

**MINUTES OF THE BUDGET WORK SESSION OF THE PORTAGE CITY COUNCIL
APRIL 17, 2018**

Mayor Randall called the meeting to order and the City Clerk called the roll. Councilmembers Chris Burns, Richard Ford, Claudette Reid and Terry Urban and Mayor Patricia Randall were present. Councilmember Lori Knapp arrived at 5:05 p.m. and Mayor Pro Tem Jim Pearson was absent with excuse. Also in attendance were City Manager Laurence Shaffer, Deputy City Manager Rob Boulis, Finance Director Bill Furry, Deputy Finance Director Lauren VanderVeen and City Clerk Adam Herringa.

At the request of Mayor Randall, City Manager Larry Shaffer began his presentation and recognized Bill Furry, Lauren VanderVeen, Rob Boulis and the various department heads for their efforts in putting together the proposed Fiscal Year 2018-2019 Budget. Mr. Shaffer also reviewed the format of the budget review sessions and how they are different from previous formats. Mr. Shaffer then reviewed the proposed budget and highlighted changes from the current Fiscal Year 2017-2018 budget. Mr. Shaffer stated the proposed budget focuses on capacity, perspective and creativity. He continued by stating that the proposed budget seeks to take advantage of the good financial health of the City while recognizing that financial good times will not go on forever. He stated that the City seeks to operate at a reasonable level while seeking out opportunities for creativity and long-term solutions to problems. Mr. Shaffer then reviewed the positive steps the City has taken to address long-term debt citing a reduction of over \$9 million in debt over the past year alone.

Next, City Manager Shaffer reviewed financial health indicators such as increasing construction value and building permit issuance. Councilmember Reid inquired as to the breakdown between residential permits and construction value to commercial/industrial permits and construction value. She also inquired how much of the construction value is tied to efforts at Stryker and Pfizer. Mr. Shaffer responded that a large percentage of the value is tied to efforts at Stryker and Pfizer. Mr. Shaffer shared positive news with City Council about an increase in ACT 51 dollars over the current fiscal year. He continued by reviewing the impact of the State of Michigan's repeal of Personal Property Tax on the City. He indicated that while the City lost funding from the repeal of the Personal Property Tax, the revenue provided by the State to replace the lost funding has exceeded expectations. Councilmember Reid inquired why the State is giving the City more than we are budgeting for. Mr. Shaffer replied that the revenue provided by the State in lieu of the Personal Property Tax is determined via statute and a formula. The formula, he stated, has been very positive for the City of Portage though other jurisdictions have not been so fortunate. Councilmember Knapp inquired when the City will know what will be received for FY 18-19 and Finance Director Furry indicated that last year a check was received in October and Mr. Shaffer stated that there is no established timeframe for when the State distributes the funding. Mayor Randall inquired if the experience of Portage is common across the State and Mr. Shaffer indicated it is widely variable.

Mr. Shaffer then reviewed the overall value of the tax base and that it now exceeds \$2 billion and the trend remains positive. Councilmember Knapp inquired if there is one particular business or sector that is driving the increase in tax base. Mr. Shaffer indicated positive growth in all sectors and stated that the mix between residential, commercial and industrial in the City is healthy. Councilmember Reid inquired if the City has been experiencing a softening in the residential sector. Mr. Shaffer stated that the residential sector was growing stronger.

Finance Director Bill Furry reviewed the budget development process and that efforts were made to minimize budget increases. He also stated that prior budgets were reviewed and matched with actual expenditures to develop a more accurate budget that is free of excess. Mr. Furry then reviewed major changes to the overall budget and highlighted key aspects of the Finance Department budget such as a change in banking services and recent contract for payroll services. With regard to the budget for City Council, he indicated the proposed budget is down 4% from the previous year. Councilmember Knapp pointed to the contract for the City Attorney and inquired where the legal funds are located for additional legal services such as labor counsel. Deputy City Manager Rob Boulis stated that attorney services for labor, bond counsel, assessing, etc. are located in the individual departments. Councilmember Knapp inquired if the City Attorney contract was multi-year and Mr. Boulis indicated that it is a five-year contract and we are currently in the third year.

