

**MINUTES OF THE BUDGET WORK SESSION #2
OF THE PORTAGE CITY COUNCIL
MAY 11, 2021**

Mayor Patricia Randall called the City Council Budget Session #2 to order at 04:00 PM. The meeting was held virtually as permitted by PA 228, in accordance with December 2020 Kalamazoo County Emergency Declaration. Mayor Patricia Randall, Mayor Pro Tem Jim Pearson, and Councilmembers Chris Burns, Lori Knapp, Vic Ledbetter, Claudette Reid, and Terry Urban were present. All members participated virtually from Portage, Michigan, except Councilmember Ledbetter, who attended from Kalamazoo. Also in attendance were City Manager Joe La Margo, Deputy City Manager Mike Carroll, Finance Director Lauren VanderVeen, and Deputy City Manager Adam Herringa, also functioning in the role of City Clerk for the meeting.

Mayor Randall introduced the Human Services budget. Finance Director Lauren VanderVeen reviewed the Human Services budget, noting no significant changes this year. Director VanderVeen highlighted the Human Services Board's role in selecting service funding applications and provided the list with the dollar amounts of the Fiscal Year 2021-2022 awarded organizations. Councilmember Burns asked Human Services Board (HSB) Chair Fiorella (Fi) Spalvieri to explain some of the HSB's allocation choices and processes. Ms. Spalvieri responded that the Human Services Board used the same process as it has previously used including preset selection criteria and calculated weighing of needs, especially homelessness. Ms. Spalvieri also noted some organizations had applied for multi-part funding for both services and infrastructure, which required the Human Services Board to more closely review the applications in light of the preset criterion. Mayor Pro Tem Pearson asked Ms. Spalvieri if the Human Services Board calculates its rankings in relation to the amount of food given out to Portage citizens. Ms. Spalvieri was unsure but stated the Human Services Board does monitor whether Portage citizens are served. Mayor Pro Tem Pearson then requested a report from the City Administration regarding the actual number and percentage of Portage citizens receiving food from the Twelve Baskets organization, as well as the Portage Community Center. Community Development Deputy Director Chris Forth offered the number of Portage residents each organization serves. Mayor Pro Tem Pearson replied that he had only been inquiring about the number of Portage residents who received food from each organization. Councilmember Reid expressed understanding with Mayor Pro Tem Pearson's question but also noted the difficulty for organizations to track such user data. She then inquired whether there were any changes in the Community Development Block Grant incoming amounts. Deputy Director Forth relayed there had been two Community Development Block Grants recently received from the Department of Housing and Urban Development (HUD) for COVID-related matters, which may affect funding amounts or alter the city's approach on certain funds to better help residents in need. Councilmember Burns asked for assurance from staff that they had identified the possibilities for outside funding. Deputy Director Forth confirmed, noting any revisions to the Substantial Plan Amendment will come to City Council for final approval. Mayor Randall asked whether the city had the option to apply for unspent HUD funding from other communities. Deputy Director Forth confirmed that other communities have not spent or allocated their HUD funding but he would have to confirm with the HUD representative on the possibility to apply for unused dollars.

Finance Director VanderVeen then reviewed the Capital Improvement Program budget including bonding and anticipated revenues. She noted the Planning Commission had already reviewed and unanimously recommended the FY 2021 2022 Capital Improvement Program to City Council. Councilmember Reid asked whether the Capital Improvement Program had aggregated projects related to the Lake Center District area. City Manager La Margo explained that the Lake Center District projects will encompass several years beyond the current fiscal year presented for

Council's review. Councilmember Reid then asked for related multi-year projects and the associated funding sources to be illustrated for City Council in the Capital Improvement Program document going forward. City Manager La Margo confirmed staff would work to update the document accordingly. Mayor Randall suggested color-coding related projects, noting there were no prior examples of similar multi-stage projects for Portage.

Councilmember Burns asked about the Lakeview Avenue water main replacement project in the Water Fund. Transportation and Utilities Director Kendra Gwin responded that Lakeview Avenue was previously part of the Fiscal Year 2019-2020 Capital Improvement Program under Road projects and due to issues with funding in that category the project had been moved into the Water Fund for the proposed fiscal year. Councilmember Reid asked for clarification regarding Director Gwin's comment on reconstructing the road as part of the water main replacement. Director Gwin confirmed the road would be reconstructed when the water main is replaced. Councilmember Reid asked for the project description in the Capital Improvement Program to be updated to accurately reflect the City Administration's plans. Councilmember Burns asked for the number of lift stations in Portage. Director Gwin relayed there are 56 total stations with one per year being replaced. Mayor Randall asked whether there are any other ice-melting sidewalks in the city noting the Public Facilities improvement project proposal for City Hall. City Manager La Margo responded there were no others.

Finance Director VanderVeen next summarized the Capital Improvement Program debt levels, noting that the total city debt at the end of Fiscal Year 2021 will be 3.7 percent higher than the end of Fiscal Year 2020 and asserted that the City Administration will continue efforts to lower debt levels. City Manager La Margo stated the city recently had its debt level reaffirmed to be AA by Standard and Poor. Councilmember Reid inquired about the process for unexpected mid-year projects. City Manager La Margo responded that a budget amendment would be presented to City Council should that happen and reminded that the city also has a fund balance available, as well as the pending federal COVID-19 relief dollars in the amount of \$5.6 million. Councilmember Reid asked whether the city staff knew the federal parameters for the COVID relief funds and how that might impact the city's current budget processes. Director VanderVeen responded that the federal guidelines had just been released highlighting provisions for addressing revenue loss, as well as infrastructure as encouraging points, and promised to keep City Council apprised of any updates on that funding. Mayor Randall asked whether the infrastructure option for water and sewer could be used to assist citizens financially in light of the recent rate increases from the City of Kalamazoo. Director VanderVeen stated she didn't believe that was allowed but stated she would research and review. Seeing no other comments, Mayor Randall reviewed the outstanding City Council inquiries.

Councilmember Knapp then responded to Mayor Pro Tem Pearson's earlier inquiry regarding the Portage Community Center food pantry in light of her position as the Portage Community Center Board of Directors liaison. She noted that the Portage Community Center food pantry is part of the Kalamazoo Loaves and Fishes organization and, therefore, cannot restrict its offerings solely to Portage residents. She relayed that, before the pandemic, the breakdown food pantry serviced 40 percent Portage residents and 60 percent remaining Kalamazoo County residents. Mayor Pro Tem Pearson thanked her for the response and asked whether the Portage Community Center received more funding or food offerings as part of the Kalamazoo Loaves and Fishes organization. Councilmember Knapp responded that she was unsure. Councilmember Burns suggested that the only additional offering was food and not dollars as part of the county-wide network.

ADJOURNMENT: There being no further comments, Mayor Randall adjourned the meeting at 04:58 PM.

Adam Herringa, Deputy City Manager
(p.p. Erica Eklov, City Clerk)