2021
FINANCIAL OVERVIEW
Kent County, Michigan

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April 4, 2021

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

RE: 2021 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,

Wayman P. Britt
County Administrator/Controller

County Administration Building/Calder Plaza

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Board of Commissioners

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District 1

Tom Antor
District 2

Roger Morgan
District 3

Diane Jones
District 4

Mandy Bolter
Chair
District 5

Stan Stek
Vice-Chair
District 6

Stan Ponstein
District 7

Dan Burrill
District 8

Matt Kallman
District 9

Emily Brieve
District 10

Lindsey Thiel
District 11

Monica Sparks
District 12

Michelle McCloud
District 13

Carol Hennessy
District 14

Melissa LaGrand
District 15

David Bulkowski
District 16

Robert Womack
District 17

Stephen Wooden
District 18

Phil Skaggs
Minority Party Vice-Chair
District 19

Elected Officers

Lisa Posthumus Lyons
Clerk/Register of Deeds

Ken Yonker
Drain Commissioner

Chris Becker
Prosecuting Attorney

Peter MacGregor
Treasurer

Michelle LaJoye-Young
Sheriff

Executive Staff

Wayman Britt
Administrator/Controller

Jeff Dood
Fiscal Services Director

Marvin Van Nortwick
Deputy Fiscal Services Director

Linda Howell
Corporate Counsel

Professional Services

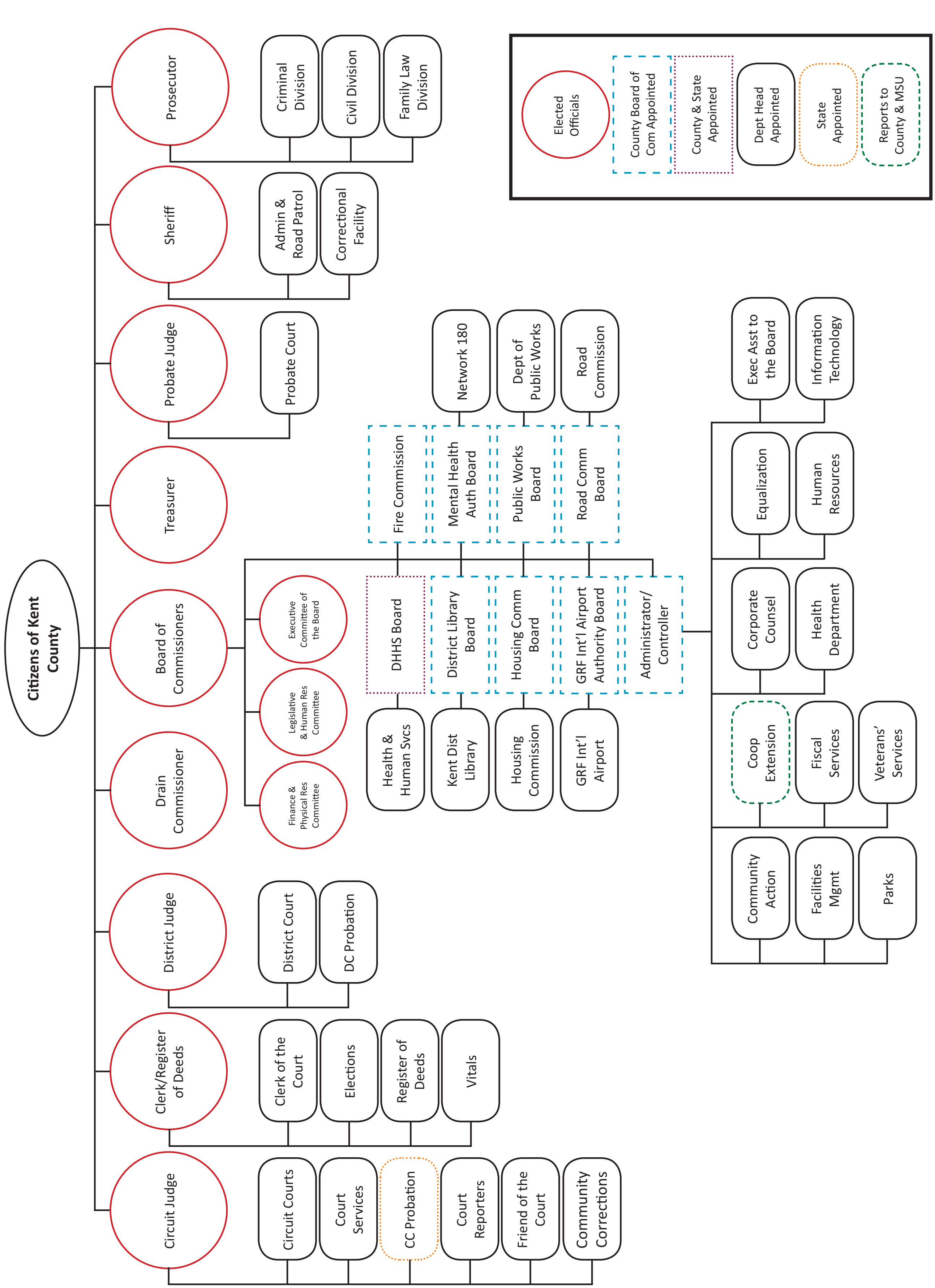
Auditor:

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 Grand Rapids-Kent County Convention/Arena Authority owns and operates the DeVos Place Convention Center and the Van Andel Arena. The Convention Center features a 162,000 sqft exhibit hall, 40,000 sqft ballroom and 26 individual meeting rooms. In addition, DeVos Place features a 2,543 seat performing theater, home to the Grand Rapids Symphony, Grand Rapids Ballet Company, Opera Grand Rapids and Broadway Grand Rapids. DeVos Place is part of a vibrant downtown entertainment district featuring over 50 dining establishments, nightclubs, museums and the 12,000 seat Van Andel Arena, all within walking distance.

Regional Government Coordination

The Grand Valley Metropolitan Council is a Council of Governments dedicated to the advancing the current and future well-being of our metropolitan area by bringing together public and private sectors to cooperatively advocate, plan for, and coordinate the provision of services and investments which have environmental, economic and social impact. It is understood that the well-being of the metropolitan community relies on good government and springs from a shared vision that encompasses many elements, including, but not limited to, the following: preparing now for the challenges of the future; planning for orderly growth and development; preserving and enhancing the natural, social, and physical environments; promoting economic vitality and employment opportunities; equitably sharing responsibility for community needs; recognizing the strengths and benefits of diversity; promoting quality lifelong educational opportunities; promoting quality cultural and recreational institutions and facilities; effectively utilizing and enhancing existing infrastructure; eliminating unnecessary duplication of services; and promoting a high quality of life now and for future generations.

Medical Services

The residents of the County are served by a number of hospitals. This is a great place to be a patient (if you must). That's because clinical care is a top priority in West Michigan, one of the nation's top-ranked medical centers of excellence. With three fast-growing major hospitals and hundreds of physicians in every specialty imaginable, employers and employees alike can count on accessible, high-quality patient care and wellness programs. The public and nonprofit hospitals in the County have approximately 2,200 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 research being conducted at the VARI has served as a growth pole, anchoring and propelling growth of a newly developing bioscience industry cluster. This has and 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.

Transportation Infrastructure

Air Travel

- 7 passenger airlines providing nonstop flights
    - Allegiant Airlines
    - American Airlines
    - Delta Air Lines
    - Frontier Airlines
    - Midwest Express
    - Southwest Airlines
    - United Airlines
- 140 daily scheduled nonstop flights to and from 30 major destinations
- Over 9,000 travelers pass through GRR each day
- 3.3M passengers traveled through GRR in 2018
- 79th busiest commercial airport in nation
- 2nd busiest commercial airport in Michigan
- 249,435 lbs of air cargo pass through GRR each day
- 91 million lbs of air cargo annually
- 1,800 people work at the airport (most employed by airlines)
- $3.1 billion annual economic activity generated by GRR

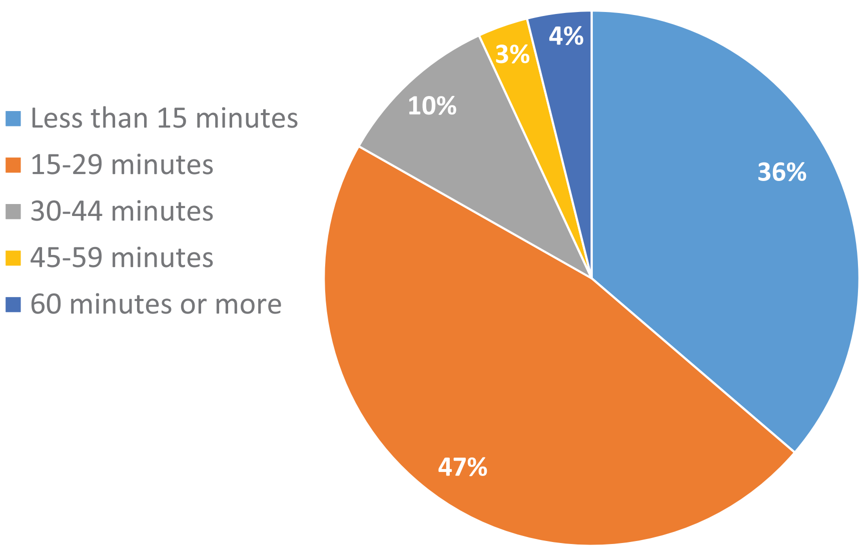
Data Source: The Right Place, Inc.

Major Destinations

Atlanta	Austin
Baltimore	Boston
Charlotte	Chicago
Dallas	Denver
Destin	Detroit
Ft. Lauderdale	Fort Myers
Jacksonville	Las Vegas
Los Angeles	Miami
Minneapolis	Nashville
New Orleans	Newark
Orlando	Philadelphia
Phoenix	Punta Gorda
Sarasota	Savannah
St. Petersburg	Tampa
Washington DC	

Data Source: grr.org/nonstop-routes.php

Travel Time To Work



Data Source: GEOSTAT

RAILROADS

Passenger: Amtrak

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

Data Source:
Economic Modeling Specialist Int'l (EMSI)

Population Statistics

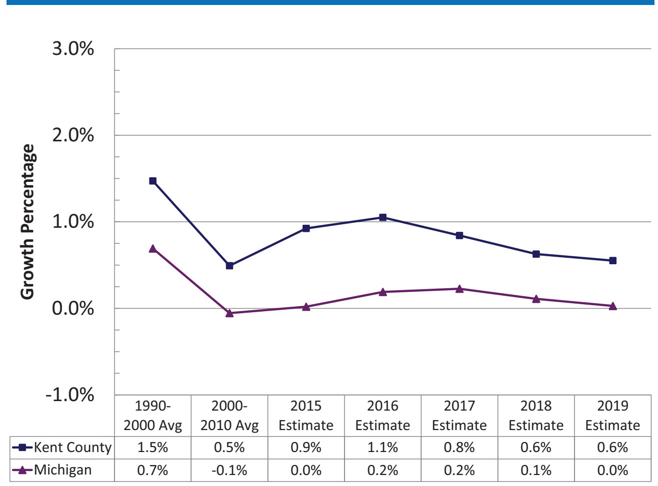
In terms of population, Kent County is the fourth largest county in the State of Michigan, and growing. According to the 2019 Census estimate, the County grew by 4.1% over the five years. The growth for the State of Michigan over the same period was 0.6%. The combination of diverse employment opportunities, cost of living, and a high quality of life has Kent County growing at a faster rate.

Per the 2019 U.S. Census, the County population was spread out with 6.6% under the age of 5, 13.3% from 5 to 14, 13.4% from 15 to 24, 15.9% from 25 to 34, 12.8% from 35 to 44, 11.6% from 45 to 54, 12.4% from 55 to 64, and 14.2% were 65 years of age or older. The median age was 35.5 years.

Year	Kent County	State of Michigan
1990 Census	500,631	9,295,287
2000 Census	574,335	9,938,444
2010 Census	602,622	9,883,640
2014 Estimate	631,334	9,913,065
2015 Estimate	637,164	9,931,715
2016 Estimate	643,858	9,950,571
2017 Estimate	649,278	9,973,114
2018 Estimate	653,350	9,984,072
2019 Estimate	656,955	9,986,857

Source: U.S. Census

Population Growth



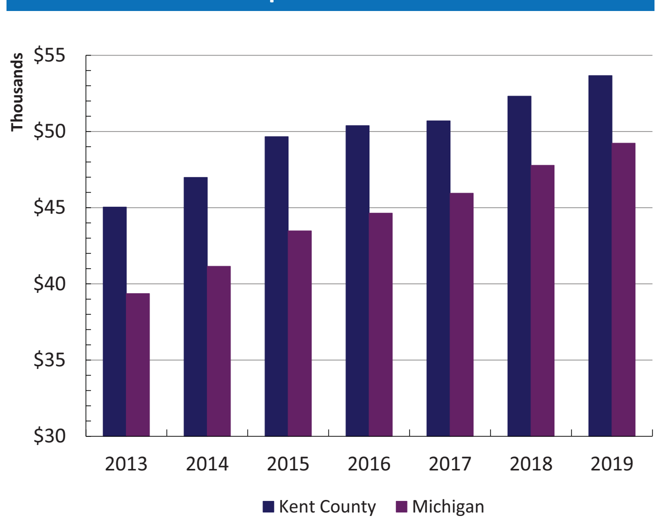
Per Capita Income Growth

Kent County's Per Capita Income grew 68.3% from 2000 to 2019 to $53,664. The growth for the State of Michigan over the same period was 61.9% to $49,228.

Year	Kent County	State of Michigan
2000	$ 31,888	$ 30,409
2013	45,039	39,364
2014	46,985	41,150
2015	49,660	43,477
2016	50,381	44,637
2017	50,689	45,948
2018	52,313	47,777
2019	53,664	49,228
Change 2000-19	68.3%	61.9%

Source: Bureau of Economic Analysis

Per Capita Income Trend

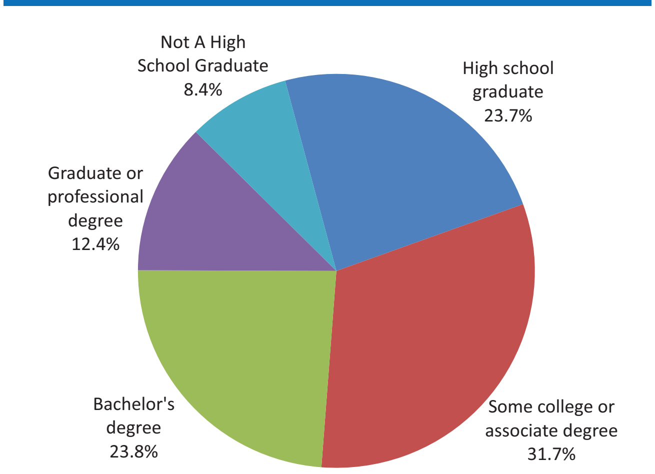


Education

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.