Next, Mr. Furry reviewed special revenue funds including the street millage, leaf and brush pickup, Cable Television and Debt Service. Mr. Furry stated that there would be no reduction in the street millage, and the funding for leaf pickup is being provided at a level sufficient to handle a fourth pickup if necessary. He continued by stating that there would be no change to Cable Television and that it has a fund balance of approximately one-half million dollars. Mr. Furry stated that the tax base for the Downtown Development Authority is increasing along with expenditures for fleet and facilities. Councilmember Reid stated that, when the Department of Benefit Services was eliminated many functions were transferred to the Department of Human Resources but the compensation component stayed with the Finance Department. She inquired how this is working out. Finance Director Furry and Deputy City Manager Boulis indicated that the current arrangement is working out very well with Human Resources handling day to day interactions, with employees and insurance coverages, renewals and similar activities are the responsibility of the Finance Department.

Human Resources Director Shannon Hertz reviewed the operations of her department and shared that there is a strong effort to transition from paper-based forms and applications to electronic. She also highlighted an effort to reduce the length of time and types of documents that must be retrained and shared that an upcoming departmental effort will be to review the pay scale for the City of Portage to ensure pay and benefits are commensurate with the market. Ms. Hertz indicated that a new performance management system would be implemented in the next fiscal year and that new training software and materials were on the horizon. Mayor Randall inquired if the pay scale analysis would be for all positions and Ms. Hertz responded in the affirmative. Mayor Randall inquired if the City was experiencing a retention problem and Ms. Hertz responded in the negative but continued by saying that she does not want to see good employees being “poached” by other units of government or the private sector. Ms. Hertz continued by stating that the pay scale review is a long term plan and she does not foresee a need for immediate adjustments. City Manager Shaffer stated that employees have had offers to work other places and the City took steps to retain the employees. He shared his goal of keeping employees satisfied and happy with their employment. Councilmember Burns inquired if any fringe benefits were proposed to be reduced. Mr. Furry responded that the City is not proposing any cuts in benefits but that the figures used in the budget for fringe benefits are traditionally higher than necessary and are being reduced. Mr. Shaffer shared that non-union employees would be receiving a Cost of Living increase in the amount of 2.5%. Mr. Shaffer complimented the efforts of Ms. Hertz especially as it relates to introducing automation into her department.

City Assessor Ed VanderVries and Deputy City Assessor Meshia Rose shared that the Office of the City Assessor had a very successful year and were fully staffed though one employee recently took a job at another city. Mr. VanderVries shared that they are proposing to increase the commercial appraiser position from part to full time and explained why. Mr. VanderVries commended Deputy Assessor Meshia Rose for her running of the day to day operations of the office. He was especially complimentary on the efforts of the Office of the City Assessor related to customer service and efforts related to assisting taxpayers. Mr. VanderVries and City Council congratulated Ms. Rose on obtaining her Level III certification as an assessor. With regard to taxable value and assessments, Ms. Rose indicated that all of the numbers are on the rise. Ms. Rose shared that the Board of Review had only 36 appeals this year which is the lowest number in years and that City Council may consider utilizing one pod next year instead of two. Mayor Randall inquired how many written appeals were filed and Ms. Rose responded that the number was five. Councilmember Ford inquired if staff were working with potential appellants prior to them actually filing an appeal and Ms. Rose responded in the affirmative and stated that they work hard to help taxpayers understand the appeals process. Mr. VanderVries shared that he has handled several appeals via the process of "assessor review." Councilmember Ford inquired if there were any cases before the Michigan Tax Tribunal and Ms. Rose indicated there is one while last year there were eight. Mr. VanderVries complimented Ms. Rose on her ability to work with taxpayers and tax consultants to avoid the formal appeals process. Mr. Shaffer informed City Council that the Office of the City Assessor was very recently audited by the State of Michigan and received a clean audit. Mr. Shaffer also explained the high level of turnover in office, the need to bring on Mr. VanderVries as a contractor and the plan for Ms. Rose to eventually become the City Assessor. Councilmember Knapp noted a change in part time v. full time staffing and related budget numbers. Mr. VanderVries provided the rationale for converting the part time position into full time. Ms. Rose also explained that the contract for Mr. VanderVries was previously budgeted for in the full time category but has been moved to the part time category. Mr. VanderVries shared that an upcoming goal of the Office of the City Assessor is to become the first such office in the State of Michigan to receive a "Certificate of Excellence in Assessment Administration." Councilmember Ford inquired as to the legal costs included in the budget and Mr. VanderVries explained the need to have funding available to handle legal matters and for the potential need for retaining appraisal services for major development projects or appeals to the Tax Tribunal. Councilmember Reid inquired if the economy slows down, would we see more commercial "dark store" situations and Mr. VanderVries replied that he has been assisting in a legal case regarding the "dark store" theory and he believes the theory will be debunked.

