



2016 Adopted Budget

**City of
Kalamazoo, Michigan**

City of Kalamazoo
Michigan

Fiscal Year 2016

Adopted 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 Managers
Patsy Moore
Jeff Chamberlain

Community Planning & Development Director
Laura Lam

Information Technology Director
Interim: Jeff Chamberlain

Public Safety Chief
Jeff Hadley

Parks & Recreation Director
Sean Fletcher

**Assistant City Manager/
Economic Development Director**
Jerome Kisscorni

Public Services Director
Sue Founé

Human Resources/Labor Relations Director
Interim: Karianne Thomas

Transportation Director
Sean McBride

Management Services Director
Thomas C. Skrobola

City of Kalamazoo

2016 Organizational Chart

Citizens of Kalamazoo

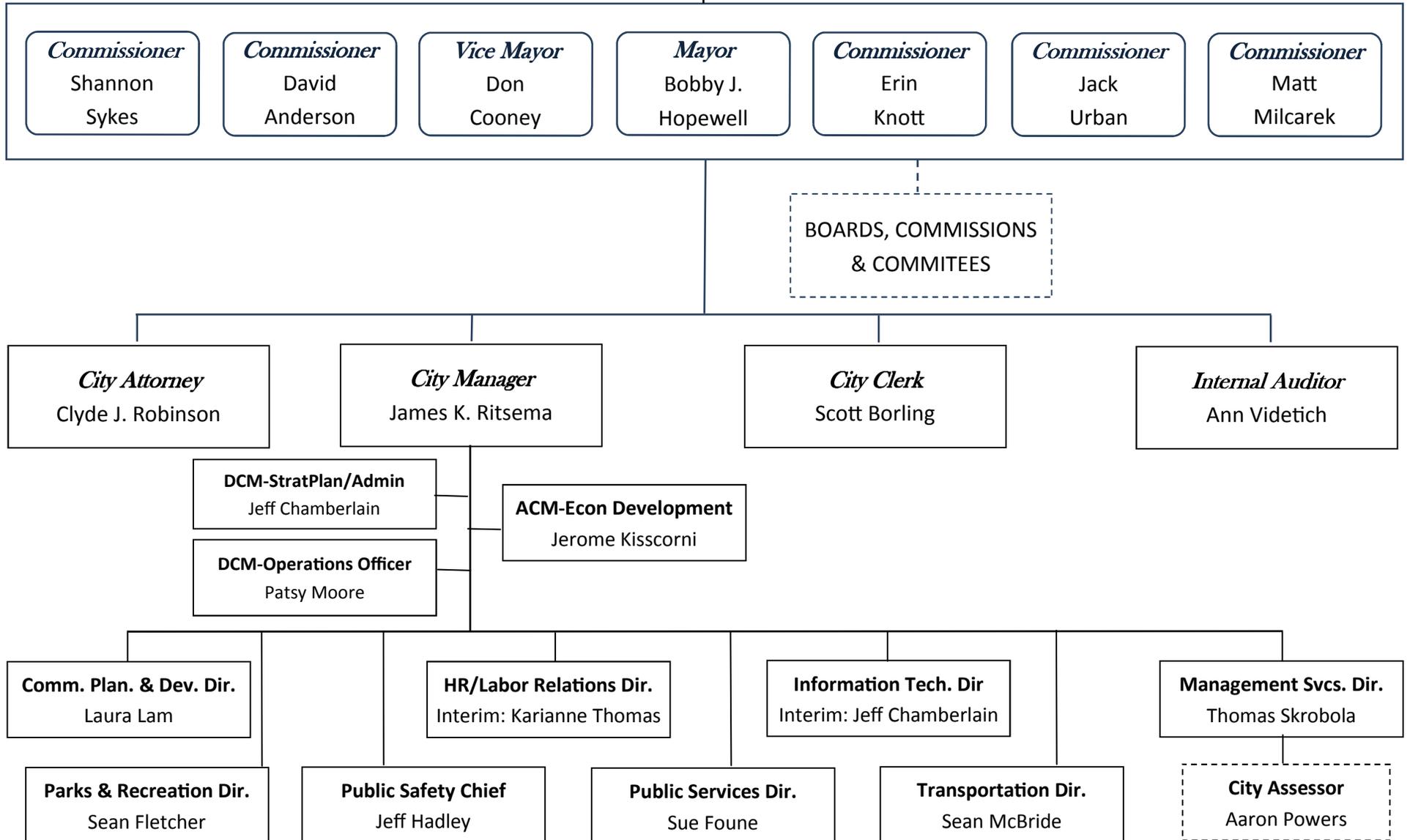


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FISCAL YEAR 2016-17 PROPOSED BUDGET TRANSMITTAL LETTER

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

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

Subject: Proposed Fiscal Year 2016 - 17 Budget

Date: November 25, 2015

I am pleased to present to you the Proposed Fiscal Year 2016 - 17 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.

In my last two Budget Transmittal Letters, I stated that our goal was to define the nexus between the needs of the community, and the organizational and financial resources required to satisfy those needs.

We pledged to lay out a comprehensive plan that would communicate clearly and succinctly the financial issues (**where are we?**), review past trends and realignment strategies (**how did we get here?**) and develop processes to navigate the challenges and generate solutions to manage legacy costs, service level expectations and revenue enhancements (**where are we going?**). We promised that the process of developing this plan would 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 update the "2014-2015 Priorities" document, recognizing the progress made in addressing the five priority areas as well as setting the state for progress to be made in 2015-2016. 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 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"

The City Commission identified a number of objectives that align with each of the above goals, to be achieved by the end of 2016. As we approach the next midpoint of this two-year process, and integrate the new 51st City Commission into the budgeting process, it's time to take stock of our efforts.

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, co-chaired by myself and the Vice-Mayor included administrative, labor, and citizen representatives as well as business leaders. This Task Force spent 6 months and almost 2,000 collective hours in 2014 to study 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. Chief among these recommendations is the issuance of 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.

Another key recommendation is for the City to work collaboratively with retirees and current employees to identify cost containment strategies. To this end, the administration has successfully incentivized over 75 retirees to join Medicare, at an estimated savings of over \$100 thousand per year. We have also formed an advisory board which periodically reviews data and trends in retiree health care and provides constructive advice regarding cost containment efforts around health care, not only including plan design but also wellness initiatives which can create positive change in the culture of health care utilization.

- **Priority-Based Budgeting (PBB):** the administration has instituted Priority-Based Budgeting for the first time in the Proposed Fiscal Year 2016 - 17 Budget. This will evolve the way that we see, think and "touch" the City's budget. Instead of abstract line items, compartmentalized, bureau-centric thinking, and incremental budget cuts, PBB provides a tool that refocuses decision-making around well-defined programs, which are prioritized to maximize scarce resources towards achieving the Community's desired and required results, including a safe community, effective transportation systems, environmental stewardship, and so on.

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. In 2016, the City will be identifying meaningful and accurate measurements to ensure that high-priority programs are achieving results. The City is retasking an analyst position in the Management Services Department to serve as our new Budget Manager, a position which

will provide transformational leadership to fully realize the promise of Priority Based Budgeting, as well as promoting best practices in citywide budgeting.

- **Advocacy:** this year the administration and City Commissioners worked in concert with our legislators, lobbyist and other advocacy partners to positively 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.

Our efforts have also influenced legislation regarding the elimination of the Industrial Personal Property tax, which has resulted in new statutes that call for the complete reimbursement of estimated losses going forward.

Our collective voices have also been heard in Lansing regarding roads. 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.

- **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. This has the potential to alleviate projected General Fund budget shortfalls and address some of the structural budget imbalance.

The goal of moving Metro Transit operations to a regionalized system achieved a major milestone in 2015. In August 2015, the voters in the new Central County Transportation Authority district (which encompasses the City of Kalamazoo and other "inner ring" communities served by Metro Transit line-haul routes) voted overwhelmingly to approve a new millage to provide funding for line-haul routes, replacing the existing millage which covers the City. This complements the existing KCTA county-wide millage for demand-response transportation, creating a sustainable model for the future.

The CCTA, KCTA, Transportation Authority Board (TAB) and City Commission all unanimously approved a Comprehensive Transfer Agreement which will result in the City turning over title to all transportation system assets and liabilities to the CCTA on October 1, 2016, and also 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. This will ensure 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. In recent years, these sources of revenue have proven to be stagnant at best in the wake of the Great Recession. It is clear that the City needs to diversify its revenue streams and to find revenue that is more dynamic and grows when the City grows. The Administration has convened a Blue Ribbon Revenue Panel (BRRP) of community and business leaders to study and recommend the best options. As of the publishing of this Proposed Fiscal Year 2016 - 17

Budget, the BRRP is close to assembling a list of recommended options for consideration by the City Commission and City Administration. When finalized, these recommendations will serve as a basis for public discussion with the City Commission, around sustainable revenues that are fair, will grow when the City grows, and do not impede economic development.

Building a new organizational culture

The capacity of the organization must be aligned 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. A broad cross-section of the organization at all levels will be engaged, beginning with management leadership who are being trained and surveyed to identify opportunities for better technology, teamwork, innovation, efficiencies, and further alignment of activities with the organization’s mission and goals. The High Performance Organization Model below provides the framework for building a new organizational culture.



Creating a shared vision/future direction

Throughout 2014 and 2015 my office has worked to improve and broaden communication, information-sharing and collaboration as hallmarks of intentional 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. One immediate tactic used to fulfill these objectives was the transformation of an existing Information Technology position to serve as Communications Coordinator for the City Manager's Office. This position is responsible now for sharing critical real-time information about our activities and goals with our internal team members and external partners. This will be accomplished through traditional means as well as through social media.

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 have already identified over 60 areas for improvement, and over a dozen targeted work groups are studying the options at this time to identify solutions to be implemented over the next several years.

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 have done much to support sustainability by capping the City's outlays for retiree health care.

Priority-Based Budgeting is working to achieve several objectives identified by the City Commission in this area, including clarifying the community's expectations through intentional engagement, defining what is “exceptional” through benchmarking and the identification of best practices, prioritizing finite resources, and measuring success/results.

Pre-existing initiatives that are critical to public safety such as the traffic stop profiling study, and to public health, such as the Allied Paper site remediation effort, have been moved forward thoughtfully and with all due speed.

The Proposed Fiscal Year 2016 – 17 Budget faced considerable challenges, including a projected \$2.9 million deficit in the General Fund, which the City has overcome through several temporary means:

- The City has realized over \$700 thousand of unanticipated one-time property tax revenue in through private sector investment in Industrial Personal Property. This burst of investment was due to pent-up demand that was awaiting the State's recent legislation to exempt Industrial Personal Property from local property taxes. The legislation was passed in 2013, but does not exempt new investments until 2016.
- The City will realize another \$900 thousand of better-than-projected property tax revenue in 2015 and 2016 based on residential value growth.
- The City has identified over \$1.2 million of unused funds in the Economic Initiatives Fund (EIF), dollars which were transferred from the General Fund to the EIF over ten years ago to finance local development projects. The City is putting one half of those dollars to use on current high-impact economic development projects, while returning the other half (\$650 thousand) to the General Fund to assist in balancing FY 2016.

- The City has successfully applied for new “COPS” grants to fund Public Safety Officers for three years at \$400 thousand per year, \$500 thousand of which will be available by the end of FY 2016.
- The City is proposing to fund \$1 million of Local Street Fund expenditures in FY 2016 through the Major Street Fund, which were scheduled to be subsidized by the General Fund. This has allowed the City to reduce \$400 thousand of scheduled General Fund subsidies from the FY 2015 Budget to the Local Street Funds, and another scheduled transfer of \$400 thousand in FY 2016. These changes have been made possible by better-than-expected Street Fund revenue, mostly through one-time sources provided by the State to address the recent hard winter weather.

The City is also proposing a new Grant Writer position to maximize the City’s exposure to new funding sources for critical programs and community needs.

Finally, the City is proposing two alternatives to address a \$500 thousand shortfall in the Solid Waste Fund in FY 2016. This is funded by a 1.55 mill property tax, a revenue source which has been battered due to property value losses during the Great Recession. The first alternative is to increase the millage from 1.55 mills to 1.90 mills, which would completely cover the shortfall with new recurring revenues. This would cost an average homeowner less than \$20 per year of additional property taxes.

The second alternative is to shift \$500 thousand of program expenditures out of the Solid Waste Fund into the General Fund. The second alternative would require reevaluation of these programs in the context of the priorities of the General Fund.

From a “Priorities-Driven” to “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 regroup 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.

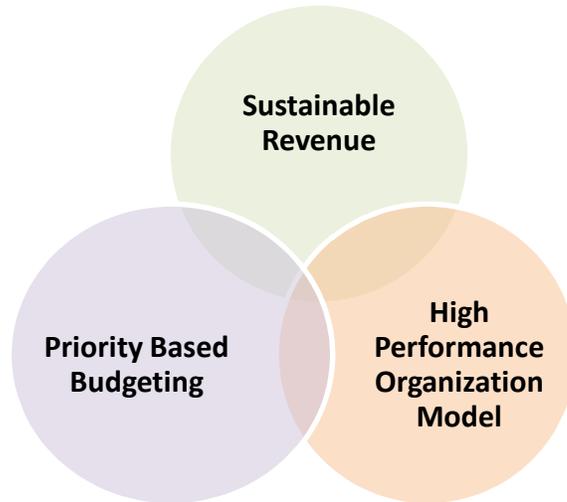
Vision Alignment

10 : 5 : 1



*Plans are reviewed every five years for accomplishment & relevance. If deemed necessary, an update process would be used to adjust the plans.

In 2016, the City will be engaging all of its planning resources to “reset” the City’s vision under the auspices of the Imagine Kalamazoo 2025 project. As the name suggests, the result of this process will be a new shared community vision, expressed through the many strategic plans that the above graphic depicts.



This upcoming year presents us with an opportunity to move beyond transitional management tactics and fully engage the organization and the environment with our new strategic tools. This includes identifying sustainable revenue for ongoing operations and programs, building on the high-performance organization model that is sparked with innovation and fueled by an ethos of continuous improvement.

The Priority Based Budgeting process is the tool which injects and integrates our strategic planning into our everyday activities, by aligning the allocation of resources with the vision and values of the Imagine Kalamazoo 2025 initiative.

In conclusion, I would like to thank the Budget team of Patsy Moore, Jeff Chamberlain, Jerome Kisscorni, Laura Lam, Karianne Thomas, Thomas C. Skrobola, Jennifer Clark, 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 50th and 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 2016 - 17 Budget is presented for your consideration.

James K. Ritsema, ICMA-CM, City Manager

THE CITY OF



Kalamazoo

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
BUDGET POLICIES**

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.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
BUDGET POLICIES**

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 December 2, 2015.

City's 2015 Ad Valorem SEV	\$1,603,667,252	
Plus Half of Act 198 Property	27,083,300	
Plus for Revenue Sharing (1)	<u>395,670,222</u>	
Total 2014 SEV Value	\$2,026,420,774	
Debt Limit (2)		\$202,642,077
Debt Outstanding	\$ 169,855,000	
Less: Exempt Debt (3)	<u>30,960,000</u>	<u>138,895,000</u>
Legal Debt Margin		<u>\$ 67,747,077</u>

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
BUDGET POLICIES

(1) Constitutional and statutory revenue sharing of \$8,475,454 divided by the City's 2015 millage rate of 21.4205 mills.

(2) 10% of the City's 2014 Ad Valorem SEV for the fiscal year ending December 31, 2015, plus half of the SEV abated under ACT 198, plus the constitutional and statutory revenue sharing divided by the City's millage rate of 21.4205 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

CITY OF KALAMAZOO

2016 ADOPTED BUDGET

BUDGET POLICIES

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

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
BUDGET POLICIES

- 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.

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
BUDGET POLICIES

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.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
BUDGET POLICIES**

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

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
BUDGET POLICIES**

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.

CITY OF KALAMAZOO
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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.

**CITY OF KALAMAZOO
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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:

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
BUDGET POLICIES

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:

**CITY OF KALAMAZOO
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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.

CITY OF KALAMAZOO
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BUDGET POLICIES

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 2016 ADOPTED BUDGET

Calendar

July 29	Position Listing with Fixed Cost Distributed to Departments
August 18	FY 2016 Budget Directives Issued FY 2016 Allocation Worksheets Distributed Eden Budget Module Open for Entry FY 2015 Year End Projection Worksheets Distributed
August 19	FY 2016 Position Budget Worksheet Distributed
September 2	Capital Improvement Program Reviewed by PCT
September 3	Final Position Changes for FY 2016 Submitted to Budget & Accounting for Import
September 14	FY 2015 Budget Projections Due (Revenue & Expense) FY 2016 Budget Proposals Due (Revenue & Expense) FY 2016 CIP Budget Proposal Due
September 16	FY 2016 Budget Narratives Distributed to Departments Blueprint for Action Updates Distributed to Departments
September 30	Budget Narratives & Blueprint Updates Due from Departments
October 23	Updated Directives and Program Changes Communicated to Departments
November 13	FY 2016 Proposed Budget Finalized
December 1	FY 2016 Proposed Budget Transmitted to City Commission & Posted on Website
December 3	CIP Presented to Planning Commission
December 7	FY 2016 Proposed Printed Document Distributed Adopt Resolution for FY 2016 Budget Public Hearing City Commission Public Work Session Begins
December 21	FY 2016 Proposed Budget Public Hearing
January 4	FY 2016 Proposed Budget Adopted

CITY OF KALAMAZOO 2016 ADOPTED 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 its 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 April of 1884, the villagers of Kalamazoo voted to become a city. The largest village (16,500 citizens) in the United States 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

CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

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 as 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 and expanding collaborative efforts with like-minded colleagues. Since the creation of the BRA in 1996, its efforts have resulted in approximately \$280 million of investment, over 2000 jobs, and more than 170 residential units in the City of Kalamazoo.

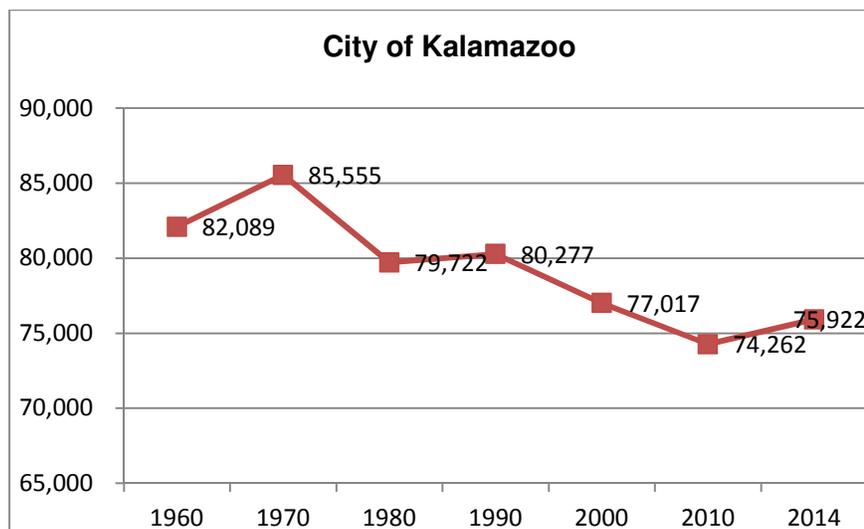
There is a more in depth history of the City of Kalamazoo on the web-site www.kalamazoocity.org Additional history on the businesses; architecture and renovation of the City's historic structures can be found in the book "Kalamazoo Lost & Found" by Lynn Smith and Pamela Hall O'Connor Houghton.

Today

The City, which is part of Kalamazoo County, encompasses an area approximately 26 square miles and is 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

The population for the City saw a decline in the 1980's due to the loss of manufacturing jobs particularly in the automotive industry. This was also the trend for the State of Michigan during the 1980's and 1990's. The City's population is increasing with an estimated population in 2014 of 75,922 an increase of 2.2% since 2010. The population is 49.7% male and 50.3% female, and the median age of a City resident is 25.9 years. Over 89% of Kalamazoo residents have a high school diploma and 31% have a bachelor's degree or higher.

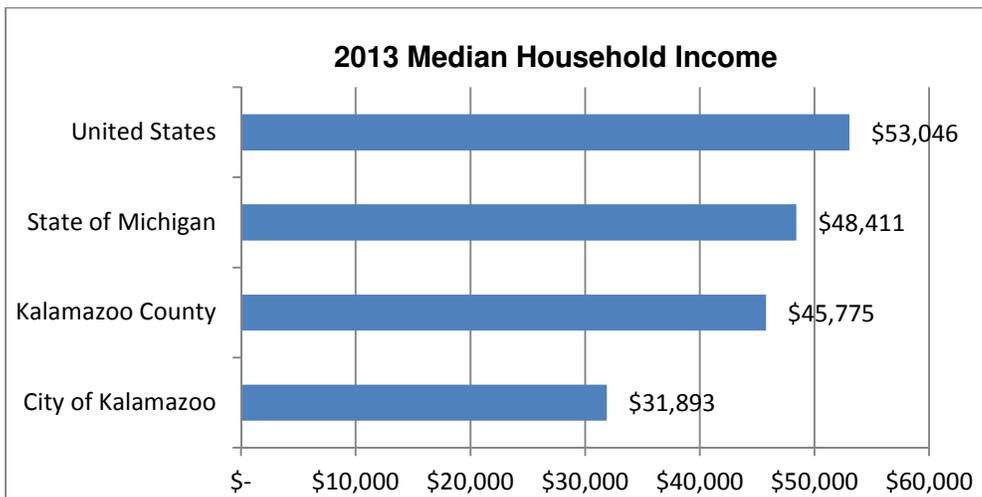


CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

Income

The City of Kalamazoo poverty level has remained above 34% for the last five years with an estimated median household income for 2013 of \$31,893 with 34.3% of the population living in poverty. According to the 2013 population estimates from the US Census Bureau, the population for whom the poverty status was determined for Kalamazoo City was 67,709 residents, of which 23,205 lived below the poverty limits split by gender with 11,439 male and 11,766 females determined to be living in poverty.

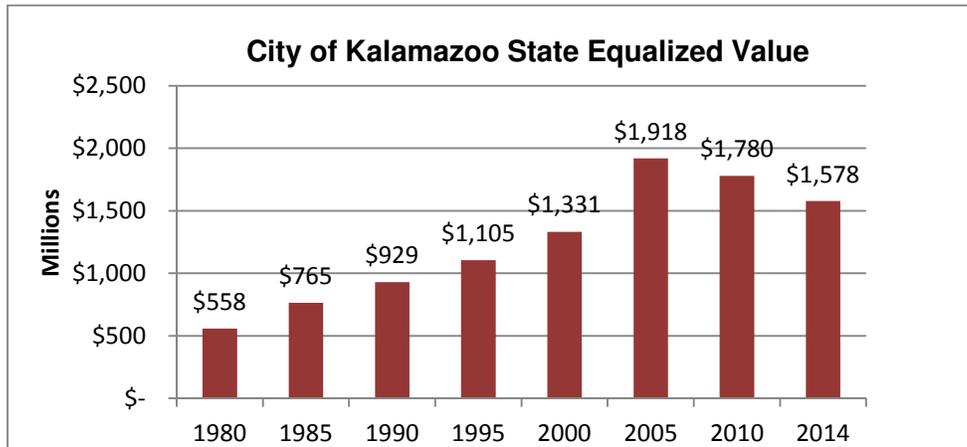
The median income for the City falls below the County, State and national averages. Working to eliminate poverty in the city is one of the priorities established by the City Commission in February of 2015.



Housing

The State Equalized Value (SEV) in the City is recovering after a 7% decline from of \$1.9 billion in 2005 to the current amount of \$1.6 billion. 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 four universities and two hospitals. As a result, the City does not recover all costs on services delivered under the current revenue structure.

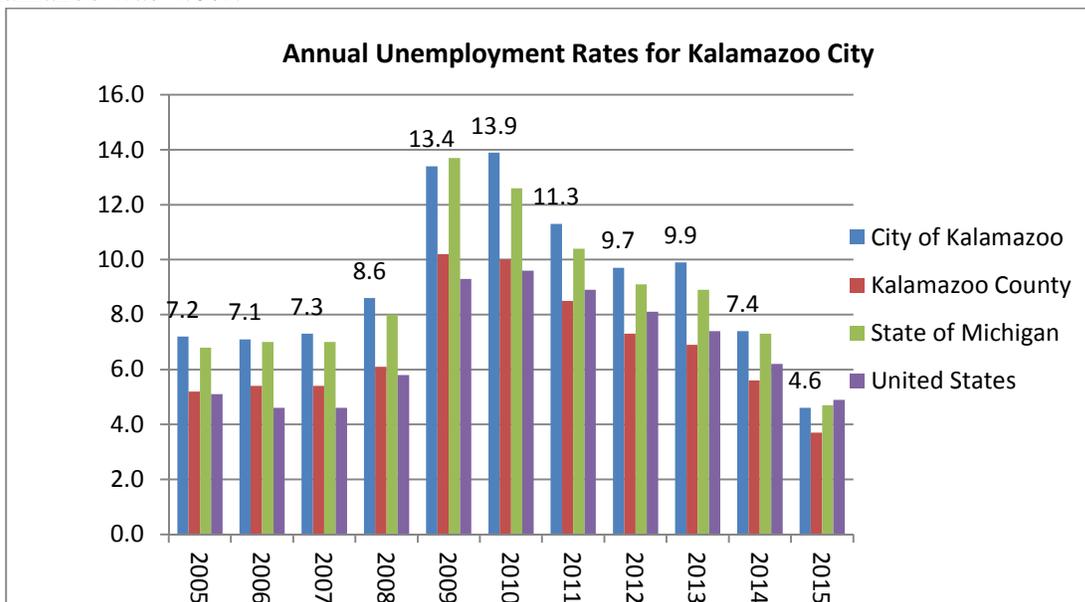
CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE



The City of Kalamazoo has over 20 active neighborhood associations. According to 2013 US Census Bureau, American Fact Finder, there are 32,411 units of housing of which 28,322 are occupied and 14.5% or 4,119 are vacant. The median monthly housing cost for residents with a mortgage is \$1,113, owners without a mortgage averaged \$463 and renters paid on average \$707 in Kalamazoo City.

Employment

Employers in Kalamazoo reflect our community’s strength and diversity. 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 September 2015 the unemployment rates for the State of Michigan and Kalamazoo County were 4.7% and 3.7% respectively. The unemployment rate for the City of Kalamazoo was 4.6%.



CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

Education

The Kalamazoo Public School System (KPS) consists of 28 schools with a total enrollment of 12,538 students and 811 teachers. The four year graduation rate for KPS is 68.8% with a 13.7% 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%.



CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

Healthcare

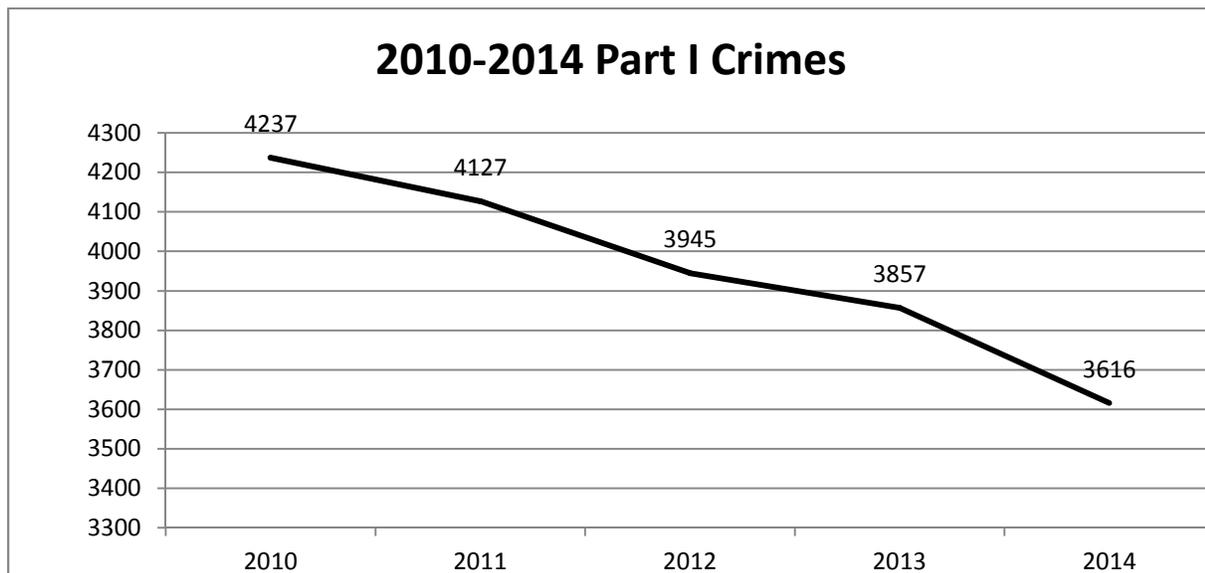
Residents of Kalamazoo are served by Bronson Methodist Hospital a national leader in healthcare quality and safety. A Level I Trauma Center since 1989 Bronson Hospital was also the first accredited Chest Pain Emergency Center in Southwest Michigan, and was awarded the Magnet Recognition for Nursing excellence considered the gold standard in nursing care, and 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 257 employees. Operating out of seven Public Safety facilities, the 212 sworn personnel provide a myriad 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:

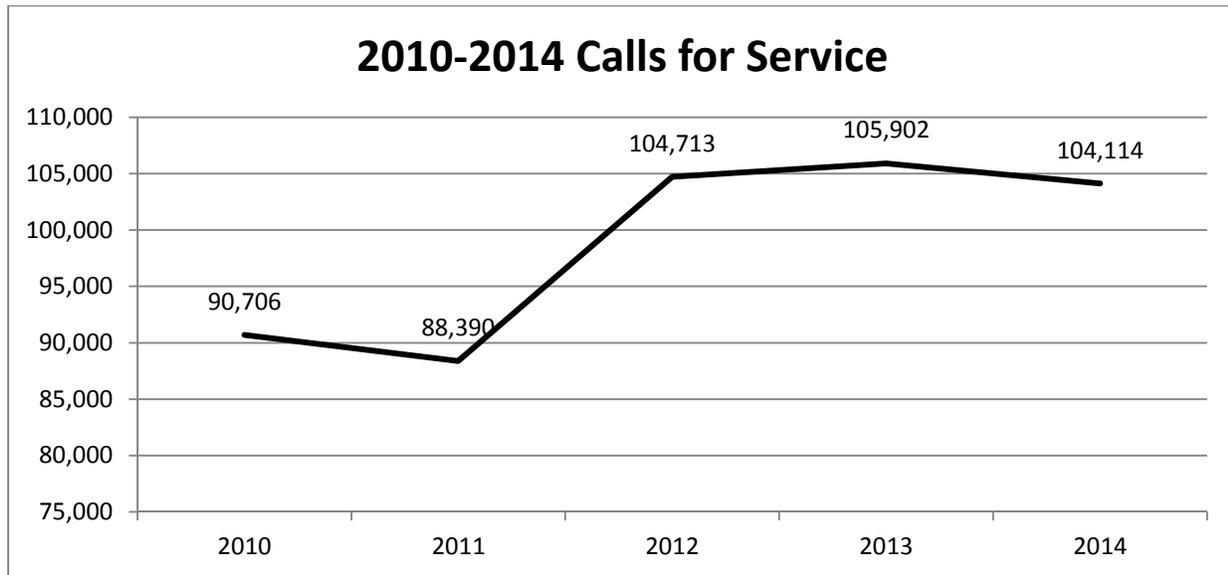
- Administration
- Community Outreach and Problem Solving
- Operations
- Criminal Investigations
- Service
- Training

Part I crime rates are defined by the Federal Bureau of Investigations as: murder, arson, rape, robbery, auto theft, aggravated assault, burglary and larceny. Part I crimes in the City of Kalamazoo continue to decrease 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.



CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

Calls for service in the City of Kalamazoo include proactive and reactive responses to police, fire and EMS incidents. Over the past three (3) 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 Monday through Saturday from 6:00 am to 10:15 pm. Metro Transit has 20 regularly scheduled bus routes operating on 15, 30 and 60 minute frequencies depending on the route and the time of day.

There are currently 36 buses in service with 11 of them being hybrid electric buses. There were more than 3.1 million trips taken in 2013. On August 4, 2015 a millage request was approved to provide support of public transit service for the Central County Transportation Authority (CCTA) service area providing 0.75 mil property tax to fund fixed-route bus services currently offered by Kalamazoo Metro Transit. This will expand the current service to seven days a week, and increase service hours to late-night which will provide transportation to 2nd and 3rd shift workers in the community. The increase in service is anticipated to begin in the fall of 2016.



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.

CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

Utilities

The City of Kalamazoo provides services and programs on an ongoing basis through the Public Services Department including:

- Water/Waste Water
- Spring brush and fall leaf pick-up
- Weekly recycling
- Street cleaning and snow removal
- Road maintenance and construction
- Sidewalk repair and construction

The water system services a large portion of the county outside of the City of Kalamazoo's corporate limits, with 46,211 residential, commercial and industrial customers in 2014. There are over 808 miles of water mains throughout the 110 square mile service area that is strategically looped to ensure system reliability. The water system utilizes 102 production wells and 18 pumping stations to produce an average of 19 million gallons per day. The waste water system serviced 31,713 retail customers inside and outside the city limits. In 2014 Public Services staff collected over 2,000 tons of bulk trash, 2,550 tons of recycling, 1,109 cubic yards of brush and responded to over 5,000 calls for curb lawn trash and tall grass and weeds.

Parks & Recreation



The department of Parks and Recreation is a vital and integral part of the Kalamazoo Community. The Parks Division maintains a total of 36 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 Recreation Division provides several community events during the year which are free to the citizens of Kalamazoo including, 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! engage local businesses to create an economic impact. In 2014 Kalamazoo Parks successfully hosted 90 private events, 53 public rentals, 49 sport facility rentals, 9 pool rentals and generated over \$120,000 in revenues.

Economy & Development

The City of Kalamazoo continues to partner with area businesses and developers to promote economic growth in the City, primarily through the activities of the Brownfield Redevelopment Authority. The BRA assists in the redevelopment of environmentally distressed and functionally obsolete properties by offering incentives and reimbursement for eligible environmental costs, demolition, and infrastructure improvements. These properties, often former industrial sites, are restored and redeveloped for more productive and sustainable use.

CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

2015 saw the completion of a collaboration between the BRA and Main Street Properties V, LLC to redevelop a property located within the 2700 block of West Michigan Avenue, near WMU's main campus. The four-story building's approximately 130,000 square feet of floor space includes approximately 15,000 square feet of retail space, 40 four bedroom/four bathroom residential apartments, 1,000 square feet of office space, and 220 on-site parking spaces, 70 of which are covered and underground. The total project investment was approximately \$13.6 million. It is expected that 75 new jobs will be created in association with the redevelopment of this property.

In 2014, Kalamazoo saw the grand opening of Arcadia Ales on a 2.5 acre site near the Kalamazoo River that had previously served as a coal burning power plant for over 50 years. The 30,000 square foot micro-brewing operation includes 4,500 square feet for a brew pub, 24,000 square feet to brew and produce beer, 1,500 square feet for administrative offices, with approximately 75 on-site parking spaces. The land had been owned by the BRA, which assisted in removing contamination from the site and securing funding for the project.



Kalamazoo Valley Community College began construction of a \$45 million dollar 13-acre campus in downtown Kalamazoo in 2014. The new Healthy Living Campus, which is the result of a partnership between KVCC, Bronson Healthcare Group, and Kalamazoo Community Mental Health and Substance Abuse Services, will include a Culinary/Health Careers Building, a Food Innovation Center, and a Mental Health clinic. The new campus' downtown location is near the recently opened WMU Homer Stryker School of Medicine and Bronson Healthcare.

Additional residential development projects were announced in 2015 including Walbridge Common in the Rivers' Edge area near downtown Kalamazoo. The project will see a \$4.4 million investment convert a 91-year old warehouse into 47 apartments and a new restaurant with an outdoor patio space. Of the residential units, 16 will be affordable micro-apartments and 31 will be one or two bedroom units.

Also in the Rivers' Edge Area, the intersection of Gull Road, Harrison Street, and Ransom Street will be converted to a roundabout in 2016, in order to improve traffic flow. This project is the continuation of a series of improvements to the Rivers' Edge district in recent years that have included cleaning properties, taking down crumbling buildings, and promoting the area for residential and mixed-use developments. The area is now home to the People's Food Co-Op, Mackenzie's Bakery, Ignertia, Lifestory, and Streamline Healthcare Solutions, among others.

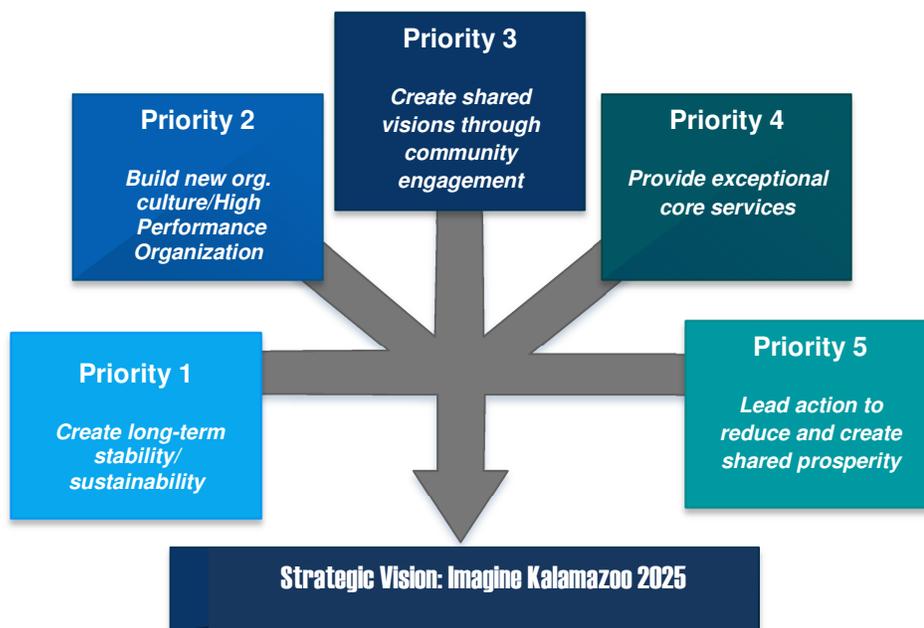
A task force solicited proposals in 2015 to redevelop the four-block area near downtown known as Arcadia Commons West (ACW), bounded by Kalamazoo Avenue, Park Street, Water Street, and Westnedge Avenue. After hearing several development proposals, the task force selected RISE Development, LLC for the project and is currently drafting a predevelopment agreement. The initial vision is of a small neighborhood with 300-325 residential units and a few restaurants & retailers. The development would feature a promenade that could integrate with the planned downtown connection of the Kalamazoo River Valley Trail. The next steps in the redevelopment will include market research and establishing a community engagement process to solicit feedback from community members. The 6.3 acre ACW site is

CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

partly owned by WMU and Downtown Tomorrow, Inc. The ACW Task Force includes representatives from Western Michigan University, Downtown Kalamazoo Inc., the Kalamazoo Community Foundation, Kalamazoo’s Downtown Development Authority, Downtown Tomorrow Inc., Kalamazoo County, and the City of Kalamazoo.

2015-2016 City Commission Priorities

In February 2015, the City Commission met with City Commission Appointees and Department Directors to review priorities that had been established in the previous year and discuss accomplishments relative to these goals that had been achieved in 2014. On April 20th, 2015, after receiving input from the community, the Commission reaffirmed and revised the work plan for 2015-2016, which is summarized in the following graphic:



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

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 issue and recommend workable options for the City Commission to consider before the end of the summer of 2014.

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2015 Accomplishments & Outcomes

- The City established an Other Post Employment Benefit (OPEB) trust and issued a \$90 million bond 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 2015. 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 was established and began investigating issues surrounding compensation for NBU 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.

2015 Accomplishments & Outcomes

- The PBB Fiscal Wellness Tool has been created and will be used to inform resource allocation decisions beginning in FY2016.
- City Staff presented PBB information at eight community meetings, including four of which included a PBB resource allocation exercise. Feedback was also obtained via the website ImagineKalamazoo.com, and residents were kept informed by over 500 contacts via email blasts. This exercise validated and ranked the results that are expected from City government.
- City Staff identified approximately 1100 service delivery programs, which were costed, scored and ranked by relevance to community results. This Resource Alignment Tool allows the City to begin 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, 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.

2015 Accomplishments & Outcomes

- A 21-member Blue Ribbon Revenue Panel was convened in May to explore revenue options that could be considered by the City Commission. The panel consists of representatives throughout the city geographically, as well as representing the entire spectrum of sectors and interests...
- The panel will formally make their recommendations to the City Commission in early December.

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E. 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.

2015 Accomplishments & Outcomes

- The Legislative committee has worked 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.

2015 Accomplishments & Outcomes

- A workgroup was formed with 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.
- Human Resources expanded available training courses to include technology best practices.
- Several management team retreats were held during the year that included an expanded beyond top level management to deeper levels in the organization. A major emphasis of each retreat was cross-departmental cooperation and efficiency.

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D. 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.

2015 Accomplishments & Outcomes

- The High Performance Organization model is continuing to be 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 of non-bargained for employees (NBU) was authorized to review the current compensation system and recommend changes.
- An organization wide survey was administered to city personnel to identify issues that require attention and create a benchmark.
- A management retreat was held in August 2015 to reflect on progress made in achieving the goals of the High Performance Organization model.

E. 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.

2015 Accomplishments & Outcomes

- City Staff prepared a comprehensive list of customer service standards to be implemented city-wide in all departments.
- Several administrative policies have been updated to be consistent with best practices
- Fraud & Abuse Policy has been reenacted
- Administrative Policy regarding customer service standards to be implemented in 2015 or early 2016.
- The City Commission agenda template was revised to include a section to advise the Commission on policies that are impacted by agenda items.

F. 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.

2015 Accomplishments & Outcomes

- Increased focus on social media as a low-cost method of informing and engaging city residents. Dramatically increased reach on social media platforms in use.
- Implementation of a bi-weekly newsletter highlighting important news, events, and meetings, and encouraging residents to participate.
- Parks & Recreation introduced a new website www.KzooParks.org which now allows residents to complete program registration and payment online via ActiveNet service.

