179,141	103,353	103,353	103,353	(5,741)	-105.55%	(5,741)
TOTAL RESOURCES	**1,894,685**	**1,704,259**	**1,704,259**	**1,704,259**	**1,704,259**	**0.00%**	**1,704,259**
EXPENDITURES							
Operating	1,654,555	1,408,820	1,408,820	1,408,820	1,408,820	0.00%	1,408,820
Debt Service	240,130	295,439	295,439	295,439	295,439	0.00%	295,439
TOTAL GOLF ASSOCIATION	**1,894,685**	**1,704,259**	**1,704,259**	**1,704,259**	**1,704,259**	**0.00%**	**1,704,259**
TOTAL ENTERPRISE FUNDS	**45,397,953**	**48,261,814**	**49,966,357**	**49,573,627**	**59,953,498**	**51%**	**59,614,708**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PENSION SYSTEM

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Adopted	2017/2016 Variance	2018 Projected
PENSION SYSTEM							
RESOURCES							
Investment Income	(7,935,318)	44,541,415	44,541,415	30,253,456	33,667,658	-24.41%	34,004,335
Employer & Employee Contributions	2,686,851	1,030,000	1,030,000	1,057,121	1,037,000	0.68%	1,037,000
Miscellaneous Income	196	1,000	1,000	200	200	-80.00%	200
Use of (Contribution to) Working Capital	35,945,025	(14,634,491)	(14,634,491)	(767,511)	(3,789,259)	-74.11%	(3,816,980)
TOTAL RESOURCES	**30,696,754**	**30,937,924**	**30,937,924**	**30,543,266**	**30,915,599**	**-0.07%**	**31,224,555**
OPERATIONS							
Benefit Payments	28,156,585	28,500,000	28,500,000	28,240,425	28,500,000	0.00%	28,785,000
Participant Withdrawals	200,116	60,000	60,000	20,000	20,000	0.00%	20,000
Custodial & Actuarial Fees	313,204	281,600	281,600	318,300	319,500	13.46%	322,695
Pension Management Fees	1,822,672	1,850,000	1,850,000	1,736,175	1,850,000	0.00%	1,868,500
City Administrative Fees	125,770	153,024	153,024	153,024	147,099	-3.87%	148,570
Due Diligence/Conferences	4,768	20,000	20,000	3,542	5,000	-75.00%	5,050
Investment Advisory Feees	68,939	67,000	67,000	67,000	68,000	1.49%	68,680
Audit Fees	4,700	5,000	5,000	4,800	5,000	0.00%	5,050
Other Expenses	-	1,300	1,300	-	1,000	-23.08%	1,010
TOTAL RETIREMENT OPERATIONS	**30,696,754**	**30,937,924**	**30,937,924**	**30,543,266**	**30,915,599**	**-0.07%**	**31,224,555**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
OTHER POST EMPLOYMENT BENEFITS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
OPEB SYSTEM							
RESOURCES							
Investment Income	(1,200,482)	6,901,177	6,901,177	11,573,869	13,773,597	0.00%	13,911,333
Employer Contributions	91,296,479	3,500,000	3,500,000	3,500,000	3,500,000	0.00%	3,500,000
Employee Contributions	903,914	840,000	840,000	875,945	875,945	0.00%	884,704
Use of (Contribution to) Working Capital	(81,068,863)	(134,677)	(134,677)	(6,414,944)	(8,273,417)	0.00%	(8,321,411)
TOTAL RESOURCES	**9,931,048**	**11,106,500**	**11,106,500**	**9,534,870**	**9,876,125**	**-11.08%**	**9,974,626**
OPERATIONS							
Retiree Healthccare	9,601,930	10,748,000	10,748,000	9,161,920	9,448,000	0.00%	9,542,480
Outside Contractual	32,016	38,000	38,000	21,995	26,000	0.00%	26,000
Audit & Service Fees	297,102	320,500	320,500	350,955	402,125	0.00%	406,146
TOTAL OPEB OPERATIONS	**9,931,048**	**11,106,500**	**11,106,500**	**9,534,870**	**9,876,125**	**-11.08%**	**9,974,626**

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
INTERNAL SERVICE FUNDS

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Variance	2018 Projected
INSURANCE							
RESOURCES							
Interest	12,598	6,900	6,900	12,600	12,638	83.16%	7,038
General Insurance Revenue	1,677,771	1,207,162	1,207,162	1,787,212	1,591,187	31.81%	1,231,306
Workers Comp. Revenue	2,520,073	2,555,591	2,555,591	2,470,982	2,559,342	0.15%	2,816,648
Life/Disability Ins Revenue	624,908	747,044	747,044	670,000	670,000	-10.31%	769,455
Health Insurance Revenue	8,416,952	8,789,993	8,789,993	8,811,690	9,027,248	2.70%	9,382,236
Dental Insurance Revenue	674,704	664,059	664,059	664,059	683,981	3.00%	683,981
Fringe Benefit Revenue	539,408	571,085	571,085	571,085	588,217	3.00%	588,218
Transfer from Former Internal Service	-	-	-	-	-		-
Cell Tower Lease Buyout Revenue	43,492	85,389	85,389	83,163	83,163	-2.61%	85,389
Use of (Contribution to) Working Capital	1,066,983	(1,536,853)	(1,511,446)	(1,721,388)	(1,811,431)	17.87%	(436,161)
TOTAL RESOURCES	**15,576,889**	**13,090,370**	**13,115,777**	**13,349,403**	**13,404,345**	**2.40%**	**15,128,110**
OPERATIONS							
Administration	153,360	137,518	137,518	137,518	49,508	-64.00%	140,268
General Insurance	1,180,903	1,140,423	1,163,830	1,201,750	1,266,863	11.09%	1,163,232
Workers Compensation	2,209,672	2,372,943	2,372,943	2,491,808	2,272,897	-4.22%	2,626,564
Life/Disability Insurance	630,949	665,380	665,380	665,380	685,342	3.00%	685,341
Health Insurance	7,774,440	7,921,346	7,921,346	7,812,346	8,120,464	2.51%	8,455,063
Dental Insurance	445,999	598,920	598,920	598,920	609,387	1.75%	616,888
Fringe Benefit	153,924	253,840	255,840	441,681	399,884	57.53%	455,365
Transfer to Other funds (Rebate of Excess)	700,855	-	-	-	-		900,000
Transfer to OPEB Trust (Cell Tower Lease Buyout)	900,000	-	-	-	-		-
Employer Pension Contribution	1,426,787	-	-	-	-		-
TOTAL INSURANCE	**15,576,889**	**13,090,370**	**13,115,777**	**13,349,403**	**13,404,345**	**2.40%**	**15,042,721**

CITY ADMINISTRATION

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the City Administration is the General Fund.

DEPARTMENT DESCRIPTION

The mission of the City Manager's Office is to effectively and efficiently manage the delivery of City services within the guidelines and policies established by the City Commission; to provide leadership to the organization to ensure overall effectiveness, long-term financial stability, and development and execution of long-term fiscal and organizational plans supporting community priorities that contribute to the sustainability of the community.

DEPARTMENT EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	667,000	752,535	764,052	710,066	833,058	10.70%	875,004
Operating	355,329	256,509	357,174	426,163	369,288	2.66%	371,404
TOTAL	**1,022,329**	**1,009,044**	**1,121,226**	**1,136,229**	**1,202,346**	**19.16%**	**1,246,408**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	6.0	7.0	9.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
CITY ATTORNEY

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the City Attorney is the General Fund.

DEPARTMENT DESCRIPTION

The mission of the City Attorney's Office is to support the City Commission's goals and objectives by providing quality legal counsel and representation. As mandated by the City Charter, services are provided to the City Commission, to the City Manager and City Administration staff, to other City Commission appointees, and to other city boards and bodies.

The City Attorney's Office prosecutes ordinance violations, including those that impact the quality of life in our neighborhoods; reviews and prepares contracts and agreements, including those related to economic development and re-use of brownfields; drafts ordinances and resolutions; represents the City in both state and federal courts and in administrative tribunals; and gives legal opinions and counsel on a wide variety of issues.

The City Attorney's office has established six distinct service areas encompassing the services it provides:
• General Counsel- *provide legal advice to City Commission & City Administration; contract drafting/review*
• Claims Management- *settlement/denial of personal injury and property damage claims up to $25,000*
• Ordinance Prosecution- *district court pretrials & trials; ordinance review & drafting*
• Civil Litigation- *represent City, its officers, officials and employees in both Michigan and Federal trial and appellate courts*
• Administrative Advocacy- *represent City in tax appeals, civil rights complaints, unemployment claims, etc.*
• Freedom of Information Act Requests- *designated by City Commission as FOIA Coordinator*

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Proposed Variance	2018 Projected
Personnel	564,064	558,355	578,211	575,856	618,582	10.79%	665,097
Operating	97,555	90,915	90,915	91,552	100,337	10.36%	102,344
TOTAL	**661,619**	**649,270**	**669,126**	**667,408**	**718,919**	**10.73%**	**767,440**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	6.0	6.0	7.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
CITY CLERK

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the City Clerk's Office is the General Fund.

DEPARTMENT DESCRIPTION

The City Clerk's Office is composed of three budgetary and functional divisions: the Administration Division; the Elections Division, and the Division of Records Management, Research, and Archives. The Administration Division accomplishes the mission of the City Clerk's Office by: documenting the activities of the City Commission, preserving the record of those activities for future generations, and making those records available for the public to enable informed citizen engagement; facilitating the appointment of citizens to various boards, commissions, and committees and maintaining the meeting minutes from these groups for preservation and public access; issuing licenses and permits as required by statute and ordinance; and connecting people with the services and information they need. The Elections Division accomplishes the mission of the City Clerk's Office through: the maintenance of accurate voter registration records; and the efficient administration of federal, state, and local elections in accordance with applicable laws and regulations. The Division of Records Management, Research, and Archives accomplishes the mission of the City Clerk's Office by: providing cost-effective storage and disposition of the City's inactive records; promoting the development and implementation of sound information governance policies and procedures; preserving the City's historical records; and providing research services to City staff and the general public.

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Proposed Variance	2018 Projected
Personnel	338,487	450,071	458,895	456,401	366,832	-18.49%	512,847
Operating	123,947	172,402	172,402	177,334	146,212	-15.19%	180,270
Capital	16,552	-	-	2,114	-		-
TOTAL	**478,986**	**622,473**	**631,297**	**635,849**	**513,044**	**-17.58%**	**693,117**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	4.0	4.0	5.0
Number of Permanent Part Time Positions	0.0	0.0	1.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
INTERNAL AUDITOR

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Internal Auditor's Department is the General Fund.

DEPARTMENT DESCRIPTION

The mission of the Internal Auditor is to provide independent audit oversight, promote accountability, and improve the efficiency and effectiveness of City Government.

The ongoing functions of the Internal Auditor are to:

- Perform comprehensive audits with recommendations to enable management to run more productive and efficient operations, which include internal controls.
- Ensure the reliability and integrity of financial and operating information and the means used to identify measure, classify, and report such information.
- Ensure the adequacy, effectiveness, and efficiency of the City's systems of control and the quality of its ongoing operations.
- Provide quality control and accountability, and aim to deter and prevent fraud and abuse.

The Internal Auditor performs audits and reviews as directed by the City Commission, or as discussed with the Internal Audit Committee, a sub committee of the City Commission.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Proposed Variance	2018 Projected
Personnel	83,903	84,411	86,121	85,488	85,355	1.12%	86,278
Operating	1,056	1,546	1,546	1,546	1,606	3.88%	1,638
TOTAL	**84,959**	**85,957**	**87,667**	**87,034**	**86,961**	**1.17%**	**87,916**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	1.0	0.0	1.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
HUMAN RESOURCES

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Human Resources Department is the General Fund.

DEPARTMENT DESCRIPTION

The Human Resources Department provides comprehensive employee and labor relations services to all City of Kalamazoo employees. Human Resources (HR) believes all employees should be treated with dignity and respect, regardless of position or personal status. HR strives to ensure that daily services and programs meet the needs of our diverse work force. Programs administered by the Human Resources Department include hiring and recruiting, compensation and benefits administration, training and career development, labor contract administration, policy development, and workers' compensation administration. We are dedicated to continually developing and retaining the City's diverse work force.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	514,599	607,018	620,172	630,896	610,826	0.63%	612,114
Operating	61,046	65,010	65,130	75,289	153,024	135.39%	156,084
TOTAL	**575,645**	**672,028**	**685,302**	**706,185**	**763,850**	**13.66%**	**768,198**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	7.0	7.0	7.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
INFORMATION TECHNOLOGY

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for Information Technology fund is the General Fund.

DEPARTMENT DESCRIPTION

It is our mission to provide information technologies that enable the employees of the City of Kalamazoo to deliver efficient, effective and accessible services to the citizens of Kalamazoo by providing superior internal customer service in:

- Support and maintenance of existing information technology systems;
- Security of data and technology infrastructure;
- Understanding business and operational needs and translating these needs into improved use of existing systems and implementation of advanced information technologies.

Information Technology supports this mission by collaborating with our internal customers to identify, implement and maintain information technologies, which improve staff and management knowledge, decision-making and service delivery.

The IT department is responsible for the City's computer infrastructure including hardware and software, voice communications, GIS, City websites, helpdesk, and central services such as email, analog devices, and the INET fiber rings throughout the City of Kalamazoo.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	508,176	529,365	535,886	482,593	1,003,572	89.58%	1,285,241
Operating	405,501	512,088	605,848	476,234	553,600	8.11%	559,690
Capital	191,476	143,000	143,000	50,228	210,000	46.85%	264,200
TOTAL	**1,105,153**	**1,184,453**	**1,284,734**	**1,009,055**	**1,767,172**	**49.20%**	**2,109,131**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	6.0	6.0	13.0
Number of Permanent Part Time Positions	1.0	1.0	0.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
MANAGEMENT SERVICES

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Management Services Deparment is the General Fund.

