

## CITY COUNCIL MEETING MINUTES FROM MAY 10, 2011

The Regular Meeting was called to order by Mayor Strazdas at 7:35 p.m.

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

Mayor Strazdas asked Councilmember Urban to give the invocation and Eagle Scout Elliot Klose led the City Council and the audience in the recitation of the Pledge of Allegiance.

**APPROVAL OF MINUTES:** Motion by Reid, seconded by Campbell, to approve the April 26, 2011 Regular Meeting Minutes as presented. Upon a voice vote, motion carried 7 to 0.

\* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Urban to read the Consent Agenda. Councilmember Campbell asked that item F.2, Rezoning Application #10-01, Portage Road and Fairlane Avenue, be removed from the Consent Agenda and Mayor Pro Tem Sackley asked that Item F.7, Proposal to Enter into a Lease for Use of City Hall Property, 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 7 to 0.

\* **APPROVAL OF CHECK REGISTER OF MAY 10, 2011:** Motion by Reid, seconded by Campbell, to approve the Check Register of May 10, 2011. Upon a roll call vote, motion carried 7 to 0.

### **PUBLIC HEARINGS:**

**PUBLIC ACT 5 OF 1982 (TRUTH IN TAXATION):** Mayor Strazdas opened the public hearing and City Manager Maurice Evans stated that this item is the action on the tax levy and the actual public hearing on the budget, and that no final action would be taken since the budget will be adopted at the May 24, 2011 Regular City Council Meeting. He indicated that the 2011-2012 Budget is slightly over \$60 million and is reflective of the guidance by the City Council at the annual retreat in November 2010 and takes into account the information provided by the Administration to City Council at the retreat. He indicated that this budget allows the city to meet its financial challenges in a responsible manner; that the budget is balanced and core services are being maintained at current levels, and he named a few: Police and Fire, Street Maintenance, Snow Removal, Water and Sewer Services, Parks and Recreation Programs and the Capital Improvement Program Projects. He reflected that the Administration did a trend analysis and that there is a continuation of reduction in revenue streams with a 2.9% reduction in property tax revenue, a decrease in Act 51 funds and lower state revenue sharing.

Mr. Evans pointed out that the 10.8916 millage rate is reflective of a 0.15 mill increase to accommodate curbside recycling and leaf pick-up funding needs and a 13% fund balance as prescribed by City Council. He also indicated that under the new program outlined by Governor Snyder, the City of Portage would be competing for revenue sharing with other cities, and that the City of Portage continues to remain in the lower 25 percent of all Michigan cities of greater than 25,000 in population in terms of millage level. He outlined the recent trend analysis that was shared with City Council and taken into account when determining the budget, and the Administration continues to take additional reductions. As a result of these factors, he pointed that the City will need to continue to reduce operating costs. Discussion followed.

James Pearson, 3004 East Shore Drive, expressed his appreciation for the responsiveness of the Administration during the Special Meetings for Budget presentation which he cited as a very positive process, praised staff, City Manager Evans and City Council for their hard work and cited some of the cost-cutting measures found in the Budget. When he asked about the 9% increase in sewer rates and the 12% increase in water rates, he was asked to wait for the explanation as found in Item D.2, 2011 Utility Rate Financial Study. When he asked about competitive bidding and the 32% increase in the curbside recycling cost, Finance Director Daniel Foecking responded that the contract was bid, and that it is in its third year where there was an escalation clause built into the contract that was there from the beginning. Discussion followed.

Ken Nunn, 9878 Arabian Drive, indicated that he had moved to Portage from California and asked for an explanation of Spring Clean-up and expressed an interest in having each individual homeowner do his or her own clean-up effort as the “gleaners” and “flea marketers,” “metal collectors” who comb the neighborhoods on “pick-up” day annoy him and asked City Council to reconsider the program. Mayor Strazdas pointed out that this program was a result of an election and the vote was in favor of both a Recycling Program and a Spring Clean-up Program. He commented that where such programs do not exist, citizens let the material pile up which creates an undesirable situation. Councilmember Urban pointed out that this is a separate millage from the Charter that was approved by the voters; therefore the City is constrained to levy the millage and provide the service and offered the City of Kalamazoo as a comparison where monthly clean-up of large items is an adjunct to weekly recycling. Discussion followed.

