2017
FINANCIAL OVERVIEW
Kent County, Michigan

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March 31, 2017

The Honorable Board of Commissioners
Kent County Administration Building
300 Monroe Avenue NW
Grand Rapids, MI 49503-2221

RE: 2017 Kent County Financial Overview

The following document presents a "Financial Overview" for Kent County. The information contained herein summarizes significant economic, demographic and financial information. It will provide the reader with a comprehensive report demonstrating the financial strength and sustainability of Kent County's governmental organization.

The document is intended to serve the information needs of individuals and organizations with a financial interest in Kent County including:

Retail Bond Holders/Institutional Investors/Rating Agencies;
County Elected Officials;
The Citizens of Kent County; and
Businesses doing business or considering locating new business in Kent County.

This is an annual publication, the preparation of which is a cooperative effort of the County Treasurer, Human Resources and Fiscal Services staff. This document continues to demonstrate the County's adherence to conservative fiscal principles and strong management oversight.

Respectfully submitted,

Daryl J. Delabbio
County Administrator/Controller

County Administration Building/Calder Plaza

Note: The Table of Contents is hyperlinked to each page listed above

Board of Commissioners

Ted Vonk
District 1

Tom Antor
District 2

Roger Morgan
District 3

Diane Jones
District 4

Mandy Bolter
Vice-Chair
District 5

Stan Stek
District 6

Stan Ponstein
District 7

Harold Voorhees
District 8

Matt Kallman
District 9

Emily Brieve
District 10

Jim Saalfeld
Chair
District 11

Harold Mast
District 12

Betsy Melton
District 13

Carol Hennessy
Minority Party Vice-Chair
District 14

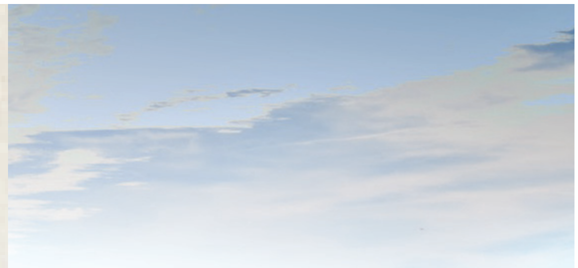
Jim Talen
District 15

David Bulkowski
District 16

Robert Womack
District 17

Dan Koorndyk
District 18

Phil Skaggs
District 19



Elected Officers

Lisa Posthumus Lyons
Clerk/Register of Deeds

Ken Yonker
Drain Commissioner

Chris Becker
Prosecuting Attorney

Kenneth Parrish
Treasurer

Lawrence Stelma
Sheriff

Executive Staff

Daryl Delabbio
Administrator/Controller

Stephen Duarte
Fiscal Services Director

Marvin Van Nortwick
Budget Director

Tom Dempsey
Corporate Counsel

Professional Services

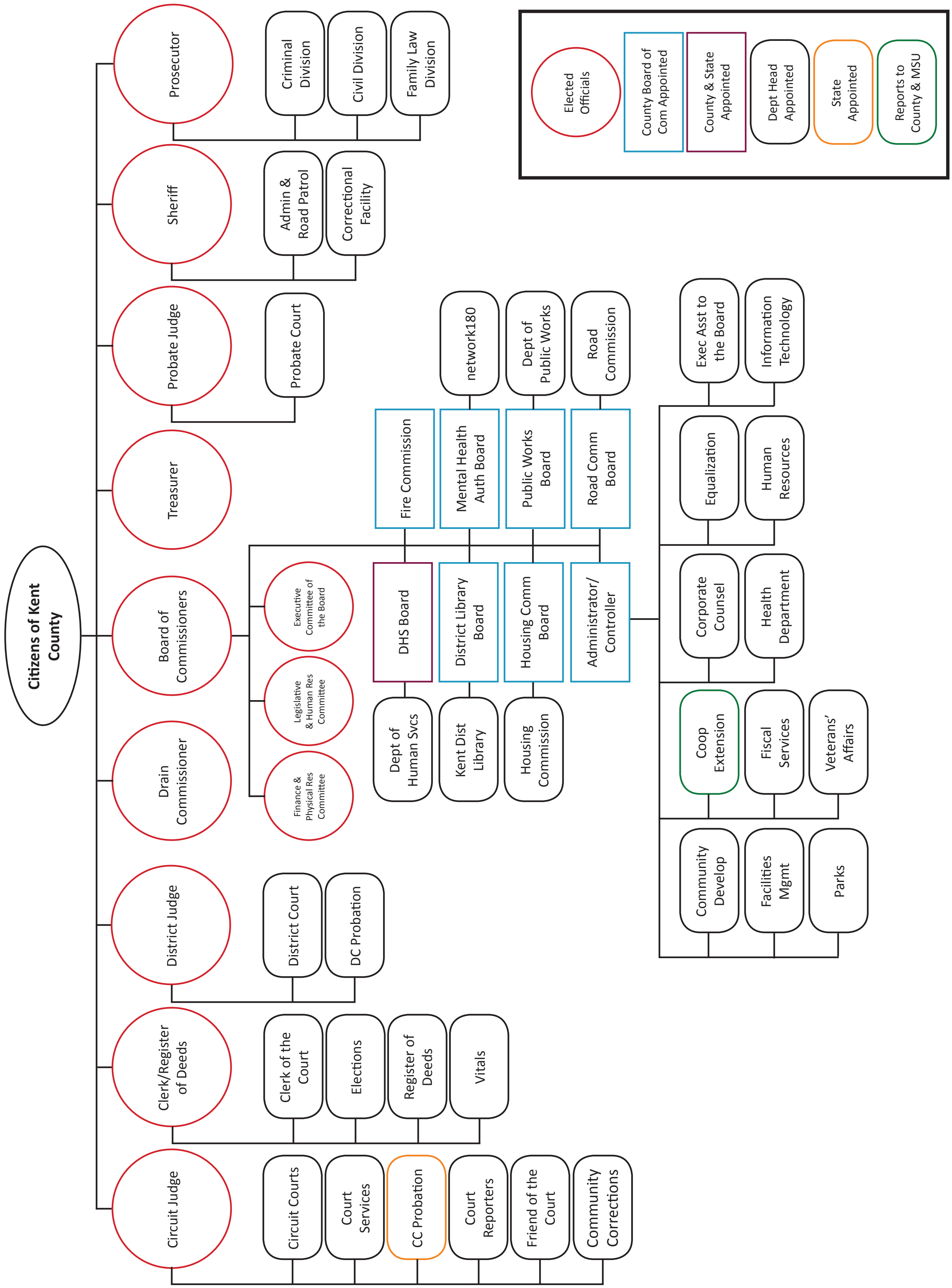
Auditor:

Rehmann Robson & Company
Grand Rapids, Michigan

Note Counsel:

Dickinson Wright PLLC
Detroit and Grand Rapids, Michigan

Organization Chart



Commercial/Industrial Base

The Grand Rapids-Wyoming Metropolitan Statistical Area (MSA), of which Kent County is the hub, has been one of the fastest growing regions of the United States. Numerous expansions, renovations, constructions, modernizations and developments have been completed, are in the process of being completed or are in the planning stages. Among the factors which have encouraged major projects and have attracted numerous firms from outside the area are: a strong but highly diversified base of industries, an excellent work force, educational opportunities, excellent employer/employee relations, good location and transportation facilities, utilities and, possibly the most important, quality of life.

Convention Facilities

The City of Grand Rapids and the County have jointly created the Grand Rapids-Kent County Convention/Arena Authority. The function of this independent authority is to own and operate DeVos Place Convention Center and the Van Andel Arena. The Van Andel Arena was completed in 1996, has a capacity of 12,000 and is used for professional hockey games, concerts, family shows and other entertainment events. This facility encompasses one million square feet of total gross floor area including a 40,000 square foot ballroom.

Regional Government Coordination

The Grand Valley Metropolitan Council (the “Metro Council”) was formed in 1990 and has a membership of 35 local governments including the County. Created by state enabling legislation, the Metro Council is coordinating the efforts of its members to provide services while eliminating duplication. It is also engaged in issues which have no boundaries such as clean air, water and sewers and transportation. The Metro Council also is working with its area legislators to develop a regional presence at the State capital. Its legislative committee has broad community participation, which include the Chamber of Commerce, Kent Intermediate School District and environmental interests. The Metro Council’s Water and Sewer Committee has members from Ottawa and Kent Counties, the private and environmental sectors and water and sewer providers. The Metro Council routinely works with a range of partners to accomplish its mission. Key partnerships are with Grand Valley State University’s Office for Economic Expansion and Water Resources Institute, the Michigan Municipal League, and the Michigan Departments of Transportation, Environmental Quality and Commerce.

Medical Services

The residents of the County are served by a number of hospitals. The public and nonprofit hospitals in the County have approximately 2,732 licensed beds. In 2000, the Van Andel Institute (VAI) opened, with the stated mission “. . . to become one of the world’s preeminent private medical research institutions within the next decade” which has become a reality. The Van Andel Institute has three component parts: the Van Andel Research Institute (VARI), the Van Andel Education Institute (VAEI) and the Van Andel Institute (VAI). The VARI is an independent medical research organization dedicated to preserving, enhancing and expanding the frontiers of medical science. The VAEI is an independent education institute whose mission is to conduct the Van Andel Educational Technology School, and to achieve excellence by embracing and strengthening the fundamental issues of education. The VAI supports the other two organizations. On July 11 1999, legislation was adopted in support of investing $50 million a year over the next 20 years to fund a Life Sciences Corridor—a joint venture between the State, several Michigan universities, and the VARI.

The research being conducted at the VARI is expected to serve as a growth pole, anchoring and propelling growth of a newly developing bioscience industry cluster. It is anticipated that this will draw outside business and related sectors into the region to take advantage of economic opportunities created by the Institute. VARI has constructed a 240,000 square foot eight story building expansion that opened in December 2009. This expansion nearly triples the Institute’s laboratory space, allowing for growth of current laboratories and expanded research into neurological diseases. Michigan State University Medical School began construction of a new $90 million, 180,000 square foot medical school in the spring of 2008. The MSU college of Human Medicine began to transition its programming to temporary local facilities in the fall of 2009. In 2012, MSU also purchased the former Grand Rapids Press headquarters along with five parking properties for use as research space and additional parking. The facility is in close proximity to the newly constructed medical facility.

Transportation Infrastructure *(provided by The Right Place, Inc.)*

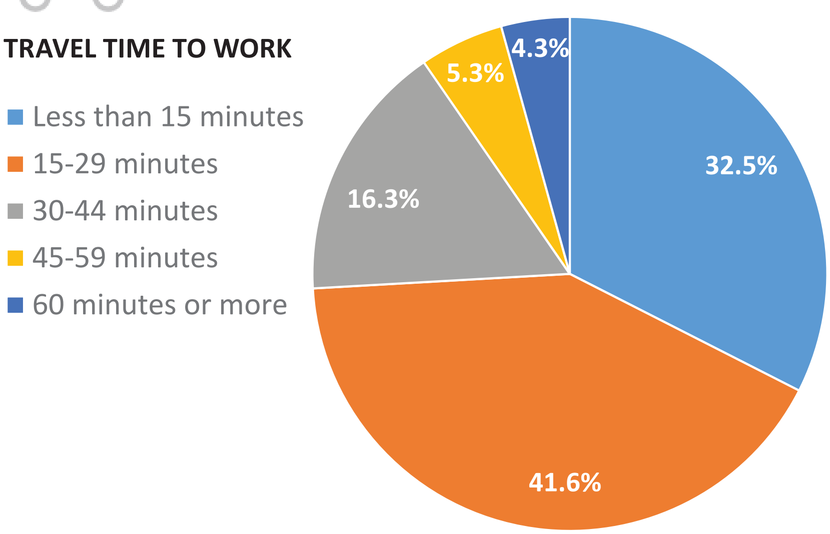
AIR TRAVEL

- 2013 - Gerald R. Ford International Airport is ranked one of the top 5 best airports in the world (by size) by the Airports Council International
- 6 passenger airlines
    - Delta Air Lines
    - Southwest Airlines
    - American Airlines/American Eagle
    - United Airlines
    - Allegiant Airlines
    - US Airways
- 120 daily scheduled nonstop flights
- An estimated 6,400 travelers pass through GRR each day
- 2.3M passengers traveled through GRR in 2014
- 75K Takeoffs & Landings in 2014 (more than 200/day)
- 82nd busiest commercial airport in nation
- 2nd busiest commercial airport in MI
- 222,500 lbs of air cargo pass through GRR each day
- 82M lbs of air cargo in 2014
- Nearly 8,000 public parking spaces in parking garage
- 1,500 people work at the airport (most employed by airlines)
- $500M annual economic activity generated by GRR

Major Destinations

Atlanta	Baltimore
Charlotte	Chicago
Cincinnati	Cleveland
Dallas	Denver
Detroit	Fort Lauderdale
Fort Myers	Houston
Las Vegas	Minneapolis
New York	Orlando
Philadelphia	Phoenix
St. Louis	St. Petersburg
Tampa	Washington DC

TRAVEL TIME TO WORK



RAILROADS

Passenger: Amtrak

Freight: CSX, Grand Elk RR, Grand Rapids Eastern Shore RR, Mid-Michigan

Data Source:
Economic Modeling Specialist, Inc. (EMSI)

West Michigan Data - July 2016

Unless otherwise stated, data is reflective of the MEDC Region 4 which includes Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa Counties.

Population Statistics

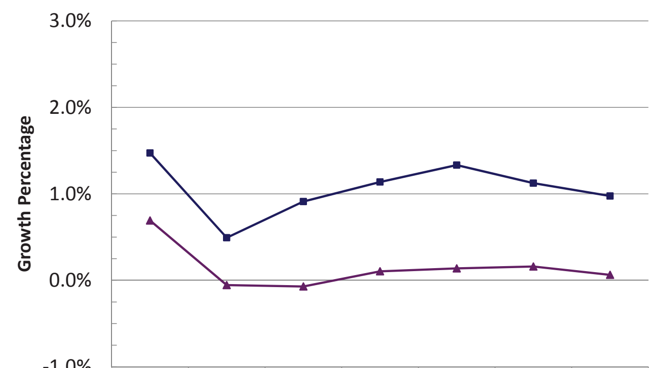
In terms of population, Kent County is the fourth largest county in the State of Michigan, and growing. According to the 2010 Census, the County grew by 4.9% over the prior 10 years. The growth for the State of Michigan over the same period was -0.6%. The combination of diverse employment opportunities, cost of living, and a high quality of life has Kent County growing at a faster rate.

Per the 2015 U.S. Census, the County population was spread out with 7.0% under the age of 5, 13.8% from 5 to 14, 13.8% from 15 to 24, 15.3% from 25 to 34, 12.3% from 35 to 44, 13.0% from 45 to 54, 12.3% from 55 to 64, and 12.5% were 65 years of age or older. The median age was 35.1 years.

Year	Kent County	State of Michigan
1980 Census	444,506	9,262,044
1990 Census	500,631	9,295,287
2000 Census	574,335	9,938,444
2010 Census	602,622	9,883,640
2011 Estimate	608,111	9,876,589
2012 Estimate	615,025	9,886,879
2013 Estimate	623,221	9,900,506
2014 Estimate	630,225	9,916,306
2015 Estimate	636,369	9,922,576

Source: U.S. Census

Population Growth



	1991-2000 Avg	2001-2010 Avg	2011 Estimate	2012 Estimate	2013 Estimate	2014 Estimate	2015 Estimate
Kent County	1.5%	0.5%	0.9%	1.1%	1.3%	1.1%	1.0%
Michigan	0.7%	-0.1%	-0.1%	0.1%	0.1%	0.2%	0.1%

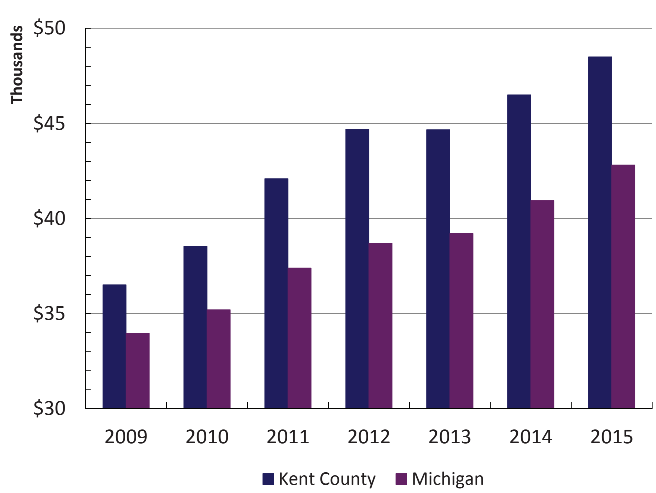
Per Capita Income Growth

Kent County's Per Capita Income grew 51.7% from 2000 to 2015 to $48,496. The growth for the State of Michigan over the same period was 40.9% to $42,812.

Year	Kent County	State of Michigan
2000	$ 31,968	$ 30,391
2009	36,515	33,966
2010	38,531	35,204
2011	42,091	37,398
2012	44,688	38,700
2013	44,668	39,208
2014	46,499	40,940
2015	48,496	42,812
Change 2000-15	51.7%	40.9%

Source: Bureau of Economic Analysis

Per Capita Income Trend

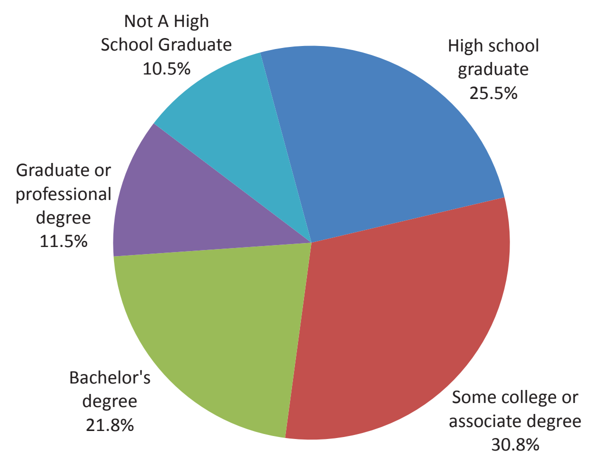


Education

There are 26 school districts and five intermediate school districts located, in whole or in part, in the County. There are numerous non-public schools serving diversified religious denominations and 17 charter schools in the County. Aquinas College, Calvin College, Central Michigan University, Cooley Law School, Cornerstone University, Davenport University, Ferris State University, Grace Bible College, Grand Valley State University, Grand Rapids Community College, Kuyper College, Michigan State University College of Human Medicine, Kendall College of Art and Design, the University of Phoenix and Western Michigan University have campuses located within the County. The main campuses of Ferris State University, Grand Valley State University, Hope College, Michigan State University, and Western Michigan University are located within commuting distance of the County.

- 89.5% of people 25 years and over had at least graduated from high school.
- 33.3% of Kent County residents, 25 years and over, had a bachelor's degree or higher.
- Among people 25 years and over, 10.5% were not high school graduates.

Educational Attainment Persons 25 years & Over

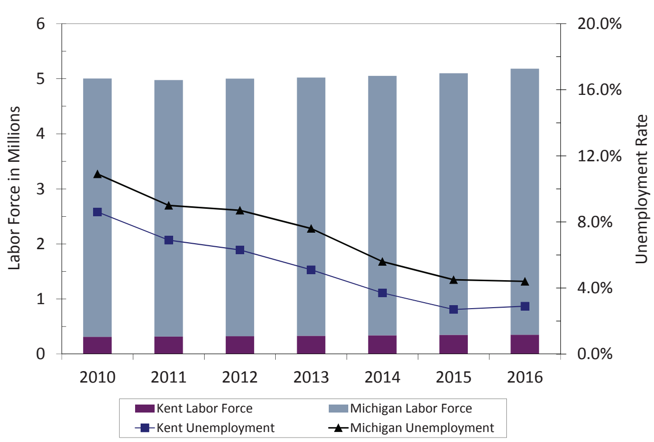


Source: U.S. Census Bureau, 2015 American Community Survey

Employment

Major industries that are located within the boundaries of Kent County, or in close proximity, include manufacturers of office equipment and furniture, heating controls, automotive parts, financial institutions, health care, retail food/ merchandise and insurance companies. This diversified employment base adds to the strength of the local economy. During the past 10 years, the unemployment rate has fluctuated from a high of 10.8% (2009) to a low of 2.7% (2015). Unemployment has been on the decline since 2009; was stable in 2016; and is expected to continue to remain stable in 2017.