DEPARTMENT DESCRIPTION

The Management Services Department is made up of several divisions including Administration (which includes the Chief Financial Officer as Director of the Department), Financial Services (which provides payroll, accounts payable and retirement services), Purchasing, Budgeting, Accounting, Assessing and Treasury. The department provides many direct services to internal City departments and supports many programs that benefit the organization as a whole.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	1,947,267	2,041,091	2,135,782	2,071,269	2,254,154	0.00%	2,368,289
Operating	1,421,005	1,414,342	1,440,327	1,405,442	1,610,651	0.00%	1,630,208
Capital	8,792	2,500	2,500	1,200	3,000	0.00%	-
TOTAL	**3,377,064**	**3,457,933**	**3,578,609**	**3,477,911**	**3,867,805**	**11.85%**	**3,998,497**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	28.0	29.0	32.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
KALAMAZOO PUBLIC SAFETY

General Fund, Special Revenue

BUDGET OVERVIEW

REVENUE

The revenue sources for Kalamazoo Public Safety Department are the General Fund, Federal and State Grants, and Local Unit Contracts.

DEPARTMENT DESCRIPTION

The mission of the Kalamazoo Department of Public Safety (KDPS) is to provide comprehensive, all-hazards public safety services. KDPS strives to build and maintain meaningful relationships with the community to better serve the residents and visitors of Kalamazoo through transparency, trust and community engagement.

KDPS deploys resources from eight (8) facilities and is comprised of 6 Divisions: Administration, Community Oriented Problem Solving (COPS), Operations, Criminal Investigations, Service and Training. In 2015, KDPS responded to more than 105,000 proactive and reactive calls for service. In 2016, KDPS will continue to promote crime and fire prevention programs, the investigations of crimes leading to the apprehension of perpetrators, the recovery of property and providing emergency medical services.

Public Safety will continue to explore ideas and concepts leading to improved service to our community. The promotion of goodwill, community respect and confidence in Public Safety will continue to be of the highest priority for all employees.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	25,628,632	26,138,511	26,155,758	26,788,455	27,017,247	3.36%	27,476,834
Operating	3,534,687	3,227,280	3,655,926	3,686,006	3,459,269	7.32%	3,461,151
Capital	449,969	615,500	779,244	893,143	624,500	1.46%	636,500
TOTAL	**29,613,288**	**29,981,291**	**30,590,928**	**31,367,604**	**31,101,016**	**3.73%**	**31,574,485**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	254.0	254.0	271.0
Number of Permanent Part Time Positions	5.0	5.0	8.0

PUBLIC WORKS

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Public Works Division, including Sidewalk, Forestry, and Downtown Maintenance activities is the General Fund.

DEPARTMENT DESCRIPTION

The Field Services Division provides a variety of General Fund services, which include sidewalk replacement, maintenance of the City's urban forest, and maintenance of the City's Central Business District.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	382,580	465,031	465,031	555,844	414,478	-10.87%	484,185
Operating	415,466	495,655	495,655	493,687	424,912	-14.27%	433,410
TOTAL	**798,046**	**960,686**	**960,686**	**1,049,531**	**839,390**	**-12.63%**	**917,595**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	34.0	33.0	40.0

Position allocations shown above represent shared Public Works positions supporting the General Fund Public Works, Major Streets, Local Streets, Cemeteries, Solid Waste and Public Works Billable divisions.

CITY-WIDE MAINTENANCE

General Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the City-Wide Maintenance budget is the General Fund.

DEPARTMENT DESCRIPTION

The mission of the City-Wide Maintenance Division is to provide custodial and mechanical maintenance services for all City facilities. Those services are provided through a combination of City staff and a variety of contractual services. The goal is to ensure that all such services (cleaning, general upkeep, heating & cooling needs, other repairs) are provided in an efficient and effective manner that assist the City departments served in meeting their goals in a timely fashion.

The facilities maintained are:
Harrison Facility, Stockbridge Facility, Water Department Buildings' HVAC, Public Safety Facilities (including six outlying fire stations and the Pistol Range), City Hall, and to a limited extent; Mayors' Riverfront Park Team Facility, Parks Administration Building, and Mt. Home & Riverside Cemetery Buildings.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	313,325	322,791	323,309	342,698	396,098	23%	399,990
Operating	381,149	437,529	437,529	470,244	494,198	13%	504,082
Capital	-	223,135	223,135	150,000	162,300	0%	150,000
TOTAL	**694,474**	**983,455**	**983,973**	**962,942**	**1,052,596**	**7.03%**	**1,054,072**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	6.0	6.0	7.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PUBLIC SERVICES

FLEET SERVICES

General Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Fleet Services budget is derived from use charges.

DEPARTMENT DESCRIPTION

These budget units are responsible for repair and maintenance of City vehicles and heavy equipment within the Public Services Department, as well as, a portion of Parks and Recreation, Public Safety and City Hall vehicles and equipment.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	642,086	668,828	670,926	655,125	648,057	-3.11%	655,121
Operating	1,329,112	1,637,187	1,637,187	1,197,678	1,510,689	-7.73%	1,540,903
Capital	915	78,500	78,500	79,500	64,000	-18.47%	65,280
TOTAL	**1,972,113**	**2,384,515**	**2,386,613**	**1,932,303**	**2,222,746**	**-6.78%**	**2,261,304**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	9.0	9.0	9.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PUBLIC SERVICES

ENGINEERING

General Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Engineering Division comes from several sources. Public Works provides funding for major and local street CIP projects and public right-of-way administration. General Fund CIP provides funding for capital projects managed by the Engineering Division. The enterprise funds of Wastewater O & M and CIP and Water O & M and CIP provide funding for specific capital projects managed by the Engineering Division and for Miss Dig and Records operations performed by Engineering.

DEPARTMENT DESCRIPTION

The Engineering section maintains a highly trained staff to provide quality-engineering services for the design, construction, operation, and maintenance of City-owned infrastructure and to provide administrative rulings and recommendations for the proper management of the City's public right-of-way.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Proposed Variance	2018 Projected
Personnel	1,015,063	1,051,450	1,065,746	1,049,087	932,629	-11.30%	947,100
Operating	136,011	134,087	134,087	149,637	130,254	-2.86%	132,859
TOTAL	**1,151,074**	**1,185,537**	**1,199,833**	**1,198,724**	**1,062,883**	**-10.35%**	**1,079,959**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	13.0	16.0	15.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PUBLIC SERVICES

MAJOR STREETS

Special Revenue Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Major Street operating budget primarily comes from Act 51 Gas and Weight tax. The Major Street capital program is funded by Michigan Transportation Fund (MTF) and general obligation bonds.

DEPARTMENT DESCRIPTION

To provide a variety of street repair and maintenance activities including pothole patching, street resurfacing and construction, repair of hazardous or deteriorated drainage structures, shoulder grading, replacement of curb and gutter and 24 hour Major Street bare pavement response during snow and ice season events, storm sewer repair and maintenance, pavement painting and marking, replacement of street signs, and maintenance of traffic signals.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	556,548	862,303	862,303	683,375	756,870	-12.23%	874,874
Operating	1,680,030	1,740,746	1,740,913	1,989,158	1,679,875	-3.50%	1,679,875
Debt Service	1,734,875	1,755,004	1,755,004	1,754,704	1,761,915	0.41%	2,493,443
Transfers	900,000	1,000,000	1,000,000	1,000,000	450,000	-55.00%	1,000,000
Contribution to OPEB Trust	1,211,313	43,400	43,400	43,400	43,400	12.94%	43,400
Capital	2,487,960	6,005,166	7,206,996	6,008,286	6,782,029	12.94%	4,341,100
TOTAL	**8,570,726**	**11,406,619**	**12,608,616**	**11,478,923**	**11,474,089**	**0.59%**	**10,432,692**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	34.0	33.0	40.0

Position allocations shown above represent shared Public Works positions supporting the General Fund Public Works, Major Streets, Local Streets, Cemeteries, Solid Waste and Public Works Billable divisions.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PUBLIC SERVICES

LOCAL STREETS

Special Revenue Fund

BUDGET OVERVIEW

REVENUE

Revenue to fund the Local Street operating budget primarily comes from Act 51 Gas and Weight Tax monies and the General Fund. The Local Street capital program is funded through the General Fund, Michigan Transportation Fund (MTF) bonds, and general obligation bonds.

DEPARTMENT DESCRIPTION

To provide a variety of street repair and maintenance activities including pothole patching, street resurfacing and construction, repair of hazardous or deteriorated drainage structures, shoulder grading, replacement of curb and gutter and 48-hour local street bare pavement response during snow and ice season events, street sweeping, storm sewer repair and maintenance, pavement painting and marking, and replacement of street signs.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Proposed Variance	2018 Projected
Personnel	503,447	691,118	691,118	564,535	823,196	19.11%	829,276
Operating	1,058,506	1,098,770	1,098,770	1,103,832	1,068,895	-2.72%	1,068,895
Debt Service	771,767	748,307	748,307	748,307	751,469	0.46%	874,735
Contribution to OPEB Trust	1,120,916	40,250	40,250	40,250	40,250	0.00%	40,250
Capital	1,038,783	1,000,000	1,171,637	986,050	1,000,000	0.00%	1,000,000
TOTAL	**4,493,419**	**3,578,445**	**3,750,082**	**3,442,974**	**3,683,810**	**2.94%**	**3,813,156**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	34.0	33.0	40.0

Position allocations shown above represent shared Public Works positions supporting the General Fund Public Works, Major Streets, Local Streets, Cemeteries, Solid Waste and Public Works Billable divisions.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PUBLIC SERVICES

CEMETERIES

Special Revenue Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Cemetery operation is generated from user fees and an annual contribution from the Perpetual Care fund. The Perpetual Care fund continues to fund the Cemetery capital improvements.

DEPARTMENT DESCRIPTION

To provide a variety of cemetery services including burials, grave maintenance and restorations, and landscape maintenance within Riverside and Mountain Home Cemetery.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	27,818	28,853	28,853	28,853	29,290	1.51%	29,823
Operating	323,577	323,958	323,958	334,134	463,368	43.03%	413,368
Capital	210,825	159,000	159,322	15,000	159,000	0.00%	159,000
TOTAL	**562,220**	**511,811**	**512,133**	**377,987**	**651,658**	**27.32%**	**602,191**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	34.0	33.0	40.0

Position allocations shown above represent shared Public Works positions supporting the General Fund Public Works, Major Streets, Local Streets, Cemeteries, Solid Waste and Public Works Billable divisions.

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PUBLIC SERVICES

SOLID WASTE

Special Revenue Fund

BUDGET OVERVIEW

REVENUE

The primary revenue source for the Solid Waste Division is generated from property tax collections on the solid waste millage.

DEPARTMENT DESCRIPTION

This unit provides a variety of solid waste collections including leaf removal, brush, monthly bulk trash collection, hazardous tree removal, code compliance and recycling collection. Also provided is the opportunity for residents to dispose of hazardous waste materials. Activities performed improve the appearance and cleanliness of City streets through collaborative cleaning efforts with Building Blocks, street sweeping and clean-up of scattered illegal dumpsites.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	582,488	665,233	665,233	604,965	628,377	-5.54%	686,729
Operating	2,008,997	1,843,825	1,843,825	2,040,787	1,906,400	3.39%	1,906,400
Debt Service	76,822	81,574	81,574	81,574	81,639	0.00%	81,574
Transfers	1,346,908	48,300	48,300	48,300	48,300	0.00%	48,300
TOTAL	**4,015,215**	**2,638,932**	**2,638,932**	**2,775,626**	**2,664,716**	**0.98%**	**2,723,003**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	34.0	33.0	40.0

Position allocations shown above represent shared Public Works positions supporting the General Fund Public Works, Major Streets, Local Streets, Cemeteries, Solid Waste and Public Works Billable divisions.

WASTEWATER DIVISION

Enterprise Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Wastewater Division is generated by customer utility rates.

DEPARTMENT DESCRIPTION

To provide an environmentally sound, convenient and continuous wastewater disposal service to the public by adequately transporting and treating the wastewater generated in seventeen municipalities throughout the Kalamazoo area. Service shall be at a reasonable cost, consistent with allowing a sufficient cost coverage, making certain that the customers receive sound value and highly responsive service within established ordinances, service agreements and regulations.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	4,807,121	5,177,249	5,177,249	5,044,698	5,349,799	3.33%	5,536,480
Operating	14,630,814	16,092,615	16,093,657	16,130,492	17,219,370	7.00%	17,563,757
Capital	1,673,317	2,871,542	3,854,478	3,796,835	7,824,200	172.47%	7,393,100
Debt Service	1,353,693	1,583,120	1,583,120	1,583,120	1,573,863	-0.99%	1,571,441
Transfers	1,760,037	357,700	357,700	357,700	357,700	0.00%	357,700
TOTAL	**24,224,982**	**26,082,226**	**27,066,204**	**26,912,845**	**32,324,932**	**23.93%**	**32,422,479**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	115.0	113.0	132.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PUBLIC SERVICES

WATER DIVISION

Enterprise Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Water Division is generated by customer utility rates.

