

MINUTES OF THE CITY COUNCIL BUDGET REVIEW SESSION #2 OF MAY 10, 2022

CALL TO ORDER: Mayor Patricia Randall called the meeting to order at 04:01 PM in Conference Room #1 at Portage City Hall.

ROLL CALL: Councilmembers Chris Burns, Lori Knapp, Terry Urban, Mayor Pro Tem Jim Pearson, and Mayor Patricia Randall were present.

ABSENT: Councilmembers Lisa Brayton and Vic Ledbetter.

ALSO PRESENT: Acting City Manager Adam Herringa, Finance Director Lauren VanderVeen, Deputy Director of Accounting & Budget Aaron Coeur, and City Clerk Erica Eklov.

INTRODUCTION: Finance Director VanderVeen introduced Deputy Director of Accounting and Budget Aaron Coeur from her department. She then provided an overview of the funds remaining for review during the meeting.

CITY CLERK: From 4:05 PM to 4:20 PM, Director VanderVeen provided an overview of the proposed Office of the City Clerk budget, including formalizing the part-time Elections Assistant position and increased election expenditures. Councilmember Urban inquired about the proposed part-time position addition and Acting City Manager Herringa responded with the background for the proposal. Councilmembers then posed questions regarding recent evolving election practices and marijuana licensing revenue.

CITY MANAGER: From 4:20 PM to 4:24 PM, Director VanderVeen reviewed the proposed Office of the City Manager budget, including the transfer of the Community Relations/Diversity Manager position to the Senior Center department. Mayor Pro Tem Pearson inquired whether a Community Relations position would be re-added and Acting City Manager Herringa stated not presently. Mayor Pro Tem Pearson and Councilmember Knapp inquired about the city's membership in Southwest Michigan First.

From 4:24 PM to 4:30 PM, Director VanderVeen reviewed the non-departmental lines of the General Fund, including city-wide services with street lights electricity, lake special assessments, and professional services, as well as transfers out. Councilmember Knapp inquired about the professional services with Acting City Manager Herringa highlighting the state and federal lobbyist contracts.

PUBLIC WORKS & RELATED FUNDS: From 4:30 PM to 5:03 PM, Director VanderVeen and the City Council reviewed the Public Works Department's budget regarding Parks Maintenance, Major & Local Streets, Curbside Recycling, Leaf/Spring Cleanup, Fleet & Facilities. Director VanderVeen discussed the four new full-time staff approved by the Council in 2021 in addition to the new full-time Facility Maintenance Technician proposed for the new Portage Community Senior Center. Discussion regarding the logistics of the new full-time Facility Maintenance Technician position followed. At the request of Mayor Pro Tem Pearson, Public Works Director Rod Russell explained the projects staff are able to complete in-house as opposed to contracting out. Councilmember Burns inquired about road salt usage. Director Russell responded that the 2021-22 winter was mild, allowing city salt stores to remain. Mayor Pro Tem Pearson inquired about potential treatment alternatives, which Director Russell noted have been found to be ineffective.

The Major and Local Street Funds were then reviewed, including an increase in Mill & Fill and Chip Sealing and a decrease in Winter Temporary Employee Services. Councilmember Burns asked Director Russell about various items as they pertained to current economic inflation and pre-planning for expenditures. Following the review of the Street Funds, Director VanderVeen focused on the

Curbside Recycling Program. Director Russell noted the citizen demand for recycling has increased in Portage. Acting City Manager Herringa stated that the recycling millage remains able to cover any monetary increases. However, he noted none were planned for this budget. Councilmember Urban inquired about the level of successfully recycled material with the contractor and Director Russell confirmed the contractor has a local processing center that should continue to perform as desired with sustained citizen education on accepted materials.

Director VanderVeen closed with a presentation on the Leaf Pickup / Spring Cleanup Fund, including the recent change in bringing facilitation of the program in-house. Councilmember Burns asked Director Russell if the department was experiencing market trends with wage pressure and staff turnover. Director Russell confirmed that wages were an issue but agreed money remained a short-term motivator.

TRANSPORTATION & UTILITY FUNDS: From 5:04 PM to 5:17 PM, Director VanderVeen, along with Transportation & Utilities Director Kendra Gwin, presented the proposed budget for Major & Local Streets and Sewer & Water Funds. Acting City Manager noted the need for the new position of City Engineer II and Director Gwin highlighted the increased regulatory demands on her department requiring oversight. During the presentation of the Sewer and Water Funds, Councilmember Burns asked whether economic inflation was affecting the department. Director Gwin confirmed that supply stocks have been delayed and prices are greatly increased. Review of the department closed with a brief discussion regarding groundwater levels in the city.

