

## CITY COUNCIL MEETING MINUTES FROM DECEMBER 4, 2012

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

At the request of Mayor Strazdas, Councilmember Terry Urban gave an 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.

**APPROVAL OF MINUTES:** Motion by Sackley, seconded by Reid, to approve the November 20, 2012 Regular Meeting Minutes as presented. Upon a voice vote, motion carried 7 to 0.

\* **CONSENT AGENDA:** Mayor Strazdas asked Mayor Pro Tem Reid to read the Consent Agenda. Councilmember Sackley asked that Items F.4, 117 East Centre Avenue Property, and L.1, Proposal Tabulation and Recommendation – Banking Services, be removed from the Consent Agenda. Motion by Pearson, 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 DECEMBER 4, 2012:** Motion by Pearson, seconded by Reid, to approve the Accounts Payable Register of December 4, 2012. Upon a roll call vote, motion carried 7 to 0.

### **PUBLIC HEARINGS:**

**BOWERS MANUFACTURING COMPANY – PA 198 TAX ABATEMENT:** Mayor Strazdas opened the public hearing and City Manager Maurice Evans explained that the purpose of this public hearing is to review the request by Bowers Manufacturing to expand Industrial Development District No. 53 (IDD No. 53) in order to facilitate the construction of a 37,895 square foot building addition and 6,950 square feet of loading docks and related building improvements on the east side of the manufacturing facility located at 6565 Sprinkle Road. He indicated that the proposed investment of \$2.81 million will result in the creation of 25 new jobs. He reviewed the history of IDD No. 53, including the grant of tax abatements in 1993, 1996, 2000 and 2007. Discussion followed.

Mayor Strazdas opened the public hearing to comments from the audience. Hearing none, motion by Sackley, seconded by Campbell, to close the public hearing. Upon a voice vote, motion carried 7 to 0. Motion by Sackley, seconded by Campbell, to adopt Resolution No. 2-12 expanding Industrial Development District No. 53. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on page 469 of City of Portage Resolution Book No. 44.

**BOWERS MANUFACTURING COMPANY – PA 198 TAX ABATEMENT:** Mayor Strazdas opened the public hearing and City Manager Evans explained that the request for the tax abatement is in conformance with the City Council policy of granting a six-year abatement for real property and a three-year abatement for personal property. He also indicated that this is representative of quality growth in the County and that there is the additional requirement to approve the tax abatement agreement and the affidavit of fees.

Mayor Strazdas opened the public hearing to comments from the audience and Jim Bush, General Manager of Bowers Manufacturing, indicated that Bowers Manufacturing has had the good

fortune of having many expansions with the help of City Council. He expressed his appreciation and indicated that the Company has already hired 30 people and will probably hire another 60.

Mayor Strazdas expressed his concerns for the city and other taxing units such as the Portage District Library who will see some tax losses with each tax break over three or six years, but he stressed that there will be a net tax gain from the expansion plus the economic boost for the local economy by the pay brought by new jobs.

Mr. Bush explained the manufacturing process involved and listed some of the companies who are customers of Bowers Manufacturing. Discussion followed.

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

Motion by Sackley, seconded by Pearson, to adopt Resolution No. 4-12, approving the Industrial Facilities Exemption Certificate for the Bowers Manufacturing Company at 6565 Sprinkle Road (for six years on the real property and three years on the personal property) in the total amount of \$2.81 million; and approve the tax abatement agreement and affidavit between the City of Portage and Bowers Manufacturing Company. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on page 473 of City of Portage Resolution Book No. 44.

**PETITIONS AND STATEMENTS OF CITIZENS:** Ed Halcomb, 9834 Woodlawn Drive, requested Fire Station No. 3 be manned with firefighters and fire equipment twenty-four hours a day, seven days a week, provided a review of his life experiences as a firefighter for the City of Portage and listed some of his credentials as support for his position. Discussion followed.

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

\* **REZONING APPLICATION #12-01 (9136 SHAVER ROAD):** Motion by Pearson, seconded by Reid, to accept Rezoning Application #12-01 for first reading and set a public hearing for January 8, 2013, at 7:30 p.m. or as soon thereafter as may be heard, to consider approving Rezoning Application #12-01 and rezone 9136 Shaver Road to B-3, general business, subsequent to the public hearing. Upon a roll call vote, motion carried 7 to 0.