DEPARTMENT DESCRIPTION

To provide a safe and continuous water supply service to the public within the Kalamazoo metropolitan service area. Service shall be at a reasonable cost, consistent with allowing for a fair return, making certain that the customers receive sound value and highly responsive service within established ordinances, contracts and regulations. Service efforts focus on uninterrupted, high-quality water being supplied throughout a service area that covers ten separate municipalities.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	2,868,013	3,154,271	3,154,271	3,433,525	4,007,921	27.06%	4,362,894
Operating	10,446,914	12,010,330	12,010,330	12,068,921	11,173,919	-6.96%	11,397,397
Capital	1,706,074	2,731,400	3,451,965	2,872,696	8,033,800	194.13%	7,067,900
Debt Service	2,828,093	2,265,559	2,265,559	2,265,559	2,394,834	7.52%	2,345,631
Transfers	1,407,347	298,200	298,200	298,200	298,200		298,200
TOTAL	**19,256,441**	**20,459,760**	**21,180,325**	**20,938,901**	**25,908,674**	**26.63%**	**25,472,022**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	115.0	113.0	132.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
COMMUNITY PLANNING & DEVELOPMENT

General Fund, Special Revenue

BUDGET OVERVIEW

REVENUE

The revenue source for the department is primarily funded through the General Fund, supplemented by cost recovery fees, property inspection fees and permit fees charged for new construction. The Community Development Division's budget includes grant funding from the U.S. Department of Housing and Urban Development.

DEPARTMENT DESCRIPTION

The department is comprised of Code Administration, Planning, and Community Development Divisions. Code Administration coordinates multi-departmental plan review, inspection and enforcement services while protecting the health, safety and general welfare of the community. Code Administration is responsible for ensuring compliance with applicable building codes and regulations, addresses the negative effects of blighted and abandoned properties, and administers code compliance on approximately 16,000 rental units in the city. Planning is responsible for short / long term land use planning and the implementation and enforcement of the city's zoning ordinance. Community Development includes the effective management of federal, state, and local funds in support of programs that address Kalamazoo's housing, neighborhood and community development needs.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	2,101,177	2,257,645	2,506,748	2,336,161	2,231,578	6.87%	2,408,139
Operating	1,125,636	766,965	1,180,105	1,213,352	722,349	-2.54%	727,680
Capital	20,394	20,866	38,525	37,009	-	-100.00%	-
TOTAL	**3,247,207**	**3,045,476**	**3,725,378**	**3,586,522**	**2,953,927**	**-3.01%**	**3,135,819**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	30.0	30.0	33.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
ECONOMIC DEVELOPMENT

General Fund, Component Units

BUDGET OVERVIEW

REVENUE

The revenue source of the Economic Development Division is local tax capture, and General Fund.

DEPARTMENT DESCRIPTION

The Economic Development Department implements programs and provides services integral to achieving the goals of the community's economic development plan. Staff assists in the retention, growth and attraction of business and industry by building relationships with employers, and by anticipating/responding to their needs. Staff expertise in the use of incentives such as gap financing, land assembly and linkages to workforce development resources is utilized to preserve/enhance tax base and create jobs in the city. The Department works with federal, state and local development organizations/agencies to address community reinvestment, job creation, entrepreneurship, job retention, brownfield redevelopment and riverfront redevelopment. The division provides staffing support to the Brownfield Redevelopment Authority, Economic Development Corporation and Local Development Finance Authority.

EXPENDITURES

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Proposed Variance	2018 Projected
Personnel	326,823	489,398	494,302	362,054	511,762	139.38%	210,187
Operating	1,614,850	1,806,927	2,095,123	848,904	1,416,542	9.31%	474,307
Transfers	931,846	2,111,312	2,111,312	758,312	2,082,500	102.56%	32,000
TOTAL	**2,873,519**	**4,407,637**	**4,700,737**	**1,969,270**	**4,010,804**	**-9.00%**	**716,494**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	4.0	6.0	6.0

CITY OF KALAMAZOO
2017 PROPOSED BUDGET
PARKS AND RECREATION

General Fund, Special Revenue, Enterprise Fund

BUDGET OVERVIEW

REVENUE

The revenue to Parks and Recreation comes from the General Fund which includes park and recreation user fees, special revenue grants for programs and contract fees for the Farmer's Market.

DEPARTMENT DESCRIPTION

Park and Facility Services

Park Division staff provides expertise for the care, maintenance, and safety of the department's parks and facilities. The division also oversees the care and maintenance of the system's fleet and equipment. Additional areas of responsibility include contract management, park improvement project management, special event logistical support, and park security.

The 36 parks and 5 facilities maintained represent 22,000 hours of tasks that need to be completed annually. Tasks include trash/litter/debris removal, restroom cleaning, planting flowers, preparing and weeding flower beds at gateways, irrigation repair, fence repair, tree pruning, leaf removal, snow removal, pool maintenance, playground equipment repair, athletic field turf management, and facility repairs. The division has 5.75 FTE and utilizes 15-20 seasonal staff to maintain the parks and facilities.

Recreation Services

Recreation Services provide expertise to create, develop and administer affordable recreational, cultural, educational, and leisure opportunities to benefit and enhance the lives of City residents. The division oversees recreation operations, including the youth development center, aquatic facilities, recreation programs, educational, and interpretive programming; use and event permitting.

Youth development is a priority for the Recreation division, with staff focused on providing opportunities for youth to enhance their interests, skills and abilities through after school programs, summer camp, and programs like All Things Possible and Summer Youth Employment.

The Farmers' Market is also part of the Recreation Division's responsibility. The market is operated by the People's Food Co-op currently and operates from May through late November. The market attracts thousands of people weekly and hosts over 100 vendors each Saturday.

	2015 Actual	2016 Adopted	2016 Amended	2016 Projected	2017 Proposed	2017/2016 Adopted Variance	2018 Projected
Personnel	1,108,027	1,192,493	1,127,621	1,134,105	1,280,958	-1.17%	1,355,456
Operating	741,261	738,339	730,504	803,445	755,555	-3.52%	678,866
Capital	29,900	-	99,735	70,064	-		-
TOTAL	**1,879,188**	**1,930,832**	**1,957,860**	**2,007,614**	**2,036,513**	**5.47%**	**2,034,322**

POSITIONS

POSITION ALLOCATIONS	Budget 2015	Budget 2016	Proposed 2017
Number of Permanent Full Time Positions	11.0	11.0	14.0
Number of Permanent Part Time Positions	3.0	2.0	1.0

City of Kalamazoo, Michigan

Capital Improvement Plan

2017 thru **2021**

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Information Technology								
Fiber Optic Network	GEN-16-001	n/a	125,000	125,000	125,000			*375,000*
Bond			***125,000***	***125,000***	***125,000***			***375,000***
Information Technology Total			**125,000**	**125,000**	**125,000**			***375,000***
Parks & Recreation								
Phase I: Redevelopment of Farmers Market	P&R-16-003	n/a		1,150,000				*1,150,000*
Bond				***150,000***				***150,000***
Private				***1,000,000***				***1,000,000***
Bronson Park Improvements	P&R-16-004	n/a	75,000	1,000,000				*1,075,000*
Bond			***75,000***					***75,000***
Private				***1,000,000***				***1,000,000***
Frays Park Walkway and General Park Improvements	P&R-17-005	n/a		12,000	1,338,000			*1,350,000*
Bond				***12,000***	***669,000***			***681,000***
Private					***669,000***			***669,000***
Crane Park Redevelopment	P&R-18-006	n/a		620,000				*620,000*
Bond				***520,000***				***520,000***
Private				***100,000***				***100,000***
Blanche Hull Park Improvements	P&R-18-007	n/a			325,000	1,650,000		*1,975,000*
Bond					***25,000***	***250,000***		***275,000***
Private						***1,400,000***		***1,400,000***
State					***300,000***			***300,000***
Henderson Tot-Lot (Replacement Project)	P&R-18-008	n/a		325,000				*325,000*
Bond				***249,093***				***249,093***
Private				***75,907***				***75,907***
Milham Park Improvements	P&R-19-008	n/a			25,000	1,975,000		*2,000,000*
Bond					***25,000***	***275,000***		***300,000***
Private						***1,400,000***		***1,400,000***
State						***300,000***		***300,000***
Knollwood Park Improvements	P&R-19-009	n/a			150,000			*150,000*
Bond					***75,000***			***75,000***
Private					***75,000***			***75,000***
Kik Pool Renovations	P&R-20-002	n/a				60,000	6,000,000	*6,060,000*
Bond						***60,000***		***60,000***
Private							***6,000,000***	***6,000,000***
Verburg Park	P&R-21-001	n/a					12,000	*12,000*
Bond							***12,000***	***12,000***
Parks & Recreation Total			**75,000**	**3,107,000**	**1,838,000**	**3,685,000**	**6,012,000**	***14,717,000***
Public Safety								
Public Safety Facility Upgrades	KDPS-00-005	n/a			1,000,000			*1,000,000*
Bond					***1,000,000***			***1,000,000***
Crosstown Dispatch Tower	KDPS-16-001	n/a	124,000					*124,000*
Local			***124,000***					***124,000***

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
New Station #2 (Bryant) Design & Construction	KDPS-16-002	n/a		2,370,000				*2,370,000*
Bond				***2,370,000***				***2,370,000***
In-Car Camera System Infrastructure Upgrade	KDPS-16-003	n/a					200,000	*200,000*
Bond							***200,000***	***200,000***
Dispatch Records Mgmt System	KDPS-17-001	n/a	300,000					*300,000*
Bond			***300,000***					***300,000***
Replace Engines 2 & 5	KDPS-17-002	n/a	1,000,000					*1,000,000*
Bond			***1,000,000***					***1,000,000***
Replace Fire Apparatus - Truck 6	KDPS-20-001	n/a				1,100,000		*1,100,000*
Bond						***1,100,000***		***1,100,000***
Replace Engines #3 & #6	KDPS-21-002	n/a					1,000,000	*1,000,000*
Bond							***1,000,000***	***1,000,000***
Public Safety Total			**1,424,000**	**2,370,000**	**1,000,000**	**1,100,000**	**1,200,000**	***7,094,000***
Public Services: General								
City Hall Roof Replacement	GEN-17-007	n/a	84,800					*84,800*
Bond			***84,800***					***84,800***
City Hall Underground Parking Upgrades	GEN-17-008	n/a	115,000					*115,000*
Bond Reserves			***115,000***					***115,000***
Snowmelt Equipment & Repairs	PS-00-001	n/a	125,000	36,250	37,350	38,500	163,350	*400,450*
Bond			***125,000***	***36,250***	***37,350***	***38,500***	***163,350***	***400,450***
Portage Creek Trailway (Phase 2)	PS-16-006	n/a	500,000					*500,000*
Bond			***200,000***					***200,000***
Federal			***300,000***					***300,000***
Paver with Roller	PS-17-010	n/a	310,000					*310,000*
Bond			***310,000***					***310,000***
Tracked Skid Steer	PS-17-017	n/a	75,000					*75,000*
Bond			***75,000***					***75,000***
Portable Hoist	PS-17-018	n/a	65,000					*65,000*
Bond			***65,000***					***65,000***
In-ground Hoist	PS-17-019	n/a	80,000					*80,000*
Bond			***80,000***					***80,000***
Portage Creek Trailway (Phase 3)	PS-19-015	n/a			50,000	300,000	2,000,000	*2,350,000*
Bond					***50,000***		***2,000,000***	***2,050,000***
State						***300,000***		***300,000***
Public Services: General Total			**1,354,800**	**36,250**	**87,350**	**338,500**	**2,163,350**	***3,980,250***
GRAND TOTAL			**2,978,800**	**5,638,250**	**3,050,350**	**5,123,500**	**9,375,350**	***26,166,250***

City of Kalamazoo, Michigan

Capital Improvement Plan

2017 thru **2021**

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Public Services: Streets								
Local Street Program	LST-00-001	n/a	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	*5,000,000*
Bond			***1,000,000***	***750,000***	***500,000***	***250,000***		***2,500,000***
Cash				***250,000***	***500,000***	***750,000***	***1,000,000***	***2,500,000***
Major Street Federal Pass Thru	MST-00-001	n/a	2,334,000	2,274,000	2,089,000	1,411,000	1,929,000	*10,037,000*
Unfunded			***2,334,000***	***2,274,000***	***2,089,000***	***1,411,000***	***1,929,000***	***10,037,000***
Major Street Labor Transfer	MST-00-002	n/a	42,429	42,100				*84,529*
Cash			***42,429***	***42,100***				***84,529***
Major Street Design	MST-00-010	n/a	72,000	75,000	75,000	75,000	75,000	*372,000*
Bond			***72,000***	***75,000***	***75,000***	***75,000***	***150,000***	***447,000***
Scattered Sites	MST-00-011	n/a	150,000	150,000	150,000	150,000	150,000	*750,000*
Bond			***150,000***	***150,000***	***150,000***	***150,000***	***150,000***	***750,000***
Ransom - Gull Roundabout	MST-16-009	n/a	1,200,000					*1,200,000*
Contrib In Aid			***1,200,000***					***1,200,000***
Cork (Portage to Sprinkle)	MST-17-001	n/a	75,000		595,000			*670,000*
Bond			***75,000***		***595,000***			***670,000***
Harrison Extension	MST-17-002	n/a	375,000					*375,000*
Bond			***375,000***					***375,000***
Harrison Traffic Signal	MST-17-003	n/a	189,000					*189,000*
Bond			***189,000***					***189,000***
Howard Street Pedestrian Bridge	MST-17-004	n/a	50,000					*50,000*
Working Capital			***50,000***					***50,000***
Misc. Bridge Deck Repair	MST-17-005	n/a	50,000					*50,000*
Working Capital			***50,000***					***50,000***
North Drake Traffic Signal Upgrades	MST-17-006	n/a	179,000	50,000				*229,000*
Bond			***179,000***	***50,000***				***229,000***
Paterson Street Bridge Repair	MST-17-007	n/a	209,300					*209,300*
Bond			***209,300***					***209,300***
Paterson Street RR Crossing	MST-17-008	n/a	77,100					*77,100*
Bond			***77,100***					***77,100***
Burdick Traffic Signal Upgrades	MST-17-009	n/a	526,000	180,000				*706,000*
Bond			***526,000***	***180,000***				***706,000***
Pitcher Street Bridge Repair	MST-17-010	n/a	130,000					*130,000*
Bond			***130,000***					***130,000***
Rose Street (Academy to Water)	MST-17-011	n/a	50,000					*50,000*
Working Capital			***50,000***					***50,000***
Vine (Davis to Crosstown)	MST-17-012	n/a	331,400	220,000				*551,400*
Bond			***331,400***	***220,000***				***551,400***
Portage (Sheridan to Stockbridge)	MST-17-013	n/a	741,800	285,000				*1,026,800*
Bond			***741,800***	***285,000***				***1,026,800***
Emerald (Cork to Miller)	MST-18-001	n/a		385,000				*385,000*
Bond				***385,000***				***385,000***
Hatfield (Schuster to King)	MST-18-002	n/a		210,000				*210,000*
Bond				***210,000***				***210,000***