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- Metro Transit introduced an online platform to facilitate ridesharing at www.kmetroride.org to encourage residents to carpool and seek alternative forms of transportation.
- A city-wide intranet is in development to allow easy access to commonly needed information for city personnel.
- Public Services personnel conducted a pilot study of several different dewatering technologies to dispose of wastewater material. Staff are reviewing the outcomes and may potentially realize significant savings by implementing a new process via a future CIP project.
- Creating a shared vision/future direction based on Intentional community engagement.
- Public Services staff explored alternatives to water distribution and metering through smart water technologies. A test program is in place to gauge efficiencies and cost savings using an automated meter reading system.
- Treasury began offering customers paperless billing.

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

2015 Accomplishments & Outcomes

- Staff has a strategic vision effort, Imagine Kalamazoo 2025, which will be 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, Downtown Comprehensive Plan, and Non-motorized Plan.
- Staff has stated to develop a preliminary 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.

2015 Accomplishments & Outcomes

- Vastly improved social media presence via Facebook and Twitter. Dramatically increased engagement, followers, and impressions.
- Implemented a bi-weekly newsletter highlighting important news, events, and meetings, and encouraging residents to participate.
- Increased use of email lists to communicate with stakeholder groups regarding PBB and Shared Prosperity Kalamazoo.
- Added Communications Coordinator to assist in communication/media related endeavors.

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- Staff is in the process of launching a new and more robust version of ImagineKalamazoo.com.

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.

2015 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.
- Bike lanes and traffic calming elements were included in several 2015 street projects. These considerations appeal to a broader group of residents and maintain a focus on public safety.
- Priorities established through the PBB process will be used as measurement criteria for effectiveness of city services and policies in 2016 and subsequent years.
- A comprehensive transfer agreement between the City of Kalamazoo, Central County Transportation Authority, Kalamazoo Transit Authority Board, and Kalamazoo County Transportation Authority was approved in October to create an integrated, county-wide transit system. This agreement outlines the transfer of Metro Transit to the Central County Transportation Authority which will be effective on October 1, 2016.

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

2015 Accomplishments & Outcomes

- The Kalamazoo City Commission created “Shared Prosperity Kalamazoo,” an initiative to bring stakeholder groups together to address issues contributing to poverty in the city.
- A strategic workshop was held in May to coordinate the efforts of various groups, identify opportunities & challenges, and explore policies that could help city residents affected by poverty.
- An update session was held in August to evaluate progress and explore what work has been done.
- Shared Prosperity will continue to foster collaboration and seek solutions to alleviate the impact of poverty in Kalamazoo.

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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 website "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 program inventory and costing phase of PBB identified 1,088 citywide programs costing \$93,259,914, which represents all of the City's activities excluding the Metro Transit Department and the Capital Improvement Program.

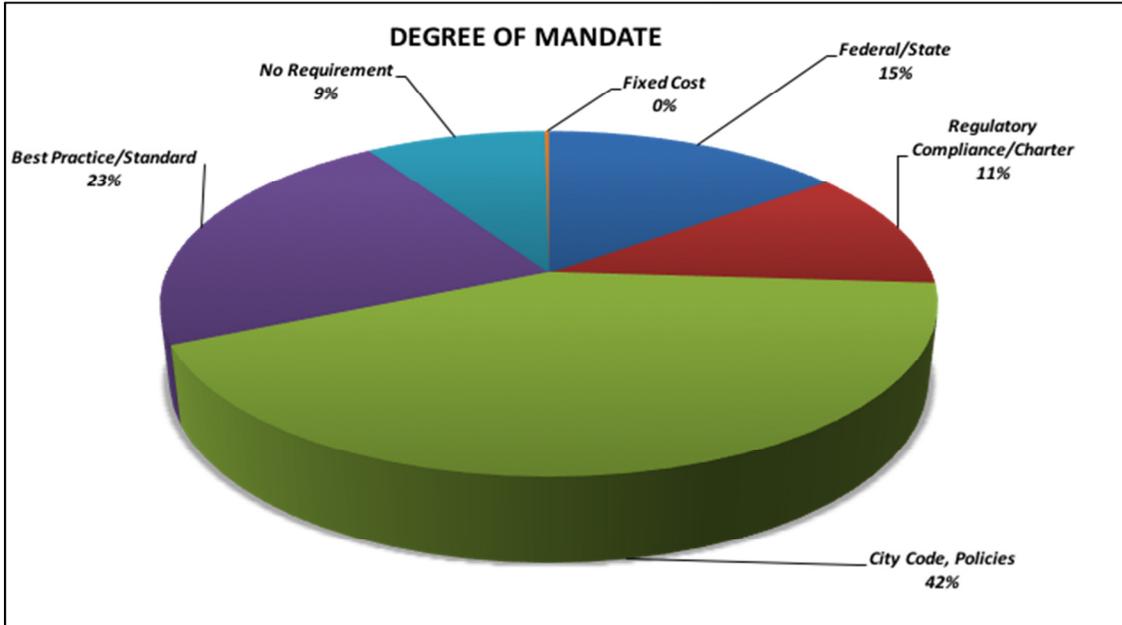
The City has evaluated each program based on a multitude of factors, including the dependency of the community on the City to provide the service, the amount of the community that is served, changes in the demand for service, potential partners who can collaborate to deliver the service more cost-effectively, 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. Pie charts located on the following pages illustrate these evaluation tools in relation to the City's programs.

Using the Priority Based Budgeting program attributes the City had to score each of the 1,088 programs based on characteristics that assist in prioritizing City services. The scores were then used to place the programs into "quartiles", which provides the bottom-line priority ranking for programs in relation to the results required by the community and by the City organization.

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

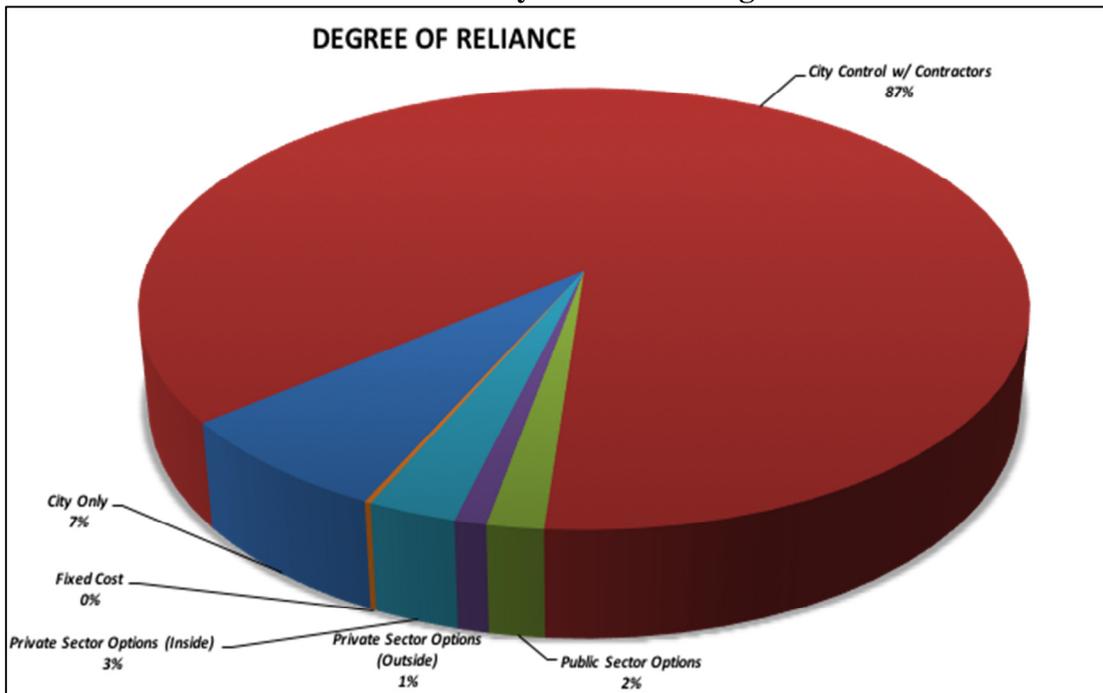
CITY OF KALAMAZOO 2016 ADOPTED BUDGET COMMUNITY PROFILE

Mandated to Provide Program



This chart represents the programs provided by the City that are mandated by another level of government (federal, state, or county). As illustrated in the chart 15% of the programs provided are required by at the Federal or State level of government.

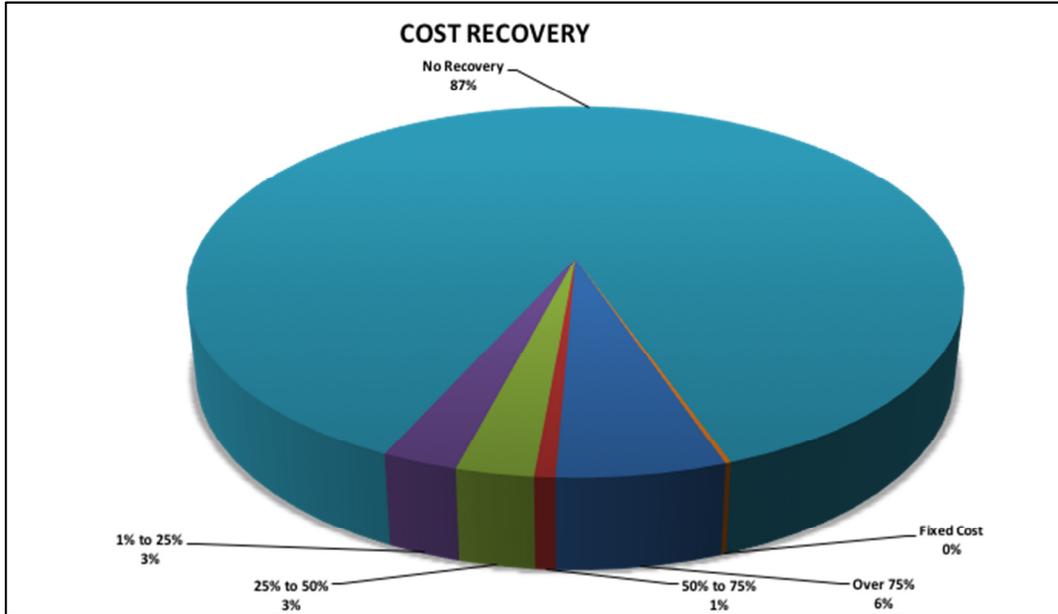
Reliance on City to Provide Program



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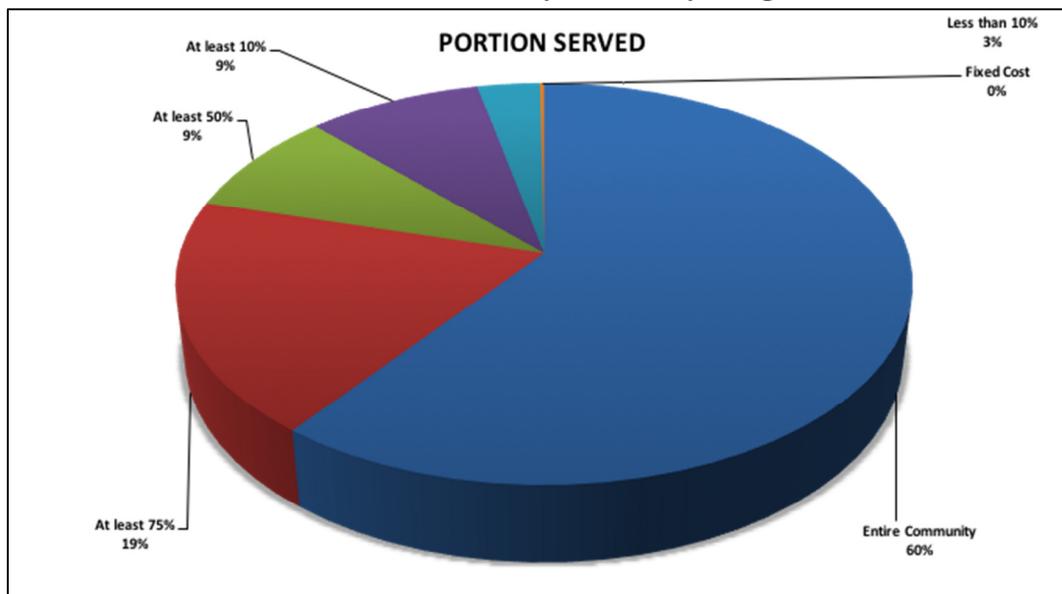
Reliance on programs provided by the city for which residents, businesses and visitors can look only to the City to obtain the service such as pothole and street repairs.

Cost Recovery of Program



A program's cost recovery is the ability to “pay for themselves” through user fees, intergovernmental grants or other specifically dedicated revenues. There is 87% of the programs provided to residents that do not have any cost recovery. These represent programs covered by general revenues like property taxes, fines and violations.

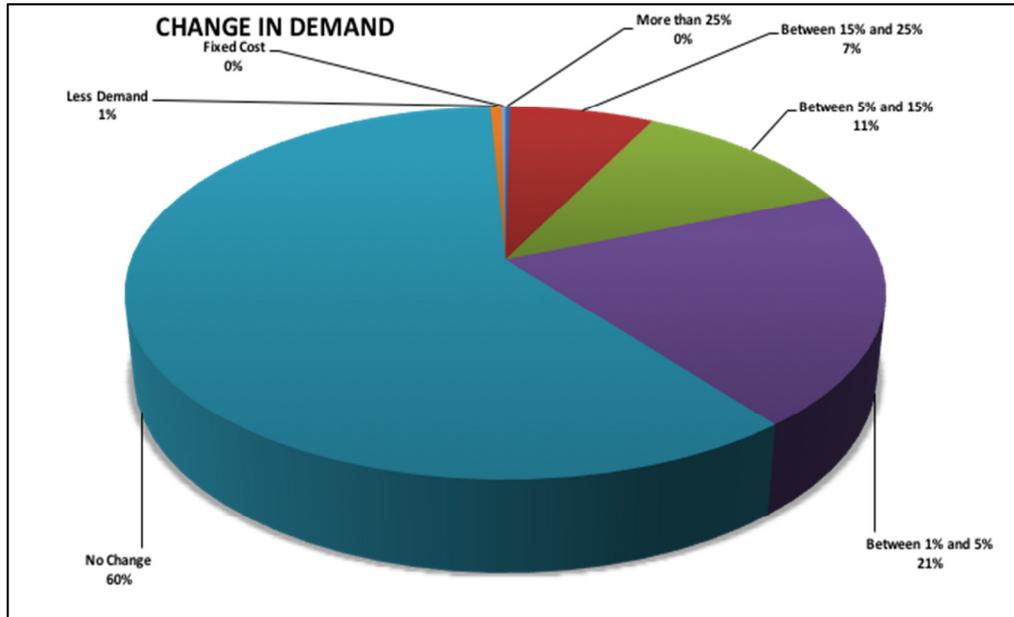
Portion of Community Served by Program



Programs were evaluated based on the segment of the City’s residents, businesses and visitors served.

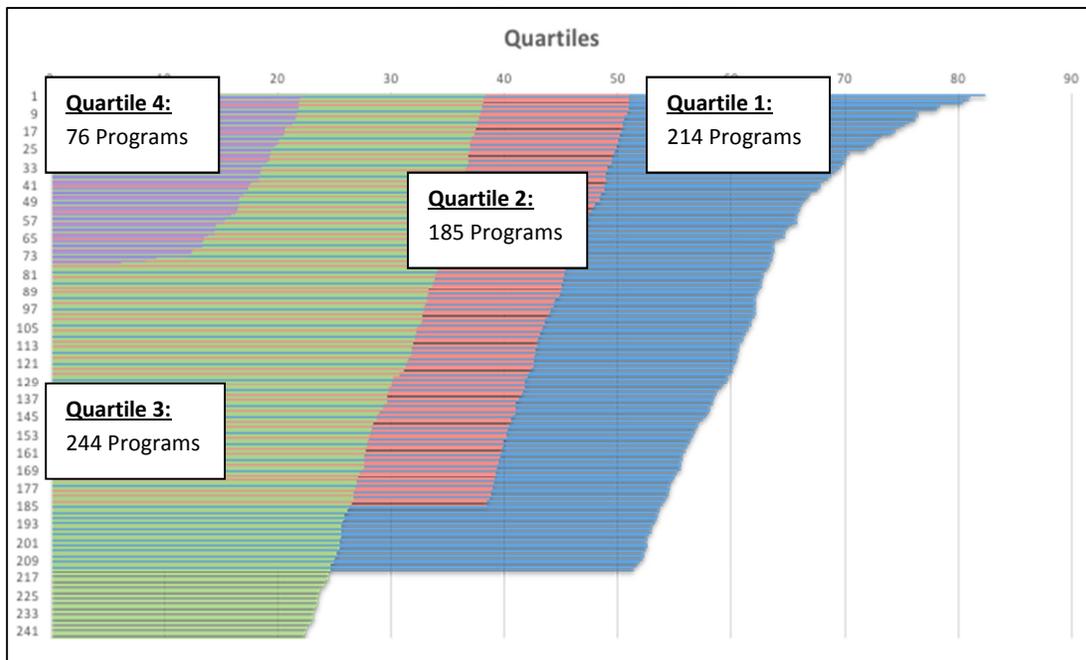
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Change in Demand for Program



Programs were evaluated based on increased demand or utilization compared to other programs that show no growth in demand.

Defining Quartile Groupings



The quartiles represent each program's score based on the degree of relevance to the community results. The results maps used for program scoring are shown on the following pages.

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Result Map #1 - Building a Strong, Well Planned Community

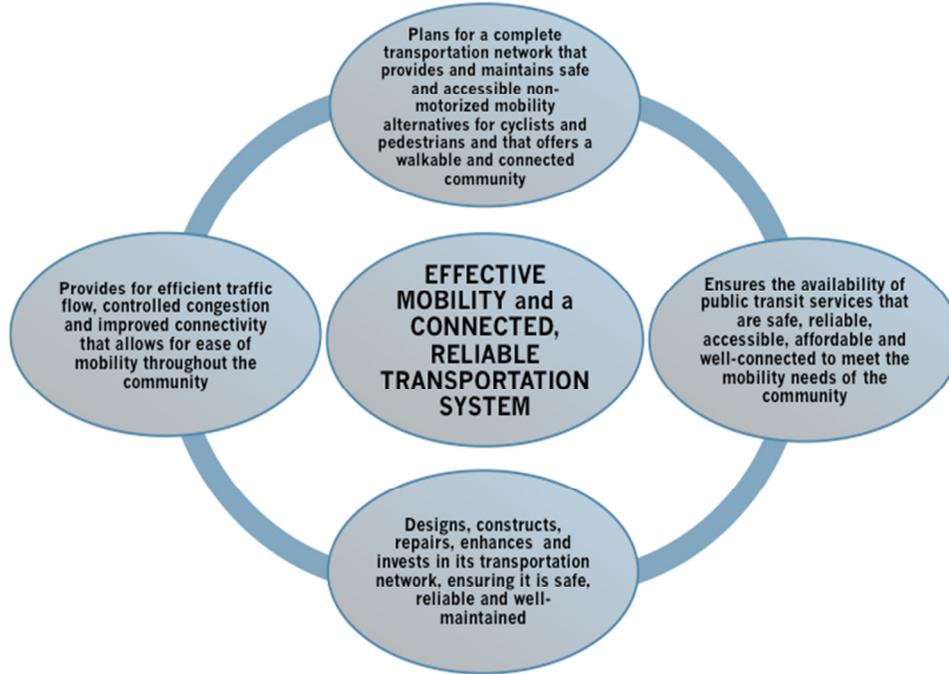


Result Map #2 - Economic Vitality

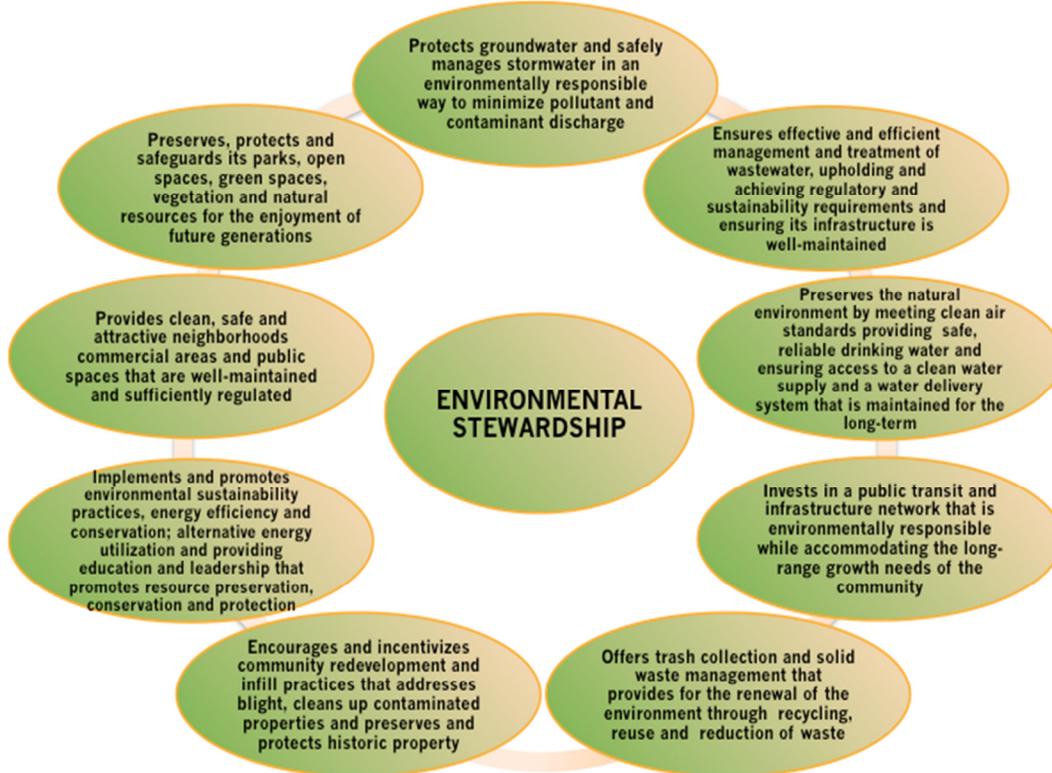


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Result Map #3 - Effective Mobility and a Connected Reliable Transportation System



Result Map #4 – Environmental Stewardship



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Result Map #5 – Access to Quality Recreational, Educational and Cultural Opportunities



Result Map #6 – Safe Community



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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
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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

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)
- GFOA Certificate of Excellence in Budgeting, 21 years

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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, 22 years

THE CITY OF



Kalamazoo

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

SUMMARY OF EXPENDITURES - ALL FUNDS

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2015/2016 Variance	2017 Projected
GOVERNMENTAL							
GENERAL	51,271,166	52,117,781	52,624,465	52,032,252	55,662,114	6.80%	54,071,593
CAPITAL IMPROVEMENT	4,438,152	6,038,904	7,548,300	7,367,122	7,569,520	25.35%	9,082,654
SPECIAL REVENUE							
Major Streets	6,633,566	8,425,749	11,483,063	11,612,780	11,406,619	35.38%	10,208,543
Local Streets	3,334,270	3,516,912	4,827,848	4,960,635	3,578,445	1.75%	3,715,867
Cemeteries	349,277	511,807	648,521	511,237	511,811	0.00%	512,318
Solid Waste	2,528,412	2,523,296	3,910,493	4,081,721	2,638,932	4.58%	2,717,916
Blight Abatement	39,408	-	-	-	-	0.00%	-
Brownfield LSRR	331,336	975,300	975,300	343,375	2,250,375	130.74%	549,000
Economic Initiative	-	380,312	1,170,312	1,095,312	1,080,312	184.06%	175,000
Economic Opportunity	-	101,176	461,176	360,000	101,389	0.21%	-
Façade Improvement Program	156,361	-	40,413	40,413	-	0.00%	-
Small Business Loans	128,257	-	147,198	163,104	1,323	0.00%	-
Private Purpose Trust & Donations	158,920	156,893	191,635	226,419	162,707	3.71%	162,707
K-VET Drug Enforcement	1,053,512	358,030	358,030	380,244	363,334	1.48%	363,342
Public Safety Contracts	414,439	-	-	-	-	0.00%	-
Community Development Administration	796,437	937,285	937,285	941,825	964,884	2.94%	977,344
Community Development Entitlement	1,686,413	150,000	1,608,994	1,521,798	150,004	0.00%	150,000
Miscellaneous Grants	1,291,934	416,000	819,398	1,129,693	831,999	100.00%	416,000
TOTAL SPECIAL REVENUE	18,902,542	18,452,760	27,579,666	27,368,556	24,042,134	30.29%	19,948,037
TOTAL GOVERNMENTAL	74,611,860	76,609,445	87,752,431	86,767,930	87,273,768	13.92%	83,102,285
ENTERPRISE							
Kalamazoo Farmers Market	15,066	20,317	20,317	21,268	15,569	-23.37%	15,593
Wastewater Division	25,770,248	24,775,679	35,415,757	34,804,493	26,082,226	5.27%	25,990,028
Water Division	18,148,775	19,737,786	29,531,383	28,044,646	20,459,760	3.66%	20,758,696
Kalamazoo Municipal Golf Association	1,811,974	1,597,745	1,597,745	1,597,745	1,704,259	6.67%	875,000
TOTAL ENTERPRISE	45,746,063	46,131,527	66,565,202	64,468,152	48,261,814	4.62%	47,639,317
GRAND TOTAL ALL FUNDS	120,357,923	122,740,972	154,317,633	151,236,082	135,535,582	10.42%	130,741,601
<i>Informational Purposes Only</i>							
PENSION SYSTEM	30,107,673	30,908,070	30,908,070	30,236,710	30,937,924	0.10%	31,246,703
OPEB SYSTEM	27,439	-	-	10,201,254	11,106,500	0%	11,217,185
INTERNAL SERVICE FUNDS (ISF)							
Insurance	23,872,844	17,509,673	17,509,673	15,320,138	13,090,370	-25.24%	14,142,721

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
REVENUES AND EXPENDITURES BY CATEGORY
BY ALL FUND CATEGORIES

2014 ACTUALS

	GENERAL FUND	CIP FUND	SPECIAL REVENUE FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
REVENUES					
Operating Taxes- Current Year	27,708,709	-	2,976,869	-	30,685,578
Other Taxes / PILOT Payment	1,880,085	-	-	-	1,880,085
Licenses, Permits & Fees	2,183,405	-	-	-	2,183,405
Intergovernmental Contributions	9,487,305	14,500	9,978,076	118,328	19,598,209
Charges for Services	8,479,234	-	574,492	34,786,915	43,840,641
Fines & Forfeitures	454,292	-	-	-	454,292
Other Revenue	908,028	574,007	911,875	1,439,670	3,833,580
Local Contributions	-	199,010	133,052	-	332,062
Bond Proceeds	-	1,155,000	3,000,000	-	4,155,000
Transfers In	2,313,257	2,280,000	1,068,396	-	5,661,653
Budget Stabilization (Contribution)/Use	-	-	-	-	-
Working Capital Contribution (to)/from	(2,143,149)	215,635	259,782	9,401,150	7,733,418
TOTAL REVENUES	51,271,166	4,438,152	18,902,542	45,746,063	120,357,923
EXPENDITURES					
Personnel	38,471,719	-	4,291,602	10,689,744	53,453,065
Operating	7,204,744	-	8,527,373	26,018,679	41,750,796
Capital	412,689	1,514,052	390,753	4,953,818	7,271,312
Services	2,447,015	-	2,438,157	-	4,885,172
Debt Service	-	2,924,100	2,926,396	3,641,957	9,492,453
Transfers Out	2,735,000	-	328,261	441,865	3,505,126
Expenditure Reductions	-	-	-	-	-
TOTAL EXPENDITURES	51,271,166	4,438,152	18,902,542	45,746,063	120,357,923

PROJECTED 2015

	GENERAL FUND	CIP FUND	SPECIAL REVENUE FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
REVENUES					
Operating Taxes- Current Year	28,771,252	-	2,954,693	-	31,725,945
Other Taxes / PILOT Payment	1,851,772	-	-	-	1,851,772
Licenses, Permits & Fees	2,183,287	-	-	-	2,183,287
Intergovernmental Contributions	9,609,364	1,092,700	10,615,004	-	21,317,068
Charges for Services	9,130,881	-	151,350	38,491,732	47,773,963
Fines & Forfeitures	469,893	-	-	-	469,893
Other Revenue	1,333,509	552,000	4,718,202	19,856,183	26,459,894
Local Contributions	-	959,211	142,231	-	1,101,442
Bond Proceeds	-	2,100,000	2,829,000	-	4,929,000
Transfers In	525,589	2,100,000	1,441,038	-	4,066,627
Budget Stabilization (Contribution)/Use	-	-	-	-	-
Working Capital Contribution (to)/from	(1,843,295)	563,211	4,517,038	6,120,237	9,357,191
TOTAL REVENUES	52,032,252	7,367,122	27,368,556	64,468,152	151,236,082
EXPENDITURES					
Personnel	34,624,540	-	7,623,945	27,018,479	69,266,964
Operating	8,134,892	-	8,830,479	27,532,360	44,497,731
Capital	644,319	4,991,096	252,251	5,121,749	11,009,415
Services	2,918,888	-	6,150,420	-	9,069,308
Debt Service	3,609,613	2,376,026	2,628,045	4,795,564	13,409,248
Transfers Out	2,100,000	-	1,883,416	-	3,983,416
Expenditure Reductions	-	-	-	-	-
TOTAL EXPENDITURES	52,032,252	7,367,122	27,368,556	64,468,152	151,236,082

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
REVENUES AND EXPENDITURES BY CATEGORY
BY ALL FUND CATEGORIES**

ADOPTED 2016

	GENERAL FUND	CIP FUND	SPECIAL REVENUE FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
REVENUES					
Operating Taxes- Current Year	28,656,467	-	3,444,129	-	32,100,596
Other Taxes / PILOT Payment	1,888,281	-	-	-	1,888,281
Licenses, Permits & Fees	2,220,640	-	-	-	2,220,640
Intergovernmental Contributions	9,620,633	200,000	12,076,724	-	21,897,357
Charges for Services	9,434,251	-	151,350	38,809,973	48,395,574
Fines & Forfeitures	486,800	-	-	-	486,800
Other Revenue	650,560	555,000	872,047	551,992	2,629,599
Local Contributions	-	2,653,000	-	-	2,653,000
Bond Proceeds	-	1,950,250	3,000,000	-	4,950,250
Transfers In	650,000	2,100,000	1,415,796	-	4,165,796
Budget Stabilization (Contribution)/Use	-	-	-	-	-
Elimination of Non-GAAP Fund Balance	(1,000,000)	-	-	-	(1,000,000)
Working Capital Contribution (to)/from	3,054,482	111,270	3,082,088	8,899,849	15,147,689
TOTAL REVENUES	55,662,114	7,569,520	24,042,134	48,261,814	135,535,582

EXPENDITURES

Personnel	38,022,071	-	4,314,175	8,988,566	51,324,812
Operating	8,250,242	-	6,777,242	29,221,188	44,248,672
Capital	1,011,001	4,803,250	231,500	5,907,942	11,953,693
Services	2,445,875	-	6,920,308	-	9,366,183
Debt Service	3,832,925	2,766,270	2,584,885	4,144,118	13,328,198
Transfers Out	2,100,000	-	3,214,024	-	5,314,024
Expenditure Reductions	-	-	-	-	-
TOTAL EXPENDITURES	55,662,114	7,569,520	24,042,134	48,261,814	135,535,582

PROJECTED 2017

	GENERAL FUND	CIP FUND	SPECIAL REVENUE FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
REVENUES					
Operating Taxes- Current Year	29,351,685	-	3,477,790	-	32,829,475
Other Taxes / PILOT Payment	1,916,605	-	-	-	1,916,605
Licenses, Permits & Fees	2,253,950	-	-	-	2,253,950
Intergovernmental Contributions	9,716,839	300,000	11,221,730	-	21,238,569
Charges for Services	9,622,936	-	151,350	38,252,111	48,026,397
Fines & Forfeitures	496,536	-	-	-	496,536
Other Revenue	761,750	555,000	698,945	413,948	2,429,643
Local Contributions	-	2,191,500	-	-	2,191,500
Bond Proceeds	-	3,652,515	3,010,000	-	6,662,515
Transfers In	-	2,100,000	1,664,407	-	3,764,407
Budget Stabilization (Contribution)/Use	-	-	-	-	-
Elimination of Non-GAAP Fund Balance	(1,300,000)	-	-	-	(1,300,000)
Working Capital Contribution (to)/from	1,251,292	283,640	(276,186)	8,973,258	10,232,004
TOTAL REVENUES	54,071,593	9,082,654	19,948,037	47,639,317	130,741,601

EXPENDITURES

Personnel	38,462,078	-	4,047,921	9,252,734	51,762,733
Operating	8,230,345	-	6,306,883	28,687,368	43,224,596
Capital	950,188	6,144,015	231,500	5,913,575	13,239,278
Services	2,443,870	-	5,186,900	-	7,630,770
Debt Service	3,835,112	2,938,640	2,824,832	3,785,640	13,384,225
Transfers Out	2,100,000	-	1,350,000	-	3,450,000
Expenditure Reductions	(1,950,000)	-	-	-	(1,950,000)
TOTAL EXPENDITURES	54,071,593	9,082,654	19,948,037	47,639,317	130,741,601

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
2015 PROJECTED FUND BALANCE - ALL FUNDS**

	January 1 Balance	Estimated Resources	Projected Expenditures & Transfers	Over/ (Under) Expenses & Transfers	Use of / (Contribution to) Designations	December 31 2015 Balance
GOVERNMENTAL						
GENERAL	9,495,820	53,875,547	52,032,252	1,843,295	-	11,339,115
CAPITAL IMPROVEMENT	1,038,460	6,803,911	7,367,122	(563,211)	-	475,249
SPECIAL REVENUE						
Major Streets	2,982,923	9,264,685	11,612,780	(2,348,095)	335,912	970,740
Local Streets	974,894	4,352,608	4,960,635	(608,027)	-	366,867
Cemeteries	239,430	455,190	511,237	(56,047)	-	183,383
Solid Waste	734,845	3,636,912	4,081,721	(444,809)	-	290,036
Blight Abatement	26,757	-	-	-	-	26,757
Brownfield LSRR	1,334,136	678,411	343,375	335,036	-	1,669,172
Economic Initiative	1,961,953	202,328	1,095,312	(892,984)	-	1,068,969
Economic Opportunity	460,789	300	360,000	(359,700)	-	101,089
Façade Improvement Program	23,568	39,509	40,413	(904)	-	22,664
Small Business Loans	148,122	52,655	163,104	(110,449)	-	37,673
Private Purpose Trust & Donations	393,265	234,417	226,419	7,998	-	401,263
Micoenterprise Revolving Loans	90,000	-	-	-	-	90,000
K-VET Drug Enforcement	550,120	301,545	380,244	(78,699)	-	471,421
Community Development Administration	118,291	942,565	941,825	740	-	119,031
Community Development Entitlement	191,693	1,521,798	1,521,798	-	-	191,693
Miscellaneous Grants	19,440	1,168,595	1,129,693	38,902	-	58,342
TOTAL SPECIAL REVENUE	10,250,225	22,851,518	27,368,556	(4,517,038)	335,912	6,069,099
TOTAL GOVERNMENTAL	20,784,504	83,530,976	86,767,930	(3,236,954)	335,912	17,883,462
ENTERPRISE						
Kalamazoo Farmers Market	116,232	19,530	21,268	(1,738)	-	114,494
Wastewater Division	80,101,288	32,512,805	34,804,493	(2,291,688)	-	77,809,600
Water Division	74,186,358	24,214,674	28,044,646	(3,829,972)	-	70,356,386
Kalamazoo Municipal Golf Association	219,821	1,600,906	1,597,745	3,161	-	222,982
TOTAL ENTERPRISE	154,623,699	58,347,915	64,468,152	(6,120,237)	-	148,503,462
TOTAL ALL FUNDS	175,408,203	141,878,891	151,236,082	(9,357,191)	335,912	166,386,924
<i>Informational Purposes Only</i>						
PENSION SYSTEM	625,472,082	(1,368,405)	30,236,710	(31,605,115)	-	593,866,967
OPEB SYSTEM	9,323,070	92,204,564	10,201,254	82,003,310	-	91,326,380
INTERNAL SERVICE						
Insurance	42,058	13,811,655	15,320,138	(1,508,483)	-	(1,466,425)

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
2016 PROJECTED FUND BALANCE - ALL FUNDS**

	January 1 Balance	Estimated Resources	Proposed Expenditures & Transfers	Over/ (Under) Expenses & Transfers	Use of / (Contribution to) Designations	December 31 2016 Balance
GOVERNMENTAL FUNDS						
GENERAL	11,339,115	52,607,632	55,662,114	(3,054,482)	-	8,284,633
CAPITAL IMPROVEMENT	475,249	7,458,250	7,569,520	(111,270)	-	363,979
SPECIAL REVENUE						
Major Streets	970,740	10,954,581	11,406,619	(452,038)	-	518,702
Local Streets	366,867	3,376,668	3,578,445	(201,777)	-	165,090
Cemeteries	183,383	465,757	511,811	(46,054)	-	137,329
Solid Waste	290,036	2,767,450	2,638,932	128,518	-	418,554
Blight Abatement	26,757	-	-	-	-	26,757
Brownfield LSRR	1,669,172	824,768	2,250,375	(1,425,607)	-	243,565
Economic Initiative	1,068,969	205,700	1,080,312	(874,612)	-	194,357
Economic Opportunity	101,089	300	101,389	(101,089)	-	0
Façade Improvement	22,664	-	-	-	-	22,664
Small Business Loans	37,673	15,551	1,323	14,228	-	51,901
Private Purpose Trust & Donations	401,263	100,045	162,707	(62,662)	-	338,601
Microenterprise Revolving Loans	90,000	-	-	-	-	90,000
K-VET Drug Enforcement	471,421	301,600	363,334	(61,734)	-	409,687
Community Development Administration	119,031	965,624	964,884	740	-	119,771
Community Development Entitlement	191,693	150,000	150,004	(4)	-	191,689
Miscellaneous Grants	58,342	832,002	831,999	3	-	58,345
TOTAL SPECIAL REVENUE	6,069,099	20,960,046	24,042,134	(3,082,088)	-	2,987,011
TOTAL GOVERNMENTAL	17,883,462	81,025,928	87,273,768	(6,247,840)	-	11,635,622
ENTERPRISE						
Kalamazoo Farmers Market	114,494	17,500	15,569	1,931	-	116,425
Wastewater Division	77,809,600	22,516,513	26,082,226	(3,565,713)	-	74,243,887
Water Division	70,356,386	15,227,046	20,459,760	(5,232,714)	-	65,123,672
Kalamazoo Municipal Golf Association	222,982	1,600,906	1,704,259	(103,353)	-	119,629
TOTAL ENTERPRISE	148,503,462	39,361,965	48,261,814	(8,899,849)	-	139,603,613
TOTAL ALL FUNDS	166,386,924	120,387,893	135,535,582	(15,147,689)	-	151,239,235
<i>Informational Purposes Only</i>						
PENSION SYSTEM	593,866,967	45,572,415	30,937,924	14,634,491	-	608,501,458
OPEB SYSTEM	91,326,380	10,266,500	11,106,500	(840,000)	-	90,486,380
INTERNAL SERVICE						
Insurance	(1,466,425)	14,627,223	13,090,370	1,536,853	-	70,428

**CITY OF KALAMAZOO
2016 ADOPTED 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	8,284,633	52,820,301	54,071,593	(1,251,292)	-	7,033,341
CAPITAL IMPROVEMENT	363,979	8,799,015	9,082,654	(283,640)	-	80,339
SPECIAL REVENUE						
Major Streets	518,702	10,224,800	10,208,543	16,257	-	534,960
Local Streets	165,090	3,853,586	3,715,867	137,720	-	302,809
Cemeteries	137,329	465,757	512,318	(46,561)	-	90,768
Solid Waste	418,554	2,804,090	2,717,916	86,174	-	504,728
Blight Abatement	26,757	-	-	-	-	26,757
Brownfield LSRR	243,565	730,000	549,000	181,000	-	424,565
Economic Initiative	194,357	170,000	175,000	(5,000)	-	189,357
Façade Improvement	22,664	-	-	-	-	22,664
Small Business Loans	51,901	31,000	-	31,000	-	82,901
Private Purpose Trust & Donations	338,601	100,045	162,707	(62,662)	-	275,939
Microenterprise Revolving Loans	90,000	-	-	-	-	90,000
K-VET Drug Enforcement	409,687	301,600	363,342	(61,742)	-	347,946
Community Development Administration	119,771	977,344	977,344	-	-	119,771
Community Development Entitlement	191,689	150,000	150,000	-	-	191,689
Miscellaneous Grants	58,345	416,000	416,000	-	-	58,345
TOTAL SPECIAL REVENUE	2,987,011	20,224,223	19,948,037	276,186	-	3,263,196
TOTAL GOVERNMENTAL	11,635,622	81,843,538	83,102,285	(1,258,746)	-	10,376,876
ENTERPRISE						
Kalamazoo Farmers Market	116,425	17,500	15,593	1,907	-	118,332
Wastewater Division	74,243,887	22,516,513	25,990,028	(3,473,515)	-	70,770,372
Water Division	65,123,672	15,227,046	20,758,696	(5,531,650)	-	59,592,022
Kalamazoo Municipal Golf Association	119,629	905,000	875,000	30,000	-	149,629
TOTAL ENTERPRISE	139,603,613	38,666,059	47,639,317	(8,973,258)	-	130,630,355
TOTAL ALL FUNDS	151,239,235	120,509,597	130,741,601	(10,232,004)	-	141,007,231
<i>Informational Purposes Only</i>						
PENSION SYSTEM	608,501,458	46,017,829	31,246,703	14,771,125	-	623,272,583
OPEB SYSTEM	90,486,380	11,318,589	11,217,185	101,404	-	90,587,784
INTERNAL SERVICE						
Insurance	70,428	15,564,271	14,142,721	1,421,550	-	1,491,978

CITY OF KALAMAZOO 2016 ADOPTED BUDGET POSITION COMPARISON

Adopted Budget 2014	Adopted Budget 2015	Proposed Changes	Adopted Budget 2016
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PERMANENT FULL TIME AUTHORIZED POSITIONS

CITY ADMINISTRATION	5.0	6.0	1.0	7.0
CITY ATTORNEY	6.0	6.0	-	6.0
CITY CLERK				
Administration	2.0	2.0	-	2.0
Elections	1.0	1.0	-	1.0
Records Management, Research and Archives	1.0	1.0	-	1.0
Total City Clerk	4.0	4.0	-	4.0
INTERNAL AUDITOR	1.0	1.0	-	1.0
HUMAN RESOURCES DEPARTMENT	7.0	7.0	-	7.0
INFORMATION TECHNOLOGY	6.0	6.0	-	6.0
MANAGEMENT SERVICES				
Management Services Administration	13.0	12.0	(10.0)	2.0
Budget and Accounting	-	-	5.0	5.0
Financial Services	-	-	6.0	6.0
Assessor	1.0	-	-	-
Treasury	12.0	12.0	1.0	13.0
Purchasing	4.0	4.0	(1.0)	3.0
Total Management Services	30.0	28.0	1.0	29.0
KALAMAZOO PUBLIC SAFETY				
Administration	6.0	6.0	-	6.0
COPS formerly KVET	21.0	22.0	(1.0)	21.0
Operations	153.0	154.0	1.0	155.0
Criminal Investigation	29.0	28.0	-	28.0
Support Service	43.0	44.0	-	44.0
Total Public Safety	252.0	254.0	-	254.0
PUBLIC SERVICES				
City Wide Maintenance	6.0	6.0	-	6.0
Engineering Services	13.0	13.0	3.0	16.0
Fleet Services	9.0	9.0	-	9.0
Public Works	32.0	34.0	(1.0)	33.0
Wastewater Division	67.0	68.0	(1.0)	67.0
Water Division	51.0	47.0	(1.0)	46.0
Total Public Services	178.0	177.0	-	177.0

CITY OF KALAMAZOO 2016 ADOPTED BUDGET POSITION COMPARISON

	Adopted Budget 2014	Adopted Budget 2015	Proposed Changes	Adopted Budget 2016
PERMANENT FULL TIME AUTHORIZED POSITIONS, continued				
COMMUNITY PLANNING AND DEVELOPMENT				
Code Administration	19.0	19.0	1.0	20.0
Planning	2.0	2.0	-	2.0
Community Development (HUD)	9.0	9.0	(1.0)	8.0
Total Community Planning and Development	30.0	30.0	-	30.0
ECONOMIC DEVELOPMENT	4.0	4.0	2.0	6.0
PARKS AND RECREATION				
Parks	4.0	4.0	-	4.0
Recreation	6.0	7.0	-	7.0
Total Parks and Recreation	10.0	11.0	-	11.0
TRANSPORTATION	102.0	100.0	10.0	110.0
TOTAL FULL TIME POSITIONS	635.0	634.0	14.0	648.0
PERMANENT PART TIME AUTHORIZED POSITIONS				
INFORMATION TECHNOLOGY	1.0	1.0	-	1.0
KALAMAZOO PUBLIC SAFETY				
Operations	3.0	3.0	-	3.0
Support Services	2.0	2.0	-	2.0
Total Public Safety	5.0	5.0	-	5.0
PARKS AND RECREATION				
Parks	1.0	1.0	-	1.0
Recreation	3.0	2.0	(1.0)	1.0
Total Parks and Recreation	4.0	3.0	(1.0)	2.0
TRANSPORTATION	20.0	20.0	2.0	22.0
TOTAL PART TIME POSITIONS	30.0	29.0	1.0	30.0
TOTAL CITY ALLOCATED POSITIONS	665.0	663.0	15.0	678.0

CITY OF KALAMAZOO 2016 ADOPTED BUDGET BUDGET OVERVIEW

The City of Kalamazoo Adopted FY 2016 Budget includes expenditures of \$135,535,582, representing an increase of 10.42% from the FY 2015 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 10.42% is due to an increase in capital projects leveraged by outside funding sources, including federal, state and private dollars.

