

**MINUTES OF THE BUDGET WORK SESSION OF THE PORTAGE CITY COUNCIL
April 21, 2015**

Meeting was called to order by Mayor Strazdas at 4:37 p.m.

The following members of City Council were present:
Councilmembers, Nasim Ansari, Richard Ford, Patricia Randall, and Councilmember Terry Urban, Mayor Pro Tem Jim Pearson and Mayor Peter Strazdas. Councilmember Claudette Reid arrived at 5:30 p.m. 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 James Hudson.

City Manager Laurence Shaffer thanked Finance Director Bill Furry and Deputy Finance Director Lauren VanderVeen, Deputy City Manager Rob Boulis and all of the Department Heads for the many hours devoted to crafting this Budget. He discussed some of the highlights of the Budget, including: an increase in the overall budget to almost \$68 million; a fund balance and a tax stabilization fund for catastrophic emergencies; combines two departments, Benefit Services Department with the Employee Development, to form a Human Resources Department to enable better efficiency and productivity; \$1.8 million in Capital Improvement funds to accelerate investment in the community; kayaks, canoes, and cultural activities as part of the Parks and Recreation effort; a new Fire Training Officer position to train personnel with the expertise to handle the many issues they face and for the accreditation process similar to that of the Police Department; purchase and full testing and evaluation of body cameras for Police Officers; two non-Public Safety Hybrid vehicles and a study of all municipal buildings for the potential of solar adaption to address legitimate environmental and sustainability issues; and a new Code Enforcement Officer in the Community Development Department for the preservation of the quality of the City neighborhoods.

Mayor Pro Tem Pearson spoke positively for the Budget and encouraged City Council to discuss the Budget and express their preferences as he is sure the City Manager will listen. In answer to Councilmember Ansari, Mr. Shaffer indicated that the Code Enforcement Officer position allows for higher scrutiny of the quality of the neighborhoods, the ability to provide meaningful reports back to City Council and the need requires a full time position.

Deputy City Manager Rob Boulis interjected that a few years ago, this position was set aside to accommodate the needs of the Community Development Department at a time when extreme cuts were taken by that Department. He said this was based on the economy at the time with indicators such as a significantly lower number of building permits; moreover, he said now construction has really come back in the City, and the current staff does not have the time to get out into the neighborhoods as needed.

In answer to Mayor Pro Tem Pearson, Mr. Shaffer said staff is currently reactionary and acts on a complaint from a citizen which creates a long history of blight and/or code violations, and the "damage has been done" by then. He indicated the desire to intercede and act in a proactive and positive way to allow for the information to be imparted into the neighborhoods, gave examples and explained.

Mayor Strazdas pointed out that the City tax base has been favorably increased this year, plus this budget also raises the millage. He concurred with the placement of personnel and sees it as a responsibility of the professional administration. He spoke in favor of the \$1 million Tax Stabilization Fund and the 24% Fund Balance and asked for a distinction between the two.

Mr. Shaffer explained that the 24% is the unappropriated fund balance set by City Council, and anything over that is to be directed to be spent on capital improvement projects; furthermore, it creates a stable bond rating. He then explained that City Council can direct these funds to be spent with a majority vote. He explained that the key to the Tax Stabilization Fund is that a two-thirds majority vote is necessary to draw from it, and it has to be used for a very specific purpose, i.e., catastrophic conditions. He explained that there is no current policy, but that it is covered in an ordinance being drafted by City Attorney Randy Brown.

Discussion followed regarding the proposed increase cultural activities, the positive tone of the budget and how it serves the public, the fund balance, \$5 million in investments yet still taxing the citizens, how to help those citizens on fixed income, increased property evaluations, the proposed tax increase in the brush and leaf pick-up, the need for the Tax Stabilization Fund owing to the loss of the personal property tax, and the reliance on the State for compensation.

In answer to Councilmember Urban, Mr. Shaffer explained the personnel openings in the Benefits Services Department and the Finance Department and the plan to have current employees "parachute" into these positions. He explained the expensive, paper-laden process currently used to track attendance and time off. Discussion followed regarding the change to a Human Resources Department, the Code Enforcement Officer warning and ticketing process, and more details about the need for a Tax Stabilization Fund in addition to the need for a 24% Fund Balance.

