

CITY COUNCIL MEETING MINUTES FROM OCTOBER 20, 2009

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

Mayor Strazdas introduced David Barringer of the Kalamazoo First Assembly of God Church, who gave the invocation and City Council and the audience recited 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. Vlieg, and Mayor Peter J. Strazdas. Mayor Pro Tem Edward J. Sackley was absent with excuse. Also in attendance were City Manager Maurice S. Evans, City Attorney Randall Brown and City Clerk James R. Hudson.

PROCLAMATION: Mayor Strazdas issued a Red Ribbon Week Proclamation.

APPROVAL OF MINUTES: Motion by O'Brien, seconded by Urban, to approve the October 6, 2009 Regular Meeting Minutes as presented. Upon a voice vote, motion carried 6 to 0. Motion by Vlieg, seconded by Reid, to approve the October 13, 2009 Special Meeting Minutes as presented. Upon a voice vote, motion carried 6 to 0. Motion by O'Brien, seconded by Reid, to approve the October 6, 2009 Special Meeting Minutes as presented. Upon a voice vote, motion carried 6 to 0.

* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Urban to read the Consent Agenda. Motion by Urban, seconded by Reid, to approve the Consent Agenda Motions as presented. Upon a roll call vote, motion carried 6 to 0.

* **APPROVAL OF CHECK REGISTER OF OCTOBER 20, 2009:** Motion by Urban, seconded by Reid, to approve the Check Register of October 20, 2009. Upon a roll call vote, motion carried 6 to 0.

PUBLIC HEARINGS:

MANN+HUMMEL USA, INCORPORATED, 6400 SOUTH SPRINKLE ROAD – PA 198 TAX ABATEMENT: Mayor Strazdas opened the public hearing and introduced Community Development Director Jeffrey Erickson, who indicated that the industrial development project involves a total estimated cost of \$11.69 million for the acquisition of machinery and equipment and the transfer of machinery and equipment from South Bend, Indiana, to the City of Portage. He indicated that the company plans 19 new jobs and the transfer of 52 jobs from the South Bend facility with the investment.

He explained the process and indicated that the facility is connected to municipal water and sewer services; that the facility is situated on property that is zoned I-1, light industry and adjacent properties are also zoned light industry; that all state and federal regulations pertaining to hazardous material handling, storage and disposal will be met; and, that the Sprinkle Road Industrial Corridor is identified for industrial development in the City of Portage Comprehensive Plan.

He explained that two analyses were accomplished because the company has asked for a six-year abatement which would require a waiver of City Council Policy.

With that, he indicated that the direct General Fund abatement cost to the city would increase by \$35,310 with the abatement period extended from three years to six years, and that a cumulative cost to the city of \$134,657 would be experienced by the city with a three-year abatement, which cost would increase by \$35,309 with a six-year abatement period as tax revenue would be foregone and service costs increased.

With regard to the additional economic benefits to the community as a result of the project, Mr. Erickson said that the economic benefit to Portage does not change with the abatement period expanded. He referred to the table in the communication to the City Manager dated October 7, 2009, and showed that the cumulative impact is the same with the three-year as with the six-year at \$3,087,799.

With regard to the property analysis, Mr. Erickson indicated that no abatement and the personal property taxed at the full 31.88 mill rate, the estimated annual taxes generated for all taxing units would total \$186,453. He indicated that the annual tax revenue foregone by the following local units of government if this tax abatement is approved would total \$78,489: the City of Portage would annually forego \$32,094; Portage District Library would forego \$4,357; Kalamazoo County, including the transport and juvenile tax levies, would forego \$19,682; KRESA would forego \$14,129; and KVCC would annually forego \$8,227. Finally, he said that the total tax abatement valuation percentage approved by the Council with the inclusion of this application would equal 4.02% and that this figure reflects the active industrial tax abatements that have been approved by City Council as a percentage of the total city State Equalized Value (SEV).

Lastly, he indicated that the City Administration recommends that the industrial facilities exemption certificate be approved for a three-year period for personal property improvements and that the required tax agreement and the affidavit be approved. Further, he said that this recommended action conforms with the established City Council policy; is consistent with the industrial facilities exemption certificate granted since the new policy was implemented in April 2008, with the exception of the Stryker Corporation request; and acknowledges the PA198 procedure available to MANN+HUMMEL USA to request an additional abatement period in the future. He offered to answer any questions and recognized MANN+HUMMEL USA, Incorporated, Chief Financial Officer David Gordon.

