

## City, Village, and Township Revenue Sharing/County Incentive Program Certification of Accountability and Transparency

Issued under authority of 2015 Public Act 84. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for City, Village, and Township Revenue Sharing or County Incentive Program payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made available to the public, a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report as required by 2015 Public Act 84. The Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site. The local unit must include in any mailing of general information to its citizens, the physical location or Internet website address where all the documents are available for viewing.
2. Submit to Treasury a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report.

This certification, along with a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report, **must be received by December 1, 2015**, (or the first day of a payment month) in order to qualify for that month's payment. Postmark dates will not be considered. For questions, call 517-373-2697.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name City of Kalamazoo		Local Unit County Name Kalamazoo County	
Local Unit Code 39202		Contact E-Mail Address kisscornij@kalamazoocity.org	
Contact Name Jerome R. Kisscorni	Contact Title Asst. City Manager/Director of ED	Contact Telephone Number (269) 337-8041	Extension
Website Address, if reports are available online www.kalamazoocity.org		Current Fiscal Year End Date December 31, 2015	
PART 2: CERTIFICATION			
<i>In accordance with 2015 Public Act 84, the undersigned hereby certifies to Treasury that the above mentioned local unit 1) has produced a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report; 2) has made the documents available for public viewing in the city, village, township, or county clerk's office or has posted them on a publicly accessible Internet site; and 3) will include in any mailing of general information to our citizens, the physical location or Internet website address where the documents are located. The Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report are attached to this signed certification.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) James K. Ritsema	
Title City Manager		Date 23 Nov 2015	

Completed and signed form (including required attachments) should be e-mailed to: [TreasRevenueSharing@michigan.gov](mailto:TreasRevenueSharing@michigan.gov)

If you are unable to submit via e-mail, fax to 517-335-3298 or mail the completed form and required attachments to:

Michigan Department of Treasury  
Office of Revenue and Tax Analysis  
PO Box 30722  
Lansing MI 48909

TREASURY USE ONLY		
CVTRS/CIP Eligible Y N	Certification Received	CVTRS/CIP Notes
Final Certification	Citizen's Guide Received	
	Performance Dashboard Received	
	Debt Service Report Received	
	Projected Budget Report Received	

***Guide to Local Unit Finances***

*How City of Kalamazoo Spends Your Money*

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**2015 Citizen's Guide to  
City of Kalamazoo's Financial  
Health**

Presented by  
James K. Ritsema, City Manager

## KEY TERMS

- **Budget deficit/surplus.** If there is less money received than paid out in a given fiscal year, there is a budget **deficit** or shortfall. If there is more money received than paid during the fiscal year, a budget **surplus** exists.
- **Debt.** Just like a homeowner takes out a mortgage, governments can borrow money to pay for certain types of projects. The City has both short-term debt (paid back within the fiscal year) and long-term debt. Debt can be either **general obligation** debt, meaning that the City pays back the debt with regular tax collections and other revenues, or **special revenue** debt, which is paid off over time with revenue from specified sources beyond the usual taxes and service fees. **Structured debt** includes the bonds issued by the City for capital improvements and general obligations.
- **Fiscal year (FY).** The 12-month period of time during which budgets are allocated or finances are planned. Most households have a fiscal year that runs from January 1 to December 31 (that's the period for which we pay personal income taxes in April), while state government uses an October 1 - September 30 fiscal year. Some local units of government, including public schools, use a July 1 - June 30 fiscal year, while others operate on a typical calendar year. The City of Kalamazoo's Fiscal Year is on a calendar year (January 1 – December 31).
- **Fund balance.** Once all the bills for the year have been paid out of a certain fund, whatever is left over is called the fund balance. When a fund balance is less than zero, you'll see the number shown with parentheses around it. Deficits cause fund balances to decrease, while surpluses cause them to increase.
- **Reserved/Restricted funds.** Some funds are considered to be "reserved" or "restricted" for a specific purpose, and cannot be spent for anything else.

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## *Welcome*

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Greetings,

The City of Kalamazoo is proud to present this 2015 Citizen's Guide to the City of Kalamazoo's Financial Health. This report pulls together data from the City's budget, audited financial reports, as well as internal and external sources regarding the community's physical, educational, and economic health. This report presents the fiscal position of the City's governmental funds, and demonstrates its capacity to meet its public service delivery demands.

Under the leadership of Governor Rick Snyder, this report has been developed and implemented as a way for citizens to better understand the City's scope of activities, financial obligations, and fiscal health. The redesign of the Statutory Revenue Sharing formula to the Economic Vitality Incentive Program (EVIP) requires the City to show accountability and transparency, promote consolidation of services, and provide an unfunded accrued liability plan for public viewing. Citizens have a rightful expectation that the City will do everything it practically can to maintain high-quality public services, while minimizing the requirements for financing these services in the form of taxes and fees on citizens.

Citizens are encouraged to be aware of the facts surrounding these issues and to make informed judgments about the fiscal direction of the City, in the context of prioritizing service delivery. It goes without saying that the proper translation of these issues and the relevant data maximizes the opportunity for citizens to be knowledgeable and engaged, even if engagement comes only by making an effort to be intelligently informed.

The Citizen's Guide, having been promoted by the Governor's Office, is an ideal tool to communicate our financial and public service priorities effectively to the Citizens, Governor's Office, and to our legislative partners.

I am grateful for the support of City staff and the City Commission in making this report possible.

Sincerely,

James K. Ritsema  
City Manager  
City of Kalamazoo

## **OVERVIEW**

The financial information in the Citizen's Guide focuses on the Governmental funds. The City has other funds known as Enterprise funds, which handle Water and Wastewater services, as well as Transportation. These business-type activities are not shown here as they cover their costs through use charges. The City's audited financial reports provide the information in this report.

## **WHERE CITIZEN DOLLARS GO**

In 2015, the City of Kalamazoo is budgeted to collect \$76 million in revenues to provide services to its residents. Property tax collections would provide \$32.5 million of these resources, the Federal Government would distribute \$7.3 million in the form of block grants and transportation funds, and the State of Michigan would return \$19.3 million in the form of state revenue sharing, gas & weight taxes, transportation funds and other miscellaneous grants and reimbursements. Revenues from licenses, permits, and fees are generated to offset most of the cost of building and housing inspections, and recreational programming, to cite the most prominent examples.

## **SERVICES THAT THE CITY OF KALAMAZOO PROVIDES**

### ***Police and Fire protection***

The Mission of Kalamazoo Public Safety is to provide a safe community for our citizens. The mission includes the maintenance of order, the promotion of fire prevention and crime prevention programs, the investigations of crimes leading to the apprehension of perpetrators, the recovery of property and the providing of emergency medical services.

### ***Parks and Recreation***

The vision of the City of Kalamazoo Parks and Recreation is to create a community of neighborhoods where people live, work and play. This is done 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.

### ***Community Planning***

The Planning Division is responsible for the implementation and enforcement of the city's zoning ordinance and administers citywide land use policy. The division has recently completed the master land use document, Plan Kalamazoo, and will work 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 our city's neighborhood associations as technical support and as a professional planning resource. 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.

### ***Economic Development***

The Economic Development Department implements programs and provides services integral to achieving the goals of the city's Economic Development Strategic 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's expertise in the use of incentives such as gap financing, tax exemptions and tax credits, land assembly and linkages to workforce development resources is utilized to preserve/enhance tax base and create jobs in the city. The division works with federal, state and local development organizations/agencies to address community reinvestment, job creation, 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.

### ***Public Services***

The Public Services Department provides a variety of services to operate and maintain the City's facilities and infrastructure. Services of the department include:

#### ***Street maintenance and improvements***

Street repair and maintenance activities includes 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.

#### ***Solid Waste***

Solid waste services include collections of fall leaves, brush, monthly bulk trash collection and residential recycling collection. Also provided is the opportunity for residents to dispose of Freon-bearing appliances and household hazardous waste. Activities performed also improve the appearance and cleanliness of City streets through street sweeping and clean-up of scattered illegal dumpsites.

#### ***Public Works***

Public Works services include sidewalk replacement, maintenance of the City's urban forest, and maintenance of the City's Central Business District.

#### ***Utilities (Wastewater and Water)***

Utilities provide an environmentally sound, convenient and continuous wastewater disposal service to the public by adequately transporting and treating the wastewater generated in 17 municipalities throughout the Kalamazoo area. Service is provided at a reasonable cost, making certain that the customers receive highly responsive service, quality potable drinking water and wastewater treatment that meets and exceeds existing standards and provides a safe and clean environment.

#### ***Cemeteries***

Cemetery services include burials, grave maintenance and restorations, and landscape maintenance within Riverside and Mountain Home Cemetery.

### ***Transportation***

The Transportation Department provides the citizens of Kalamazoo County with public transportation services that are dependable, convenient, safe, cost effective, and accessible for everyone. In August of 2015 a millage request passed in support of public transit service for the Central County Transportation Authority (CCTA). The approved 0.75 mil property tax will support fixed-route bus services currently offered by Kalamazoo Metro Transit. The millage is anticipated to collect an estimated \$3.5 million beginning in the summer of 2016 and will fund increased service hours, Sunday service for most of the bus routes and increased frequencies on some of the busiest routes allowing passengers quicker travel to destinations.

