CITY COUNCIL MEETING MINUTES FROM MARCH 27, 2018

The Regular Meeting was called to order by Mayor Randall at 7:00 p.m. At the request of Mayor Randall, the City Clerk called the roll with the following members present: Councilmembers Chris Burns, Richard Ford, Claudette Reid, Terry Urban, Mayor Pro Tem Jim Pearson and Mayor Patricia Randall. Councilmember Lori Knapp was absent with excuse. Also in attendance were City Manager Larry Shaffer, City Attorney Randy Brown and City Clerk Adam Herringa.

At the request of Mayor Randall, Deacon Pat Catellier of Chapel Hill United Methodist Church provided the invocation. Afterwards, representatives of Boy Scout Troop 211 led the audience in the recitation of the Pledge of Allegiance.

PROCLAMATIONS: Mayor Randall invited Sarah Joshi, Executive Director of the Kalamazoo County Child Abuse and Neglect Prevention Council and Lt. Brian VandenBrink, Boardmember and member of the Portage Department of Public Safety, to read and receive the City of Portage Proclamation designating April 2018 as Child Abuse Prevention Month in the City of Portage.

Mayor Randall next invited representatives of the Michigan Association of Chiefs of Police to the podium to present Director of Public Safety Nick Armold and members of the Department of Public Safety with the Michigan Accreditation Award. Mr. Robert Stevenson, Executive Director of the Michigan Association of the Chiefs of Police, reviewed the high standards that must be met in order to receive this accreditation. He also pointed out that the City of Portage is one of only three departments in the State of Michigan to receive the accreditation. Mr. Stevenson complimented Deputy Police Chief Dan Mills for his efforts in the accreditation process and assistance he provides to the Association of Chiefs of Police. Following the presentation of the award by Mr. Clifford Block, President of the Michigan Association of Chiefs of Police, Director of Public Safety Armold thanked the Association of the Chiefs of Police for their support and recognized and thanked Department of Public Safety staff for their hard work and dedication to the profession. Mayor Randall expressed gratitude for the work of the Department of Public Safety on behalf of the community and congratulated the Department for the accreditation. Mayor Pro Tem Pearson pointed out that, according to the Community Survey, the efforts of the Police and Fire services are consistently ranked at the top for citizen satisfaction.

CONSENT AGENDA: Mayor Randall shared where the public can access the meeting agenda and asked if any Councilmember or anyone in the audience would like an item removed from the Consent Agenda. Mayor Randall removed Item A.3 (Pfizer Tax Abatement) from the Consent Agenda. Councilmember Reid removed Item A.4 (Budget Transfer and Redemption of Bonds), Item A.6 (Microbrewery and Brewpub Ordinance), Item A.7 (Purchases and Sales Ordinance), Item A.10 (Change Order for Mill and Fill Asphalt Repair) and Item A.11 (Installation and Removal of Various City Signs) from the Consent Agenda.

Motion by Pearson, seconded by Reid, to approve the Consent Agenda items as presented. Upon a roll call vote, motion carried 6 to 0.

APPROVAL OF MINUTES: Motion by Pearson, seconded by Reid, to approve the Regular Meeting Minutes of March 13 and Pre-Council Meeting Minutes of March 26, 2018. Upon a roll call vote, motion carried 6 to 0.

APPROVAL OF ACCOUNTS PAYABLE REGISTER OF MARCH 27, 2018: Motion by Pearson, seconded by Reid, to approve the Accounts Payable Register of March 27, 2018. Upon a roll call vote, motion carried 6 to 0.

MEDICAL MARIHUANA PERMIT FEE RESOLUTION: Motion by Pearson, seconded by Reid, to adopt the proposed Medical Marihuana Permit Fee Resolution. Upon a roll call vote, motion carried 6 to 0. (Resolution recorded on page 453 of Resolution Book #46.

