

Roll Call

The Kalamazoo City Commission met as a Committee of the Whole on Monday, December 5, 2022 at 5:00 p.m. in the City Commission Chambers at City Hall.

COMMISSIONERS PRESENT:

Mayor David Anderson
Vice Mayor Don Cooney
Qianna Decker
Jeanne Hess
Stephanie Hoffman
Chris Praedel

COMMISSIONERS ABSENT:

Esteven Juarez

Also present were City Manager Jim Ritsema, City Attorney Clyde Robinson, and City Clerk Scott Borling.

Commissioner Excused

Vice Mayor Cooney, seconded by Commissioner Hess, moved to excuse the absence Commissioner Juarez. With a voice vote the motion passed.

Public Comments

When an opportunity was given for general public comments, the following people addressed the City Commission:

In-Person

None

Call-In

Audrey asked the City Commission to make a public response to State Representative Julie Roger's remarks at a recent public hearing on air quality issues and Graphic Packaging.

2022-49-01

Presentation: FY2023
Budget Overview

CFO Steve Vicenzi delivered a presentation entitled *2023 Proposed Budget: Monday, December 5, 2022*. A copy of the slides from this presentation was filed with the papers for the meeting.

In response to questions and comments from Commissioners, CFO Vicenzi provided the following information:

- the budget for the Public Safety Department has always been high, although it has decreased in recent years. Looking at other cities, it is common for 50-60% of a city budget to be spent on police/fire/EMS services.
- the City was seeing a much-needed influx of funds for capital investment in the utilities.
- much of the Good Governance ARPA spending was the 10% administrative fee allowed by the ARPA program rules. Also included in the ARPA/Good Governance spending were upgrades to the Community Room to allow for hybrid meetings and the purchase of election security equipment.
- tax revenue was predicted to increase 3-4% annually, even though the real estate market was expected to cool off. Staff would be watching property

values for early warning signs of an economic slow-down that would impact tax revenues. Currently the City's fund balance was above the target level, so there was some capacity to absorb revenue declines.

- the City looked to organizations like the International City Manager's Association and the National League of Cities for guidance on setting an appropriate fund balance target. Cities and counties can be very different in terms of an appropriate fund balance.
- the City tracks its bond amount on a rolling basis and tries to reduce its bonding levels when possible. The City also tracks interest rates so as to bond and refinance at opportune times. Bonds can be refinanced after seven years.
- the City's pension system is 135% funded, on a valuation basis; because of its overfunded status the City does not need to budget for contributions to the pension system. Other Post-Employment Benefits (OPEB – i.e. retiree healthcare) are 80% funded.

CFO Vicenzi reviewed the next steps in the budget process.

City Manager Ritsema stated the work session on December 12th would focus on budget details, and he indicated the January 3rd Committee of the Whole meeting could be used for additional budget discussion, if needed. City Manager Ritsema stated the potential times for the December 12th work session were 5-8 p.m. or 6-9 p.m.

Finally, an opportunity was given for general comments from City Commissioners.

In response to a question from Commissioner Decker, Mayor Anderson suggested Commissioners wait until the business meeting to discuss the City Attorney candidates, given the absence of Commissioner Juarez at this meeting.

Commissioner Praedel stated the City Commission should start working on appointee evaluations soon.

The meeting adjourned at 5:41 p.m.

Scott A. Borling
City Clerk

Approved by the City Commission on: _____

2022-49-01

Presentation: FY2023
Budget Overview
(cont'd)