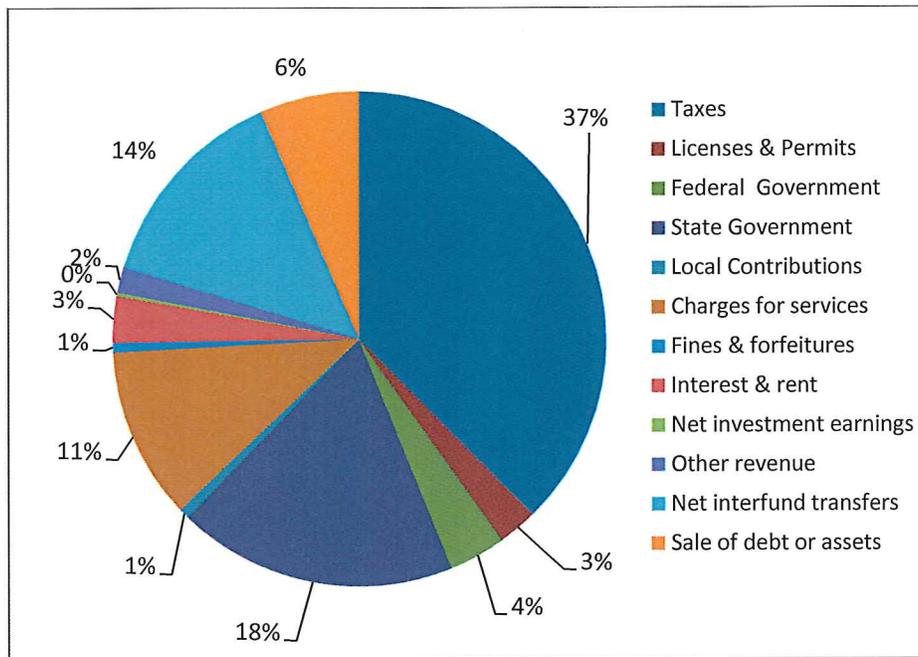
*How Taxpayer Money is Spent:  
Government Revenues and Expenditures*

**GOVERNMENTAL FINANCES:**

**REVENUES:**

Revenues are the resources collected by the City to support its operations. The following charts and graphs provide additional information on the sources of the City's governmental revenues.

**FIGURE 1**  
**Percentage of City Revenues 2014**



Property Taxes are the City's largest revenue source making up 37% or \$32 million of the total revenues. State and local revenues contribute 15% of total revenues or \$16 million. Together, these represent 52% of total revenues.

Charges for services include building and housing inspections, parks and recreation user fees, governmental administration fees, tax collection fees, and parking reinforcement. Together, charges for services represent 6% or \$9 million of the City's revenues.

Net Interfund Transfers (2.8%) are a transfer of resources between "funds" of the City, which are basically offset by expenses transfers. In 2014, governmental funds transferred in \$11.7 million and transferred out \$9.1 million. The balance of \$2.3 million represents a rebate of savings from the City's Insurance Fund into the General Fund.

**FIGURE 2**  
**City Revenue Comparative Years**

Revenues						2014/2013
	2010	2011	2012	2013	2014	% change
Taxes	\$ 35,071,496	\$ 35,163,954	\$ 32,665,097	\$ 31,172,950	\$ 31,922,256	2.40%
Licenses & permits	1,867,123	1,897,096	1,641,248	2,060,482	2,183,405	5.97%
Federal	3,658,875	12,855,483	7,637,415	2,914,185	3,169,702	8.77%
State and Local	18,811,352	15,385,807	14,783,681	16,077,952	16,192,389	0.71%
Charges for services	5,622,676	10,318,577	9,022,197	9,173,002	9,571,894	4.35%
Fines & forfeitures	296,200	642,680	280,426	262,385	529,900	101.96%
Interest & rent	3,429,583	3,304,621	3,219,392	2,936,162	2,568,116	-12.53%
Net investment earnings	780,472	(370,143)	688,741	1,053,215	191,328	-81.83%
Other revenue	1,668,632	1,474,703	1,902,634	1,129,797	1,434,156	26.94%
Net interfund transfers	10,646,777	16,291,542	11,821,576	11,376,270	11,699,633	2.84%
Sale of debt or assets	2,923,053	5,003,404	4,431,550	4,080,115	5,531,930	35.58%
<b>Total Revenues</b>	<b>\$ 84,776,239</b>	<b>\$101,967,724</b>	<b>\$ 88,093,957</b>	<b>\$ 82,236,515</b>	<b>\$ 84,994,709</b>	<b>3.35%</b>

Property tax revenue increased by approximately 2.40% in 2014 as compared to 2013. This is a sign of slow recovery but overall, the City has experienced a decline in property tax revenues of nearly \$6.8 million since 2009, primarily due to a decline in commercial and residential property values.

Licenses & permits increased by 5.97% or \$122 thousand as compared to 2013 due to improvements in enforcements, rental inspections, cable TV license fees, and permits.

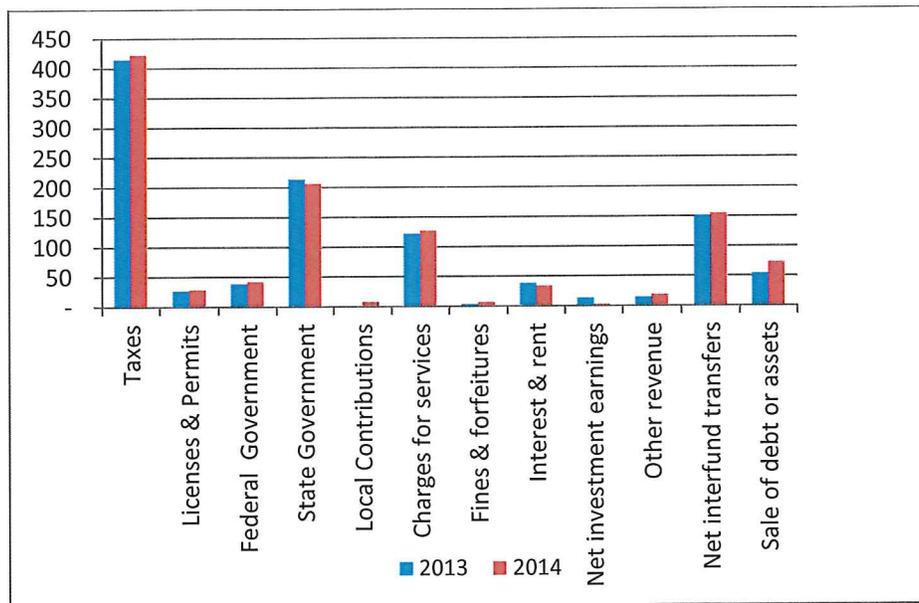
State revenue received from Statutory Revenue Sharing has been reengineered by the State and relabeled the Economic Vitality Incentive Program, resulting in decreased revenue as a percent of the General Fund balance since fiscal year 2001. This now comprises 17% of total General Fund revenues compared to 28% ten years ago. State Revenue Sharing did increase in 2014 as compared to 2013, adding approximately \$226 thousand back to the General Fund. In addition, Fire reimbursement revenues (which are State grants meant to pay for the cost of keeping fire protection at a “ready to serve” level for State facilities located in the City) decreased by \$110 thousand, Gas and Weight Tax and other streets revenues increased \$646 thousand, and State and local grants and contributions on capital projects decreased by \$223 thousand due to a reduction in Public Safety grants for Mobile Data Upgrades.

The fiscal year 2014 decrease in net investment earnings of over 81% is based on decreased investment returns in the Cemetery Perpetual Care Fund, the Friends of Recreation Endowment Fund, and the Mayor’s Riverfront Park Fund.

Interfund transfers in 2011 were approximately \$5.6 million higher than in 2010 and \$4.5 million higher than 2012. The transfers were impacted in 2011 by the City’s consolidation of separate Internal Service Funds into the City’s General Fund, which caused a one-time transfer of assets between City-owned funds. Interfund transfers have stabilized since the collapse of the internal service funds and increased by \$323 thousand from 2013 to 2014.

The City sale of debt or assets is related to bond issuances for capital improvements. The sale of bonds in 2014 was up 35.6% as compared to 2013 as a result of variations in planned capital projects. Sale of bonds in governmental funds supports the capital improvements in the City’s Capital Improvement program, Major Streets, and Local Streets.