In answer to Councilmember Reid, Mr. Erickson indicated that there is an application fee by statute for an extension request.

MANN+HUMMEL USA, Incorporated, Chief Financial Officer David Gordon, 3939 Fieldstone Circle, Comstock Township, indicated that it has been a challenging year for MANN+HUMMEL USA, Incorporated. He disclosed that MANN+HUMMEL has suffered a 45 % reduction in production because of the unprecedented downturn in the auto industry; that core operations have been restructured; that MANN+HUMMEL, leveraged technical competencies to win new products and gave the battery frame contract for the Chevy Volt as an example. He complimented the talents of the employees at the Portage MANN+HUMMEL facility and indicated that the granting of the PA 198 would allow MANN+HUMMEL to be cost competitive.

Mr. Gordon summarized the taxes that the company would be bringing to the city during the six-year abatement period and cited that MANN+HUMMEL received a MEGA Tax Credit from the State of Michigan in 2009, and thanked all who provided support to MANN+HUMMEL deal with the economic crisis in the country at the present time. Discussion followed.

Mayor Strazdas opened the public hearing for comment from the public. There being no comment, motion by Vliek, seconded by Reid, to close the public hearing. Upon a voice vote, motion carried 6 to 0.

Motion by O'Brien, seconded by Campbell, to grant the request for a waiver of the policy provisions granting a six-year abatement period for personal property; adopt Resolution No. 4-09, approving the Industrial Facilities Exemption Certificate for the planned MANN+HUMMEL USA, Incorporated, \$11.69 million machinery and equipment purchase at 6400 South Sprinkle Road; and approve the tax abatement agreement and the affidavit between the City of Portage and MANN+HUMMEL USA, Incorporated. Discussion followed. Upon a roll call vote, motion carried 5 to 1 with Councilmember Reid dissenting. Councilmember Reid indicated that the request and the motion were not in line with the City's published PA198 policy, and requested that PA198 policy be a topic for the upcoming Planning Retreat. Resolution recorded on page 375 of City of Portage Resolution Book No. 43.

MANN+HUMMEL USA, INCORPORATED, 6400 SOUTH SPRINKLE ROAD – PA 198 TAX ABATEMENT EXTENSION: Mayor Strazdas opened the public hearing and introduced Community Development Director Jeffrey Erickson, who indicated that in October 2005, City Council approved the industrial facility exemption certificate requested by the company in the estimated amount of \$4.65 million, with a projected 231 jobs to be retained as a result of the project. The tax abatement period ends December 30, 2009, per the certificate issued by the State Tax Commission. As indicated

by MANN+HUMMELL USA, the original investment amounted to \$4.33 million, and through 2008, the company invested an additional \$2.4 million in the Portage facility for which tax abatements were not requested.

Since this the first request for an Extension of a tax abatement under PA 198, Mr. Erickson explained that the process to consider the extension of a tax abatement is outlined in Section 207.566 of the Act. He added that as amended in December 2008, the Act establishes that the owner or lessee of a new facility may file for another certificate either in the final year of the certificate, within 12 months after the certificate expires, or other time as may be allowed by the local unit of government when the certificate is in effect; however, the maximum period for a tax abatement remains at 12 years. He stated that with the adoption of Resolution No. 3-09 at the October 6, 2009 meeting, a public hearing was established so that the affected taxing units could be notified and provided an opportunity to comment on the extension request.

Further, Mr. Erickson indicated that if approved by City Council, the application materials and related information will be forwarded to the Tax Commission, but if City Council adopts a resolution disapproving the application for the certificate extension, the application process concludes as there is no right of appeal.

He indicated that this is within the same district as the prior hearing, so the environmental analysis stated earlier applies. He indicated although there is no additional project impact analysis involving an "extension" of the abatement period since the \$4.33 million of personal property is already situated in the city, the proposed extension of the tax abatement on personal property would result in the continuation of the direct General Fund abatement cost to the city, which would vary between \$7,396 for the first year and \$5,608 for the third year with the total abatement cost to the city approximating an estimated \$19,506 over three years, and no additional "multiplier" economic benefits to the community.