2016 Adopted Budget

\$ 135,535,582

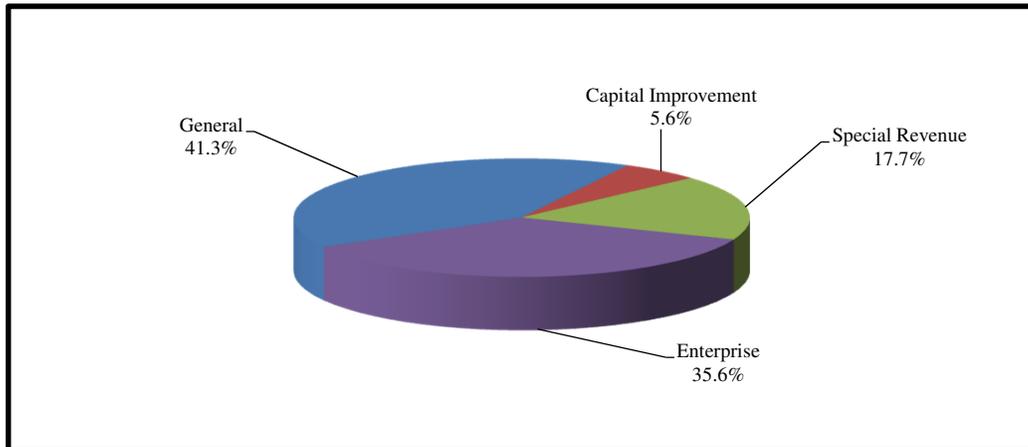


Chart 1

The remainder of the increase is due to the complete implementation of the retiree health care (OPEB) financing plan. This involves the commencement in FY 2016 of \$3.5 million of annual contributions from the City's operating funds to the City's OPEB Trust Fund. The OPEB financing plan was adopted by the City Commission and approved by the Michigan Department of Treasury, allowing the issuance of \$90 million of OPEB Bonds in FY 2015 to finance 75% of previously unfunded OPEB liabilities, and requires the City to make the annual \$3.5 million of contributions to cover the other 25% of the OPEB liability. The total amount of OPEB Costs budgeted in the City's operating funds in FY 2016 equals \$9.2 million (\$5.7 million of OPEB Bond debt service + \$3.5 million of contributions). The OPEB financing plan, as implemented, will save the operating funds \$1 million in FY 2016 versus the pre-OPEB Bond pay-as-you-go approach to financing retiree health care.

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

Revenue

General Fund

General Fund operating revenue is estimated at \$52,957,632 in Adopted FY 2016 Budget, which represents an increase of 2.22% from the Adopted FY 2015 amount. This increase is due to incremental changes in all revenue categories throughout the General Fund.

2016 General Fund Revenue

\$ 52,957,632

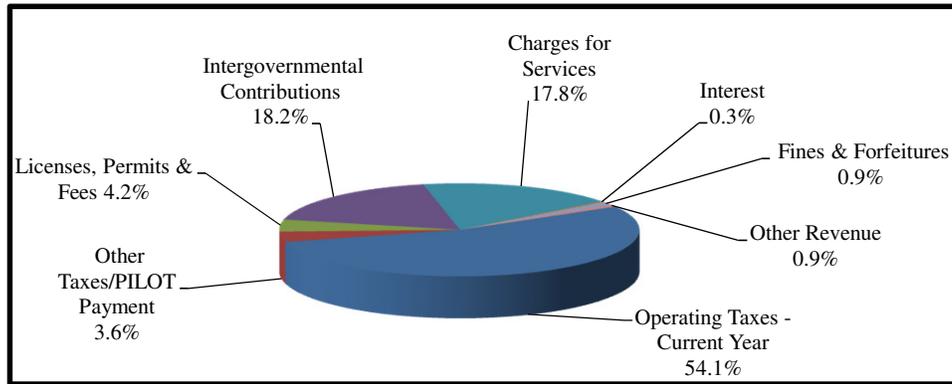


Chart 2

The two largest revenue sources, Property Taxes and Intergovernmental Contributions, represent 72.3% of all estimated General Fund resources (see Chart 2). Property Taxes are estimated to increase by 3.6% in FY 2016. The Five-Year Fiscal Plan had estimated an increase of 1.5%, which represents the level of increases anticipated in the Adopted FY 2015 Budget (see Chart 3). This is primarily due to nominal growth of residential values, and stabilization of commercial values.

Property Tax Revenue

Growth Trend (2005-2016)

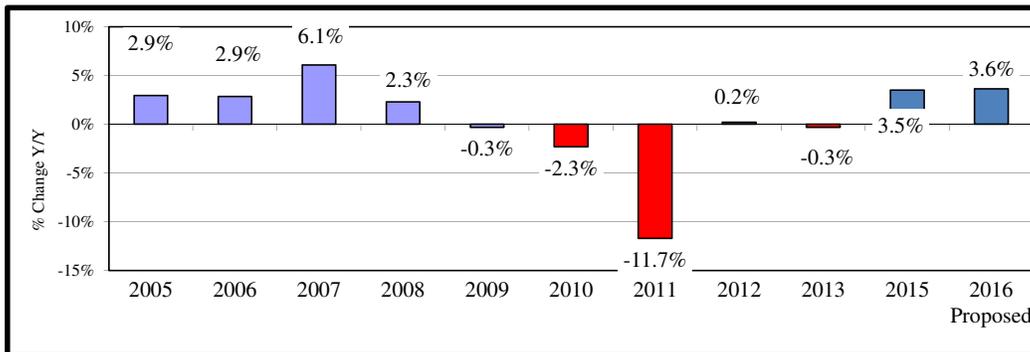


Chart 3

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

The estimated Revenue Sharing payments of \$8.6 million in FY 2016 is an increase of 4.6% compared to FY 2015 projected receipts of \$8.4 million. (see Chart 4).

State Revenue Sharing consists of two different programs: Constitutional Revenue Sharing, which is based on the Michigan Constitution's provision for a Sales Tax and the apportionment of the proceeds based on population; and Statutory Revenue Sharing, which is appropriated at a Statewide level 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

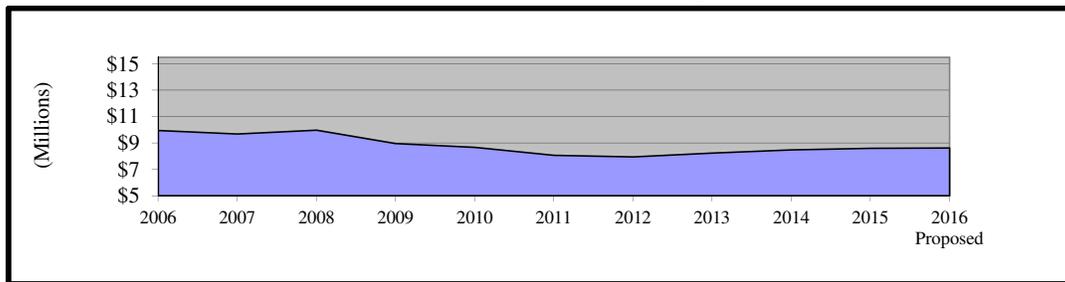


Chart 4

The remaining 27.7% 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 0.4% in the Adopted FY 2016 Budget. Revenue for License, Permits and Fees are anticipated to increase by 6.5%. This is based on increased building permit activity as compared to the amount in the Adopted FY 2015 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 2.9% increase. Major Street revenues are sufficient to fund operations. The Local Street Fund will require an operating subsidy of \$1 million from the Major Street Fund for FY 2016, and a operating subsidy of \$1.35 million from the Major Street Fund is projected for FY 2017.

Capital projects are funded with CIP Bonds in the amount of \$1.95 million.

Cemetery

Cemetery operational revenue is projected to remain at FY 2015 levels for FY 2016. Operational revenue is not sufficient to cover operations and capital improvements, therefore a subsidy of \$314 thousand from the Perpetual Care Fund supports the cemetery activity.

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

Solid Waste

Solid Waste operations are funded by a special millage. The rate is increasing in FY 2016 to 1.8 mills and is estimated to yield \$2.72 million, representing an increase of 23.1%. The activity is projected to contribute \$129 thousand to fund balance.

Water Fund

The Adopted FY 2016 budget revenues reflects an overall increase due to a change in administrative fees charged. The individual classes of operating revenue may be subject to some modification.

Wastewater Fund

The Adopted FY 2016 Budget revenues reflect no change overall, although individual classes may be subject to some

Expenditures

General Fund

The Adopted FY 2016 Budget for the General Fund is \$55,662,114, representing an overall increase of 6.8% when compared to the Adopted FY 2015 Budget, and a 5.8% increase compared to the Amended FY 2015 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)

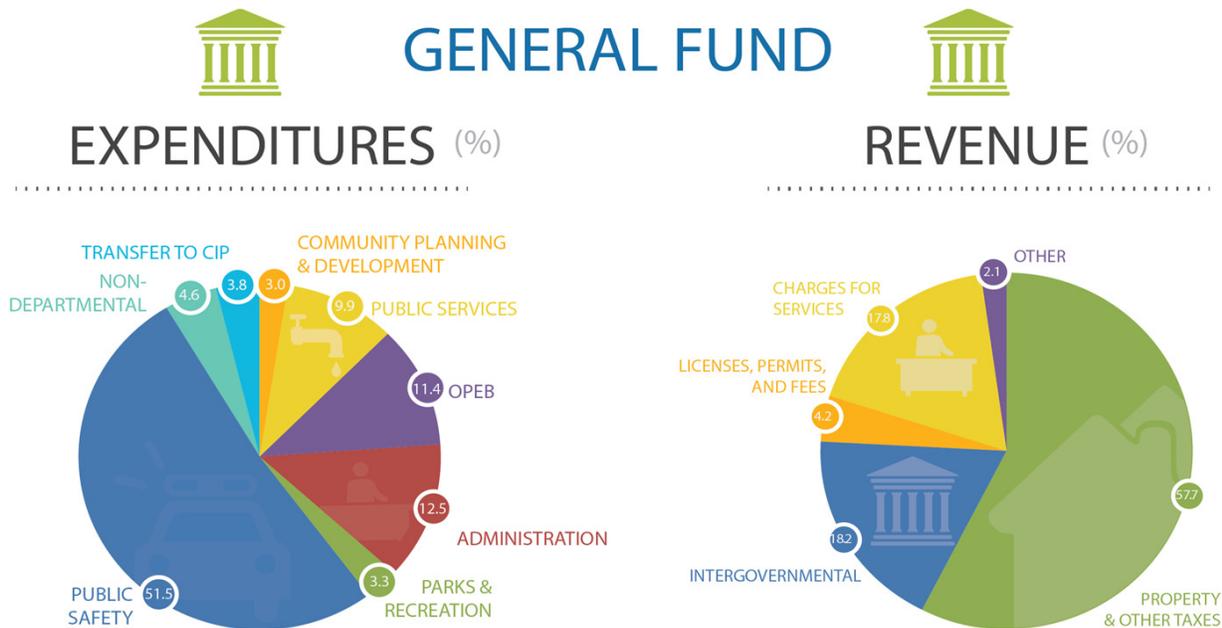


Chart 5

Public Safety represents the largest share of General Fund expenditures, 51.5% (see Chart 5). Personnel costs account for 63.6% of all General Fund expenditures as illustrated below (see Chart 6).

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

2016 General Fund Budget by Object

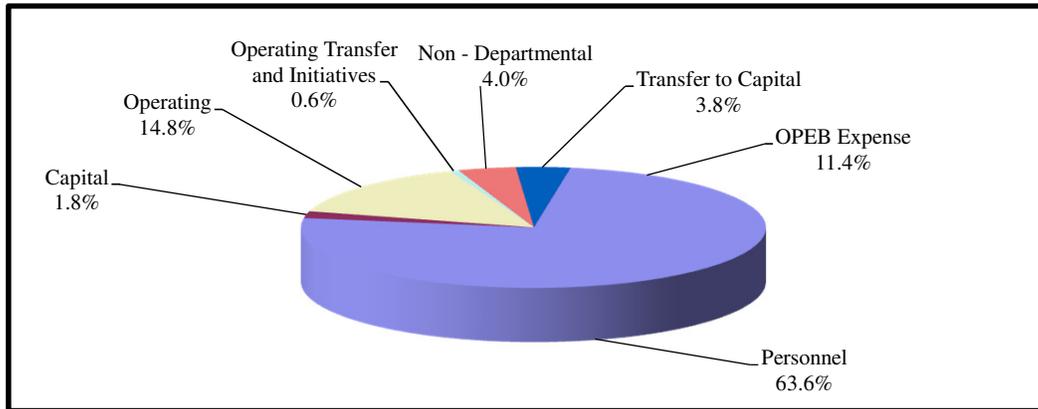


Chart 6

Projected General Fund Shortfalls

The General Fund is anticipated to have budgeted shortfalls requiring further expense reductions and new revenues (Charts 7 and 8). The issuance of OPEB Bonds provided one-time budget balancing relief in FY 2015, and will produce substantial budget relief in FY 2016 and beyond.

In FY 2016, the City has instituted a number of short-term measures to balance a projected \$2.9 million budget deficit, including returning \$1.1 million to the General Fund of subsidies previously provided to the Local Streets Fund and to the Economic Initiatives Fund, \$550 thousand of new COPS grants from the Federal Government (part of a larger \$1.2 million multi-year grant), and \$1.6 million of enhanced property tax revenue, roughly half of which is due to industrial personal property investments which generated one-time revenue in FY 2015 but will become exempt in FY 2016. As Chart 7 below indicates, however a substantial and growing negative gap between ongoing revenues and expenditures is projected beginning in FY 2017 at \$1.90 million and growing to \$5.1 million annually by FY 2021, with a cumulative shortfall of almost \$20 million between FY 2017 and FY 2021.

The General Fund is 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 commence in FY 2017 at \$1.3 million, and to grow to over \$3.6 million in FY 2021. It should be noted, 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.

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

Finally, the City recognizes and reports two different kinds of fund balance for the General Fund: "GAAP" fund balance, which is based on Generally Accepted Accounting Principles, which are honored by the financial and regulatory community; and "Non-GAAP" or "budgetary" fund balance, which the City has used for tracking compliance with the City's internal policy. This "Non-GAAP" figure is only used for the purposes of budgeting, and represents the GAAP fund balance plus \$2.3 million of receivables that the City has billed but not collected revenue for. The City plans to eliminate the "Non-GAAP" figure in phases in FY 2016 and FY 2017, which will involve an overall reduction of "budgetary" fund balance by \$2.3 million so that it equals the "GAAP" fund balance.

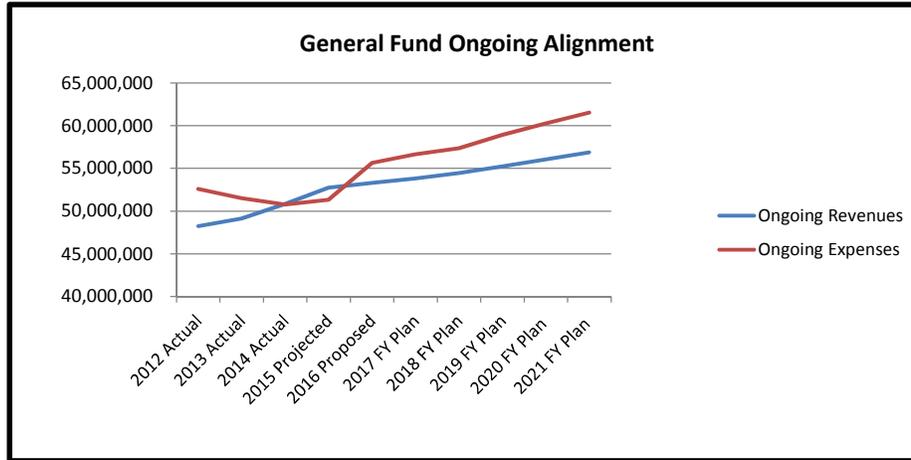


Chart 7

As Chart 8 indicates, one time income and fund balance are currently in excess of one-time expenditures in the General Fund. However, absent new budget balancing revenues and/or expenditure reductions, the General Fund would exhaust its current reserves and exhibit negative fund balance in several years, which is not allowed by State law.

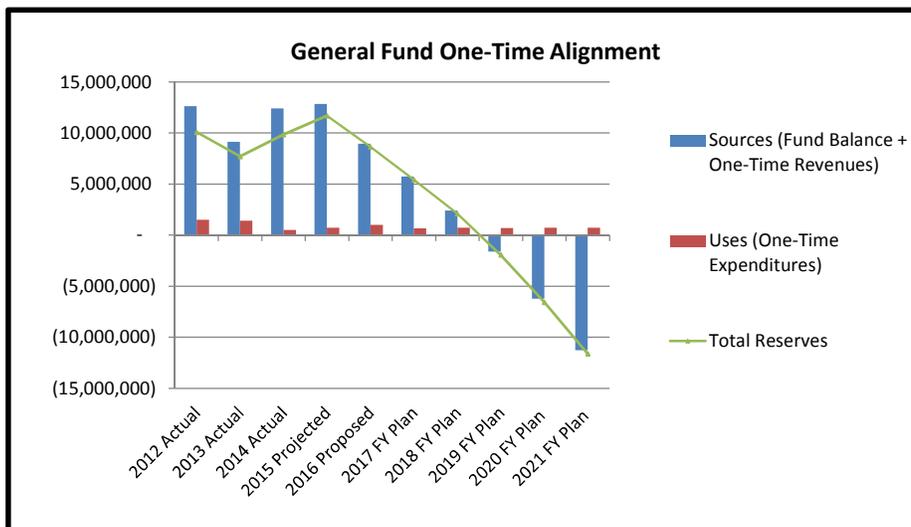


Chart 8

Options to reduce expenses in future years include improved program alignment and new community partnerships, beginning with the countywide consolidated dispatch system, as well as other general efficiencies and program prioritization that may be identified and implemented through the priority based budgeting process.

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

Fund Balance

General Fund revenues are projected to fall short of expenditures by \$2.05 million dollars in FY 2016. The projected fund balance in FY 2016 is \$8,284,633, which is 15.6% 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 648 (see Chart 10).

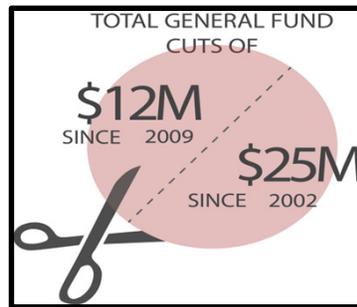


Chart 9

The City has worked with the 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. Changes to health care have saved the City over \$10 million since 2005, and the annual savings have topped \$4 million as of 2015.

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.

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

Position Allocations

The Adopted FY 2016 Budget includes 648 full-time positions, an increase of 14 from the Adopted FY 2015 Budget with 10 of the positions relating to Metro Transit bus drivers. For changes by Department, see the 'Position Comparison Summary', for detail see the 'Position Listing' in the Appendix of this document.

As Chart 10 indicates, the City has dramatically reduced full-time staff levels in recent years. Nearly 1/4th of the staff that existed in FY 2003 has been eliminated.

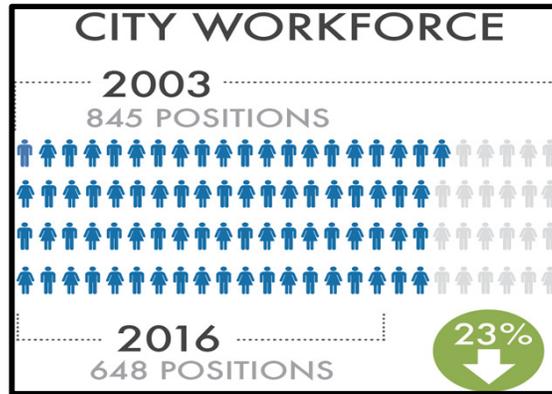


Chart 10

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 2016, including street funds is \$7.57 million. The General Fund will transfer \$2.1 million to the Capital Improvement Program in FY 2016.

The Capital Contingency Account is designed to be used for emergency capital repairs or acquisitions. There are no contributions or withdrawals adopted in FY 2016.

Capital improvements planned for FY 2016 total \$17.31 and will be funded by bonds, private donations, and state and federal funding (see Chart 8).

General Fund Capital

General Fund capital projects, which are funded in the Capital Improvements Program (CIP) Fund, total \$4.8 million. Capital projects in the CIP Fund include \$265.25 thousand in fiber optic upgrades and election equipment, \$578 thousand for Public Safety equipment, \$650 thousand in Public Services equipment and trailway improvements, and \$3.31 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 adopted at \$6.06 million, to be funded with \$2.77 million in federal funds \$1.28 of local contributions, and \$2 million in new capital improvement bonds.

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

Cemeteries

Cemetery improvements for FY 2016 Adopted 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 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 \$3.1 million and \$2.5 million are planned in the Wastewater and Water Funds, respectively. Projects include 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.

2016 Capital Financing by Source

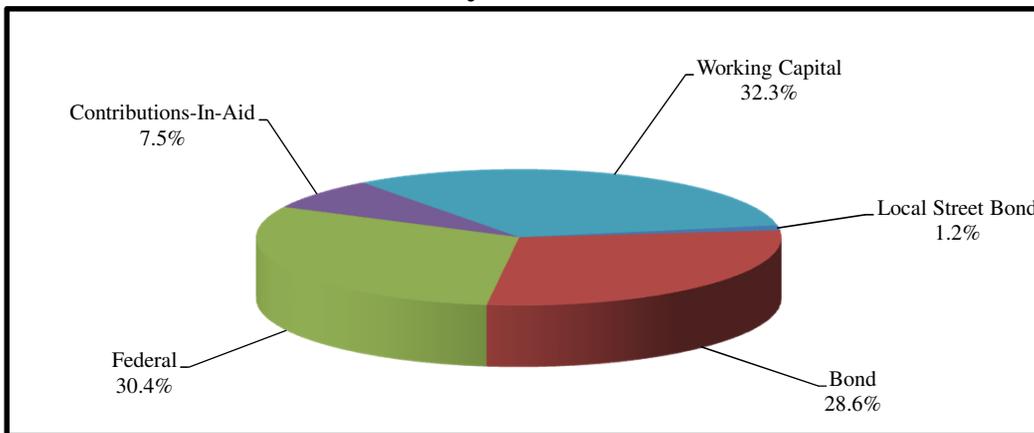


Chart 11

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
TAXABLE VALUE AND TAX LEVY PROJECTIONS**

	2015 Adopted Budget	2015 Roll Confirmation	2016 Adopted Budget	2017 Projected Budget	2018 Projected Budget	2019 Projected Budget	2020 Projected Budget	2021 Projected Budget
Effective Taxable Value (a)	1,501,722,595	1,531,051,943	1,556,860,140	1,580,213,042	1,603,916,238	1,627,974,982	1,652,394,606	1,677,180,525
MILLAGE RATES:								
Operating Millage	19.2705	19.2705	19.2705	19.2705	19.2705	19.2705	19.2705	19.2705
Solid Waste Millage	1.5500	1.5500	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000
Metro Transit Millage	0.6000	0.6000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
TOTAL	21.4205	21.4205	21.0705	21.0705	21.0705	21.0705	21.0705	21.0705
TAX REVENUES:								
Operating Revenues	28,938,945	29,504,136	30,001,473	30,451,495	30,908,268	31,371,892	31,842,470	32,320,107
Less: Total Captured TIF (b)	-1,434,181	-1,302,579	-1,345,006	-1,099,810	-1,172,493	-1,213,062	-1,254,240	-1,296,035
Net Operating Revenue	27,504,764	28,201,557	28,656,467	29,351,685	29,735,775	30,158,830	30,588,231	31,024,073
Solid Waste Revenues	2,327,670	2,373,131	2,802,348	2,844,383	2,887,049	2,930,355	2,974,310	3,018,925
Less: Total Captured TIF (b)	-90,133	-79,998	-81,198	-86,593	-92,411	-95,646	-98,929	-102,262
Net Operating Revenue	2,237,537	2,293,133	2,721,150	2,757,790	2,794,638	2,834,709	2,875,381	2,916,663
Metro Transit Revenues (c)	901,034	918,631	0	0	0	0	0	0
Less: Total Captured TIF (b)	-25,687	-25,419	0	0	0	0	0	0
Net Operating Revenue	875,347	893,212	0	0	0	0	0	0
TOTAL	30,617,649	31,387,902	31,377,618	32,109,475	32,530,413	32,993,539	33,463,612	33,940,736

(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, Local Development Financing and the Downtown Development Authorities Tax Increment Financing (TIF) plans.

(c) Metro Transit Levy of .6 mills approved through 2015 in City of Kalamazoo. Continued approval of .6 mill levy assumed through 2019.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

DEBT SERVICE SCHEDULE

As of: January 1, 2016

City Debt Issues	Remaining Debt				2016			2017			
	Original Issue Amount	Gross Principal Outstanding	Self-Supporting	Net	Principal	Interest	Total	Principal	Interest	Total	
Building Authority Bonds:											
Dated: 8/4/15	2015 Building Authority Refunding	\$ 8,620,000	\$ 8,415,000	\$ 8,415,000	\$ -	\$ 505,000	\$ 266,545	\$ 771,545	\$ 515,000	\$ 263,060	\$ 778,060
Dated: 8/14/15	2015A Building Authority Refunding	\$ 7,465,000	\$ 7,465,000	\$ 7,465,000	\$ -	\$ 390,000	\$ 310,650	\$ 700,650	\$ 600,000	\$ 302,850	\$ 902,850
Dated: 3/1/11	2011 Building Authority Refunding	\$ 4,105,000	\$ 2,530,000	\$ 363,057	\$ 2,166,943	\$ 350,000	\$ 105,663	\$ 455,663	\$ 285,000	\$ 93,413	\$ 378,413
Dated: 10/26/06	2006B Parking Ramp	\$ 4,270,000	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ 8,000	\$ 208,000	\$ -	\$ -	\$ -
Dated: 11/17/98	1998 BA Refunding	\$ 5,770,000	\$ 425,000	\$ 425,000	\$ -	\$ 185,000	\$ 22,838	\$ 207,838	\$ 240,000	\$ 12,600	\$ 252,600
	Subtotal	\$ 30,230,000	\$ 19,035,000	\$ 16,868,057	\$ 2,166,943	\$ 1,630,000	\$ 713,695	\$ 2,343,695	\$ 1,640,000	\$ 671,923	\$ 2,311,923
Michigan Transportation Fund Bonds:											
Dated: 7/26/11	2011 Michigan Transportation Fund Refunding	\$ 2,005,000	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ 2,000	\$ 202,000	\$ -	\$ -	\$ -
Dated: 7/12/07	2007 Michigan Transportation Fund	\$ 3,860,000	\$ 2,105,000	\$ 2,105,000	\$ -	\$ 265,000	\$ 85,143	\$ 350,143	\$ 275,000	\$ 74,205	\$ 349,205
	Subtotal	\$ 5,865,000	\$ 2,305,000	\$ 2,305,000	\$ -	\$ 465,000	\$ 87,143	\$ 552,143	\$ 275,000	\$ 74,205	\$ 349,205
Wastewater Bonds:											
Dated: 5/1/13	2014 Wastewater Supply Systems Refunding	\$ 2,285,000	\$ 2,180,000	\$ 2,180,000	\$ -	\$ 85,000	\$ 75,210	\$ 160,210	\$ 85,000	\$ 72,278	\$ 157,278
Dated: 3/29/12	2012 Wastewater Supply Systems	\$ 6,100,000	\$ 5,410,000	\$ 5,410,000	\$ -	\$ 265,000	\$ 178,378	\$ 443,378	\$ 265,000	\$ 173,078	\$ 438,078
Dated: 7/26/11	2011 Wastewater Supply Systems Refunding	\$ 2,815,000	\$ 1,705,000	\$ 1,705,000	\$ -	\$ 325,000	\$ 45,875	\$ 370,875	\$ 330,000	\$ 39,375	\$ 369,375
	Subtotal	\$ 11,200,000	\$ 9,295,000	\$ 9,295,000	\$ -	\$ 675,000	\$ 299,463	\$ 974,463	\$ 680,000	\$ 284,730	\$ 964,730
Water Bonds:											
Dated: 5/1/14	2014 Water Supply Systems Refunding	\$ 11,170,000	\$ 10,890,000	\$ 10,890,000	\$ -	\$ 285,000	\$ 430,155	\$ 715,155	\$ 290,000	\$ 418,898	\$ 708,898
Dated: 6/5/12	2012 Water Supply Systems Refunding	\$ 5,370,000	\$ 2,415,000	\$ 2,415,000	\$ -	\$ 650,000	\$ 36,225	\$ 686,225	\$ 620,000	\$ 26,475	\$ 646,475
Dated: 7/12/07	2007 Water Supply Systems	\$ 1,900,000	\$ 1,485,000	\$ 1,485,000	\$ -	\$ 60,000	\$ 67,919	\$ 127,919	\$ 65,000	\$ 65,294	\$ 130,294
Dated: 11/29/06	2006 Water Supply System and Refunding	\$ 4,690,000	\$ 1,535,000	\$ 1,535,000	\$ -	\$ 115,000	\$ 63,841	\$ 178,841	\$ 120,000	\$ 59,241	\$ 179,241
	Subtotal	\$ 23,130,000	\$ 16,325,000	\$ 16,325,000	\$ -	\$ 1,110,000	\$ 598,140	\$ 1,708,140	\$ 1,095,000	\$ 569,908	\$ 1,664,908
Dated: 3/1/11	2011 Downtown Development Refunding	\$ 2,115,000	\$ 1,320,000	\$ 1,320,000	\$ -	\$ 420,000	\$ 43,350	\$ 463,350	\$ 450,000	\$ 27,000	\$ 477,000
	Subtotal	\$ 2,115,000	\$ 1,320,000	\$ 1,320,000	\$ -	\$ 420,000	\$ 43,350	\$ 463,350	\$ 450,000	\$ 27,000	\$ 477,000
Other Post Employment Benefit Bonds:											
Dated: 1/22/15	2015 Limited Tax GO - OPEB Bonds	\$ 90,955,000	\$ 88,915,000	\$ 88,915,000	\$ -	\$ 1,860,000	\$ 3,614,821	\$ 5,474,821	\$ 1,885,000	\$ 3,594,120	\$ 5,479,120
	Subtotal	\$ 90,955,000	\$ 88,915,000	\$ 88,915,000	\$ -	\$ 1,860,000	\$ 3,614,821	\$ 5,474,821	\$ 1,885,000	\$ 3,594,120	\$ 5,479,120
Capital Improvement Bonds:											
Dated: 6/2/15	2015 Capital Improvement	\$ 5,150,000	\$ 5,150,000	\$ -	\$ 5,150,000	\$ 295,000	\$ 139,288	\$ 434,288	\$ 300,000	\$ 133,338	\$ 433,338
Dated: 5/1/14	2014 Capital Improvement	\$ 5,660,000	\$ 5,190,000	\$ -	\$ 5,190,000	\$ 485,000	\$ 142,488	\$ 627,488	\$ 495,000	\$ 128,376	\$ 623,376
Dated: 4/11/13	2013 Capital Improvement	\$ 4,200,000	\$ 3,685,000	\$ -	\$ 3,685,000	\$ 260,000	\$ 78,450	\$ 338,450	\$ 260,000	\$ 73,250	\$ 333,250
Dated: 3/29/12	2012 Capital Improvement	\$ 4,400,000	\$ 3,645,000	\$ -	\$ 3,645,000	\$ 275,000	\$ 105,553	\$ 380,553	\$ 275,000	\$ 100,053	\$ 375,053
Dated: 7/14/11	2011 Capital Improvement	\$ 4,685,000	\$ 3,665,000	\$ -	\$ 3,665,000	\$ 275,000	\$ 132,775	\$ 407,775	\$ 285,000	\$ 125,900	\$ 410,900
Dated: 7/8/10	2010 Capital Improvement	\$ 2,855,000	\$ 2,055,000	\$ -	\$ 2,055,000	\$ 175,000	\$ 80,450	\$ 255,450	\$ 180,000	\$ 75,200	\$ 255,200
Dated: 6/24/09	2009 Capital Improvement	\$ 4,585,000	\$ 3,105,000	\$ -	\$ 3,105,000	\$ 285,000	\$ 127,635	\$ 412,635	\$ 300,000	\$ 116,948	\$ 416,948
Dated: 7/1/08	2008 Capital Improvement	\$ 4,165,000	\$ 2,525,000	\$ -	\$ 2,525,000	\$ 275,000	\$ 104,469	\$ 379,469	\$ 285,000	\$ 93,469	\$ 378,469
Dated: 7/12/07	2007 Capital Improvement	\$ 855,000	\$ 595,000	\$ -	\$ 595,000	\$ 40,000	\$ 27,263	\$ 67,263	\$ 40,000	\$ 25,543	\$ 65,543
	Subtotal	\$ 36,555,000	\$ 29,615,000	\$ -	\$ 29,615,000	\$ 2,365,000	\$ 938,369	\$ 3,303,369	\$ 2,420,000	\$ 872,075	\$ 3,292,075
Grand Total:		\$ 200,050,000	\$ 166,810,000	\$ 135,028,057	\$ 31,781,943	\$ 8,525,000	\$ 6,294,980	\$ 14,819,980	\$ 8,445,000	\$ 6,093,959	\$ 14,538,959

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
GENERAL FUND OPERATING BUDGET SUMMARY AND FIVE YEAR FISCAL PLAN**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2017 Fiscal Plan	2018 Fiscal Plan	2019 Fiscal Plan	2020 Fiscal Plan	2021 Fiscal Plan
REVENUE										
Tax Levy Revenue	27,708,709	27,504,764	27,504,764	28,771,252	28,656,467	29,351,685	29,735,775	30,158,830	30,588,231	31,024,073
Other Tax or PILOT Payments	1,880,085	1,972,102	1,972,102	1,851,772	1,888,281	1,916,605	1,945,354	1,974,534	2,004,152	2,034,215
Licenses, Permits & Fees	2,183,405	2,084,899	2,084,899	2,183,287	2,220,640	2,253,950	2,287,759	2,322,076	2,356,907	2,392,260
Intergovernmental Revenue	9,487,305	9,555,400	9,555,400	9,609,364	9,620,633	9,716,839	9,814,007	9,912,147	10,011,269	10,111,382
Charges for Services	8,479,234	9,394,346	9,394,346	9,130,881	9,434,251	9,622,936	9,815,395	10,011,703	10,211,937	10,416,175
Fines and Forfeitures	454,292	523,300	523,300	469,893	486,800	496,536	501,501	506,516	511,581	516,697
Interest & Rentals	149,828	185,500	185,500	141,375	182,108	183,929	185,768	187,626	189,502	191,397
Other Revenue	758,200	587,619	616,438	801,116	468,452	577,821	489,377	499,165	509,148	519,331
Total Revenue	51,101,058	51,807,930	51,836,749	52,958,940	52,957,632	54,120,301	54,774,936	55,572,597	56,382,726	57,205,530
EXPENDITURES										
City Commission	74,464	73,705	73,705	72,529	73,708	73,705	75,154	76,659	78,225	79,856
City Administration	758,502	721,534	721,534	765,710	860,447	861,291	878,215	895,810	914,112	933,163
City Attorney	709,124	634,981	634,981	660,849	649,270	650,378	663,158	676,444	690,265	704,650
City Clerk	578,257	480,430	506,711	483,242	622,473	473,988	636,515	492,985	650,874	513,541
Internal Auditor	95,293	85,043	85,043	85,022	86,193	86,193	87,886	89,647	91,479	93,385
Human Resources	722,309	645,697	645,697	568,837	672,028	673,832	687,072	700,838	715,157	730,061
Information Technology	1,223,114	1,164,219	1,190,059	1,150,248	1,184,453	1,192,169	1,215,595	1,239,949	1,265,283	1,291,652
Management Services	2,111,764	2,856,466	2,886,497	2,919,148	2,900,259	2,928,741	2,986,290	3,046,119	3,108,356	3,173,134
Public Safety	30,596,743	28,481,606	28,488,201	28,356,999	28,663,357	29,211,414	30,189,411	31,404,213	32,340,295	33,306,460
Public Services	5,591,935	5,207,357	5,207,357	4,976,984	5,514,193	5,478,615	5,586,268	5,698,187	5,814,609	5,935,786
Community Planning & Development	1,507,950	1,484,769	1,484,769	1,466,789	1,506,212	1,528,292	1,558,323	1,589,543	1,622,020	1,655,823
Economic Development	236,096	105,410	105,410	103,293	105,540	186,850	190,521	194,339	198,309	202,442
Parks & Recreation	1,883,600	1,778,779	1,807,598	1,794,101	1,824,117	1,848,392	1,884,713	1,922,473	1,961,751	2,002,634
Non-Departmental Expenditures	2,133,205	2,076,271	2,467,290	2,534,230	2,240,875	2,243,870	2,311,186	2,227,522	2,294,347	2,363,178
Initiatives	313,810	330,000	380,000	384,658	330,000	330,000	305,000	305,000	305,000	305,000
OPEB Expense	-	3,611,514	3,609,613	3,609,613	6,324,225	6,153,862	6,153,862	6,153,862	6,153,862	6,153,862
Expenditure Reductions: 2017	-	-	-	-	-	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)
Expenditure Reductions: 2018	-	-	-	-	-	-	(1,490,000)	(1,490,000)	(1,490,000)	(1,490,000)
Expenditure Reductions: 2019	-	-	-	-	-	-	(700,000)	(700,000)	(700,000)	(700,000)
Expenditure Reductions: 2020	-	-	-	-	-	-	-	(575,000)	(575,000)	(575,000)
Expenditure Reductions: 2021	-	-	-	-	-	-	-	-	-	(425,000)
Total Operating Expenditure	48,536,166	49,737,781	50,294,465	49,932,252	53,562,114	51,971,593	51,969,170	52,573,590	53,488,946	54,304,627
Transfer to Local Street Fund	455,000	380,000	230,000	-	-	-	-	-	-	-
Transfer to CIP Fund	2,280,000	2,000,000	2,100,000	2,100,000	2,100,000	2,100,000	2,700,000	2,900,000	2,800,000	2,800,000
Transfer to Water Fund	-	-	-	-	-	-	-	-	-	-
Transfer to Solid Waste Fund	-	-	-	-	-	-	-	-	-	-
Total Transfer for Capital Improvement	2,735,000	2,380,000	2,330,000	2,100,000	2,100,000	2,100,000	2,700,000	2,900,000	2,800,000	2,800,000
TOTAL EXPENDITURES	51,271,166	52,117,781	52,624,465	52,032,252	55,662,114	54,071,593	54,669,170	55,473,590	56,288,946	57,104,627
Beginning Fund Balance	7,352,671	9,495,820	9,495,820	9,495,820	11,339,115	8,284,633	7,033,341	7,139,107	7,238,113	7,331,893
Surplus / (Deficit)	(170,108)	(309,851)	(787,716)	926,688	(2,704,482)	48,708	105,766	99,007	93,780	100,902
Net Proceeds from OPEB Bonds	-	-	391,018	391,018	-	-	-	-	-	-
Elimination of Non-GAAP Fund Balance	-	-	-	-	(1,000,000)	(1,300,000)	-	-	-	-
Contribution from/(to) Other Funds	2,313,257	636,855	636,855	525,589	650,000	-	-	-	-	-
Ending Fund Balance	9,495,820	9,822,824	9,735,977	11,339,115	8,284,633	7,033,341	7,139,107	7,238,113	7,331,893	7,432,796
Target Fund Balance	6,643,138	6,735,031	6,738,777	6,884,662	6,884,492	7,035,639	7,120,742	7,224,438	7,329,754	7,436,719
Amount Over (Under) Target	2,852,682	3,087,793	2,997,200	4,454,453	1,400,141	(2,299)	18,365	13,676	2,139	(3,923)
Cumulative Amount Over (Under) Target										
Actual Percentage of Revenues	18.6%	19.0%	18.8%	21.4%	15.6%	13.0%	13.0%	13.0%	13.0%	13.0%
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
2016 ADOPTED BUDGET**

