

CITY COUNCIL MEETING MINUTES FROM MAY 26, 2009

The Regular Meeting was called to order by Mayor Peter J. Strazdas at 7:30 p.m.

Mayor Strazdas introduced Pastor Ken Hale of the Victory Baptist Church of Portage, who gave the invocation and City Council and Portage Boy Scout Troop 244 led City Council and the audience in the Pledge of Allegiance.

The City Clerk called the roll with the following members present: Councilmembers Elizabeth A. Campbell, Margaret E. O'Brien, Claudette S. Reid, Terry R. Urban and Ted W. Vliek, Mayor Pro Tem Edward J. Sackley and Mayor Peter J. Strazdas. Also in attendance were City Manager Maurice S. Evans, City Attorney Randy Brown and City Clerk James R. Hudson.

PETITITONS AND STATEMENTS OF CITIZENS: Joanne Willson, 7122 Leawood Street, issued a complaint that she was approached by Portage Police Officers while she legally campaigned outside Precinct #15, North Middle School, at the May 5, 2009 Consolidated School Election.

APPROVAL OF MINUTES: Councilmember Reid asked that the May 12, 2009 Regular Meeting Minutes reflect that John Musik, 1520 Egleston Avenue, Kalamazoo, Executive Director of Michigan Organizing Project, thanked City Council for their support of the voucher that can be given to Portage citizens who have become homeless. Discussion followed. Motion by Vliek, seconded by Reid, to approve the May 12, 2009 Special Minutes as presented and the May 12, 2009 Regular Meeting Minutes as amended. Upon a voice vote, motion carried 7 to 0.

* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Campbell to read the Consent Agenda. Mayor Strazdas removed Item F.12, Austin Lake Governmental Board Appointment, from the Consent Agenda. Lynn Elliott, 9724 East Shore Drive, asked that Item F.13, Austin Lake Governmental Board, be removed from the Consent Agenda. Wayne Deering, 1004 Northampton Road, Kalamazoo, asked that Item F.9, Transfer Ownership of 2008 Class C Licensed Business (Erbelli's Restaurant), be removed from the Consent Agenda. Deputy City Manager Brian Bowling asked that Item F.2, Resolution Awarding Bids, be removed from the Consent Agenda. Motion by Urban, seconded by Reid, to approve the Consent Agenda Motions as amended. Upon a roll call vote, motion carried 7 to 0.

* **APPROVAL OF CHECK REGISTER OF MAY 26, 2009:** Motion by Urban, seconded by Reid, to approve the Check Register of May 26, 2009. Upon a roll call vote, motion carried 7 to 0.

REPORTS FROM THE ADMINISTRATION:

APPROVAL OF THE FISCAL YEAR 2009-2010 BUDGET: At the request of Mayor Strazdas, City Manager Maurice Evans reviewed the proposed the Fiscal Year 2009-2010 Budget and indicated that it provides a conservative financial plan that contains \$66.3 million in expenditures, including \$25.1 million in the General Fund and approximately \$11.7 million in infrastructure improvements in the Capital Improvement Program (CIP). He inferred that the city faces more challenges owing to less revenue forthcoming from the State of Michigan and the Federal Government.

Mr. Evans indicated that the city has a good financial plan, the services are good and quality projects are getting done. He pointed out that the Fiscal Year 2009-2010 Proposed Budget maintains a low overall city tax rate of 10.6598 mills that includes investment in infrastructure and services such as recycling and the Spring Clean-up Program. He emphasized that it positions the city to sustain an ongoing period of economic recession through maintenance of the Council-prescribed 13 percent fund balance for the General Fund and allows the City of Portage to continue in the lower 25 percent of all Michigan cities of greater than 25,000 population in terms of millage level.

Mr. Evans indicated that expenditures have been aggressively managed over the past year to ensure the most appropriate application of resources and mentioned that total full time staffing has been

reduced to 197 positions from 207 positions in fiscal year 2008-2009 and from 213 positions in fiscal year 2007-2008. Also, he said that the city changed health insurance providers for non-union and International Association of Fire Fighter (IAFF) employees to avoid a 28 per cent increase in premiums by the former carrier; that funding for landscaping and grounds maintenance was reduced in the areas of flowers, tree plantings, mowing services and holiday decorations. Still, he maintained that a number of worthwhile projects are being presented for consideration on the May 26, 2009 City Council Agenda.

Mr. Evans thanked Deputy City Manager Brian Bowling, Purchasing Director Bob Luders, Finance Director Dan Foecking, Deputy Finance Director Pat Fitnitch and all City of Portage Department Heads for their support in their input and development of the budget. Discussion followed.