He said that an estimate of property taxes has been prepared for the three-year extension, and if the personal property were taxed at the full 31.88 mill rate, the estimated annual taxes generated for all taxing units would total \$69,094. He also indicated that the annual tax revenue foregone by the following local units of government if the extension of the tax abatement is approved would total \$29,086: the City of Portage would annually forego \$11,893; Portage District Library would forego \$1,614; Kalamazoo County, including the transport and juvenile tax levies, would forego \$7,295; KRESA would forego \$5,236; and KVCC would annually forego \$3,048.

Finally, he said that the total tax abatement valuation percentage approved by City Council with the continuation of this tax abatement would equal 4.1% which is less than the 5% maximum specified in the Act, when a separate finding about the effect of substantially impeding the operation of, or the financial soundness of, an affected taxing unit is required. He pointed out that this figure reflects the active industrial tax abatements that have been approved by City Council as a percentage of the total city State Equalized Value. Discussion followed.

He concluded by saying that the MANN+HUMMEL USA application for an industrial facilities exemption certificate extension appears to be consistent with the adopted industrial tax abatement policy and that the terms of the tax abatement agreement have been fulfilled, or an explanation of the reduced jobs associated with the original project provided for consideration; also, with the additional estimated \$2.4 million of investment by the company since the tax abatement was approved in 2005, the estimated project cost in the initial application has been exceeded. Discussion followed.

Further, he said that to facilitate the completion of this project within the community, the City Administration recommends that the resolution be adopted granting a three-year extension of Industrial Facilities Exemption Certificate 2005-500 for this project and to approve the amended tax abatement agreement and the required affidavit. Discussion followed.

Mayor Strazdas asked Mr. Gordon for comment and he indicated that MANN+HUMMEL generally presents the specific scope of a project and requests the benefit of that scope of the project only when they are on solid ground, but the \$4.65 million project investment shrank (sic), and the \$2.4 million additional investment was for other projects that allowed the company to create efficiencies that helped to diversify the customer base. He indicated that his concern was that MANN+HUMMEL could

not meet all of the requirements of the initial abatement from an employment basis because of the economy and mentioned above. He did indicate that MANN+HUMMEL has recalled almost everyone who was laid off, and he referred to the application filed last October that was withdrawn because MANN+HUMMEL could not in good faith ask for an abatement owing to a downturn in the industry, but that MANN+HUMMEL is now on a stable path, moving forward and operations are under control.

In answer to Councilmember O'Brien, Mr. Gordon said that some of the \$2.4 million might have been for the purchase of computers and not eligible for the abatement. He then distinguished that of the 201 MANN+HUMMEL employees in Michigan, 169 are in Portage with the remainder of the employees in the Bloomfield Hills sales office and the 71 new employees would be in Portage.

Mayor Strazdas opened the public hearing for comment from the public. There being no comment, motion by Campbell, seconded by Urban, to close the public hearing. Upon a voice vote, motion carried 6 to 0.

Motion by Urban, seconded by O'Brien, to adopt Resolution No. 4-09, approving the Industrial Facilities Exemption Certificate three-year extension for the existing MANN+HUMMEL USA, Incorporated, \$4.33 million machinery and equipment purchase at 6400 South Sprinkle Road; and approve the tax abatement agreement and the affidavit between the City of Portage and MANN+HUMMEL USA, Incorporated. Discussion followed.

City Councilmembers emphasized the importance of following Council Policy, expressed their appreciation to MANN+HUMMEL for their effort, candor and integrity in the process, the importance of expanding the industrial base of Portage and the problems created by the state personal property tax. Councilmember Reid asked for a review of the City Council PA 198 Policy at the City Council strategic planning retreat in December. Discussion followed. Upon a roll call vote, motion carried 6 to 0. Resolution recorded on page 379 of City of Portage Resolution Book No. 43.