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Sheldon (Vine to Crosstown)	MST-18-007	n/a		170,000				*170,000*
Bond				***170,000***				***170,000***
Pitcher (Walnut to Portage/Pitcher Connector)	MST-18-008	n/a		300,000				*300,000*
Bond				***300,000***				***300,000***
W. Michigan/Howard Traffic Signal Upgrades	MST-19-002	n/a			275,000			*275,000*
Bond					***275,000***			***275,000***
Covington (Manchester to Sprinkle)	MST-19-003	n/a			446,000			*446,000*
Bond					***446,000***			***446,000***
Edwards (Frank to Paterson)	MST-19-004	n/a			176,000			*176,000*
Bond					***176,000***			***176,000***
Lovell (Sprague to Oakland)	MST-19-005	n/a			308,000			*308,000*
Bond					***308,000***			***308,000***
Rose Street (South to Water)	MST-20-001	n/a				250,000		*250,000*
Bond						***250,000***		***250,000***
VanRick (Covington to Sprinkle)	MST-20-002	n/a				270,000		*270,000*
Bond						***270,000***		***270,000***
Burr Oak (Park to Burdick)	MST-20-003	n/a				390,000		*390,000*
Bond						***390,000***		***390,000***
Parchmont (Clarnin to Mt. Olivet)	MST-20-004	n/a				140,000		*140,000*
Bond						***140,000***		***140,000***
Portage (Stockbridge to Portage/Pitcher Connector)	MST-20-005	n/a				750,000		*750,000*
Bond						***750,000***		***750,000***
S. Drake Traffic Signal Improvements	MST-21-001	n/a					165,000	*165,000*
Bond							***165,000***	***165,000***
Lake (Portage to E. City Limits)	MST-21-002	n/a					183,000	*183,000*
Bond							***183,000***	***183,000***
Maple (Westnedge to Burdick)	MST-21-003	n/a					171,000	*171,000*
Bond							***171,000***	***171,000***
Oakland (Parkview to Howard)	MST-21-004	n/a					370,000	*370,000*
Bond							***370,000***	***370,000***
Porter (Frank to Paterson)	MST-21-005	n/a					274,000	*274,000*
Bond							***274,000***	***274,000***
Walter (Lake to Vine)	MST-21-006	n/a					102,000	*102,000*
Bond							***102,000***	***102,000***
Washington (Portage to March)	MST-21-007	n/a					275,000	*275,000*
Bond							***275,000***	***275,000***
Nazareth (E. Michigan to Charles)	MST-21-008	n/a					260,000	*260,000*
Bond							***260,000***	***260,000***
Public Services: Streets Total			**7,782,029**	**5,341,100**	**5,114,000**	**4,436,000**	**4,954,000**	***27,627,129***
GRAND TOTAL			**7,782,029**	**5,341,100**	**5,114,000**	**4,436,000**	**4,954,000**	***27,627,129***

City of Kalamazoo, Michigan

Capital Improvement Plan

2017 thru **2021**

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Public Services: Wastewater								
Wastewater: Capital Management	WWR-00-001	n/a	270,000	270,000	270,000	270,000	270,000	*1,350,000*
Working Capital			***270,000***	***270,000***	***270,000***	***270,000***	***270,000***	***1,350,000***
WRP Equipment Replacements	WWR-00-002	n/a	100,000	100,000	100,000	100,000	100,000	*500,000*
Working Capital			***100,000***	***100,000***	***100,000***	***100,000***	***100,000***	***500,000***
WRP Electrical, Instrumentation & Controls	WWR-00-003	n/a	122,000	122,000	122,000	122,000	122,000	*610,000*
Working Capital			***122,000***	***122,000***	***122,000***	***122,000***	***122,000***	***610,000***
Sewer Main Program	WWR-00-004	n/a	200,000	200,000	200,000	200,000	200,000	*1,000,000*
Unfunded			***200,000***	***200,000***	***200,000***	***200,000***	***200,000***	***1,000,000***
Sewer Lead Program	WWR-00-005	n/a	30,000	30,000	30,000	30,000	30,000	*150,000*
Contrib In Aid			***30,000***	***30,000***	***30,000***	***30,000***	***30,000***	***150,000***
Sewer Lining Program	WWR-00-006	n/a	300,000	200,000	206,000	212,200	218,500	*1,136,700*
Unfunded			***300,000***	***200,000***	***206,000***	***212,200***	***218,500***	***1,136,700***
Computer Replacement	WWR-00-007	n/a	25,000	25,000	25,000	25,000	25,000	*125,000*
Unfunded			***25,000***	***25,000***	***25,000***	***25,000***	***25,000***	***125,000***
Sanitary Sewer Trenchless Rehab Program	WWR-00-009	n/a	200,000	300,000	300,000	300,000	300,000	*1,400,000*
Unfunded			***200,000***	***300,000***	***300,000***	***300,000***	***300,000***	***1,400,000***
Sanitary Manhole Trenchless Rehab	WWR-00-010	n/a	125,000	125,000	125,000	125,000	125,000	*625,000*
Unfunded			***125,000***	***125,000***	***125,000***	***125,000***	***125,000***	***625,000***
Sanitary Lateral Trenchless Rehab	WWR-00-011	n/a	50,000	50,000	50,000	50,000	50,000	*250,000*
Unfunded			***50,000***	***50,000***	***50,000***	***50,000***	***50,000***	***250,000***
Access Control & Security Upgrades	WWR-00-012	n/a	15,000			15,000		*30,000*
Working Capital			***15,000***			***15,000***		***30,000***
Sewer Upgrade & Replacement (6" to 8")	WWR-00-014	n/a		100,000	100,000	100,000	100,000	*400,000*
Working Capital				***100,000***	***100,000***	***100,000***	***100,000***	***400,000***
Heavy Equipment Replacement Program	WWR-00-015	n/a		450,000	300,000	650,000	350,000	*1,750,000*
Working Capital				***450,000***	***300,000***	***650,000***	***350,000***	***1,750,000***
Interceptor Rehabilitation	WWR-00-016	n/a					2,000,000	*2,000,000*
Unfunded							***2,000,000***	***2,000,000***
Lift Station Mechanical Improvements	WWR-00-017	n/a	25,000	25,000	25,000	25,000	25,000	*125,000*
Unfunded			***25,000***	***25,000***	***25,000***	***25,000***	***25,000***	***125,000***
Analyzer Replacement Program	WWR-00-018	n/a					20,000	*20,000*
Working Capital							***20,000***	***20,000***
Farmers Alley Sewer Main Replacement	WWR-14-004	n/a	900,000					*900,000*
Unfunded			***900,000***					***900,000***
Load Center 5 Replacement	WWR-15-001	n/a	150,000					*150,000*
Working Capital			***150,000***					***150,000***
WW SCADA System Upgrade	WWR-15-003	n/a	150,000	200,000				*350,000*
Unfunded			***150,000***	***200,000***				***350,000***
Ransom/Gull Interceptor Replacement	WWR-15-006	n/a			900,000			*900,000*
Working Capital					***900,000***			***900,000***
Plant Water Bldg#16 Pump Replacement	WWR-16-001	n/a	112,200	119,100				*231,300*
Working Capital			***112,200***	***119,100***				***231,300***
Lift Station Radios	WWR-16-008	n/a	94,000	7,000				*101,000*

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Unfunded			***94,000***	***7,000***				***101,000***
Recycle Bldg#5 Locker Room Renov	WWR-16-011	n/a	316,000					*316,000*
Working Capital			***316,000***					***316,000***
KWRP Sewer Collections Facility Building	WWR-16-012	n/a	2,000,000					*2,000,000*
Working Capital			***2,000,000***					***2,000,000***
SW & Portage Interceptor Access Rd	WWR-16-014	n/a	350,000	300,000	300,000			*950,000*
Working Capital			***350,000***	***300,000***	***300,000***			***950,000***
Secondary Bldg#11 Tertiary MCC Updgrade	WWR-16-015	n/a	110,000					*110,000*
Working Capital			***110,000***					***110,000***
Rivers Edge Sanitary Sewer Reconstruction	WWR-17-001	n/a	800,000					*800,000*
Unfunded			***800,000***					***800,000***
Rose Street Sanitary Sewer	WWR-17-002	n/a	100,000					*100,000*
Unfunded			***100,000***					***100,000***
SW Interceptor Trenchless Pipe Rehab	WWR-17-003	n/a	100,000					*100,000*
Unfunded			***100,000***					***100,000***
Interceptor Access Road - Davis Creek	WWR-17-004	n/a	150,000			300,000	300,000	*750,000*
Unfunded			***150,000***			***300,000***	***300,000***	***750,000***
Solids Handling Process Upgrade	WWR-17-005	n/a	350,000	2,250,000	2,250,000			*4,850,000*
Unfunded			***350,000***	***2,250,000***	***2,250,000***			***4,850,000***
Fine Screens Process Upgrade	WWR-17-006	n/a	75,000	750,000	750,000			*1,575,000*
Unfunded			***75,000***	***750,000***	***750,000***			***1,575,000***
Merchant Storm Valve Abandonment	WWR-17-007	n/a	60,000					*60,000*
Unfunded			***60,000***					***60,000***
KC-15-341/Park @ Ransom Man Hole Repl	WWR-17-008	n/a	60,000					*60,000*
Unfunded			***60,000***					***60,000***
TSS Analyzers	WWR-17-010	n/a	85,000					*85,000*
Unfunded			***85,000***					***85,000***
Carry Deck Crane Replacement	WWR-17-011	n/a	70,000					*70,000*
Working Capital			***70,000***					***70,000***
KWRP Lab Building Improvement	WWR-17-012	n/a	30,000	375,000	375,000			*780,000*
Unfunded				***375,000***	***375,000***			***750,000***
Working Capital			***30,000***					***30,000***
MiniJet Sewer Cleaning Equipment	WWR-17-013	n/a	300,000					*300,000*
Working Capital			***300,000***					***300,000***
Interceptor Road Access - Spring Valley	WWR-18-001	n/a		150,000				*150,000*
Working Capital				***150,000***				***150,000***
Backwash Pump #1 Rebuild	WWR-18-002	n/a		55,000				*55,000*
Unfunded				***55,000***				***55,000***
Tertiary Process Upgrade	WWR-18-003	n/a		1,050,000	5,000,000	5,000,000	5,000,000	*16,050,000*
Unfunded				***1,050,000***	***5,000,000***	***5,000,000***	***5,000,000***	***16,050,000***
Scum Station Roof	WWR-18-004	n/a		15,000				*15,000*
Working Capital				***15,000***				***15,000***
Academy Culvert Replacement	WWR-18-005	n/a		125,000				*125,000*
Working Capital				***125,000***				***125,000***
Interceptor Road Access - Arcadia Creek	WWR-19-001	n/a			150,000			*150,000*
Working Capital					***150,000***			***150,000***
SW Interceptor Drop Manhole Replacement	WWR-19-002	n/a			150,000			*150,000*
Working Capital					***150,000***			***150,000***
Blower 1 Controls Upgrade	WWR-19-003	n/a			100,000			*100,000*
Unfunded					***100,000***			***100,000***
Woods Lake Generator	WWR-19-004	n/a			40,000			*40,000*
Unfunded					***40,000***			***40,000***
Whites Lake Generator	WWR-19-005	n/a			40,000			*40,000*
Unfunded					***40,000***			***40,000***

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Plant Water Pumps	WWR-19-006	n/a			250,000			*250,000*
Unfunded					***250,000***			***250,000***
Grit Crane & Doors	WWR-19-007	n/a			500,000			*500,000*
Unfunded					***500,000***			***500,000***
KWRP Admin HVAC Upgrade	WWR-19-008	n/a			750,000			*750,000*
Unfunded					***750,000***			***750,000***
Clarifier Drives & Sweeps 4-8	WWR-19-009	n/a			450,000	2,250,000	1,125,000	*3,825,000*
Unfunded					***450,000***	***2,250,000***	***1,125,000***	***3,825,000***
Alternate Force Main	WWR-19-010	n/a			432,000			*432,000*
Unfunded					***432,000***			***432,000***
Blower 4 Controls Upgrade	WWR-20-001	n/a				100,000		*100,000*
Unfunded						***100,000***		***100,000***
150 HP Raw Pumps (Qty 2)	WWR-20-002	n/a				1,200,000		*1,200,000*
Unfunded						***1,200,000***		***1,200,000***
125 HP Raw Pumps (Qty 2)	WWR-21-001	n/a					1,200,000	*1,200,000*
Unfunded							***1,200,000***	***1,200,000***
Waste ML Pumps (Qty 2)	WWR-21-002	n/a					150,000	*150,000*
Unfunded							***150,000***	***150,000***
Public Services: Wastewater Total			**7,824,200**	**7,393,100**	**14,290,000**	**11,074,200**	**11,710,500**	***52,292,000***
GRAND TOTAL			**7,824,200**	**7,393,100**	**14,290,000**	**11,074,200**	**11,710,500**	***52,292,000***