**FIGURE 3**  
**Revenue Sources per Capita – Comparison to Prior Year**

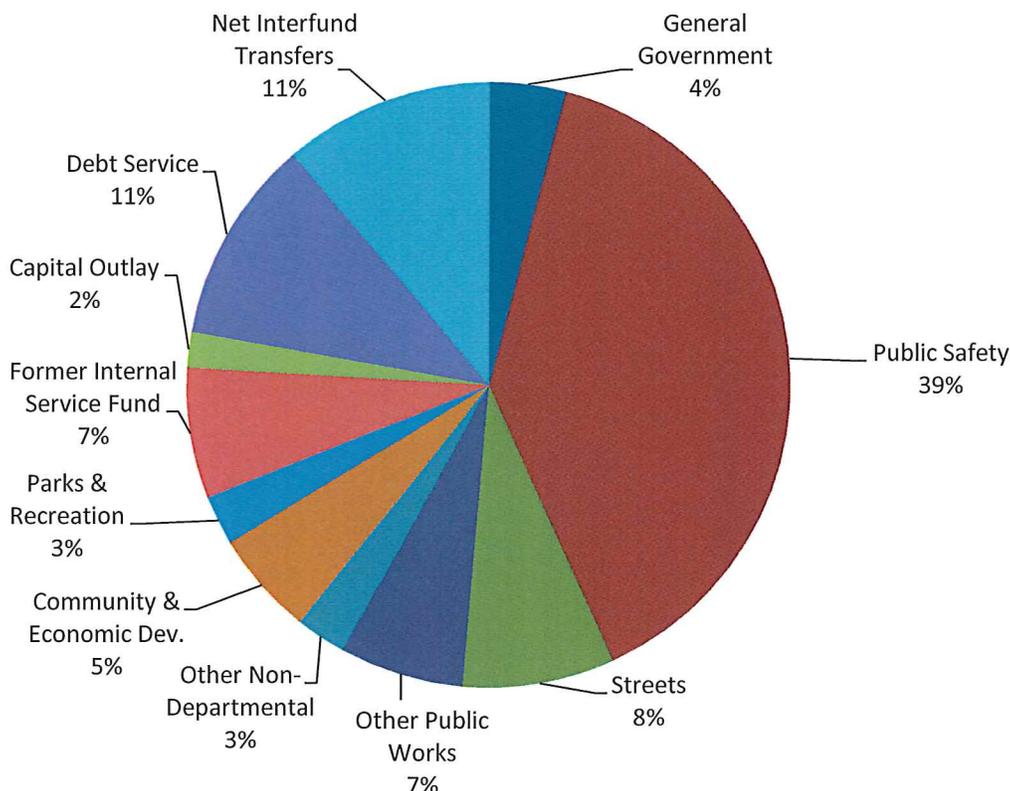


The primary source of revenue is property taxes with approximately \$420 collected per person to provide the City’s services. State revenue varies from year to year depending on grants received for service programs, transportation, fire reimbursement and state revenue sharing. There was an increase in state revenue of approximately 1% and \$114 thousand, but is a decrease when compared on a per capita basis.

**EXPENDITURES:**

Expenditures are the consumption or disbursement of funds used in support of the City's operations. The following charts and graphs provide additional information on the sources of the City's governmental expenditures.

**FIGURE 4**  
**Percentage of City Governmental Expenditures 2014**



Public Safety is the City's largest governmental expenditure, consisting of 39% or \$32.7 million of governmental activities. The City spends 8% of its resources on streets and an additional 7% of other public works. Community and Economic development can vary from year to year because the activities are heavily supported by federal programs. In 2014, these activities represented 5% of expenses.

Debt service represents 11% or approximately \$9.2 million of expenses in 2014. This represents the payment of the City's debt obligations for principal and interest on outstanding bonds.

As discussed in Figure 1, Net Interfund transfers represent the transfer of resources between City funds. In 2014, governmental funds transferred out \$9.4 million to support other fund operations or fund debt service payments.

**FIGURE 5**  
**Expenditures Five Year Comparison**

Expenditures						2014/2013
	2010	2011	2012	2013	2014	% Change
General Government	\$ 7,169,369	\$ 4,100,769	\$ 3,875,163	\$ 3,398,338	\$ 3,399,912	0.05%
Public Safety	34,804,767	35,476,959	32,805,831	32,188,577	32,709,081	1.62%
Streets	8,191,630	7,710,563	6,854,998	7,143,870	6,841,434	-4.23%
Other Public Works	3,789,607	5,846,543	5,389,963	5,278,694	5,534,692	4.85%
Other Non-Departmental	2,761,908	2,560,728	3,161,774	2,793,985	2,254,801	-19.30%
Community & Economic Dev.	7,763,530	14,182,010	8,562,088	4,682,899	4,653,733	-0.62%
Parks & Recreation	2,806,451	2,806,755	2,359,248	2,129,592	2,222,040	4.34%
Former Internal Service Fund	-	6,083,859	5,724,022	5,750,260	5,829,702	1.38%
Capital Outlay	2,861,401	3,408,241	1,338,386	2,123,126	1,595,160	-24.87%
Debt Service	7,846,982	8,267,767	8,028,365	8,261,467	9,151,744	10.78%
Net Interfund Transfers	9,962,957	9,009,217	9,887,596	10,485,854	9,389,594	-10.45%
<b>Total Expenditures</b>	<b>\$ 87,958,602</b>	<b>\$ 99,453,412</b>	<b>\$ 87,987,433</b>	<b>\$ 84,236,662</b>	<b>\$83,581,893</b>	<b>-0.78%</b>

The City implemented an early retirement incentive (ERI) program in the years 2012 and 2013. Reductions as a result of this program can be seen in the various governmental activities, particularly in general government, public safety, public works, and parks and recreation.

As of the end of fiscal year 2014 Public Safety represents \$32.7 million and 39% of the City's expenditures. Public Safety expenditures increased by \$520 thousand as the department plans for the next group of officers to retire and have trained replacements ready.

Community and Economic Development expenditures are comparative in 2014 and 2013 due to minimal changes in Federal grant programs over the two years. While federal resources declined approximately 62% from 2012 to 2013, the Community, Planning, and Development department was able to reprogram some reserved funds and reduce expenditures by 45%.

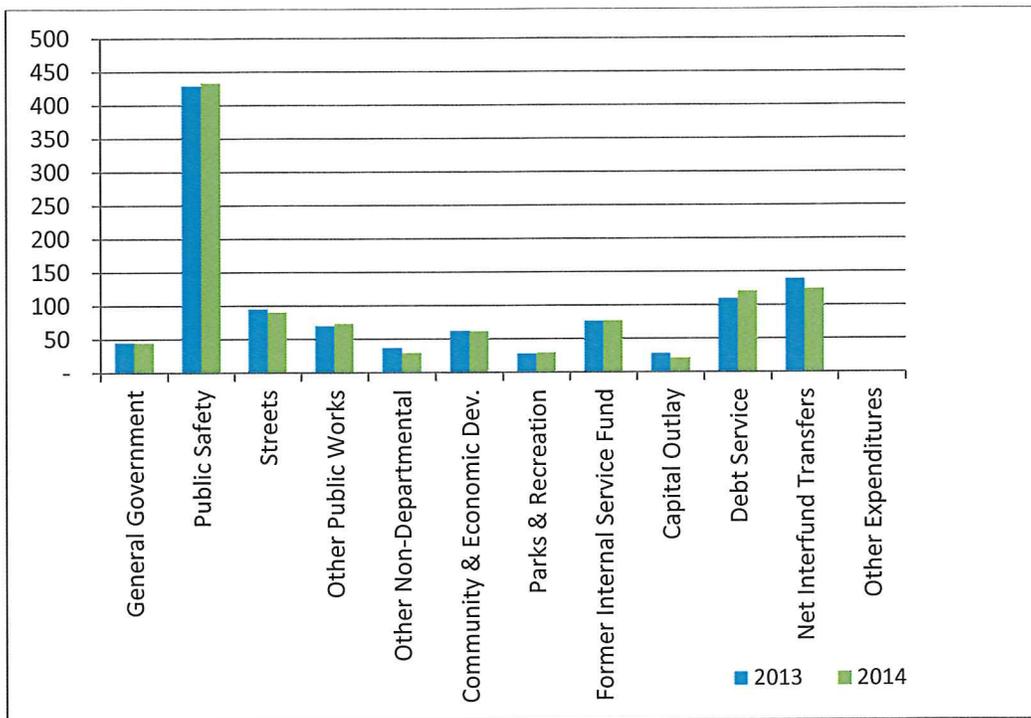
Streets spending decreased by 4% in 2014 as compared to 2013 due to the completion of one-time outside funded construction activities.

Other non-departmental expenditures include expenditures that support the City rather than a specific department or program and include the cost of street lighting electricity. The 19% decrease is due to a reduction in parking enforcement services and other contractual services.

At the end of fiscal year 2011 the City eliminated several Internal Service Funds delivering internal support services such as information technology, engineering, citywide facility maintenance, and equipment maintenance; these were added as departments within the General Government.

Debt service increased approximately 11% in 2014 as compared to 2013 for the City's outstanding debt obligations.

**FIGURE 6**  
**Government Spending per Capita Prior Year Comparison**



The majority of government spending is for public safety with approximately \$430 dollars spent per Citizen in 2014 compared to \$426 per Citizen in 2013. Total expenditures per capita are \$1,101 for 2014 compared to \$1,115 in 2013. Government decreased overall by \$655 thousand in 2014.

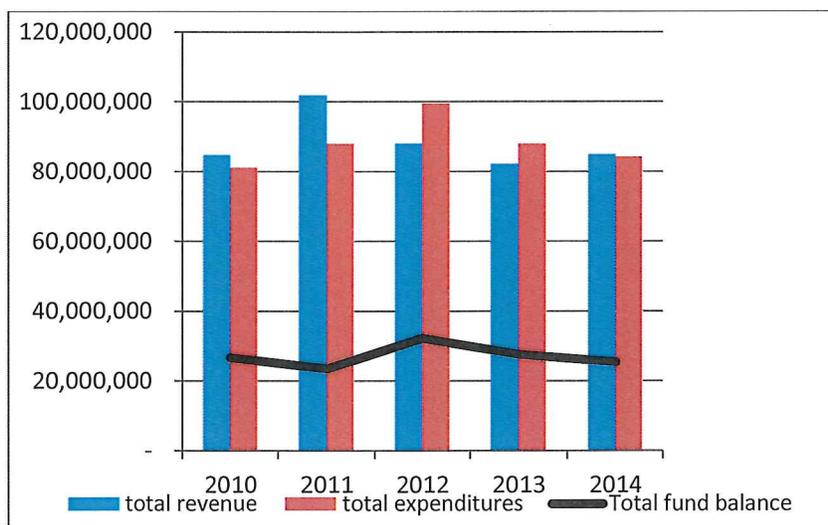
**FUND BALANCES:**

Fund balances are the unspent resources of the governmental funds. Revenues increase fund balance and expenditures decrease the fund balance.

The total Fund balance is comprised of five categories based on the extent to which a government is bound to observe constraints imposed upon the resources reported in each fund.