WEST MILHAM AVENUE SANITARY SEWER PROJECT #413-S: Mayor Strazdas opened the public hearing and introduced City Engineer Chris Barnes, who provided an overview of the project on Milham Avenue from Angling Road to US 131, reviewed benefits and the costs of the overall project to the citizens and indicated that the project has been included in the Capital Improvement Project (CIP) for the last eleven years. He also said that City Council approved the necessity of the installation of this sewer and that it was funded in the 2009-2010 CIP Budget. He discussed the project costs, the special assessment shares, city at large shares and rates used for each property owner and the city at large, and indicated that the revised Special Assessment Resolution No. 5 as prepared by the City Attorney reflects all changes. Mr. Barnes indicated that completion is slated to take place in the fall 2010 and that mandatory connection would be July 2012 and asked for questions or discussions.

Mayor Strazdas asked if there were any questions by City Council, then deferred to City Manager Evans regarding the notice requirements with regard to the project. City Manager Evans indicated that all property owners were duly notified and our City Attorney has confirmed that, but we have a new owner and would ask that City Council adjourn the public hearing to provide ample opportunity for all property owners of current record to be heard.

Mayor Strazdas opened the public hearing for comment from the public. There being no comment, motion by Vliek, seconded by Reid, to adjourn the public hearing regarding the West Milham Avenue Sanitary Sewer Project #413-S and reconvene the public hearing, Tuesday, November 3, 2009, at 7:30 p.m. or as soon thereafter as may be heard to provide ample opportunity for all property owners of current record to be heard. Upon a voice vote, motion carried 6 to 0.

PETITIONS AND STATEMENTS OF CITIZENS: Attorney Mike Simon, 6305 Applewood Street, indicated that his last term on the Board of Review expires in January of 2010, and spoke on behalf the City of Portage Board of Review and complimented the City Assessor and the staff for their exceptional treatment of citizens, professionalism and the consistent and excellent assistance he received as a Board of Review Member for the past ten (10) years. He explained the role of the Board of Review members, their responsibilities and some of the reasons for denials or changes to the property card. There has never been any occasion of pressure from the Assessor for any Board of Review Member to

rule one way or the other. Mayor Strazdas recognized Mr. Simon as a highly respected citizen in the community and thanked him for his long service to the community in a variety of forums, especially on the Board of Review.

Mike Leinwand, 6677 Oleander Lane, opined that the October 13, 2009 Special Meeting showed that there is a problem with the City Assessor and cited three main issues: that multiple classes of construction for an individual property was a problem and asked for an independent audit of the homes with multiple changes from 2000 through 2009 and asked that any errors be corrected; that there needs to be an independent audit of the effective age to determine the number of homes that had a decrease, stayed the same or had an increase in effective age; and, when he could not find anything in his research efforts relating Class of Construction and Market Value or Selling Price, and the Assessor's Manual of 2003 related everything to materials, he took umbrage with JuliAnn Kolbe and indicated that, in his opinion, she was confused about the concept of "following sales." He indicated that Ms. Kolbe would be reprimanded if a copy of the DVD of the meeting were presented to the State Tax Commission and expressed his skepticism of relying on Ms. Kolbe for Best Practices (in assessing). Lastly, he took exception with those who think this action is being brought by greedy people who do not want to pay their taxes; that he stands to gain very little from all of this; and, that it is a matter of right versus wrong and a matter of principle. He felt his effort is worth his time because the public is entitled to fair practices and he said he did not want the City Council of this great city to sweep the matter "under the rug." Mayor Strazdas responded.

Brenda Try, 7745 Oakland Drive, attempted to read from a prepared statement and could not continue and withdrew temporarily from the podium.

REPORTS FROM THE ADMINISTRATION:

ASSESSMENT ALLEGATIONS – INFORMATION ONLY: Mayor Strazdas deferred to City Manager Evans, who addressed the various assessment allegations about improper/inappropriate property assessment practices and citizen contacts with staff in the Office of the City Assessor, including: "following sales;" over-valuation of properties; assessing properties at much higher rates than surrounding jurisdictions; and constantly changing classification of construction; an inordinate number of properties classified as "A" in Portage. Discussion ensued.

