

6:00 p.m. City Council Committee of the Whole Meeting for Continued Discussion on Excess General Fund.

7:30 p.m. Call to Order.

Invocation: Pastor Joan Herbon of Lord of Life Lutheran Church.

Pledge of Allegiance.

Roll Call.

Proclamations:

A. Approval of City Council Meeting Minutes.

1. Committee of the Whole and Regular Meeting Minutes of October 20, 2015.

* B. Approval of Consent Agenda Motions.

* C. Accounts Payable Register:

1. Communication from the City Manager recommending that City Council approve the Accounts Payable Register of November 3, 2015 as presented.

D. Public Hearings:

1. Communication from the City Manager recommending that City Council, subsequent to the public hearing, approve Rezoning Application #15/16-1 and rezone 710 and 732 East Centre Avenue from B-1, local business, to OS-1, office service, with the exception of the west five feet of 710 East Centre Avenue, which is to remain zoned R-1A, one family residential.

E. Petitions and Statements of Citizens:

F. Reports from the Administration:

* 1. Communication from the City Manager recommending that City Council approve a one-year contract renewal with Blue Care Network for the Blue Care Network Advantage Plan and authorize the City Manager to execute all documents related to the contract renewal on behalf of the city.

* 2. Communication from the City Manager recommending that City Council:

- a. grant final approval of the first phase of the Copperleaf single-family residential site condominium with completion of sidewalks and street trees by November 2017;
- b. approve installation of the Copperleaf residential subdivision sign in the Copperleaf Trail public right-of-way, and

authorize the City Manager to execute all documents related to this project on behalf of the city.

* 3. Communication from the City Manager recommending that City Council adopt:

- a. Resolution Authorizing Limited Tax Pledge to Payment of 2015 Tax Increment Refunding Bonds of the Local Finance Development Authority of the City of Portage, and
- b. Resolution approving the Undertaking to Provide Continuing Disclosure by the City of Portage for the 2015 Tax Increment Refunding Bonds of the Local Development Finance Authority of the City of Portage.

- * 4. Communication from the City Manager recommending that City Council approve:
 - a. the purchase of network hardware from Digital Strategy, LLC, through the Western States Contracting Alliance cooperative purchasing program in the amount of \$171,353;
 - b. installation professional services from Digital Strategy, LLC, in the amount of \$22,000, and
 - c. three-year software licensing through preferred software reseller, PCM, Incorporated, in the amount of \$66,553

for a total project cost of \$259,906 to address network deficiencies and authorize the City Manager to execute all documents related to the contract on behalf of the city.

- * 5. Communication from the City Manager recommending that City Council approve a contract amendment to the existing design engineering services for the South 12th Street Lift Station Force Main Replacement Project contract with Prein & Newhof, Incorporated, in the amount not to exceed \$8,000 and authorize the City Manager to execute all documents related to the contract on behalf of the city.
- 6. Communication from the City Manager recommending that City Council approve:
 - 1. a budget transfer of \$2,961,755 from the General Fund to the Capital Improvement Fund to fund major and local street projects, the relocation of a Park trail, and the purchase of a fire pumper truck, and
 - 2. a budget transfer of \$427,227 from the Local Streets fund to the Capital Improvement Fund to fund local street projects.
- 7. Communication from the City Manager recommending that City Council accept for first reading an amendment to the Codified Ordinances of the City of Portage to establish a Budget Stabilization Fund, and take final action on the amendment on November 17, 2015.
- * 8. Communication from the City Manager that City Council accept the resolution to vacate the south approximate 57-feet of Harris Drive, place the resolution on file with the City Clerk for 28 days and take final action on December 1, 2015.
- * 9. Communication from the City Manager recommending that City Council authorize the City Manager to execute a separation agreement with Patricia Thompson.
- * 10. Communication from the City Manager regarding the Local Development Finance Authority FY 2013-2014 Annual Report – Information Only.
- * 11. Communication from the City Manager regarding the Annual Tree Lighting/Traditional Holiday Celebration – Information Only.

G. Communications:

- 1. Report from Public Media Network (PMN) Executive Director Harry Haasch regarding PMN's FY 2015-2016 1st Quarter activities.

H. Unfinished Business:

- * I. Minutes of Boards and Commissions Meetings:

- 1. Zoning Board of Appeals of September 14, 2015.
- 2. Planning Commission of September 17, 2015.

J. Council Committee Reports:

K. New Business:

L. Bid Tabulations:

1. Communication from the City Manager recommending that City Council approve the purchase of a fire pumper truck from Pierce Manufacturing, Inc. for \$501,260 and authorize the City Manager to execute all documents related to this action on behalf of the city.

M. Other City Matters:

1. Statements of Citizens.
2. From City Council and City Manager.
- * 3. Reminder of Meetings:
 - a. Wednesday, November 4, 8:15 a.m., Historic District Commission, City Hall Room No. 2.
 - b. Wednesday, November 4, 9:00 a.m., Historic District Commission Study Committee Meeting, City Hall Room No. 2.
 - c. Wednesday, November 4, 6:30 p.m., Park Board, Portage Senior Center.
 - d. Thursday, November 5, 6:30 p.m., Human Services Board, City Hall Room No. 1.
 - e. Thursday, November 5, 7:00 p.m., Planning Commission, Council Chambers.
 - f. Monday, November 9, 6:30 p.m., Youth Advisory Committee, City Hall Room No. 1.
 - g. Monday, November 9, 7:00 p.m., Zoning Board of Appeals, Council Chambers.
 - h. Wednesday, November 11, 7:00 p.m., Environmental Board, City Hall Room No. 1.

N. Materials Transmitted.

1. Materials Transmitted of October 16, 2015.

Adjournment.

CITY COUNCIL MEETING SUMMARY

October 20, 2015

PROCLAMATIONS

- ◆ Mayor Strazdas issued a National Red Ribbon Week Proclamation and a National Community Planning Month Proclamation.

ACCOUNTS PAYABLE REGISTER

- ◆ Approved the Accounts Payable Register of October 20, 2015, as presented.

PETITIONS AND STATEMENTS OF CITIZENS

- ◆ Referred the special assessment petition in favor of creating a special assessment district on Mozart Street (North of Beethoven Avenue to dead end) in the Maestro Acres Plat to the City Administration for review and report.
- ◆ As a land developer in business in Portage for almost 50 years, Joe Gusmundo, 11550 East DE Avenue, Richland, of American Village Builders, 4200 West Centre Avenue, thanked City Council for the fine work they are doing and for appointing Larry Shaffer as City Manager. He mentioned that all great cities have certain things in common, including: jobs and a culture of jobs, great infrastructure and a responsible government to keep the millage rate low and explained. Discussion followed.
- ◆ Joe Schmitt, 623 La Salle Street, Kalamazoo County Public Housing Commissioner, spoke in favor of the Kalamazoo County Local Housing Assistance Fund Millage question on the ballot of the November 3, 2015 City General Election. He pointed out that Portage Public Schools is the only school system in the County that has had an increase in the number of homeless children. He added that the cost to the average person is two pennies to put homeless children in a place where they feel secure and able to study, that the problem is countywide and that the Kalamazoo County Public Housing Commission is planning to establish an Advisory Committee that will work with the United Way and other significant nonprofit people to help to determine who should be providing the services necessary.

REPORTS FROM THE ADMINISTRATION

- ◆ Approved Contract 15-5179 between the Michigan Department of Transportation and the City of Portage for the city share of improvements along Highway US131 (south city limits to Interstate 94), adopted a Resolution authorizing the City Manager to sign Contract 15-5179, and authorized the City Manager to sign all other documents related to this project on behalf of the city.
- ◆ Confirmed the appointment of Edward VanderVries as the City Assessor, and authorized the City Manager to execute an employment agreement, to be effective October 21, 2015.
- ◆ Authorized the City Manager to modify the current labor agreement between the City of Portage and the International Association of Firefighters as detailed.
- ◆ Established the 2016 schedule of Regular City Council Meetings.
- ◆ Received the communication from the City Manager regarding allocation of the excess funds identified in the General Fund as information only.
- ◆ Received the communication from the City Manager regarding the concerns of Carol Voss, 1104 Rainbow Court as information only.
- ◆ Received the communication from the City Manager regarding the September 2015 Environmental Activity Report as information only.
- ◆ Received the Department Monthly Reports from the various City Departments.

COMMUNICATIONS

- ◆ Received a communication from Ms. Eleanor Beck, 10632 Oakland Drive, regarding the minimum water and sewer utility charge.
- ◆ Received a presentation and annual update from the Senior Citizen Advisory Board.
- ◆ Held a closed session immediately following the regularly scheduled City Council meeting of Tuesday, October 20, 2015, to discuss a personnel matter.

BID TABULATIONS

- ◆ Approved a five-year contract with Premier Truck Sales & Rental Incorporated, of Valley View, Ohio, to provide compactor trucks for the Fall Leaf Pickup Program and the Spring Bagged Leaf Pickup Program in a total amount not to exceed \$469,000, with the option for three one-year renewals, and authorized the City Manager to execute all documents related to this contract on behalf of the city.
- ◆ Approved the purchase of a Generac 80-KW building generator from Wolverine Power Systems of Zeeland, Michigan, in the amount of \$39,600; installation of the Generac generator by Moore Electrical Services, Inc. of Kalamazoo, Michigan, in the amount of \$45,112, and authorized the City Manager to execute all documents related to this matter on behalf of the city.

CITY MANAGER EVALUATION

- ◆ Kept the salary increase of the City Manager in line with the other employees at a 2 per cent increase of his base salary effective November 19, 2015, and awarded a one-time meritorious bonus of \$1,000.

STATEMENTS OF CITIZENS

- ◆ Monifa Jumanne, 6286 Silver Fir, asked about the topic concerning the possible Morehouse College Glee Club performance in February 2016, and shared a story regarding when she found out that George Zimmerman was acquitted of killing Trayvon Martin.

STATEMENTS OF COUNCIL CANDIDATE

- ◆ Tim Earl, 6862 Shallowford Way, indicated that he enjoyed talking to citizens while on his campaign for Portage City Council regarding their issues and concerns as it was refreshing to find them versed on City matters. He expressed satisfaction with the campaign with regard to the mutual respect for one another and the spirited debate over the issues. He indicated he will be campaigning hard for the next two weeks, and will continue to serve whether it is on the Park Board or the City Council.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER

- ◆ Councilmember Ford thanked Joe Gesmundo for his expression of approval of City Council and the Administration over the past 50 years as a developer in Portage. He congratulated Ed VanderVries on his appointment as the City Assessor and Michigan State for their victory over the University of Michigan in the last 10 seconds of the game.
- ◆ Councilmember Randall indicated that Halloween is on Saturday, October 31, 2015, and asked citizens to be aware that the City of Portage does not specify date and time of Trick or Treating as this is determined by each neighborhood, so drivers should exercise special caution this weekend. She mentioned the plan for three fall leaf pickups and asked citizens to check their schedules for dates of pickup.
- ◆ Councilmember Urban shared that one of the best ways to observe the fall colors is during a free fall sky dive which he experienced on Sunday and encouraged all of his fellow Councilmembers to join him.
- ◆ Councilmember Ansari congratulated City Manager Larry Shaffer, saying he has turned the City around on many levels. He indicated that he is very dependable, extremely accessible and remains one of the city's assets; and, that he has demonstrated creativity, innovative thinking and problem solving; and, that he is adaptable to change. He listed some of his many achievements and accomplishments, and he thanked Mr. Shaffer for his efforts.
- ◆ Councilmember Reid congratulated and welcomed Ed VanderVries on his appointment as City Assessor. She also quoted Councilmember Randall when she stated at the *MLive* Forum, Portage District Library, that there is no question that there are inequities and unfairness in our industrial, commercial and residential tax rolls (and) that has been proven time and time again; our new City Manager agrees with that; you can call the County Treasurer; the MTT (Michigan Tax Tribunal) refunds by Portage far exceed other areas; those are just indicators that something is not exactly right. She questioned this statement and followed Councilmember Randall's advice by obtaining a report of the refund from all of the jurisdictions in Kalamazoo County from 2000 through 2009 from County Treasurer Mary Balkema. She noted that Portage was the third highest in refunds from the Board of Review and from the State Tax Commission (STC). She noticed the Portage Board of Review results were being compared to those of smaller municipalities with much lower tax bases, so she compared the refunds as a percentage of the State Equalized Values (SEV's) of the properties in these municipalities for the year 2004, as it was in the middle of the date range she had been checking, and found that this put Portage in the middle of the graph in both the STC and the MTT. She affirmed that this was more in line with her understanding of the property tax situation in Portage and stated that she felt it was important to have trust in past assessments.
- ◆ City Manager Shaffer thanked City Council for their performance evaluations and thanked them for their candid comments in closed session as he found it energizing and enlightening. He said he wanted the public to know that he is deeply committed to moving with City Council and Mayor Strazdas in the best interests of Portage in a positive and productive fashion.
- ◆ Mayor Pro Tem Pearson thanked Mr. Shaffer for his service over the year and indicated in his door-to-door campaign, Portage citizens love single stream recycling and the Farmer's Market. To his surprise, citizens asked him what Council was going to do with the \$3.7 million. He answered that they would probably fix some streets and pay down debt; and, everyone wanted to know where their street was on the list.
- ◆ Mayor Strazdas thanked Mr. Shaffer for his performance, that the majority of the Council has spoken, and we move forward. He also said that there is always diversity in thought, in the way we see things and the way we act and explained. He reviewed the Committee of the Whole that took place earlier at 6:00 p.m. He explained that seven years of roll up produced \$3.2 million in the General Fund, plus \$400,000+ from the State and warned that that will not be a repeat next year, especially when considering a low projected Consumers' Price Index (CPI) for next year. He spoke in favor of this opportunity to improve our roads, to bolster our Fund Balance, to stabilize our funds for emergencies and to lower our debt and explained.

COMPLETE MINUTES OF EACH CITY COUNCIL MEETING ARE AVAILABLE ON THE CITY WEBSITE AT PORTAGEMIGOV, IN CITY HALL AND IN THE DISTRICT LIBRARY. MINUTES OF CITY BOARDS AND COMMISSIONS ARE AVAILABLE ON REQUEST FROM VARIOUS DEPARTMENTS.

**MINUTES OF THE COMMITTEE OF THE WHOLE WORK SESSION
OF OCTOBER 20, 2015**

Mayor Strazdas called the meeting to order at 6:00 p.m. The following Councilmembers were present: Nasim Ansari, Richard Ford, Patricia M. Randall, Claudette Reid and Terry Urban, Mayor Pro Tem Pearson and Mayor Peter Strazdas. Also present were City Manager Larry Shaffer, Deputy City Manager Rob Boullis, Finance Director Bill Furry, T&U Director Chris Barnes, Assistant City Engineer Jamie Harmon, Assistant Fire Chief Stacy French, City Attorney Randy Brown and City Clerk James Hudson.

Mayor Strazdas reviewed the agenda for the evening and indicated that the Fund Balance, including the \$427,227 from the State PA 84 of 2015 General Fund local road & bridge program, could result in better bonding rating, debt reduction potential and an adjustment to the Capital Improvement Program (CIP) as discussed at the City Council Retreat. He then deferred to City Manager Larry Shaffer.

Mr. Shaffer reviewed the estimated additional funds available for FY 2015-2016, spoke of investment in local roads and major roads, repairs to the Fire Pumper involved in an accident, relocation of the trail in Bicentennial Park near I-94, a cultural event, budget stabilization and efforts to obtain AAA Bond Rating status. Discussion followed.

Councilmember Urban indicated that this is the first time a stabilization fund has been proposed as part of the Fund Balance and could not determine a good reason to have one because it further restricts \$300,000 which would ordinarily be part of the Fund Balance. Discussion followed regarding financial stability, and City Manager Shaffer responded that this becomes one more tool used to obtain AAA Bond Rating status. Discussion followed.

Mayor Strazdas reviewed the option of moving some of the funds to the CIP and deferred to Mr. Shaffer, who thanked Finance Director Bill Furry and Deputy Finance Director Lauren Vanderveen for their work to come to an agreement to see how that might reasonably be balanced with regard to the distribution. He introduced T&U Director Chris Barnes and Assistant City Engineer Jamie Harmon, deferred to them for an explanation of the PACER Rating, a tool that was recently implemented that evaluates all of the roads in the City in order to determine the gradation of road repair needs. Discussion followed.

Mr. Barnes explained the system, described the process and reviewed the condition of the various roads. Discussion followed regarding the impact on the neighborhoods, Complete Streets Policy and the option of reconstructing versus repaving. Mr. Barnes discussed the funding needs and the number of miles involved and discussion followed.

Assistant Fire Chief French indicated that the repair cost for the 17 year old Fire Pumper involved in an accident was \$84,000 and, considering the age and miles on the unit, the best price the City could get for it is less than \$100,000; plus, they discovered that the mounts for the pump are cracked which means there would probably need to be repairs to the pump as well, so the repair cost could exceed \$84,000. Therefore, he proposed that the 2018-19 CIP be adjusted and requested that City Council consider approval of a new apparatus that is state of the art and meets current safety standards. Discussion followed.

Mayor Strazdas deferred to Mr. Shaffer, who explained the commitment a long time ago made by the City to relocate the bike trail in Bicentennial Park near I-94 onto City land along Portage Creek for a cost of \$210,000, or \$185,000 without a viewing stand. He explained that this action is contractually required; development can then take place adjacent to that land which has been discussed; and, he suggested that this be a part of the reallocation. Discussion followed.

City Manager Shaffer explained that the City has an opportunity to bring the Morehouse College Glee Club to Portage Northern High School Auditorium, February 26, 2016, as part of the diversity celebration of Martin Luther King Day 48 years after his death in Memphis, Tennessee. He indicated that the cost to bring the Glee Club to Portage Northern is \$35,000 for their flight, local transportation, room and board. Mr. Shaffer reflected on the plan to obtain the funds through solicitation of private funds that did not work out and produced zero dollars, so this event cannot happen without an appropriation. He said that he thinks he can find \$20,000 in the existing Cultural Events Budget with the need for a remainder of \$15,000 to make this opportunity happen. He indicated that his hope is that this would be the last time he would come to City Council to seek support for that; and, any future event would have to be privately funded, but this gives the opportunity for the City to demonstrate its commitment to diversity as part of a recognition of our commitment to celebrating the achievements of Dr. King and acknowledging in a positive fashion that Portage stands with those institutions and individuals who value diversity.

Lastly, City Manager Shaffer discussed the \$1.65 million to be applied to debt reduction which represents just over 50% of the total amount of money over the established 24% Fund Balance. Discussion followed.

In answer to the request from Councilmember Ford to discuss Major Streets, Mr. Barnes indicated that the City received notice in August of the receipt of \$261,000 in Federal safety funds to be used to reconfigure the traffic signal for motorists and pedestrians at Westledge and Romence where a fatality occurred. He outlined the project and noted the need for a reallocation of \$100,000 for a local match that is required. Discussion followed.

At the request of Mayor Strazdas, Mr. Shaffer indicated he would present further information regarding the reallocation requests involving the Capital Improvement Program (CIP) items listed as Major and Local Streets, Parks & Recreation Trail and the Fire Pumper. When Mayor Strazdas indicated a possible hold on the Cultural Events request, Councilmember Randall asked that all of the items be considered and discussed for action. City Manager Shaffer concurred and mentioned the Budget Stabilization item would also be explained further.

In response to Mayor Pro Tem Pearson, Mr. Shaffer disclosed that the Cultural Event would be held indoors at Portage Northern High School Auditorium with 743 seats at \$10 each and would raise \$7,000. Mr. Shaffer concurred with Mayor Pro Tem Pearson and his understanding that there would be \$7,000, plus a one-time \$15,000 reallocation, and said the Administration would only spend what is necessary and would set up as a revolving fund with the residual to be used for future events.

At the request of Councilmember Reid, Mayor Strazdas asked City Council to provide any additional information on these matters to Mr. Shaffer by the end of the week. He set a Committee of the Whole Meeting for 6:00 p.m., Tuesday, November 3, 2015, in Conference Room #2, to discuss the proposed funding for the overage of the 24% Fund Balance. Discussion followed regarding priorities, CIP, budget stabilization and the unappropriated fund balance.

STATEMENTS OF CITIZENS: In response to Charles Pasco, 5526 Meredith Street, who expressed his dissatisfaction with the bike path on Kilgore Road near Sprinkle Road as it feels dangerous when he rides it, Mayor Strazdas referred him to Mr. Barnes, who indicated he has some good news for Mr. Pascal and offered to share this information with him after the meeting.

ADJOURN: Mayor Strazdas adjourned the meeting at 7:16 p.m.

James Hudson, City Clerk

DRAFT

CITY COUNCIL MEETING MINUTES FROM OCTOBER 20, 2015

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

At the request of Mayor Strazdas, Pastor Paul Naumann of St. Michael Lutheran Church gave an invocation, and City Council and the audience recited the Pledge of Allegiance.

At the request of Mayor Strazdas, the City Clerk called the roll with the following members present: Councilmembers Nasim Ansari, Richard Ford, Patricia M. Randall, Claudette Reid and Terry Urban, Mayor Pro Tem Jim Pearson and Mayor Peter Strazdas. Also in attendance were City Manager Laurence Shaffer, City Attorney Randy Brown and City Clerk James R. Hudson.

APPROVAL OF MINUTES: Motion by Ansari, seconded by Reid, to approve the Special and Regular Meeting Minutes of October 6, 2015, as presented. Upon a voice vote, motion carried 7 to 0.

* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Ford to read the Consent Agenda. Councilmember Reid asked that Items F.2, City Assessor Appointment, and L.1, Leaf Pickup Equipment Rental – Bid Tabulation, be removed from the Consent Agenda. Councilmember Ford asked that Item F.6, Street Parking on Rainbow Court Response, be removed from the Consent Agenda.

Motion by Ford, seconded by Reid, to approve the Consent Agenda motions as amended. Upon a roll call vote, motion carried 7 to 0.

* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF OCTOBER 20, 2015:** Motion by Ford, seconded by Reid, to approve the Accounts Payable Register of October 20, 2015. Upon a roll call vote, motion carried 7 to 0.

PETITIONS AND STATEMENTS OF CITIZENS:

* **PETITION IN FAVOR OF CREATING A SPECIAL ASSESSMENT DISTRICT ON MOZART STREET:** Motion by Ford, seconded by Reid, to refer the special assessment petition in favor of creating a special assessment district on Mozart Street (North of Beethoven Avenue to dead end) in the Maestro Acres Plat to the City Administration for review and report. Upon a roll call vote, motion carried 7 to 0.

JOE GESMUNDO, 11550 EAST DE AVENUE, RICHLAND: As a Portage business for almost 50 years, Joe Gesmundo, 11550 East DE Avenue, Richland, of American Village Builders, 4200 West Centre Avenue, thanked City Council for the fine work they are doing and for appointing Larry Shaffer as City Manager. He mentioned that all great cities have certain things in common, including: jobs and a culture of jobs, great infrastructure and a responsible government to keep the millage rate low and explained. Discussion followed.

KALAMAZOO COUNTY PUBLIC HOUSING COMMISSIONER JOE SCHMITT, 623 LA SALLE STREET: Joe Schmitt, 623 La Salle Street, Kalamazoo County Public Housing Commissioner, spoke in favor of the Kalamazoo County Local Housing Assistance Fund Millage ballot question on the November 3, 2015 City General Election. He pointed out that Portage Public Schools is the only school system in the County that has had an increase in the number of homeless children. He added that the cost to the average person is two pennies to put homeless children in a place where they feel secure and able to study, that the problem is countywide and that the Kalamazoo County Public Housing Commission is planning to establish an Advisory Committee that will work with the United

Way and other significant nonprofit people to help to determine who should be providing the services necessary.

REPORTS FROM THE ADMINISTRATION:

* **MICHIGAN DEPARTMENT OF TRANSPORTATION CONTRACT 15-5179 FOR IMPROVEMENTS ALONG HIGHWAY US131 (SOUTH CITY LIMITS TO INTERSTATE 94):** Motion by Ford, seconded by Reid, to approve Contract 15-5179 between the Michigan Department of Transportation and the City of Portage for the city share of improvements along Highway US131 (south city limits to Interstate 94); adopt a Resolution authorizing the City Manager to sign Contract 155179, and authorize the City Manager to sign all other documents related to this project on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

CITY ASSESSOR APPOINTMENT: Councilmember Reid asked for more information about Mr. Edward VanderVries, his schedule as a part time worker and his pay range. City Manager Larry Shaffer introduced Mr. VanderVries, a Portage resident with a significant amount of assessing service and Level 4 status as an Assessor in the State of Michigan. Mr. Shaffer disclosed that he also provides instruction to other Assessors who are seeking certification throughout the State and is one of the preeminent Assessment Professionals in the State of Michigan. He also noted that Mr. VanderVries will be in the office four hours a week and provide the service necessary to oversee our tax rolls, manage all of our tax accounts and will be ensuring all of the taxes for large taxpayers are calculated as they should be. Finally, Mr. Shaffer indicated that he will be establishing the values, procedures and processes going forward; is a BS&A expert and helped write many of the programs this premier software provider uses throughout the State which is the foundation for assessment practices throughout the State; and will be paid \$60,000 per year and be considered a part time employee. Mr. Shaffer explained the Request for Proposal process, described the Deputy Assessor position candidate and discussion followed.

Councilmember Urban found it incomprehensible how the Assessor function would be supported since the City Assessor would work four hours per week, the Deputy Assessor is not familiar with the State of Michigan, and with the current Assessor in the Department having no commercial or industrial experience which is 50% of the tax base. He contended that the Administration and the City Council has created a climate where no one wants to work in Portage and indicated that he cannot support this action and explained other actions need to be taken first.

In answer to Councilmember Ford, Mr. Shaffer indicated that Mr. VanderVries would be in the office for four hours but would work the number of hours necessary to meet all of the duties in the contract.

Councilmember Randall welcomed Mr. VanderVries and recognized him for some past assistance he provided her to help her understand how the tax law was supposed to work. She expressed total disagreement with Councilmember Urban saying that the Assessor Office has had many problems, but have not been made public because of pressure to keep things under wraps. She offered a Committee of the Whole Meeting where the Council can be educated on what happened and gave the example of the confidential settlements of the Michigan Tax Tribunal where thousands of dollars have been refunded. She cited changes to the Assessment Roll on the residential side that were not in compliance with Proposal A or the law. She asked for fact-based information from Mr. Shaffer and thanked both of them for working on this matter. Discussion followed.

Motion by Ansari, seconded by Randall, to confirm the appointment of Edward VanderVries as the City Assessor, and authorize the City Manager to execute an employment agreement, to be effective October 21, 2015. Mayor Pro Tem Pearson reviewed the history of assessing in Portage, discussed some of the options and expressed optimism that the City Council will get educated on assessing.

Councilmember Reid shared her experiences in speaking to officials from other municipalities and indicated that Assessors are difficult to find, so many of them are hiring part time Assessors to meet the requirements of their respective Charters. She agreed with Councilmember Urban that at a time

when the Department is being reconfigured, it is also the time to show commitment to that Department. She disagreed that Portage has a history of inappropriate assessing, expressed her support for the appointment and considered it one piece of rebuilding the Assessment function within Portage.

As a former Board of Review Member, Councilmember Ford pointed out that there will be efficiencies that will be gained with the repeal of the personal property tax law and a BS&A expert to further capitalize on those efficiencies.

Councilmember Urban indicated that the City has spent over \$200,000 since the election of Councilmember Randall in an attempt to convince her that there was not an issue with the Assessor's Office, and noted that through both State audits and private audits, there was never an issue found and brought forward. In fact, at one point she voted to end any further investigation or audit of the Assessor's Office, and within a few weeks moved on with requiring more work, more information and more money spent with nothing found. In answer to Mayor Pro Tem Pearson, Mr. Urban indicated that he has been employed by an assessing firm in the past and has more experience than Mayor Pro Tem Pearson does in the assessment area.

Mayor Strazdas indicated that Mr. VanderVries has excellent credentials, is a Portage resident and a Level 4 Assessor. He expressed his support for the City Manager who has expressed his commitment to assembling an in-house team and explained.

In answer to Councilmember Ansari, Mr. Shaffer indicated that no savings have been booked and none are anticipated as yet since the goal has been to provide stability and leadership in the Assessor's Office and improve the assessing function to provide the highest quality of assessments to the citizens we serve. He acknowledged that there has been a long standing debate about the quality of the assessments in Portage and that he discussed this with Mr. VanderVries at length. He outlined a plan to do an extensive review of what has been happening in the Assessor's Office and to ensure that the practices are in place, including public education regarding the appropriate methodologies that should be utilized to assess properties in this City, including updates for City Council. Discussion followed.

Mayor Strazdas called for the question. Upon a roll call vote, motion carried 6 to 1. Yeas: Councilmembers Randall, Reid, Ansari and Ford, Mayor Pro Tem Pearson and Mayor Strazdas. No: Councilmember Urban. Discussion followed.

* **MODIFICATION OF THE IAFF LABOR AGREEMENT:** Motion by Ford, seconded by Reid, to authorize the City Manager to modify the current labor agreement between the City of Portage and the International Association of Firefighters as detailed. Upon a roll call vote, motion carried 7 to 0.

* **2016 CITY COUNCIL MEETING SCHEDULE:** Motion by Ford, seconded by Reid, to establish the 2016 schedule of regular City Council meetings. Upon a roll call vote, motion carried 7 to 0.

* **PROPOSED BUDGET AMENDMENT:** Motion by Ford, seconded by Reid, to receive the Communication from the City Manager regarding allocation of the excess funds identified in the General Fund as information only. Upon a roll call vote, motion carried 7 to 0.

STREET PARKING ON RAINBOW COURT RESPONSE: City Manager Larry Shaffer indicated that he met with Ms. Voss the day after the last Council Meeting and discussed the issue Ms. Voss raised related to parking on the street, and asked that Police Department representatives meet with her. He indicated that there was also a meeting with the individual who owns the parked vehicle in question and that he understood the vehicle is being moved off of the road and feels the concerns of Ms. Voss have been answered. Motion by Urban, seconded by Randall, to receive the communication from the City Manager regarding the concerns of Carol Voss, 1104 Rainbow Court, as information only. Ms. Voss reiterated her concerns, listed some of the services provided by the City, indicated that she pays over \$3,400 a year in property taxes, and asked which is the appropriate Department to contact in the event the parking situation surfaces again. Mr. Shaffer offered to address each of these issues as

they arise on an individual basis within the purview of the applicable City Ordinance and offered to be flexible should an ordinance change be indicated. Mayor Strazdas explained further. Discussion followed. Upon a roll call vote, motion carried 6 to 1 with Councilmember Ford abstaining.

* **SEPTEMBER 2015 SUMMARY ENVIRONMENTAL ACTIVITY REPORT:** Motion by Ford, seconded by Reid, to receive the September 2015 Summary Environmental Activity Report as information only. Upon a roll call vote, motion carried 7 to 0.

* **DEPARTMENTAL MONTHLY REPORTS:** Motion by Ford, seconded by Reid, to receive the Departmental Monthly Reports from the various departments. Upon a roll call vote, motion carried 7 to 0.

COMMUNICATIONS:

ELEANOR BECK, 10632 OAKLAND DRIVE: City Manager Shaffer explained that the water charge is two parts – one is based on use while the other is based upon demand or a utility fee. He recognized the water cost can be difficult for some people and the best the City can do is to manage the water budget as efficiently and effective as possible and create as much economy as possible going into that budget. However, he responded directly to Ms. Beck's request, and indicated that there are no known options with the Water Fund and where it could fund itself based upon a recommendation, so on the surface he cannot respond positively to her request.

Councilmember Ansari suggested at least talking to the City of Kalamazoo for a rate reduction, and Mr. Shaffer acknowledged ongoing discussions with the City of Kalamazoo, and discussion followed.

Councilmember Randall asked whether a person who leaves and shuts his or her water off for six months, still has to pay a \$50 per month water charge? Mr. Shaffer indicated he would get that answer for her. Discussion followed.

Motion by Reid, seconded by Ford, to receive the communication from Ms. Eleanor Beck, 10632 Oakland Drive, regarding the minimum water and sewer utility charge. Upon a voice vote, motion carried 7 to 0.

PRESENTATION AND ANNUAL UPDATE FROM THE SENIOR CITIZEN ADVISORY BOARD: At the request of Mayor Strazdas, City Manager Shaffer indicated how proud he is of the Senior Citizens Advisory Board and that they are working through the reaccreditation process and the future of the Senior Center.

Senior Citizens Advisory Board Member Mary Lou Petruccio, 1490 Sarasota Trail, provided an update of the goals of the Board, including: an outline of the increased membership efforts; funding efforts; innovative programming identified to reach the senior population of 50 years of age and older; City Council and Portage Senior Center Management advice on issues and projects pertaining to seniors and the Portage Senior Center; assistance with the accreditation process for the Portage Senior Center; and exploration of opportunities for interaction and partnership with the Portage Community Center and Portage Public Schools. She summed up with the need to expand the space and the staffing to meet the needs of senior citizens in the future. Discussion followed.

Motion by Reid, seconded by Ford, to receive the presentation and annual update from the Senior Citizen Advisory Board. Upon a voice vote, motion carried 7 to 0.

CLOSED SESSION: Motion by Pearson, seconded by Randall, to hold a closed session immediately following the regularly scheduled City Council meeting of Tuesday, October 20, 2015, to discuss a personnel matter. Upon a voice vote, motion carried 7 to 0.

* **MINUTES OF BOARDS AND COMMISSIONS MEETINGS:** City Council received the minutes of the following Boards and Commissions:

Portage Park Board of September 2, 2015.

Portage Youth Advisory Committee of September 14, 2015.

Portage Public Schools District Advisory Council of September 17, 2015.

BID TABULATIONS:

LEAF PICKUP EQUIPMENT RENTAL – BID TABULATION: In response to Councilmember Reid, Department of Public Services Director Rod Russell indicated the standard bidding process was utilized, but only one company bid on the request owing to the size and type of equipment involved. He explained that one part of the request was to have newer packers as they are an integral part of the process and we could ill afford breakdowns. He responded that this is a good bid financially because it falls in line with what we are already paying them for the service, so there was no big increase. Discussion followed.

City Manager Shaffer indicated that the City is risk adverse and the concern was that rejecting the bid and putting it back out could result in an increase in the cost once they realize there was only one bid and explained. Discussion followed.

Motion by Reid, seconded by Pearson, to approve a five-year contract with Premier Truck Sales & Rental, Incorporated, of Valley View, Ohio, to provide compactor trucks for the Fall Leaf Pickup Program and the Spring Bagged Leaf Pickup Program in a total amount not to exceed \$469,000, with the option for three one-year renewals, and authorize the City Manager to execute all documents related to this contract on behalf of the city. Councilmember Reid indicated that in the future where there is a continuation of a contract, it would be helpful to have that cost figure of the current or previous contract to scrutinize the bid better. Upon a roll call vote, motion carried 7 to 0.

* **FIRE STATION #1 GENERATOR – BID TABULATION:** Motion by Ford, seconded by Reid, to approve the purchase of a Generac 80-KW building generator from Wolverine Power Systems of Zeeland, Michigan, in the amount of \$39,600, installation of the Generac generator by Moore Electrical Services, Inc., of Kalamazoo, Michigan, in the amount of \$45,112, 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.

RECESS FOR CLOSED SESSION: 8:51 p.m.

RECONVENE: 9:47 p.m.

COMMUNICATIONS (Continued):

CITY MANAGER EVALUATION: Mayor Strazdas indicated that the purpose of the Closed Session was to discuss the evaluation of the City Manager. He referred to the City Manager Evaluation Committee consisting of Mayor Pro-tem Jim Pearson, Councilman Richard Ford and himself who reviewed the instrument used by City Council to weigh in with their opinion and explained how to use the instrument as a scoring mechanism. With that, the data received from the City Council revealed an intent to keep his salary increase in line with the other employees at 2 per cent increase of his base salary effective November 19, 2015, and to award a one-time meritorious bonus of \$1,000. Discussion followed.

Motion by Pearson, seconded by Ansari, to approve the unanimous decision of the City Manager Evaluation Committee. Councilmember Urban indicated that he would not be supporting the

motion owing to the negative aspects in handling situations in personnel which outweighs any benefits and positives, so he would not be supporting the recommendations of the Committee. Upon a roll call vote, motion carried 6 to 1. Yeas: Councilmembers Randall, Reid, Ansari and Ford, Mayor Pro Tem Pearson and Mayor Strazdas. No: Councilmember Urban. Mayor Strazdas announced a news release would follow the meeting. Discussion followed.

OTHER CITY MATTERS:

STATEMENTS OF CITIZENS: In response to Monifa Jumanne, 6286 Silver Fir Street, who asked about the topic concerning the Morehouse College Glee Club performance in February 2016. Mayor Strazdas indicated that the matter was discussed at the earlier Committee of the Whole Meeting of City Council from 6 p.m. to 7 p.m., and will be a part of the next Committee of the Whole Meeting of City Council at 6 p.m. on November 3, 2015, Conference Room #1, which gives City Council time to further discuss the designation of excess funds, including funding for cultural events such as the Morehouse College Glee Club. He indicated that the matter could be brought up at the Regular City Council Meeting later at 7:30 p.m., but that he could not be assured of that. Discussion followed.

Ms. Jumanne shared an experience some years ago when the Senior Center Trip bus driver announced that George Zimmerman was acquitted of the killing of Trayvon Martin, and the majority of the passengers applauded, but she and her passenger mate did not applaud. She did report the incident to the Travel Coordinator, and the bus company instructed the bus driver that his job was not to announce the evening news, but to drive the bus and get the passengers safely to their destination and back. She indicated that those same people who applauded are still members of the Senior Center and asked City Council to think about the fact that no one has taken the opportunity to address the behavior of those citizens on the bus that evening. Discussion followed and Mayor Strazdas called for more discussion and conversation in the City and in the Region regarding diversity topics.

STATEMENTS OF CITY COUNCIL CANDIDATE: Tim Earl, 6862 Shallowford Way, indicated that he enjoyed talking to citizens while on his campaign for Portage City Council regarding their issues and concerns as it was refreshing to find them versed on City matters. He expressed satisfaction with the campaign with regard to the mutual respect for one another and the spirited debate over the issues. He indicated he will be campaigning hard for the next two weeks, and will continue to serve whether it is on the Park Board or the City Council.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Ford thanked Joe Gesmundo for his expression of approval of City Council and the Administration over the past 50 years as a developer in Portage. He congratulated Ed VanderVries on his appointment as the City Assessor and Michigan State for their victory over the University of Michigan in the last 10 seconds of the game.

Councilmember Randall indicated that Halloween is on Saturday, October 31, 2015, and asked citizens to be aware that the City of Portage does not specify date and time of Trick or Treating as this is determined by each neighborhood, so drivers should exercise special caution this weekend. She mentioned the plan for three fall leaf pickups and asked citizens to check their schedules for dates of pickup.

Councilmember Urban shared that one of the best ways to observe the fall colors is during a free fall sky dive which he experienced on Sunday and encouraged all of his fellow Councilmembers to join him.

Councilmember Ansari congratulated City Manager Larry Shaffer, saying he has turned the City around on many levels. He indicated that he is very dependable, extremely accessible and remains one of the city's assets; and, that he has demonstrated creativity, innovative thinking and problem solving; and, that he is adaptable to change. He listed some of his many achievements and accomplishments, and he thanked Mr. Shaffer for his efforts.

Councilmember Reid congratulated and welcomed Ed VanderVries on his appointment as City Assessor. She also quoted Councilmember Randall when she stated at the *MLive* Forum, Portage District Library, that there is no question that there are inequities and unfairness in our industrial, commercial and residential tax rolls (and) that has been proven time and time again; our new City Manager agrees with that; you can call the County Treasurer; the MTT (Michigan Tax Tribunal) refunds by Portage far exceed other areas; those are just indicators that something is not exactly right. She questioned this statement and followed Councilmember Randall's advice by obtaining a report of the refund from all of the jurisdictions in Kalamazoo County from 2000 through 2009 from County Treasurer Mary Balkema. She noted that Portage was the third highest in refunds from the Board of Review and from the State Tax Commission (STC). She noticed the Portage Board of Review results were being compared to those of smaller municipalities with much lower tax bases, so she compared the refunds as a percentage of the State Equalized Values (SEV's) of the properties in these municipalities for the year 2004, as it was in the middle of the date range she had been checking, and found that this put Portage in the middle of the graph in both the STC and the MTT. She affirmed that this was more in line with her understanding of the property tax situation in Portage and stated that she felt it was important to have trust in past assessments.

City Manager Shaffer thanked City Council for their performance evaluations and thanked them for their candid comments in closed session as he found it energizing and enlightening. He said he wanted the public to know that he is deeply committed to moving with City Council and Mayor Strazdas in the best interests of Portage in a positive and productive fashion.

Mayor Pro Tem Pearson thanked Mr. Shaffer for his service over the year and indicated in his door-to-door campaign, Portage citizens love single stream recycling and the Farmer's Market. To his surprise, citizens asked him what Council was going to do with the \$3.7 million. He answered that they would probably fix some streets and pay down debt; and, everyone wanted to know where their street was on the list.

Mayor Strazdas thanked Mr. Shaffer for his performance, that the majority of the Council has spoken, and we move forward. He also said that there is always diversity in thought, in the way we see things and the way we act and explained. He reviewed the Committee of the Whole that took place earlier at 6:00 p.m. He explained that seven years of roll up produced \$3.2 million in the General Fund, plus \$400,000+ from the State and warned that that will not be a repeat next year, especially when considering a low projected Consumers' Price Index (CPI) for next year. He spoke in favor of this opportunity to improve our roads, to bolster our Fund Balance, to stabilize our funds for emergencies and to lower our debt and explained. Discussion followed.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 10:17 p.m.

James R. Hudson, City Clerk

*Indicates items included on the Consent Agenda.

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Accounts Payable Register

SUPPORTING PERSONNEL: William Furry, Finance Director

ACTION RECOMMENDED: That City Council approve the Accounts Payable Register of November 3, 2015 as presented.

The City Council reviews and approves the bi-weekly Accounts Payable Register which includes automated clearing house payments, paper checks and auto-pay payments. The attached Accounts Payable Register covers the period October 11, 2015 through October 25, 2015 and notes \$400,448.24 in automated clearing house payments, \$839,273.58 in paper checks and \$43,494.48 in auto-pay payments for a grand total of \$1,283,216.30.