COMMUNITY DEVELOPMENT & RELATED FUNDS: From 5:18 PM to 5:29 PM, Director VanderVeen and Community Development Director Kelly Peterson reviewed the Community Development Department portion of the General Fund, including the addition of a Deputy Director of Development & Housing and a Development Project Manager. Acting City Manager Herringa noted that the additional staffing would allow the department to return to its original structure of two decades prior and allow staff to focus on the varying areas of development. Director VanderVeen next reviewed the Community Development Block Grant (CDBG) fund and CDBG Program Income, which had received prior review and approval from the Council as part of the April 26, 2022 Annual Action Plan adoption. Following a question from Councilmember Burns regarding digital mapping, Director Peterson discussed a pending BS&A online public portal launch to increase department efficiency and streamline submittals.

-- RECESS 5:29 PM to 5:34 PM --

REVIEW OF PROPOSED CAPITAL IMPROVEMENT PROGRAM (CIP): From 5:35 PM to 6:29 PM, Director VanderVeen reviewed the proposed Capital Improvement Program (CIP), beginning with a presentation of the CIP development timeline. She noted the City Administration had modified the program from a 10-year outlook to a six-year outlook to be in line with other municipalities and actual projections. Mayor Pro Tem Pearson inquired about the Planning Commission's review of the CIP. Director Peterson and Acting City Manager Herringa confirmed the Planning Commission recommended including staff in the CIP survey but otherwise the Commission had no other suggestions. Following an inquiry from Councilmember Urban, Director VanderVeen noted the annual Kalamazoo Area Transportation Study contribution in the amount of \$2.68 million had been allocated since the original publication of the CIP document. Director VanderVeen then presented the implications of the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF). She noted the proposed CIP projects using ARPA-SLFRF funding included Workforce Housing Infrastructure Improvements, the Elijah Root Mill Dam Removal & Remediation, and the Lakeview Park Renovation. Additional discussion regarding the specifics and logistics of each project followed.

Next, Director VanderVeen reviewed the fourteen projects included in the Streets and

Sidewalks CIP. Mayor Pro Tem Pearson inquired about the projected length and location of the Portage Road Lake Center Corridor Underground Utilities project with Transportation & Utilities Director Gwin responding. Mayor Pro Tem Pearson then asked whether the Portage Road/East Osterhout Intersection Improvements would entail a roundabout. Director Gwin stated that other area road improvements would need to be completed first in order to evaluate the noted intersection design.

Director VanderVeen then reviewed the eight projects in the Bikeways and Trailways CIP. Councilmember Urban and Mayor Pro Tem Pearson inquired regarding the status of the land acquisition as part of the East Central Trail project, with Parks & Recreation Director Kathleen Hoyle responding.

Director VanderVeen moved on to review the twenty-three projects in the Water CIP. Councilmember Burns discussed the Shuman Wellfield Iron Removal Facility project, providing background information from the recent Utility Rate Study Committee meeting. Following the review of the Water CIP, Director VanderVeen then presented the eight projects in the Sewer CIP. Councilmember Knapp inquired about the Portage Road Emily Lift Station project. Director Gwin clarified that the plan included the replacement of a force main as the Emily Lift Station had been updated previously. Mayor Pro Tem Pearson, Councilmember Urban, and Acting City Manager Herringa then discussed the adjacent city-owned building on Emily Drive.

Director VanderVeen moved on to review the five Police CIP projects. Councilmember Burns inquired about the lower level renovations of the Police Building and Public Works Director Rod Russell confirmed the renovations had corrected prior issues with the space.

Next, Director VanderVeen provided the seventeen CIP projects for Fire. Discussion regarding the replacement of the 1998 Aerial Apparatus ensued. After that section, Director VanderVeen reviewed the twelve projects under Public Facilities. Acting City Manager Herringa and Director Russell review the proposed property acquisition project in relation to South Cemetery.

The Parks & Recreation CIP was presented by Director VanderVeen next, with twenty-five projects in total. Councilmember Burns inquired about alternate funding for the Elijah Root Dam removal in the event the noted grant funding falls through. Acting City Manager Herringa responded that the City Administration had several options between ARPA funding and additional CIP funds. Mayor Pro Tem Pearson inquired whether Director Hoyle had a partner organization planned for the Pickleball Courts and she confirmed she did.

From 6:33 PM to 6:36 PM, Director VanderVeen reviewed the CIP Debt Level and Outstanding CIP projects. She stated that the city continues to make good progress on debt and remaining projects, although debt service is projected to slightly increase over the next six years.

STATEMENTS OF CITIZENS: None.

ADJOURNMENT: There being no further comments, Mayor Randall adjourned the meeting at 06:37 PM.

Erica L. Eklov, City Clerk