Mr. Evans cited the attached letter from State Tax Commission Executive Secretary Kelli Sobel dated September 29, 2008, to Robert and Patricia Randall, 6702 Oleander, and Raghuram and Christine Elluru, 6719 Oleander, wherein the State Tax Commission indicated that their complaint that the City is engaging in the illegal practice of following sales had been fully reviewed and that the Commission did not find that the complaint had merit and that they considered the matter be closed. He also indicated that State Tax Commission Executive Secretary Kelli Sobel enclosed the Staff Report regarding the City of Portage completed by the State Tax Commission staff on this issue. He cited the attached letter from State Tax Commission Executive Secretary Kelli Sobel dated August 31, 2009, to Crystal Cox, 4424 Fireside Avenue, that reiterated the same position almost a year later, after the Commission had reviewed this matter multiple times over the past three (3) years. He also indicated that State Tax Commission Executive Secretary Kelli Sobel enclosed the comprehensive reports completed by the State Tax Commission staff on this issue.

In summary, he indicated that a third party review by the State Tax Commission, which has oversight of all Assessors across the State, found that the complaints of these parties had no merit and that the Commission considered the matter closed. As a result, he recommended that the State Tax Commission is the appropriate forum for addressing this issue in the future; that it is their right to do so; and, that he is respectful of that.

Mr. Evans introduced Deputy City Assessor Gerry Amman, who addressed the allegation that the City Assessor over-values properties and assesses properties at much higher rates than surrounding jurisdictions. Mr. Amman represented that the City of Portage met all standards with regard to the Ending Ratio Studies; met all standards the measure of Uniformity Improvement of Residential Coefficient of Dispersion; exceeded all standards Measurement of Uniformity of Consistent Price-

Related Differential; and, that tax bills are going up as the market has changed dramatically as of 2009 with the highest Consumers Price Index since the inception of Proposal A. He indicated that the Board of Review Appeals have increased each year, but Whispering Meadows March Board of Review Appeals were: one in 2006, none in 2007, three in 2008 and one in 2009. Mr. Amman said that this was not a significant number and that there is uniformity in that neighborhood and it was accomplished in accordance with standard practices.

He indicated Complaints from realtors and appraiser came to the Assessor's Office indicating that the information was flawed in the Whispering Meadows neighborhood and the Assessor sales ratios were extremely low, so the City Assessor assigned an appraiser with twenty years of experience to review each of the properties in that neighborhood to create consistency and continuity. In answer to Mr. Evans, Mr. Amman indicated that there were several changes not uniformly made in that neighborhood and based on several appraisers in different years (1992-2005), there were differences in classification that was not brought to the attention of the City Assessor, and in 2005 an appraiser was assigned to that neighborhood and completed those reviews in 2007.

Through that final review of 2006-2007, Mr. Bowling indicated that of the 54 parcels that were reviewed, 27 classifications were changed; 20 went up 7 went down and 27 were held constant. More importantly, of the 54 properties, 17 assessments were increased and 37 assessments were decreased. With the help of Deputy City Manager Bowling, Mayor Strazdas recapped. Discussion followed.

Mr. Bowling addressed the number of single family properties classified as "A" in the City of Portage as 1.3% of the 13,000 + properties. He indicated that this means that nearly 99% of the properties are classified other than "A" in the City of Portage and he explained.

Deputy City Manager Brian Bowling responded to two allegations: that the City Assessor is inappropriately present at the Board of Review sessions and provides unwarranted input to the Board regarding assessment appeals, and that the City Assessor is utilizing inappropriate assessing methods to create property values that are not uniform.

Lastly, Mr. Evans responded to the allegation that the Office of the City Assessor is uninviting, confrontational and an unhelpful environment, and explained the steps taken to improve customer relations in the Office of the City Assessor. Mayor Strazdas summed up and discussion followed.

* **7432 AND 7452 GARDEN LANE ACCESS ISSUE:** Motion by Urban, seconded by Reid, to adopt the Resolution granting the Easement And Right-of-Way Agreement for Ingress and Egress for 7432 and 7452 Garden Lane, place the Resolution on file with the City Clerk for 28 days and take final action on November 17, 2009. Upon a roll call vote, motion carried 6 to 0. Resolution recorded on page 381 of City of Portage Resolution Book No. 43.

* **CITY ORDINANCE AMENDMENT – CHAPTER 78:** Motion by Urban, seconded by Reid, to accept for first reading the proposed amendment to the City of Portage Code of Ordinances, Chapter 78, Traffic and Vehicles, Section 78-2, and consider final adoption on November 3, 2009. Upon a roll call vote, motion carried 6 to 0.

