

Portage Public Schools

**2009
Continuing
Disclosure**



You will find attached the Continuing Disclosure for 2009 for Portage Public Schools. This document is a required annual filing for all municipal entities which have bond issues outstanding. The Continuing Disclosure, along with our Comprehensive Annual Financial Report, is available on the Electronic Municipal Market Access (EMMA) website at www.emma.msrb.org for all interested parties, but particularly for investors in Portage Public Schools Bonds. It provides information in a variety of areas for the school district.

Continuing Disclosure Undertaking
Date: December 18, 2009
Portage Public Schools
County of Kalamazoo, State of Michigan
\$11,885,000 2002 School Building and Site Bonds
\$112,275,000 2008 School Building and Site Bonds
\$17,530,000 2009 Refunding Bonds

Enrollments

Enrollment History (includes K-12, special education and alternative education students)

2009/10	8,574	2004/05	8,961
2008/09	8,681	2003/04	9,034
2007/08	8,712	2002/03	9,003
2006/07	8,791	2001/02	8,865
2005/06	9,000	2000/01	8,886

Projected enrollment for 2010/2011 is 8,567

2009/2010 Enrollment by Grade (Fall Pupil Count)

Y5 & Kindergarten	762	8 th	680
1 st	566	9 th	677
2 nd	582	10 th	663
3 rd	601	11 th	628
4 th	635	12 th	611
5 th	590	Alternative Education	<u>251</u>
6 th	691		
7 th	637	Total	<u>8,574</u>

Retirement Plan

<u>Contribution Period</u>	<u>Contribution Rate</u>
October 1, 2009 – September 30, 2010	16.94%
October 1, 2008 – September 30, 2009	16.54
October 1, 2007 – September 30, 2008	16.72
October 1, 2006 – September 30, 2007	17.74
October 1, 2005 – September 30, 2006	16.34

<u>Fiscal Year Ending June 30,</u>	<u>Contribution to MPERS</u>
2010	\$7,560,595 (estimate)
2009	7,336,780
2008	7,498,646
2007	7,848,601
2006	7,050,557

Labor Relations

The School District has 972 full-time and part-time employees. 758 serve under 5 different union affiliated contracts. The Secretaries, Custodial & Maintenance, and Bus Driver union groups are currently in negotiations. During the past ten years, the School District has not experienced a strike by any of its bargaining units.

<u>Class</u>	<u>Number</u>	<u>Affiliation</u>	<u>Contract Expires</u>
Teachers	550	Portage Education Association	June 30, 2010
Secretaries	39	Portage Assoc. of Educ. Office Personnel	June 30, 2009*
Custodial & Maintenance	34	Portage Custodial/Maintenance Association, MEA/NEA	June 30, 2009*
Bus Drivers	66	Portage Schools Bus Drivers Association	June 30, 2009*
Food Service	69	IUOE Local 324	June 30, 2010
Paraprofessionals	95	Not affiliated	
Administrators	32	Not affiliated	
Technical Exempt	37	Not affiliated	
Supervisors	9	Not affiliated	
Child Care Workers	7	Not affiliated	
Community HS Teachers	12	Not affiliated	
Other	<u>22</u>	Not affiliated	
Total	<u>972</u>		

*In Negotiations

History of Valuations – State Equalized Valuation and Taxable Valuation

	<u>State Equalized Valuation</u>	<u>Taxable Valuation</u>
2009	\$2,522,446,430	\$2,346,654,317
2008	2,551,436,350	2,331,368,199
2007	2,476,438,650	2,231,627,701
2006	2,391,695,678	2,131,203,735
2005	2,287,494,700	2,031,100,871
2004	2,179,642,478	1,927,814,616

2009 Taxable Value by Class

	<u>Taxable Value</u>	<u>% of Total Taxable Value</u>
Agricultural	\$ 1,809,875	.08%
Commercial	427,823,871	18.23%
Industrial	183,799,840	7.83%
Residential	1,347,658,902	57.43%
Commercial Personal	71,591,800	3.05%
Industrial Personal	289,218,950	12.32%
Utility Personal	<u>24,751,079</u>	<u>1.06%</u>
Total	<u>\$2,346,654,317</u>	<u>100.00%</u>

2009 Taxable Value by Municipal Unit

<u>Name of Unit</u>	<u>Homestead</u>	<u>Non-Homestead</u>	<u>Total Taxable Value</u>	<u>% of Total Value</u>
City of Portage	\$1,342,445,456	\$708,827,095	\$2,051,272,551	87.42%
City of Kalamazoo	23,612,924	11,909,918	35,522,842	1.51%
Pavilion Township	22,794,685	3,762,472	26,557,157	1.13%
Texas Township	<u>217,903,170</u>	<u>15,398,597</u>	<u>233,301,767</u>	<u>9.94%</u>
Total	<u>\$1,606,756,235</u>	<u>\$739,898,082</u>	<u>\$2,346,654,317</u>	<u>100.00%</u>

Source: Kalamazoo County Equalization Department Annual Equalization Apportionment Reports. Includes taxable value for Renaissance Zone properties.