Deputy City Manager Rob Boullis reviewed the Human Resources Department Budget. He informed City Council that Employee Services, Employee Interaction and Employee Compensation would be assumed by the newly formed Department; all Financial Responsibilities would be assumed by the Finance Department; and he listed some of these new duties. He noted that his listings are not all inclusive, and that this is still a work in progress. He emphasized that the Human

Resources Department will continue to provide staffing and recruitment activities. He further discussed some of the other services to be provided by the Human Resources Department, including oversight of employee leave and attendance, compliance management of the Affordable Care Act, workers compensation, safety administration, safety committee, compensation and benefits, training, labor agreement negotiations, accurate job descriptions, performance evaluations, performance improvement plans, compliance with regulatory requirements (EEOC, FMLA, etc.). He emphasized that the Human Resources Department will continue to provide these services with excellent job performance and excellent customer service. Discussion followed.

Deputy City Manager Rob Boullis indicated that the Purchasing Department and the Purchasing Manager are one and the same. He provided a brief history of the evolution of the Department and indicated that the Purchasing Department is responsible for the daily purchasing function, preparation and distribution of bids, contract construction and execution, and insuring purchasing activities comply with the *City Charter*. He explained how the Request for Proposal (RFP) Process responsibility is fairly complicated and that there has been an increase in construction and Capital Improvement projects. He cited risk management functions and working with the Michigan Municipal Risk Management Association (MMRMA) as key functions of the department. Discussion followed.

City Assessor Jim Bush reviewed the highlights of the Assessor Department operations and objectives. He listed assessing, assessment rolls and the Board of Review as responsibilities of the Assessor, and mentioned that he is the keeper of the records of all property ownership and occupancy. He listed other duties as tax abatement tracking, various key reports, a summary of the recent increases in the 2015 Assessment Roll, personal property tax questions, decrease in residential foreclosures, Tax Base and Revenue Forecasting, Board of Review activities with their request for additional training and property tax appeals. He mentioned the potential for tax appeals by the "big box" companies, summed up and discussion followed.

RECESS: 5:53 p.m.

RECONVENE: 6:16 p.m.

Utilities Engineer Kendra Gwin indicated that the Transportation & Utilities Department has been reduced to four employees with the promotion of the Project Manager to Deputy Director of Fleet & Facilities; nevertheless, she said interviews are taking place for the position of Assistant City Engineer. She provided a review of the Capital Improvement Projects, including those projects within the local and major streets and the water and sewer capital improvement budgets for the current construction season: reconstruction of South Westnedge Avenue from Mall Drive to Dawnlee Avenue, including the replacement of the water main; reconstruction of West Osterhout Avenue from Shaver Road to South Westnedge Avenue, including the installation

of sanitary sewer from Lloy street to South Westnedge Avenue; reconstruction of Oakland Drive from I-94 to Kilgore Road, including a culvert rehabilitation; and reconstruction of Pine View Drive from Bacon Avenue to Chaucer Avenue, including the installation of sanitary sewer.

Ms. Gwin also reviewed the Capital Improvement Projects in the 2015-2025 Capital Improvement Plan (CIP) Budget, including: reconstruction of East Osterhout Avenue from South Westnedge Avenue to Portage Road; reconstruction of Portage Road from Romence Road Parkway to East Milham Avenue; reconstruction of Constitution Blvd from Romence Road to West Milham Avenue; reconstruction of South Westnedge Avenue from Shaver Road to East Centre Avenue; and the reconstruction of East Centre Avenue from Shaver Road to South Westnedge Avenue.

Ms. Gwin reviewed the Transportation & Utilities Department Budget, including: local and major streets, water and sewer, traffic engineering, signals and crossings, site plan review and inspections in conjunction with the Community Development Department, Act 51 Fund Administrator, Michigan Transportation Fund, pavement ratings, fiscal reporting and various environmental programs that are included in the Utility Budget, street lighting initiatives, and the Austin Lake Aeration and Bioaugmentation Project. Discussion followed regarding street lighting initiatives and Mr. Shaffer volunteered to look at lighting upgrades in more detail and report back. Councilmember Randall indicated that she thought reconstruction of Constitution Blvd from Romence Road to West Milham Avenue would be a good time to approach Josh Weiner about improving Martin Luther King, Jr. Drive while the equipment is there. Discussion followed.