Unemployment 2010-2016



Source: Michigan Department of Energy, Labor & Economic Growth

Labor Force Distribution - By Industry

The following table provides a comparative analysis of the Grand Rapids-Wyoming MSA workforce distribution based on average employment in calendar years 2012-2016. Examination of the statistics highlight the rebounding job market in West Michigan, the labor force is up 11.2% since 2012. Jobs in manufacturing, trade, transportation & utilities, leisure & hospitality, health care & social assistance services, and construction are the industries showing the largest growth.

						2012-16 Change	
Industry	**2012**	**2013**	**2014**	**2015**	**2016**	**$**	**%**
Manufacturing							
Durable Goods	66,800	71,000	74,300	78,500	80,600	13,800	20.7%
Nondurable Goods	29,400	29,900	31,200	32,300	32,700	3,300	11.2%
Trade, Transportation & Utilities							
Retail Trade	46,800	48,200	49,800	50,200	51,500	4,700	10.0%
Warehousing & Utilities	13,100	13,600	14,700	15,100	15,400	2,300	17.6%
Wholesale Trade	26,700	28,600	29,100	30,900	30,700	4,000	15.0%
Professional & Business Services	74,100	78,500	76,500	74,800	78,600	4,500	6.1%
Educational & Health Services							
Health Care & Social Assistance	65,800	68,000	69,500	72,000	75,300	9,500	14.4%
Educational Services	15,000	14,500	15,400	16,500	15,600	600	4.0%
Government							
Federal, State, Local	24,600	24,300	24,800	24,900	24,500	(100)	-0.4%
Education	23,000	22,700	22,600	22,900	23,000	-	0.0%
Leisure & Hospitality	42,600	43,600	44,900	47,300	47,600	5,000	11.7%
Financial Activities	23,700	24,300	24,900	25,100	26,200	2,500	10.5%
Natural Res, Mining, & Construction	17,500	18,900	20,000	20,300	21,600	4,100	23.4%
Other Services	20,800	21,200	21,300	21,800	22,100	1,300	6.3%
Information	5,100	5,300	5,400	5,200	5,100	-	0.0%
Total Nonfarm Employment	495,000	512,600	524,400	537,800	550,500	55,500	11.2%

Source: MI DTMB LMISI Current Employment Statistics

Largest Employers

The diversity of the largest Kent County employers is highlighted below by industry and the approximate number of employees.

Top Kent County Employers		
Spectrum Health	General Medical and Surgical Hospitals	25,000
Meijer Inc.	Supermarket Retail & Distribution	10,340
Mercy Health	General Medical and Surgical Hospitals	6,200
Amway Corporation	Health, Beauty, Home Product Manufacturing	4,000
Steelcase Inc.	Office Furniture Manufacturing	3,500
Lacks Enterprises	Plastic Manufacturing for Automobile Industry	2,800
Grand Rapids Public Schools	Elementary and Secondary Schools	2,800
Farmers Insurance Group	Direct Property and Casualty Insurance Carrier	2,700
Spartan Nash	Supermarket Retail & Distribution	2,585
Gordon Food Service	Grocery and Related Products Merchant Wholesalers	2,544

Source: The Right Place Inc - March 2017

Property Tax Rates

Prior to 1982 the County's tax rate was determined by a County-wide Allocation Board. In 1982, the County electorate voted a fixed millage allocation of 15 mills for operating purposes of the County and certain other taxing units within the County, as authorized by the State Constitution. Prior to 1995 the millage allocation was equal to $15.00 per $1,000 of the State Equalized Valuation ("SEV") of taxable property in the County and since 1995 has been equal to $15.00 per $1,000 of Taxable Value (defined below). The 15 mills allocation was voted for an indefinite period of time, although State statute permits a maximum levy of 18 mills. Of the 15 voted mills, 4.8 mills were authorized as the maximum levy for the County's operating purposes, including the payment of debt service. The remaining 10.2 mills were allocated among the other taxing units within the County. The allocation of the millage is fixed until such time as the electorate votes to change the allocation or the total authorized millage. The County electorate must approve additional millages of any amount for any general or specific purpose within statutory and constitutional limitations. In addition, the electorate may, at any time in the future, vote to (i) increase the 15 mills limit to 18 mills or (ii) re-establish the Allocation Board, and the County allocation of the total authorized 15 mills tax levy would thereafter be determined by the Allocation Board. The County's operating and additional voted millage for the past five years is shown in the following table. Tax levies are as of December 1st and July 1st of each year shown, are levied against each $1,000 of Taxable Value and exclude taxes levied by underlying taxing units.

Millage Rates

	2012		2013		2014		2015		2016	
Millages	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**
County Operating (1)	4.2803	-	4.2803	-	4.2803	-	4.2803	-	4.2803	-
Correction Facility (2)	-	0.7893	-	0.7893	-	0.7893	-	0.7893	-	0.7893
Senior Services (2)	-	0.3244	-	0.3244	-	0.5000	-	0.5000	-	0.5000
Veterans Services (2)	-	-	-	-	-	0.0500	-	0.0500	-	0.0500
Zoo & Museum (2)	-	-	-	-	-	-	-	-	-	0.4400
Total Levy	**4.2803**	**1.1137**	**4.2803**	**1.1137**	**4.2803**	**1.3393**	**4.2803**	**1.3393**	**4.2803**	**1.7793**

(1) Maximum authorized millage is 4.3200
(2) Voter approved millage

Property Tax Rate History

In addition to the County taxes, property owners in the County are required to pay ad valorem taxes to other taxing units such as cities, townships, school districts, community colleges, and other units within the County. The total tax rate per $1,000 of Taxable Value varies widely depending upon which municipality and school district the property is located. The highest tax rate on property within the County for 2016 was 66.9526 mills (48.9526 mills on homestead property) per $1,000 of Taxable Value for the residents of the City of East Grand Rapids in the East Grand Rapids School District; the lowest tax rate was 40.8257 mills (23.0165 mills on homestead property) for the residents of Solon Township in the Grant School District.

In addition to the allocated millage, the County electorate from time to time may approve additional millages of any amount for any general or specific purpose within State constitutional and statutory limitations.

Property Tax Rate Limitations

In 1978, the electorate of the State passed an amendment to the State Constitution (the "Amendment") which placed certain limitations on increases of taxes by the State and political subdivisions from currently authorized levels of taxation. The Amendment and the enabling legislation, Act 35, Public Acts of Michigan, 1979, as amended, may have the effect of reducing the maximum authorized tax rate which may be levied by a local taxing unit. Under the Amendment's millage reduction provisions, should the value of taxable property, exclusive of new construction, increase at a percentage greater than the percentage increase in the Consumer Price Index, as published by the United States Department of Labor, then the maximum authorized tax rate would be reduced by a factor which would result in the same maximum potential tax revenues to the local taxing unit as if the valuation of taxable property (less new construction) had grown only at the national inflation rate instead of the higher actual growth rate. Thus, should taxable property values rise faster than consumer prices, the maximum authorized tax rate would be reduced accordingly. However, should consumer prices subsequently rise faster than taxable property values, the maximum authorized tax rate would not increase over the prior year tax rate, but remain the same. The Amendment does not limit taxes for the payment of principal and interest on bonds or other evidences of indebtedness outstanding at the time the Amendment became effective or which have been approved by the electors of the local taxing unit.

Taxable Valuation of Property

Article IX, Section 3, of the State Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true market value. The State Legislature by statute has provided that property shall be assessed at 50% of its true cash value. The State Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

In 1994, the electors of the State approved an amendment to the State Constitution (the “1994 Amendment”) permitting the State Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing the 1994 Amendment added a new measure of property value known as “Taxable Value.” Since 1995, taxable property has two valuations – State Equalized Value (“SEV”) and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, multiplied by the lesser of the inflation rate, or 5%, plus additions, or (b) the property’s current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property’s SEV.

The 1994 Amendment and the implementing legislation based the Taxable Value of existing property for the year 1995 on the SEV of that property in 1994 and for the years 1996 and thereafter on the Taxable Value of the property in the preceding year. Beginning with the taxes levied in 1995, an increase, if any, in Taxable Value of existing property is limited to the lesser of 5% or the inflation rate. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, to the local board of review and, ultimately, to the State Tax Tribunal.

The State Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the local assessor. Assessments are then equalized to the 50% levels as determined by the County’s department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits. Ad valorem Taxable Value does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatement under Act 198, Public Acts of Michigan 1974, as amended (“Act 198”) and Act 146, Public Acts of Michigan 2000, as amended (“Act 146”). Property granted tax abatements under Act 198 and Act 146, is recorded on separate tax rolls while subject to tax abatement.

Property taxpayers may appeal their assessments to the State Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. County taxpayers have a number of tax appeals pending before the Tax Tribunal, none of which will have a significant impact on the County’s SEV, Taxable Value or the resulting taxes.

State Equalized and Taxable Valuation

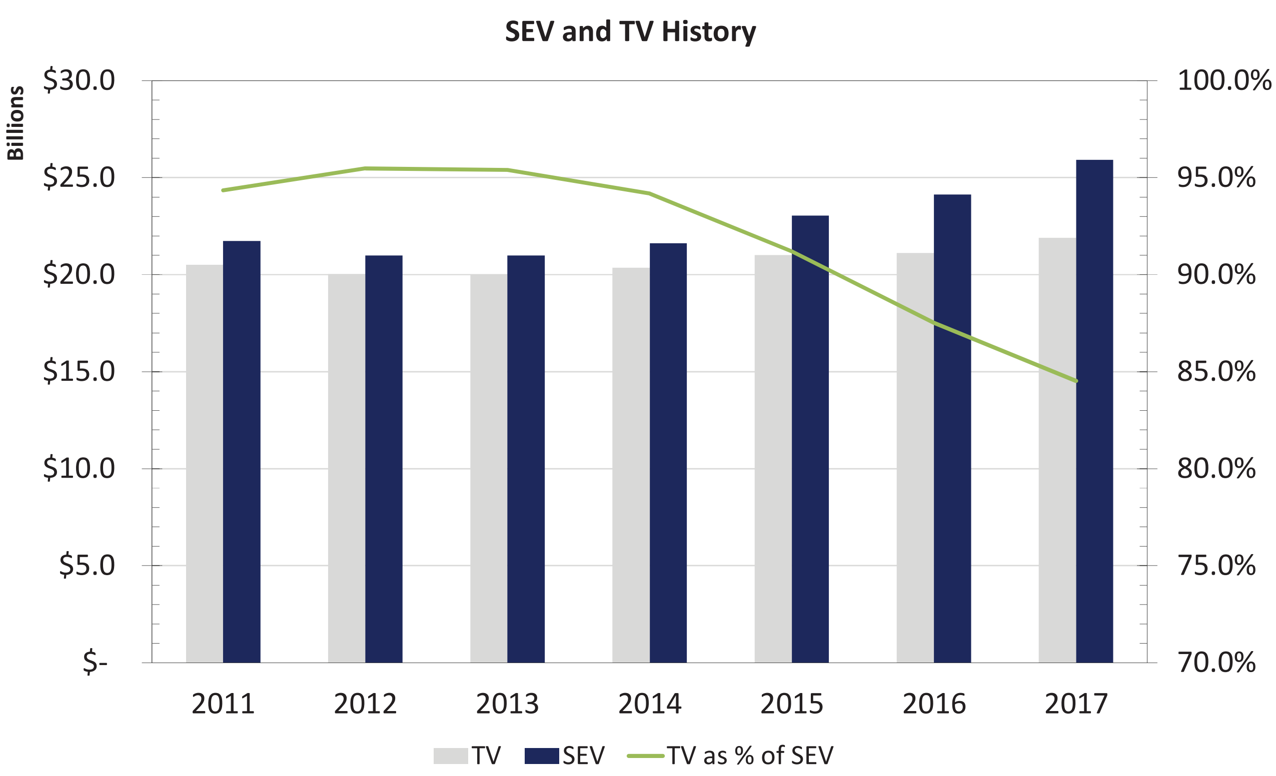
The County's total SEV has increased $2,394,249,530 or 11.016% between 2011 and 2016 and the Taxable Value has increased $613,508,231 or 2.992% between 2011 and 2016. Per capita 2016 SEV is $37,917 and the per capita 2016 TV is $33,188, both of which are based on the 2015 estimated Census population of 636,369.

Ad valorem Taxable Value does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatement under Act 198 or Act 146. The taxable value of the abatements granted under Act 198 and Act 146 for 2016 is estimated at $346.8 million. (See "County Taxation and Limitations -- Property Tax Abatement" herein).

SEV and Taxable Value History

Year of Valuation	State Equalized Valuation	Taxable Valuation	SEV Change from Prior Year	TV Change from Prior Year
2011	21,735,166,525	20,506,183,649	-3.7%	-2.4%
2012	20,988,856,355	20,039,365,841	-3.4%	-2.3%
2013	20,992,849,006	20,025,808,959	0.0%	-0.1%
2014	21,611,336,604	20,353,174,066	3.0%	1.6%
2015	23,036,449,123	21,007,679,592	6.6%	3.2%
2016	24,129,416,055	21,119,691,880	4.7%	0.5%
2017*	25,910,000,000	21,900,000,000	7.4%	3.7%

** Estimated pending March Boards of Review and State Equalization.*



Current Equalized Taxable Valuation Components

By Use:		By Class:		By Municipality:	
Residential	23.6%	Real Property	92.2%	Cities	51.7%
Commercial	7.1%	Personal Property	7.8%	Townships	48.3%
Industrial	66.3%				
Utility	2.0%				
Agricultural	1.0%				
Total	100.0%		100.0%		100.0%

Property Tax Abatement

The SEV and Taxable Values do not include valuation of certain facilities which have temporarily been removed from the ad valorem tax roll pursuant to Act 198. Act 198 was designed to provide a stimulus in the form of significant tax incentives to industrial enterprises to renovate and expand aging facilities ("Rehab Properties") and to build new facilities ("New Properties"). Except as indicated below, under the provisions of Act 198, a local governmental unit (i.e., a city, village or township) may establish plant rehabilitation districts and industrial development districts and offer industrial firms certain property tax incentives or abatements to encourage restoration or replacement of obsolete facilities and to attract new facilities to the area.

An industrial facilities exemption certificate granted under Act 198 entitles an eligible facility to exemption from ad valorem taxes for a period of up to 12 years. In lieu of ad valorem taxes, the eligible facility will pay an industrial facilities tax (the "IFT Tax"). For properties granted tax abatement under Act 198, there exists a separate tax roll referred to as the industrial facilities tax roll (the "IFT Tax Roll"). The IFT Tax for an obsolete facility which is being restored or replaced is determined in exactly the same manner as the ad valorem tax; the important difference being that the value of the property remains at the Taxable Value level prior to the improvements even though the restoration or replacement substantially increases the value of the facility. For a new facility, the IFT Tax is also determined the same as the ad valorem tax but instead of using the total mills levied as ad valorem taxes, a lower millage rate is applied. For abatements granted prior to 1994, this millage rate equals 1/2 of all tax rates levied by other than the State and local school district for operating purposes plus 1/2 of the 1993 rate levied by the local school district for operating purposes. For abatements granted after 1993, this millage rate equals 1/2 of all tax rates levied by other than the State plus 0%, 50% or 100% of the State Education Tax (as determined by the State Treasurer).

The County's ad valorem Taxable Value also does not include the value of certain facilities which have been temporarily removed from the ad valorem tax roll pursuant to Act 146. Act 146 was designed to provide a stimulus in the form of significant tax incentives to renovate certain blighted, environmentally contaminated or functionally obsolete commercial property or commercial housing property ("OPRA Properties"). Except as indicated below, under the provisions of Act 146, a local governmental unit (i.e. a city, village or township) may establish obsolete property rehabilitation districts and offer tax incentives or abatements to encourage rehabilitation of OPRA Properties.

An obsolete property rehabilitation certificate granted under Act 146 entitles an eligible facility to an exemption from ad valorem taxes on the building only for a period of up to 12 years. A separate tax roll exists for OPRA Properties abated under Act 146 called the "Obsolete Properties Tax Roll." An "Obsolete Properties Tax" is calculated using current year ad valorem millages times the taxable value of the obsolete building for the tax year immediately prior to the effective date of the obsolete property rehabilitation certificate except for the annual school operating and State Education Tax millages which are charged at the ad valorem tax rate on the current taxable value of the building.

The local units in the County have established goals, objectives and procedures to provide the opportunity for industrial and commercial development and expansion. Since 1974, local units in the County have approved a number of applications for local property tax relief for industrial firms. The SEV of properties have been granted tax abatement under Act 198 and Act 146, removed from the ad valorem tax roll and placed on the IFT Tax Roll. Upon expiration of the industrial facilities exemption and obsolete property rehabilitation certificates, the current equalized valuation of the abated properties will return to the ad valorem tax roll as Taxable Value.

As an additional measure to stimulate private investment, several local units in the County also created Renaissance Zones (the “Zones”) pursuant to the provisions of Act 376 of the Public Acts of Michigan of 1996, as amended (“Act 376”). Under Act 376 individuals living in and local businesses that conduct business and own qualified property located within the Zones are entitled to, among other things, an exemption from ad valorem taxes on the qualified property. For the fiscal year ended December 31, 2016, the Taxable Value of property qualified for the benefits of the Zone program totaled $126,224,954.

Largest Businesses Based On Tax Roll Valuation

Top County Taxpayers	Parcels	Taxable Value
Consumers Energy	570	302,856,910
Amway Corp/Alticor	63	144,764,441
DTE Energy	79	110,418,005
Meijer / Goodwill	64	103,282,423
PR Woodland	6	60,833,595
Steelcase, Inc.	27	48,744,101
Hearthside Food Solutions	15	39,202,826
GGP Grandville	12	46,189,896
Holland Home	26	44,332,006
Centerpoint Owner LLC	6	30,093,800
Foremost Insurance	26	27,695,520
Spectrum Health Hospitals	69	27,225,345
Total Top Taxpayers	**963**	**985,638,868**
Total County		21,119,691,880
Top Taxpayers/County		4.67%

Source: County of Kent - 2016 Apportionment Report

Tax Increment Authorities. Act 450 of the Public Acts of Michigan of 1980, as amended (the “TIFA Act”), Act 197 of the Public Acts of Michigan of 1975, as amended (the “DDA Act”), Act 281 of the Public Acts of Michigan of 1986, as amended (the “LDFA Act”), Act 530 of the Public Acts of Michigan of 2004, as amended (The “Historic Neighborhood Act”), Act 280 of the Public Acts of Michigan of 2005, as amended (The “CIA Act”) Act 61 of the Public Acts of Michigan 2007, as amended and Act 381 of the Public Acts of Michigan of 1996, as amended (the “Brownfield Act”) (together the “TIF Acts”) authorize the designation of specific districts known as Tax Increment Finance Authority (“TIFA) Districts, Downtown Development Authority (“DDA”) Districts, Local Development Finance Authority (“LDFA”) Districts, Historic Neighborhood Finance Authority (“HNFA”) Districts, Corridor Improvement Authority (“CIA”) Districts, Neighborhood Improvement Authority (“NIA”) Districts or Brownfield Redevelopment Authority (“BRDA”) Districts, authorized to formulate tax increment financing plans for public improvements, economic development, neighborhood revitalization, historic preservation and environmental cleanup within the districts.

Tax increment financing permits the TIFA, DDA, LDFA, HNFA, CIA, NIA or BRDA to capture tax revenues attributable to increases in value (“TIF Captured Value”) of real and personal property located within an approved development area while any tax increment financing plans by an established district are in place. These captured revenues are used by the tax increment finance authorities and are not passed on to the local taxing jurisdictions.

Personal Property Tax Exemptions and Property Tax Proposals. Act 328, Public Acts of Michigan 1998, as amended, allows certain eligible communities to designate specific existing areas as “eligible distressed areas” in which “new personal property” of “eligible businesses” would be exempt from ad valorem property taxation. The eligible communities could, with the approval of the State Tax Commission, designate one or more areas as eligible distressed areas.