- 91.6% of people 25 years and over had at least graduated from high school.
- 36.3% of Kent County residents, 25 years and over, had a bachelor's degree or higher.
- Among people 25 years and over, 8.4% were not high school graduates.

Educational Attainment Persons 25 years & Over

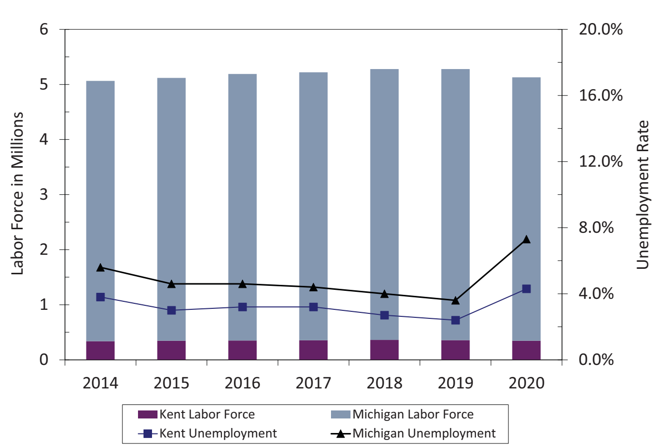


Source: U.S. Census Bureau, American Community Survey

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, education, health care, retail food/merchandise and leisure and hospitality. This diversified employment base adds to the strength of the local economy. The unemployment rate in Kent County has ranged from 2.1% in April 1998 to 21.3%, as a result of the pandemic, in April 2020. The preliminary unemployment rate as of December 2020, for Kent County, was 4.3% and is expected to contintue to improve as the economy recovers from the pandemic.

Unemployment 2014-2020



Source: Michigan Department of Energy, Labor & Economic Growth

ECONOMIC PROFILE

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 2016-2020. Examination of the statistics highlight the stable job market in West Michigan, the labor force is down 5.5% since 2016 due to the pandemic in 2020. Jobs in manufacturing; leisure & hospitality; education & health services; and government have seen the biggest decline, while mining, logging, & construction have continued to grow. Much of the decline in 2020 is expected to be temporary and will be begin to recover in 2021.

						2016-20 Change	
Industry	**2016**	**2017**	**2018**	**2019**	**2020**	**#**	**%**
Manufacturing	113,600	116,200	119,200	118,100	105,500	(8,100)	-7.1%
Trade, transportation, and utilities	97,900	97,800	98,300	98,700	95,100	(2,800)	-2.9%
Education and health services	89,900	93,900	94,400	94,200	90,200	300	0.3%
Professional and business services	79,500	79,400	77,200	72,600	71,300	(8,200)	-10.3%
Government	48,400	48,800	50,100	51,400	47,100	(1,300)	-2.7%
Leisure and hospitality	47,000	48,200	51,000	51,300	31,700	(15,300)	-32.6%
Financial activities	25,900	26,200	26,600	26,700	26,800	900	3.5%
Mining, Logging and Construction	22,200	23,400	25,200	24,700	27,100	4,900	22.1%
Other services	22,100	22,300	22,300	22,400	21,300	(800)	-3.6%
Information	5,800	6,200	6,400	6,500	6,000	200	3.4%
Total Nonfarm Employment	552,300	562,400	570,700	566,600	522,100	(30,200)	-5.5%

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	Supermarket Retail & Distribution	10,340
Mercy Health	General Medical and Surgical Hospitals	8,500
Gordon Food Service	Grocery and Related Products Merchant Wholesalers	5,000
Amway Corporation	Health, Beauty, Home Product Manufacturing	3,791
Steelcase Inc.	Office Furniture Manufacturing	3,500
Farmers Insurance Group	Direct Property and Casualty Insurance Carrier	3,500
Lacks Enterprises	Plastic Manufacturing for Automobile Industry	3,000
Grand Rapids Public Schools	Elementary and Secondary Schools	2,800
Hope Network	Healthcare	2,162
Metro Health Hospital	General Medical and Surgical Hospitals	2,100
Roskam Baking Company	Food Manufacturing	2,090
Fifth Third Bank	Commercial Banking	2,062
Spartan Nash	Supermarket Retail & Distribution	2,000
Challenge Manufacturing	Fabricated Metal Manufacturing	1,700
Wolverine Worldwide	Leather Manufacturing	1,500

Source: The Right Place Inc - Top Employers (2020)

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

	2016		2017		2018		2019		2020	
Millages	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**
County Operating	4.2803	-	4.2803	-	4.2803	-	4.2571	-	4.2243	-
Correction Facility *	-	0.7893	-	0.7859	-	0.7828	-	0.7777	-	0.7717
Senior Services *	-	0.5000	-	0.4978	-	0.4958	-	0.4926	-	0.4888
Veterans Services *	-	0.0500	-	0.0497	-	0.0495	-	0.0491	-	0.0487
Zoo & Museum *	-	0.4400	-	0.4381	-	0.4363	-	0.4335	-	0.4301
Ready by Five *	-	-	-	-	-	0.2500	-	0.2484	-	0.2464
Total Levy	**4.2803**	**1.7793**	**4.2803**	**1.7715**	**4.2803**	**2.0144**	**4.2571**	**2.0013**	**4.2243**	**1.9857**

** 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 2020 was 67.6715 mills (49.6715 mills on homestead property) per $1,000 of Taxable Value for the residents of the City of Wyoming in the Godfrey-Lee School District; the lowest tax rate was 38.8669 mills (20.8669 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

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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

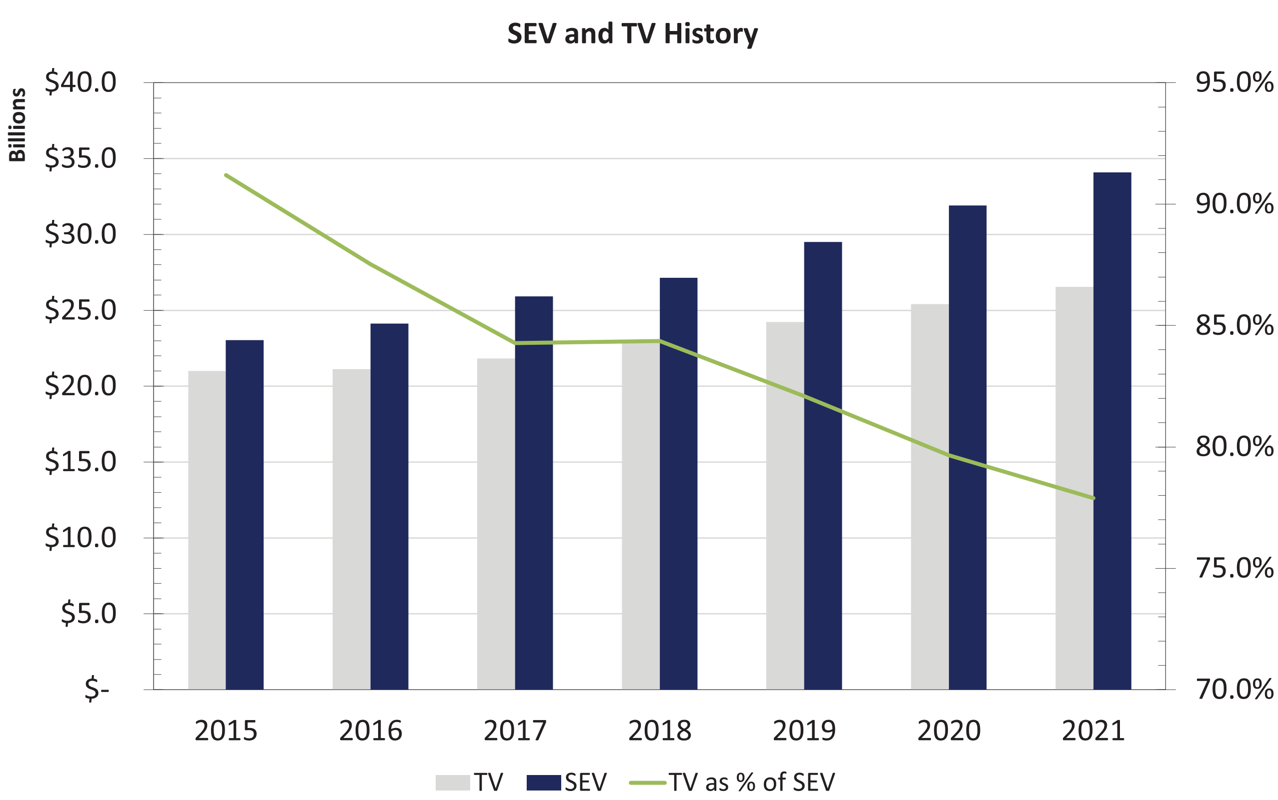
The County's total SEV has increased $8,872,612,766 or 38.52% between 2015 and 2020 and the Taxable Value has increased $4,409,138,161 or 20.99% between 2015 and 2020. Per capita 2020 SEV is $48,571 and the per capita 2020 TV is $38,689, both of which are based on the 2019 estimated Census population of 656,955.

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 2020 is estimated at $417.5 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
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	25,914,411,675	21,838,346,564	7.4%	3.4%
2018	27,131,963,621	22,889,416,524	4.7%	4.8%
2019	29,502,080,572	24,219,497,487	8.7%	5.8%
2020	31,909,061,889	25,416,817,753	8.2%	4.9%
2021*	34,093,610,850	26,557,114,520	6.8%	4.5%

** Pending State Equalization.*



TAXATION

Current Equalized Taxable Valuation Components

By Use:		By Class:		By Municipality:	
Residential	67.0%	Real Property	93.5%	Cities	51.1%
Commercial	24.0%	Personal Property	6.5%	Townships	48.9%
Industrial	5.9%				
Utility	2.1%				
Agricultural	0.9%				
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, 2020, the Taxable Value of property qualified for the benefits of the Zone program totaled $63.8 million.

Largest Businesses Based On Tax Roll Valuation

Top County Taxpayers	Parcels	Taxable Value
Consumers Energy	577	384,352,866
Amway Corp/Alticor	52	150,897,789
DTE Energy	88	141,499,909
Meijer / Goodwill	64	124,643,237
PR Woodland	10	79,071,815
TEG	19	60,720,804
Holland Home	28	51,598,400
Steelcase, Inc.	21	49,369,749
Rivertown Crossings	4	49,191,900
Comcast	69	33,585,493
Centerpoint Owner LLC	6	32,163,706
York Creek Apartments	13	30,479,857
Total Top Taxpayers	**951**	**1,187,575,525**
Total County		25,416,817,753
Top Taxpayers/County		4.67%

Source: County of Kent - 2020 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, 2021	
2014	113,079,325	106,850,820	94.49%	113,078,060	100.00%
2015	117,005,336	109,543,141	93.62%	117,003,153	100.00%
2016	127,153,181	118,842,367	93.46%	127,147,429	100.00%
2017	131,664,667	123,510,169	93.81%	131,644,679	99.98%
2018	143,744,229	134,267,071	93.41%	143,660,436	99.94%
2019	150,915,274	140,644,952	93.19%	150,515,101	99.73%
2020	156,505,188	145,555,517	93.00%	145,555,517	93.00%

(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.

TAXATION

State Revenue Sharing

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.

Michigan State Capitol

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	**2017**	**2018**	**2019**	**2020** (1)	**2021** (2)
State Revenue Sharing (3)	$ 12,202,620	$ 12,306,846	$ 12,419,280	$ 9,649,403	$ 9,039,185
Local Community Stabilization Share	3,734,847	1,633,749	3,167,879	3,246,923	2,950,705
Court Equity Funding	2,880,749	3,083,430	2,895,442	2,568,734	3,000,000
Liquor Tax	3,300,055	3,378,810	3,461,891	3,494,675	3,706,876
Grants and Other	1,448,877	1,464,698	1,469,703	1,446,791	1,504,500
Total	**$ 23,567,148**	**$ 21,867,534**	**$ 23,414,195**	**$ 20,406,526**	**$ 20,201,266**

(1) Preliminary, subject to audit

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

(3) 2020 was reduced by the State and offset by a replacement revenue in the Special Projcet Fund. 2021 was budgeted conservatively ahead of the $12.9 million included in the State budget.

STATE REVENUE

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

2021 State Equalized Value (SEV) (1)	$ 34,093,610,850
Legal Debt Limit (10% of SEV)	3,409,361,085
Debt Outstanding (2)	289,861,617
Margin of Additional Debt That Can Be Legally Incurred	$ 3,119,499,468
Debt Outstanding as a percentage of SEV	0.9%

(1) Pending State Equalization

(2) Includes $16,200,000 principal payment made on April 1, 2021. Does not include the pending notes.

Debt Statement

The following table reflects a breakdown of the County's direct and overlapping debt as of March 31, 2021. 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)	$ 20,300,000	$ 20,300,000	$ -		
Airport Bonds (L.T.G.O.)	122,450,000	122,450,000	-		
County Building Authority (L.T.G.O.)	22,590,000	-	22,590,000		
County/City Building Authority Bonds (L.T.G.O.)	27,621,425	-	27,621,425		
Capital Improvement Bonds (L.T.G.O.)	75,545,000	31,898,001	43,646,999		
Capital Leases	4,560,192	-	4,560,192		
Refuse and Solid Waste Bonds (L.T.G.O.)	6,060,000	6,060,000	-		
Drain Bonds (L.T.G.O.) (4)	10,735,000	10,735,000	-		
Total Direct Debt	**$ 289,861,617**	**$ 191,443,001**	**$ 98,418,616**	**$ 149.81**	**0.3%**
Overlapping Debt (5)					
Cities, Villages and Townships			$ 206,677,587		
School Districts			1,580,224,707		
Community Colleges and Intermediate School Districts			30,037,223		
Total Overlapping Debt			**$ 1,816,939,517**	**2,765.70**	**5.3%**
Total Direct and Overlapping			**$ 1,915,358,133**	**$ 2,915.51**	**5.6%**

(1) Based on 2019 US Census population estimate of 656,955.

