MINUTES OF THE CITY COUNCIL BUDGET REVIEW SESSION #1
OF APRIL 19, 2022

CALL TO ORDER: Mayor Pro Tem Pearson called the Budget Session to order at 04:05 PM in Conference Room 1 at Portage City Hall.

ROLL CALL: Councilmembers Lisa Brayton, Chris Burns, Lori Knapp, Vic Ledbetter, Terry Urban, and Mayor Pro Tem Jim Pearson were present.

ABSENT: Mayor Patricia Randall.

ALSO PRESENT: Acting City Manager Adam Herringa, Deputy City Manager Michael Carroll, Director of Finance Lauren VanderVeen, Deputy Director of Accounting and Budget Aaron Coeur, and Deputy City Clerk Tammy Durian.

OVERVIEW OF PROPOSED FY 2022 - 2023 BUDGET: At the request of Mayor Pro Tem Pearson, Acting City Manager Herringa and Director of Finance Lauren VanderVeen started with a brief overview of the meeting. Acting City Manager Herringa highlighted that the Government Finance Officers Association (GFOA) has changed its award criteria, which now mandates the incorporation of strategic planning in the city budget, as well as a change to the Capital Improvement Plan (CIP) from a 10-year plan to a 6-year plan, and he also provided the timeline for the operating budget. Director VanderVeen presented the proposed Fiscal Year 2022-2023 budget, noting the budget assumptions, no proposed changes to millage rates, a taxable value increase estimated at 1.85 percent, the Fund Balance threshold of 24 percent, the water and sewer rate increase, and all current levels of service as maintained. She also provided the date for the upcoming Public Hearing to adopt the 2022 Sewer and Water Rate on April 26, 2022. Mayor Pro Tem Pearson inquired about the percentage change of the Fund Balance threshold and Director VanderVeen explained the slight inflation and process. She added the budget team has worked diligently toward an overall and fund-level balanced budget, which includes a positive net. Director VanderVeen mentioned the objective to sustain the city's AA+ bond rating and a goal to maintain a debt balance under $70 million.

HUMAN SERVICES FUNDING: Director VanderVeen first presented the proposed Human Services budget, noting two new agencies: Disability Network and Kalamazoo Youth for Christ. Human Services Board (HSB) Chair Fiorella Spalvieri joined the meeting via Webex. HSB Chair Spalvieri provided a brief overview of the efforts of the Human Services Board. Mayor Pro Tem Pearson asked about a change in formula to provide more emphasis on Portage. Chair Spalvieri replied that changes have been made to the application for the last several years, including adding and modifying questions. Councilmember Urban researched one of the new agencies, Kalamazoo Youth for Christ, and expressed concern based on the information he found. After considerable discussion and comments by members of the Council, as well as HSB Chair Spalvieri and Neighborhood & Housing Specialist Tina Perry, Councilmember Urban agreed regarding the benefits of the organization.

CITY COUNCIL: Acting City Manager Herringa presented the proposed City Council budget. One notable change to the budget included potential training opportunities and a membership fee to the National League of Cities. Councilmembers asked for information regarding the membership and renewal terms. Mayor Pro Tem Pearson inquired about expense reimbursement for city business.

FINANCE & PURCHASING: Director VanderVeen presented the proposed Finance and Purchasing budget and highlighted the request for a part-time Treasury Assistant position. At the request of Acting City Manager Herringa, Director VanderVeen explained the cost offset for the part-time position from a decrease in the department's professional services account. Councilmembers asked about the number of employees in Purchasing, dedicating resources to Purchasing, and a perceived lack of bid responses. Deputy City Manager Carroll responded that the number of employees in Purchasing is low compared to other cities, but he is confident that Purchasing Manager Victoria Barboza is currently handling the workload. He also relayed best practices are used and that the difficulty to get bids is a nationwide issue. Councilmember Ledbetter asked how to bid for a contract at the City of Portage. Deputy City Manager Carroll listed several resources the City of Portage utilizes to advertise bids.

CITY ASSESSOR: City Assessor Aaron Powers and Deputy City Assessor Andrew Falkenberg introduced themselves to Council. The City of Portage has a contract with WCA Assessing to perform the duties of the Portage Office of the City Assessor, effective April 1, 2022. Assessor Powers presented the proposed budget and gave a brief overview of the practice of Assessing. Councilmember Burns asked about the 1.85 percent taxable value for the City of Portage. Assessor Powers explained that the current taxable value determination is based on several items, such as the rate of inflation multiplier, change in personal property, property sales, transfers of ownership, and various exemptions. Mayor Pro Tem Pearson welcomed City Assessor Powers and Deputy City Assessor Falkenberg to the City of Portage.