Property Tax Collections

The County’s fiscal year is the calendar year. County taxes were historically due and payable on December 1 of each prior year, at which time a lien on taxable property is created. Beginning in 2005 the County, as required by the State, began a shift of its operating millage from December 1 to July 1. Currently all of the operating millage is now billed on July 1. Property taxes billed on December 1 are payable without penalty until February 14. Property taxes billed on July 1 are payable without penalty on various dates, based on the billing cycles of city and township treasurers, but not later than September 14. Unpaid real property taxes become delinquent on the following March 1 and are thereafter collected by the County Treasurer with penalties and interest. Real property returned to the County Treasurer for delinquent taxes is subject to forfeiture, foreclosure and sale as provided in Act 206, Public Acts of Michigan 1893, as amended. In recent years, the County has paid to the respective municipalities within the County, including the County, from the Delinquent Tax Revolving Fund (the "Fund"), the delinquent real property taxes of such municipalities; collections of delinquent real property taxes otherwise would be paid to such municipalities by the County Treasurer on a monthly basis following collection. Funding by the County of delinquent real property taxes is dependent upon the ability of the County, annually, to sell its notes for that purpose. There is no assurance the Fund will be continued in future years. Delinquent personal property taxes are less than 1% of the County's total levy. Suit may be brought to collect personal property taxes or personal property may be seized and sold to satisfy the tax lien thereon.

Property Tax Collection History

Year of Levy	Levy as of December 1 [1]	Collections to March 1 of the Year Following Levy		Collections to March 1, 2017	
2010	112,116,149	104,044,458	92.80%	112,114,340	100.00%
2011	109,643,936	101,685,742	92.74%	109,640,198	100.00%
2012	106,659,819	99,398,868	93.19%	106,654,443	99.99%
2013	107,089,614	100,710,662	94.04%	107,074,636	99.99%
2014	113,079,325	106,850,820	94.49%	112,980,215	99.91%
2015	117,005,336	109,543,141	93.62%	116,604,076	99.66%
2016	127,153,181	118,842,367	93.46%	118,842,367	93.46%

(1) The County's fiscal year begins January 1st. Taxes are billed on July 1st and December 1st and recorded as delinquent the following March 1st.

State Revenue Sharing

Michigan State Capitol

The County receives revenue sharing payments from the State of Michigan under the State Revenue Sharing Act of 1971, as amended (the "Revenue Sharing Act"). Under the Revenue Sharing Act the County receives its pro rata share of State revenue sharing distributions on a per capita basis. The County's receipts could vary depending on the population of the County compared to the population of the State as a whole. In addition to payments of revenue sharing moneys, the State pays the County to support judges' salaries, as well as other miscellaneous State grants.

The State continues the distribution of 80% of county revenue sharing payments pursuant to the Revenue Sharing Act, but distributes 20% of county revenue sharing payments through an incentive-based program. The program is known as the County Incentive Program ("CIP"), under which eligible counties must meet all of the requirements of Accountability and Transparency in order to receive the full CIP payment. For purposes of accountability and transparency, each eligible 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.

The County has met the requirements for all clauses in the past and anticipates meeting the requirements going forward.

General Fund Revenue from the State of Michigan

					December 31,
Category	**2013**	**2014**	**2015**	**2016 (1)**	**2017 (2)**
State Revenue Sharing	$ 9,329,896	$10,384,212	$12,027,403	$12,083,871	$12,166,117
Local Community Stabilization Share	-	-	-	3,331,846	2,100,000
Court Equity Funding	2,873,311	2,758,904	2,814,458	2,823,471	2,800,000
Liquor Tax	5,625,290	6,538,714	3,764,527	2,992,747	3,186,534
Grants and Other	1,907,783	1,703,003	1,492,523	1,391,962	1,434,598
Total	**$19,736,280**	**$21,384,833**	**$20,098,910**	**$22,623,897**	**$21,687,249**

(1) Preliminary, subject to audit

(2) Budget as adopted by the County Board of Commissioners

Constitutional Debt Limitation

Article VII, Section 6 of the State Constitution states "No county shall incur any indebtedness which shall increase its total debt beyond 10%, of its assessed valuation." The Notes pending are not included within this debt limitation.

Statement of Legal Debt

2017 State Equalized Value (SEV) (1)	$ 25,910,000,000
Legal Debt Limit (10% of SEV)	2,591,000,000
Debt Outstanding (2) (3)	382,829,917
Margin of Additional Debt That Can Be Legally Incurred	$ 2,208,170,083
Debt Outstanding as a percentage of SEV	1.5%

(1) Pending March Board of Review and State Equalization
(2) As of March 31, 2017
(3) Includes $18,300,000 principal payment made on April 1, 2017. Does not include the $17,100,000 pending notes.

Debt Statement

The following table reflects a breakdown of the County's direct and overlapping debt as of March 31, 2017, including the pending DTAN issue (see note 3). Bonds or notes designated LTGO. are limited tax pledge bonds or notes.

Debt Type	Gross	Self-supporting or Portion Paid Directly By Benefited Municipalities	Net	Net Debt: Per Capita (1)	Net Debt: % of SEV (2)
Direct Debt					
General Obligation Limited Tax Notes (3)	$ 22,900,000	$ 22,900,000	$ -		
Airport Bonds (L.T.G.O.)	155,080,000	155,080,000	-		
County Building Authority (L.T.G.O.)	82,635,000	17,432,690	65,202,310		
County/City Building Authority Bonds (L.T.G.O.)	40,744,917	-	40,744,917		
Capital Improvement Bonds (L.T.G.O.)	55,245,000	-	55,245,000		
Capital Improvement Bonds	3,000,000	-	3,000,000		
Refuse and Solid Waste Bonds (L.T.G.O.)	8,720,000	8,720,000	-		
Drain Bonds (L.T.G.O.)	14,505,000	14,505,000	-		
Total Direct Debt	**$ 382,829,917**	**$ 218,637,690**	**$ 164,192,227**	**$ 258.01**	**0.6%**
Overlapping Debt (4)					
Cities, Villages and Townships			$ 212,109,946		
School Districts			1,282,253,434		
Community Colleges and Intermediate School Districts			48,992,827		
Total Overlapping Debt			**$ 1,543,356,207**	**2,425.25**	**6.0%**
Total Direct and Overlapping			**$ 1,707,548,434**	**$ 2,683.26**	**6.6%**

(1) Based on 2015 US Census population estimate of 636,369.
(2) Based on 2017 State Equalized Value (SEV) of $25,910,000,000.
(3) Includes $18,300,000 principal payment made on April 1, 2017. Does not include the $17,1000,000 pending notes.
(4) Overlapping debt is the portion of other public debt for which a County taxpayer is liable in addition to the Direct Debt of the County.

Source: Municipal Advisory Council of Michigan and County of Kent

Debt Amortization Schedule as of March 31, 2017

Year	Tax Notes (1)(2)	Refuse & Solid Waste Bonds	Airport Bonds	Drain Bonds	City/County Building Authority Bonds	County Building Authority Bonds	Capital Improvement Bonds	Total
2017	18,300,000	520,000	-	1,435,000	3,369,714	5,975,000	1,785,000	31,384,714
2018	4,600,000	540,000	7,370,000	755,000	3,299,653	6,225,000	2,545,000	25,334,653
2019	-	565,000	7,735,000	775,000	3,253,950	6,485,000	5,420,000	24,233,950
2020	-	585,000	8,105,000	805,000	3,200,176	6,765,000	2,525,000	21,985,176
2021	-	610,000	8,505,000	515,000	3,152,569	7,075,000	2,640,000	22,497,569
2022	-	635,000	8,905,000	530,000	3,129,531	6,620,000	2,765,000	22,584,531
2023	-	660,000	9,330,000	555,000	3,101,469	6,820,000	2,900,000	23,366,469
2024	-	685,000	9,800,000	580,000	2,433,499	7,145,000	3,035,000	23,678,499
2025	-	715,000	10,285,000	600,000	2,385,378	7,465,000	2,640,000	24,090,378
2026	-	750,000	8,010,000	625,000	2,344,096	7,805,000	2,770,000	22,304,096
2027	-	785,000	8,380,000	650,000	2,298,194	3,840,000	2,905,000	18,858,194
2028	-	815,000	8,765,000	680,000	2,257,832	3,985,000	3,055,000	19,557,832
2029	-	855,000	5,750,000	705,000	2,211,380	4,145,000	2,265,000	15,931,380
2030	-	-	6,035,000	740,000	2,172,718	2,285,000	2,380,000	13,612,718
2031	-	-	6,335,000	775,000	2,134,758	-	2,500,000	11,744,758
2032	-	-	6,635,000	810,000	-	-	2,630,000	10,075,000
2033	-	-	6,895,000	840,000	-	-	2,760,000	10,495,000
2034	-	-	7,165,000	880,000	-	-	2,890,000	10,935,000
2035	-	-	7,460,000	610,000	-	-	3,020,000	11,090,000
2036	-	-	6,640,000	640,000	-	-	3,165,000	10,445,000
2037	-	-	6,975,000	-	-	-	1,650,000	8,625,000
Total	$22,900,000	$8,720,000	$155,080,000	$14,505,000	$40,744,917	$82,635,000	$58,245,000	$382,829,917

(1) Does not include the $17,100,000 pending notes.

(2) $18,300,000 principal payment made on April 1, 2017.

Debt History

There is no record of default on any obligation of the County.

Short-Term Financing

The County does not issue short-term obligations for cash flow purposes. The County has in the years 1974 through 2016 issued short-term notes in order to establish a Delinquent Tax Revolving Fund. Notes issued in each of these years have been in a face amount, which has been less than the actual real property tax delinquency. The primary security for these notes is the collection of the delinquent taxes pledged to the payment of principal of and interest on the notes issued. The County has pledged its full faith and credit and limited taxing power to the payment of the principal and interest on notes issued. The County may or may not issue notes to fund the Delinquent Tax Revolving Fund in future years. The amount of notes issued in 2009 through 2016 and their outstanding balance as of March 31, 2017, are as follows:

Outstanding Notes

Tax Year	Year Issued	Notes Issued	Amount Outstanding[1]
2008	2009	36,000,000	$ -
2009	2010	35,500,000	-
2010	2011	32,000,000	-
2011	2012	28,500,000	-
2012	2013	24,000,000	-
2013	2014	20,400,000	-
2014	2015	19,200,000	4,800,000[2]
2015	2016	18,100,000	18,100,000[3]

[1] *Does not include the $17,100,000 pending notes.*
[2] *$4,800,000 principal payment made on April 1, 2017.*
[3] *$13,500,000 principal payment made on April 1, 2017.*

Future Financing

Subject to the sale of a County owned parcel, the County may issue approximately $15 million of general obligation limited tax bonds to finance a new multi-purpose building located in the Fuller Complex for use by various County departments and/or other governmental purposes and to renovate a building at 320 Ottawa Avenue, NW There is also the possible refunding of the County's 2007 Building Authority Bonds and 2008 Capital Improvement Bonds.

Vacation and Sick Leave Liabilities

As of December 31, 2016, the County had an unfunded vacation liability of $4,165,893 and no unfunded sick leave liabilities.

Pension Benefits

The County sponsors and administers the Kent County Employees' Retirement Plan (the "Plan"), a singleemployer, defined benefit pension plan, which covers all employees of Kent County, except employees of the Road Commission, CMH Authority and Land Bank Authority. The Plan was established by the Kent County Board of Commissioners and is administered by a seven member Board called the Kent County Employees' Retirement Plan Pension Board (referred to herein as the "Board of Trustees"). The Board is comprised of the Chairman of the Finance Committee of the Commissioners, one other Commissioner appointed by the Board of Commissioners, three employees covered by the Plan, and two residents of the County that are independent of the County and the Plan. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the Kent County Board of Commissioners. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. It is accounted for as a separate pension trust fund. Stand-alone financial reports are issued that include financial statements and required supplementary information for the Plan, which may be obtained from the County of Kent Human Resources Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503-2222.

Summary of Significant Accounting Policies. The financial statements of the Kent County Employees' Retirement Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period which the contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Dividend income is recognized based on the ex-dividend date, and interest income is recognized on the accrual basis as earned. All realized gains and losses on investments are recognized at the point of sale and are included in investment income. Purchases and sales of investments are recorded as of the trade date, which is the date when the transaction is initiated. Administration costs are financed initially through forfeited contributions by terminated employees not vested in the Plan and through the Plan's investment earnings.

Method Used to Value Investments. The Plan's investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate and infrastructure investments is based on independent appraisals. Investments that do not have established market values are reported at estimated fair value. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Plan's Board of Trustees, with the assistance of a valuation service.

As of December 31, 2015, employee membership data was as follows:

Retirees and beneficiaries currently receiving benefits	1,330
Terminated employees entitled to but not yet receiving benefits	223
Vested and Non-vested active participants	1,559
Total memberships	**3,122**

Plan members hired through December 31, 2010 are eligible to receive pension benefits upon retirement at age 60 with 5 years of service or at any age with 25 years of service. Members hired on or after January 1, 2011 (January 1, 2012 for the Teamsters-Parks, Airport Command Officers Association, Circuit Court Referees, and Teamsters-Public Health Nurses) are eligible at age 62 with 5 years of service or at age 60 (55 for captains and lieutenants) with 25 years of service. Members of the KCDSA bargaining unit hired on or after January 1, 2013 are eligible to receive this benefit at age 62 with 5 years of service or age 55 with 25 years of service. An early retirement option is offered for retirement at age 55 with 15 or more years of service. Members of the POAM bargaining unit hired on or after January 1, 2015 are eligible to receive this benefit at age 60 with 5 or more years of services or age 50 with 25 years of service.

Funding Policy. The contribution requirements of Plan members are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and Plan provisions. After meeting eligibility requirements, active Plan members are required to contribute to the Plan based on their bargaining unit or management group contribution rate. The variable rate was 8.5% for the year ended December 31, 2015. The additional amounts paid for COLAs by the members of the three unions covering public safety officers are a fixed amount added to the variable rate and ranged from 3.32%-3.50%. The County is required to contribute at actuarially determined rates expressed as a percentage of covered payroll and are designed to accumulate sufficient assets to pay benefits when due. The County's contribution rate for the year ended December 31, 2015 was 9.31% of projected valuation payroll. The normal cost and amortization payment were determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a closed period of 24 years.

Funded Status and Funding Progress. As of December 31, 2015, the most recent actuarial valuation date, the Plan was 96.0% funded. The covered payroll (annual payroll of active employees covered by the Plan) was $90,602,575, and the net pension liability as a percentage of covered payroll was 35.3%. The net pension liability was determined as follows:

						Years Ended December 31,
Year	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	Net Position as Percent of Pension Liability	Covered payroll	Net Pension Liability as Percentage of Covered Payroll
	(a)	(b)	(a) - (b)	(b)/(a)	(c)	((a-b)/c)
2014	$ 751,577,688	$ 789,770,521	$ (38,192,833)	105.1%	$ 91,944,708	-41.5%
2015	$ 803,932,291	$ 771,969,061	$ 31,963,230	96.0%	$ 90,602,575	35.3%

Source: Kent County Comprehensive Annual Financial Report

The actuarially determined contribution was calculated based on projected covered payroll. Employer contributions were ade in full based on actual covered payroll. Accordingly, the actuarially-determined contribution has been expressed above as a percentage of actual payroll.

			Years Ended December 31,
Year	Actuarially Determined Contribution	Percentage Contributed	Contribution Deficiency (Excess)
2013	9,741,061	100%	-
2014	8,929,617	100%	-
2015	8,858,387	100%	-

Other Post-retirement Employee Benefits (OPEB)

Plan Description. The County administers a single-employer defined benefit healthcare plan (the "Plan") accounted for in the VEBA Trust Fund. In addition to the retirement benefits described in Note 15, the Plan provides health insurance benefits to certain retirees, which are advance funded on an actuarial basis. Stand-alone financial reports are issued that include financial statements and required supplementary information for the Plan, which may be obtained from the County of Kent Fiscal Services Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503-2221.

Community Mental Health Authority Component Unit The County pays a monthly flat dollar subsidy for retirees of $350 per month. In addition, the County provides an implicit subsidy due to having one premium based on a blended rate that treats current employees, retirees, eligible beneficiaries and dependents as one homogeneous group. The implicit subsidy is factored into the actuarial computation of the OPEB liability.

Basis of Accounting. The Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Kent County VEBA Board of Trustees, with the assistance of a valuation service.

Membership of the Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	590
Active plan members	1,562
Total membership	**2,152**

Funding Policy. The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. The Plan covers the Management Pay Plan, both exempt and non-exempt, elected officials, including judges, and ten collective bargaining units. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they are receiving a pension from the Kent County Employees' Retirement Plan. The County's funding policy provides for periodic employer contributions at actuarially determined rates that are expressed as percentages of annual covered payroll, and are designed to accumulate sufficient assets to pay benefits when due. The County's contribution rate for the year ended December 31, 2015 was 1.57% of projected valuation payroll. For the year ended December 31, 2015, the County contributed $3,403,504, including cash contributions of $1,635,907 and an implicit rate subsidy (which did not require cash) of $1,767,597. Cash payments included $1,319,621 for current premiums and an additional $316,286 to prefund benefits.

Retirees are responsible for reimbursing the County for the cost of premiums for the selected level of coverage in excess of the subsidy. The retiree's share of premiums can be deducted automatically from his or her monthly pension distribution, or paid directly to the County Treasurer. Since retirees must participate in one of the County's health insurance plans in order to receive the benefit, the entire cost of retiree health care premiums is accounted for in the County's health insurance internal service fund. Retiree reimbursements are reported as operating revenue in the internal service fund. On a quarterly basis, the total amount of retiree subsidies for the previous period is billed to the VEBA. This portion of premium costs, which includes the County subsidy only, comprises the entire amount of benefit payments in the statement of changes in fiduciary net position.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation:

Annual required contribution	$ 3,403,504
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Net OPEB Cost (expense)	3,403,504
Contributions made	(3,403,504)
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	**$ -**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for current and preceding years were as follows:

Years Ended December 31,			
Year	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2013	3,227,728	100%	-
2014	3,412,730	100%	-
2015	3,403,504	100%	-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Funded Status and Funding Progress. As of December 31, 2015, the most recent actuarial valuation date, the Plan was 31.1% funded. The actuarial accrued liability for benefits was $55,167,726, and the actuarial value of assets was $17,140,234, resulting in an unfunded actuarial accrued liability (UAAL) of $38,027,492. The covered payroll (annual payroll of active employees covered by the Plan) was $96,580,051, and the ratio of the UAAL to the covered payroll was 39.4%.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013, actuarial valuation (used to determine the contribution rates for the year ended December 31, 2015), the entry age actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.0% initially, reduced by decrements to an ultimate rate of 4.0% after ten years. Both rates included a 4.0% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015, the most recent actuarial date, was 30 years.