FUNDING: N/A

Attachments: 1. Accounts Payable Register

CITY OF PORTAGE ACCOUNTS PAYABLE REGISTER

Check Dates From: 10/11/2015 To: 10/25/2015

Check Date	Check	Vendor Name	Amount
10/23/15	4481(A)	ABONMARCHE CONSULTANTS, INC	10,747.64
10/23/15	4482(A)	AERCOR WIRELESS, INC.	3,920.00
10/23/15	4483(A)	AMERICAN HYDROGEOLOGY CORP.	22,308.45
10/23/15	4484(A)	ANIMAL REMOVAL SERVICE, LLC	950.00
10/23/15	4485(A)	BATTERIES PLUS	252.32
10/23/15	4486(A)	BCHS-HELPNET	1,230.24
10/23/15	4487(A)	BELL EQUIPMENT COMPANY	782.52
10/23/15	4488(A)	BLUE CARE NETWORK-GREAT LAKES	68,370.30
10/23/15	4489(A)	C D W GOVERNMENT, INC.	1,673.99
10/23/15	4490(A)	C M P DISTRIBUTORS, INC.	277.94
10/23/15	4491(A)	DELTA DENTAL PLAN OF MICHIGAN	16,721.20
10/23/15	4492(A)	DEPATIE FLUID POWER CO., INC.	2,913.29
10/23/15	4493(A)	EMPLOYMENT GROUP, INC.	3,126.97
10/23/15	4494(A)	ENGINEERED PROTECTION SYSTEMS, INC.	293.79
10/23/15	4495(A)	FURRY, WILLIAM	700.08
10/23/15	4496(A)	GAIL ANDRUS TRAVEL	1,956.00
10/23/15	4497(A)	HARTFORD LIFE INSURANCE COMPANY	7,955.44
10/23/15	4498(A)	HURST MECHANICAL, INC.	10,852.43
10/23/15	4499(A)	INDUSCO SUPPLY CO., INC.	468.19
10/23/15	4500(A)	IRISH AYRES ENTERPRISES, LLC	350.00
10/23/15	4501(A)	JONES & HENRY ENGINEERS, LTD	973.45
10/23/15	4502(A)	KUSHNER & COMPANY, INC.	296.19
10/23/15	4503(A)	LANDS END	666.25
10/23/15	4504(A)	MATERIALS RESOURCES	882.92
10/23/15	4505(A)	MAURER'S TEXTILE RENTAL SERVICES	1,129.95
10/23/15	4507(A)	MEDEMA, TIMOTHY	47.00
10/23/15	4508(A)	MEJEUR ELECTRIC LLC	1,533.00
10/23/15	4509(A)	ONE WAY PRODUCTS	465.75
10/23/15	4510(A)	PCM SALES, INC.	40,550.00
10/23/15	4511(A)	PREIN & NEWHOF	3,347.45
10/23/15	4512(A)	REHMANN ROBSON	12,000.00
10/23/15	4513(A)	RESIDENTIAL PLUMBING SERVICES, INC	139.00
10/23/15	4514(A)	RIETH-RILEY CONSTRUCTION CO., INC	839.89
10/23/15	4515(A)	ROAD EQUIPMENT PARTS CENTER	949.13
10/23/15	4516(A)	SHULTS EQUIPMENT,LLC.	335.04
10/23/15	4517(A)	SNELL, DEBRA	288.00
10/23/15	4518(A)	UNITED WATER ENVIRONMENTAL SERVICES	167,775.40
10/23/15	4519(A)	VISION SERVICE PLAN (OH)	1,964.34
10/23/15	4520(A)	WIGHTMAN & ASSOCIATES, INC.	10,414.69
		SUBTOTAL:	39 CHECKS 400,448.24

CITY OF PORTAGE ACCOUNTS PAYABLE REGISTER

Check Dates From: 10/11/2015 To: 10/25/2015

Check Date	Check	Vendor Name	Amount
10/13/15	295372	MENARDS, INC	11.34
10/16/15	295373	TIM FOLEY	695.25
10/19/15	295374	FARRELL AUDIO VIDEO LLC	440.17
10/23/15	295375	A I S CONSTRUCTION EQUIP. CO.	107.90
10/23/15	295376	A T & T	4,400.57
10/23/15	295377	ACTION PIANO SERVICE	135.00
10/23/15	295378	ADP, INC.	2,451.72
10/23/15	295379	AIRGAS GREAT LAKES	202.70
10/23/15	295380	ALL CITY MANAGEMENT SERVICES, INC.	5,902.71
10/23/15	295381	ALLEGRA PRINT & IMAGING	1,370.94
10/23/15	295382	ALS ASSOCIATION MICHIGAN CHAPTER	100.00
10/23/15	295383	AMERICAN PLANNING ASSOCIATION	220.00
10/23/15	295384	AMERICAN PLUMBING CONTRACTORS	345.00
10/23/15	295385	AMERICAN PLUMBING CONTRACTORS	65.00
10/23/15	295386	APPLIED IMAGING	1,390.00
10/23/15	295387	APPROVED PROTECTION SYSTEMS	633.70
10/23/15	295389	AUTOMATIC MICROFILM CO.	7,096.05
10/23/15	295390	B L HARROUN & SON INC.	428.85
10/23/15	295391	B S & A SOFTWARE	1,000.00
10/23/15	295392	BALKEMA EXCAVATING, INC.	81,217.80
10/23/15	295393	BEST WAY DISPOSAL, INC.	2,022.80
10/23/15	295394	BLUE CROSS/BLUE SHIELD OF MICH	116,877.14
10/23/15	295395	BOOMERANG FOR THE HOME	116.90
10/23/15	295396	BRINK'S, INC	280.79
10/23/15	295397	BRONSON HEALTHCARE GROUP	200.00
10/23/15	295398	BYHOLT INC.	704.09
10/23/15	295399	C T S TELECOM, INC.	678.95
10/23/15	295400	CAMPBELL AUTO SUPPLY	25.20
10/23/15	295401	CARLETON EQUIPMENT CO.	217,479.85
10/23/15	295402	CHARTER COMMUNICATIONS	87.53
10/23/15	295403	CITY OF KALAMAZOO TREASURER	310.67
10/23/15	295404	CONTROLLED F.O.R.C.E., INC.	870.00
10/23/15	295405	COSTAR REALTY INFORMATION, INC.	294.68
10/23/15	295406	CROSSROADS CAR WASH	252.75
10/23/15	295407	CUSTER OFFICE ENVIRONMENTS	110.00
10/23/15	295408	D L GALLIVAN INC.	34.28
10/23/15	295409	DENOYER BROTHERS, INC.	328.13
10/23/15	295410	DMOCH, ADAM	281.95
10/23/15	295411	DOPP, LYNLEY D.	150.00
10/23/15	295412	FADER EQUIPMENT, INC.	1,954.74
10/23/15	295413	FAIRWEATHER SITE FURNISHINGS	1,650.00
10/23/15	295414	FAWLEY OVERHEAD DOOR, INC.	219.00
10/23/15	295415	FIRE SAFETY CONSULTANTS. INC	60.00
10/23/15	295416	FORSHEE, MARK	46.00

CITY OF PORTAGE ACCOUNTS PAYABLE REGISTER

Check Dates From: 10/11/2015 To: 10/25/2015

Check Date	Check	Vendor Name	Amount
10/23/15	295417	FORWARD, DANIELLE	150.00
10/23/15	295418	FRED PRYOR SEMINARS	2,200.00
10/23/15	295419	FULFORD, JESSICA	150.00
10/23/15	295420	GEORGEAU, VICKI	172.20
10/23/15	295421	GIPSON, GAYDENE	60.00
10/23/15	295422	GOLDEN, ALICE	67.00
10/23/15	295423	GOLDEN, ALICE	786.00
10/23/15	295424	GOVERNMENT FINANCE OFFICERS ASSOC	305.00
10/23/15	295425	GRAND ELK RAILROAD	39,509.00
10/23/15	295426	GRIFFIN PEST SOLUTIONS, INC.	265.00
10/23/15	295427	GUEST SERVICES, INC.	167.32
10/23/15	295428	HEILMAN, GENE	213.32
10/23/15	295429	HESS, DERECK	500.00
10/23/15	295430	HOGNACHI, DAVID	46.00
10/23/15	295431	HOME DEPOT	1,114.45
10/23/15	295432	HONIGMAN, MILLER, SCHWARTZ & COHN	855.18
10/23/15	295433	HUMPHREYS CAMPBELL DUST & HUMPHREYS	168.48
10/23/15	295434	INSTITUTE OF TRANSP. ENGINEERS	141.40
10/23/15	295435	INT'L PUBLIC MGT ASSOC FOR HR	303.20
10/23/15	295436	INTERNATIONAL CODE COUNCIL, INC	135.00
10/23/15	295437	J & B PROFESSIONAL TREE SERVIC	2,350.00
10/23/15	295438	J & J LAWN SERVICE, INC.	3,065.00
10/23/15	295439	J. ALLEN & CO. INC.	39,161.98
10/23/15	295440	JOHN DEERE LANDSCAPES	30.85
10/23/15	295441	JONS TO GO PORTABLE RESTROOM	520.00
10/23/15	295442	KAL-BLUE REPROGRAPHICS	517.60
10/23/15	295443	KALAMAZOO COUNTY ROAD COMMISSION	430.45
10/23/15	295444	KALAMAZOO COUNTY TREASURER	522.50
10/23/15	295445	KALAMAZOO GAZETTE	96.00
10/23/15	295446	KALAMAZOO LANDSCAPE SUPPLIES	4.56
10/23/15	295447	KENNEDY INDUSTRIES, INC.	5,740.00
10/23/15	295448	KUIPER BROTHERS MOVING INC.	183.00
10/23/15	295449	KUSS, JOANNA	116.59
10/23/15	295450	KZOO TIRE COMPANY	15.00
10/23/15	295451	LACOSTA FACILITY SUPPORT SERVICES	3,360.79
10/23/15	295452	LAKE MICHIGAN MAILERS, INC.	46.00
10/23/15	295453	LAKE MICHIGAN MAILERS, INC.	20.00
10/23/15	295454	LANGUAGE LINE, INC	12.78
10/23/15	295455	LAWSON PRODUCTS, INC	580.02
10/23/15	295456	LEXISNEXIS/MATTHEW BENDER	459.50
10/23/15	295457	LIFELOC TECHNOLOGIES, INC.	66.00
10/23/15	295458	LOWE'S HOME CENTER	410.39
10/23/15	295459	M COVILLE EXCAVATING	130.00
10/23/15	295460	MAINTENANCE MASTERS	1,387.00
10/23/15	295461	MAISTO, MARY	1,238.38

CITY OF PORTAGE ACCOUNTS PAYABLE REGISTER

Check Dates From: 10/11/2015 To: 10/25/2015

Check Date	Check	Vendor Name	Amount
10/23/15	295462	MAPLE HILL SPRINKLING, INC.	613.00
10/23/15	295463	MARTZ HOME BUILDERS, L.L.C.	20.00
10/23/15	295464	MARTZ HOME BUILDERS, L.L.C.	300.00
10/23/15	295465	MARTZ HOME BUILDERS, L.L.C.	345.00
10/23/15	295466	MARTZ HOME BUILDERS, L.L.C.	558.54
10/23/15	295467	MAXWELL PRODUCTS, INC.	20,646.18
10/23/15	295468	MCDONALD'S TOWING & RESCUE, INC.	550.00
10/23/15	295469	MCNALLY ELEVATOR CO.	321.55
10/23/15	295470	MEDINA, AMY	150.00
10/23/15	295471	MEEKHOF TIRE SALES & SERVICE INC.	2,947.46
10/23/15	295472	MENARDS, INC	47,235.04
10/23/15	295473	METCALF, BRIAN	92.50
10/23/15	295474	MICH MUNICIPAL POLICE & FIRE REPAIR	566.91
10/23/15	295475	MICHIGAN PAVING & MATERIALS CO.	49,756.26
10/23/15	295476	MID-AMERICA APPRAISAL CO.	760.00
10/23/15	295477	MIDDLETON, NICOLE	100.00
10/23/15	295478	MIDWEST ENERGY COOPERATIVE	274.15
10/23/15	295479	MLIVE MEDIA GROUP	2,072.23
10/23/15	295480	MOCEAN HOLDING CO.	587.00
10/23/15	295481	MOLISE, MATTHEW	221.70
10/23/15	295482	MOORE, LARRY	91.24
10/23/15	295483	NETBRAIN TECHNOLOGIES, INC.	9,600.00
10/23/15	295484	NEW WORLD SYSTEMS	1,200.00
10/23/15	295485	NIELSON, STACY OR DENNIS	208.90
10/23/15	295486	NOMAD TECHNOLOGIES, INC.	1,531.27
10/23/15	295487	NYE UNIFORMS	760.81
10/23/15	295488	OFFICE DEPOT, INC.	880.26
10/23/15	295490	OMM ENGINEERING, INC.	14,919.13
10/23/15	295491	ONSTAFF USA INC	4,897.49
10/23/15	295492	PARADIGM DESIGN, INC.	472.50
10/23/15	295493	PEDAL BICYCLES	1,375.98
10/23/15	295494	PETTY CASH-CITY HALL	801.34
10/23/15	295495	PETTY CASH-CITY MANAGER	457.39
10/23/15	295496	PETTY CASH-DPS	331.01
10/23/15	295497	PETTY CASH-FIRE	211.94
10/23/15	295498	PETTY CASH-PARKS	257.09
10/23/15	295499	PETTY CASH-POLICE DEPT.	594.53
10/23/15	295500	PETTY CASH-SENIOR CENTER	551.10
10/23/15	295501	PIER ENJOYMENT LLC	300.00
10/23/15	295502	PORTAGE CLEANERS & LAUNDRY	1,125.55
10/23/15	295503	PORTAGE PUBLIC SCHOOLS	640.00
10/23/15	295504	PORTAGE ROTARY CHARITIES	167.81
10/23/15	295505	PROFESSIONAL LAKE MANAGEMENT	1,075.00

CITY OF PORTAGE ACCOUNTS PAYABLE REGISTER

Check Dates From: 10/11/2015 To: 10/25/2015

Check Date	Check	Vendor Name	Amount
10/23/15	295506	RATHCO SAFETY SUPPLY, INC.	163.70
10/23/15	295507	RENEWED EARTH, INC.	7,916.66
10/23/15	295508	REPUBLIC SERVICES OF WEST MICHIGAN	44,217.41
10/23/15	295509	RESTORATIVE LAKE SCIENCES, LLC	1,500.00
10/23/15	295510	RIDGE AUTO NAPA	503.61
10/23/15	295511	ROWLEY BROTHERS, INC.	996.21
10/23/15	295512	SAHU, SAMEER	100.00
10/23/15	295513	SANDERSON, MARY LOU	846.00
10/23/15	295514	SENIORNET	6,800.00
10/23/15	295515	SEVERANCE ELECTRIC COMPANY, INC	4,600.00
10/23/15	295516	SKIDMORE, DOUGLAS & BECKY	182.00
10/23/15	295517	SKILLPATH SEMINARS	99.00
10/23/15	295518	STATE OF MICHIGAN	120.00
10/23/15	295519	STATE OF MICHIGAN (DEPT LABOR)	50.00
10/23/15	295520	STATE OF MICHIGAN (DOT)	621.39
10/23/15	295521	STATE SYSTEMS RADIO, INC	4,071.21
10/23/15	295522	STATES GOLF COURSE	869.50
10/23/15	295523	STEENSMA LAWN & POWER EQUIPMENT	2,193.80
10/23/15	295524	T D S METROCOM, LLC	4,443.19
10/23/15	295525	THE IRRIGATOR	135.00
10/23/15	295526	THOMAS M. A. HAMANN	142.50
10/23/15	295527	THREE PEAS DESIGN	75.00
10/23/15	295528	TODD ARBANAS ENTERPRISES INC.	1,375.00
10/23/15	295529	TOO CLEAN JANITORIAL	3,360.00
10/23/15	295530	TOY BOX STORAGE	2,555.40
10/23/15	295531	TRUGREEN	2,610.00
10/23/15	295532	U S POSTMASTER	200.00
10/23/15	295533	UNION STREET HYDRAULICS	1,213.00
10/23/15	295534	UNITED PARCEL SERVICE	12.25
10/23/15	295535	VANDERBILT, JOHN	48.00
10/23/15	295536	VERIZON WIRELESS SERVICES, LLC	1,943.06
10/23/15	295537	VICTORIA ROSE	269.94
10/23/15	295538	WADE, SHARON	67.00
10/23/15	295539	WALKER, MIKE	484.93
10/23/15	295540	WALLS, VIRGINIA	25.00
10/23/15	295541	WASHCO, LLC	4,825.00
10/23/15	295542	WATKINS, GREG	46.00
10/23/15	295543	WEGNER, DAVID	100.00
10/23/15	295544	WESTERN MICHIGAN INT'L TRUCKS	3,694.35
10/23/15	295545	WINTER EQUIPMENT COMPANY, INC.	3,241.49
10/23/15	295546	WRAPS N SIGNS	551.00
10/23/15	295547	XEROX CORPORATION	415.03
		SUBTOTAL:	174 CHECKS 839,273.58

CITY OF PORTAGE ACCOUNTS PAYABLE REGISTER
Check Dates From: 10/11/2015 To: 10/25/2015

Check Date	Check	Vendor Name	Amount
10/13/15	2201	Consumers Auto-Pay	22,115.78
10/14/15	2206	Consumers Auto-Pay	5,980.25
10/15/15	2219	Consumers Auto-Pay	7,802.58
10/16/15	2220	Consumers Auto-Pay	1,808.24
10/22/15	2242	Consumers Auto-Pay	5,787.63
		5 CHECKS	43,494.48
		GRAND TOTAL:	218 CHECKS 1,283,216.30

** (A) DENOTES ACH PAYMENTS

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Rezoning Application #15/16-1 (710 and 732 East Centre Avenue)

SUPPORTING PERSONNEL: Vicki Georgeau, Director of Community Development

ACTION RECOMMENDED: That City Council, subsequent to the public hearing, approve Rezoning Application #15/16-1 and rezone 710 and 732 East Centre Avenue from B-1, local business to OS-1, office service with the exception of the west five feet of 710 East Centre Avenue, which is to remain zoned R-1A, one family residential.

An application has been received from Mr. Donald Zeimke (property owner) and Mr. Timothy Dockerty (prospective buyer) requesting that 710 and 732 East Centre Avenue be rezoned from B-1, local business and R-1A, one family residential to OS-1, office service. According to the applicants, the rezoning would facilitate construction of an approximate 32,000-square-foot memory care facility. Institutional uses, including a memory care facility, are not permitted in the B-1 zoning district but are permitted in the OS-1 district as a special land use.

As background information, Council may recall that an extensive amount of public opposition and discussion occurred in 2014 as part of a proposed gasoline station/convenience store project that involved the subject properties. However, the proposal was withdrawn by the applicant before final Planning Commission action. Following the withdrawal of the gasoline station/convenience store proposal, the Planning Commission initiated a rezoning application involving several East Centre Avenue properties, including the subject parcels. The rezoning was proposed to reduce the intensity of land uses permitted adjacent to the residential neighborhood south of East Centre Avenue, and to achieve zoning that was more consistent with the 2014 Comprehensive Plan. The parcels included in the rezoning application were rezoned from B-3, general business to B-1, local business with the exception of the west five feet of 710 East Centre Avenue, which remained zoned R-1A to restrict access to/from Lakewood Drive.

With regard to the current OS-1 rezoning request, the Department of Community Development, in a report dated September 11, 2015, recommends approval of the rezoning with the exception of the west five feet of 710 East Centre Avenue which is recommended to remain zoned R-1A. The proposed OS-1 zone is consistent with the Comprehensive Plan, Future Land Use Map and land use/zoning pattern along this stretch of East Centre Avenue.

The Planning Commission convened a public hearing for the newly proposed rezoning during the September 17, 2015 meeting to consider the request. The applicant/prospective buyer, Mr. Timothy Dockerty, was present to support the request and discuss the proposed memory care facility. No citizens spoke regarding the proposed rezoning; however, one email communication of support was received from Mrs. Nancy Centers, of 8038 Lakewood Drive. At the conclusion of the September 17,

2015 meeting, the Planning Commission voted 6-0 to recommend to City Council that Rezoning Application #15/16-1 be approved and 710 and 732 East Centre Avenue be rezoned from B-1, local business to OS-1, office service with the exception of the west five feet of 710 East Centre Avenue which is to remain zoned R-1A.

This rezoning application received first reading by the Council at the regular meeting of October 6, 2015. The Planning Commission transmittal, Department of Community Development report and related materials are attached as additional background information.

FUNDING: N/A

- Attachments:**
1. Planning Commission transmittal dated September 24, 2015
 2. Planning Commission Minutes dated September 17, 2015
 3. Department of Community Development report dated September 11, 2015
 4. September 15, 2015 email communication from Mrs. Nancy Centers, 8038 Lakewood Drive
 5. Proposed Ordinance Amendment

TO: Honorable Mayor and City Council
FROM: Planning Commission
DATE: September 24, 2015
SUBJECT: Rezoning Application #15/16-1, 710 and 732 East Centre Avenue

The Planning Commission convened a public hearing during the September 17, 2015 meeting to consider the rezoning application submitted by Mr. Donald Zeimke (property owner) and Mr. Timothy Dockerty (prospective buyer) to rezone 710 and 732 East Centre Avenue from B-1, local business to OS-1, office service. Mr. Dockerty was present at the meeting and spoke in support of the rezoning and discussed the proposed memory care facility. No citizens spoke regarding the proposed rezoning; however, an email communication of support was received from Mrs. Nancy Centers, 8038 Lakewood Drive.

After careful consideration, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to recommend to City Council that Rezoning Application #15/16-1 be approved and 710 and 732 East Centre Avenue be rezoned from B-1, local business to OS-1, office service with the exception of the west 5-feet of 710 East Centre Avenue which is to remain zoned R-1A, one family residential. The motion referenced the analysis contained in the staff report and included a finding that the proposed OS-1 district was consistent with the Comprehensive Plan, Future Land Use Map and land use/zoning pattern and retention of the 5-foot strip of R-1A zoning along the west side of 710 East Centre Avenue was still valid to control access and provide neighborhood protection. The motion was unanimously approved 6-0.

Sincerely,

A handwritten signature in blue ink that reads "Paul Welch". The signature is written in a cursive style with a large initial "P".

Paul Welch
Chairman

PLANNING COMMISSION

September 17, 2015

DRAFT

The City of Portage Planning Commission meeting of September 17, 2015 was called to order by Chairman Welch at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnedge Avenue. Six citizens were in attendance.

PLEDGE OF ALLEGIANCE:

Chairman Welch led the Commission and staff in the Pledge of Allegiance.

IN ATTENDANCE:

Michael West, Senior City Planner and Randy Brown, City Attorney.

ROLL CALL:

Mr. West called the roll and the following Commissioners were present: Bosch (yes), Stoffer (yes), Welch (yes), Patterson (yes), Somers (yes) and Schimmel (yes). A motion was made by Commissioner Patterson, seconded by Commissioner Bosch, to approve the roll excusing Commissioners Dargitz, Felicijan and Richmond. The motion was unanimously approved 6-0.

APPROVAL OF MINUTES:

Chairman Welch referred the Commission to the September 3, 2015 meeting minutes contained in the agenda packet. A motion was made by Commissioner Patterson, seconded by Commissioner Stoffer, to approve the minutes as submitted. The motion was unanimously approved 6-0.

SITE/FINAL PLANS:

None.

PUBLIC HEARINGS:

1. Preliminary Report: Rezoning Application #15/16-1, 710 and 732 East Centre Avenue. Mr. West summarized the staff report dated September 11, 2015 regarding a request from Donald Zeimke and Timothy Dockerty to rezone 710 and 732 East Centre Avenue from B-1, local business and R-1A, one family residential to OS-1, office service. Mr. West stated the rezoning would facilitate construction of an approximate 32,000 square foot memory care facility at the former Centre Street Market site. Mr. West discussed the 2014 rezoning of the subject parcels and several other East Centre Avenue properties from B-3, general business to B-1, local business and indicated institutional land uses including the proposed memory care facility are not allowed in the B-1 district, but are allowed in the OS-1 zone as a special land use. Mr. West also discussed City Council's decision to retain the west 5-foot strip of 710 East Centre Avenue in R-1A, one family residential zoning to prevent vehicular access to/from Lakewood Drive. Mr. West stated this decision was first decided in 1998 and reaffirmed with the 2014 rezoning. Mr. West discussed the applicant's request to the Planning Commission to waive the second meeting and formulate a recommendation to City Council at the September 17th meeting. Mr. West stated the proposed zoning change was consistent with the Comprehensive Plan, Future Land Use Map and surrounding land use/zoning pattern along this stretch of East Centre Avenue and was supported by staff. Mr. West referred the Commission to the final agenda packet and an email communication from Mrs. Nancy Centers, 8038 Lakewood Drive, supporting the proposed zoning change to OS-1.

A large, grey, slanted stamp with the word "DRAFT" in bold, capital letters. To the left of the text is a small icon of a document with a folded corner.

Commissioner Stoffer discussed the possible elimination of the 5-foot strip of R-1A zoning along the west side of 710 East Centre Avenue since the intensity of land use would be far less under the proposed OS-1 zoning. Mr. West indicated the purpose of the 5-foot strip of R-1A zoned land was to restrict access to/from Lakewood Drive since the Zoning Code does not allow access to a nonresidential use through property zoned residential. Mr. West also stated the 5-foot strip of R-1A zoned land does not increase building or parking setbacks since these measurements are taken from the property line. Attorney Brown indicated there were other areas of the city that have similar residential zoned strips of land for the purposes of restricting access or enhancing neighborhood protection.

Mr. Timothy Dockerty (applicant) was present to support the zoning change and to discuss the proposed memory care facility. Mr. Dockerty stated the facility would be one-story and house approximately 40 residents upon full build-out with between 20-25 full and part-time employees. Mr. Dockerty discussed the growing demand for senior and memory care services with the increasing aging population. Mr. Dockerty described the facility and security measures that are taken to ensure the safety of the residents.

The public hearing was opened by Chairman Welch. No citizens spoke regarding the proposed rezoning. After a brief discussion, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to waive the second meeting. The motion was unanimously approved 6-0. A motion was then made by Commissioner Bosch, seconded by Commissioner Stoffer, to close the public hearing. The motion was unanimously approved 6-0. After a brief discussion, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to recommend to City Council that Rezoning Application #15/16-1 be approved and 710 and 732 East Centre Avenue be rezoned from B-1, local business to OS-1, office service with the exception of the west 5-feet of 710 East Centre Avenue which is to remain zoned R-1A, one family residential. The motion referenced the analysis contained in the staff report and included a finding that the proposed OS-1 district was consistent with the Comprehensive Plan, Future Land Use Map and land use/zoning pattern and retention of the 5-foot strip of R-1A zoning along the west side of 710 East Centre Avenue was still valid to control access and provide neighborhood protection. The motion was unanimously approved 6-0.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

Mr. West discussed two upcoming events being hosted by the City of Portage and encouraged all citizens, business owners, Commissioners and other interested individuals to participate. On Monday, September 28, 2015 from 7-9pm at Portage City Hall, Mr. West stated the city will be hosting a Capital Improvement Program (CIP) Open House. Mr. West indicated a survey regarding the CIP process and existing/potential projects can still be taken by visiting the city website. On Saturday, October 3, 2015 from 9am-2pm at Portage Central High School Auditorium, Mr. West stated the city will be hosting the Portage 2025 Renewal Event. Mr. West indicated on-line registration for this event is still available through September 25th; however, registration is not required and anyone can attend even if they missed the on-line registration period.

 **DRAFT**

Planning Commission Minutes
September 17, 2015
Page 3

There being no further business to come before the Commission, the meeting was adjourned at 7:30 p.m.

Respectfully submitted,

Michael K. West, AICP
Senior City Planner

T:\COMMDEV\2015-2016 Department Files\Board Files\Planning Commission\Minutes\PCMin09172015.doc

TO: Planning Commission

DATE: September 11, 2015

FROM: Vicki Georgeau, ^{JA} Director of Community Development

SUBJECT: Preliminary Report: Rezoning Application #15/16-1, 710 and 732 East Centre Avenue

I. INTRODUCTION:

An application has been received requesting that 710 and 732 East Centre Avenue be rezoned from B-1, local business and R-1A, one family residential to OS-1, office service. According to the applicant, the rezoning would facilitate construction of an approximate 32,000 square foot memory care facility at the subject properties. As information for the Commission, institutional uses including a memory care facility are not allowed in the B-1 district, however, are allowed in the OS-1 district as a special land use.

Applicant	Property Address	Parcel Number	Zoning	
			Existing	Proposed
Donald Zeimke (Alto Convenience Inc.) and Timothy Dockerty (Woodland Terrace)	710 East Centre Avenue	04680-016-O	B-1/R-1A	OS-1
	732 East Centre Avenue	00022-150-O	B-1	OS-1
Two parcels – 2.2 acre				

II. EXISTING CONDITIONS:

Land Use/Zoning	<p>Rezoning Site: Vacant land formerly occupied by the Centre Street Market. The approximate 2.2 acre site is zoned B-1, local business with the exception of the west 5-feet of 710 East Centre Avenue which is zoned R-1A, one family residential.</p> <p>East: Otis Montessori Academy preschool and child care facility (810 East Centre Avenue) zoned B-1, local business.</p> <p>West/South: Single family residences zoned R-1A, one family residential.</p> <p>North (across East Centre Avenue): Nonconforming single family residences zoned OS-1, office service.</p>
Zoning/Development History	In 2014, several parcels located along the south side of East Centre Avenue, east of Lakewood Drive, including 710, 732, 810, 830, 906, 912, 916 and 918 East Centre Avenue were rezoned from B-3, general business to B-1, local business with the exception of the west 5-feet of 710 East Centre Avenue which remained zoned R-1A, one family residential (Rezoning Application #14-2).
Historic District/Structures	The subject site is not located within a historic district and does not contain any historic structures.
Public Streets	East Centre Avenue is designated a 5-lane major arterial roadway with 20,233 vehicles per day (2011) and a capacity of 37,100 vehicles per day (level of service "D").
Public Utilities	Municipal water and sewer are available.
Environmental	The City of Portage Sensitive Land Use Inventory Map does not identify wetland and/or floodplain areas on the subject site.

III. PRELIMINARY ANALYSIS:

The following analysis has been prepared based on general land use considerations, the Comprehensive Plan, traffic conditions and surrounding development patterns. Issues to be considered are consistency with the Future Land Use Plan Map and Development Guidelines, suitability of the existing zoning classification and the impacts of the proposed zoning classification.

Comprehensive Plan/Future Land Use Map Consistency. The 2014 Comprehensive Plan/Future Land Use Map identifies the rezoning site along with properties located east and west, along the north and south sides of East Centre Avenue, as appropriate for office land use. This land use designation dates back to the 1996 Comprehensive Plan and has carried forward with subsequent Plan updates in 2002, 2008 and 2014. This section of East Centre Avenue is also designated as an office corridor with a predominant office, personal service establishment, institutional and residential land use pattern. The Comprehensive Plan identifies the office land use designation and the corresponding OS-1 district as an effective transition zone between residential uses and major arterial roadways since office uses typically have limited hours of operation (weekdays from approximately 8am-5pm), a building style and mass similar to residential structures and less traffic generation.

Development Guidelines. The Development Guidelines are intended to be used by the Commission and staff when reviewing private development proposals, infrastructure improvement programs (i.e. public expenditures on streets, sewers and water mains that influence the location, intensity and timing of development) and public programs that affect the physical environment. The guidelines also provide direction and underpinning for regulations that affect land use (e.g. zoning, subdivision, parking, landscaping and others) and may suggest incentives to influence community development and adjustments to other policies that influence the use of land for consistency with community development objectives. An evaluation of the Development Guidelines will be provided with the staff recommendation.

Suitability of Existing B-1 and R-1A Zones/Impacts of Proposed OS-1 Zone. While the existing B-1 zoning district is still a viable option for the properties, the B-1 zone does not allow institutional land uses such as public/private schools, religious institutions, community recreational centers and facilities for human care, which are allowed as a special land use in the OS-1 district. Consequently, a zoning change is needed to accommodate the proposed memory care facility. The proposed OS-1 zoning district is consistent with the Plan designation. Principal permitted uses allowed in the OS-1 district include administrative/professional offices, medical offices/clinics, banks/credit unions and personal service establishments. These principal permitted uses are also allowed in the B-1 district; however, special land uses listed in the OS-1 do not carry over into the B-1 district.

The west 5-feet of 710 East Centre Avenue was retained in the R-1A zoning classification since the 1998 rezoning of the parcel from R-1A to P-1 to prevent vehicular access to/from Lakewood Drive. City Council reaffirmed and retained this strip of R-1A zoning with the 2014 zoning change from P-1 to B-1.

Traffic Considerations. Anticipated traffic generation associated with a zoning change to OS-1 and associated development will likely be less than development under the existing B-1 zoning district and can be accommodated by the surrounding roadway network. Additionally, office and institutional related land uses tend to have less evening and weekend traffic, which is more compatible with the adjacent neighborhood. Specific access related issues including driveway locations, shared/cross access connections, etc. will be reviewed at the site plan stage of redevelopment.

IV. RECOMMENDATION:

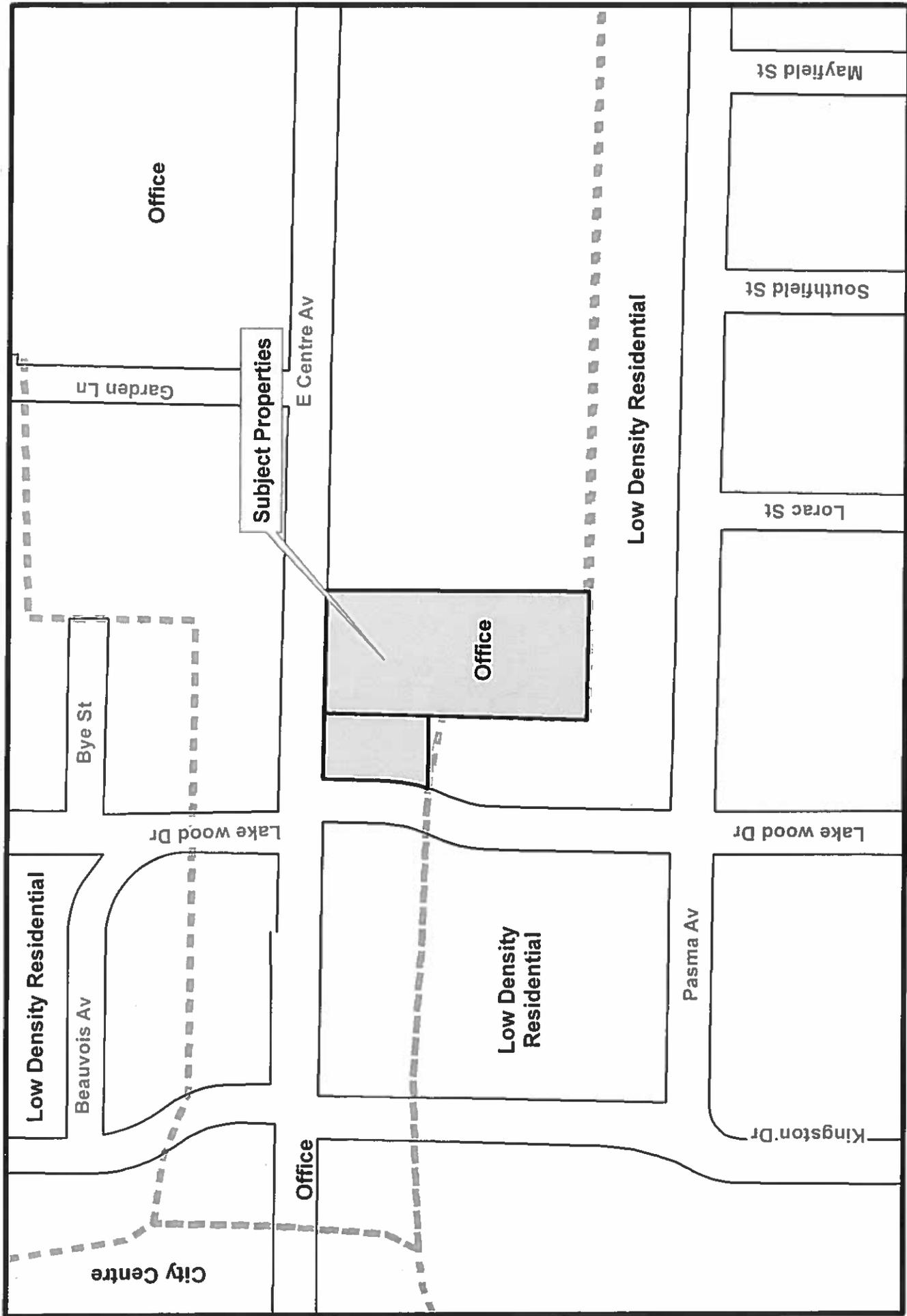
The Planning Commission policy is to accept public comment at the initial meeting and continue the rezoning consideration at a subsequent meeting. However, the applicant has requested the Planning Commission waive the second public meeting and make a recommendation to City Council following the public hearing at the September 17, 2015 meeting.

As the Commission is aware, an extensive amount of public input and discussion occurred in 2014 as part of the special land use permit consideration for a proposed gasoline station/convenience store development project at 710 and 732 East Centre Avenue (which was withdrawn by the applicant) and subsequent consideration of Rezoning Application #14-2 where several East Centre Avenue properties, including the subject parcels, were rezoned from B-3 to B-1. While these properties are designated for future office land uses, City Council rezoned the properties to B-1 to afford the property owners a broader range of retail uses and development options. Given this previous discussion and subject to any public comment received during the September 17, 2015 meeting, the Planning Commission should consider the applicant's request to waive the second public meeting. The proposed zoning change from B-1 to OS-1 is consistent with the Comprehensive Plan, Future Land Use Map and land use/zoning pattern along this stretch of East Centre Avenue.

Subject to any public comment received and if the Commission agrees to waive the second public meeting, staff advises that the Planning Commission recommend to City Council that Rezoning Application #15/16-1 be approved and that 710 and 732 East Centre Avenue be rezoned from B-1, local business to OS-1, office service with the exception of the west 5-feet of 710 East Centre Avenue which is to remain zoned R-1A, one family residential.

If the Commission does not agree to waive the second meeting, staff advises that public comment regarding Rezoning Application #15/16-1, 710 and 732 East Centre Avenue, be received during the September 17, 2015 meeting and the public hearing be adjourned to the October 1, 2015 meeting.

Attachments: Zoning/Vicinity Map
Future Land Use Map
Aerial Photograph Map
Rezoning Application and Supporting Materials

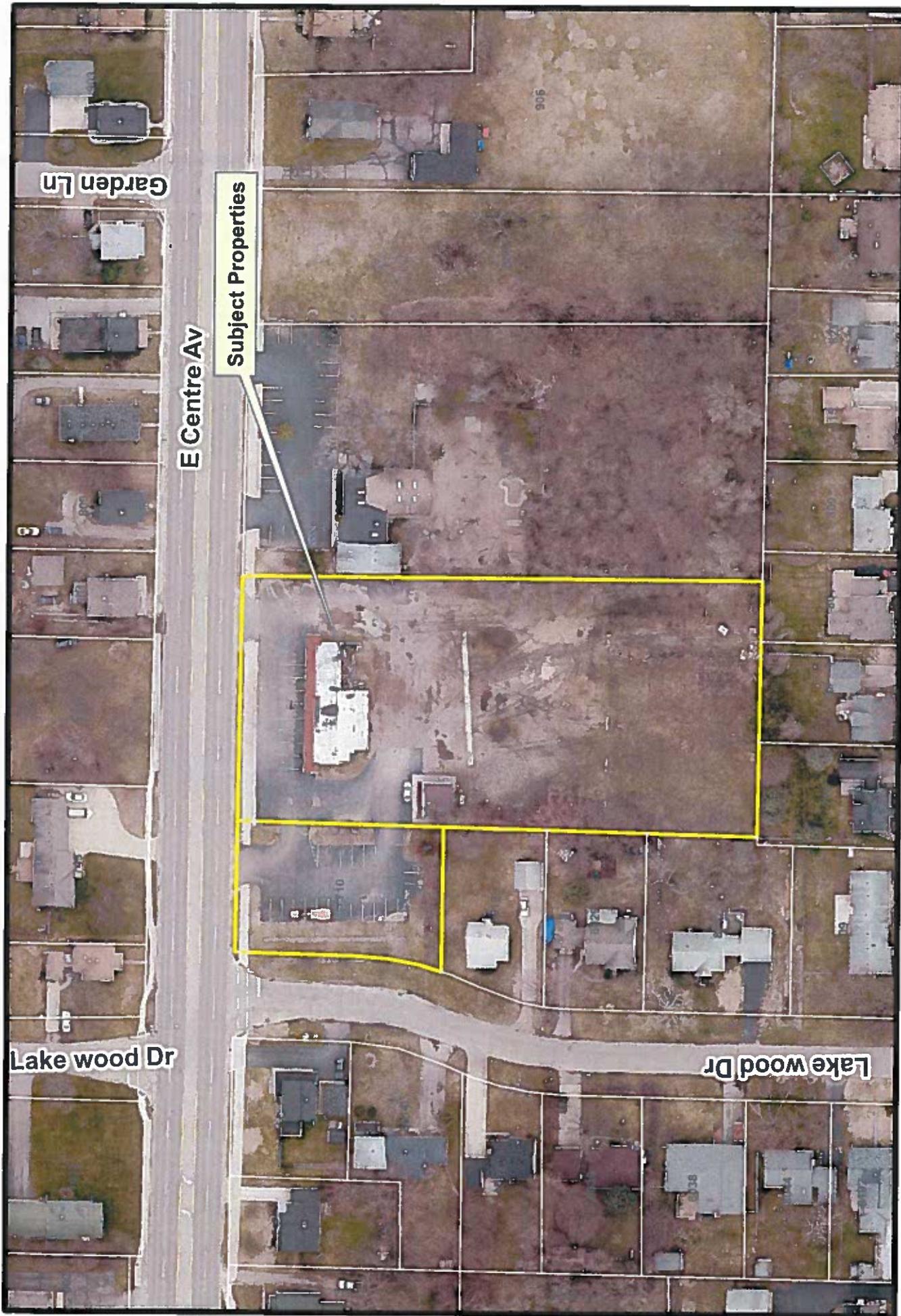


**Rezoning #15/16-01
710, 732 E Centre Avenue**

Subject Property
 Future Land Use



1 inch = 200 feet



Garden Ln

E Centre Av

Subject Properties

Lake wood Dr

Lake wood Dr

906



1 inch = 99 feet

Aerial Photography 710, 732 E Centre Avenue

 Subject Property



RECEIVED
AUG 20 2015
COMMUNITY DEVELOPMENT

August 18, 2015

Portage City Hall
7900 South Westnedge Ave.
Portage, MI 49023

RE: Letter of Intent, Proposed Memory Care Facility

Dear Commission Members,

We are making a request on behalf of the current owner (Alto Convenience, Inc.) and our client, the developer and future owner (Woodland Terrace) for a zoning amendment. Woodland Terrace is currently under contract for the property located at 732 E Centre St. (Parcel #000221500) & 710 E Centre St. (Parcel #046800160) to purchase the property.

The proposed project consists of a two phase, approximately 32,000 sft memory care facility. The project will create a local facility that will provide a financially affordable, Christian service to seniors who deserve the highest degree of respect, dignity and quality of life. The campus will create local jobs and will have a positive economic impact on the neighborhood and surrounding area. The development will consist of new building construction, parking lot improvements, storm water retention basin, site lighting, and site landscaping. The facility is architecturally designed with the idea of maintaining a home-like environment in a community setting which will greatly improve the existing lot, while working in harmony with the surrounding neighborhood.

We would greatly appreciate your understanding and assistance in obtaining zoning amendment approval. We understand that many discussions of zoning change from B-3 to OS-1 took place in 2014, and we ask the planning commission to consider waiving the 2nd meeting requirement and make recommendation to City Council in order to move forward with this exciting project. Thank you for your assistance on this project. Please let us know if any additional information is needed in order to process this request.

Sincerely,
HURLEY & STEWART, LLC.

Timothy A. Stewart, P.E.

RECEIVED

AUG 20 2015

APPLICATION FOR ZONING AMENDMENT

Application number #15/16-1

Date August 18, 2015

APPLICATION INFORMATION:

Meetings of the Portage Planning Commission are held on the first and third Thursday of each month at 7:00 p.m. in the Council Chambers of Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan. All zoning amendment applications must be properly filled out and submitted to the Department of Community Development and the zoning amendment fee paid at least 15 working days prior to the meeting at which the public hearing is held. The applicant will be notified in writing of all such public hearing/meetings.

For more detailed information about the zoning amendment process, please refer to Portage Land Development Regulations, Article 4, Division 2, Subdivision 2.

TO THE PLANNING COMMISSION:

I (WE), the undersigned, do hereby respectfully make application and petition the Portage Planning Commission to amend the Zoning Ordinance and/or change the Zoning Map as hereinafter requested. In support of this application, the following is submitted:

ZONING MAP AMENDMENT

1. a. **Platted Land:**

The property is part of the recorded plat: The property sought to be rezoned is located at _____ between _____ Street and _____ Street on the _____ side of the street, and is known as Lot Number(s) _____ of _____ Plat (Subdivision). It has a frontage of _____ feet and a depth of _____ feet.

b. **Unplatted Land:**

The property is in acreage, and is not therefore a part of a recorded plat. The property sought to be rezoned is located and described as follows: (Indicate total acreage and parcel number).

Parcel Number 000221500, 1.85 acres & Parcel Number 046800160, .39 acres

(732 E. Centre) (710 E. Centre)

2. a. Do you own the property to be rezoned? Yes _____ No X

b. Name of the owner of the property to be rezoned: Alto Convenience, INC

Address 7404 Kettle Lake Dr Alto, MI 49302

3. My (our) interest in the property and purpose for submitting the proposed Zoning Amendment: We have the property under contract for purchase. We intend to develop the property into a two-phased, approximately 32,000 sfl memory care facility with on-site parking facilities and other site amenities.

4. CURRENT ZONING: B-1 PROPOSED ZONING: OS-1

ZONING TEXT AMENDMENT

1. The proposed language to be considered is (attach additional sheets as necessary):

2. The Zoning Code Chapter and Section wherein the proposed text would be modified/inserted.

3. My (our) interest in and purpose for submitting the proposed Zoning Ordinance Amendment.

We attach a statement hereto indicating why, in our opinion, the change requested is necessary for the preservation and enjoyment of substantial property rights, and why such amendment will advance the public health, safety and welfare. An assessment of the impact of the proposal on the community and property of other persons in the vicinity of the amendment or affected by the amendment is also attached.

