

CITY COUNCIL MEETING MINUTES FROM DECEMBER 21, 2010

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

At the request of Mayor Strazdas, Pastor John Moore of the Portage First United Methodist Church gave the invocation and the City Council and the audience recited the Pledge of Allegiance.

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

APPROVAL OF MINUTES: Motion by O'Brien, seconded by Reid, to approve the December 7, 2010 Regular Meeting Minutes as presented. Upon a voice vote, motion carried 6 to 0.

RESIGNATION OF COUNCILMEMBER MARGARET O'BRIEN: Councilmember O'Brien read a prepared statement in which she resigned as a City Councilmember in order to fulfill the wishes of the voters and become the State Representative for the 61st District. City Council accepted her resignation and presented her with a Resolution of Respect and Recognition of Service. Each Councilmember and Mayor Strazdas expressed appreciation for her compassion and her sincerity, and wished her well in Lansing.

RESOLUTION OF RESPECT HONORING MARGARET E. O'BRIEN: Mayor Strazdas read the Resolution of Respect Honoring Margaret E. O'Brien and presented it to her, plus a present from City Council.

SWEARING IN OF CORY BAILES AS COUNCILMEMBER: City Clerk James Hudson gave the Oath of Office to Cory Bailes as Councilmember and Councilmember Bailes signed the oath of Office and The City Council Code of Ethics and Values Policy.

The City Clerk called the roll of the new City Council with the following members present: Councilmembers Cory A. Bailes, Elizabeth A. Campbell, Patricia M. Randall and Claudette S. Reid, Mayor Pro Tem Edward J. Sackley and Mayor Peter J. Strazdas. Councilmember Terry R. Urban was absent with excuse. Also in attendance were City Manager Maurice S. Evans, City Attorney Randall Brown and City Clerk James R. Hudson.

* **CONSENT AGENDA:** Mayor Strazdas added Item M.1, City Council Staff Committee Appointments, to the Agenda and asked Councilmember Reid to read the Consent Agenda. Councilmember Reid asked that Item H.3, 2011 Fee Schedules, be removed from the Consent Agenda. Motion by Reid, seconded by Campbell, to approve the Consent Agenda motions as amended. Upon a roll call vote, motion carried 6 to 0.

* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF DECEMBER 21, 2010:** Motion by Reid, seconded by Campbell, to approve the Accounts Payable Register of December 21, 2010. Upon a roll call vote, motion carried 6 to 0.

PETITIONS AND STATEMENTS OF CITIZENS: Chris Childs introduced himself as a City of Kalamazoo resident with a business at 1611 West Centre Avenue, indicated that he is a medical marihuana caregiver under Initiated Law 1 of 2008, Michigan Marihuana Act (MMMA), is open to any questions and is a University of Michigan graduate, who recently located here. He pointed out that the exemptions section of the proposed City of Portage proposed temporary moratorium ordinance pertaining to MMMA, allows for a dwelling unit or other building or structure for patients or caregivers to possess plants or marihuana as the dry material. He advocated that the Portage Ordinance be aligned with the State Law and allow for a dwelling unit or other building or structure for patients or caregivers to possess plants and/or marihuana as the dry material. He asked for the City Attorney for a clarification on this. Mayor Strazdas asked Mr. Childs to present any recommendations in writing to the Administration for consideration at the January 11, 2011 Regular City Council Meeting. City Attorney Randy Brown reminded City Council that the temporary moratorium ordinance was considered for first reading and no public hearing or notice would follow before second reading and consideration of adoption on January 11, 2011. Mayor Strazdas indicated comments from the public are always accepted by City Council at a second reading. Discussion followed.