(2) Based on 2021 State Equalized Value (SEV) of $34,093,610,850 pending State Equalization.

(3) Includes $16,200,000 principal payment made on April 1, 2021. Does not include the pending notes.

(4) Does not include approximately $1.8 million for Cedar Drainage District bonds to be issued in April 2021.

(5) 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, 2021

Year	Tax Notes (1)(2)	Refuse & Solid Waste Bonds	Airport Bonds	Drain Bonds (3)	City/County Building Authority Bonds	County Building Authority Bonds	Capital Improvement Bonds	Capital Leases	Total
2021	16,200,000	560,000	-	515,000	3,152,569	3,980,000	5,200,000	1,080,677	30,688,246
2022	4,100,000	585,000	8,680,000	530,000	3,129,531	3,410,000	5,435,000	1,096,316	26,965,847
2023	-	610,000	9,110,000	555,000	3,101,469	3,500,000	5,680,000	1,098,063	23,654,533
2024	-	635,000	9,570,000	580,000	2,433,499	3,700,000	5,935,000	1,099,863	23,953,362
2025	-	670,000	10,045,000	600,000	2,385,378	3,900,000	5,660,000	63,640	23,324,018
2026	-	700,000	8,010,000	625,000	2,344,096	4,100,000	5,925,000	65,549	21,769,644
2027	-	735,000	8,380,000	650,000	2,298,194		6,195,000	56,084	18,314,278
2028	-	765,000	8,765,000	680,000	2,257,832		6,500,000	-	18,967,832
2029	-	800,000	5,750,000	705,000	2,211,380		5,945,000	-	15,411,380
2030	-	-	6,035,000	740,000	2,172,718		4,455,000	-	13,402,718
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	$20,300,000	$6,060,000	$122,450,000	$10,735,000	$27,621,425	$22,590,000	$75,545,000	$4,560,192	$289,861,617

(1) Does not include the pending notes to be issued in April 2021.

(2) $16,200,000 principal payment made on April 1, 2021.

(3) Does not include approximately $1.8 million for Cedar Drainage District bonds to be issued in April 2021.

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 2020 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 2012 through 2020 and their outstanding balance as of March 31, 2021, are as follows:

Outstanding Notes

Tax Year	Year Issued	Notes Issued	Amount Outstanding (1)
2012	2013	24,000,000	$ -
2013	2014	20,400,000	-
2014	2015	19,200,000	-
2015	2016	18,100,000	-
2016	2017	17,100,000	-
2017	2018	15,800,000	-
2018	2019	16,200,000	4,100,000 (2)
2019	2020	16,200,000	16,200,000 (3)

(1) *Does not include the pending notes.*

(2) *$4,100,000 principal payment made on April 1, 2021.*

(3) *$12,100,000 principal payment made on April 1, 2021.*

Future Financing

Pre-Covid-19, the County was considering issuing up to $60.0 million of general obligation limited tax bonds to finance a renovation of the existing County owned facility at 320 Ottawa Avenue NW. This renovation would be used to house several existing County departments into a new centralized location allowing the sale of an outdated County owed property at 82 Ionia. Certain functions could also be housed at a new location at the Fuller Complex. The Fuller Complex plans are still in the developmental stage. The County Commission has paused on future development plans for County facilities until after the full long-term effects of the pandemic are realized and space needs will be re-evaluated once the “new normal” state is settled out.

The Gerald R. Ford International Airport Authority received approval by the Board of Commissioners to issue up to $145.0 million in bonds.to be used to finance the extension of Concourse A (adding eight gates and widening the existing concourse) and a new parking structure in conjunction with the rental car agencies. Due to COVID-19, plans were paused and are currently on-hold.

The Department of Public Works is exploring a few projects that they may need to issue revenue bonds for over the next 12 to 48 months. Projects under consideration include the development of a Sustainable Business Park, improvements at the North Kent Transfer Station, and possibly adding a third combustion train to the Waste to Energy facility. Specific amounts and the exact timing are yet to be determined.

The Kent County Road Commission will be issuing approximately $25.0 million in bonds within the next 18 months. The bonds will be used to complete a new Central Complex as they complete the sale and relocation from their current location along the Grand River to a new complex in Walker.

The Kent County Drain Commission will be issuing approximately $1.8 million in Cedar Springs Drain Drainage District Bonds to finance drain improvements. Bids were received on March 23, 2021. The principal and interest on the bonds will be payable from collections on special assessments assessed against public corporations and property in the Drainage District.

Vacation and Sick Leave Liabilities

As of December 31, 2020, the County had an estimated unfunded vacation liability of $10.6 million and no unfunded sick leave liabilities.

Pension Benefits

The County sponsors and administers the Kent County Employees' Retirement Plan (the "Plan"), a single-employer, defined benefit pension plan, which covers all employees of Kent County, except employees of the Road Commission, Land Bank Authority, and Airport 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.

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, 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 60 with 5 years of service or age 50 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 FOP bargaining unit hired on or after January 1, 2015 are eligible to receive this benefit at age 60 with 5 or more years of service or age 50 with 25 years of service.

Cost-of-living adjustments (COLAs) vary based on bargaining unit and hire date and range from 1%-3%.

Benefits Provided. Employees who retire with minimum age and years of service requirements are entitled to annual retirement benefits, payable in monthly installments for life, in an amount equal to a percentage of their final average compensation times years of credited service.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	1,538
Terminated employees entitled to but not yet receiving benefits	261
Vested and non-vested active participants	1,533
Total Membership	**3,332**

Contributions. 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 8.59% for the year ended December 31, 2019. 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 1.75%-3.50%. The County is required to contribute at actuarially determined rates that are 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, 2019 was 9.13% 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 21 years.

Investment Policy. The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy is detailed below.

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations. Information on the Plan's concentration of credit risk policy and compliance with that policy at December 31, 2019 is disclosed in Note 3 to the separately issued financial statements.

Net Pension Asset. The components of the net pension liability of the Plan at December 31, 2019, were as follows:

Total pension liability	$ 941,501,528
Plan fiduciary net position	951,910,145
County's net pension (asset)/liability	$ (10,408,617)
Plan fiduciary net position as percentage of total pension liability	101.11%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2018 (rolled forward to December 31, 2019), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% (price inflation of 2.5%)
Salary Increases	3.5%-10.5%, including inflation
Investment rate of return	6.75%

Mortality rates were based on the RP-2014 Mortality Tables with 2-dimensional, fully generational improvements projected with the MP-2018 Mortality Improvement Scales.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study dated November 8, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 (see the discussion of the pension plan's investment policy in Note 3) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-weighted Rate of Return
Core bonds	18.00%	2.60%	0.47%
Multi-sector fixed income	10.00%	3.43%	0.34%
Absolute return	5.00%	3.25%	0.16%
U.S. large cap equity	30.00%	7.14%	2.14%
U.S. small cap equity	10.00%	8.43%	0.84%
International developed equity	15.00%	8.14%	1.22%
Emerging market equity	5.00%	9.48%	0.47%
Core real estate	5.00%	6.73%	0.34%
Infrastructure	2.00%	9.73%	19.00%
	100.00%		6.17%
Inflation			2.50%
Risk adjustment			-1.92%
Investment rate of return			**6.75%**

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Plan contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset). The components of the change in the net pension liability (asset) are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	**$ 900,799,146**	**$ 823,240,227**	**$ 77,558,919**
Changes for the year:			
Service cost	18,181,774	-	18,181,774
Interest on total pension liability	59,926,039	-	59,926,039
Differences between expected and actuarial experience	6,788,289	-	6,788,289
Employer contributions	-	9,007,032	(9,007,032)
Employee contributions	-	9,602,636	(9,602,636)
Net investment income/(loss)	-	155,017,171	(155,017,171)
Benefit payments	(43,444,076)	(43,444,076)	-
Administrative expenses	-	(763,201)	763,201
Refund of contributions	(749,644)	(749,644)	-
Net changes	**40,702,382**	**128,669,918**	**(87,967,536)**
Balances at December 31, 2018	**$ 941,501,528**	**$ 951,910,145**	**$ (10,408,617)**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the Plan, calculated using the discount rate of 6.75%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	One Percent Decrease (5.75%)	Current Discount Rate (6.75%)	One Percent Increase (7.75%)
County's net pension liability (asset)	$ 118,735,956	$ (10,408,617)	$ (116,818,236)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the combining statements of fiduciary net position and changes in fiduciary net position in the supplementary information section of this report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2019, the County recognized pension expense of $18,591,038. The pension liability attributable to the governmental activities will be liquidated by the General Fund and substantially all the special revenue funds. At December 31, 2019, the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	$ 9,815,188	$ 2,593,355	$ 7,221,833
Changes in assumptions	93,481	-	93,481
Net difference btwn projected and actual earnings on plan investments	-	43,861,571	(43,861,571)
Changes in proportion and share of contributions	256,474	256,474	-
Total	**$ 10,165,143**	**$ 46,711,400**	**$ (36,546,257)**

Amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2020	$ (10,919,826)
2021	(10,885,461)
2022	4,383,824
2023	(19,124,794)
Total	**$ (36,546,257)**

Payable to the Pension Plan. At December 31, 2019, the County reported a payable of $420,852 to the pension plan.

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 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.

Benefits Provided. The County pays a monthly fixed subsidy for retirees of up to $400 per month ($350 for retirees before December 31, 2018). 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.

Membership of the Plan consisted of the following at December 31, 2019:

Retirees and beneficiaries receiving benefits	702
Active plan members	1,534
Total membership	**2,236**

Contributions. 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 post employment 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 required cash contribution rate for the year ended December 31, 2019 was 1.64% of projected valuation payroll. For the year ended December 31, 2019, the County contributed $4,475,538, including cash contributions of $3,201,142 and an implicit rate subsidy (which did not require cash) of $1,274,396. Cash payments included $1,718,382 for current premiums and an additional $1,482,760 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 their 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.

Investment Policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy is detailed below.

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 20.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations. Information on the Plan's concentration of credit risk policy and compliance with that policy at December 31, 2019 is disclosed in Note 3 to the separately issued financial statements.

Net OPEB Liability. The components of the net OPEB liability of the Plan at December 31, 2019, were as follows:

Total OPEB liability	$ 61,232,861
Plan fiduciary net position	32,734,859
Net OPEB liability	$ 28,498,002
Plan fiduciary net position as percentage of	
Total OPEB liability	53.46%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	22 years
Asset valuation method	Market value of assets
Price inflation	2.5%
Salary increases	3.5% to 10.5%, including inflation
Investment rate of return	6.75%, net of OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to the January 1, 2008 – December 31, 2012 Experience Study for the Retirement Plan and Trust
Mortality	The RP-2014 Mortality Tables with 2-dimensional, fully generational improvements projected with the MP-2018 Mortality Improvement Scales. These tables were first used for the December 31, 2018 valuation
Health care trend rates	Trend starting at 8.5% gradually decreasing to an ultimate trend rate of 4.5%
Aging factors	The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs

The long-term expected rate of return on VEBA plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of VEBA plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the VEBA plan's target asset allocation as of December 31, 2019 (see the discussion of the VEBA plan's investment policy in Note 3) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-weighted Rate of Return
Core bonds	15.00%	2.60%	0.39%
Multi-sector fixed income	15.00%	3.43%	0.51%
Liquid absolute return	5.00%	3.25%	0.16%
U.S. large cap equity	30.00%	7.14%	2.14%
U.S. small cap equity	10.00%	8.43%	0.84%
Non U.S. equity	20.00%	8.37%	1.67%
Core real estate	5.00%	6.73%	0.34%
	100.00%		6.05%
Inflation			2.50%
Risk adjustment			-1.80%
Investment rate of return			**6.75%**

Discount Rate. The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the current contribution rate and that Plan contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the VEBA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on VEBA plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability. The components of the change in the net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2018	**$ 57,226,018**	**$ 25,891,112**	**$ 31,334,906**
Changes for the year:			
Service cost	1,359,413	-	1,359,413
Interest on total OPEB liability	3,807,630	-	3,807,630
Difference between expected and actual experience	1,832,578		1,832,578
Employer contributions	-	4,475,538	(4,475,538)
Net investment income	-	5,422,212	(5,422,212)
Benefit payments, including refunds of employee contributions	(2,992,778)	(2,992,778)	-
Administrative expenses	-	(61,225)	61,225
Net changes	**4,006,843**	**6,843,747**	**(2,836,904)**
Balances at December 31, 2019	**$61,232,861**	**$ 32,734,859**	**$ 28,498,002**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the County, calculated using the discount rate of 6.75%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	One Percent Decrease (5.75%)	Current Discount Rate (6.75%)	One Percent Increase (7.75%)
County's net OPEB Liability	$ 35,143,172	$ 28,498,002	$ 22,785,458

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.50% decreasing to 3.50%) or 1% higher (9.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	One percent Decrease (7.5% to 3.5%)	Healthcare Cost Trend Rates (8.5% to 4.5%)	One Percent Increase (9.5% to 5.5%)
County's net OPEB Liability	$ 25,389,239	$ 28,498,002	$ 32,105,772

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in the combining statements of fiduciary net position and changes in fiduciary net position in the supplementary information section of this report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post employment Benefit Obligations. For the year ended December 31, 2019, the County recognized OPEB expense of $2,920,981. The OPEB liability attributable to the governmental activities will be liquidated by the General Fund and substantially all the special revenue funds. At December 31, 2019, the County reported OPEB-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	$ 1,570,163	$ 4,021,410	$ (2,451,247)
Changes in assumptions	1,999,070	-	1,999,070
Net difference btwn projected and actual earnings on OPEB plan investments	-	1,663,941	(1,663,941)
Changes in proportion and share of contributions	1,368,800	1,368,800	-
Total	**$ 4,938,033**	**$ 7,054,151**	**$ (2,116,118)**

Amounts reported as OPEB-related deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2020	$ (511,660)
2021	(511,658)
2022	(117,374)
2023	(972,029)
2024	(261,485)
Thereafter	258,088
Total	**$ (2,116,118)**

Payable to the OPEB Plan. At December 31, 2019, the County reported a payable of $151,874 to the VEBA plan.

