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John M. Cannon

Mayor

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*Efficiency & Excellence*

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For release to the press

Re: City of Portage Budget Article (SOURCE: [https://www.nwitimes.com/news/local/porter/porter-newsletter/portage-whittles-budget-deficit/article\\_3ae159d2-794f-5609-babc-6c5bb3c5f4c3.html](https://www.nwitimes.com/news/local/porter/porter-newsletter/portage-whittles-budget-deficit/article_3ae159d2-794f-5609-babc-6c5bb3c5f4c3.html))


There will be a balanced budget there always has been. Obviously, there are unexpected events that occur, such as severe snowstorms or a few large scale public safety events that can eat at a budget.

The budget committee needed the time to do their due diligence. The Mayor's Office, along with Colin Highlands, has sorted through numerous documents and accounts to get an accurate picture and have already taken steps with City Departments to make some internal changes so we have a better understanding of the overall budget at any given time.

The budget process is laborious as it should be to a certain degree. You want to make sure that you are accounting for as many known expenditures, known revenue sources, whether adjustment to fees need to be made and potential unexpected issues that arise historically.

The City Council is the fiduciary body of the city government, but through the work of the Budget Committee, Clerk-Treasurer Office and Mayor's Office, the process becomes an all hands on deck effort. I know as a City Councilman I always took great care to review the budget, ask questions and research options before voting to pass the City budget. It was a vote, I did not take lightly, nor take lightly now as Mayor. I am confident that City departments will manage their individual budgets with great care and we will continue to govern responsibly.

Thank you,



Mayor John M. Cannon

PORTAGE — In just over a month, city administrators have gotten closer to the bottom line of Portage's proposed 2020 budget.

Department heads and committee members have gotten a **\$1.25 million negative balance** in next year's general fund down to just under \$54,000 left to cut. The budget will be adopted Oct. 22 in a special meeting.

When a budget session began Friday, the committee had \$200,000 to remove from the proposed budgets. Discussion revolved around restricting leases for local banks for longer terms to make up for the shortfall.

Councilman Scott Williams, D-3rd, said it's a big problem the committee keeps trying to solve.

"I don't know if this is the right approach, the right strategy to balance this 2020 budget," Williams told department heads. "It's very difficult."

At the end of the meeting, the park department's budget was shortened line after line, ending \$40,000 less than the last draft. Several department heads questioned why they were forced to cut so much from their 2020 budgets after only one department — motor vehicle highway — overspent in 2019.

"All I've heard here so far is not the department heads misspending, it's been on levels beyond us," said Fire Chief Tim Sosby. "And you're asking us to cut even more ... sometimes I think you're barking up the wrong tree."

"Unprogrammed spending," redevelopment administrator Colin Highlands said, is one of the reasons the city has exceeded its budget in the past. This has included the cost of changing over to a new radio communication system and the \$4 million allotted for road construction in 2019.

"There's funds that are controlled by the departments and then there's other funds that the mayor's office controls and those all need to be under control," Highlands said.

Mayor John Cannon wasn't present at the meeting.

"I'm not blaming (the department heads) one bit, but we're all in this together, and the guilty party isn't present today," said Councilman Patrick Clem, D-2nd. "We can do this as a team and not make it a war."

In 2018, the city had a \$1.9 million deficit, which was covered by temporary loans. About half of that negative balance contributed to the shortfall for 2019, which in turn rolls over because the state looks at 2020 plus six months in 2019.

Clerk-Treasurer Chris Stidham said the 2019 projection for the next three months has the general fund ending the year "\$2.1 million in the hole." The city has had so much in new spending, however, that the money usually allotted for temp loans "are becoming depleted."

"We are losing our ability to cover the shortfall," Stidham said, adding the city will most likely have to borrow more bonds.

Highlands said it has been money "moved around essentially to cover, masked as sort of temp loans" and agreed with Stidham that they can't avoid paying it off forever.

"As we wrap up '19, we're obviously going to have to address this further," Williams said.