Councilmember Urban thanked all City of Portage employees for the extra effort necessary owing to the cuts in the number of employees in the last few years.

Motion by Urban, supported by Sackley, to approve the Fiscal Year 2009-2010 Budget. Upon a roll call vote, motion carried 7 to 0. Councilmember O'Brien expressed her appreciation for the Capital Improvement millage specifically set aside for funding of infrastructure and roads. Discussion followed. Mayor Pro Tem Sackley expressed pride in Portage as a city and his appreciation to the Administration, city employees and Portage citizens who together make for a dynamic process through constant communication using the many tools made available to citizens by the Administration. Resolution recorded on page 307 of City of Portage Resolution Book No. 43.

RESOLUTION AWARDING BIDS: City Manager Evans indicated that the bids for the bonds had been opened earlier in the day and Fifth Third Securities, Inc., had the most attractive interest rate. When Mayor Strazdas asked if the bond rating of the city helped in the acquisition of the low interest rate, Finance Director Daniel Foecking answered in the affirmative and indicated that approximately twelve cities in Michigan have an AA Bond Rating and only two or three have an AAA Bond Rating. Motion by O'Brien, seconded by Reid, to adopt the Resolution awarding the bid for the City of Portage Capital Improvement Bonds, Series 2009, in the approximate amount of \$3,440,000 to Fifth Third Securities, Inc., at 3.910738 percent. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on page 317 of City of Portage Resolution Book No. 43.

* **CDBG FY 2008-09 ANNUAL ACTION PLAN SUBSTANTIAL AMENDMENT FOR RECOVERY ACT FUNDS:** Motion by Urban, seconded by Reid, to approve the Community Development Block Grant (CDBG) Program FY 2008-09 Annual Action Plan Substantial Amendment for CDBG funding through the American Recovery and Reinvestment Act (Recovery Act) and authorize the Administration to submit the amendment to the Department of Housing and Urban Development. Upon a roll call vote, motion carried 7 to 0.

MICHIGAN DEPARTMENT OF TRANSPORTATION CONTRACT – I-94 WIDENING FROM APPROXIMATELY OAKLAND DRIVE TO LOVERS LANE: City Manager Maurice Evans indicated that the American Recovery and Reinvestment Act funding (Stimulus II) will provide for the widening and reconstruction of I-94 from approximately 2,300 feet east of Oakland Drive to approximately 1,800 feet east of Lovers Lane which will relieve City of Portage taxpayers of some \$1.5 million of direct expenditures. Discussion followed.

Motion by Sackley, seconded by Vliek, to approve Contract 09-5099 between the Michigan Department of Transportation and the City of Portage concerning funding for widening and reconstruction of I-94 from approximately 2,300 feet east of Oakland Drive to approximately 1,800 feet east of Lovers Lane; and adopt a Resolution authorizing the City Manager to sign contract 09-5099 on behalf of the city. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on page 321 of City of Portage Resolution Book No. 43.

MICHIGAN DEPARTMENT OF TRANSPORTATION CONTRACT – KILGORE

ROAD: Mr. Evans explained that this project for street improvements on Kilgore Road from South Westnedge Avenue to the Grand Elk railroad crossing is “shovel ready” and provided an overview of the project, outlining some of the Woodmont Drive/Burdick Street intersection improvements. Discussion followed. Transportation & Utilities Director Dallas Williams answered questions and explained the project in more detail, especially the Woodmont Drive/Burdick Street intersection improvements. Discussion followed.

Motion by O’Brien, seconded by Campbell, to approve Contract 09-5186 between the Michigan Department of Transportation and the City of Portage concerning funding for street improvements on Kilgore Road from South Westnedge Avenue to the Grand Elk railroad crossing; approve an engineering services contract with Abonmarche Consultants, Incorporated, for construction inspection and administration on Kilgore Road from South Westnedge Avenue to the Grand Elk railroad crossing in the not-to-exceed amount of \$103,500; adopt a Resolution authorizing the City Manager to sign Contract 09-5186 on behalf of the city; and authorize the City Manager to sign all other documents related to both the consultant contract and the Michigan Department of Transportation contract on behalf of the city. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on page 323 of City of Portage Resolution Book No. 43.

