

**MINUTES OF THE BUDGET WORK SESSION OF THE PORTAGE CITY COUNCIL
May 1, 2012**

Meeting was called to order by Mayor Strazdas at 4:32 p.m.

The following members of Council were present: Councilmembers Elizabeth Campbell, Jim Pearson, Patricia Randall, Ed Sackley and Terry Urban, Mayor Pro Tem Claudette Reid and Mayor Peter Strazdas. Also in attendance were City Manager Maurice Evans, Deputy City Manager Brian Bowling, Financial Services Director Bob Luders, Finance Director Daniel Foecking, Deputy Finance Director Patricia Fitnitch and City Clerk James Hudson.

Mayor Strazdas asked Daniel Foecking to begin. He provided an overview of the Legislative/Human Services Budget and indicated that there is \$100,000 for a study of consolidation of services and \$5,000 for a celebration of the 50th Anniversary of the City in the City Council Budget. He then introduced Community Development Director Vicki Georgeau, who indicated that the funding recommendations of the Human Services Board (HSB) and the Administration were very close, so staff took the HSB recommendation.

Community Development Director Vicki Georgeau introduced Deputy Director of Planning, Development and Neighborhood Services Chris Forth, who helped with the activity this year and the Human/Public Service Funding Applications and the Supplemental Budget. Using the Supplemental Budget, she then outlined the Fiscal Year 2012-13 General Fund and Community Development Block Grant (CDBG) funds available for human/public services. She discussed the method of selection of applicants, the funds available in detail and explained what can be done with surplus funds in answer to Mayor Pro Tem Reid. Discussion followed.

Because there was little difference between the recommendations of the HSB and City Administration, staff concurred with the HSB recommendations. Under this funding level proposal, she indicated that under the Community Development Block Grant Program, the Portage Community Center would receive \$36,000; from the General Fund, the Portage Community Center would receive \$80,513; Housing Resources, Inc., would receive \$17,400; Catholic Family Services would receive \$9,080; the YWCA would receive \$8,570; and, Gryphon Place would receive \$2,000. Discussion followed.

Housing Resources, Inc. (HRI) Executive Director Ellen Kisinger-Rothi, indicated that HRI serves citizens to help them stay in their housing; she commented that children who have to be moved fall behind in academic achievement and stand a chance to become homeless as adults, but is encouraged at this time as some of the stimulus money and best practices has allowed her organization and others across the state to get a better "handle" on these problems as she feels HRI is "making headway." Discussion followed. Councilmember Randall mentioned that Catholic Family Services is becoming Catholic Charities at 5:15 p.m. at the Kalamazoo Institute of Arts, and expressed appreciation for funding from Catholic Charities. Discussion followed regarding the 50th Anniversary of the City of Portage.

Councilmember Sackley asked about the \$100,000 in the City Council Budget for a study of the feasibility of consolidating dispatch on a countywide basis, asked about the size of the amount and, knowing expenditures will still come to City Council for discussion, expressed

concern that it is not specifically earmarked. City Manager Evans explained that collaboration studies are planned and some are underway. With reference to countywide dispatch, he indicated that the County did not get the grant funds they anticipated, and that Southwest Michigan First has indicated that the first study is funded, but Phase II and Phase III are not paid for, and City of Portage needs to be ready to assist. Councilmember Sackley indicated that he does not want the City of Portage to be alone on this like with the Housing Assistance Fund or the Southwest Michigan Alliance where the City of Kalamazoo backed out and refused to pay even though they enjoyed the benefits of it. He issued the challenge that he wants to know that this does not set the stage for this to happen, again, and he indicated a desire for a better plan with matching dollars and with Southwest Michigan First, the Kalamazoo Foundation and all other municipalities participating. City Manager Evans explained. Discussion followed. Councilmember Sackley expressed an interest in knowing whether the City of Kalamazoo and/or the County of Kalamazoo have gone through this process and whether there is an allocation in their budgets, or if they plan to do a budget amendment. Discussion followed.

Employee Development Director Rob Boulis reviewed the Employee Development Department Budget and indicated that the HTE Software did not include the Fringe Benefits and did not accurately reflect the amounts in the Personnel Services Administration Recommendation column: \$187,565 should read \$270,805 for a total of \$433,525 instead of \$350,285. He reviewed the department efforts in the areas of recruitment, safety administration, training, labor and employee relations, employee discipline, contract negotiations and the Respecting Differences Program. Discussion followed. Mayor Strazdas asked for a *Portager* article informing the public that city employees attended the diversity program.

City Clerk Jim Hudson cited some of the services provided by the City Clerk staff in the areas of elections, Freedom of Information Act Requests, Youth Advisory Committee, website updates, liquor license application processing, research, legal notices, record keeping, cemeteries and matters before City Council. Discussion followed. Mayor Strazdas asked to find out what the City of Ann Arbor is doing in this regard since they totally lost their newspaper. Discussion followed.

Councilmember Campbell left with excuse at 5:45 p.m.