- The Non-spendable component includes assets that are not available in spendable form or expected to be converted to cash, such as inventory, prepaid expenditures and long-term receivables. It also includes funds that are legally or contractually required to be maintained intact as a permanent fund.
- Restricted funds include amounts to be used for a specific purpose, including the cemetery perpetual fund, Act 51 road monies, friends of recreation endowment, and grants/donations. The constraints are externally imposed and required to be set aside by creditors, grantors or legislation.
- Committed and Assigned funds are amounts set aside for a specific purpose by the City Commission. These funds are used for capital projects, economic development programs, and subsequent year's expenditures.
- The remaining amount of unassigned funds represents the amount in the General Fund that is remaining after all restrictions, commitments, and assignments have been made.

**FIGURE 7  
Governmental Fund Balance**



As of the end of 2014 fiscal year, the City's Governmental funds reported a combined fund balance of \$26.8 million. Approximately 22.3% or \$5.6 million of the total fund balance is available for spending at the government's discretion ("unassigned fund balance"). The Unassigned fund balance represents 7% of the total annual revenues of \$85.0 million.

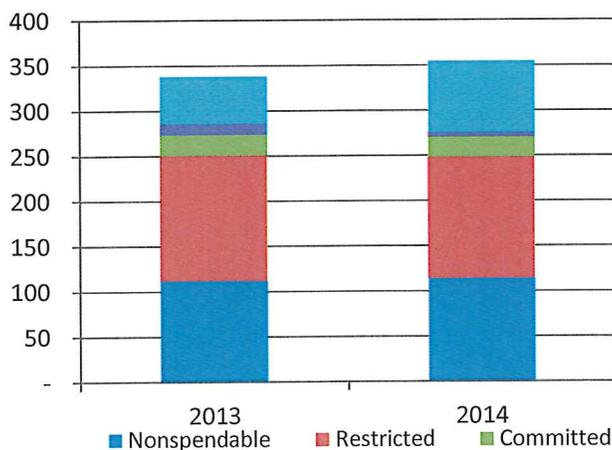
The peak in fund balances noted in 2011 is due to the consolidation of separate internal service funds into the City's general fund. The consolidation of the internal service funds added approximately \$2.5 million of additional reserves to the Governmental funds in 2011.

**FIGURE 8**  
**Governmental Fund Five Year Comparison**

	2010	2011	2012	2013	2014	2014/2013 % change
Revenue	84,776,239	101,967,724	88,093,957	82,236,515	84,994,709	3%
Expenditures	87,958,602	99,453,412	87,987,433	84,236,662	83,581,893	-1%
<b>Surplus (shortfall)</b>	<b>(3,182,363)</b>	<b>2,514,312</b>	<b>106,524</b>	<b>(2,000,147)</b>	<b>1,412,816</b>	<b>-171%</b>
Fund balance, by component:						
Nonspendable	12,515,382	14,253,624	9,324,851	8,412,446	8,626,327	3%
Restricted	5,387,051	9,788,564	9,630,830	10,419,028	10,133,623	-3%
Committed	3,778,353	2,886,765	1,545,097	1,710,413	1,660,293	-3%
Assigned	-	-	3,503,397	922,527	403,248	-56%
Unassigned	1,830,110	5,325,787	3,557,092	3,921,706	5,975,442	52%
<b>Total Fund Balance</b>	<b>23,510,896</b>	<b>32,254,740</b>	<b>27,561,267</b>	<b>25,386,120</b>	<b>26,798,933</b>	<b>6%</b>

The decrease in the Non-spendable fund balance of \$285 thousand or 3% is attributed to the collection of notes receivable and advances. The 3% reduction in Restricted fund balances is due to incremental changes in restricted balances across the funds most noticeably in Streets, Solid Waste and Drug Enforcement. Committed fund balance decreased by 3% primarily due to capital improvement plans for Cemeteries. The assigned fund balance is the amount set aside in General Fund for the subsequent year's expenditures. The 56% decrease is due to the continued strategy to use fewer reserves in the 2014 Budget than used in 2013. The Unassigned fund balance had a 52% increase in 2014 as compared to 2013.

**FIGURE 9**  
**Governmental Fund Balance Per Capita – Compared to Prior Year**

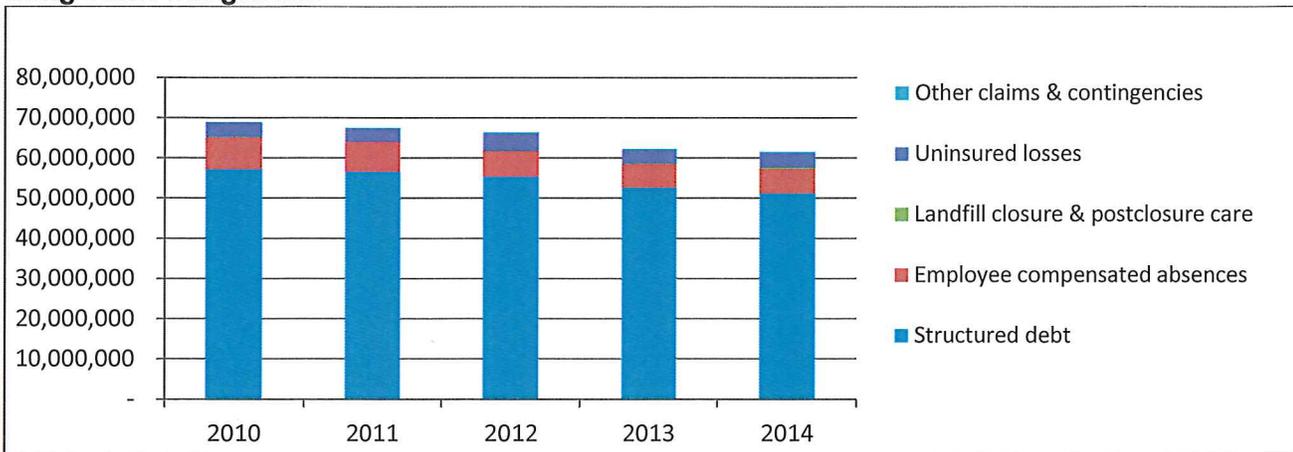


As of the close of the fiscal year 2014 the City's governmental funds had approximately \$26.8 million or \$353 per citizen. The Unassigned funds are approximately \$5.9 million or \$79 per citizen, an increase of 34% from 2013.

## DEBT LEVELS

The debt of the City is made up of funds borrowed in the form of bonds, commitments to employees for compensated absences such as sick leave or vacation, and other uninsured losses or claims.

**FIGURE 10**  
**Long Term Obligations**

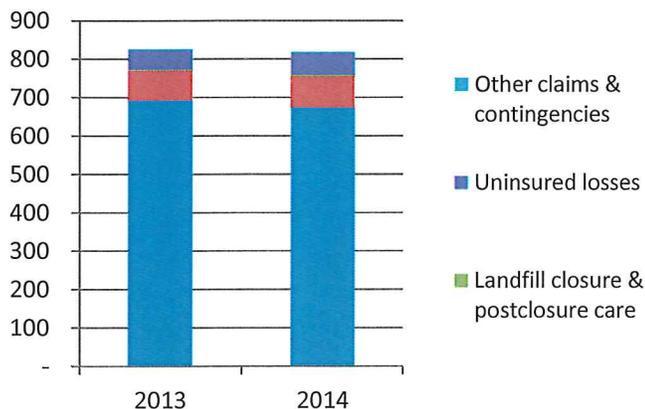


The City's long term obligation at December 31, 2014 totaled \$62.2 million. More than 82% of the obligations or \$51.2 million is Structured Debt dedicated to infrastructure and equipment. The City's balance of bonded debt (structured debt) decreased by \$2.8 million in 2013 as compared to 2012. In 2013, the City issued \$.5 million General Obligation Bonds and made scheduled bond principal payments totaling \$4.0 million.

Employee compensated absences represent accrued sick, vacation, and other leave time employees have earned, but have not used. At the end of 2014, the City owed employees \$6.1 million for these balances, up \$232 thousand from 2013.

The City self-insures for health care, workers' compensation, and various other claims and liabilities. Estimated uninsured losses include both reported and unreported claims. At the end of 2014, these obligations totaled \$4.3 million, an increase of \$558 thousand from 2013.

**FIGURE 11**  
**City Debt and Other Long Term Obligations per Capita**



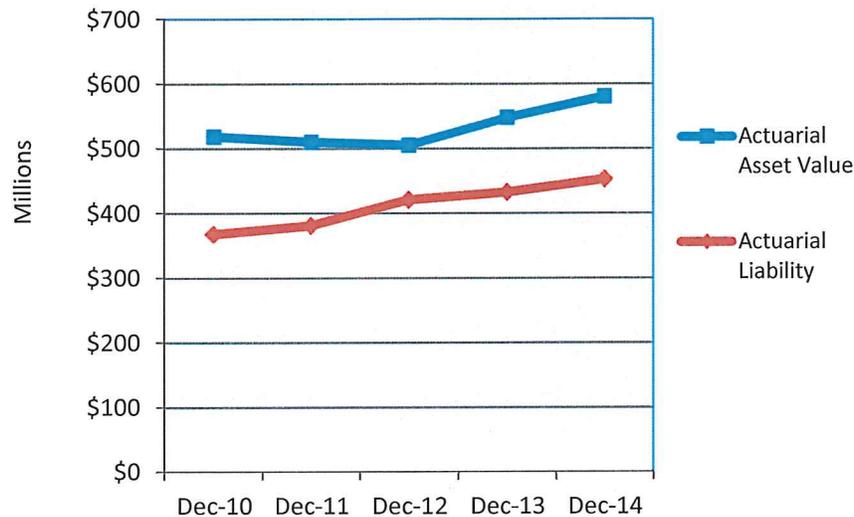
As of the end of fiscal year 2014 the City's total debt per capita is \$819 per citizen, with \$678 being structured debt.