Cash Balances and Net Change in Balances

Fund		2019	2020	December 31, Net Change Inc/(Dec)
101	County General	$ 88,506,899	$ 100,917,298	$ 12,410,399
201	County Roads	23,371,063	23,838,555	467,491
215	Friend of the Court	(822,285)	(447,336)	374,950
221	Public Health	778,366	2,808,099	2,029,733
229	Hotel/Motel Tax	7,007,468	3,743,691	(3,263,777)
254	Correction and Detention Facility	15,835,576	15,317,003	(518,573)
256	Register of Deeds	798,329	667,547	(130,781)
259	Senior Millage	2,067,403	3,138,708	1,071,304
292	Child Care	(408,714)	(288,734)	119,979
292	Juvenile Detention	(3,682,420)	(2,981,205)	701,215
445	Public Improvement	24,758,020	33,313,951	8,555,931
516	100% Tax Payment Funds	19,379,122	18,760,154	(618,968)
517	S. Kent Operations	67,171,200	71,525,974	4,354,773
517	DPW Waste-to-Energy	21,376,528	21,827,476	450,948
677	Risk Management	11,023,165	12,873,161	1,849,995
721	Library Penal Fines	608,130	428,661	(179,469)
751	Convention & Arena Auth	28,924,208	22,263,095	(6,661,112)
751	Other Trust and Agency	51,322,973	44,274,269	(7,048,705)
800	Drains and Lake Level	7,640,688	6,428,730	(1,211,958)
	Various Other Funds	20,854,457	38,462,303	17,607,846
Total		**$ 386,510,178**	**$ 416,871,399**	**$ 30,361,221**

CASH MANAGEMENT

CASH MANAGEMENT

Cash Activity Summary and Analysis

Cash Equity

	December 31, 2019	December 31, 2020
Cash balance - January 1	$ 355,642,341	$ 386,510,178
Receipts	1,344,407,245	1,320,658,546
Less: Disbursements	1,313,539,408	1,290,297,325
Cash balance - December 31	**$ 386,510,178**	**$ 416,871,399**

Analysis of Cash Balances

	December 31, 2019	December 31, 2020
Pooled investments	$ 379,393,465	$ 408,694,340
Demand deposits	3,749,932	10,097,812
Imprest cash	60,355	60,155
Accrued interest on pooled investments	4,376,970	2,411,867
Less: Outstanding disbursement checks	1,070,545	4,392,775
Cash balance - December 31	**$ 386,510,178**	**$ 416,871,399**

Pooled Investments Summary of Investments

					December 31, 2020
	Book Value				
Broker Name	Municipal Tax Note	Money Market / GIC	Government Agency	Certificates of Deposit	Total
Brokered Securities:					
UBS Paine Webber	$ -	$ -	$ 12,691,113	$ -	$ 12,691,113
Wells Fargo	-	-	18,533,546	-	18,533,546
Suntrust	-	-	12,566,010	-	12,566,010
Cantella Co	-	-	11,703,769	-	11,703,769
Truist Secruities	-	-	1,993,873	-	1,993,873
U.S. Treasury Strips Subtotal	**-**	**-**	**57,488,311**	**-**	**57,488,311**
Certificates of Deposit (CD):					
Huntington Bank	-	2,043,053	-	2,444,726	4,487,779
Macatawa Bank	-	12,496,569	-	5,385,714	17,882,283
MBIA Class	-	22,689,612	-		22,689,612
Michigan Liquid Asset Fund (MILAF)	-	22,693,621	-		22,693,621
PNC NOW	-	7,961,171	-		7,961,171
Bank of America	-	9,017,204	-	29,000,000	38,017,204
Canadian Imperial Bank of Commerce	-	-	-	24,519,112	24,519,112
Chemical Bank West	-	-	-	22,046,022	22,046,022
Choice One Bank	-	-	-	7,927,250	7,927,250
Comerica Bank Detroit	-	-	-	44,332,206	44,332,206
Consumers Credit Union	-	-	-	518,487	518,487
Commerce Bank	-	-	-	3,042,076	3,042,076
Fifth Third Bank	-	-	-	25,642,454	25,642,454
First Community Bank	-	-	-	525,531	525,531
First National Bank of America	-	-	-	1,096,368	1,096,368
First National Bank of Michigan	-	-	-	1,622,705	1,622,705
Flagstar Bank	-	-	-	29,053,223	29,053,223
Grand River Bank	-	-	-	2,570,918	2,570,918
Horizon Bank	-	-	-	9,521,105	9,521,105
Independent Bank	-	-	-	9,050,716	9,050,716
Level One Bank	-	-	-	9,514,702	9,514,702
Mercantile Bank of W MI	-	-	-	17,066,799	17,066,799
Old National Bank	-	-	-	9,331,333	9,331,333
TCF Bank	-	-	-	10,713,910	10,713,910
Union Bank	-	-	-	1,556,122	1,556,122
United Bank of Michigan	-	-	-	3,520,670	3,520,670
West Michigan Comm Bank	-	-	-	4,302,648	4,302,648
CD Subtotal	**-**	**76,901,231**	**-**	**274,304,799**	**351,206,029**
Total	**$ -**	**$ 76,901,231**	**$ 57,488,311**	**$ 274,304,799**	**$ 408,694,340**

CASH MANAGEMENT

Pooled Investment Fund [1]

Investments By Type	Par Value	Book Value	Percent
		December 31, 2020	
Certificates of Deposit	$ 274,304,799	$ 274,304,799	67.1%
Passbook & Money Market	76,901,231	76,901,231	18.8%
Federal Home Loan Banks	17,160,000	17,426,479	4.3%
Federal National Mortgage Assoc.	2,000,000	2,000,540	0.5%
Federal Home Loan Mortgage Cor.	18,000,000	18,018,153	4.4%
Federal Farm Credit Bank	20,000,000	20,043,139	4.9%
Municipal Bonds	-	-	0.0%
Total	**$ 408,366,029**	**$ 408,694,340**	**100.0%**

Investment Yield	Book Value	Percent
	December 31, 2020	
0.00% to 0.25%	$ 176,902,616	43.3%
0.25% to 0.50%	57,026,672	14.0%
0.50% to 0.75%	40,169,664	9.8%
0.75% to 1.00%	6,447,813	1.6%
1.00% to 1.25%	10,519,182	2.6%
1.25% to 1.50%	19,235,571	4.7%
1.50% to 1.75%	43,872,933	10.7%
1.75% to 2.00%	8,857,205	2.2%
2.00% to 2.25%	9,265,465	2.3%
2.25% to 2.50%	13,781,503	3.4%
2.50% to 2.75%	9,421,167	2.3%
2.75% to 3.00%	6,533,013	1.6%
3.00% to 3.25%	3,589,737	0.9%
3.25% to 3.50%	-	0.0%
3.50% to 3.75%	3,071,800	0.8%
Total	**$ 408,694,340**	**100.0%**

Investment Maturity	Date Range	Book Value	Percent
		December 31, 2020	
0 to 1 Month	01/01/21 - 01/31/21	$ 101,901,841	24.9%
1 to 2 Months	02/01/21 - 02/28/21	51,859,491	12.7%
2 to 3 Months	03/01/21 - 03/31/21	31,550,336	7.7%
3 to 6 Months	04/01/21 - 06/30/21	82,548,174	20.2%
6 to 12 Months	07/01/21 - 12/31/21	62,092,182	15.2%
12 to 18 Months	01/01/22 - 06/30/22	17,433,821	4.3%
18 to 24 Months	07/01/22 - 12/31/22	20,683,727	5.1%
24 to 36 Months	01/01/23 - 12/31/23	40,624,768	9.9%
36 to 48 Months	01/01/24 - 12/31/24	-	0.0%
Total		**$ 408,694,340**	**100.0%**

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

Pooled Investments Earnings Performance

	December 31,					
	2019			2020		
Month	Average Daily Balance	Interest Earned Accrual Basis	Earned Interest Yield	Average Daily Balance	Interest Earned Accrual Basis	Earned Interest Yield
Jan	$ 358,050,656	$ 638,584	2.071	$ 392,289,440	$ 688,007	2.067
Feb	361,898,216	613,464	2.179	395,297,064	621,264	1.962
Mar	372,893,105	715,688	2.229	369,190,315	584,786	1.746
Apr	363,329,341	689,696	2.278	434,587,475	477,778	1.568
May	377,732,880	743,653	2.286	484,033,988	488,025	1.178
Jun	356,064,599	680,734	2.294	468,547,822	424,146	1.077
Jul	350,980,547	697,119	2.307	459,859,951	398,219	1.002
Aug	374,196,160	713,077	2.213	489,983,179	370,167	0.907
Sep	417,420,905	763,178	2.194	512,682,403	323,027	0.760
Oct	442,600,857	806,292	2.116	467,507,174	304,495	0.693
Nov	402,553,421	701,298	2.091	431,576,275	275,667	0.728
Dec	382,014,513	688,231	2.105	408,694,340	269,851	0.750
Annual	**$ 379,977,933**	**$ 8,451,014**		**$ 442,854,119**	**$ 5,225,431**	

Investment Fund Balance - 1/1/20	*$ 378,969,972*
Investment Fund Balance - 12/31/20	*$ 408,694,340*

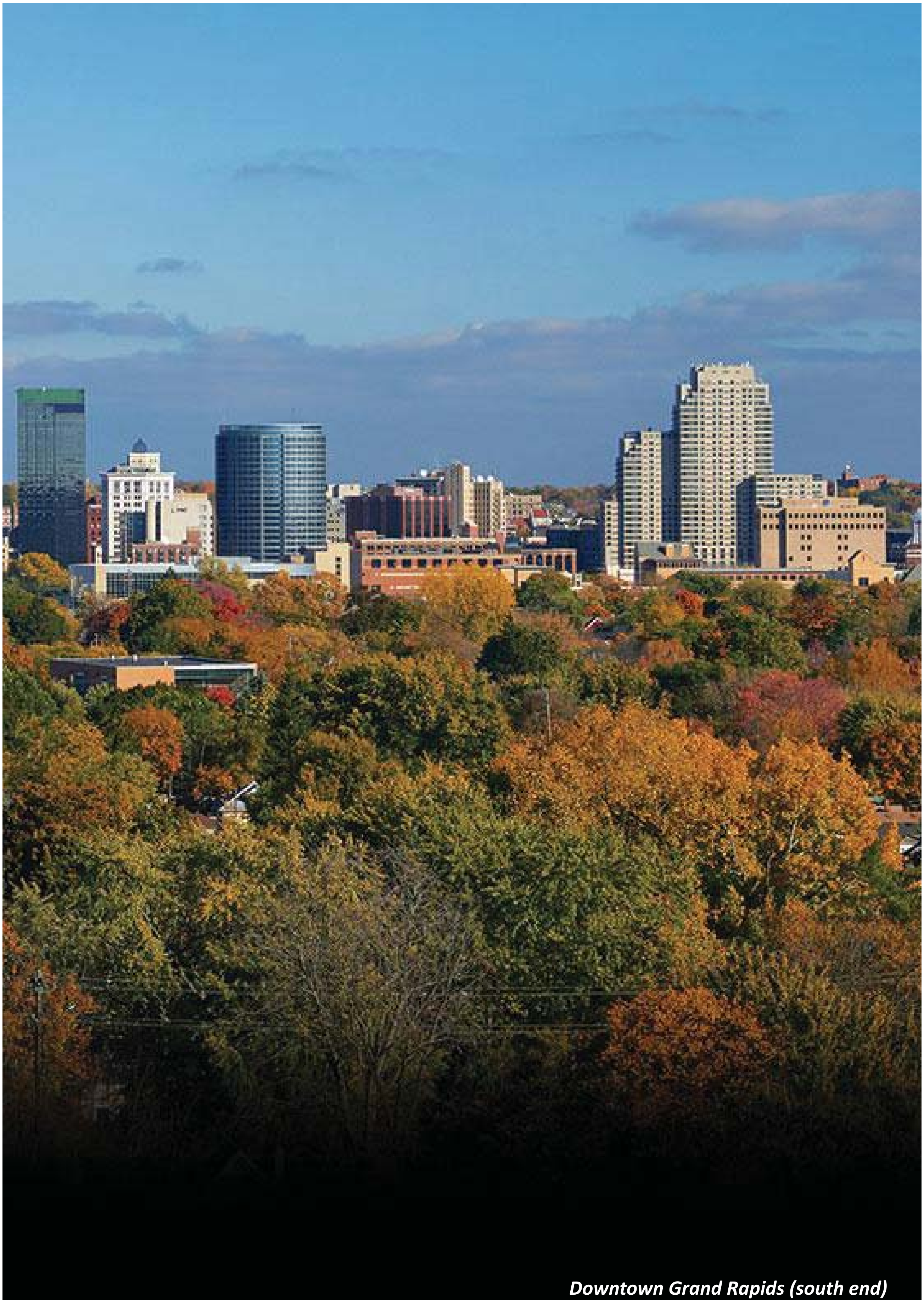
CASH MANAGEMENT

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 1, 2021
Bargaining Unit	**Number of Positions (1)**	**Contract Expiration Date**
United Auto Workers (General)	414	12/31/2023
Technical, Professional & Office Workers of Michigan -- TPOAM	369	12/31/2023
Kent County Deputy Sheriff's Association	242	12/31/2023
Kent County Law Enforcement Association - FOP	259	12/31/2023
Lieutenants-Captains – POLC	23	12/31/2023
Prosecuting Attorneys Assoc.	34	12/31/2022
Circuit Court Referee Assoc.	8	12/31/2022
Teamsters (Public Health)	64	12/31/2023
Teamsters (Parks Employees)	17	12/31/2022
Elected Officials	5	NA
Judges	17	NA
Board of Commissioners	19	NA
Management Pay Plan Group	295	NA
Total	**1,766**	

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

LABOR CONTRACTS


Downtown Grand Rapids (south end)