* **NEW WORLD SYSTEMS - SOFTWARE MAINTENANCE AGREEMENT:** Motion by Urban, seconded by Reid, to approve a contract with New World Systems Corporation for software maintenance to the Computer Aided Dispatch and Records Management Systems in the Police Department through Fiscal Year 2012-2013 for a total amount not to exceed \$427,585 and authorize the City Manager to execute all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

* **SEPTEMBER 2009 SUMMARY ENVIRONMENTAL ACTIVITY REPORT:** Motion by Urban, seconded by Reid, to receive the communication from the City Manager regarding the September 2009 Summary Environmental Activity Report as information only. Upon a roll call vote, motion carried 6 to 0.

* **DEPARTMENT MONTHLY REPORTS – INFORMATION ONLY:** Motion by Urban, seconded by Reid, to receive the Department Monthly Reports from the various city departments as information only. Upon a roll call vote, motion carried 6 to 0.

COMMUNICATIONS:

* **FREEDOM OF INFORMATION ACT APPEAL:** Motion by Urban, seconded by Reid, to receive the appeal from Terry Day, 9140 Austin Drive, regarding the denial of a request for Portage Police Records Case #06-19477 and direct the City Attorney to issue an opinion for consideration by City Council in accordance with the guidelines found in the Freedom of Information Act of the State of Michigan at the November 3, 2009 City Council Meeting. Upon a roll call vote, motion carried 6 to 0.

SERIES OF BEST PRACTICES FOR THE ASSESSING DEPARTMENT: City Council received a communication from JuliAnne Kolbe, Independent Consultant on Assessing Practices, dated October 16, 2009, to Mayor Peter Strazdas and City Councilmembers regarding a series of best practices for the assessing department. Mayor Strazdas outlined the recommendations for the public and City Council discussed each of the points within the report. Discussion followed.

Mayor Strazdas formed an Ad Hoc Committee with the membership to be confirmed and disclosed to the City Manager by Mayor Strazdas, and City Council took comments from the public during the second opportunity for Statements of Citizens.

* **MINUTES OF BOARDS AND COMMISSIONS:** City Council received the minutes of the:

Portage Environmental Board of August 12 and September 9, 2009.

Portage Park Board of September 2, 2009.

Portage Zoning Board of Appeals of September 14, 2009.

Portage Planning Commission of October 1, 2009

OTHER CITY MATTERS:

STATEMENTS OF CITIZENS: Scott Try, 7745 Oakland Drive, complained that when he was remodeling his house, two Assessors/Inspectors arrived without notice and did not identify themselves.

Alan Sawyer, 6714 Bunchberry Drive, complained that he could not find Class of Construction on the on-line City Assessor software, nor information regarding multiple years, and asked if neighbors can request that a neighborhood be reclassified or does it have to be realtors or appraisers, and commended City Council for their actions and indicated he received very good feedback from citizens who have visited the City Assessor's Office. Mayor Strazdas asked City Manager Evans to answer his questions and present them to the City Council at the next meeting. Discussion followed.

Chuck Perricone, 5630 Butler Road, Dowling, indicated that he had become a good friend of Patricia Randall, expressed his appreciation of the actions of City Council with regard to process in the City Assessor's Office and his appreciation for the work performed by staff in the City Assessor's Office. He discussed his impressions of the response by the City Manager and assessing processes in the City of Portage as a current outsider to the community. Mr. Perricone offered his opinion regarding the negotiated settlement agreement with the Randall's and read from a letter offered by Kristi Potts, 6845 Oakland Drive, regarding her wish to appeal her assessment. Discussion followed. When he offered an attorney's name who was at one time Chair of the State Tax Tribunal, who is willing to provide input, Councilmember O'Brien asked for his name, but Mr. Perricone indicated that he wishes to remain anonymous except with the City Council or staff. Discussion followed.

In reference to the negotiated settlement agreement with the Randall's referred to by Mr. Perricone, City Attorney Brown indicated that he is familiar with the agreement and that this settlement was agreed to between the parties, and it was agreed that no attorney's fees would be awarded

to either party and that the settlement is specific to value and not assessing practices. Discussion followed.