City of Kalamazoo, Michigan

Capital Improvement Plan

2017 thru **2021**

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Public Services: Water								
Water: Capital Management	WAT-00-001	n/a	200,000	200,000	200,000	200,000	200,000	*1,000,000*
Working Capital			***200,000***	***200,000***	***200,000***	***200,000***	***200,000***	***1,000,000***
Well Replacement Program	WAT-00-002	n/a	140,400	110,000	220,000	110,000	110,000	*690,400*
Unfunded			***140,400***	***110,000***	***220,000***	***110,000***	***110,000***	***690,400***
Well Pump/Motor Replacements	WAT-00-003	n/a	30,000	30,900	31,827	32,782	33,765	*159,274*
Hydrant Replacement Program	WAT-00-004	n/a	150,000	150,000	150,000	150,000	150,000	*750,000*
Working Capital			***150,000***	***150,000***	***150,000***	***150,000***	***150,000***	***750,000***
Water Main Program	WAT-00-005	n/a			1,000,000	1,030,000	1,060,900	*3,090,900*
Unfunded					***1,000,000***	***1,030,000***	***1,060,900***	***3,090,900***
Water Gate Valve Replacement Program	WAT-00-006	n/a	115,000	115,000	115,000	115,000	115,000	*575,000*
Working Capital			***115,000***	***115,000***	***115,000***	***115,000***	***115,000***	***575,000***
New Service Connection Program	WAT-00-007	n/a	33,000	33,000	33,000	33,000	33,000	*165,000*
Contrib In Aid			***33,000***	***33,000***	***33,000***	***33,000***	***33,000***	***165,000***
Lead Service Replacement	WAT-00-008	n/a	300,000	300,000	350,000	350,000	400,000	*1,700,000*
Unfunded			***300,000***	***300,000***	***350,000***	***350,000***	***400,000***	***1,700,000***
Meter Improvement Program	WAT-00-009	n/a	250,000	250,000	250,000	250,000	750,000	*1,750,000*
Unfunded			***250,000***	***250,000***	***250,000***	***250,000***	***750,000***	***1,750,000***
Computer Replacement	WAT-00-010	n/a	25,000	25,000	25,000	25,000	25,000	*125,000*
Working Capital			***25,000***	***25,000***	***25,000***	***25,000***	***25,000***	***125,000***
Heavy Equipment Fleet Program	WAT-00-011	n/a		400,000	400,000	227,200	227,200	*1,254,400*
Unfunded				***400,000***	***400,000***	***227,200***	***227,200***	***1,254,400***
Priority 3&4 Vunerability Improvements	WAT-00-012	n/a		60,000	60,000	60,000	60,000	*240,000*
Unfunded				***60,000***	***60,000***	***60,000***	***60,000***	***240,000***
Water System SCADA Replacement/Backbone	WAT-14-001	n/a	270,400	200,000	100,000			*570,400*
Unfunded			***270,400***	***200,000***	***100,000***			***570,400***
Farmers Alley Water Main	WAT-14-003	n/a	300,000					*300,000*
Unfunded			***300,000***					***300,000***
STA#38-Oshtemo Wellfield	WAT-15-001	n/a			500,000	3,000,000	3,000,000	*6,500,000*
Unfunded					***500,000***	***3,000,000***	***3,000,000***	***6,500,000***
BS#40 Texas Twsp Booster	WAT-16-004	n/a	600,000		143,000			*743,000*
Unfunded			***600,000***		***143,000***			***743,000***
KL Landfill Water Main and Sta 41	WAT-16-008	n/a	2,200,000					*2,200,000*
Unfunded			***2,200,000***					***2,200,000***
STA#22 Elevated Storage/Booster	WAT-16-009	n/a	2,509,000	3,009,000	300,000			*5,818,000*
Unfunded			***2,509,000***	***3,009,000***	***300,000***			***5,818,000***
SCADA Hardware & Software	WAT-17-001	n/a	400,000	200,000	100,000			*700,000*
Unfunded			***400,000***	***200,000***	***100,000***			***700,000***
Heritage Water Main	WAT-17-002	n/a	100,000					*100,000*
Unfunded			***100,000***					***100,000***
Ransom Street Water Main	WAT-17-003	n/a	300,000					*300,000*
Unfunded			***300,000***					***300,000***
STA#24 Booster Pump 2 Replacement	WAT-17-004	n/a	65,000					*65,000*

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Unfunded			***65,000***					***65,000***
Lake St Gate Actuators Replacement	WAT-17-005	n/a	21,000					*21,000*
Unfunded			***21,000***					***21,000***
Lucity Asset Management	WAT-17-006	n/a	25,000					*25,000*
Unfunded			***25,000***					***25,000***
Rose Street Water Main	WAT-18-001	n/a		400,000				*400,000*
Unfunded				***400,000***				***400,000***
33rd ST Water Main	WAT-18-002	n/a		100,000	1,300,000	1,000,000	1,000,000	*3,400,000*
Unfunded				***100,000***	***1,300,000***	***1,000,000***	***1,000,000***	***3,400,000***
11th ST Water Main	WAT-18-003	n/a		300,000				*300,000*
Unfunded				***300,000***				***300,000***
Butler Court Water Main	WAT-18-004	n/a		100,000				*100,000*
Unfunded				***100,000***				***100,000***
Central PS Sand Filter Valve Replacement	WAT-18-005	n/a		50,000	50,000	50,000	50,000	*200,000*
Unfunded				***50,000***	***50,000***	***50,000***	***50,000***	***200,000***
Central PS Inlet Tube Replacement	WAT-18-006	n/a		10,000	10,000	10,000	10,000	*40,000*
Unfunded				***10,000***	***10,000***	***10,000***	***10,000***	***40,000***
STA#4 Well House Replacement	WAT-18-007	n/a		60,000				*60,000*
Unfunded				***60,000***				***60,000***
Power Upgrades	WAT-18-008	n/a		85,000	85,000	85,000	85,000	*340,000*
Unfunded				***85,000***	***85,000***	***85,000***	***85,000***	***340,000***
STA#6 Upgrades	WAT-18-009	n/a		50,000	400,000			*450,000*
Unfunded				***50,000***	***400,000***			***450,000***
STA#9 Flow Control Upgrade	WAT-18-010	n/a		50,000	35,000	35,000		*120,000*
Unfunded				***50,000***	***35,000***	***35,000***		***120,000***
STA#9 Booster Pump Replacements	WAT-18-011	n/a		20,000				*20,000*
Unfunded				***20,000***				***20,000***
STA#11 Check Valve Installation	WAT-18-012	n/a		30,000				*30,000*
Unfunded				***30,000***				***30,000***
STA#8 Booster Pump Replacement	WAT-18-013	n/a		100,000				*100,000*
Unfunded				***100,000***				***100,000***
STA#10 Booster Pump Replacement	WAT-18-014	n/a		60,000				*60,000*
Unfunded				***60,000***				***60,000***
STA#25 Booster 2 Pump and Motor Repl	WAT-18-015	n/a		100,000				*100,000*
Unfunded				***100,000***				***100,000***
STA#26 Booster Station Reconstruct	WAT-18-016	n/a		50,000	500,000			*550,000*
Unfunded				***50,000***	***500,000***			***550,000***
STA#31 Booster 2 Replacement	WAT-18-017	n/a		20,000				*20,000*
Unfunded				***20,000***				***20,000***
Central Pumping Station Upgrades	WAT-18-018	n/a		100,000	1,000,000			*1,100,000*
Unfunded				***100,000***	***1,000,000***			***1,100,000***
Station Generator Installations	WAT-18-019	n/a		100,000	100,000	100,000	100,000	*400,000*
Unfunded				***100,000***	***100,000***	***100,000***	***100,000***	***400,000***
Phosphate Upgrade	WAT-18-020	n/a		200,000	200,000	200,000		*600,000*
Unfunded				***200,000***	***200,000***	***200,000***		***600,000***
STA#24 Control/Communications	WAT-19-001	n/a			147,000			*147,000*
Unfunded					***147,000***			***147,000***
STA#12 VFD Installation	WAT-19-002	n/a			20,000			*20,000*
Unfunded					***20,000***			***20,000***
Blakeslee Large Valve Replacement	WAT-19-003	n/a			100,000			*100,000*
Unfunded					***100,000***			***100,000***
STA#5 Booster Pump Building Replacement	WAT-20-001	n/a				50,000	600,000	*650,000*
Unfunded						***50,000***	***600,000***	***650,000***
Central Control Upgrades	WAT-20-002	n/a				140,000		*140,000*

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Unfunded						***140,000***		***140,000***
STA#25 Discharge Valve Replacement	WAT-20-003	n/a				150,000		*150,000*
Unfunded						***150,000***		***150,000***
STA#11 Automation Upgrades	WAT-21-001	n/a					200,000	*200,000*
Unfunded							***200,000***	***200,000***
High Pressure District Elev Storage (East)	WAT-21-002	n/a					200,000	*200,000*
Unfunded							***200,000***	***200,000***
Public Services: Water Total			**8,033,800**	**7,067,900**	**7,924,827**	**7,402,982**	**8,409,865**	***38,839,374***
GRAND TOTAL			**8,033,800**	**7,067,900**	**7,924,827**	**7,402,982**	**8,409,865**	***38,839,374***

BROWNFIELD REDEVELOPMET AUTHORITY (BRA)
2017 PROPOSED BUDGET

	2015 Actual	2016 Budget	2016 Projected	2017 Proposed
Revenues				
TIF Capture - Developer	-	188,100	188,100	160,000
TIF Capture - Building Authority (Ramp)	-	173,544	173,544	150,500
TIF Capture - BRA	601,711	81,795	81,795	69,500
Land Sales Proceeds	-	500,000	274,713	400,000
Loan Interest Revenue	814	-	-	-
Investment Interest	1,753	1,100	1,800	1,700
General Fund Contribution	-	-	-	-
Miscellaneous Revenues (Rent / Reimbursements)	43,350	10,000	30,000	12,000
MEDQ Grant (KVCC)	862,656	22,695	22,695	-
EDA Grant	-	-	-	-
Transfer In (EIF)	-	75,000	75,000	-
Private Donations & Contributions	-	-		-
Total Resources	***1,510,284***	***1,052,234***	***847,647***	***793,700***
Expenditures				
Personnel	199,321	276,184	203,043	226,775
Projects:				
Riverfront / River West Redevelopment / River's Edge	29,397	25,000	22,000	20,000
Davis Creek Business Park (Lakeside Refinery)	0	30,000	22,500	45,000
Former Public Safety Site	26,222	15,000	20,000	20,000
JA Richards	12,808	0	2,500	0
Tax Reverted Property Acquisitions/Land Bank	27,223	20,000	0	20,000
TIF Reimbursements to Developers	195,384	188,100	188,100	160,000
TIF Transfer to Building Authority/Mall Parking Structu	141,846	173,544	173,544	150,500
Site/Building Maintenance	18,995	20,000	20,000	20,000
Special Projects Environmental	0	15,000	5,000	15,000
East Bank Site Infrastructure	0	2,500	2,500	0
Performance Paper	5,725	10,000	1,500	20,000
Site Preparation/Infrastructure	9,775	50,000	5,000	25,000
Targeted Acquisitions	0	25,000	0	25,000
Marketing	1,287	20,000	12,000	20,000
Administrative/IT Fees	48,684	13,708	13,708	18,996
BRA Operating Expenses/Relocation	0	25,000	5,000	30,000
MEDQ Grant (KVCC)	862,657	22,695	53,587	0
600 E. Michigan - Grant/loan admin support	0	0	11,250	0
ED Incentive/Strategy Review	0	75,000	50,000	30,000
Contract Retainage	0	0	0	0
Bank Fees	0	300	300	300
Total Expenditures	**1,579,324**	**1,007,031**	**811,532**	**846,571**
Revenue over (under) expenditures	***-69,040***	***45,203***	***36,115***	***-52,871***
Beginning Fund Balance	***635,422***	***566,382***	***566,382***	***602,496***
Ending Fund Balance	***566,382***	***611,585***	***602,496***	***549,625***

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
2017 PROPOSED BUDGET
OPERATING BUDGET

	2016 Approved	2016 Projected	2017 2 Mill w/2016 TIF Continuation
REVENUE			
Taxes			
Operating - Current Year (DDA Levy 1.9638 Mills)	269,181	269,181	270,237
Operating - Current Year (TIF)	1,381,889	1,381,889	1,653,353
Bond Refinance Savings	71,377	71,377	63,861
Total Taxes	**1,722,447**	**1,722,447**	**1,987,451**
Fees & Charges for Services			
Festival Place Maintenance Fees	32,500	26,000	26,000
City of Kalamazoo Mall Maintenance	59,168	59,168	55,343
Total Fees & Charges for Services	**91,668**	**85,168**	**81,343**
Other			
Interest Income	500	550	550
PILOTS/Miscellaneous	1,500	1,500	1,500
Total Other Revenue	**2,000**	**2,050**	**2,050**
TOTAL REVENUE	**1,816,115**	**1,809,665**	**2,070,844**
EXPENSES			
Operating Expenses			
DKI Service Agreement	256,000	256,000	267,050
Insurance/Legal/Audit Services	42,300	44,300	45,600
Mall Assessment	15,000	15,000	15,000
Website	5,000	5,000	-
Miscellaneous	500	500	500
Total Operating Expenses	**318,800**	**320,800**	**328,150**
Initiatives/Programs			
Brand & Engagement	50,000	50,000	50,000
CIP:			
Maintenance	360,000	360,000	360,000
Building Revitalization Programs	10,000	15,000	15,000
Special Projects	10,000	5,000	5,000
TIF Capture-Depot Project	-	-	-
TIF Capture-Miller Canfield	47,326	51,688	51,688
Total Initiatives/Programs	**477,326**	**481,688**	**481,688**

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
2017 PROPOSED BUDGET
OPERATING BUDGET