Timothy D. ...
(Signature of Applicant)

[Signature]
(Signature of Applicant)

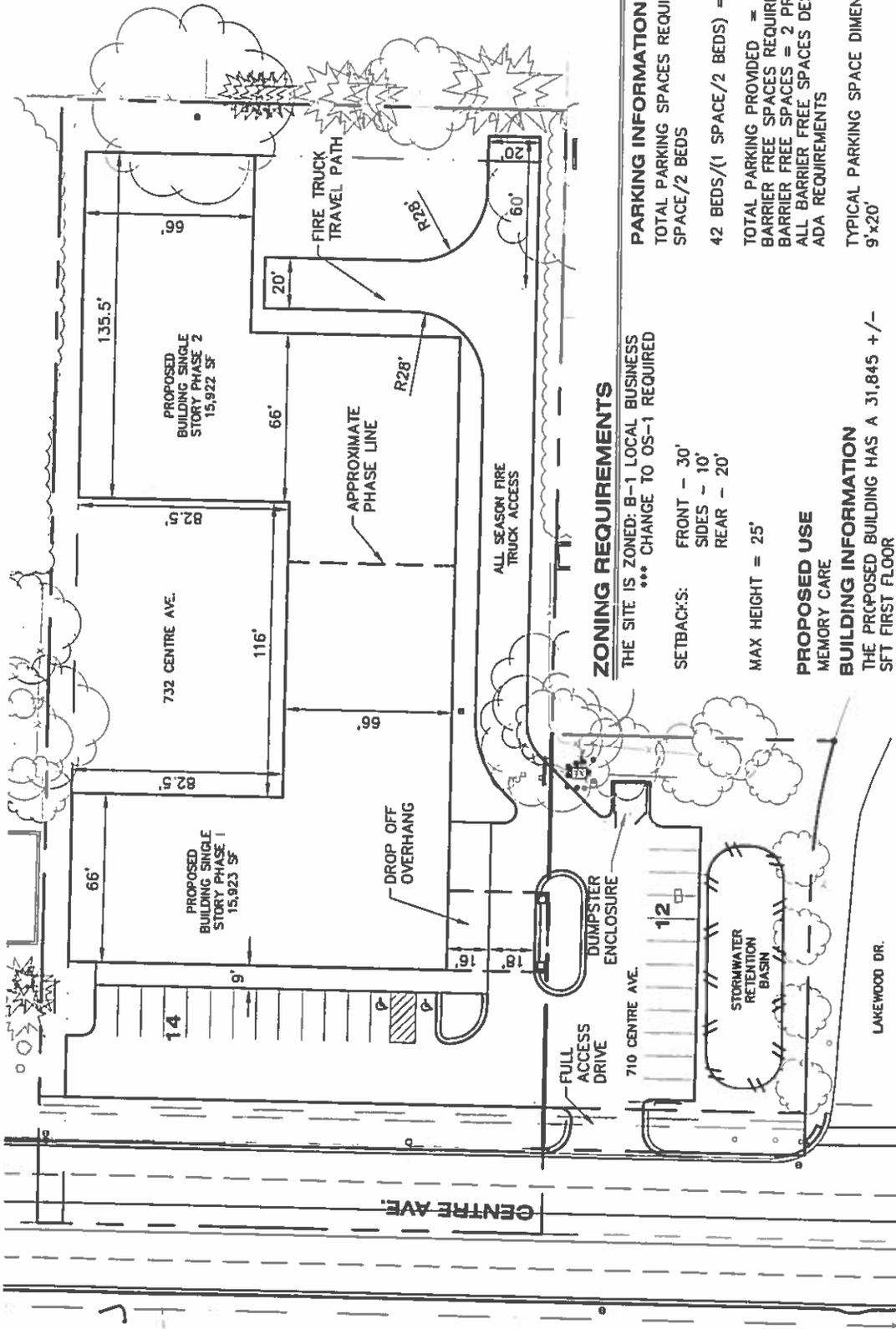
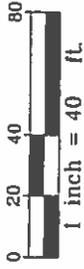
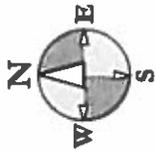
8850 Red Arrow Hwy, Bridgeman, MI 49106
(Address)

7404 Kettle Lake Drive, ATO MI
(Address)

269-465-7600
(Phone)

111-437-7470
(Phone)

A copy of all actions taken regarding this application shall be attached and shall be considered a part of this application.



ZONING REQUIREMENTS

THE SITE IS ZONED: B-1 LOCAL BUSINESS
 *** CHANGE TO OS-1 REQUIRED

SETBACKS: FRONT - 30'
 SIDES - 10'
 REAR - 20'

MAX HEIGHT = 25'

PROPOSED USE
 MEMORY CARE

BUILDING INFORMATION
 THE PROPOSED BUILDING HAS A 31,845 +/- SFT FIRST FLOOR

PARKING INFORMATION

TOTAL PARKING SPACES REQUIRED: 1 SPACE/2 BEDS
 42 BEDS/(1 SPACE/2 BEDS) = 21 SPACES
 TOTAL PARKING PROVIDED = 26 SPACES
 BARRIER FREE SPACES REQUIRED = 2
 BARRIER FREE SPACES = 2 PROVIDED
 ALL BARRIER FREE SPACES DESIGNED PER ADA REQUIREMENTS
 TYPICAL PARKING SPACE DIMENSION = 9'x20'

H/S
 Hurley & Stewart
 2000 south 11th street
 kalamazoo, michigan 49009
 269 552 4960 fax 269 552 4961
 www.hurleyandstewart.com

Job No: 15-016D
 Date: 6/20/15
 Scale: AS NOTED
 P.M.: TMS
 LAD
 QA/QC: 6/20/15

Title: CONCEPTUAL LAYOUT C
 Project: DOCKERTY MEMORY CARE
 Client: DOCKERTY MEMORY CARE

Drawing No: 1

Michael West

From: Nancy Centers <ncenters29@gmail.com>
Sent: Tuesday, September 15, 2015 5:08 PM
To: Michael West
Subject: Rezoning of 710 and 732 East Centre Avenue

Dear, Mr. West,

I received the September 17, 2015 public hearing notice for the proposed rezoning of 710 and 732 East Centre Avenue from B-1 to OS-1 (Office Service). In my opinion this would be the best possible use of this commercial property within our neighborhood setting. As a resident that lives within 500 feet of the property in question, I would like to offer my support of the rezoning to OS-1.

Thank you,

Mrs. Nancy Centers
8038 Lake Wood Dr.
Portage, MI 49002

**FIRST READING
CITY OF PORTAGE, MICHIGAN
NOTICE**

**TO THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF PORTAGE AND
ALL OTHER INTERESTED PERSONS.**

NOTICE IS HEREBY GIVEN, that an Ordinance to amend Article 4 (Zoning) of Chapter 42 of the Codified Ordinances of Portage, Michigan, was introduced for first reading at a regular meeting of the City Council held on _____, 2015, and that the Council will hold a public hearing on the proposed amendment at the Portage City Hall in said City on _____, 2015, at 7:30 p.m. or as soon thereafter as may be heard.

NOTICE IS FURTHER GIVEN that the proposed amendment to Article 4 (Zoning) of Chapter 42, of the Codified Ordinances of Portage, Michigan reads as follows:

THE CITY OF PORTAGE ORDAINS:

That Article 4 (Zoning) of Chapter 42, of the Codified Ordinances of Portage, Michigan, Official Zoning Map, be amended as follows:

Parcel of land described as follows:

Tract of land located in Section 22, Township 3 South, Range 11 West, City of Portage, County of Kalamazoo, State of Michigan, and further described as follows:

<u>Street Address</u>	<u>Parcel ID Numbers</u>
710 East Centre Avenue	04680-016-O
732 East Centre Avenue	00022-150-O

From B-1, local business and R-1A, single family residential to OS-1, office service, or any other classification allowed by law.

PLEASE TAKE FURTHER NOTICE that if the owners of at least twenty percent (20%) of the area of land included in the proposed zoning change, or if the owners of at least twenty percent (20%) of the area of land included within an area extending outward one hundred feet (100') from any point on the boundary of the land included in the proposed change, excluding public right-of-way or other publicly owned land, file a written protest petition against the proposed amendment presented to the City Council before final legislative action on the amendment, a two-thirds vote of the City Council will be required to pass the amendment.

Dated: _____

James R. Hudson, City Clerk

(App #15/16-1)

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Contract Renewal with Blue Care Network Advantage Plan

SUPPORTING PERSONNEL: William Furry, Finance Director

ACTION RECOMMENDED: That City Council approve a one-year contract renewal with Blue Care Network for the Blue Care Network Advantage Plan and authorize the City Manager to execute all documents related to the contract renewal on behalf of the city.

The Blue Care Network Advantage Plan provides supplemental retiree health insurance coverage to the Portage Police Officers' Association (PPOA) retirees and spouses with Medicare coverage. The supplemental insurance coverage is based upon retirees and spouses enrolling in the plan with qualifications based upon the PPOA Retiree Health Plan document.

In 2012, the collective bargaining agreement between the city and the PPOA resulted in a change in supplemental retiree health insurance coverage for PPOA retirees and spouses eligible for Medicare coverage. The Blue Care Network Advantage Plan provides a less expensive alternative to the former PPOA retiree health coverage, Blue Care Network-HMO.

The Blue Care Network Advantage Plan contract expires on December 31, 2015. The city has received a premium increase of 9.62 percent which includes taxes. The premiums associated with the Blue Care Network Advantage Plan are non-negotiable and plan coverage levels are defined in the PPOA labor agreement.

Therefore, City Council approval of a one-year contract renewal for the Blue Care Network Advantage Plan is recommended for the period of January 1, 2016 – December 31, 2016.

FUNDING: Premiums are paid by the City of Portage to Blue Care Network on a monthly basis, however, reimbursement is made in full to the city on a monthly basis by the PPOA Retiree Health Plan which is administered by the PPOA.

Attachments: 1. N/A

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Final Condominium Approval for Copperleaf Phase 1

SUPPORTING PERSONNEL: Vicki Georgeau, Director of Community Development

ACTION RECOMMENDED: That City Council:

1. grant final approval of the first phase of the Copperleaf single-family residential site condominium with completion of sidewalks and street trees by November 2017;
2. approve installation of the Copperleaf residential subdivision sign in the Copperleaf Trail public right-of-way, and

authorize the City Manager to execute all documents related to this project on behalf of the city.

On January 20, 2015, City Council granted final preliminary condominium approval (engineering plans) for Copperleaf Phase 1 allowing the developer, Westfield Capital, LLC, to proceed with construction. The developer has completed all required public improvements with the exception of the concrete sidewalks and street trees. Receiving final condominium approval before completion of all public improvements will allow the developer to record the Master Deed and Condominium Homeowner Association Bylaws. Once recorded, the developer can then begin selling condominium sites and building houses.

Consistent with final preliminary condominium approval, the storm water from the public streets will be collected and directed into a private retention basin owned and maintained by the homeowners association. The streets of Copperleaf Trail, Byram Circle and Riley Ridge will include landscaped median islands. The west side of Copperleaf Trail near West Milham Avenue and the north side of West Milham Avenue east of Copperleaf Trail are also proposed to include landscaped treatments. Furthermore, the Copperleaf median island nearest West Milham Avenue is proposed to include an identification sign in accordance with Section 42-545 of the Zoning Code. The homeowners association will maintain these improvements. Maintenance and indemnification agreements between the association and the City of Portage concerning the identification sign, landscaped areas in the public right-of-way and discharge of storm water from the public streets to the private basin have been prepared, reviewed and approved by the City Attorney.

In conformance with Section 42-921 of the Land Development Regulations and to ensure completion of the sidewalks and street trees, the developer has deposited with the city a surety bond in the amount

of 125 percent of the total construction costs. The amount of the surety bond has been reviewed by the City Administration and determined to be acceptable.

As such, it is recommended that final condominium approval be granted for the first phase of Copperleaf with the stipulation that sidewalks and street trees be installed by November 2017. Should the developer not complete the remaining public improvements, the developer can request an extension of time from the City Council or the surety will be used to complete the construction.

FUNDING: N/A

Attachments:

1. Condominium maps
2. Streetscape Enhancement Agreement
3. Storm Water Drainage Easement and Maintenance Agreement

KALAMAZOO COUNTY CONDOMINIUM SUBDIVISION PLAN No. _____

EXHIBIT "B" TO THE MASTER DEED OF

Copperleaf

CITY OF PORTAGE, KALAMAZOO COUNTY, MICHIGAN

ATTENTION COUNTY REGISTER OF DEEDS:
THE CONDOMINIUM SUBDIVISION PLAN NUMBER
MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE.
WHEN A NUMBER HAS BEEN ASSIGNED TO THIS
PROJECT, IT MUST BE PROPERLY SHOWN IN THE
TITLE ON THIS SHEET AND IN THE SURVEYOR'S
CERTIFICATE ON SHEET 2.

DEVELOPER:

WESTVIEW CAPITAL, L.L.C.
A MICHIGAN LIMITED LIABILITY COMPANY
2186 EAST CENTRE STREET
PORTAGE, MICHIGAN 49002

SURVEYOR:

INGERSOLL, WATSON & McMACHEN, INC.
RANDY B. LIGMAN
PROFESSIONAL SURVEYOR No. 28413
1133 EAST MILHAM ROAD
PORTAGE, MICHIGAN 49002

DESCRIPTION:

A parcel of land situated in the Southeast quarter of Section 6, Town 3 South, Range 11 West, City of Portage, Kalamazoo County, Michigan, being more particularly described as follows:

Commencing at the South quarter corner of Section 6, Town 3 South, Range 11 West, City of Portage, Kalamazoo County, Michigan; thence S. 89°47'30" E. 665.75 feet along the South line of the Southeast quarter of said Section 6 to the Place of Beginning; thence N. 00°02'09" E. 330.00 feet to the North line of the South 330.00 feet (perpendicular measure) of said Southeast quarter; thence N. 89°47'30" W. 333.66 feet along said North line; thence N. 09°45'30" E. 324.10 feet; thence Northeasterly 139.93 feet along the arc of a curve to the right having a radius of 2573.79 feet, and central angle of 3°06'54", and a chord of N. 11°18'57" E. 139.91 feet; thence S. 72°49'51" E. 217.50 feet; thence S. 61°31'09" E. 160.29 feet; thence Northeasterly 175.36 feet along the arc of a non-tangent curve to the right having a radius of 880.00 feet, a central angle of 11°25'03", and a chord of N. 32°32'24" E. 175.07 feet; thence Northeasterly 222.22 feet along the arc of a compound curve to the right having a radius of 830.00 feet, a central angle of 15°20'25", and a chord of N. 45°55'09" E. 221.56 feet; thence S. 46°56'28" E. 198.05 feet; thence N. 48°55'58" E. 139.66 feet; thence S. 64°55'31" E. 159.99 feet; thence S. 24°38'01" W. 147.65 feet; thence S. 13°54'52" E. 131.71 feet; thence S. 49°18'19" E. 149.20 feet to a point S. 89°47'30" E. 1494.93 feet (as measured along said South line) and N. 00°00'20" W. 481.30 feet from said South quarter corner of Section 6; thence S. 00°00'20" E. 201.57 feet to the North line of the South 279.73 feet (perpendicular measure) of said Southeast quarter; thence N. 89°47'30" W. 168.86 feet along said North line of the South 279.73 feet to the East line of the West half of said Southeast quarter; thence S. 00°00'48" W. 279.73 feet along said East line of the West half to said South line of the Southeast quarter; thence N. 89°47'30" W. 264.00 feet along said South line; thence N. 00°02'09" E. 330.00 feet to said North line of the South 330.00 feet (perpendicular measure) of said Southeast quarter; thence N. 89°47'30" W. 132.00 feet along said North line; thence S. 00°02'09" W. 330.00 feet to said South line; thence N. 89°47'30" W. 263.67 feet (measured at 264.18 feet) along said South line to the Place of Beginning, containing 15.74 acres of land. Parcel is subject to easements, restrictions, and conditions of record.

- SHEET INDEX:**
- 1) COVER SHEET
 - 2) SURVEY PLAN
 - 3) SITE PLAN
 - 4) UTILITY/EASEMENT PLAN

PRELIMINARY
(UNDER CITY REVIEW)

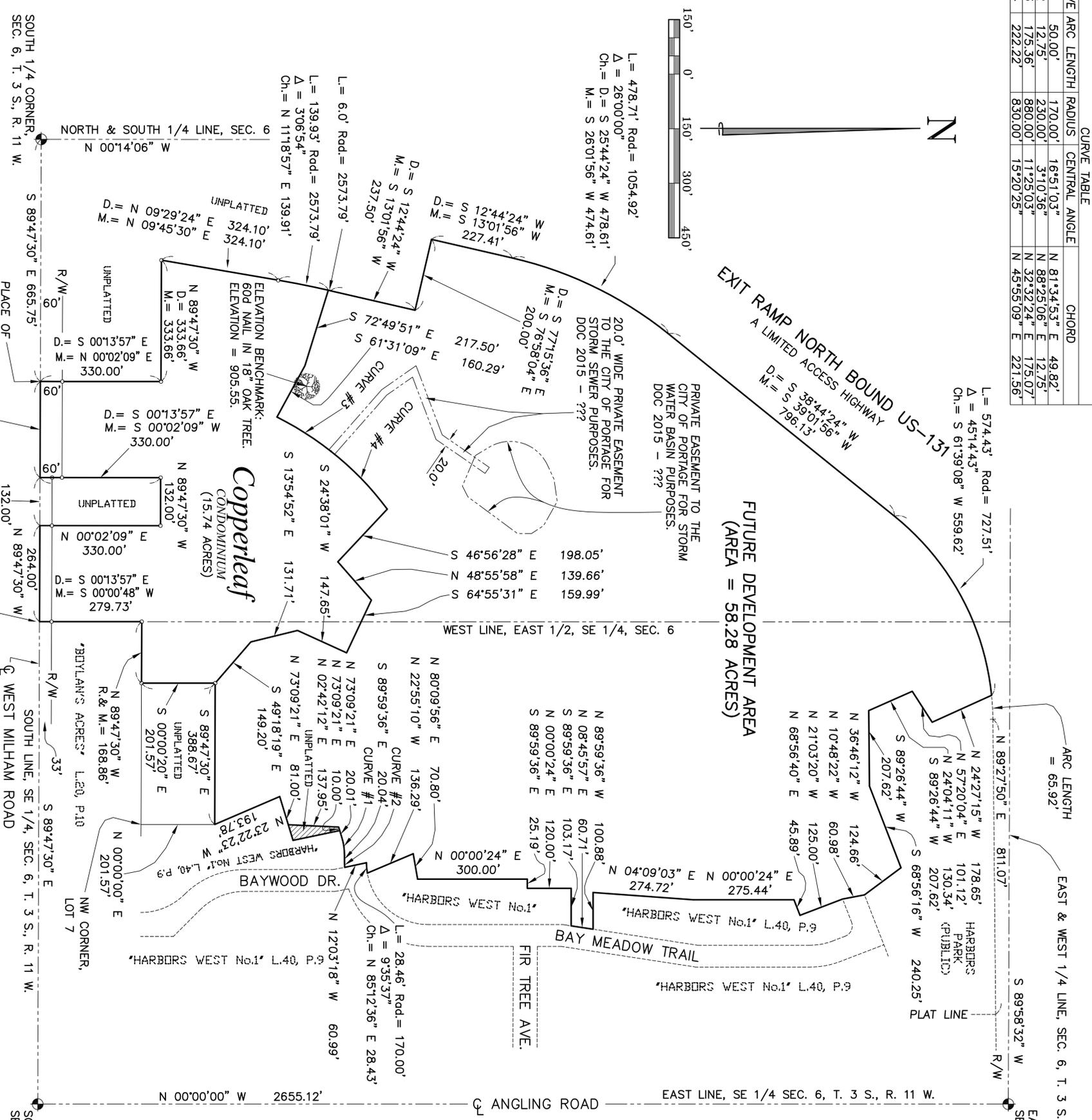
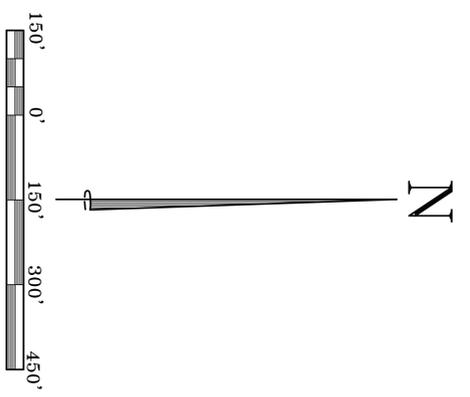
Copperleaf
in the City of Portage, Kalamazoo County, Michigan

PROPOSED 06/11/2015

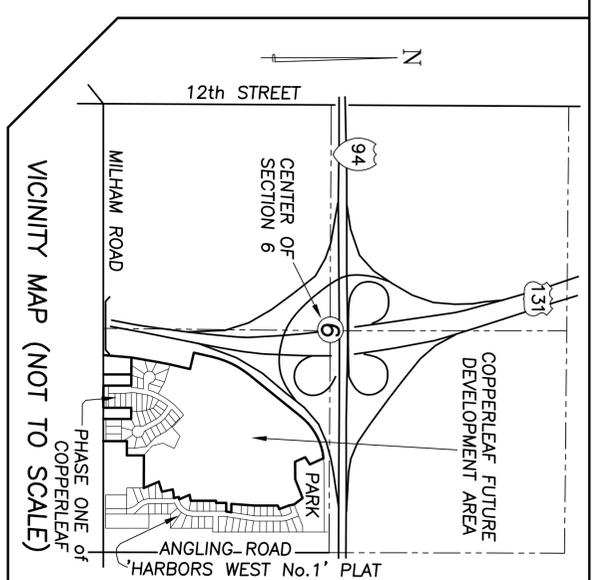


COVER SHEET	DATE	6/11/2015
	DRAWN BY	36273
Ingersoll, Watson & McMachen, Inc. CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS 1133 East Milham Road • Portage, Michigan 49002 • Area 269-344-6166 • Fax 269-344-0565		SHEET No. 1

CURVE TABLE				
CURVE #	ARC LENGTH	RADIUS	CENTRAL ANGLE	CHORD
#1	50.00'	170.00'	16°51'03"	N 81°34'53" E 49.82'
#2	12.75'	230.00'	3°10'36"	N 88°25'06" E 12.75'
#3	175.36'	880.00'	11°25'03"	N 32°32'24" E 175.07'
#4	222.22'	830.00'	15°20'25"	N 45°55'09" E 221.56'



- LEGEND**
- CONCRETE SURVEY MONUMENT
 - RECORD DIMENSION OR BEARING
 - MEASURED DIMENSION OR BEARING
 - DEED DIMENSION OR BEARING



- NOTES:**
- 1) THE BEARINGS SHOWN HEREON ARE BASED ON THE EAST LINE OF THE SOUTHEAST 1/4 OF SECTION 6 AS BEING N. 00°00'00" W.
 - 2) ALSO SEE SHEETS 3 AND 4 FOR EASEMENT LOCATIONS AND INFORMATION.
 - 3) THE ELEVATION DATUM AS SHOWN HEREON IS BASED ON U.S.G.S. DATUM AS PROMULGATED WITHIN THE CITY OF PORTAGE.

SURVEYOR'S CERTIFICATE:
 I, RANDY B. LIGMAN, PROFESSIONAL SURVEYOR IN THE STATE OF MICHIGAN HEREBY CERTIFY:

THAT THE SUBDIVISION PLAN KNOWN AS KALAMAZOO COUNTY CONDOMINIUM SUBDIVISION PLAN No. _____ AS SHOWN ON THE ACCOMPANYING DRAWINGS, REPRESENTS A SURVEY ON THE GROUND MADE UNDER MY DIRECTION, THAT THERE ARE NO ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED.
 THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED IN THE GROUND AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT No. 59 OF THE PUBLIC ACTS OF 1978.
 THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT No. 59 OF THE PUBLIC ACTS OF 1978.
 THAT THE BEARINGS AS SHOWN, ARE NOTED ON THE SURVEY PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT No. 59 OF THE PUBLIC ACTS OF 1978.

DATE OF SURVEY _____

RANDY B. LIGMAN
 PROFESSIONAL SURVEYOR No. 28413
 INGERSOLL, WATSON & MCMACHEN, INC.
 1133 EAST WILHAM ROAD
 PORTAGE, MI. 49002

PRELIMINARY
 (UNDER CITY REVIEW)

Copperleaf
 in the City of Portage, Kalamazoo County, Michigan

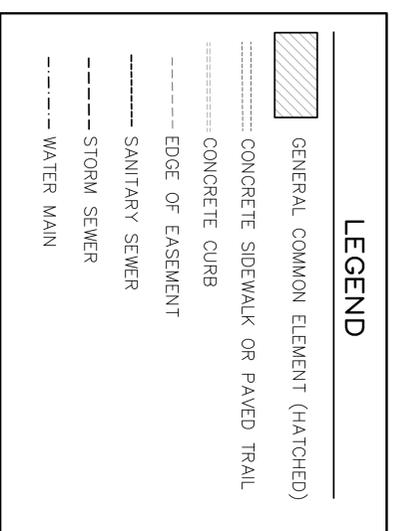
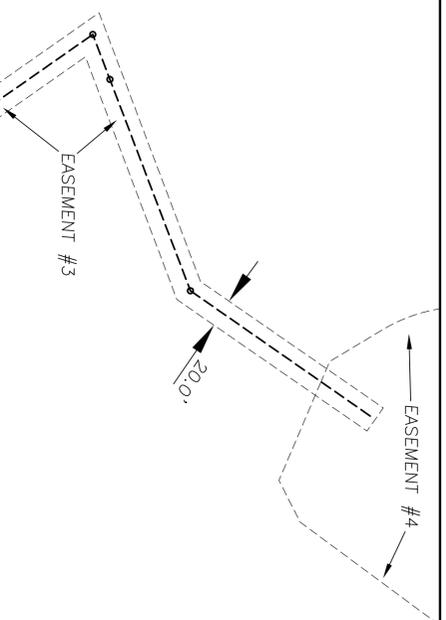
PROPOSED 06/11/2015



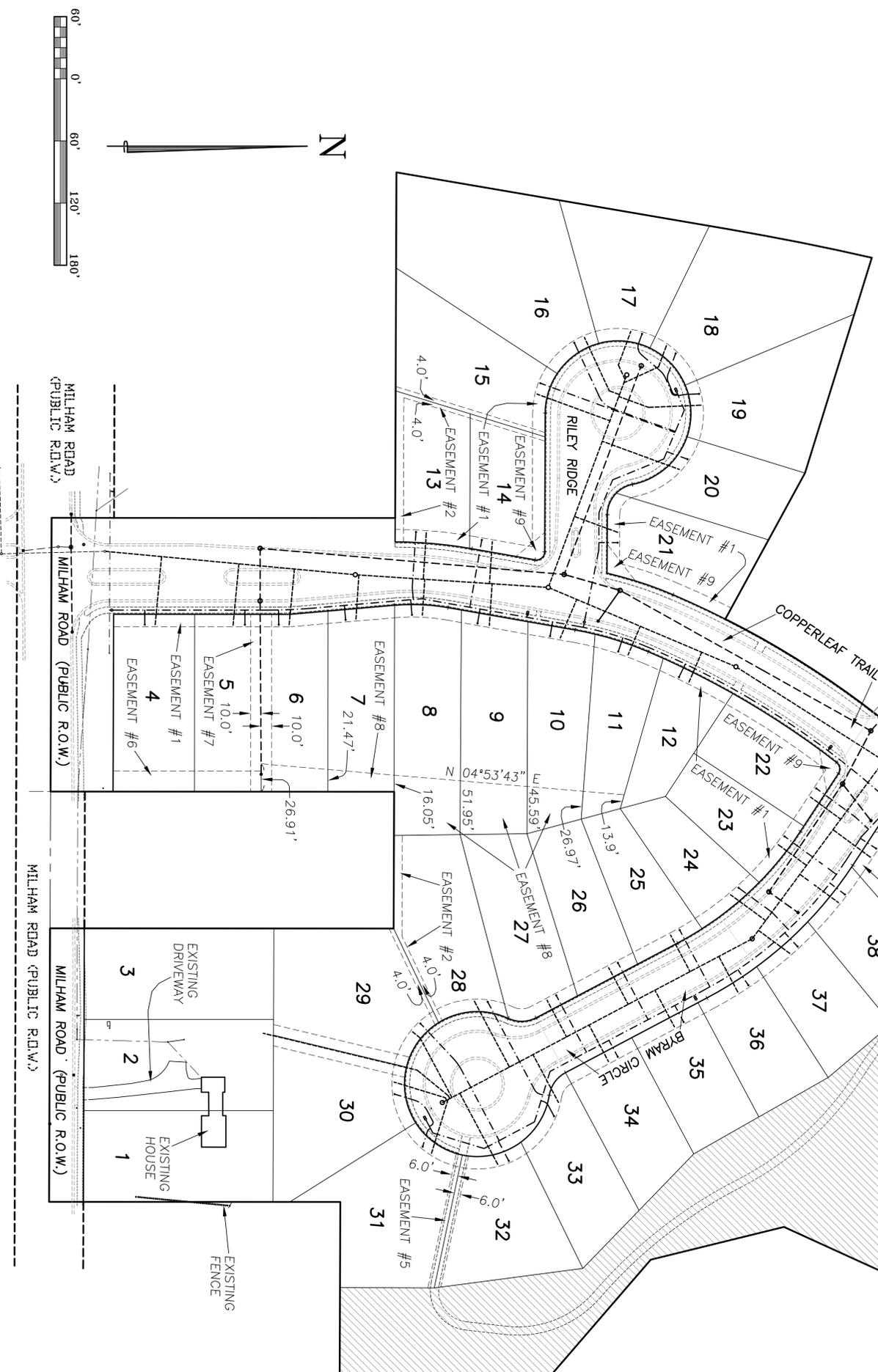
SURVEY PLAN	
DATE	6/11/2015
TAB No.	36273
SHEET No.	2

INGERSOLL, Watson & McMachen, Inc.
 CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS
 1133 East Wilham Road • Portage, Michigan 49002 • Area 269-944-6166 • Fax 269-944-0565

- NOTES:
- 1) STREETS WITHIN THE CONDOMINIUM PROJECT ARE PAVED ROADWAYS WITH CONCRETE CURBS AND MUST BE BUILT.
 - 2) PROPOSED CONCRETE SIDEWALKS MUST BE BUILT.
 - 3) THE IMPROVEMENTS SHOWN ARE BASED ON CONSTRUCTION PLANS DEVELOPED BY INGERSOLL, WATSON & MACHEN, INC.
 - 4) ANY EASEMENTS LOCATED WITHIN THE STREETS (SHOWN AS PUBLIC RIGHT-OF-WAY AREA) ARE NOT SHOWN HEREON.
 - 5) SHOWN EASEMENTS BASED ON CERTAIN INFORMATION PROVIDED BY THE DEVELOPER. ADDITIONAL EASEMENTS MAY ENCUMBER PROPERTY.
 - 6) ALL UNITS SHALL BE SERVICED BY ELECTRIC, GAS, TELEPHONE AND CABLE TELEVISION. THE LOCATION OF THE LINES WAS NOT AVAILABLE AT THE TIME OF PLAN PREPARATION.



- LISTING OF EASEMENTS:**
- EASEMENT #1: 12.0' WIDE PRIVATE EASEMENT FOR UTILITIES
 - EASEMENT #2: 8.0' WIDE PRIVATE EASEMENT TO THE COPPERLEAF CONDOMINIUM ASSOCIATION FOR WATER LINES
 - EASEMENT #3: 20.0' WIDE PRIVATE EASEMENT TO THE CITY OF PORTAGE FOR STORM SEWER PURPOSES. DOC #2015-
 - EASEMENT #4: PRIVATE EASEMENT TO THE CITY OF PORTAGE FOR STORM WATER DISPOSAL PURPOSES. DOC #2015-
 - EASEMENT #5: (ALSO SEE SHEET 2) 12.0' WIDE EASEMENT TO THE COPPERLEAF CONDOMINIUM ASSOCIATION FOR A PAVED TRAIL AND FOR PEDESTRIAN AND VEHICLE MAINTENANCE ACCESS.
 - EASEMENT #6: 20.0' WIDE PRIVATE EASEMENT TO THE COPPERLEAF CONDOMINIUM ASSOCIATION FOR WATER LINES
 - EASEMENT #7: 20.0' WIDE PRIVATE EASEMENT TO THE COPPERLEAF CONDOMINIUM ASSOCIATION FOR STORM SEWER PURPOSES.
 - EASEMENT #8: PRIVATE EASEMENT TO THE COPPERLEAF CONDOMINIUM ASSOCIATION FOR WATER LINES, GRADING, DRAINAGE, AND STORM SEWER PURPOSES.
 - EASEMENT #9: PRIVATE EASEMENT TO THE COPPERLEAF CONDOMINIUM ASSOCIATION FOR LANDSCAPING AND SIGNAGE



UTILITY OWNERS:

- SANITARY SEWER – CITY OF PORTAGE
- WATER MAIN – CITY OF PORTAGE
- STORM SEWER – CITY OF PORTAGE *
- STORM WATER BASIN – CONDOMINIUM BASIN
- GAS – CONSUMERS ENERGY
- ELECTRIC – CONSUMERS ENERGY
- TELEPHONE – A.T.&T.
- CABLE TELEVISION – COMCAST

*NOTE THAT STORM SEWER THAT IS LOCATED ON UNITS 4 OR 5 IS PRIVATE AND OWNED BY THE CONDOMINIUM ASSOCIATION

PRELIMINARY
(UNDER CITY REVIEW)

Copperleaf

in the City of Portage, Kalamazoo County, Michigan

UTILITY / EASEMENT PLAN

Ingersoll, Watson & McMachen, Inc.
CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS

1133 East Milham Road • Portage, Michigan 49002 • Area 269-344-6165 • Fax 269-344-0565

PROPOSED 06/11/2015



DATE	6/11/2015
SHEET No.	36273
SHEET No.	4

STREETSCAPE ENHANCEMENT AGREEMENT

This Agreement is made November ____, 2015, between the City of Portage, a Michigan municipal corporation ("City"), whose address is 7900 South Westnedge Avenue, Portage, Michigan 49002, and Copperleaf Condominium Homeowners Association, a Michigan non-profit corporation, ("Association"), whose address is 2186 East Centre Avenue, Portage, Michigan 49002 and Westview Capital LLC, a Michigan limited liability company, whose address is 2186 East Centre Avenue, Portage, Michigan 49002 ("Developer").

1. **Recitals.** The Association was formed for the purpose of, among other things, owning and maintaining the area where the Streetscape Improvements are located ("Streetscape improvements Area") in the Copperleaf Trail, Riley Ridge, and Byram Circle cul-de-sac median islands within Copperleaf subdivision (Exhibit A). Pursuant to a City Ordinance, construction and maintenance of certain subdivision development improvements must be approved by the City. The purpose of this Agreement is to comply with the City Ordinance. Developer is executing this Agreement solely for purposes of the Developer Guaranty set forth herein.

2. **Consideration.** The parties hereto hereby acknowledge that the mutual promises contained herein constitute adequate consideration.

3. **Streetscape Improvements.** The Streetscape Improvements shall include various deciduous and evergreen tree plantings, including bark mulch, flowering shrubs, electrical and irrigation control panels, and lawn will be installed in all other areas with an irrigation system to water same as depicted. (See attached Exhibit "A") The Association shall be solely and exclusively responsible for the establishment and all construction of any and all improvements to the Streetscape Improvement Area. All costs and expenses related to the establishment, and/or installation of all improvements to the Streetscape Improvement Area, including but not limited to installation of landscaping, irrigation and other features.

4. **Maintenance and Repair.** The Association shall be fully responsible for maintenance and repair of the Streetscape Improvements in the Streetscape Improvement Area. If the Association shall not, within thirty (30) days after notice from the City, make repairs to or maintain the island landscaping, the City shall be entitled to do so and attach the costs to the Association which, if not paid upon demand, shall become a lien on the property of each Association Member or in the

alternative, the City may remove some or all Streetscape Improvements and tax the cost to the Association which, if not paid upon demand, shall become a lien on the property of each Association Member. Any such lien shall accrue interest at a rate of one (1%) percent per month. In the event that, for any reason, the Association shall be dissolved, those who are Members of the Association upon dissolution shall remain liable for maintenance and repair of the Streetscape Improvements and Streetscape Improvements area.

5. **Indemnity.** The Association shall defend, indemnify and hold the City harmless from any and all liability as a result of any personal property damage or personal injury resulting from the Streetscape Improvements and shall provide evidence of insurance naming the City as an additional insured in an amount which reasonably protects the City. In the event that any such insurance shall not be maintained, the City shall have the right to remove some or all Streetscape Improvements and the provisions of paragraph 4 regarding the obligation of the Members of the Association to pay the cost thereof shall apply.

6. **City's Consent.** The Association may enter onto the Streetscape Improvements Area for the purpose of maintenance and repair. The Association and its members shall not use such areas in any unreasonable manner or in any manner that interferes with any use or rights of City.

7. **Benefit and Burden.** The covenants, conditions and agreements made and entered into by the parties hereto shall inure to the benefit of and shall be binding upon their respective successors and assigns.

8. **Notice to Association Members.** Westview Capital and the Copperleaf HOA agrees to include the maintenance and indemnity provisions hereof in the bylaws of the Association. Such provisions shall also include notice to the Association Members that as long as these provisions appear in the bylaws of the Association, the property of each Member shall be subject to the lien provision hereof.

9. **Developer Guaranty.** The Developer agrees that it shall guarantee and be Responsible for the obligations of the Association concerning maintenance and repair of the Streetscape Improvements as well as the indemnity provision until 90% of the lots to be established in Copperleaf are sold and the purchaser of such lot has become a member of the Association.

10. **Future Development.** The Developer and Association agree to include provisions in the Covenants, Conditions and Restrictions (The Copperleaf Bylaws) applicable to development within Copperleaf that the property of each Member of the Association shall be subject to a lien in favor of the City in the event the Association fails to fulfill its obligations hereunder.

11. **Modifications.** No change, modification, supplement or addition to any part of this Agreement, including this paragraph, nor any change, modification, supplement or addition to any Covenants, Conditions and Restrictions applicable to development within Copperleaf concerning maintenance and repair of the streetscape, nor responsibility of the individual members regarding same shall be binding unless in

writing and consented to by the City.

This instrument shall be binding and inure to the benefit of the party hereto their heirs, successors and assigns.

IN WITNESS WHEREOF this agreement has been signed

Westview Capital, LLC, a Michigan
Limited Liability Company

By: Thomas Larabel
Its: Vice President

State of Michigan)
) SS
County of Kent)

On this _____ day of November, 2015, before me, a notary public in and for said County, personally appeared Thomas Larabel, known to me to be the same person who executed the foregoing instrument and who acknowledge the same to be their free act and deed.

Notary Public

Signed name: _____,

Printed name:

Kent County, Michigan
My Commission Expires:

Acting in _____

County, Michigan

Copperleaf Condominium
Homeowners Association

By: Kenton Mann
Its: Authorized Agent

State of Michigan)
) SS
County of Kalamazoo)

On this _____ day of November, 2015, before me, a notary public in and for said County, personally appeared Kenton Mann, known to me to be the same person who executed the foregoing instrument and who acknowledge the same to be their free act and deed.

Notary Public

County, Michigan

Signed name: _____,

Printed name:

Kalamazoo County, Michigan
My Commission Expires:

Acting in _____

STORM WATER DRAINAGE EASEMENT AND MAINTENANCE AGREEMENT

This agreement, dated November _____, 2015 between the City of Portage ("City"), whose address is 7900 South Westnedge Avenue, Portage, Michigan 49024 and Westview Capital, LLC, a Michigan Limited Liability Company, whose address is 2186 East Centre Avenue, Portage, Michigan 49002. ("Westview Capital") and Copperleaf HOA, a Michigan non-profit corporation whose address is 2186 East Centre Avenue, Portage, Michigan 49002 ("Association"), as follows:

1. Recitals. The Association has been formed to, among other things, maintain a stormwater retention basin ("Basin") on property described on Exhibit A attached hereto. Westview Capital has now developed a proposed subdivision more particularly described on Exhibit B attached hereto. The said proposed subdivision is to be known as Copperleaf (and shall be hereinafter referred to as the "Site Condominium"). In connection therewith, Westview Capital has agreed to grant the City a permanent easement and right to discharge stormwater from the public rights-of-way into the Basin and the Association has agreed to be fully responsible for maintenance and repair of the Basin. This Agreement sets forth the rights and responsibilities of the parties with respect to the Basin.
2. Consideration. This Agreement is made in consideration of the payment to the Association of the sum of Ten Dollars (\$10.00) and the terms and conditions set forth herein.
3. Grant of Drainage Rights. Westview Capital hereby grants and conveys to the City, its successors and assigns, a permanent easement and right to discharge storm water from the public rights-of-way into the Basin. The Easement includes the right, if necessary, to construct, replace, repair and maintain the storm sewer structures leading to the Basin. The structures are located on the Premises described on Exhibit A as above stated.
4. Maintenance. The Association shall be fully responsible for maintenance and repair of the Basin. If the Association shall not, within thirty (30) days after notice from the City of Portage ("City") make repairs to the Basin, the City shall be entitled to do so and tax the cost to the Association which, if not paid upon demand, shall become a lien on the property of each Association Member and such lien shall accrue interest at the rate of one (1%) percent per month. In the event that, for any reason, the Association shall be dissolved, those who are Members of the Association upon dissolution shall remain liable for such maintenance and repair of the Basin.

5. Indemnity. The Association agrees to defend, indemnify and hold the City harmless from any and all loss, costs, expenses, damage, or claim of whatever name or nature, arising out of activities connected to the Basin, including overflow, whether authorized or unauthorized by the Association, and not in any way related to activities conducted by the City or its designated representatives, and shall provide evidence of insurance naming the City as an additional insured in an amount which reasonably protects the City. In the event that any such insurance shall not be maintained, the City shall have the right to remove some or all Streetscape Improvements and the provisions of paragraph 4 regarding the obligation of the Members of the Association to pay the cost thereof shall apply.
6. Benefit and Burden. The covenants, conditions and agreements made and entered into by the parties here to shall inure to the benefit of and shall be binding upon their respective successors and assigns.
7. Notice to Association Members. Westview Capital and the Copperleaf HOA agrees to include the maintenance and indemnity provisions hereof in the bylaws of the Association. Such provisions shall also include notice to the Association Members that as long as these provisions appear in the bylaws of the Association, the property of each Member shall be subject to the lien provision hereof.
8. Access. The City shall have the right to enter the Premises described on Exhibit A to conduct such activities as are reasonably necessary to assure it's continued ability to use the Basin as a means of aiding stormwater drainage.
9. Developer Guaranty The Developer agrees that it shall guarantee and be Responsible for the obligations of the Association concerning maintenance and repair of the Storm Water Retention Basin as well as the indemnity provision until 90% of the lots to be established in Copperleaf are sold and the purchaser of such lot has become a member of the Association.
10. Future Development. The Developer and Association agree to include provisions in the Covenants, Conditions and Restrictions (The Copperleaf Bylaws) applicable to development within Copperleaf that the property of each Member of the Association shall be subject to a lien in favor of the City in the event the Association fails to fulfill its obligations hereunder.
11. Amendments. No change, modification, supplement, or addition to any part of this Agreement, including this paragraph, nor any change, modification or supplement, or addition to any restriction of the subdivision or bylaws of the Association concerning maintenance and repair of the entrance area, nor responsibility of the Association or individual members regarding the entrance area shall be binding unless in writing and consented to by the City.

This instrument shall be binding and inure to the benefit of the party hereto their heirs, successors and assigns.

This easement is exempt from transfer tax pursuant to MCL 207.505(5)(a) and MCL 207.526(6)(a).

IN WITNESS WHEREOF this agreement has been signed

Westview Capital, LLC, a Michigan
Limited Liability Company

By: Thomas Larabel
Its: Vice President

State of Michigan)
) SS
County of Kent)

On this _____ day of November, 2015, before me, a notary public in and for said County, personally appeared Thomas Larabel, known to me to be the same person who executed the foregoing instrument and who acknowledge the same to be their free act and deed.

Notary Public

Signed name: _____,

Printed name:

Kent County, Michigan
My Commission Expires:

Acting in _____

County, Michigan

Copperleaf Condominium
Homeowners Association

By: Kenton Mann
Its: Authorized Agent

State of Michigan)
) SS
County of Kalamazoo)

On this _____ day of November, 2015, before me, a notary public in and for said County, personally appeared Kenton Mann, known to me to be the same person who executed the foregoing instrument and who acknowledge the same to be their free act and deed.

Notary Public

Signed name: _____,

Printed name:

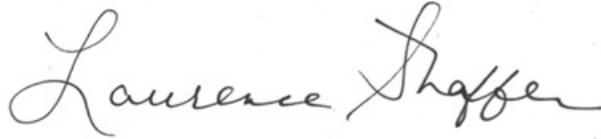
Kalamazoo County, Michigan
My Commission Expires:

Acting in _____

County, Michigan

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: 2015 LDFA Bond Refunding Resolutions

SUPPORTING PERSONNEL: William Furry, Finance Director

ACTION RECOMMENDED: That City Council adopt:

1. Resolution Authorizing Limited Tax Pledge to Payment of 2015 Tax Increment Refunding Bonds of the Local Finance Development Authority of the City of Portage, and
2. Resolution approving the Undertaking to Provide Continuing Disclosure by the City of Portage for the 2015 Tax Increment Refunding Bonds of the Local Development Finance Authority of the City of Portage.

In 2004, the city sold Local Development Finance Authority (LDFA) bonds to finance the purchase and conveyance of 80 acres of land within the city at a total cost of \$3,150,000. The land was purchased to facilitate development of manufacturing facilities in the city, specifically Stryker Medical. The interest rates associated with that bond series ranged from 6.10% to 6.35%. These bonds will become callable on January 1, 2016 and refunding of the bonds is expected to yield a present value savings of approximately \$409,552 over the period of 2016 to 2030.