Kalamazoo County Commissioner Mike Quinn, 7025 Rockford Street, indicated that he had encountered citizens who feared retaliation by the City Assessor's Office; that property taxes are a major source of revenue, so it is imperative to make sure they are valid and, in answer to Mayor Strazdas, he anticipated a Resolution before the County Commission to ask the State to move Kalamazoo county up on the list of counties to be audited. Councilmember Urban suggested that citizens who fear retaliation by the City Assessor's Office, contact their favorite Councilmember with their concerns, first, and without information any anecdote is useless to City Council.

Brenda Try, 7745 Oakland Drive, asked for a review of past practices by the City Assessor; asked for a bi-partisan group to look at the mass appraisal report used as a tool for City Council decision on a past matter; asked for a letter by certified mail within the next month from City Council to Kelli Sobel, State Tax Commission, carbon copy Kalamazoo Field Staff, 430 West Allegan, Lansing, Michigan 48922 and/or contact her by telephone at 517/373-3269, for a 14 point review to be conducted by the State; and, emphasized that City Council for the common good needs to safeguard the process in the interest of fair dealing, information responsibility and ethical behavior. She indicated that she was appalled when a Councilmember challenged a resident and a discussion between City Attorney Brown and a Councilmember appeared to be scripted and ended in a mixed message of code of ethics and values policy; and asked for an explanation of the 14 point process. City Attorney Brown indicated that in the twenty-five years he has been the City Attorney for the City of Portage, not once has a Councilmember attempted to influence a legal opinion and not once has he scripted an opinion for a Councilmember.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Reid invited everyone to the Kalamazoo County Metro Transit Authority Meeting, Thursday, October 29, 6:00 p.m., Council Chambers, for input from Portage citizens to improve the system.

Councilmember Urban indicated that he witnessed on two occasions, younger adults texting instead of watching the children under their care and a car accident that he was suspect that a cell phone was involved and expressed his frustration and urged everyone who see this in the community to call them into question.

Councilmember Vliek encouraged citizens to vote for Mayor and City Council on Tuesday, November 3, 2009, and City Clerk Hudson informed everyone that absentee ballots are available during regular working hours, on the Saturday before the election from 8 a.m. until 2 p.m., on Monday before the election from 8 a.m. until 4 p.m., but the voter must vote at City Hall, and that an emergency ballot may be obtained on Election Day, Tuesday, November 3, 2009, until 4:00 p.m.

Councilmember O'Brien recognized Councilmember Candidates Tom Fox and Corey Bailes and the input from all candidates throughout the assessment review process, and expressed her appreciation for those citizens who stayed throughout this late meeting and for those citizens who spoke in response to the assessment issue and concurred with Councilmember Urban that citizens who fear retaliation by the City Assessor's Office to contact their favorite Councilmember with their concerns.

City Manager Evans responded to comments made regarding the Joint Stipulation Consent Judgment in the Robert and Patrica Randall Tax Appeal matter and indicated that the parties agreed to resolve the underlying dispute, to move forward in a positive and cooperative manner and the City is certainly trying to do that. Secondly, he referred to the stipulation, as referenced by City Attorney Brown, and read that the judgment shall issue with the stipulation that it is without costs or fees to either party and indicated that the attorney for both parties agreed to that. Finally, he indicated that contact was made with Kelli Sobel about comments being made on behalf of the State Tax Commission; and, she made it clear that the no one speaks for the State Tax Commission and, if the State Tax Commission has a point to make, the State Tax Commission will make it.

Mayor Strazdas encouraged everyone to attend Substance Abuse Task Force Volunteer Recognition Event, Tuesday, October 27, 2009, 7:00 p.m., to talk about all of the initiatives of the past year to address drug abuse; and, that it will be a celebration because there have not been any casualties

from drug abuse in the past year, perhaps because of the efforts of the citizens who have worked hard on this task force. Mayor Strazdas indicated that he has the honor of representing the City of Portage in Grand Rapids, Friday, October 27, 2009, as the only city in West Michigan with three projects that have been nominated for the Business Review's Greatest Deals.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 11:00 p.m.

James R. Hudson, City Clerk

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