City Manager Shaffer introduced Director of Information and Technology Devin Mackinder and complimented him on leading a "tech revolution" at City Hall. Mr. Mackinder pointed out that the current year budget for technological services is almost identical to the proposed budget. He also pointed out that the budget for Cable Access is down slightly and he attributes this to more people moving away from traditional cable television services. Mr. Mackinder then reviewed activities and accomplishments of his department over the previous year. With regard to a new City website, he informed City Council that it should go live on May 1st and confirmed that it would be mobile friendly. Mr. Mackinder next highlighted projects for the upcoming year such as a network security assessment, disaster recovery, consolidated dispatch migration and a possible transfer of cable access services. Both he and Mr. Boulis complimented the staff of the Information Technology Department and Mr. Boulis commented that, despite being contract employees, you would never know they aren't full time City employees. Councilmember Reid inquired as to the vendor for the website. Mr. Mackinder stated that

it was Civic Plus and then shared some details and thoughts about the project. Mr. Shaffer explained that there would be changes to the role and responsibilities of Mr. Mackinder in the next fiscal year. He explained that this is not reflective of Mr. Mackinder's performance but rather an effort to consolidate how the City communicates and interacts with residents. Mr. Shaffer continued by stating that a Communications Manager position was being created and some of Mr. Mackinder's responsibilities would move to the new position. Some of the duties of the new position would include the Portager, podcasting, press releases, website, social media communications, etc. To replace some of these responsibilities, Mr. Shaffer indicated that he has asked Mr. Mackinder to spend more time on matters related to security.

Mr. Shaffer introduced Director of Transportation and Utilities Kendra Gwin. Mr. Shaffer explained that her department is responsible for numerous street and utility projects and that Ms. Gwin is a master of details when it comes to these projects. Ms. Gwin reviewed the roles and responsibilities of her department. She explained that a large role of her department is the management of utilities in the City and that the proposed budget takes a conservative approach. Ms. Gwin explained that she is looking to add an engineer to her department as part of the proposed budget. She also explained that there is a slight increase in the contract for SUEZ and a decrease in debt service in the proposed budget. Next, she reviewed the major roadwork and utility projects that are upcoming. With regard to the reconstruction of a segment of South Westnedge Avenue, Councilmember Reid inquired how many lanes will be kept open and Ms. Gwin shared that there would be at least one travel lane in each direction along with a turn lane. Mayor Randall inquired if we have on-going updates on road construction on the city website and Ms. Gwin responded in the affirmative. Mayor Randall inquired, given all of the major roads that will be under construction, if there is a plan to reroute traffic. City Manager Shaffer responded that there is a plan but cautioned that traffic flow will be problematic this summer. With regard to work on Centre Avenue near the interchange with U.S. 131, Mayor Randall inquired if the ramps would be closed and Ms. Gwin explained that there may be times when access to ramps from Centre is limited or closed altogether due to restrictions by the Michigan Department of Transportation. Councilmember Burns stated that ACT 51 funding is going up and inquired how this was forecast and Finance Director Furry explained that there is a formula used to calculate the amount. Mr. Shaffer informed City Council that, as it relates to work on South Westnedge and Oakland Drive, the City was able to get the projects out to bid early and received good pricing which was less than was anticipated. Councilmember Reid inquired whether the high water table would impact any projects and Ms. Gwin responded that it may only impact a few sanitary sewer projects. Mayor Randall inquired when the new engineer would be on staff and Ms. Gwin explained that it has been difficult getting qualified applicants due to the high demand in the field. Mayor Randall inquired if former Director of Transportation and Utilities Chris Barnes would be available on a consultant basis and Mr. Boulis explained that he has assisted in a few projects in the past but is no longer a viable option. Ms. Gwin explained that they are looking for an engineer who would spend a majority of his or her time out in the field at project locations. Councilmember Burns inquired if a new water tower was being planned. Mr. Shaffer stated that a new tower is in the Capital Improvement Plan but it may not ever be built. He stated that the preferred alternative is to install a water main under the airport property to enhance water service in the City. He stated that they are closer to getting the easements and permissions needed to install the water main. Councilmember Burns inquired if the industrial sector of the City would be sufficiently covered if the new water line is installed. Mr. Shaffer explained that industrial developments frequently have fire suppression systems