DEBT SERVICE/OTHER OBLIGATIONS			
Arcadia Creek Bonds	463,950	463,950	463,950
Building Authority Bonds	228,438	228,438	228,438
TIF Capture Ramp3	36,414	36,414	36,414
Festival Place	128,473	128,473	128,473
Metropolitan Center	48,900	48,900	48,900
Rebated Taxes	45,000	95,000	95,000
Zoetis Tax Appeal	43,679	48,921	48,921
City of Kalamazoo Loan	76,460	76,460	76,460
Total Debt Service/Other Obligations	**1,071,314**	**1,126,556**	**1,126,556**
12% Reserve	**48,264**	**48,636**	**48,636**
TOTAL EXPENSES	**1,915,704**	**1,977,680**	**1,985,030**
Revenue Over (Under) Expenses	**(99,589)**	**(168,015)**	**85,814**
BEGINNING FUND BALANCE	**251,032**	**261,485**	**93,470**
REVENUE OVER (UNDER) EXPENSES	**(99,589)**	**(168,015)**	**85,814**
ENDING FUND BALANCE	**151,443**	**93,470**	**179,284**

ECONOMIC DEVELOPMENT AUTHORITY (EDC)
2017 PROPOSED BUDGET

	2015 Actual	2016 Adopted Budget	2016 Projected Budget	2017 Adopted Budget
Revenues				
Interest on Investments	-	400	400	400
Miscellaneous	-	-	-	-
EIF Transfer In	790,000	105,312	105,312	-
Transfer from LDFA / TIF	265,524	276,737	276,737	-
Total Resources	***1,055,524***	***382,449***	***382,449***	***32,400***
Expenditures				
Contracting for Services 1)	118,130	137,548	125,843	99,770
Administrative Fee	5,748	3,399	3,399	7,417
Other Costs 2)	151	6,923	5,700	9,700
EIF Transfer Out (SMIC Loan)	890,000	-	-	-
ED Incentive/Strategy Review	-	94,625	-	20,000
ED Relocation	-	-	-	15,000
Audit Fees	2,000	2,100	2,100	2,100
Total Expenditures	***1,016,028***	***244,595***	***137,042***	***153,987***
Revenue over (under) expenditures	39,496	137,854	245,407	(121,587)
Beginning Fund Balance	495,820	535,316	673,170	918,577
Ending Fund Balance	**535,316**	**673,170**	**918,577**	**796,990**

1) The proposed 2017 budget
45% Executive Director
Temporary Pay 24hrs/per
2) Cost of supplies, services and

Blueprint for Action:

A SUSTAINABLE COMMUNITY

Defining Kalamazoo's Future

5-Year Fiscal Plan
2017 - 2022

Revised November 2016

TABLE OF CONTENTS

Executive Summary **A-3**

Introduction **A-3**

Plan Development Process and Results **A-3**

Baseline Data **A-5**

Financial Targets and Criteria **A-7**

Fiscal Plan Projections **A-9**

Implementation Considerations **A-13**

Executive Summary

For the 2007 Budget, the City developed the Five-year Fiscal Plan to outline an approach to long-term fiscal planning where standard conventions could no longer be relied upon to balance expenditures and funding sources. The Plan provided guidance for the 2007 Budget, which required no traditional budget reduction strategies.

Large-scale declines in property tax and state shared revenues necessitated reductions of $2.3 million in General Fund operations in FY 2009, $2.7 million in FY 2012, and another $4.5 million through the Strategic Alignment Plan, fully realized in FY 2014. Plan assumptions and fiscal projections have been revised annually based on quarterly research.

The Plan has been further refined with current realities in mind. With the significant loss of operational revenues, expenditures continue to be reduced through the elimination of vacant positions, as well as traditional management tools involving cost containment, and use of alternative funding sources, and non-headcount efficiency improvements. The Plan embodies achievement of balanced annual budgets, establishment and maintenance of strategic, prudent reserve funds, responsible reinvestment in capital infrastructure, and efficient use of resources. The fiscal performance projected by the Plan is illustrated in the following exhibit.

Introduction

As discussed above, today's stewards face the challenge of producing a plan that results in increased capital investment in the City's infrastructure, optimized service delivery, and establishment of appropriate reserve funds, all in a manner that provides for a flexible, manageable decision making framework.

This document is intended to serve as a summary of the detailed planning efforts that have been undertaken as part of this strategic planning process. An effort has been made to provide readers with key process descriptions, assumptions, guiding principles, and forecasts – without inundating the document with ancillary analysis.

Plan Development Process and Results

The Plan was developed through the following process steps:

Step 1:
Identified budget realities: Continuing budget deficits are not sustainable. Deficits were caused by 1) a declining/stagnant population, 2) a general fund operating deficit, and 3) a fund balance below 13% of budgeted operating revenues. Immediate and considerable action was required to prevent the City of Kalamazoo from declining further in its fiscal health.

Step 2:
Recognizing the demands placed on service delivery, we evaluated the City's roles and responsibilities within the community and re-calibrated expectations of our organization "being everything to everyone."

Step 3:
Identified revenues from historical trends and projections.

Step 4:
Developed more accurate year-end projections and included positive variances in the budget development process 'head-end" rather than through mid-year budget adjustments. Past performance is always a good predictor of future performance and our history has proven that it was not only helpful, but also prudent to include these projections "head-on" in our 5-year fiscal planning and annual budgeting process.

Step 5:
Validated the impact of key budget components including health care, pension, tax diversion programs and collective bargaining agreements

Step 6:
Established financial targets to guide our fiscal decision-making and management and position our organization for greater stability and flexibility.

Step 7: (Updated for 2015)
Evaluated options for funding legacy costs – this has been an ongoing challenge through the wake of the Great Recession. The Legacy Cost Task Force, convened in 2014 by the new City Administration, recommended bold new steps to manage retiree health care and eventually to fully fund the City's liabilities over the coming decades, including the issuance of OPEB Bonds and fixed payments over 30 years.

Step 8: (Added for 2008)
Evaluated and reassessed assumptions and targets against actual performance and changing realities in order to revised the Plan, where necessary.

The result of this comprehensive analysis is a significant change to the way we manage resources. This change is rooted in the following objectives:

- Allocate resources based on goals and outcomes outlined in the Blueprint for Action
- Manage organizational effectiveness and performance (output efficiency and effectiveness)
- Increase tolerance for uncertainty by:
  - Recognizing the past as a good predictor of the future and incorporating prospectively positive variances into the budget
  - Increase our ability to adapt to changing conditions by utilizing real-time financial information to monitor and react more effectively and by utilizing this longer-term plan approach.
- Establish reserve funds

Most significantly, we will move from a "piecemeal" approach to an organizational philosophy characterized by:

- Maintaining a long-term perspective versus simply reacting to "keep our head above water"
- Completing our day-to-day work with an eye on understanding its impact to the long-term
- Tying the pieces together by understanding the inter-relationship between issues and operating through intra- and inter- departmental teams to more effectively meet the needs of the community.
- Examining core services as a "bundle" to improve the quality of life and neighborhoods.
- Consistently relying on comprehensive analysis for the development of long-term, high impact solutions

These tenets will transform our approach to public service delivery into one that is highly innovative and impactful to our community.

Baseline Data

Key financial assumptions and targets have been superimposed on baseline financial data.

Assumption #1: Revenues and expenditures increase at historical rates:

Rationale: Revenues and expenditures have been forecasted for the period of 2018 – 2022 based on a review of recent actual performance, the budgeting process, and industry standard analytical approaches.

Revenue	**Projected Annual Assumptions for Current Fiscal Plan (2017 – 2021)**	**Projected Annual Assumptions for Current Fiscal Plan (2018 – 2022)**
Property taxes (based on assessor's estimate)	+1.5%	+2% (2018), +2.5% (2019), +3% (2020 – 22)
Licenses, permits & fees	+1.5%	+2%
Other intergovernmental revenue	+1%	+2%
Charges for services	+2%	+2%
Interest and rentals	+1%	+1%
Other revenue	+2%	+1%
Foundation for Excellence	N/A	+3% (2020 – 22)
Expenditures		
Salaries	%1 for 2017, 1.5% for 2018 – 2021	%1.5 for 2018, 2% for 2019 – 2022
Health Insurance	+6.7%	5.3%
FICA, Medicare, Deferred comp.	+1.5%	%1.5 for 2018, 2% for 2019 – 2022
Fringe Benefits	+3%	+2%
Supplies and services	0%	+2%
Non-departmental expenditures	+3%	+2%

The projected annual increases for certain revenue and expenditure categories have changed in light of the recent economic shocks and resulting uncertainty.

It is imperative that the growth of salaries be limited to no more than the growth of our largest single governmental revenue, property taxes. The assumption used for this plan period has been updated to reflect the latest contractual commitments through 2018, as well as a modest increase from 1.5 to 2.0 percent beginning in 2019, to reflect wage and salary changes occurring in the marketplace.

Licenses, Permits and Fee revenue have also been increased to match the last several years of construction and building permit activity.

Intergovernmental revenue, which is largely based on State Revenue Sharing, is assumed to grow a little faster at 2%, which matches the growth experienced since 2010. State Sales Tax receipts have been strong and the State legislature and Governor have supported several successive increases in Statutory Revenue Sharing.

Charges for services, which is largely based on Administrative Fees charged to non-General Funds to cover central administrative services ($7 million out of $9 million budgeted in 2016), Tax Collection Fees

($1.1 million), and Public Safety fees for special contractual and event services ($800 thousand) is assumed to grow at a modest 2% (no change).

Other revenue is estimated to increase by a modest 1%, covering miscellaneous reimbursements, endowment contributions, and sales of fixed assets at the annual auction.

From 2010 – 2018, health insurance expenditures have been assumed to grow by the rate of health care inflation in the marketplace (6.7 percent). Over the last 12 years, the City has collaborated with our collective bargaining entities to achieve dramatic cost containment for the City. The centerpiece has involved "plan design" changes promoting the use of health consumer consciousness. The effect has been to limit increases in health care costs from 2005 – 2016 (budgeted) to less than 4% on a per headcount basis. The new 5.3% assumed growth factor for health care costs reflects several years of health care expense inflation for the City's Insurance Fund, which covers only active employees, and thus inflates at a slower inflation rate than a pool that includes retirees.

Fringe Benefits have been tracking in the 2% range over the past 3+ years. This information necessitated a reduction in the Fringe inflation assumption from 3% to 2%.

The City's Insurance Fund is projected to replenish roughly $1 million of fund balance annually, and is projected to reach an acceptable fund balance threshold at the end of 2018. This will allow the City to slow down contributions from operational funds by $1 million per year. Provided that no unusually large claims have impacted or are projected to impact the Insurance Fund over the next few years, a second phase of reductions in contributions could be initiated in 2020 of roughly $750,000. If this second phase of reductions is enacted, the annual contributions would have to be restored to some extent over the ensuing years to provide an annual balance of sources and uses in the Insurance Fund.

Assumption #2: Increased contribution to capital

Rationale: For too long, the City (not unlike may other Cities) has fallen short of the sound practice of responsibly reinvesting in its infrastructure. One of the overarching goals is to invest in infrastructure at a rate that is at least equivalent to the deprecation expense reflected on our books.

Assumption #3: Continuation of Initiatives

Rationale: We need to maintain the existing commitments to our constituents. The Blueprint for Action established valuable initiatives directed towards the sustainability of quality of life issues in Kalamazoo. These initiatives have borne fruit and deserve continued support.

Assumption #4: Strategic Issuance of Debt to Finance Capital

Rationale: The City continues to retire a portion of its outstanding indebtedness in 2016. This allows the City to continue to use debt instruments to support capital financing requirements. A recent study suggested that attempting to "lever off" the debt-financing approach to new capital that has been used for a number of years would require at least 10 years of capital outlay retrenchment, reducing capital improvement outlays by at least one half for that period of time. For the foreseeable future the City will continue to use new debt as the main tool for financing major new capital projects. In 2017, the City has moved several hundreds of thousands of dollars of major fleet expenditures back into the City's operating

budget, in order to reduce debt-related interest expenses going forward. The City will look for ways to further rationalize and properly balance the use of debt and operating revenues.

Assumption #5: Stabilization of State Shared Revenue

Rationale: Intergovernmental revenue, which is largely based on State Revenue Sharing, is assumed to grow modestly at 2%, based on State Sales Tax receipts from 2010 – 2016.

Financial Targets and Criteria

Several key indicators establish the overarching fiscal goals that serve as a foundation for the Plan. The targets identified below are consistent with those commonly practiced by municipal enterprise funds, and reflect the entrepreneurial nature of the Plan. Each is designed to address specific objectives to ensure the fiscal health of the organization. The table has been updated to reflect progress toward each indicator.

Indicator	Target	2016 Projected	2017 Proposed
Fund Balance	Range of 13-15% of budgeted operating revenues	19.0%	13.8%
Capital Contingency Reserve	Range of 1-2% of budgeted operating revenue Target = $500K -$1M	$350K	$350K
Annual Capital Improvement (CIP)	$5M (Includes CIP, Major & Local Street Funds)	$15.4M	$10.8M
Debt Financing for Capital Improvements	Optimized	Debt Service $5.1M	Debt Service $5.2M
Bond Ratings	Maintained or Improved	Maintained	Maintained
Retiree Health Care Fund	Established	Implementing plan to achieve eventual full funding	Implementing plan to achieve eventual full funding

In order for the City to operate effectively and sustain a sound financial structure, it is both prudent and appropriate to maintain reserve fund balances. The Plan provides for the establishment of a formal City of Kalamazoo General Fund Reserve Policy that guides the creation, maintenance and use of reserves. These funds provide flexibility to the City in the management of unanticipated or cyclical economic conditions, emergencies, unexpected large one-time expenses, unscheduled economic development initiatives, cash flow requirements and some level of protection against statutory changes to City revenues. The targeted reserve levels are consistent with those commonly practiced by municipal enterprise funds, and reflect the entrepreneurial nature of the Plan.

