

City of Kentwood

Michigan Department of Treasury
City, Village, and Township Revenue
Sharing / County Incentive Program
(CVTRS / CIP)

Accountability & Transparency
2019 Submission due 12/1/2019

Contents

MI Public Act 56 of 2019 (applicable sections)
Certification of Accountability and Transparency
Citizen's Guide
Performance Dashboard
Debt Service Report
Projected Budget Report

City of Kentwood

MI Public Act 56 of 2019

(applicable sections)

I.E.



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

GRETCHEN WHITMER
GOVERNOR

GARLIN GILCHRIST II
LT. GOVERNOR

Date: Sept 29, 2019

Time: 3:16 pm

To the President of the Senate:

Sir – I have this day approved and signed

Enrolled Senate Bill No. 138 (Public Act No. 56) being

AN ACT to make appropriations for the legislature, the executive, the department of the attorney general, the department of state, the department of treasury, the department of technology, management, and budget, the department of civil rights, the department of labor and economic opportunity, and certain other state purposes for the fiscal year ending September 30, 2020; to supplement appropriations for certain state departments and certain other state purposes for the fiscal year ending September 30, 2019; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; to repeal acts and parts of acts; and to declare the effect of this act.

Respectfully,

Governor

2019
OCT 1
1:40

FILED WITH SECRETARY OF STATE

ON 9/30/19 AT 7:18 P.M.

(b) A survey of state refinancing programs.

(c) Information related to the financial commitment on the part of the state to start a student loan refinancing program.

(d) Challenges and opportunities to beginning and sustaining a program.

(e) A determination of program characteristics necessary to provide a sustainable program.

(f) A determination as to whether a state-affiliated program could successfully compete in the marketplace.

(2) The department of treasury shall provide a report of its findings under subsection (1) to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by July 1.

REVENUE SHARING

Sec. 950. The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department of treasury to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

Sec. 952. (1) The funds appropriated in part 1 for city, village, and township revenue sharing are for grants to cities, villages, and townships such that, subject to fulfilling the requirements under subsection (3), each city, village, or township that received a payment under section 901(1) of 2018 PA 618 is eligible to receive a payment equal to 102.3% of its total eligible payment under section 901(1) of 2018 PA 618 and section 957(1) of 2018 PA 207, rounded to the nearest dollar. For purposes of this subsection, any city, village, or township that completely merges with another city, village, or township will be treated as a single entity, such that when determining the eligible payment under section 901(1) of 2018 PA 618 and section 957(1) of 2018 PA 207 for the combined single entity, the amount each of the merging local units was eligible to receive under section 901(1) of 2018 PA 618 and section 957(1) of 2018 PA 207 is summed.

(2) The funds appropriated in part 1 for the county incentive program are to be used for grants to counties such that each county is eligible to receive an amount equal to 20% of the amount determined pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. The amount calculated under this subsection shall be adjusted as necessary to reflect partial county fiscal years and prorated based on the total amount appropriated for distribution to all eligible counties. Except as otherwise provided under this subsection, payments under this subsection will be distributed to an eligible county subject to the county's fulfilling the requirements under subsection (3).

(3) For purposes of accountability and transparency, each eligible city, village, township, or county shall certify by December 1, or the first day of a payment month, that it has produced a citizen's guide of its most recent local finances, including a recognition of its unfunded liabilities; a performance dashboard; a debt service report containing a detailed listing of its debt service requirements, including, at a minimum, the issuance date, issuance amount, type of debt instrument, a listing of all revenues pledged to finance debt service by debt instrument, and a listing of the annual payment amounts until maturity; and a projected budget report, including, at a minimum, the current fiscal year and a projection for the immediately following fiscal year. The projected budget report shall include revenues and expenditures and an explanation of the assumptions used for the projections. Each eligible city, village, township, or county shall include in any mailing of general information to its citizens the internet website address location for its citizen's guide, performance dashboard, debt service report, and projected budget report or the physical location where these documents are available for public viewing in the city, village, township, or county clerk's office. Each city, village, township, and county applying for a payment under this subsection shall submit a copy of the performance dashboard, a copy of the debt service report, and a copy of the projected budget report to the department of treasury. In addition, each eligible city, village, township, or county applying for a payment under this subsection shall either submit a copy of the citizen's guide or certify that the city, village, township, or county will be utilizing treasury's online citizen's guide. The department of treasury shall develop detailed guidance for a city, village, township, or county to follow to meet the requirements of this subsection. The detailed guidance shall be posted on the department of treasury website and distributed to cities, villages, townships, and counties by October 1.