Statement of Revenues, Expenditures and Changes in Fund Balance

	2019	2020		2021
	Actual	**Budget**	**Actual (1)**	**Budget (2)**
Revenues:				
Taxes	$ 99,734,111	$ 104,624,710	$ 104,217,071	$ 106,782,565
Intergovernmental	24,948,659	23,533,577	21,979,434	21,860,266
Charges for services	29,987,106	29,093,822	27,841,181	29,529,546
Investments, Rents & Royalties	5,533,446	5,031,555	4,718,854	4,359,765
Other Revenue	7,422,070	7,071,350	6,896,514	7,169,475
Transfers In	19,018,039	20,534,338	19,134,338	22,550,000
Total Revenues	**186,643,431**	**189,889,352**	**184,787,392**	**192,251,617**
Expenditures:				
Sheriff	62,594,748	59,130,704	57,019,059	69,916,117
Circuit Court	14,583,318	16,119,887	14,256,755	16,302,085
Facilities Management	12,158,581	13,535,905	11,738,772	14,046,201
Prosecuting Attorney	4,762,488	5,225,073	5,162,743	5,355,232
Information Technology	6,193,023	7,237,442	6,391,800	7,694,638
Policy/Administration	2,722,958	3,215,844	3,037,344	3,554,752
Parks Department	5,907,994	6,124,176	5,834,640	6,204,646
Zoo	27,141	21,448	21,448	33,354
Fiscal Services	3,846,139	4,419,891	3,926,601	4,428,999
Clerk/Register of Deeds	3,106,966	4,135,398	3,763,861	3,831,215
District Court	3,007,243	3,272,767	3,150,221	3,105,806
Human Resources	1,906,139	1,979,773	1,891,620	2,010,510
Bureau of Equalization	1,394,707	1,601,894	1,548,935	1,726,228
Treasurer's Office	1,194,551	1,278,918	1,278,918	1,330,046
Drain Commission	683,476	760,513	725,642	765,104
Other Social Services	1,407,526	1,455,000	1,427,526	1,455,000
Other	7,815,134	8,660,552	8,086,170	8,653,972
Transfers Out-Childcare	13,975,747	15,635,127	14,355,643	15,310,381
Transfers Out-Health	4,645,920	5,377,369	5,131,140	9,038,155
Transfers Out-CIP	14,726,795	18,551,713	18,445,788	11,211,784
Transfers Out-FOC	1,901,251	2,136,854	1,802,129	2,149,431
Transfers Out-Debt Svc	3,365,559	3,302,960	3,394,727	3,317,716
Transfers Out-Special Proj	3,433,363	3,648,207	3,366,700	3,791,027
Transfers Out-Other	4,991,241	7,598,630	7,268,601	3,519,218
Appropriation lapse	-	(6,500,000)	-	(6,500,000)
Total Expenditures	**180,352,005**	**187,926,045**	**183,026,781**	**192,251,617**
Net Revenues/(Expenditures)	**6,291,425**	**1,963,308**	**1,760,611**	**-**
Fund Balance, beginning of year	74,486,999	80,778,424	80,778,424	82,539,035
Fund Balance, end of year	**$ 80,778,424**	**$ 82,741,732**	**$ 82,539,035**	**$ 82,539,035**

Year ended December 31,

(1) Pending audit adjustments

(2) As adopted

GENERAL FUND

Components of Fund Balance

	Year ended December 31, 2019 Actual	Year ended December 31, 2020 [1] Actual
Inventory	$ 74,879	$ 59,301
Prepaids	259,813	464,695
Long-term advances	560,286	389,160
Total Nonspendable	**894,978**	**913,157**
Economic stabilization [2]	27,513,807	27,913,617
Total Committed	**27,513,807**	**27,913,617**
Cash flow [3]	41,849,844	42,713,026
Encumbrances	2,921,941	3,424,133
Total Assigned	**44,771,785**	**46,137,159**
Unassigned [4]	**7,597,854**	**7,575,102**
Total Fund Balance [5]	**$ 80,778,424**	**$ 82,539,035**

(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]

	2019	2020	2021
Debt Outstanding			
Series 2005 - Courthouse	$ 24,890,000	$ 21,995,000	$ 18,770,000
Series 2010 - Sheriff Administration	1,475,000	780,000	25,000
Series 2014 - Park Meadows	-	-	-
Series 2014A - 82 Ionia/Courthouse Land	2,420,000	1,990,000	1,530,000
Series 2017B - Fuller Complex/Dist Ct/DHHS	20,030,000	18,380,000	16,610,000
Total Debt Outstanding	**$ 48,815,000**	**$ 43,145,000**	**$ 36,935,000**
Debt Service			
Series 2005 - Courthouse	$ 4,339,944	$ 4,339,938	$ 4,337,238
Series 2010 - Sheriff Administration	767,031	764,600	770,100
Series 2014 - Park Meadows	3,060,600	-	-
Series 2014A - 82 Ionia/Courthouse Land	544,000	546,800	538,800
Series 2017B - Fuller Complex/Dist Ct/DHHS	2,633,300	2,632,800	2,633,400
Total Debt Service	**$ 11,344,875**	**$ 8,284,138**	**$ 8,279,538**
General Fund Expenditures/Transfers [2]	**$ 180,352,005**	**$ 183,026,781**	**$ 192,251,617**
Debt Services as a % of General Fund Expenditures	**6.3%**	**4.5%**	**4.3%**

(1) Does not include capital leases.

(2) 2021 budget as adopted.

Statement of Revenues, Expenditures and Changes in Fund Net Assets

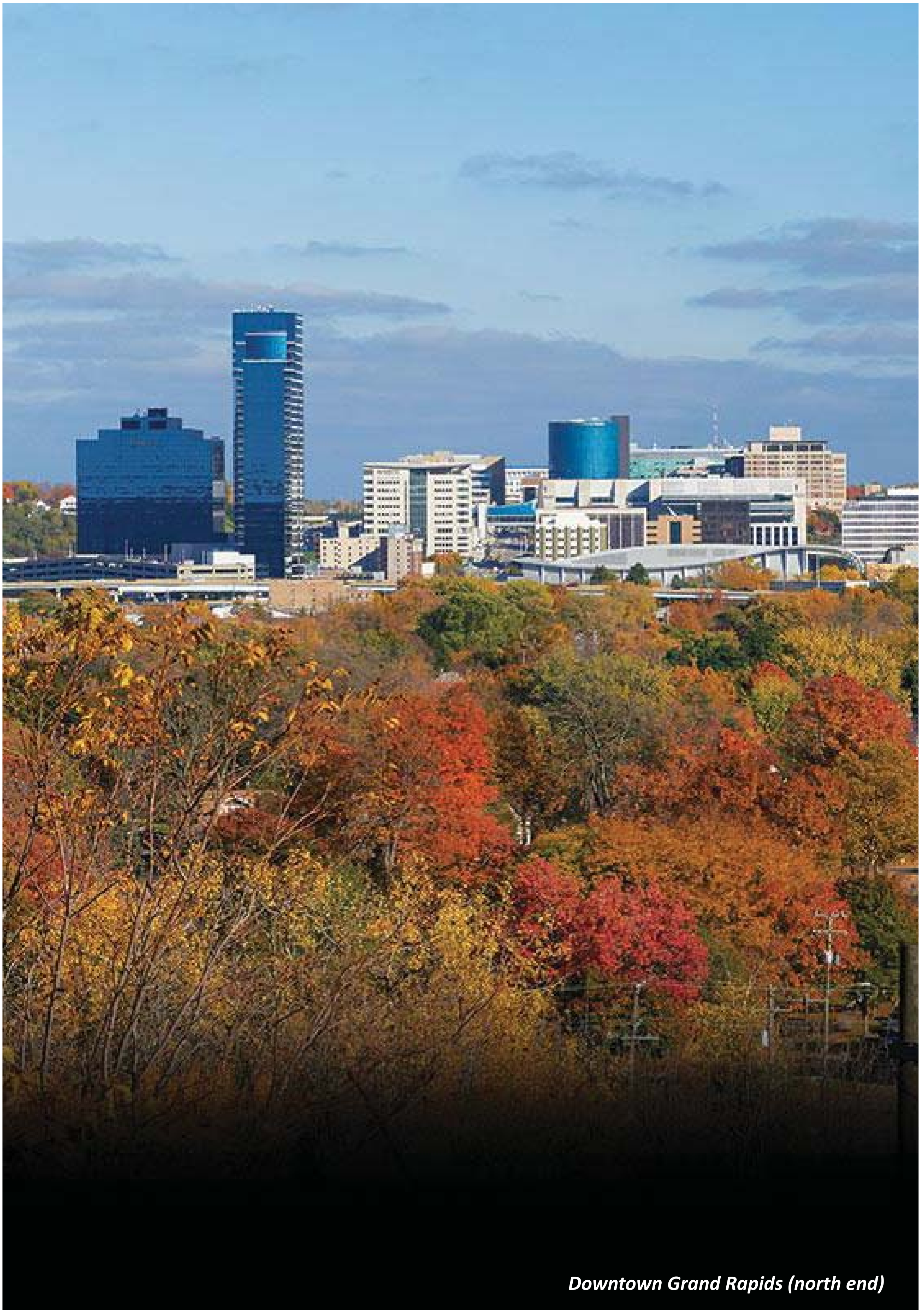
	Year Ended December 31,	
	2019	2020 [1]
Operating Revenues:		
Charges for services	$ 537,220	$ 491,084
Interest and penalties	1,897,652	1,837,993
Collection fees	646,087	644,174
Auction proceeds, net	111,398	255,206
Other	42,725	43,081
Total Operating Revenues	**3,235,082**	**3,271,537**
Operating Expenses:		
Contractual services	357,767	362,300
Other expense	144,679	217,847
Total Operating Expenses	**502,446**	**580,147**
Operating Income (Loss)	**2,732,636**	**2,691,390**
Non-Operating Revenues (Expenses)		
Investment earnings	395,057	204,297
Interest expense	(435,366)	(302,744)
Total Non-Operating Revenues (Expenses)	**(40,309)**	**(98,447)**
Income (Loss) Before Contributions and Transfers	2,692,327	2,592,943
Transfers out	(4,100,000)	(3,700,000)
Change in Net Assets	**(1,407,673)**	**(1,107,057)**
Net Assets, Beginning of Year	10,613,874	9,206,201
Net Assets, End of Year	**$ 9,206,201**	**$ 8,099,144**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2019	**2020** [1]
Revenues:		
Intergovernmental	$ 2,513,638	$ 1,051,483
Contributions and reimbursements	771,414	118,920
Other	-	-
Total Revenues	**3,285,052**	**1,170,403**
Expenditures:		
Capital outlay	12,640,986	9,969,771
Total Expenditures	**12,640,986**	**9,969,771**
Revenues over (under) expenditures	**(9,355,934)**	**(8,799,368)**
Other Financing Sources (Uses)		
Transfers in	15,278,072	38,408,310
Transfers out	(1,305,255)	(20,336,472)
Proceeds from sale of capital assets	-	-
Total Other Financing Sources (Uses)	**13,972,817**	**18,071,838**
Net change in fund balance	**4,616,882**	**9,272,470**
Fund Balance, beginning of year	25,391,347	30,008,229
Fund Balance, end of year	**$ 30,008,229**	**$ 39,280,699**

(1) Pending audit adjustments



Downtown Grand Rapids (north end)

Statement of Revenues, Expenditures and Changes in Fund Net Assets

	Year Ended December 31,	
	2019	**2020 (1)**
Operating Revenues:		
Charges for Services	$ 56,730,860	$ 37,128,687
Total Operating Revenues	**56,730,860**	**37,128,687**
Operating Expenses:		
Personnel Service	11,245,015	10,883,839
Materials and Supplies	1,390,939	1,347,539
Other	15,883,346	13,200,197
Total Operating Expenses	**28,519,300**	**25,431,575**
Operating Income (Loss)	**28,211,560**	**11,697,112**
Non-Operating Revenues (Expenses):		
Investment Earnings	513,613	166,048
Passenger Facilities Charges	7,372,098	3,427,561
Gain (Loss) on Sale of Fixed Assets	45,103	22,089
Customer Facility Charges	2,631,330	1,301,940
Depreciation	(20,521,818)	(43,572,000)
Interest Expense and Charges	(5,837,149)	(5,417,552)
Total Non-Operating Revenues (Expenses)	**(15,796,823)**	**(44,071,914)**
Income (Loss) Before Contributions	12,414,737	(32,374,802)
Capital Contributions	18,702,691	31,291,604
Change in Net Assets	**31,117,428**	**(1,083,198)**
Net Assets, Beginning of Year	243,978,150	275,095,578
Net Assets, End of Year	**$ 275,095,578**	**$ 274,012,380**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2019	2020 [1]
Operating Revenues	$ 56,730,860	$ 37,128,687
Investment Earnings	513,613	166,048
Customer Facility Charges	2,631,330	1,301,940
Gain (Loss) on Sale of Fixed Assets	45,103	22,089
Operating Expenses	(28,519,300)	(25,431,576)
Net Revenues (as defined in the resolution)	**$ 31,401,606**	**$ 13,187,188**
Total Debt Service Requirements	$ 14,431,799	$ 14,430,750
Debt Service Paid by Passenger Facility Charges	(2,522,549)	(2,516,000)
Debt Service Paid by CARES Act		(5,957,369)
Net Debt Service Requirements	**$ 11,909,250**	**$ 5,957,381**
Debt Service Coverage	**2.64x**	**2.21x**