The attached bond resolutions were prepared by the city's bond counsel, John Axe. The resolutions will initiate the legal process required to refinance existing the LDFA bonds. Bids will be taken on or about November 19, 2015 and the bid results will be reported to City Council soon thereafter.

FUNDING: N/A

Attachments:

1. Limited Tax Pledge Resolution
2. Continuing Disclosure Resolution
3. Preliminary Refunding Analysis
4. Refunding Bond Resolutions as approved by the LDFA Board on October 26, 2015

CITY OF PORTAGE

At a _____ meeting of the City Council of the City of Portage, County of Kalamazoo, held in the City Hall, 7900 South Westnedge Avenue, in Portage, Michigan, on _____, 2015 at __:__ __.m. Eastern Standard Time, there were:

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and was seconded by _____:

**RESOLUTION AUTHORIZING LIMITED TAX PLEDGE
TO PAYMENT OF 2015 TAX INCREMENT REFUNDING BONDS (TAXABLE)
OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF PORTAGE**

WHEREAS, the City Council of the City of Portage (the "City") has created the Local Development Finance Authority of the City of Portage (the "Authority"), pursuant to the requirements of Act. No. 281 of the Public Acts of Michigan of 1986, as amended ("Act 281"); and

WHEREAS, on May 27, 2004, the Local Development Finance Authority of the City of Portage (the "Authority") pursuant to Act No. 281, Public Acts of Michigan, 1986, as amended (the "Act"), and pursuant the Amended Tax Increment Finance Plan and the Amended Development Plan (together the "Plan") issued its \$3,150,000 Local Development Finance Authority of the City of Portage 2004 Tax Increment Bonds, dated May 1, 2004 (the "2004 Bonds"), of which \$2,800,000 remains outstanding; and

WHEREAS, the Authority may call \$2,650,000 of the 2004 Bonds on January 1, 2016; and

WHEREAS, the 2004 Bonds were issued at a time when interest rates were higher than is currently the case and, accordingly, bear rates of interest in excess of current tax-exempt interest rates; and

WHEREAS, the Authority has determined that it is necessary and appropriate at this time to issue a series of 2015 Tax Increment Refunding Bonds (Taxable) pursuant to Act 281 and Act

No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") in order to achieve debt service savings to the Authority and the City; and

WHEREAS, pursuant to the Refunding Bond Resolution, the 2015 Tax Increment Refunding Bonds issued by the Authority are to be payable primarily from tax increment revenues to be received by the Authority (the "Tax Increment Revenues") pursuant to the Act and the Plan; and

WHEREAS, the City Clerk has presented to the City Council a Refunding Bond Resolution to be adopted by the Authority on October 26, 2015, which Bond Resolution contains the form of Authority's proposed issue of 2015 Tax Increment Refunding Bonds (Taxable) in the aggregate principal amount of not to exceed \$3,000,000 (the "Refunding Bonds"), the proceeds of which are to be used to refund the Authority's 2004 Tax Increment Bonds maturing in the years 2017 through 2030 and certain financing and bond issuance costs.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, as follows:

1. The City Council hereby approves the Authority's Refunding Bond Resolution and the form of the Refunding Bonds contained therein, as submitted to the City Council.

2. As permitted by Section 14 of Act 281, the City hereby makes a limited tax pledge in support of and as additional security for the payment of the principal of and interest on the Refunding Bonds. In the event and to the extent that the tax increment revenues pledged for the payment of the Refunding Bonds shall not be sufficient to pay such principal and interest when due, the City will advance from its general fund sufficient moneys to pay such principal and interest. The City's ability to raise such funds shall be subject to constitutional, charter and statutory limitations on the taxing power of the City.

3. The Finance Director of the City is hereby directed to make an annual determination, when preparing the City budget, whether there will be sufficient tax increment revenues during the ensuing fiscal year to pay the principal and interest on the Refunding Bonds. In case of a determination that there are or will be insufficient tax increment revenues to meet the Authority's payment obligations on the Refunding Bonds, the Finance Director shall notify the City Council of such determination and the City Council shall include in the budget for the ensuing fiscal year a sum sufficient to cover the amount of any such insufficiency.

4. Should any section, clause, or phrase of this resolution be declared to be invalid, or should the Refunding Bond Resolution of the Authority be amended insubstantially, the

same shall not affect the validity of the resolution as a whole, or any part thereof other than the part declared to be invalid.

5. The Meeting Notice posted by the City Clerk pursuant to Section 308 of Act 34, Public Acts of Michigan, 2001, as amended, and attached hereto as Exhibit 1, is hereby approved.

6. All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

7. This Resolution shall take effect as soon as the Bond Resolution is approved by the Authority.

The results of a roll-call vote on the foregoing resolution were as follows:

YES: _____

NO: _____

ABSTAIN: _____

THE RESOLUTION WAS THEREUPON DECLARED ADOPTED.

CITY CLERK'S CERTIFICATE

The undersigned, being the duly qualified and acting Clerk of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution adopted by the City Council at a _____ meeting held on _____, 2015, at which meeting a quorum was present and remained throughout; (2) the original thereof is on file in the records of the proceedings of the City Council in my office; (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended); and (4) minutes of such meeting were kept and will be or have been made available as thereby required.

James R. Hudson, City Clerk

EXHIBIT 1

MEETING NOTICE

**CITY COUNCIL OF THE CITY OF PORTAGE
COUNTY OF KALAMAZOO, STATE OF MICHIGAN**

At the meeting of the City Council of the City of Portage, Kalamazoo County, Michigan to be held on November 3, 2015 at 7:30 p.m., Eastern Standard Time at 7900 South Westnedge Ave., Portage, Michigan 49002, the City Council will consider the Resolution Authorizing Limited Tax Pledge to Payment of 2015 Tax Increment Refunding Bonds (Taxable) of the Local Development Finance Authority of the City of Portage, which Refunding Bonds pledge the City's limited tax full faith and credit.

This notice is given pursuant to the requirements of Section 308, Act 34, Public Acts of Michigan, 2001, as amended.

James R. Hudson, City Clerk
City of Portage

Las.r1-por221

CITY OF PORTAGE

At a _____ meeting of the Council of the City of Portage held at 7900 South Westnedge Ave., Portage, Michigan, 49002 on _____, 2015 at __:__ __.m. Eastern Standard Time, there were:

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by _____ and seconded by _____.

RESOLUTION APPROVING THE UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE BY THE CITY OF PORTAGE

WHEREAS, the City of Portage (the "City") by resolution of its Council has approved its limited tax pledge for the Local Development Finance Authority of the City of Portage (the "Authority") 2015 Tax Increment Refunding Bonds (Taxable) in the principal amount of not to exceed \$3,000,000 (the "Bonds"); and

WHEREAS, Bond Counsel, in order to comply with federal securities regulations, has prepared this resolution.

NOW, THEREFORE, IT IS RESOLVED BY THE COUNCIL OF THE CITY OF PORTAGE as follows:

1. This Council, for and on behalf of the City of Portage, hereby covenants and agrees, for the benefit of the beneficial owners of the Bonds to be issued by the Authority for the Project, to enter into a written undertaking (the "Undertaking") required by Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be substantially in the form attached to the official statement for the Bonds. The Undertaking shall be enforceable by the beneficial owners of the Bonds or by the Underwriter on behalf of such beneficial owners (provided that the Underwriter's right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder and under the Undertaking), and any failure by the City to comply with the provisions of the Undertaking shall not be deemed a default with respect to the Bonds.

The Mayor, City Finance Director, City Clerk and/or other officer of the City shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the terms of the City's Undertaking.

2. All resolutions, or portions thereof, insofar as they may be in conflict with the foregoing, are hereby rescinded.

A vote on the foregoing resolution was taken and was as follows:

YES: _____

NO: _____

ABSTAIN: _____

CERTIFICATION

The undersigned, being the duly qualified and acting Clerk of the City of Portage, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Council of the City of Portage at a _____ meeting held on _____, 2015, at which meeting a quorum was present and remained throughout, (2) that an original thereof is on file in the records of the City, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Clerk, City of Portage

SEAL

las.rc-por221



Preliminary

\$2,740,000
Local Development Finance Authority of the
City of Portage - 2015 Tax Increment Refunding Bonds
(Taxable)

(Refunds 2004 Tax Increment Bonds)

NET SOURCES AND USES

Dated Date: 12/01/15
Closing Date: 12/10/15

Sources:

Bond Proceeds	\$2,740,000.00
Underwriter's Premium	0.00
Accrued Interest	2,527.50
	<hr/>
	<u>\$2,742,527.50</u>

Uses:

Escrow Fund	\$2,650,000.00
Costs of Issuance	60,000.00
Underwriter's Discount	27,400.00
Interest Account	2,527.50
Available Amount	2,600.00
	<hr/>
	<u>\$2,742,527.50</u>

Net Savings:	\$409,552.50
Present Value Savings:	\$320,002.00
Percent of refunded par:	12.076%



\$2,740,000
Local Development Finance Authority of the
City of Portage - 2015 Tax Increment Refunding Bonds
(Taxable)

NEW DEBT SERVICE

<u>Date</u>	<u>Principal</u>	<u>Price</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Fiscal Total</u>
07/01/16				\$58,975.00	\$58,975.00	
01/01/17	\$180,000.00	100.000%	3.000%	50,550.00	230,550.00	\$289,525.00
07/01/17				47,850.00	47,850.00	
01/01/18	180,000.00	100.000%	3.000%	47,850.00	227,850.00	275,700.00
07/01/18				45,150.00	45,150.00	
01/01/19	180,000.00	100.000%	3.000%	45,150.00	225,150.00	270,300.00
07/01/19				42,450.00	42,450.00	
01/01/20	225,000.00	100.000%	3.000%	42,450.00	267,450.00	309,900.00
07/01/20				39,075.00	39,075.00	
01/01/21	220,000.00	100.000%	3.500%	39,075.00	259,075.00	298,150.00
07/01/21				35,225.00	35,225.00	
01/01/22	215,000.00	100.000%	3.500%	35,225.00	250,225.00	285,450.00
07/01/22				31,462.50	31,462.50	
01/01/23	210,000.00	100.000%	4.000%	31,462.50	241,462.50	272,925.00
07/01/23				27,262.50	27,262.50	
01/01/24	205,000.00	100.000%	4.000%	27,262.50	232,262.50	259,525.00
07/01/24				23,162.50	23,162.50	
01/01/25	200,000.00	100.000%	4.000%	23,162.50	223,162.50	246,325.00
07/01/25				19,162.50	19,162.50	
01/01/26	195,000.00	100.000%	4.000%	19,162.50	214,162.50	233,325.00
07/01/26				15,262.50	15,262.50	
01/01/27	190,000.00	100.000%	4.000%	15,262.50	205,262.50	220,525.00
07/01/27				11,462.50	11,462.50	
01/01/28	185,000.00	100.000%	4.000%	11,462.50	196,462.50	207,925.00
07/01/28				7,762.50	7,762.50	
01/01/29	180,000.00	100.000%	4.250%	7,762.50	187,762.50	195,525.00
07/01/29				3,937.50	3,937.50	
01/01/30	175,000.00	100.000%	4.500%	3,937.50	178,937.50	182,875.00
	<u>\$2,740,000.00</u>			<u>\$807,975.00</u>	<u>\$3,547,975.00</u>	<u>\$3,547,975.00</u>

Dated Date:	12/01/15	Principal:	\$2,740,000.00
Closing Date:	12/10/15	Accrued Interest:	2,527.50
Arbitrage Yield:	5.037673%	Credit Enhancement:	0.00
N.I.C.:	0.000000%	Orig Issue Prem/(Disc):	0.00
T.I.C.:	0.000000%		
			<u>\$2,742,527.50</u>



\$2,740,000
Local Development Finance Authority of the
City of Portage - 2015 Tax Increment Refunding Bonds

ARBITRAGE YIELD WORKSHEET

Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Total	5.03767%
						Present Value Debt Service
07/01/16			\$58,975.00	\$58,975.00		\$57,359.30
01/01/17	\$180,000.00	3.000%	50,550.00	230,550.00	\$289,525.00	218,724.46
07/01/17			47,850.00	47,850.00		44,280.30
01/01/18	180,000.00	3.000%	47,850.00	227,850.00	275,700.00	205,671.41
07/01/18			45,150.00	45,150.00		39,753.83
01/01/19	180,000.00	3.000%	45,150.00	225,150.00	270,300.00	193,370.19
07/01/19			42,450.00	42,450.00		35,562.44
01/01/20	225,000.00	3.000%	42,450.00	267,450.00	309,900.00	218,551.02
07/01/20			39,075.00	39,075.00		31,146.23
01/01/21	220,000.00	3.500%	39,075.00	259,075.00	298,150.00	201,431.97
07/01/21			35,225.00	35,225.00		26,714.70
01/01/22	215,000.00	3.500%	35,225.00	250,225.00	285,450.00	185,108.45
07/01/22			31,462.50	31,462.50		22,703.10
01/01/23	210,000.00	4.000%	31,462.50	241,462.50	272,925.00	169,956.55
07/01/23			27,262.50	27,262.50		18,717.60
01/01/24	205,000.00	4.000%	27,262.50	232,262.50	259,525.00	155,546.41
07/01/24			23,162.50	23,162.50		15,130.83
01/01/25	200,000.00	4.000%	23,162.50	223,162.50	246,325.00	142,198.42
07/01/25			19,162.50	19,162.50		11,910.28
01/01/26	195,000.00	4.000%	19,162.50	214,162.50	233,325.00	129,840.34
07/01/26			15,262.50	15,262.50		9,025.85
01/01/27	190,000.00	4.000%	15,262.50	205,262.50	220,525.00	118,404.58
07/01/27			11,462.50	11,462.50		6,449.63
01/01/28	185,000.00	4.000%	11,462.50	196,462.50	207,925.00	107,827.91
07/01/28			7,762.50	7,762.50		7,762.50
01/01/29	180,000.00	4.250%	7,762.50	187,762.50	195,525.00	187,762.50
07/01/29			3,937.50	3,937.50		3,937.50
01/01/30	175,000.00	4.500%	3,937.50	178,937.50	182,875.00	178,937.50
<u>\$2,740,000.00</u>			<u>\$807,975.00</u>	<u>\$3,547,975.00</u>	<u>\$3,547,975.00</u>	<u>\$2,743,785.80</u>

Dated Date: 12/01/15
 Closing Date: 12/10/15
 Arbitrage Yield: 5.037673%

Principal: \$2,740,000.00
 Accrued Interest: 2,527.50
 Credit Enhancement: 0.00
 Orig Issue Prem/(Disc): 0.00

\$2,742,527.50



\$2,740,000
Local Development Finance Authority of the
City of Portage - 2015 Tax Increment Refunding Bonds

NET PRESENT VALUE SAVINGS ANALYSIS

Net Present Value Savings/(Loss): \$320,002.00

Date	Outstanding Debt Service	Remaining Non-Refunded Debt-Service	New Debt Service	Net Savings/(Loss)	Fiscal Net Savings/(Loss)	5.03767% Present Value Savings/(Loss)
01/01/16	\$237,500.00	\$237,500.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/16	82,925.00		56,447.50 *	26,477.50		25,821.36
01/01/17	232,925.00		230,550.00	2,375.00	28,852.50	2,253.18
07/01/17	78,350.00		47,850.00	30,500.00		28,224.64
01/01/18	228,350.00		227,850.00	500.00	31,000.00	451.33
07/01/18	73,775.00		45,150.00	28,625.00		25,203.84
01/01/19	223,775.00		225,150.00	(1,375.00)	27,250.00	(1,180.92)
07/01/19	69,200.00		42,450.00	26,750.00		22,409.78
01/01/20	269,200.00		267,450.00	1,750.00	28,500.00	1,430.04
07/01/20	63,100.00		39,075.00	24,025.00		19,150.05
01/01/21	263,100.00		259,075.00	4,025.00	28,050.00	3,129.46
07/01/21	56,850.00		35,225.00	21,625.00		16,400.43
01/01/22	256,850.00		250,225.00	6,625.00	28,250.00	4,900.96
07/01/22	50,600.00		31,462.50	19,137.50		13,809.47
01/01/23	250,600.00		241,462.50	9,137.50	28,275.00	6,431.55
07/01/23	44,350.00		27,262.50	17,087.50		11,731.76
01/01/24	244,350.00		232,262.50	12,087.50	29,175.00	8,095.01
07/01/24	38,100.00		23,162.50	14,937.50		9,757.87
01/01/25	238,100.00		223,162.50	14,937.50	29,875.00	9,518.13
07/01/25	31,750.00		19,162.50	12,587.50		7,823.65
01/01/26	231,750.00		214,162.50	17,587.50	30,175.00	10,662.78
07/01/26	25,400.00		15,262.50	10,137.50		5,995.06
01/01/27	225,400.00		205,262.50	20,137.50	30,275.00	11,616.21
07/01/27	19,050.00		11,462.50	7,587.50		4,269.27
01/01/28	219,050.00		196,462.50	22,587.50	30,175.00	12,397.09
07/01/28	12,700.00		7,762.50	4,937.50		4,937.50
01/01/29	212,700.00		187,762.50	24,937.50	29,875.00	24,937.50
07/01/29	6,350.00		3,937.50	2,412.50		2,412.50
01/01/30	206,350.00		178,937.50	27,412.50	29,825.00	27,412.50
	<u>\$4,192,500.00</u>	<u>\$237,500.00</u>	<u>\$3,545,447.50</u>	<u>\$409,552.50</u>	<u>\$409,552.50</u>	<u>\$320,002.00</u>

* Less accrued interest.



\$3,150,000
Local Development Finance Authority of the
City of Portage - 2004 Tax Increment Bonds
(Taxable)

REMAINING ORIGINAL DEBT SERVICE SCHEDULE

						5.03767%
Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Total	Present Value Debt Service
01/01/16	\$150,000.00	6.100%	\$87,500.00	\$237,500.00	\$237,500.00	\$236,811.72
07/01/16			82,925.00	82,925.00		80,653.16
01/01/17	150,000.00	6.100%	82,925.00	232,925.00	315,850.00	220,977.64
07/01/17			78,350.00	78,350.00		72,504.94
01/01/18	150,000.00	6.100%	78,350.00	228,350.00	306,700.00	206,122.74
07/01/18			73,775.00	73,775.00		64,957.67
01/01/19	150,000.00	6.100%	73,775.00	223,775.00	297,550.00	192,189.27
07/01/19			69,200.00	69,200.00		57,972.23
01/01/20	200,000.00	6.100%	69,200.00	269,200.00	338,400.00	219,981.06
07/01/20			63,100.00	63,100.00		50,296.29
01/01/21	200,000.00	6.250%	63,100.00	263,100.00	326,200.00	204,561.42
07/01/21			56,850.00	56,850.00		43,115.13
01/01/22	200,000.00	6.250%	56,850.00	256,850.00	313,700.00	190,009.42
07/01/22			50,600.00	50,600.00		36,512.57
01/01/23	200,000.00	6.250%	50,600.00	250,600.00	301,200.00	176,388.10
07/01/23			44,350.00	44,350.00		30,449.36
01/01/24	200,000.00	6.250%	44,350.00	244,350.00	288,700.00	163,641.42
07/01/24			38,100.00	38,100.00		24,888.70
01/01/25	200,000.00	6.350%	38,100.00	238,100.00	276,200.00	151,716.54
07/01/25			31,750.00	31,750.00		19,733.93
01/01/26	200,000.00	6.350%	31,750.00	231,750.00	263,500.00	140,503.12
07/01/26			25,400.00	25,400.00		15,020.91
01/01/27	200,000.00	6.350%	25,400.00	225,400.00	250,800.00	130,020.79
07/01/27			19,050.00	19,050.00		10,718.90
01/01/28	200,000.00	6.350%	19,050.00	219,050.00	238,100.00	120,225.00
07/01/28			12,700.00	12,700.00		12,700.00
01/01/29	200,000.00	6.350%	12,700.00	212,700.00	225,400.00	212,700.00
07/01/29			6,350.00	6,350.00		6,350.00
01/01/30	200,000.00	6.350%	6,350.00	206,350.00	212,700.00	206,350.00
	<u>\$2,800,000.00</u>		<u>\$1,392,500.00</u>	<u>\$4,192,500.00</u>	<u>\$4,192,500.00</u>	<u>\$3,298,072.02</u>



\$3,150,000
Local Development Finance Authority of the
City of Portage - 2004 Tax Increment Bonds
(Taxable)

REMAINING NON-REFUNDED ORIGINAL DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Fiscal Total</u>	<u>5.03767% Present Value Debt Service</u>
01/01/16	\$150,000.00	6.100%	\$87,500.00	\$237,500.00	\$237,500.00	\$236,811.72
	<u>\$150,000.00</u>		<u>\$87,500.00</u>	<u>\$237,500.00</u>	<u>\$237,500.00</u>	<u>\$236,811.72</u>



\$3,150,000
Local Development Finance Authority of the
City of Portage - 2004 Tax Increment Bonds
(Taxable)

REDEMPTION SCHEDULE

Redemption Premium: 0.00%

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Redeemed Principal</u>	<u>Redemption Premium</u>	<u>Total Debt Service</u>	<u>Fiscal Total</u>	<u>5.03767% Present Value</u>
01/01/16	\$0.00	\$0.00	\$2,650,000.00	\$0.00	\$2,650,000.00	\$2,650,000.00	\$2,642,320.21
	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2,650,000.00</u>	<u>\$0.00</u>	<u>\$2,650,000.00</u>	<u>\$2,650,000.00</u>	<u>\$2,642,320.21</u>



\$3,150,000
Local Development Finance Authority of the
City of Portage - 2004 Tax Increment Bonds
(Taxable)

ESCROW CASH FLOW ANALYSIS

December 10, 2015 Beginning Cash Balance: \$2,650,000.00 *

Date	Beginning Cash Balance	SLGS Principal	SLGS Rate	SLGS Interest	SLGS Total	Debt Service Defeasance	Ending Cash Balance	0.00000% Present Value
12/10/15	\$2,650,000.00						\$2,650,000.00	
01/01/16	2,650,000.00	\$0.00	0.000%	\$0.00	\$0.00	\$2,650,000.00	0.00	\$0.00
		<u>\$0.00</u>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2,650,000.00</u>		<u>\$0.00</u>

Total Cost of Escrow Requirements: \$2,650,000.00

* Non-Interest bearing cash deposit held with the Escrow Agent.

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF PORTAGE

At a regular meeting of the Board of the Local Development Finance Authority (the "Authority") of the City of Portage (the "City"), Michigan held at the City Hall, in the City of Portage, on the 26th day of October, 2015 at 8:00 a.m., Eastern Daylight Savings Time, there were

PRESENT: Brooks, Colestock, Collins, DeKam, Gardner, Killips, Wenzel

ABSENT: Seely, Silkworth, Zajac

The following resolution was offered by Gardner, And seconded by Collins.

REFUNDING BOND RESOLUTION
(2015 Tax Increment Refunding Bonds)
(Taxable)

WHEREAS, on May 27, 2004, the Local Development Finance Authority of the City of Portage (the "Authority") pursuant to Act No. 281, Public Acts of Michigan, 1986, as amended (the "Act"), and pursuant the Amended Tax Increment Finance Plan and the Amended Development Plan (together the "Plan") issued its \$3,150,000 Local Development Finance Authority of the City of Portage 2004 Tax Increment Bonds, dated May 1, 2004 (the "2004 Bonds"), of which \$2,800,000 remains outstanding; and

WHEREAS, the Authority may call \$2,650,000 of the 2004 Bonds on January 1, 2016; and

WHEREAS, the 2004 Bonds were issued at a time when interest rates were higher than is currently the case and, accordingly, bear rates of interest in excess of current tax-exempt interest rates; and

WHEREAS, the Authority has determined that it is necessary and appropriate at this time to issue a series of 2015 Tax Increment Refunding Bonds (Taxable) pursuant to Act 281 and Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") in order to refund the 2004 Bonds maturing in the years 2017 through 2030 to achieve debt service savings to the Authority and the City; and

WHEREAS, the 2015 Tax Increment Refunding Bonds (Taxable) issued by the Authority are to be payable primarily from tax increment revenues to be received by the Authority (the "Tax Increment Revenues") pursuant to the Act and the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE, KALAMAZOO COUNTY, MICHIGAN, as follows:

1. **Issuance of Refunding Bonds.** Refunding Bonds aggregating in the principal amount not to exceed Three Million Dollars (\$3,000,000) (the "Refunding Bonds") shall be issued and sold pursuant to the provisions of Act 34, and other applicable statutory provisions, for the purpose of refunding the 2004 Bonds maturing in the years 2017 through 2030 (the "Refunded Bonds") so long as such refunding generates present value savings.

2. **Refunding Bond Details.** The Refunding Bonds shall be known as "Local Development Finance Authority of the City of Portage 2015 Tax Increment Refunding Bonds (Taxable)" and shall be issued in anticipation of the receipt by the City of the Tax Increment Revenues for each year through and including the year ending June 30, 2030 and shall be dated December 1, 2015 or such later date not more than twelve calendar months thereafter as the City Finance Director shall provide in the Request for Proposal. The Refunding Bonds shall be fully registered Refunding Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards as determined by the City Finance Director, regardless of rate and maturity date. The total amount of Refunding Bonds to be issued shall not exceed \$3,000,000. Subject, however, to adjustment as described under "INCREASE OR DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS", Section 7, if \$2,740,000 in Refunding Bonds are to be issued, the Refunding Bonds may mature on January 1 in each year as follows and the City Finance Director is hereby authorized to make any changes to the maturity schedule as shall be necessary:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2017	\$180,000	2022	\$215,000	2027	\$190,000
2018	180,000	2023	210,000	2028	185,000
2019	180,000	2024	205,000	2029	180,000
2020	225,000	2025	200,000	2030	175,000
2021	220,000	2026	195,000		

The Refunding Bonds shall be in substantially the form attached hereto as EXHIBIT A with such changes, additions or deletions as are not inconsistent with this resolution.

3. **Interest Payment and Date of Record.** The Refunding Bonds shall bear interest payable July 1, 2016 and each January 1 and July 1 thereafter, until maturity, which interest shall not exceed 6% per annum. Interest shall be paid by check or draft mailed to the registered owner of each Refunding Bond as of the applicable date of record, provided, however, that the City Finance Director may agree with the bond registrar on a different method of payment. If interest is paid differently,

the Refunding Bond form attached as Exhibit A and Request for Proposal form attached as Exhibit D shall be changed accordingly.

The date of record for each interest payment shall be the 15th day of the calendar month preceding the date such payment is due.

4. **Prior Redemption.** The Refunding Bonds maturing prior to January 1, 2024 shall not be subject to redemption prior to maturity. Refunding Bonds on or after January 1, 2024 shall be subject to redemption prior to maturity at the option of the Authority, in any order, in whole or in part on any date on or after January 1, 2023. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a refunding bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a refunding bond is called for redemption, upon surrender of the Refunding Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Refunding Bond a new refunding bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each refunding bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the refunding bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

5. **Discount.** The Refunding Bonds may be offered for sale at par or at a price of not less than 98.5% of the face amount thereof, and the City Finance Director is authorized, in his or her discretion, to provide for a higher minimum purchase price in the Request for Proposal of the Refunding Bonds.

6. **Adjustment of Refunding Bond Maturities.** The City Finance Director is authorized by order in the form attached as *EXHIBIT B* to adjust the amounts of the maturities of the Refunding Bonds, as set forth in Section 7.

7. **Increase or Decrease in Aggregate Amount of Refunding Bonds.** In the event the amount necessary to refund the Refunded Bonds shall be more or less than \$2,740,000, the City Finance Director shall increase the principal amount of the Refunding Bonds by up to \$260,000, or decrease the principal amount of the

Refunding Bonds by any amount to the extent required to avoid the issuance of more Refunding Bonds than will be required in light of the amount of Refunding Bonds to be issued and proposals received, which increase or decrease may be applied to any one or more of the maturities and the Request for Proposal attached as *Exhibit D* shall so provide or be changed accordingly. In the event the City or the Authority determines to contribute additional amounts toward the refunding of the bonds, the bonds shall further be reduced by the amount of such contribution.

8. **Payment of Refunding Bonds; Pledge of Tax Increment Revenues.** The Refunding Bonds shall not be a general obligation of the Authority, but shall be payable in the first instance from the Tax Increment Revenues and the funds held by the Authority pursuant to this Resolution. The Authority hereby pledges all of the estimated Tax Increment Revenues (see Appendix A hereto) for payment of the principal of and interest on the Refunding Bonds and any other outstanding bonds of the Authority and a first security interest is granted in the Tax Increment Revenues (to the extent so pledged) to continue until the payment in full of the principal of and interest on the Refunding Bonds.

9. (A) **Bond Registrar and Paying Agent/Book Entry Depository Trust.** The City Finance Director shall designate, and shall enter into an agreement with, a bond registrar and paying agent for the Refunding Bonds which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The City Finance Director from time to time as required may designate a similarly qualified successor bond registrar and paying agent. If so designated the Refunding Bonds shall be deposited with a depository trustee designated by the City Finance Director who shall transfer ownership of interests in the Refunding Bonds by book entry and who shall issue depository trust receipts or acknowledgments to owners of interests in the Refunding Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts or acknowledgments, shall be as determined by the City Finance Director after consultation with the depository trustee. The City Finance Director is authorized to enter into any depository trust agreement on behalf of the City upon such terms and conditions as the City Finance Director shall deem appropriate and not otherwise prohibited by the terms of this Resolution, which Contract shall be executed by the City Finance Director. The depository trustee may be the same as the Registrar otherwise named by the City Finance Director, and the Refunding Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the City Finance Director may determine.

(B) **Exchange and Transfer of Bonds.**

(i) The Refunding Bonds, upon surrender thereof to the bond registrar and paying agent with a written instrument of

transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Refunding Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bonds.

(ii) The Refunding Bonds shall be transferable upon the books of the City, which shall be kept for that purpose by the bond registrar and paying agent, only upon surrender of such Refunding Bonds together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

(iii) Upon the exchange or transfer of the Refunding Bonds, the bond registrar and paying agent on behalf of the City shall cancel the surrendered Refunding Bonds and shall authenticate and deliver to the transferee new Refunding Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bonds. If, at the time the bond registrar and paying agent authenticates and delivers new Refunding Bonds pursuant to this Section, payment of interest on the Refunding Bonds is in default, the bond registrar and paying agent shall endorse upon the new Refunding Bonds the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____, ____."

(iv) The City and the bond registrar and paying agent may deem and treat the person in whose name the Refunding Bonds shall be registered upon the books of the City as the absolute owner of such Refunding Bonds, whether such Refunding Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Refunding Bonds and for all other purposes, and all payments made to any such registered owner, or upon his or her order, in accordance with the provisions of Section 5 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such Refunding Bonds to the extent of the sum or sums so paid, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

(v) For every exchange or transfer of the Refunding Bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition

precedent to the exercise of the privilege of making such exchange or transfer.

(vi) The bond registrar and paying agent shall not be required to transfer or exchange the Refunding Bonds or portion of the Refunding Bonds which has been selected for redemption.

10. **Mutilated, Lost, Stolen, or Destroyed Bonds.** In the event that any Refunding Bond is mutilated, lost, stolen, or destroyed, the Chairperson and the Secretary of the Authority may, on behalf of the Authority, execute and deliver, or order the Bond Registrar to authenticate and deliver, a new Bond having a new number not then outstanding, of like date, maturity and denomination as that mutilated, lost, stolen, or destroyed.

In the case of a mutilated Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until the mutilated Bond is surrendered to the Bond Registrar. In the case of a lost, stolen, or destroyed Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until the Authority and the Bond Registrar have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument bond for principal and interest remaining unpaid on the lost, stolen, or destroyed bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Bond lost, stolen, or destroyed and the circumstances under which it was lost, stolen, or destroyed; (iii) the agreement of the owner of the Bond (or his or her attorney) to pay all expenses of the Authority and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the Authority.

11. **Execution and Delivery.** The Chairperson of the Authority and the Secretary of the Authority are hereby authorized and directed to execute the Refunding Bonds for and on behalf of the Authority by manually executing the same or causing their facsimile signatures to be affixed. If facsimile signatures are used, the Bonds shall be authenticated by the Bond Registrar before delivery. The Refunding Bonds shall be sealed with the Authority's seal or a facsimile thereof shall be imprinted thereon. When so executed and (if facsimile signatures are used) authenticated, the Bonds shall be delivered to the Treasurer of the Authority, who is hereby authorized and directed to deliver the Refunding Bonds to the purchaser upon receipt in full of the purchase price for the Refunding Bonds.

12. **City's Limited Tax Pledge.** The principal of and interest on the Refunding Bonds shall be payable primarily out of the Tax Increment Revenues for each year through and including the year ending June 30, 2030, in anticipation of which the Refunding Bonds are to be issued. In addition, the limited tax pledge of the City is to be irrevocably pledged to the prompt payment of the principal of and interest on the Refunding Bonds

when due. If the foregoing collections of Tax Increment Revenues shall not be sufficient to pay the principal of and interest on the Refunding Bonds as the same shall become due, then monies sufficient to meet the deficiency shall be advanced from the General Fund of the City. The City's ability to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

13. Principal and Interest Fund. All monies paid to the Authority from tax increment revenues pursuant to the Plan shall be set aside by the Authority in a separate fund hereby established, to be known as the "Bond Payment Fund." All moneys in the Bond Payment Fund shall be kept in a separate depository account with one or more banks or trust companies where the principal of and interest on the Bonds are payable, and such moneys shall be used solely for the purpose of (i) paying principal of, premium, if any, and interest on the Refunding Bonds as well as costs, including the fees and expenses of the Bond Registrar, incidental to the Refunding Bonds; (ii) the annual fees and expenses of the escrow agent under an escrow agreement; and (iii) the fees and expenses of the paying agent or paying agents for the Refunding Bonds. All accrued interest and the premium, if any, received from the purchaser of the Refunding Bonds shall be deposited in the Bond Payment Fund upon receipt.

14. Use of Proceeds. The proceeds of the sale of the Refunding Bonds shall be used as follows:

- a. Accrued interest shall be transferred to the Bond Payment Fund created pursuant to Section 15 above;
- b. There shall next be transferred to an escrow fund (the "Escrow Fund") an amount which will be sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds when due upon redemption; and
- c. The balance of the proceeds shall be used to pay some or all of the costs of financing including, but not limited to, publication costs, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing.

15. Escrow Agreement; Redemption of Refunded Bonds. In order that the Refunded Bonds may be properly defeased in accordance with Act 34, the Authority shall enter into an escrow agreement as may be determined by the City Finance Director (the "Escrow Agreement"), with a bank or trust company designated by the City Finance Director. The Escrow Agreement shall be in substantially the form attached as *EXHIBIT C* to this Resolution (with such changes, modifications and additions as may be approved by the City Finance Director). The Escrow Agreement

shall be completed by the City Finance Director with appropriate figures prior to execution on behalf of the Authority by the Chairperson of the Authority.

Upon execution of the Escrow Agreement and delivery of the Refunding Bonds, the Authority and/or the escrow agent shall take all necessary steps to cause the Refunded Bonds to be redeemed at the earliest possible redemption date or dates.

16. Investments. Moneys in the Bond Payment Fund may be continuously invested and reinvested in United States government obligations, obligations the principal and interest on which are unconditionally guaranteed by the United States government, or in interest-bearing time deposits selected by the City Finance Director which are permissible investments for surplus funds under Act No. 20, Public Acts of Michigan, 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than the dates moneys in such fund will be required to pay the principal of, premium, if any, and interest on the Refunding Bonds. Obligations purchased as an investment of moneys in the Bond Payment Fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

17. Depositories. All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Resolution, except that the moneys in the Bond Payment Fund shall only be deposited in such banks where the principal of and interest on the Refunding Bonds are payable. The City Finance Director shall select the depository or depositories to be used from those banks authorized in this Section.

18. Arbitrage and Tax Covenants. Notwithstanding any other provision of this resolution, the Authority covenants that it will not at any time or times:

(a) Permit any proceeds of the Refunding Bonds or any other funds of the Authority or under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Refunding Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Refunding Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Refunding Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or other

returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Refunding Bonds to be includible in gross income for federal income tax purposes, cause the interest on the Refunding Bonds to be includible in computing any alternative minimum tax (other than the alternative minimum tax applicable to interest on all tax-exempt obligations generally) or cause the proceeds of the Refunding Bonds to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Refunding Bonds and the interest thereon from the State of Michigan income taxation.

19. Defeasance or Redemption of Refunding Bonds. If at any time,

- (a) the whole amount of the principal of and interest on all outstanding Refunding Bonds shall be paid, or
- (b) (i) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of and premium, if any, and interest on all outstanding Refunding Bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of paying the principal of and premium, if any, and interest on such Refunding Bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding Refunding Bonds shall have been duly called for redemption (or irrevocable instructions to call such Refunding Bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the Authority shall be released from all further obligations under this resolution, and any moneys or other assets then held or pledged pursuant to this resolution for the purpose of paying the principal of and interest on the Refunding Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this resolution, paid over to the City and considered excess proceeds of the Refunding Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within 30 days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be given to the registered holders thereof

not more than sixty (60) days nor less than forty-five (45) days prior to the redemption setting forth the date or dates, if any, designated for the redemption of the Refunding Bonds, (y) a description of the moneys or Government Obligations so held by it, and (z) that the Authority has been released from its obligations under this resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of and premium, if any, and interest on the Refunding Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by resolution of the Authority, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

20. **Filing with Municipal Finance Division.** If necessary, the Chief Administrative Officer of the Authority is authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for approval of the sale of the Refunding Bonds;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

21. **Negotiated Sale - Request for Proposal:** The Authority hereby determines that in order to save the cost of publication of an Official Notice of Sale that it will sell the Refunding Bonds at a negotiated sale after solicitation of proposals from prospective purchasers by its Financial Consultant. The Authority's Financial Consultant is authorized to solicit proposals from at least twenty-five prospective purchasers and to circulate a Request for Proposal at least seven days prior to the date fixed for receipt of proposals for the purchase of the Refunding Bonds. The Request for Proposal shall be in substantially the form attached to this resolution as Exhibit D with such changes therein as are not inconsistent with this resolution and as are approved by the City Finance Director after conferring with Bond Counsel. Once all proposals are received,

the City Finance Director shall determine the lowest true interest cost proposed and thereafter award the Refunding Bonds to the proposer meeting that criteria so long as such award will generate present value savings to the Authority. The Financial Consultant is hereby designated to act for and on behalf of the Authority to receive proposals for the purchase of the Refunding Bonds and together with Bond Counsel to take all other steps necessary in connection with the sale and delivery thereof.

22. Retention of Bond Counsel. The firm of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan, is hereby retained to act as bond counsel for the Authority in connection with the issuance, sale and delivery of the Refunding Bonds.

23. Retention of Financial Consultants. Municipal Financial Consultants Incorporated, Grosse Pointe Farms, Michigan, is hereby retained to act as financial consultant and advisor to the Authority in connection with the sale and delivery of the Refunding Bonds.

24. Conflicting Resolutions. All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

25. Effective Date. This Resolution shall become effective immediately upon its adoption and shall be recorded in the minutes of the Board as soon as practicable after adoption.

The results of a roll-call vote on the foregoing resolution were as follows:

YES: Brooks, Colestock, Collins, DeKam, Gardner, Killips, Wenzel _____

NO: None _____

ABSENT: Seely, Silkworth, Zajac _____

ABSTAIN: None _____

THE RESOLUTION WAS THEREUPON DECLARED ADOPTED.

Las.r2-por221

CERTIFICATION

The undersigned, being the duly qualified and acting Secretary of the Local Development Finance Authority of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board of the Local Development Finance Authority at a Regular meeting held on October 26, 2015, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Local Development Finance Authority in my office; (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended); and (4) minutes of such meeting were kept and will be or have been made available as required thereby.


Karla Colastork
Secretary

[SEAL]

las.r2-por221

Appendix A

City of Portage Local Development Finance Authority
 Estimated Captured Revenues
and Annual Debt Service on Outstanding Bonds and Refunding Bonds

Year	Estimated Revenues	Actual Remaining Annual Debt Service on 2004 Bonds	Estimated Annual Debt Service on Refunding Bonds Series 2015	Actual Annual Debt Service on Refunding Bonds Series 2014	Cummulative Coverage
Beginning Balance					\$1,925,511.00
2014-2015	\$508,810.00				\$2,434,321.00
2015-2016	\$472,169.52	\$325,000.00		\$164,822.50	\$2,127,143.02
2016-2017	\$478,639.35		\$289,525.00	\$160,357.50	\$2,169,724.87
2017-2018	\$442,937.45		\$275,700.00	\$159,437.50	\$2,182,924.82
2018-2019	\$417,033.66		\$270,300.00	\$233,172.50	\$2,056,885.98
2019-2020	\$432,340.52		\$309,900.00	\$225,512.50	\$1,965,563.99
2020-2021	\$447,953.51		\$298,150.00	\$247,275.00	\$1,880,792.50
2021-2022	\$463,878.76		\$285,450.00	\$237,970.00	\$1,833,776.27
2022-2023	\$480,122.52		\$272,925.00	\$228,255.00	\$1,826,118.79
2023-2024	\$496,691.15		\$259,525.00	\$223,255.00	\$1,853,229.94
2024-2025	\$513,591.16		\$246,325.00	\$212,955.00	\$1,920,541.10
2025-2026	\$530,829.17		\$233,325.00	\$222,495.00	\$2,008,350.27
2026-2027	\$548,411.93		\$220,525.00	\$216,405.00	\$2,132,432.20
2027-2028	\$566,346.35		\$207,925.00		\$2,503,253.55
2028-2029	\$584,639.46		\$195,525.00		\$2,905,018.01
2029-2030	\$603,298.43		\$182,875.00		\$3,508,316.45
	\$7,987,692.95	\$325,000.00	\$3,547,975.00	\$2,531,912.50	

[EXHIBIT A - FORM OF REFUNDING BOND]

UNITED STATES OF AMERICA-STATE OF MICHIGAN-COUNTY OF KALAMAZOO
 LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE
 2015 TAX INCREMENT REFUNDING BOND
 (TAXABLE)

RATE MATURITY DATE DATE OF ISSUANCE CUSIP

=====

REGISTERED OWNER:

PRINCIPAL AMOUNT:

=====

FOR VALUE RECEIVED, the _____, County of _____, State of Michigan (the "_____"), acknowledges itself indebted to, and for value received hereby promises to pay to, CEDE & CO., as nominee for the DEPOSITORY TRUST COMPANY, New York, New York (the "Depository Trustee"), the Principal Amount set forth above on the Maturity Date specified above. The Depository Trustee will act as securities depository for this refunding bond (this "Refunding Bond") and the other refunding bonds of this series. Purchases of beneficial interest in the refunding bonds will be made in book-entry-only form, in denominations of \$5,000 each or any integral multiple thereof. The refunding bonds will have an original issuance date of _____ 1, 20__, and will bear interest from the Date of Issuance payable on _____ 1, 20__, and semiannually thereafter on the first day of _____ and _____ in each year to and including the Maturity Date. The principal of and interest on the refunding bonds will be paid at the principal corporate trust office of _____, Michigan as paying agent and bond registrar' (the "Bond Registrar"). So long as the Depository Trustee or its nominee, CEDE & CO., is the Registered Owner of the refunding bonds, such payments will be made directly to the Depository Trustee or such nominee. Disbursement of such payments to the Depository Trustee is the responsibility of the Depository Trustee, and disbursements of such payments to the beneficial owners is the responsibility of the Depository Trustee Participants and Indirect Participants.

This Refunding Bond is one of a series of bonds of like date and tenor except as to denomination, date of maturity and interest rate, numbered from 1 upwards, aggregating the principal sum of _____ Dollars (\$_____), issued by the Authority, pursuant to and in full conformity with the Constitution and statutes of the State of Michigan and especially Act No. 281, Public Acts of Michigan, 1986, as amended ("Act 197") and Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") to provide funds to be deposited with

_____, Michigan, as escrow agent (the "Escrow Agent"), under an escrow agreement dated as of _____, _____. The Escrow Agent will use such proceeds to acquire non-callable direct obligations of the United States which, when paid in accordance with their terms, will provide sufficient funds (i) to pay when due, to and including _____, _____, the interest on the Authority's outstanding _____, _____, dated _____, maturing in the years _____ through _____ (the "Refunded Bonds") and (ii) on _____, to redeem the Refunded Bonds maturing in the years _____ through _____, at a redemption price of _____% of the principal amount thereof.

The Refunding Bonds are being issued in anticipation of and are primarily payable from tax increment revenues ("Tax Increment Revenues") derived from the ad valorem real and personal property taxes to be levied by taxing jurisdictions upon the taxable property located within the Development Area.

In addition, the limited tax pledge of the City is to be irrevocably pledged to the prompt payment of the principal of and interest on the Refunding Bonds when due. If the foregoing Tax Increment Revenues are insufficient for any reason to make the payment of the principal of and interest on the Refunding Bonds when due, then moneys sufficient to meet the deficiency shall be advanced from the General Fund of the City. However, the City's ability to raise such funds is subject to applicable constitutional, statutory and charter tax limitations.