(4) City, village, and township revenue sharing payments and county incentive program payments are subject to the following conditions:

(a) The city, village, township, or county shall certify to the department that it has met the required criteria for subsection (3) and submitted the required citizen's guide, performance dashboard, debt service report, and projected budget report as required by subsection (3). A department of treasury review of the citizen's guide, dashboard, or

reports is not required in order for a city, village, township, or county to receive a payment under subsection (1) or (2). The department shall develop a certification process and method for cities, villages, townships, and counties to follow.

(b) Subject to subdivisions (c), (d), and (e), if a city, village, township, or county meets the requirements of subsection (3), the city, village, township, or county shall receive its full potential payment under this section.

(c) Cities, villages, and townships eligible to receive a payment under subsection (1) shall receive 1/6 of their eligible payment on the last business day of October, December, February, April, June, and August. Payments under subsection (1) shall be issued to cities, villages, and townships until the specified due date for subsection (3). After the specified due date for subsection (3), payments shall be made to a city, village, or township only if that city, village, or township has complied with subdivision (a).

(d) Payments under subsection (2) shall be issued to counties until the specified due date for subsection (3). After the specified due date for subsection (3), payments shall be made to a county only if that county has complied with subdivision (a).

(e) If a city, village, township, or county does not submit the required certification, citizen's guide, performance dashboard, debt service report, and projected budget report by the first day of a payment month, the city, village, township, or county shall forfeit the payment in that payment month.

(f) Any city, village, township, or county that falsifies certification documents shall forfeit any future city, village, and township revenue sharing payments or county incentive program payments and shall repay to this state all payments it has received under this section.

(g) City, village, and township revenue sharing payments and county incentive program payments under this section shall be distributed on the last business day of October, December, February, April, June, and August.

(h) Payments distributed under this section may be withheld pursuant to sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(5) The unexpended funds appropriated in part 1 for city, village, and township revenue sharing and the county incentive program shall be available for expenditure under the program for financially distressed cities, villages, or townships after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(6) Any city, village, or township eligible to receive a payment under subsection (1) and determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, must allocate an amount equal to its current year eligible payment under subsection (1) less the sum of its eligible payment for city, village, and township revenue sharing and supplemental city, village, and township revenue sharing in fiscal year 2018-2019 to its pension unfunded liability. A city, village, or township that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement.

Sec. 955. (1) The funds appropriated in part 1 for county revenue sharing shall be distributed by the department of treasury so that each eligible county receives a payment equal to 104.5619% of the amount determined pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, less the amount for which the county is eligible under section 952(2) of this part. The amount calculated under this subsection shall be adjusted as necessary to reflect partial county fiscal years and prorated based on the total amount appropriated for distribution to all eligible counties.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

(3) Any county eligible to receive a payment under subsection (1) and determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, must allocate an amount equal to the sum of its current year eligible payment for county revenue sharing and the county incentive program less the sum of its fiscal year 2018-2019 eligible payment for county revenue sharing, the county incentive program, and supplemental county revenue sharing to its pension unfunded liability. A county that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement.

Sec. 956. (1) The funds appropriated in part 1 for financially distressed cities, villages, or townships shall be granted by the department of treasury to cities, villages, and townships that have 1 or more conditions that indicate probable financial distress, as determined by the department of treasury. A city, village, or township with 1 or more conditions that indicate probable financial distress may apply in a manner determined by the department of treasury for a grant to pay for specific projects or services that move the city, village, or township toward financial stability. Grants are to be used for specific projects or services that move the city, village, or township toward financial stability. The city, village, or township must use the grants under this section to make payments to reduce unfunded accrued liability; to repair or replace critical infrastructure and equipment owned or maintained by the city, village, or township; to reduce

City of Kentwood

Certification of Accountability and Transparency

(MI Department of Treasury Form 4886)

2019 Submission due 12/1/2019

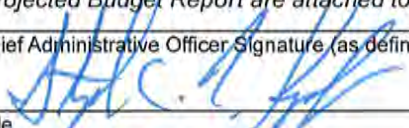
City, Village, and Township Revenue Sharing and County Incentive Program Certification