in place that far exceed mandatory minimums. Ms. Gwin informed City Council that, while a new water tower may not be likely, the Haverhill Water Tower will need to be rehabilitated.

City Manager Shaffer introduced Director of Public Services Rod Russell and complimented him on the work of his department and his creative approach to meeting needs and solving problems. Mr. Shaffer shared that Mr. Russell looks for opportunities to utilize internal staff instead of contractors to perform work which results not only in cost-savings but boosts the morale of staff. Along these lines, Mr. Russell explained that an additional staff person is included in his proposed budget which will help reduce reliance on contractors to perform such services as mowing. He explained that the cost of the additional position will be offset by savings on contracted work. Mr. Russell explained that the Department of Parks and Recreation has numerous upcoming infrastructure and programmatic efforts that his department will be called on to support and maintain. With regard to his department, he explained that it is broken down into three areas including Park Maintenance, Street Maintenance and Fleet/Facilities. He then reviewed the general functions of each of these divisions and that efforts are being made to cross-train personnel and to keep quality employees. Mr. Shaffer explained that one reduction in the Department of Public Services budget is related to an emergency snow plow contract for which the City must pay regardless of whether the services are utilized. Councilmember Ford commented that he appreciated the effort to bring some of the work of the City in-house and questioned whether the emergency snow plow operators would perform as well as in-house operators. Mr. Russell next reviewed special programs such as Curbside Recycling and Household Hazardous Waste and highlighted positive participation trends in each of these areas. Councilmember Reid inquired if we received information on what percentage of collected recyclables are not able to be recycled. Councilmember Urban commented that many recyclables are shipped to China but that, due to policy changes by the Chinese government, the rejection rate is going up. Mr. Russell commented that he would research and respond to Councilmember Reid's question. Councilmember Reid asked that efforts be made on recycling education. With regard to the Leaf and Brush Pickup Program Mr. Russell shared that participation rates are increasing and that a budget increase is requested. He explained the need for the budget increase is related to a new contract and equipment rental. Finally, Mr. Russell reviewed a new piece of equipment called a "swap loader" that can serve multiple purposes for his department and that while his department has one swap loader, another is being requested in the proposed budget.

Recess: 7:00 p.m.

Reconvene: 7:10 p.m.