(1) Pending audit adjustments

Gerald R. Ford International Airport

GRFI AIRPORT

PUBLIC WORKS FUND

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2019	2020 [1]
Operating Revenues:		
Charges for Services	$ 41,502,362	$ 41,654,335
Total Operating Revenues	**41,502,362**	**41,654,335**
Operating Expenses:		
Personnel, Materials, Contractual, Other	34,202,746	30,440,242
Depreciation and Amortization	5,493,927	5,949,110
Total Operating Expenses	**39,696,673**	**36,389,352**
Operating Income (Loss)	**1,805,689**	**5,264,983**
Non-Operating Revenues (Expenses)		
Investment Earnings	2,142,981	1,155,727
Interest Expense and Charges	(248,509)	(234,045)
Gain (Loss) on Capital Assets	126,624	(450,827)
Total Non-Operating Revenues (Expenses)	**2,021,096**	**470,855**
Capital Contributions	-	-
Change in Net Assets	**3,826,785**	**5,735,839**
Net Assets, Beginning of Year	94,175,954	98,002,739
Net Assets, End of Year	**$ 98,002,739**	**$ 103,738,578**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2019	2020 [1]
Operating Revenues	$ 41,502,362	$ 41,654,335
Non-Operating Revenues (Expenses)	2,021,096	470,855
Operating Expenses Before Depreciation	(34,202,746)	(30,440,242)
Net Revenues	**$ 9,320,712**	**$ 11,684,949**
Debt Service Requirements	**$ 880,350**	**$ 832,750**
Debt Service Coverage	**10.59x**	**14.03x**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2019	2020 [(1)]
Revenues:		
Taxes	$ 17,438,187	$ 18,218,473
Intergovernmental	323,633	324,344
Investment Earnings	522,417	299,598
Total Revenues	**18,284,237**	**18,842,416**
Expenditures:		
Building Rent	1,888,105	-
Facility Improvements	-	450,000
Total Expenditures	**1,888,105**	**450,000**
Revenues over (under) expenditures	**16,396,132**	**18,392,416**
Other Financing Sources (Uses)		
Transfers in	155,101	-
Facility Operations	(13,400,000)	(15,434,338)
Debt Service	(1,808,606)	(3,825,632)
Total Other Financing Sources (Uses)	**(15,053,504)**	**(19,259,970)**
Net Change in Fund Balance	**1,342,627**	**(867,554)**
Fund Balance, Beginning of Year	12,747,488	14,090,115
Fund Balance, End of Year	**$ 14,090,115**	**$ 13,222,561**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2019	2020 [(1)]
Property Tax Revenues	$ 17,438,187	$ 18,218,473
Debt Service/Building Rent Requirements	3,696,711	3,825,632
Debt Service Coverage	**4.72x**	**4.76x**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Balance

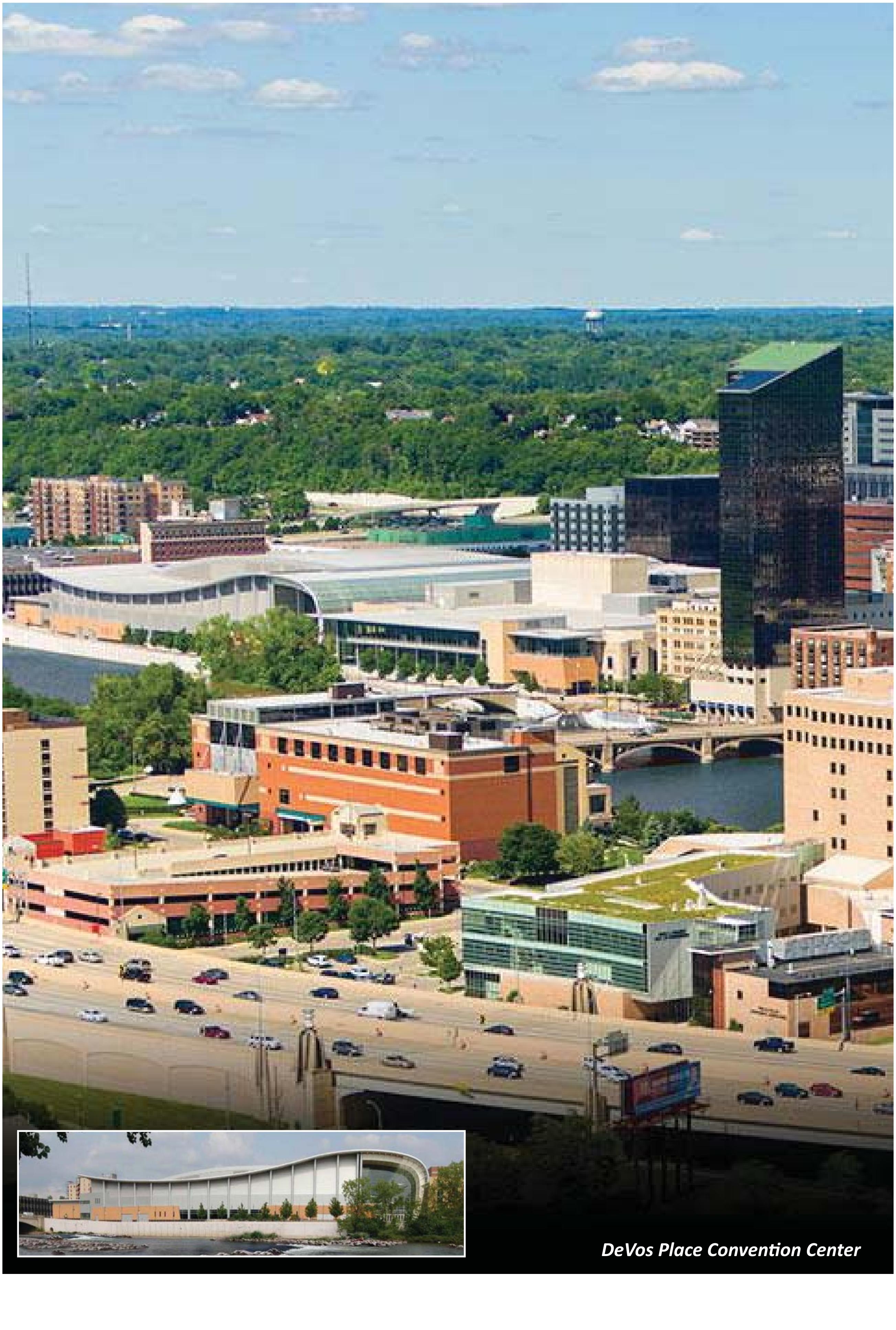
	Year Ended December 31,	
	2019	2020 [1]
Revenues:		
Hotel/Motel Taxes	$ 11,432,225	$ 5,107,828
Investment Earnings	221,367	102,705
Fines and Forfeitures	8,124	6,496
Total Revenues	**11,661,716**	**5,217,029**
Expenditures:		
Administration	121,468	123,961
Experience Grand Rapids CVB	2,029,220	906,639
Arts Festival	10,000	10,000
DeVos Place Debt Service	7,436,000	7,702,950
Total Expenditures	**9,596,688**	**8,743,550**
Revenues over (under) expenditures	**2,065,028**	**(3,526,521)**
Other Financing Sources (Uses)		
Transfers in	-	4,000,000
Transfers out	(1,100,000)	-
Total Other Financing Sources (Uses)	**(1,100,000)**	**4,000,000**
Net change in fund balance	**965,028**	**473,479**
Fund Balance, Beginning of Year	6,454,668	7,419,696
Fund Balance, End of Year	**$ 7,419,696**	**$ 7,893,175**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2019	2020 [1]
Hotel/Motel Tax Revenues	$ 11,661,716	$ 5,217,029
Debt Service Requirements	7,436,000	7,702,950
Debt Service Coverage	**1.57x**	**0.68x**

(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: 4/8/2020
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 3-27-11-18, adopted by the Board of Commissioners on March 27, 2011, established rules and guidelines for managing the financial interests of the County.

   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 resolution 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 timeframes 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:

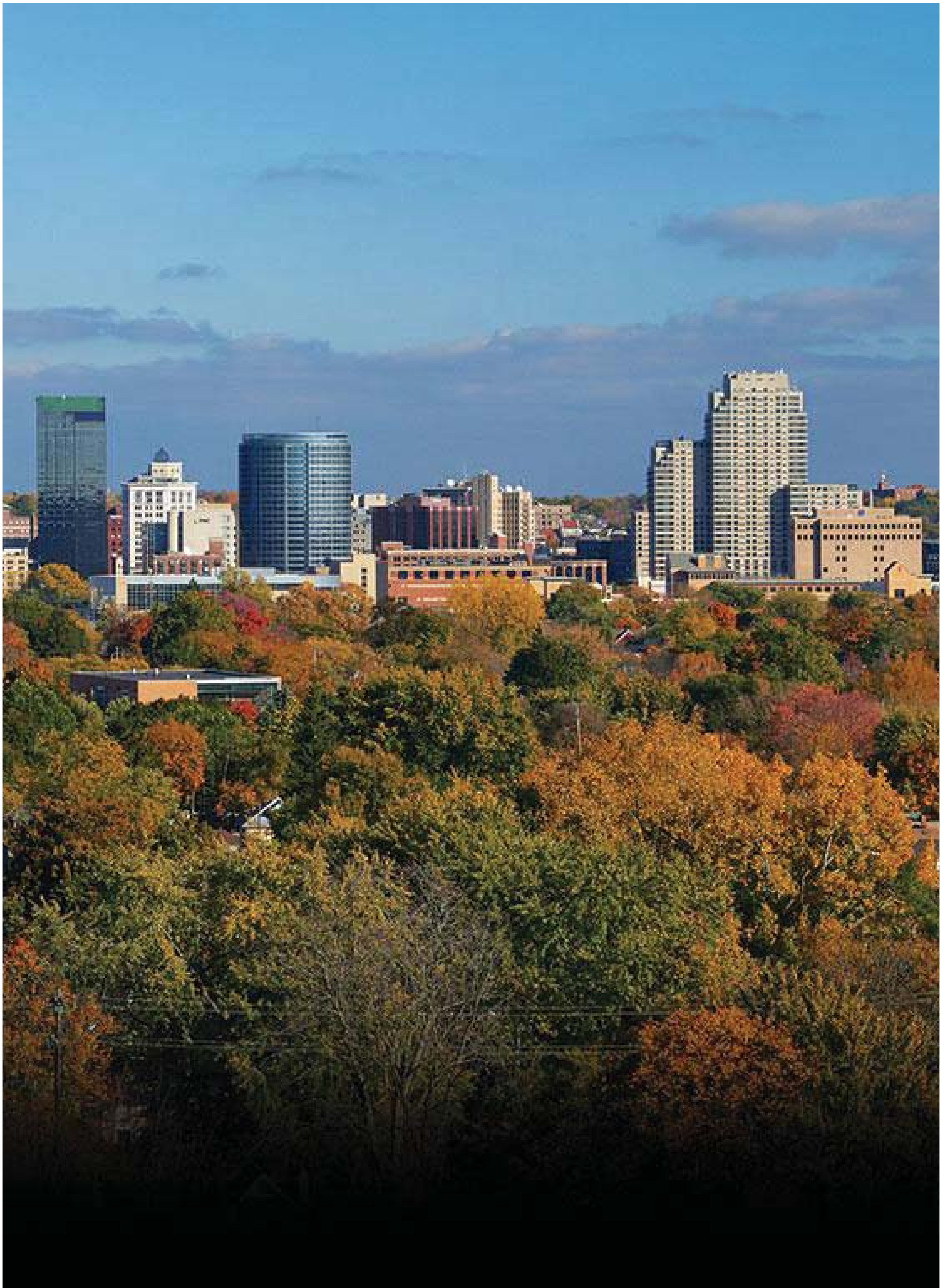
- Deficiency resulting in a minimum fund balance between 39% and 40% shall be replenished over a period not to exceed one year.
- Deficiency resulting in a minimum fund balance between 37% and 39% shall be replenished over a period not to exceed three years.
- Deficiency resulting in a minimum fund balance 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 7
Date of Last Review: 4/8/2020
Related Policies: None
Approved as to form: Not applicable



Downtown Grand Rapids (south end)

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 4
Date of Last Review: 4/8/2020
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 (as may be amended by the State of Michigan periodically):**

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, Revision 1
Date of Last Review: 3/30/2021
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:** This policy was reviewed and adopted by the Board of Commissioners in 2015 and confirmed rules and guidelines for managing the financial interests of the County.

   2.a. Conflicts: This document restates, clarifies, expands or alters the rules set forth in the 2015 Resolution. 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 (MCL: 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 7
Date of Last Review: 4/8/2020
Related Policies: None
Approved as to form: Not applicable

Experts: Grand Rapids economy poised to bounce back from pandemic

By Heather Walker

GRAND RAPIDS, Mich. (WOOD) — Grand Rapids is on the verge of an economic boom, according to the city and the region's economic development agency.

Local experts think Grand Rapids is in a good position to become an economic leader in the Midwest once the pandemic is over.

For-hire signs are up and unemployment is dropping. The unemployment rate sits at 5.5% for the four-county area that includes Barry, Kent, Montcalm and Ottawa. That figure has almost returned to where it stood before the pandemic.

"We have as many and frankly more job postings today than we had pre-pandemic," Randy Thelen, the new CEO of The Right Place, Inc., said.

He pointed to companies moving their headquarters to Grand Rapids this year, Michigan State University continuing to add to the Medical Mile and riverfront developments moving forward as examples.

Still, Thelen acknowledged that people are hurting. The hospitality industry was hit hard by months of closures over the past year. Parsley Mediterranean Grille in downtown Grand Rapids says profits are down by about 25% right now, but the owner says business is getting better.

"I have seen the business already start to rise," Parsley owner Zaid Kaskorkis said. "I'm not sure if it's going to be a boom but it's for sure going to increase little by little."

Kaskorkis is excited for more businesses moving into the city.

"Any new business that come in, it's only going to attract more people to come downtown," he said.

The Right Place recognizes that some people have moved out of their downtown offices and won't return. It says about 20,000 workers, mostly women, have left the workforce to provide child care during the pandemic. Thelen said we need to get them back to thrive.

That being said, he is confident in West Michigan's future.

"I expect we will have a very strong '21 and I would expect that to go on for the next couple of years," Thelen said.

January 25, 2021

Grand Rapids planning $6.36M trail connector along Grand River

By Michael Kransz | mkransz@mlive.com

A view of downtown Grand Rapids from River House Condos just north of Ah-Nab-Awen Park in this 2017 file photo. (Cory Morse | MLive file photo)

GRAND RAPIDS, MI -- Grand Rapids is planning a $6.36 million project to build a connecting stretch of bike and pedestrian trail along the Grand River north of downtown.

The proposed project would be the final connector of Grand River Edges Trail between Canal Park and Riverside Park on the east side of the river.

Grand River Edges Trail begins on the south end at Fulton Street and currently runs along the river northward until about Leonard Street, where it diverts onto the Monroe Avenue roadway until it picks back up at the Ann Street Bridge.

After Ann Street, the trail again winds along the river through Riverside Park and connects to the Fred Meijer White Pine Trail, which runs 92 miles from Comstock Park to Cadillac.

If funding is secured through a blend of city, state, federal and private dollars, the proposed project will bring paved paths along the river between Leonard and Ann, as well as create pedestrian underpasses at the bridges on those streets and the Grand Rapids Eastern Railroad line between them.

