

## CITY COUNCIL MEETING MINUTES FROM APRIL 10, 2012

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

At the request of Mayor Strazdas, Reverend Bonnie Edwards of St. Barnabas Episcopal Church of Portage gave the invocation and City Council and the audience recited the Pledge of Allegiance.

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

**PROCLAMATION:** Mayor Strazdas issued a Fair Housing Month 2012 Proclamation that was read by Bob Ells, Executive Director of the Fair Housing Center, who reviewed many of the recent activities of the Fair Housing Center. Discussion followed.

**APPROVAL OF MINUTES:** Councilmember Pearson asked that the minutes reflect that he indicated that the Budget deficit was over \$90 million and his reference to Randy Rathford should read Rusty Rathburn. Councilmember Sackley asked Councilmember Pearson if he meant to use the words, "budget deficit," and Councilmember Pearson indicated twice that he did. Motion by Pearson, seconded by Reid, to approve the March 27, 2012 Regular Meeting Minutes as amended. Upon a voice vote, motion carried 6 to 0 with Mayor Strazdas abstaining.

\* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Urban to read the Consent Agenda. Mayor Strazdas asked that Item F.3, West Lake Management – 2012 Application Program, be considered under a separate motion as he will abstain from any action on the motion and will recuse himself regarding any discussion on the matter. Motion by Urban, seconded by Reid, to approve the Consent Agenda motions as amended. Upon a roll call vote, motion carried 7 to 0. Motion by Urban, seconded by Reid, to add Item F.3, West Lake Management – 2012 Application Program, to the Consent Agenda. Upon a roll call vote, motion carried 6 to 0 with Mayor Strazdas abstaining.

\* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF APRIL 10, 2012:** Motion by Urban, seconded by Reid, to approve the Accounts Payable Register of April 10, 2012. Upon a roll call vote, motion carried 7 to 0.

**PETITIONS AND STATEMENTS OF CITIZENS:** State Representative Margaret O'Brien indicated that April is the month to educate and help people become aware of Autism, and she brought greetings from St. Ignace where she attended an event on Autism and made reference to City Manager Maurice Evans' athletic accomplishments that are still well-known in the Upper Peninsula. She also updated City Council on the State of Michigan Budget and Appropriation Process which is on track to being completed around June 1, 2012. She indicated that because of sound budget practices, the State has earned some real positive indicators: the increase in the per capita income of 5.2% is higher than the National Average, which she indicated is not where it should be and is lower than it was before the economic downturn; and, the business rankings continue to rise owing to a perceived business and job friendly environment in the state. She also indicated that the State continues to fund unfunded liabilities, currently at \$40 billion, thereby saving interest costs, and continues to make tough decisions to get the State on sound financial footing for more than just one year in order to be in a position to be able to allocate funds in the future to areas that are in need across the state.

In answer to Mayor Strazdas, Representative O'Brien indicated that the Governor's Office has been very active in trying to outreach to natural critics like the Michigan Municipal League and the Michigan Township Association to get their input. She anticipated that by the end of April, a Bill will be introduced trying to target Industrial Development Districts as a "doable" reduction at \$400 million

out of the \$1.2 Billion total of Industrial/Utilities/Commercial personal property revenues. Discussion followed.

City Manager Evans stated that Senator Jack Brandenburg will be introducing eight Bills over a ten-year period starting in 2016 making \$500 million available to municipalities, but he pointed out that there is still a need for the \$400 million that is no longer available for redistribution; therefore, the State is asking for a solution to the long term issues as there is the need for a mechanism for distribution back to the municipalities. Also, Mr. Evans pointed out that, since the personal property tax is going away, there is going to be no future growth from the personal property tax area which was a very much appreciated \$250,000 this year, for example. Discussion followed and Mr. Evans disclosed that the personal property tax is currently 19% of the City Budget and is \$4.1 million annually and a 50% redistribution would only be \$2 million, again with no future growth in the future. Discussion followed.

In response to Mayor Pro Tem Reid, Representative O'Brien indicated that the personal injury insurance premium of approximately \$145 per vehicle is due to increase about 20% because the liabilities exceed the current fund balance of the Auto No Fault Insurance Fund. She commented that various efforts are being taken by the Governor's Office to try to find a real solution since the Catastrophic Fund received an audit statement with a letter indicating that the liabilities exceed the assets. Discussion followed and, on behalf of City Council, Mayor Strazdas expressed appreciation for her coming to the meeting to provide an update and her fine efforts in Lansing.

## **REPORTS FROM THE ADMINISTRATION:**

**PRESENTATION OF THE FISCAL YEAR 2012-13 PROPOSED BUDGET:** At the request of Mayor Strazdas, City Manager Evans presented the proposed 2012-13 Fiscal Year Budget to City Council in accordance with the requirements of the Portage City Charter, and indicated that it is balanced. He offered that there are two budget work sessions proposed to be scheduled for Monday, April 30, 2012, from 3:00 p.m. to 7:00 p.m. and Tuesday, May 1, 2012, from 4:30 p.m. to 8:30 p.m. later in the meeting. He asked that City Council e-mail any questions that may arise regarding the Budget as they read through it during the next few weeks, and he would provide all questions and answers to each Councilmember as part of the preparation for the sessions.