Cash Balances and Net Change in Balances

Fund		2015	2016	December 31, Net Change Inc/(Dec)
101	County General	$ 77,834,858	$ 73,236,777	$ (4,598,081)
201	County Roads	17,424,494	11,223,464	(6,201,030)
215	Friend of the Court	(927,438)	(1,570,372)	(642,934)
221	Public Health	(1,992,542)	(4,541,429)	(2,548,887)
229	Hotel/Motel Tax	3,493,900	4,633,118	1,139,218
256	Register of Deeds	1,749,303	1,874,062	124,759
259	Senior Millage	2,213,339	1,793,294	(420,045)
260	Correction and Detention Facility	9,596,065	14,776,679	5,180,614
292	Child Care	(2,651,641)	(3,697,383)	(1,045,742)
445	Public Improvement	8,375,752	13,641,952	5,266,200
469	Building Authority Construction	175,221	149,276	(25,944)
516	100% Tax Payment Fund	25,991,524	24,366,911	(1,624,614)
517	DPW Solid Waste	56,620,463	60,331,537	3,711,074
581	Airport	39,830,935	2,509,169	(37,321,766)
677	Risk Management	7,989,096	12,101,539	4,112,444
721	Library Penal Fines	622,376	659,349	36,973
751	Trust and Agency	73,691,010	73,712,500	21,489
800	Drains and Lake Level	3,738,237	12,948,976	9,210,739
	Various Other Funds	17,714,198	35,434,629	17,720,431
Total		**$ 341,489,151**	**$ 333,584,049**	**$ (7,905,103)**

Cash Activity Summary and Analysis

Cash Equity

	December 31,	
	2015	2016
Cash balance - January 1	$ 323,023,062	$ 341,489,151
Receipts	775,464,428	871,957,687
Less: Disbursements	756,998,339	879,862,789
Cash balance - December 31	**$ 341,489,151**	**$ 333,584,049**

Analysis of Cash Balances

	December 31,	
	2015	2016
Pooled investments	$ 330,668,502	$ 326,574,839
Demand deposits	608,511	1,317,784
Imprest cash	11,601,801	7,271,502
Accrued interest on pooled investments	61,835	62,035
Less: Outstanding disbursement checks	1,451,498	1,642,111
Cash balance - December 31	**$ 341,489,151**	**$ 333,584,049**

Pooled Investments Summary of Investments

December 31, 2016

	Book Value				
Broker Name	Municipal Tax Note	Money Market / GIC	Government Agency	Certificates of Deposit	Total
Brokered Securities:					
UBS Paine Webber	$ -	$ -	$ 17,119,394	$ -	$ 17,119,394
Wells Fargo	-	-	23,056,612	-	23,056,612
CitiGroup	-	-	31,610,429	-	31,610,429
U.S. Treasury Strips Subtotal	**-**	**-**	**71,786,435**	**-**	**71,786,435**
Certificates of Deposit (CD):					
Huntington Bank MM	-	1,783,249	-	-	1,783,249
JPM Chase	-	64	-	-	64
Macatawa Bank	-	13,048,818	-	-	13,048,818
MBIA Class	-	28,092,471	-	-	28,092,471
Michigan Liquid Asset Fund (MILAF)	-	19,303,142	-	-	19,303,142
PNC NOW	-	16,547,424	-	-	16,547,424
Bank of America	-	-	-	33,350,477	33,350,477
Bank of Holland	-	-	-	5,172,242	5,172,242
Chemical Bank West	-	-	-	13,854,824	13,854,824
Choice One Bank	-	-	-	4,552,566	4,552,566
Comerica	-	-	-	17,273,090	17,273,090
Consumers Credit Union	-	-	-	500,887	500,887
Fifth Third Bank	-	-	-	1,016,560	1,016,560
First Community Bank	-	-	-	679,335	679,335
First Merit Bank	-	-	-	1,000,356	1,000,356
First National Bank of America	-	-	-	1,023,609	1,023,609
First National Bank of Michigan	-	-	-	1,536,455	1,536,455
Flagstar Bank	-	-	-	14,025,345	14,025,345
Huntington Bank	-	-	-	12,986,042	12,986,042
Independent Bank	-	-	-	6,023,167	6,023,167
Macatawa Bank	-	-	-	3,015,915	3,015,915
Mercantile Bank of W MI	-	-	-	14,790,917	14,790,917
Old National Bank	-	-	-	7,776,910	7,776,910
Private Bank	-	-	-	20,255,406	20,255,406
Talmer Bank	-	-	-	10,080,511	10,080,511
United Bank of Michigan	-	-	-	3,258,325	3,258,325
West Michigan Comm Bank	-	-	-	3,840,297	3,840,297
CD Subtotal	**-**	**78,775,169**	**-**	**176,013,235**	**254,788,404**
Total	**$ -**	**$ 78,775,169**	**$ 71,786,435**	**$ 176,013,235**	**$ 326,574,839**

Pooled Investment Fund [1]

			December 31, 2016
Investments By Type	**Par Value**	**Book Value**	**Percent**
Certificates of Deposit	$176,013,236	$ 176,013,236	53.9%
Passbook & Money Market	78,775,169	78,775,169	24.1%
Federal Home Loan Banks	32,345,000	32,517,005	10.0%
Federal National Mortgage Assoc.	24,000,000	24,220,159	7.4%
Federal Home Loan Mortgage Cor.	11,000,000	11,034,592	3.4%
Federal Farm Credit Bank	4,000,000	4,014,678	1.2%
Municipal Bonds			0.0%
Total	**$326,133,404**	**$ 326,574,839**	**100.0%**

		December 31, 2016
Investment Yield	**Book Value**	**Percent**
0.00% to 0.25%	$ 13,048,883	4.0%
0.25% to 0.50%	40,472,891	12.4%
0.50% to 0.75%	61,662,699	18.9%
0.75% to 1.00%	142,974,017	43.8%
1.00% to 1.25%	63,030,820	19.3%
1.25% to 1.50%	3,207,274	1.0%
1.50% to 1.75%	2,178,255	0.7%
Total	**$ 326,574,839**	**100.0%**

			December 31, 2016
Investment Maturity	**Date Range**	**Book Value**	**Percent**
0 to 1 Month	01/01/17 - 01/31/17	$ 38,112,525	28.0%
1 to 2 Months	02/01/17 - 02/28/17	14,215,386	1.6%
2 to 3 Months	03/01/17 - 03/31/17	17,947,860	8.0%
3 to 6 Months	04/01/17 - 06/30/17	22,956,262	16.4%
6 to 12 Months	07/01/17 - 12/31/17	84,598,039	21.6%
12 to 18 Months	01/01/18 - 06/30/18	66,654,174	5.6%
18 to 24 Months	07/01/18 - 12/31/18	33,209,954	9.2%
24 to 36 Months	01/01/19 - 12/31/19	35,831,757	8.9%
36 to 60 Months	01/01/20 - 12/31/20	13,048,883	0.7%
Total		**$ 326,574,839**	**100.0%**

(1) The Investment Pool has an open-ended maturity date.

Pooled Investments Earnings Performance

	December 31,					
	2015			2016		
Month	Average Daily Balance	Interest Earned Accrual Basis	Earned Interest Yield	Average Daily Balance	Interest Earned Accrual Basis	Earned Interest Yield
Jan	$ 331,396,099	$ 117,601	0.439	$ 330,055,835	$ 164,674	0.579
Feb	327,978,708	111,660	0.438	332,644,586	156,701	0.585
Mar	326,509,109	126,711	0.451	335,157,889	171,503	0.594
Apr	332,588,891	125,259	0.452	324,679,481	165,600	0.612
May	350,209,902	133,700	0.443	329,223,662	177,464	0.626
Jun	324,757,064	127,580	0.471	326,361,602	171,697	0.631
Jul	306,170,825	129,030	0.489	277,844,771	160,674	0.672
Aug	326,838,159	134,674	0.479	298,101,082	175,571	0.684
Sep	351,007,240	143,708	0.491	339,530,301	198,301	0.701
Oct	380,712,858	169,147	0.516	372,807,507	226,146	0.704
Nov	353,021,984	160,999	0.547	340,752,094	213,355	0.751
Dec	333,230,324	163,822	0.571	333,928,079	224,445	0.781
Annual	**$ 337,035,097**	**$ 1,643,890**		**$ 328,423,907**	**$ 2,206,129**	

Investment Fund Balance - 1/1/16	*$*	*330,668,502*
Investment Fund Balance - 12/31/16	*$*	*326,574,839*

The following table illustrates the various labor organizations that represent the County of Kent's employees, the number of members and the expiration dates of the present contracts. The County considers its relations with its employees to be excellent and there are no labor problems at the present time and anticipates no strikes or work stoppages.

March 14, 2017

Bargaining Unit	Number of Positions [1]	Contract Expiration Date
United Auto Workers (General)	373	12/31/2018
Technical, Professional & Office Workers of Michigan -- TPOAM [2] [3]	340	12/31/2018
Kent County Deputy Sheriff's Association [2]	250	12/31/2018
Kent County Law Enforcement Association - POAM	232	12/31/2017
Lieutenants-Captains – POLC	20	12/31/2018
Prosecuting Attorneys Assoc.	34	12/31/2017
Court Reporters – POLC	3	12/31/2018
Circuit Court Referee Assoc.	8	12/31/2017
Teamsters (Public Health)	58	12/31/2018
Teamsters (Parks Employees)	16	12/31/2017
Elected Officials	5	NA
Judges	17	NA
Board of Commissioners	19	NA
Management Pay Plan Group	267	NA
Total	**1,642**	

(1) Includes vacant positions - does not include employees on extended leave or temporary employees.

(2) In negotiation.

(3) Certified March, 2016 replacing UAW Courts.

Statement of Revenues, Expenditures and Changes in Fund Balance

	2015	2016		2017
	Year ended December 31,			
	Actual	**Budget**	**Actual** (1)	**Budget** (2)
Revenues:				
Taxes	$ 87,895,332	$ 88,939,416	$ 88,281,323	$ 88,839,300
Intergovernmental	21,167,763	23,930,977	24,111,678	23,631,789
Charges for services	25,109,064	23,426,841	26,510,129	26,518,296
Investments, Rents & Royalties	3,878,106	3,927,036	4,110,771	3,947,040
Other Revenue	4,686,524	6,685,210	5,197,079	5,726,297
Transfers In	18,396,635	19,040,000	14,537,782	18,200,000
Total Revenues	**161,133,424**	**165,949,480**	**162,748,761**	**166,862,722**
Expenditures:				
Sheriff	54,560,504	57,960,812	56,790,317	59,863,730
Circuit Court	15,773,476	16,795,615	16,072,379	17,384,996
Facilities Management	13,847,139	16,272,852	14,830,662	14,799,927
Prosecuting Attorney	5,540,799	4,663,398	4,535,800	4,678,849
Information Technology	5,414,194	6,052,828	5,504,465	7,554,645
Policy/Administration	2,291,865	2,629,180	2,364,644	2,715,233
Parks Department	4,789,166	4,866,137	4,847,090	5,471,564
Zoo	2,419,304	2,285,700	2,270,924	2,271,800
Fiscal Services	3,401,057	3,631,950	3,339,102	3,852,621
Clerk/Register of Deeds	3,116,402	3,556,728	3,358,683	3,316,769
District Court	2,619,352	2,893,558	2,809,770	3,087,596
Human Resources	1,725,757	1,834,793	1,795,203	1,890,656
Bureau of Equalization	1,424,351	1,548,779	1,442,278	1,538,020
Treasurer's Office	1,079,780	1,155,886	1,149,747	1,210,321
Drain Commission	591,352	687,935	676,633	735,829
Other Social Services	1,433,996	1,505,110	1,457,561	1,505,110
Other	7,756,268	8,966,465	7,277,230	7,557,489
Transfers Out-Childcare	14,078,552	15,569,292	15,915,142	15,428,228
Transfers Out-Health	2,617,969	6,644,478	4,984,143	6,877,504
Transfers Out-CIP	10,431,432	5,345,426	5,345,426	5,305,331
Transfers Out-FOC	1,494,391	1,867,902	1,329,714	1,877,151
Transfers Out-Debt Svc	613,198	602,700	602,100	605,200
Trandfers Out-Special Proj	1,658,408	2,990,602	2,947,292	3,255,794
Transfers Out-Other	2,192,338	1,927,630	791,630	578,359
Appropriation lapse	-	(6,300,000)	-	(6,500,000)
Total Expenditures	**160,871,049**	**165,955,756**	**162,437,935**	**166,862,722**
Net Revenues/(Expenditures)	**262,375**	**(6,276)**	**310,826**	**-**
Fund Balance, beginning of year	68,839,937	69,102,312	69,102,312	69,413,138
Fund Balance, end of year	**$ 69,102,312**	**$ 69,096,036**	**$ 69,413,138**	**$ 69,413,138**

(1) Pending audit adjustments

(2) As adopted

Components of Fund Balance

	Year ended December 31, 2015 Actual	Year ended December 31, 2016 [1] Actual
Inventory	$ 88,478	$ 69,020
Prepaids	235,781	171,901
Long-term advances	917,632	739,097
Total Nonspendable	**1,241,891**	**980,017**
Economic stabilization [2]	24,580,290	26,013,929
Total Committed	**24,580,290**	**26,013,929**
Cash flow [3]	35,575,766	35,535,720
Encumbrances	182,575	198,054
Total Assigned	**35,758,341**	**35,733,774**
Unassigned [4]	**7,521,790**	**6,685,418**
Total Fund Balance [5]	**$ 69,102,312**	**$ 69,413,138**

(1) Preliminary, subject to audit.

(2) 10% of the subsequent year's adopted General Fund and subsidized governmental fund budgets

(3) 40% of the subsequent year's budget estimate for property tax revenue

(4) Fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund

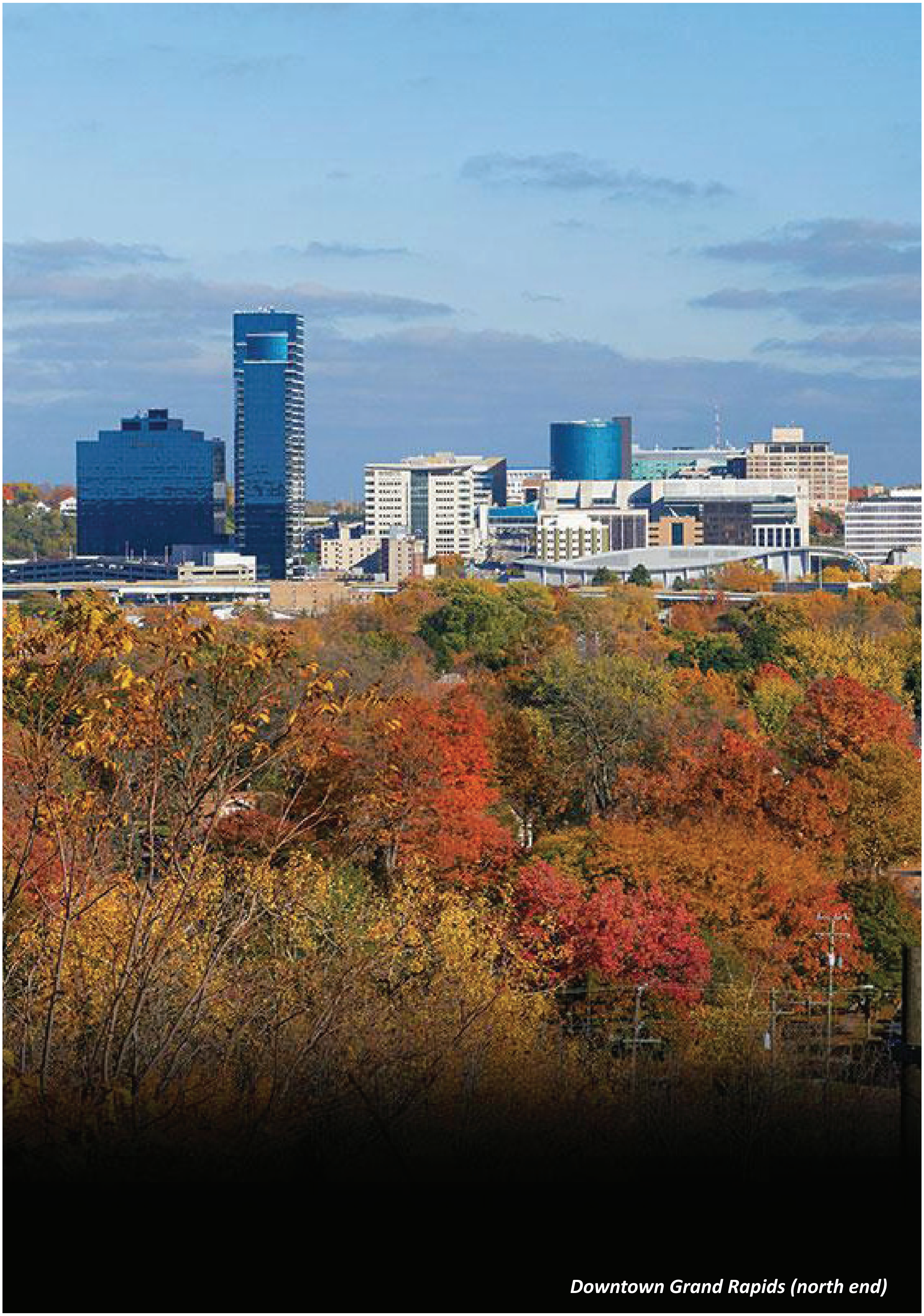
(5) The County will maintain a minimum fund balance equal to at least 40% of the subsequent year's adopted General Fund budgeted expenditures and transfers out

Debt Service As a Percentage of General Fund Expenditures [1]

	2015	2016	2017
Debt Outstanding			
Series 2005 - Courthouse	$ 35,620,000	$ 33,145,000	$ 30,535,000
Series 2007 - DHHS	20,995,000	19,855,000	18,670,000
Series 2008 - CIP	9,710,000	8,970,000	8,205,000
Series 2010 - Sheriff Administration	4,110,000	3,485,000	2,840,000
Series 2014 - Park Meadows	3,000,000	3,000,000	3,000,000
Series 2014A - 82 Ionia/Courthouse Land	4,065,000	3,670,000	3,265,000
Total Debt Outstanding	**$ 77,500,000**	**$ 72,125,000**	**$ 66,515,000**
Debt Service			
Series 2005 - Courthouse	$ 4,341,025	$ 4,342,306	$ 4,343,825
Series 2007 - DHHS	2,070,569	2,065,769	2,064,269
Series 2008 - CIP	1,138,919	1,134,819	1,129,719
Series 2010 - Sheriff Administration	762,300	763,850	763,994
Series 2014 - Park Meadows	58,748	60,600	60,600
Series 2014A - 82 Ionia/Courthouse Land	549,400	541,500	543,600
Total Debt Service	**$ 8,920,961**	**$ 8,908,844**	**$ 8,906,006**
General Fund Expenditures/Transfers [2]	**$ 160,871,049**	**$ 162,437,935**	**$ 166,862,722**
Debt Services as a % of General Fund Expenditures	**5.5%**	**5.5%**	**5.3%**

(1) Does not include capital leases.

(2) 2017 budget as adopted.


Downtown Grand Rapids (north end)

Statement of Revenues, Expenditures and Changes in Fund Net Assets

	Year Ended December 31,	
	2015	**2016**[1]
Operating Revenues:		
Charges for services	$ 649,553	$ 591,675
Interest and penalties	2,376,219	2,075,709
Collection fees	778,236	711,908
Auction proceeds, net	42,063	223,820
Other	74,853	60,056
Total Operating Revenues	**3,920,924**	**3,663,168**
Operating Expenses:		
Contractual services	456,997	349,820
Other expense	151,274	96,783
Total Operating Expenses	**608,271**	**446,603**
Operating Income (Loss)	**3,312,653**	**3,216,564**
Non-Operating Revenues (Expenses)		
Investment earnings	78,625	122,628
Interest expense	(174,556)	(190,819)
Total Non-Operating Revenues (Expenses)	**(95,931)**	**(68,191)**
Income (Loss) Before Contributions and Transfers	3,216,722	3,148,373
Transfers out	(4,600,000)	(4,100,000)
Change in Net Assets	**(1,383,278)**	**(951,627)**
Net Assets, Beginning of Year	14,954,219	13,570,942
Net Assets, End of Year	**$ 13,570,942**	**$ 12,619,315**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2015	**2016** [1]
Revenues:		
Intergovernmental	$ 735,579	$ 1,065,451
Contributions and reimbursements	-	455,000
Other	606,411	217,567
Total Revenues	**1,341,990**	**1,738,018**
Expenditures:		
Capital outlay	4,028,999	6,261,800
Total Expenses	**4,028,999**	**6,261,800**
Deficiency of revenues over expenditures	**(2,687,009)**	**(4,523,783)**
Other Financing Sources (Uses)		
Transfers in	11,470,396	7,678,193
Transfers out	(2,884,730)	(3,324,901)
Total Other Financing Sources (Uses)	**8,585,667**	**4,353,292**
Net change in fund balance	**5,898,658**	**(170,491)**
Fund Balance, beginning of year	7,646,031	13,544,689
Fund Balance, end of year	**$ 13,544,689**	**$ 13,374,198**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Net Assets

	Year Ended December 31,	
	2015	2016 [1]
Operating Revenues:		
Charges for Services	$ 38,219,206	$ 39,841,661
Total Operating Revenues	**38,219,206**	**39,841,661**
Operating Expenses:		
Personnel Service	8,917,370	9,727,189
Materials and Supplies	996,493	640,101
Other	11,478,868	12,216,716
Total Operating Expenses	**21,392,731**	**22,584,006**
Operating Income (Loss)	**16,826,475**	**17,257,655**
Non-Operating Revenues (Expenses):		
Investment Earnings	177,894	210,619
Passenger Facilities Charges	5,242,139	5,423,520
Gain (Loss) on Sale of Fixed Assets	56,234	58,010
Customer Facility Charges	1,955,796	2,016,336
Depreciation	(16,684,925)	(18,288,122)
Interest Expense and Charges	(7,269,562)	(6,868,519)
Total Non-Operating Revenues (Expenses)	**(16,522,424)**	**(17,448,156)**
Income (Loss) Before Contributions	304,051	(190,501)
Capital Contributions	11,633,384	6,131,706
Change in Net Assets	**11,937,435**	**5,941,205**
Net Assets, Beginning of Year	206,962,371	218,899,806
Net Assets, End of Year	**$ 218,899,806**	**$ 224,841,011**

(1) Pending audit adjustments

Gerald R. Ford International Airport Sets Passenger Record for Fourth Straight Year

January 12, 2017

Grand Rapids, Mich. – The Gerald R. Ford International (GFIA) Airport has set a new all -time passenger record for 2016, marking the fourth straight year that the Airport has seen record - setting growth.