Ms. Gwin reviewed the Major Streets Fund, including: administration, signals and crossings, railroad crossings, engineering, supplies and KATS. She also reviewed the Local Streets Fund, including: engineering, supplies, contract engineering, coordination of railroad signals and crossings, site plan review and inspections and costs. Discussion followed. Councilmember Ford asked about a discrepancy with regards to state-mandated traffic signal repair and maintenance costs and Mr. Shaffer said he would investigate it. At the request of Councilmember Ansari, Mr. Shaffer explained in more detail how the variation occurred with the bids on the South Westnedge Avenue Project that was discussed previously at the Regular City Council Meeting on March 24, 2015. Discussion followed.

Ms. Gwin reviewed the Sewer Fund, including: pipe replacements, oversight of United Water that took place in 1997, and the 2015 Utility Rate Financial Study which is set for a public hearing before City Council on April 28, 2015. She indicated that there are 15,300 customers utilizing the City sewer through 230 miles of sanitary sewer pipe. She discussed the operation and maintenance of the sanitary

sewer system, lift stations, the amount of sewage transported, inspections, and miles of sanitary sewer receiving maintenance.

Ms. Gwin indicated that the Water Fund will service 15,394 meters and 13,825 customers, including well inspection, sampling, 247 miles of water mains, almost 2,700 fire hydrants and 2,500 miles of street sweeping. She discussed the operation and maintenance of the West Lake Management Fund for treatment to improve lake quality with the least amount of environmental impact. Discussion followed.

Mr. Shaffer introduced Parks, Recreation & Senior Citizen Services Director Kendall Klingelsmith and Public Services Director Rod Russell. Mr. Russell explained that the newly divided Departments will continue to provide the services that help make Portage the "Natural Place to Move" by contributing to the leisure amenities such as bike paths, parks and natural resources. He indicated that the goal is to continue to provide a high level of service by maintaining facilities, streets, trails, bikeways and the parks program.

Mr. Russell explained the importance of revenue generation through fees, grants, foundations, donations, etc., and the importance of volunteer participation with clean-up needs and flower planting in cooperation with Kalamazoo in Bloom, and the importance of the use of new technology and WiFi in the parks. Discussion followed.

Mr. Russell discussed street repairs, including the use of mill and fill, the Duropatcher and crack fillers. He explained why there is a preference for two new UAW positions for brush pick-up and snowplowing, at the cost of eliminating two seasonal positions. He reviewed facility maintenance, grounds maintenance, cemeteries and parks. Discussion followed regarding the need for a new cemetery in the future. Discussion followed regarding the use and maintenance of the various parks. He highlighted the twenty-fifth year of Portage being a Tree City USA and mentioned the tree-planting ceremony on April 14, 2015, commemorating the honor.

Mr. Russell discussed plans for maintaining bike paths and trails, the development of the planned Eliason Nature Reserve bike path and the development of the dog park at Lakeview Park with the help of donations. Discussion followed. In answer to Councilmember Randall, Mr. Russell indicated that mowing contracts are for the season instead of per mow for boulevards, but City employees mow the parks. Mr. Russell also explained the distinction between the cost of a program with full time employees and the cost of hiring and training seasonal employees to help run the program. He then let her know that he works with the Transportation & Utilities Department to determine the Pavement Surface Evaluation of the road, or a PASER Rating as the guide for when a road may need crack sealing, Duropatcher treatment or mill and fill and explained.

Mr. Russell indicated that the average life of a road is 25 to 30 years. In answer to her concern with the fleet, Mr. Russell informed her that the two new hybrid vehicles are replacements. Discussion followed.

Parks, Recreation & Senior Citizen Services Director Kendall Klingelsmith indicated that the Parks and Recreation Budget provides for the management, promotion and execution of various programs offered to the public and the development of the parks and non-motorized trails. He said that as the discretionary funds continue to dwindle, and the health of the American population continues to be a concern, provision and promotion of parks for a healthy life style remains a priority. He expressed his excitement for the development of the central, south bike trail and trail head on the donated Eliason Property.