FINAL PLAN FOR WHISPER ROCK CONDOMINIUMS (PHASE III): Motion by Pearson, seconded by Reid, to approve the Final Plan for Whisper Rock Condominiums (Phase III), 2200 Whisper Rock Trail. Upon a roll call vote, motion carried 6 to 0.

ENGINEERING SERVICES CONTRACT FOR RECONSTRUCTION OF WEST MILHAM (OAKLAND DRIVE TO SOUTH WESTNEDGE AVENUE): Motion by Pearson, seconded by Reid, to award a contract to Wightman & Associates, Incorporated, in the amount not to exceed $243,185 to perform engineering services for the reconstruction of West Milham Avenue (Oakland Drive to South Westnedge Avenue) 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.

UPGRADE OF THREE IRRIGATION BOOSTER PUMPS: Motion by Pearson, seconded by Reid, to award a contract in the amount of $22,773 to Allied Mechanical Services, Incorporated, to upgrade three irrigation booster pumps located at South Westnedge Park and Ramona Park 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.

UPGRADE OF LEXINGTON GREEN PARK TENNIS/PICKLEBALL COURTS: Motion by Pearson, seconded by Reid, to award a contract in the amount of $21,640 to J. Allen & Company, Inc., to upgrade the Lexington Green Park tennis/pickleball courts 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 DEPARMENT OF TRANSPORTATION CONTRACT FOR RECONSTRUCTION OF SOUTH WESTNEDGE AVENUE FROM ROMENCE ROAD TO MALL DRIVE: Motion by Pearson, seconded by Reid, to approve Contract #18-5047 between the Michigan Department of Transportation and the City of Portage for reconstruction of South Westnedge Avenue from Romence Road to Mall Drive and adopt a Resolution authorizing the City Manager to sign all documents related to the project on behalf of the city. Upon a roll call vote, motion carried 6 to 0. Resolution recorded on page 495 of City of Portage Resolution Book No. 46.

APPOINTMENT TO THE UTILITY RATE STUDY COMMITTEE: Motion by Pearson, seconded by Reid, to receive the appointment to the Utility Rate Study Committee. Upon a roll call vote, motion carried 6 to 0 and Councilmember Lori Knapp was appointed.

FEBRUARY 2018 ENVIRONMENTAL REPORT: Motion by Pearson, seconded by Reid, to receive the February 2018 Environmental Report as information only. Upon a roll call vote, motion carried 6 to 0.

MATERIALS TRANSMITTED AND MONTHLY REPORTS: Motion by Pearson, seconded by Reid, to receive the Departmental Monthly Reports. Upon a roll call vote, motion carried 6 to 0.

MINUTES OF BOARDS AND COMMISSIONS: Motion by Pearson, seconded by Reid, to receive minutes of the Human Services Board of February 1, Zoning Board of Appeals of February 12, Environmental Board of February 14, Planning Commission of March 1, Historic District Commission and Historic District Study Committee of March 7 and Portage Public Schools Board of Education Committee of the Whole Work Session of March 12, 2018. Upon a roll call vote, motion carried 6 to 0.

STATEMENTS OF CITIZENS: Kalamazoo County Commissioner Scott McGraw, 10608 Dandale Street, shared that the Kalamazoo County Board of Commissioners would soon be considering whether to join a class action lawsuit against pharmaceutical companies as it relates to the opioid epidemic. He expressed support for the local pharmaceutical industry, stated that he was opposed to joining such a lawsuit and encouraged City of Portage officials and residents to attend the upcoming Committee of the Whole Meeting of the Kalamazoo County Board of Commissioners. Mayor Pro Tem Pearson commented that Pfizer is not a major manufacturer of opioids and complimented the company on being conscientious.