In 2016, 2,653,630 passengers flew in and out of GFIA, an increase of 4.06% from 2015. December growth helped cap the record-setting year with an increase of 6.53% year-over-year. December 2015 saw 202,769 total passegers, but 2016 surpassed that with 216,017 enplaned and deplaned passengers. Passenger growth was recorded in 9 of the 12 months of 2016 at GFIA.

The growth over the last few years started in 2013 with a passenger record of 2,237,979. In 2014, that number jumped to 2,335,105. In 2015, GFIA broke its own record once again with a passenger total record of 2,550,193 – a 9.21% year-over-year increase. Over the past four years, the Airport has recorded its strongest growth in its 53-year history, serving over 9.7 million passengers over the four-year time period.

Debt Service Coverage

	Year Ended December 31, 2015	Year Ended December 31, 2016 [1]
Operating Revenues	$ 38,219,206	$ 39,841,661
Investment Earnings	177,894	210,619
Customer Facility Charges	1,955,796	2,016,336
Passenger Facility Charges	5,242,139	5,423,520
Gain (Loss) on Sale of Fixed Assets	56,234	58,010
Operating Expenses	(21,392,731)	(22,584,006)
Net Revenues (as defined in the resolution)	**$ 24,258,538**	**$ 24,966,140**
Debt Service Requirements	**$ 13,995,749**	**$ 14,895,156**
Debt Service Coverage	**1.73x**	**1.68x**

(1) Pending audit adjustments

Gerald R. Ford International Airport

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2015	2016 (1)(2)
Operating Revenues:		
Charges for Services	$ 36,014,722	$ 39,685,030
Total Operating Revenues	**36,014,722**	**39,685,030**
Operating Expenses:		
Personnel, Materials, Contractual, Other	30,346,382	34,247,121
Depreciation and Amortization	5,115,873	5,415,213
Total Operating Expenses	**35,462,255**	**39,662,334**
Operating Income (Loss)	**552,467**	**22,696**
Non-Operating Revenues (Expenses)		
Investment Earnings	262,194	223,433
Gain (Loss) on Capital Assets	(25,338)	18,677
Total Non-Operating Revenues (Expenses)	**236,856**	**242,110**
Change in Net Assets	**789,323**	**264,806**
Net Assets, Beginning of Year	92,458,681	94,170,996
Net Assets, End of Year	**$ 93,248,004**	**$ 94,435,802**

(1) Pending audit adjustments

(2) Net assets restated

Debt Service Coverage

	Year Ended December 31,	
	2015	2016 (1)
Operating Revenues	$ 36,014,722	$ 39,685,030
Non-Operating Revenues (Expenses)	236,856	242,110
Operating Expenses Before Depreciation	(30,346,382)	(34,247,121)
Net Revenues	**$ 5,905,196**	**$ 5,680,019**
Debt Service Requirements	**$ 902,381**	**$ 902,681**
Debt Service Coverage	**6.54x**	**6.29x**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2015	2016 (1)
Revenues:		
Taxes	$ 15,638,282	$ 16,501,838
Investment Earnings	52,506	103,771
Total Revenues	**15,690,789**	**16,605,609**
Operating Transfers:		
Building Rent	2,420,354	2,414,797
Facility Operations	13,953,636	11,889,019
Total Operating Transfers	**16,373,990**	**14,303,816**
Net Change in Fund Balance	**(683,201)**	**2,301,793**
Fund Balance, Beginning of Year	5,440,025	4,756,823
Fund Balance, End of Year	**$ 4,756,823**	**$ 7,058,617**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2015	2016 (1)
Property Tax Revenues	$ 15,638,282	$ 16,501,838
Debt Service/Building Rent Requirements	2,420,354	2,414,797
Debt Service Coverage	**6.46x**	**6.83x**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2015	2016 [1]
Revenues:		
Hotel/Motel Taxes	$ 8,786,045	$ 9,494,361
Investment Earnings	59,547	41,101
Fines and Forfeitures	125,791	15,831
Transfer In - General Fund	800,000	-
Total Revenues	**9,771,383**	**9,551,293**
Expenditures:		
Administration	92,613	105,702
Experience Grand Rapids CVB	1,471,663	1,637,777
Arts Festival	10,000	10,000
DeVos Place Debt Service	6,447,150	6,677,050
Total Expenditures	**8,021,425**	**8,430,529**
Net Change in Fund Balance	**1,749,958**	**1,120,764**
Fund Balance, Beginning of Year	2,130,694	3,880,652
Fund Balance, End of Year	**$ 3,880,652**	**$ 5,001,416**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2015	2016
Hotel/Motel Tax Revenues	$ 8,786,045	$ 9,494,361
Debt Service Requirements	6,447,150	6,677,050
Debt Service Coverage	**1.36x**	**1.42x**

(1) Pending audit adjustments

DeVos Place Convention Center

County of Kent
FISCAL POLICY - DEBT

I. POLICY

1. **Policy:** Kent County shall endeavor to maintain the highest possible credit ratings so borrowing costs are minimized and access to credit is preserved.

2. **Financial Planning and Overview:** Kent County shall demonstrate to rating agencies, investment bankers, creditors, and taxpayers that a prescribed financial plan is being followed. As part of this commitment, the Fiscal Services Department will annually prepare an overview of the County's General Fund financial condition for distribution to rating agencies and other interested parties.

II. PRINCIPLES

1. **Statutory References:** The Kent County Board of Commissioners may establish rules and regulations in reference to managing the interests and business of the County under of Public Act 156 of 1851 [MCLA 46.11(m)].

   1.a. Financing: Various statutes, including but not limited to Public Act 34 of 2001, (The Revised Municipal Finance Act) [MCLA 141.2101 to 141.2821], as amended, Public Act 327 of 1945 (The Aeronautics Code) [MCLA 259 et seq.], as amended, and Public Act 94 of 1933 (The Revenue Bond Act) [MCLA 141.101-138], as amended, and PA 185 of 1957 [MCLA 123.731-786], as amended, enable the County to issue bonds, notes, and other certificates of indebtedness for specific purposes.

   1.b. Debt Limit: Section 6 of Article 7 of the Michigan Constitution of 1963 states "No County shall incur any indebtedness which shall increase its total debt beyond 10 percent of its assessed value."

   1.c. Disclosures: Effective July 3, 1995, the Securities and Exchange Commission (SEC) enacted amendments to Rule 15c2-12 requiring underwriters of municipal bonds to obtain certain representations from municipal bond issuers regarding disclosure of information after the issuance of bonds. The Rule also contains requirements for immediate disclosure of certain events by borrowers..

2. **County Legislative or Historical References:** Resolution 6-26-97-89, adopted by the Board of Commissioners on June 26, 1997, established rules and guidelines for managing the financial interests of the County. Such a resolution has been adopted annually since 1987.

   2.a. Conflicts: This document restates, clarifies, expands or alters the rules set forth in the Resolution 6-26-97-89. This Policy and the procedures promulgated under it supersede all previous regulations regarding County debt practices.

3. **Operational Guidelines -** Short-term borrowing to finance operating needs will not be used. Interim financing in anticipation of a definite, fixed source of revenue, such as property taxes, an authorized but unsold bond issue, or an awarded grant, is acceptable. Such tax, bond, or grant anticipation notes should not have maturities greater than three years.

4. **Operational Guidelines - Additional:** The County Administrator/Controller shall evaluate each proposed financing package and its impact on the County's credit worthiness, and report the evaluation to the Finance and Physical Resources Committee.

   4.a. Evaluation Requirements: As part of the review process, the Finance and Physical Resources Committee shall review all aspects of the project and recommend to the Board of Commissioners the most appropriate structure of the debt. Options available include notes, installment contracts, industrial development bonds, general obligation bonds, limited tax general obligation bonds, and revenue bonds.

5. **Exceptions:** The Board of Commissioners, upon recommendation of the Finance and Physical Resources Committee, may consider requests to waive any requirement or guideline contained in this policy.

6. **Implementation Authority:** Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. **Periodic Review:** The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 05-14-09-50
Name and Revision Number: Debt Policy, Revision 4
Date of Last Review: 3/26/2015
Related Policies: Fiscal Policy on Accounting and Auditing
Approved as to form: Not applicable

County of Kent

FISCAL POLICY - FUND BALANCE/FUND EQUITY

I. POLICY

1. **Policy:** The Board of Commissioners, by adoption of an annual budget, shall maintain adequate General Fund equity (classifications) to provide for contingent liabilities not covered by the County's insurance programs and to provide reasonable coverage for long-term Limited Tax General Obligation debt service.

II. PRINCIPLES

1. **Statutory References:** The Kent County Board of Commissioners may establish rules and regulations in reference to managing the interests and business of the County under Public Act 156 of 1851 [MCLA 46.11(m)].

2. **County Legislative or Historical References:** Resolution 6-26-97-89, adopted by the Board of Commissioners on June 26, 1997, established rules and guidelines for managing the financial interests of the County. Such a resolution has been adopted annually since 1987.

   2.a. **Lodging Excise (Hotel/Motel) Tax:** Resolution 9-11-97-118 approved the use of the Lodging Excise (Hotel/Motel) tax proceeds and established levels of project funding.

   2.b. **Governmental Accounting Standards Board (GASB):** This document clarifies and expands on pronouncements of the GASB as applicable to local governmental entities and the fund balance for Kent County.

   2.c. **Conflicts:** This document restates, clarifies, expands or alters the rules set forth in resolutions 6-26-97-89 and 9-11-97-118. This Policy and the procedures promulgated under it supersede all previous regulations regarding the County's fund balance and reserve policies.

3. **Operational Guidelines – General:** Classification and use of fund balance amounts

   3.a. **Classifying Fund Balance Amounts –** Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The General Fund may also include an unassigned amount.

      3.a.1. **Encumbrance Reporting** – Encumbering amounts for specific purposes for which resources have already been restricted, committed or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in Statement No. 54 of the GASB.

      3.a.2. **Prioritization of Fund Balance Use** – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of Kent County to consider restricted amounts to have been reduced first.

         3.a.2.a. When an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, it shall be the policy of Kent County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

4. **Operational Guidelines – Additional:** The County will establish "commitments" for the purpose of maintaining constraints regarding the utilization of fund balance noting the Board of Commissioner's intent regarding the utilization of spendable fund balance.

4.a. Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. These amounts will be determined before all other classifications.

4.a.1. Long Term Advances – The County will maintain a fund balance equal to the balance of any long-term outstanding balances due from other County funds which exist at year end.

4.a.2. Inventory/Prepaids/Other – The County will maintain a provision of fund balance equal to the value of inventory balances and prepaid expenses.

4.a.3. Corpus of a Permanent Fund – The County will maintain a provision equal to the corpus (principal) of any permanent funds that are legally or contractually required to be maintained intact.

4.b. Restricted – Fund balance will be reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

4.c. Committed – This classification can only be used for specific purposes pursuant to formal action of the Board of Commissioners. A majority vote of the members elect is required to approve a commitment and a two-thirds majority vote of the members elect is required to remove a commitment.

4.c.1. Budget Stabilization – Kent County commits General Fund fund balance in an amount equal to 10% of the subsequent year's adopted General Fund and subsidized governmental fund budgets to insulate County programs and current service levels from large ($1 million or more) and unanticipated one-time General Fund expenditure requirements, reductions in budgeted General Fund revenues due to a change in state or federal requirements, adverse litigation, catastrophic loss, or any similar swift unforeseen event. This commitment may be used if one of the qualifying events listed below occurs, and the County Administrator/Controller estimates the qualifying event will cost $1 million or more and the Board of Commissioners by majority vote of the members present affirms the qualifying event.

4.c.1.a. Qualifying Events

- A flood, tornado or other catastrophic event that results in a declared state of emergency by an appropriate authority, which would require cash up front for response and/or match for disaster relief funds for such an event.
- Loss of an individual revenue source, such as state revenue sharing, for which official notification was not received until after the budget for the affected year was adopted.
- Unanticipated public health or public safety events such as a pandemic or civil unrest requiring cash flow until and if sustaining, replacement, or reimbursement funding is available.
- A Self-Insured Retention (SIR) for an insured claim for which the loss fund has an inadequate reserve.

4.d. Assigned – Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This would include all remaining amounts (except negative balances) reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed. The Board of Commissioners delegates to the County Administrator/Controller or his/her designee the authority to assign amounts to be used for other specific purposes.

4.e. **Unassigned –** Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance can never be negative.

4.f. **Minimum Fund Balance –** The County will maintain a minimum fund balance equal to at least 40% of the subsequent year's adopted General Fund budgeted expenditures and transfers out, to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. Cash flow shortfalls are related to property tax revenues, in anticipation of a July 1 (Mid Year) property tax billing.

4.f.1. **Replenishing deficiencies –** When fund balance falls below the minimum 40% range, the County will replenish shortages or deficiencies using the budget strategies and time frames delineated below.

4.f.1.a. The following budgetary strategies shall be utilized by the County to replenish funding deficiencies:

- The County will reduce recurring expenditures to eliminate any structural deficit: or,
- The County will increase taxes, fees for services or pursue other funding sources, or
- Some combination of the two options above.

4.f.1.b. Minimum fund balance deficiencies shall be replenished within the following time periods:

- Deficiency resulting in a minimum fund balance between 39% and 40% shall be replenished over a period not to exceed one year.
- Deficiency resulting in a minimum fund balance between 37% and 39% shall be replenished over a period not to exceed three years.
- Deficiency resulting in a minimum fund balance of less than 37% shall be replenished over a period not to exceed five years.

5. **Exceptions: None.**

6. **Implementation Authority:** Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. **Periodic Review:** The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 03-24-11-18
Name and Revision Number: Fund Balance/Fund Equity Policy, Revision 6
Date of Last Review: 3/26/2015
Related Policies: None
Approved as to form: Not applicable

County of Kent

FISCAL POLICY - CAPITAL IMPROVEMENT PROGRAM

I. POLICY

1. **Policy:** The Kent County Board of Commissioners requires all County capital improvement/replacement projects to be evaluated for funding within a framework of priorities and the financial capabilities of the County, and as part of a comprehensive budget process.

2. **Capital Improvement Program:** The Capital Improvement Program (CIP) is a primary tool for evaluating the physical improvement, tangible personal property or real property improvements to successfully implement the County budget process. The CIP outlines the schedule of County needs over a five-year period, and contains funding recommendations on an annual basis.

II. PRINCIPLES

1. **Statutory References:** Public Act 2 of 1968 as amended (The Uniform Budget and Accounting Act) [MCLA 141.435] sets forth the minimum requirements for items to be contained in the proposed budget submitted to the Board by the County Administrator/Controller, including the amount of proposed capital outlay expenditures, the estimated total cost and proposed method of financing each capital project.

2. **County Legislative or Historical References:** Resolution 3-28-96-38, adopted by the Board of Commissioners on March 28, 1996, established policies and set forth procedures for project submittal and evaluation for the Capital Improvement Program.

   2.a. Conflicts: This document codifies and amends the policies and procedures set forth in the Resolution 3-28-96-38. Any previous policies or procedures, insofar as they conflict with this policy, are hereby repealed.

3. **Operational Guidelines - General:** The County will establish and maintain a Capital Improvement Fund to account for the acquisition or construction of major capital items not otherwise provided for in enterprise or trust funds. The County will annually deposit, to this fund, a not-less-than sum of monies equivalent to the revenues to be generated from 0.2 mills of the general property tax levy.

   3.a. Project Initiation: Each department, office and agency of the County will annually submit a proposed list of its capital improvement needs for the next five fiscal years to the County Administrator/Controller's Office, according to a format and schedule developed by the County Administrator/Controller.

   3.b. CIP Inclusion Required: Any physical improvement or tangible personal and/or real property costing $25,000 or more and having expected useful life of three years or greater must be included in the CIP in order to be considered for funding.

4. **Operational Guidelines - Additional:** Items submitted for consideration will be evaluated by a Capital Improvement Review Team which shall include, at a minimum, representatives of the Administrator's Office, Fiscal Services, Purchasing, Information Technology and Facilities Management.

   4.a. Evaluation: Items submitted for consideration will be rated according to established criteria. Items rated by the Review Team will be included in the proposed capital budget submitted to the Finance and Physical Resources Committee.

   4.b. Annual Programming: It is recognized that the County has limited resources and only a certain number of projects can be funded in any given year. Those projects that are not funded for a fiscal year, as determined by the Board of Commissioners, may be resubmitted for consideration in future years' CIP process.

4.c. **Purchasing Procedures:** Projects included in the CIP must be acquired through the Purchasing Division and follow established County purchasing procedures.

4.d. **Project Extension and Carry Forward of Funding:** The County Administrator/ Controller may approve the carry forward of unspent funds from one budget year to a subsequent year.

4.e. **Approval of Transfers Between and Substitutions of Projects:** The Controller/Administrator can transfer up to and including $25,000 from any one project to another with the approval of the affected department(s). Transfers of more than $25,000 must be approved by the Finance and Physical Resources Committee.

5. **Exceptions:** The Board of Commissioners, upon recommendation of the Finance and Physical Resources Committee, may consider requests to waive any requirement or guideline contained in this policy that is not in conflict with state law.

5.a. **Project Substitution:** Recognizing that some projects may be tied to grant funding or needs may arise due to emergency situations, a department director or a member of the judiciary may submit a written request to substitute a project for an approved project of equal or greater cost. The County Administrator/Controller shall be responsible for approving the substitute project.

5.b. **Emergent Projects:** Recognizing that some projects may arise, due to emergencies or other unforeseen events, between the annual CIP budget cycles, the Board of Commissioners may, by two-thirds majority of the members elect, consider adding and funding projects, including those necessary to implement a decision or priority of the Board. Any project presented for consideration must include information delineating the reason(s) why the project cannot wait until the next CIP budget cycle.

6. **Implementation Authority:** Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. **Periodic Review:** The County Administrator/Controller will review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 07-24-03-92
Name and Revision Number: Capital Improvement Program Policy, Revision 3
Date of Last Review: 3/26/2015
Related Policies: None.
Approved as to form: Not applicable

County of Kent

FISCAL POLICY – ECONOMIC DEVELOPMENT PARTICIPATION

I. POLICY - To correct and prevent deterioration in neighborhood and business districts within the local units of the County, the County may participate with the local units of government in the establishment of tax abatement or capture programs as authorized by State enabling legislation.