CAPITAL IMPROVEMENT PROGRAM AND FIVE YEAR PLAN

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated
Revenue										
Transfer from General Fund	2,280,000	2,000,000	2,100,000	2,100,000	2,100,000	2,100,000	2,700,000	2,900,000	2,800,000	2,800,000
Transfers from Other Funds	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	1,115,000	1,946,700	2,100,000	2,100,000	1,950,250	3,652,515	3,129,313	1,112,401	2,178,516	3,208,417
Bond Premium (Discount)	40,000	-	-	-	-	-	-	-	-	-
Federal Grants	14,500	-	4,500	4,500	-	-	-	-	-	-
State Grants	-	725,000	1,088,200	1,088,200	200,000	300,000	600,000	-	300,000	-
Private and Other Funding	199,010	810,000	959,211	959,211	2,653,000	2,191,500	3,110,000	-	-	-
Interest Revenue	1,789	50,000	50,000	2,000	5,000	5,000	5,000	5,000	5,000	5,000
Subtotal Transfers, Sales and Interest	3,650,299	5,531,700	6,301,911	6,253,911	6,908,250	8,249,015	9,544,313	4,017,401	5,283,516	6,013,417
Special Assessment	-	-	-	-	-	-	-	-	-	-
Reimbursements/Court Consolidation	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Reimb. from County / Crosstown	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
User Fees - Public Safety Dispatch	272,218	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Subtotal Assessments and Reimbursements	572,218	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Total Resources	4,222,517	6,081,700	6,851,911	6,803,911	7,458,250	8,799,015	10,094,313	4,567,401	5,833,516	6,563,417
Priority Project Expenditures										
PARKS										
Reserve/Cash Funded Projects	11,931	-	332,488	332,488	-	-	-	-	-	-
Internal Funded Projects	-	-	-	-	-	-	-	-	-	-
Outside Funded Projects	14,500	1,535,000	434,305	434,305	2,735,000	2,367,500	3,710,000	75,000	300,000	-
Bond Funded Projects	50,000	650,000	450,000	450,000	575,000	317,500	1,393,000	125,000	-	-
Total Parks Projects	76,431	2,185,000	1,216,793	1,216,793	3,310,000	2,685,000	5,103,000	200,000	300,000	-
FACILITIES										
Reserve/Cash Funded Projects	(364,753)	-	503,437	503,437	-	-	-	-	-	-
Internal Funded Projects	-	-	-	-	-	-	-	-	-	-
Outside Funded Projects	-	-	-	-	-	-	-	-	-	-
Bond Funded Projects	925,000	81,700	81,700	81,700	-	84,765	-	250,000	-	-
Total Facility Projects	560,247	81,700	585,137	585,137	-	84,765	-	250,000	-	-

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CAPITAL IMPROVEMENT PROGRAM AND FIVE YEAR PLAN

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated
PUBLIC SAFETY										
Reserve/Cash Funded Projects	383,571	-	77,518	77,518	-	-	-	-	-	-
Internal Funded Projects	-	-	-	-	-	-	-	-	-	-
Outside Funded Projects	-	-	-	-	118,000	124,000	-	-	-	-
Bond Funded Projects	-	500,000	500,000	500,000	460,000	2,370,000	1,000,000	-	1,550,000	2,000,000
Total Public Safety Projects	383,571	500,000	577,518	577,518	578,000	2,494,000	1,000,000	-	1,550,000	2,000,000
OTHER PRIORITY PROJECTS										
Reserve/Cash Funded Projects	154,792	-	14,572	14,572	-	-	-	-	-	-
Internal Funded Projects	-	-	-	-	-	-	-	-	-	-
Outside Funded Projects	199,010	-	1,556,576	1,556,576	-	-	-	-	-	-
Bond Funded Projects	3,817	435,000	635,000	635,000	265,250	160,250	161,313	162,401	38,516	163,417
Total Other Priority Projects	357,619	435,000	2,206,148	2,206,148	265,250	160,250	161,313	162,401	38,516	163,417
VEHICLE REPLACEMENT										
Reserve/Cash Funded Projects	-	-	-	-	-	-	-	-	-	-
Internal Funded Projects	-	-	-	-	-	-	-	-	-	-
Outside Funded Projects	-	-	-	-	-	-	-	-	-	-
Bond Funded Projects	136,183	280,000	405,500	405,500	650,000	720,000	575,000	575,000	590,000	1,045,000
Total Vehicle Replacement	136,183	280,000	405,500	405,500	650,000	720,000	575,000	575,000	590,000	1,045,000
TOTAL										
Reserve/Cash Funded Projects	185,542	-	928,015	928,015	-	-	-	-	-	-
Internal Funded Projects	-	-	-	-	-	-	-	-	-	-
Outside Funded Projects	213,510	1,535,000	1,990,881	1,990,881	2,853,000	2,491,500	3,710,000	75,000	300,000	-
Bond Funded Projects	1,115,000	1,946,700	2,072,200	2,072,200	1,950,250	3,652,515	3,129,313	1,112,401	2,178,516	3,208,417
GRAND TOTAL	1,514,052	3,481,700	4,991,096	4,991,096	4,803,250	6,144,015	6,839,313	1,187,401	2,478,516	3,208,417
EXISTING - DEBT SERVICE										
General Capital Projects										
General Capital Projects - 2004 GO	538,937	-	-	-	-	-	-	-	-	-
General Capital Projects - 2007 GO	65,933	69,463	69,463	69,463	67,763	66,043	69,303	67,323	65,320	68,295
General Capital Projects - 2008 GO	179,012	179,519	179,519	179,519	179,548	179,076	178,415	177,566	178,888	179,737
General Capital Projects - 2009 GO	212,159	213,220	213,220	213,220	213,769	215,998	215,352	216,696	217,730	220,951
General Capital Projects - 2010 GO	193,240	194,218	194,218	194,218	194,788	194,598	192,926	191,102	192,926	190,646
General Capital Projects - 2011 GO	139,400	139,298	139,298	139,298	138,933	139,995	140,730	141,121	141,151	142,503
General Capital Projects - 2012 GO	105,753	105,669	105,669	105,797	105,686	104,161	104,022	103,778	103,268	102,483
General Capital Projects - 2013 GO	81,933	81,897	81,897	81,971	80,733	79,495	79,436	79,352	78,067	77,959
General Capital Projects - 2014 GO	24,675	269,768	269,768	269,768	269,374	267,489	266,795	267,744	109,999	108,869
General Capital Projects - 2015 GO	-	-	-	20,509	189,436	189,022	188,564	188,062	189,676	186,187
Bond Issuance Expenses	77,281	-	-	-	-	-	-	-	-	-
Subtotal General Capital Projects	1,618,323	1,253,051	1,253,051	1,273,762	1,440,030	1,435,877	1,435,543	1,432,744	1,277,025	1,277,630

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CAPITAL IMPROVEMENT PROGRAM AND FIVE YEAR PLAN

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated
Facilities										
Justice Facility (Crosstown) - 1999/05B BA R	649,600	642,113	642,113	468,848	-	-	-	-	-	-
Park Street Public Safety Station - 2006B BA	321,683	319,083	319,083	240,122	208,500	-	-	-	-	-
Building Authority 2011 Refunding	334,494	342,957	342,957	343,607	326,293	248,268	246,868	240,963	244,163	241,963
Building Authority 2015 Refunding	-	-	-	49,186	700,650	902,850	905,850	906,250	890,650	894,650
Subtotal Facilities Debt Service	1,305,777	1,304,153	1,304,153	1,101,764	1,235,443	1,151,118	1,152,718	1,147,213	1,134,813	1,136,613
<u>PROPOSED NEW DEBT SERVICE</u>										
General Capital Projects - 2016 GO (Prop)	-	-	-	-	90,798	181,595	181,595	181,595	181,595	181,595
General Capital Projects - 2017 GO (Prop)	-	-	-	-	-	170,050	340,100	340,100	340,100	340,100
General Capital Projects - 2018 GO (Prop)	-	-	-	-	-	-	145,691	291,382	291,382	291,382
General Capital Projects - 2019 GO (Prop)	-	-	-	-	-	-	-	51,790	103,580	103,580
General Capital Projects - 2020 GO (Prop)	-	-	-	-	-	-	-	-	101,425	202,850
General Capital Projects - 2021 GO (Prop)	-	-	-	-	-	-	-	-	-	139,285
Subtotal Proposed New Debt Service	-	-	-	-	90,798	351,645	667,386	864,867	916,657	916,657
Total Debt Service (Current Payment)	2,924,100	2,557,204	2,557,204	2,376,026	2,766,270	2,938,640	3,255,647	3,444,824	3,328,494	3,330,899
Expenses	4,438,152	6,038,904	7,548,300	7,367,122	7,569,520	9,082,654	10,094,960	4,632,225	5,807,010	6,539,316
Streets Fund	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	(215,635)	42,796	(696,389)	(563,211)	(111,270)	(283,640)	(647)	(64,824)	26,506	24,101
Beginning Fund Balance	1,250,278	1,038,460	1,038,460	1,038,460	475,249	363,979	80,339	79,692	14,868	41,374
Ending Fund Balance	1,038,460	1,081,256	342,070	475,249	363,979	80,339	79,692	14,868	41,374	65,475

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MAJOR STREETS BUDGET SUMMARY AND FIVE YEAR FISCAL PLAN

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated
Revenue										
Highway Maintenance	220,697	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gas & Weight Tax	4,144,079	4,069,790	4,069,790	4,069,790	4,187,394	5,235,800	5,598,406	6,031,577	6,528,302	7,280,307
Other State Revenue (Metro Act)	717,007	371,324	455,324	503,467	447,187	450,000	450,000	450,000	450,000	450,000
Interest	3,882	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Bond Discount	-	-	-	-	-	-	-	-	-	-
Other	2,009	5,000	1,223,797	1,226,428	10,000	10,000	10,000	10,000	10,000	10,000
Transfer from Insurance Fund	-	-	-	-	-	-	-	-	-	-
Total Revenue	5,087,674	4,701,114	6,003,911	6,054,685	4,899,581	5,950,800	6,313,406	6,746,577	7,243,302	7,995,307
Expenditures										
Debt Service	2,081,623	1,719,517	1,719,517	1,719,517	1,598,309	1,546,658	1,549,871	1,544,969	1,543,306	1,542,465
New Debt Service	-	-	-	-	83,333	250,000	416,667	583,333	750,000	916,667
Operations & Maintenance	2,699,505	2,503,942	2,511,427	2,688,660	2,603,049	2,671,064	2,697,775	2,724,753	2,752,000	2,779,520
OPEB Debt Service + Contribution	-	92,290	1,280,402	1,280,402	116,762	116,820	116,820	116,820	116,820	116,820
Total Debt Service & Operations	4,781,128	4,315,749	5,511,346	5,688,579	4,401,453	4,584,543	4,781,133	4,969,876	5,162,126	5,355,472
Transfers										
Transfer to Local Streets	200,004	900,000	900,000	900,000	1,000,000	1,350,000	1,525,000	1,775,000	2,075,000	2,200,000
Total Expenditure & Transfers	4,981,132	5,215,749	6,411,346	6,588,579	5,401,453	5,934,543	6,306,133	6,744,876	7,237,126	7,555,472
Available for Construction	106,542	(514,635)	(407,435)	(533,894)	(501,872)	16,258	7,273	1,701	6,176	439,834
Other Resources for Capital										
Federal Aid	-	1,381,000	1,381,000	1,381,000	2,774,000	2,274,000	2,089,000	1,411,000	1,929,000	1,900,000
Other State Revenue	-	-	-	-	-	-	-	-	-	-
Private Funding	-	-	-	-	1,281,000	-	-	-	-	-
Bond Proceeds	2,000,000	1,829,000	1,703,500	1,829,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Contribution from General Fund	-	-	-	-	-	-	-	-	-	-
Total Capital Resources	2,000,000	3,210,000	3,084,500	3,210,000	6,055,000	4,274,000	4,089,000	3,411,000	3,929,000	3,900,000
Capital Expenditures										
Construction	1,652,434	3,210,000	5,071,717	5,024,201	6,005,166	4,274,000	4,089,000	3,411,000	3,929,000	3,900,000
Surplus / (Deficit)	454,108	(514,635)	(2,394,652)	(2,348,095)	(452,038)	16,258	7,273	1,701	6,176	439,834
Transfer from LDFAs (Reimbursement to Fund Balance)	328,619	335,912	335,912	335,912	-	-	-	-	-	-
Beginning Fund Balance	2,200,196	2,982,923	2,982,923	2,982,923	970,740	518,702	534,960	542,233	543,934	550,110
Ending Fund Balance	2,982,923	2,804,200	924,183	970,740	518,702	534,960	542,233	543,934	550,110	989,944

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

LOCAL STREETS BUDGET SUMMARY AND FIVE YEAR FISCAL PLAN

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated
Revenue & Other Resources										
Operating Revenues										
Gas & Weight Tax	1,170,571	1,149,663	1,149,663	1,149,663	1,182,517	1,478,586	1,580,986	1,703,313	1,843,588	2,055,953
Interest	1,571	2,000	2,000	2,000	2,000	10,000	10,000	10,000	10,000	10,000
Bond Discount	-	-	-	-	-	10,000	10,000	10,000	10,000	10,000
Other	314,435	248,591	1,428,433	1,300,945	192,151	5,000	5,000	5,000	5,000	5,000
Total Operating Revenue	1,486,577	1,400,254	2,580,096	2,452,608	1,376,668	1,503,586	1,605,986	1,728,313	1,868,588	2,080,953
Other Resources										
Transfer From Major Streets	200,004	900,000	900,000	900,000	1,000,000	1,350,000	1,525,000	1,775,000	2,075,000	2,200,000
Transfer From General Fund	455,000	380,000	230,000	-	-	-	-	-	-	-
Transfer From Insurance Fund	-	-	-	-	-	-	-	-	-	-
Total Other Resources	655,004	1,280,000	1,130,000	900,000	1,000,000	1,350,000	1,525,000	1,775,000	2,075,000	2,200,000
Total Revenue and Other Sources	2,141,581	2,680,254	3,710,096	3,352,608	2,376,668	2,853,586	3,130,986	3,503,313	3,943,588	4,280,953
Expenditures										
Operations & Maintenance	1,614,969	1,726,969	1,733,895	1,866,682	1,789,888	1,802,436	1,820,461	1,838,665	1,857,052	1,875,622
Existing Debt Service	844,773	698,684	698,684	698,684	638,752	680,292	605,045	604,714	605,340	514,606
Proposed New Debt Service	-	-	-	-	41,667	125,000	208,333	270,833	312,500	333,333
OPEB Debt Service + Contribution	-	91,259	1,184,850	1,184,850	108,138	108,138	108,138	108,138	108,138	108,138
Total Debt Service & Operations	2,459,742	2,516,912	3,617,429	3,750,216	2,578,445	2,715,867	2,741,977	2,822,350	2,883,030	2,831,700
Transfers										
Transfer to Pension Fund (ERI Payback)	-	-	-	-	-	-	-	-	-	-
Total Expenditure & Transfers	2,459,742	2,516,912	3,617,429	3,750,216	2,578,445	2,715,867	2,741,977	2,822,350	2,883,030	2,831,700
Available for Construction	(318,161)	163,342	92,667	(397,608)	(201,777)	137,720	389,009	680,963	1,060,557	1,449,254
Other Resources for Capital										
Local and Other Contributions	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	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	1,000,000	1,000,000	1,000,000	1,000,000	750,000	500,000	250,000	-
Capital Expenditures										
Construction	874,528	1,000,000	1,210,419	1,210,419	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Surplus / (Deficit)	(192,689)	163,342	(117,752)	(608,027)	(201,777)	137,720	139,009	180,963	310,557	449,254
Beginning Fund Balance	1,167,583	974,894	974,894	974,894	366,867	165,090	302,809	441,818	622,780	933,338
Ending Fund Balance	974,894	1,138,236	857,142	366,867	165,090	302,809	441,818	622,780	933,338	1,382,591

THE CITY OF



Kalamazoo

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
GENERAL FUND**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
REVENUES:							
Operating Taxes- Current Year	27,708,709	27,504,764	27,504,764	28,771,252	28,656,467	4.19%	29,351,685
Other Taxes / PILOT Payment	1,880,085	1,972,102	1,972,102	1,851,772	1,888,281	-4.25%	1,916,605
Licenses, Permits & Fees	2,183,405	2,084,899	2,084,899	2,183,287	2,220,640	6.51%	2,253,950
Intergovernmental Contributions	9,487,305	9,555,400	9,555,400	9,609,364	9,620,633	0.68%	9,716,839
Charges for Services	8,479,234	9,394,346	9,394,346	9,130,881	9,434,251	0.42%	9,622,936
Interest	149,828	185,500	185,500	141,375	182,108	-1.83%	183,929
Fines & Forfeitures	454,292	523,300	523,300	469,893	486,800	-6.97%	496,536
Other Revenue	758,200	587,619	616,438	801,116	468,452	-20.28%	577,821
TOTAL OPERATING REVENUE	51,101,058	51,807,930	51,836,749	52,958,940	52,957,632	2.22%	54,120,301
EXPENDITURES:							
CITY COMMISSION							
Personnel	58,609	56,516	56,516	56,519	56,519	0.01%	56,516
Operating	15,855	17,189	17,189	16,010	17,189	0.00%	17,189
TOTAL CITY COMMISSION	74,464	73,705	73,705	72,529	73,708	0.00%	73,705
CITY ADMINISTRATION							
Personnel	672,130	595,796	595,796	661,714	752,535	26.31%	753,379
Operating	86,372	125,738	125,738	103,996	107,912	-14.18%	107,912
TOTAL CITY ADMINISTRATION	758,502	721,534	721,534	765,710	860,447	19.25%	861,291
CITY ATTORNEY							
Personnel	641,510	544,350	544,350	559,556	558,355	2.57%	559,463
Operating	67,614	90,631	90,631	101,293	90,915	0.31%	90,915
TOTAL CITY ATTORNEY	709,124	634,981	634,981	660,849	649,270	2.25%	650,378
CITY CLERK:							
ADMINISTRATION							
Personnel	208,478	157,343	157,343	157,516	131,050	-16.71%	126,318
Operating	26,935	36,023	36,023	30,703	32,525	-9.71%	32,525
TOTAL ADMINISTRATION	235,413	193,366	193,366	188,219	163,575	-15.41%	158,843
ELECTIONS							
Personnel	160,541	110,570	136,851	140,029	233,917	111.56%	114,114
Operating	51,927	36,677	36,677	44,235	69,765	90.21%	44,235
TOTAL ELECTIONS	212,468	147,247	173,528	184,264	303,682	106.24%	158,349
RECORDS MANAGEMENT							
Personnel	70,399	70,879	70,879	38,355	85,104	20.07%	86,684
Operating	59,977	68,938	58,064	61,505	70,112	1.70%	70,112
Capital	-	-	10,874	10,899	-		-
TOTAL RECORDS MANAGEMENT	130,376	139,817	139,817	110,759	155,216	11.01%	156,796
TOTAL CITY CLERK	578,257	480,430	506,711	483,242	622,473	29.57%	473,988
INTERNAL AUDITOR							
Personnel	94,288	83,497	83,497	83,592	84,411	1.09%	84,647
Operating	1,005	1,546	1,546	1,430	1,546	0.00%	1,546
TOTAL INTERNAL AUDITOR	95,293	85,043	85,043	85,022	85,957	1.07%	86,193
HUMAN RESOURCES							
Personnel	684,782	594,333	594,333	500,052	607,018	2.13%	608,822
Operating	37,527	51,364	51,364	68,785	65,010	26.57%	65,010
TOTAL HUMAN RESOURCES	722,309	645,697	645,697	568,837	672,028	4.08%	673,832

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
GENERAL FUND**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
INFORMATION TECHNOLOGY							
Personnel	615,563	529,695	529,695	515,302	529,365	-0.06%	531,448
Operating	397,377	496,524	503,791	475,446	512,088	3.13%	517,721
Capital	210,174	138,000	156,573	159,500	143,000	3.62%	143,000
TOTAL INFORMATION TECHNOLOGY	1,223,114	1,164,219	1,190,059	1,150,248	1,184,453	1.74%	1,192,169
MANAGEMENT SERVICES							
ADMINISTRATION							
Personnel	796,580	934,316	934,316	934,983	180,986	0.00%	181,433
Operating	40,935	49,903	55,303	50,280	27,254	0.00%	27,254
Capital	342	-	4,750	6,500	-	0.00%	-
TOTAL ADMINISTRATION	837,857	984,219	994,369	991,763	208,240	-	208,687
BUDGET AND ACCOUNTING							
Personnel	-	-	-	-	424,653	0.00%	429,868
Operating	-	-	-	-	12,535	0.00%	12,535
TOTAL BUDGET AND ACCOUNTING	-	-	-	-	437,188	-	442,403
FINANCIAL SERVICES							
Personnel	-	-	-	-	416,646	0.00%	421,252
Operating	-	-	-	-	12,748	0.00%	12,748
TOTAL FINANCIAL SERVICES	-	-	-	-	429,394	-	434,000
ASSESSOR							
Personnel	83,464	40,939	40,939	40,985	41,410	1.15%	41,552
Operating	404,484	431,817	431,817	431,817	437,124	1.23%	437,124
Capital	-	-	-	-	-	-	-
TOTAL ASSESSOR	487,948	472,756	472,756	472,802	478,534	1.22%	478,676
TREASURY							
Personnel	370,577	724,789	741,439	740,978	772,986	6.65%	786,640
Operating	111,907	402,055	402,690	439,667	345,555	-14.05%	345,555
TOTAL TREASURER	482,484	1,126,844	1,146,725	1,180,645	1,121,041	-0.51%	1,134,695
PURCHASING							
Personnel	281,834	251,944	251,944	254,723	204,410	-18.87%	208,829
Operating	21,641	20,703	20,703	19,215	21,452	3.62%	21,452
TOTAL PURCHASING	303,475	272,647	272,647	273,938	225,862	-17.16%	230,281
TOTAL MANAGEMENT SERVICES	2,111,764	2,856,466	2,886,497	2,919,148	2,900,259	1.53%	2,928,741
PUBLIC SAFETY							
ADMINISTRATION							
Personnel	920,281	823,902	823,902	820,195	698,928	-15.17%	702,307
Operating	128,967	116,763	123,358	119,719	299,300	156.33%	299,300
TOTAL ADMINISTRATION	1,049,248	940,665	947,260	939,914	998,228	6.12%	1,001,607
PUBLIC SAFETY CONTRACTS							
Personnel	-	755,873	755,873	677,225	687,258	-9.08%	703,491
Operating	-	-	-	-	-	-	-
TOTAL PUBLIC SAFETY CONTRACTS	-	755,873	755,873	677,225	687,258	-9.08%	703,491
COPS - FORMERLY KVET							
Personnel	1,911,472	1,717,358	1,717,358	1,575,816	1,678,201	-2.28%	1,788,671
Operating	68	-	-	-	-	-	-
TOTAL COPS	1,911,540	1,717,358	1,717,358	1,575,816	1,678,201	-2.28%	1,788,671
OPERATIONS DIVISION							
Personnel	17,920,536	15,679,702	15,679,702	15,758,895	15,649,937	-0.19%	15,987,284
Operating	43,376	43,685	43,685	44,685	42,185	-3.43%	42,185
TOTAL OPERATIONS	17,963,912	15,723,387	15,723,387	15,803,580	15,692,122	-0.20%	16,029,469
CRIMINAL INVESTIGATIONS							
Personnel	3,512,305	2,953,686	2,953,686	2,937,763	2,974,476	0.70%	3,015,033
Operating	38,635	45,721	45,721	45,952	43,406	-5.06%	43,406
TOTAL CRIMINAL INVESTIGATIONS	3,550,940	2,999,407	2,999,407	2,983,715	3,017,882	0.62%	3,058,439

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
GENERAL FUND**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
SERVICE DIVISION							
Personnel	3,993,393	3,478,226	3,478,226	3,524,029	3,601,639	3.55%	3,641,712
Operating	2,000,650	2,426,840	2,426,840	2,449,167	2,445,027	0.75%	2,445,027
Capital	127,060	439,850	439,850	403,553	543,000	23.45%	543,000
TOTAL SERVICE	6,121,103	6,344,916	6,344,916	6,376,749	6,589,666	3.86%	6,629,739
TOTAL PUBLIC SAFETY	30,596,743	28,481,606	28,488,201	28,356,999	28,663,357	0.64%	29,211,414
PUBLIC SERVICES							
CITY MAINTENANCE							
Personnel	428,314	317,270	317,270	317,865	322,791	1.74%	325,846
Operating	393,008	372,945	372,945	398,735	437,529	17.32%	437,529
Capital	-	-	-	-	223,135	0.00%	162,322
TOTAL CITY WIDE MAINTENANCE	821,322	690,215	690,215	716,600	983,455	42.49%	925,697
ENGINEERING							
Personnel	1,037,570	976,929	976,929	1,002,020	1,051,450	7.63%	1,064,088
Operating	162,038	139,020	139,020	137,547	134,087	-3.55%	134,087
TOTAL ENGINEERING	1,199,608	1,115,949	1,115,949	1,139,567	1,185,537	6.24%	1,198,175
CITY EQUIPMENT							
Personnel	793,159	652,609	652,609	655,823	668,828	2.49%	673,936
Operating	1,717,385	1,687,059	1,687,059	1,525,810	1,637,187	-2.96%	1,637,187
Capital	75,113	-	-	-	78,500		78,500
TOTAL CITY EQUIPMENT	2,585,657	2,339,668	2,339,668	2,181,633	2,384,515	1.92%	2,389,623
PUBLIC WORKS							
FORESTRY							
Personnel	268,039	212,890	212,890	231,331	235,046	10.41%	236,838
Operating	21,924	37,186	37,186	37,916	37,265	0.21%	37,265
TOTAL FORESTRY	289,963	250,076	250,076	269,247	272,311	8.89%	274,103
DOWNTOWN MAINTENANCE							
Personnel	85,389	101,920	101,920	107,946	110,374	8.29%	111,620
Operating	332,361	245,893	245,893	256,273	266,628	8.43%	266,628
TOTAL DOWNTOWN MAINTENANCE	417,750	347,813	347,813	364,219	377,002	8.39%	378,248
ENVIRONMENTAL INSPECTIONS							
Personnel	82,686	2,831	2,831	2,847	2,891	2.12%	2,936
Operating	95,119	140,074	140,074	169,968	172,376	23.06%	172,376
Capital	-	-	-	-	-	0.00%	-
TOTAL ENVIRONMENTAL INSPECTIONS	177,805	142,905	142,905	172,815	175,267	22.65%	175,312
SIDEWALKS							
Personnel	80,267	300,753	300,753	112,831	116,720	-61.19%	118,070
Operating	19,564	19,978	19,978	20,072	19,386	-2.96%	19,386
TOTAL SIDEWALKS	99,831	320,731	320,731	132,903	136,106	-57.56%	137,456
TOTAL PUBLIC WORKS	985,349	1,061,525	1,061,525	939,184	960,686	-9.50%	965,119
TOTAL PUBLIC SERVICES	5,591,935	5,207,357	5,207,357	4,976,984	5,514,193	5.89%	5,478,615
COMMUNITY PLANNING AND DEVELOPMENT							
CODE ADMINISTRATION							
HOUSING							
Personnel	672,432	518,170	518,170	509,275	547,594	5.68%	557,883
Operating	78,328	96,721	96,721	78,428	82,410	-14.80%	82,410
Capital	-	4,288	4,288	17,279	18,475	330.85%	18,475
TOTAL HOUSING	750,760	619,179	619,179	604,982	648,479	4.73%	658,768
TRADES							
Personnel	384,850	484,319	484,319	351,606	458,753	-5.28%	469,804
Operating	124,412	72,474	72,474	184,711	80,934	11.67%	80,934
Capital	-	-	-	17,769	2,391		2,391
TOTAL TRADES	509,262	556,793	556,793	554,086	542,078	-2.64%	553,129
TOTAL CODE ADMINISTRATION	1,260,022	1,175,972	1,175,972	1,159,068	1,190,557	1.24%	1,211,897

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
GENERAL FUND**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
PLANNING							
Personnel	215,154	247,034	247,034	247,088	249,507	1.00%	250,248
Operating	32,774	61,763	61,763	60,633	66,148	7.10%	66,148
TOTAL PLANNING	247,928	308,797	308,797	307,721	315,655	2.22%	316,396
TOTAL COMMUNITY PLANNING AND DEVELOPMENT	1,507,950	1,484,769	1,484,769	1,466,789	1,506,212	1.44%	1,528,292
ECONOMIC DEVELOPMENT							
Personnel	146,605	9,429	9,429	9,439	75,666	702.48%	156,976
Operating	89,491	95,981	95,981	93,854	29,874	-68.88%	29,874
TOTAL ECONOMIC DEVELOPMENT	236,096	105,410	105,410	103,293	105,540	0.12%	186,850
PARKS AND RECREATION							
PARKS							
GENERAL PARKS							
Personnel	629,046	448,064	448,064	470,859	507,314	13.22%	512,104
Operating	221,668	247,314	247,314	252,275	242,890	-1.79%	242,890
Capital	-	-	8,230	8,230	-		-
TOTAL GENERAL PARKS	850,714	695,378	703,608	731,364	750,204	7.88%	754,994
BRONSON PARK MAINTENANCE							
Personnel	30,221	94,360	94,360	37,637	38,882	-58.79%	39,307
Operating	29,141	27,727	27,727	28,865	26,808	-3.31%	26,808
Capital	-	-	-	-	-		-
TOTAL BRONSON PARK	59,362	122,087	122,087	66,502	65,690	-46.19%	66,115
TOTAL PARKS	910,076	817,465	825,695	797,866	815,894	-0.19%	821,109
RECREATION							
GENERAL RECREATION							
Personnel	511,917	487,816	487,816	468,259	528,158	8.27%	546,603
Operating	187,967	209,136	209,136	242,518	256,468	22.63%	256,468
TOTAL GENERAL RECREATION	699,884	696,952	696,952	710,777	784,626	12.58%	803,071
RECREATION ADULT SPORTS							
Personnel	22,998	18,129	18,129	28,033	22,443	23.80%	22,561
Operating	59,296	64,349	64,349	59,564	24,780	-61.49%	24,780
Capital	-	-	-	-	-		-
TOTAL ADULT SPORTS	82,294	82,478	82,478	87,597	47,223	-42.74%	47,341
INTERGENERATIONAL AND INCLUSIVE SERVICE							
Personnel	3,767	5,690	5,690	4,691	5,816	2.21%	5,830
Operating	3,689	4,150	4,150	1,398	4,150	0.00%	4,150
TOTAL INTERGENERATIONAL AND INCLUSIVE SERVICE	7,456	9,840	9,840	6,089	9,966	1.28%	9,980
RECREATION / SPORTS COMPLEX							
Personnel	82,563	88,230	88,230	88,763	88,734	0.57%	89,219
Operating	101,327	83,814	83,814	82,420	77,674	-7.33%	77,674
Capital	-	-	20,589	20,589	-		-
TOTAL SPORTS COMPLEX	183,890	172,044	192,633	191,772	166,408	-3.28%	166,893
TOTAL RECREATION	973,524	961,314	981,903	996,235	1,008,223	4.88%	1,027,283
TOTAL PARKS & RECREATION	1,883,600	1,778,779	1,807,598	1,794,101	1,824,117	2.55%	1,848,392

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
GENERAL FUND**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
GENERAL :							
NON-DEPARTMENTAL EXPENDITURES							
TOTAL STREET LIGHTING	1,235,561	1,273,080	1,273,080	1,255,561	1,260,273	-1.01%	1,260,273
MEMBERSHIP DUES							
County Chamber of Commerce	499	500	500	500	500	0.00%	500
Michigan Municipal League	15,377	15,747	15,747	15,747	15,747	0.00%	15,747
National League of Cities	5,952	5,952	5,952	5,952	5,952	0.00%	5,952
TOTAL MEMBERSHIP DUES	21,828	22,199	22,199	22,199	22,199	0.00%	22,199
CONTRACTUAL							
Cable Franchise Fee - CAC	266,028	260,000	260,000	265,000	265,000	1.92%	265,000
Auto Park - Parking Enforcement	47,432	58,883	58,883	55,000	60,000	1.90%	60,000
District Court Subsidy	149,261	138,174	138,174	143,593	143,174	3.62%	143,174
General Insurance	31,428	33,863	33,863	33,863	33,863	0.00%	33,863
TOTAL CONTRACTUAL	494,149	490,920	490,920	497,456	502,037	2.26%	502,037
OUTSIDE CONTRACTUAL							
External Auditor	52,850	54,200	54,200	54,200	58,000	7.01%	58,000
Financial Advisors	29,753	30,000	30,000	30,000	30,000	0.00%	30,000
Other	70,850	35,000	35,000	160,201	67,250	92.14%	67,250
TOTAL OUTSIDE CONTRACTUAL	153,453	119,200	119,200	244,401	155,250	30.24%	155,250
GENERAL SERVICE							
Salary Reserve	-	-	-	-	130,000	0.00%	130,000
TANS/CIP Debt Issuance Expense	102,711	61,500	61,500	58,784	61,500	0.00%	61,500
OPEB Bond Debt Issuance Expense	-	-	391,019	347,856	-	0.00%	-
Stockbridge Rental Fee	124,716	107,702	107,702	107,702	109,331	1.51%	112,611
Other	787	1,670	1,670	271	285	-82.93%	-
TOTAL GENERAL SERVICE	228,214	170,872	561,891	514,613	301,116	76.22%	304,111
TOTAL NON-DEPARTMENTAL	2,133,205	2,076,271	2,467,290	2,534,230	2,240,875	7.93%	2,243,870
TOTAL OPERATING BUDGET	48,222,356	45,796,267	46,304,852	45,937,981	46,902,889	2.42%	47,437,731
INITIATIVES							
Summer Youth Employment	90,000	90,000	90,000	90,000	90,000	0.00%	90,000
Neighborhood Association Funding	198,810	215,000	215,000	215,000	215,000	0.00%	215,000
City Commission Initiatives	-	-	-	4,658	5,000	-	-
Contribution to Housing Trust Fund	-	-	50,000	50,000	-	-	-
Contribution to Communities in Schools	25,000	25,000	25,000	25,000	25,000	0.00%	25,000
TOTAL INITIATIVES	313,810	330,000	380,000	384,658	335,000	1.52%	330,000
TOTAL OPERATING & INITIATIVES	48,536,166	46,126,267	46,684,852	46,322,639	47,237,889	2.41%	47,767,731
Expenditure Reductions	-	-	-	-	-	-	(1,950,000)
TRANSFERS OUT							
Contribution to CIP Fund	2,280,000	2,000,000	2,100,000	2,100,000	2,100,000	5.00%	2,100,000
Local Streets	455,000	380,000	230,000	-	-	-100.00%	-
TOTAL CIP CONTRIBUTION	2,735,000	2,380,000	2,330,000	2,100,000	2,100,000	-11.76%	2,100,000

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
GENERAL FUND**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
OPEB EXPENSE							
Contributions to OPEB Trust	-	-	-	-	2,491,300		2,318,750
Debt Service OPEB Bonding	-	3,611,514	3,609,613	3,609,613	3,832,925		3,835,112
TOTAL OPEB EXPENSE	-	3,611,514	3,609,613	3,609,613	6,324,225		6,153,862
TOTAL GENERAL FUND EXPENDITURES							
	51,271,166	52,117,781	52,624,465	52,032,252	55,662,114	6.80%	54,071,593
NET REVENUES - EXPENDITURES							
	(170,108)	(309,851)	(787,716)	926,688	(2,704,482)	773%	48,708
Net Proceeds from OPEB Bonds							
	-	-	391,018	391,018	-		-
Elimination of Non-GAAP Fund Balance							
	-	-	-	-	(1,000,000)	0.00%	(1,300,000)
Transfer from Other Funds							
	2,313,257	636,855	636,855	525,589	650,000	2.06%	-
BEGINNING UNRESERVED FUND BALANCE							
	7,352,671	9,495,820	9,495,820	9,495,820	11,339,115	19.41%	8,284,633
(USE OF WORKING CAPITAL) OR TRANSFER TO SURPLUS							
	2,143,149	327,004	240,157	1,843,295	(3,054,482)	-1034.08%	(1,251,292)
ENDING UNRESERVED FUND BALANCE							
	9,495,820	9,822,824	9,735,977	11,339,115	8,284,633	-15.66%	7,033,341
Target Fund Balance							
	6,643,138	6,735,031	6,738,777	6,884,662	6,884,492	2.22%	7,035,639
Over / (Under) Target Fund Balance							
	2,852,682	3,087,793	2,997,200	4,454,453	1,400,141		(2,299)
Fund Balance Percentage of Revenue							
	18.6%	19.0%	18.8%	21.4%	15.6%		13.0%
Ending Budget Stabilization Reserves							
	-	-	-	-	-		-
Ending Capital Reserve							
	350,000	350,000	350,000	350,000	350,000		350,000

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CAPITAL IMPROVEMENT FUND**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
RESOURCES							
Transfer From General Fund	2,280,000	2,000,000	2,100,000	2,100,000	2,100,000	5.0%	2,100,000
Interest	1,789	50,000	50,000	2,000	5,000	-90.0%	5,000
Reimbursements - Various Sources	572,218	550,000	550,000	550,000	550,000	0.0%	550,000
Federal Grants	14,500	-	4,500	4,500	-		-
State Grants	-	725,000	1,088,200	1,088,200	200,000	-72.4%	300,000
Bond Proceeds	1,155,000	1,946,700	2,100,000	2,100,000	1,950,250	0.2%	3,652,515
Private / Local Contributions	199,010	810,000	959,211	959,211	2,653,000	227.5%	2,191,500
TOTAL RESOURCES	4,222,517	6,081,700	6,851,911	6,803,911	7,458,250	22.6%	8,799,015
EXPENDITURES							
Debt Service	2,924,100	2,557,204	2,557,204	2,376,026	2,766,270	8.2%	2,938,640
Park Improvements	76,431	2,185,000	1,216,793	1,216,793	3,310,000	51.5%	2,685,000
Facilities	560,247	81,700	585,137	585,137	200,000	144.8%	2,454,765
Public Safety Equipment	383,571	500,000	577,518	577,518	378,000	-24.4%	124,000
Other Projects	493,802	715,000	2,611,648	2,611,648	915,250	28.0%	880,250
TOTAL CAPITAL IMPROVEMENT	4,438,152	6,038,904	7,548,300	7,367,122	7,569,520	25.3%	9,082,654
(Use of) Addition to Working Capital	(215,635)	42,796	(696,389)	(563,211)	(111,270)	-360.0%	(283,640)
BEGINNING FUND BALANCE	1,250,278	1,034,643	1,034,643	1,034,643	471,432	-54.44%	360,162
ENDING FUND BALANCE	1,034,643	1,077,439	338,254	471,432	360,162	-66.57%	76,522