The Refunding Bonds maturing prior to _____ 1, _____ shall not be subject to redemption prior to maturity. Refunding Bonds on or after _____ 1, _____ shall be subject to redemption prior to maturity at the option of the Authority, in any order, in whole or in part on any date on or after _____ 1, _____. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a refunding bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a refunding bond is called for redemption, upon surrender of the Refunding Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Refunding Bond a new refunding bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each refunding bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the refunding bonds. Any defect in

such notice shall not affect the validity of the redemption proceedings. Refunding Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

This Refunding Bond shall be transferable on the books of the Authority maintained by the Bond Registrar upon surrender of the bond to the Bond Registrar together with an assignment executed by the Registered Owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned bond, the Bond Registrar shall authenticate and deliver a new bond or bonds in authorized denominations in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

This Refunding Bond may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond or bonds being exchanged. Such exchange shall be effected by surrender of the bond to be exchanged to the Bond Registrar with written instructions signed by the Registered Owner of the bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a bond with proper written instructions the Bond Registrar shall authenticate and deliver a new bond or bonds to the Registered Owner of the bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of bonds during the fifteen (15) days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the Authority, unless otherwise agreed by the Authority and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

This Refunding Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit until the certificate of authentication hereon has been duly executed by the Bond Registrar, as authenticating agent.

It is hereby certified, recited and declared that all things, conditions and acts required to exist, happen and be performed precedent to and in connection with the issuance of this Refunding Bond and the other refunding bonds of this series, existed, have happened and have been performed in due time, form and manner as required by the Constitution and Statutes of the State of Michigan, and that the total indebtedness of the Authority, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Local Development Finance Authority of the City of Portage, Kalamazoo County, Michigan, has caused this Refunding Bond to be executed in its name with the facsimile signatures of the Chairperson and the Secretary, has caused a facsimile of its corporate seal to be affixed hereto, and has caused this Refunding Bond to be authenticated by the Bond Registrar, as the Authority's authenticating agent, all as of the Date of Issuance set forth above.

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF PORTAGE

By: Timothy Wenzel
Chairperson

By: Karla Colesfork
Secretary

[SEAL]

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the series of bonds designated "Local Development Finance Authority of the City of Portage 2015 Tax Increment Refunding Bonds."

_____, _____, Michigan
as Bond Registrar and Authenticating Agent
By:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ this Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature:

Notice: The signature(s) to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The transfer agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided:

Name and Address: _____

(Include information for all joint owners if bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Insert number for first named transferee if held by joint account)

las.r2-por221

ORDER ADJUSTING MATURITIES

\$ _____
LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE
2015 TAX INCREMENT REFUNDING BOND
(TAXABLE)

The undersigned, City Finance Director, as authorized in the Refunding Bond Resolution for the above referenced refunding bonds adopted by the Board of the Authority on _____ 1, _____, hereby establishes the final maturities for said refunding bonds with interest rates thereon, as follows:

Due	Amount	Rate
_____ 1		

Dated: _____

City Finance Director

las.r2-por221

ESCROW AGREEMENT

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE

This escrow agreement (the "Agreement"), dated as of _____ 1, _____, is between the Local Development Finance Authority of the City of Portage (the "Authority"), County of Kalamazoo, Michigan, and _____, _____, Michigan, as escrow agent (the "Escrow Agent").

WHEREAS, the Authority has previously issued the following bonds of which the principal amount listed below remains outstanding (all of such outstanding bonds being referred to as the "Prior Bonds", and the Prior Bonds to be refunded referred to as the "Refunded Bonds"):

<u>Prior Bonds</u>	<u>Outstanding Principal</u>	<u>Principal to be Refunded</u>
Local Development Finance Authority of the City of Portage 2004 Tax Increment Bonds	\$ _____ maturing in the years ____	\$ _____ maturing in the years ____

all bearing interest, due as to principal and subject to redemption as more fully described in APPENDIX I to this Agreement.

WHEREAS, for the purpose of refunding the Refunded Bonds the Authority has, pursuant to a refunding bond resolution adopted on _____, _____ (the "Refunding Bond Resolution") authorized the issuance of an issue of refunding bonds dated _____, _____, as designated and described in the Bond Resolution and hereafter (the "Refunding Bonds"); and

WHEREAS, pursuant to the Refunding Bond Resolution the Escrow Agent has been appointed by the Authority for the purpose of assuring the payment of the principal of, premium, if any, and interest on the Prior Bonds and the Chairperson of the Authority has been authorized and directed to execute this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below the Authority and the Escrow Agent agree as follows for the respective equal and proportionate benefit and security of the holders of the Prior Bonds;

Section 1. Appointment of Escrow Agent. The Escrow Agent is hereby appointed and agrees to act in such capacity to comply with all requirements of this Agreement, and to be custodian of the escrow fund (the "Escrow Fund"), to perform its

duties as custodian of the Escrow Fund created under this Agreement, but only upon and subject to the following express terms and conditions:

(a) The Escrow Agent may perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standards specified in this Agreement and shall be entitled to advice of counsel concerning all matters of and the duties under this Agreement, and may in all cases pay such reasonable compensation to such counsel and in addition to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the same. The Escrow Agent may act upon the opinion or advice of any counsel. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(b) The Escrow Agent shall not be responsible for any recital in this Agreement, or in the Refunding Bonds or for the validity of the execution by the Authority of this Agreement or of any supplements to it or instruments of further assurance. The Escrow Agent shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority, except as set forth in this Agreement. The Escrow Agent shall be only obligated to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

(c) The Escrow Agent may become the owner of the Refunding Bonds or Prior Bonds with the same rights which it would have if not Escrow Agent.

(d) The Escrow Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telex, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Escrow Agent pursuant to this Agreement upon the request or consent of any person who at the time of making such request or consent is the owner of any Prior Bond, shall be conclusive and binding upon all future owners of the same Prior Bond.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Escrow Agent shall be entitled to rely upon a certificate of the Authority signed by (i) the Chairperson of the Authority, or (ii)

any other duly authorized person as sufficient evidence of the facts contained in it, but may secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Escrow Agent may accept a certificate of the Chairperson of the Authority to the effect that a resolution in the form attached to such certificate has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Escrow Agent to do things enumerated in this Agreement shall never be construed as a duty. The Escrow Agent shall only be responsible for the performance of the express duties outlined in this Agreement and it shall not be answerable for other than its gross negligence or willful default in the performance of those express duties.

(g) At any and all reasonable times the Escrow Agent and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the Authority pertaining to the Prior Bonds, and to take such memoranda from and in regard to the same as may be desired.

(h) The Escrow Agent shall not be required to give any bond or surety in respect of the execution of the powers contained in or otherwise in respect to this Agreement.

(i) Before taking any action under this Agreement (except making investments, collecting investments and making payments to the paying agents with respect to the Prior Bonds) the Escrow Agent may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability except liability which is adjudicated to have resulted from gross negligence or willful default by reason of any action so taken.

Section 2. **Escrow Fund.** On _____, _____ the Authority will irrevocably deposit with the Escrow Agent for the account of the Authority from the proceeds of the Refunding Bonds and from other Authority funds available therefor to establish an Escrow Fund for the Prior Bonds an amount which together with the investment income therefrom, shall be held in the Escrow Fund to be maintained by the Escrow Agent and used to pay interest on the Prior Bonds when due to and including _____, _____ and on that date to redeem and pay principal of _____ and call premiums on the Refunded Bonds in accordance with Section 3 hereof.

Section 3. Redemption of Refunded Bonds. The Authority will redeem, prior to their scheduled maturity, Refunded Bonds as follows:

<u>Prior Bonds</u>	<u>Principal to be Refunded</u>
Local Development Finance Authority of the City of Portage 2004 Tax Increment Bonds	\$ _____ maturing in the years ____

The Authority by execution of this Escrow Agreement, hereby authorizes the Escrow Agent to give the paying agent for the Refunded Bonds irrevocable instructions to call the Refunded Bonds and at the expense of the Authority not more than sixty (60) nor less than forty-five (45) days before _____ 1, _____, their redemption date. The Escrow Agent shall give to the paying agent for the Refunded Bonds such notice, in substantially the form attached to this Agreement as APPENDIX III. The paying agent for the Refunded Bonds shall mail such notice on or before thirty (30) days prior to the redemption date, as set forth in APPENDIX III, to the registered owner or owners at the addresses listed on the registration books of the Authority maintained by the paying agent for the Refunded Bonds.

Section 4. Investments. As directed by the Authority, moneys deposited in the Escrow Fund shall be immediately invested in direct obligations of the United States of America and/or obligations the principal of, premium, if any, and interest on which are fully guaranteed by the United States of America described on APPENDIX IV ("Investment Securities").

The investment income from the Investment Securities in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Escrow Agent shall not sell any Investment Securities. All moneys not invested as provided in this Agreement shall be held by the Escrow Agent as a trust deposit.

Section 5. Use of Moneys. Except as expressly provided in this Agreement, no paying agents' fees for the payment of principal of, premium, if any, or interest on the Refunding Bonds or the Prior Bonds or other charges may be paid from the escrowed moneys or Investment Securities prior to retirement of all Prior Bonds, and the Authority agrees that it will pay all such fees from its other legally available funds as such payments become due prior to such retirement.

Section 6. Deficiency in Escrow Fund. At such time or times as there shall be insufficient funds on hand in the Escrow Fund for the payment of principal of, premium, if any, and interest falling due on the Prior Bonds, the Escrow Agent shall promptly notify the Authority of such deficiency.

Section 7. Reports to Authority. The Escrow Agent shall deliver to the Chairperson of the Authority a semi-annual statement reflecting each transaction relating to the Escrow Fund; and on or before the first day of _____ of each year shall deliver to the Authority a list of assets of the Escrow Fund as of December 31 of such year and an operating statement for the Escrow Fund for the year then ended.

Section 8. Fees of Escrow Agent. The Escrow Agent agrees with the Authority that the charges, fees and expenses of the Escrow Agent throughout the term of this Agreement (other than the acceptance fee of the Escrow Agent) shall be the total sum of _____ Dollars (\$_____) payable on the date of closing, which charges, fees and expenses shall be paid from monies deposited with the Escrow Agent from bond proceeds and other available funds of the Authority, subject to the provisions of Section 12 below.

Section 9. Payments from Escrow Fund. The Escrow Agent shall without further authorization or direction from the Authority, collect the principal of, premium, if any, and interest on the Investment Securities promptly as the same shall become due and, to the extent that Investment Securities and moneys are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or agents or their successors for the Prior Bonds, of moneys sufficient for the payment of the principal of, premium, if any, and interest on such Prior Bonds as the same shall become due and payable, all as set out in APPENDIX II. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal of, premium, if any, and interest by such paying agent or agents without default. The Authority represents and warrants that the Escrow Funds will be sufficient to make the foregoing and all other payments required under this Agreement. The proper paying agent for the Prior Bonds is shown in APPENDIX I.

When the aggregate total amount required for the payment of principal of, premium, if any, and interest on the Prior Bonds has been paid to the paying agent as provided above, the Escrow Agent shall transfer any moneys or Investment Securities then held under this Agreement for the Prior Bonds to the Authority, and this Agreement shall cease.

Section 10. Interest of Bondholders Not Affected. The Escrow Agent and the Authority recognize that the holders from time to time of the Prior Bonds have a beneficial and vested interest in the Investment Securities and moneys to be held by the Escrow Agent as provided in this Agreement. It is therefore recited, understood and agreed that this Agreement shall not be subject to revocation or amendment and no moneys on deposit in an Escrow Fund for the Prior Bonds can be used in any manner for another series.

Section 11. Escrow Agent Not Obligated. None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own moneys or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers under this Agreement. The Escrow Agent shall be under no liability for interest on any funds or other property received by it under this Agreement, except as expressly provided.

Section 12. Payment of Other Amounts. The Authority agrees that it will promptly and without delay remit to the Escrow Agent such additional sum or sums of money as may be necessary to assure the payment of any Prior Bonds and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement that are in excess of the sums provided for under Section 8 above.

Section 13. Segregation of Funds. The Escrow Agent shall hold the Investment Securities and all moneys received by it from the collection of, principal and interest on the Investment Securities, and all moneys received from the Authority under this Agreement, in a separate escrow account.

Section 14. Resignation of Escrow Agent. The Escrow Agent may resign as such following the giving of thirty (30) days prior written notice to the Authority. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days prior written notice to the Escrow Agent by the Authority. In either event, the duties of the Escrow Agent shall terminate thirty (30) days after the date of such notice (or as of such earlier date as may be mutually agreeable); and, the Escrow Agent shall then deliver the balance of the Escrow Fund then in its possession to a successor Escrow Agent as shall be appointed by the City.

If the Authority shall have failed to appoint a successor prior to the expiration of thirty (30) days following the date of the notice of resignation or removal, the then acting Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief; and, any such resulting appointment shall be binding upon the Authority.

Upon acknowledgment by any successor Escrow Agent of the receipt of the then remaining balance of the Escrow Fund, the then acting Escrow Agent shall be fully released and relieved of all duties, responsibilities, and obligations under this Agreement.

Section 15. Benefit. This Agreement shall be for the sole and exclusive benefit of the Authority, the Escrow Agent and the holders of the Prior Bonds. With the exception of rights

expressly conferred in this Agreement, nothing expressed in or to be implied from this Agreement is intended or shall be construed to give to any person other than the parties set forth above, any legal or equitable right, remedy or claim under or in respect to this Agreement.

Section 16. Severability. If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions contained in this Agreement or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 17. Notices. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by facsimile transmission, except reports as required in Section 7 which may be delivered by regular mail, as follows:

If to the Authority:

Attention: _____
FAX: _____

If to the Escrow Agent:

Attention: _____
FAX: _____

The Authority and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent and shall be required to provide written notification of said address change.

Section 18. Costs of Issuance. Simultaneously with the transfer of bond proceeds from the Refunding Bonds establishing the Escrow Fund, sufficient moneys from bond proceeds shall be transferred to the Trustee and used to pay all of the costs of issuance for the Refunding Bonds including, but not limited to, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing. All such costs shall be authorized by the County Treasurer, under the "Instructions to Trustee for Disbursement of Expenses at Closing", and shall be paid on the date of closing.

Section 19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it by their duly authorized officers as of the date first above written.

**LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF PORTAGE**

By: Timothy W Weyell
Its Chairperson

_____, as Escrow Agent

By: _____

Its: _____

las.r2-por221

APPENDIX I

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE
County of Kalamazoo, State of Michigan
2004 TAX INCREMENT BONDS

Dated as of _____ 1, ____

SCHEDULE OF PRINCIPAL, PREMIUM AND INTEREST REQUIREMENTS

Bond Registrar and Paying Agent:

Attention: _____

NOTE: Bonds maturing prior to ____ shall not be subject to redemption prior to maturity. Bonds maturing in the years ____ through ____, inclusive, shall be subject to redemption prior to maturity, at the option of the City, in any order, in whole or in part, on or after _____, _____. Bonds so called for redemption at par, plus accrued interest to the date fixed for redemption.

las.r2-por221

APPENDIX II

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE
County of Kalamazoo, State of Michigan
2015 TAX INCREMENT REFUNDING BONDS
(TAXABLE)

Sources of Funds

Bond Proceeds	\$ _____
Issuer Contribution	_____
Good Faith Check Interest	_____
Accrued Interest	_____
TOTAL	\$ _____

Uses of Funds

Cost of Escrow Fund	\$ _____
Costs of Issuance	_____
Accrued Interest	_____
Underwriter's Discount	_____
TOTAL	\$ _____

APPENDIX III

NOTICE OF REDEMPTION

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE
 County of Kalamazoo, State of Michigan
 2004 TAX INCREMENT BONDS

KALAMAZOO COUNTY
 STATE OF MICHIGAN

DUE _____ THROUGH _____

NOTICE IS HEREBY GIVEN that the Local Development Finance Authority of the City of Portage, Kalamazoo County, Michigan has called for redemption, on _____, _____, (the "Redemption Date"), outstanding maturities of the subject Issue (the "Bonds"), at ___% of the par value, as follows:

<u>Maturity</u>	<u>Due</u>	<u>CUSIP</u>	<u>Rate</u>
\$____,000	_____	_____	_____%
____,000	_____	_____	_____%
____,000	_____	_____	_____%
____,000	_____	_____	_____%
____,000	_____	_____	_____%
____,000	_____	_____	_____%
____,000	_____	_____	_____%
____,000	_____	_____	_____%

The Bonds to be redeemed should be surrendered on the Redemption Date. The Bonds shall not bear interest on and after the Redemption Date, whether the Bonds are presented for redemption or not.

Bonds may be surrendered for payment at the office of the Bond Registrar and Paying Agent indicated below. Method of delivery is at the option of the Holder, but if by mail, registered mail is suggested.

If by U.S Mail:

Otherwise:

LOCAL DEVELOPMENT FINANCE
 AUTHORITY OF THE CITY OF PORTAGE
 By: _____

Dated: _____

NOTE: Under the provisions of the Interest and Dividend Tax Compliance Act of 1983 and the Comprehensive National Energy Policy Act of 1992, paying agents making payments of principal on municipal securities may be obligated to withhold a 31% tax from remittances to individuals who have failed to furnish the paying agent with a certified and valid Taxpayer Identification Number on a fully completed Form W-9. Holders of the above described Bonds, who wish to avoid the application of these provisions, should submit certified Taxpayer Identification Numbers on I.R.S. Form W-9 when presenting their securities for redemption or for payment at maturity.

APPENDIX IV

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE
County of Kalamazoo, State of Michigan
2015 TAX INCREMENT REFUNDING BONDS
(TAXABLE)

Investment Securities to be Acquired Pursuant
to the Escrow Agreement

<u>Purchase</u> <u>Date</u>	<u>Investment</u> <u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Investment Type</u>
--------------------------------	------------------------------------	-------------	-----------------	------------------------

[EXHIBIT D - FORM OF REQUEST FOR PROPOSAL]

REQUEST FOR PROPOSAL

§ _____

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE
County of Kalamazoo, State of Michigan
2015 TAX INCREMENT REFUNDING BONDS
(TAXABLE)

SEALED OR ELECTRONIC PROPOSALS: Sealed written proposals for the purchase of the refunding bonds described herein (the "Refunding Bonds") will be received by the undersigned on behalf of the Local Development Finance Authority of the City of Portage (the "Authority") at the office of the City Finance Director, City Hall, 7900 South Westnedge Avenue, Portage, Michigan, 49002 on _____, _____ until ____:____.m., Eastern _____ Time, at which time and place said proposals will be publicly opened and read.

In the alternative, sealed written proposals will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan, 48226, where they will be publicly opened simultaneously. Proposals received at _____, Michigan, will be read first, followed by those proposals received at the alternate location. Proposers may choose either location to present proposals and good faith checks, but not both locations. Any proposer may submit a proposal in person to either proposing location. However, no proposer is authorized to submit a FAX proposal to _____.

Also in the alternative, electronic proposals will also be received on the same date and until the same time by an agent of the undersigned Bidcomp/Parity. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Eric Washington, 1359 Broadway, 2nd Floor, New York, NY, 10018, (212) 849-5021.

If any provision of this Request for Proposal shall conflict with information provided by Bidcomp/Parity as the approved provider of electronic proposing services, this Request for Proposal shall control.

The Refunding Bonds will be awarded or all proposals will be rejected by the _____ at a proceeding to be held within twenty-four hours of the sale.

BOND DETAILS: The Refunding Bonds will be dated _____ 1, _____ and will be known as "Local Development Finance Authority of the City of Portage 2015 Tax Increment Refunding Bonds". The Refunding Bonds will be fully registered Refunding Bonds in any one or more denominations of \$5,000 or a multiple of \$5,000, numbered from 1 upwards and will bear interest from their date

payable _____ 1, _____ and semi-annually thereafter until maturity. The Refunding Bonds will mature on the 1st day of _____ in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

PRIOR REDEMPTION: The Refunding Bonds maturing prior to _____ 1, _____ shall not be subject to redemption prior to maturity. Refunding Bonds on or after _____ 1, _____ shall be subject to redemption prior to maturity at the option of the Authority, in any order, in whole or in part on any date on or after _____ 1, _____. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a refunding bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a refunding bond is called for redemption, upon surrender of the Refunding Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Refunding Bond a new refunding bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each refunding bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the refunding bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

PRESENT VALUE SAVINGS: The Refunding Bonds must generate present value savings. If after the proposals are received and the final refunding analysis has been calculated, there is no present value savings to the Authority, the Authority shall exercise its right to reject all the proposals and the Refunding Bonds shall not be awarded.

INTEREST RATE AND PROPOSING DETAILS: The Refunding Bonds shall bear interest at a rate or rates not exceeding ___% per annum, to be fixed by the proposals therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at

one rate only. All bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE AT A RATE LOWER THAN THE RATE BORNE BY BONDS MATURING IN ANY PRECEDING YEAR. No proposal for the purchase of less than all of the Refunding Bonds, at a price less than ___% of their par value or at an interest rate or rates that will result in a net interest cost exceeding __%, will be considered.

TERM BOND OPTION: Refunding Bonds maturing in the years ____ - ____, inclusive, are eligible for designation by the original purchaser at the time of sale as serial bonds or term bonds, or both. There may be more than one term bond maturity. However, principal maturities designated as term bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on _____ 1st of the year in which the Refunding Bonds are presently scheduled to mature. Each maturity of term bonds and serial bonds must carry the same interest rate. Any such designation must be made at the time the proposals are submitted.

BOOK-ENTRY-ONLY: The Refunding Bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Refunding Bonds. Purchase of the Refunding Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Refunding Bonds purchased. The book-entry-only system is described further in the nearly final official statement for the Refunding Bonds.

BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD: _____, Michigan has been selected as paying agent and bond registrar (the "Bond Registrar") for the Refunding Bonds. The Bond Registrar will keep records of the registered holders of the Refunding Bonds, serve as transfer agent for the Refunding Bonds, authenticate the original and any re-issued refunding bonds and pay interest by check or draft mailed to the registered holders of the Refunding Bonds as shown on the registration books of the Authority kept by the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the 15th day of the month before such payment is due. The principal of and redemption premium, if any, on the Refunding Bonds will be paid when due upon presentation and surrender thereof to the Bond Registrar. As long as DTC, or its nominee Cede & Co., is the registered owner of the Refunding Bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Refunding Bonds is the responsibility of DTC participants and indirect participants as described in the

nearly final official statement for the Refunding Bonds. The Authority may from time to time as required designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The Refunding Bonds are to be issued pursuant to Act 281, Public Acts of Michigan, 1986, as amended (the "Act"), and Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") and as specified in the Authority's development and tax increment financing plan, in anticipation of the collection of certain tax increment revenue payments to the Authority for the purpose of paying costs of refunding the outstanding Local Development Finance Authority of the City of Portage 2004 Tax Increment Bonds, dated May 1, 2004 maturing in the aggregate principal amount of \$2,650,000 maturing in the years 2017 through 2030 (the "Refunded Bonds"). In addition, the City has pledged its limited tax full faith and credit as additional security for the payment of the principal of and interest thereon, and pursuant to such pledge, should funds primarily pledged be insufficient for payment, the City is obligated to make such payment from its general funds or from any taxes which it may levy within applicable constitutional and statutory limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity including those related to equitable subordination.

ESCROW AGENT: Proceeds from the Refunding Bonds will be transferred to _____, _____ as escrow agent (the "Escrow Agent") under an escrow agreement (the "Agreement"), who will use such proceeds to acquire investment obligations sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds when due or upon the first permissible redemption date for the Refunded Bonds.

ADJUSTMENT IN PRINCIPAL AMOUNT: The aggregate principal amount of this issue has been determined as the amount necessary to defease the Refunded Bonds and pay a portion or all of the costs of issuance of the Refunding Bonds, assuming certain conditions and events exist on the date of sale. The Authority reserves the right to increase or decrease the total par amount of the Refunding Bonds by any amount prior to the sale or following the opening of proposals. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful proposer for all maturities will not change. In the case of a proposal with a premium, the aggregate amount of the Refunding Bonds will generally be reduced by at least the amount of the premium offered. The successful proposer may not withdraw the proposal as a result of any changes made within these limits.

ADJUSTMENT IN DISCOUNT: In the event the principal amount of this issue is increased or decreased, the premium or discount

bid, if any, will be adjusted upwards or downwards so that it is the same percent as the premium or discount originally bid.

BOND INSURANCE AT PURCHASER'S OPTION: If the Refunding Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the proposer/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Refunding Bonds. Any increased costs of issuance of the Refunding Bonds resulting from such purchase of insurance shall be paid by the purchaser. Any rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE REFUNDING BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE REFUNDING BONDS FROM THE AUTHORITY.

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a wire transfer in an amount equal to 2% (\$_____) of the face amount of the Refunding Bonds, and payable to the order of the Authority will be required of the successful proposer as a guarantee of good faith on the part of the proposer, to be forfeited as liquidated damages if such proposal be accepted and the proposer fails to take up and pay for the Bonds. If a check is used, it must accompany each proposal. If a wire transfer is used, the successful proposer is required to wire the good faith deposit not later than Noon, prevailing Eastern Time, on the next business day following the sale using the wire instructions provided by Municipal Financial Consultants Incorporated. The good faith deposit will be applied to the purchase price of the Bonds. No interest shall be allowed on the good faith checks, and checks of each unsuccessful proposer will be promptly returned to such proposer's representative or by registered mail. The good faith check of the successful proposer will be cashed immediately, in which event, payment of the balance of the purchase price of the Bonds shall be made at the closing.

AWARD OF THE REFUNDING BONDS - TRUE INTEREST COST: The Refunding Bonds will be awarded to the proposer whose proposal produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on _____ and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to _____ in an amount equal to the price proposed, excluding accrued interest. _____ is the anticipated date of delivery of the Refunding Bonds.

LEGAL OPINION: Proposals shall be conditioned upon the approving opinion of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan (the "Bond Counsel") a copy of which opinion will be printed on the reverse side of each bond and the original of which will be furnished without expense to the purchaser of the

Refunding Bonds at the delivery thereof. The fees of Bond Counsel for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue such opinion and as described in the official statement, Bond Counsel has not been requested to examine or review and has not examined or reviewed any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Refunding Bonds, and therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of the official statement or any such financial documents, statements or materials.

TAXABLE BONDS: In the opinion of Bond Counsel, the interest on the Refunding Bonds is includable in gross income for federal income tax purposes, as described in the opinion, and the Refunding Bonds and interest thereon are subject to all taxation in and by the State of Michigan.

CERTIFICATE REGARDING "ISSUE PRICE": The Purchaser will be required, as a condition of delivery of the Refunding Bonds, to certify the "issue price" of the Refunding Bonds within the meaning of Section 1273 of the Code, which will include a representation that at least 10 percent of each maturity of the Refunding Bonds has been sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at a price not exceeding the stated initial offering price. In addition, if the successful proposer will obtain a municipal bond insurance policy or other credit enhancement for the Refunding Bonds in connection with their original issuance, the successful proposer will be required, as a condition of delivery of the Refunding Bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

DELIVERY OF BONDS: The Authority will furnish Refunding Bonds ready for execution at its expense. Refunding Bonds will be delivered without expense to the purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Refunding Bonds, will be delivered at the time of delivery of the Refunding Bonds. If the Refunding Bonds are not tendered for delivery by twelve o'clock noon, Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful proposer may on that day, or any time thereafter until delivery of the Refunding Bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the Authority shall promptly return the good faith deposit. Payment for the Refunding Bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the Refunding Bonds shall be paid by the purchaser at

the time of delivery. The Refunding Bonds will be delivered on _____.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE: In order to assist proposers in complying with SEC Rule 15c2-12, as amended, the Authority and the City will covenant to undertake (pursuant to resolutions adopted or to be adopted by their governing bodies), to provide annual reports and timely notice of certain events for the benefit of beneficial owners of the Refunding Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the Authority and City, a form of which is included in the nearly final official statement and in the final official statement.

OFFICIAL STATEMENT:

Hard Copy

A copy of the nearly final official statement (the "Nearly Final Official Statement") may be obtained by contacting Municipal Financial Consultants Incorporated at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the Authority for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion of a final official statement (the "Final Official Statement"). The successful proposer shall supply to the Authority, within twenty-four (24) hours after the award of the Refunding Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

Internet

In addition, the Authority has authorized the preparation and distribution of a Nearly Final Official Statement containing information relating to the Refunding Bonds via the Internet. The Nearly Final Official Statement can be viewed and downloaded at www.i-dealprospectus.com/pdf.asp?doc=_____.

The Authority will furnish to the successful proposer, at no cost, _____ copies of the Final Official Statement within seven (7) business days after the award of the Refunding Bonds. Additional copies will be supplied upon the proposer's agreement to pay the cost incurred by the Authority for those additional copies.

The Authority shall deliver, at closing, an executed certificate to the effect that as of the date of delivery the information contained in the Final Official Statement, including revisions, amendments and completions as necessary, relating to the Authority and the Refunding Bonds is true and correct in all material respects, and that such Final Official Statement does not contain any untrue statement of a material fact or omit to

state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Refunding Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of or to pay for the Refunding Bonds. All expenses for printing CUSIP numbers on the Refunding Bonds shall be paid for by the Authority, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

ADDITIONAL INFORMATION: Further information may be obtained from the undersigned at the address specified above or from Meredith A. Shanle, Municipal Financial Consultants Incorporated, 21 Kercheval Avenue, Suite 360, Grosse Pointe Farms, Michigan 48236, telephone (313) 884-9824.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL PROPOSALS.

ENVELOPES: Envelopes containing the proposals should be plainly marked "Proposal for the Local Development Finance Authority of the City of Portage 2015 Tax Increment Refunding Bonds (Taxable)"

_____, Finance Director
_____, City of Portage

las.r2-por221

**LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF PORTAGE**

At a regular meeting of the Board of the Local Development Finance Authority (the "Authority") of the City of Portage (the "City"), Michigan held at the City Hall, in the City of Portage, on the 26th day of October, 2015 at 8:00_a.m., Eastern Daylight Savings Time, there were

PRESENT: Brooks, Colestock, Collins, DeKam, Gardner, Killips, Wenzel.

ABSENT: Seely, Silkworth, Zajac.

The following resolution was offered by Garner, And seconded by Collins.

**RESOLUTION APPROVING THE UNDERTAKING TO PROVIDE CONTINUING
DISCLOSURE BY THE LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF PORTAGE**

WHEREAS, the Local Development Finance Authority of the City of Portage (the "Authority") by resolution of its Board has approved the issuance of the 2015 Tax Increment Refunding Bonds (Taxable) in the principal amount of not to exceed \$3,000,000 (the "Bonds"); and

WHEREAS, Bond Counsel, in order to comply with federal securities regulations, has prepared this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE, KALAMAZOO COUNTY, MICHIGAN, as follows:

1. This Board, for and on behalf of the Authority, hereby covenants and agrees, for the benefit of the beneficial owners of the Bonds to be issued by the Authority for the Project, to enter into a written undertaking (the "Undertaking") required by Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be substantially in the form attached to the official statement for the Bonds. The Undertaking shall be enforceable by the beneficial owners of the Bonds or by the Underwriter on behalf of such beneficial owners (provided that the Underwriter's

right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific enforcement of the Authority's obligations hereunder and under the Undertaking), and any failure by the Authority to comply with the provisions of the Undertaking shall not be deemed a default with respect to the Bonds.

The Chairperson or Secretary and/or other officer of the Authority shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the terms of the Authority's Undertaking.

2. All resolutions, or portions thereof, insofar as they may be in conflict with the foregoing, are hereby rescinded.

A vote on the foregoing resolution was taken and was as follows:

YES: Brooks, Colestock, Collins, DeKam, Gardner, Killips

NO: None

ABSTAIN: None

CERTIFICATION

The undersigned, being the duly qualified and acting Secretary of the Local Development Finance Authority of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board of the Local Development Finance Authority at a Regular meeting held on October 26, 2015, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Local Development Finance Authority in my office; (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended); and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Karla Colestock
Secretary

las.rc-por221

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Network Hardware and Data Storage Upgrade Project

SUPPORTING PERSONNEL: Devin Mackinder, Director of Technology Services
Daniel Mills, Senior Deputy Police / Fire Chief

ACTION RECOMMENDED: That City Council approve:

1. the purchase of network hardware from Digital Strategy, LLC through the Western States Contracting Alliance cooperative purchasing program in the amount of \$171,353;
2. installation professional services from Digital Strategy, LLC in the amount of \$22,000, and
3. three-year software licensing through preferred software reseller, PCM, Incorporated in the amount of \$66,553

for a total project cost of \$259,906 to address network deficiencies and authorize the City Manager to execute all documents related to the contract on behalf of the city.

Since June of 2015, the Technology Services Department has been working to address several network deficiencies identified in the Capital Improvement Program related to data storage, network speeds, data protection and mission-critical public safety software systems and related hardware support.

By addressing the deficiencies as one project versus individually, provides the advantage of incorporating an integrated and seamless system to the established city technology network and reducing the ongoing software maintenance costs which can now be bundled. The integrated system will also enhance operability, provide for more efficient maintenance tasks and provide for scalability as additional storage or servers are needed.

This project will address the following city information technology network deficiencies as one combined initiative:

- Inadequate data storage, which is currently at 99 percent capacity.
- Obsolete network switching resulting in hampered network data processing speeds.
- Non-existent failover system for mission-critical Public Safety data, requiring dispatch and records personnel to use a paper-based system during scheduled and non-scheduled network outages. The typical scheduled quarterly network maintenance checks now require nearly six

- straight hours of downtime due to the amount of data involved.
- Hardware provisioning for the support of the upgraded Public Safety records management and computer-aided dispatch software.
- Inefficient backup system for the Public Safety mission-critical data.
- Failing Public Safety vehicles video system data server which is no longer under warranty.

Upon completion of the project specifications, the Technology Services Department solicited proposals from three qualified technology engineering companies for the professional design, configuration and installation of an integrated network hardware and data storage system that would address the network deficiencies, consolidate existing multiple software licenses and allow for expansion of data storage over a period of six to eight years (expected life-cycle of the system). The lowest and best proposal was submitted by Digital Strategy, Incorporated, which not only provides the most workable and lowest cost hardware design but also the extensive technical expertise and professional services required to properly configure and install the entire system.

The total cost for the hardware, purchased through Digital Strategy Incorporated as part of their design and configuration build, is \$171,353. The hardware pricing was obtained through the Western States Contracting Alliance cooperative purchasing program of which Digital Strategy Incorporated is a member and included additional pricing discounts provided by Digital Strategy, Incorporated.

The cost for the professional services provided by Digital Strategy, Incorporated for the design and configuration portion of the project based on their proposed system design is \$22,000. The quote for the software licensing was obtained from PCM, Incorporated as PCM is currently listed as the preferred software reseller for this region and therefore, was able to offer the lowest discounted pricing. The PCM quote for all project related software licensing is \$66,553. In order to verify the PCM pricing, Technology Services staff obtained four additional quotes which were all higher than the PCM discounted pricing quote. The software licensing maintains compliance for a three-year period. After the three-year period, the software licensing will be renewed at a reduced cost, estimated to be no more than one-third of the initial three-year cost.

Therefore, it is recommended that Council approve the technology infrastructure upgrade project at a total cost of \$259,906.81 and authorize the City Manager to execute all documents related to these contracts on behalf of the city.

FUNDING: Funds for one-time costs have been allocated in the Technology Services and Public Safety Capital Improvement Program budgets for FY 2015-2016.

Recurring costs: Software licensing will be renewed in FY 2019-2020 in the approximate amount of \$22,184 which will be allocated to the Public Safety Department operating budget.

Attachments: 1. Cost Comparison

Cost Comparison

	CDW-G		Data Strategy		TigerDirect		PCM		Secant	
	City Hall	Public Safety	City Hall	Public Safety	City Hall	Public Safety	City Hall	Public Safety	City Hall	Public Safety
HARDWARE	N/A	N/A	\$63,456.10	\$129,897.65	N/A	N/A	\$63,795.00	\$134,440.00	\$76,909.00	\$138,450.00
SOFTWARE	\$17,050.72	\$54,421.34	\$19,858.23	\$66,818.90	\$21,237.20	\$64,198.48	\$15,259.62	\$51,293.44	N/A	\$68,182.00
Total:	\$17,050.72	\$54,421.34	\$83,314.33	\$196,716.55	\$21,237.20	\$64,198.48	\$79,054.62	\$185,733.44	\$76,909.00	\$206,632.00
Grand Total:	\$71,472.06		\$280,030.88		\$85,435.68		\$264,788.06		\$283,541.00	

Data Strategy HW + PCM SW: \$259,906.81

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: South 12th Street Lift Station Force Main Replacement Project

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation and Utilities

ACTION RECOMMENDED: That City Council approve a contract amendment to the existing design engineering services for the South 12th Street Lift Station Force Main Replacement Project contract with Prein & Newhof, Incorporated, in the amount not to exceed \$8,000 and authorize the City Manager to execute all documents related to the contract on behalf of the city.

The fiscal year 2013 – 2014 Capital Improvement Program includes funding to evaluate the South 12th Street lift station and associated force main. Due to the construction of the lift station and force main dating back to the 1970s, continued reliability and efficiency of the facility is part of ongoing asset management. The existing force main for the lift station transfers sewage from South 12th Street to the trunk sewer near Cooley Drive on West Centre Avenue. In researching the condition of the force main pipe under US-131 it was determined that the cost to assess the condition of the pipe was almost equal to the cost of pipe replacement.

The Michigan Department of Transportation (MDOT) plans to resurface and lower US-131 at the West Centre Avenue crossing in 2016. It would be prudent to replace the force main pipe under US-131 concurrently or prior to the resurfacing. On March 31, 2015, the City Administration executed an agreement with the firm Prein & Newhof for design of the force main replacement under US-131 in the amount of \$19,750. Prein & Newhoff has successfully completed similar projects for the City of Portage and is also very familiar with the sanitary sewer flows in Texas Township and the lift station, making them cost-effective and competent for the project. On May 5, 2015, there was a leak in the force main 550 feet east of Angling Road, which was beyond the limit of the original scope of the project. City staff requested a quote from Prein & Newhof to include the additional 550 feet of force main in the replacement project. Prein & Newhof provided a quote of \$8,000 for the supplementary work. Staff has reviewed the quote and determines the price to be fair value for the work effort required. The \$8,000 will be in addition to the original contract in the amount of \$19,750, thus placing the total contract expenditure at an amount requiring City Council approval.

Therefore, it is recommended that City Council approve a contract amendment to the existing design engineering services for the South 12th Street Lift Station Force Main Replacement Project contract with Prein & Newhof, Incorporated, in the amount not to exceed \$8,000 and authorize the City Manager to execute all documents related to the contract on behalf of the city.

FUNDING: Funds are budgeted in the fiscal year 2013 – 2014 Capital Improvement Program Sanitary Sewer fund for this expenditure.

Attachments:

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Budget Amendment to the General Fund

SUPPORTING PERSONNEL: Rob Boulis, Deputy City Manager

ACTION RECOMMENDED: That City Council approve:

1. a budget transfer of \$2,961,755 from the General Fund to the Capital Improvement Fund to fund major and local street projects, the relocation of a Park trail, and the purchase of a fire pumper truck, and
2. a budget transfer of \$427,227 from the Local Streets fund to the Capital Improvement Fund to fund local street projects.

As Council is aware, there is \$3.26 million available beyond the twenty four percent (24%) minimum target reserve in unappropriated fund balance for the General Fund. Including an additional \$427,227 for Act 51 funding, proceeds made available by the State of Michigan to address local roads and bridges, the entire amount available for consideration is \$3.688 million. A breakdown of the funding for FY 2015-16 is attached for the information of Council.

Several areas were identified at the October 20, 2015 Committee of the Whole (COW) meeting that would benefit from allocation of additional funds. The proposals include \$1 million towards additional street reconstruction; re-location of the existing Portage Bicentennial trail near Lovers Lane and Milham Avenue; assistance in fulfilling the Fire Division Apparatus Strategic Plan; creation of a Budget Stabilization Fund and bolstering of the city's Bond Rating. Additional discussion by Council for funding allocations was set for an additional COW meeting on November 3, 2015.

As such, following the November 3, 2015 COW meeting, it is requested that City Council approve: a budget transfer of \$2,961,755 from the General Fund to the Capital Improvement Fund to fund major and local street projects, the relocation of a a Park trail, and the purchase of a fire pumper truck; and a budget transfer of \$427,227 from the Local Streets fund to the Capital Improvement Fund to fund local street projects.

FUNDING: From the \$3,261,755 General Fund surplus, \$2,946,755 transfers to the CIP Fund and \$315,000 remains in General Fund; From Local Streets Fund \$427,227 transfers to CIP Fund.