Kalamazoo County Commissioner Dale Shugars, 1185 Tanager Lane, Kalamazoo, also spoke regarding the potential of Kalamazoo County joining a class action lawsuit against pharmaceutical companies. He expressed concern that the Kalamazoo County Board of Commissioners may vote to join the lawsuit and stated his belief that Kalamazoo County should leave this matter to the United States Congress and Department of Justice. Mr. Shugars complimented Pfizer on its involvement in the community and highlighted the involvement of current and former Pfizer employees in the community.

Ms. Shea Wetzler, 1983 Katie Court, shared that she initially raised her concern to City Council last November and again expressed concern with flooding in her backyard. She reviewed the recent history of the flooding at her home and shared that she had met with City Manager Shaffer about the matter and that she questioned the conclusions of an engineer the City brought in to evaluate her situation. She expressed hope that the City could help find a solution to her situation. Mayor Randall pointed out that the water table is at historic levels and Mayor Pro Tem Pearson shared his recent experience with flooding at his home. He pointed out that his home had not flooded for many years and then, just within the past couple of years when the water table rose, he had flooding and needed to purchase a sump pump to help address the problem. City Manager Shaffer disclosed that he personally went to the home of Ms. Wetzler to see the flooding and that the City had hired an engineer to evaluate the situation. He explained that the conclusion of the engineer was that recent property development in the vicinity of Ms. Wetzler's home is not the cause of the flooding. Rather, the cause is more likely due to extraordinary water levels. However, Mr. Shaffer pledged to look for opportunities to address the situation and that he would be in contact with the Kalamazoo County Drain Commissioner regarding the matter.

COMMUNICATIONS:

CALENDAR OF MEETINGS: At the request of Councilmember Reid, City Clerk Herringa read the meeting schedule for the record. Motion by Burns, seconded by Ford, to receive the Calendar of Meetings. Upon a roll call vote, motion carried 6 to 0.

REGULAR BUSINESS AGENDA:

TAX ABATEMENT APPLICATION – RESOLUTION NO. 3: Mayor Randall shared that the proposed project by Pfizer would be the largest single building project in the history of Portage and thanked the support of City staff, Southwest Michigan First and City Council for their work to make the project possible. Mayor Randall reviewed the size and scope of the project along with the number and types of jobs that would result. She concluded by thanking Pfizer for their efforts to bring this project to Portage. City Manager Shaffer stated that the project is still undergoing review by the Michigan Economic Development Corporation.

Mr. Terry Clare, Pfizer Group Leader, spoke and provided additional details regarding the proposed project and the technically advanced nature of the work. He explained that he would like to see this investment by Pfizer happen in Portage and shared that following approval of the requested tax abatement and support from the State, the decision on the project would move to the Pfizer Corporate Office. Mr. Clare shared that Pfizer has invested approximately $1 billion in the Portage facility over the past 10 years and he hopes to see this investment double within the next five years. With regard to the number of jobs, Mr. Clare pointed out that in addition to new jobs the project would retain 200 jobs and result in the creation of numerous trade contractor jobs. Councilmember Reid asked for more details about the 450 jobs that would be created and Mr. Daniel Roth, Project Manager for Pfizer, reviewed the types and variety of jobs along with the fact that one half of the jobs will be operators meaning people from the skilled trades and/or familiar with the skilled trades will be necessary.

Mayor Pro Tem Pearson complimented Pfizer on their turnaround from when they were laying people off in 2003 to what has been happening recently. Mayor Pro Tem Pearson reviewed the salary and benefit package related to the new jobs and pointed out that, based on this package, everybody in the community will benefit by new employees living and working in the area.

Councilmember Reid reviewed the Project Impact Analysis related to this project that was provided to City Council by City Administration. She asked that a revised analysis which excludes benefits in the calculation be provided to City Council as part of the next agenda and explained why she was making the request. Ms. Reid concluded by stating that, regardless of the figures used in the calculation, these are great jobs and this is excellent news for the community.