PUBLIC INFORMATION: Mayor Pro Tem Pearson introduced Public Information Officer Mary Beth Block. Mayor Pro Tem Pearson inquired about paper costs added to Public Information's budget. Public Information Officer Block replied that paper costs are down citywide and efforts to reduce paper costs by digitizing and transmitting items electronically. Director VanderVeen gave an overview of the proposed Public Information budget and noted no significant changes from the prior year. Mayor Pro Tem asked about the number of employees in the department and Public Information Officer Block elaborated on the current staffing of the department. Councilmember Burns inquired about a program to manage social media accounts. Public Information Officer Block discussed the new archive software which manages all nine of the city's current social media platforms and archives the website for the City of Portage. In response to Councilmember Ledbetter, Public Information Officer Block provided a background for the various department postings, public service announcements, notifications, and social media platforms. She also shared that the City of Portage offers a Notify Me service and the *Portager* newsletter as resources for City residents to receive notifications and information.

HUMAN RESOURCES: Director VanderVeen presented the proposed Human Resources budget, noting an increase in expenditures for a compensation review and a performance review system. Director of Human Resources Shannon Hertz discussed recruitments, filling positions, and retirements. Discussion ensued regarding competitive benefits and wages. Acting City Manager Herringa relayed that a four percent wage increase is included in the budget for non-union staff due to inflation and to maintain competitiveness. In response to Councilmember Burns, Director VanderVeen discussed the budget process for fringes and Director Hertz explained what is included in fringe benefits.

TECHNOLOGY SERVICES & CABLE TV FUND: Director VanderVeen presented the proposed Technology Services budget, noting an increase in technology needs, such as OpenGov and Microsoft software licenses. To demonstrate the importance of network security, Director of Technology Services Devin Mackinder shared the significant increase in various threats and direct attacks and the amount of time allocated to network security. Director Mackinder highlighted the use of third-party monitoring software, cyber security insurance, software, and education to train staff, as well as collaboration with other agencies. Although there was an increase in the operating budget due to the transition to Microsoft 365, the addition of physical and network security, and annual maintenance for OpenGov, there was a significant decrease in other technology areas, such as the telecommunications audit. In response to Councilmember Ledbetter, Director Mackinder explained the benefits of drones and the use of drones by various departments. Mayor Pro Tem Pearson then asked about cable access television. Director Mackinder gave a brief overview including funding and a reduction in revenue. He also discussed connections issues, network speed, and the need to increase Wi-Fi capabilities.

CITY ATTORNEY: Director VanderVeen presented the proposed City Attorney budget, noting no significant change and the contracted rate. Deputy City Manager Carroll gave a brief overview of the Attorney's workload and mentioned that the Purchasing Department is tracking attorney service requests.

RECESS: 6:00 p.m.
RECONVENE: 6:10 p.m.
(Councilmember Burns excused himself from the meeting during the break.)

PARKS & RECREATION: Director VanderVeen presented the proposed Parks and Recreation budget. Changes to the budget included moving the Parks Department to the existing Senior Center building, two new part-time positions, increased hours for Park Rangers and the Farmers Market Coordinator, the addition of the "Bike Westnedge" program, and the discontinuation of the "Lanterns on the Lake". Parks and Recreation Director Kathleen Hoyle discussed the success of various programs, increases in rentals, changes in sports recreation programs, and the bike share program. Councilmember Knapp inquired about a connection to the Vicksburg trail.

SENIOR CITIZEN SERVICES: Finance Director VanderVeen presented the proposed Senior Citizen Services department budget. Changes include converting the Wellness Coordinator position from part-time to full-time, three new part-time positions, acquisition of the Community Relations and Diversity Manager position, and the addition of one maintenance technician. Senior Citizen Services Manager/Director Kim Phillips discussed the increase in community engagement, outside interest, and program support, and further explained the transition of the Community Relations Diversity Manager from the City Manager's Office to the Community Senior Center. Discussion about renting the Center ensued, including rental opportunities and revenue stream. The facility offers day rates and is open to other communities. Memberships have increased significantly. Acting City Manager Herringa reminded the Council that the budget and staffing plan is based on expectations and experience with the current Senior Center.

(*Councilmember Ledbetter excused himself from the meeting at 6:30 p.m.)*

PUBLIC SAFETY: Public Safety Director Nick Armold introduced staff members in attendance. Director VanderVeen presented the proposed Public Safety Police budget. Changes to the budget included salary and benefits increases due to upcoming Portage Police Officer Association union negotiations, an additional K-9 unit, and the addition of a license plate reader program. Councilmember Knapp asked for an explanation of the license plate program. Chief Armold explained the program and its benefits. Chief Armold then discussed police recruitment and the lack of candidates. He continued with an explanation of expected patrols, the K-9 unit, an increase in calls, bike patrol, mail theft, and staffing challenges. City Council then reviewed the Public Safety- Fire Division budget, noting the addition of three Firefighters, the elimination of the Assistant Fire Chief position, and a new lease payment line for two new Fire Pumpers. Chief Armold discussed the reorganization and addition of staff and a significant increase in service calls. Councilmember Urban inquired about the elimination of the Assistant Fire Chief position to which Chief Armold responded.

STATEMENTS OF CITIZENS: None.

ADJOURNMENT: Mayor Pro Tem Pearson adjourned the meeting at 7:03 PM.

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Tammy Durian, Deputy City Clerk