Attachments: 1. City of Portage – Estimated Additional Funds available for FY 15/16 –

Finance Department

2. List of Streets to be Addressed with additional appropriation
3. Map of Streets to be Addressed with additional appropriation
4. Budget for Lover's Lane Trail Relocation
5. Map of Lover's Lane Trail Relocation
6. Portage Fire Division Apparatus Strategic Plan

City of Portage

Projected additional funds available for FY 15/16

as of 10/28/15

SOURCES:

Beginning Fund Balance, FY 14/15	8,287,834	
Net Change, FY 14/15 (projected)	1,030,182	
Projected Ending Fund Balance		9,318,016
Adopted budget, FY 15/16		
Expenditures	22,784,419	
Transfers Out	2,450,000	
Total expenditures & transfers out	<u>25,234,419</u>	
Fund balance policy minimum	24%	
24% Target Fund Balance		<u>6,056,261</u>
Available excess General Fund balance		<u><u>3,261,755</u></u>

USES:

- Local Streets		
2016-2017 CIP Streets estimate	1,000,000	
less additional Act-51 funds from State of Michigan	<u>427,227</u>	
Net from General Fund		572,773
- Major Streets		
Romence/Westnedge intersection improvement		
Estimated project cost	361,000	
Grant proceeds	<u>(261,000)</u>	
Net cost		100,000
-Parks and Recreation		
PCBP Trail relocation (Lover's Lane/Milham Avenue)		185,000
- Public Safety		
Fire pumper		
Estimated total cost	521,260	
Estimated insurance proceeds	<u>(84,000)</u>	
Net cost		437,260
- Capital Improvement - borrowing reduction		
50.6% of excess General Fund balance		1,666,722
CIP Uses		<u>2,961,755</u>
General Fund Uses		
- Cultural Events		
Morehouse College Glee Club		-
- Budget stabilization fund contribution		
1.2% of General Fund expenditures & Transfers Out		300,000
Total Uses, General Fund surplus		<u><u>3,261,755</u></u>

Street	From	To	Length (LM)	Rating	Estimated Cost
2015-2016 Local Street Reconstruction					
Apple	Newells Ln	Oakside St	0.246	3	\$34,100.00
Pleasant	Newells Ln	Portage Rd	0.494	3	\$70,200.00
Prosperity	Newells Ln	Portage Rd	0.48	3	\$75,900.00
Arrow	Bratcher St	Keystone St	0.125	3	\$24,800.00
Bratcher	Romence Rd	Rainbow Ave	0.283	4	\$58,600.00
Cornell	Romence Rd	Rainbow Ave	0.282	4	\$65,100.00
Keystone	Romence Rd	Rainbow Ave	0.28	4	\$35,600.00
Rainbow	Cornell St	Dead End	0.225	4	\$37,700.00
Beechmount	Claremount St	Downing St	0.321	2-3	\$50,850.00
Briarhill Dr	S 12th St	Downing St	0.476	3	\$62,825.00
Claremount	Westfield Ave	Dead End	0.167	3	\$26,460.00
Downing	W Milham Ave	Briarhill Dr	0.514	3-4	\$81,420.00
Grassmere	Westfield Ave	Dead End	0.04	3	\$5,275.00
Stratford	Downing	Beechmount Ave	0.215	3	\$28,375.00
Westfield	S 12th St	Stratford Dr	0.321	3-4	\$42,375.00
Burr Ridge	Briarhill Ct	Dead End	0.029	4	\$4,590.00
Ramsgate	Beechmount Ave	Dead End	0.044	4	\$6,960.00
TOTAL			4.542	2-4	\$711,130.00
TOTAL RECONSTRUCTION COST					\$711,130.00
COMPLETE STREET ENHANCEMENTS					\$125,000.00
TOTAL CONSTRUCTION COST					\$836,130.00
ENGINEERING COSTS (10% +/-)					\$83,870.00
TOTAL 2015-2016 ESTIMATED PROJECT COST					\$920,000.00

Street	From	To	Length (LM)	Rating	Estimated Cost
2016-2017 Local Street Reconstruction					
Alten	Westfield Ave	Dead End	0.191	3-4	\$30,240.00
Briarhill Ct	Downing St	Dead End	0.167	4	\$26,460.00
Cedarcrest	Briarhill Dr	Downing St	0.404	4	\$63,990.00
Currier	Mustang Dr & E Centre Ave	Dead End or Start	0.28	3	\$44,340.00
Mayfield	Prosperity Dr	Pasma Ave	0.104	3	\$19,215.00
Maynard	Lovers Ln	Monte Vista St	0.117	3	\$21,630.00
Monte Vista	Applecroft Ave	Maynard Ave	0.073	3	\$13,475.00
Orchard	Tranquil St	Lovers Ln	0.153	3	\$28,280.00
Pasma	Kingston Dr	Bruning St	0.371	3	\$78,360.00
Southfield	Prosperity Dr	Pasma Ave	0.104	3	\$19,215.00
Waylee	E Centre Ave	Dead End or Start	0.252	3	\$53,240.00
Bruning	Orchard Dr	Pasma Ave	0.322	3-4	\$68,000.00
Lake Wood	Prosperity Dr	E Centre Ave	0.22	3-4	\$40,670.00
Prosperity	Kingston Dr	Bruning St	0.378	3-4	\$69,860.00
Kingston	Prosperity Dr	E Centre Ave	0.215	4	\$45,400.00
Lorac	Prosperity Dr	Pasma Ave	0.105	4	\$19,390.00
Shumway	Bruning St	Dead End or Start	0.278	4	\$51,380.00
Tranquil	Orchard Dr	Shumway Ave	0.147	4	\$31,040.00
Applecroft	Lovers Ln	Newells Ln	0.253	4	\$40,080.00
Coulter	Buckhorn St	Manhattan St	0.125	3	\$19,800.00
TOTAL			4.134	3-4	\$784,065.00
TOTAL RECONSTRUCTION COST					\$784,065.00
COMPLETE STREET ENHANCEMENTS					\$125,000.00
TOTAL CONSTRUCTION COST					\$909,065.00
ENGINEERING COSTS (10% +/-)					\$90,935.00
TOTAL 2016-2017 ESTIMATED PROJECT COST					\$1,000,000.00

Street	From	To	Length (LM)	Rating	Estimated Cost
2017-2018 Local Street Reconstruction					
Bittersweet	Marigold Ave	Larkspur Ave	0.063	3	\$11,655.00
Marigold	S Westnedge Ave	Tumbleweed St	0.293	3	\$54,145.00
E Melody	W Melody Ave & S Westnedge Ave	Barberry Ave	0.264	3	\$55,760.00
Barberry	S Westnedge Ave	Dead End or Start	0.46	3-4	\$85,015.00
Larkspur	S Westnedge Ave	Dead End or Start	0.388	4	\$71,715.00
Tumbleweed	Barberry Ave	Larkspur Ave	0.109	4	\$20,160.00
Kelvere	Marfield St	Leslee St	0.132	3	\$20,910.00
Snowberry	Marfield St	Dead End or Start	0.074	3	\$11,730.00
Marfield	Woodland Dr	Romence Rd	0.256	3-4	\$40,560.00
Woodland	Starbrook St	Winter Forest Dr	0.491	3-4	\$77,760.00
Birchton	Starbrook St	Rockford St	0.16	4	\$25,350.00
Carlsbrook	Tamfield Ave	Dead End or Start	0.087	4	\$13,770.00
Colchester	Starbrook St	Rockford St	0.162	4	\$25,650.00
Green Forest	Woodland Dr	Winter Forest Dr	0.192	4	\$30,420.00
Kaylin	Kelvere Ave	Dead End or Start	0.044	4	\$6,960.00
Leslee	Woodland Dr	Sherry Dr	0.151	4	\$23,910.00
Redstock	Starbrook St	Rockford St	0.155	4	\$24,540.00
Sherry	Marfield St	Leslee St	0.129	4	\$20,430.00
Starbrook	Schuring Rd	Dead End or Start	0.396	4	\$62,730.00
Tamfield	Starbrook St	Rockford St	0.159	4	\$25,200.00
TOTAL			4.165	3-4	\$708,370.00
TOTAL RECONSTRUCTION COST					\$708,370.00
COMPLETE STREET ENHANCEMENTS					\$125,000.00
TOTAL CONSTRUCTION COST					\$833,370.00
ENGINEERING COSTS (10% +/-)					\$86,630.00
TOTAL 2017-2018 ESTIMATED PROJECT COST					\$920,000.00



29 October 2014

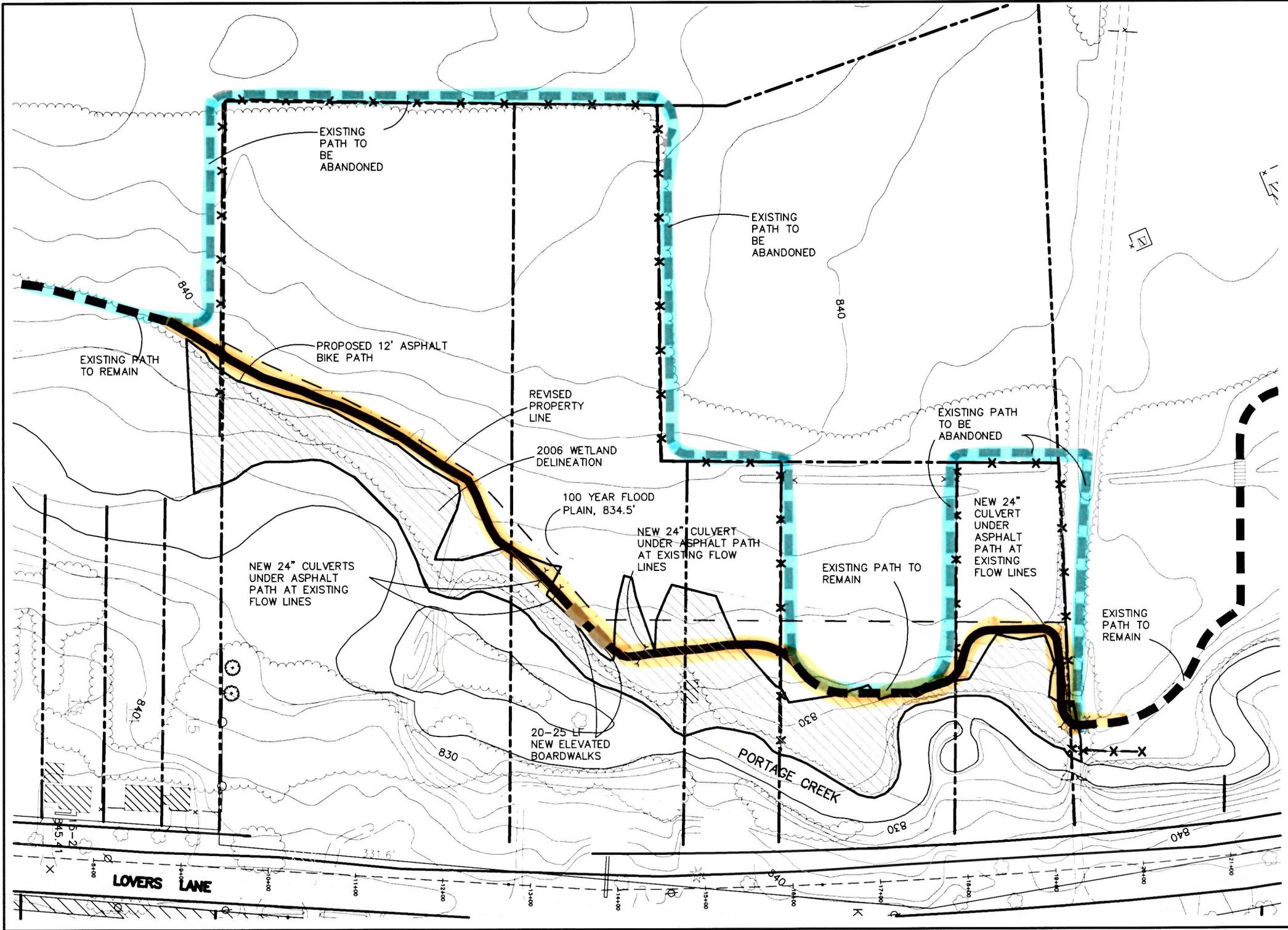
Portage Bicentennial Park - Lover's Lane Trail Relocation

Portage, Michigan

Opinion of Probable Costs

Item	Qty.	Unit	Unit Price	Total
Demolition & Removals				
Clearing & Grubbing (assume 6" depth removal)	21,000	SF	\$ 1.00	\$ 21,000.00
Site Improvements				
12' Wide Asphalt Paved Trail	13,800	SF	\$ 4.00	\$ 55,200.00
Aggregate Base	455	CY	\$ 25.00	\$ 11,375.00
Geotextile Fabric for Aggregate Pillow	7,820	SF	\$ 1.50	\$ 11,730.00
Rip Rap (9-18")	40	CY	\$ 80.00	\$ 3,200.00
24" SLCPP Culvert w/ Flared End Sections	80	LF	\$ 50.00	\$ 4,000.00
14' Wide Wooden Boardwalk with Guardrails	50	LF	\$ 500.00	\$ 25,000.00
Site Earthwork				
General Grading (removal of unsuitable soils +/-1' depth)	600	CY	\$ 15.00	\$ 9,000.00
Silt Fence	1,200	LF	\$ 2.50	\$ 3,000.00
Spread Topsoil and Fine Grade	515	SY	\$ 2.00	\$ 1,030.00
Landscape Improvements				
Seeding/Restoration	5,000	SF	\$ 0.30	\$ 1,500.00
Erosion Control Blanket	800	SF	\$ 5.00	\$ 4,000.00

Subtotal Construction	\$ 150,035.00
Contingency (10%)	\$ 15,003.50
Mobilization (5%)	\$ 8,251.93
Bonds, Insurance, O&P (15%)	\$ 24,755.78
A/E Fees (7%)	\$ 11,552.70
Permit Fees	\$ 500.00
Total Project Cost	\$ 210,098.90



SHEET TITLE: LOVER'S LANE TRAIL RELOCATION SKETCH

PROJECT: PORTAGE BICENTENNIAL PARK

DATE: 10/07/14

SKETCH NO.: C-1



SCALE: 1" = 100'



= Existing Trail



= Proposed Trail Relocation

Portage Fire Division Apparatus Strategic Plan

The current fire apparatus fleet is comprised of three front line pumpers that meet the NFPA 1901 Fire Apparatus Standard with all associated equipment, as well as one additional pumper that meets the same standards and is used for training and replacement of first line equipment that is out for maintenance, testing or other reasons. Two large aerial quint type apparatus that meet NFPA 1901 with all associated equipment are also maintained. This current fleet meets the minimum requirements for our city based on the 2012 Insurance Service Office (ISO) report that determines and sets a community fire rating for insured properties.

The service life expectancy for the fire pumpers is recommended to be 10 years based on the mileage, hours and number of calls for service that we respond to. The larger aerial apparatus is recommended to be 15 years based on the same criteria. Trying to extend the apparatus beyond these timelines generally reflects increased maintenance cost, out of service time for responding to calls for service, along with technological advances in the apparatus that provide for increased performance and safety with newer apparatus warrants the replacement in these recommended timelines.

Quint Type Apparatus Definition:

A Quint is defined in NFPA 1901, Standard for Automotive Fire Apparatus, as a fire apparatus with a permanently mounted fire pump, a water tank, fire hose storage area, an aerial ladder or elevating platform with a permanently mounted waterway, along with a complete complement of ground ladders. For a number of reasons, the quint concept is valid for the City of Portage. In summary, having these units available at multiple stations throughout the city, provide for a strategic deployment of these specialized apparatus to arrive at emergency scenes throughout the city in a timely manner. Fire division is recommending the continued use of this concept with some modifications.

Present Apparatus Fleet:

1-100ft. Quint, tandem axle, straight stick aerial ladder.



1-110ft Quint, tandem axle, aerial platform ladder.



2-Squad/Pumpers which are larger than a typical fire pumper and provide for additional storage of specialized equipment.



2-Fire Pumpers which meet the current NFPA 1901 Fire Apparatus Standard. These are standard size fire pumpers with an average number of compartments for equipment storage.



2-Sport Utility Vehicles (SUV) which are used primarily for basic medical emergencies as well as business inspections throughout our city. Due to the operational mode of this vehicle and the emergent type driving that occurs, replacement of this vehicle is recommended to be every 3 years.



1-Cargo Style Enclosed Trailer and Tow Vehicle which is utilized for the storage of specialized rescue equipment to be utilized on various types of calls for service such as confined space, structural collapse, high-angle rescues or other non-typical fire calls. The tow vehicle meets the specified towing capacity of the trailer along with seating and storage area for equipment to accommodate four firefighters. Estimated years for replacement of this vehicle is 15 years.



1-One ton Pick-up equipped with a portable water tank and pump to be utilized for off-road area fires in brush, fields, woods, along the city trail ways and can be assigned to specialized incidents such as guarding down power lines until the utility company responds and for fire investigations after a structure fire. This vehicle can also be used for a secondary Incident Command vehicle during times when multiple incidents are occurring in the city, or when the primary Battalion Chief vehicle is out of service for routine maintenance or other reasons. By utilizing this type of vehicle for these above service calls, allows the larger apparatus to remain equipped and available for more serious additional service calls for our city. Estimated years for replacement of this vehicle is 15 years.



1-3/4 ton Pick-up style chassis with a service body to be utilized by the Battalion Chief as an incident command style vehicle. This vehicle is equipped to allow the incident commander to have the various technology and equipment needed to adequately provide oversight to their fire personnel and communications with dispatch during emergency incidents. Due to the operational mode of this vehicle and the emergent type driving that occurs, replacement of this vehicle is recommended to be every 3 years.



2-SUV or Pick-up Style vehicles are utilized by the Fire Marshal and Training Officer. They utilize these vehicles for conducting their day to day business activities as well as responding to emergencies both on-duty and off-duty. This type of operation mode makes them both readily available as they carry their Personal Protective Equipment (PPE) with them at all times. During emergency fire scenes the Training Officer serves as the department Safety Officer, and the Fire Marshal serves as the lead fire investigator. Both of these vehicles are marked and equipped with emergency response equipment. Due to the operational mode of this vehicle and the emergent type driving that occurs, replacement of these vehicles is recommended to be every 3 years.

2-SUV type vehicles are utilized by the Senior Deputy Fire Chief and Assistant Fire Chief. These vehicles are used for conducting daily business as well as responding to emergency scenes both during business hours, as well as after business hours. These vehicles have 2-way radios, however they do not respond in an emergency driving mode. Both individuals carry their Personal Protective Equipment (PPE) in these vehicles. Due to the non-emergency driving of these vehicles, replacement is recommended every 7 years.

Proposed Fleet:

1-100 ft. Quint style, tandem rear axle Aerial apparatus. In an effort to meet both the ISO recommendations as well as the Gold Standard Best Practices identified by the CFAI Accreditation Agency, fire division would continue to maintain one of these large aerial apparatus in the fleet. (Previously pictured)

1-100 ft. Quint style, single rear axle Aerial apparatus. In an effort to continue to meet both the ISO recommendations, as well as the Gold Standard Best Practices identified by

the CFAI Accreditation Agency, fire division would purchase a newer design aerial apparatus that has a shorter wheel base, resulting in better maneuverability, quicker aerial set-up time, and less expensive to maintain (one less axle, 4 less tires, brakes). This would be used as a first out pumper type response allowing for an aerial unit arriving immediately on every fire scene. If the aerial device is not needed, the apparatus would meet all the NFPA 1901 Fire Apparatus Standard regarding the fire pump, hose storage, water supply and required equipment.



4-Fire Pumpers as previously described and pictured. These apparatus would allow us to maintain the recommendations by ISO and CFAI Accreditation by providing enough apparatus for initial responses, secondary responses and reserve equipment to cover for apparatus that is out of service for routine maintenance needs.

2-Light Duty Rescues or SUV's would respond to medical emergencies providing initial treatment to patients, as well as carry vehicle extrication equipment to assist on vehicle accident scenes. Replacement timeframes for these vehicles would remain the same as previously discussed in this report.



1-Tow vehicle and Enclosed Cargo Style Trailer would be maintained for all specialized equipment storage, transport and use as previously outlined in this report.

2-SUV or Pick-up style vehicles would continue to be maintained by the fire marshal and training officer as previously outlined in this report.

1-One ton pick-up style vehicle with portable water tank and pump would be maintained and utilized as previously outlined in this report.

2-12 passenger AWD vans would be incorporated into the fire division fleet with one being assigned to the fire prevention division for use in transporting staff and equipment to the various public fire prevention programs conducted throughout the city. The other van would be assigned to the training division for the purpose of



transporting fire personnel and their equipment to various training exercises within the immediate area outside of the city, as well as external training opportunities throughout our region.

These vans would be marked and equipped with two-way radios for fire related communications, however, they would not be equipped with emergency lighting or sirens for emergency response to incidents. These vans could be utilized for transporting both personnel and equipment to long duration incidents and by the OCFE's to respond to Mutual Aid calls throughout our county.

2-SUV type vehicles would be maintained by the Senior Deputy Fire Chief and Assistant Fire Chief as previously outlined in this report.

This reported was compiled:

October 2015

By: John Podgorski, Senior Deputy Fire Chief-Operations

Effective Start Date of Plan: Fiscal Year 2015/2016

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Ordinance Amendment to Establish Budget Stabilization Fund

SUPPORTING PERSONNEL: William Furry, Finance Director

ACTION RECOMMENDED: That City Council accept for first reading an amendment to the Codified Ordinances of the City of Portage to establish a Budget Stabilization Fund, and take final action on the amendment on November 17, 2015.

Budget stabilization or "rainy day" funds allow governments to set aside excess revenue for use in times of unexpected revenue shortfall or budget deficit. Currently there are surplus funds in the city's General Fund with which to establish a budget stabilization fund to provide a safeguard against potential future funding shortfalls that could lead to reductions in levels of service or prevent access to adequate resources to deal with natural disaster.

As such, it is recommended that City Council accept for first reading an amendment to the Codified Ordinances of the City of Portage to establish a Budget Stabilization Fund, and take final action on the amendment on November 17, 2015.

FUNDING: General Fund fund balance surplus.

Attachments:

1. Budget Stabilization Fund Ordinance Amendment
2. Budget Stabilization Fund Background Information

**FIRST READING AND NOTICE OF HEARING
CITY OF PORTAGE, MICHIGAN
NOTICE**

**TO THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF PORTAGE AND
ALL OTHER INTERESTED PERSONS.**

NOTICE IS HEREBY GIVEN, that an Ordinance to add Article 3, Budget Stabilization Fund, of Chapter 70, Taxation, of the Codified Ordinances of Portage, Michigan, was introduced for first reading at a regular meeting of the City Council held on _____, 2015, and that the Council will hold a public hearing on the proposed amendments at the Portage City Hall in said City on _____, 2015, at 7:30 p.m. or as soon thereafter as may be heard.

NOTICE IS FURTHER GIVEN that the proposed ordinance amendment reads as follows:

THE CITY OF PORTAGE ORDAINS:

Sec. 70-301.

A Budget Stabilization Fund ("Fund") for the City of Portage is created and established pursuant to Act 30 of the Public Acts of 1978, as amended, being Sections 141.441 et seq. of the Michigan Compiled Laws.

Sec. 70-302.

In each Fiscal year hereafter, the Portage City Council may appropriate to the Fund by resolution, adopted by a two-thirds vote of its members elected and serving, all or part of a surplus in the General Fund resulting from excess revenues over expenditures during the most recently completed fiscal period, to the Fund.

Sec. 70-303.

The City shall not impose additional taxes producing revenues in excess of that needed for its estimated budget as amended in order to provide for money to be appropriated to the Fund.

Sec. 70-304.

The amount of money in the Fund shall not exceed either 15 percent of the most recent General Fund budget, as originally adopted, or 15 percent of the average of the five (5) most recent General Fund Budgets, as amended, whichever is less.

Sec. 70-305.

The money in the Fund may be invested, as provided by law, with the earnings of the Fund to be returned to the General Fund of the City.

Sec. 70-306.

If the money in the Fund exceeds that permitted in Section 70-304, the excess money shall be appropriated in the next General Fund Budget but shall not be appropriated to the Fund.

Sec. 70-307.

Money in the Fund may be appropriated by City Council resolution adoption by a two-thirds vote of City Council members elected and serving for the following purposes:

- (1) To cover a General Fund deficit, when the annual audit reveals such a deficit.
- (2) To prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when the budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses.
- (3) To prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the estimated revenues do not appear sufficient to cover estimated expenses.
- (4) To cover expenses arising because of a natural disaster, including a flood, fire, or tornado. However, if federal or state funds are received to offset the appropriations from the Fund, that money shall be returned to the Fund.

Sec. 70-308.

In determining whether the revenues for the City are not sufficient to cover its expenses, a reduction in the amount of money received for the fiscal year from any source in comparison to the amount of money received for the previous fiscal year, including a reduction in the allocation of state tax revenues, shall be considered.

Sec. 70-309.

The money in the Fund shall not be appropriated for the acquisition, construction, or alteration of a facility as part of a general capital improvements program.

Sec. 70-310.

This Ordinance may be amended or repealed only by a two-thirds vote of the members elected and serving of the City Council.

Dated: _____

James R. Hudson, City Clerk

**AN ORDINANCE TO ESTABLISH A BUDGET STABILIZATION FUND
FOR THE CITY OF PORTAGE, MICHIGAN BY ADDING ARTICLE 3, BUDGET
STABILIZATION FUND, TO CHAPTER 70, TAXATION**

THE CITY OF PORTAGE ORDAINS:

Sec. 70-301.

A Budget Stabilization Fund ("Fund") for the City of Portage is created and established pursuant to Act 30 of the Public Acts of 1978, as amended, being Sections 141.441 et seq. of the Michigan Compiled Laws.

Sec. 70-302.

In each Fiscal year hereafter, the Portage City Council may appropriate to the Fund by resolution, adopted by a two-thirds vote of its members elected and serving, all or part of a surplus in the General Fund resulting from excess revenues over expenditures during the most recently completed fiscal period, to the Fund.

Sec. 70-303.

The City shall not impose additional taxes producing revenues in excess of that needed for its estimated budget as amended in order to provide for money to be appropriated to the Fund.

Sec. 70-304.

The amount of money in the Fund shall not exceed either 15 percent of the most recent General Fund budget, as originally adopted, or 15 percent of the average of the five (5) most recent General Fund Budgets, as amended, whichever is less.

Sec. 70-305.

The money in the Fund may be invested, as provided by law, with the earnings of the Fund to be returned to the General Fund of the City.

Sec. 70-306.

If the money in the Fund exceeds that permitted in Section 70-304, the excess money shall be appropriated in the next General Fund Budget but shall not be appropriated to the Fund.

Sec. 70-307.

Money in the Fund may be appropriated by City Council resolution adoption by a two-thirds vote of City Council members elected and serving for the following purposes:

- (1) To cover a General Fund deficit, when the annual audit reveals such a deficit.
- (2) To prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when the budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses.
- (3) To prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the estimated revenues do not appear sufficient to cover estimated expenses.
- (4) To cover expenses arising because of a natural disaster, including a flood, fire, or tornado. However, if federal or state funds are received to offset the appropriations from the Fund, that money shall be returned to the Fund.

Sec. 70-308.

In determining whether the revenues for the City are not sufficient to cover its expenses, a reduction in the amount of money received for the fiscal year from any source in comparison to the amount of money received for the previous fiscal year, including a reduction in the allocation of state tax revenues, shall be considered.

Sec. 70-309.

The money in the Fund shall not be appropriated for the acquisition, construction, or alteration of a facility as part of a general capital improvements program.

Sec. 70-310.

This Ordinance may be amended or repealed only by a two-thirds vote of the members elected and serving of the City Council.

Dated: _____, 2015.

Peter J. Strazdas, Mayor

FIRST READING: _____

SECOND READING: _____

ORDINANCE #: _____

EFFECTIVE DATE: _____

CERTIFICATION

I, James R. Hudson, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage and that the foregoing ordinance was adopted by the City of Portage on the ____ day of _____, 2015.

James R. Hudson, City Clerk

PREPARED BY:
Randall L. Brown (P34116)
Portage City Attorney
1662 East Centre Avenue
Portage, MI 49002
(269) 323-8812

Approved as to Form:

Date: 10/29/15

City Attorney

z:\jody\portage\ord\nonzone\budget stabilization fund ordinance.102915.doc

BUDGET STABILIZATION FUND
Act 30 of 1978

AN ACT to provide for the creation and use of budget stabilization funds by counties, cities, villages, and townships.

History: 1978, Act 30, Imd. Eff. Feb. 24, 1978;—Am. 1980, Act 192, Imd. Eff. July 8, 1980.

The People of the State of Michigan enact:

141.441 Definitions.

Sec. 1. As used in this act:

- (a) "Fund" means a budget stabilization fund.
- (b) "Municipality" means a county, city, village, or township.

History: 1978, Act 30, Imd. Eff. Feb. 24, 1978;—Am. 1980, Act 192, Imd. Eff. July 8, 1980.

141.442 Budget stabilization fund; creation.

Sec. 2. The governing body of a municipality by an ordinance adopted by a 2/3 vote of the members elected and serving may create a budget stabilization fund.

History: 1978, Act 30, Imd. Eff. Feb. 24, 1978.

141.443 Budget stabilization fund; appropriation; additional taxes prohibited; limitation; investments; disposition of excess money.

Sec. 3. (1) Each fiscal year following the fiscal year in which a fund is created, the governing body of the municipality which created the fund may appropriate by an ordinance or resolution adopted by a 2/3 vote of the members elected and serving, all or part of a surplus in the general fund resulting from an excess of revenue in comparison to expenses, to the fund.

(2) A municipality shall not impose additional taxes producing revenue in excess of that needed for its estimated budget in order to provide for money to be appropriated to the fund.

(3) The amount of money in the fund shall not exceed either 15% of the municipality's most recent general fund budget, as originally adopted, or 15% of the average of the municipality's 5 most recent general fund budgets, as amended, whichever is less.

(4) The money in the fund may be invested as provided by law with the earnings of the fund to be returned to the municipality's general fund.

(5) If the money in the fund exceeds that permitted in subsection (3), the excess money shall be appropriated in the municipality's next general fund budget, but shall not be appropriated to the fund.

History: 1978, Act 30, Imd. Eff. Feb. 24, 1978.

141.444 Budget stabilization fund; purposes; sufficiency of municipality's revenue.

Sec. 4. (1) Money in the budget stabilization fund may be appropriated by an ordinance or resolution adopted by a 2/3 vote of the members elected and serving of the governing body of the municipality which created the fund for the following purposes:

(a) To cover a general fund deficit, when the municipality's annual audit reveals such a deficit.

(b) To prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when the municipality's budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses.

(c) To prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the municipality's estimated revenue does not appear sufficient to cover estimated expenses.

(d) To cover expenses arising because of a natural disaster, including a flood, fire, or tornado. However, if federal or state funds are received to offset the appropriations from the fund, that money shall be returned to the fund.

(2) In determining whether a municipality's revenue is not sufficient to cover its expenses, a reduction in the amount of money received for the fiscal year from any source in comparison to the amount of money received for the previous fiscal year, including a reduction in the allocation of state tax money, shall be considered.

History: 1978, Act 30, Imd. Eff. Feb. 24, 1978.

141.445 Budget stabilization fund; prohibitions.

Sec. 5. The money in the budget stabilization fund shall not be appropriated for the acquisition, construction, or alteration of a facility as part of a general capital improvements program.

History: 1978, Act 30, Imd. Eff. Feb. 24, 1978;—Am. 1980, Act 192, Imd. Eff. July 8, 1980.

Laurence Shaffer

From: Lauren VanderVeen
Sent: Wednesday, October 14, 2015 4:15 PM
To: Laurence Shaffer
Cc: Bill Furry; Erica Eklov
Subject: BUDGET STABILIZATION FUND
Attachments: Michigan Cities with Budget Stabilization Policies.pdf; Plymouth S&P Article.pdf; Budget Stabilization mcl-act-30-of-1978.pdf

Hi Larry,

In response to your email below:

1. Please see attached for the list of cities I found that have portions of their fund balance allocated to budget stabilization. Included in the listing are the budget stabilization balances, along with the percent of budget stabilization versus total fund balance, revenue, expenditures, and expenditures + transfers out. An average percentage was added for comparative purposes to our own. I also included the S&P rating for all of the cities. As you will see, all cities have an S&P rating of at least AA- Stable, with the exception of Wixom (which didn't have an S&P rating). Let me know if you'd like me to exclude Wixom or Alpena (extremely low budget stabilization balance) from the analysis.
2. We do not have specific evidence from S&P that having a budget stabilization fund guarantees a rating step-up. Obviously bond ratings are based on a multitude of factors; however, having a bond stabilization was mentioned positively in an S&P article for the City of Plymouth. Per the article: "The presence of \$550,000 in the city's budget stabilization fund further bolsters its' financial position." Please see attached for the full article.
3. An ordinance must be adopted by a 2/3 vote to create the budget stabilization fund. The size of a budget stabilization balance shall not exceed 15% of the municipality's most recent general fund budget, as originally adopted, or 15% of the average of the municipality's 5 most recent general fund budgets, as amended, whichever is less. Money in the budget stabilization fund may be appropriated by an ordinance or resolution adopted by a 2/3 vote. There are 3 different purposes for which budget stabilization monies can be used: cover a general fund deficit, prevent a reduction in level of services or number of employees, and to cover natural disaster expenses. Please see the full Michigan ACT 30 of 1978 attached for further details.
 - a. Bill has drafted an ordinance we could start with – please let me know if you would like a copy of it.

I have accumulated other S&P articles which mention "reserves" as being positive factors to cities' bond ratings and also examples of other cities' budget stabilization policies as disclosed in their CAFRs/financial statements. Let me know if you'd like to see any other examples.

Please let me know if you have any questions or would like to meet to discuss.

Thanks,
Lauren

Lauren VanderVeen, CPA
Deputy Finance Director
City of Portage
7900 South Westnedge Avenue

Portage, Michigan 49002
(269) 329-4452 Phone
(269) 324-0471 Fax

From: Laurence Shaffer
Sent: Tuesday, October 06, 2015 4:41 PM
To: Bill Furry <furryw@portagemi.gov>; Lauren VanderVeen <vandervl@portagemi.gov>; Erica Eklov <eklove@portagemi.gov>
Subject: BUDGET STABILIZATION FUND

Bill and Lauren,

You were kind enough to provide information relative to budget stabilization funds throughout Michigan....would you revive and update that information to include the following:

1. List of communities in Michigan that deploy budget stabilization funds and the amount that each have placed in the fund.
2. The impact that the BSF might have on the city's bond rating.
3. Summary of the limitations on the fund; size, use and how to appropriate out.

Thank you . I will need in two weeks.

Larry

City Manager
Office of the City Manager
City Hall – 7900 South Westnedge Avenue
Portage, Michigan 49002

Phone – 269-329-4400
Cell – 413-658-7089

Michigan Cities with Budget Stabilization Policies*

City	Budget Stabilization		Budget Stabilization					% of Exp +		
	Balance	Total Fund Balance	% of Total FB	% of Revenue	% of Exp	Transfers Out	S&P Rating	Revenue	Expenditures	Transfers Out
Alpena	\$ 4,997	\$ 2,984,398	0%	0%	0%	0%	AA- Stable	\$ 9,178,128	\$ 8,960,454	\$ 365,004
Grand Haven	\$ 2,236,847	\$ 5,329,008	42%	23%	24%	20%	AA Stable	\$ 9,584,957	\$ 9,411,566	\$ 1,868,371
Grand Rapids	\$ 5,940,801	\$ 35,530,467	17%	5%	6%	5%	AA Stable	\$ 108,361,856	\$ 102,738,065	\$ 13,658,549
Grosse Pointe	\$ 475,000	\$ 2,632,809	18%	8%	9%	8%	AA+ Stable	\$ 5,674,227	\$ 5,178,928	\$ 554,563
Holland	\$ 983,286	\$ 4,700,274	21%	6%	5%	5%	AA Stable	\$ 15,868,869	\$ 19,035,184	\$ 1,805,408
Monroe	\$ 2,000,000	\$ 5,790,217	35%	12%	13%	12%	AA- Stable	\$ 16,387,265	\$ 14,954,613	\$ 1,183,165
Plymouth	\$ 550,000	\$ 2,273,490	24%	7%	8%	7%	AA Stable	\$ 7,731,145	\$ 7,131,752	\$ 377,400
Rochester Hills	\$ 1,000,000	\$ 31,257,584	3%	4%	7%	4%	AAA Stable	\$ 25,385,779	\$ 13,808,998	\$ 11,688,898
South Haven	\$ 161,658	\$ 2,744,742	6%	3%	3%	3%	AA Stable	\$ 5,549,730	\$ 6,176,362	\$ 193,440
St. Joseph	\$ 1,000,000	\$ 2,853,576	35%	13%	15%	13%	AA Stable	\$ 7,571,277	\$ 6,657,957	\$ 768,335
Traverse City	\$ 749,774	\$ 7,153,334	10%	6%	6%	5%	AA+ Stable	\$ 13,127,058	\$ 12,119,491	\$ 2,231,878
Troy	\$ 1,534,139	\$ 37,592,774	4%	3%	3%	3%	AAA Stable	\$ 49,212,309	\$ 49,211,683	\$ 3,550,000
Wayland	\$ 493,070	\$ 1,408,771	35%	22%	22%	22%	AA Stable	\$ 2,233,004	\$ 2,197,227	\$ -
Wixom	\$ 1,194,877	\$ 4,288,543	28%	12%	15%	14%	N/A	\$ 10,057,902	\$ 7,959,454	\$ 784,224
AVERAGE			20%	9%	10%	9%				
Portage	\$ 300,000	\$ 8,287,834	4%	1%	1%	1%	AA Stable	\$ 22,522,021	\$ 20,414,499	\$ 2,629,636

* Data is based on 2014 audited CAFR/Financial Statements



STANDARD & POOR'S RATINGS SERVICES

McGRAW HILL FINANCIAL

Plymouth, MI's Improved Financial Reserves Boost GO Debt Rating To 'AA'

14-Aug-2008 17:15 EDT

[View Analyst Contact Information](#)

NEW YORK (Standard & Poor's) Aug. 14, 2008--Standard & Poor's Ratings Services raised its standard long-term rating and underlying rating (SPUR) on Plymouth, Mich.'s unlimited-tax and limited-tax general obligation (GO) debt two notches to 'AA' from 'A+' based on the city's improved financial reserves. The outlook is stable.

The rating service also assigned its 'AA' standard long-term rating, and stable outlook, to the city's \$5 million series 2008 unlimited-tax GO street bonds.

The ratings further reflect the city's access to a wide variety of employment opportunities throughout southeastern Michigan; strong wealth and income levels; very strong financial operations, boosted by reserves available outside the general fund; and moderate per capita debt burden.

"We believe the city's long-term and conservative budgeting approach will continue to have a positive effect on its overall financial position through the maintenance of strong reserves," said Standard & Poor's credit analyst Daniel Zuccarello. "The city's participation in the greater Detroit and Ann Arbor economic areas lend additional stability to the rating."

The city's financial performance has improved following an increase to the general fund balance in each of fiscals 2004-2007. Fiscal 2007 closed on June 30 with a \$1.9 million unreserved general fund balance, or a very strong 30% of expenditures, well above the \$110,000, or 2%, at fiscal year-end 2003. According to management, the city has been able to add to fund balance due to the implementation of a long-term financial plan, coupled with staff restructuring and other minor expenditure reductions. The presence of \$550,000 in the city's budget stabilization fund further bolsters its financial position. For fiscal 2008, management estimates that conservative budgeting practices could yield a roughly \$500,000 general fund surplus.

Including this issue, the city's overall debt burden, including all debt backed by the city's GO pledge and overlapping debt, is a moderate \$3,426 per capita but a low 2.6% of market value. Amortization is above average with officials retiring about 71% of principal over the next 10 years.

The rating action affects roughly \$7.2 million of debt outstanding.

Complete ratings information is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; select your preferred country or region, then Ratings in the left navigation bar, followed by Credit Ratings Search.

Primary Credit Analyst: Daniel Zuccarello, New York 1-212-438-7414;
daniel_zuccarello@standardandpoors.com

Secondary Credit Analyst: Corey Friedman, Chicago (1) 312-233-7010;
corey_friedman@standardandpoors.com

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as

well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription); and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-7280 or by e-mail to: research_request@standardandpoors.com.

[Legal Disclaimers](#)

[Careers at S&P Ratings Services](#)

[Terms of Use](#)

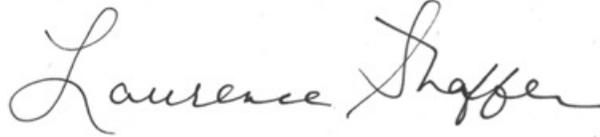
[Privacy and Cookie Notice](#)

Copyright © 2015 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

Reproduction and distribution of this information in any form is prohibited except with the prior written permission of Standard & Poor's. Standard & Poor's does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such information. STANDARD & POOR'S GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. STANDARD & POOR'S shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of this information, including ratings. Standard & Poor's ratings are statements of opinions and are not statements of fact or recommendations to purchase hold or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice. Please read our complete disclaimer [here](#)

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Harris Drive Vacation Request

SUPPORTING PERSONNEL: Vicki Georgeau, Director of Community Development

ACTION RECOMMENDED: That City Council accept the resolution to vacate the south approximate 57-feet of Harris Drive, place the resolution on file with the City Clerk for 28 days and take final action on December 1, 2015.

A request has been received from Craig and Nancy Bahner that the south approximate 57-feet of Harris Drive (unimproved portion) be vacated to facilitate construction of a new single family home on the adjacent parcels to the south (10214 and 10220 East Shore Drive) which the applicants own. Both parcels are currently vacant (the dwelling shown on the aerial photograph on 10220 East Shore Drive was razed after the photograph was taken). According to the applicant, the presence of this approximate 57-foot strip of unimproved public right-of-way creates redevelopment limitations for construction of a new single family home. The applicant has asked that it be vacated.

Although this approximate 57-foot area of Harris Drive is an unimproved “paper” street, located within this right-of-way is an existing municipal sanitary sewer main. This sewer main also extends approximately eight feet south of the southern end of the unimproved right-of-way. If the vacation request is approved by City Council, the applicants will convey a 20-foot-wide easement to the City of Portage for the existing public sanitary sewer main.

Given the existing development pattern and surrounding land ownership, a future southerly extension of Harris Drive is not practical and this unimproved public right-of-way is not needed by the city. As a result, the City Administration recommends the vacation request be approved subject to retaining a sanitary sewer easement and combining 10214 and 10220 East Shore Drive as one lot of record. The Planning Commission reviewed the vacation request during the October 15, 2015 meeting and recommends it be approved subject to the above-noted conditions.

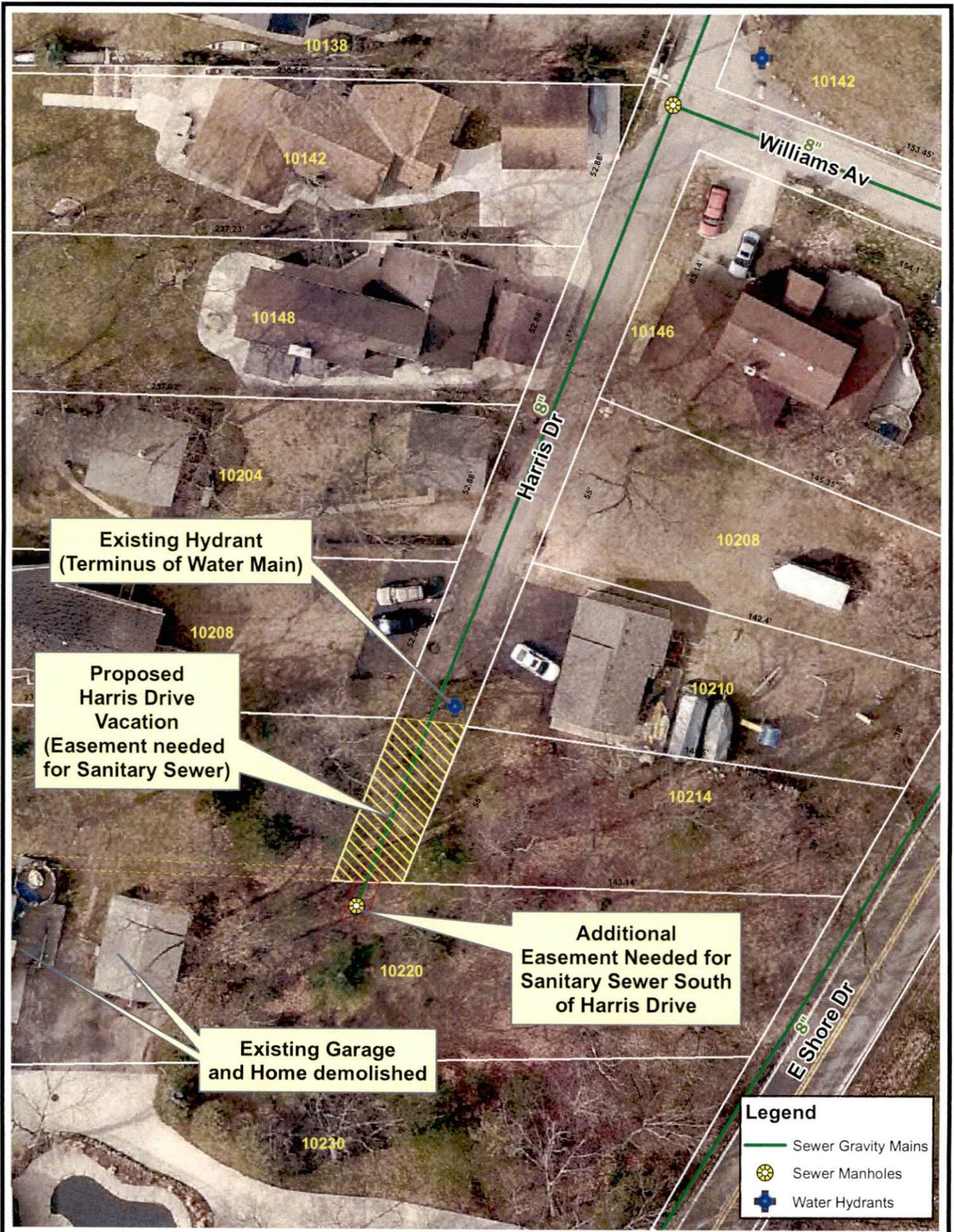
It is recommended that City Council accept the resolution to vacate the south approximate 57-feet of Harris Drive, place the resolution on file with the City Clerk for 28 days and take final action on December 1, 2015.

FUNDING: N/A

Attachments:

1. Harris Drive Map
2. Planning Commission transmittal dated October 16, 2015
3. Planning Commission Minutes dated October 15, 2015

4. Department of Community Development report dated October 9, 2015
5. Draft sanitary sewer easement
6. Resolution



TO: Honorable Mayor and City Council
FROM: Planning Commission
DATE: October 16, 2015
SUBJECT: Request to vacate the south approximate 57 feet of Harris Drive

At the meeting of October 15, 2015, the Planning Commission reviewed and discussed the request from Craig and Nancy Bahner that the south approximate 57-feet of Harris Drive (unimproved portion) be vacated. The applicant has requested the street vacation to facilitate construction of a new single family home on the adjacent parcels (10214 and 10220 East Shore Drive).

The applicants' representative, Mr. Jack Gesmundo from American Village Builders, was present to support the application. No additional citizens spoke in regards to the proposed street vacation

After a brief discussion concerning the lack of need for retention of this unimproved portion of Harris Drive, the Planning Commission voted 6-0 to recommend to City Council that the south approximate 57-feet of Harris Drive be vacated subject to the applicants conveying to the City of Portage a 20-foot wide easement for the existing sanitary sewer main and the applicant combine 10214 East Shore Drive, 10220 East Shore Drive and the vacated approximate 57-foot strip of Harris Drive into one parcel.

Sincerely,

CITY OF PORTAGE PLANNING COMMISSION

Dave Felicijan
DF

Dave Felicijan
Vice-Chairman

PLANNING COMMISSION**October 15, 2015**

The City of Portage Planning Commission meeting of October 15, 2015 was called to order by Vice-Chairman Felicijan at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnedge Avenue. One citizen was in attendance.

PLEDGE OF ALLEGIANCE:

Vice-Chairman Felicijan led the Commission and staff in the Pledge of Allegiance.

IN ATTENDANCE:

Christopher Forth, Deputy Director of Planning, Development and Neighborhood Services and Randy Brown, City Attorney.

ROLL CALL:

Mr. Forth called the roll and the following Commissioners were present: Bosch (yes), Dargitz (yes), Richmond (yes), Patterson (yes), Felicijan (yes) and Schimmel (yes). A motion was made by Commissioner Patterson, seconded by Commissioner Bosch, to approve the roll excusing Commissioners Welch, Stoffer and Somers. The motion was unanimously approved 6-0.

APPROVAL OF MINUTES:

Vice-Chairman Felicijan referred the Commission to the September 17, 2015 meeting minutes contained in the agenda packet. Commissioner Dargitz indicated she was excused from the September 17th meeting and would be abstaining. A motion was made by Commissioner Bosch, seconded by Commissioner Richmond, to approve the minutes as submitted. The motion was unanimously approved 5-0-1.

SITE/FINAL PLANS:

None.

PUBLIC HEARINGS:

None.

OLD BUSINESS:

None.