Motion by Pearson, seconded by Burns, to adopt Resolution No. 3-18 setting a public hearing on April 10, 2018 for an Industrial Facilities Exemption Certificate for real property investments in the estimated amount of $148 million within Industrial Development District No. 91. Upon a roll call vote, motion carried 6 to 0. (Resolution recorded on page 451 of Resolution Book #46.)

BUDGET TRANSFER TO SPECIAL ASSESSMENT DEBT FUND AND GENERAL OBLIGATION DEBT FUND AND ADOPTION OF RELATED RESOLUTIONS: At the request of Mayor Randall, Councilmember Reid stated that she would like City Administration to provide a brief description of what is being proposed. City Manager Shaffer provided an overview and explained that the City is proposing to use surplus from the 2016-2017 Fiscal Year to, among other items, pay down debt and reduce debt obligation. Finance Director Bill Furry explained that the surplus, which he stated cannot always be guaranteed, would also be used to help in the initial funding of Consolidated Dispatch. He continued by stating that the City would look at reducing debt and debt obligation again next year.

Councilmember Reid inquired how much debt was being left that could be called and why it was not being addressed by the surplus. Mr. Furry responded and explained that the type of remaining callable debt and the need to make two payments for Consolidated Dispatch meant that the surplus would be fully utilized by the action proposed by City Administration. Specifically, Mr. Furry indicated that there is approximately $4.7 million in callable debt next year, and $3.4 million of that would require General Fund resources to retire. Councilmember Burns inquired how the City prioritized which debt to call and Mr. Furry explained that Municipal Financial Consultants was used to help determine what debt to call. He also explained that debt related to Special Assessments was being targeted. Mr. Burns clarified with Mr. Furry that the remaining eligible bonds not called this year remain callable and could be redeemed in the future. City Manager Shaffer stated that the City is retiring approximately $10 million in debt which would take the City from a debt level of around $68 million to $58 million and shared that the City is committed to making extraordinary efforts to reduce debt. Mayor Pro Tem Pearson pointed out that when he started on City Council the City had a debt level of $110 million and that it has been cut in half.

Motion by Pearson, seconded by Reid, to approve a budget transfer from the General Fund surplus to the Special Assessment Debt Fund in the amount of $230,000, and to the General Obligation Debt Fund in the amount of $558,316; and adopt Resolutions Approving Redemption of: Part of the Callable Outstanding City of Portage General Obligation Limited Tax City Share Bonds, Series 2001; Part of the Callable Outstanding City of Portage General Obligation Limited Tax City Share Bonds, Series 2004; Part of the Callable Outstanding City of Portage Capital Improvement Refunding Bonds, Series 2005; Part of the Callable Outstanding City of Portage Special Assessment Bonds, Series 2007; and Part of the Callable Outstanding City of Portage Capital Improvement Bonds, Series 2010. Upon a roll call vote, motion carried 6 to 0. (Resolutions recorded beginning on page 457 of Resolution Book #46).

FIRST READING OF ORDINANCE AMENDMENT FOR MICRO-BREWERIES AND BREWPUBS: At the request of Mayor Randall, Councilmember Reid spoke and asked City Administration to review and explain what changes would result in the sizes and location of Microbreweries and Brewpubs should the ordinance be adopted. She continued by inquiring what an "accessory tasting room" at a microbrewery would be. Mr. Chris Forth of the Department of Community Development explained and indicated that an accessory tasting room is a designated space in which patrons could sample a variety of beer and likened it to wine tasting rooms. Food service would not be permitted in the space. Conversely, Mr. Forth stated, a brewpub would not be permitted to have a tasting room. In response to a question from Ms. Reid, Mr. Forth explained the difference between a microbrewery and a brewpub. He explained that a brewpub must have a Class C Liquor License, have at least 25% of its sales related to food service and cannot sell beer to distributors. Conversely, a microbrewery can sell and distribute beer to other locations. He explained that the catalyst for this ordinance is a local resident who is ready to move from a homebrew operation to a new commercial building.