City Manager Shaffer introduced Director of Parks and Recreation Kathleen Hoyle and complimented her on the energy she has brought to her department. Mr. Shaffer also introduced Senior Citizen Services Manager Kim Phillips and complimented her on her efforts with the Portage Senior Center. Ms. Hoyle reviewed staffing changes within her department and efforts to obtain sponsorships and grants to help offset program expenses. She also emphasized the value in collaborating with other community organizations in planning and executing special events. Ms. Hoyle shared that there are proposed increases in maintenance costs and office supplies and that she is reviewing expenses related to activity management software. She pointed out a headliner summer concert and expressed optimism that it will be a major draw and that tickets will sell out which would more than offset the costs of the concert. Councilmember Reid inquired as to what number is considered "full attendance" for the concert. Ms. Hoyle replied that it would be 3,000. Councilmember Reid inquired if the Parks Department was

advertising and Ms. Hoyle responded in the affirmative and shared some of the methods. Ms. Hoyle then highlighted some events from the previous year and their popularity and also disclosed that the Farmer's Market would be relocating to the City Hall parking Lot. Councilmember Reid inquired as to any plans for the development of Betty Ongley Park and Ms. Hoyle responded that they are in the process of developing plans. Mayor Randall inquired if there is a rain venue for the summer concert and Ms. Hoyle said that Miller Auditorium has been reserved. Councilmember Knapp inquired if there would be more vendors at the Farmer's Market and Ms. Hoyle responded that she was uncertain since a third party is responsible for managing the market. Councilmember Burns inquired as to the logistics of the Farmer's Market as it related to parking and use of City Hall. Ms. Hoyle responded that they will be monitoring the transition and use of the City Hall parking lot along with use of the restroom facilities in City Hall and parking for the market. Councilmember Ford inquired if the City Centre area could accommodate parking for 3,000 and Ms. Hoyle assured him that a review of available parking had been conducted. Councilmember Randall inquired if, in regard to the concert, there will be a height restriction on the size of chairs people bring. Ms. Hoyle responded that chairs would be checked to make sure they are not too tall. Councilmember Burns inquired how the Parks Department was managing with invasive species and Ms. Hoyle shared that she anticipates receiving a report/study on the topic from the Kalamazoo Nature Center in July.

Senior Citizen Services Manager Kim Phillips reviewed highlights of the Senior Center and focused on the success of the speed dating program for seniors. Ms. Phillips emphasized the real success of the speed dating program and goal of other programs at the Senior Center is for people to be able to make connections. Ms. Phillips shared that overall program participation is trending higher than in previous years and that a new "Aging Mastery" program is proving popular. Ms. Phillips explained the Aging Mastery program and highlighted other areas of programmatic focus. She explained that there are no significant changes in budget and that the Senior Center has had success in keeping members up-to-date on events and happenings through a variety of communication methods. Councilmember Reid inquired if the Senior Center has had success attracting people between the ages of 50 and 65. Ms. Phillips explained that the median age of members is 74 but there is some membership growth at the younger end of the age spectrum.

Public Safety Director Nick Arnold shared that he was proud to be leading the Department of Public Safety and recognized Deputy Police/Fire Chief Dan Mills, Deputy Police Chief John Blue, Deputy Fire Chief John Podgorski, Assistant Fire Chief Stacy French and Communications Supervisor Ryan Enderich who were in the audience. Mr. Arnold explained that there is a Fire Division and Police Division within the Department of Public Safety and reviewed an ongoing trend of increasing service demands for each division. Mr. Arnold highlighted the national accreditations achieved by each division along with programs and efforts by his department that are outside the realm of routine public safety such as a back to school program for children. Mr. Arnold also highlighted a transition to a single ambulance provider that occurred in 2017 and shared that the transition has been smooth and beneficial. He then reviewed departmental efforts related to the opioid crisis, school safety and active shooter events. Next, Mr. Arnold reviewed upcoming projects such as the replacement of a fire station and closing of the Portage Dispatch Center and replacing it with Countywide Dispatch. Director Arnold closed by emphasizing the value and contributions of the men and women of the Public Safety Department. Mayor Randall shared that she has heard that morale is high in the Department of Public Safety and the community feels safe and complimented Mr. Arnold on his efforts. With regard to the opioid epidemic