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
SPECIAL REVENUE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
MAJOR STREETS							
Operating							
RESOURCES							
Highway Maintenance	220,697	250,000	250,000	250,000	250,000	0.00%	250,000
Gas and Weight Tax	4,144,079	4,069,790	4,069,790	4,069,790	4,187,394	2.89%	5,235,800
Other State Revenue (Metro Act)	717,007	371,324	455,324	503,467	447,187	20.43%	450,000
Interest	3,882	5,000	5,000	5,000	5,000	0.00%	5,000
Other	2,009	5,000	1,223,797	1,226,428	10,000	100.00%	10,000
Transfer from Insurance Fund	-	-	-	-	-	-	-
Use of (Contribution to) Working Capital	(106,542)	514,635	407,435	533,894	501,872	-2.48%	(16,257)
TOTAL RESOURCES	4,981,132	5,215,749	6,411,346	6,588,579	5,401,453	3.56%	5,934,543
EXPENDITURES							
Personnel	856,868	663,433	663,433	843,314	862,303	29.98%	930,318
Operating	1,842,637	1,840,509	1,847,994	1,845,346	1,740,746	-5.42%	1,740,746
Debt Service	2,081,623	1,719,517	1,719,517	1,719,517	1,681,642	-2.20%	1,796,658
Debt Service - OPEB Bonding	-	92,290	69,089	69,089	73,362	0.00%	73,420
Contribution OPEB Trust	-	-	1,211,313	1,211,313	43,400	0.00%	43,400
Transfer to Local Streets	200,004	900,000	900,000	900,000	1,000,000	11.11%	1,350,000
TOTAL MAJOR STREETS OPERATING	4,981,132	5,215,749	6,411,346	6,588,579	5,401,453	3.56%	5,934,543
CAPITAL							
RESOURCES							
Federal Aid	-	1,381,000	1,381,000	1,381,000	2,774,000	100.87%	2,274,000
Local and Other Contributions	-	-	-	-	1,281,000	0.00%	-
Contribution from Bond Proceeds	2,000,000	1,829,000	1,703,500	1,829,000	2,000,000	9.35%	2,000,000
Use of (Contribution to) Working Capital	(347,566)	-	1,987,217	1,814,201	(49,834)	-	-
TOTAL RESOURCES	1,652,434	3,210,000	5,071,717	5,024,201	6,005,166	87.08%	4,274,000
STREET CONSTRUCTION							
Personnel	17,478	42,100	42,100	42,100	42,429	0.78%	42,100
Materials and Services	1,599,682	3,167,900	4,982,101	4,982,101	5,962,737	88.22%	4,231,900
Capital	35,274	-	47,516	-	-	-	-
TOTAL STREET CONSTRUCTION	1,652,434	3,210,000	5,071,717	5,024,201	6,005,166	87.08%	4,274,000
TOTAL MAJOR STREETS	6,633,566	8,425,749	11,483,063	11,612,780	11,406,619	35.38%	10,208,543
LOCAL STREETS							
Operating							
RESOURCES							
Gas and Weight Taxes	1,170,571	1,149,663	1,149,663	1,149,663	1,182,517	2.86%	1,478,586
Interest	1,571	2,000	2,000	2,000	2,000	0.00%	10,000
Bond Financing	-	-	-	-	-	0.00%	10,000
Other	314,435	248,591	1,428,433	1,300,945	192,151	-22.70%	5,000
Transfer from Major Streets	200,004	900,000	900,000	900,000	1,000,000	11.11%	1,350,000
Transfer from General Fund	455,000	380,000	230,000	-	-	-100.00%	-
Transfer from Insurance Fund	-	-	-	-	-	-	-
Use of (Contribution to) Working Capital	318,161	(163,342)	(92,667)	397,608	201,777	-223.53%	(137,720)
TOTAL RESOURCES	2,459,742	2,516,912	3,617,429	3,750,216	2,578,445	2.44%	2,715,867
EXPENDITURES							
Personnel	623,209	585,359	585,359	674,547	691,118	18.07%	703,666
Operating	991,760	1,141,610	1,148,536	1,192,135	1,098,770	-3.75%	1,098,770
Debt Service	844,773	698,684	698,684	698,684	680,419	-2.61%	805,292
Debt Service - OPEB Bonding	-	91,259	63,933	63,933	67,888	0.00%	67,888
Contribution OPEB Trust	-	-	1,120,917	1,120,917	40,250	0.00%	40,250
Transfer to Pension Fund (ERI payback)	-	-	-	-	-	0.00%	-
TOTAL LOCAL STREETS OPERATING	2,459,742	2,516,912	3,617,429	3,750,216	2,578,445	2.44%	2,715,867

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
SPECIAL REVENUE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
LOCAL STREETS, continued							
CAPITAL							
RESOURCES							
Local and Other Contributions	-	-	-	-	-		-
Bond Proceeds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0.00%	1,000,000
Transfer from Other Funds	-	-	-	-	-		-
Use of (Contribution to) Working Capital	(125,472)	-	210,419	210,419	-		-
TOTAL RESOURCES	874,528	1,000,000	1,210,419	1,210,419	1,000,000	0.00%	1,000,000
STREET CONSTRUCTION							
Personnel	36,053	42,100	42,100	42,100	42,429	0.78%	45,000
Supplies and Services	838,475	957,900	1,168,319	1,168,319	957,571	-0.03%	955,000
TOTAL STREET CONSTRUCTION	874,528	1,000,000	1,210,419	1,210,419	1,000,000	0.00%	1,000,000
TOTAL LOCAL STREETS	3,334,270	3,516,912	4,827,848	4,960,635	3,578,445	1.75%	3,715,867
CEMETERIES							
RESOURCES							
Lot and Burial Sales	124,162	130,350	130,350	130,350	130,350	0.00%	130,350
Foundations	26,330	21,000	21,000	21,000	21,000	0.00%	21,000
Interest	304	-	-	-	-	0.00%	-
Transfer from Cemetery Trust / Capital	188,517	303,840	440,554	303,840	314,407	3.48%	314,407
Use of (Contribution to) Working Capital	9,964	56,617	56,617	56,047	46,054	-18.66%	46,561
TOTAL RESOURCES	349,277	511,807	648,521	511,237	511,811	0.00%	512,318
EXPENDITURES							
Personnel	32,267	28,272	28,272	28,442	28,853	2.06%	29,360
Operating	308,493	303,535	303,535	322,795	323,958	6.73%	323,958
Capital	8,517	180,000	316,714	160,000	159,000	-11.67%	159,000
Transfer to Pension Fund (ERI payback)	-	-	-	-	-	0.00%	-
TOTAL CEMETERIES	349,277	511,807	648,521	511,237	511,811	0.00%	512,318
SOLID WASTE							
RESOURCES							
Taxes - Current and Prior Years	2,237,692	2,210,378	2,210,378	2,276,682	2,721,150	23.11%	2,757,790
Interest	632	10,000	10,000	5,000	5,000	-50.00%	5,000
Other	-	-	1,355,230	1,355,230	41,300	0.00%	41,300
Use of (Contribution to) Working Capital	290,088	302,918	334,885	444,809	(128,518)	-142.43%	(86,174)
TOTAL RESOURCES	2,528,412	2,523,296	3,910,493	4,081,721	2,638,932	4.58%	2,717,916
EXPENDITURES							
Personnel	690,477	577,260	577,260	623,604	665,233	15.24%	716,104
Operating	1,837,935	1,901,180	1,909,503	2,034,387	1,843,825	-3.02%	1,871,938
Debt Service - OPEB Bonding	-	44,856	76,822	76,822	81,574	0.00%	81,574
Contribution OPEB Trust	-	-	1,346,908	1,346,908	48,300	0.00%	48,300
Transfer to Pension Fund (ERI payback)	-	-	-	-	-	0.00%	-
TOTAL SOLID WASTE	2,528,412	2,523,296	3,910,493	4,081,721	2,638,932	4.58%	2,717,916
BLIGHT ABATEMENT							
RESOURCES							
Charges for Services	18,586	-	-	-	-		-
Other	66	-	-	-	-		-
Transfer from General Fund	-	-	-	-	-		-
Use of (Contribution to) Working Capital	20,756	-	-	-	-		-
TOTAL RESOURCES	39,408	-	-	-	-		-
EXPENDITURES							
Operating	39,408	-	-	-	-		-
Capital	-	-	-	-	-		-
TOTAL BLIGHT ABATEMENT	39,408	-	-	-	-		-

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
SPECIAL REVENUE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
BROWNFIELD LOCAL SITE REM REVOLVING							
RESOURCES							
Tax Capture	739,177	810,800	810,800	678,011	722,979	-10.83%	720,000
Interest on Investments	776	400	400	400	400	0.00%	10,000
Transfer from EOF	-	-	-	-	101,389	0.00%	-
Use of (Contribution to) Working Capital	(408,617)	164,100	164,100	(335,036)	1,425,607	768.74%	(181,000)
TOTAL RESOURCES	331,336	975,300	975,300	343,375	2,250,375	130.74%	549,000
EXPENDITURES							
Operating	331,336	975,300	975,300	343,375	969,375	-0.61%	549,000
Transfers to Other Funds	-	-	-	-	1,281,000		-
TOTAL LOCAL SITE REM REVOLVING	331,336	975,300	975,300	343,375	2,250,375	130.74%	549,000
ECONOMIC INITIATIVE							
RESOURCES							
Principal on Loans	-	300,000	300,000	161,672	165,000	-45.00%	110,000
Interest on Loans	40,713	40,156	40,156	40,156	40,200	0.11%	50,000
Interest on Investments	1,327	500	500	500	500	0.00%	10,000
Use of (Contribution to) Working Capital	(42,040)	39,656	829,656	892,984	874,612	2105.50%	5,000
TOTAL RESOURCES	-	380,312	1,170,312	1,095,312	1,080,312	184.06%	175,000
EXPENDITURES							
Operating	-	350,000	350,000	275,000	250,000	-28.57%	175,000
Transfers to Other Funds	-	30,312	820,312	820,312	830,312	0.00%	-
TOTAL ECONOMIC INITIATIVE	-	380,312	1,170,312	1,095,312	1,080,312	184.06%	175,000
ECONOMIC OPPORTUNITY							
RESOURCES							
Interest on Investments	96	300	300	300	300	0.00%	-
Use of (Contribution to) Working Capital	(96)	100,876	460,876	359,700	101,089	0.21%	-
TOTAL RESOURCES	-	101,176	461,176	360,000	101,389	0.21%	-
EXPENDITURES							
Operating	-	101,176	461,176	360,000	-	-100.00%	-
Transfers to Other Funds	-	-	-	-	101,389		-
TOTAL ECONOMIC OPPORTUNITY	-	101,176	461,176	360,000	101,389	0.21%	-
FAÇADE IMPROVEMENT PROGRAM							
RESOURCES							
Other	-	-	-	-	-		-
Transfer from Other Funds	-	-	-	39,509	-		-
Use of (Contribution to) Working Capital	156,361	-	40,413	904	-		-
TOTAL RESOURCES	156,361	-	40,413	40,413	-		-
EXPENDITURES							
Operating	156,361	-	40,413	40,413	-		-
TOTAL FAÇADE IMPROVEMENT PROGRAM	156,361	-	40,413	40,413	-		-

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
SPECIAL REVENUE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
SMALL BUSINESS REVOLVING LOANS							
RESOURCES							
Principal on Loans	18,142	16,200	16,200	50,065	14,228	-12.17%	28,000
Interest from Loans	4,079	4,400	4,400	2,590	1,323	-69.93%	3,000
Use of (Contribution to) Working Capital	106,036	(20,600)	126,598	110,449	(14,228)	-30.93%	(31,000)
TOTAL RESOURCES	128,257	-	147,198	163,104	1,323		-
EXPENDITURES							
Operating	-	-	-	-	-		-
Transfer to other CDBG programs	128,257	-	147,198	163,104	1,323	0.00%	-
TOTAL SMALL BUSINESS REVOLVING LOANS	128,257	-	147,198	163,104	1,323		-
PRIVATE PURPOSE TRUST AND DONATIONS							
RESOURCES							
Donations & Contributions	192,134	157,300	170,510	232,348	98,082	-37.65%	98,082
Interest on Investments	1,832	2,593	2,593	2,069	1,963	-24.30%	1,963
Transfers from Other Funds	-	-	-	-	-		-
Use of (Contribution to) Working Capital	(35,046)	(3,000)	18,532	(7,998)	62,662	-2188.73%	62,662
TOTAL RESOURCES	158,920	156,893	191,635	226,419	162,707	3.71%	162,707
EXPENDITURES							
PUBLIC SAFETY-							
Operating	47,088	62,598	84,130	77,673	62,598	0.00%	62,598
Capital	24,861	-	-	5,083	-	0.00%	-
TOTAL PUBLIC SAFETY	71,949	62,598	84,130	82,756	62,598	-	62,598
PARKS AND RECREATION-							
Personnel	14,032	-	-	4,094	-		-
Operating	59,351	64	13,274	18,248	64	0.00%	64
Capital	-	14	14	-	-	-100.00%	-
TOTAL PARKS AND RECREATION	73,383	78	13,288	22,342	64	(0)	64
COMMUNITY PLANNING & DEVELOPMENT -							
Personnel	-	-	-	-	-	0.00%	-
Operating	13,588	94,217	94,217	121,321	100,045	6.19%	100,045
TOTAL COMMUNITY PLANNING & DEVELOPME	13,588	94,217	94,217	121,321	100,045		100,045
TOTAL PRIVATE PURPOSE TRUST & DONATION	158,920	156,893	191,635	226,419	162,707	3.71%	162,707

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
SPECIAL REVENUE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
KVET DRUG ENFORCEMENT FORFEITURE							
RESOURCES							
KVET-Federal Forfeiture Justice Fund	345,333	23,000	23,000	20,000	20,000	-13.04%	20,000
Drug Forfeiture Revenue	155,952	210,000	210,000	210,000	210,000	0.00%	210,000
Drug Enforcement Task Force	30,899	20,000	20,000	20,000	20,000	0.00%	20,000
Clandestine Lab Program	9,994	-	-	1,545	1,600	0.00%	1,600
Interest on Investments	581	-	-	-	-	0.00%	-
Auction Sale and Sale of Assets	95,579	50,000	50,000	50,000	50,000	0.00%	50,000
Use of (Contribution to) Working Capital	415,174	55,030	55,030	78,699	61,734	12.18%	61,742
TOTAL RESOURCES	1,053,512	358,030	358,030	380,244	363,334	1.48%	363,342
EXPENDITURES							
Personnel	24,706	16,051	16,051	16,061	16,070	0.12%	16,078
Operating	805,416	292,479	292,479	288,861	274,764	-6.06%	274,764
Capital	223,390	49,500	49,500	75,322	72,500	46.46%	72,500
TOTAL KVET DRUG ENFORCEMENT	1,053,512	358,030	358,030	380,244	363,334	1.48%	363,342
PUBLIC SAFETY CONTRACTS							
RESOURCES							
Charges for Services	405,414	-	-	-	-	-	-
Use of (Contribution to) Working Capital	9,025	-	-	-	-	-	-
TOTAL RESOURCES	414,439	-	-	-	-	-	-
EXPENDITURES							
Personnel	414,439	-	-	-	-	-	-
TOTAL PUBLIC SAFETY CONTRACTS	414,439	-	-	-	-	-	-
COMMUNITY DEVELOPMENT GRANT ADMINISTRATION							
RESOURCES							
Federal Revenues	730,955	907,285	907,285	930,120	952,624	5.00%	947,344
Other	36,965	30,000	30,000	12,445	13,000	-56.67%	30,000
Transfer from Other Funds	28,517	-	-	-	-	-100.00%	-
Working Capital	-	-	-	(740)	(740)	0.00%	-
TOTAL RESOURCES	796,437	937,285	937,285	941,825	964,884	2.94%	977,344
EXPENDITURES							
Personnel	712,429	813,487	813,487	836,043	851,787	4.71%	867,344
Operating	84,008	123,798	123,798	105,782	113,097	-8.64%	110,000
Capital	-	-	-	-	-	0.00%	-
TOTAL COMMUNITY DEVELOPMENT GRANT ADMINISTRATION	796,437	937,285	937,285	941,825	964,884	2.94%	977,344
COMMUNITY DEVELOPMENT ENTITLEMENT GRANTS							
RESOURCES							
Federal Revenues	1,587,173	150,000	1,461,796	1,374,600	150,000	0.00%	150,000
Other	(93)	-	-	-	-	0.00%	-
Transfer from Other Funds	99,740	-	147,198	147,198	-	-100.00%	-
Working Capital	(407)	-	-	-	4	0.00%	-
TOTAL RESOURCES	1,686,413	150,000	1,608,994	1,521,798	150,004	0.00%	150,000
EXPENDITURES							
Personnel	148,127	150,000	132,311	281,511	150,004	0.00%	150,000
Operating	1,538,286	-	1,476,683	1,240,287	-	-100.00%	-
Transfer to Other Funds	-	-	-	-	-	0.00%	-
TOTAL COMMUNITY DEVELOPMENT ENTITLEMENT GRANTS	1,686,413	150,000	1,608,994	1,521,798	150,004	0.00%	150,000

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
SPECIAL REVENUE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
MISCELLANEOUS GRANTS							
RESOURCES							
Federal and State Grants	1,062,261	416,000	587,168	936,364	832,002	100.00%	416,000
Local Contributions	133,052	-	142,231	142,231	-	0.00%	-
Internal Contributions	96,618	-	90,000	90,000	-	0.00%	-
Working Capital	3	-	(1)	(38,902)	(3)	0.00%	-
TOTAL RESOURCES	1,291,934	416,000	819,398	1,129,693	831,999	0.00%	416,000
EXPENDITURES							
PUBLIC SAFETY-							
Personnel	697,735	416,000	415,997	520,002	831,999	0.00%	416,000
Operating	51,203	-	123,615	175,405	-	0.00%	-
Capital	98,711	-	12,596	11,846	-	0.00%	-
TOTAL PUBLIC SAFETY	847,649	416,000	552,208	707,253	831,999	0.00%	416,000
PARKS AND RECREATION-							
Personnel	19,726	-	32,565	32,989	-	0.00%	-
Operating	167,077	-	232,125	231,701	-	0.00%	-
Capital	-	-	-	-	-	0.00%	-
TOTAL PARKS AND RECREATION	186,803	-	264,690	264,690	-	0.00%	-
COMMUNITY DEVELOPMENT-							
Personnel	4,056	-	-	-	-	0.00%	-
Operating	253,426	-	2,500	157,750	-	0.00%	-
Capital	-	-	-	-	-	0.00%	-
TOTAL COMMUNITY DEVELOPMENT	257,482	-	2,500	157,750	-	0.00%	-
TOTAL GENERAL GOVERNMENT	-	-	-	-	-	-	-
TOTAL MISCELLANEOUS GRANTS	1,291,934	416,000	819,398	1,129,693	831,999	0.00%	416,000
TOTAL SPECIAL REVENUES	18,902,542	18,452,760	27,579,666	27,368,556	24,042,134	30.29%	19,948,037

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ENTERPRISE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
WASTEWATER							
RESOURCES							
Operational	20,758,448	22,479,096	22,479,096	22,480,613	22,480,313	0.01%	22,480,313
Interest	41,072	33,200	33,200	33,200	33,200	0.00%	33,200
Federal Subsidy - Interest on BAB	19,018	-	-	-	-		-
Other Income	(23,074)	3,000	9,998,955	9,998,992	3,000	0.00%	3,000
CIA - Capital	44,711	30,000	30,000	-	-	-100.00%	-
Transfer from Insurance Fund	-	-	-	-	-		-
Use of (Contribution to) Working Capital	4,930,073	2,230,383	2,874,506	2,291,688	3,565,713	59.87%	3,473,515
TOTAL RESOURCES	25,770,248	24,775,679	35,415,757	34,804,493	26,082,226	5.27%	25,990,028
EXPENDITURES							
Personnel	4,743,273	4,478,630	4,478,630	4,933,865	5,177,249	15.60%	5,164,993
Operating	15,483,850	15,941,097	16,002,479	14,946,955	15,787,615	-0.96%	15,787,615
Capital	3,144,000	1,865,000	3,452,647	3,441,672	3,176,542	70.32%	3,112,234
Debt Service	957,260	980,799	980,799	980,799	981,439	0.07%	965,330
Debt Service - OPEB Bonding	-	510,153	566,628	566,628	601,681	0.00%	602,155
Contribution OPEB Trust	1,000,000	1,000,000	9,934,574	9,934,574	357,700	0.00%	357,700
Transfer to Pension Fund (ERI payback)	441,865	-	-	-	-		-
TOTAL WASTEWATER	25,770,248	24,775,679	35,415,757	34,804,493	26,082,226	5.27%	25,990,028
WATER							
RESOURCES							
Operational	12,943,356	14,715,371	14,715,371	14,893,257	15,211,798	3.37%	15,211,798
Interest	15,160	5,000	5,000	5,000	5,000	0.00%	5,000
State Grants and Other State Revenue	31,759	-	-	-	-		-
Federal Subsidy - Interest on BAB	67,551	-	-	-	-		-
Other	33,001	-	9,191,669	9,169,417	10,248		10,248
Capital CIA	825,529	147,000	147,000	147,000	-	-100.00%	-
Transfer from Other Funds	-	50,000	50,000	-	-	-100.00%	-
Use of (Contribution to) Working Capital	4,232,419	4,820,415	5,422,343	3,829,972	5,232,714	8.55%	5,531,650
TOTAL RESOURCES	18,148,775	19,737,786	29,531,383	28,044,646	20,459,760	3.66%	20,758,696
EXPENDITURES							
Personnel	4,692,520	3,267,697	3,267,697	3,042,143	3,154,271	-3.47%	3,430,670
Operating	8,946,067	11,161,006	11,217,250	11,217,251	12,010,330	7.61%	12,010,330
Capital	1,809,818	2,171,900	2,941,261	1,680,077	2,731,400	25.76%	2,801,341
Debt Service	2,450,370	2,483,054	2,483,054	2,483,054	1,714,244	-30.96%	1,666,408
Debt Service - OPEB Bonding	-	404,129	519,195	519,195	551,315	0.00%	551,747
Contribution OPEB Trust	250,000	250,000	9,102,926	9,102,926	298,200	0.00%	298,200
Transfer to Pension Fund (ERI payback)	-	-	-	-	-		-
TOTAL WATER	18,148,775	19,737,786	29,531,383	28,044,646	20,459,760	3.66%	20,758,696

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ENTERPRISE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
KALAMAZOO FARMERS MARKET							
RESOURCES							
Property Rental	17,000	17,000	17,000	17,000	15,000	-11.76%	15,000
Other	693	2,400	2,400	2,530	2,500	4.17%	2,500
Use of (Contribution to) Working Capital	(2,627)	917	917	1,738	(1,931)	-310.58%	(1,907)
TOTAL RESOURCES	15,066	20,317	20,317	21,268	15,569	-23.37%	15,593
EXPENDITURES							
Personnel	3,951	4,964	4,964	4,971	1,146	-76.91%	1,170
Operating	11,115	15,353	15,353	16,297	14,423	-6.06%	14,423
TOTAL FARMERS MARKET	15,066	20,317	20,317	21,268	15,569	-23.37%	15,593
KALAMAZOO MUNICIPAL GOLF ASSOCIATION							
RESOURCES							
Operational	1,085,111	1,117,862	1,117,862	1,117,862	1,117,862	0.00%	560,000
Other	485,578	483,044	483,044	483,044	483,044	0.00%	345,000
Use of (Contribution to) Working Capital	241,285	(3,161)	(3,161)	(3,161)	103,353	-3369.63%	(30,000)
TOTAL RESOURCES	1,811,974	1,597,745	1,597,745	1,597,745	1,704,259	6.67%	875,000
EXPENDITURES							
Operating	1,577,647	1,351,857	1,351,857	1,351,857	1,408,820	4.21%	875,000
Debt Service	234,327	245,888	245,888	245,888	295,439	20.15%	-
TOTAL GOLF ASSOCIATION	1,811,974	1,597,745	1,597,745	1,597,745	1,704,259	6.67%	875,000
TOTAL ENTERPRISE FUNDS	45,746,063	46,131,527	66,565,202	64,468,152	48,261,814	-8%	47,639,317

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PENSION SYSTEM**

2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
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PENSION SYSTEM

RESOURCES

Investment Income	43,137,654	43,809,666	43,809,666	(4,012,791)	44,541,415	1.67%	44,986,829
Employer & Employee Contributions	1,827,942	2,627,054	2,627,054	2,643,386	1,030,000	-60.79%	1,030,000
Miscellaneous Income	903	1,000	1,000	1,000	1,000	0.00%	1,000
Use of (Contribution to) Working Capital	(14,858,826)	(15,529,650)	(15,529,650)	31,605,115	(14,634,491)	-5.76%	(14,771,125)
TOTAL RESOURCES	30,107,673	30,908,070	30,908,070	30,236,710	30,937,924	0.10%	31,246,703

OPERATIONS

Benefit Payments	27,775,093	28,500,000	28,500,000	27,811,684	28,500,000	0.00%	28,785,000
Participant Withdrawals	27,036	50,000	50,000	50,000	60,000	0.00%	60,000
Custodial & Actuarial Fees	255,348	316,800	316,800	323,600	281,600	-11.11%	284,416
Pension Management Fees	1,855,318	1,822,000	1,822,000	1,850,476	1,850,000	0.00%	1,868,500
City Administrative Fees	122,107	125,770	125,770	125,770	153,024	21.67%	154,554
Due Diligence/Conferences	3,821	20,000	20,000	5,000	20,000	0.00%	20,200
Investment Advisory Fees	65,000	67,500	67,500	65,480	67,000	-0.74%	67,670
Audit Fees	3,950	4,700	4,700	4,700	5,000	6.38%	5,050
Other Expenses	-	1,300	1,300	-	1,300	0.00%	1,313
TOTAL RETIREMENT OPERATIONS	30,107,673	30,908,070	30,908,070	30,236,710	30,937,924	0.10%	31,246,703

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
OTHER POST EMPLOYMENT BENEFITS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
OPEB SYSTEM							
RESOURCES							
Investment Income	543,680	-	-	(99)	6,901,177	0.00%	6,970,189
Employer Contributions	1,568,554	-	-	91,296,479	3,500,000	0.00%	3,500,000
Employee Contributions	-	-	-	908,184	840,000	0.00%	848,400
Use of (Contribution to) Working Capital	(2,084,795)	-	-	(82,003,310)	(134,677)	0.00%	(101,404)
TOTAL RESOURCES	27,439	-	-	10,201,254	11,106,500		11,217,185
OPERATIONS							
Retiree Healthcare	-	-	-	9,838,884	10,748,000	0.00%	10,855,480
Outside Contractual	4,091	-	-	38,354	38,000	0.00%	38,000
Audit & Service Fees	23,348	-	-	324,016	320,500	0.00%	323,705
TOTAL OPEB OPERATIONS	27,439	-	-	10,201,254	11,106,500		11,217,185

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
INTERNAL SERVICE FUNDS**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance	2017 Projected
INSURANCE							
RESOURCES							
Interest	6,798	10,404	10,404	6,798	6,900	-33.68%	7,038
General Insurance Revenue	1,348,243	1,396,437	1,396,437	1,245,336	1,207,162	-13.55%	1,231,306
Workers Comp. Revenue	2,379,541	2,481,156	2,481,156	2,675,848	2,555,591	3.00%	2,816,648
Life/Disability Ins Revenue	582,012	725,285	725,285	616,327	747,044	3.00%	769,455
Health Insurance Revenue	18,158,926	8,238,044	8,238,044	8,038,919	8,789,993	6.70%	9,382,236
Dental Insurance Revenue	646,631	644,717	644,717	628,429	664,059	3.00%	683,981
Fringe Benefit Revenue	508,682	554,451	554,451	514,609	571,085	3.00%	588,218
Cell Tower Lease Buyout Revenue	-	3,579,000	3,579,000	85,389	85,389	-97.61%	85,389
Use of (Contribution to) Working Capital	242,011	(119,821)	(119,821)	1,508,483	(1,536,853)	1182.62%	(1,336,161)
TOTAL RESOURCES	23,872,844	17,509,673	17,509,673	15,320,138	13,090,370	-25.24%	14,228,110
OPERATIONS							
Administration	99,564	153,355	153,355	153,355	137,518	-10.33%	140,268
General Insurance	945,821	1,099,452	1,099,452	1,111,306	1,140,423	3.73%	1,163,232
Workers Compensation	2,521,144	2,779,068	2,779,068	2,138,816	2,372,943	-14.61%	2,626,564
Life/Disability Insurance	571,702	646,000	646,000	646,000	665,380	3.00%	685,341
Health Insurance	16,606,763	8,862,229	8,862,229	7,413,036	7,921,346	-10.62%	8,455,063
Dental Insurance	482,314	581,476	581,476	581,476	598,920	3.00%	616,888
Fringe Benefit	332,279	249,185	249,185	248,507	253,840	1.87%	455,365
Transfer to Other funds (Rebate of Excess)	2,313,257	636,855	636,855	525,589	-	-100.00%	-
Transfer to OPEB Trust (Cell Tower Lease Buyout)	-	900,000	900,000	900,000	-	-100.00%	-
Transfer to Metro Transit Fund (ERI Payback)	-	175,266	175,266	175,266	-	-100.00%	-
Transfer to Pension Fund (ERI Payback of Gov't Funds)	-	1,426,787	1,426,787	1,426,787	-	-100.00%	-
TOTAL INSURANCE	23,872,844	17,509,673	17,509,673	15,320,138	13,090,370	-25.24%	14,142,721

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CITY COMMISSION**

CITY COMMISSION

General Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	58,609	56,516	56,516	56,519	56,519	0.01%	56,516
Operating	15,855	17,189	17,189	16,010	17,189	0.00%	17,189
TOTAL	74,464	73,705	73,705	72,529	73,708	0.00%	73,705

DEPARTMENT DESCRIPTION

The Mayor and City Commissioners are elected on an at-large, non-partisan basis and serve as the representatives of the citizens of Kalamazoo. In 2014, voters approved changes to the City Charter that made the Mayor a separately elected office and changed the terms for City Commissioners from two-year, concurrent terms to four-year, staggered terms. The transition to this new way of electing City officials was put into motion in the 2015 Municipal Election with the Mayor being elected on a separate ticket, and six Commissioners being elected to either two-year or four-year terms, depending on where they placed in the vote tally. In 2017, and at each odd-year Municipal Election thereafter, voters will elect a Mayor for a two-year term and three City Commissioners to four-year terms. The Commission candidate who receives the most votes serves at the Vice Mayor for the first two years of his/her term (until the next election) and as a Commissioner for the last two years of his/her term. The City Commission provides leadership and policy direction for the community and all municipal government activities with a focus on the long-term financial stability of the City and identification of community priorities.

2016 BUDGET HIGHLIGHTS

The 2016 City Commission budget represents a "status quo" submittal. The reduction in operating costs reflect an adjustment to actual expenses in telephone reimbursement.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CITY ADMINISTRATION**

CITY ADMINISTRATION

General Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	672,130	595,796	595,796	661,714	752,535	26.31%	753,379
Operating	86,372	125,738	125,738	103,996	107,912	-14.18%	107,912
TOTAL	758,502	721,534	721,534	765,710	860,447	19.25%	861,291

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	5.0	6.0	7.0

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.

2016 BUDGET HIGHLIGHTS

The 2016 City Administration budget increase reflects the full year funding for the Communications Coordinator position allocated in 2015 and the addition of a Grants Specialist position in 2016. It is expected that the cost of the Grants Specialist's position will be offset by grants received.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CITY ATTORNEY**

CITY ATTORNEY

General Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	641,510	544,350	544,350	559,556	558,355	2.57%	559,463
Operating	67,614	90,631	90,631	101,293	90,915	0.31%	90,915
TOTAL	709,124	634,981	634,981	660,849	649,270	2.25%	650,378

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	6.0	6.0	6.0

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*

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CITY ATTORNEY**

CITY ATTORNEY

General Fund

2016 BUDGET HIGHLIGHTS

The FY 2016 Budget reflects the 2012 elimination of the Paralegal position and the 2013 elimination of the Deputy City Attorney position under the Early Retirement Incentive program. In 2013 an additional Assistant City Attorney was hired to fill the gap left by these retirements. Further, the Administrative Legal Secretary position become vacant in April 2014 and was filled by a Legal Secretary. In 2015 the 32 hr/wk Legal Secretary retirement took place and the position filled by a 40 hr/wk employee. In 2008, the City Attorney's office was comprised of 5 attorneys, 1 paralegal and 2 legal secretaries. Five persons who occupied those positions have retired by September 2015, resulting in a net loss of 2 positions. To address this loss, serious consideration is being given to using a paralegal student intern to free up attorney and legal secretary time so as to make progress on various initiatives supportive of the City-wide goals set by the City Commission.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CITY CLERK**

ADMINISTRATION

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the City Clerk - Administration Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	208,478	157,343	157,343	157,516	131,050	-16.71%	126,318
Operating	26,935	36,023	36,023	30,703	32,525	-9.71%	32,525
TOTAL	235,413	193,366	193,366	188,219	163,575	-15.41%	158,843

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	2.0	2.0	2.0

DEPARTMENT DESCRIPTION

The Administration Division of the City Clerk's Office exists to support the work of the City Commission, to provide support for the City's Advisory Boards and Commissions, and to issue licenses and permits as specified by statute and ordinance.

2016 BUDGET HIGHLIGHTS

The FY2016 budget shows a decrease from the 2015 budget because 40% of the City Clerk's position cost was reallocated to the Record Management Division to more accurately reflect time spent on Records Management programs. In addition, 55% of the Deputy City Clerk position was reallocated to the Elections Division and 55% of the Elections Specialist position was reallocated to the Administration Division, again to more accurately reflect the time spent by those staff members on various programs. There are no programmatic changes in the Administration Division from 2015 to 2016.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of City Commission Meetings attended	50	43	50
EFFICIENCY	Number of instances when copies of meeting minutes were not available when requested	0	0	0
EFFECTIVENESS	Requested changes to City Commission minutes by City Commissioners	0	0	0

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CITY CLERK**

ELECTIONS

General Fund

BUDGET OVERVIEW

REVENUE

The primary revenue source for the Elections Division is the General Fund.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	160,541	110,570	136,851	140,029	233,917	111.56%	114,114
Operating	51,927	36,677	36,677	44,235	69,765	90.21%	44,235
TOTAL	212,468	147,247	173,528	184,264	303,682	106.24%	158,349

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	1.0	1.0	1.0

DEPARTMENT DESCRIPTION

The Elections Division of the City Clerk's Office exists to foster increasing trust and participation in the electoral process and our democratic institutions 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.

2016 BUDGET HIGHLIGHTS

The FY2016 Election Division budget is significantly more than the FY2015 budget due to an increase in the number of elections scheduled in 2016, one of which will be a presidential election. The amount budgeted is in line with typical election expenditures for a presidential election year.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of elections conducted	3	3	4
EFFICIENCY	Cost of Election Division per registered voter, per election	\$1.42	\$1.25	\$1.49
EFFECTIVENESS	Number of election recounts requested	1	0	0

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
CITY CLERK**

**RECORDS
*General Fund***

BUDGET OVERVIEW

REVENUE

The revenue source for the Records Management Division is the General Fund.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	70,399	70,879	70,879	38,355	85,104	20.07%	86,684
Operating	59,977	68,938	58,064	61,505	70,112	1.70%	70,112
TOTAL	130,376	139,817	139,817	110,759	155,216	11.01%	156,796

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	1.0	1.0	1.0

DEPARTMENT DESCRIPTION

The Records Management Division of the City Clerk's Office exists to coordinate the cost-effective storage of the City's inactive records, to promote the development and implementation of sound information management policies and procedures, to educate City staff regarding records management practices, and to provide research services to City staff and the general public.

2016 BUDGET HIGHLIGHTS

The FY2016 budget shows an increase from the 2015 budget because 40% of the City Clerk's position cost was reallocated to the Record Management Division to more accurately reflect time spent on Records Management programs. There are no programmatic changes from 2015 to 2016.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of requests for information	309	175	200
EFFICIENCY	Average request time (in minutes)	30	23	25
EFFECTIVENESS	Percent of storage capacity used	98	99	90

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
INTERNAL AUDITOR**

INTERNAL AUDITOR

General Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	94,288	83,497	83,497	83,592	84,411	1.09%	84,647
Operating	1,005	1,546	1,546	1,430	1,546	0.00%	1,546
TOTAL	95,293	85,043	85,043	85,022	85,957	1.07%	86,193

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	1.0	0.0	1.0

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.

2016 BUDGET HIGHLIGHTS

The Internal Auditor will work closely with management to ensure that employees perform their work timely and efficiently within management's guidelines and directives, while maintaining sufficient internal controls. Training classes on ethics and preventing fraud and abuse will be scheduled to ensure that employees embrace ethical, integrity-based quality customer service based practices. The Internal Auditor will verify that new system conversions are operating properly and effectively, and that management continues to address identified issues.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
INTERNAL AUDITOR**

INTERNAL AUDITOR

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of classes held.	2	4	4
EFFICIENCY	Number of employees trained.	15	60	40
EFFECTIVENESS	Number of trained employees involved in unethical acts.	0	0	0
OUTPUT	Number of recommendations to management	217	203	200
EFFICIENCY	Number of affirmative responses from management	206	190	200
EFFECTIVENESS	Percent of recommendations accepted by management	95%	94%	100%

THE CITY OF



Kalamazoo

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
HUMAN RESOURCES**

HUMAN RESOURCES

General Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	684,782	594,333	594,333	500,052	607,018	2.13%	608,822
Operating	37,527	51,364	51,364	68,785	65,010	26.57%	65,010
TOTAL	722,309	645,697	645,697	568,837	672,028	4.08%	673,832

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	7.0	7.0	7.0

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.

2016 BUDGET HIGHLIGHTS

The Human Resources Department reduced from 8 FTE positions to 7 in 2013 which will remain steady through 2016. Variable accounts will also remain steady, requiring more training to be conducted internally rather than using outside resources. A significant amount of staff time was used on new HSA health care initiatives and mandated ACA reporting, as well as a significant KDPS PSO hiring process with over 800 applicants. 2016 will begin the bargaining process for ASCFME as well as the transition process for Metro to CCTA.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Maintain a productive workforce by hiring, transferring and promoting staff to fill vacated positions	Yes	Yes	Yes
EFFICIENCY	Average days to fill positions in active recruitment	60.63	75	72
EFFECTIVENESS	Number of positions filled by hiring, transferring and promoting	89	100	125

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
HUMAN RESOURCES**

HUMAN RESOURCES

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016	
OUTPUT	Complete bargaining with AFSCME, ATU, KMEA, KPSOA and KPSA	AFSCME	Completed a four year Agreement expiring 10/2/16	NA	Complete a two year Agreement expiring 10/2/2018 or 10/2/2019
		ATU	Completed the bargaining process, including wage arbitration	Implement City's Last Best Offer Effective 1/1/18	Transfer to CCTA 10/1/2016
		KMEA	Completed a four year Agreement expiring 12/31/17	NA	Prepare to enter negotiations for a successor agreement beginning 1/1/18
		KPSOA	Completed a four year Agreement expiring 12/31/17	NA	Prepare to enter negotiations for a successor agreement beginning 1/1/18
		KPSA	Completed a four year Agreement expiring 12/31/17	NA	Prepare to enter negotiations for a successor agreement beginning 1/1/18
		EFFICIENCY	Number of hours spent in bargaining with each unit	AFSCME	149.5
		ATU	104	NA	NA
		KMEA	NA	NA	NA
		KPSOA	NA	NA	NA
		KPSA	NA	NA	NA

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
HUMAN RESOURCES**

HUMAN RESOURCES

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
EFFECTIVENESS	Timely implementation of contract (following expiration of the current contract)	ATU	NA	Contract language proofed and implemented within Q1 NA
		KMEA	Agreement proofed and signed within 90 days of ratification	NA NA
		KPSOA	Agreement proofed and signed within 90 days of ratification	NA NA
		KPSA	Agreement proofed and signed within 90 days of ratification	NA NA
		AFSCME	Agreement proofed and signed within 90 days of ratification	NA Agreement proofed and signed within 90 days of ratification
PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Maintain an educated and competent workforce	665 Allocated Positions	662 Allocated Positions	664 Allocated Positions
EFFICIENCY	Train city staff in areas of New Hire Orientation, Supervisory Skills, Coaching and Counseling, Discrimination and Harassment, Labor Contract Administration and Violence Prevention.	Training Sessions for all core subjects were held at least once	Training Sessions for all core subjects were held at least once	Training sessions for all core subjects will be held at least once
EFFECTIVENESS	Number of staff hours spent in training by HR staff	98.5 hours	139 hours	139 hours

THE CITY OF



Kalamazoo

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
INFORMATION TECHNOLOGY**

INFORMATION TECHNOLOGY

General Fund

BUDGET OVERVIEW

REVENUE

The revenue for IT fund is funded primarily through the general fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	615,563	529,695	529,695	515,302	529,365	-0.06%	531,448
Operating	397,377	496,524	503,791	475,446	512,088	3.13%	517,721
Capital	210,174	138,000	156,573	159,500	143,000	3.62%	143,000
TOTAL	1,223,114	1,164,219	1,190,059	1,150,248	1,184,453	1.74%	1,192,169

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	6.0	6.0	6.0
Number of Permanent Part Time Positions	1.0	1.0	1.0

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.

2016 BUDGET HIGHLIGHTS

The FY 2016 budget reflects few overall budget changes from 2016. The main changes in the 2016 budget come in a higher spend on application software. This is due to the natural trend of a software defined world where software is making the City more efficient and allowing employees to do more with less.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
INFORMATION TECHNOLOGY**

INFORMATION TECHNOLOGY

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Average number of monthly visits to the city website	105,000	100,000	100,000
OUTPUT	Average number of monthly unique visitors to the website	42,000	39,000	38,000
EFFICIENCY	Percent of requests responded to within 2 hours	100%	100%	100%
EFFECTIVENESS	Percentage of System Uptime percentage M-F 7am to 7pm	99.9%	99.9%	99.9%

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

ADMINISTRATION

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Budget and Accounting Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	796,580	934,316	934,316	934,983	180,986	0.00%	181,433
Operating	40,935	49,903	55,303	50,280	27,254	0.00%	27,254
Capital	342	-	4,750	6,500	-	0.00%	-
TOTAL	837,857	984,219	994,369	991,763	208,240	-78.84%	208,687

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	13.0	12.0	2.0

DEPARTMENT DESCRIPTION

The Administration division of Management includes the Director of Management Services/Chief Financial Officer and Management Services Administrative Coordinator, and is responsible for oversight of Treasury, Assessing, Purchasing, Financial Services, and Budget and Accounting, and Retirement Administration.

2016 BUDGET HIGHLIGHTS

The FY 2016 Budget includes a shift in staffing to distinguish Administration, Financial Services and Budget and Accounting as their own divisions.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

BUDGET AND ACCOUNTING

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Budget and Accounting Division is the General Fund.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	-	-	-	-	424,653	0.00%	429,868
Operating	-	-	-	-	12,535	0.00%	12,535
TOTAL	-	-	-	-	437,188		442,403

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	0.0	0.0	5.0

DEPARTMENT DESCRIPTION

The Budget and Accounting Division is responsible for accounting oversight, budget development and fiscal monitoring. The City is required to undergo an annual audit, and the Budget & Accounting Division is responsible for the preparation of a Comprehensive Annual Financial Report (CAFR) in conformity with Generally Accepted Accounting Principles (GAAP), as well as the Single Audit for Federal grants. The Division also coordinates the development of the City's annual budget.