Motion by Reid, seconded by Urban, to accept Ordinance Amendment #17/18-B, Micro-breweries and Brew-pubs, for first reading and set a public hearing for April 24, 2018; and subsequent to the public hearing, consider approving Ordinance Amendment #17/18-B, Micro-breweries and Brew-pubs. Upon a roll call vote, motion carried 6 to 0.

FIRST READING OF ORDINANCE AMENDMENT FOR PURCHASES AND SALES: At the request of Mayor Randall, Councilmember Reid spoke and asked City Administration to explain how the proposed changes to the ordinance would impact how projects are bid and those bids reviewed. City Manager Shaffer reviewed the rationale behind the proposed changes and highlighted what those changes would be. At the invitation of City Manager Shaffer, Deputy City Manager Rob Boulis explained that City Council has increased the purchasing levels over the years and shared that a comparison of purchasing levels at the City of Portage to other communities indicates that the City is higher than some municipalities and lower than others. He explained that City staff is committed to always trying to get the best price for goods and services.

Councilmember Urban inquired as to why the City was proposing to increase the level of purchases requiring City Council approval from $20,000 to $40,000. City Manager Shaffer explained that it was related to efficiency. Councilmember Reid expressed skepticism regarding the proposed changes and stated that it is the duty of City Council to provide oversight on purchases and that such an increase would result in numerous contracts being approved without the knowledge, understanding or oversight of City Council. Mayor Pro Tem Pearson stated that in his experience contracts between the amount of $20,000 and $40,000 are routinely approved by City Council and it is hard to justify the effort by staff to bring such items to City Council for approval. He then highlighted other jurisdictions with higher purchasing levels that require City Council approval. Councilmember Urban highlighted jurisdictions with lower purchasing levels that require City Council approval. Councilmember Ford asked City Manager Shaffer for assurance that if there was a contract in the $20,000 to $40,000 range that involved the need for a City Council policy determination that it would be brought to City Council. Mr. Shaffer offered the assurance but speculated it would be a rare occurrence. Councilmember Ford stated that given the time staff must spend preparing bids for review by City Council he thought the proposed changes were reasonable. He then inquired if other municipalities had a provision similar to the one being proposed in which purchases that exceed $20,000 but are less than $40,000, will require competitive bidding. Deputy City Manager Boulis stated that he was not aware of other municipalities with a similar provision.

Councilmember Reid stated that the time spent obtaining sealed bids would remain the same whether the item is brought to City Council or not. She reiterated that it is the responsibility of City Council to provide oversight. Councilmember Burns stated that, according to City Administration, the proposed changes would result in 15 to 20 fewer contracts being brought to City Council per year. He inquired what effort goes into bringing such contracts to City Council. City Manager Shaffer emphasized it was primarily related to time and pointed at Department Heads that attend City Council meetings in case there are questions about a contract as an example. Mr. Shaffer stated that staff is dedicated to an effective and efficient purchasing process and he shared that he did not view producing agenda items and sitting in the audience as an effective and efficient use of their time.

Mayor Pro Tem Pearson commented that he recalled a recent City Council Committee of the Whole Meeting in which the Purchasing Manager, a 28-year veteran employee, shared that increasing purchasing limits would be a great tool for a more efficient purchasing process.

Motion by Pearson, seconded by Ford, to accept the amendment to Division 2, Sections 2-171 and 2-173, Article 5 “Purchases and Sales” in the City of Portage Code of Ordinances for first reading and set a second reading with final adoption for April 10, 2018. Upon a roll call vote, motion carried 4 to 2 with Councilmembers Reid and Urban voting no.

CONTRACT CHANGE ORDER FOR MILL AND FILL ASPHALT REPAIR OF LOCAL STREET SECTIONS: At the request of Mayor Randall, Councilmember Reid spoke and asked City Administration to explain why, when the initial contract for this effort was approved by City Council two weeks ago, a change order was being requested. City Manager Shaffer stated that it was for tactical and financial reasons. The City was getting an excellent rate on materials and worked with the vendor to extend and honor that pricing which would allow the City to pave additional streets. Councilmember Reid thanked Mr. Shaffer for his explanation and asked that, in the future, such information be more clearly provided.