Councilmember Urban inquired if any efforts have been made to encourage or equip other city staff such as park rangers or civilians with Narcan. Mr. Arnold said that at this point only Public Safety personnel carry Narcan and City Manager Shaffer stated that equipping additional staff would be explored. Deputy Police Chief Blue shared that Narcan is available by prescription only and some training on use is involved. Mayor Randall inquired as to the timeframe and location of the increase from 33 to 72 opioid related deaths and Mr. Arnold stated that the increase was for deaths over a two year period in Kalamazoo County. Councilmember Burns asked for Mr. Arnold to review any proposed changes in the Department of Public Safety. Mr. Arnold stated that they are looking to hire up to three positions to get staff in place to cover pending retirements. He also explained that six records clerk positions are included in the budget to cover the work that is currently performed by dispatchers when they are not involved in a call. Such work includes running computer checks, managing records, processing Freedom of Information Act requests and assisting patrol officers. The record clerk positions would ensure coverage 24 hours per day. Councilmember Ford noted that the police investigations budget is declining by approximately \$100,000 and asked why. Mr. Arnold explained that one detective had shifted responsibilities to professional standards from investigations. Councilmember Reid inquired how many records clerks would be working on weekends, evenings and holidays and Mr. Arnold stated there would always be one if not two. City Manager Shaffer explained that the need to cover for the transition and overlap in dispatch and hiring/training of new records clerks means that additional funding is needed in the coming fiscal year. Without the transition in dispatch Mr. Shaffer indicated that the City might be recommending a millage reduction. Councilmember Burns inquired as to the number of School Resource Officers and why an increase is not being proposed. Mr. Shaffer indicated there are two School Resource Officers and that the City is planning to talk with Portage Public Schools about adding additional officers. He indicated that Portage Public Schools pay half of the cost of these officers. Mr. Shaffer concluded by stating that if the talks go well City Administration may ask for a budget amendment. Mayor Randall pointed out that the City is still receiving \$75,000 per year for the upstairs level of the Public Safety building that was vacated by the Kalamazoo County Courts several years ago. Mr. Shaffer stated that the City would be receiving this compensation through the year 2023. Councilmember Knapp inquired if an additional K-9 unit was under consideration and Mr. Arnold shared that the Public Safety Department is looking into this possibility. Mayor Randall commented that she had spoken with the new Public Safety Director for the City of Kalamazoo and shared that, based on this conversation, she understands relationships have never been better between City of Kalamazoo Department of Public Safety and the Portage Department of Public Safety.

City Manager Shaffer complimented the efforts of Deputy Director of Planning, Development and Neighborhood Services Chris Forth as he has been filling in for Director of Community Development Vicki Georgeau. Mr. Forth shared that the Department of Community Development is operating within the greatest construction boom in the City since the early 1990's. Mr. Forth explained that the Department of Community Development is broken into areas related to planning, development, construction, neighborhood protection and growth in the community. Mr. Forth then reviewed the work of the department and explained that, due to all of the construction activity, revenue has exceeded projections by over \$1 million and the current fiscal year is not yet over. With regard to residential development, Mr. Forth indicated that the City has not seen this level of activity since 2005. Mr. Forth then reviewed various residential developments followed by commercial and industrial development projects. With regard to commercial and industrial projects, Mr. Forth indicated that these are nearing record highs as well. Next Mr. Forth expressed optimism for the Crossroads Mall as it