REPORTS FROM THE ADMINISTRATION:

POVERTY EXEMPTION GUIDELINES: When Mayor Strazdas asked for a recommendation for residents to qualify for a 2011 Homestead Poverty Exemption, City Manager Evans recommended using the Federal Guidelines for one year. Councilmember Randall spoke in favor of a 25% increase to the Federal Guidelines and indicated that she contacted the City of Kalamazoo Assessor, who indicated that Kalamazoo adds 25% to the Federal Poverty Standard on the basis that it keeps people in their homes instead of federal housing, that as an asset, a house is not liquid and can not be readily converted to cash to pay the taxes owed, and that Kalamazoo has no asset level test. Mr. Evans indicated that the City of Portage has only a handful or less of applicants each year, revealed significant economic differences between the two communities using 2005-2009 Census Data and expressed a preference to wait for the 2010 Census Data. Discussion followed. Councilmember Randall indicated that she discussed school lunch programs with a Portage School Board Member, who indicated that students receiving hot lunches rose from 14% to 20% this year. Discussion followed. Motion by Sackley, seconded by Reid, to adopt the Federal Poverty Income Standards and establish a maximum asset level test of \$25,000 for residents to qualify for a 2011 Homestead Poverty Exemption. Motion carried: Yeas: Councilmembers Bailes, Reid and Campbell, Mayor Pro Tem Sackley and Mayor Strazdas. No: Councilmember Randall.

* **INITIATED LAW 1 OF 2008, MICHIGAN MARIHUANA ACT – PROPOSED ORDINANCE:** Motion by Reid, seconded by Campbell, to accept the temporary moratorium ordinance pertaining to medical marihuana for first reading and consider ordinance adoption on January 11, 2011. Upon a roll call vote, motion carried 6 to 0.

2011 FEE SCHEDULES: Councilmember Reid asked for the history and issues raised on the “Planning and Zoning Re-inspection Fee – when approved by the Director of Community Development” segment in Attachment 3, Table 4 – 2010 2011 Fee Comparison Table, on the bottom of the first page. She asked that the Administration look at other ways of doing business instead of continuing to look at additional fees. Discussion followed. Councilmember Randall asked whether approval of the Temporary Sign Permit charge of \$55 can be changed if approved as a part of the adoption of the Resolution as this was a topic of discussion at the City Council Retreat and will be a part of a Council

subcommittee study and recommendation. Mayor Strazdas assured her that it can be changed after adoption of the Resolution and subsequent review by the subcommittee. Motion by Reid, seconded by Sackley, to adopt the Proposed 2011 Charges for Documents fee schedule; the recommended fee schedules for recreation programs and park facilities for 2011; the Resolution for Community Development Fees with the exception of Planning and Zoning Re-inspection Fee – when approved by the Director of Community Development; and the 2011 Special Assessment Rate Resolution. Upon a roll call vote, motion carried 6 to 0.

* **WEST MILHAM AVENUE/12TH STREET/TEXAS DRIVE INTERSECTION IMPROVEMENTS:** Motion by Reid, seconded by Campbell, to approve the acquisition of a sidewalk easement and temporary grading easement for 4824 West Milham Avenue in the amount of \$10,960 and authorize the City Manager to execute all applicable documents related to this matter on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

* **MICHIGAN MUNICIPAL LEAGUE DUES:** Motion by Reid, seconded by Campbell, to authorize payment to the Michigan Municipal League in the amount of \$8,329 for year 2011 membership dues. Upon a roll call vote, motion carried 6 to 0.

* **OFFICE PRODUCTS CONTRACT:** Motion by Reid, seconded by Campbell, to approve a contract with Office Depot Business Solutions Division through The Cooperative Purchasing Network (TCPN) for the purchase of office supplies and products through February 28, 2015, and any TCPN contract extensions offered thereafter; and authorize the City Manager to execute all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

* **MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY GRANT AWARD - INFORMATION ONLY:** Motion by Reid, seconded by Campbell, to receive the communication from the City Manager regarding a Michigan State Housing Development Authority Grant Award as information only. Upon a roll call vote, motion carried 6 to 0.

* **NOVEMBER 2010 SUMMARY ENVIRONMENTAL ACTIVITY REPORT - INFORMATION ONLY:** Motion by Reid, seconded by Campbell, to receive the communication from the City Manager regarding the November 2010 Summary Environmental Activity Report as information only. Upon a roll call vote, motion carried 6 to 0.

* **DEPARTMENT MONTHLY REPORTS:** Motion by Reid, seconded by Campbell, to receive the Department Monthly Reports from the various Departments. Upon a roll call vote, motion carried 6 to 0.

* **MINUTES OF BOARDS AND COMMISSIONS:** City Council received the minutes for the following boards and commissions:

Portage Zoning Board of Appeals of November 8, 2010.