Motion by Reid, seconded by Burns, to award contract change order #1 in the amount of $210,000.05 to Rieth-Riley Construction Company, Incorporated, for mill and fill asphalt repair of local street sections 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.

CONTRACT FOR NEW AND REPLACEMENT CITY SIGNAGE: At the request of Mayor Randall, Councilmember Reid spoke and asked City Administration to review the proposed changes in signage. Mr. Shaffer explained that the City is proposing to remove and replace six gateway signs, remove and replace the Portage Industrial Center sign and install a new Eliason Nature Reserve Sign. Mr. Shaffer complimented and thanked City staff that was involved in the review and selection of the new signage.

Councilmember Reid inquired if the City was proposing to replace either of the signs that list all of the school championships. Mr. Shaffer stated that the City of Portage would not be touching those signs. Councilmember Urban shared his belief that the signs listing the school championships were not maintained nor constructed by the City of Portage. Mr. Urban also asked that consideration be given to replacing the “Portage City Hall” sign as he believes it outdated. Mayor Pro Tem Pearson stated that there are questions about what the signs will look like and Mr. Forth of the Department of Community Development displayed an image on the monitors. In response to a question from Mayor Randall, City Manager Shaffer shared that work on the new signs would begin later this spring. Councilmember Ford expressed support for the signs as they are attractive and help to market the City as a “natural place to move.” Mayor Randall shared her support for the signs as well.

Motion by Reid, seconded by Pearson, to award a construction contract to the low bidder, Universal Sign Systems, Incorporated, of Grand Rapids, Michigan, in the amount of $99,929 for:

removal and replacement of six existing City of Portage gateway signs at various locations; removal and replacement of the Portage Industrial Center sign; installation of a new Eliason Nature Reserve sign, 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.

COUNCIL COMMITTEE REPORTS: Mayor Pro Tem Pearson shared that he attended a meeting of the Austin Lake Governmental Lake Board and that the aeration project for Austin Lake in 2018 had been approved and would begin in April.

Councilmember Reid shared that she, Councilmember Burns and Councilmember Urban held a meeting of the City Council School/Library Committee at which school safety was discussed. The primary discussion involved the Department of Public Safety and their efforts related to safety in Portage Public Schools. She explained that possibilities to help provide and enhance safety in the schools were reviewed. Councilmember Burns complimented the Portage Police Department School Resource Officers for their efforts in leading safety improvements at the schools. Councilmember Urban also complimented the Department of Public Safety for their leadership and for sharing and reviewing information that will help City Council in future discussions with Portage Public Schools as the City works to support the safety efforts.

Motion by Reid, seconded by Pearson to receive the City Council Committee Reports. Upon a voice vote, motion carried 6 to 0.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Ford shared that he recently attended the Kids Bunny Hop Run at Moorsbridge Elementary and complimented the organizers and participants on a fun event.

City Manager Shaffer recognized Director of Information and Technology Services Devin Mackinder for his efforts related to the new signage that was approved by City Council earlier in the meeting.

Mayor Randall pointed out that there were numerous items on the City Council Agenda and thanked City Council for their efforts. Mayor Randall shared that she recently attended a Court of Honor for eight Eagle Scouts and thanked them for their hard work and dedication. She continued by sharing that she recently met with the Chief Executive Officer of the YWCA and that the YWCA is interested in a greater role in the Portage community. Finally, Mayor Randall pointed out that March is National Reading Month and she had the opportunity to read to young students at Woodland Elementary and disclosed that their favorite book was Chicka Chicka Boom Boom.

ADJOURNMENT: Mayor Randall adjourned the meeting at 8:34 p.m.

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Adam Herringa, City Clerk