

BUDGET REVIEW SESSION #2 MINUTES FROM MAY 14, 2024

CALL TO ORDER: Mayor Patricia Randall called Budget Session #2 to order at 04:00 PM in Conference Room #1 at Portage City Hall.

ROLL CALL: Councilmembers Chris Burns, Victor Ledbetter, Nicole Miller, Jihan Young, Mayor Pro Tem Jim Pearson, and Mayor Patricia Randall were present.

ABSENT: Councilmember Terry Urban.

ALSO PRESENT: City Manager Pat McGinnis, Chief Development Officer Peter Dame, Finance Director Lauren VanderVeen, Deputy Finance Director (Budget) Aaron Coeur, and City Clerk Erica Eklov. Various department directors were present via video conferencing.

INTRODUCTION: At the invitation of the Mayor, City Manager McGinnis reviewed questions from the first session, including the removal of the Rental Inspection Program, the Council Wages and Fringes variance, and Human Services funding.

Mayor Randall asked the City Manager to relay additional information about the fund balance, and the associated dollar amount. Mayor Pro Tem Pearson inquired about the amount allocated for tornado clean-up to date and whether sufficient funding is available. Director VanderVeen reviewed the presentation slides for each topic.

Mayor Randall asked what the fringes entailed for members of the Council. Director VanderVeen responded, noting Medicare and similar expenses. Mayor Pro Tem Pearson asked about the Council device stipend allocated under the wage line, thus subject to taxes.

CAPITAL IMPROVEMENT PROGRAM REVIEW: Director VanderVeen presented the Streets and Sidewalks portion of the Capital Improvement Program (CIP), including the Major and Local Streets Reconstruction. The Mayor and Mayor Pro Tem inquired about the continued use of chip-seal road repairs. City Manager McGinnis responded, noting the approved use by the Kalamazoo County Road Commission. Public Works Director Rod Russell provided additional input regarding the use of the procedure and the flexibility the chip seal method offers.

Mayor Pro Tem Pearson briefly asked Director Russell about the status of the storm collection efforts. Director Russell responded positively, except for noted overuse of the city's compost site by non-Portage residents.

Councilmember Ledbetter asked Director Russell what was done with the resulting wood product. Director Russell responded. Mayor Randall asked Director Russell to clarify the posted closing of the compost site. Director Russell responded. There was additional discussion regarding the use of the compost site in relation to the recent tornado event and the City Administration's next steps. City Manager McGinnis then asked Director Russell to relay current expenditures with the storm clean-up. Director VanderVeen provided the total dollar amount of purchase orders to date of nearly \$250,000. Director Russell explained additional expectations and needs of the Public Works Department.

Mayor Randall inquired about the plan for debris collection. Director Russell and City Manager McGinnis relayed the current plan, including timing and contract amounts. Mayor Randall asked whether the city expected any remuneration from insurance companies or would simply provide the service. The City Manager responded. Councilmember Miller also asked about the storm recovery funding in light of the current budget preparation and desired relief fund with potential reimbursements. City Manager McGinnis responded.

Mayor Randall asked about potential relief funding beyond the federal funding via FEMA at the state level. City Manager McGinnis responded, noting \$5.7 million was the fund balance overage available. There was additional discussion regarding recovery efforts, necessary steps and collaboration with state and federal agencies and elected officials.

City Manager McGinnis spoke regarding addressing individual hardships going forward and upcoming service events.

Discussion returned to the CIP review. Councilmember Burns inquired about the average expected fiscal year funding for the Major Streets. Transportation & Utilities Director Kendra Gwin responded, noting the Pavement Surface Evaluation and Rating (PASER) ratings are beginning to decline overall and additional funding in the future will likely be sought.

Councilmember Miller asked whether future funding proposals accounted for PASER rating trends. Director Gwin noted prior trends included canceling projects during the COVID-19 pandemic and the City Administration is working to catch up. Councilmember Burns asked why the proposed amount for the immediate year wasn't higher. Director Gwin and Director VanderVeen responded, stressing the prioritization of various city projects and the desire to avoid bonding. Councilmember Burns then asked about discrepancies in the OpenGov explanations and noted amounts were misaligned. Director VanderVeen confirmed that the immediate fiscal year was accurate but some of the future years had entry errors.