2016 BUDGET HIGHLIGHTS

The expenses for the Budget and Accounting Division has been split out in order to distinguish it from the Administration Division and the Financial Services Division, which were presented together in previous budgets. There are 5 staff members; 3 Accountants responsible for general accounting work, periodic reconciliations, project tracking, utilities statistics, audit workpapers, and budget technical review; 1 Accounting Manager responsible for daily management of the Accounting staff and the production of the annual Comprehensive Audited Financial Statement and related audit and year-end accounting documentation, and 1 Budget Manager, who is responsible for assisting the Chief Financial Officer for producing the annual Budget, and for coordinating the Priority Based Budgeting (PBB) process. The Budget Manager position was created from the Budget and Accounting Specialist position in order to enhance overall budgeting innovation and in particular to ensure that PBB reaches its full potential.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

BUDGET AND ACCOUNTING

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Bank Accounts Reconciled On Monthly Basis	31	31	31
EFFICIENCY	Average Number of Days to Reconciliation	30	30	30
EFFECTIVENESS	Average number of unreconciled accounts per month	0	0	0
OUTPUT	Production of annual financial statements receiving unqualified audit opinions	7	7	7
EFFICIENCY	Timeframe to complete year-end close/audit preparation	4	4	4
EFFECTIVENESS	Number of auditor findings	0	0	0

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

FINANCIAL SERVICES

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Financial Services Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	-	-	-	-	416,646	0.00%	421,252
Operating	-	-	-	-	12,748	0.00%	12,748
TOTAL	-	-	-	-	429,394	0.00%	434,000

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	0.0	0.0	6.0

DEPARTMENT DESCRIPTION

The Financial Services Division is responsible for payroll, accounts payable, pension processing and payroll tax reporting. The Financial Services Division provides comprehensive employee relations services to all City of Kalamazoo retired and active employees. The division strives to ensure accurate and effective processes relating to accounts payable, payroll and pension.

2016 BUDGET HIGHLIGHTS

The expenses for the Financial Services Division has been split out in order to distinguish it from the Administration Division and the Budget and Accounting Division, which were presented together in previous budgets. There are 6 staff members; 4 Accounts Coordinators responsible for processing accounts payable and 1 Financial Specialist primarily responsible for payroll coordination and processing; 1 Financial Services Division Manager. During FY 2015, the division went from processing 3 payrolls to 1 bi-weekly payroll via combining the AFSCME and ATU union groups. During FY 2015, the goals are to implement IntelliTime with Public Services and Metro.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Annual number of vendor checks issued	0	0	7825
EFFICIENCY	Average number of days to pay a vendor invoice	0	0	30
EFFECTIVENESS	1099's issued without IRS notice of error	0	0	100%

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

ASSESSORS

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Assessor Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	83,464	40,939	40,939	40,985	41,410	1.15%	41,552
Operating	404,484	431,817	431,817	431,817	437,124	1.23%	437,124
TOTAL	487,948	472,756	472,756	472,802	478,534	1.22%	478,676

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	1.0	0.0	0.0

DEPARTMENT DESCRIPTION

The mission of the Assessing Division is to provide an equitable distribution of the property tax burden under current law; compile special assessment rolls; administer the Board of Review; and maintain ownership records for the City of Kalamazoo for both real and personal property.

The Assessors' office provides the City Treasurer with taxable values on all properties in the City of Kalamazoo, which are used to produce annual tax bills. Some of our main objectives are: Establish assessed values that are fair and equitable; Maintain an average assessment level of 50% of true cash value for all classes of property; Inform, educate and respond to citizens' requests and complaints; Administer assessment appeals (Board of Review and Michigan Tax Tribunal).

2016 BUDGET HIGHLIGHTS

The 2016 budget reflects the fourth full year using a contracted firm to handle field inspections/data entry for 10% of all real parcels per year, field inspection/data entry for all building permits, canvas/entry of all personal property accounts, assisting with March Board of Review and handling of all small claims tribunal appeals. The 2016 budget adjusts for contracted increases based on C.P.I. and increased small claims tribunal appeals. The FY 2016 staffing will consist of a Deputy Assessor/Treasurer.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

ASSESSORS

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of Real property parcels	23,256	23,275	23,300
EFFICIENCY	Cost to Assess Real Property – per parcel	\$18.38	\$17.27	\$17.46
EFFECTIVENESS	Cost savings due to office realignment-per parcel	\$3.11	\$1.11	-\$0.19
OUTPUT	Number of Personal Property Accounts	2,985	3,064	3,200
EFFICIENCY	Cost to Assess Personal Property – per parcel	\$23.93	\$23.15	\$22.43
EFFECTIVENESS	Cost savings due to office realignment-per parcel	\$18.86	\$0.78	\$0.72

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

**TREASURY
General Fund**

BUDGET OVERVIEW

REVENUE

The revenue source for the Treasury Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	370,577	724,789	741,439	740,978	772,986	6.65%	786,640
Operating	111,907	402,055	402,690	439,667	345,555	-14.05%	345,555
TOTAL	482,484	1,126,844	1,146,725	1,180,645	1,121,041	-0.51%	1,134,695

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	12.0	12.0	13.0

DEPARTMENT DESCRIPTION

The Treasury Division is responsible for the billing and collection of real and personal property taxes, special assessments, City utility bills (water & sewer) and miscellaneous accounts receivables. The division is also responsible for the City's operating investment portfolio.

The objectives of the Treasury Division are as follows:

- Provide accurate and readily accessible tax, special assessment, utility billing and miscellaneous invoicing information for all properties within the City of Kalamazoo.
- Provide prompt, accurate and friendly customer service.
- Promptly collect, record and disburse all property taxes.
- Monitor, disburse and report tax dollars captured by state approved tax increment financing plans for the encouragement of economic development.
- Achieve a competitive rate of return of the City's investment portfolio.

2016 BUDGET HIGHLIGHTS

Following the transitions created by the Early Retirement Incentive (ERI), Treasury continues to focus on the cross-training of staff members and restructuring of some positions and duties. We will continue to increase efficiencies within the office and automate processes wherever possible to help alleviate the impact of the staff reductions and restructuring resulting from the ERI. The Proposed 2016 Budget reflects a cost shift (increase) for staff and expenses previously charged to the Water Fund, as the staff is operationally and physically integrated within Treasury and Management Services. This is offset by an increase to the general fund administration fee charged to the utility fund, so there is zero net impact on the General Fund.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

TREASURY

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of City (summer) Tax Bills/Records Generated	24,968	23,475	23,750
EFFICIENCY	Average Cost to Generate and Issue a Tax Statement	\$0.65	\$0.65	\$0.65
EFFECTIVENESS	Percent of City Operating Tax Collected at Year End (Ultimate goal of 100% collected by the following March 1)*	94.83%	95%	95%
OUTPUT	Achieve a competitive rate of return on Investments -Average Rate of Return on Investments	0.25%	0.32%	0.32%
EFFICIENCY	Average Cost of an Investment Transaction	\$42.53	\$42.96	\$42.96
EFFECTIVENESS	Investment Portfolio's Average Rate of Return Exceeds that of the 3-month Treasury Bill	+19 Basis Points	+20 Basis Points	+15 Basis Points
OUTPUT	Payment Automation - Payments Processed Online and via Bank Lockbox	154,403	158,000	160,000
EFFICIENCY	Average Cost to Process an Online or Lockbox Payment	\$0.26	\$0.28	\$0.28
EFFECTIVENESS	Additional Staff Hours Required for Payment Processing During Busy Collection Periods	10	10	10

** Installment taxpayers had until December 31, 2014 to pay the 2014 tax bill in full. Payments postmarked at the end of December will not be posted until early January. Real estate taxes remaining unpaid as of March 1 of the following year will be transferred to the Kalamazoo County Treasurer.*

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

PURCHASING

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Purchasing Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	281,834	251,944	251,944	254,723	204,410	-18.87%	208,829
Operating	21,641	20,703	20,703	19,215	21,452	3.62%	21,452
TOTAL	303,475	272,647	272,647	273,938	225,862	-17.16%	230,281

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	4.0	4.0	3.0

DEPARTMENT DESCRIPTION

The mission of the Purchasing Division is to procure goods, services, equipment and capital improvements in a manner as to promote competition, provide equal access by potential vendors, and make contracting decisions transparent. The Division disposes of surplus City personal property, administers contractor compliance with the City's prevailing wage policy and operates the City's inter-office mail delivery system.

2016 BUDGET HIGHLIGHTS

The FY2016 budget request reflects a retasking of some of the Purchasing duties of the Management Services Administrative Coordinator to the Purchasing Clerk position, as the multi-year project of transforming the old Purchasing Secretary position into the Management Services Administrative Coordinator position is completed, to provide support to the Management Services Department as a whole.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

PURCHASING

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of Bid Projects	80	80	80
EFFICIENCY	Number of calendar days to get the project out for bids. The new goal is 17 days.	17.5	17.5	17.5
EFFECTIVENESS	Percentage of bid projects which City Commission/Manager approved contracting with the recommended vendor	100%	100%	100%
OUTPUT	Number of Prevailing Wage Projects	18	18	18
EFFICIENCY	Number of inspections per project. The new goal is 1 inspection.	1	1	1
EFFECTIVENESS	Percentage of workers paid prevailing wages	100%	100%	100%
OUTPUT	Number of Purchase Orders	1,600	1,600	1,600
EFFICIENCY	Purchase order turnaround time in work days. The goal is 2 days.	2	2	2
EFFECTIVENESS	Percentage of valid purchase orders.	100%	100%	100%

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

PENSION SYSTEM

Fiduciary Trust Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the administration of the Retirement System comes from employee and employer contributions (if determined by actuarial study) and investment income from the retirement system assets.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Operating	30,107,673	30,908,070	30,908,070	30,236,710	30,937,924	0.10%	31,246,703
TOTAL	30,107,673	30,908,070	30,908,070	30,236,710	30,937,924	0.10%	31,246,703

DEPARTMENT DESCRIPTION

The purpose of the retirement system is to provide retirement allowances to eligible employees and certain benefits for their survivors. The System's objective is to accumulate a pool of assets sufficient to meet the obligations of the Retirement System at the lowest possible cost to the City of Kalamazoo. The Investment Committee is responsible for investing the assets in accordance with Act 314 of the Michigan Public Acts of 1065 and any amendments and the City of Kalamazoo's Investment Policy approved by the City Commission.

2016 BUDGET HIGHLIGHTS

The FY 2016 budget includes all anticipated resources from investment interest, dividends, realized and unrealized gains and employer/employee contributions. The operating expenses include all benefit payments, withdrawals and fees associated with administering the retirement system.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
MANAGEMENT SERVICES**

**OPEB SYSTEM
*Fiduciary Trust Fund***

BUDGET OVERVIEW

REVENUE

The OPEB Trust relies on three major revenue streams: (a) gains on investments (based on an assumed 7.5% average rate of return), (b) contractual contributions from retirees with City-provided health care, and (c) annual contribution of \$3.5 million from City operating funds.

The City issued \$90 million of OPEB Bonds in FY 2015, which were placed in the OPEB Trust Fund, covering 75% of the City's actuarial OPEB liability for future retiree health care costs. The State of Michigan authorized the City to issue the OPEB Bonds based on the City's Comprehensive OPEB Financing Plan (the "Plan"). The Plan was adopted by the City Commission and the State of Michigan in 2014. The Plan also commits the City to cover the other 25% of the OPEB liability through annual contributions of \$3.5 million to the OPEB Trust Fund from the City's operating funds (which includes the General Fund). Note: the City also has executed Memoranda of Understanding with each of the City's collective bargaining units, which also commits the City to make the \$3.5 million annual contribution during the life of the OPEB Bonds in exchange for good-faith bargaining between the parties to control retiree health care costs.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Operating	-	-	-	-	11,106,500	0.10%	11,217,185
TOTAL	-	-	-	-	11,106,500		11,217,185

DEPARTMENT DESCRIPTION

The OPEB Trust Fund is a vehicle established in 2010 by the City Commission and sanctioned under Section 115 of the federal Internal Revenue Code, and is used to entrust and invest funds committed to the payment of retiree health care costs. The OPEB Trust Fund is co-invested with the City's Employee Retirement System Trust Fund assets, which saves on investment costs and maximizes returns. The Trustee of the OPEB Trust Fund is the City's Chief Financial Officer.

2016 BUDGET HIGHLIGHTS

The City ceased using a pay-as-you-go approach to paying for retiree health care after 2014, with the adoption of the Plan. One immediate benefit included an OPEB funding "holiday" for the City's operating funds, which did not have to make contributions to the OPEB Trust, providing \$3.5 million of one-time budget relief to the City's operating funds (including \$2.4 million of relief for the General Fund) in 2015.

Per the Plan, the City's operating funds will begin paying the \$3.5 million of annual contributions to the OPEB Trust Fund in FY 2016. The City's operating funds will still save over \$1 million versus the old pay-as-you-go approach in FY 2016. These savings will increase over time, as the City's operating fund payments of OPEB debt and the contributions are fixed through 2044, whereas the OPEB Trust Fund will cover the inflation of retiree health care costs through returns on investments.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

**KALAMAZOO PUBLIC SAFETY
TOTAL DEPARTMENT SUMMARY**

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	29,394,867	25,840,798	25,840,795	25,829,986	26,138,508	1.15%	26,270,574
Operating	3,068,315	2,925,488	3,055,698	3,123,789	3,104,682	6.13%	3,104,682
Capital	449,161	489,350	501,946	490,721	615,500	25.78%	615,500
TOTAL	32,912,343	29,255,636	29,398,439	29,444,496	29,858,690	2.06%	29,990,756

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	252.0	254.0	254.0
Number of Permanent Part Time Positions	5.0	5.0	5.0

DEPARTMENT DESCRIPTION

The mission of Kalamazoo Public Safety Department is to provide public safety services for all citizens and visitors to the City of Kalamazoo and to protect them from the loss of life and property. The mission includes but is not limited to the maintenance of order, the promotion of 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.

2016 BUDGET HIGHLIGHTS

The 2016 Budget includes a Chief, Deputy Chief, two Assistant Chiefs, Captain of Professional Standards and an and an Inspector of Professional Standards. They oversee five divisions which include Operations, Criminal Investigations, Service, Training, and COPS/KVET. Together these divisions work to focus on our three primary goals: reducing crime, building trust, and providing the most efficient, effective and professional police, fire and EMS services available.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

KALAMAZOO PUBLIC SAFETY

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for Kalamazoo Public Safety Department is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	28,257,987	25,408,747	25,408,747	25,293,923	25,290,439	-0.47%	25,838,496
Operating	2,211,696	2,633,009	2,639,604	2,659,523	2,829,918	7.48%	2,829,918
Capital	127,060	439,850	439,850	403,553	543,000	23.45%	543,000
TOTAL	30,596,743	28,481,606	28,488,201	28,356,999	28,663,357	0.64%	29,211,414

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	258.0	252.0	254.0
Number of Permanent Part Time Positions	5.0	5.0	5.0

DEPARTMENT DESCRIPTION

The mission of Kalamazoo Public Safety Department is to provide for the welfare of all citizens and visitors to the City of Kalamazoo and to protect them from the loss of life and property from the ravages of fire or crime. The mission includes but is not limited to the maintenance of order, the promotion of crime and fire prevention programs, the investigations of crimes leading to the apprehension of perpetrators, the recovery of property and the providing of 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

2016 BUDGET HIGHLIGHTS

The 2016 Budget includes a Chief, Deputy Chief, two Assistant Chiefs, Captain of Professional Standards and an Inspector of Professional Standards. They oversee five divisions which include Operations, Criminal Investigations, Service, Training, and COPS/KVET. Together these divisions work to focus on our three primary goals: reducing crime, building trust, and providing the most efficient, effective and professional police, fire and EMS services available.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

ADMINISTRATION

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for Kalamazoo Public Safety Administration Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	920,281	823,902	823,902	820,195	698,928	-15.17%	702,307
Operating	128,967	116,763	123,358	119,719	299,300	156.33%	299,300
TOTAL	1,049,248	940,665	947,260	939,914	998,228	6.12%	1,001,607

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	6.0	6.0	6.0

DEPARTMENT DESCRIPTION

The Administration Division is comprised of the Office of the Chief, the Office of Professional Standards and Administrative Support Staff. The role of the Chief is to lead, guide and manage all operational and support functions, tasks, and responsibilities of Public Safety.

The Chief of Public Safety, Deputy Chief of Public Safety, Assistant Chief of Fire Administration and Finance, Assistant Chief of Operations, Captain of Professional Standards and the Inspector make up the Chiefs Executive Leadership Team.

The Office of Professional Standards is charged with ensuring the integrity of the Department is maintained and the administrative and operational policies and procedures conform to those of the City of Kalamazoo and current legal requirements.

The Administrative Support Coordinator maintains all the personnel records, internal affairs files, administrative files and labor relation's files as well as all the administrative support for the Administration Division.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

ADMINISTRATION

General Fund

2016 BUDGET HIGHLIGHTS

The Administration Division will allocate its 2016 funds toward overseeing all aspects of Public Safety Services. Although administrative support staff has been reduced, staff will continue to work cooperatively internally and externally to maintain the highest level of professional standards.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Citizen Complaints	9	30	25
EFFICIENCY	Hours spent to investigate	800	1,250	1,250
EFFECTIVENESS	Percent of appeals upheld by the Citizens Review Board	100%	100%	100%
OUTPUT	Number of Departmental and Divisional Policies	320	326	326
EFFICIENCY	Number of Policies Reviewed	10	326	326
EFFECTIVENESS	Number of Policies Updated/Revised/Rescinded	2	326	326

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

COMMUNITY OUTREACH AND PROBLEM SOLVING

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for Kalamazoo Public Safety Community Outreach and Problem Solving Division is the General Fund.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	1,911,472	1,717,358	1,717,358	1,575,816	1,678,201	-2.28%	1,788,671
Operating	68	-	-	-	-		-
TOTAL	1,911,540	1,717,358	1,717,358	1,575,816	1,678,201	-2.28%	1,788,671

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	21.0	22.0	21.0

DEPARTMENT DESCRIPTION

In continuance of our balanced approach to crime reduction, specifically violent crime, the Community Outreach and Problem Solving Division (COPS) combines the most pro-active pieces of the organization into a singular division. The COPS Division is comprised of the following units: community policing, Kalamazoo Valley Enforcement Team, Probation and Parole Agent, Code Enforcement Officer from Community Planning & Development, Kalamazoo City Public Services and the U.S. Department of Housing and Urban Development. The Kalamazoo Valley Enforcement Team (KVET) will continue to be an intergovernmental cooperative drug unit. KVET is comprised of participants from the City of Kalamazoo and the City of Portage. The mission of KVET is to provide a safe environment for the community by operating an effective, efficient, overt and covert drug enforcement unit that conducts reactive, proactive, and innovative drug investigations.

2016 BUDGET HIGHLIGHTS

In 2016 the COPS Division general fund budget is for personnel cost. The COPS division will continue to develop and maintain an intelligence system to identify the most violent offenders within the city and county. Reduce the Homicide rate and gun violence through aggressive enforcement, prosecution, and alternative strategies. Continue the relationship building, foot patrols, dialogue and problem solving with the community.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	# of tips received by KVET	2,360	2,800	2,800
EFFICIENCY	Average cost per investigation	\$1,328	\$1,400	\$1,400
EFFECTIVENESS	# of cases written on tips received	1,390	1,300	1,300
OUTPUT	# of investigations	871	1,000	1,100
EFFICIENCY	# of investigations done per day at 365 days a year.	2.6	2.6	2.7
EFFECTIVENESS	# of arrests made (includes warrants)	871	800	900

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

OPERATIONS

General and Special Revenue Funds

BUDGET OVERVIEW

REVENUE

The revenue sources for Kalamazoo Public Safety Operations Division are the General and Special Revenue Funds.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	17,920,536	15,679,702	15,679,702	15,758,895	15,649,937	-0.19%	15,987,284
Operating	43,376	43,685	43,685	44,685	42,185	-3.43%	42,185
TOTAL	17,963,912	15,723,387	15,723,387	15,803,580	15,692,122	-0.20%	16,029,469

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	153.0	154.0	155.0
Number of Permanent Part Time Positions	0.0	3.0	3.0

**Two positions are funded through Bronson and 20 are funded through COPS Grants.*

DEPARTMENT DESCRIPTION

The Operations Division is responsible for the initial response to all police, fire and emergency medical incidents. Through the intervention and mitigation of these incidents, the Operation Division fulfills its mission to protect citizens from the loss of life and property. The Division also includes the Special Weapons and Tactics (SWAT), Bomb Squad, K-9 Team, Explorers, Hazardous Material Technical Rescue, and Honor Guard, which are all specialized units designed to enhance customer service and provide prompt intervention in times of crisis.

2016 BUDGET HIGHLIGHTS

In 2016, the Operations Division will continue to focus on reducing crime and providing the most effective, efficient and professional police, fire and EMS services available through focusing on the following four service objectives; Community Interaction, Enforcement, and Blight Reduction. Operations will continue initiatives such as participation in youth academies, maintaining a strong youth explorer program and continue to maintain positive interactions through daily foot patrols, targeted at reducing youth violence in our neighborhoods.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

OPERATIONS

General and Special Revenue Funds

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Calls for service received by Operations	101,000	102,000	102,000
EFFICIENCY	Annual calls per service to staff ratio	595	699	699
EFFECTIVENESS	Number of persons arrested	8,836	8,500	8,200
OUTPUT	Traffic citations issued	17,537	15,000	12,000
EFFICIENCY	Patrol hours dedicated to traffic enforcement	1,500	1,400	1,100
EFFECTIVENESS	Traffic accidents	2,700	3,000	3,000

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

CRIMINAL INVESTIGATIONS

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for Kalamazoo Public Safety Criminal Investigations Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	3,512,305	2,953,686	2,953,686	2,937,763	2,974,476	0.70%	3,015,033
Operating	38,635	45,721	45,721	45,952	43,406	-5.06%	43,406
TOTAL	3,550,940	2,999,407	2,999,407	2,983,715	3,017,882	0.62%	3,058,439

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	29.0	28.0	28.0

DEPARTMENT DESCRIPTION

The mission of the Criminal Investigation Division is to investigate complaints to their fullest potential and to successfully prosecute the perpetrators. The Criminal Investigation Division (CID) positively impacts the reduction of criminal activity by conducting prompt and diligent investigations by employing the use of accurate and timely intelligence driven data retrieved from I/leads records management system along with utilizing other traditional methods. This information is used to solve crimes, locate and apprehend suspects, accomplices and fugitives, locate missing persons and recover stolen property. Once completed the results of these efforts are then presented as warrant-charging requests to the Office of the Prosecuting Attorney (OPA). The CID assists the OPA throughout the court process from follow up investigations to assisting the OPA with the case presentation during the trial. There is an overall collaborative effort between the Operations Division, COPS and CID to conduct crime analysis and evaluate trends to investigate, solve and prevent crimes.

2016 BUDGET HIGHLIGHTS

The 2016 Criminal Investigations Division budget will work to: secure convictions in all homicide and major assault investigations; continue investigations to all major case teams (Major Crimes, Sex Assault, and Fraud); "Crime Fighter" and weekly Crime Reduction meetings; utilize I/Leads case management system to review case assignments and closures.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

CRIMINAL INVESTIGATIONS

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Total Number of Cases Assigned to CID	7,662	7,500	7,800
EFFICIENCY	Total Number of Cases Assigned to Detective of Investigation	4,881	4,500	4,500
EFFECTIVENESS	Total Arrest Warrants from Investigations	2,594	2,500	2,600
OUTPUT	Polygraph Exams Requested	151	83	92
EFFICIENCY	Total Number of Cases Cleared by Polygraph Examination	70	39	50
EFFECTIVENESS	Percent of Confessions/Admissions resulting from Polygraph Examinations	32%	46%	48%
OUTPUT	Drug Tests	2,386	1,500	2,000
EFFICIENCY	Average turn Around Time (Days)	>1	20	14
OUTPUT	Latent Print Exams & Comparisons	659	698	750
EFFICIENCY	Average turn Around Time (Days)	4	14	14
OUTPUT	Photo Cases Managed	4,322	4,902	6,000
EFFICIENCY	Average turn Around Time (Days)	N/A	7	7
EFFECTIVENESS	Specialist Training	88%	90%	98%
EFFECTIVENESS	Technician Training	72%	88%	95%

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

SERVICE/TRAINING

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for Kalamazoo Public Safety Service/Training Division is the General Fund.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	3,993,393	3,478,226	3,478,226	3,524,029	3,601,639	3.55%	3,641,712
Operating	2,000,650	2,426,840	2,426,840	2,449,167	2,445,027	0.75%	2,445,027
Capital	127,060	439,850	439,850	403,553	543,000	23.45%	543,000
TOTAL	6,121,103	6,344,916	6,344,916	6,376,749	6,589,666	3.86%	6,629,739

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	43.0	44.0	44.0
Number of Permanent Part Time Positions	2.0	2.0	2.0

**One Public Safety Officer is partially funded through the Education for Employment Program.*

DEPARTMENT DESCRIPTION

The mission of the Service/Training Division is to provide Public Safety personnel the most effective and efficient delivery of products and services that will enable Public Safety to provide high quality services to citizens of this community. Through collaboration with all Public Safety divisions, other city departments, other local jurisdictions, cooperative purchasing agreements and a variety of outside vendors, the Service Division maintains the most cost effective procurement practices, information management, dispatch services, property, evidence management and fleet management and maintenance. The Training Division is responsible for providing, coordinating, and documenting police, fire and emergency medical service training to all Public Safety personnel.

2016 BUDGET HIGHLIGHTS

The Service Division will continue the replacement of outdated mobile data terminals, oversee the acquisition and outfitting of new fleet vehicles and a new fire apparatus, implement a department wide change from POTS lines to Voice Over Internet Protocol (VOIP), and coordinate the implementation and support for body worn cameras in 2016. The 2016 budget for Training will provide basic training and in-service training for all certified public safety officers. The Training Division will be conducting advanced fire and police training for our personnel guided by national and state standards, coordinating advanced fire training for other agencies in the county and will be hosting multiple training schools and coordinating activities at the Regional Fire Training Tower and Sim City Training Building at our Regional Training Center located on Nazareth Road. The Records Bureau assists in the FOIA process, dictates police reports, handles requests for traffic reports and assists with criminal records checks and firearms licenses, and processes requests for police and fire information from outside agencies and the public. The Service Division will continue to put out weekly crime stats to officers and members of the public. The Service Division will also continue its responsibility to maintain, intake, store, and destroy police evidence as mandated by department policy.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

SERVICE/TRAINING

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Oversight of Public Safety buildings	10	10	10
EFFICIENCY	Annual cost to maintain buildings	\$783,594	\$821,594	\$821,594
EFFECTIVENESS	Percent of buildings in need of Refurbishment	40%	30%	35%

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

KVET DRUG ENFORCEMENT FORFEITURE

Special Revenue Fund

BUDGET OVERVIEW

REVENUE

Revenue sources are the proceeds of forfeited property seized in connection with KVET enforcement activities, pursuant to Public Act 135 of 1985 (MCLA 333,7521-7524).

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	24,706	16,051	16,051	16,061	16,070	0.12%	16,078
Operating	805,416	292,479	292,479	288,861	274,764	-6.06%	274,764
Capital	223,390	49,500	49,500	75,322	72,500	46.46%	72,500
TOTAL	1,053,512	358,030	358,030	380,244	363,334	1.48%	363,342

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	0.0	0.0	0.0

Note, the personnel budget above represents overtime activities only.

DEPARTMENT DESCRIPTION

The Kalamazoo Valley Enforcement Team (KVET) is an intergovernmental cooperative drug unit. KVET is comprised of participants from the City of Kalamazoo, City of Portage, and the County of Kalamazoo. The mission of KVET is to provide a safe environment for the community by operating an effective, efficient, overt and covert drug enforcement unit that conducts reactive, proactive and innovative drug investigations.

2016 BUDGET HIGHLIGHTS

In 2016, the COPS division special revenue budget reflects overtime, operating supplies, community outreach programs, investigative operations and infrastructure upgrades. The COPS division will continue to develop and maintain an intelligences system to identify the most violent offenders within the city and county. Reduce the Homicide rate and gun violence through aggressive enforcement, prosecution and alternative strategies. Continue the relationship building, foot patrols, dialogue and problem solving with the community.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO PUBLIC SAFETY**

KVET DRUG ENFORCEMENT FORFEITURE

Special Revenue Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	# of tips received by KVET	2,360	2,800	2,800
EFFICIENCY	Average cost per investigation	\$1,328	\$1,400	\$1,400
EFFECTIVENESS	# of cases written on tips received	1,390	1,300	1,300
OUTPUT	# of investigations	871	1,000	1,100
EFFICIENCY	# of investigations done per day at 365 days a year.	2.6	2.6	2.7
EFFECTIVENESS	# of arrests made (includes warrants)	871	800	900

THE CITY OF



Kalamazoo

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

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.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	516,381	618,394	618,394	454,955	465,031	-24.80%	469,464
Operating	468,968	443,131	443,131	484,229	495,655	11.85%	495,655
TOTAL	985,349	1,061,525	1,061,525	939,184	960,686	-9.50%	965,119

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	32.0	34.0	33.0

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.

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.

2016 BUDGET HIGHLIGHTS

Work in 2016 will include continued training of personnel to ensure adequate resources are available to respond to various public works activities. Work will continue throughout the City to repair and replace sidewalk as required. Significant efforts were expended over 2014 and 2015 to deal with hazardous trees and routine trimming will continue into 2016.

PERFORMANCE MEASURES	Actual 2014	Projected 2015	Adopted 2016
OUTPUT Number of Lineal Feet of Sidewalk Replaced	3,571	1,259	1,500
OUTPUT Number of dead/diseased/hazardous trees removed	424	110	147
OUTPUT Percentage of dead/diseased/hazardous trees removed of total reported	55%	26%	100%

**CITY OF KALAMAZOO
2016 ADOPTED 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.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	856,868	663,433	663,433	843,314	862,303	29.98%	930,318
Operating	1,842,637	1,840,509	1,847,994	1,845,346	1,740,746	-5.42%	1,740,746
Debt Service	2,081,623	1,811,807	1,788,606	1,788,606	1,755,004	-2.20%	1,870,078
Transfers	200,004	900,000	900,000	900,000	1,000,000	11.11%	1,350,000
Contribution to OPEB Trust	-	-	1,211,313	1,211,313	43,400	87.08%	43,400
Capital	1,652,434	3,210,000	5,071,717	5,024,201	6,005,166	87.08%	4,274,000
TOTAL	6,633,566	8,425,749	11,483,063	11,612,780	11,406,619	35.38%	10,208,543

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	32.0	34.0	33.0

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.

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.

2016 BUDGET HIGHLIGHTS

Programmed activities related to street reconstruction, resurfacing and maintenance will continue in 2016. Use of the pavement management system software as well as coordination with other local and state road agencies will continue to be key components to ensure major streets are maintained properly. The proposed list of major streets to be worked on in 2016 includes Kilgore (Service Drive to Sprinkle), E. Michigan (Riverview to Wallace), E. Main Street (E. Michigan to Wallace), Portage Street Signal Upgrades, Drake Road Shared Use Path, Paterson Street Bridge, and Ransom Street (North to Walbridge). Field services staff will continue to provide snow removal and repair as needed.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
EFFICIENCY	% of Streets Cleared within 24 hours	100%	100%	100%
OUTPUT	% of Potholes Patched within 24 to 48 hours	100%	100%	100%
OUTPUT	Tonnage of cold patch used to fill potholes	453	1,104	1,104

**CITY OF KALAMAZOO
2016 ADOPTED 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.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	623,209	585,359	585,359	674,547	691,118	18.07%	703,666
Operating	991,760	1,141,610	1,148,536	1,192,135	1,098,770	-3.75%	1,098,770
Debt Service	844,773	789,943	762,617	762,617	748,307	-2.61%	873,180
Contribution to OPEB Trust	-	-	1,120,917	1,120,917	40,250	0.00%	40,250
Capital	874,528	1,000,000	1,210,419	1,210,419	1,000,000	0.00%	1,000,000
TOTAL	3,334,270	3,516,912	4,827,848	4,960,635	3,578,445	1.75%	3,715,867

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	32.0	34.0	33.0

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.

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.

2016 BUDGET HIGHLIGHTS

Diligent efforts will continue in 2016 to provide the most effective repairs and maintenance for local streets as funding allows. Field Services staff will continue to provide key snow and ice control measures as well as repairs as needed. Based on citizen input and Engineering evaluation a list of local streets schedule for resurfacing will be developed. Dollars will continue to be available for scattered sites repairs as time permits.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
EFFICIENCY	% of Streets cleared within 48 hours of end of snow event	100%	100%	100%
EFFECTIVENESS	% of Potholes Fixed with 24 to 48 hours	100%	100%	100%
OUTPUT	Tonnage of cold patch used to fill potholes	247	142	142

**CITY OF KALAMAZOO
2016 ADOPTED 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.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	32,267	28,272	28,272	28,442	28,853	2.06%	29,360
Operating	308,493	303,535	303,535	322,795	323,958	6.73%	323,958
Capital	8,517	180,000	316,714	160,000	159,000	-11.67%	159,000
Transfers	-	-	-	-	-	0.00%	-
TOTAL	349,277	511,807	648,521	511,237	511,811	0.00%	512,318

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	32.0	34.0	33.0

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.

DEPARTMENT DESCRIPTION

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

2016 BUDGET HIGHLIGHTS

Improvements planned at both Riverside and Mountain Home Cemeteries include headstone restoration project to improve cemetery appearance. Roadway repairs will occur throughout 2016. Hazardous tree removal to address tree concerns at both locations will continue. Staff are working toward annual plans for preventative maintenance to address the hazardous tree removal, stone wall restoration, soil erosion control and internal street improvements. Plans for improvement to the wall along W. Main at Mountain Home Cemetery will be phased in over the next few years due to the extent of work needed and planning necessary.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of Burials Performed Per Year	177	140	150
EFFICIENCY	Cost per Burial Service	\$632	\$622	\$625
EFFECTIVENESS	Number of Complaints Received Regarding Burials	0	5	5-10

**CITY OF KALAMAZOO
2016 ADOPTED 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.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	690,477	577,260	577,260	623,604	665,233	15.24%	716,104
Operating	1,837,935	1,901,180	1,909,503	2,034,387	1,843,825	-3.02%	1,871,938
Debt Service	-	44,856	76,822	76,822	81,574	0.00%	81,574
Transfers	-	-	1,346,908	1,346,908	48,300	0.00%	48,300
TOTAL	2,528,412	2,523,296	3,910,493	4,081,721	2,638,932	4.58%	2,717,916

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	32.0	34.0	33.0

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.

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.

2016 BUDGET HIGHLIGHTS

Oversight of existing contracts will continue into 2016. Close monitoring of expenses and programs will be of utmost importance in 2016. Education of citizens regarding the popular Solid Waste programs will continue as well as the pursuit of Single stream recycling.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

SOLID WASTE

Special Revenue Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Volume of Leaves Collected (cubic yards)	90,000	90,000	90,000
EFFICIENCY	Leaf Collection Cost	\$344,013	\$531,425	\$439,743
EFFECTIVENESS	Cost per Yard of Leaves Collected	\$3.82	\$5.90	\$4.89
OUTPUT	Volume (in tons) of Material Recycled	2,550	2,550	2,550
EFFICIENCY	Cost per Ton of Recycled Materials	\$323	\$293	\$231
EFFECTIVENESS	No. of Housing Units Participating in Recycling Activities	8,200	8,200	10,000
OUTPUT	Volume of Solid Waste Collected	17,451	15,625	16,000
EFFICIENCY	Cost of Solid Waste Collection per Cubic Yard	\$26.02	\$31.78	\$31.21
EFFECTIVENESS	No. of Housing Units Participating in Solid Waste Collection	50,000	50,000	50,000

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

WASTEWATER DIVISION

Enterprise Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	4,743,273	4,478,630	4,478,630	4,933,865	5,177,249	15.60%	5,164,993
Operating	15,483,850	15,941,097	16,002,479	14,946,955	15,787,615	-0.96%	15,787,615
Capital	3,144,000	1,865,000	3,452,647	3,441,672	3,176,542	70.32%	3,112,234
Debt Service	957,260	1,490,952	1,547,427	1,547,427	1,583,120	0.07%	1,567,485
Transfers	1,441,865	1,000,000	9,934,574	9,934,574	357,700	0.00%	357,700
TOTAL	25,770,248	24,775,679	35,415,757	34,804,493	26,082,226	5.27%	25,990,028

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	67.0	68.0	67.0

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.

2016 BUDGET HIGHLIGHTS

National Permit Discharge Elimination System (NPDES) permit renewal will occur within the Wastewater Division in the first part of 2016, an asset management program will need to be fully developed and implemented as part of the new permit. Study of treatment processes took place in 2015 along with evaluation of new solids handling equipment to improve cake dryness and reduce hauling cost. Continued training of new and existing staff will be a major emphasis in 2016 as well. Compliance with all local, state and federal discharge and monitoring requirements will remain a top priority. Work will continue with surrounding jurisdictions to renew wastewater service agreements.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

WASTEWATER DIVISION

Enterprise Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Cubic Meters of Wastewater Treated (Millions)	35.58	35.95	36.054
EFFICIENCY	Average Operating Cost to Treat one Cubic Meter of Wastewater (excludes depreciation)	\$0.50	\$0.66	\$0.59
EFFECTIVENESS	Number of NPDES Discharge Violations	2	2	2
OUTPUT	Miles of Sanitary Sewers	293	293	293
EFFICIENCY	Response Time to Sewer Backups within City/outside City	<6 hours	<4 hours	<3 hours
OUTPUT	Number of Lift Stations Maintained	59	60	61
OUTPUT	Total Number of Maintenance Work Orders Completed	2,124	1,741	1,900
EFFICIENCY	Number of Preventive Maintenance Work Orders Completed	7,903	6,827	7,000
EFFECTIVENESS	Percent of Corrective Work Orders to Total	21%	20%	21%

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

WATER DIVISION

Enterprise Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Variance	Projected
Personnel	4,692,520	3,267,697	3,267,697	3,042,143	3,154,271	-3.47%	3,430,670
Operating	8,946,067	11,161,006	11,217,250	11,217,251	12,010,330	7.61%	12,010,330
Capital	1,809,818	2,171,900	2,941,261	1,680,077	2,731,400	25.76%	2,801,341
Debt Service	2,450,370	2,887,183	3,002,249	3,002,249	2,265,559	-30.96%	2,218,155
Transfers	250,000	250,000	9,102,926	9,102,926	298,200		298,200
TOTAL	18,148,775	19,737,786	29,531,383	28,044,646	20,459,760	3.66%	20,758,696

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	51.0	47.0	46.0

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.

2016 BUDGET HIGHLIGHTS

Major realignment activities will continue in the Water Division in 2016. Training, staff development and oversight of the Water system will continue in 2016. Compliance with all local, state and federal monitoring requirements will remain a top priority in 2016. Education efforts related to source protection and water quality will continue throughout 2016. Work will continue with surrounding jurisdictions to obtain new water services agreements.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

WATER DIVISION

Enterprise Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Cubic Meters of Water BILLED (million m3 per year)	21.36	20.19	20.89
OUTPUT	Cubic Meters of Water PUMPED (million m3 per year)	25.37	25.62	25.50
EFFICIENCY	Average Operating Cost to Produce one Cubic Meter of BILLED Water (excludes depreciation).	\$0.50	\$0.80	\$0.83
EFFICIENCY	Compliance with all required regulatory limits, monitoring, and reporting requirements	100%	98%	100%
EFFECTIVENESS	Response Time on all water quality complaints (including logging of all complaints and responses for tracking purposes)	<20 hours	< 16 hours	< 16 hours

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

CITY-WIDE MAINTENANCE

General Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	428,314	317,270	317,270	317,865	322,791	1.74%	325,846
Operating	393,008	372,945	372,945	398,735	437,529	17.32%	437,529
Capital	-	-	-	-	223,135	0.00%	162,322
TOTAL	821,322	690,215	690,215	716,600	983,455	42.49%	925,697

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	6.0	6.0	6.0

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.

2016 BUDGET HIGHLIGHTS

Work will continue in 2016 to ensure that adequate custodial and maintenance services are provided to all City facilities and downtown snowmelt system. This will include oversight of custodial contractual services, as well as directed maintenance activities, to ensure uninterrupted services.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

CITY-WIDE MAINTENANCE

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of Facilities Maintained	19	19	19
OUTPUT	Total Square Footage Maintained	485,058	485,058	485,058
EFFECTIVENESS	Response time for Priority Equipment Repairs	<6 hours	<4 hours	<4 hours
EFFECTIVENESS	Response time for Non-Priority Equipment Repairs	<20 hours	<16 hours	<16 hours

**CITY OF KALAMAZOO
2016 ADOPTED 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.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	1,037,570	976,929	976,929	1,002,020	1,051,450	7.63%	1,064,088
Operating	162,038	139,020	139,020	137,547	134,087	-3.55%	134,087
TOTAL	1,199,608	1,115,949	1,115,949	1,139,567	1,185,537	6.24%	1,198,175

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	13.0	13.0	16.0

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.

2016 BUDGET HIGHLIGHTS

The 2016 position allocation places two existing positions from other divisions into engineering to match the department flow chart. These positions are funded from the enterprise and special revenue funds.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

ENGINEERING

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Miles (%) of Major & Local Streets Repaired	6.67 (2.7%)	6.37 (2.5%)	5.00 (2.0%)
OUTPUT	Number of Traffic Signals Upgraded	4 (5%)	4 (5%)	17 (22%)
	Additional miles of Alternate Transportation Infrastructure	1.91	1.71	4.61
	Number of Right-of-Way permits issued	221	200	175
	Number of Miss Dig tickets completed	1,288	27,685	22,150
EFFECTIVENESS	Dollars Allocated for Transportation Improvements	1.384M Fed	\$1.531M Fed	2.21M Fed
		\$3.000M Bond*	\$3.000M Bond*	\$3.000M Bond*
EFFECTIVENESS	Percent accuracy of Miss Dig Staking	99%	99%	99%

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PUBLIC SERVICES**

FLEET SERVICES

General Fund

BUDGET OVERVIEW

REVENUE

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

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	793,159	652,609	652,609	655,823	668,828	2.49%	673,936
Operating	1,717,385	1,687,059	1,687,059	1,525,810	1,637,187	-2.96%	1,637,187
Capital	75,113	-	-	-	78,500		78,500
TOTAL	2,585,657	2,339,668	2,339,668	2,181,633	2,384,515	1.92%	2,389,623

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2014	Adopted 2016
Number of Permanent Full Time Positions	9.0	9.0	9.0

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.