is under new ownership and reviewed projects located within the Downtown Development Authority. In response to an inquiry, Mr. Forth stated that to the best of his knowledge Blain's Farm and Fleet is still planning to locate in the former Menard's location. Mr. Forth then reviewed a number of business developments within the City. Mayor Randall inquired if there were any plans for the Toys R' Us after it goes out of business and Mr. Forth stated that he was not sure of what would happen at that location. Mayor Randall next inquired if there are any developments forthcoming in the Lake Center District and Mr. Forth stated that a Biggby coffee shop would be going in. Councilmember Reid inquired as to the vacancy rate for office space and Mr. Forth shared that he would have to gather statistics in this regard. Councilmember Reid expressed optimism that vacancy rates in the Crossroads Mall would decline under the new ownership. Mayor Randall inquired if any development had occurred since the City altered parking requirements. Mr. Forth stated that there had been nothing since City Council voted on the matter but Jared's Jewelers is an example. He explained that conversations have been held to develop sites at other locations within the City. Mayor Randall inquired as to a pond and fountain being installed near the Hillside Center on Romence Road and Mr. Forth explained that this activity is taking place at the retention basin that services the Hillside Center. Councilmember Ford commented that Ring Road is getting bad and encouraged Mr. Forth to encourage the property owner to address the matter. Councilmember Burns noted that, despite increasing demands, there is no request for additional staff in the proposed Community Development budget. Mr. Forth stated that an additional neighborhood code enforcement position was recently added and this has helped the City to be more proactive when it comes to enforcement issues. Councilmember Urban inquired if the inspection aspect of the department was fully staffed. Mr. Forth responded in the negative and pointed out that the City is seeking a mechanical inspector. Unfortunately this is proving difficult due to competition with the private sector and limited qualified applicants. Mayor Randall inquired about the possibility of sharing an inspector with the City of Kalamazoo. Mr. Forth stated that this has been explored previously but he does not remember the result and confirmed the plumbing inspector is needed full time. Deputy City Manager Boulis shared that before the economic downturn the City had two plumbing/mechanical inspectors. Mr. Shaffer commented that the tax base in Portage is larger than in Kalamazoo with a bigger inventory of properties and a higher growth rate. The plumbing inspector, he stated, would have plenty to do in Portage. Councilmember Urban commented that there may be differences between the Code of Ordinances in Portage and other jurisdictions and City Manager Shaffer confirmed that while the State Code of Ordinances is standard across jurisdictions subtle differences can exist. Councilmember Burns inquired if the hiring difficulty was related to pay or pool of qualified candidates. Mr. Forth commented that qualified applicants can make a lot of money in the construction market right now. Mr. Forth emphasized that there is a goal of "speed to permitting" which is made easier by having inspectors on staff instead of relying on a contractor. Mayor Randall inquired if the various projects referenced by Mr. Forth could be made available on the city website. Mr. Forth stated that he would work to make sure the new website had a component in which such information can be shared.

Next, Mr. Forth reviewed the 54 projects contained within the first year of the proposed 10-year Capital Improvement Program (CIP). Mr. Forth stated that the City of Portage has many characteristics that make it attractive to developers and that one factor often overlooked is the investment the City makes in infrastructure. With regard to the CIP Mr. Forth stated that there is a strong investment in the community including heavy investments in public services and parks. The first category he highlighted were street improvement projects and pointed out that the CIP now includes "front-loading" of design and engineering for major street reconstruction projects in an effort to obtain better pricing and get an

earlier start. Mr. Forth referenced a project related to traffic calming on local streets and Councilmember Knapp inquired what traffic calming measures might look like. Mr. Forth explained that measures could include speed humps, speed tables and curb bump outs. In regard to the CIP project to straighten Lovers Lane Mr. Forth explained that most of the land used for this project would come from the east side of the road. Mr. Forth next reviewed projects related to sidewalks and bikeways. Councilmember Urban inquired if the project designed to link Lexington Green Park to Ramona Park had received approvals from Consumers Energy. Mr. Forth stated that although permission has not yet been obtained he does not foresee any problems. Following a review of sidewalks and bikeways Mr. Forth reviewed water and sewer projects followed by projects related to police and fire efforts. Councilmember Burns inquired what work was going to be performed in the basement of the Public Safety building. Mr. Boulis explained that the basement has drainage issues and water has caused damage to this part of the facility. Councilmember Urban expressed surprise that a project for replacing vests and/or firearms was not included in the CIP. There was a question as to whether either or both of these items were included in the operating budget. City Manager Shaffer stated that he would look into the question. Mr. Forth next reviewed projects related to public facilities and parks and recreation. Councilmember Knapp inquired if the new signage at Eliason and across the City would be consistent and Mr. Shaffer responded in the affirmative. Mr. Forth next reviewed a relatively new effort called the "Community Enhancement Program." He stated that the Planning Commission approved three projects that were brought forward by residents including a pedestrian crossing to more safely cross Oakland Drive to get to Oakland Drive Park, street lights on Towhee and better lighting in the Lexington Green neighborhood. Councilmember Ford inquired if the enhancement program had been well received and Mr. Forth assured him that it was and would be continued next year. With regard to the Parks and Recreation projects included in the CIP Mayor Randall expressed skepticism at supporting an investment of \$53,000 to promote a café at Millennium Park citing nearby food and beverage options and the location/accessibility of the park. Councilmember Knapp agreed that this is an awkward place to make a large investment.