Councilmember Burns then asked about the Local Streets budget for reconstruction, highlighting the increasing cost. Director Gwin confirmed the cost of repairs has increased and the need to account for repairing the same number of streets while avoiding additional bonding and spreading funds equally among projects. Councilmember Burns expressed concern with the City Administration's approach to budgeting and consistent road maintenance. There was additional discussion regarding the preceding five years with road maintenance trends, rising industry costs, approaches by previous City Administrations, and reliance on design contractors.

City Manager McGinnis closed the review of the Streets and Sidewalks portion by highlighting the upcoming \$1 million Lake Center Corridor Project on Portage Road to begin planning desired improvements. Mayor Pro Tem Pearson asked about the next grant application cycle, anticipated installation of the Forest Drive traffic signal, and anticipated road safety improvements. Councilmember Burns reviewed the list of proposed Lake Center District projects. CDO Dame responded that the current aim of the Portage Road Corridor Project is to accomplish the design aspect comprehensively to avoid a piecemeal approach. Mayor Pro Tem Pearson asked about electrical line placement discussions for Portage Road. CDO Dame confirmed, highlighting recent discussions with Consumers Energy.

Director VanderVeen next reviewed the Bikeways and Trailways segment. Mayor Pro Tem Pearson asked for an update regarding the Austin Lake Trail. City Manager McGinnis responded.

Director VanderVeen then presented the Water projects. Mayor Pro Tem Pearson asked about a recent announcement by the City of Kalamazoo to expend \$51 million to address the upcoming federal threshold lowering PFAS amounts. Director Gwin relayed that the City of Portage's amounts are below the federal levels, with the exception of several residents in the northeastern portion of Portage connected to City of Kalamazoo water.

City Manager McGinnis subsequently reviewed the Sewer projects. Mayor Randall asked whether generator purchases were budgeted. Director Gwin responded.

A review of the Police Department projects ensued. Councilmember Miller inquired about the police fleet. Councilmember Ledbetter asked about upgrading to newer Taser models. Director Arnold responded to both. Councilmember Young asked about discrepancies between Tasers versus handgun deployment.

Review of the Fire Division followed. City Manager McGinnis highlighted living quarters improvements for Fire Station #3. Mayor Pro Tem Pearson asked about female firefighter recruitment. Director Arnold responded positively. Councilmember Burns expressed concern with the proposed

Training Facility and return on investment. Director Arnold provided additional elaboration on the proposal.

The Public Facilities projects were reviewed. CDO Dame elaborated on the workforce infill housing. Mayor Randall asked about the anticipated number of homes with the amount budgeted. CDO Dame confirmed three homes and discussion regarding the current market followed.

Director VanderVeen next covered the Parks and Recreation projects, with the Celery Flats Improvements project receiving several questions from Council in light of the recent effects of the tornado. Councilmember Miller inquired about the status of the Hayloft Barn following the tornado. Director Hoyle confirmed the barn had been stabilized but required extensive repairs. Councilmember Young asked Director Hoyle about the department's plans for events scheduled for Celery Flats following the storm damage. Director Hoyle confirmed plans to relocate city events while working on rentals. Councilmember Ledbetter and Miller inquired about the status of trail closures and light pole replacement plans. Councilmember Miller next asked about the potential for a playground at Celery Flats. Director Hoyle relayed the prior staff research on the possibility.

STATEMENTS OF CITIZENS: Lynn Elliott (9724 East Shore Drive) commended the efforts of the Council. She then asked about acquiring a hard copy of the Future Land Use map. City Manager McGinnis relayed he would provide a copy. Ms. Elliott spoke regarding recent Planning Commission discussions and her focus on R1 (single-family residential) zoning.

ADJOURNMENT: Mayor Randall adjourned the meeting at 5:33 PM.

Erica L. Eklov, City Clerk