II. PRINCIPLES

1. Statutory References:

Tax Capture
Public Act 197 of 1975 – Downtown Development Authority Act
Public Act 281 of 1986 – Local Development Financing Act
Public Act 530 if 2004 – Historic Neighborhood Tax Increment Finance Authority Act
Public Act 280 of 2005 – Corridor Improvement Authority Act
Public Act 450 of 1980 – Tax Increment Finance Authority Act
Public Act 381 of 1996 – Brownfield Redevelopment Financing Act
Public Act 101 of 2005 – Brownfield Redevelop. Fin. Act – Infrastructure Improvements
Public Act 61 of 2007 – Neighborhood Improvement Authority Act
Public Act 94 of 2008 – Water Improvement Authority Act
Public Act 481 of 2008 – Nonprofit Street Railway Act
Public Act 250 of 2010 – Private Investment Infrastructure Funding Act

Tax Abatement
Public Act 198 of 1974 – Industrial Facilities Property Tax Abatement Act
Public Act 147 of 1992 – Neighborhood Enterprise Zone Act
Public Act 376 of 1996 – Renaissance Zone Act
Public Act 328 of 1998 – Personal Property Tax Abatement Act
Public Act 146 of 2000 – Obsolete Property Rehabilitation Act
Public Act 210 of 2005 – Commercial Rehabilitation Act
Public Act 255 of 1978 – Commercial Redevelopment Act

Tax Capture/Abatement
Public Act 275 of 2010 – Next Michigan Development Act

Economic Development Tax Exemption
Public Act 274 of 2014 – General Property Tax act

2. County Legislative or Historical References: None

3. Operational Guidelines - General:

3.a. The County pledges up to 7 percent of its general operating property tax levy in support of economic development activities undertaken by local governmental units through local tax abatement/capture programs as authorized by State enabling legislation.

3.b. Participation is contingent upon exclusion of capture or abatement of "dedicated" millage levies (e.g. Correctional and Senior Services). To the extent that these dedicated millages are already captured or abated by a local governmental unit under an existing program, the County will not voluntarily participate in any new or expanded districts.

4. Operational Guidelines - Additional:

4.a. As allowed by law, the County may "opt out" of participation in any new or expanded district, and enter into a contractual agreement with the sponsoring local units according to the following general terms and conditions:

4.a.1. Participation in any capture or abatement district will be limited to 10-year renewable terms. Twenty-year terms may be considered if specific project requests would require debt financing.

4.a.2. Local government unit will pledge 100% of its own operating tax levy for capture or abatement.

4.a.3. County participation in tax capture districts will be on a "match" basis. The County will pledge $1 of its operating tax levy to match $1 of city/township tax levy generated for deposit to the Tax Increment Authority.

4.b. County participation will be suspended for any calendar year, if the total County General Revenues and Transfers-In do not increase by at least 3 percent over the prior year's General Revenues/Transfers In.

4.c. County participation will be suspended if the local governmental unit's total of all tax abatements' or captures' taxable values exceed 10 percent of the combined equivalent taxable value of the local unit.

5. Exceptions:

5.a. County participation with individual local government units will be limited to the capture/exemption of tax levy on up to 10 percent of the combined equivalent taxable value in any individual local governmental unit. (See Attachment A).

5.b. In the event that the total of all tax abatement/captures taxable values exceed 10 percent of the combined equivalent taxable value in a specified local government unit, the County will decline participation in the program. In the case of existing programs, County participation will be suspended in the calendar year following determination of the capture/abatement reaching the limit.

5.c. In the event the local governmental unit tax abatement/tax capture exceeds 10 percent of the combined equivalent taxable value, but the local governmental unit enters into an agreement with the County to reimburse lost annual property tax revenues until such time as the percentage of capture is determined to fall below the 10 percent cap, then the County may consent (renaissance zone extension application) to the approval of additional tax abatements.

5.d. Notwithstanding Section 4 above, in the event that a tax capture district provides for "gainsharing" of tax increment proceeds of at least 10 percent, the County may determine if it is in its best interest to not "opt out" of any existing, new, or expanded district to participate in "gainsharing" of tax increment proceeds.

6. Implementation Authority: Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. Periodic Review: The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 1-26-17-6
Name and Revision Number: Economic Development Participation Policy, Original
Date of Last Review: 1/26/2017
Related Policies: Fiscal Policy – Economic Development Participation
Approved as to form: Not applicable

County of Kent
FISCAL POLICY - INVESTMENTS

I. POLICY

1. **Policy:** Kent County will invest funds in a manner which will ensure the preservation of capital while providing the highest investment return with maximum security, meeting the daily cash flow demands of the County and conforming to all state statutes governing the investment of public funds.

II. PRINCIPLES

1. **Statutory References:** Public Act 20 of 1943 [MCLA 129.91], as amended, requires the County to have a written investment policy which, at a minimum, includes the purpose, scope and objectives of the policy, including safety, diversification and return on investment; a delegation of authority to make investments; a list of authorized investment instruments; and statements addressing safekeeping, custody and prudence.

2. **County Legislative or Historical References:** Resolution 6-26-97-89, adopted by the Board of Commissioners on June 26, 1997, established rules and guidelines for managing the financial interests of the County. Such a resolution has been adopted annually since 1987.

   2.a. Conflicts: This document restates, clarifies, expands or alters the rules set forth in the Resolution 6-26-97-89. This Policy and the procedures promulgated under it supersede all previous regulations regarding County investments.

3. **Scope:** This policy applies to the investment of all funds, excluding the investment of employees' retirement funds.

   3.a. Pooling of Funds: Except for cash in certain restricted and special funds, the County will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

4. **General Objectives:** The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

   4.a. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

   4.a.1 **Credit Risk:** The County will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

   4.a.1.a. Limiting investments to the types of securities authorized by PA 20 of 1943 (MC: 129.91), as amended, except commercial paper investments must have a rating of not less than P1 from Moody's or A1 from Standard & Poor's and mutual fund investments must have a par share value intended to maintain a net asset value of at least $1.00 per share. For purposes of this policy, such investments are referred to as securities.

   4.a.1.b. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. With the exception of U.S. Treasury Securities and authorized pools, no more than 25 percent of the total investment portfolio will be invested in a single security type or with a single financial institution.

4.a.2. **Interest Rate Risk:** The County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

4.a.2.a. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

4.a.2.b. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

4.a.2.c. The County stratifies its pooled investments by maturity (less than one year, 1-2 years, 2-3 years and 3-5 years). Investments maturing in less than one year shall represent at least 40% of the total value of the portfolio. No other maturity band may represent more than 30% of the portfolio and the total of all investments greater than one year shall represent no more than 60 percent of the total portfolio.

4.b. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. To that end, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

4.c. **Yield:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

4.c.1. A security with declining credit may be sold early to minimize loss of principal
4.c.2. A security swap would improve the quality, yield, or target duration in the portfolio.
4.c.3. Liquidity needs of the portfolio require that the security be sold.

5. **Standards of Care:**

5.a. **Prudence:** The standard of prudence to be used by the Treasurer shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The “prudent person” standard states that, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

5.b. **Ethics and Conflicts of Interest:** The Treasurer and other employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

6. **Safekeeping and Custody**

   6.a. Delivery vs. Payment: All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

   6.b. Safekeeping: Marketable securities will be held by an independent third-party custodian selected by the Treasurer as evidenced by safekeeping receipts in the County's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

   6.c. Internal Controls: The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

7. **Reporting Methods:** The Treasurer shall prepare quarterly investment reports, including a certification regarding compliance with all applicable laws and policies. These reports shall be filed with the Board of Commissioners not later than sixty days following the end of each calendar quarter.

8. **Implementation Authority:** Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners delegates to the County Treasurer the management responsibility for the investment program as required by state statute.

9. **Periodic Review:** The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 05-14-09-50
Name and Revision Number: Investments Policy, Revision 6
Date of Last Review: 03/26/2015
Related Policies: None
Approved as to form: Not applicable

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June 28, 2016

City ranks among best for economic development

By Jesse O'Brien

For the second straight year, Grand Rapids has been named one of the top three metropolitan areas in the nation for economic development.

Area Development Magazine ranked the Grand Rapids-Wyoming metropolitan statistical area as the No. 3 place to start and develop growing businesses. San Francisco and Napa, California, were the only two metro areas to finish ahead of Grand Rapids.

Grand Rapids

Area Development cited Grand Rapids' growing biotech and health care industries, numerous economic development initiatives and a diverse manufacturing base as some of the strengths that led to the high ranking. It also listed Grand Rapids' population growth exceeding expectations and investment into life sciences as upsides for the city.

It is the second consecutive year Grand Rapids has been ranked third in the country, after ranking No. 127 in 2013 and No. 42 in 2014.

"This ranking turned a lot of heads when we jumped 39 spots last year, and now we're getting a lot of looks by maintaining a top three position," said Birgit Klohs, president and CEO of local economic development agency The Right Place. "These third-party, data-driven studies really validate the growth we are experiencing throughout the region and increases the overall perception of West Michigan as a global destination for business success."

Methodology

Area Development Magazine ranked 394 MSAs using objective data from the Bureau of Labor Statistics, Bureau of Economic Analysis, U.S. Census American Community Survey and Moody's Analytics. That data was used to rank cities across four categories: prime workforce, economic strength, year-over-year growth and five-year growth.

In the individual rankings, Grand Rapids ranked No. 24 in prime workforce, No. 2 in economic strength, No. 4 in five-year growth and No. 26 in year-over-year growth.

MSAs also were categorized by size using data from the 2010 Census — big cities (population greater than 600,000), mid-size cities (population between 160,000 and 600,000) and small cities (population less than 160,000). Grand Rapids was ranked as a big city (population 998,938) for the second year.

Top Ten MSAs

1. San Francisco-Redwood City-S. San Francisco (California)
2. Napa (California)
3. Grand Rapids-Wyoming (Michigan)
4. Columbus (Indiana)
5. San Jose-Sunnyvale-Santa Clara (California)
6. Portland-Vancouver-Hillsboro (Oregon and Washington)
7. Bend-Redmond (Oregon)
8. Denver-Aurora-Lakewood (Colorado)
9. Reno (Nevada)
10. Anaheim-Santa Ana-Irvine (California)

Downtown Grand Rapids shows no signs of slowing

By Stephanie Kotschevar | skotschevar@experiencegr.com

Having ranked among the best places to live, start a business, visit, eat, drink beer, be a hipster, raise a family and make your mark, it's no wonder new development is booming in downtown Grand Rapids.

The second largest city in Michigan, this growing riverside community sits 30 minutes from Lake Michigan on the West side of the state.

Like many American cities, Grand Rapids experienced an early to mid-century suburban boom. But urban renewal projects launched in the late '60s began to shift focus back to the downtown.

Major investments in downtown hotels, a convention and performing arts center and 12,000-seat sports and entertainment arena in the '80s and '90s – along with consistently strong population and job growth – spurred developers, business leaders, entrepreneurs, healthcare and biomedical research institutions, and universities to invest billions in the city's core over the next 25 years.

Today, cranes continue to dot the skyline of Grand Rapids as investors build new or renovate historic structures to accommodate the skyrocketing demand for downtown residential space, craft breweries and distilleries, restaurants, entertainment venues and Class A office space.

The recently restored Rowe, a former landmark hotel built in 1923, is a prime example. After falling into disrepair, the building sat vacant for 15 years before CWD Real Estate Development gave it a $28 million makeover.

Now the 11-story structure – situated on the north end of downtown at the intersection of the city's entertainment district, medical and research corridor, and burgeoning West Side neighborhood – offers 77 luxury market-rate apartments, nine high-end penthouse condos, a fitness center, parking, a rooftop deck and street-level retail, including Atwater Brewery. The 6,000-square-foot tap house, winery, distillery and biergarten is the first West Michigan location for the Detroit-based craft brewery and features wood, marble, doors and other materials reclaimed from old Detroit and Grand Rapids buildings.

The Rowe sits across Monroe Avenue from the Michigan State University Grand Rapids Research Center, slated to open in late 2017. The $88.1 million biomedical research center will support 44 research teams comprised of MSU scientists, clinical-based faculty physicians from the MSU College of Human Medicine and other researchers from MSU's partnering institutions.

According to MSU, core research will include Parkinson's disease, Alzheimer's disease, pediatric neurology, autism, inflammation, transplantation, genetics, women's health and reproduction, and skin cancer – with the vision of helping people live longer and better, and improving the health of the Grand Rapids community and beyond.

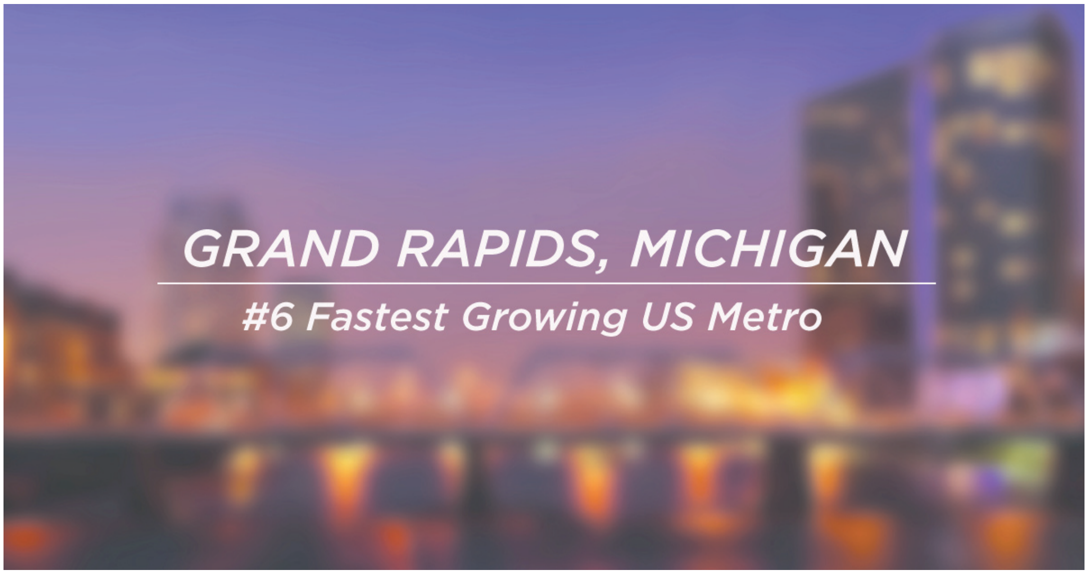
Construction of the research facility, alone, is expected to generate $55 million in wages and an economic impact of $95.6 million to the area.

A few blocks to the south, the Gilmore Collection and Orion are building a $32 million residential and entertainment complex. The Venue, due to open in 2017, will feature a 5,000-square-foot outdoor beer garden and a 2,256-seat flex space that will host over 120 ticketed events each year. The new entertainment complex is designed to complement the Van Andel Arena, which is located just across Fulton Street and attracts over 1 million visitors a year.

The adjoining 11-story residential Venue Tower will boast 88 apartments, including 24 micro-lofts designed for active urbanites who value quality and accessibility to everything a thriving downtown offers.

With a 42-story hotel and residential tower proposed one block over from The Venue, a host of new restaurants, brewpubs, breweries and distilleries opening their doors downtown and in adjoining neighborhoods, a rebirth of Calder Plaza – the heart of Grand Rapids' business and government district – underway, and Grand Rapids' recent ranking as one of the best economies in the country, there are no signs this growth is slowing anytime soon.

Grand Rapids is one of the fastest growing metros in the nation



Grand Rapids, Michigan has a rapidly growing Gross Regional Product (GRP). In fact, it's one of the fastest growing in the country according to recently released data from the Bureau of Economic Analysis and Headlight Data.

Grand Rapids GRP is growing much faster than the national average. Over the past five years, its GRP grew at a rate of 30.9%, compared to the national average of 20.5%. This lands the Grand Rapids metro in the top 10 of all large metros in the nation, and makes it one of only two Midwest cities in the top 10. This ranking also puts the region's growth rate in the company of cities like San Jose, CA and Austin, TX.

Top 10 Large Metros:
Fastest Growing Gross Regional Product
5-Year % Growth, 2010-2015

1. San Jose, CA	43.6%
2. Austin, TX	37.1%
3. Nashville, TN	34.1%
4. San Antonio, TX	33.2%
5. Charlotte, NC	33.1%
6. Grand Rapids, MI	30.9%
7. San Francisco, CA	29.3%
8. Raleigh, NC	29.2%
9. Columbus, OH	28.9%
10. Dallas, TX	28.7%
U.S. average	20.5%

Bottom 10 Large Metros:
Slowest Growing Gross Regional Product
5-Year % Growth, 2010-2015

1. New Orleans, LA	0.9%
2. Hartford, CT	5.1%
3. Tucson, AZ	9.3%
4. Rochester, NY	12.3%
5. Portland, OR	12.4%
6. Washington, DC	13.6%
7. Memphis, TN	14.7%
8. Virginia Beach, VA	15.7%
9. St. Louis, MO	15.8%
10. Buffalo, NY	16.1%

Source: Headlight Data based on data from the Bureau of Economic Analysis
Note: Rankings based on data available for 53 large metros (1,000,000+ people)

GRP is a measure of an economy's size and, similar to Gross Domestic Product (GDP), it's the market value of goods and services produced in the region during specific period of time. The Grand Rapids metro includes data from Kent, Ottawa, Montcalm, and Barry counties.

December 12, 2016

Trump factors in Grand Rapids' ranking as Top 10 housing market to watch

By Jim Harger | jharger@mlive.com

GRAND RAPIDS - Thanks to its affordable housing market, high job growth rate and support for Donald J. Trump in the Nov. 8 election, Trulia.com has ranked the greater Grand Rapids area fourth among the nation's Top 10 real estate markets to watch in 2017.

Grand Rapids was the only Midwestern metropolitan area in the Top 10 list published by Trulia.com, which studies national housing and real estate trends. Five of the top 10 cities were in Florida, with Jacksonville, Fla. ranked No. 1.

"These markets exhibit strength in five key metrics: strong job growth over the past year, low vacancy rates, high affordability, more inbound home searches than outbound, and, because of the surprise election outcome, a large share of Republicans," the survey said.

A Harris poll commissioned by Trulia before and after the presidential election found that respondents who identified as Republicans were more optimistic about their housing market after the election, while Democrats were more pessimistic.

In Kent County, Republican Trump beat Democratic presidential candidate Hillary Clinton by almost 10,000 votes. Trulia estimated about 54 percent of voters in the Grand Rapids-Wyoming metropolitan area voted for Trump.

According to the Trulia data, the median price for a home in Grand Rapids was $146,000 in September. Homes were selling for about $112 per square foot, a 13 percent increase over the previous year.

Rental rates also were on the rise in Grand Rapids, according to Trulia's report. The median rental rate was $1,200, up 20 percent from one year ago but down from its summer peak of $1,300.

According to the most recent figures from the Grand Rapids Association of Realtors (GRAR), the average price of a pending home sale in greater Grand Rapids was $197,162, a 13.5 percent increase over October, 2015.

Housing inventory continued to drop to record lows as eager buyers continued to enter the market. The local housing market had only 1.6 months of inventory available this year, down from 2.5 months in 2015, according to GRAR.

Meanwhile, the Harris poll indicated millennials and first-time homebuyers are more discouraged about their prospects for buying a home than they were one year earlier.

THE RIGHT PLACE
Advancing the West Michigan Economy

December 14, 2016

NxGen MDx to invest $2.8 million, creating 37 new high-tech jobs

GRAND RAPIDS – The Right Place, Inc., along with its local and state partners in the City of Grand Rapids, has announced the approval of a Michigan Strategic Fund (MSF) incentive that will bring 37 new high-tech, life science jobs and $2.8 million in new investment to Grand Rapids, Michigan over the next three years.

Grand Rapids-based NxGen MDx plans to expand at its current location, 801 Broadway Ave NW Suite 203, Grand Rapids, MI 49504. The new expansion will increase the laboratory's testing capacity and respond to increased customer demand expected to reach 300 percent over last year.

"We chose to launch NxGen in Grand Rapids back in 2014 within its prestigious medical corridor to offer our patients the very best and brightest of the genetics field," said Kristin Sherman, Chief Financial Officer, NxGen MDx. "The expert support provided by The Right Place, combined with the collaborative resources of Grand Rapids' Medical Mile, made the decision easy on where the next chapter of our growth would take place."