Being the last department head to speak, City Clerk Herringa stated that he would keep it brief especially since City Council is familiar with the workings of his office. Mr. Herringa reviewed his proposed budget and highlighted various aspects including a pay raise for election workers, funding for multiple elections, the implementation of a program to manage Freedom of Information Act requests, a change in the way legal notices are paid and that his department would be responsible for the collection of medical marijuana permit fees. Councilmember Burns inquired as to the pay raise for election workers and whether training would be provided on the new election equipment. Mr. Herringa stated that the pay raise for election workers was based on reviewing salaries of other municipalities. He continued by stating that small group training was offered in advance of last November's election and the same would occur leading up to the election in August.

City Manager Shaffer stated that the City has been very busy and thanked staff that stepped up to fill a need such as Kendra Gwin and Chris Forth. Mr. Shaffer also complimented Bill Furry, Lauren VanderVeen and Rob Boulis on their efforts related to the budget. He then asked City Council for any questions or feedback on the budget.

Mayor Randall stated that she is amazed at the positive work being accomplished. She also stated that, with a 9.88% growth, she had hoped be able to lower the millage rate and give something back to residents. She pointed out that the City of Kalamazoo recently had a dramatic reduction in the millage

rate thanks to philanthropic donations and pointed out that nearby townships also have a lower millage rate than Portage. She expressed her goal that Portage be affordable for everyone and her support for ensuring the City of Portage is a great place to work. Mayor Randall stated that she understands the strategy and funding for consolidated dispatch, questions the work at Millennium Park and asked City Administration to see if a reduction in the millage rate can be achieved with this budget.

Councilmember Knapp commented that debt reduction has a value as well and Councilmember Reid asked that the City be more aggressive at marketing and promoting efforts related to debt reduction. She stated that while the City may not be reducing taxes it is engaged in a plan to be debt free and to pay for projects as they happen. Ms. Reid pointed out that the millage rate for the City of Portage is still on the low end when compared to similar municipalities and emphasized that a lower debt level gives the City added flexibility. Councilmember Urban shared that he is not concerned about a tax reduction at this time especially given that the City is still recovering from a loss in valuation due to the economic downturn. He pointed out that Parks and Recreation programs took a huge hit and are just now getting back to where they were. He stated that while taxes may be cheaper in Texas Township there is value in living in Portage. With regard to the City of Kalamazoo, Mr. Urban commented that it cannot be helped that Kalamazoo was the beneficiary of philanthropy. Councilmember Ford also inquired about the possibility of a millage reduction pointing to positive growth, business investments and debt reduction as the signs of a healthy economy. During such a healthy economy, he stated, it would be great to give back. He agreed with an enhanced effort to market debt reduction strategies and stated that he was supportive of keeping the millage rate the same as FY 2017-2018. Councilmember Burns stated his agreement with Councilmember Ford and that he would be open to a minor reduction in the millage rate either now or in the next year. Councilmember Knapp emphasized that she sees continued debt reduction as a priority and a consistent message in this regard should be promoted.

Councilmember Burns pointed to the sewer fund as a possible location for the City to be able to give back to residents. City Manager Shaffer stated that the City is planning a 4% reduction in the combined utility rate this year, next year and the year after that. Deputy Finance Director Lauren VanderVeen commented that while a millage reduction would be great, residents are benefitting from free access to Ramona Park and increased services and programs. City Manager Shaffer pointed out that additional funding has been included in the Community Development Block Grant program which would be reviewed at the next budget review session.

Adjournment: There being no further comments, Mayor Randall adjourned the meeting at 9:36 p.m.

Adam Herringa, City Clerk