The stretch of new path would measure about three-fourths of a mile, bringing the total trail between Fulton and North Park streets to about 4.5 miles in length. Through some street diversions, the trail on the south end also has connections that lead to Millennium Park and beyond.

David Marquardt, director of Grand Rapids Parks and Recreation, told MLive/The Grand Rapids Press on Monday, Jan. 25, the trail connector project is a win for pedestrian safety and trail-goers.

"The significance of this project is that it's really the last remaining River Edges Trail connection that needs to be made in order for there to be full unencumbered trail access through downtown Grand Rapids up to the White Pine Trail," Marquardt said. "It's a significant connection. It's an important connection, and one that would really bring a great deal of safety and far better connectivity for the residents of Grand Rapids."
The trail connector also ties into the River for All plans for Grand River restoration and revitalization by the city and multiple partner organizations.

Grand Rapids won't bear the full brunt of the $6.36 million bill the trail connector is currently estimated at. Much of that cost, said Marquardt, is attributed to the construction of the pedestrian underpasses.

"(It's) a big project and we need, the city needs, all of the partners involved for this to be successful," he said. "I think it's fair to say that the city would not absorb the total cost of this project without the partners that are being considered."

The city aims to finance the project through a blend of state and federal funds, private donations and some dollars from the city itself. Marquardt said he currently doesn't have an estimate on what the city's share might be, as it's still early in the planning process for the connector.
On Tuesday, Jan. 26, the Grand Rapids City Commission will decide whether to hold a public hearing next month on proposed grant applications to the Michigan Department of Natural Resources to help finance the project.

If the grants are sent and approved in full, the city could receive about $1.2 million from the state. The city has applied for federal transportation funds to help finance the project, as well.

Marquardt said West Michigan Trails and Greenways Coalition is also spearheading fundraising efforts for the project.

If all goes to plan and funding is secured, construction on the project likely won't start until 2022 or 2023.

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January 20, 2021

Report: Grand Rapids among top cities for young homeowners

By **Ehren Wynder**

Young residents in Grand Rapids have a higher share of homeownership than most other cities in the U.S., according to a recent report.

In its ranking of the 200 largest cities in the U.S., Smart Asset placed Grand Rapids No. 11 for percentage of young homeownership.

Photo by iStock

Smart Asset ranked each city based on its under-35 homeownership rate in 2019 and the 10-year change — 2009-2019 — in the under-35 homeownership rate.

In Grand Rapids, 40.17% of residents ages 18 to 34 owned a home in 2019, compared to 37.19% in 2009. At the top of the list was Midland, Texas, with a young adult homeownership rate of 52.42% in 2019, a sharp change from just 35.31% in 2009.

Young homeownership has decreased overall since 2009, according to the study. While there are plenty of cities like Grand Rapids where homeownership among younger residents has increased, over the past decade the under-35 homeownership rate decreased by 3.71%, on average, across the 200 cities analyzed.

Under-35 homeownership still lags compared to that of older generations, particularly in large cities. Though some two-thirds of all Americans owned their homes in 2019, just one-fourth of residents younger than 35 did in the 200 cities analyzed.

Methodology

To find the cities where more young Americans are buying homes, SmartAsset examined data from the U.S. Census Bureau's 1-year American Community Surveys in 2009 and 2019.

Each city was ranked based on its 2019 homeownership rate and its 10-year change. SmartAsset then found each city's average ranking and used the average to determine a final score. The city with the highest average ranking received a score of 100. The city with the lowest average ranking received a score of 0. Grand Rapids received a score of 91.18.

Grand Rapids home prices projected to grow 6.5% in 2021

By **Ehren Wynder**

Grand Rapids home prices rose by nearly 7% in 2020, and a recent study predicted a similar outcome for this year.

Photo by iStock

An analysis from Construction Coverage found the median home price in the Grand Rapids metropolitan area increased by 6.8% to $234,133 between 2019 and 2020. Over the next 12 months, the median home price is expected to increase by another 6.5%.

Compared to the rest of the country, Grand Rapids ranked No. 32 out of 95 metros in terms of home-buying activity. At the top of the list was Boise, Idaho, with a projected 7.8% increase in home prices by next year. Home prices in the region rose by 11.5% to $337,099 in 2020.

Albany, New York, was anticipated to see the least increase in home prices with 5.6% in 2021. Homes in the region rose in price by just 3% to $207,759 in 2020.

Younger adults, including millennials, drove much of the increase in nationwide home sales during 2020 with millennials making up the largest share of homebuyers at 38%. Higher earners — often less affected by detrimental COVID-19 economic and financial repercussions —also accounted for higher home sales in 2020. According to statistics from the National Association of Realtors, the median household income of first-time buyers in 2020 was $80,000, and the median household income of repeat buyers was $106,700. By comparison, the median household income in 2019 was $68,703. These higher earners also typically work in industries that allow for remote work which, along with historically low mortgage rates, incentivized larger home purchases outside of urban centers.

Summary of Grand Rapids metro data

- Composite score: 62.75
- Median home price 2020: $234,133 ($254,4040 nationally)
- Previous one-year change in home price: 6.8% (4.7% nationally)
- Median price cut: 2.6% (2.4% nationally)
- Median days on the market: 15 (21 nationally)
- Projected one-year change in home price: 6.5% (7.9% nationally)

Methodology

To find the hottest real estate markets of 2020, researchers at Construction Coverage analyzed data from Zillow on the largest 95 real estate markets in the U.S. They created a composite score of each city based on the following metrics: previous one-year change in home price, median price cut from the original listing price, median days on the market and the projected one-year change in home price.

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November 10, 2020

HBAM: New home construction continues positive trend

By **Ehren Wynder**

Photo by iStock

Housing permits for single-family homes in Michigan increased again in September despite the economic downturn, according to the Home Builders Association of Michigan.

A total of 1,588 permits for new single-family housing were issued in September 2020 compared to 1,538 in September 2019. A total of 10,537 single-family home permits have been issued across Michigan, from January through September this year.

“It is very encouraging that despite the economic shutdown earlier this year, our numbers continue to rise back toward 2019 levels,” said Bob Filka, Home Builders Association of Michigan CEO. “There is strong, pent-up demand for new housing and remodeling services in our state. Our members are extremely busy. In addition to pent-up demand, low interest rates have helped our industry recover more quickly than we anticipated.”

In 2019, new home construction contributed a total of $4.25 billion to the state’s economy, contributing $836.4 million in taxes and other revenue for state and local governments and 54,372 jobs.

“The renovation market is roughly double these amounts,” Filka said, “and that has been driven by the lack of new housing being built in moderate price ranges. This has put tremendous pressure on our existing housing stock. Bidding wars for existing homes in moderate price ranges are being seen in markets all across the state. In normal or prior times, these trends would push more new home construction activity. But with limited production capacity, too few workers and rising building costs, we've not seeing that correlation now."

To address the growing housing crisis Michigan faces, the Home Builders Association of Michigan — along with numerous community, economic development and nonprofit housing organizations — called for a bi-partisan policy initiative earlier this summer, as the Business Journal previously reported.

October 27, 2020

Perrigo’s new downtown Grand Rapids headquarters aims to create ‘energy,’ attract new talent

By Brian McVicar | bmcvicar@mlive.com

Perrigo announced Tuesday, Oct. 27 that Grand Rapids will be home to its new North American corporate headquarters. The company plans to lease three-floors of space at a new 10-story building in downtown Grand Rapids. The new building is expected to be complete in 2022. (Rendering courtesy of Perrigo)

GRAND RAPIDS, MI — Perrigo plans to open a new North American corporate headquarters along Grand Rapids’ Medical Mile in 2022, eventually bringing 170 employees to the city and providing a boost for the region’s growing life sciences and healthcare corridor.

The generic pharmaceutical manufacturer, whose global headquarters is in Dublin, Ireland, is set to lease three floors of a 10-story office building planned for 430 Monroe Ave. NW. The location is just north of the intersection Michigan Street and Monroe Avenue and adjacent to Michigan State University’s Grand Rapids research center.

In addition, the Michigan Economic Development Corporation approved a $2 million business development grant for Perrigo. The grant will be awarded to the company in increments over a three-year period if it creates 170 new jobs in the region. Perrigo is also expected to seek tax cuts from the city of Grand Rapids.

Perrigo, whose North American operations are based in Allegan, plans to spend $44.8 million to lease its space within the office building over a 15-year period.

CEO Murray Kessler said the new headquarters creates "energy" and will help attract skilled workers who are "more interested living in a vibrant location." It also presents opportunities to collaborate with academic, research and clinical experts in the Medical Mile.

"We had the opportunity to create all of that energy, all of that collaboration, all of that ability to attract diverse talent, and it was 45 minutes down the road," Kessler said, referring to Perrigo's offices in Allegan.

Perrigo has over 11,000 workers globally and employs about 4,000 people in Allegan and Ottawa counties. It manufacturers generic pharmaceuticals and self-care products, and has $4.8 billion in annual sales, according to a memo from the Michigan Economic Development Corporation.

The company's operations in Allegan will remain in place.

"I won't sit in Allegan anymore," Murray said. "But we're talking about 75 to 100 people out of 4,000 in Allegan and Holland combined."

He said the 170 new jobs that will be created will range from areas such as digital and e-commerce to production workers to executives. When asked how many of the 170 new jobs would be in Allegan as opposed to Grand Rapids, Murray said he did not immediately have a complete breakdown.

"I would probably say a third of the Grand Rapids jobs will be completely new, so that would leave roughly some combination of 140 new ones down in Allegan to western Michigan," he said.

Murray was not immediately able to say what the pay range would be.

"They are well paid positions," he said. "We pay extremely well."

MEDC spokesperson Otie McKinley said Perrigo's application for its $2 million MEDC grant shows four tiers of hourly wages for the 170 new jobs. Those tiers include $55 an hour for managerial, $46 per hour for professional, $25 an hour for tech and information technology and $21 for operators.

When asked how many of the 170 jobs fall into each tier, McKinley said that information is not public.

Murray said between 75 and 100 people are expected to work at Perrigo's Grand Rapids office when it opens in 2022. That number is expected to eventually climb to 170.

Allegan City Manager Joel Dye said Perrigo's Allegan campus "will remain the center of its global manufacturing operations, and the working home for nearly 3,000 people, including manufacturing, distribution, scientists, and support staff."

"Just as with previous moves, Perrigo has communicated to the city of Allegan that they are confident that this event will create even more and better growth for Perrigo and result in continued investments and hiring great people from the Allegan region," Dye said in a statement.

The 10-story building Perrigo's office will be located within is being built by Health Innovation Partners, a joint venture between Grand Rapids-based Rockford Construction, MB Real Estate, Walsh Construction/Walsh Investors.

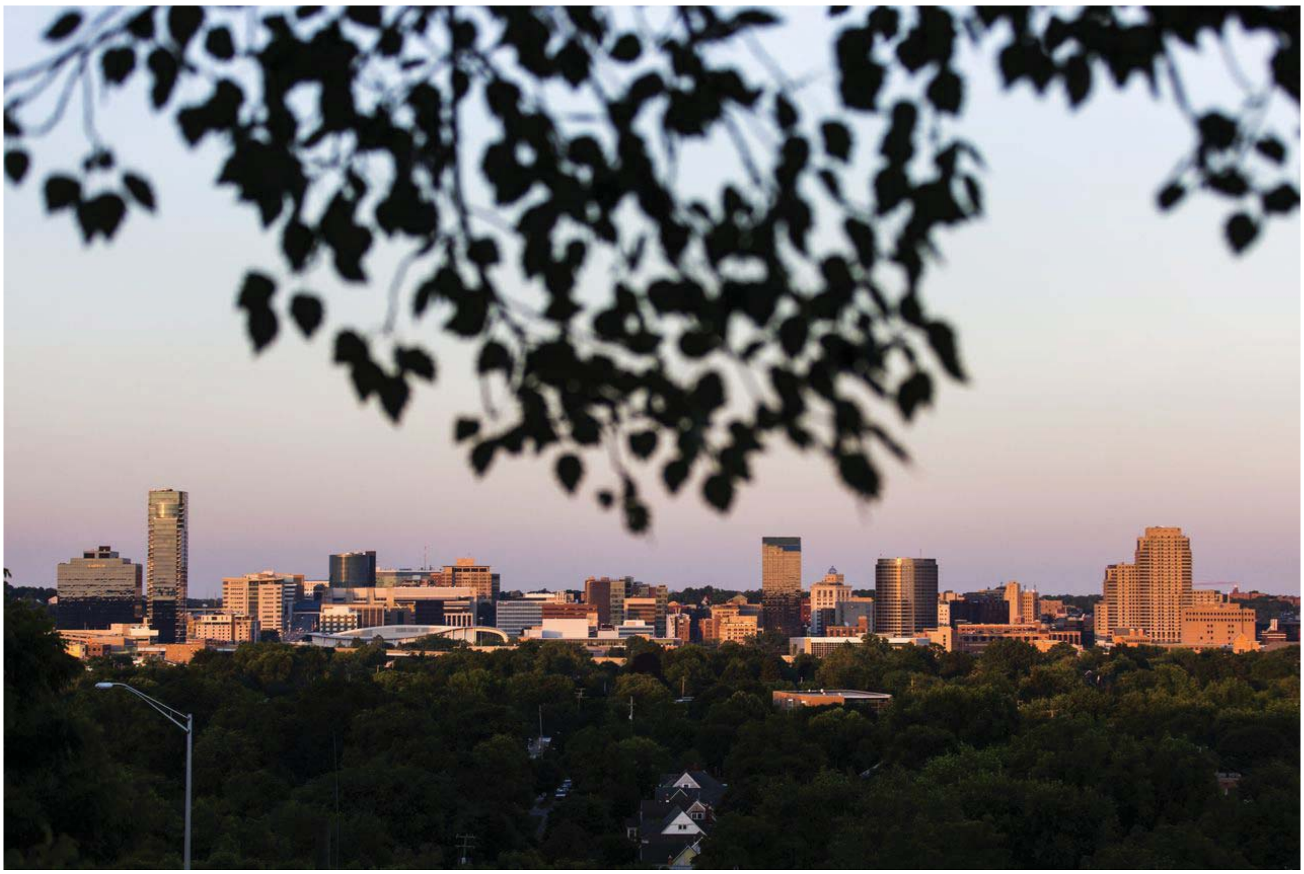
October 20, 2020

Grand Rapids is No. 1 city in America for first-time home buyers, report says

By Brandon Champion | bchampio@mlive.com

GRAND RAPIDS, MI -- Looking to buy your first home? Grand Rapids is the place to do it.