David McGavin, 611 South Shore Drive, expressed his misgivings and misconceptions regarding the 2011 Proposed Budget, praised the Administration for reducing staff, consolidating departments, reducing the plantings in the Spring and cutting city-sponsored events in an effort to save money. Mayor Pro Tem Sackley asked him to provide his information and figures to the Administration regarding his misunderstanding of budget figures to allow the City Manager to respond to his questions regarding: a new information system for \$137,000; Cable TV funding up 33%; \$200,000 extra for Cable Access; a bikeway and park trails for an additional expenditure of \$100,000; the need to reduce the number of the ten-year old vehicles and the 1997 City Hall van parked overnight in the City Hall parking lot that are utilized by staff in their daily duties; the purchase of the new vehicle on the agenda to replace the one lost in an accident where a citizen crashed into one of the ten-year old city cars; that the City Assessor spent \$250,000 for an outside consultant; the increase in the millage rate will only generate \$315,000; that since 2003 the city has increased its revenues from taxes and fees for services by 30% with an increase in population of only 5% since 2000; that there are other options instead of an 11% increase for water and sewer; an alternative to increasing the taxes by 1.5%; that in this city unemployment has doubled in the last 7 to 10 years with 8% of people in Portage unemployed; and, that the 13% fund balance should be reduced to 10%. Mr. Foecking responded and discussion followed.

Motion by Reid, seconded by Campbell, to close the public hearing. Upon a voice vote, motion carried 7 to 0. Discussion followed.

Motion by Urban, seconded by Sackley, to adopt the Resolution to establish a millage rate not-to-exceed 0.1604 mills above the base tax rate as defined by the State of Michigan Public Act 5 of 1982. Upon a roll call vote, motion carried 6 to 1. Yeas: Councilmembers Bailes, Campbell, Reid and Urban, Mayor Pro Tem Sackley and Mayor Strazdas. No: Councilmember Randall. Resolution recorded on page 203 of City of Portage Resolution Book No. 44.

**2011 UTILITY RATE FINANCIAL STUDY:** At the request of Mayor Strazdas, City Manager Evans introduced Transportation & Utilities Director Chris Barnes and recognized Utilities Engineer Kendra Gwin. Mr. Barnes discussed the findings and recommendations of the 2011 Utility Rate Financial Study and reviewed the communication from City Manager Maurice Evans dated May 3, 2011, found in the City Council Agenda Packet using pie graphs and bar graphs as illustrations.

Mr. Barnes answered questions and concerns of Mayor Strazdas and City Council. Discussion followed. As Chair of the Utility Rate Committee consisting of Jeffrey Breneman and Former Mayor Pro Tem Ted W. Vliek, Sr., as citizens at large, Councilmembers Randall and Bailes and himself, Mayor Pro Tem Sackley provided a review of their activity and analysis. He indicated that the City of Portage contracted Utility Financial Solutions, LLC, to assist in the goal of getting to the readiness charge which is whether a household uses a drop of water or water all of the time, there is a fixed cost all of the time based on the size of the meter to have the utility system available throughout the city. He indicated that the Committee was unanimous in its findings and explained. Discussion followed.

Mayor Strazdas asked for comment from the public. There being no further comment, motion by Urban, seconded by Reid, to close the public hearing. Upon a voice vote, motion carried 7 to 0. Discussion followed.

Motion by Sackley, seconded by Urban, to adopt the 2011 sewer and water rate Resolutions establishing sewer and water rates, sewer and water franchise area fees and service fees and charges as outlined in the 2011 Utility Rate Financial Study and as recommended by the Administration and the City Council Water and Sewer Rate Study Committee. Discussion followed. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on pages 205 and 209 of City of Portage Resolution Book No. 44.

**PETITIONS AND STATEMENTS OF CITIZENS:** Charles Pasko, 5526 Meredith Street, issued a complaint against a contractor who left junk items and a mess along the creek in his back yard and asked for a remedy. City Manager Evans offered to follow-up and provide a report of the details to City Council for consideration. Discussion followed. He asked when can his property be reassessed and Mr. Evans said that can be done at anytime and offered an outline of his option from the City Assessor. Discussion followed.