MICHIGAN DEPARTMENT OF TRANSPORTATION CONTRACT - EAST CENTRE

AVENUE: Mr. Evans explained that this project for street improvements East Centre Avenue from South Westnedge Avenue to Portage Road is also “shovel ready” and pointed out that \$900,000 of the \$1.2 million will be funded through the anticipated American Recovery and Reinvestment Act funding (Stimulus II). He praised Mr. Williams and City Engineer Chris Barnes for having projects “shovel ready” in order to take advantage of the available federal funding. Discussion followed.

Motion by Reid, seconded by O’Brien, to approve Contract 09-5165 between the Michigan Department of Transportation and the City of Portage concerning funding for street improvements on East Centre Avenue from South Westnedge Avenue to Portage Road; approve an engineering services contract with Wightman Jones, Incorporated, for construction inspection and administration on East Centre Avenue from South Westnedge Avenue to Portage Road in the not-to-exceed amount of \$74,500; adopt a Resolution authorizing the City Manager to sign Contract 09-5164 on behalf of the city; and authorize the City Manager to sign all other documents relating to both the consultant contract and the Michigan Department of Transportation contract on behalf of the city. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on page 325 of City of Portage Resolution Book No. 43.

* **PORTAGE LOCAL DEVELOPMENT FINANCE AUTHORITY:** Motion by Urban, seconded by Reid, to adopt the Resolution approving the substitution of the Haverhill Water Tower project and the deferral of the Zylman Avenue street project in the City of Portage 2003 Amended Tax Increment Finance Plan/Amended Development Plan. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on page 327 of City of Portage Resolution Book No. 43.

* **RENEWAL OF CONTRACT FOR POLICE UNIFORM CLEANING:** Motion by Urban, seconded by Reid, to approve a contract extension for the period of June 11, 2009, to June 10, 2010, with Kal Clean, Inc., dba Paris Cleaners, for police uniform cleaning services in the amount of \$30,000 with the option of an additional one-year renewal and authorize the City Manager to execute all documents related to this matter on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

TRANSFER OWNERSHIP OF 2008 CLASS C LICENSED BUSINESS (ERBELLI'S RESTAURANT): Even though he is not listed as a contact on the Local Approval Notice from the Michigan Liquor Control Commission, Mr. Wayne Deering introduced himself as an advocate and expediter of the liquor license application process for Greg W. Erb, Erb Ventures, Inc. Mr. Deering indicated that Mr. Erb has asked the Michigan Liquor Control Commission to remove the "with Dance-Entertainment Permit" from the Resolution (Form LC-1305). Discussion followed.

Motion by Urban, seconded by Sackley, to grant the request to transfer ownership of 2008 Class C licensed business with Dance-Entertainment Permit, located in escrow at 2712 Portage Street, Kalamazoo, from George N. Cekola to Erb Ventures, Inc., and transfer location (Governmental Unit) (MCL 436.1531(1)) to 8342 Portage Road, Portage (Erbelli's Restaurant). Upon a roll call vote, motion carried 7 to 0.

* **TRANSFER OWNERSHIP OF 2008 CLASS C LICENSED BUSINESS (SAKURA HIBACHI GRILL AND SUSHI BAR):** Motion by Urban, seconded by Reid, to grant the request to transfer ownership of 2008 Class C licensed business with Dance-Entertainment Permit, located in escrow at 116 Portage Street, Kalamazoo, from Louisiana Corporation to Sakura2, LLC, and transfer location (Governmental Unit) (MCL 436.1531(1)) to 6749 South Westnedge Avenue, Portage (Sakura Hibachi Grill and Sushi Bar). Upon a roll call vote, motion carried 7 to 0.

* **SPECIAL MEETING TO INTERVIEW YOUTH ADVISORY COMMITTEE AND YOUTH PARTICIPANTS FOR BOARD AND COMMISSION APPLICANTS:** Motion by Urban, seconded by Reid, to set a Special Meeting on Tuesday, June 9, 2009, City Hall Conference Room #1, beginning at 6 p.m., to interview Youth Advisory Committee and Youth Participants for Board and Commission applicants. Upon a roll call vote, motion carried 7 to 0.

AUSTIN LAKE GOVERNMENTAL BOARD APPOINTMENT: City Council heard from John Crago, 9728 East Shore Drive, who objected to the appointment of City Councilmembers to the Austin Lake Governmental Board and indicated a preference of appointing city employees as representatives of the local governmental unit. City Attorney Randy Brown indicated that it is not a conflict of interest to appoint a City Councilmember as a representative of the governmental lake board and that it is within the scope and intent of Act 451 of 1994, Section 324.30903 (1)(a). Discussion followed.