- *Fund Balance:* The fund balance of the General Operating Fund will be budgeted within the target range of 13 – 15 percent of budgeted annual operating revenues. This fund balance is designed to address ***short-term*** operating fluctuations and provide liquidity when receipts are lagging targets or when unanticipated expenses occur. The targeted metric is equivalent to approximately 1½ months of operating expense, consistent with sound financial planning for many entities.

- *Capital Contingency Reserve*: This reserve is needed to provide emergency funds to replace unanticipated equipment failures or for unscheduled economic development initiatives. The target range for this reserve is 1 – 2 percent of the budgeted operating revenues or $500,000 - $1,000,000. This fund balance was originally to be phased in over a 3-year period beginning in 2007. The projection has been revised for a phase - in period of 4 years. The Capital Contingency Reserve use stipulations are that purchases must meet capitalization criteria; an expense that causes the balance to fall below the recommended level, the money will be replaced within a three year period, in equal installments. The three year repayment schedule shall be applied separately for each approved capital project.

In addition to the reserve fund structure, the financial targets include:

- *CIP Funding*: A minimum of $5 million is established as the goal for annual investment in capital. This figure represents the minimum annual amount necessary to ensure that the City is adequately addressing the replacement of its infrastructure and the long-term needs of its constituents. The goal for CIP funding will result in a level of annual investment (as measured by actual revenue financed capital and principal paid on debt) that is at least equal to the depreciation expense of our infrastructure. In this manner we are ensuring that the City's equity in its assets is not depleted.

- *Optimized Capital Financing*: This target refers to creating mechanisms to address the capital needs of the City in the most responsible and efficient manner possible. It includes establishing the optimal balance of debt and revenue to balance the current and long-term financing responsibility. This approach is designed to assure that the City's equity position in its infrastructure is sound, to provide a stable source of funds for routine replacement capital expenses.

- *Bond Ratings*: One of the overarching principles embedded within all of the targets is to achieve and maintain excellent bond ratings. The reserve fund and capital financing strategies identified above are intended to directly impact this metric. In addition to the direct impact of lower borrowing costs on future debt issuances, improved bond ratings have the indirect impact of enhancing community pride and the marketability to new commerce,

- *Retiree Health Care Fund*: The Plan must honor our commitment to pledge resources towards establishing and maintaining a robust retiree health care fund. The recent severe downturn in the Stock Market has eliminated plans to utilize Pension Trust Fund assets to provide short-term cash flow for the payment of retiree health care benefits, while a fund could be built up. The requirements of GASB 45 to book a current liability on the City's financial statements increases the necessity of finding a way to set aside assets in order to utilize long-term investment returns to help fulfill the City's promise of retiree health care benefits to its future retirees. In 2015, the City Commission fully adopted a Comprehensive OPEB Financial Plan, which resulted in the issuance of $90 million of OPEB Bonds, which financed 75% of the retiree health care liability by placing bond proceeds into the City's OPEB Trust Fund. The other 25% of the liability will be contributed over 30 years at a rate of $3.5 million per year. The linchpin of this plan are the Memoranda of Understanding (MOU) that were signed with each of the City's employee collective bargaining units. These MOU stipulated that in exchange for the City's $3.5 million annual contribution, the City's bargaining units will bargain with the City in good faith to negotiate cost containment measures necessary to sustain the viability of the OPEB Trust Fund. The plan saved the City over $4 million of OPEB expenses in FY 2015 and another $1 million in FY 2016. Eventual total savings are estimated at well over $100 million.

Fiscal Plan Projections

This section illustrates the application of the fiscal planning targets and criteria to the forecasted revenues and expenditures for the study period, to produce the baseline forecasted Plan. The key challenges in establishing the projections for the Plan include addressing the legacy issues (insufficient funding of capital investment, and management of health care and other benefit costs) and utilizing the resources at our disposal, in the most responsible manner.

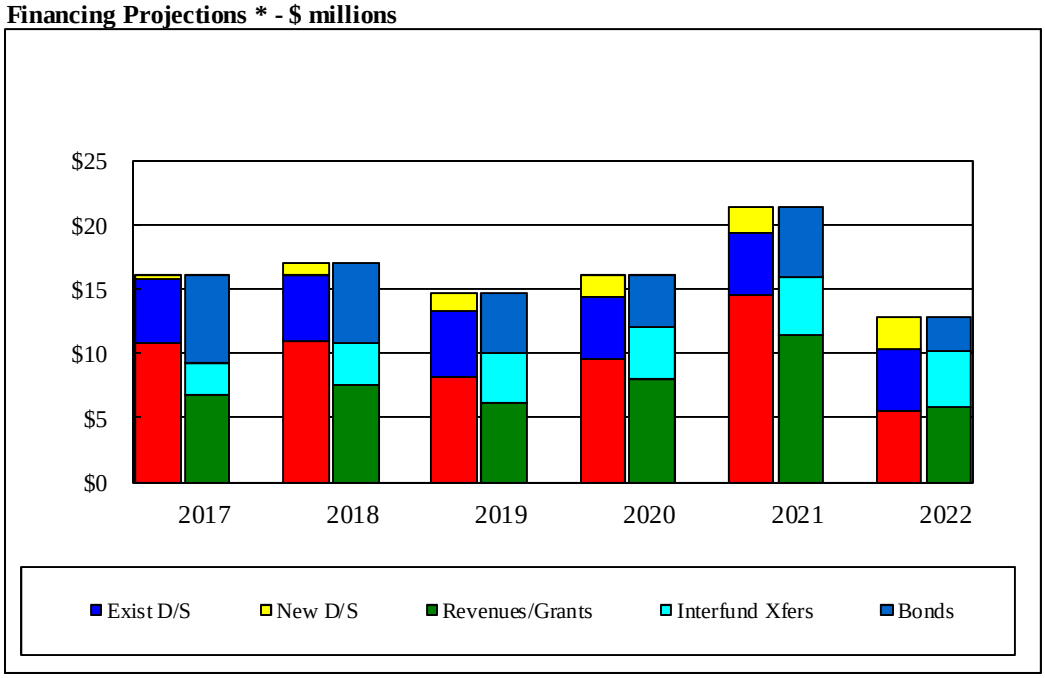
Many scenarios were evaluated before arriving at the combination of management decisions that are represented by the projections presented herein. An initial attempt to achieve all of the fiscal targets, without utilizing debt or other resources to finance projected capital improvements proved insufficient. Not only are existing funds not sufficient to address the capital needs of the City while maintaining desired reserves, the City would actually run out of money during the study period.

The Plan as presented for the period beginning in 2015 represents moderate growth in expenditures, incorporating the strategic use of debt financing to fund capital improvement.

The following charts illustrate the projections for the Plan, encompassing achievement of the financial targets. The first chart (**Exhibit 1**) presents the Capital Financing element of the Plan. This chart represents a holistic capital financing plan for the CIP Fund, the Major Streets Fund, and the Local Streets Fund, since all of these activities rely (in part) on General Fund resources to finance capital improvements. The projected capital financing requirements are reflected in the first bar for each year and include projected capital improvements (in red) and principal and interest on debt issued to finance capital improvements. For purposes of this illustration, debt service is separated into that related to existing outstanding debt (blue) and that associated with projected additional debt (yellow).

EXHIBIT 1

Capital Financing Projections * - $ millions



	2017	2018	2019	2020	2021	2022
FINANCING REQUIREMENTS						
Major CIP	10.76	10.98	8.16	9.56	14.48	5.45
Existing Debt Service	4.96	5.13	5.12	4.86	4.86	4.86
Projected New Debt Service	0.28	0.87	1.32	1.69	2.09	2.44
TOTAL	**16.00**	**16.98**	**14.61**	**16.11**	**21.43**	**12.75**
FINANCING SOURCES						
Revenues/Grants	6.74	7.60	6.07	7.96	11.43	5.82
Interfund Transfers	2.55	3.23	4.00	4.15	4.45	4.38
Bonds	6.71	6.15	4.53	4.00	5.55	2.55
TOTAL	**16.00**	**16.98**	**14.61**	**16.11**	**21.43**	**12.75**
Surplus/(Deficit)	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***

** Includes CIP Budget, Major Streets Fund, and Local Streets Fund*

The Plan's capital financing sources are represented by in the second bar for each year. For purposes of this illustration, financing sources are separated into the following categories:

- *Revenues/Grants* consists of user fees, gas & weight taxes, other taxes, federal and state grants, private contributions, and other related items. These sources are not budgeted in the General Fund – rather they are elements contained in the specific capital funds (CIP, Major Streets, Local Streets)
- *General Fund Transfers* reflects the projected utilization of general fund monies to finance capital improvements. In effect, any capital requirements not met from other sources must be met from such transfers.
- *Bonds* represent proceeds from debt issued to finance capital improvements. For illustrative purposes only, The Plan indicates annual Bond sales.

As noted by the chart, annual requirements and sources are in balance. (Beginning and ending annual capital fund balances are effectively equal and have been ignored for purposes of this presentation).

This capital financing plan has a direct impact on the financing plan for the operating requirements of the General Fund, which are illustrated in **Exhibit 2**. This chart follows the same basic presentation concepts as Exhibit 1. Financing requirements are represented by the first bar for each year and include:

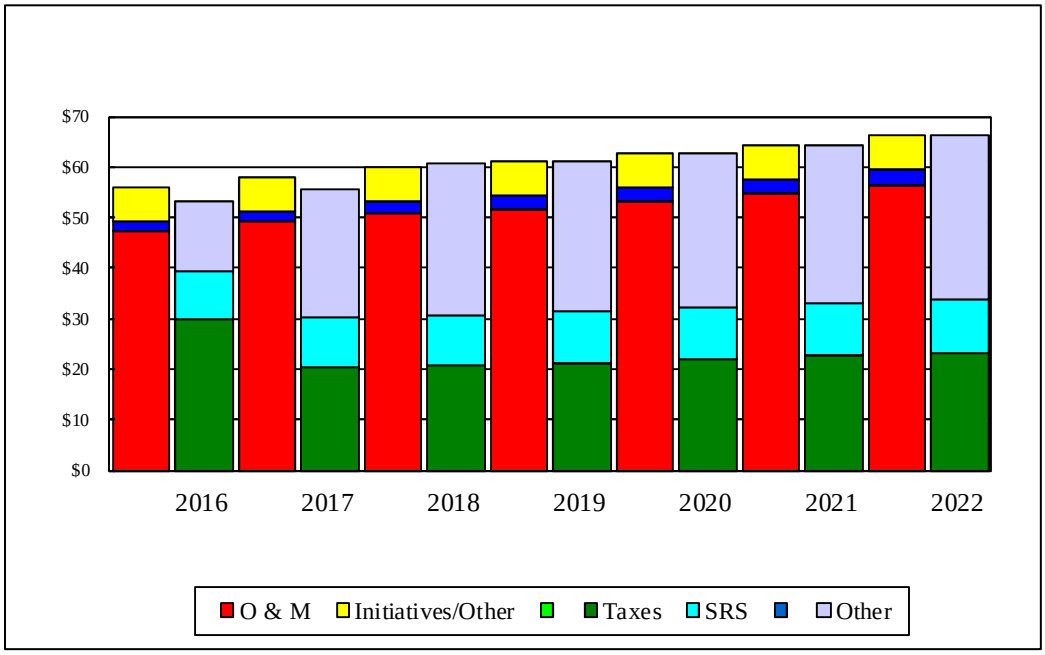
- *Operation & Maintenance* represents the annual costs of performing governmental services, such as public safety, general city management, etc.
- *Capital Improvements* reflect the General Fund Transfers to capital funds indicated in Exhibit 1.
- *Initiatives & Other* primarily consists of economic, neighborhood, and youth initiatives.
- *Reserves* normally this would include the annual figures necessary to establish the targeted reserve funds. As noted in the chart, however, we are planning to draw down reserves over the next several years to "smooth" the transition to the new fiscal normal.

General Fund revenues and other financing sources are represented by the second bar for each year. For purposes of this illustration, financing sources are separated into the following categories:

- *Taxes & Equivalents* includes receipts of property taxes, payments in lieu of taxes, and related items.
- *State Revenue Sharing* is self explanatory and represents the City's allocation of State sales tax receipts.
- *Administration Fee* represents the recovery of administrative costs from City Departments.
- *Other* includes licensing and permit fees, interest income, and other miscellaneous sources.