## PENSION AND OTHER RETIREE BENEFITS

The City provides its employees with a defined pension benefit upon retirement from the City. Employees are required to contribute between 1.0 to 6.5% of annual compensation to the System.

The City also provides retiree health care benefits to employees hired prior to 2008. These benefits are referred to as OPEB, or Other Post-Employment Benefits.

**FIGURE 12**  
**City of Kalamazoo Pension Funding Status**



The Pension System in the City of Kalamazoo is fully funded as indicated in the graph. As of the end of fiscal year 2014 the asset value was \$580 million compared to an estimated liability of \$452 million, making the City's Pension System one of the top-funded systems in Michigan.

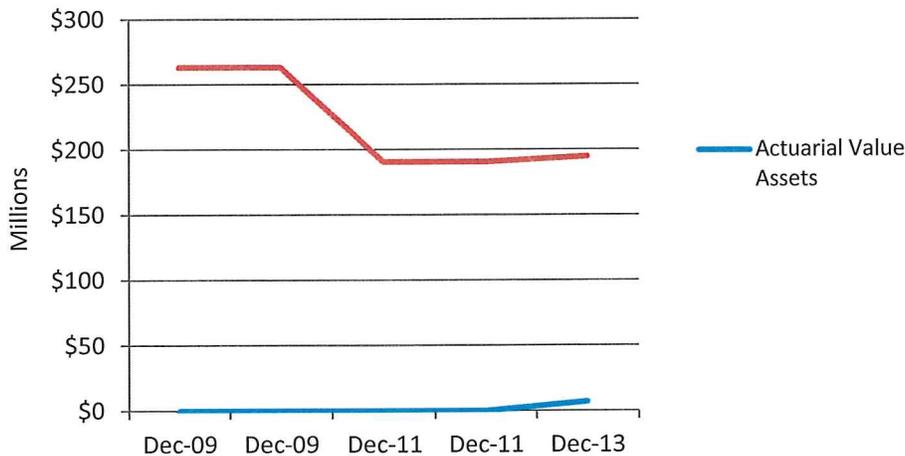
The Pension System's investments are managed by the Retirement Investment Committee, a group of prominent investment expert volunteers. The pension system's investments have performed incredibly well since the Committee's inception in 1982, averaging over 12% real rate of return. Due to its well-funded status, since 1997, the city has not been required to make contributions to the Pension System. However, the City has made voluntary contributions of \$905,746 in 2013 and 2012 as a commitment to make the Pension System whole for a pay out of Early Retirement Incentives.

**FIGURE 13**  
**City of Kalamazoo Annual Pension Costs**

	As of December 31, 2014			
	2011	2012	2013	2014
Actuarial Value of Assets	\$ 509,931,421	\$ 505,234,953	\$ 547,923,629	\$ 580,220,033
Actuarial Value of Liability (AAL)	\$ 380,802,126	\$ 420,711,365	\$ 432,148,526	\$ 452,381,149
Overfunded AAL (OAAL)	\$ 129,129,295	\$ 84,523,588	\$ 115,775,103	\$ 127,838,884
Funded Ratio	134%	120%	127%	128%
Annual Covered Payroll	\$ 42,305,663	\$ 36,538,969	\$ 36,331,892	\$ 37,198,788
Ratio of OAAL to Covered Payroll	305.2%	231.3%	318.7%	343.7%

For the year ended December 31, 2014 the City’s annual pension cost was \$-0-. The estimated annual required contribution was determined as part of an actuarial valuation at December 31, 2014, using the individual entry age method. Significant actuarial assumptions used include (a) a 7.5% investment rate of return (b) projected salary increases of 4.0% per year compounded annually, attributable to inflation (c) additional salary increases ranging from 4.0% to 12% per year depending on age, seniority and merit, and (d) assumption benefits will not increase after retirement.

**FIGURE 14**  
**Kalamazoo Other Post-Employment Benefits (Retiree Health Care)**



The City has achieved a long-standing goal whereby active employees pay for 20% of their total health care costs. This has been accomplished through collective bargaining with employee bargaining units, and also administratively with non-bargaining employee policies. This initiative has generated cost savings of over \$17 million for the City since its inception in 2005 and over \$4 million per starting in 2013.

The total Actuarially Accrued Liability (AAL) of \$195 million for OPEB equates to an “Annually Required Contribution” (or ARC) of roughly \$14.1 million. The City has invested \$6.9 million in an OPEB trust for future retiree health care benefits at yearend 2014. In January 2015 the City issued \$90 million of bonds to finance 75% of the City’s retiree health care liabilities, and has committed to making a fixed annual contribution of \$3.5 million to the City’s OPEB Trust Fund to finance the balance of the liabilities (the other 25%) over the next 30 years. The City and our employee bargaining units have signed agreements to ensure that retiree health care

benefits will be revisited periodically to ensure that the OPEB Trust Fund can afford to pay the cost of retiree health care without additional contributions from the City's operating funds.

### *How This Report Was Developed*

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This report is offered for the purpose of enabling a civic spirit and for building a common understanding between the public, their elected City servants, and the administration. Achieving these objectives will lead to better decision-making and the greater fulfillment of the City's strategic vision.

#### **DATA SOURCES AND NOTES**

The City's audited financial statements were the basis for the data included in this report. These statements can be reviewed on the City's web site at the following location:

<http://www.kalamazocity.org/portal/government>

# DEBT SERVICE SCHEDULE

As of: January 1, 2016

	Remaining Debt				2016			2017		
	Original Issue Amount	Gross Principal Outstanding	Self-Supporting	Net	Principal	Interest	Total	Principal	Interest	Total
<b>City Debt Issues</b>										
<b>Building Authority Bonds:</b>										
Dated: 8/4/15	2015B Building Authority Refunding	\$ 8,415,000	\$ 8,415,000	\$ -	\$ 8,415,000	\$ 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	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	105,663	455,663	285,000	93,413	378,413
Dated: 10/26/06	2006B Parking Ramp	4,270,000	200,000	200,000	-	8,000	208,000	-	-	-
Dated: 11/17/98	1998 BA Refunding	5,770,000	455,000	455,000	-	22,838	217,838	240,000	12,600	252,600
	<b>Subtotal</b>	<b>\$ 30,230,000</b>	<b>\$ 19,045,000</b>	<b>\$ 16,878,057</b>	<b>\$ 2,166,943</b>	<b>\$ 713,695</b>	<b>\$ 2,353,695</b>	<b>\$ 1,640,000</b>	<b>\$ 671,923</b>	<b>\$ 2,311,923</b>
<b>Michigan Transportation Fund Bonds:</b>										
Dated: 7/26/11	2011 Michigan Transportation Fund Refunding	2,005,000	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	-	83,143	350,143	275,000	74,205	349,205
	<b>Subtotal</b>	<b>\$ 5,865,000</b>	<b>\$ 2,305,000</b>	<b>\$ 2,305,000</b>	<b>\$ -</b>	<b>\$ 87,143</b>	<b>\$ 552,143</b>	<b>\$ 275,000</b>	<b>\$ 74,205</b>	<b>\$ 349,205</b>
<b>Wastewater Bonds:</b>										
Dated: 5/1/13	2014 Wastewater Supply Systems Refunding	2,285,000	2,180,000	2,180,000	-	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	-	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	-	45,875	370,875	330,000	39,375	369,375
	<b>Subtotal</b>	<b>\$ 11,200,000</b>	<b>\$ 9,295,000</b>	<b>\$ 9,295,000</b>	<b>\$ -</b>	<b>\$ 299,463</b>	<b>\$ 974,463</b>	<b>\$ 680,000</b>	<b>\$ 284,730</b>	<b>\$ 964,730</b>
<b>Water Bonds:</b>										
Dated: 5/1/14	2014 Water Supply Systems Refunding	11,170,000	10,890,000	10,890,000	-	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	-	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	-	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	-	63,841	178,841	120,000	59,241	179,241
	<b>Subtotal</b>	<b>\$ 23,130,000</b>	<b>\$ 16,325,000</b>	<b>\$ 16,325,000</b>	<b>\$ -</b>	<b>\$ 598,140</b>	<b>\$ 1,708,140</b>	<b>\$ 1,095,000</b>	<b>\$ 569,908</b>	<b>\$ 1,664,908</b>
<b>Downtown Development Bonds:</b>										
Dated: 3/1/11	2011 Downtown Development Refunding	2,115,000	1,320,000	1,320,000	-	43,350	463,350	450,000	27,000	477,000
	<b>Subtotal</b>	<b>\$ 2,115,000</b>	<b>\$ 1,320,000</b>	<b>\$ 1,320,000</b>	<b>\$ -</b>	<b>\$ 43,350</b>	<b>\$ 463,350</b>	<b>\$ 450,000</b>	<b>\$ 27,000</b>	<b>\$ 477,000</b>
<b>Other Post Employment Benefit Bonds:</b>										
Dated: 1/22/15	2015 Limited Tax GO - OPEB Bonds	90,955,000	88,915,000	88,915,000	-	3,614,821	5,474,821	1,885,000	3,594,120	5,479,120
	<b>Subtotal</b>	<b>\$ 90,955,000</b>	<b>\$ 88,915,000</b>	<b>\$ 88,915,000</b>	<b>\$ -</b>	<b>\$ 3,614,821</b>	<b>\$ 5,474,821</b>	<b>\$ 1,885,000</b>	<b>\$ 3,594,120</b>	<b>\$ 5,479,120</b>
<b>Capital Improvement Bonds:</b>										
Dated: 6/2/15	2015 Capital Improvement	5,150,000	5,150,000	-	5,150,000	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	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	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	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	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	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	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	104,469	379,469	285,000	93,469	378,469
Dated: 7/12/07	2007 Capital Improvement	855,000	595,000	-	595,000	27,263	67,263	40,000	25,543	65,543
	<b>Subtotal</b>	<b>\$ 36,555,000</b>	<b>\$ 29,615,000</b>	<b>\$ -</b>	<b>\$ 29,615,000</b>	<b>\$ 938,369</b>	<b>\$ 3,303,369</b>	<b>\$ 2,420,000</b>	<b>\$ 872,075</b>	<b>\$ 3,292,075</b>
	<b>Grand Total:</b>	<b>\$ 200,050,000</b>	<b>\$ 166,820,000</b>	<b>\$ 135,038,057</b>	<b>\$ 31,781,943</b>	<b>\$ 6,294,980</b>	<b>\$ 14,829,980</b>	<b>\$ 8,445,000</b>	<b>\$ 6,093,959</b>	<b>\$ 14,538,959</b>