\* **HOUSEHOLD HAZARDOUS WASTE PROGRAM – INTERGOVERNMENTAL COOPERATION:** Motion by Pearson, seconded by Reid, to approve the contract with Kalamazoo County for household hazardous waste collection during the 2013 calendar year in the not to exceed amount of \$26,000 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.

\* **SPECIAL MEETING WITH BOARD AND COMMISSION APPLICANTS:** Motion by Pearson, seconded by Reid, to set a Special Meeting on Tuesday, January 8, 2013, beginning at 5:30 p.m. to interview board and commission applicants. Upon a roll call vote, motion carried 7 to 0.

**117 EAST CENTRE AVENUE PROPERTY:** Mayor Strazdas turned to Councilmember Sackley, who asked that this item be removed from the Consent Agenda. Councilmember Sackley indicated that it is not necessary to refer this matter to the City Council Property Committee since the Committee is present and shared his discussion with City Manager Evans, who indicated he is ready to proceed with the purchase, recognizing that an environmental study needs to be conducted on the property. He reflected his intent to refer the matter to the Administration, to conduct an environmental study, to negotiate an agreement with the seller and to present the agreement to City Council for approval in order to provide good customer service to Mr. Schiefler, who wrote his letter four weeks ago. Discussion followed.

In answer to the concerns expressed by Councilmember Pearson, Mr. Evans indicated that he has had time to investigate the matter further since the early Monday morning discussion with him at the Preparatory City Council Subcommittee Meeting. He pointed out that the property is zoned B-3, general business, that a preliminary investigation shows no pollution on the property, but the Administration still wishes to perform a Phase I Environmental Assessment there. He acknowledged the need to have a public purpose before purchasing the property and reflected on the efforts in the past to expand the Senior Center and the accumulation of surrounding properties for those efforts. At his request, Community Development Director Vicki Georgeau displayed a vicinity map and focused on 117 East Centre and city-owned parcels in the area. Mr. Evans summed up by saying that the purchase of this property is in compliance with what would be best for the community with regards to the development of the area; that the price is reasonable even without any negotiations with Mr. Schiefler; that he would recommend to the Property Committee that the Administration proceed with the purchase of the property; and, that City Council could act on the matter now recognizing that the agreement would be brought back to City Council for approval. He expressed a concern with the time frame and discussion followed.

Councilmember Urban raised the question of what is the purpose of purchasing this property and his concern that the only reason that can be given at this time is for resale as there appears that there is neither a legal public purpose in mind for this property or the area properties, nor an economic development purpose at this time. At his request, City Attorney Brown indicated that a public purpose is very broad, and he was not too concerned about whether the city could propose a public purpose for the property. He asked City Council to keep in mind that a written agreement would need to be signed, first, and then the due diligence elements of the process would be addressed, subsequently.

Mr. Evans indicated that the purchase of this property would strengthen the city's position that it was for a public purpose as the city would be placed in a better position to facilitate development of the area as the property would be controlled by the municipality instead of a private individual. He also pointed out that any purchase agreement approved by City Council would have contingencies as a part of the agreement. Discussion followed about the time frame of the negotiations.

Mayor Pro Tem Reid expressed her concern about setting a precedent by purchasing the property without a stated purpose and her interest in obtaining a list of possible use options that would serve a public purpose. She advocated including the plan for a public purpose as part of the due diligence portion of the process. Discussion followed.

Motion by Sackley, seconded by Reid, to authorize the City Administration to proceed with negotiating a purchase agreement with the seller, Mr. Roger L. Schiefler, with the agreement to be brought back to City Council for approval. Discussion followed. Councilmember Urban expressed his reservations. Motion withdrawn.

Motion by Pearson, seconded by Randall, to refer the request from Mr. Roger L. Schiefler regarding the property at 117 East Centre Avenue to the Ad Hoc Property Committee for review and recommendation. Discussion followed.

Motion by Pearson, seconded by Randall, to amend the motion to read to refer the request from Mr. Roger L. Schiefler regarding the property at 117 East Centre Avenue to the Administration, who would refer the matter directly to the Ad Hoc Property Committee for review and recommendation. Discussion followed and Councilmember Urban expressed his reservations with the discussion of the motion as he does not agree that sales negotiations are appropriate as yet and he understood that this is part of the intent of the discussion. Discussion followed. Upon a roll call vote, motion carried 6 to 0 with Councilmember Urban abstaining.