James Pearson, 3004 East Shore Drive, expressed his appreciation to City Council for the follow-up information regarding posting of committee and subcommittee meetings on the City of Portage website. Discussion followed.

#### **REPORTS FROM THE ADMINISTRATION:**

##### **\* COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

**RECOMMENDATION:** Motion by Reid, seconded by Campbell, to approve the Community Development Block Grant (CDBG) Program FY 2011-15 Consolidated Plan and FY 2011-12 Annual Action Plan; authorize the City Manager to execute and submit the documents to the Department of Housing and Urban Development; and accept as information the Analysis of Impediments to Fair Housing. Upon a roll call vote, motion carried 7 to 0.

##### **REZONING APPLICATION #10-01, PORTAGE ROAD AND FAIRLANE AVENUE:**

Councilmember Campbell recused herself as one of the buildings to be considered for rezoning is owned by her employer. After a discussion on the proposed motion, motion by Sackley, seconded by Urban, to accept Rezoning Application #10-01 for first reading and set a public hearing for June 14, 2011, at 7:30 p.m. or as soon thereafter as may be heard; and subsequent to the public hearing, consider approving Rezoning Application #10-01 and rezone the seven parcels/lots from I-1, light industry and R-1C, one family residential, to OS-1, office service. Upon a roll call vote, motion carried 7 to 0. Councilmember Campbell returned.

**\* TRADE CENTRE WAY RELOCATION PROJECT #997-R:** Motion by Reid, seconded by Campbell, to adopt Resolution No. 2 for the Trade Centre Way Relocation Project #997-R, setting a public hearing of necessity on May 24, 2011, at 7:30 p.m. or as soon thereafter as may be heard. Upon a

roll call vote, motion carried 7 to 0. Resolution recorded on page 213 of City of Portage Resolution Book No. 44.

\* **FISCAL YEAR 2011-12 PROPOSED PARK BUDGET REDUCTIONS:** Motion by Reid, seconded by Campbell, to maintain the proposed park-related budget reductions in the 2011-12 fiscal year as modified in the report from Parks and Recreation Director William M. Deming dated April 29, 2011. Upon a roll call vote, motion carried 7 to 0.

\* **ELECTRONIC POLL BOOK HARDWARE GRANT AGREEMENT:** Motion by Reid, seconded by Campbell, to approve a grant agreement with the Michigan Department of State for the purchase of laptop computers and accessories to support the implementation of Electronic Poll Books in the City of Portage voting precincts, and to authorize the City Manager to sign the agreement and all other documents related to this grant program on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

\* **TRANSFER OWNERSHIP OF THE ESCROWED 2010 RESORT CLASS C LICENSE, ISSUED UNDER MCL 436.1531(4), MINIMUM SEATING 100, LOCATED AT 5341 SOUTH WESTNEDGE AVENUE (BENNIGAN'S):** Motion by Reid, seconded by Campbell, to grant the request to transfer ownership of the escrowed 2010 Resort Class C license, issued under MCL 436.1531(4), minimum seating 100, located at 5341 South Westnedge Avenue, Portage, MI 49002, Kalamazoo County, from Quick Casual Corporation (Bennigan's) to OC of Michigan, Inc. (Old Chicago). Resolution recorded on page 219 of City of Portage Resolution Book No. 44.

**PROPOSAL TO ENTER INTO A LEASE FOR USE OF CITY HALL PROPERTY:**

Mayor Pro Tem Sackley reviewed the letter from American Village Builders (AVB), 4200 West Centre Avenue, dated May 2, 2011, to Property Manager Bill Deming from Greg Dobson of AVB. Mr. Dobson requested a Proposal to Lease a segment of the City Hall parking lot area for the placement of a pad for an Automatic Teller Machine (ATM) to be owned by Lake Michigan Credit Union and related traffic cue area. Mayor Pro Tem Sackley expressed his opposition to the use of city property, public property, for commercial use notwithstanding the use of leasing water towers for cell phone antennas, as he viewed this as distinguishable. He expressed the need to review this matter as a Committee of the Whole rather than refer it to the Property Committee as it is a huge change, unusual and extraordinary and it would be unfair to give it to a three-member City Council Committee. He even mentioned that the Planning Commission and Zoning Board of Appeals should weigh in on the discussion as well. He insisted that his comments are not against American Village Builders, Lake Michigan Credit Union or the Administration and pointed out that the parking lot was not pedestrian or traffic friendly. Discussion followed. Mayor Pro Tem Sackley cited some of the ATM's in the area and Councilmember Urban concurred.

