



Agenda: Battle Creek City Commission

Meeting Date: May 7, 2026 - 6:00 PM
Location: Battle Creek City Hall - City Commission Chambers - 3rd Floor
Chair: Mayor Mark A. Behnke

WELCOME AND INTRODUCTION

Amanda Zimmerlin, City Manager, welcomed everyone to the budget workshop. Ms. Zimmerlin shared that Aaron Kuhn, Revenue Services Director, would be assisting with the evening's presentation.

ROLL CALL

City Commission

Mayor Mark Behnke
Commissioner Paige Katsarsky-Smith
Commissioner Jessica LaCosse
Commissioner Patrick O'Donnell
Vice Mayor Sherry Sofia
Commissioner Christopher Simmons, remotely

Absent:

Commissioner Jim Lance
Commissioner Jenasia Morris
Commissioner Carla Reynolds

City Staff

Amanda Zimmerlin, City Manager
Marcie Gillette, Assistant City Manager
Aaron Kuhn, Revenue Services Director
Shannon Bagley, Police Chief
Danielle Myrkle, Recreation Director
Chad Frein, IT Director

William Kim, City Attorney
Victoria Houser, City Clerk
Steve Skalski, Public Works Director
Phil Kroll, Aviation Director
Bush McCarthy, Fire Chief
Michelle Hull, Human Resource Director

PUBLIC COMMENT - LIMITED TO 3 (THREE) MINUTES PER INDIVIDUAL

Chuck Asher, retired fire staff member, requested funds for health and safety modifications to Fire Station #5.

A Resident stated he, and others, are not pleased with the way city funds are used.

PRESENTATION

1. Presentation of Proposed Budget for Fiscal Year 2027

Ms. Zimmerlin reviewed the workshop agenda, beginning with FY 25-26 General Fund estimates and additions to Fund Balance, followed by the FY 26-27 proposed budget discussion and assumptions.

Mr. Kuhn noted an estimated General Fund addition to fund balance for FY 25-26 in the amount of \$2,449,114, noting the adopted budget showed a use of fund balance of \$847,656. Mr. Kuhn shared that the FY26 year end budget amendment will include a projected transfer to the Capital Improvement fund for future capital project needs. As to revenue, Mr. Kuhn stated Income Tax revenues, Interest Income and Recreation revenues were all over budget. Mr. Kuhn noted a year-end budget adjustment for the fiscal year ending June 30, 2026 will be presented to the Commission in June. After referencing several pages of the budget binder, Mr. Kuhn noted an unassigned balance of \$13,690,824, 21.06% of Estimated FY 27 revenue, in excess of the 17% fund balance policy.

Ms. Zimmerlin noted that the FY 26-27 proposed budget included a 3.2% growth in ad valorem taxable values, translating into property tax revenue growth in the General Fund, the Streets Capital Projects funds and component funds. Ms. Zimmerlin shared that the proposed budget includes support from the DDA for debt service on the Quiet Zone, along with contributions for the Central Business District street maintenance and the cost of 2 downtown Police Officers. Ms. Zimmerlin noted a proposed 3% COL and step increases for non-represented employees is also included, while raises included in settled collective bargaining agreements are also included in the FY27 wages. Ms. Zimmerlin stated revenue numbers include proposed changes to the Fee, Bond & Insurance Schedule, which will come before the Commission in June also. Ms. Zimmerlin noted the proposed budget included the final one-time interest income from ARPA funds. As to new staff positions, Ms. Zimmerlin noted an administrative assistant in the Fire Department, a Social Worker in the Police Department, and 3 Water Plant Operators at the Verona Wellfield were proposed.

Mr. Kuhn shared a history of the City's property tax millage, presenting a comparison of the Actual 2025-2026 millage to the Proposed 2026-2027, demonstrating an increase of 1.126 mills to the Operating budget, corresponding to an 1.126 decrease in Street/Dainage Improvements, and a .296 decrease to the P & F millage, resulting in a proposed decrease of 0.296, which would result in an annual savings of \$30 to a household with a tax value of \$100,000. Mr. Kuhn discussed the General Fund revenue sources, including income tax, property tax, personal property tax loss State reimbursement and State Revenue Sharing. Mr. Kuhn presented a chart with proposed FY27 balances of other selected funds, including Special Revenue Funds, Enterprise Funds and Internal Service Funds.

Ms. Zimmerlin discussed future budget considerations, such as property tax and income tax revenues, the impact of the P & F millage on the City operating millage, and the loss of parking revenues. Ms. Zimmerlin also noted staff would be very watchful of discussions from the May

Concensus Revenue Estimating Conference. Ms. Zimmerlin noted a Public Hearing to take resident and Commission input on the proposed budget was scheduled for May 19, 2026, with the resolution to consider the proposed budget scheduled for June 2, 2026.

COMMISSION COMMENTS

Mayor Behnke invited the commissioners to ask questions or express concerns.

Comm. O'Donnell shared statistics on other cities' operating millage rates, noting Battle Creek is the lowest in Calhoun County, and 10th lowest of all Michigan cities with an income tax.

Responding to Comm. LaCosse, Ms. Zimmerlin stated staff continue to discuss options for Fire Station #5, but would need to wait until construction of the 2 new fire stations are complete to determine remaining contingency funds. Ms. Zimmerlin noted bond funds were being used for new fire stations to replace current Stations #2 and #3, with renovations planned at Station #6, and a previous remodel/renovation of Station #4. Ms. Zimmerlin confirmed staff could consider any remaining balance of the bond fund for other repairs. Comm. Katsarsky-Smith stated Ms. Zimmerlin addressed her concerns with this response.

Mr. Kuhn noted there were many other projects in the Capital Improvement Plan currently underway, or to begin soon, but surplus funds are always considered once projects are complete.

Mayor Behnke stated he was not opposed to using additional fund balance for fire station rehabilitations, but that it was important to remain prudent, while still considering pending issues. Mayor Behnke questioned whether more funds should be returned to residents as the City no longer had an \$850,000 subsidy to Transit. Mayor Behnke expressed his concern for the proposed unassigned fund balance of \$13.7 million, or 21.06% of estimated revenues, which was in excess of the City's 17% fund balance policy, stating there is a need to share back with the residents. Mayor Behnke suggested returning the 1% property tax administrative fee to residents.

Mr. Kuhn stated there was a reduction in the millage rate the prior year when Transit was moved to the TACC, stating there was not an increase this year. Mr. Kuhn confirmed the administrative fee is about \$1M annually, stating staff considered many different future items that may put constraints on the General Fund budget, particularly if income tax revenues decline.

Ms. Zimmerlin stated staff could look at other places in the General Fund to reduce expenses, expressing her preference to keep the administrative fee at the current 1% rate.

Comm. Simmons stated he reviewed the budget binder and that the City Manager answered many of his questions and concerns, stating he had no additional comments.

ADJOURNMENT

Mayor Behnke adjourned the meeting at 6:42 pm.