Information Technology Services Director Devin Mackinder indicated that the IT Department reviews emerging technologies and indicated that there are increases in costs savings, customer service and computer expertise as a result of the contractual arrangement between the City of Portage and SARCOM. Mr. Mackinder listed the various equipment and areas of service provided by the IT Department. He reviewed the Annual Technology Plan and mentioned that a few of the major projects in this fiscal year completed were: GroupWise System e-mail upgrade, replacement of primary firewalls, a new overhead paging system and the introduction of iPad Devices for fire inspections. A few of the planned projects for Fiscal Year 2012-13 he mentioned were: continue planning the replacement of the HTE System, MicroSoft Upgrade, increase broadband to support internet data traffic to assist with cloud-based operations, firehouse software, and the agency payroll system. He cited the collaboration efforts with the City of Kalamazoo IT Department to share GIS Mapping functions for Public Safety operations and collaboration efforts with the Public Media Center. Discussion followed.

RECESS: 6:14 p.m.

RECONVENE: 6:40 p.m.

Community Development Director Vicki Georgeau introduced Deputy Director of Building and Housing Services Terry Novak and Deputy Director of Planning, Development and Neighborhood Services Chris Forth, and thanked them and the Community Development Department staff for their fine assistance and hard work since she became Director. She reviewed the Community Development operating budget and the Supplemental Budget Document. She noted that the Department has oversight responsibilities in the areas of long term and short term planning, growth and redevelopment, private construction projects and maintaining the quality of life in the City of Portage with a special emphasis on neighborhood quality of life.

She reviewed the staff reorganization effort and the added responsibilities of the office. She reviewed the Community Development budget, including Building Services, Department service indicators, and permits associated with Planning and Development Services, and Neighborhood Services with descriptions of these projects. She touched on management of the neighborhood complaints and City Hall maintenance. Discussion followed. In response to Councilmember Urban, Ms. Georgeau indicated that the property for sale on Portage Road south of the AirZoo is zoned I-2 and in response to Councilmember Randall she said that the City hopes to close on PCOC property on June 12, 2012. Discussion followed.

Ms. Georgeau referred City Council to Sections 2 and 3 of the Supplemental Budget Book of 2012-2013 and advised City Council that they would be asked to approve the FY 2012-2013 Community Development Block Grant Program and authorize the Administration to submit the FY 2012-2013 One-Year Action Plan to the Department of Housing and Urban Development on May 8, 2012. She outlined the services that are provided in the FY 2012-2013 One-Year Action Plan, explained the decreases in the budget and future cuts anticipated and reviewed the Five-Year Comparative Analysis Table in Section 2 and the maps that depict low income neighborhood areas of the city. Discussion followed.

Mr. Foecking introduced Deputy Director of Accounting/Budget Pat Fitnich and reviewed the City Manager Department Budget, including: oversight responsibilities for all phases of city operations, implementation of City Council policy directives, general supervision and oversight of departmental operations, and development of administrative procedures intended to improve organizational effectiveness, as well as administrative responsibility for all city goals and objectives. He reviewed the public information division responsibilities, including copies, mailing and the *Portager* published six times per year.

Mr. Foecking also reviewed the City Attorney budget. He then summarized the Finance Department budget which includes: Accounting Fund, Finance and Budget Fund and the Treasury Fund. Discussion followed. He pointed out that there were no Brownfield Authority approvals and discussion followed. He reviewed the West Lake Weed Management Fund and announced that on May 8, 2012, there would be a public hearing on the Fiscal Year 2012-2013 proposed Budget and the tax rate of 10.7778 mills required to support the proposed budget. He also mentioned that on May 22, 2012, City Council will be asked to adopt the Fiscal Year 2012-2013 Budget and adopt the General Appropriations Act Resolution and the Salary and Wage Resolution. Discussion followed regarding the ability to retire more bonds and Mr. Foecking indicated that it was not probable at this time that anymore bonds could be retired in Fiscal Year 2012-2013. Discussion followed.

Next, Ms. Georgeau reviewed the Capital Improvement Program (CIP) Budget, explained that the 10-year plan provides only essential services

such as streets combined with sidewalks & bikeways, water and sewer and public safety. She referred to the Revenues and Expenditures chart on page i and the pie graphs on pages ii and iii to explain expenditures as compared to revenues in the CIP Budget.

She provided an overview of the 10-year plan and some of the eight categories listed: Streets, Utilities Public Safety, Public Facilities and Parks & Recreation and Debt Service. She referred to the locations of proposed improvements as outlined on the map on page iv, the expenditures by categories depicted on the pie chart on page v and the revenues shown on the pie chart on page vi of the document. She highlighted some of the proposed projects and purchases. Discussion followed regarding the Senior Center, the Haverhill Water Tower replacement, the 25% proposed Fund Balance, the elimination of the personal property tax, funds to be used for emergency preparedness and the City Hall motor pool. Discussion followed.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 9:13 p.m.

James R. Hudson, City Clerk