**City of Kalamazoo - 392020**  
**2015B Building Authority Refunding Bond**  
**8/4/2015**

Original Issue Amnt: \$8,620,000  
 Debt Instrument: Bond  
 Repayment Source: DDA Tax Capture

Annual Total				
	Interest	Principal	PA Fee	Total
2015	42,378.17	205,000.00		247,378.17
2016	266,544.50	505,000.00		771,544.50
2017	263,060.00	515,000.00		778,060.00
2018	256,674.00	530,000.00		786,674.00
2019	247,505.00	535,000.00		782,505.00
2020	235,788.50	540,000.00		775,788.50
2021	222,342.50	560,000.00		782,342.50
2022	206,214.50	570,000.00		776,214.50
2023	188,088.50	590,000.00		778,088.50
2024	167,674.50	615,000.00		782,674.50
2025	145,165.50	635,000.00		780,165.50
2026	120,654.50	665,000.00		785,654.50
2027	93,655.50	690,000.00		783,655.50
2028	64,606.50	715,000.00		779,606.50
2029	33,075.00	750,000.00		783,075.00
	<b>2,553,427.17</b>	<b>8,620,000.00</b>	<b>0.00</b>	<b>11,173,427.17</b>

**City of Kalamazoo - 392020**  
**2015A Building Authority Refunding Bond**  
**8/4/2015**

Original Issue Amnt: \$7,465,000  
 Debt Instrument: Bond  
 Repayment Source: DDA Tax Capture

Annual Total				
	Interest	Principal	PA Fee	Total
2015	49,186.26			49,186.26
2016	310,650.00	390,000.00		700,650.00
2017	302,850.00	600,000.00		902,850.00
2018	290,850.00	615,000.00		905,850.00
2019	266,250.00	640,000.00		906,250.00
2020	240,650.00	650,000.00		890,650.00
2021	214,650.00	680,000.00		894,650.00
2022	187,450.00	705,000.00		892,450.00
2023	159,250.00	745,000.00		904,250.00
2024	122,000.00	775,000.00		897,000.00
2025	83,250.00	805,000.00		888,250.00
2026	43,000.00	860,000.00		903,000.00
	<b>2,270,036.26</b>	<b>7,465,000.00</b>	<b>0.00</b>	<b>9,735,036.26</b>

**City of Kalamazoo - 392020**  
**2011 Building Authority Refunding Bond**  
**3/1/2011**

Original Issue Amnt: \$4,105,000

Debt Instrument: Bond

Repayment Source: General Fund and KMGA

Annual Total				
	Interest	Principal	PA Fee	Total
2011	84,065.63	245,000.00	100	329,165.63
2012	139,212.50	315,000.00	100	454,312.50
2013	132,912.51	320,000.00	100	453,012.51
2014	126,512.50	335,000.00	100	461,612.50
2015	116,462.50	360,000.00	100	476,562.50
2016	105,662.50	350,000.00	750	456,412.50
2017	93,412.50	285,000.00	750	379,162.50
2018	82,012.50	295,000.00	750	377,762.50
2019	70,212.50	170,000.00	750	240,962.50
2020	63,412.50	180,000.00	750	244,162.50
2021	56,212.50	185,000.00	750	241,962.50
2022	48,350.00	195,000.00	750	244,100.00
2023	40,062.50	200,000.00	750	240,812.50
2024	31,312.50	210,000.00	750	242,062.50
2025	21,862.50	225,000.00	750	247,612.50
2026	11,456.26	235,000.00	750	247,206.26
	<b>1,223,134.40</b>	<b>4,105,000.00</b>	<b>8,750.00</b>	<b>5,336,884.40</b>

<b>City of Kalamazoo - 392020</b> <b>2006B Building Authority Bond</b> <b>10/26/2006</b>
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Original Issue Amnt: \$4,270,000  
 Debt Instrument: Bond \*Refunded  
 Repayment Source: DDA Tax Capture

Annual Total				
Year	Interest	Principal	PA Fee	Total
2007	164,410.56	155,000.00	321	319,731.56
2008	170,480.00	150,000.00	321	320,801.00
2009	164,480.00	155,000.00	321	319,801.00
2010	158,280.00	160,000.00	321	318,601.00
2011	151,880.00	170,000.00	321	322,201.00
2012	145,080.00	175,000.00	321	320,401.00
2013	138,080.00	180,000.00	321	318,401.00
2014	130,880.00	190,000.00	321	321,201.00
2015	123,280.00	195,000.00	321	318,601.00
2016	8,000.00	200,000.00	500	208,500.00
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
	<b>1,354,850.56</b>	<b>1,730,000.00</b>	<b>3,389.00</b>	<b>3,088,239.56</b>

**City of Kalamazoo - 392020**  
**1998 Refunding BA Bond**  
**10/1/2004**

Original Issue Amnt: \$5,770,000  
 Debt Instrument: Bond  
 Repayment Source: DDA Tax Capture

	<b>Annual Total</b>			
	<b>Interest</b>	<b>Principal</b>	<b>PA Fee</b>	<b>Total</b>
2003	-	-		-
2004	-	-		-
2005	256,357.50	390,000.00	300	646,657.50
2006	241,090.00	95,000.00	300	336,390.00
2007	237,337.50	555,000.00	300	792,637.50
2008	215,137.50	575,000.00	300	790,437.50
2009	191,562.50	585,000.00	300	776,862.50
2010	167,578.00	585,000.00	300	752,878.00
2011	143,007.50	590,000.00	300	733,307.50
2012	117,637.50	600,000.00	300	717,937.50
2013	91,237.50	600,000.00	300	691,537.50
2014	62,737.50	575,000.00	300	638,037.50
2015	68,250.00	185,000.00	300	253,550.00
2016	74,287.50	195,000.00	300	269,587.50
2017	80,587.50	240,000.00	300	320,887.50
	<b>1,946,808.00</b>	<b>5,770,000.00</b>	<b>3,900.00</b>	<b>7,720,708.00</b>

**City of Kalamazoo - 392020**  
**2011 Michigan Transportation Fund Refunding Bonds**  
**7/26/2011**

Original Issue Amnt: \$2,005,000  
 Debt Instrument: Bond  
 Repayment Source: Streets Revenue

Annual Total				
	Interest	Principal	PA Fee	Total
2011	8,025.69	-	100	8,125.69
2012	40,200.00	425,000.00	100	465,300.00
2013	29,425.00	435,000.00	100	464,525.00
2014	18,200.00	470,000.00	100	488,300.00
2015	8,750.00	475,000.00	500	483,850.00
2016	2,000.00	200,000.00	500	202,100.00
	<b>106,600.69</b>	<b>2,005,000.00</b>	<b>1,400.00</b>	<b>2,112,200.69</b>

**City of Kalamazoo - 392020**  
**2007 Michigan Transportation Fund Bonds**  
**7/12/2007**

Original Issue Amnt: \$3,860,000  
 Debt Instrument: Bond  
 Repayment Source: Streets Revenue

Annual Total				
	Interest	Principal	PA Fee	Total
2008	192,694.60	160,000.00	500	353,194.60
2009	150,142.50	205,000.00	500	355,642.50
2010	141,842.50	210,000.00	500	352,342.50
2011	133,242.50	220,000.00	500	353,742.50
2012	124,342.50	225,000.00	500	349,842.50
2013	115,142.50	235,000.00	500	350,642.50
2014	105,542.50	245,000.00	500	351,042.50
2015	95,542.50	255,000.00	500	351,042.50
2016	85,142.50	265,000.00	500	350,642.50
2017	74,205.00	275,000.00	500	349,705.00
2018	62,477.50	290,000.00	500	352,977.50
2019	49,937.50	300,000.00	500	350,437.50
2020	36,706.25	310,000.00	500	347,206.25
2021	22,612.50	325,000.00	500	348,112.50
2022	7,650.00	340,000.00	500	348,150.00
	<b>1,397,223.35</b>	<b>3,860,000.00</b>	<b>7,500.00</b>	<b>5,264,723.35</b>

**City of Kalamazoo**  
**2014 Waste Water Refunding Bond**  
**5/1/2014**

Original Issue Amount: \$ 2,285,000.00  
 Debt Instrument: Bond  
 Repayment Source: Waste Water Revenues