2016 BUDGET HIGHLIGHTS

Evaluation of Fleet needs throughout the City will continue in 2016. Work will continue towards incorporating technology into Fleet management as well as enhanced use of tracking and monitoring of maintenance activities. Fleet continued to see an increase in vehicle work orders in 2015 due to the age of equipment.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of Vehicles and Equipment Items Maintained	744	819	819
EFFICIENCY	Pieces of Equipment Maintained per Mechanic	93	117	117
EFFECTIVENESS	Percent of Preventive Work Orders (vs. Corrective Work Orders)	20%	25%	27%
OUTPUT	Number of Work Orders Completed	3,325	3,800	3,900
EFFICIENCY	Number of Work Orders Per Mechanic	425	542	542
EFFECTIVENESS	Percent of Corrective Work Orders (vs. Preventive Maintenance)	80%	75%	73%

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**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
COMMUNITY PLANNING & DEVELOPMENT**

CODE ADMINISTRATION

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source for the Code Administration Division is primarily funded through the General Fund, supplemented by cost recovery fees, property inspection fees and permit fees charged for new construction.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	1,057,282	1,002,489	1,002,489	860,881	1,006,347	0.38%	1,027,687
Operating	202,740	169,195	169,195	263,139	163,344	-3.46%	163,344
Capital	-	4,288	4,288	35,048	20,866	386.61%	20,866
TOTAL	1,260,022	1,175,972	1,175,972	1,159,068	1,190,557	1.24%	1,211,897

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	19.0	19.0	20.0

DEPARTMENT DESCRIPTION

Through partnerships with the community, City Attorney, City Engineering, Economic Development, Planning, Public Services, Public Safety, the Fire Marshal, and county and state governments, the Code Administration Division (CA) coordinates multi-departmental plan review, inspection and enforcement services while protecting the health, safety and general welfare of the community. The Code Administration Division is responsible for ensuring compliance with applicable codes and regulations for new construction and renovations. CA addresses the negative effects of blighted and abandoned properties through Code Compliance Inspectors and the Abandoned Residential Structures Ordinance. CA also administers code compliance on approximately 16,000 rental units in the city through our Rental Inspection and Certification Program.

2016 BUDGET HIGHLIGHTS

The 2016 Budget maintains inspection staff for blight abatement and property standards enforcement, including the Dangerous Buildings Board Coordinator position that was converted to a Housing Inspector in 2015 in an effort to address significant delays in scheduling inspections. Code Administration will continue to employ one seasonal Weed/Tall Grass inspector during the summer months.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
COMMUNITY PLANNING & DEVELOPMENT**

CODE ADMINISTRATION

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	No. Of Housing/Code Compliance Inspections and Enforcement Actions	11,458	12,900	13,000
EFFICIENCY	Number of Inspectors Dedicated to the Task	8.5	9.5	9.5
EFFECTIVENESS	Number of Inspection Actions per Inspector	1,348	1,358	1,368
OUTPUT	No. Of Building Trades Compliance Inspections and Enforcement Actions	6,000	6,135	6,200
EFFICIENCY	Number of Inspectors Dedicated to the Task	4	5	5
EFFECTIVENESS	Number of Inspection Actions per Inspector	1,500	1,227	1,240
OUTPUT	Total Operating and Maintenance Expenditures	\$1,260,022	\$1,124,020	\$1,169,691
EFFICIENCY	Total amount billed for permitting, inspection, registration and enforcement activity	\$2,350,496	\$2,375,470	\$2,300,000
EFFECTIVENESS	Percent of budget recovered through billing for permitting, inspection, registration and enforcement activity	186.5%	211.3%	196.6%
OUTPUT	Number of Abandoned Structures Cases Resolved	49	46	40

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
COMMUNITY PLANNING & DEVELOPMENT**

PLANNING

General Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Planning Division's budget is General Fund.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	215,154	247,034	247,034	247,088	249,507	1.00%	250,248
Operating	32,774	61,763	61,763	60,633	66,148	0	66,148
TOTAL	247,928	308,797	308,797	307,721	315,655	2.22%	316,396

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	2.0	2.0	2.0

DEPARTMENT DESCRIPTION

The Planning Division is responsible for the implementation and enforcement of the city's zoning ordinance and short and long term planning. It also administers citywide land use policy. The division uses the master land use plan, "Plan Kalamazoo", and works to implement the ideals put forth in the document.

The Division works with the Planning Commission, the Historic District Commission, Historic Preservation Commission, Site Plan Review Committee, the Downtown Design Review Committee and neighborhood associations as technical support and as a professional planning resource to assist with neighborhood-based projects. Our goal is to make a reality the collective community wisdom that went into the creation of Plan Kalamazoo and to continue to improve the quality of life for all stakeholders.

2016 BUDGET HIGHLIGHTS

As the Planning Division employees continue to work more intensely in other areas of the department, we are working to proactively streamline processes within the division and share staffing resources. In 2016, the Planning Division will update the master land use plan.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
COMMUNITY PLANNING & DEVELOPMENT**

PLANNING

General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Zoning enforcement actions	268	253	245
EFFICIENCY	Average staff cost per zoning violation	\$179	\$190	\$196
EFFECTIVENESS	Actions taken per inspector	268	253	245
OUTPUT	Site plans reviewed	64	65	65
EFFICIENCY	Average staff cost per site plan reviewed	\$250	\$250	\$250
EFFECTIVENESS	Percentage of site plans completed in accordance with approved plans	58%	60%	60%

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
COMMUNITY PLANNING & DEVELOPMENT**

COMMUNITY DEVELOPMENT GRANT ADMINISTRATION

Special Revenue Fund

BUDGET OVERVIEW

REVENUE

Special revenues used to fund the Community Development Division's 2016 budget include Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grants (ESG) from the U.S. Department of Housing and Urban Development (HUD).

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	712,429	813,487	813,487	836,043	851,787	4.71%	867,344
Operating	84,008	123,798	123,798	105,782	113,097	-8.64%	110,000
Capital	-	-	-	-	-	0.00%	-
TOTAL	796,437	937,285	937,285	941,825	964,884	2.94%	977,344

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	9.0	9.0	8.0

DEPARTMENT DESCRIPTION

The focus of Community Development (CD) includes the effective management of federal, state and local funds in support of programs that address Kalamazoo's housing, neighborhood, and community development needs, especially those with low-and-moderate incomes. CD manages all Federal entitlement and competitive grants and programs channeled through the HUD: CDBG, HOME, and ESG. CD also serves to ensure a continuum of housing programs and services within the community through grants to non-profit housing development and service organizations, direct service delivery, technical assistance, other grants, loans, and/or contracts for services, as needed.

2016 BUDGET HIGHLIGHTS

Eligible administrative and planning funds are used to cover staff time and related expenses associated with HUD-funded activities. The FY 2016 Proposed Budget only reflects personnel costs of allocated positions and associated operational costs. The new CDBG, HOME, and ESG Budgets will be adopted when the grant is accepted by the City Commission in the first quarter of 2016; a 5% reduction from HUD is anticipated.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
COMMUNITY PLANNING & DEVELOPMENT**

COMMUNITY DEVELOPMENT GRANT ADMINISTRATION

Special Revenue Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Grants: (CDBG, HOME, ESG)	17	18	14
EFFICIENCY	Total Federal Awards for Housing	\$907,140	\$599,128	\$600,000
EFFECTIVENESS	Leveraged funds for Housing	\$226,785	\$149,782	\$150,000
EFFECTIVENESS	Number of households impacted by housing-related grant award activities	392	350	350

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ECONOMIC DEVELOPMENT**

ECONOMIC DEVELOPMENT

General Fund

BUDGET OVERVIEW

REVENUE

The revenue source of the Economic Development Division is the General Fund.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	146,605	9,429	9,429	9,439	75,666	702.48%	156,976
Operating	89,491	95,981	95,981	93,854	29,874	-68.88%	29,874
TOTAL	236,096	105,410	105,410	103,293	105,540	0.12%	186,850

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	4.0	4.0	6.0

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.

2016 BUDGET HIGHLIGHTS

The Economic Development Department will add two positions in order to meet the public's demand and continue to assist the community with economic development services. There will be a continued aggressive redevelopment of underutilized and challenged brownfield sites within the community, partnering with developers, Michigan Department of Environmental Quality, Michigan Economic Development Corporation, Southwest Michigan First and the Downtown Development Authority.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of acres redeveloped	2.62	2.23	7.133
EFFICIENCY	Private investment leveraged / jobs created	\$12.9/47	\$10.1/128	\$23.0/182/74-81
EFFECTIVENESS	New taxable value added to the city	0.727	4.40	4.44

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**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PARKS AND RECREATION**

PARKS
General Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Parks Division's budget comes from a combination of General Fund dollars, proposed park rental fees of \$42,750, as well as reimbursement of \$112,487 from the solid waste millage for leaf and trash removal, and \$7,800 for the lease agreement with Kalamazoo Amateur Athletic Federation for the Versluis/Dickinson Complex.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	659,267	542,424	542,424	508,496	546,196	0.70%	551,411
Operating	250,809	275,041	275,041	281,140	269,698	-1.94%	269,698
Capital	-	-	8,230	8,230	-		-
TOTAL	910,076	817,465	825,695	797,866	815,894	-0.19%	821,109

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	4.0	4.0	4.0
Number of Permanent Part Time Positions	1.0	1.0	1.0

DEPARTMENT DESCRIPTION

The Parks and Recreation Department provides a wide variety of high quality, affordable, accessible, environmentally-sustainable and dynamic programming and facilities which promote leisure, health and a high quality of life for all citizens of Kalamazoo.

The Parks Division includes the following budget units: General Parks and Bronson Park.

2016 BUDGET HIGHLIGHTS

The Parks division continued its focus on park maintenance, special event support, and facility services in 2015. The Parks staff provide logistical support for Movies in the Park, Lunchtime Live and special events like Safe Halloween and Tree Lighting. Parks staff monitor the mowing contracts for park spaces and parkways, in addition to maintaining the City's 36 parks. Staff also maintain the Youth Development Center, Park Maintenance Building and the Parks & Recreation Offices at Mayors' Riverfront Park. Staff continues to evaluate schedules, operations and maintenance procedures in order to provide the most efficient service possible to address park maintenance and the needs of the users of the parks.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PARKS AND RECREATION**

PARKS
General Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Acres of Park Mowed	210	210	210
EFFICIENCY	Time to Mow Parks (Mowing Cycle)	6-10 days	6-10 days	6-10 days
EFFECTIVENESS	Number of Complaints Regarding Parks Mowing (annually)	4	5	5
OUTPUT	Number of Park Reservations (includes public & private events)	180	180	185
EFFICIENCY	Turn-around Time to Book a Private Event (entire process)	1 -14 days	1 -14 days	1 -14 days
EFFECTIVENESS	Number of Complaints Regarding Reservations (annually)	4	5	5
OUTPUT	Number of Locations for Trash Removal (barrels)	300	150	150
EFFICIENCY	Frequency of Trash removal	every 3-14 days	every 3-14 days	every 1-10 days
EFFECTIVENESS	Number of Complaints (annually)	10	10	10

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PARKS AND RECREATION**

RECREATION

General Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Recreation Division's budget comes from a combination of General Fund dollars, the department's program fees and charges of \$207,500, rental fees for Mayors' Riverfront Park Complex facilities of \$54,000, contributions totaling \$55,000 from endowment funds held at the Kalamazoo Community Foundation, as well as advertising and sponsorships.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	621,245	599,865	599,865	589,746	645,151	7.55%	664,211
Operating	352,279	361,449	361,449	385,900	363,072	0.45%	363,072
TOTAL	973,524	961,314	981,903	996,235	1,008,223	4.88%	1,027,283

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	6.0	7.0	7.0
Number of Permanent Part Time Positions	3.0	2.0	1.0

DEPARTMENT DESCRIPTION

Mission Statement: the Department of Parks and Recreation serves as a vital and integral part of the Kalamazoo Community. The mission of the Parks and Recreation Department is to create a community of neighborhoods where people live, work, and play. The department accomplishes this by being good stewards of the environment, providing dynamic parks, trails and recreation programs for all citizens and by promoting youth development initiatives in support of healthy families.

The Recreation Division includes the following units:

General Recreation Services:

Administration, Summer Youth Activities, Playgrounds, Aquatics, Concession/Kik Pool,
Special Events, Youth Sports, After School, and Youth Development Programs

Adult Sports and Recreation Services:

Administration, Softball, and Volleyball

Inclusive Services:

Inclusive (citizens with a cognitive or physical impairment)

Mayors' Riverfront Park (MRP):

MRP/Administration, Homer Stryker Field/Baseball

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PARKS AND RECREATION**

RECREATION

General Fund

2016 BUDGET HIGHLIGHTS

The department will continue to seek outside funding for a year round swim program and for general recreation programs. Strategic partnerships will continue to be critical to the department, with examples like Lunchtime Live! sponsored by Bison Financial Group and Family Fit Festival being examples of successful partnerships. Staff will continue our focus on after school programs at the Youth Development Center, in partnership with KYD Network, that focus on education, skill/employment development and arts/cultural programs. Special events such as Lunchtime Live and Movies in the Park will continue to be a department staple in 2016 after an extremely successful year in 2015. Revenue generated from registration fees and charges will be increased in 2016 by comparative pricing and quality of services offered.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Special Events (# programs)	11	13	14
EFFICIENCY	Special Events (cost per person)	.50 - \$60	.50 - \$60	.50 - \$60
EFFECTIVENESS	Special Events (# of people served; outdoor events are weather dependent)	9,500	12,500	14,000
OUTPUT	Youth Development (# programs)	35	34	36
EFFICIENCY	Youth Development (# collaborations)	20	20	25
EFFECTIVENESS	Youth Development (number of registered participants)	5,011	5,000	5,200

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
PARKS AND RECREATION**

KALAMAZOO FARMERS MARKET

Enterprise Fund

BUDGET OVERVIEW

REVENUE

The revenue to fund the Kalamazoo Farmers' Market budget is generated from user rental fees.

EXPENDITURES

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Adopted Variance	2017 Projected
Personnel	3,951	4,964	4,964	4,971	1,146	-76.91%	1,170
Operating	11,115	15,353	15,353	16,297	14,423	-6.06%	14,423
TOTAL	15,066	20,317	20,317	21,268	15,569	-23.37%	15,593

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Part Time Positions	0.0	0.0	0.0

DEPARTMENT DESCRIPTION

The Kalamazoo Farmers' Market seeks to enhance the quality of life in the community by offering a wide variety of fresh food and products from area farmers, growers, and artisans.

2016 BUDGET HIGHLIGHTS

The People's Food Co-op has successfully operated the Bank Street Farmer's Market since 2013. The partnership with the Food Co-op has been very successful with market attendance and vendor participation increasing each year. One of the biggest increases has been in pop-up retail, with 10-12 vendors participating weekly. In 2015, the market planned for up to 125 businesses on site each market Saturday. In total, the market engaged 185 business throughout the 2015 season. A total of 131 vendors fulfilled seasonal commitments and there were 54 businesses that participated part-time at the market. The market facilitated \$75,000 + in SNAP and Double Up Food Bucks sales to market customers and \$5,900 in WIC Project FRESH and \$4,500 in Senior Market FRESH coupons at the Kalamazoo Farmers Market.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of Seasonal Stalls Available	125	131	135
EFFICIENCY	Number of Seasonal Stalls Rented	125	131	135
EFFECTIVENESS	Number of Complaints from vendors/public	3	3	2

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO MUNICIPAL GOLF ASSOCIATION**

PUBLIC GOLF ASSOCIATION

Enterprise Fund

BUDGET OVERVIEW

REVENUE

The revenue for the Kalamazoo Municipal Golf Association comes from course operations and includes golf memberships, green fees, cart rentals, concessions and pro shop sales.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Operating	1,577,647	1,351,857	1,351,857	1,351,857	1,408,820	4.21%	875,000
Debt Service	234,327	245,888	245,888	245,888	295,439	20.15%	-
TOTAL	1,811,974	1,597,745	1,597,745	1,597,745	1,704,259	6.67%	875,000

DEPARTMENT DESCRIPTION

The Golf Association manages operations at the Milham Park Golf Course and the Red Arrow Golf Course. The Association is overseen by an eleven member Board of Governors. Six of the members are elected by the membership, three members are appointed by the City of Kalamazoo, and two members are appointed by the Kalamazoo City Commission.

2016 BUDGET HIGHLIGHTS

Beginning in 2010, the Association implemented a deficit elimination plan that resulted in a positive unrestricted net position by December 31, 2012. In early 2012 the Association entered into a contract with DM Golf, LLC to operate and maintain the golf courses. A revised revenue sharing arrangement was implemented, and structured to produce sufficient cash from operations to finance capital asset additions, including related debt service costs. In 2015, the City agreed to sell Eastern Hills to a private investor to pay off all remaining debt and to set up a capital sinking fund for the remaining golf courses. The sale was not completed in 2015, so the 2016 budget reflects all 3 courses. The 2017 projected budget reflects operations for Milham Park and Red Arrow only. The golf industry is undergoing a transformation, as new intergenerational recreation such as disc-golf and foot-golf are becoming more popular and present on golf courses. The KMGA is looking at ways to accommodate this new reality. Volunteer staffing at Red Arrow Golf Course has helped to sustain urban downtown golf in Kalamazoo.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
KALAMAZOO MUNICIPAL GOLF ASSOCIATION**

PUBLIC GOLF ASSOCIATION

Enterprise Fund

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
EFFECTIVENESS	Maintain Core Golf revenues (Memberships, Greens Fees, Cart Rentals, Driving Range)	1,105,759	1,091,693	1,170,000
EFFECTIVENESS	Maintain non-golfing (merchandise, food/beverage) related revenues	501,196	484,016	545,000
EFFECTIVENESS	Maintain rounds of golf and related revenues	63,090	59,000	70,000

THE CITY OF



Kalamazoo

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
TRANSPORTATION**

PUBLIC TRANSPORTATION SERVICES

Component Unit

BUDGET OVERVIEW

REVENUE

Public transportation operating revenues are derived from passenger fares, the Michigan Department of Transportation (MDOT), the Federal Transit Administration (FTA), Western Michigan University (WMU), and voter approved public transit millages through the Kalamazoo County Transportation Authority(KCTA) and the Central County Transportation Authority(CCTA). The CCTA millage was approved in August 2015 and doesn't expire until 2020 and the KCTA millage expires after 2016 and will necessitate a millage election in 2016. Capital funding for vehicle replacement, new equipment, and improvements to public transit facilities continues to be provided 80% by FTA and 20% from MDOT.

EXPENDITURES

	2014	2015	2015	2015	2016	2016/2015	2017
	Actual	Adopted	Amended	Projected	Adopted	Adopted Variance	Projected
Personnel	6,979,177	7,107,698	11,123,467	11,095,862	7,244,949	1.93%	-
Operating	10,028,769	9,301,884	9,329,029	8,946,830	9,615,044	3.37%	-
Capital*	2,406,369	4,721,630	9,955,102	7,411,199	2,825,106	-40.17%	-
Debt Service	-	401,653	250,575	250,575	266,076	0.00%	-
Transfers	-	175,266	175,266	175,266	220,850	0.00%	-
TOTAL	19,414,315	21,708,131	30,833,439	27,879,732	20,172,025	-7.08%	-

*This line item budget includes prior year appropriations available for use.

POSITIONS

POSITION ALLOCATIONS	Budget 2014	Budget 2015	Adopted 2016
Number of Permanent Full Time Positions	102.0	100.0	110.0
Number of Permanent Part Time Positions	20.0	20.0	22.0

DEPARTMENT DESCRIPTION

The Transportation Department provides the citizens of Kalamazoo County with fixed-route bus service, Metro County Connect (demand/response van service), Community Service Van and other specialized services like Mobility Management and Ridesharing. These public transit services are dependable, convenient, safe, cost effective, and accessible for everyone.

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
TRANSPORTATION**

PUBLIC TRANSPORTATION SERVICES

Component Unit

2016 BUDGET HIGHLIGHTS

The budget for 2016 will not only ensure that current service levels continue but allow for an expansion of service. Sunday service for Metro County Connect is targeted for February 2016. Sunday service, later night service and increased route frequencies are targeted for September 2016. No fare increase is being proposed for 2016. The Community Service Van program has grown tremendously as additional vans are added to the program and will continue with vans operating out of Metro Transit in downtown Kalamazoo and also Vicksburg and Portage. Continued efforts at assisting seniors, people with disabilities, and the general public in terms of educating people how to use public transit will be promoted through our grant funded travel trainer program. Safety and security will be ensured at the Kalamazoo Transportation Center (KTC) with the continuation of two public safety officers funded through this proposed budget. In an effort to proactively manage the fleet, two fixed-route buses, two Metro County Connect Vans and one maintenance truck will be replaced. With the approval of the Comprehensive Transition Agreement in October 2015 by the City Commission, City of Kalamazoo Transit Authority Board, the KCTA and the CCTA, the Transportation Department will be transferred to the Central County Transportation Authority on October 1, 2016.

PERFORMANCE MEASURES		Actual 2014	Projected 2015	Adopted 2016
OUTPUT	Number of Revenue Hours (including Metro Transit, Metro Van, Care-A-Van and Community Service Vans)	191,327	198,028	210,013
EFFICIENCY	Cost Per Hour	\$88.77	\$78.85	\$81.17
EFFECTIVENESS	Average Passengers Per Hour – All Services	16.77	14.94	14.73
OUTPUT	Number of Revenue Miles (including Metro Transit, Metro Van, Care-A-Van and Community Service Vans)	2,711,102	2,835,512	3,012,579
EFFICIENCY	Cost Per Mile	\$6.26	\$5.51	\$5.66
EFFECTIVENESS	Miles Per Hour	14.17	14.32	14.34
OUTPUT	Number of Passengers Trips (all services)	3,208,685	2,958,782	3,093,114
EFFICIENCY	Cost Per Passenger	\$5.29	\$5.28	\$5.55
EFFECTIVENESS	Passengers Boarded Per Service Mile	1.18	1.04	1.03

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

CITY OF KALAMAZOO CAPITAL IMPROVEMENTS PROGRAM SUMMARY BUDGET YEAR - 2016		DEPARTMENT: VARIOUS										FUNDING SOURCE
		DIVISION: VARIOUS										
		FUND NAME/NUMBER: GENERAL FUND CAPITAL										
DOLLARS IN THOUSANDS (\$000)												
DEPARTMENT	PROJECT TITLE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Public Safety	Crosstown Dispatch Tower	118.0	124.0									BOND
Public Safety	New Station 2 (Bryant) Design	200.0										LOCAL
Public Safety	In-Car Camera System Infrastructure Upgrade	90.0					200.0					BOND
Public Safety	Public Safety Telephone System - VOIP	170.0										BOND
Parks & Recreation	Davis Street Park Improvements	75.0										BOND
Parks & Recreation	Henderson Tot Lot Improvements	25.0										PRIVATE
Parks & Recreation	Phase I Redevelopment of Farmers' Market	100.0										BOND
Parks & Recreation	Bronson Park Improvements (including Ianelli Fountain)	10.0										PRIVATE
Parks & Recreation		350.0	150.0									BOND
Parks & Recreation		1,000.0	1,000.0									PRIVATE
Parks & Recreation		25.0	100.0									BOND
Parks & Recreation		1,500.0	1,000.0									PRIVATE
Parks & Recreation		200.0										STATE
Information Technology	Fiber Optic Network	125.0	125.0	125.0	125.0							BOND
Public Services	Snowmelt Equipment and Repairs	40.3	35.3	36.3	37.4	38.5	163.4	40.8	42.1	43.4	44.6	BOND
Public Services	5 Yrd Dump truck (live body)	150.0										BOND
Public Services	14 Yrd Dump truck	175.0										BOND
Public Services	5 Yrd Dump truck	150.0										BOND
Public Services	14 Yrd Dump truck	175.0										BOND
Public Services	Portage Creek Trailway Phase 2	25.0	0.0	23.0								BOND
Public Services			300.0									STATE
Public Services				460.0								BOND
City Clerk/Elections	Replacement of Voting Equipment	100.0										BOND
2016 CIP Subtotal		\$1,950.3										
2016 Total Project Cost		\$4,803.3										

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

CITY OF KALAMAZOO CAPITAL IMPROVEMENTS PROGRAM SUMMARY BUDGET YEAR - 2016		DEPARTMENT: VARIOUS										FUNDING SOURCE
		DIVISION: VARIOUS										
		FUND NAME/NUMBER: GENERAL FUND CAPITAL										
DOLLARS IN THOUSANDS (\$000)												
DEPARTMENT	PROJECT TITLE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Public Safety	New Station 2 Construction		2,370.0									BOND
Parks & Recreation	Frays Park Walkway and general park improvements		67.5									BOND PRIVATE
Public Services	City Hall Roof Replacement		84.8									BOND
Public Services	2 - Bucket Truck		130.0	130.0								BOND
Public Services	2 -14 yrd Tandum Axel Plow Truck		150.0	300.0								BOND
Public Services	Paver		230.0									BOND
Public Services	Truck mounted patching unit		210.0									BOND
2017 CIP Subtotal		\$3,652.5										
2017 Total Project Cost		\$6,144.0										
Public Safety	Replace Engines 2 and 5			1,000.0								BOND
Parks & Recreation	Crane Park Redevelopment			310.0								BOND PRIVATE
Parks & Recreation	Blanche Hull Park Improvements			300.0								BOND STATE PRIVATE
Parks & Recreation	Milham Park Improvements			300.0								BOND STATE PRIVATE
Public Services	5yrd dual purpose dump truck chassis			145.0								BOND
2018 CIP Subtotal		\$2,669.3										
2018 Total Project Cost		\$6,839.3										

CITY OF KALAMAZOO 2016 ADOPTED BUDGET

CITY OF KALAMAZOO CAPITAL IMPROVEMENTS PROGRAM SUMMARY BUDGET YEAR - 2016		DEPARTMENT: VARIOUS										FUNDING SOURCE
		DIVISION: VARIOUS										
		FUND NAME/NUMBER: GENERAL FUND CAPITAL										
DOLLARS IN THOUSANDS (\$000)												
DEPARTMENT	PROJECT TITLE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Public Safety	Public Safety Facility Upgrades				250.0							BOND
Parks & Recreation	Knollwood Park Improvements				75.0							BOND PRIVATE
Public Services	Backhoe				285.0							BOND
Public Services	5 yrd dump truck				290.0							BOND
Public Services	Portage Creek Trailway Phase 3				50.0	300.0	2,000.0					BOND STATE BOND
2019 CIP Subtotal					\$1,112.4							
2019 Total Project Cost					\$1,187.4							
Public Safety	Replace Fire Apparatus- Truck 6					1,000.0						BOND
Public Safety	CAD/RMS Upgrade					550.0						BOND
Public Services	5 yrd plow truck					290.0						BOND
Public Services	14 yrd plow truck					155.0						BOND
Public Services	5 yrd single axel plow truck					145.0						BOND
2020 CIP Subtotal					2,178.5							
2020 Total Project Cost					2,478.5							
Public Safety	Dispatch Equipment Replacement						1,800.0					BOND
Public Services	Heavy Equipment Public Services						1,045.0					BOND
2021 CIP Subtotal					3,208.4							
2021 Total Project Cost					5,208.4							
GRAND TOTAL		4,803.3	\$6,144.0	\$6,839.3	\$1,187.4	\$2,478.5	\$5,208.4	\$40.8	\$42.1	\$43.4	\$44.6	

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

CITY OF KALAMAZOO			DEPARTMENT:		PUBLIC SERVICES				
CAPITAL IMPROVEMENTS PROGRAM SUMMARY			DIVISION:		ENGINEERING				
BUDGET YEAR - 2016			FUND NAME/NUMBER:		Special Revenue CAPITAL - Major & Local Streets				
DOLLARS IN THOUSANDS (\$000)			KEY:						
			L = Local Streets						
			M = Major Streets						
PRIORITY NO.	FUND KEY	PROJECT TITLE	2016	2017	2018	2019	2020	2021	FUNDING SOURCE
1-1	L	Local Street Program (Tier #1) Various	1,000.0	1,000.0	750.0	500.0	250.0	0.0	Bond
				0.0	250.0	500.0	750.0	1,000.0	Cash
1-2	M	Kilgore (Service Drive to Sprinkle)	374.0						Bond
			683.0						Federal
1-3	M	E. Michigan (Riverview to Wallace)	375.0						Bond
			600.0						Federal
1-4	M	E. Main Street (E. Michigan to Wallace)	331.0						Bond
			240.0						Federal
1-5	M	Portage Street Signal Upgrades	245.0						Bond
			931.0						Federal
1-6	M	Kilgore and Westnedge Cost Sharing	125.0						Bond
			0.0						Federal
1-7	M	Drake Road Shared Use Path	81.0						CIA
			320.0						Federal
1-8	M	US-131 Cost Sharring	150.0						Bond
									Federal
1-9	M	Paterson Street Bridge	150.0						Bond
1-10	M	Ransom Street (North to Walbridge)	1,200.0						CIA
1-11	M	Design for Upcoming Years Major Street Projects	100.0	50.0	50.0	50.0	50.0	50.0	Bond
1-12	M	Scattered Sites	150.0	150.0	150.0	150.0	150.0	150.0	Bond
2016 CIP Subtotal			3,000.0						
2016 Total Project Cost			7,055.0						

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

CITY OF KALAMAZOO			DEPARTMENT:		PUBLIC SERVICES				
CAPITAL IMPROVEMENTS PROGRAM SUMMARY			DIVISION:		ENGINEERING				
BUDGET YEAR - 2016			FUND NAME/NUMBER:		Special Revenue CAPITAL - Major & Local Streets				
DOLLARS IN THOUSANDS (\$000)					KEY: L = Local Streets M = Major Streets				
PRIORITY NO.	FUND KEY	PROJECT TITLE	2016	2017	2018	2019	2020	2021	FUNDING SOURCE
2017	M	Emerald (Cork to Miller)		385.0					Bond Federal
2017	M	Hatfield (Schuster to King)		210.0					Bond Federal
2017	M	Portage (Sheridan to Stockbridge)		285.0 726.0					Bond Federal
2017	M	Vine (Davis to Crosstown)		220.0 618.0					Bond Federal
2017	M	Burdick Traffic Signal Upgrades		180.0 434.0					Bond Federal
2017	M	N Drake Traffic Signal Upgrades		50.0 496.0					Bond Federal
2017	M	Sheldon (Vine to Crosstown)		170.0					Bond Federal
2017	M	Pitcher (Walnut to Portage/Pitcher Connector)		300.0					Bond Federal
2017 CIP Subtotal				1800.0					
2017 Total Project Cost				5274.0					

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

CITY OF KALAMAZOO			DEPARTMENT:		PUBLIC SERVICES				
CAPITAL IMPROVEMENTS PROGRAM SUMMARY			DIVISION:		ENGINEERING				
BUDGET YEAR - 2016			FUND NAME/NUMBER:		Special Revenue CAPITAL - Major & Local Streets				
DOLLARS IN THOUSANDS (\$000)					KEY: L = Local Streets M = Major Streets				
PRIORITY NO.	FUND KEY	PROJECT TITLE	2016	2017	2018	2019	2020	2021	FUNDING SOURCE
2018	M	Cork (Portage to Sprinkle)			595.0				Bond
					1,161.0				Federal
2018	M	W. Michigan/Howard Traffic Signal Upgrades			275.0				Bond
					928.0				Federal
2018	M	Covington (Manchester to Sprinkle)			446.0				Bond
									Federal
2018	M	Edwards (Frank to Paterson)			176.0				Bond
									Federal
2018	M	Lovell (Sprague to Oakland)			308.0				Bond
									Federal
2018 CIP Subtotal					1800.0				
2018 Total Project Cost					5089.0				
2019	M	Rose Street (South to Water)				250.0			Bond
									Federal
2019	M	VanRick (Covington to Sprinkle)				270.0			Bond
									Federal
2019	M	Burr Oak (Park to Burdick)				390.0			Bond
									Federal
2019	M	Parchmont (Clarnin to Mt. Olivet)				140.0			Bond
									Federal
2019	M	Portage (Stockbridge to Portage/Pitcher Connector)				750.0			Bond
						1,411.0			Federal
2019 CIP Subtotal					1800.0				
2019 Total Project Cost					4411.0				

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

CITY OF KALAMAZOO			DEPARTMENT:		PUBLIC SERVICES				
CAPITAL IMPROVEMENTS PROGRAM SUMMARY			DIVISION:		ENGINEERING				
BUDGET YEAR - 2016			FUND NAME/NUMBER:		Special Revenue CAPITAL - Major & Local Streets				
DOLLARS IN THOUSANDS (\$000)					KEY: L = Local Streets M = Major Streets				
PRIORITY NO.	FUND KEY	PROJECT TITLE	2016	2017	2018	2019	2020	2021	FUNDING SOURCE
2020	M	S Drake Traffic Signal Improvements					925.0 165.0		Federal Bond
2020	M	Lake (Portage to E. City Limits)					397.0 183.0		Federal Bond
2020	M	Maple (Westnedge to Burdick)					171.0		Bond
2020	M	Oakland (Parkview to Howard)					607.0 370.0		Federal Bond
2020	M	Porter (Frank to Paterson)					274.0		Bond
2020	M	Walter (Lake to Vine)					102.0		Bond
2020	M	Washington (Portage to March)					275.0		Bond
2020	M	Nazareth (E. Michigan to Charles)					260.0		Bond
2020 CIP Subtotal							1,800.0		
2020 Total Project Cost							4,929.0		
2021	M	Alcott (Burdick to Portage)						425.0	Bond
2021	M	Miller (Portage to Sprinkle)						1,400.0 600.0	Federal Bond
2021	M	Mt. Olivet (Courtlandt to Brook)						475.0	Bond
2021	M	Oakland (Kilgore to Parkview)						500.0 300.0	Federal Bond
2021 CIP Subtotal							1,800.0		
2021 Total Project Cost							4,900.0		
GRAND TOTAL			\$7,055.0	\$5,274.0	\$5,089.0	\$4,411.0	\$4,929.0	\$4,900.0	\$31,658.0

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

CITY OF KALAMAZOO			DEPARTMENT:		PUBLIC SERVICES								
CAPITAL IMPROVEMENTS PROGRAM SUMMARY			DIVISION:		WASTEWATER								
BUDGET YEAR - 2016			FUND NAME/NUMBER		WASTEWATER/590								
DOLLARS IN THOUSANDS (\$000)			KEY:										
			SC - Sewer Collection		IE - Instrumentation & Electrical Equipment								
			PL - Plant Process and Equipment				GP - General Plant						
PRIORITY NO.	FUND KEY	PROJECT TITLE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	FUNDING SOURCE
0.0	GP	Capital Management	270.0	270.0	270.0	270.0	270.0	270.0	270.0	270.0	270.0	270.0	Working Capital
1.10	PL	WRP Final Clarifier Bridge Replacements		98.3	98.3								Working Capital
1.20	PL	WRP Plant Water Pump Phased Replacements	112.0	112.2	0.0	119.1	0.0	0.0	0.0	0.0	0.0	0.0	Working Capital
1.30	PL	WRP Grit Removal Equipment Rehabilitation	0.0	251.0									Working Capital
1.40	PL	WRP Load Center 3 Rehabilitation	0.0	75.0									Working Capital
1.50	PL	WRP Phosphorus Analyzer Replacement	16.5										Working Capital
1.60	PL	WRP Blower No.1 and No.4 Control Upgrades	0.0			200.0							Working Capital
1.70	GP	WRP Plant Road Phased Replacements	0.0	279.8	235.3	255.6	200.0	200.0	200.0				Working Capital
1.80	PL	WRP Raw Pump Phased Replacements	0.0	975.0	0.0			950.0					Working Capital
1.90	PL	WRP Screw Pump Phased Replacements	0.0		733.5		633.6	0.0					Working Capital
2.00	GP	WRP Asset Management Technology Upgrades	125.0										Working Capital
2.10	GP	Computer Replacements	0.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	Working Capital
2.20	SC	Woods Lake Lift Sta. Onsite Emergency Generator	0.0	38.1									Working Capital
2.30	SC	Whites Lake Lift Sta. Onsite Emergency Generator	0.0	100.0	0.0								Working Capital
2.40	GP	Wastewater System SCADA	210.0	150.0	200.0								Working Capital
2.50	PL	WRP Equipment Replacements	100.0	105.0	110.3	115.8	121.6	127.6	134.0	140.7	147.7	155.1	Working Capital
2.60	PL	WRP Electrical, Instrumentation & Controls	121.7	127.8	134.2	140.9	147.9	155.3	163.1	171.2	179.8	188.8	Working Capital
2.70	GP	WRP Bldg 6 HVAC - Lab Isolation		0.0			200.0						Working Capital
2.80	PL	Alternate Raw Sewage Force main			0.0						106.7	2250.0	Working Capital
2.90	PL	Solids Handling Optimization										1706.1	Working Capital
3.00	SC	Lift Stations, All BIF			0.0		73.5						Working Capital
3.10	SC	Lift Stations, All Radios			0.0	0.0	72.0	72.0				36.0	Working Capital
Future	GP	WRP Building Demolition										500.0	Bond
Future	GP	WRP Laboratory Replacement										602.0	Bond
Future	GP	Harrison Roof and Building Improvements										500.0	Bond

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

CITY OF KALAMAZOO			DEPARTMENT:		PUBLIC SERVICES								
CAPITAL IMPROVEMENTS PROGRAM SUMMARY			DIVISION:		WASTEWATER								
BUDGET YEAR - 2016			FUND NAME/NUMBER		WASTEWATER/590								
DOLLARS IN THOUSANDS (\$000)													
			KEY:		SC - Sewer Collection				IE - Instrumentation & Electrical Equipment				
					PL - Plant Process and Equipment				GP - General Plant				
PRIORITY NO.	FUND KEY	PROJECT TITLE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	FUNDING SOURCE
Future	PL	Tertiary Filter Building Equipment Replacement										2500.0	Bond
3.20	SC	Sewer Mains	100.0 0.0	100.0 0.0	100.0 0.0	100.0 0.0	100.0	100.0	100.0	100.0	100.0	100.0	Working Capital Contribution in Aid
3.30	SC	Sewer Leads	0.0 30.0	0.0 30.0	0.0 30.0	0.0 30.0	0.0	0.0	0.0	0.0	0.0	0.0	Working Capital Contribution in Aid
3.40	SC	Sewer Video Truck	350.0										Working Capital
3.50	SC	Farmers Alley Sewer	491.3										Working Capital
3.60	SC	Sewer Lining	300.0	300.0	200.0	206.0	212.2	218.5	225.1	231.9	238.8	246.0	Working Capital
3.70	SC	East Michigan Ave Force Main	80.0										Working Capital
3.80	SC	Riverview Dr. Maintenance Access to SV Interceptor	80.0										Working Capital
3.90	SC	Ransom Street Interceptor Phased Replacement	425.0	0.0	425.0	425.0	425.0	425.0	425.0	0.0	0.0	0.0	Working Capital
4.00	SC	Rose Street Sewer Main Replacement		0.0	25.0	275.0							Working Capital
4.10	SC	N. Westnedge/Prouty St. Sewer Capacity Increase		25.0	250.0								Working Capital
4.20	SC	Klienstuck Sewer Improvements & Rehab	0.0	50.0	150.0								Working Capital
4.30	SC	Southwest Interceptor Rehabilitation		0.0							3000.0		Working Capital
4.40	SC	Phased Trunk line Access Roads Program			0.0	0.0			1400.0	1400.0			Working Capital
4.50	SC	Woods Lake Lift Sta Rehabilitation				350.0							Working Capital
4.60	SC	Whites Lake Pipe and Valve Replacements				200.0							Working Capital
4.70	SC	Pipe Truck	100.0										Working Capital
4.80	SC	Dump Truck	160.0										Working Capital
Grand Total =			3071.5	3112.2	2986.5	2712.3	2510.8	2573.5	2972.2	2368.8	4098.1	9109.0	\$ 35,514,908.35

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

CITY OF KALAMAZOO			DEPARTMENT: PUBLIC SERVICES											
CAPITAL IMPROVEMENTS PROGRAM SUMMARY			DIVISION: WATER											
BUDGET YEAR - 2016			FUND NAME/NUMBER: WATER/591											
			KEY: DI - Distribution System MD - Meter Development IE - Instrumentation, Electrical and Controls											
			SS - Storage and Supply GP - General Plant											
DOLLARS IN THOUSANDS (\$000)														
PRIORITY NO.	FUND KEY	PROJECT TITLE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	FUNDING SOURCE
1.1	GP	Capital Management	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	
1.2	DI	Farmers Alley Water Main	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
			0.0											Bonds
1.3	SS	Large Booster Pump Replacements	0.0	93.2	97.9	102.8	107.9	113.3	118.9	124.9	131.1	137.7	144.6	Bonds
														Bonds
1.4	SS	Large Station Process & Facilities Improvements	0.0	0.0	300.0	300.0	0.0	350.0	0.0	1,200.0	600.0	0.0	0.0	Bonds
														Bonds
1.5	IE	Water System Scada Upgrades	270.0	210.0	260.0	125.0	125.0	125.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
1.6	SS	Well Replacements	0.0	220.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	Bonds
														Bonds
1.7	SS	Booster/Bleeder No.21 Rebuild	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
1.8	SS	Booster/Bleeder No.23 Rebuild	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
1.9	SS	Chlorine Gas System Phased Replacements	76.1	76.1	76.1	76.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.0	SS	Sta. 9 Control Valve Replacement	18.0	18.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.1	SS	Central, Sand Filter Inlet Tubes Replacement	0.0	28.1	29.5	31.0	32.5	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.2	SS	Central, Sand Filter Valve Phased Replacements	0.0	73.6	73.6	73.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.3	IE	Sta. 25 Emergency Generator Replacement	0.0	0.0	510.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.4	IE	Sta. 4 Emergency Generator Replacement	0.0	0.0	143.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.5	IE	Portable Emergency Generator Replacement	0.0	0.0	300.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.6	IE	6th Street Tank Cathodic Protection	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.7	IE	Dartmouth Tank Cathodic Protection	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0	Bonds
														Bonds
2.8	IE	Sta. 3 Variable Frequency Drive	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
2.9	SS	Oshtemo Well Field	0.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
			0.0	0.0	1,200.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
3.0	SS	Sta 26 Maple Glenn	0.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
3.1	SS	Small Station Rehabilitations	0.0	0.0	50.0	52.5	55.1	57.9	60.8	63.8	67.0	70.4	73.9	Bonds
														Bonds
3.2	SS	Texas Twp Boost/Bleed	20.0	360.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
3.3	SS	BTH Park Water Storage Facility and Booster/Bleeder Station 41 Construction - City of Kalamazoo	0.0	0.0	525.0	3,000.0	4,000.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
3.4	SS	Galesburg High Pressure District Water Storage Facility Construction	0.0	0.0	0.0	0.0	0.0	3,100.0	3,900.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
3.5	SS	NE High - Richland Water Storage Tank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,000.0	2,000.0	0.0	0.0	Bonds
														Bonds
3.6	SS	Barrington Shores Water Storage Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,500.0	2,500.0	Bonds
														Bonds
3.7	DI	Gate Valve Replacement Program	101.4	102.4	103.4	104.5	105.5	106.6	107.6	108.7	109.8	110.9	114.2	Bonds
														Bonds
3.8	DI	Hydrant Replacement Program	105.9	111.2	116.8	122.6	128.7	135.2	141.9	149.0	156.5	164.3	172.5	Bonds
														Bonds
3.9	DI	Lead Service Replacement	120.0	121.2	377.6	377.6	377.6	377.6	377.6	377.6	377.6	377.6	388.9	Bonds
														Bonds
4.0	DI	Meter Improvement Program	200.0	206.0	212.2	218.5	225.1	231.9	238.8	246.0	253.4	261.0	268.8	Bonds
														Bonds
4.1	DI	New and Replacement Mains	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	CIA
			40.0	40.5	41.0	41.5	42.0	650.2	650.2	650.2	1,300.3	1,950.5	2,600.6	Bonds