Motion by Urban, seconded by O'Brien, to appoint Mayor Pro Tem Sackley as the additional member of City Council to the Austin Lake Governmental Board. Upon a roll call vote, motion carried 7 to 0.

AUSTIN LAKE GOVERNMENTAL BOARD: John Crago, 9728 East Shore Drive, spoke in opposition and questioned whether City Council had the integrity necessary to provide independent valuation of projects that come before them and questioned whether City Council fully prepared for all of their meetings. Mayor Strazdas took exception with him and his accusation and explained how the process works with a City Council form of government and a professional staff. Councilmember O'Brien acknowledged Mr. Crago's frustration, especially when not everyone agrees with him. Mayor Pro Tem Sackley agreed that it is frustrating for Mr. Crago, and recognized that Mr. Crago intended no malice with his remarks. Mr. Crago stated that City Council votes together 99.98% of the time, but did not recognize the work that goes into a business item in order for City Council to be properly informed and able to vote objectively. Mayor Strazdas explained and discussion followed.

Motion by O'Brien, seconded by Vlieg, to consider projects proposed for the improvement of lakes on a case-by-case basis as to the appropriateness for referral to a Governmental Lake Board. Upon a roll call vote, motion carried 7 to 0.

* **PERMIT TO CONDUCT A FIREWORKS DISPLAY:** Motion by Urban, seconded by Reid, to approve a permit for a proposed fireworks display on July 4, 2009, sponsored by the Portage Rotary Club. Upon a roll call vote, motion carried 7 to 0.

* **APRIL 2009 SUMMARY ENVIRONMENTAL ACTIVITY REPORT – INFORMATION ONLY:** Motion by Urban, seconded by Reid, to receive the communication from the City Manager regarding the April 2009 Summary Environmental Activity Report as information only. Upon a roll call vote, motion carried 7 to 0.

* **MONTHLY REPORTS:** Motion by Urban, seconded by Reid, to receive the Department Monthly Reports. Upon a roll call vote, motion carried 7 to 0.

UNFINISHED BUSINESS:

* **PROPOSED AMENDMENT TO THE CODE OF ORDINANCES – MASSAGE BUSINESSES:** Motion by Urban, seconded by Reid, to approve an Ordinance to amend the Code of Ordinances of the City of Portage, Michigan, by amending Article 3 of Chapter 14, Businesses, Section 14-72(4), Exceptions, by adding Professional massage therapists who are duly licensed by the laws of the State of Michigan to practice massage therapy. Upon a roll call vote, motion carried 7 to 0.

* **MINUTES OF BOARDS AND COMMISSIONS:** City Council received the minutes of the:
Portage Environmental Board of April 8, 2009.
Portage Zoning Board of Appeals of April 13, 2009.
Portage Construction Board of Appeals of April 13, 2009.
Portage Senior Citizens Advisory Board of April 15, 2009.
Portage Planning Commission of April 16, 2009.
Portage Human Services Board of April 20 and May 7, 2009.
Portage Board of Education Regular of April 20, Special of April 27 and Committee of the Whole Work Session of May 11, 2009.
Kalamazoo County Board of Commissioners Regular and Committee of the Whole of May 5, 2009.

BID TABULATION:

* **STREET PAVING/MAINTENANCE BID TABULATION - RECOMMENDATION:** Motion by Urban, seconded by Reid, to award contracts to Rieth-Riley Construction Company, Incorporated, in the not-to-exceed amount of \$181,550.54 to provide asphalt resurfacing to selected local streets; J. Allen & Company, Incorporated, in the not-to-exceed amount of \$241,729.64 to provide surface asphalt repairs to isolate sections of major and local streets; and authorize the City Manager to execute all documents related to these contracts on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

OTHER CITY MATTERS:

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Vliek asked the Administration to investigate whether or not rainwater from recent heavy rains was being pumped into sanitary sewer lines from homes that had water in the basements.

Councilmember O'Brien issued a special thanks to Boy Scout Troop 244 for leading City Council and the audience in the Pledge of Allegiance and expressed her sorrow to the residents of Climax Township for the recent loss of their School Superintendent.

Mayor Strazdas expressed kudos to Councilmember Campbell and Kalamazoo County Commissioner John Zull for their help with the July 4 fireworks display.

Councilmember Reid encouraged everyone between age 50 and 65 to join the Portage Senior Center and commented on what a community gem it is.

City Manager Evans commented on the road closure of Milham Road and asked for patience from the public while the sewer construction project is underway to allow the project to be done and done right.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 9:17 p.m.

James R. Hudson, City Clerk

***Indicates items included on the Consent Agenda.**