EXHIBIT 2

Fiscal Plan Projections - $ millions

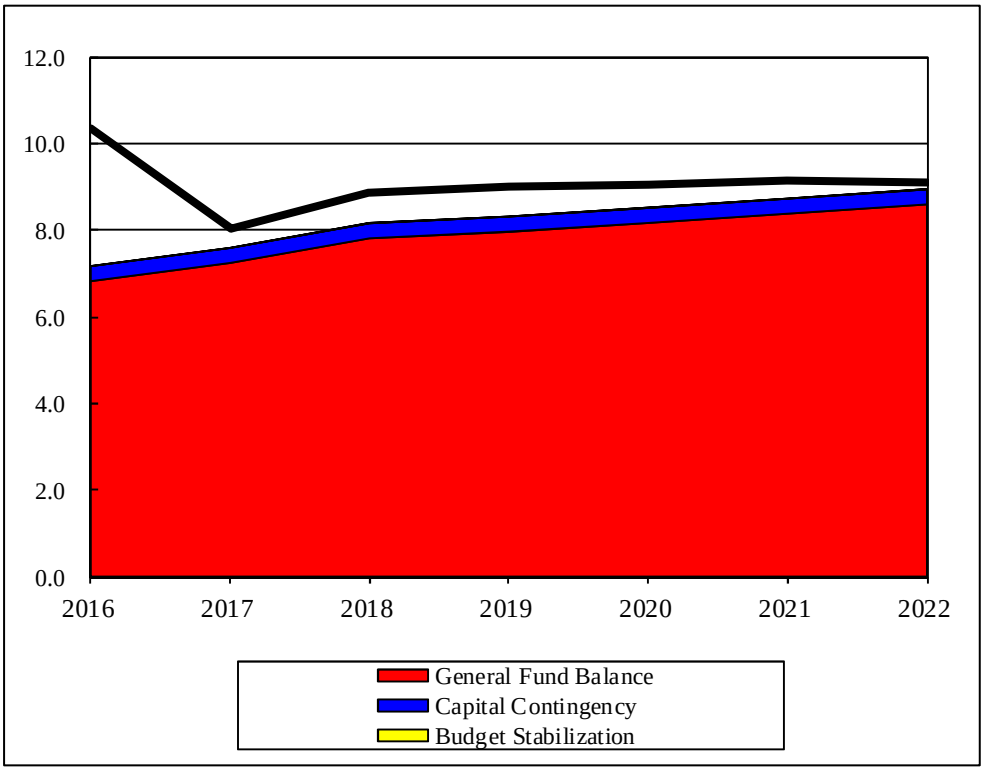


	2016	2017	2018	2019	2020	2021	2022
EXPENSES							
Operation & Maintenance	47.10	49.20	51.00	51.65	53.30	54.70	56.42
Capital Improvements	2.10	2.10	2.23	2.75	2.80	2.95	3.08
Initiatives & Other	6.73	6.66	6.66	6.66	6.66	6.66	6.66
TOTAL	**55.93**	**57.96**	**59.88**	**61.06**	**62.76**	**64.30**	**66.15**
REVENUE							
Taxes & Equivalents	29.90	20.35	20.76	21.27	21.91	22.57	23.25
State Revenue Sharing	9.52	9.97	9.82	10.02	10.22	10.42	10.63
Other	13.66	25.34	30.15	29.91	30.66	31.42	32.20
TOTAL	**53.07**	**55.66**	**60.73**	**61.21**	**62.79**	**64.41**	**66.08**
Surplus/(Deficit)	***(2.85)***	***(2.30)***	***0.84***	***0.15***	***0.03***	***0.11***	***(0.07)***

The annual performance of the operating plan directly impacts the City's fund balance and projected adherence to reserve fund targets. The projected end-of-year reserve fund balances are illustrated in **Exhibit 3**. The **recommended** levels established by the fiscal targets are represented by the red, blue, and green areas for the Fund Balance, Budget Stabilization Reserve, and Capital Contingency Reserve, respectively. The total **projected** levels (for all three of these funds) under the Plan are represented by the solid black line.

EXHIBIT 3

Fund Balance - $ millions



	2016	2017	2018	2019	2020	2021	2022
Recommended Levels							
General Fund Balance	6.82	7.24	7.81	7.96	8.16	8.37	8.59
Capital Contingency	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Budget Stabilization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Recommended	7.17	7.59	8.16	8.31	8.51	8.72	8.94
Projected Levels							
General Fund Balance	9.97	7.67	8.51	8.66	8.69	8.80	8.73
Capital Contingency	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Budget Stabilization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Projected	10.32	8.02	8.86	9.01	9.04	9.15	9.08

Implementation Considerations

The projections presented above are intended as "forward-looking statements." They represent the analyses and application of best available information to certain assumptions with respect to conditions, events, and circumstances that may occur in the future. While we believe that such assumptions are reasonable and that the projection approach is sound, actual results may differ materially from those projected, as influenced by conditions, events, and circumstances that may actually occur.

It is important that the Plan contemplate such events and contain the flexibility to address contingencies. To the extent that economic pressures dictate that not all targets can be achieved, it is envisioned that priority to specific “metric” targets would follow this structure:

1. Reduce contribution to/balance in *Budget Stabilization Reserve*
2. Identify and implement savings in current operating expense budget
3. Reduce contribution to/balance in *Capital Contingency Reserv*e
4. Reduce optimization of capital financing plan, by:
    a. Reducing annual CIP; or
    b. Issuing more debt
5. Reduce contribution to/balance in *Fund Balance*
6. Explore all other economic and fiscal alternatives

This approach is designed to meet the fundamental tenets of the Plan and maintain the fiscal health of the organization in a strategic manner when confronted with economic challenges. To the extent that economic pressures exceed what can be addressed by this approach, additional, more traditional activities may be necessary.

GLOSSARY

ACRONYMS

ADA	Americans with Disabilities Act
AFSCME	American Federation of State County & Municipal Employees
ATU	American Transit Union
ARRA	American Reinvestment and Recovery Act
BRA	Brownfield Redevelopment Authority
BRI	Brownfield Redevelopment Initiative
BTR	Business Technology and Research Park
C-PSRAB	Citizen-Public Safety Review and Advisory Board
CAD	Computer Aided Dispatch
CAFR	Comprehensive Annual Financial Report
CC	City Commission
CCR	Consumers Confidence Report
CDAAC	Community Development Advisory Act Committee
CDBG	Community Development Block Grant
CDBG-R	Community Development Block Grant-Recovery
CHAS	Comprehensive Housing Affordability Strategy
CID	Criminal Investigations Division
CIP	Capital Improvement Program
CIS	Communities In School
CMAQ	Congestion Mitigation Air Quality
CMI	Clean Michigan Initiative
COA	Comprehensive Operational Analysis
CPSU	Community Public Safety Unit
CRB	Community Relations Board
DCBP	Davis Creek Business Park
DDA	Downtown Development Authority
DKI	Downtown Kalamazoo Incorporated
DTI	Downtown Tomorrow, Incorporated
EDA	Economic Development Authority
EDC	Economic Development Corporation
EIF	Economic Initiatives Fund
EPA	Environmental Protection Agency
ERI	Early Retirement Incentive
ERP	Enterprise Resource Planning
ESG	Emergency Shelter Grant
FOIA	Freedom of Information Act
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board

GLOSSARY

ACRONYMS, (continued)

GIS	Geographic Information System
HOME	Home Investment Partnerships Grant
HOPE	Home Ownership for Public Employees
HR/LR	Human Resources / Labor Relations
HUD	Housing and Urban Development
INET	Institutional Network
ISF	Internal Service Fund
IT	Information Technology
KDPS	Kalamazoo Department of Public Safety
KMEA	Kalamazoo Municipal Employees Association
KMGA	Kalamazoo Municipal Golf Association
KPSOA	Kalamazoo Public Safety Officers Association
KPS	Kalamazoo Public Schools
KPSA	Kalamazoo Police Supervisors Association
KTC	Kalamazoo Transportation Center
KRESA	Kalamazoo Regional Educational Service Agency
KVCC	Kalamazoo Valley Community College
KVET	Kalamazoo Valley Enforcement Team
KWRP	Kalamazoo Water Reclamation Plant
LDFA	Local Development Financing Authority
LSRRF	Local Site Remediation Revolving Fund
MEDC	Michigan Economic Development Corporation
MGD	Million Gallons per Day
MRP	Mayor's Riverfront Park
MTF	Michigan Transportation Fund
NSP	Neighborhood Stabilization Program
OPA	Office of Prosecuting Attorney
OPEB	Other Post Employment Benefit
PBB	Priority Based Budgeting
PBC	Partners Building Community
PILOT	Payment In-Lieu of Taxes
PMN	Public Media Network
PSO	Public Safety Officer
SAP	Strategic Alignment Plan
SEV	State Equalized Value
SMIC	Southwest Michigan Innovation Center
TANs	Tax Anticipation Notes
TIF	Tax Increment Financing
TRU	Tactical Response Unit
WMU	Western Michigan University

GLOSSARY

ACCRUAL BASIS of ACCOUNTING – Method of accounting that recognizes the financial effect of transactions, events and inter-fund activities when they occur, regardless of the timing of the related cash flows.

APPROPRIATION - An authorization made by the City Commission that permits the City to incur obligations and to make expenditures for specific purposes.

ASSESSED VALUATION - The total value of real estate and personal property as determined by the Assessor that is the basis used for levying taxes. (S.E.V. = State Equalized Value)

BALANCED BUDGET – A spending plan where revenues and/or other financing sources match expenditures.

BOND - A written promise to pay a specific sum of money plus interest at a specified rate within a specific period of time, primarily to finance street construction, facility improvements, or public safety equipment.

BUDGET - A financial plan for a specified fiscal year that contains estimated expenditures and revenues.

a) Operating Budget - the portion of the budget that relates to daily operations that provide governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies and services.

b) Capital Improvements Program Budget - a Capital Improvements Program (CIP) Budget includes projects which are usually construction or renovation projects designed to improve the value of the government assets. Examples are street construction, water and sewer facilities, recreational projects, park improvements and building renovations.

c) Budget Amendment - A procedure to revise a budget appropriation either by City Commission approval or by City Manger authorization to adjust appropriations.

CAPITAL IMPROVEMENT PROGRAM (CIP) - A long range plan which outlines proposed capital improvement projects and estimates the costs and funding sources associated with those projects. A ten-year plan is submitted for City Commission, but the first year of this plan is the adopted Capital Improvements Program Budget.

CAPITAL OUTLAY - Expenditures budgeted to acquire or add to fixed assets costing $500 or more and with an expected useful life of a least one year.

CIP FUNDED – Projects supported by resources in the Capital Improvement Program (CIP).

DEBT SERVICE - The amount of interest and principal that the City must pay each year on net direct long-term debt plus the interest it must pay on direct short-term debt.

DEPARTMENT - A major administrative section of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

GLOSSARY

DIVISION - A group of costs centers within a service group, i.e., the Water Division is a cost center within the Public Service Group (which is considered a department).

ENCUMBRANCE - A legal financial commitment of appropriated funds to purchase an item or service. To encumber funds, means to set aside or commit funds for a future expenditure.

EXPENDITURE/EXPENSE - Cost of goods and services obtained, including debt service and capital outlay.

FEDERAL - Refers to the United States of America national government entity

FISCAL YEAR – The twelve month time period designated by the City that signifies the beginning and ending periods for recording financial transactions. The City of Kalamazoo fiscal year is January 1 to December 31.

FIXED ASSETS - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FULL-TIME EQUIVALENT (FTE) - Combines all full time and part time personnel into a standard equivalent for time management.

FUND - A set of accounts to record revenues and expenditures associated with a specific purpose.

FUND TYPES:

Governmental Funds: Funds generally used to account for tax supported activities. There are five different types of governmental funds: general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

> **General Fund:** The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.
>
> **Special Revenue Fund:** Governmental fund type used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.
>
> **Debt Service Funds:** Governmental fund type used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.
>
> **Capital Improvement Project Funds:** Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).
>
> **Permanent Funds:** Government fund type used to report resources that are leagally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (i.e. for the benefit of the government or its citizenry).

GLOSSARY

Proprietary Funds: Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

> **Enterprise Fund:** Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.
>
> **Internal Service Funds:** Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds: Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and agency funds.

> **Pension (and Other Employee Benefit) trust funds:** Fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or the postemployment benefit plans, or other employee benefit plans.
>
> **Investment trust funds:** Fiduciary Fund type used to report governmental external investment pools in separately issued reports and the external portion of these same pools when reported by the sponsoring government.
>
> **Private-purpose trust funds:** Fiduciary Fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.
>
> **Agency funds:** Fiduciary fund type used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, remittance of fiduciary resources to individuals, private organizations or other governments.

FUND BALANCE - Fund Balance is the difference between assets and liabilities in a governmental fund.

GENERAL OBLIGATION BONDS - A municipal bond backed by the credit and "taxing power" of the issuing jurisdiction rather than the revenue from a given project.

GENERAL APPROPRIATION RESOLUTION - The budget as adopted by the City Commission.

GOALS - A statement of broad direction, purpose or intent based on the needs of the community; a goal is general, timeless, and is not concerned with a specific accomplishment, but with the nature of desired effects of activities and operations.

GRANT - A contribution by the state or federal government or other organization to support a specific function. Grants may be classified as either categorical or block.

GLOSSARY

IN-LIEU PROPERTY TAXES - An amount charged enterprise operations equivalent to the City property taxes that would be due on plant and equipment if the enterprise operations were for-profit companies.

INTERFUND TRANSFERS - The exchange of resources between funds that are not recorded as revenues to the fund receiving or expenditures to the fund providing.

LONG TERM DEBT – Borrowings with a maturity of more than one year after issuance date.

MODIFIED ACCRUAL BASIS – An accounting method that recognizes revenues when they are both "measurable and "available," to finance expenditures of the current period. Expenditures are recognized when the related liability is incurred.

OBJECTIVES - Are time-related, goal directed, quantified statements of results expected within the fiscal year. They are measurable, realistic and obtainable, and are consistent with overall department and City goals.

PERFORMANCE MEASURERS - Specific quantitative and qualitative indicators of work performed as an objective of a service group/division. Indicators in some instances may not have measurable results, nor be measured on a recurring basis, but success may be measured by the accomplishment of the goal and objective.

RESERVE - An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

REVENUE or RESOURCES - Funds received as income, including taxes, charges and fees for specific services, subsidies from other governments, fines, forfeitures, grants, shared revenues and interest income.

REVENUE BOND: A municipal bond supported by the revenue from a specific project or operation, such as a toll bridge, highway, utility or local stadium.

RISK MANAGEMENT - An effort organized to protect assets against loss most economically.

STATE – Refers to the State of Michigan

STATE EQUALIZED VALUE (SEV) - The final assessed value after equalized by the State Tax Commission. If the County board of commissioners considers the assessments to be relatively unequal, they will equalize the assessments by adding to or deducting from the valuation of the taxable property, resulting in final SEV.

TAX LEVY - Taxes imposed for the support of governmental activities.

TRANSFERS - Transfers are the authorized exchanges of cash or other resources between funds.

WORKING CAPITAL – Funds used from or contributed to unreserved and undesignated balances.