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET**

CAPITAL IMPROVEMENTS PROGRAM SUMMARY			DIVISION: WATER											FUNDING SOURCE
BUDGET YEAR - 2016			FUND NAME/NUMBER: WATER/591											FUNDING SOURCE
			KEY: DI - Distribution System MD - Meter Development IE - Instrumentation, Electrical and Controls											FUNDING SOURCE
			SS - Storage and Supply					GP - General Plant						FUNDING SOURCE
PRIORITY NO.	FUND KEY	PROJECT TITLE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	FUNDING SOURCE
4.2	GP	New Computer Replacement	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	Bonds
														Bonds
4.3	DI	New Service Connections	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	CIA
			30.0	30.4	30.7	31.1	31.4	31.8	32.2	32.5	32.9	33.3	34.3	Bonds
4.4	SS	Pump System Replacements	150.0	151.5	153.0	154.5	156.1	157.7	159.2	160.8	162.4	164.1	169.0	Bonds
														Bonds
4.5	DI	Rose Street Water Main Replacement	0.0	0.0	50.0	600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
4.6	DI	East Michigan Water Main	600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
4.7	DI	Back-Hoe Tractor	95.0	95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
4.8	DI	Large Fleet Needs, Tractors Dump Trucks	0.0	227.2	227.2	227.2	227.2	227.2	227.2	227.2	227.2	227.2	227.2	Bonds
														Bonds
4.9	DI	Herritage Community Water Main Looping	145.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
5.0	DI	Gull St. Bridge Water Main Replacement	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
5.1	DI	Ransom Street Water Main	280.0	280.0	280.0	280.0	280.0	280.0	280.0	0.0	0.0	0.0	0.0	Bonds
														Bonds
Grand Total =			2,731.4	2,801.3	5,521.9	6,268.4	6,244.2	6,294.1	6,644.4	5,690.7	5,768.2	6,346.8	7,059.0	\$ 61,370,519.84

THE CITY OF



Kalamazoo

**CITY OF KALAMAZOO
2016 ADOPTED BUDGET
METRO TRANSIT**

	2014 Actual	2015 Adopted	2015 Amended	2015 Projected	2016 Adopted	2016/2015 Variance
TRANSPORTATION						
RESOURCES						
Current / Prior Year Taxes	870,593	872,912	872,912	893,212	-	-100.00%
Federal Grants	2,033,385	6,287,751	9,803,364	8,368,609	4,715,452	-25.01%
State Grants	4,996,306	5,521,367	6,392,990	6,006,043	5,228,497	-5.30%
Subsidies	3,760,517	3,781,733	3,781,733	3,781,733	5,275,367	39.50%
Operating	2,578,536	2,794,307	2,794,307	2,594,546	2,647,712	-5.25%
Other Revenue	200,864	198,112	4,618,525	4,622,273	209,500	5.75%
Capital Contributions	2,381,333	-	-	-	-	0.00%
Transfer from Insurance Fund	-	175,266	175,266	175,266	-	0.00%
Use of (Contribution to) Working Capital	2,592,781	2,076,683	2,394,342	1,438,050	2,095,497	0.91%
TOTAL RESOURCES	19,414,315	21,708,131	30,833,439	27,879,732	20,172,025	-7.08%
EXPENDITURES						
Personnel	6,979,177	7,107,698	11,123,467	11,095,862	7,244,949	1.93%
Operating	10,028,769	9,301,884	9,329,029	8,946,830	9,615,044	3.37%
Capital	2,406,369	4,721,630	9,955,102	7,411,199	2,825,106	-40.17%
Debt Service - OPEB Bonding	-	401,653	250,575	250,575	266,076	0.00%
Contribution OPEB Trust	-	-	-	-	220,850	0.00%
Transfer to Pension Fund (ERI payback)	-	175,266	175,266	175,266	-	0.00%
TOTAL METRO TRANSIT	19,414,315	21,708,131	30,833,439	27,879,732	20,172,025	-7.08%

BROWNFIELD REDEVELOPMENT AUTHORITY (BRA)

2016 ADOPTED BUDGET

	2014 Actual	2015 Adopted Budget	2015 Projected Year End	2016 Adopted Budget
Revenues				
TIF Capture - Developer	-	-	206,600	188,100
TIF Capture - Building Authority (Ramp)	-	-	173,544	173,544
TIF Capture - BRA	253,905	408,224	83,190	81,795
Land Sales Proceeds	10,000	250,000	276,000	500,000
Loan Interest Revenue	(20)	1,100	1,100	1,100
Investment Interest	259	1,400	-	-
General Fund Contribution	-	-	-	-
Miscellaneous Revenues (Rent / Reimbursements)	(20,037)	23,000	30,000	10,000
MEDQ Grant (KVCC)	882,932	670,000	850,000	22,695
Transfer In (EIF)	-	-	-	75,000
Total Resources	1,127,038	1,353,724	1,620,434	1,052,234
Expenditures				
Personnel	206,730	202,695	205,477	276,184
Projects:				
Riverfront / River West Redevelopment / River's Edge	53	30,000	7,000	25,000
Davis Creek Business Park (Lakeside Refinery)	275	20,000	-	30,000
Former Public Safety Site	7,791	30,000	6,300	15,000
JA Richards	-	-	15,000	-
Tax Reverted Property Acquisitions/Land Bank	330	20,000	-	20,000
TIF Reimbursements to Developers	339,143	142,064	206,600	188,100
TIF Transfer to Building Authority/Mall Parking Structure/Building Maintenance	148,697	173,544	173,544	173,544
Site/Building Maintenance	10,900	16,000	20,000	20,000
Special Projects Environmental	9,500	20,000	10,000	15,000
East Bank Site Infrastructure		2,500	-	2,500
Performance Paper	2,012	25,000	7,500	10,000
Site Preparation/Infrastructure		100,000	-	50,000
Targeted Acquisitions	92,249	25,000	26,000	25,000
Administrative/IT Fees	48,684	48,684	48,684	13,708
BRA Operating Expenses/Relocation	776	2,000	4,500	25,000
MEDQ Grant (KVCC)	56,773	670,000	850,000	22,695
ED Incentive/Strategy Review	-	-	-	75,000
Contract Retainage	5,295	-	-	-
Bank Fees	-	300	300	300
Total Expenditures	929,810	1,542,787	1,615,905	1,007,031
Revenue over (under) expenditures	197,228	(189,063)	4,529	45,203
Beginning Fund Balance	635,422	635,422	832,650	837,179
Ending Fund Balance	832,650	446,359	837,179	882,382

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

2016 ADOPTED BUDGET

OPERATING BUDGET

	2015 Adopted	2015 Projected	2016 Adopted
REVENUE			
Taxes			
Operating - Current Year (DDA Levy 1.9638 Mills)	259,896	287,896	269,181
Operating - Current Year (TIF)	1,416,757	1,435,285	1,381,889
Advance 2015 Disbursement	(150,000)	(150,000)	-
Bond Refinance Savings	-	27,000	71,377
Total Taxes	1,526,653	1,600,181	1,722,447
Fees & Charges for Services			
Festival Place Maintenance Fees	30,000	30,000	32,500
City of Kalamazoo Mall Maintenance	56,810	56,810	59,168
Total Fees & Charges for Services	86,810	86,810	91,668
Other			
Interest Income	700	825	500
PILOTS/Miscellaneous	1,500	1,463	1,500
Total Other Revenue	2,200	2,288	2,000
TOTAL REVENUE	1,615,663	1,689,279	1,816,115
EXPENSES			
Operating Expenses			
DKI Service Agreement	221,000	221,000	256,000
Insurance/Legal/Audit Services	27,300	37,242	42,300
Mall Assessment	10,000	15,000	15,000
Website	-	-	5,000
Miscellaneous	500	500	500
Total Operating Expenses	258,800	273,742	318,800
Initiatives/Programs			
Brand & Engagement	-	-	50,000
Business Recruitment and Retention	-	-	-
CIP:			
Maintenance	160,000	160,000	360,000
Building Revitalization Programs	20,000	10,000	10,000
Special Projects	-	-	10,000
TIF Capture-Miller Canfield	52,860	52,259	47,326
Program Allocation	-	-	-
Total Initiatives/Programs	232,860	222,259	477,326

**DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
2016 ADOPTED BUDGET
OPERATING BUDGET**

	2015 Adopted	2015 Projected	2016 Adopted
DEBT SERVICE/OTHER OBLIGATIONS			
Arcadia Creek Bonds	457,300	457,300	463,950
Building Authority Bonds	217,850	217,850	228,438
TIF Capture Ramp3	45,027	45,027	36,414
Festival Place	128,473	128,473	128,473
Metropolitan Center	48,900	48,900	48,900
Rebated Taxes	220,000	220,000	45,000
Zoetix Tax Appeal	-	44,380	43,679
Kalamazoo County Loan	76,460	76,460	76,460
Total Debt Service/Other Obligations	1,194,010	1,238,390	1,071,314
12% Reserve	21,864	23,664	48,264
TOTAL EXPENSES	1,707,534	1,758,055	1,915,704
Revenue Over (Under) Expenses	(91,871)	(68,776)	(99,589)

ECONOMIC DEVELOPMENT AUTHORITY (EDC)

2016 ADOPTED BUDGET

	2014 Actual	2015 Adopted Budget	2015 Projected Budget	2016 Adopted Budget
Revenues				
Interest on Investments	69	400	400	400
Miscellaneous	-	-	-	-
EIF Transfer In	-	-	790,000	-
EIF Service Fee & Transfer		30,312	30,312	105,312
Transfer from LDFA / TIF	81,024	81,025	265,024	276,737
Total Resources	81,093	111,737	1,085,736	382,449
Expenditures				
Contracting for Services 1)	117,436	115,513	117,000	137,548
Administrative Fee	2,856	5,749	2,850	3,399
Other Costs 2)	490	9,750	9,750	11,548
EIF Transfer Out (SMIC Loan) 3)	-	-	890,000	-
ED Incentive/Strategy Review	-	-	-	75,000
ED Relocation	-	-	-	15,000
Audit Fees	1,850	3,000	3,000	2,100
Total Expenditures	122,632	131,113	1,022,600	244,595
Revenue over (under) expenditures	(41,539)	(19,376)	63,136	137,854
Beginning Fund Balance	497,864	456,325	436,949	500,085
Ending Fund Balance	456,325	436,949	500,085	637,939

- 1) The proposed 2016 budget reflects the cost of services
 - 80% Executive Director
 - 17% Executive Assistant
 - 20% Business Specialist Position
- 2) Cost of supplies, services and legal fees
- 3) SMIC loan required \$100K in additional funds to cover balance

**LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA)
2016 ADOPTED BUDGET**

	2014 Actual	2015 Budget	2015 YTD	2015 Projected Year End	2016 Adopted Budget
Revenue					
Projected TIF Revenue	590,793	594,631	256,978	633,515	644,294
Miscellaneous Revenue	0	0	0	0	0
Total Resources Available	590,793	594,631	256,978	633,515	644,294
Expenditures					
BTR Park Marketing	0	0	0	3,000	0
Operating Expenses: Southwest Michigan Innovation Center					
Marketing	0	5,464	0	0	0
Legal and Accounting	0	10,927	0	0	0
Business Support	131,456	91,980	0	333,371	333,371
Administrative Fees	2,892	2,808	2,106	2,892	2,892
City Administrative Support (via EDC Fund)	81,024	81,025	60,768	265,024	276,737
Total Projected Expenses	215,372	192,204	62,874	604,287	613,000
LDFA Overall Fund Balance					
Beginning Fund Balance	(404,237)	(28,816)	(28,816)	(28,816)	412
Surplus(Deficit)	375,421	402,427	194,104	29,228	31,294
Ending Fund Balance	(28,816)	373,611	165,288	412	31,706
LDFA Infrastructure Maintenance Sinking Fund (a segment of Overall Fund Balance)					
Beginning Balance	52,127	52,127	52,127	52,127	0
Contributions to (from)		0	0	0	0
Ending Balance	52,127	52,127	52,127	52,127	0

Balance Sheet Liabilities: Payment Schedule (to be paid from excess Overall Fund Balance generated above)

	BTR Park Infrastructure			
	1/1/2011 Costs	1/1/2011 Balance	2011 Repayments	12/31/2011 Balance
Drake Road Improvements	413,265	40,025	40,025	-
Parkview Avenue Improvements	1,367,103	1,025,229	91,339	933,890
Sanitary Sewer Reimbursement	116,716	69,287	30,000	39,287
Water and Sewer Connections	154,226	99,638	20,000	79,638
Ending Balance	2,085,880	1,234,179	181,364	1,052,815
Budgetary Surplus Available for Liability Payment:			197,934	
	1/1/2012 Balance	2012 Repayments	12/31/2012 Balance	
Parkview Avenue Improvements	933,890	47,000	886,890	
Sanitary Sewer Reimbursement	39,287	39,287	-	
Water and Sewer Connections	79,638	20,000	59,638	
Ending Balance	1,052,815	106,287	946,528	
Budgetary Surplus Available for Liability Payment:			375,421	
	1/1/2013 Balance	2013 Repayments	12/31/2013 Balance	
Parkview Avenue Improvements	886,890	222,359	664,531	
Water and Sewer Connections	59,638	59,638	-	
Ending Balance	946,528	281,997	664,531	
Budgetary Surplus Available for Liability Payment:			0	
	1/1/2014	2014	12/31/2014	
Drake Road Improvements	-	-	-	
Parkview Avenue Improvements	664,531	328,619	335,912	
Budgetary Surplus Available for Liability Payment:			0	
	1/1/2015 Balance	2015 Repayments	12/31/2015 Balance	
Parkview Avenue Improvements	335,912	335,912	-	
Ending Balance	335,912	335,912	-	
Budgetary Surplus Available for Liability Payment:			31,294	



Blueprint for Action:
A SUSTAINABLE COMMUNITY
Defining Kalamazoo's Future

5-Year Fiscal Plan
2016 - 2021

Revised January 2016

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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 2016 – 2020 based on a review of recent actual performance, the budgeting process, and industry standard analytical approaches.

Revenue	Projected Annual Assumptions for Current Fiscal Plan (2016 – 2020)	Projected Annual Assumptions for Current Fiscal Plan (2017 – 2021)
Property taxes (based on assessor's estimate)	+1.5%	+1.5%
Licenses, permits & fees	+1.5%	+1.5%
Other intergovernmental revenue	+1%	+1%
Charges for services	+2%	+2%
Interest and rentals	+1%	+1%
Other revenue	+2%	+2%
Expenditures		
Salaries	0% for 2015 -2016, %1 for 2017, 1.5% for 2018 - 2019	%1 for 2017, 1.5% for 2018 - 2021
Health Insurance	+6.7%	+6.7%
FICA, Medicare, Deferred comp.	+1.5%	+1.5%
Fringe Benefits	+3%	+3%
Supplies and services	0%	0%
Non-departmental expenditures	+3%	+3%

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 several recently awarded contracts for Public Safety units (KPSA and KPSOA) and the Kalamazoo Municipal Employee Association (KMEA), which along with non-bargained for employees (NBU) reflect the vast majority of the General Fund employee base. These units accepted lump-sum amounts which are not part of general salary increases for 2015 – 2016, and a 1% increase in 2017. Salaries are then assumed to have the same growth as Property Taxes for 2018 through 2021 (1.5%).

Licenses, Permits and Fee revenue have also been reduced to match property tax revenue, based on the assumption that general property demand will mirror major property improvement expenditures. The range of outcomes matches that of Property Taxes, accordingly.

Intergovernmental revenue, which is largely based on State Revenue Sharing, is assumed to grow slowly again at 1% as State Sales Tax receipts have grown by an annual rate of 2% since late 2010.

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%.

Other revenue is estimated to increase by a modest 2%, covering miscellaneous reimbursements, endowment contributions, and sales of fixed assets at the annual auction.

The assumption used for salary (and thus FICA/Medicare/Social Security) is based on collective bargaining agreements already in place. Lump sum payments contractually obligated in FY 2016 have been built into the FY 2016 column through the Position Budget process.

Health insurance expenditures had been assumed to grow by the rate of health care inflation in the marketplace (8 percent). Since 2005, the City has collaborated with our collective bargaining entities so that employees will eventually share 20% of health care costs. 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 “blended” 6.7% assumed growth factor for health care costs resulting from the above analysis is based on a blended rate of 4% growth in the per-unit cost of health care, and a nominal growth in overall health care “headcount” based on a return to normal retirement patterns in 2016. Also, this is based on a 5-year Fiscal Plan model for the Insurance Fund, wherein anticipated per unit health care inflation and headcount growth is covered, and a modest reserve of 10% in the Insurance Fund is re-established to handle normal claims volatility and cash-flow needs.

Assumption #2: Increased contribution to capital

Rationale: For too long, the City (not unlike many 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 depreciation 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 2016, the City has moved roughly \$300 thousand of capital 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 1%, after 2% growth in State Sales Tax receipts from 2010 – 2014.

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	2015 Projected	2016 Proposed
Fund Balance	Range of 13-15% of budgeted operating revenues	21.4%	15.6%
Budget Stabilization Reserve	Range of 1-2% of budgeted operating revenue Target = \$500K-\$1M	\$0	\$0
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)	\$7.7M	\$11.8M
Debt Financing for Capital Improvements	Optimized	Debt Service \$4.8M	Debt Service \$4.9M
Bond Ratings	Maintained or Improved	Maintained	Maintained
Retiree Health Care Fund	Established	Fully Funded	Fully Funded

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.
- *Budget Stabilization Reserve*: This reserve is designed to provide fiscal stability from year to year. It is intended to address **mid-term** fluctuations created by unanticipated expenses or economic downturns. The target range for this reserve is 1 – 2 percent of the budgeted operating revenues

or \$500,000 - \$1,000,000. This amount was drawn down completely in 2014 to keep the City's undesignated General Fund balance between 13 – 15%.

- *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 will save over \$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.

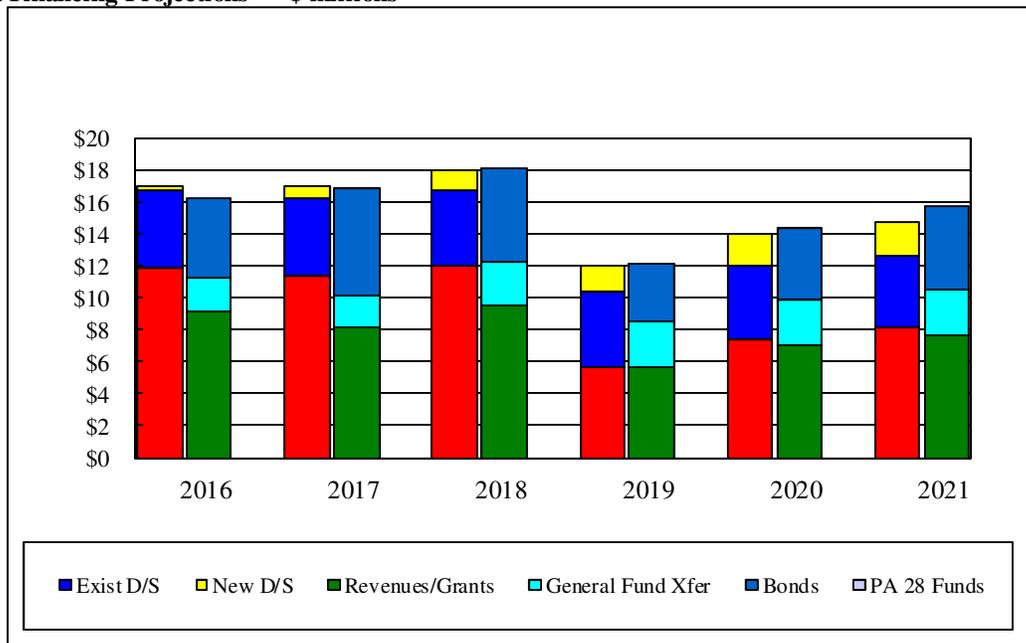
Many scenarios were evaluated before arriving at the combination of management decisions that are represented by the projections presented herein. An initial attempt to achieve all of the fiscal targets, without utilizing debt or other resources to finance projected capital improvements proved insufficient. 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



	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
FINANCING REQUIREMENTS						
Major CIP	11.81	11.42	11.93	5.60	7.41	8.11
Existing Debt Service	4.91	4.81	4.74	4.73	4.56	4.47
Projected New Debt Service	0.22	0.73	1.29	1.72	1.98	2.17
TOTAL	16.94	16.96	17.96	12.05	13.95	14.75
FINANCING SOURCES						
Revenues/Grants	9.12	8.08	9.53	5.65	7.06	7.65
General Fund Transfers	2.10	2.10	2.70	2.90	2.80	2.80
Bonds	4.95	6.65	5.88	3.61	4.43	5.21
TOTAL	17.98	17.88	19.03	13.23	15.47	17.18
<i>Surplus/(Deficit)</i>	1.05	0.92	1.06	1.18	1.52	2.44

* 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:

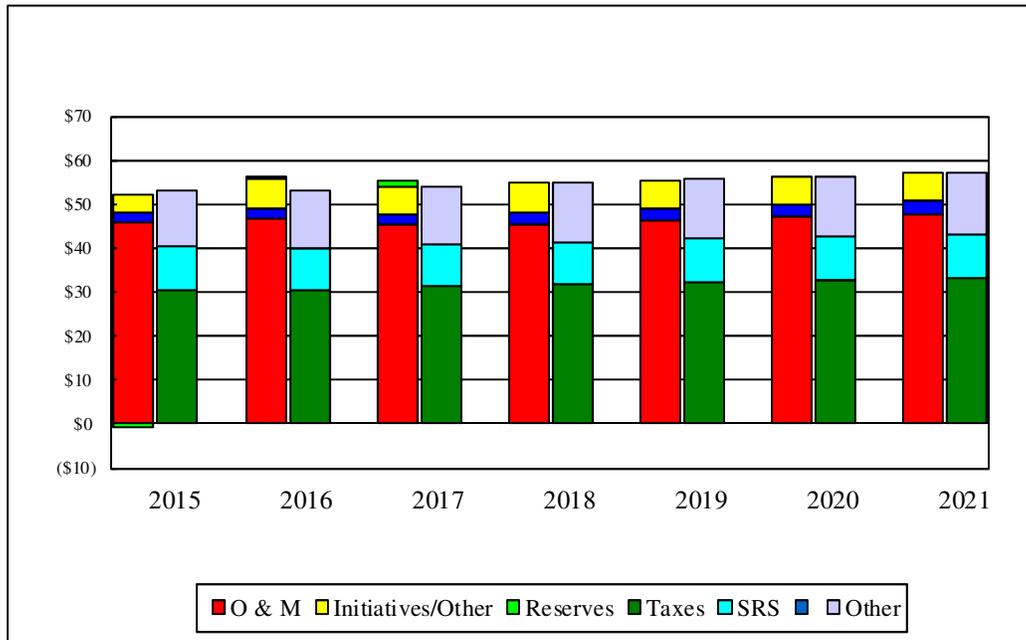
- *Operation & Maintenance* represents the annual costs of performing governmental services, such as public safety, general city management, etc.
- *Capital Improvements* reflect the General Fund Transfers to capital funds indicated in Exhibit 1.
- *Initiatives & Other* primarily consists of economic, 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

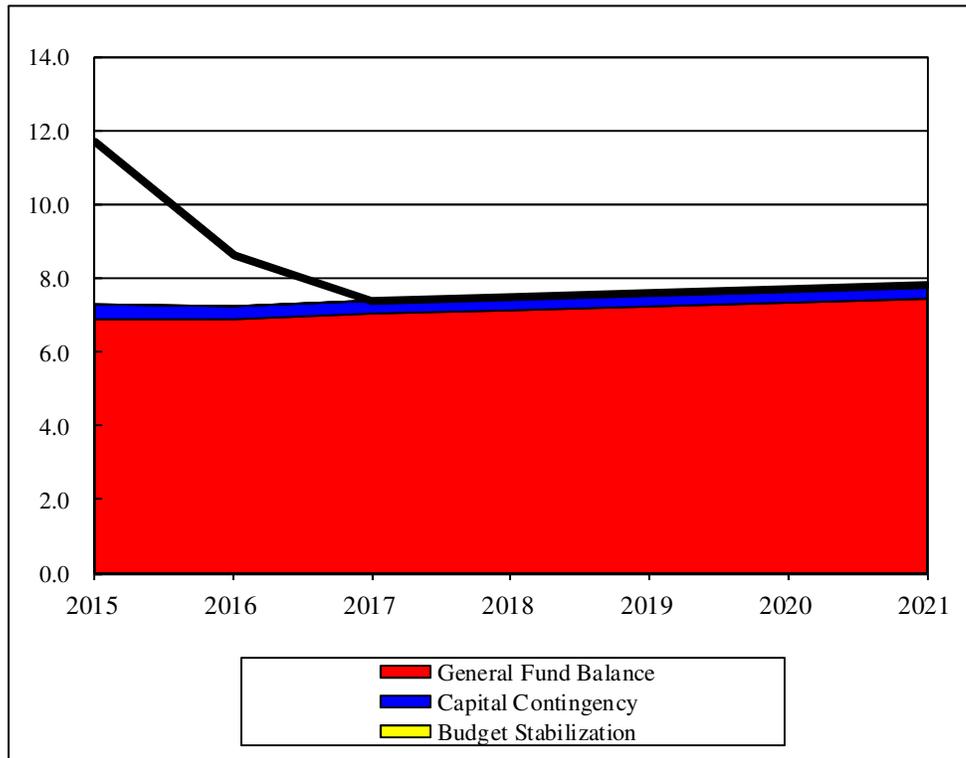


	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
EXPENSES							
Operation & Maintenance	45.94	46.90	45.49	45.50	46.10	47.02	47.84
Capital Improvements	2.10	2.10	2.10	2.70	2.90	2.80	2.80
Initiatives & Other	3.99	6.66	6.48	6.46	6.46	6.46	6.46
Reserves	(0.92)	0.35	1.30	0.00	0.00	0.00	0.00
TOTAL	51.12	56.01	55.37	54.66	55.46	56.28	57.09
REVENUE							
Taxes & Equivalents	30.62	30.54	31.27	31.68	32.13	32.59	33.06
State Revenue Sharing	9.61	9.62	9.72	9.81	9.91	10.01	10.11
Other	12.73	12.79	13.14	13.28	13.53	13.78	14.04
TOTAL	52.96	52.96	54.12	54.77	55.57	56.38	57.21
<i>Surplus/(Deficit)</i>	1.84	(3.05)	(1.25)	0.12	0.11	0.10	0.11

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



	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Recommended Levels</u>							
General Fund Balance	6.88	6.88	7.04	7.12	7.22	7.33	7.44
Capital Contingency	0.40	0.35	0.35	0.35	0.35	0.35	0.35
Budget Stabilization	<u>0.00</u>						
Total Recommended	7.28	7.23	7.39	7.47	7.57	7.68	7.79
<u>Projected Levels</u>							
General Fund Balance	11.34	8.28	7.03	7.15	7.26	7.36	7.47
Capital Contingency	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Budget Stabilization	<u>0.00</u>						
Total Projected	11.69	8.63	7.38	7.50	7.61	7.71	7.82

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 Reserve*
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.

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ALLOCATED POSITIONS
(PERMANENT FULL-TIME AND PART-TIME)

		Allocation	Department Total
CITY ADMINISTRATION			
F102	City Manager	1	
E92	Deputy City Manager	2	
C41	Grant Writer/Specialist	1	
B32	Executive Assistant	1	
B22	Communications Coordinator	1	
A11	Clerk/Typist	1	
		<hr/>	7
CITY ATTORNEY			
E83	City Attorney	1	
D72	Assistant Attorney III	3	
B21	Legal Secretary	2	
		<hr/>	6
CITY CLERK			
Administration			
D61	City Clerk	1	
C41	Deputy City Clerk/Office Manager	1	
		<hr/>	2
Elections			
S30	Elections Specialist	1	
		<hr/>	1
Records Management, Research and Archives			
S22	City Records Coordinator	1	
		<hr/>	1
		<hr/>	4
INTERNAL AUDITOR			
C41	Internal Auditor	1	
		<hr/>	1
HUMAN RESOURCES			
E83	Human Resources/Labor Relations Director	1	
D61	Labor Relations Specialist	1	
C51	Senior Human Resources Advisor	2	
C41	Human Resources Advisor	1	
C42	Human Resources Benefits Specialist	1	
B21	Human Resources Assistant	1	
		<hr/>	7
INFORMATION TECHNOLOGY			
E83	IT Director	1	
C43	Senior Systems Analysts Level II	2	
C42	Senior Technical Analyst	3	
S28	Accounts Coordinator/Secretary-Part Time	1	
		<hr/>	7

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ALLOCATED POSITIONS
(PERMANENT FULL-TIME AND PART-TIME)

		Allocation	Department Total
MANAGEMENT SERVICES			
Management Services Administration			
E83	Management Services Director/Chief Financial Officer	1	
B21	Administrative Support Coordinator	1	
	Subtotal:	2	
Budget and Accounting			
D72	Budget & Accounting Manager	1	
C51	Budget & Accounting Specialist	1	
S40	Senior Accountant	3	
	Subtotal:	5	
Financial Services			
D72	Financial Services Manager	1	
C41	Financial Specialist	1	
S28	Accounts Coordinator	4	
	Subtotal:	6	
Treasury			
D72	City Treasurer	1	
C51	Assistant City Treasurer/Assessor	1	
B31	Utilities Coordinator	1	
S28	Accounts Receivable Coordinator	1	
S28	Accounts Connection Coordinator	1	
S24	Treasury Records Clerk	1	
S24	Public Services Coordinator	2	
S20	Clerk Cashier II	5	
	Subtotal:	13	
Purchasing			
D72	Purchasing Manager	1	
S36	Buyer	1	
S16	Purchasing/Mail Records Clerk	1	
	Subtotal:	3	29
PUBLIC SAFETY			
Administration			
E91	Public Safety Chief	1	
E81	Deputy Public Safety Chief	1	
D72	Public Safety Assistant Chief	1	
D72	Assistant Chief / Professional Standards	1	
B21	Administrative Support Coordinator	1	
S139	Public Safety Lieutenant	1	
	Subtotal:	6	

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ALLOCATED POSITIONS
(PERMANENT FULL-TIME AND PART-TIME)

		Allocation	Department Total
PUBLIC SAFETY continued			
COPS (formally KVET)			
B21	KVET Secretary	1	
S149	Public Safety Captain	1	
S134	Public Safety Sergeant	2	
P117 & P217	Public Safety Officer	17	
		Subtotal:	21
Operations			
S24	Operations Division Secretary	1	
S149	Public Safety Captain	1	
S139	Public Safety Lieutenant	7	
S138	Executive Public Safety Lieutenant	1	
S137	Senior Public Safety Lieutenant	2	
S134	Public Safety Sergeant	25	
P117 & P217	Public Safety Officer	117	
P50	Fire Marshal	1	
S16	Parking Enforcement Attendants - Part Time	3	
		Subtotal:	158
Criminal Investigation			
S24	CID Division Secretary	2	
S149	Public Safety Captain	1	
S138	Executive Public Safety Lieutenant	1	
S134	Public Safety Sergeant	1	
P34	Polygraph Examiner	1	
P33	Crime Lab Specialist II	2	
P30	Lab Technician I	3	
P26	Detective	16	
P71	CSO Investigative Aide	1	
		Subtotal:	28
Support Services			
D63	Public Safety Technical Manager	1	
C42	Senior Systems Analyst	2	
S28	Accounts Coordinator	1	
S28	Accounts Coordinator/Secretary	2	
S22	Public Safety Records Coordinator	4	
S14	Public Safety Records Clerk	2	
S149	Public Safety Captain	1	
S138	Executive Public Safety Lieutenant	1	
S134	Public Safety Sergeant	2	
P117 & P217	Public Safety Officer	4	
P77	CSO Service	1	
P78	CSO Evidence Quartermaster	3	
P75	CSO Computer Analyst	1	

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ALLOCATED POSITIONS
(PERMANENT FULL-TIME AND PART-TIME)

		Allocation	Department Total
PUBLIC SAFETY, Support Services continued			
P75	CSO Dispatch Group Leader	4	
P72	CSO Dispatcher	15	
P70	CSO Dispatcher - Part Time	2	
Subtotal:		46	259
PUBLIC SERVICES			
City-Wide Maintenance Division			
B31	Maintenance Foreperson	1	
S36	Buildings Technician	1	
H38	Lead Maintenance Mechanic	2	
H24	Custodian II	2	
Subtotal:		6	
Engineering Division			
E81	City Engineer	1	
D72	Assistant City Engineer	1	
C43	Senior Civil Engineer	3	
C43	Traffic Engineer	1	
C41	Public Services Records Supervisor	1	
B31	Right-Of-Way Coordinator	1	
B31	Engineer Associate Surveyor	1	
B31	Administrative Analyst	1	
S44	Traffic Signal Technician	1	
S36	Lead Drafter	1	
S32	Engineer Technician I - Utility	2	
S32	Traffic Engineer Technician I	1	
S18	Engineering & Public Services Secretary	1	
Subtotal:		16	
Fleet Services			
D61	City Fleet Director	1	
C41	Vehicle Operations Supervisor	1	
H40	Lead Master Mechanic	1	
H38	Master Mechanic	4	
H34	Vehicle Mechanic III	1	
H26	Vehicle Mechanic I	1	
Subtotal:		9	
Public Works			
B32	Forestry Supervisor	1	
B31	Utility Zone Foreperson	2	
S24	Public Works Coordinator	1	
H40	Municipal Worker III	1	
H38	Lead Tree Trimmer	2	
H38	Lead Maintenance Mechanic	2	
H32	Tree Trimmer	4	
H30	Equipment Operator II	5	
H28	Mason	1	

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ALLOCATED POSITIONS
(PERMANENT FULL-TIME AND PART-TIME)

		Allocation	Department Total
PUBLIC SERVICE, continued			
H24	Municipal Worker Apprentice	3	
H30	Municipal Worker I	7	
H35	Municipal Worker II	1	
H26	Labor Foreperson I	1	
H24	Laborer II	2	
	Subtotal:	33	
Wastewater			
D72	Wastewater Superintendent	1	
D72	Environmental Services Superintendent	1	
D71	Facilities Engineer	1	
D62	Environmental Programs Manager	2	
C43	Process Control Engineering Supervisor	1	
C45	Senior Systems Analyst Program Manager	1	
C43	Senior Systems Analyst Level II	1	
C42	Senior Environmental Services Supervisor	1	
C41	Laboratory Supervisor	1	
C41	Senior Equipment Maintenance Supervisor	1	
B33	Treatment Control Supervisor	1	
B33	Treatment Operations Supervisor	6	
B31	Public Services Supervisor	1	
S46	Master Utility Electrician	1	
S44	Instrument Technician	4	
S44	Utility Electrician	1	
S36	Electronics Technician	1	
S36	Environmental Services Technician III	2	
S32	Instrumentation Records Specialist	1	
S32	Environmental Services Technician II	2	
S30	Environmental Services Technician I	2	
S28	Accounts Coordinator/Secretary	1	
S26	Stores/Procurement Clerk	1	
H30	Equipment Operator II	1	
H36	Sewer Surveyor	1	
H34	Vactor Jet Operator	2	
H38	Lead Maintenance Mechanic	2	
varies	Wastewater Operator/Maintainer	15	
H26	Laborer Foreperson I	1	
H28	Mason	2	
H38	Lead Equipment Operator III	1	
H38	Municipal Worker Appr	2	
H30	Municipal Worker I	1	
H30	Municipal Worker II	2	
H24	Laborer II	2	
	Subtotal:	67	

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ALLOCATED POSITIONS
(PERMANENT FULL-TIME AND PART-TIME)

		Allocation	Department Total
PUBLIC SERVICES, continued			
Water			
E83	Public Services Director	1	
E81	Deputy Public Services Director	1	
D72	Water Superintendent	1	
D72	Public Services Field Manager	1	
C51	Public Services Financial Manager	1	
C41	Administrative Support Manager	1	
C41	Financial Analyst	1	
B31	Public Services Dispatch Coordinator	1	
B31	Utility Zone Foreperson	1	
B31	Public Services Supervisor	1	
S28	Stores Procurement Coordinator	1	
S28	Accounts Coordinator	1	
S18	Public Services Engineering Records Clerk	1	
S26	Stores/Procurement Clerk	1	
C41	Water Operations Maintenance Supervisor	1	
varies	Water Operator/Maintainer	9	
H30	Distribution Servicer II	1	
H38	Well Driller II	1	
H30	Municipal Worker I	10	
H35	Municipal Worker II	3	
H30	Equipment Operator II	1	
H24	Municipal Worker Apprentice	6	
Subtotal:		46	177
COMMUNITY PLANNING AND DEVELOPMENT			
Code Administration			
D62	Building Official	1	
C42	Housing Inspections Supervisor	1	
S38	Electrical Inspector/Plan Review	1	
S38	Building Inspector/Plan Review Technician	2	
S38	Mechanical/Plumbing Inspector	1	
S36	Housing Inspector II	5	
S36	Zoning Inspector	1	
S36	Code Compliance Inspector II	3	
S32	Code Compliance Inspector I	1	
S30	Code Permit Technician	1	
S26	Rental Registration/Certification Coordinator	1	
S20	Code Administration Clerk/Cashier	2	
Subtotal:		20	

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ALLOCATED POSITIONS
(PERMANENT FULL-TIME AND PART-TIME)

		Allocation	Department Total
COMMUNITY PLANNING AND DEVELOPMENT, continued			
Planning			
D71	City Planner	1	
C42	Senior Development Planner	1	
	Subtotal:	2	
Community Development (HUD)			
E83	Community Planning & Development Director	1	
D61	Community & Development Manager	1	
C42	Historic Preservation Coordinator	1	
C41	Compliance Specialist I	1	
C42	Compliance Specialist II	1	
C41	Grants Finance Officer	1	
S38	Senior Program Specialist	1	
S24	Community Planning & Development Secretary	1	
	Subtotal:	8	30
ECONOMIC DEVELOPMENT			
E83	ACM/Economic Development Director	1	
D61	Development Manager	1	
C51	Redevelopment Project Manager	1	
C52	Business Assistant & Entrepreneurial Specialist	1	
C41	Redevelopment Coordinator	1	
B22	Executive Assistant	1	
	Subtotal:	6	
PARKS AND RECREATION			
Parks			
C43	Parks Manager	1	
H38	Parks and Recreation Buildings & Grounds Technician	1	
H30	Landscape Coordinator - 8 Month	1	
H30	Parks Coordinator	2	
	Subtotal:	5	
Recreation			
E83	Parks & Recreation Managing Director	1	
D61	Financial Services Manager	1	
C43	Recreation Manager	1	
S32	Program Coordinator II	1	
S28	Program Coordinator I	1	
S28	Accounts Coordinator	1	
S24	Parls & Recreation Secretary	1	
H30	Lead Field & Parks Maintenance Operator	1	
	Subtotal:	8	13

CITY OF KALAMAZOO
2016 ADOPTED BUDGET
ALLOCATED POSITIONS
(PERMANENT FULL-TIME AND PART-TIME)

		Allocation	Department Total
TRANSPORTATION			
E83	Transportation Director	1	
E81	Transportation Deputy Director	1	
D61	Administrative Division Manager	1	
C42	IT Technical Analyst	1	
C41	Senior Maintenance Manager	1	
C41	Financial Analyst	1	
C41	Procurement/Compliance Specialist	1	
B31	Equipment Maintenance Supervisor	1	
B31	Maintenance Foreperson	1	
B31	Transportation Dispatch Supervisor	6	
B22	Customer Service Supervisor	1	
B22	Special Project Coordinator	2	
B22	Marketing Coordinator	1	
B32	Procurement Maintenance Supervisor	1	
B21	Administrative Support Coordinator	1	
B22	Paratransit Specialist	1	
S28	Accounts Coordinator - Part Time	1	
S18	Payroll/Accts Payable Clerk	1	
S18	Clerk Cashier I	3	
H38	Lead Maintenance Mechanic	1	
T8	Master Mechanic	3	
T7	Inventory Control Clerk	1	
T5	Class A Mechanic	5	
T4	Class B Mechanic	4	
T4	Body Repair Person	1	
T3	Bus Driver	62	
T3	Bus Driver -Part Time	21	
T2	Utility Worker	3	
T1	Service Lane Attendant	4	
TOTAL ALLOCATED POSITIONS			132
			678

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.