Annual Total				
	Interest	Principal	PA Fee	Total
2014	26,277.50	25,000.00	-	51,277.50
2015	77,970.00	80,000.00	-	157,970.00
2016	75,210.00	85,000.00	-	160,210.00
2017	72,277.50	85,000.00	-	157,277.50
2018	69,345.00	90,000.00	-	159,345.00
2019	66,240.00	90,000.00	-	156,240.00
2020	63,135.00	95,000.00	-	158,135.00
2021	59,857.50	100,000.00	-	159,857.50
2022	56,407.50	100,000.00	-	156,407.50
2023	52,957.50	105,000.00	-	157,957.50
2024	49,335.00	110,000.00	-	159,335.00
2025	45,540.00	115,000.00	-	160,540.00
2026	41,572.50	120,000.00	-	161,572.50
2027	37,432.50	120,000.00	-	157,432.50
2028	33,292.50	125,000.00	-	158,292.50
2029	28,980.00	125,000.00	-	153,980.00
2030	24,667.50	135,000.00	-	159,667.50
2031	20,010.00	140,000.00	-	160,010.00
2032	15,180.00	145,000.00	-	160,180.00
2033	10,177.50	145,000.00	-	155,177.50
2034	5,175.00	150,000.00	-	155,175.00
	<b>931,040.00</b>	<b>2,285,000.00</b>	<b>0.00</b>	<b>3,216,040.00</b>

**City of Kalamazoo - 392020**  
**2012 Wastewater System Revenue Bond**  
**3/29/2012**

Original Issue Amnt: \$6,100,000

Debt Instrument: Bond

Repayment Source: Wastewater Rate Revenues

Annual Total				
	Interest	Principal	PA Fee	Total
2013	289,333.89	175,000.00	100	464,433.89
2014	188,677.50	255,000.00	100	443,777.50
2015	183,577.50	260,000.00	100	443,677.50
2016	178,377.50	265,000.00	100	443,477.50
2017	173,077.50	265,000.00	100	438,177.50
2018	167,777.50	270,000.00	100	437,877.50
2019	162,107.50	275,000.00	100	437,207.50
2020	155,507.50	280,000.00	100	435,607.50
2021	147,947.50	290,000.00	100	438,047.50
2022	139,392.50	295,000.00	100	434,492.50
2023	130,100.00	300,000.00	100	430,200.00
2024	120,350.00	310,000.00	100	430,450.00
2025	109,965.00	320,000.00	100	430,065.00
2026	98,925.00	330,000.00	100	429,025.00
2027	87,210.00	340,000.00	100	427,310.00
2028	74,800.00	350,000.00	100	424,900.00
2029	60,800.00	360,000.00	100	420,900.00
2030	46,400.00	375,000.00	100	421,500.00
2031	31,400.00	385,000.00	100	416,500.00
2032	16,000.00	400,000.00	100	416,100.00
	<b>2,561,726.39</b>	<b>6,100,000.00</b>	<b>2,000.00</b>	<b>8,663,726.39</b>

**City of Kalamazoo - 392020**  
**2011 General Obligation Capital Improvement Bonds**  
**7/14/2011**

Original Issue Amnt: \$4,685,000

Debt Instrument: Bond

Repayment Source: Streets & General Fund Revenues

Annual Total				
	Interest	Principal	PA Fee	Total
2012	186,756.81	225,000.00	100	411,856.81
2013	149,350.00	260,000.00	100	409,450.00
2014	144,150.00	265,000.00	100	409,250.00
2015	138,850.00	270,000.00	100	408,950.00
2016	132,775.00	275,000.00	100	407,875.00
2017	125,900.00	285,000.00	100	411,000.00
2018	118,062.50	295,000.00	100	413,162.50
2019	109,212.50	305,000.00	100	414,312.50
2020	99,300.00	315,000.00	100	414,400.00
2021	88,275.00	330,000.00	100	418,375.00
2022	75,900.00	340,000.00	100	416,000.00
2023	62,300.00	355,000.00	100	417,400.00
2024	48,100.00	370,000.00	100	418,200.00
2025	33,300.00	390,000.00	100	423,400.00
2026	17,212.50	405,000.00	100	422,312.50
	<b>1,529,444.31</b>	<b>4,685,000.00</b>	<b>1,500.00</b>	<b>6,215,944.31</b>

**City of Kalamazoo - 392020**  
**2010 General Obligation Capital Improvement Bonds**  
**7/8/2010**

Original Issue Amnt: \$2,855,000

Debt Instrument: Bond

Repayment Source: Streets & General Fund Revenues

Annual Total				
	Interest	Principal	PA Fee	Total
2011	120,240.66	140,000.00	100	260,340.66
2012	94,912.50	160,000.00	100	255,012.50
2013	91,712.50	165,000.00	100	256,812.50
2014	88,412.50	165,000.00	100	253,512.50
2015	84,700.00	170,000.00	100	254,800.00
2016	80,450.00	175,000.00	100	255,550.00
2017	75,200.00	180,000.00	100	255,300.00
2018	68,000.00	185,000.00	100	253,100.00
2019	60,600.00	190,000.00	100	250,700.00
2020	53,000.00	200,000.00	100	253,100.00
2021	45,000.00	205,000.00	100	250,100.00
2022	36,800.00	215,000.00	100	251,900.00
2023	28,200.00	225,000.00	100	253,300.00
2024	19,200.00	235,000.00	100	254,300.00
2025	9,800.00	245,000.00	100	254,900.00
	<b>956,228.16</b>	<b>2,855,000.00</b>	<b>1,500.00</b>	<b>3,812,728.16</b>

**City of Kalamazoo - 392020**  
**2009 General Obligation Capital Improvement Bonds**  
**6/24/2009**

Original Issue Amnt: \$4,585,000

Debt Instrument: Bond

Repayment Source: Streets & General Fund Revenues

Annual Total				
	Interest	Principal	PA Fee	Total
2010	214,104.50	190,000.00	100	404,204.50
2011	163,910.00	245,000.00	100	409,010.00
2012	157,785.00	250,000.00	100	407,885.00
2013	151,535.00	255,000.00	100	406,635.00
2014	144,522.50	265,000.00	100	409,622.50
2015	136,572.50	275,000.00	100	411,672.50
2016	127,635.00	285,000.00	100	412,735.00
2017	116,947.50	300,000.00	100	417,047.50
2018	105,697.50	310,000.00	100	415,797.50
2019	93,297.50	325,000.00	100	418,397.50
2020	80,297.50	340,000.00	100	420,397.50
2021	66,527.50	360,000.00	100	426,627.50
2022	51,587.50	375,000.00	100	426,687.50
2023	35,650.00	395,000.00	100	430,750.00
2024	18,467.50	415,000.00	100	433,567.50
	<b>1,664,537.00</b>	<b>4,585,000.00</b>	<b>1,500.00</b>	<b>6,251,037.00</b>

**City of Kalamazoo - 392020**  
**2008 General Obligation Capital Improvement Bonds**  
**7/1/2008**

Original Issue Amnt: \$4,165,000

Debt Instrument: Bond

Repayment Source: Streets & General Fund Revenues

Annual Total				
	Interest	Principal	PA Fee	Total
2009	201,179.69	180,000.00	250	381,429.69
2010	155,093.76	225,000.00	250	380,343.76
2011	147,781.26	230,000.00	250	378,031.26
2012	140,306.26	240,000.00	250	380,556.26
2013	131,906.26	245,000.00	250	377,156.26
2014	123,331.26	255,000.00	250	378,581.26
2015	114,406.26	265,000.00	250	379,656.26
2016	104,468.76	275,000.00	250	379,718.76
2017	93,468.76	285,000.00	250	378,718.76
2018	82,068.76	295,000.00	250	377,318.76
2019	70,268.76	305,000.00	250	375,518.76
2020	58,068.76	320,000.00	250	378,318.76
2021	44,868.76	335,000.00	250	380,118.76
2022	30,631.26	345,000.00	250	375,881.26
2023	15,968.76	365,000.00	250	381,218.76
	<b>1,513,817.33</b>	<b>4,165,000.00</b>	<b>3,750.00</b>	<b>5,682,567.33</b>

**City of Kalamazoo - 392020**  
**2007 General Obligation Capital Improvement Bonds**  
**7/12/2007**

Original Issue Amnt: \$855,000  
 Debt Instrument: Bond  
 Repayment Source: General Fund Revenues

Annual Total				
	Interest	Principal	PA Fee	Total
2008	46,219.99	20,000.00	500	66,719.99
2009	37,122.50	30,000.00	500	67,622.50
2010	35,937.50	30,000.00	500	66,437.50
2011	34,737.50	35,000.00	500	70,237.50
2012	33,320.00	35,000.00	500	68,820.00
2013	31,885.00	35,000.00	500	67,385.00
2014	30,432.50	35,000.00	500	65,932.50
2015	28,962.50	40,000.00	500	69,462.50
2016	27,262.50	40,000.00	500	67,762.50
2017	25,542.50	40,000.00	500	66,042.50
2018	23,802.50	45,000.00	500	69,302.50
2019	21,822.50	45,000.00	500	67,322.50
2020	19,820.00	45,000.00	500	65,320.00
2021	17,795.00	50,000.00	500	68,295.00
2022	15,520.00	50,000.00	500	66,020.00
2023	13,195.00	50,000.00	500	63,695.00
2024	10,870.00	55,000.00	500	66,370.00
2025	8,285.00	55,000.00	500	63,785.00
2026	5,700.00	60,000.00	500	66,200.00
2027	2,850.00	60,000.00	500	63,350.00
	<b>471,082.49</b>	<b>855,000.00</b>	<b>10,000.00</b>	<b>1,336,082.49</b>