Mr. Klingelsmith reviewed the costs associated with administration, team sports, swimming at Ramona Park, ice rink at Millennium Park, management of youth and family activities, the increased focus on cultural arts and adult softball. He mentioned that Portage Parks Department partners with the Kalamazoo Nature Center, the Y.M.C.A., the City of Kalamazoo Spirit Racing, the Kalamazoo Area Runners, the Portage Park Board and the Friends of Portage Parks to provide enhanced recreational activities for our citizens.

Mr. Klingelsmith indicated that the Portage Parks Department assists with over 20 walk-run events; that there are plans to expand the trail system; and that access to Portage Creek will again be possible owing to the reinstatement of the canoe and kayak livery. Discussion followed. Councilmember Reid suggested looking at the fee structure to discourage groups from trying to surreptitiously use the parks for a major event. Discussion followed. Mayor Strazdas stressed the desire of the community for the return of the Summer Entertainment Series as the number one amenity that needs to be provided again by the Parks Department.

Mr. Klingelsmith reviewed the Senior Citizen Services Budget, including maintenance of the facility, administration, senior trips and the need to replace tables that are 30 years old. Since it is a positive fundraiser for the Senior Center, Mayor Pro Tem Pearson asked Mr. Klingelsmith to find out if it is possible to expand the senior trips program, or is it truly a matter of having it not compete with the private sector. Mr. Klingelsmith indicated he would find out. Councilmember Urban asked Mr. Shaffer and Mr. Klingelsmith to find out if the subsidy was a lot less last year than the \$180,000 projected for this year. Mr. Shaffer offered to provide a seven year history of the Senior Center Budget for him. Discussion followed.

Mr. Russell discussed the Major Streets Fund, including maintenance, pavement markings, line striping, signs, asphalt restoration, and winter maintenance for the 72 miles of major roads in Portage. He said the plan for the mill and fill program is to repair 53,000 square yards of street surface throughout the City.

Mr. Russell explained the selection process and the method to be used for street maintenance depending upon the PASER Rating and condition of the road, especially the crack-filling process and the use of the Duropatch machine.

Mr. Russell discussed the Local Streets Fund, including maintenance, repair of pavement markings for crosswalks, signs, and asphalt restoration for the 147.77 miles of local streets. He noted that the City used 4,100 tons of salt over the winter of 2014-2015 which is slightly less than average.

Mr. Russell discussed curbside recycling with a bid opening on April 23, 2015, for a single-stream curbside recycling program as recommended by the Environmental Board. He mentioned that the Household Hazardous Waste Pick-up Site at the Kalamazoo County Fairgrounds will be open on the second Saturday of the month except August and September from 8:00 a.m. until noon for 6 Saturdays in 2015 and 10 Saturdays in 2016.

Mr. Russell explained the Leaf Pick-up and Spring Clean-up Fund, the Compost Site Program, Fleet Facilities or Equipment Fund, Operations and Maintenance (196 pieces of equipment), Capital Outlay Fund (one loader to replace a 17 year old unit), the two Hybrid replacement vehicles, building administration, and solar panels for City buildings. Discussion followed.

Mayor Strazdas asked for an explanation of the \$80,000 to be raised by the millage as requested versus the \$40,000 shown as a deficit, and Mr. Shaffer indicated that considering the two funds in question, one is running at a deficit and the other is running with extra funds, so this is a matter of a balancing of the two funds, and he would get back to him on this. Mayor Strazdas stressed the need to pay close attention to the roads of the City because this is where the concerns of citizens are being heard. Discussion followed.

Public Safety Director Richard White introduced Senior Deputy Police/Fire Chief of Administration Dan Mills, Senior Deputy Fire Chief of Operations John Podgorski and Senior Deputy Police Chief of Operations Nick Arnold. Mr. White reviewed the Public Safety Budget for Police and Fire Services. He shared some of the efforts of the Department as it relates to the City Council Goal to promote quality of life in Portage and the Public Safety Department mission statement.

