

City of Portland

Portland, Michigan

Minutes of the City Council Budget Workshop

Held on Monday, April 22, 2020

Via Zoom Meeting ID# 951 0260 9973

Pursuant to Michigan Governor's Executive Orders 2020-15 and 2020-21

Present: Mayor Barnes; Mayor Pro-Tem VanSlambrouck, Council Members Fitzsimmons, Johnston, and Sheehan; City Manager Gorman; Finance Officer Tolan; City Clerk Miller

Absent: None

The meeting was called to order at 2:00 P.M.

City Manager Gorman explained that budget planning process has taken into account the current COVID-19 pandemic; cuts have been made across the board but if expected revenue shortfalls become reality further adjustments may be necessary.

City Manager Gorman presented recommendations on water and wastewater rate increases as a result of the recent rate studies. A one-time 8% rate increase this year to wastewater with 2 ½% per year thereafter is recommended. This would allow funds to cover operating costs and payment on a new bond for needed vector truck improvements to the Wastewater Treatment Plant over the next couple of years while increasing cash reserves. With an 8% rate increase this year the rate is still median when compared to other communities.

There was discussion.

City Manager Gorman stated that a one-time rate increase of 15% this year to water with 2 ½% thereafter or 8% this year and next with 2 ½% each year thereafter.

Finance Officer Tolan further explained that there is not enough cash on hand at this time to take on capital improvement projects for a new well and upgrade of the current wells. When compared to other communities the increased rate is still on the lower end of the scale.

Finance Officer Tolan also explained that the overall increase between water and wastewater as recommended is about \$3.50 for each; overall an approximate increase of \$7.00 per household per month.

There was discussion.

City Manager Gorman and Finance Officer Tolan presented the Fiscal Year 2020-2021 budget summary reports and information. There is an assumption that the 1st Quarter revenue sharing payment will be 50% less or decreased by about \$30,000.00 for the City of Portland.

There was discussion throughout.

All of the Council Members expressed their support for the recommended wastewater and water rate increases. Council Member Fitzsimmons noted that the issues with the wastewater and water funds should be addressed now and not “kicked down the road”.

Mayor Barnes thanked City Manager Gorman and Finance Officer Tolan for their efforts in the budget process.

The workshop was adjourned at 4:30 P.M.

Respectfully submitted,

James E. Barnes, Mayor

Monique I. Miller, City Clerk