Local Unit Name:	City of Kalamazoo			
Local Unit Code:	392020			
	2013	2014	Trend	Performance
<b>Fiscal Stability</b>				
Annual GF Expenditures per capita	\$655	\$634	↓ -3.2%	Positive
Fund Balance as % of Annual GF Expenditures	11.1%	16.0%	↑ 44.7%	Positive
Unfunded Pension & OPEB Liability, as a % of annual GF revenue	150%	117%	↓ -22.0%	Positive
Debt burden per capita	\$1,115	\$1,057	↓ -5.2%	Positive
Percentage of road funding provided by the General Fund	11.2%	6.7%	↓ -40.6%	Positive
Ratio of pensioners to employees	1.57	2.19	↑ 39.6%	Neutral
Number of services delivered via cooperative venture	7	7	→ 0.0%	Neutral
<b>Economic Strength</b>				
% of community with access to high speed broadband	100%	100%	→ 0.0%	Neutral
% of community age 25+ with Bachelor's Degree or higher.	32%	32%	→ 0.3%	Neutral
Average age of critical infrastructure (years)	25.7	26.2	↑ 2.1%	Negative
<b>Public Safety</b>				
Violent crimes per thousand	10	10	↑ 3.2%	Negative
Property crimes per thousand	40	36	↓ -8.2%	Positive
Traffic injuries or fatalities	396	377	↓ -4.8%	Positive
<b>Quality of Life</b>				
Miles of sidewalks and non-motorized paths/trails as a factor of total miles of local/major roads & streets	1.39	1.33	↓ -4.4%	Negative
Percent of GF Expenditures Committed to Arts, Culture and Recreation	3.7%	3.9%	↑ 5.6%	Positive
Acres of parks per thousand residents	13.6	16.0	↑ 17.5%	Positive
Percent of community being provided with curbside recycling	100%	100%	→ 0.0%	Neutral

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	392020			
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# CITY OF KALAMAZOO - 392020 GENERAL FUND BUDGET SUMMARY AND FISCAL PLAN

	2014		2015		2015		2016		2018	
	Actual	Adopted	Amended	Projected	Proposed	Fiscal Plan	Fiscal Plan	Fiscal Plan	Fiscal Plan	Fiscal Plan
<b>REVENUE</b>										
Tax Levy Revenue	27,708,709	27,504,764	27,504,764	28,771,252	28,656,467	29,351,685	29,351,685	29,735,775		
Other Tax or PILOT Payments	1,880,085	1,972,102	1,972,102	1,851,772	1,888,281	1,916,605	1,916,605	1,945,354		
Licenses, Permits & Fees	2,183,405	2,084,899	2,084,899	2,183,287	2,220,640	2,253,950	2,253,950	2,287,759		
Intergovernmental Revenue	9,487,305	9,555,400	9,555,400	9,609,364	9,620,633	9,716,839	9,716,839	9,814,007		
Charges for Services	8,479,234	9,394,346	9,394,346	9,130,881	9,475,551	9,665,062	9,665,062	9,858,363		
Fines and Forfeitures	454,292	523,300	523,300	469,893	486,800	496,536	496,536	501,501		
Interest & Rentals	149,828	185,500	185,500	141,375	182,108	183,929	183,929	185,768		
Other Revenue	758,200	587,619	616,438	801,116	468,452	577,821	577,821	489,377		
<b>Total Revenue</b>	<b>51,101,058</b>	<b>51,807,930</b>	<b>51,836,749</b>	<b>52,958,940</b>	<b>52,998,932</b>	<b>54,162,427</b>	<b>54,162,427</b>	<b>54,817,905</b>		
<b>EXPENDITURES</b>										
City Commission	74,464	73,705	73,705	72,529	73,708	73,705	73,705	75,106		
City Administration	758,502	721,534	721,534	765,710	785,447	786,291	786,291	801,238		
City Attorney	709,124	634,981	634,981	660,849	649,270	650,378	650,378	662,742		
City Clerk	578,257	480,430	506,711	483,242	622,473	473,988	473,988	630,890		
Internal Auditor	95,293	85,043	85,043	85,022	85,957	86,193	86,193	87,831		
Human Resources	722,309	645,697	645,697	568,837	672,028	673,832	673,832	686,641		
Information Technology	1,223,114	1,164,219	1,190,059	1,150,248	1,184,453	1,192,169	1,192,169	1,214,832		
Management Services	2,111,764	2,856,466	2,886,497	2,919,148	2,900,259	2,928,741	2,928,741	2,984,414		
Public Safety	30,596,743	28,481,606	28,488,201	28,356,999	28,663,357	29,211,414	29,211,414	30,170,702		
Public Services	5,591,935	5,207,357	5,207,357	4,976,984	5,514,193	5,478,615	5,478,615	5,582,759		
Community Planning & Development	1,507,950	1,484,769	1,484,769	1,466,789	1,581,212	1,528,292	1,528,292	1,557,344		
Economic Development	236,096	105,410	105,410	103,293	105,540	105,825	105,825	190,077		
Parks & Recreation	1,883,600	1,778,779	1,807,598	1,794,101	1,824,117	1,817,878	1,817,878	1,852,435		
Non-Departmental Expenditures	2,133,205	2,076,271	2,467,290	2,534,230	2,240,875	2,243,870	2,243,870	2,311,186		
Initiatives	313,810	330,000	380,000	334,658	335,000	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	(3,300,000)		
Expenditure Reductions: 2017	-	-	-	-	-	-	-	(1,375,000)		
Expenditure Reductions: 2018	-	-	-	-	-	-	-	-		
Expenditure Reductions: 2019	-	-	-	-	-	-	-	-		
<b>Total Operating Expenditure</b>	<b>48,536,166</b>	<b>49,737,781</b>	<b>50,294,465</b>	<b>49,882,252</b>	<b>53,562,114</b>	<b>50,410,054</b>	<b>50,410,054</b>	<b>50,592,059</b>		
Transfer to Local Street Fund	455,000	380,000	-	-	-	1,500,000	1,500,000	1,500,000		
Transfer to CIP Fund	2,280,000	2,000,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,700,000		
Transfer to Solid Waste Fund	-	-	-	-	500,000	-	-	-		
<b>Total Transfer for Capital Improvement</b>	<b>2,735,000</b>	<b>2,380,000</b>	<b>2,100,000</b>	<b>2,100,000</b>	<b>2,600,000</b>	<b>3,600,000</b>	<b>3,600,000</b>	<b>4,200,000</b>		
<b>TOTAL EXPENDITURES</b>	<b>51,271,166</b>	<b>52,117,781</b>	<b>52,394,465</b>	<b>51,982,252</b>	<b>56,162,114</b>	<b>54,010,054</b>	<b>54,010,054</b>	<b>54,792,059</b>		
<b>Beginning Fund Balance</b>	<b>7,352,671</b>	<b>9,495,820</b>	<b>9,495,820</b>	<b>9,495,820</b>	<b>11,389,115</b>	<b>8,875,933</b>	<b>8,875,933</b>	<b>9,028,306</b>		
<b>Surplus / (Deficit)</b>	<b>(170,108)</b>	<b>(309,851)</b>	<b>(557,716)</b>	<b>976,688</b>	<b>(3,163,182)</b>	<b>152,375</b>	<b>152,375</b>	<b>25,846</b>		
Contribution from/(to) Budget Stabilization	-	-	-	-	-	-	-	-		
Net Proceeds from OPEB Bonds	-	391,018	391,018	391,018	650,000	-	-	-		
Contribution from/(to) Insurance Fund	2,313,257	636,855	636,855	525,589	-	-	-	-		
<b>Ending Fund Balance</b>	<b>9,495,820</b>	<b>9,822,824</b>	<b>9,965,977</b>	<b>11,389,115</b>	<b>8,875,933</b>	<b>9,028,306</b>	<b>9,028,306</b>	<b>9,054,151</b>		
<b>Target Fund Balance</b>	6,643,138	6,735,031	6,738,777	6,884,662	6,889,861	7,041,116	7,041,116	7,126,328		
Amount Over (Under) Target	2,852,682	3,087,793	3,227,200	4,504,453	1,986,072	1,987,190	1,987,190	1,927,824		

**CITY OF KALAMAZOO - 392020  
GENERAL FUND BUDGET ASSUMPTIONS**

Revenue	Projected Annual Assumptions for Current Fiscal Plan (2016 - 2021)	Assumptions & Explanations
Property taxes (based on assessor's estimate)	+1.5%	Revenues & expenditures are forecasted based on recent actual performance, and industry standard analytical approaches.
Licenses, permits & fees	+1.5%	Have been reduced to match property tax revenue.
Other intergovernmental revenue	+1%	Largely based on the growth of State Revenue Sharing.
Charges for services	+2%	Revenues & expenditures increase at historical rates.
Interest and rentals	+1%	Revenues & expenditures increase at historical rates.
Other revenue	+2%	Estimated to increase based on historical trends.
Expenditures		
Salaries	0% for 2015 - 2016, 1% for 2017, 1.5% for 2018 - 2019	Salary growth is limited to the growth of property tax revenue.
Health Insurance	6.7%	Expected to grow by the rate of health care in the marketplace.
FICA, Medicare, Deferred Compensation	+1.5%	Based on the percentage for change of salaries which is based on property tax revenue.
Fringe Benefits	+3%	Based on union contracts and employee tenure.
Supplies and services	0%	Increased by inflation.
Non-departmental expenditures	+3%	Based on historical trends and planned future expense.