Issued under authority of 2019 Public Act 56. 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 2019 Public Act 56. The local unit must include in any mailing of general information to its citizens, the Internet website address or the physical location where all the documents are available for public viewing in the clerk's office.
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, 2019**, (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 517-335-7484.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name City of Kentwood		Local Unit County Name Kent	
Local Unit Code 41-2050		Contact E-Mail Address rambom@kentwood.us	
Contact Name Mark Rambo	Contact Title Deputy City Administrator	Contact Telephone Number (616) 554-0770	Extension
Website Address, if reports are available online www.kentwood.us		Current Fiscal Year End Date 6/30/2020	
PART 2: CITIZEN'S GUIDE			
Check any of the following that apply:			
<input checked="" type="checkbox"/> The local unit has elected to use Treasury's online Citizen's Guide to comply with the legislative requirements. Therefore, a copy of the Citizen's Guide will not be submitted to Treasury.			
<input type="checkbox"/> The local unit does not have any unfunded liabilities (pensions or other postemployment benefits (OPEB)).			
PART 3: CERTIFICATION			
<i>In accordance with 2019 Public Act 56, 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 and 2) will include in any mailing of general information to our citizens, the Internet website address or the physical location where all the documents are available for public viewing in the clerk's office. The Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report are attached to this signed certification, unless otherwise noted in Part 2.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Stephen C.N. Kepley	
Title Mayor		Date 11/26/2019	

Completed and signed form (including required attachments) should be e-mailed to: 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
Revenue Sharing and Grants Division
PO Box 30722
Lansing MI 48909

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

City of Kentwood

Citizen's Guide

The City has elected to use the Michigan Department of Treasury on-line Citizen's Guide, also referred to as MI Community Financial Dashboard, to comply with the City, Village, and Township Revenue Sharing (CVTRS) Program Citizen's Guide requirement.

Please follow the link below to access this information resource.

MICommunityFinancials.michigan.gov

City of Kentwood

Performance Dashboard

FY 2015 – 2019

**CITY OF KENTWOOD
PERFORMANCE DASHBOARD
FY 2015 - 2019**

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
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Fiscal Stability

Annual general fund expenditures per capita	\$	539.25	\$	530.93	\$	530.75	\$	539.22	\$	574.64
Fund balance as a percentage of annual general fund expenditures		20.71%		21.29%		21.45%		21.48%		20.39%
Unfunded other post employment benefits as a % of general fund revenue		-3.01%		-2.79%		-3.12%		-3.76%		-4.17%
Governmental Activities - Debt burden per capita	\$	247.42	\$	210.58	\$	191.34	\$	172.76	\$	60.81
Percentage of road funding provided by the general fund		0%		0%		0%		0%		0%
Ratio of pensioners to employees		1 to 7		1 to 6		1 to 6		1 to 5		1 to 5
Number of services delivered by cooperative venture		60		60		60		60		60

Economic Venture

Percentage of Community with access to high speed internet	100%	100%	100%	100%	100%
Percentage of Community age 25+ with a Bachelor Degree+	33.1%	33.1%	33.6%	33.6%	32.0%

Public Safety

Violent crimes per thousand residents	3.51	3.31	2.88	3.34	3.03
Property crimes per thousand residents	30.5	30.0	27.9	22.6	20.8
Traffic injuries and fatalities per thousand residents	5.8	5.9	7.4	6.2	6.9
Total Fire Department Responses	4,324	4,288	4,662	4,645	4,691
Total Structure Fires	48	41	41	63	59

Quality of Life Through June 30th of each year

Miles of sidewalks and NMT's as a factor of total miles of local/major streets	0.64	0.64	0.63	0.63	0.63
Percentage of general fund expenditures committed to arts, culture, and recreation	7.28%	7.79%	8.54%	9.90%	8.95%
Total Acres of Parkland (Developed + Undeveloped)	462.8	462.8	462.8	462.8	462.8
Acres of developed Parkland Per Thousand Residents	9.12	9.01	8.95	8.94	8.93
Percentage of community with available curbside recycling	100%	100%	100%	100%	100%
Total Lane Mileage of Roadways with Bike Lanes	4.65	4.45	4.45	4.45	4.45

City of Kentwood

Debt Service Report

June 30, 2019

City of Kentwood

Debt Service Report

Local Unit Name: City of Kentwood
Local Unit Code: 41-2050
Current Fiscal Year End Date: 6/30/2019

Debt Name: 2013 General Obligation Refunding Bonds
Issuance Date: 6/18/2013
Issuance Amount: \$6,530,000
Debt Instrument (or Type): General Obligation Limited Tax
Repayment Source(s): General Fund

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/2020	\$ 610,000	\$ 48,065	\$ 658,065
6/30/2021	\$ 615,000	\$ 39,335	\$ 654,335
6/30/2022	\$ 630,000	\$ 29,682	\$ 659,682
6/30/2023	\$ 635,000	\$ 19,086	\$ 654,086
6/30/2024	\$ 660,000	\$ 6,765	\$ 666,765
Totals	\$ 3,150,000	\$ 142,933	\$ 3,292,933

Commentary:

City of Kentwood

Debt Service Report

Local Unit Name: City of Kentwood
Local Unit Code: 41-2050
Current Fiscal Year End Date: 6/30/2019