NEW BUSINESS:

1. Vacation of the south portion of Harris Drive. Mr. Forth summarized the staff report concerning a request received from Craig and Nancy Bahner that the south approximate 57-feet of Harris Drive (unimproved portion) be vacated to facilitate construction of a new single family home on the adjacent parcels the applicants own addressed as 10214 and 10220 East Shore Drive. Both parcels are vacant and the applicants intend to combine 10214 and 10220 East Shore as a single lot of record and construct a new dwelling. Mr. Forth indicated there is an existing sanitary sewer main is located within the Harris Drive right-of-way, which also extends just south of the right-of-way. If the vacation request is approved, an easement will be conveyed to the City of Portage

allowing access and maintenance activities involving the existing sanitary sewer main. Mr. Forth summarized the review/approval process and indicated the City Administration supports the vacation request as there are no future plans to extend Harris Drive. Mr. Forth noted the Administration's support is subject to retention of a sanitary sewer easement and combining 10214 and 10220 East Shore Drive as one lot of record.

Mr. Jack Gesmundo, American Village Builders representing the applicants, was present to speak in support of the request. Mr. Gesmundo explained the historical use of the property, including access from East Shore Drive. Mr. Gesmundo explained the home that used to be located at 10220 East Shore Drive shared a driveway with 10230 East Shore Drive. The proposed home will have a separate driveway to East Shore Drive and there will be no driveway connection to Harris Drive. Mr. Gesmundo showed the Commission a drawing that illustrated increased setback distances from Harris Drive if it is not vacated. These increased setback distances impact building location.

In response to Commissioner comments/questions, Mr. Forth explained the legal nonconforming status of 10214 East Shore Drive and public street frontage requirements, that the existing sanitary sewer main provides several lead locations to service homes and the need for an easement encumbering the Harris Drive right-of-way and a small portion immediately to the south. Mr. Forth noted the action by the City of Portage does not remove this portion of Harris Drive from the recorded plat of Oakland Beach. A formal amendment to the plat requires action by Circuit Court. The Commission also asked about the walkway to Austin Lake. Mr. Forth indicated the plat was formally amended in the early 1990's and this walkway was removed.

There being no further discussion, a motion was offered by Commissioner Bosch and supported by Commissioner Patterson that the Planning Commission recommend to City Council the south approximate 57-foot of Harris Drive be vacated subject to the applicants conveying to the City of Portage a 20-foot wide easement for the existing sanitary sewer main and the applicant combine 10214 East Shore Drive, 10220 East Shore Drive and the vacated approximate 57-foot strip of Harris Drive into one parcel. The motion was unanimously approved.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

Mr. Forth stated October is National Community Planning Month and Chairman Welch will be present at the October 20, 2015 City Council meeting to read and accept a proclamation acknowledging the importance of planning and the impact it makes on the form and function of the community. Mr. Forth invited other Planning Commissioners to attend the City Council meeting.

Commissioner Dargitz indicated she was a participant in the 2025 Visioning Renewal event held on Saturday, October 3rd. Commissioner Dargitz mentioned the keynote speaker, Tony Minghine, gave a very good speech on placemaking and if other Commissioners wanted to watch the video, it is available on the City of Portage website. Vice-Chairman Felicijan also indicated he was a participant in the 2025 Visioning Renewal event and concurred with Commissioner Dargitz's comments about the keynote speech.

There being no further business to come before the Commission, the meeting was adjourned at 7:25 p.m.

Respectfully submitted,

Christopher Forth, AICP
Deputy Director of Planning, Development and Neighborhood Services

TO: Planning Commission

DATE: October 9, 2015

FROM: Vicki Georgeau, ^{MG} Director of Community Development

SUBJECT: Request to Vacate South Portion of Harris Drive

I. INTRODUCTION

An application has been received from Craig and Nancy Bahner requesting that the south approximate 57-feet of Harris Drive (unimproved portion) be vacated to facilitate construction of a new single family home on the adjacent parcels to the south addressed as 10214 and 10220 East Shore Drive. As information for the Commission, the applicants own 10220 East Shore Drive and 10214 East Shore Drive. Both parcels are vacant (the dwelling shown on the aerial photograph on 10220 East Shore Drive was razed after the photograph was taken). The applicants intend to combine 10214 and 10220 East Shore as a single lot of record and construct a new dwelling.

II. STREET VACATION REVIEW

Street Vacation Process. The process to vacate a public street and associated right-of-ways is established in the State of Michigan Land Division Act and the City Charter. The Land Division Act specifies that when the municipality determines that it necessary for the public health, welfare, comfort and safety of the people in the community to discontinue a public street, a resolution or ordinance must be adopted and recorded with the County Register of Deeds and with the State of Michigan Department of Commerce. Consistent with the statutory requirements, one-half of the vacated right-of-way is conveyed to each abutting property owner (the applicants own the property on either side of the right-of-way). Planning Commission and City Administration recommendations are provided to City Council, which makes the final decision. The City Charter requires that Council place the proposed vacation request on file for 28 days to allow for adequate public comment before taking final action.

Existing Conditions. The south terminus of the paved portion of Harris Drive ends in front of 10208 Harris Drive and 10210 East Shore Drive, providing access to an existing residence and accessory garage. The remaining southern approximate 57-feet of Harris Drive is an unimproved "paper" street which is encumbered by an existing sanitary sewer main. This sewer main extends approximately eight feet south of the southern end of the unimproved right-of-way. According to the applicant, the presence of this approximate 57-foot strip of unimproved public right-of-way creates redevelopment limitations for construction of a new single family home and have asked that it be vacated. Given the existing development pattern and surrounding land ownership, a future southerly extension of Harris Drive is not practical and this unimproved public right-of-way is not needed by the city. However, if approved by City Council, the applicants will convey to the City of Portage a 20-foot wide easement for the existing public sanitary sewer main.

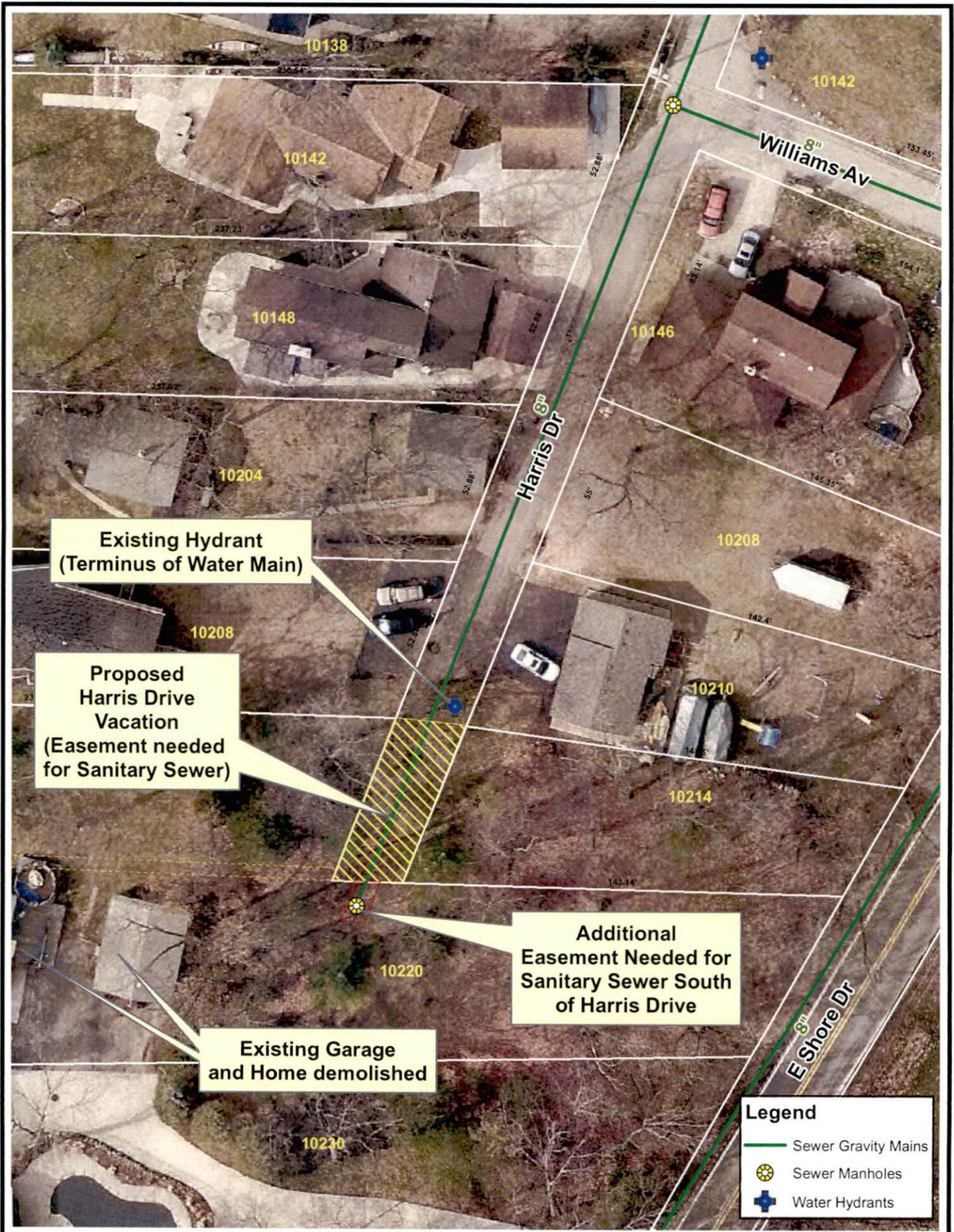
The applicant has also provided a copy of the Consent Judgement concerning a four foot wide walkway. When this area was platted in 1925, the plat of Oakland Beach included a four foot wide walkway along the south property line of Lot 1, which was intended to pedestrian access to Austin Lake. In 1990, Kalamazoo County Circuit Court issued a Consent Judgement conveying ownership of this walkway to the previous owner of the property.

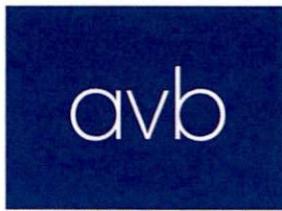
Finally, and for Commission information, vacation of this portion of Harris Drive does not amend the Oakland Beach plat. Amendments to a previously recorded plat require action by Circuit Court as was the case involving the four foot walkway.

III. RECOMMENDATION

Based on the above analysis, staff advises that the Planning Commission recommend to City Council that the south approximate 57-feet of Harris Drive be vacated subject to the applicants conveying to the City of Portage a 20-foot wide easement for the existing sanitary sewer main and the applicant combine 10214 East Shore Drive, 10220 East Shore Drive and the vacated approximate 57-foot strip of Harris Drive into one parcel.

Attachments: Zoning/Vicinity Map
 September 18, 2015 Communication from the Applicant (with attachments)





BUILD SOMETHING BETTER.

RECEIVED

SEP 18 2015

COMMUNITY DEVELOPMENT

September 18, 2015

Mr. Christopher Forth, AICP
Deputy Director of Planning, Development and Neighborhood Services
City of Portage Department of Community Development
7900 South Westnedge Avenue
Portage, Michigan 49002

RE: Vacation of a portion of Harris Drive near Austin Lake

Dear Mr. Forth;

At the request of Craig & Nancy Bahner, property owners of 10220 & 10214 East Shore Drive on Austin Lake, AVB is requesting that the City of Portage take into consideration vacating a portion of Harris Drive that has never been improved. This roadway is a peninsula in the almost one acre lake front property that creates limitations on how the parcel can be developed.

The reasons for vacating this property are as follows;

1. That portion of the roadway that is being requested to be vacated has never been improved.
2. If the roadway was improved, it would only service this property and would thus serve no meaningful purpose. This parcel also has roadway access along East Shore Drive.
3. The existing fire hydrant was installed in a manner that would indicate that the roadway will never be improved.
4. By vacating a portion of the roadway, it would create no safety or other limiting issues for the residence or guests who live on Harris Drive or the residence of the City of Portage.
5. The roadway plus the required setbacks creates limitations on how the parcel can be developed. The Bahner's would like to move their home further away from the lake to create more yard area between the home and the lake.
6. The two parcels that make up the Bahner property will be combined to one parcel to build one home.

The following documentation is enclosed for your review;

1. Letter of Authorization for AVB to represent the Bahner's in this matter.
2. City of Portage parcel reports for the properties

3. Survey illustrating the two parcels, the location of Harris Drive, and the location of the fire hydrant.
4. Photo of fire hydrant location and where the asphalt ends
5. Legal description of the requested area to be vacated
6. Copy of judgement releasing the 4' easement to the lake

If the vacation of the parcel is approved, Mr. & Mrs. Bahner will provide the City of Portage with the following;

1. Application to combine both parcels 10220 East Shore Drive, Oakland Beach lot #1, parcel #05880001A, and 10214 East Shore Drive, Oakland Beach lot #22, parcel # 058800220.
2. Provide a 20' wide easement for the sanitary sewer as installed.

We very much appreciate you taking this into consideration. Please call me at 269.217.205 or email jack@avbinc.com after your review with any questions or comments.

Kindly,



Jack S. Gesmundo
Principal

September 10, 2015

Mr. Christopher Forth, AICP
Deputy Director of Planning, Development and Neighborhood Services
City of Portage Department of Community Development
7900 South Westnedge Avenue
Portage, Michigan 49002 Mr. & Mrs.

Dear Mr. Forth,

We have engaged AVB to work with us on designing and building a new home on our property on Austin Lake. More particularly 10220 East Shore Drive, Oakland Beach lot #1, parcel #05880001A and 10214 East Shore Drive, Oakland Beach lot #22, parcel # 058800220. We would like to combine these parcels into one parcel number and build a single home on the property.

It is our desires to have the City of Portage vacate that portion of Harris Drive that our home site encompasses. When combined, the property will be almost one acre in size and the road including the required setbacks creates some limitations. If the portion of the road is vacated, we understand that we will need to provide a 20' wide sewer easement for the existing line.

We are hereby authorizing AVB to represent us in this process. Should you have any questions, please feel free to contact me directly at 513-484-3387 or csbahner@me.com. Enclosed you will find the \$550 application fee. Thank you very much for taking this into consideration.

Sincerely,

 
Craig & Nancy Bahner

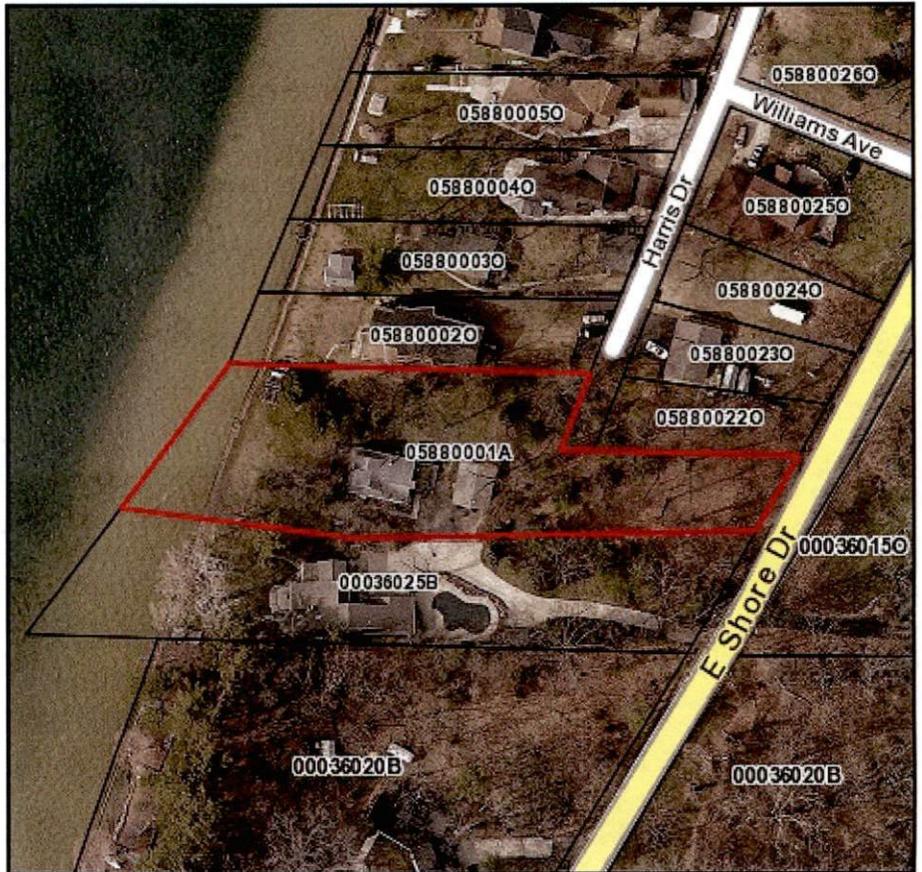
Property Address

10220 EAST SHORE DR
PORTAGE, MI 49002

Owner Address

BAHNER, CRAIG S & NANCY E
10220 EAST SHORE DR
PORTAGE, MI 49002

No property photo available



General Information for Current Tax Year

Parcel Number: 05880001A
Property Class Name: Residential Improved
ECF Neighborhood: 9002
School District: Vicksburg
State Equalized Value: \$191100
Taxable Value: \$115444
Exemption Percent: 100%

Land Information
Acreage: 0.812
Year Built: 1925
Total Floor Area: 1620 sq. ft
Lot Area (GIS): 36808 sq. ft

Legal Information

SUP PLAT OF OAKLAND BEACH LOT 1 ALSO BEG AT SE COR OF LOT 22 SD PLAT, TH S 26 DEG W 58.50 FT, TH S 87 DEG W 254.30 FT, TH N 85 DEG W 146.31 FT, TH N 21 DEG E 55.80 FT, TH ELY 405.55 FT TO P.O.B.

Disclaimer

These maps are intended to be used for generalized citywide planning and there are no warranties that accompany this product. City of Portage recommends that users of this product confirm the data used in production of this map by visual inspection of the geographic area. In no event shall City of Portage be liable to the user or any third party for errors, omissions or positional accuracy of this product, regardless of the form of claim or action, whether in contract or tort, including negligence, in the amount that exceeds the sum paid by the user for the product. City of Portage reserves all rights of authorship granted under U.S. and International copyright laws and agreements.

Property Address

10214 EAST SHORE DR
PORTAGE, MI 49002

Owner Address

BAHNER, CRAIG S & NANCY E
10220 EAST SHORE DR
PORTAGE, MI 49002

 No property photo available



General Information for Current Tax Year

Parcel Number: 058800220
Property Class Name: Residential Vacant
ECF Neighborhood: 4SF02
School District: Vicksburg
State Equalized Value: \$17500
Taxable Value: \$3856
Exemption Percent: 100%

Land Information

Acreage: 0.15
Year Built: 0
Total Floor Area: 0 sq. ft
Lot Area (GIS): 5931 sq. ft

Legal Information

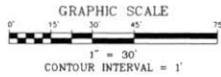
SUPERVISORS PLAT OF OAKLAND BEACH LOT 22

Disclaimer

These maps are intended to be used for generalized citywide planning and there are no warranties that accompany this product. City of Portage recommends that users of this product confirm the data used in production of this map by visual inspection of the geographic area. In no event shall City of Portage be liable to the user or any third party for errors, omissions or positional accuracy of this product, regardless of the form of claim or action, whether in contract or tort, including negligence, in the amount that exceeds the sum paid by the user for the product. City of Portage reserves all rights of authorship granted under U.S. and International copyright laws and agreements.

Harris Drive Location Map



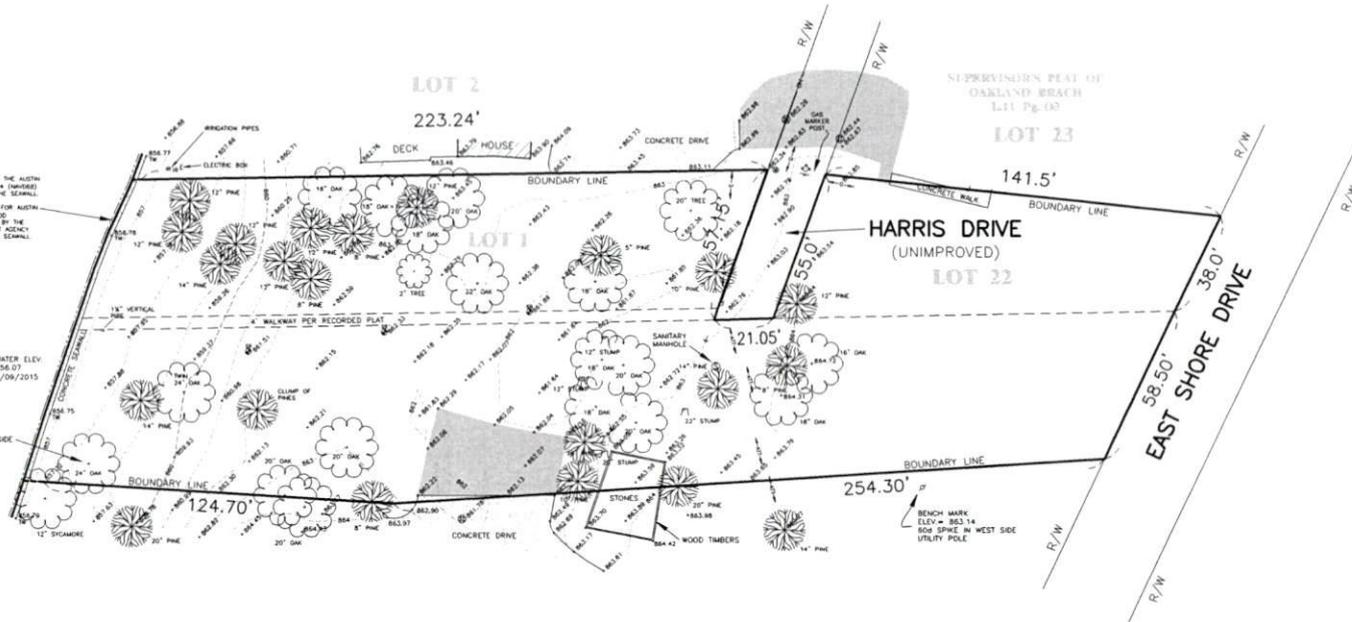


AUSTIN LAKE

NOTE: PER THE CITY OF PORTAGE THE AUSTIN LAKE LEGAL LAKE LEVEL IS 850.24 (UNGATED) WHEN FULLED ON THE FACE OF THE SEAWALL. THE 100-YEAR FLOOD ELEVATION FOR AUSTIN IS 850.8 (BASED) PER THE FLOOD INSURANCE STUDY AS PUBLISHED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND PLOTTED ON THE FACE OF THE SEAWALL.

WATER ELEV. 850.07
6/09/2015

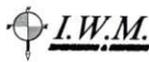
BENCH MARK
ELEV. = 850.86
MAG. NAIL IN NORTH SIDE
OF 24" OAK



LEGEND

- CATCH BASIN
- ⊕ FIRE HYDRANT
- ⊙ WATER METER PIT
- ⊥ UTILITY POLE
- ⊥ GUY ANCHOR
- ⊥ SOIL BORING LOCATION AS STAKED
- SIGN
- ⊙ TREE
- ⊙ PINE TREE
- MARKER FOR BURIED COMMUNICATION LINE
- MARKER FOR BURIED ELECTRIC LINE
- MARKER FOR BURIED GAS LINE
- OVERHEAD UTILITY LINE
- SPOT ELEVATION
- TOP OF CONCRETE SEAWALL
- EXISTING CONTOUR
- ▒ PAVED AREAS
- ▒ CONCRETE AREAS

NOTE:
THE ELEVATIONS SHOWN HEREON ARE BASED ON NAVD-88 DATUM.
THE UTILITIES SHOWN HEREON ARE BASED ON OBSERVABLE UTILITY APPURTENANCES. ADDITIONAL UTILITIES MAY EXIST ON SITE WHICH ARE NOT SHOWN HEREON.



DATE	REVISION
10/9/15	ADDED SANITARY MANHOLE

TOPOGRAPHIC MAP
CRAIG & NANCY BAHNER
10220 EAST SHORE DRIVE, PORTAGE, MICHIGAN

Ingersoll, Watson & McMachen, Inc.
CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS
1133 East Milham Road • Portage Michigan 49002 • Area 269-344-6165 • Fax 269-344-0555

DATE	6/10/2015
JOB No.	36397
SHEET No.	1

HARRIS DRIVE LOOKING SOUTH, THE HYDRANT IS LOCATED NEAR THE CENTER OF THE ROADWAY, VERY NEAR THE PROPOSED NORTHER PROPERTY LINE, SEE THE ATTACHED SURVEY.



8535

STATE OF MICHIGAN

7-

IN THE CIRCUIT COURT FOR THE COUNTY OF KALAMAZOO

HARRY W. HARMEYER and JAN L. HARMEYER,

Plaintiffs,

LIBER 1483 PAGE 704

v

FILE NO.: C89-3112 CH

CITY OF PORTAGE, a Michigan Municipal Corporation, et al,

Defendants.

SEYBURN, HENCKEN & MILLS, P.C.
LOWELL M. SEYBURN (P20247)
Attorney for Plaintiffs
3315 Greenleaf Blvd.
Kalamazoo, MI 49008
(616) 372-2120

RANDALL L. BROWN (P34116)
Attorney for Defendant City of Portage
1125 E. Milham Road
Suite B
Portage, MI 49002
(616) 343-8812

James J. [Signature]
CLERK - REGISTER

STATE OF MICHIGAN
COUNTY OF KALAMAZOO
RECEIVED FOR RECORD
'90 NOV 28 AM 10 27

CONSENT JUDGMENT

At a session of said Court held in the Courthouse in the City and County of Kalamazoo, State of Michigan on the 19 day of Oct, 1990.

PRESENT: HONORABLE RICHARD RYAN LAMB, Circuit Judge

Upon reading the Consent of the Defendant City of Portage in this case and all other Defendants having been defaulted and the Court being fully informed of the premises:

IT IS HEREBY ORDERED that Harry W. Harmeyer and Jan L. Harmeyer and their heirs, successors and assigns shall hereafter be the owners of a four foot walkway immediately to the south of lot 1 of the Supervisor's Plat of Oakland Beach, City of Portage, County of Kalamazoo and State of Michigan free and clear of the

claims of the City of Portage and any other person claiming an interest in said walkway.

IT IS HEREBY FURTHER ORDERED that a copy of this Judgment be recorded in the office of the Register of Deeds for the County of Kalamazoo, State of Michigan.

RICHARD RYAN LAMB

Circuit Judge

Consented To:

CITY OF PORTAGE

By: *R. L. Brown*
Randall L. Brown
Attorney for Defendant

STATE OF MICHIGAN
3TH JUDICIAL CIRCUIT
COUNTY OF KALAMAZOO

I, JAMES O. YOUNG, Clerk of said court do hereby certify that the foregoing is a true and correct copy of the original on file in said court. Signed and sealed this 26 day of

Oct, 1990
Shawn L. Thomas
DEPUTY CLERK



SANITARY SEWER EASEMENT AND RIGHT-OF-WAY

For and in consideration of the amount of less than One Hundred Dollars (\$100.00), receipt hereof is hereby acknowledged, the undersigned Mr. Craig S. Bahner and Mrs. Nancy E. Bahner (husband and wife) (Grantor), of 8 Beaufort Hunt Lane, Cincinnati, OH 45242, hereby granting and conveying to the City of Portage, a Municipal Corporation organized under the laws of the State of Michigan, with offices at City Hall, 7900 S. Westnedge Avenue, Portage, Michigan 49002 (Grantee), a permanent easement and right-of-way in which to construct, operate, maintain, repair, and/or replace sanitary sewer main facilities over, across, under and through the following parcel of land situated in the City of Portage, County of Kalamazoo, State of Michigan, and described as:

A parcel of land being situated in the Northeast quarter of Section 36, T. 3 S., R. 11 W., City of Portage, County of Kalamazoo, Michigan being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, Supervisor's Plat of Oakland Beach subdivision as recorded in Liber 11 of Plats on Page 3, Kalamazoo County Records; thence S. 84 deg. 25 min. 16 sec. E. 20.70 feet to the Northwest corner of Lot 22 of said subdivision; thence S. 20 deg. 36 min. W. 55.00 feet along the West line of said Lot 22 to the Southwest corner of said Lot 22; thence continuing S. 20 deg. 36 min. W. 34.00 feet along the Southerly extension of said West line of Lot 22; thence N. 69 deg. 24 min. W. 23.50 feet; thence N. 20 deg. 36 min. E. 25.17 feet parallel with said West line to the South line of said Supervisor's Plat of Oakland Beach subdivision; thence EAST 3.75 feet along said South line to the Southwest corner of Harris Drive as platted in said subdivision; thence N. 20 deg. 36 min. E. 57.15 feet along the West line of said Harris Drive to the Place of Beginning, containing 1,816 square feet.

Including the right to enter upon said easement and right-of-way through the parent parcel, if necessary, for the purpose of construction, operation, maintenance, repair, and/or replacement thereof and the right to remove trees, bushes, undergrowth and other obstructions interfering with the location, construction, or maintenance of said sanitary sewer main facilities, and that Grantee may use property adjacent to Grantees easement temporarily in connection with the construction, operation, maintenance, repair, or replacement of said facilities. Grantee shall restore the easement area to as near original condition as possible, trees, shrubs and water irrigation lines excepted.

The Grantor does hereby covenant with Grantee that it is lawfully seized and possessed of the real estate above described, and that it has a good and lawful right to convey it or any part of it, that it is free from all encumbrances, and that it will forever warrant and defend the title thereto, and the easement granted hereby against the lawful claims of all persons whatsoever.

Grantor agrees that no building or construction of any kind or nature will be placed upon the above-described easement and right-of-way without the prior written consent of the Grantee, its successors or assigns.

Grantor further agrees to save and hold the Grantee harmless from any and all claims, debts, causes of action, or judgments for any damage to property and/or injury to any person which may arise out of any construction or the use of the easement area or right-of-way by the Grantor, its agents, employees, representatives, or contractors.

This conveyance includes a release of any and all claims to damage from whatsoever cause arising from or incidental to Grantees use of the easement or right-of-way, or exercise of any of the rights and powers of the Grantee herein.

This instrument shall be binding and inure to the benefit of the party hereto their heirs, successors and assigns.

This easement is exempt from transfer tax pursuant to MCL 207.505(5)(a) and MCL 207.526(6)(a).

GRANTOR:

By: _____
Mrs. Nancy E. Bahner

By: _____
Mr. Craig S. Bahner

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

On this ____ day of November, 2015, before me, a Notary Public, in and for said County, personally appeared Mrs. Nancy E. Bahner and Mr. Craig S. Bahner, to me known to be the same persons described in and who executed the within instrument, who acknowledged the same to be their free act and deed.

_____, Notary Public

Kalamazoo County, Michigan

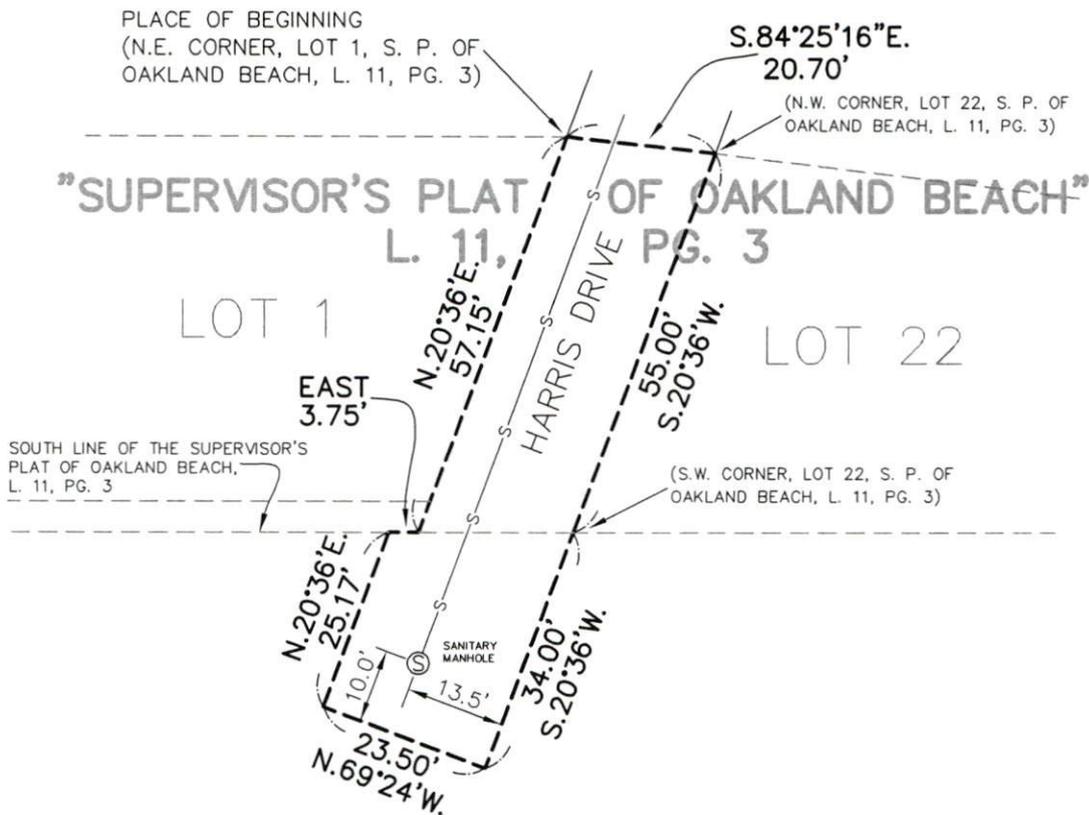
My Commission Expires: _____

When Recorded Return To:
City of Portage Department of Community Development
7900 S. Westnedge Avenue
Portage, MI 49002

THIS INSTRUMENT PREPARED BY:
Jack S. Gesmundo
4200 West Centre Avenue
Portage, MI 49024



GRAPHIC SCALE



**EASEMENT DESCRIPTION FOR PUBLIC UTILITIES-
10220 EAST SHORE DRIVE, PORTAGE, MICHIGAN**

A parcel of land being situated in the Northeast quarter of Section 36, T. 3 S., R. 11 W., City of Portage, County of Kalamazoo, Michigan being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, Supervisor's Plat of Oakland Beach subdivision as recorded in Liber 11 of Plats on Page 3, Kalamazoo County Records; thence S. 84 deg. 25 min. 16 sec. E. 20.70 feet to the Northwest corner of Lot 22 of said subdivision; thence S. 20 deg. 36 min. W. 55.00 feet along the West line of said Lot 22 to the Southwest corner of said Lot 22; thence continuing S. 20 deg. 36 min. W. 34.00 feet along the Southerly extension of said West line of Lot 22; thence N. 69 deg. 24 min. W. 23.50 feet; thence N. 20 deg. 36 min. E. 25.17 feet parallel with said West line to the South line of said Supervisor's Plat of Oakland Beach subdivision; thence EAST 3.75 feet along said South line to the Southwest corner of Harris Drive as platted in said subdivision; thence N. 20 deg. 36 min. E. 57.15 feet along the West line of said Harris Drive to the Place of Beginning, containing 1,816 square feet.

<p>SKETCH OF EASEMENT FOR A SANITARY MANHOLE CRAIG & NANCY BAHNER PROPERTY IN THE N.E. 1/4, SEC. 36, CITY OF PORTAGE, MICHIGAN</p>	DATE 10/19/2015
	SHEET No. 1
<p>Ingersoll, Watson & McMachen, Inc. CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS 1133 East Milham Road • Kalamazoo Michigan 49002 • Area 616-344-6165 • Fax 616-344-0555</p>	JOB No. 36397

**CITY OF PORTAGE, MICHIGAN
RESOLUTION TO VACATE A PORTION OF
HARRIS DRIVE**

Minutes of a regular meeting of the City Council for the City of Portage, Michigan held on _____, 2015 at _____ p.m. local time at City Hall in the City of Portage, Michigan.

PRESENT:

ABSENT:

The following resolution was offered by:

COUNCILMEMBER: _____ and supported by

COUNCILMEMBER: _____.

WHEREAS, it appears necessary and desirable to vacate a portion of Harris Drive since it is no longer needed as a result of the development of the surrounding property as well as future potential development;

WHEREAS, such development is a desirable improvement to the property;

WHEREAS, the owner of all the property abutting that portion of Harris Drive to be vacated has requested this vacation to allow for future development resulting in a more efficient use of the property; and

WHEREAS, the City of Portage has determined that it would be in the best interest of the health and welfare of the public to vacate said portion of Harris Drive.

NOW, THEREFORE, BE IT RESOLVED that the following portion of Harris Drive is vacated.

A parcel of land being situated in the Northeast quarter of Section 36, T. 3 S., R. 11 W., City of Portage, County of Kalamazoo, Michigan being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, "Supervisor's Plat of Oakland Beach" according to the plat thereof as recorded in Liber 11 of Plats on Page 03, Kalamazoo County Records; thence S. 20 deg. 36 min. W. 57.15 feet along the East line of said Lot 1 and along the southerly extension of said East line to the South line of said "Supervisor's Plat of Oakland Beach"; thence East 21.36 feet along said South line to the Southwest corner of Lot

22 of said "Supervisor's Plat of Oakland Beach"; thence N. 20 deg. 36 min. E. 55.0 feet along the West line of said Lot 22 to the Northwest corner of said Lot 22; thence N. 84 deg. 25 min. 16 sec. W. 20.70 feet to said Northeast corner of Lot 1 and the Place of Beginning, containing 1121 square feet of land. Subject to easements, conditions and restrictions of record.

And also subject to the following easement:

A parcel of land being situated in the Northeast quarter of Section 36, T. 3 S., R. 11 W., City of Portage, County of Kalamazoo, Michigan being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, Supervisor's Plat of Oakland Beach subdivision as recorded in Liber 11 of Plats on Page 3, Kalamazoo County Records; thence S. 84 deg. 25 min. 16 sec. E. 20.70 feet to the Northwest corner of Lot 22 of said subdivision; thence S. 20 deg. 36 min. W. 55.00 feet along the West line of said Lot 22 to the Southwest corner of said Lot 22; thence continuing S. 20 deg. 36 min. W. 34.00 feet along the Southerly extension of said West line of Lot 22; thence N. 69 deg. 24 min. W. 23.50 feet; thence N. 20 deg. 36 min. E. 25.17 feet parallel with said West line to the South line of said Supervisor's Plat of Oakland Beach subdivision; thence EAST 3.75 feet along said South line to the Southwest corner of Harris Drive as platted in said subdivision; thence N. 20 deg. 36 min. E. 57.15 feet along the West line of said Harris Drive to the Place of Beginning, containing 1,816 square feet.

BE IT RESOLVED that the above-legal description reserves a public utility easement in favor of the City of Portage.

BE IT FURTHER RESOLVED, City shall cause a certified copy of this resolution to be recorded in the office of the Register of Deeds for Kalamazoo County, and another certified copy of this resolution to be sent to the Department of Commerce, State of Michigan, and that until so recorded, this resolution is to have no force or effect.

BE IT FURTHER RESOLVED that notice, in substantially the form attached as Exhibit A be published in a newspaper of general circulation within the City, giving notice of the City's intent to vacate the above described premises.

AYES: Councilmember _____

NAYS: Councilmember _____

ABSENT: Councilmember _____

RESOLUTION DECLARED ADOPTED: _____

CERTIFICATION

STATE OF MICHIGAN)
)
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the ___ day of _____, 2015, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this ___ day of _____, 2015.

James R. Hudson, City Clerk

APPROVED AS TO FORM
DATE 10/27/15

CITY ATTORNEY

EXHIBIT "A"

**CITY OF PORTAGE, MICHIGAN
NOTICE OF INTENTION TO VACATE
PORTION OF HARRIS DRIVE**

PLEASE TAKE NOTICE, that on the ____ day of _____, 2015, the City Council of the City of Portage voted to vacate a portion of the existing Harris Drive described as follows:

A parcel of land being situated in the Northeast quarter of Section 36, T. 3 S., R. 11 W., City of Portage, County of Kalamazoo, Michigan being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, "Supervisor's Plat of Oakland Beach" according to the plat thereof as recorded in Liber 11 of Plats on Page 03, Kalamazoo County Records; thence S. 20 deg. 36 min. W. 57.15 feet along the East line of said Lot 1 and along the southerly extension of said East line to the South line of said "Supervisor's Plat of Oakland Beach"; thence East 21.36 feet along said South line to the Southwest corner of Lot 22 of said "Supervisor's Plat of Oakland Beach"; thence N. 20 deg. 36 min. E. 55.0 feet along the West line of said Lot 22 to the Northwest corner of said Lot 22; thence N. 84 deg. 25 min. 16 sec. W. 20.70 feet to said Northeast corner of Lot 1 and the Place of Beginning, containing 1121 square feet of land. Subject to easements, conditions and restrictions of record.

And also subject to the following easement:

A parcel of land being situated in the Northeast quarter of Section 36, T. 3 S., R. 11 W., City of Portage, County of Kalamazoo, Michigan being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, Supervisor's Plat of Oakland Beach subdivision as recorded in Liber 11 of Plats on Page 3, Kalamazoo County Records; thence S. 84 deg. 25 min. 16 sec. E. 20.70 feet to the Northwest corner of Lot 22 of said subdivision; thence S. 20 deg. 36 min. W. 55.00 feet along the West line of said Lot 22 to the Southwest corner of said Lot 22; thence continuing S. 20 deg. 36 min. W. 34.00 feet along the Southerly extension of said West line of Lot 22; thence N. 69 deg. 24 min. W. 23.50 feet; thence N. 20 deg. 36 min. E. 25.17 feet parallel with said West line to the South line of said Supervisor's Plat of Oakland Beach subdivision; thence EAST 3.75 feet along said South line to the Southwest corner of Harris Drive as platted in said subdivision; thence N. 20 deg. 36 min. E. 57.15 feet along the West line of said Harris Drive to the Place of Beginning, containing 1,816 square feet.

BE IT FURTHER RESOLVED that the resolution authorizing this action is on file with the City Clerk and open for public inspection. Said document will be so held for twenty-eight days

after the publication of this notice and may be inspected at the Clerk's Office during regular working hours. Any person(s) objecting to this vacation should make their objection known to the City Council within twenty-eight (28) days of the publication of this notice. After said twenty-eight (28) day period, the Council may take final action and vacate said property.

BE IT FURTHER RESOLVED that the City shall cause a certified copy of the resolution to be recorded in the Office of the Register of Deeds for Kalamazoo County, and another certified copy of this resolution to be sent to the Department of Commerce, State of Michigan, and that until so recorded, this resolution is to have no force or effect.

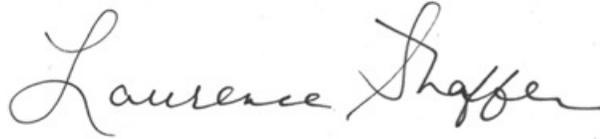
Dated: _____, 2015.

James R. Hudson, City Clerk

Z:\Jody\PORTAGE\RES\Resolution to Vacate Harris Drive.100715.doc

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Employee Separation Agreement

SUPPORTING PERSONNEL: Rob Boulis, Deputy City Manager

ACTION RECOMMENDED: That City Council authorize the City Manager to execute a separation agreement with Patricia Thompson.

It is requested that the City Council authorize the City Manager to execute a separation agreement with employee Patricia Thompson utilizing funds from the FY 2015-2016 General Fund Budget, specifically wage and fringe benefit accounts unencumbered due to unfilled but funded positions.

With the elimination of the Benefit Services Department as part of the City Council approved FY 2015-2016 budget, the position previously held by Patricia Thompson was phased out.

Please join me in wishing Ms. Thompson well in her future endeavors.

FUNDING: Funding is included as part of the FY 2015-2016 General Fund individual department budget.

Attachments: 1. N/A

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Local Development Finance Authority FY 2013-2014 Annual Report

SUPPORTING PERSONNEL: Vicki Georgeau, Director of Community Development

ACTION RECOMMENDED: Information Only

The City of Portage Local Development Finance Authority (LDFA) met on October 26, 2015 to review and approve the accompanying resolution conveying the Annual Financial Report for FY 2013-2014 to City Council and the State Tax Commission.

As background, the LDFA was established in 1990 and tax increment revenue from the Upjohn Company (now Pfizer) was utilized to fund three infrastructure improvements: Romence Road extension, Milham Avenue water main installation and Bishop Road street improvements. In 2003, the LDFA was again utilized to finance land acquisition, public street improvements as well as water and sewer improvements to facilitate expansion of the Stryker Corporation. The projects financed through the LDFA in 2003 are complete with the exception of Public Improvements #5 and #7. Project #5 (East Milham - Kalamazoo/Battle Creek International Airport water main extension) was replaced with an alternate project that involves replacement of the existing 750,000-gallon Haverhill water tower with a new, larger 2.75 million-gallon tower. Construction of the new water tower has been reprogrammed for FY 2018-2019. Project #7 (Zylman Avenue improvements) has been deferred since the Stryker Corporation did not use Zylman for access when the East Centre Avenue facility was constructed. In May 2009, Council adopted a resolution for the revision to Projects #5 and #7.