Tax Levies and Collections

School Year	Total Tax Levy	Current collections to March 1, Each Year		Collections Plus Funding to June 30, Each Year	
2009/10	\$25,565,272	In process of collection		Not available	
2008/09	25,088,133	\$24,327,784	96.97%	\$25,045,606	99.83%
2007/08	24,221,076	23,628,952	97.56	24,138,431	99.66
2006/07	23,512,228	22,341,701	95.02	23,446,699	99.72
2005/06	22,147,681	21,772,490	98.31	22,108,725	99.82
2004/05	23,060,966	22,594,758	97.98	22,965,700	99.59

State Aid Payments

Year	Blended Pupil Count	Foundation Allowance Per Pupil	Total State Aid Payments ¹
2009/10	8,591	\$7,316	\$49,925,043(estimate)
2008/09	8,684	7,316	52,222,771
2007/08	8,713	7,204	46,447,071
2006/07	8,814	7,085	46,916,811
2005/06	8,988	6,875	46,893,198
2004/05	8,962	6,700	45,948,206

¹ After collection of 18 mills for operations on non-homestead property and including ARRA Stabilization Funds of \$3,229,163 in 2008/09 and \$2,423,659 in 2009/10. Amount includes categorical allowances. Total State Aid Payments in 2009/10 have been reduced to reflect the \$165 per pupil reduction included in the State's budget.

School District Tax Rates (Per \$1,000 of Valuation)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating Non-Homestead – Voted ¹	18.0000	18.0000	18.0000	18.0000	18.0000
Sinking Fund ²	0.5000	0.5000	0.5000	0.5000	0.5000
Debt	<u>4.5400</u>	<u>4.5400</u>	<u>2.2000</u>	<u>2.2000</u>	<u>2.2000</u>
Total Homestead	5.0400	5.0400	2.7000	2.7000	2.7000
Total Non-Homestead	23.0400	23.0400	20.7000	20.7000	20.7000

¹ The School District levies 18 mills of voted operating millage on non-homestead property (all taxable property other than principal residences and industrial personal property), provided that the levy on the portion of non-homestead property constituting commercial personal property will be exempt from up to 12 of the 18 mills. The School District levies debt and sinking fund millage on all taxable property. The operating non-homestead millage expires with the December 2013 levy.

² The sinking fund millage expired with the 2009 levy.

Other Tax Rates (Per \$1,000 of Valuation)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
State Education Tax	6.0000	6.0000	6.0000	6.0000	6.0000
Kalamazoo County	6.3212	6.3312	6.3362	6.1362	6.1362
City of Portage	10.6598	10.6598	10.4892	10.1442	10.1442
City of Kalamazoo	19.2075	19.2075	19.2705	19.1606	22.1405
Pavilion Township	.8516	0.8516	0.8516	0.8516	0.8516
Texas Township	.8583	0.8583	0.8583	0.8583	0.8677
Kalamazoo RESA	4.8316	4.8316	4.5416	4.5416	4.5416
Kalamazoo Valley Comm. College	2.8135	2.8135	2.8135	2.8135	2.8135
Kalamazoo County Transportation	.4000	0.0000	0.3800	0.4500	N/A
Kalamazoo District Library	3.9583	3.9583	3.9583	3.9583	3.9583
Portage District Library	1.50	1.4900	1.4900	1.4900	1.4900

Source: Kalamazoo County Equalization Department.

Largest Taxpayers¹

Shown below are the ten largest identifiable taxpayers in the School District based on their 2009 taxable valuations. The taxable valuation of the taxpayers listed below represent 20.49% of the School District's 2009 Taxable Valuation of \$2,346,654,317.