Debt Name: 2013 Drinking Water Revolving Fund Water Main Improvement Bonds
Issuance Date: 9/17/2013
Issuance Amount: \$5,798,672
Debt Instrument (or Type): General Obligation Limited Tax
Repayment Source(s): Water Fund

Years Ending	Principal	Interest	Total
6/30/2020	\$ 255,000	\$ 93,624	\$ 348,624
6/30/2021	\$ 265,000	\$ 88,424	\$ 353,424
6/30/2022	\$ 270,000	\$ 83,074	\$ 353,074
6/30/2023	\$ 275,000	\$ 77,624	\$ 352,624
6/30/2024	\$ 280,000	\$ 72,074	\$ 352,074
6/30/2025	\$ 285,000	\$ 66,423	\$ 351,423
6/30/2026	\$ 290,000	\$ 60,673	\$ 350,673
6/30/2027	\$ 295,000	\$ 54,823	\$ 349,823
6/30/2028	\$ 300,000	\$ 48,873	\$ 348,873
6/30/2029	\$ 310,000	\$ 42,773	\$ 352,773
6/30/2030	\$ 315,000	\$ 36,523	\$ 351,523
6/30/2031	\$ 320,000	\$ 30,173	\$ 350,173
6/30/2032	\$ 325,000	\$ 23,723	\$ 348,723
6/30/2033	\$ 335,000	\$ 17,123	\$ 352,123
6/30/2034	\$ 340,000	\$ 10,373	\$ 350,373
6/30/2035	\$ 348,672	\$ 3,487	\$ 352,159
Totals	\$ 4,808,672	\$ 809,787	\$ 5,618,459

Commentary:

City of Kentwood Debt Service Report

Local Unit Name: City of Kentwood
Local Unit Code: 41-2050
Current Fiscal Year End Date: 6/30/2019

Debt Name: 2015 Refunding Bonds
Issuance Date: 5/5/2015
Issuance Amount: \$1,985,000
Debt Instrument (or Type): General Obligation Limited Tax
Repayment Source(s): Water & Sewer Funds

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/2020	\$ 405,000	\$ 5,063	\$ 410,063
Totals	\$ 405,000	\$ 5,063	\$ 410,063

Commentary:

City of Kentwood
Projected Budget Report
FY 2020 & 2021

City of Kentwood Projected Budget Report

Local Unit Name: City of Kentwood
Local Unit Code: 41-2050
Current Fiscal Year End Date: 6/30/2020
Fund Name: General Fund

REVENUES	FY 2020 Adopted Budget	FY 2021 Projected Budget	Assumptions
Property Taxes	\$ 6,153,100	\$ 6,244,500	1.5% increase
Charges for Services	4,786,500	4,803,500	0% increase
Fines & Forfeitures	1,326,000	1,326,000	0% change
Licenses & Permits	1,843,200	1,943,200	Increased for higher permits activity
Intergovernmental	5,164,600	5,286,400	2.5% increase
Investment Income	100,000	100,000	0% change
Miscellaneous	219,900	219,900	0% change
Other Financing Sources	13,610,600	14,238,800	Transfer from Police & Fire Millage Fund change to match police & fire costs less General Fund contribution, plus transfer from Library Millage Fund for Library Department expenditures.
Total Revenues	\$ 33,203,900	\$ 34,162,300	
EXPENDITURES			
General Government	\$ 2,839,100	\$ 2,840,000	See commentary below for expenditure-related assumptions
Court	1,661,200	1,697,000	
Sobriety Court	164,900	167,800	
Executive	376,300	383,400	
Elections	89,700	89,700	
Finance	751,900	771,900	
Assessor	554,500	567,800	
Clerk	284,000	291,400	
Human Resources	264,400	270,500	
Treasurer	274,100	280,400	
Information Technology	614,100	625,300	
Police	11,423,900	11,650,700	
Police Investigative	142,400	142,400	
Fire Part Time	130,500	132,400	
Fire	6,548,000	6,947,500	
Inspections	688,400	717,900	
Planning	485,400	498,100	
Public Works	3,701,100	3,771,800	
Engineering	458,000	468,800	
Recreation	1,005,300	1,023,700	
Recreation - ARCH Grant	0	0	
Recreation - Community Events	395,100	400,600	
Library	325,600	325,600	
Total Expenditures	\$ 33,177,900	\$ 34,064,700	
Net Revenues (Expenditures)	26,000	97,600	
Beginning Fund Balance	6,085,423	6,111,423	
Ending Fund Balance	\$ 6,111,423	\$ 6,209,023	

Commentary: Expenditure-related assumptions are 1) add three fire fighters; 2) pay to increase based on contractual rates; 3) medical costs +7.5%; 4) pension contributions based on projection by plan actuary; 5) debt service payments based on repayment schedules.