MINUTES FROM THE PRE-MEETING
OF THE PORTAGE CITY COUNCIL
OF APRIL 9, 2018

Mayor Pro Tem Pearson called the meeting to order at 8:00 a.m. Councilmembers Chris Burns, Lori Knapp, and Claudette Reid joined via the conference phone line. Mayor Patricia Randall and Councilmembers Richard Ford and Terry Urban were absent with excuse. Also in attendance were City Manager Laurence Shaffer and City Clerk Adam Herringa.

Mayor Pro Tem Pearson opened the meeting and inquired if there were any questions or concerns regarding items on the proposed April 10th Agenda. With regard to Item A.3., Water and Sewer Rates, Councilmember Reid inquired if the 2018 Utility Rate Financial Study was available on the City website. City Manager Shaffer responded that if the document was not already available, it would be.

With regard to Item A.5, Amendment of a Refunding Bond Resolution, Councilmember Burns inquired if the previously approved resolution was simply being amended to include a limited tax pledge. Mr. Shaffer responded in the affirmative.

With regard to Item A.6, Final Preliminary Plat for West Lake Estates, Councilmember Reid expressed continued concern about water levels in the location of this development and shared her concern that the City would find itself needing to address water in basements at this location in four or five years. She compared this possibility with recent experience related to high water levels impacting homes on Black Forest Drive. Councilmember Reid inquired what steps the City can take or is taking to help prevent future flooding concerns from occurring. City Manager Shaffer stated that a majority of homes proposed for West Lake Estates are on a ridge and the City is doing drainage work related to the reconfiguration of the intersection of Lakeview Drive and Portage Road which should help with water management. Councilmember Knapp inquired, given that the Michigan Department of Environmental Quality (MDEQ) is involved in the approval of the project, whether MDEQ would bear any responsibility should flooding occur in the future. Mr. Shaffer responded that MDEQ would bear no responsibility especially if any of the flooding involved groundwater. Mayor Pro Tem Pearson, in reference to recent comments made by City staff related to efforts on Black Forest Drive, inquired what steps the City has implemented to reduce the likelihood of flooding in the West Lake Estates and future developments. City Manager Shaffer stated that he would ask Kendra Gwin, Director of Transportation and Utilities, to be present at the City Council Meeting and she would be prepared to review and discuss this topic.

With regard to Item A.7, Reconstruction of Oakland Drive from West Milham to I-94, City Manager Shaffer indicated that the memorandum related to the item was inadvertently omitted from the agenda packet and would be provided to City Council. Mr. Shaffer then summarized the contents of the memo. Councilmember Burns noted that the bid process was different than usual in that Wightman & Associates processed the bids. City Manager Shaffer confirmed this was the case and clarified that the City Purchasing Manager was involved in the process.

With regard to Item A.8, Engineering Services for Improvements of Lovers Lane, Councilmember Reid inquired if funding for this effort was being provided by the City and if Stryker is involved. City Manager Shaffer stated that the straightening of Lovers Lane is part of a County Brownfields project and Stryker is paying up front for the work but will be reimbursed through Tax Increment Financing. The City, Mr. Shaffer stated, will be responsible for managing the project. Mr. Shaffer continued by stating that the entire Stryker Way project would be funded in this manner. With regard to the traffic signal at Portage Road and Stryker Way, Mr. Shaffer stated it is funded the same way as the road project except a grant from the State of Michigan will cover approximately three-quarters of the cost.

With regard to Items A.9 and A.10, Local Development Finance Authority (LDFA), Councilmember Burns inquired if the expansion of Stryker would mean additional activity for the LDFA. City Manager Shaffer stated that the expansion would not. Councilmember Burns stated that he would like to understand the LDFA a bit better and would speak with Mr. Shaffer at another time.

With regard to Item D.1, Public Hearing for Pfizer Tax Abatement, Councilmember Knapp pointed out that the Tax Abatement Agreement states that the period of the Agreement is for twelve years, but when abatement during the construction period is included, the actual length is fifteen years. City Manager Shaffer clarified that the proposed Tax Abatement Agreement is correct and that the Agreement can only be for a maximum of twelve years and the first year would begin following completion of the project. The three year construction period would be eligible for a partial abatement through the State Tax Commission.

Councilmember Reid pointed out that the Project Impact Analysis included in the agenda packet still used salary and benefits in the calculation instead of salary only. She stated that she would like benefits removed from the calculation in order to be consistent with documentation provided for prior tax abatement requests. In addition, Councilmember Reid pointed out that the formulation and presentation of the Project Impact Analysis has remained constant for many years despite changes in manufacturing. She requested that City Administration review this model and see if the analysis it provides still holds true for today. Mayor Pro Tem Pearson inquired if the Project Impact Analysis follows State of Michigan guidelines and City Manager Shaffer stated that the City provides information to the State Tax Commission and Michigan Economic Development Corporation that is utilized in their analyses. Mr. Shaffer pointed out that some municipalities will hire outside consultants to help determine project impact. Ultimately, Mr. Shaffer stated, the State Tax Commission has control over the abatement process. Mayor Pro Tem Pearson asked Councilmember Reid if she would be willing to share her thoughts with City Administration as to additional information or changes she would like to see made to the Project Impact Analysis. Councilmember Reid commented that jobs are always the primary focus of tax abatement requests. However, she continued, the aspect of new jobs may not be as relevant when it comes to advanced manufacturing.

With regard to Item E.1, the Proposed Fiscal Year 2018-2019 Budget, Mr. Shaffer shared that he would be giving a brief presentation. With regard to the budget review sessions, Mr. Shaffer stated that the first session would cover departmental operations and the second

session would cover the Capital Improvement Program and funding for human service organizations. Councilmember Reid inquired when the Proposed Budget would be posted online. Mr. Shaffer responded that it would be made available very soon.

There being no other questions Mayor Pro Tem Pearson summarized the questions raised at the meeting requiring follow-up from the City Administration.

ADJOURNMENT: Mayor Pro Tem Pearson adjourned the meeting at 8:25 a.m.

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Adam Herringa, City Clerk