He indicated that the overall budget is \$61.4 million and mentioned that it is interesting that 2013 is the 50<sup>th</sup> Anniversary of the City of Portage and reflected that over the 50 years the City Councils, including this City Council, have been really conservative by being focused on lower costs, for example, by utilizing part-time or on-call personnel and privatization.

He said that conservative budgetary practices implemented during the most recent years have proven to be of added value through a time of serious economic challenges and the City has had the funding of post employment obligations to lessen or eliminate long-term unfunded liability. Also, he pointed out that there have been no lay-offs, no furlough days and no early retirement incentives. He pointed out that the City is not neglecting any obligations to appropriately fund long-term liability accounts and the City debt limits have been reduced over the years.

He indicated that the biggest cost containment effort has been to reduce the number of personnel over the course of the last five or six years from 215 to 179 employees - not through lay-offs, but through attrition and a well-thought out plan in place.

He highlighted some of the elements of the fiscal year budget 2012-13 by noting that there is a decrease in the overall city tax rate from 10.8916 mills to 10.7778 mills, and he discussed some of the reductions found in the municipal street fund and curbside recycling. He mentioned that the Budget reflects a decrease in budgeted General Fund expenditures of approximately 2.4 percent, or a little over one half of a million dollars, and an increase in property tax revenue of 1.5 percent from the increase in personal property tax he mentioned earlier. Likewise, he said the budget reflects an incorporation of the Economic Vitality Incentive Program payments from the State of Michigan, which is Statutory Revenue Sharing, which has been reduced over the years to \$270,000. He noted also that the Budget contains a recommendation of the continuation of General Fund support for the Capital Improvement

Program, the Major Street Fund and the Local Street Fund, and expressed concern about the discussion at the State level of adjusting the Act 51 Fund formula and the unknown results of that discussion.

Mr. Evans asked that City Council not be surprised by the allocation of an Intergovernmental Collaboration Studies Fund of \$100,000 to address funding needs associated with planned collaborative service studies appropriately placed in the City Council budget; also, owing to the projected reduction in personal property tax, incorporated is a recommendation to increase for the next several years the prescribed fund balance for the General Fund from 13 percent to 25 percent to accommodate future debt retirement needs. He explained and summed up by saying that he recognized that there is a lot of reading and study to be done by City Council. Discussion followed.

Motion by Sackley, seconded by Reid, to receive the Presentation of the Fiscal Year 2012-13 proposed Budget. Upon a voice vote, motion carried 7 to 0.

\* **DEPARTMENT OF PARKS, RECREATION & PUBLIC SERVICES:** Motion by Urban, seconded by Reid, to confirm the appointment of Bill Deming as the Director of the Department of Parks, Recreation & Public Services. Upon a roll call vote, motion carried 7 to 0.

\* **WEST LAKE WEED MANAGEMENT – 2012 APPLICATION PROGRAM:** At the request of the West Lake Improvement Association, motion by Urban, seconded by Reid, to award a contract for the 2012 West Lake Management Program to Aquatic Services, Incorporated, for lake weed treatment measures at a cost not to exceed \$40,000 and authorize the City Manager to execute all documents related to this action on behalf of the city. Upon a roll call vote, motion carried 6 to 0 with Mayor Strazdas abstaining.

\* **SPECIAL MEETING WITH BOARD AND COMMISSION APPLICANTS:** Motion by Urban, seconded by Reid, to set a Special Meeting on Tuesday, May 8, 2012, beginning at 5:15 p.m., to interview board and commission applicants. Upon a roll call vote, motion carried 7 to 0.

\* **TREE CITY USA TREE PLANTING AND PROCLAMATION:** Motion by Urban, seconded by Reid, to receive the communication from the City Manager regarding the Tree City USA Tree Planting and Proclamation as information only. Upon a roll call vote, motion carried 7 to 0.

#### **COMMUNICATION:**

**PLANNING COMMISSION REGARDING THE CITY OF PORTAGE FY 2012-2022 CAPITAL IMPROVEMENT PROGRAM:** Mayor Strazdas introduced this item and, after a brief discussion, motion by Reid, seconded by Sackley, to receive the communication from the Planning Commission regarding the City of Portage FY 2012-2022 Capital Improvement Program. Upon a voice vote, motion carried 7 to 0.

#### **UNFINISHED BUSINESS:**

**FISCAL YEAR 2012-2013 PROPOSED BUDGET REVIEW SCHEDULE:** Mayor Strazdas introduced this item and, after Councilmember Urban indicated that there were small segments of time that he may have to leave for family reasons, motion by Urban, seconded by Reid, to establish April 30, 2012, from 3:00 p.m. to 7:00 p.m. and May 1, 2012, from 4:30 p.m. to 8:30 p.m. as the dates for review of the Fiscal Year 2012-2013 proposed Budget. Upon a voice vote, motion carried 7 to 0.