<u>Taxpayer</u>	<u>Product or Service</u>	<u>Taxable Valuation</u>	<u>Equivalent IFT²</u>	<u>Total Valuation Subject to Taxation</u>
Pfizer Inc.	Pharmaceuticals	\$364,100,187	\$ 1,867,900	\$365,968,087
Stryker Medical/Stryker Corp.	Medical equipment	21,500,316	15,858,708	37,359,024
Connecticut General Life Insurance	Crossroads Mall	22,956,214	0	22,956,214
Consumers Energy Company	Utility	19,053,779	0	19,053,779
Edward Rose Assoc. Inc.	Apartments	12,623,458	0	12,623,458
Mann & Hummel Automotive Inc.	Injection molded plastics	8,693,300	718,350	9,411,650
Meijer Inc.	Retail and grocery	8,574,324	0	8,574,324
Southland Mall	Retail mall	8,018,444	0	8,018,444
Bowers Manufacturing	Aluminum fabricating	7,560,800	414,600	7,975,400
State Farm Mutual Auto Insurance Co.	Insurance	7,704,968	0	7,704,968
TOTAL		<u>\$480,785,790</u>	<u>\$18,859,558</u>	<u>\$499,645,348</u>

¹ Source: City of Portage Assessor

² Represents 50% of the IFT taxable value for new facilities and 100% of the IFT taxable value for rehabilitated facilities.

Direct Debt

08/01/02	2002 School Building and Site Bonds (UTNQ)	\$ 6,770,000
02/13/08	2008 School Building and Site Bonds (UTNQ)	111,375,000
03/25/09	2009 Refunding Bonds (UTNQ)	<u>17,530,000</u>
Total Direct Debt		\$135,675,000

Overlapping Debt as of December 1, 2009

<u>% Applicable</u>	<u>Municipality</u>	<u>Amount Outstanding</u>	<u>School District Share</u>
2.00	City of Kalamazoo	\$35,370,000	\$ 707,400
97.56	City of Portage	89,202,100	87,025,569
13.83	Pavilion Township	810,000	112,023
33.57	Texas Township	1,742,000	584,789
28.26	Kalamazoo County	36,412,952	10,290,300
30.52	Kalamazoo RESA	23,825,000	7,271,390
1.14	Kalamazoo District Library	5,300,000	<u>60,420</u>
Net overlapping debt in the School District			<u>\$106,051,891</u>
NET DIRECT AND OVERLAPPING DEBT			<u>\$241,726,891</u>

Source: Municipal Advisory Council of Michigan.

Debt Ratios

2009 State Equalized Valuation (SEV)	\$2,522,446,430
2009 Taxable Valuation	\$2,346,654,317
2009 True Cash Value (TCV)	\$4,693,308,634
2009 Population Estimate	56,095
Direct Debt	\$135,675,000
Direct/Overlapping Debt	\$241,726,891
Direct Debt Per Capita	\$2,419
Direct/Overlapping Debt Per Capita	\$4,309
Per Capita SEV 2009	\$44,967
Ratio of Direct Debt to 2009 SEV	5.38%
Ratio of Direct/Overlapping Debt to 2009 SEV	9.58%
Per Capita 2009 Taxable Valuation	\$41,834
Ratio of Direct Debt to 2009 Taxable Valuation	5.78%
Ratio of Direct/Overlapping Debt to 2009 Taxable Valuation	10.30%
Per Capita 2009 TCV	\$83,667
Ratio of Direct Debt to 2009 TCV	2.89%
Ratio of Direct/Overlapping Debt to 2009 TCV	5.15%

Legal Debt Margin

2009 State Equalized Valuation		\$2,522,446,430
Debt Limit (15% of 2009 State Equalized Valuation)		378,366,965
Debt Outstanding	\$135,675,000	
Less bonds not subject to Debt Limit*	<u>0</u>	
Total Subject to Debt Limit		<u>135,675,000</u>
Additional Debt Which Could Be Legally Incurred		<u>\$242,691,965</u>

*Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended, provides that bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16, of the Michigan Constitution of 1963, and (2) deficit budget bonds authorized under Section 1356. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

PORTAGE PUBLIC SCHOOLS

GENERAL FUND BUDGET

Fiscal Year Ending June 30, 2010

Adopted
2009-2010

REVENUES

Local	\$23,518,493
State	46,874,558
Federal	7,417,853
Incoming Transfers and Other Transactions	<u>396,038</u>

Total Revenues and Other Transactions **78,206,942**

EXPENDITURES

Instruction:

Basic Programs	40,813,341
Added Needs	7,751,532
Adult and Continuing Education	<u>104,030</u>

Total Instruction **48,668,903**

Supporting Services:

Pupil	4,630,909
Instructional Staff	5,036,412
General Administration	518,289
School Administration	4,236,773
Business	986,733
Operations and Maintenance	7,011,140
Transportation	2,675,274
Central Support	<u>1,779,047</u>

Total Supporting Services **26,874,577**

Community Services 1,990,134

Outgoing Transfers and Other Transactions 1,448,165

Total Expenditures and Other Transactions **78,981,779**

Excess (Deficiency) of Revenues Over Expenditures (774,837)

Beginning Fund Balance – July 1, 2009 6,377,919

Estimated Ending Fund Balance – July 1, 2010 **\$5,603,082**