The FY 2013-2014 LDFA Annual Financial Report includes final audited information for the 2013-2014 fiscal year and is attached as Appendix A to the resolution. As shown in the "Revenues, Expenditures and Changes in Fund Balances" table at the end of the report, the fund balance was \$1,928,982 at the end of 2014, a slight decrease from \$1,949,655 at the end of 2013. In 2014, revenues were less than the expenditures and in order to cover the approximate \$20,673 shortfall, money was utilized from the fund balance. Recent construction activity, such as the 330,000-square-foot distribution center at 6501 Portage Road, will help improve the financial standing of the LDFA. However, with the recent elimination of the personal property tax, the ability to meet debt obligations over the long term may become challenging if replacement funding from the loss of personal property taxes is not sustained.

The accompanying LDFA Annual Finance Report has been prepared in conformance with state statute and are provided to City Council as information.

FUNDING: N/A

- Attachments:**
1. LDFA Resolution and FY2013-14 Annual Report
 2. October 26, 2015 LDFA meeting minutes (draft)

CITY OF PORTAGE

At a regular meeting of the Board of the Local Development Finance Authority of the City of Portage, Michigan, held on October 26, 2015 at 8:00 a.m. at the City Hall, Portage, Michigan, there were:

PRESENT: Brooks, DeKam, Colestock, Collins, Gardner, Killips, Wenzel

ABSENT: Silkworth, Zajac, Seely

The following preamble and resolution were offered by Colestock and supported by Gardner:

**RESOLUTION APPROVING AND AUTHORIZING
THE TRANSMISSION OF THE FINANCIAL
REPORTS ON THE STATUS OF THE TAX INCREMENT
FINANCING PLAN**

WHEREAS, the Local Development Finance Authority of the City of Portage (the "Authority") has been duly incorporated by the City of Portage (the "City") pursuant to Act No. 281 of the Public Acts of Michigan of 1986 (the "Act") and the Board of the Authority has been duly appointed and sworn into office; and

WHEREAS, the Authority is required by statute to transmit annually to the City Council of the City of Portage and the State Tax Commission a Financial Report on the Status of the Tax Increment Financing Plan which report shall include certain matters as required by Section 13(3) of the Act; and

WHEREAS, such material has been prepared and is attached hereto as Appendix A to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE, as follows:

1. The Financial Reports on the Status of the Tax Increment Financing Plan attached hereto as Appendix A is approved.
2. The Director of the Authority is authorized to transmit said financial report to the City Council of the City of Portage and the State Tax Commission.

The results of a roll-call vote on the foregoing resolution were as follows:

YES: Brooks, DeKam, Colestock, Collins, Gardner, Killips, Wenzel

NAYS: None.

ABSTAIN: None.

THE RESOLUTION WAS DECLARED ADOPTED

SECRETARY'S CERTIFICATE

The undersigned, being the duly qualified and acting Secretary of the Board of the Local Development Finance Authority of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board at a regular meeting held on September 19, 2014, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Board in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.



, Secretary

Dated: October 26, 2015

ANNUAL FINANCIAL REPORT

CITY OF PORTAGE

LOCAL DEVELOPMENT FINANCE AUTHORITY

For

FY 2013 - 2014

Portage, Michigan

APPENDIX A

LOCAL DEVELOPMENT FINANCE AUTHORITY

OF

THE CITY OF PORTAGE

2003 AMENDED DEVELOPMENT PLAN/TAX INCREMENT FINANCE PLAN

FY 2013-14 ANNUAL FINANCIAL REPORT

As Approved by the Authority Board

on

October 22, 2015

INTRODUCTION

Pursuant to the provisions of Act No. 281, Public Acts of Michigan, 1986, (Act 281), the City of Portage (the "City") has established the Local Development Finance Authority of the City of Portage (the "Authority"). Act 281 provides that the Board of the Authority, if it determines that it is necessary for the achievement of the purposes of Act 281, shall prepare and submit a tax increment financing plan to the City Council. Act 281 further provides that a tax increment financing plan shall include a development plan.

In 2003, a new opportunity to utilize the LDFA and again forge a public-private cooperative program became available. The City Administration facilitated additional growth and expansion of the manufacturing sector that would benefit the city and other local taxing jurisdictions. As a tool used to spur manufacturing growth, the LDFA financing mechanism was proposed to accomplish public improvements and eligible activities and provide incentives for Pfizer Incorporated to expand in this community. An investment of approximately \$30 million was planned by Pfizer. Additionally, the Stryker Corporation indicated plans to significantly expand its manufacturing capacity by investing up to nearly \$70 million, with significant job retention and job creation possibilities, and incentives to facilitate new manufacturing facilities in Portage and to encourage this investment were proposed. Amending the boundaries of LDFA District No. 1 to include properties along Sprinkle Road were included as part of this initiative.

Pfizer Incorporated proposed new/expanded facilities at the manufacturing complex on Portage Road. Public infrastructure improvements facilitated this expansion effort by the company. The manufacturing facilities are operational. Given the changing pharmaceutical industry over the past several years and for this annual report, jobs at the Pfizer complex have been fluctuating. For the purpose of this annual report, it is estimated that 2,100 jobs are provided locally by Pfizer.

Stryker Corporation proposed new and reconstructed/expanded manufacturing, research, and distribution facilities at 3800 East Centre Avenue, 4100 East Milham Avenue and at 6300 Sprinkle Road. The company invested \$68 million in the new manufacturing and expanded facilities and are operational. For the purpose of this annual report, it is estimated that the company employs 2,300 people at these facilities.

The purpose of the 2003 Amended Development Plan/Tax Increment Finance Plan is to provide for the acquisition, construction and financing of public facilities and other eligible activities (as defined in Act 281) necessary for the planned projects by these two companies.

The acquisition and construction of certain public facilities and land acquisition activities facilitated the construction and development of the projects by these companies and thereby created economic growth and development in the Authority District and other areas of the City of Portage and Kalamazoo County.

PROPOSED PUBLIC IMPROVEMENT / ACTIVITY PROJECTS

<u>PUBLIC IMPROVEMENTS/ACTIVITIES</u>	<u>ESTIMATED COST</u>	<u>ESTIMATED TIME DESIGN & CONSTRUCTION</u>
1) Sprinkle Road widening, East Centre to Zylman	\$1,010,000	12-24 months
2) Sprinkle Road/Zylman and Sprinkle Road/East Milham Access improvements	\$ 300,000	12-24 months
3) 80 acre land purchase	\$2,400,000	12 months

ACTIVITY PROJECTS (continued)

4) Water and Sewer facilities to serve interior property	\$ 110,000	12-24 months
5) East Milham-Kalamazoo/Battle Creek International Airport water main improvement	\$1,200,000	12-24 months
6*) Water main Improvement, Sprinkle, Tiffany to Hayes	\$ 880,000	12-24 months
7*) Zylman Improvements	\$1,210,000	12-24 months
8*) Ramona Lane, Lovers to Portage water main improvement	\$ 500,000	12-24 months
9*) Ramona Lane, Lovers to Portage sanitary sewer improvement	\$ 990,000	12-24 months
TOTAL \$8,600,000		

Notes: * Projects will be funded through tax increment revenue if available or other sources.

With regard to the proposed projects identified above:

Public Improvement/Activity Project #1: complete
Public Improvement/Activity Project #2: complete
Public Improvement/Activity Project #3: complete
Public Improvement/Activity Project #4: complete
Public Improvement/Activity Project #5: Haverhill water tower improvements substituted
Public Improvement/Activity Project #6: complete
Public Improvement/Activity Project #7: Pending further facility expansion by Stryker
Public Improvement/Activity Project #8: complete
Public Improvement/Activity Project #9: complete

FINANCIAL INFORMATION

This Annual Financial Report has been prepared pursuant to Section 13(3) of the Local Development Financing Act. The Annual Financial Report is for FY 2012-2013 and contains the information required by the Act.

Section 13(3)a: THE AMOUNT AND SOURCE OF TAX INCREMENTS RECEIVED

Tax increment revenue	\$ 479,605
Interest	\$ 14,737
Total	<u>\$ 494,342</u>

Section 13(3)(b): THE AMOUNT IN ANY BOND RESERVE ACCOUNT

In the LDFA Debt Service Fund balance there is \$1,928,982

Section 13(3)(c): THE AMOUNT AND PURPOSE OF EXPENDITURES OF TAX INCREMENT REVENUES

Interest and paying agent fees on outstanding principal \$515,015

Section 13(3)(d): THE AMOUNT OF PRINCIPAL AND INTEREST ON ANY OUTSTANDING BONDED INDEBTEDNESS OF AUTHORITY

\$7,316,175 as of June 30, 2014

Section 13(3)(e): THE INITIAL ASSESSED VALUE OF THE ELIGIBLE PROPERTY

The initial value is established at \$21,061,140.

Section 13(3)(f): THE CAPTURED ASSESSED VALUE OF THE ELIGIBLE PROPERTY RETAINED BY THE AUTHORITY

The captured value is established at \$28,946,060 for FY 2013-2014.

Section 13(3)(g): THE NUMBER OF JOBS CREATED AS A RESULT OF THE IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN.

225 new jobs; 1600 existing jobs retained.

Section 13(3)(h): ANY ADDITIONAL INFORMATION THE GOVERNING BODY OR THE STATE TAX COMMISSION CONSIDERS NECESSARY.

1. Attached find a page excerpt from the FY 2013-2014 comprehensive annual financial report for the City of Portage. This information provides supporting documentation for this financial report.

CITY OF PORTAGE, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds
For the Year Ended June 30, 2014

	General Obligation Debt Fund	Motor Vehicle Highway Fund	Downtown Development Authority Fund
Revenues			
Property taxes	\$ -	\$ -	\$ 250,495
Interest and rents	-	-	-
Net increase in fair value of investments	668	13	420
Other revenue	-	-	51,625
Total revenues	<u>668</u>	<u>13</u>	<u>302,540</u>
Expenditures			
Debt Service:			
Principal	2,037,724	995,000	260,000
Interest	956,232	224,367	162,868
Total expenditures	<u>2,993,956</u>	<u>1,219,367</u>	<u>422,868</u>
Revenues under expenditures	<u>(2,993,288)</u>	<u>(1,219,354)</u>	<u>(120,328)</u>
Other financing sources (uses)			
Transfers in			
Capital improvement fund	2,952,000	1,223,000	-
Leaf pickup/spring cleanup fund	19,862	-	-
Water fund	66,785	-	-
Transfers out			
Capital improvements fund	-	-	(6,271)
Total other financing sources (uses)	<u>3,038,647</u>	<u>1,223,000</u>	<u>(6,271)</u>
Net change in fund balances	45,359	3,646	(126,599)
Fund balances, beginning of year	<u>144,109</u>	<u>117</u>	<u>243,886</u>
Fund balances, end of year	<u>\$ 189,468</u>	<u>\$ 3,763</u>	<u>\$ 117,287</u>

Building Authority Debt Service Fund	Local Development Finance Authority Debt Service Fund	Total
\$ -	\$ 479,605	\$ 730,100
242,078	7,908	249,986
1,237	6,829	9,167
-	-	51,625
<u>243,315</u>	<u>494,342</u>	<u>1,040,878</u>
435,080	225,000	3,952,804
<u>175,392</u>	<u>290,015</u>	<u>1,808,874</u>
<u>610,472</u>	<u>515,015</u>	<u>5,761,678</u>
<u>(367,157)</u>	<u>(20,673)</u>	<u>(4,720,800)</u>
407,000	-	4,582,000
-	-	19,862
-	-	66,785
-	-	(6,271)
<u>407,000</u>	<u>-</u>	<u>4,662,376</u>
39,843	(20,673)	(58,424)
<u>309,827</u>	<u>1,949,655</u>	<u>2,647,594</u>
<u>\$ 349,670</u>	<u>\$ 1,928,982</u>	<u>\$ 2,589,170</u>

PORTAGE LOCAL DEVELOPMENT FINANCE AUTHORITY

Monday, October 26, 2015

The Portage Local Development Finance Authority meeting on October 26, 2015 was called to order at 8:05 a.m. in Conference Room #1 of Portage City Hall, 7900 South Westnedge Avenue.

MEMBERS PRESENT:

Dennis Brooks, Karla Colestock, Michael Collins, Rick DeKam, Jeff Gardner, Larry Killips, and Tim Wenzel

MEMBERS EXCUSED:

Robert Seely, Sean Silkworth, and Tim Zajac

IN ATTENDANCE:

Vicki Georgeau, Director of Community Development, William Furry, Director of Finance and Purchasing.

APPROVAL OF MINUTES:

The minutes of the September 19, 2014 meeting were introduced for approval. A motion was offered by Collins and seconded by Colestock to approve the meeting minutes as presented. Upon voice vote, the motion was unanimously approved.

BUSINESS:

1. Election of Officers. Ms. Georgeau referred to the Articles of Incorporation, and the officers of the Board. The current slate includes Tim Wenzel, Chair; Dennis Brooks, Treasurer; and Karla Colestock, Secretary. There was a brief discussion of the continuation of the current officers. A motion was offered by Collins and seconded by Gardner that Wenzel serve as Chair, Brooks as Treasurer and Colestock as Secretary. Upon voice vote, the motion was unanimously approved.
2. Resolution authorizing refunding of the City of Portage Local Development Finance Authority Bonds, Series 2004, and Resolution approving the undertaking to provide continuing disclosure by the City of Portage for the Local Development Financing Authority Refunding Bonds, Series 2015. Ms. Georgeau introduced the refinancing proposal and indicated following review by the Board, the information will be forwarded to City Council for approval. Mr. Furry summarized the materials in the agenda prepared by Bond Counsel and the proposal to refinance LDFA bonds that are now callable. Furry indicated the city will save \$409,552 by refinancing the bonds. Georgeau added that the current bond interest rates are approximately 6% and the bonds to be refinanced will have an interest rate of approximately 3%. Wenzel inquired in regard to the interest rates now versus the anticipated new rates. In response to an inquiry from Wenzel, Mr. Furry clarified the bonds will

have an additional 15-year term through 2030. Wenzel and Collins inquired regarding bond counsel expenses for the refinancing and what firm the city uses. Furry indicated that bond counsel expenses are included with the bond financing and that the city uses Axe and Ecklund for bond counsel. After further discussion, a motion was made by Gardner, seconded by Collins to approve the Resolution authorizing refunding of the City of Portage Local Development Finance Authority Bonds Series 2004. Upon voice vote, the motion was unanimously approved. After a brief discussion, a motion was made by Gardner, seconded by Collins to approve Resolution approving the undertaking to provide continuing disclosure by the City of Portage for the Local Development Financing Authority Refunding Bonds, Series 2015. Upon voice vote, the motion was unanimously approved.

3. Resolution Approving the 2013-14 Annual Financial Report. Ms. Georgeau summarized the communication to the Board concerning the annual report included in the agenda. Following review by the Board, Ms. Georgeau noted the information will be forwarded to City Council and then to the State Tax Commission. Ms. Georgeau explained that the city will complete the Zylman Avenue improvements when the Stryker Corporation completes the expansion project to the East Centre Avenue facility and the Haverhill water tower project is now planned to be completed in FY2018-19, which is intended to improve fire flow within the industrial corridor. Ms. Georgeau noted that the fund balance will be utilized to complete pending improvements as well as fund any shortfalls that may occur from debt expenditures that exceed revenues. In FY 2013-14, staff noted debt expenditures exceeded revenues by \$20,673, which was lower than the \$61,075 shortfall experienced in FY 2012-13. Georgeau added that the recent Kenco facility on Portage Road and other anticipated development in the LDFA should improve finances for the LDFA. However, personal property taxes will begin to phase out and the LDFA, which is comprised of large scale industrial uses, generated significant personal property tax revenues. Furry added that specific details are still pending from the State of Michigan in regard to the 85% reimbursement for personal property taxes to the city. After further discussion, a motion was made by Colestock, seconded by Gardner, to approve the resolution and authorize the transmission of the FY 2013-14 Annual Financial Report on the status of the tax increment financing plan. Upon a voice vote, the resolution was unanimously approved.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 8:20 a.m.

Respectfully Submitted,

Vicki Georgeau, AICP
Director of Community Development

DRAFT

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Annual Tree Lighting/Traditional Holiday Celebration

SUPPORTING PERSONNEL: Kendall Klingelsmith, Director of Parks, Recreation and Senior Citizen Services

ACTION RECOMMENDED: Information Only

Please join in an evening night of fun at the City of Portage annual Tree Lighting and Traditional Holiday Celebration. The fun kicks off at the City Centre, near the Portage District Library on Saturday, December 5 at 7:00 p.m. Thousands of lights will be illuminated in celebration of the holiday season. Then follow a horse-drawn wagon, complete with jingle bells and holiday carolers, on a short walk down the Portage Creek Bicentennial Trail to the Celery Flats Historical Area, where the holiday celebration will take place. Festive music will be provided by Proclamation Brass, a local brass ensemble group, as well as local carolers. Santa and Mrs. Claus will greet visitors at the historic schoolhouse and refreshments will be available at the Hayloft Theatre. Hot cider, cocoa and coffee will be available for a \$1 donation per cup – proceeds from the sales will benefit area charities. Admission is free, however, donations of food, toys and outerwear will be accepted for the Portage Community Center to help those in need.

FUNDING: N/A

Attachments: 1. N/A



October 20, 2015

C:cm

James Hudson
City Clerk, City of Portage
7900 S. Westnedge Ave.
Portage, MI 49002

Dear Mr. Hudson:

The Public Media Network (PMN) Board of Directors has requested that we provide regular information to each of our municipal partners about the various activities and projects PMN undertakes. The enclosed report covers PMN's FY 15/16 1st Quarter (July 1, 2015 – September 30, 2015) and includes information regarding meeting attendance by your appointed representative(s).

Please include this letter and report in your next regular meeting packet. If there are questions about this report, or any of the information contained in it, please contact me at PMN (343-2211). Of course, you can also contact your representative serving on the PMN Board.

Thank you for your support and interest in Public Media Network!

Sincerely,

Harry S. Haasch
Executive Director, PMN

where every voice matters

Public Media Network

Quarterly Report: 1st Quarter – FY 15/16 (7/1/15 – 9/30/15)

Administrative Activity:

- "Futures Committee": The PMN Board of Directors created an ad hoc "Futures Committee" to develop large scale projects that advance the organization mission and reflect priorities of the 2013 Strategic Plan.
- Annual Audit: As required by our Urban Cooperation Act Agreement with municipal partners, PMN is in the midst of completing the FY 14/15 financial audit. The firm of Ullrey & Co. is conducting this audit, and is expected to provide a report to the PMN Board at their regular meeting in October, 2015.
- AT&T Franchise Fee Audit Project: In conjunction with a consortium of Michigan municipalities, PMN provided the funding and coordination for a recent audit of AT&T U-verse franchise fee payments to the City of Portage and City of Kalamazoo. The audit resulted in a finding of underpayments by AT&T and a settlement agreement was accepted.
- PMN Executive Committee Reviewing By-Laws: The Executive Committee and PMN staff began a process of updating our current By-Laws and examining options for restructuring the Board size and quorum requirement.

Technical Developments:

- Municipal Video Production Systems: PMN moved forward with this project that will replace and upgrade the video production systems located at: the City of Kalamazoo, the City of Portage, Oshtemo Township, and Kalamazoo Township. Similar systems may also be provided for Comstock Township and the City of Parchment (if they desire televised coverage of their meetings).
- Epic Center Interactive Video Wall: In August, 2015, the Arts Council of Greater Kalamazoo had a large, interactive video wall system installed in the Epic Center. Due to several staff changes, PMN has assumed a lead role in getting this system tested and functional. We will provide technical and management support for this system for an interim period while the Arts Council gets support personnel in place.
- Streaming PMN Channels: PMN channels have been activated in a "streaming" format (Windows Media), and we are working on getting all five (5) channels streamed in a format suitable for portable devices. This project has been challenging, and we expect to use additional consulting resources to find an affordable and technically sound solution.

Programming Activity:

- **“CONNECT” Municipal News Program:** PMN’s Government Production Services Unit (GPSU) has continued to produce content related to municipal news and activities in addition to our regular meeting coverage.
- **“K-12 360” Education News Program:** PMN has continued production of this monthly “news magazine” program featuring interviews and news about local school districts.
- **PMN Program Production:** PMN production staff and interns were very active in the community, completing many media projects, highlighted by:

“Live” coverage of the United States Tennis Association’s Boys 18 and 16 National Championships from Stowe Stadium at Kalamazoo College (7/31 – 8/9).

A new series in collaboration with the Kalamazoo Symphony Orchestra – six (6) concerts recorded in High Definition in various venues (Miller Auditorium, Chenery Auditorium).

“High School Game of the Week” football coverage began in late August and will continue throughout the regular season featuring teams in our service area.

	7/23/15	8/27/15	9/24/15	10/22/15	11/26/15	12/3/15	1/28/16	2/25/16	3/24/16	4/28/16	5/26/15	6/23/16
<u>City of Kalamazoo</u>					NO NOVEMBER MEETING							
Cooney, Don	No	Yes										
Jamison, Frank	Yes	No										
Sid Ellis	No											
Vancy												
<u>City of Parchment</u>												
Dennis Durham	No	No										
<u>Comstock Township</u>												
Brett Padgett	Yes	Yes										
<u>Kalamazoo Township</u>												
Brown, Jerry	Yes	Yes										
Martin, Don	Yes	Yes										
<u>Oshkemo Township</u>												
Dave Bushouse	Yes	Yes										
Grant Taylor	Yes	Yes										
<u>City of Portage</u>												
Claudette Reid	Yes	Yes										
Don Romlow	No	Yes										
Ed Sackley	Yes	Yes										
Nasim H. Ansari	No	No										
<u>At-Large</u>												
Thimes, Tom	No	Yes										
Godfrey, Lisa	Yes	Yes										
Haas, John	No	Yes										
Ron Coleman	No	No										
Vacancy												
<u>Ex-Officio</u>												
Haasch, Harry	Yes	Yes										
<u>Staff</u>												
Mark Monk	Yes	Yes										
Brian Zipp	No	Yes										

NO JULY MEETING

9 members

CITY OF PORTAGE ZONING BOARD OF APPEALS

Minutes of Meeting – September 14, 2015

The City of Portage Zoning Board of Appeals meeting was called to order by Jeffrey Bright at 7:00 p.m. in the Council Chambers. Four people were in the audience.

MEMBERS PRESENT: Glenn Smith, Jeffrey Bright, Michael Robbe, John Byrnes, Phillip Schaefer, Chadwick Learned, Randall Schau, and Alexander Philipp.

MEMBERS EXCUSED: A motion was made by Learned, seconded by Smith to excuse Lowell Seyburn. Upon voice vote, motion was approved 7-0.

IN ATTENDANCE: Jeff Mais, Zoning & Codes Administrator and Charlie Bear, Assistant City Attorney.

APPROVAL OF THE MINUTES: Learned moved and Philip seconded a motion to approve the July 13, 2015 minutes as submitted. Upon voice vote, the motion was approved 7-0.

NEW BUSINESS:

ZBA #15-3, Allied Signs on behalf of Earth Fare, 531 West Kilgore Road, 5024, 5036, 5050, 5070 South Westledge Avenue: Mais summarized the request for a variance to erect a 125 square-foot wall sign on the west elevation where no additional signage is permitted. Patrick Stieber with Allied Signs stated the sign is needed to help identify the business to traffic using the Lowe's Kilgore Road access drive. Mr. Stieber stated the building's setback is also a visibility issue. Philipp inquired if there was some reason the freestanding sign on Kilgore was ineffective. Mr. Stieber responded their panel was small. Schau noted the freestanding sign identifying Earth Fare is located just west of the second Kilgore Road access drive and if motorists travelling east on Kilgore Road miss the first drive, there is a second entrance drive that can be used as they approach South Westledge. Bright inquired if the applicant had investigated allocating sign area from one of the other walls to the west elevation. Mr. Stieber stated they had but considered all of the signage on the east and north elevations necessary due to the setbacks.

The public hearing was opened. No one spoke for or against the request. The public hearing was closed.

Schaefer stated he has been to Earth Fare several times and based on the amount of business he observed, it seemed people were not having problems finding the location. Smith stated the building did have a large setback but noted they received extra wall signage and the freestanding sign was quite visible to eastbound West Kilgore traffic. A motion was made by Smith, seconded by Schaeffer, to deny a variance to erect a 125 square-foot wall sign on the west elevation where no additional signage is permitted for the following reasons: there are no exceptional or extraordinary circumstances or conditions applying to the property that do not apply generally to other properties in the same zoning district; the variance is not necessary for the preservation and enjoyment of a substantial property right similar to that possessed by other properties in the same zoning district in the vicinity because there are conforming alternatives available, such as erecting directional signs; the variance would be detrimental to adjacent property and the surrounding neighborhood, and; the variance would materially impair the intent and purpose of the zoning ordinance. Upon roll call vote: Smith-Yes, Philipp-Yes, Robbe-Yes, Bright-Yes, Learned-yes, Schau-Yes, Schaeffer-Yes. The motion passed 7-0.

ZBA #15-4, 204, 212, 220 West Milham Avenue: Mais summarized the request for a variance from the parking requirements to provide 96 off-street parking spaces where a minimum 114 spaces are required. The applicant, Mark Tomasik, provided a letter dated September 8, 2015 to the Victory Baptist Church, 308 West Milham Avenue, proposing a lease agreement to use 18 church parking spaces for the applicant's employees Mondays through Saturdays during operating business hours. The applicant also provided an email response from the church minister dated September 14, 2015 indicating tentative agreement, pending church board approval. Mr. Tomasik stated the business owner, Larry Walt, currently operates several other facilities in the state with comparable building area that provide fewer parking spaces than the proposed plan with no parking problems. Mr. Tomasik stated they needed fewer spaces than required by city code because of the staggered employee schedules and the same salon-spa employees perform multiple tasks in different locations in the building. Consequently, all the styling chairs will not be in use at the same time.

Schau inquired if the applicant had looked at different parking configurations to maximize the number of spaces. Mr. Tomasik responded yes. Learned requested clarification concerning the lease agreement with the church. Mais stated staff suggested the applicant could investigate the possibility of a parking agreement with neighboring properties as a potential condition should the Board approve the variance. Such an arrangement could serve as a means to address overflow parking in the event the applicant's parking projections prove incorrect. Schau inquired if code permitted parking on someone else's property. Mais stated no, but in this instance the Board may find it meets the spirit and intent of the code. Attorney Bear stated a condition requiring an applicant to provide parking on someone else's property was problematic, as the church property could, for example, be sold to someone who may not consent to continue the parking agreement. Learned noted the parking standards might change with different occupancy in the future. Mais stated staff had considered this and if the building's occupancy were to change to general retail or office, the parking requirements would decrease. However, a combination of more intensive uses was a possibility as well. Learned inquired if the Board were to grant the variance, could a use requiring more parking locate there. After conferring with Attorney Bear, Mais responded the appeal was specifically to provide 96 parking spaces where 114 spaces are required and that if future occupants wished to locate there requiring a greater number of parking spaces than 114, they would need Board approval to do so.

The public hearing was opened. Larry Walt reiterated he has operated similar stores successfully for many years with less parking than the proposed plan. Mr. Walt added if the Board wanted him to enter into a lease agreement with the church for 18 parking spaces he had no objections, but thought it very unlikely they would ever be needed. There being no further comments, the public hearing was closed.

Robbe noted the applicant had conforming alternatives available and could simply reduce the number of chairs to meet code. Bright stated he appreciated staff's efforts to work with the applicant in devising possible solutions. Schau stated if the characteristics of the applicant's business operations were to be considered a practical difficulty, then it is essentially a self-created hardship. A motion was made by Learned, seconded by Schaeffer, to grant a variance from the parking requirements to provide 96 off-street parking spaces where a minimum 114 spaces are required with the condition that staff may, at its discretion at any time during the next two years, require the applicant to enter into a parking agreement for 18 spaces with the owner of 308 West Milham Avenue if they find parking to become a problem, for the following reasons: there are exceptional circumstances applying to the property that do not apply generally to other properties in the same zoning district which include the unique nature of the applicant's business that requires less parking; the variance is necessary for the preservation and enjoyment of a substantial property right, the right to run a business that will not create a hardship for the public which is similar to that possessed by other properties in the vicinity; the variance will not be detrimental to adjacent property and the surrounding neighborhood, and; and the variance will not impair the intent and purpose of the Zoning Code. Upon roll call vote: Smith-Yes, Philipp-Yes, Robbe-No, Bright-Yes, Schau-No, Schaeffer-Yes, Learned-Yes. The motion passed 5-2.

OTHER BUSINESS: Mais announced interested citizens could comment on the 10-year capital improvement program either online or at the 7 p.m. community open house at City Hall on September 28, 2015. Interested parties could also attend the Portage 2025 Renewal event at Portage Central High School on October 3, from 9 a.m. to 2 p.m.

Chairman Bright stated he was running for City Council but would continue to serve on the Board, and would step down in the event he is elected.

STATEMENT OF CITIZENS: None.

ADJOURNMENT: There being no further business, the meeting was adjourned at 8:33 p.m.

Respectfully submitted,

Jeff Mais
Zoning & Codes Administrator

PLANNING COMMISSION

September 17, 2015

The City of Portage Planning Commission meeting of September 17, 2015 was called to order by Chairman Welch at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnodge Avenue. Six citizens were in attendance.

PLEDGE OF ALLEGIANCE:

Chairman Welch led the Commission and staff in the Pledge of Allegiance.

IN ATTENDANCE:

Michael West, Senior City Planner and Randy Brown, City Attorney.

ROLL CALL:

Mr. West called the roll and the following Commissioners were present: Bosch (yes), Stoffer (yes), Welch (yes), Patterson (yes), Somers (yes) and Schimmel (yes). A motion was made by Commissioner Patterson, seconded by Commissioner Bosch, to approve the roll excusing Commissioners Dargitz, Felicijan and Richmond. The motion was unanimously approved 6-0.

APPROVAL OF MINUTES:

Chairman Welch referred the Commission to the September 3, 2015 meeting minutes contained in the agenda packet. A motion was made by Commissioner Patterson, seconded by Commissioner Stoffer, to approve the minutes as submitted. The motion was unanimously approved 6-0.

SITE/FINAL PLANS:

None.

PUBLIC HEARINGS:

1. Preliminary Report: Rezoning Application #15/16-1, 710 and 732 East Centre Avenue. Mr. West summarized the staff report dated September 11, 2015 regarding a request from Donald Zeimke and Timothy Dockerty to rezone 710 and 732 East Centre Avenue from B-1, local business and R-1A, one family residential to OS-1, office service. Mr. West stated the rezoning would facilitate construction of an approximate 32,000 square foot memory care facility at the former Centre Street Market site. Mr. West discussed the 2014 rezoning of the subject parcels and several other East Centre Avenue properties from B-3, general business to B-1, local business and indicated institutional land uses including the proposed memory care facility are not allowed in the B-1 district, but are allowed in the OS-1 zone as a special land use. Mr. West also discussed City Council's decision to retain the west 5-foot strip of 710 East Centre Avenue in R-1A, one family residential zoning to prevent vehicular access to/from Lakewood Drive. Mr. West stated this decision was first decided in 1998 and reaffirmed with the 2014 rezoning. Mr. West discussed the applicant's request to the Planning Commission to waive the second meeting and formulate a recommendation to City Council at the September 17th meeting. Mr. West stated the proposed zoning change was consistent with the Comprehensive Plan, Future Land Use Map and surrounding land use/zoning pattern along this stretch of East Centre Avenue and was supported by staff. Mr. West referred the Commission to the final agenda packet and an email communication from Mrs. Nancy Centers, 8038 Lakewood Drive, supporting the proposed zoning change to OS-1.

Commissioner Stoffer discussed the possible elimination of the 5-foot strip of R-1A zoning along the west side of 710 East Centre Avenue since the intensity of land use would be far less under the proposed OS-1 zoning. Mr. West indicated the purpose of the 5-foot strip of R-1A zoned land was to restrict access to/from Lakewood Drive since the Zoning Code does not allow access to a nonresidential use through property zoned residential. Mr. West also stated the 5-foot strip of R-1A zoned land does not increase building or parking setbacks since these measurements are taken from the property line. Attorney Brown indicated there were other areas of the city that have similar residential zoned strips of land for the purposes of restricting access or enhancing neighborhood protection.

Mr. Timothy Dockerty (applicant) was present to support the zoning change and to discuss the proposed memory care facility. Mr. Dockerty stated the facility would be one-story and house approximately 40 residents upon full build-out with between 20-25 full and part-time employees. Mr. Dockerty discussed the growing demand for senior and memory care services with the increasing aging population. Mr. Dockerty described the facility and security measures that are taken to ensure the safety of the residents.

The public hearing was opened by Chairman Welch. No citizens spoke regarding the proposed rezoning. After a brief discussion, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to waive the second meeting. The motion was unanimously approved 6-0. A motion was then made by Commissioner Bosch, seconded by Commissioner Stoffer, to close the public hearing. The motion was unanimously approved 6-0. After a brief discussion, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to recommend to City Council that Rezoning Application #15/16-1 be approved and 710 and 732 East Centre Avenue be rezoned from B-1, local business to OS-1, office service with the exception of the west 5-feet of 710 East Centre Avenue which is to remain zoned R-1A, one family residential. The motion referenced the analysis contained in the staff report and included a finding that the proposed OS-1 district was consistent with the Comprehensive Plan, Future Land Use Map and land use/zoning pattern and retention of the 5-foot strip of R-1A zoning along the west side of 710 East Centre Avenue was still valid to control access and provide neighborhood protection. The motion was unanimously approved 6-0.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

Mr. West discussed two upcoming events being hosted by the City of Portage and encouraged all citizens, business owners, Commissioners and other interested individuals to participate. On Monday, September 28, 2015 from 7-9pm at Portage City Hall, Mr. West stated the city will be hosting a Capital Improvement Program (CIP) Open House. Mr. West indicated a survey regarding the CIP process and existing/potential projects can still be taken by visiting the city website. On Saturday, October 3, 2015 from 9am-2pm at Portage Central High School Auditorium, Mr. West stated the city will be hosting the Portage 2025 Renewal Event. Mr. West indicated on-line registration for this event is still available through September 25th; however, registration is not required and anyone can attend even if they missed the on-line registration period.

There being no further business to come before the Commission, the meeting was adjourned at 7:30 p.m.

Respectfully submitted,

Michael K. West, AICP
Senior City Planner

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Purchase of Pierce Fire Pumper - Bid Tabulation

SUPPORTING PERSONNEL: Daniel Mills, Senior Deputy Police / Fire Chief
Richard White, Director of Public Safety - Police / Fire Chief

ACTION RECOMMENDED: That City Council approve the purchase of a fire pumper truck from Pierce Manufacturing, Inc. for \$501,260 and authorize the City Manager to execute all documents related to this action on behalf of the city.

The Department of Public Safety Fire Division is seeking to replace a 2004 Sutphen fire pumper truck that was involved in a July 3rd auto accident, and is beyond repair. A new fire pumper truck from Pierce Manufacturing, Inc. has been identified as an optimal replacement. The Pierce fire pumper meets current safety and operational standards, as outlined by the National Fire Protection Association (NFPA). The recommended pumper will provide lighting for on-scene operations and is equipped with fire foam capabilities, which allows for quicker fire knockdown, resulting in improved safety and property conservation efforts. The Pierce pumper will serve as a front-line engine for response to citywide fire calls.

Required specifications were developed by the Fire Division for bid. Only one vendor, Pierce Manufacturing, submitted a proposal that met all required specifications. The proposal, supplied by Halt Fire, Inc. on behalf of Pierce Manufacturing, Inc., also includes superior warranties on various components.

The 2015-2025 Capital Improvement Program (CIP) included the purchase of a replacement fire pumper in fiscal Year 2018-2019; however, due to the above-noted accident, on September 22, 2015, the City Council approved an amendment to the 2015-2025 CIP to advance the funding for the replacement pumper to fiscal year 2015-2016.

Therefore, it is recommended that City Council approve the purchase of a Pierce fire pumper from Pierce Manufacturing, Inc. for \$501,260 and authorize the City Manager to execute all documents related to this action on behalf of the city.

FUNDING: In light of amendments to the 2015-2025 Capital Improvement Program approved by City Council during its September 22, 2015 meeting, funds are available in the FY 2015-2016 Capital Improvement Program budget.

Attachments: 1. Tabulation of Proposals

BID TABULATOIN
FIRE PUMPER TRUCK

Pierce Manufacturing Inc.
2600 American Drive
Appleton, WI 54914

Bid	\$501,260.00
New or Demonstrator Model & Model Year	2015 - New
Make/Model	Impel Custom Chassis Side Mount Pumper
Delivery	300 days



MATERIALS TRANSMITTED

Friday, October 16, 2015

1. Letter from Rehmann Robson to City Council regarding the Independent Audit for FY 2014-2015 – Information Only.

Laurence Shaffer, City Manager

cc: Rob Boulis, Deputy City Manager



Rehmann Robson
675 Robinson Rd.
Jackson, MI 49203
Ph: 517.787.6503
Fx: 517.788.8111
rehmann.com

October 2, 2015

Mr. William Furry, Deputy Finance Director
City of Portage, Michigan
7900 South Westnedge Avenue
Portage, MI 49002

Enclosed is the engagement letter for the *City of Portage, Michigan* for the year ended June 30, 2015. *Government Auditing Standards* (as amended) require that we communicate, during the planning stage of an audit, certain information to those charged with governance. This information includes the auditors' responsibilities in a financial statement audit, including our responsibilities for testing and reporting on compliance with laws and regulations and internal control over financial reporting. The engagement letter includes the items which must be communicated to those charged with governance.

Therefore, please make copies of the attached engagement letter and forward the copies to those charged with governance.

Please sign and return the enclosed copy of the attached engagement letter to us at your earliest convenience.

Sincerely,

Enclosures

October 2, 2015

City of Portage, Michigan
7900 South Westnedge Avenue
Portage, MI 49002

We are pleased to confirm our understanding of the services we are to provide the *City of Portage, Michigan* (the "City") for the year ended June 30, 2015. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Entity as of and for the year ended June 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Entity's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Entity's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Funding Progress and Employer Contributions - Pension Plan
3. Schedule of Funding Progress and Employer Contributions - OPEB Plan

We have also been engaged to report on supplementary information other than RSI, such as combining and individual fund financial statements, that accompanies the Entity's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining and individual fund financial statements
2. Schedule of expenditures of federal awards

The following other information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

1. Introductory section of the Comprehensive Annual Financial Report
2. Statistical section of the Comprehensive Annual Financial Report

Audit Objectives

The objective of our audit is the expression of opinions as to whether the Entity's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audit of the Entity's financial statements does not relieve management or those charged with governance of their responsibilities. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and with *OMB Circular A-133* in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of *OMB Circular A-133*, and will include tests of accounting records, a determination of major program(s) in accordance with *Circular A-133*, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We will issue a written report upon completion of our audit of the Entity's financial statements. Our report will be addressed to the [Governing Body] of the Entity. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs to our audit report. If our opinions on the financial statements or the Single Audit compliance opinion are other than unmodified, we will discuss the

reasons with management in advance. If circumstances occur and come to our attention related to the condition of the Entity's records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, or we become aware that information provided by the Entity is incorrect, incomplete, or otherwise unsatisfactory which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote. For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting and financial reporting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of the Entity's financial statements, schedule of expenditures of federal awards, and related notes. Management will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal awards and that management has reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Management agrees to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of these or other nonattest services performed by our Firm; and understand and accept responsibility for the results of such services.

Management is responsible for designing, implementing, and maintaining effective internal controls, including internal controls over compliance, and for ongoing monitoring activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for the selection and application of accounting principles for the preparation and fair presentation of the financial statements in conformity with an acceptable financial reporting framework, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for determining, and has determined, that the applicable and appropriate financial reporting framework to be used in the preparation of the Entity's financial statements is accounting principles generally accepted in the United States of America (GAAP).

Management is also responsible for making all financial records and related information available to us, and for ensuring that financial information is reliable and properly recorded. Management is also responsible for providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request from management for the purpose of the audit, and (3) unrestricted access to persons within the Entity from whom we determine it necessary to obtain audit evidence.

Management's responsibilities also include identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We understand that management will provide us with such information required for our audit, including a reasonably adjusted trial balance, and that management is responsible for the accuracy and completeness of that information. Assistance provided by our Firm in the preparation of a reasonably adjusted trial balance is considered an additional billable service.

We will advise management about appropriate accounting principles and their application and may assist in the preparation of the Entity's financial statements, but the responsibility for the financial statements remains with management with oversight by those charged with governance. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to the Entity's financial statements. Management is responsible for reviewing the entries, understanding the nature of any proposed entries and the impact they have on the financial statements, and the implications of such entries on the Entity's internal control over financial reporting. Further, the Entity is responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these services.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud, suspected fraud or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the Entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review at the conclusion of fieldwork.

Management is responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. Management agrees to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we reported on the schedule of expenditures of federal awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Management's responsibilities include acknowledging

to us in the representation letter that (a) management is responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (b) that management believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is also responsible for the preparation of the other supplementary information, which we have been engaged to report on, that is presented fairly in relation to the basic financial statements. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (a) management is responsible for presentation of the supplementary information in accordance with GAAP; (b) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

During the course of our engagement, we will request information and explanations from management regarding the Entity's operations, internal control over financial reporting, various matters concerning fraud risk, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written management representation letter.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Entity or to acts by management or employees acting on behalf of the Entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the Entity's attorneys as part of the engagement, and they may bill the Entity for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

We have advised the Entity of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets) notwithstanding our obligations per the Single Audit Amendments of 1996 and OMB Circular A-133. We can, as a separate engagement, perform extended procedures specifically designed to potentially detect defalcations. Management acknowledges that the Entity has not engaged us to do so and does not wish us to do so at this time.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the Entity and its business environment, including internal control over financial reporting sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures that are appropriate in the circumstances. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control, or to identify significant deficiencies or material weaknesses in internal control, or to express an opinion on the effectiveness of internal control over financial reporting. However, during the audit, we will communicate to the appropriate level of management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards* and OMB Circular A-133. These matters refer to significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the Entity's financial reporting process. When applicable, we are responsible for communicating certain matters required by laws or regulations, or by additional requirements that may be applicable to this engagement. Auditing standards generally accepted in the United States of America do not require the independent auditor to design or perform procedures for the purpose of identifying other matters to communicate with those charged with governance. Management is responsible for assessing the implications of and correcting any internal control-related matters brought to the Entity's attention by us.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Entity's compliance with provisions of applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Entity's major programs. The purpose of those procedures will be to express an opinion on the Entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

The not-to-exceed fee for the audit of the financial statements will be \$28,000. The fee for the single audit will be between \$2500 - \$3500. Our invoices for these fees are due and payable as follows:

October 12, 2015	\$	12,000
November 1, 2015		12,000
Upon report issuance		4,000

This fee is based on the assumption that unexpected circumstances will not be encountered during the audit. This fee is based on anticipated cooperation from Entity personnel, continued readiness and proactive assistance on their part in providing us with complete and accurate information (whether financial or nonfinancial in nature) considered necessary by us to form an appropriate opinion, and the assumption that unexpected circumstances will not be encountered during the audit. Such circumstances include, but are not necessarily limited to significant addition or deletion of funds, component units or related entities and first-time application of significant new professional accounting or auditing pronouncements. In addition, the fee above assumes management will analyze and maintain appropriate support for significant valuation assertions embodied in the financial statements.

William Furry, Deputy Finance Director
City of Portage, Michigan
October 2, 2015
Page 8

If significant additional time is necessary, we will discuss the related circumstances with management and arrive at a new fee estimate, which may or may not occur before we incur the additional time. In these circumstances, we may also issue a change order form (an attached example is provided).

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with management the electronic submission and certification. If applicable, we will provide copies of our reports for the Entity to include with the reporting package the Entity will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Rehmann and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or grantor agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of Rehmann personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Our audit engagement ends on delivery of our audit report to those charged with governance at the Regular or Special Board meeting. Any follow-up services that might be required will be part of a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we provide the Entity with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our 2014 peer review report accompanies this letter.

This engagement letter and the attached Rehmann Audit Engagement Letter Terms reflect the entire understanding between us relating to the audit services covered by this agreement. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of the Entity and Rehmann contained in this document shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included.

William Furry, Deputy Finance Director
City of Portage, Michigan
October 2, 2015
Page 9

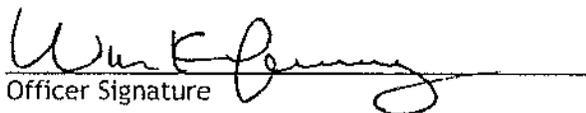
We appreciate the opportunity to be of service to the Entity and believe the arrangements outlined above and in the attached Rehmann Audit Engagement Letter Terms accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement, please sign the enclosed copy of this document and return it to us.

Rehmann Loborn LLC

Mark T. Kettner, CPA, CGFM
Principal
Executive responsible for supervising the
engagement and signing our report

ACKNOWLEDGED AND ACCEPTED:

This letter correctly sets forth the understanding of *City of Portage, Michigan*.


Officer Signature

William K Furry
Printed Name

Finance Director
Title

10/9/15
Date