NxGen MDx is a Women's Healthcare organization that offers genetic screening so patients can plan their reproductive journey. NxGen offers a variety of genetic screens for inherited diseases such as Cystic Fibrosis, Spinal Muscular Atrophy, and Fragile X Syndrome. NxGen also provides best in class genetics counselors and customer service to ensure patients can easily understand their results. For more information on genetic screening and what Genetic screens NxGen offers visit www.nxgenmdx.com.

"Grand Rapids' life sciences cluster continues to see significant growth, and NxGen is yet the latest example of that growth," said Eric Icard, Senior Business Development Manager, The Right Place, Inc. and project lead on the expansion. "Companies like NxGen are not only great for our community in terms of new jobs, but they also raise national awareness of West Michigan within the industry."

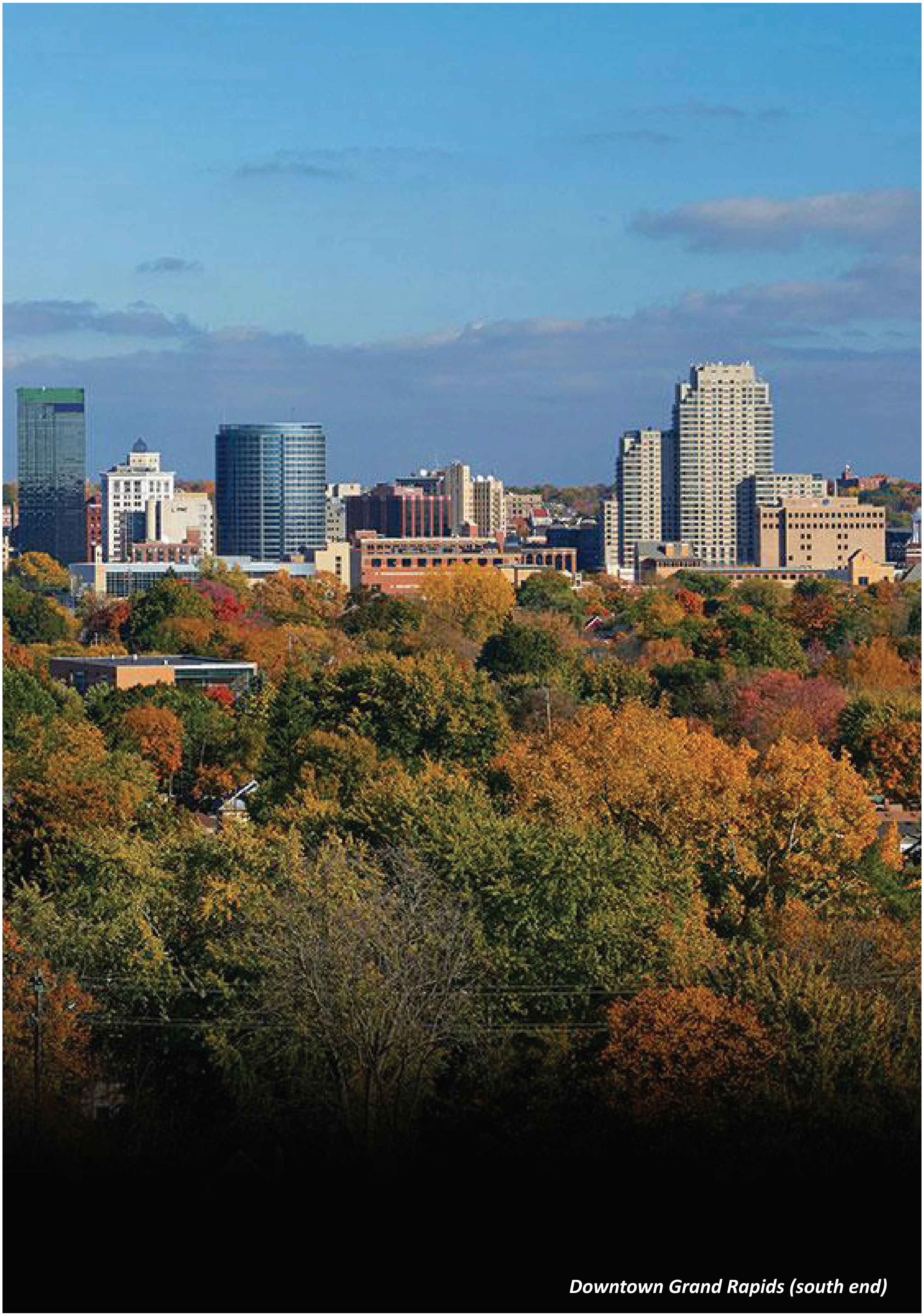
The business development team at The Right Place worked to ensure NxGen's expansion occurred in West Michigan over a competing location in Florida. By assembling a cross-functional team of state and local resources, the team was able to work with the MEDC and City of Grand Rapids to build an aggressive business retention/expansion incentive package.

The City of Grand Rapids is supportive of NxGen's decision to expand in the city, bringing 37 new high-tech jobs to the community. The city is considering the approval of a local PA 328 Property Tax Abatement to provide support for NxGen's capital investment.

"This project is exciting growth for a graduate of the Grand Rapids SmartZone life science incubator. NxGen MDx began as a tenant, graduated from our incubator in 2014 and has been experiencing growth since making their location decision within the City of Grand Rapids," said Kara Wood, City of Grand Rapids, Managing Director of Economic Development Services. "The City looks forward to the continued success of this company, as they provide good paying jobs for local talent and support the growth of Grand Rapids' life science industry cluster."

With over $2 billion of investments along Grand Rapids' Medical Mile and life sciences corridor, West Michigan has reached a critical mass that has made the region a destination for breakthrough healthcare, research, and medical device development and manufacturing. The industry now employs over 57,000 in the 13-county region with average earnings of nearly $65,000 per year.

West Michigan's life sciences industry has experienced 25.9 percent employment growth over the past 10 years, compared to the national average of 15.7 percent.


Downtown Grand Rapids (south end)

December 21, 2016

The Right Place assists two manufacturers expanding in West Michigan

CUSTOM PROFILE, INC. AND GABRIEL TO INVEST $3.78 MILLION, CREATE 110 NEW JOBS

Regional economic development organization The Right Place, in collaboration with its state, regional, and local partners announced the expansion of two companies in the Grand Rapids area. The two projects are expected to bring a total of 110 new jobs and $3.78 million in new capital investment to the region.

CUSTOM PROFILE, INC. (54 NEW JOBS, $2.28 MILLION IN NEW INVESTMENT)

Walker-based Custom Profile, Inc. recently acquired a plastic extrusion and finishing company in Wisconsin and will be moving operations to its current location at 2535 Waldorf Ct. NW, Grand, Rapids, MI 49544. With assistance from The Right Place, the company is expected to add 54 new jobs and invest $2.28 million to support the relocation and expansion over the next three years. The project is being supported by a $216,000 performance-based grant from the Michigan Economic Development Corporation.

“After the acquisition of the company, Custom Profile had several options on the future location of the business,” said Jen Wangler, Business Development Manager, The Right Place, Inc., and service lead on the project. “Custom Profile could have kept the operations in Wisconsin or moved them elsewhere. Instead, working together, we were able to bring the operations here to West Michigan.”

Founded in 1992, Custom Profile specializes in extruded plastic projects for the appliance, office furniture, automotive, energy, point-of-purchase, and marine industries. The company provides design support and in-house tooling development as well, with over 180 local employees.

“We are grateful for the support of The Right Place during this new phase of growth,” said Jim Gorant, CFO, Custom Profile, Inc. “With all the operational complexities involved with an acquisition like this, it is extremely helpful to have an organization like The Right Place supporting us locally and ensuring we were able to move these jobs here to Walker.”

This investment and expansion is the latest growth announcement for Custom Profile after several successful years since its acquisition by Blackford Capital, a national private equity firm headquartered in Grand Rapids, Michigan. Custom Profile was Blackford’s seventh portfolio company, and its first in Michigan using the firm’s Michigan Equity Investment Fund. This fund aims to generate meaningful equity returns for investors within the state of Michigan, and to support the local economy by protecting and creating jobs locally.

“Since our acquisition of Custom Profile, the ownership team has met all expectations; from building a positive equity value and job creation, to creating a great workplace for our employees,” said Martin Stein, Founder and

Managing Partner, Blackford Capital, Inc. “We are proud of Custom Profile’s contribution to the community and of everything they have accomplished.”

“The City of Walker is proud to be home to Custom Profile and pleased to see their continued growth in Walker,” said Mayor Mark Huizenga, City of Walker. “Walker is committed to being a business friendly-community, we have no greater testimony than our businesses that continue to grow and thrive in the City. The city is grateful to The Right Place as we partner; enhancing the economic growth of our city and region.”

GABRIEL (56 NEW JOBS, $1.5M IN NEW INVESTMENT)

After nearly a year of assistance and support, The Right Place is pleased to announce that Denmark-based Gabriel will open its first North American sales and manufacturing operation in the City of Grand Rapids. The company plans to open a 30,000 sq. ft. facility on the city’s west side at 560 5th St. NW, Grand Rapids, Michigan. The location will bring 56 new jobs to the city with a capital investment of $1.5 million.

Founded in 1851 in Denmark, Gabriel develops, manufactures, and sells upholstery fabrics, components, upholstered services and related products and services for use in fields of application where product features, design and logistics must meet invariable requirements, and where quality and environmental management must be documented

“Over the past year, The Right Place has been a valuable resource in establishing our first location in North America,” said Mr. Lars Malte Hansen, Director of Business Development, Gabriel. “The organization was able to directly assist us with a variety of business needs, as well as connect us with several additional services in the area.”

The initial connection to the company came from Right Place investor, Express Employment Professionals. Gabriel reached out to that firm for human resources support, and Express Employment quickly realized that the company could benefit from the services of The Right Place.

“We were thrilled to welcome Gabriel Group to West Michigan in 2015 and assist with their talent acquisition plans,” said Janis Petrini, Owner of Express Employment Professionals of Grand Rapids. “We were able to help them understand the current labor market in Grand Rapids and the unique strengths our region has to offer. We continue to work closely with Gabriel Group to attract talent and support their growth goals with help from The Right Place."

The Right Place played a key role in serving at the company’s “front door” to West Michigan, in addition to working on the business location deal itself. As this will be the company’s first location in North America, The Right Place provided a wide variety of business services, including connecting the company to partners at: West Michigan Works!, Grand Rapids Community College, Kendall College of Art and Design, and various financial institutions, legal advisors, schools, housing, and others.

“Too often, communities pay too much attention to the business deal itself, not acknowledging the fact that this business will now be operating in a foreign country with little on the ground support,” said Eric Icard, Senior Business Development Manager, The Right Place, Inc., and lead for the attraction project. “That’s where we excel. In addition to the location project, we help the company and its employees connect in the community, learning options for living, attending school, and the list goes on.”

With this latest economic development project, The Right Place, working with its local and state partners, has generated $247 million in capital investment and assisted in the creation of 782 jobs in West Michigan in 2016.

Sports commission expects to bring 80 events in 2017

Organization to host State Games of America, with estimated economic impact of $5.6 million.

By Jesse O'Brien

(As seen on WZZM TV 13) With 2017 rapidly approaching, West Michigan Sports Commission president Mike Guswiler made a confident claim: "It's going to be a good year."

The WMSC celebrates its 10th year of operations in the coming year, and in that time, the commission estimates a cumulative economic impact of about $240 million in direct visitor spending. But this coming year, in which the WMSC has secured several national and world events coming to the region for the first time, might be the biggest yet for sports in the region.

"Starting out, we had 20 events on our calendar, and now, we're averaging between 70 and 80 each year," Guswiler said. "And that's what we expect to see next year, about 80 different events from January to December."

Among some of the new events coming to Grand Rapids are the USA Cycling Fat Bike Nationals on Jan. 27, the International Softball Congress Men's World Tournament and Professional Disc Golf Association Masters World Championships in August and the WMSC's marquee event, the 2017 State Games of America, held the first weekend in August.

The WMSC's Meijer State Games of Michigan, which are modeled after the Olympics, have been the organization's signature event since its inception in 2010. That event's continued growth led to the WMSC's successful bid for the State Games of America, marking the first time the biennial event has come to Michigan. The 2017 games are expected to bring more than 12,000 athletes and their families to Grand Rapids and have an economic impact of about $5.6 million in the area. The three-day event will feature more than 45 sports at various venues across the region, including DeVos Place Convention Center, East Kentwood High School and WMSC's own Art Van Sports Complex.

Guswiler said the West Michigan Sports Commission has a budget of more than $1 million for the event, twice the budget of what WMSC typically has on hand for its state games. But while the event will be bigger and more expensive, the model largely will reflect the one in place for the Meijer State Games.
"We're not really changing or recreating the wheel," Guswiler said. "We're using the model that's been very successful in the past and established the growth that we've seen. The framework's already there, the number of volunteer committees and those that are involved are prepared and ready for it, and I think that just puts us on the national stage."

The Meijer State Games of Michigan will run concurrently with the national games, where the opening ceremony will be held at Van Andel Arena on Aug. 4.

In addition to the approximately 80 events the WMSC expects to host in the region this coming year, Guswiler is excited about the potential for more infrastructure projects in the same vein as the Art Van Sports Complex, which was completed in 2014.

In its second year, the sports complex hosted 17 baseball and softball tournaments, as well as a football and cyclocross event, bringing an estimated $4 million in visitor spending and filling nearly 8,000 hotel room nights. A recent report spearheaded by Grand Action touched on the prospect of bringing stadiums to Grand Rapids, specifically citing the possibility of a United Soccer League team. According to the report, a professional soccer stadium that would include the necessary infrastructure to house a USL team would cost about $40 million. Grand Action recommended a soccer-specific stadium analysis to be conducted in determining the feasibility of such a project.

Guswiler was excited to see the Grand Action report also touched on several other potential projects, which could expand and strengthen the amateur sports offerings in Grand Rapids.

“What that report did is certainly it identified what will take us to the next level and brought it to the conversation in Grand Rapids,” Guswiler said. “And that continues a conversation that, for us, really began when we built the Art Van Sports Complex.”

Grand Action also recommended “aggressive” support for the GR Forward river restoration plan, which could “open new doors” for the river as a recreational destination, Guswiler said. In fact, the WMSC already has held discussions about the need for an all-paddle sports building which would offer access to the river and help bring rowing events — like the 2014 USRowing Masters National Championships, which were held in Grand Rapids — to the region.

In 10 years of operating, Guswiler already has checked a number of events off his “bucket list” by bringing them to Grand Rapids, and he’ll check off a few more in 2017. But there’s still one dream event he hopes to one day tackle, and although previous bids with the governing body have been unsuccessful, Grand Rapids has received favorable reviews.

“The one I get asked about the most is the NCAA Division 1 March Madness tournaments,” Guswiler said. “We’ve bid on it three times, once or twice with Western Michigan and another with (Michigan State) we got a visit and they commented the same way other tournaments have seen Grand Rapids — they see the strong community support we get and a great downtown, hotels and restaurants.

“We’re a family-friendly, clean destination, and those are the things sports tournament directors want to see when they select a site.”

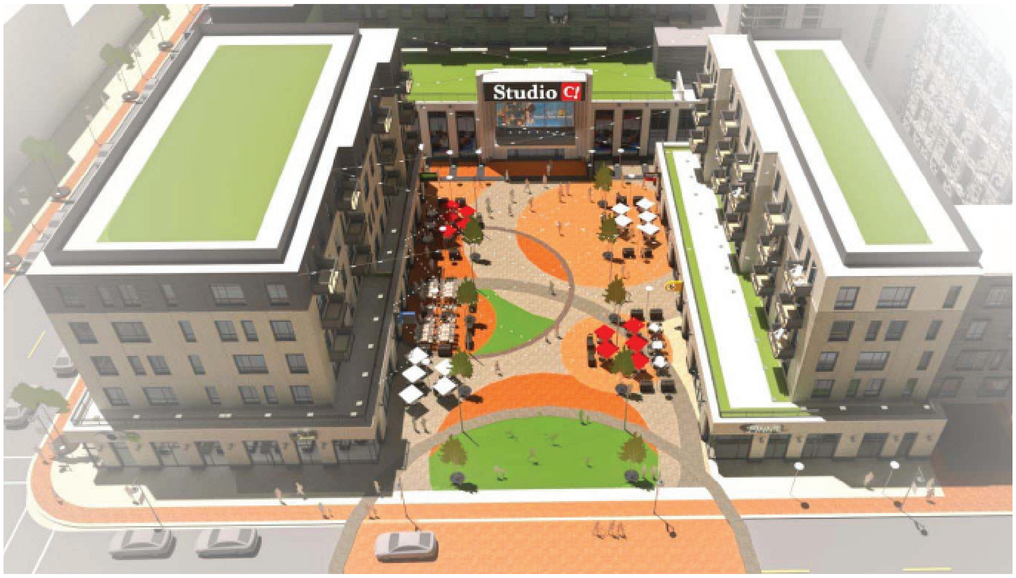
The Most Anticipated Projects of 2017

By Jeff Hill | grjeff@gmail.com

Studio C

Lights, camera, action! Phase 1 of the $100 Million Celebration! Cinema theatre, retail, hotel, plaza and housing complex behind the Van Andel Arena. You know that movie theatre downtown that people have been wanting for years? It's happening! More news coming on this in the early part of 2017, including a planned groundbreaking date.

Oh, and it will include a 900 car parking ramp, for all those wondering "Where will everyone park?"

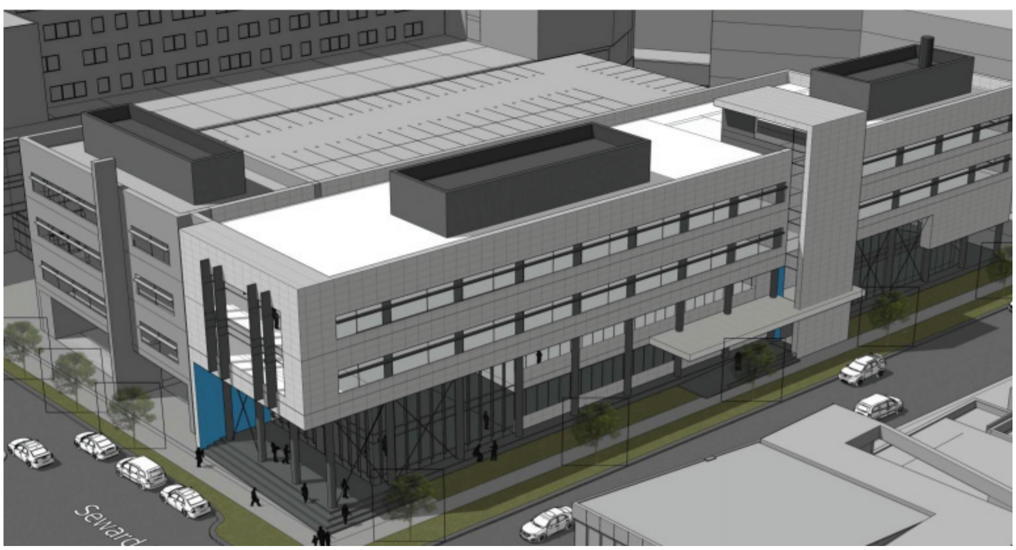


Bridge and Stocking Development on the West Side – aka the "Meijer Development"

Just down the street from the New Holland Brewery Knickerbocker, this Rockford Construction project will consist of office use, the new HQ for WMCAT, market rate and workforce housing, and a proposed Meijer store: downtown's first large scale grocery store. You know that grocery store downtown that everyone's been begging for for years? Its finally happening!

Proposed Meijer store with residential above. First phase kicking off in 2017.

The new proposed West Michigan Center for Arts and Technology (WMCAT)



Opening of the MSU Grand Rapids Research Center

2 ½ years in the making, the $88 Million new Michigan State University College of Human Medicine Grand Rapids Research Center (MSUCHMGRRC for short?) will open on Michigan Street with 26 biotech research teams and over 200 students and faculty, adding to the existing 500+ students and faculty just up the hill at the MSU CHM Secchia Center. Go GREEN!