That's according to the financial tech company SmartAsset, which compared 185 of the largest U.S. cities across 12 metrics to determine the best places for first-time home buyers and found Grand Rapids was No. 1.



A view of downtown Grand Rapids from River House Condos just north of Ah-Nab-Awen Park in this 2017 file photo. (Cory Morse | MLive file photo)

Metrics were grouped into four categories:

Home market favorability (price-to-rent ratio, five-year home value appreciation and foreclosure rate)

Affordability (under-45 homeownership rate, down payment-to-income ratio, housing costs as a percentage of income and effective property tax rate)

Livability (concentration of dining and entertainment establishments, average commute time and violent crime rate)

Employment (unemployment rate and five-year change in median household income).

“With mortgage rates at all-time lows and Americans saving more than ever, now may be a good time for individuals and families considering homeownership to take a serious look at their options,” the report reads. “Buying a home for the first time requires significant research and thought.”

Grand Rapids ranks in the top fifth of cities for three of the four categories considered: home market favorability, affordability and employment. It ranks particularly well for home market favorability, with the 42nd-best price-to-rent ratio (13.96) and 49th-highest five-year home value appreciation (53.52%).

Additionally, the state of Michigan has the 15th-lowest foreclosure rate, at 0.25 per 10,000 homes.

In the categories of affordability and employment, Grand Rapids ranks within the best 50 out of all 185 cities for four metrics: high under-45 homeownership rate (40.73%), low down payment-to-income ratio (0.60), low housing costs as a percentage of income (20.31%) and low July 2020 unemployment rate (8.7%).

Grand Rapids is ranked ahead of Henderson, Nevada, Virginia Beach, Virginia, Boise, Idaho, Fort Wayne, Indiana, St. Petersburg, Florida, Omaha, Nebraska, Garland, Texas, Gilbert, Arizona and Sioux Falls, South Dakota.

Ford airport breaks ground on phase one of federal inspection station

By **Danielle Nelson**

The FIS is part of Project Elevate and one of three new developments for Ford airport to accommodate projected passenger growth over the next 20 years. ***Rendering courtesy Gerald R. Ford International Airport***

Gerald R. Ford International Airport entered phase one of its goal to welcome nonstop international commercial passenger flights.

To accomplish that goal, airport officials have begun discussions at the federal level to build out a federal inspection station (FIS). A date for its completion has not yet been set.

However, phase one of the construction project will take place on the east end of the terminal. It will include a new baggage claim area, restrooms and operations infrastructure that will be used for domestic flights until the full FIS project is completed.

The FIS will be an area for customs officers, allowing U.S. Customs and Border Protection (CBP) to consolidate multiple locations into a single facility. The airport eventually will build a corridor from Concourse B that will lead to a dedicated customs area, complete with screening equipment, security, holding cells and other FIS requirements. When fully built out, the FIS will be able to screen 400 passengers per hour.

The FIS is part of Project Elevate and one of three new developments for Ford airport to accommodate projected passenger growth over the next 20 years. Supported by Sen. Peter MacGregor, former Sen. Dave

Hildenbrand, former Rep. Chris Afendoulis and The Right Place, Project Elevate secured a $5 million grant from the Michigan Economic Development Corporation to begin work on curbside improvements needed for the FIS, which is expected to cost $30 million.

Local taxpayer dollars will not be used to finance Project Elevate. It will be paid for with a combination of federal and state grants, municipal bonds issued by the airport and user fees.

The architect for the project is Mead & Hunt and The Christman Company is the general contractor. The project is expected to have more than an $8 million impact in the West Michigan economy.

"Phase one of this project is an important step forward as we work to bring direct international travel to West Michigan," said Tory Richardson, president and CEO of Ford Airport. "Creating this additional space will signal to the federal government we are serious about creating a FIS at the Ford Airport while offering us needed additional baggage claim area in the meantime.

"We are thankful for funding from the MEDC, which required us to begin this project now. While our numbers, like those of every airport around the country, have been impacted by COVID-19, we have seen steady growth in the number of passengers throughout this summer and are ahead of our projections."

Currently, the airport cannot process direct international arrivals other than private aircraft. When a private aircraft lands at the airport from an international airport, CBP agents meet and screen passengers at the aircraft. Without the screening facilities of a FIS, CBP's screening capacity is limited to small aircraft.

In addition to the FIS, the airport plans to expand Concourse A and relocate the current air traffic control tower to the east side of the airfield. The expansion of the terminal apron, which is a critical component to Concourse A, will be completed in the coming weeks.

At its peak in 2019, the Ford airport generated more than $3.1 billion in annual economic impact, serving more than 3.58 million passengers.

"As we continue to emerge from the pandemic, we know our community is anxious to get out and to explore," said Dan Koorndyk, board chair of the Airport Authority. "We look forward to enhancing the gateway to West Michigan by providing our guests with a convenient, comfortable travel experience in state-of-the-art facilities."

June 18, 2020

Michigan Software Labs breaks ground on new office

By **Ehren Wynder**

Michigan Software Labs recently broke ground on a new office building in its hometown of Ada.

The 16,500-square-foot, three-story building at 7471 River St. SE will have office space for the growing software company and support up to 75 team members. The company currently is hiring for developers, UX designers and project managers.

The 16,500-square-foot, three-story building will have office space for the growing software company and support up to 75 team members. ***Rendering courtesy Michigan Software Labs***

"We are excited to announce this new building to support the increased demand for software development from our clients," said Joshua Hulst, managing partner and co-founder of Michigan Software Labs. "We are seeing an increase in demand for software development services due to the recent pandemic. Our goal is to build a new building to serve our team and our clients."

The project rendering also shows a wide layout to help with social distancing and safety at the office. The Michigan Software Labs team has been able to work remotely for the past few months of the COVID-19 pandemic and has seen an increase in interest for custom software development services such as apps and websites.

"We are having many conversations with Fortune 500 companies who are getting very serious about developing software and shifting more budgets over to digital efforts," said Mark Johnson, managing partner and co-founder of Michigan Software Labs. "Several companies are moving their existing large events budget set aside for on-site events and shifting them to custom software development to continue to grow their business. Our team is here to help."

Michigan Software Labs will share the building with a new Mexican restaurant from the creators of Luna on half of the first floor.

March 9, 2020

Grand Rapids ranks seventh in fastest rising incomes

By **Ehren Wynder**

Grand Rapids has one of the fastest rising incomes among major U.S. metros, according to a recent study.

After several decades of stagnation, real earnings for full-time U.S. workers are on the upswing. Data from the U.S. Bureau of Labor Statistics shows that between 2015 and 2018, inflation-adjusted earnings for full-time wage and salary workers increased by more than 3%.

Newly released data from the Census Bureau also showed inflation-adjusted earnings across all full-time workers increased by 2.2% over the same period.

The analysis found the Grand Rapids metropolitan area has the seventh-fastest rising incomes among midsize metros in the U.S. with workers experiencing a 6.1% change in earnings after adjusting for inflation.

At the state level, Oregon and Iowa led the nation in earnings gains from 2015 to 2018 with workers in those states seeing wage increases of more than 5% after adjusting for inflation.

Summary of the data for the Grand Rapids-Wyoming area compared to national data is as follows:

Change in earnings for full-time workers (inflation adjusted): 6.1% (2.2% nationally)
2018 median earnings for full-time workers (2018 dollars): $47,466 ($48,565 nationally)
2015 median earnings for full-time workers (2015 dollars): $42,201 ($44,819 nationally)
Occupation with the most wage growth: family and general practitioners (flight attendants nationally)

Despite wage gains at the national level, not all workers are seeing larger paychecks. According to BLS data, flight attendants had a nearly 18% increase in inflation-adjusted earnings from 2015 to 2018, outranking all other occupations with at least 100,000 workers.

Farmworkers and laborers, food preparation workers and dishwashers also experienced large increases in real earnings, ranging from nearly 11% to over 16%.

Postal service workers and financial services sales agents experienced the largest declines in real earnings among the nation's most popular occupations at 11% and 15%, respectively.

Methodology

Researchers at 360 Quote analyzed data from the U.S. Census Bureau and the BLS over three years.

Income growth was measured as the inflation-adjusted percentage change in earnings for full-time workers from 2015 to 2018. Researchers also calculated the occupation with the most wage growth in each metro out of all occupations with at least 100,000 workers nationally.

MiBiz

March 1, 2020

RECENT NEWS

MSU to open satellite Conquer Accelerator in Grand Rapids

By **Mark Sanchez**

GRAND RAPIDS — A business accelerator in East Lansing wants to extend into Grand Rapids this fall to tap into the local entrepreneurial ecosystem and support more high-tech startups.

COURTESY PHOTO - *Michigan State University is bringing its Conquer Accelerator to Grand Rapids, where it aims to leverage the school's growing presence at the College of Human Medicine and Grand Rapids Research Center, as well as connections with other organizations, to help develop startups.*

Grand Rapids would become the second location for Conquer Accelerator, a partnership between Spartan Innovations L3C and venture capital fund Red Cedar Ventures, both of which are subsidiaries of the Michigan State University Foundation.

"What we're doing is taking our program that we've had success with here and bringing it over to Grand Rapids," said Frank Urban, director of venture creation in life sciences for Spartan Innovations.

"That's definitely an ecosystem we're interested in," Urban said of Grand Rapids. "We have been fairly MSU-centric in the past, but we're starting to open up a little bit to the surrounding ecosystems around our MSU community."

Founded in 2015 with a goal of building profitable, self-sustaining companies, Conquer Accelerator annually selects five high-tech, startup businesses for 10 weeks of extensive training, and ongoing entrepreneurial support and mentoring. Each of the startups chosen from a field of applicants also receives a $20,000 investment from Red Cedar Ventures in exchange for 5 percent equity or a convertible note.

Urban specifically cites Spectrum Health as a partner that Spartan Innovations already works closely with, plus the university's College of Human Medicine and the Grand Rapids Research Center that could support Conquer Accelerator in Grand Rapids.

"We have some strategic partners and potential strategic partners in Grand Rapids," he said.

In its first four years, the business accelerator supported the formation and funding of 20 startups, 15 of which are still operating. Nine of the 15 companies are based in East Lansing, and four of those operate out of the incubator space.

The startups going through the program were able to leverage the initial backing from Red Cedar Ventures to collectively attract $2.3 million in follow-up capital investments and create 30 jobs.

Red Cedar Ventures and Spartan Innovations have since recorded one exit and are in negotiations for another of its portfolio companies, Urban said.

"We're getting a lot of traction out of the startups," Urban said.

Local support

The Grand Rapids Local Development Finance Authority, which operates the city's SmartZone, last month approved a memorandum of understanding with the MSU Foundation for a local Conquer Accelerator. The LDFA would pay up to $120,000 to cover a portion of the costs to extend the business accelerator to Grand Rapids.

Conquer Accelerator's goals are "exactly in line with the goals and priorities of the SmartZone" to nurture and build profitable high-tech startups that create jobs, said Jonathan Klooster, acting economic development director for the City of Grand Rapids.

"It actually is a perfect fit to achieve the priorities of the SmartZone," Klooster said.

The MSU Foundation intends to base a Conquer Accelerator out of MSU's Grand Rapids Research Center on Michigan Street in downtown, Urban said.

Pending negotiation of a final contract with the LDFA for Conquer Accelerator, Spartan Innovations tentatively plans to launch the 10-week program in Grand Rapids in mid September, Urban said. Advertisements and requests for proposals from startup businesses likely will go out in March, he said.

Urban expects to receive interest from 15 to 20 startups.

"We don't think we'll have a problem getting five teams," he said. "There's enough entrepreneurship and ideas out of Grand Rapids."

Finding partners

The LDFA can bring to Conquer Accelerator several partners that are in the SmartZone, such as Spectrum Health, the Van Andel Institute, Grand Valley State University, Start Garden and The Right Place Inc., to identify startups that are prepared to participate in the training, Klooster said.

The program "is not going to be for everybody," he said.

"It's very intensive and it's really intended for those companies that are ready to spend an intense 10 weeks with a lot of experts coming in to help them move the needle on their business, and they're going to have to be companies that Red Cedar Ventures wants to invest in," Klooster said.

Startups should have founders that "demonstrate a willingness to learn and the ability to accept and integrate feedback without being defensive," and offer a product or service "that solves a problem for a specific customer," Klooster said. They should operate with less than $1 million in external funding and have a scalable distribution model or proven ability to scale sales, he said.

"Ideally they'll have a functional prototype or proven product success," Klooster said. "This isn't the program for somebody with an idea where they haven't had some work put into evaluating that idea yet."

Spartan Innovations initially plans to operate the Grand Rapids Conquer Accelerator with staff from East Lansing. The organization intends to train and turn over control of the business accelerator to a local team within a few years to “make it strictly a Grand Rapids thing with all Grand Rapids mentors and all Grand Rapids teachers and utilizing everything from Grand Rapids,” Urban said.

“Our goal is not to go out there and run this program like we run it in East Lansing and using all of our people. The goal is to take the program that we built in East Lansing and bring it out to Grand Rapids, train people in Grand Rapids how to run the program, and allow Grand Rapids to eventually run the program, and then they can tailor it for Grand Rapids,” he said.

Expanded offerings

In its first few years, Conquer Accelerator primarily selected student-run startups and broadened eligibility beyond campus in the fourth year. In the fifth year, the business accelerator will consider startups formed by university staff and faculty.

The training focuses on areas such as business planning, patent and copyrights, customer discovery, securing capital, and seeking federal grants for technology development from the National Institutes of Health, National Science Foundation and the Small Business Innovation Research (SBIR) program.

Conquer Accelerator in the 2018-19 fiscal year submitted 16 SBIR applications for highly competitive federal grants for startup clients, Urban said, noting that eight were funded.

Spartan Innovations eventually wants to extend Conquer Accelerator beyond just Grand Rapids and into other markets around the state. It will focus first on areas where “MSU has assets” that can support the business accelerator, Urban said.