Mr. White reviewed some of the activities of the Department, including: increased interaction with the community, increased collaboration with other public safety entities in the County, shared

funding opportunities, shared fire prevention strategy, expenditure savings, ongoing energy management and future planning together. He cited the examples of expenditure savings of: refurbishing police officer weapons for a quarter of the cost of new ones, replacement of car mobile recorders for \$30,000.

Mr. White also indicated Portage was the sponsor of a FEMA grant for \$1 million for air packs for the firefighters, with \$110,000 in additional funds from the state, that was shared by five local agencies where Portage received \$over 250,000, plus a grant that defrayed almost \$10,000 for rent and set up of flashover simulation training for firefighters.

With regard to the City Council goals of providing high quality, effective and cost efficient delivery of police services, Mr. White discussed the accreditation process for the Fire Division, which is on target to receive accreditation in August, and the fifth accreditation awarded to the Police Division.

Mr. White indicated that Portage has been recertified as a "storm ready" community. He also noted that the Department partnered with Community Mental Health to keep people with mental disabilities out of jail using a pilot program where Portage is the only community receiving a community mental health worker who helps with mental health issues. He also said that each of the Portage Police Officers received 40 hours of training to help them deal with the issues of these individuals, and Portage dispatchers received 16 hours of specialized training on communicating with mental health patients.

Mr. White reviewed the educational series provided by the Fire Division in the areas of fire prevention, fire hazards and spring clean-up where students come home and look around for fire violations and issues and communicate them with their parents. He mentioned the ongoing puppet shows in the schools where over 1,000 students were taught, "go low, stop and crawl" and "drop and roll" techniques.

Mr. White cited the recently formed Patrol Uniform Narcotics Team (PUNT) that has already procured five (5) search warrants, involvement of the Department with the safe Kids Bicycle Safety Program, Big Truck Day, and Fire Prevention Week activities. He then listed some of the other activities conducted by staff, including: donation of fire gear for training at two community colleges, apparatus and staff at Burn Camp, Camp 911, Shop with a Hero, collection of goods for families in need, Coffee with the Chief, the ALS Ice Bucket Challenge, Safety Seat Inspection, North Side Ministerial Alliance, the 21st Century Policing Initiative, a half hour Public Safety Program twice a month on the Public Media Network and the outfitting of a crime scene vehicle.

Discussion followed regarding concealed weapons, home invasions, the ISO Report, the Fire Training Officer, PPOA and PCOA contracts, the complicated body cam trial for police officers and resultant Freedom of Information Act requests, the high level of professionalism

in the Department, safe community, interaction with citizens, outsourcing of the crossing guards, administrative costs, cooperative drug units, gun laws, open carry of weapons at school events and the actions to be taken, revenues from drug seizures and drug enforcement issues.

Mr. Shaffer discussed the plans for the Portage Dispatch Center should there be a need for a backup to 911 consolidated dispatch or if there is a need for a strong presence for 911 consolidated dispatch in Portage.

Mr. White noted the recommendation to move off of the AS-400 platform and on to using Microsoft applications, especially to reach the "standards of cover" for handling calls and for meeting the accreditation requirements for the Fire Division and explained. Discussion followed.

Martha Dahlinger, 2612 Chopin Avenue, asked whether Public Safety personnel are trained to assist with citizens with Post Traumatic Stress Disorder, and Mr. White indicated that this is all part of the equation. She also asked whether the body cams will cause citizens to withhold information because they may be self-conscious and fear they will regret what they say, and Mr. White indicated that this is part of the research and concurred it is to be considered from both the police officer perspective and the citizen perspective and explained. She expressed her appreciation for the openness of City Council sessions and the transparency that it has created. She also expressed her amazement with staff and their abilities.

Mayor Strazdas reminded City Council of the meetings on April 28, 2015, indicated that he wished to carve out some time during the next Budget Session to discuss the \$1 million Tax Stabilization Fund and the 24% Fund Balance. He then asked for an analysis from Mr. Shaffer.

Councilmember Randall asked for more information regarding the proposed millage increase for Leaf and Brush Pick-up. Discussion followed.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 9:34 p.m.

James R. Hudson, City Clerk