Motion by Urban, seconded by Sackley, to receive the correspondence from American Village Builders LLC. Councilmember Campbell expressed her support of the motion, indicated that this is a security issue and she pointed out that there are seventeen ATM's within 2.5 miles of City Hall just going down Centre Avenue without considering Shaver Road or South Westnedge Avenue, all at private businesses. Mayor Strazdas concurred and indicated that it was inappropriate and not the same as co-locating antennas on water towers. Councilmember Bailes concurred. Councilmember Reid concurred and indicated that the City would be favoring one business over another and distinguished this request from the livery operation at Bicentennial Park. Discussion followed. Upon a roll call vote, motion carried 7 to 0.

\* **CLOSED SESSION:** Motion by Reid, seconded by Campbell, to hold a closed session immediately following the Regular City Council Meeting of May 10, 2011, to discuss an attorney/client communication. Upon a roll call vote, motion carried 7 to 0.

\* **POSTING OF CITY COUNCIL COMMITTEE MEETINGS – INFORMATION ONLY:** Motion by Reid, seconded by Campbell, to receive the communication from the City Manager regarding the posting of City Council Committee Meetings as information only. Upon a roll call vote, motion carried 7 to 0.

**COMMUNICATION:**

**PRESENTATION BY HISTORIC DISTRICT COMMISSION CHAIRPERSON MARK REILE:** City Council received the Presentation by Historic District Commission Chairperson Mark Reile as information only.

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

- Portage Historic District Commission of April 6, 2011.
- Portage Park Board of April 6, 2011.
- Portage Human Services Board of April 11, 2011.
- Portage Planning Commission of April 21, 2011.

**AD HOC COMMITTEE REPORTS:**

**2011 COMMUNITY SURVEY:** Mayor Strazdas indicated that the Community Survey Committee consists of Councilmembers Reid and Urban and himself, and Councilmember Reid provided some background information on the Portage Community Survey and an analysis of the goals of the survey instrument. Mayor Strazdas asked for assurances that the City Councilmembers could submit questions and concerns upon the approval of the contract. Discussion followed. Motion by Reid, seconded by Urban, to award a contract to the Kercher Center for Social Research at Western Michigan University in the amount of \$10,019 to conduct the 2011 Portage Community Survey and authorize the City Manager to execute all related documents. Discussion followed. Upon a roll call vote, motion carried 7 to 0.

**APPROVAL OF REVISED INVESTMENT POLICY:** Mayor Strazdas explained the reasons behind the impetus to revise the Investment Policy at this time and complimented the Committee for their work and offered special thanks to Jan Sackley and Councilmember Campbell for their service in this matter. Motion by Sackley, seconded by Reid, to receive the communication from the City Council Investment Committee and approve the revised Investment Policy as recommended by the Investment Committee and City Administration. Upon a roll call vote, motion carried 7 to 0.

**CITY COUNCIL CUSTOMER SERVICE COMMITTEE:** City Council received the Presentation by Councilmember Elizabeth Campbell regarding the recent activity of the City Council Customer Service Committee.

**CITY COUNCIL BUSINESS AND THE CITY OF PORTAGE COMMITTEE:** City Council received the Presentation by Councilmember Claudette Reid regarding the recent activity of the City Council Business and the City of Portage Committee.