Kalamazoo County Board of Commissioners Committee of the Whole and Regular of November 16, 2010.

Portage Board of Education Special and Regular of November 22 and Special of December 6, 2010.

Portage Planning Commission of December 2, 2010.

AD HOC COMMITTEE REPORT:

PROPOSED INVESTMENT POLICY REVISIONS: Mayor Strazdas deferred to City Manager Evans, who cited two changes to the Policy: “that the City will not do business with any bank, savings and loan, or broker-dealer who does not maintain either FDIC or SIPC insurance. The City also requires that the entity maintain an industry standard level of liability insurance for its portfolio over and above SPIC to cover fraud and/or defalcation.” Also, “(T)he Investment Committee shall develop an approved provider list of financial service firms that the City may choose from to deal with at any time. The list shall be reviewed annually by the Committee for additions or deletions. The criteria to be considered may include, but not limited to: References from within the State of Michigan, financial security, history and stability of the company.” Mayor Strazdas followed up with praises for the work and advice of Cliff Mulder and Brent Plew of Raymond James Financial Services, Citizen Members of the City Council Investment Committee, and commented on the need for vigilance and a conservative approach to investments owing to the economic climate and potential for high risk investment strategies in order to get the highest return on investment. Discussion followed.

Mayor Pro Tem Sackley indicated that he had the Policy reviewed by an independent professional and objected to some of the exclusionary language and terms left up to interpretation in the proposed policy. He questioned the U.S. Treasury and Agency obligations since “Agency” is not defined; that no reason is provided for the exclusion of foreign banks; and asked why the amount invested in CD’s can not be more than 60% of the total portfolio. If there is no reason to approve this policy this evening, he respectfully asked that he be given the opportunity to submit written comments and suggestions as a further way to improve the document and improve it as a tool for the Investment Committee. Discussion followed.

Motion by Reid, seconded by Campbell, to accept the communication from the City Council Investment Committee recommending that City Council approve the revised Investment Policy as recommended by the Investment Committee and City Administration. Councilmember Reid clarified that the intent of the motion is to accept the communication but not approve the policy. Discussion followed. Upon a roll call vote, motion carried 6 to 0.

NEW BUSINESS:

APPOINTMENTS TO THE 2011 CITY COUNCIL COMMITTEES: Mayor Strazdas provided a brief summary of the types of committees upon which City Council serves and the results of his survey of each of the City Councilmembers as a tool to determine each of their preferences for board service. He also mentioned that he gave up his top two preferences in deference to the wishes of individual Councilmembers. Discussion followed. Motion by Sackley, seconded by Reid, to approve the appointments to the 2011 City Council Committees. Upon a voice vote, motion carried 6 to 0.

BID TABULATION:

* **TRAFFIC SIGNAL IMPROVEMENTS:** Motion by Reid, seconded by Campbell, to award a construction contract to the low bidder, Severance Electric, Incorporated, in the not-to-exceed amount of \$179,221.34 for the installation of new traffic signals at the South Westnedge Avenue/Portage Central High School entrance intersection and authorize the City Manager to sign all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

OTHER CITY MATTERS:

STATEMENTS OF CITY COUNCIL: Mayor and City Council welcomed Councilmember Cory Bailes and wished everyone a Merry Christmas and safe holiday.

Councilmember Campbell expressed her condolences to Senior Citizens Advisory Board Member James Hoppe for the recent loss of his wife.

Councilmember Reid expressed her appreciation for the use of technology to reduce fees and the need for more employees.

Councilmember Randall congratulated staff for the updated website effort with a lot more information online.

Councilmember Bailes thanked City Council for their kind words.

City Manager Evans reviewed PA 198 Tax Abatements and indicated that four are expiring this year with no new applicants for 2010. With regard to economic condition factors for Portage, he said that residential assessments will be reduced approximately 1.5% and commercial assessments will be reduced approximately 8 to 10%. He said the Westnedge Avenue Corridor Study has been completed and an updated vacancy report will soon be available.

Mayor Pro Tem Sackley read a statement from Councilmember Urban welcoming Councilmember Bailes and encouraged everyone to shop locally.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 8:50 p.m.

James R. Hudson, City Clerk

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