Grand Valley State University Health Sciences expansion

The first health sciences facility to leapfrog I-196 from Michigan Street, the new $37.5 Million Raleigh J Finkelstein Hall will expand GVSU's downtown health sciences program to the Belknap Lookout neighborhood. GVSU has been over-capacity for the last 4 years in the Cook Devos Center with over 5000 students enrolled in health related courses. We understand that it won't be long before they announce another expansion right next to Cook Devos Center. Go LAKERS!

Switch Communications – Data Center 1st phase opening

The $400 Million first phase of the new Switch data center, which involved converting the existing Steelcase Pyramid into Switch's new Michigan SuperNap data center, is reportedly on schedule and slated to open any day. It's also reportedly near capacity with client servers already, including housing the State of Michigan's servers. Switch plans to add on additional data center buildings to the campus, bringing the total to nearly 2 Million square feet over the next 10 years.

No word yet as to whether it will shoot laser beams into outer space.

Warner Tower at Lyon and Ottawa

What do you get when you mix a law firm, a bank, retail space, over 100 apartments, and put it on top of a cold dreary parking lot in the middle of downtown? Vibrancy, that's what you get.

Hinman's 42 story hotel and residential tower at Fulton and Ionia.

Bring it.

Opening of Live Nation/House of Blues/20 Monroe Live

Looking to fill that niche of national acts that are too small for Van Andel Arena and too big for the Intersection, Greg Gilmore's decades long dream comes to fruition and opens in February.

HOB-Knob at the BOB anyone?

New combination Embassy Suites – Hilton Garden Inn – AKA the Monroe North Hotel.

One more vacant lot in Monroe North, vanquished. News on this in the first part of 2017, our sources say.

Lyon Square and riverfront makeovers

When the Federal Government hands you lemons and says your floodwalls along the Grand River aren't high enough, the city decided to turn that news into lemonade… and add stunning parks, trails and new river activities.

Founders Brewing Company expansion

What started off as a move to an abandoned truck depot nearly 10 years ago, Founders is putting the finishing touches on their huge expansion that fills the entire block between Grandville Avenue, Bartlett, Finney and Williams Street. Along with a recent addition of a facility across US-131 on Hynes Avenue, Founders will have the capacity to brew 1.2 Million barrels of beer a year, making Founders one of the fastest growing craft brewers in the U.S. and one of the fastest growing companies in West Michigan.

Breweries, breweries and more brewery-type developments

Speaking of beer, according to our high level classified sources in the brewing community, you can expect to see these opening soon or announcing soon:

City Built, 820 Monroe Ave NW – opening in January/February
7 Monks, 740 Michigan – opening early 2017
The Peoples Cider Co, 539 Leonard (new taproom) – early 2017
Red Belly, E Paris, Kentwood – opening early 2017
Speciation Artisan Ales, 3720 West River Drive, Comstock Park 9 – opening Jan/Feb 2017
Thornapple Brewing Company, 6262 28th St – opening early 2017
East West Brewing Co., 1400 Lake Drive – open now
Two Guys Brewing, 2356 Porter, Wyoming – Spring/Summer 2017
Jolly Pumpkin, West Side – to be announced
Brass Ring Brewing Co, Alger Heights – September 2017
High Five Co-op Brewery, – to be announced

Some people say we might be reaching a saturation point for craft breweries. We say the same about mattress stores. Let's see who wins!

(We'll have more details about many of these as the year progresses)

Apartments, apartments and more apartments

In the quest to reach that magic 10,000 residents downtown, the tipping point to support a vibrant retail scene according to city planners, look for these to be popping up and opening later this year.

Great places to crash after checking out the many new breweries.

That would keep most Grand Rapidians satisfied for a while, but we hear there may be other news to bring you this year, including another new hotel and conference center downtown, exciting changes coming to Calder Plaza, and big changes coming to Woodland Mall.

Stay tuned and Happy New Year!

THE RIGHT PLACE
Advancing the West Michigan Economy

January 11, 2017

NVINT Services LLC to invest $364,000, creating 26 high-tech jobs in West Michigan

GRAND RAPIDS - Today, The Right Place, Inc., in collaboration with The Michigan Economic Development Corporation (MEDC), announced that West Michigan-based NVINT Services LLC will be expanding, adding at least 26 jobs and investing $364,000 to support the expansion.

The MEDC is supporting the expansion with the approval of a $175,000 Michigan Business Development Program performance-based grant. The grant incentive package is intended to help offset the costs related to the expansion and recruiting, attracting, and training high-skilled and high-demand computer engineers and programmers.

NVINT is a global technology company providing customized infrastructure solutions, managed information technology services, cloud solutions and enterprise hardware for businesses. The company blends physical and virtual strategies into information technology solutions which help businesses lower their total cost of ownership, reduce risk and streamline their operations.

“NVINT is on an aggressive growth trajectory, and we need to be able to scale the company quickly to keep up with demand,” said Chris Vinton, president, NVINT. “With guidance from The Right Place, and support from the MEDC, we’ll be able to meet that demand and continue growing in West Michigan.”

Location plans for the company’s expansion have not yet been finalized.

The Right Place played a key role in removing barriers and ensuring NVINT remained on a fast track for growth. Jennifer Wangler, Business Development Manager at The Right Place led the expansion project assisting NVINT throughout the process.

“Today’s announcement of NVINT’s expansion is the latest in a series of technology expansions in West Michigan over the past several years,” said Jen Wangler, business development manager, The Right Place, Inc., and project lead for the expansion. “West Michigan is continuing to outpace the nation in technology job growth.”

West Michigan’s IT Sector

Job growth within West Michigan’s high-tech sector continues to outpace the national average by double-digit percentage points, 20 percent in West Michigan compared to the national average of 11.6 percent since 2009. Today, over 14,000 in the region work in a high-tech field.

The region’s overall industry growth is also outpacing the national average, with 13.8 percent overall industry growth compared to the national average of 9.4 percent. Over 730 high-tech companies in the 13-county region call West Michigan home.

NVINT is currently looking to fill several open positions and is actively hiring. Interested applicants are encouraged to apply via email by submitting resumes to: careers@nvint.com. “The Right Place is the only organization in West Michigan dedicated to assisting companies like NVINT with new job creation and expansion,” said Brian Walker, chief executive officer of Herman Miller, Inc. and chair of The Right Place, Inc. “It’s critical that we work together to support their efforts, so we can continue to build a thriving and competitive regional economy.”

Experience GRAND RAPIDS

January 12, 2017

GFIA Breaks Passenger Record

Gerald R. Ford International Airport Sets Passenger Record for Fourth Straight Year

By Tara Hernandez

Grand Rapids, Mich – The Gerald R. Ford International (GFIA) Airport has set a new all-time passenger record for 2016, marking the fourth straight year that the Airport has seen record-setting growth.

In 2016, 2,653,630 passengers flew in and out of GFIA, an increase of 4.06% from 2015. December growth helped cap the record-setting year with an increase of 6.53% year-over-year. December 2015 saw 202,769 total passengers, but 2016 surpassed that with 216,017 enplaned and deplaned passengers. Passenger growth was recorded in 9 of the 12 months of 2016 at GFIA.

The growth over the last few years started in 2013 with a passenger record of 2,237,979. In 2014, that number jumped to 2,335,105. In 2015, GFIA broke its own record once again with a passenger total record of 2,550,193 – a 9.21% year-over-year increase. Over the past four years, the Airport has recorded its strongest growth in its 53-year history, serving over 9.7 million passengers over the four-year time period.

“This is a testament to the growing West Michigan community, and the investment our airline partners have made at the Gerald R. Ford International Airport,” said GFIA President & CEO Jim Gill.

“This growth further justifies the need for our Gateway Transformation Project to accommodate the increasing passenger demand, and the need our airlines have in gate space, amenities, and customer service offerings.”

July 2016 was the single busiest month in Airport history with 238,237 total passengers traveling through GFIA resulting in the busiest July ever, and breaking an all-time monthly record from July 2015.

The Gateway Transformation Project began in December 2015 and is slated to continue through summer 2017. The project’s main feature is the consolidated passenger security checkpoint which will centralize and combine security screening to one main checkpoint in the Airport, eliminating separate screening for passengers traveling through either Concourse A or B. Construction also includes new terrazzo flooring, lighting fixtures, restroom & nursing rooms, family restrooms, pre and post security business centers, new retail and food & beverage space, and much more.

“As we continue to grow in traffic it is imperative that our facilities keep up with our passenger demand,” said Gill. “There is a reason our passengers keep coming back, and as they do we will continue to do our part to improve our amenities, technology, customer service and infrastructure. We are excited to see what the future holds, and we only expect more growth in the years to come.”

The Airport will be celebrating this historic passenger record with daily surprises and giveaways by ‘paying it forward’ to passengers through next week. GFIA Facebook (www.facebook.com/GeraldRFordInternationalAirport) and Twitter (@FlyGRFord) will have updates on these promotions.

GFIA monthly passenger statistics are available on our website: http://www.grr.org/History.php

MLIVE

January 13, 2017

Housing market begins 2017 on a 'hot' note

By Jim Harger | jharger@mlive.com

GRAND RAPIDS - The West Michigan housing market ended 2016 on a high note as the Grand Rapids Association of Realtors reported home prices rose an average of 8.1 percent.

The region's real estate market, ranked No. 4 in a recent survey of the nation's hottest housing markets by Trulia.com, saw 13,593 single family homes exchange hands last year, a 3.7 percent increase over 2015.

West Michigan is bringing back former residents who once moved away and attracting new residents who are drawn to the vibrant economy, said Adam Paarlberg, president of the Grand Rapids Association of Realtors.

"I think we're seeing continued popularity of suburban and rural communities, but we're also seeing renewed vitality in our urban neighborhoods as well as downtown," he said.

Meanwhile, local builders reported another strong year with 1,088 single family housing starts in Kent County and 933 housing starts in Ottawa County. While Kent County's housing starts equaled 2015 levels, Ottawa County's showed a 7.7 percent increase.

Apartment construction also showed strong growth in Kent County, where builders began work on 2,016 rental units, a 62.5 percent increase over 2015. In Ottawa County, 652 new apartments were started compared to 398 units in 2015.

Most of the apartments - 1,288 units - were being built in the city Grand Rapids, followed by the city of Grandville, where Land & Co. is building a 400-unit complex called Grand Castle Apartments. Apartment construction showed the strongest growth as West Michigan builders took out building permits for projects that will results in a total of 1,969 rental units in Kent County.

In the market for existing homes, the average price on a pending sale has gone up 8.1 percent, from $177,000 to $191.833, according to GRAR's year-end statistics.

Meanwhile, the average home sold was on the market only 44 days in December, almost two weeks less than the figure for December, 2015. In December, a study by Trulia.com concluded Grand Rapids area was the fourth hottest real estate market in the U.S. thanks to its growing economy and affordable housing inventory.

Grand Rapids was the only Midwestern metropolitan area in the Top 10 list published by Trulia.com, which studies national housing and real estate trends. Five of the top 10 cities were in Florida, with Jacksonville, Fla. ranked No. 1.

"These markets exhibit strength in five key metrics: strong job growth over the past year, low vacancy rates, high affordability, more inbound home searches than outbound, and, because of the surprise election outcome, a large share of Republicans," the survey said.

Rental rates also were on the rise in Grand Rapids, according to Trulia's report. The median rental rate was $1,200, up 20 percent from one year ago but down from its summer peak of $1,300.

THE RIGHT PLACE
Advancing the West Michigan Economy

January 13, 2017

Grand Rapids real estate market makes top 10 for 2017

Grand Rapids, Michigan has been named one of the 10 hottest real estate markets in the nation by Trulia.com

Trulia compiles its list of the hottest markets to watch annually, and for 2017 Grand Rapids landed in the #4 spot. The top 10 is dominated by Florida communities and other southern cities, making Grand Rapids the only city north of the Mason Dixon line to land in the top ranks. **So why was Grand Rapids the only Midwest city in the top 10?**

According to Trulia, Grand Rapids was selected for its affordability, along with the fact that Grand Rapids is "booming." Job growth in the region has increased by 2.7% over the past year.

"Grand Rapids has had very steady economic growth, plus it's fairly diverse," explains Jordan Painter, an associate broker with RE/MAX Sunquest in Grand Rapids. "There are jobs in the medical industry, manufacturing, education. People from all backgrounds can find a job here."*

This ranking follows on the heels of several other accolades the Grand Rapids housing market received recently, including:

Forbes: Top 20 Real Estate Markets to Invest in Housing
US News: Top 20 Best Places to Live
Trulia: Top US Housing Markets, Grand Rapids, #1

If you're ready to move to affordable Grand Rapids, or find one of the many available jobs, check out Hello West Michigan's website and job portal for more resources.

January 23, 2017

Pollstar magazine lists Grand Rapids SMG-managed venues among the top for 2016

Grand Rapids - Concert industry magazine Pollstar's 2016 lists were recently released in their January 16th Year-End issue, and local SMG-managed buildings Van Andel Arena and DeVos Performance Hall have found a place among the top venues in the world.

Van Andel Arena celebrated its 20th anniversary in 2016, and it shaped up to be a year-long celebration with some of the biggest acts in the industry. With performances from the likes of Elton John, Garth Brooks, and Paul McCartney, among several others, the arena sold enough tickets to come in at #35 among arena venues of all sizes in the United States and #69 worldwide on Pollstar's list of Top 200 Arena Venues in 2016.

On Pollstar's list of Top 200 Theatre Venues, DeVos Performance Hall ranked at #20 in the United States and #29 worldwide for theatre venues of all sizes. Both lists tracked reported ticket sales between January 1, 2016 and December 31, 2016.

"It is incredibly gratifying to see that the support we have from the community here and the Grand Rapids-Kent County Convention/Arena Authority (CAA) isn't going unnoticed," said SMG Regional General Manager Richard MacKeigan. "Without their loyalty and patronage, it would be very difficult to be successful, and we felt like we received plenty of both for DeVos Performance Hall and the 20th anniversary of Van Andel Arena. We are very excited that these rankings reflect that as well."

Prior to Pollstar's year-end lists, Van Andel Arena and DeVos Performance had already been recognized by other trade magazines as well. Venues Today showed the arena as #4 in North America and #11 worldwide on their Top Stops list for venues with a capacity between 10,001 and 15,000, and the arena also appeared at #5 among venues of the same capacity range on the magazine's Social Media Power Poll which ranks venues by their social media presence. DeVos Performance Hall came in at #16 worldwide on Venues Today's list of Top Stops for venues with a capacity between 2,001 and 5,000.

Van Andel Arena also came in at #3 on Billboard's Boxscore rankings for venues in North America with a capacity between 10,001 and 15,000. The arena was #8 worldwide in the Boxscore rankings.

About SMG

SMG has managed DeVos Place since 1994 and Van Andel Arena since 1996. Founded in 1977, SMG provides management services to more than 240 public assembly facilities including convention and exhibition centers, arenas, stadiums, theatres, performing arts centers, equestrian facilities, science centers and a variety of other venues. With facilities across the globe, SMG manages more than 14.4 million square feet of exhibition space and over 1.75 million sports and entertainment seats. As the recognized global industry leader, SMG provides venue management, sales, marketing, event booking and programming, construction and design consulting, and pre-opening services for such landmark facilities as McCormick Place & Soldier Field in Chicago, Moscone Convention Center in San Francisco, Houston's NRG Park and the Mercedes-Benz Superdome. SMG also offers food and beverage operations through its concessions, catering and special events division, SAVOR, currently servicing more than 130 accounts worldwide. For more information, visit smgworld.com.

THE RIGHT PLACE
Advancing the West Michigan Economy

February 8, 2017

Poultry Management Systems Inc to invest $2 million, creating 27 new high-tech jobs

GRAND RAPIDS - The Right Place, Inc., in collaboration with the Michigan Economic Development Corporation (MEDC), have announced that Saranac-based Poultry Management Systems Inc. (PMSI) will be expanding in Lowell, adding at least 27 high-tech jobs and investing more than $2 million to support the expansion.

The company currently employs 19 full-time professionals.

As a result, the company's 15,000 sq. ft. planned facility will stay in Michigan, located at 890 OE Bieri Industrial Drive, Lowell, Michigan, 49331. It will house new software development, light manufacturing and assembly of electronic components.

Increased demand for cage free eggs and changing industry standards for the production of cage free eggs has significantly increased demand for PMSI solutions. To keep up with continue product demand, and remain in West Michigan, The Right Place assembled a team of state and local resources to ensure PMSI's expansion occurred in West Michigan.

"We are definitely pleased that PMSI has chosen West Michigan for its next expansion," said Thad Rieder, Senior Business Development Manager, The Right Place, Inc., and project lead. "We competed against several alternative sites in other states, including North Carolina, Georgia, and Iowa. This is another critical win for the region."

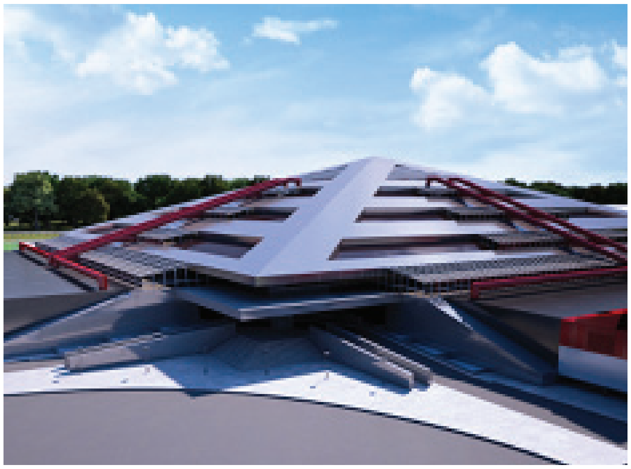
"This entire PMSI team is very excited at what this expansion will mean for the future of our company," said Doug Powell, President, Poultry Management Systems Inc. "Having the business support of organizations like The Right Place and the MEDC let us stay focused on our business and ensure we can continue growing PMSI in Michigan."

The MEDC is supporting the expansion with the approval of a $175,000 Michigan Business Development Program performance-based grant.

The Right Place is also assisting the company with an application to Vergennes Township for a PA 198 Industrial Tax Abatement through the township. PMSI has a long history of leading the market in new solutions for egg handling, environmental control and monitoring, HACCP monitoring and alerting, automated case labeling and custom motor control panels. The company's computerized data collection, reporting and control systems help advance agri-industries while providing its employees with an environment rich in innovation, challenge and purpose.

Switch opens data center campus

By Pat Evans



A partial rendering of The Pyramid Campus. ***Courtesy Switch***

The first phase of the Switch data center campus is now open.

The renovation of the former Steelcase Pyramid in Gaines Township, at 6100 E. Paris Ave. SE., is now complete, and more than 225,000 square feet of data center space is now operational, according to Las Vegas-based Switch.

The multi-tenant data center includes more than 260 patent and patent-pending claims in data center design by Switch CEO Rob Roy.

"Rob Roy's vision has turned one of the most iconic buildings in the country into the foundation of what we believe will be the most advanced technology ecosystem campus in the eastern U.S.," Switch EVP for Strategy Adam Kramer said.

"Since the announcement of Switch's expansion into Michigan, the state has been attracting the tech world's attention, defining the region and the state as an epicenter for technology that runs the internet of absolutely everything."

Construction on the accelerated timeline was completed by the Grand Rapids office of The Christman Company, based in Lansing, and more than 99 percent of the 700 workers on site are from Michigan, according to Switch.

The Switch campus is designed to feature up to 1.8 million square feet of data center space, servicing some of Switch's key markets, such as Chicago, Washington, D.C., Toronto and Ashburn, New York.

The campus is powered by 100 percent green energy.

The next phase of development on the site is underway, according to Switch. Permitting has started for the first data center facility to be built around the pyramid, a 471,248-square-foot building.

Switch expects continuous expansion at the site for 10 years.

With the Switch expansion, more economic growth should follow, said Birgit Klohs, president and CEO of The Right Place.

"Switch's investment, local employment and community commitment have exceeded our expectations for what was possible when they first approached us about coming to West Michigan," Klohs said.

"From an economic development perspective, Switch has established a new industry in the state and our region, bringing new opportunities to existing businesses and attracting new interest from outside technology and related companies."

COUNTY

OF

KENT

MICHIGAN