## **NEW BUSINESS:**

\* **APPOINTMENTS TO VARIOUS BOARDS AND COMMISSIONS:** Motion by Reid, seconded by Campbell, to appoint Elaine Abee, Eric Alden, Renee Beranek, Taylor Bruinwood, Catherine Cartier, Matthew Cartier, Sujay Dewan, Ali Fulling, Kyle Huitt, Kitu Komya, Madelyn Krenselewski, Abhiram Krishnan, Kelcie McGowan, Kasia Mietusiewicz, Humza Mirza, Brittany Muraoka, Sarah Perry, Nate Rajpoot, Avery Roper Beebe, Genevieve Sertic, Carly Siko, Nolan Stoffer, Reinie Thomas, Tucker Webb, Chelsea Williams, Tori Wilson and Lai Zhexuan with terms ending June 30, 2012, to the Youth Advisory Committee pending a Resolution to be presented at the next Regular City Council Meeting to increase membership; to appoint Sarah Perry with term ending June 30, 2012, as Youth Participant to the Environmental Board; to reappoint Kyle Huitt with term ending June 30, 2012, as Youth Participant to the Human Services Board; to reappoint Tucker Webb with term ending June 30, 2012, as Youth Participant to the Park Board; to appoint Kitu Komya with term ending June 30, 2012, as Youth Participant to the Senior Citizens Advisory Board; to reappoint John Kounelis and Bill Leach with terms ending June 1, 2014, and appoint Gary Gilchrist with unfulfilled term ending June 1, 2012, to the Construction Board of Appeals; to reappoint Miko Dargitz, Bill Patterson and Allan Reiff with terms ending May 31, 2014, to the Planning Commission; to appoint Tim Winslow with unfulfilled term ending October 1, 2011, to the Environmental Board; and to appoint Nadeem Mirza with unfulfilled term ending October 1, 2011, to the Human Services Board. Upon a roll call vote, motion carried 7 to 0.

## **BID TABULATIONS:**

\* **PURCHASE RECOMMENDATION – REPLACEMENT VEHICLE:** Motion by Reid, seconded by Campbell, to approve the purchase of one staff sedan at a total cost of \$13,368 and authorize the City Manager to execute all documents related to this purchase on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

\* **RELOCATION OFFICE FURNISHINGS – PURCHASE RECOMMENDATION:** Motion by Reid, seconded by Campbell, to approve a purchase from Office Depot in the amount of \$12,875 for office furnishings related to the relocation of the Parks Department and authorize the City Manager to execute all documents related to this action of behalf of the city. Upon a roll call vote, motion carried 7 to 0.

**RECESS:** 10:04 p.m.

**RECONVENE:** 10:31 p.m.

**CLOSED SESSION:** Motion by Sackley, seconded by Bailes, to uphold the disclosure denial of Scott Anderson for the reason that the one page NLETS and the 9-PAGE LEIN records can not be released due to provisions of Michigan State Law.

## **OTHER CITY MATTERS:**

**STATEMENTS OF CITIZENS:** James Pearson, 3004 East Shore Drive, expressed an interest in placing satisfaction with neighborhood streets back into the survey and announced for the second time that a public hearing will be held by the Governmental Austin Lake Board at 6:00 p.m., Wednesday, May 18, 2011, City Hall Council Chambers on the practicability of doing Bioaugmentation and Aeration of Austin Lake.

**STATEMENTS OF CITY COUNCIL AND CITY MANAGER:** Councilmember Randall congratulated the Portage Northern High School Forensics Team for taking their tenth consecutive Michigan State Title and the Portage Central High School Forensics Team for placing Second in the State last weekend.

Mayor Pro Tem Sackley mentioned that the State Farm Insurance Company has consolidated operations by closing all of its offices but two, one in Livonia and one in Portage. He also talked about the visit from U.S. Transportation Secretary Ray LaHood, who signed and delivered to Governor Rick Snyder a \$199,309,608.00 Federal grant check this afternoon at downtown Detroit's Amtrak station that will pay to upgrade rail lines and enable high-speed passenger train service between Dearborn and Kalamazoo. He also announced the Riparian Association Meeting that will precede the Governmental Austin Lake Board by two days, Monday, May 16, 2011 at 7:00 p.m. at Lake Center Elementary School to discuss the practicability of the Bioaugmentation and Aeration of Austin Lake.

Mayor Strazdas expressed appreciation to the community for recently coming together with: the Portage Crop Hunger Walk 2011 where 471 walkers raised over \$33,000; Golf for the Arts to raise funds for the Summer Entertainment Series; the AFE group of KRESA where businesses provide opportunities for youth to job shadow; and, the National Day of Prayer.

**ADJOURNMENT:** Mayor Strazdas adjourned the meeting at 10:41 p.m.

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James R. Hudson, City Clerk

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