## **COMMUNICATIONS:**

**KALAMAZOO COUNTY BOARD OF COMMISSIONERS ADMINISTRATIVE ASSISTANT TINA BECKER:** At the request of Mayor Strazdas, Mr. Evans indicated that this communication was probably distributed to all of the municipalities in Kalamazoo County. At the request of Mayor Pro Tem Reid, City Manager Evans agreed to place this information on the city website. After discussion, motion by Urban, seconded by Campbell, to receive the communication from Kalamazoo County Board of Commissioners Administrative Assistant Tina Becker regarding current vacancies on county-wide boards and commissions. Upon a voice vote, motion carried 7 to 0.

**PORTAGE CENTRAL HIGH SCHOOL STUDENTS:** Councilmember Sackley reviewed the communications and recommended referring the letters to the Environmental Board. Motion by Reid, seconded by Pearson, to refer the communications from several Portage Central High School students regarding environmental initiatives to the Environmental Board for review and recommendation. Upon a voice vote, motion carried 7 to 0.

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

Portage Zoning Board of Appeals of October 8 and October 15, 2012.  
Portage Public Schools Board of Education Regular Business of October 22, Policy Governance Session of October 23 and Special Meeting and Committee of the Whole Work Session of November 5, 2012.

## **BID TABULATION:**

**PROPOSAL TABULATION AND RECOMMENDATION – BANKING SERVICES:** Councilmember Sackley raised the question of why J.P. Morgan Chase Bank was recommended instead of one of the two lowest bidders for banking services for the city. Councilmember Campbell questioned the recommended contract period of five years and advocated no more than a three year period owing to the change in technologies.

Finance Director Daniel Foecking responded to Councilmember Campbell by saying that the prices quoted are for a one year period and he agreed with her that technology has moved forward. He cited the example that J.P. Morgan Chase Bank takes scanned checks from multiple sources and transfers it into the city's bank account on the same day at a reduced cost. He pointed out that this is much more streamlined than the process used by J.P. Morgan Chase Bank six years ago saying that this is a much improved process than the one used by them six years ago. He also explained that the prices quoted are for a one year period and can be adjusted after the first year, that Chase has reduced their prices twice in the last six years and the current bid reflects yet another cost reduction. Discussion followed.

Motion by Sackley, seconded by Reid, to accept the proposal submitted by J.P. Morgan Chase Bank for comprehensive banking services for a period of up to five years and authorize the City Manager to execute all documents related to this contract on behalf of the city. Discussion followed.

At the request of Councilmember Pearson, motion by Sackley, seconded by Reid, to amend the motion to read accept the proposal submitted by J.P. Morgan Chase Bank for comprehensive banking services for a period of consecutive one-year contracts up to five years and authorize the City Manager to execute all documents related to this contract on behalf of the city. Discussion followed. Upon a roll call vote, motion carried 7 to 0.

**OTHER CITY MATTERS:**

**STATEMENTS OF CITY COUNCIL:** Councilmember Pearson gave tribute to Christine Berro, Portage District Librarian, who is retiring and recognized her as a very active volunteer in the community. Mayor Strazdas concurred.

Councilmember Campbell noted the Portage Northern High School versus Portage Central High School 9<sup>th</sup> Annual Hockey Classic, Monday, December 10, 2012, at 6 p.m. which serves as a fundraiser for the Portage Rotary Club. Discussion followed.

Councilmember Urban cited good weather at the Annual Christmas Tree Lighting Ceremony, Saturday, December 1, 2012, and told the Mayor he was missed.

Mayor Pro Tem Reid listed some of the volunteer opportunities on some of the Kalamazoo County Boards from the communication from Kalamazoo County Board of Commissioners Administrative Assistant Tina Becker regarding current vacancies on county-wide boards and commissions. She also concurred with Councilmember Urban and indicated there were large crowds of people in attendance at the tree lighting ceremony.

Mayor Strazdas expressed his excitement over the new development in the industrial sector of the city and conjectured it is a signal for an economic turn-around.

**ADJOURNMENT:** There being no further discussion, Mayor Strazdas adjourned the meeting at 9:12 p.m.

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James R. Hudson, City Clerk

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