**CITY COUNCIL BEST PRACTICES ON FORMATION OF CITY COUNCIL COMMITTEES AND RESPONSIBILITIES – INFORMATION ONLY:** Mayor Strazdas encouraged City Council to have a dialogue on this subject and expressed a preference for a special meeting of City Council to have a two and one-half hour workshop with a facilitator to spend a half hour

on a “tune-up” of City Council and the balance of time spent on the subject. Discussion followed. City Attorney Randy Brown indicated that calling for a workshop is a way of calling for a special meeting and a reason has to therefore be stated for the special meeting; so, if there is a motion for a special meeting or workshop, he indicated that the reason should be included. Discussion followed.

In answer to Councilmember Pearson and his concern regarding whether this issue should or should not be discussed at the City Council Ethics, Rules and Procedures Committee with the recommendation sent to full City Council, Mayor Strazdas indicated that this is the kind of a topic that should have a dialogue of the City Council as a Whole; otherwise, discussion by three Councilmembers and a recommendation to follow would result in a lengthy conversation at a City Council Meeting. He recognized this topic as one that would be better served at a workshop versus a Committee recommendation that would probably result in a good, healthy yet long discussion at a City Council Meeting. Councilmember Pearson agreed as he has several issues of concern, yet he is not on the City Council Ethics, Rules and Procedures Committee.

Motion by Sackley, seconded by Reid, to accept the communication from the City Manager regarding City Council Best Practices on Formation of City Council Committees and Responsibilities and schedule a Special Meeting of the Portage City Council, including an outside facilitator, to further discuss this topic and consider the recommendations. Discussion followed. Upon a voice vote, motion carried 7 to 0.

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

Portage Senior Citizens Advisory Board of February 15, 2012.

Portage Board of Education Regular Business Meeting of February 27, Special of March 10 and Special and Committee of the Whole Work Session of March 12, 2012.

Portage Human Services Board of March 1, 2012.

Portage Park Board of March 7, 2012.

Portage Youth Advisory Committee of March 12, 2012.

Portage Planning Commission of March 15, 2012.

#### **BID TABULATIONS:**

\* **CENTRE AVENUE/PORTAGE ROAD - TRAFFIC SIGNAL INTERCONNECTION PROJECT:** Motion by Urban, seconded by Reid, to award a contract to perform engineering services for the Centre Avenue/Portage Road Traffic Signal Interconnection project to Abonmarche Consultants, Incorporated, in the not to exceed amount of \$72,000 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 7 to 0.

\* **POLICE VEHICLE MAINTENANCE CONTRACT:** Motion by Urban, seconded by Reid, to award a two-year contract, with the option to extend the contract for up to two additional one-year periods to the low bidder, Michigan Municipal Police & Fire Repair LLC, for maintenance of all Department of Public Safety - Police Division vehicles at a labor rate of \$35.00 per hour and authorize the City Manager to execute all documents related to this action on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

\* **POLICE FACILITY CONCRETE SIDEWALK AND STAIR REPLACEMENT:** Motion by Urban, seconded by Reid, to approve the expenditure for repairs to a portion of the concrete sidewalk and stairs along the northwest corner of the police facility to Truckey Concrete Construction of Mendon, Michigan, in the amount of \$11,787 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.

**OTHER CITY MATTERS:**

**STATEMENTS OF CITY COUNCIL AND CITY MANAGER:** Councilmember Campbell indicated that Shirley Johnston will be awarded Community Leader of the Year by the Portage Rotary for her fine work with youth.

Councilmember Sackley indicated that he would be absent from both the Special and Regular City Council Meetings on Tuesday, May 8, 2012.

Councilmember Pearson mentioned the Star Awards and encouraged volunteerism in the community and indicated that, "You get more back than you give," and encouraged everyone to go to [www.volunteerkalamazoo.org](http://www.volunteerkalamazoo.org) in order to find volunteer opportunities.

City Manager Evans informed everyone that the 2012 Spring Brush and Bagged Leaf Collection and Annual Spring Cleanup map and timetable is on the City of Portage website at [www.portagemi.gov](http://www.portagemi.gov).

Mayor Pro Tem Reid pointed out that the City of Portage is celebrating its 50<sup>th</sup> Anniversary and also wished Councilmember Sackley a Happy Birthday.

Mayor Strazdas thanked retired Public Services Director and decorated Viet Nam Veteran Jack Hartman for his many years of dedicated service and he and Mayor Pro Tem Reid thanked Bill Deming for "picking up the slack."

**ADJOURNMENT:** Mayor Strazdas adjourned the meeting at 8:27 p.m.

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James R. Hudson, City Clerk

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