CITY COUNCIL MEETING MINUTES FROM APRIL 10, 2018

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

At the request of Mayor Randall, Pastor Paul R. Naumann from St. Michael Lutheran Church provided the invocation. Afterwards, Council led the audience in the recitation of the Pledge of Allegiance.

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 Pro Tem Pearson removed Item A.6 (Final Preliminary Plat for West Lake Estates); Councilmember Ford removed Item A.4 (6050 Constitution Boulevard Rezoning); Councilmember Burns removed Item A.3 (2018 Water/Sewer Rates); and Councilmember Reid removed Item A.11 (Board & Commission Interviews) from the Consent Agenda. Motion by Pearson, seconded by Knapp, to approve the Consent Agenda items as presented. Upon a roll call vote, motion carried 7 to 0.

APPROVAL OF MINUTES: Motion by Pearson, seconded by Knapp, to approve the Regular Meeting Minutes of March 27 and Pre-Council Meeting Minutes of April 9, 2018. Upon a roll call vote, motion carried 7 to 0.

APPROVAL OF ACCOUNTS PAYABLE REGISTER OF APRIL 10, 2018: Motion by Pearson, seconded by Knapp to approve the Accounts Payable Register of April 10, 2018. Upon a roll call vote, motion carried 7 to 0.

DOWNTOWN DEVELOPMENT BONDS RESOLUTION: Motion by Pearson, seconded by Knapp to amend a refunding bond resolution previously adopted authorizing limited tax pledge to payment of the Downtown Development Limited Tax Refunding Bonds, Series 2018. Upon a roll call vote, motion carried 7 to 0.

CONTRACT AWARD FOR OAKLAND DRIVE (WEST MILHAM TO I-94) RECONSTRUCTION: Motion by Pearson, seconded by Knapp to award a construction contract in the amount not to exceed $549,239.25 to Rieth-Riley Construction Company of Kalamazoo, Michigan for the reconstruction of Oakland Drive from West Milham Avenue to I-94 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.

CONTRACT AWARD FOR LOVERS LANE IMPROVEMENTS (RAMONA TO EAST MILHAM): Motion by Pearson, seconded by Knapp to award a contract in the amount not to exceed $80,900 to Hurley & Stewart, LLC, to perform engineering services for the reverse curve alignment correction and improvements of Lovers Lane from Ramona Avenue to East Milham 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 7 to 0.

FY 2016-17 LOCAL DEVELOPMENT FINANCE AUTHORITY ANNUAL REPORT: Motion by Pearson, seconded by Knapp to accept the FY 2016-17 Local Development Finance Authority Annual Report. Upon a roll call vote, motion carried 7 to 0.

CONFIRMATION OF LDFA APPOINTMENTS: Motion by Pearson, seconded by Knapp to confirm the City Manager appointments to the Local Development Finance Authority by adopting the Resolution to Appoint Members to the Local Development Finance Authority of the City of Portage. Upon a roll call vote, motion carried 7 to 0.

MINUTES OF BOARDS AND COMMISSIONS: Motion by Pearson, seconded by Knapp, to receive the minutes of the Human Services Board of March 1, 2018, Historic District Commission of March 7, 2018, and Planning Commission of March 15, 2018. Upon a roll call vote, motion carried 7 to 0.

STATEMENTS OF CITIZENS: Mr. Tim Keck (7551 Montego Bay) voiced his opposition to the extension and development of Montego Bay Street northward to Bermuda Street due to concerns with property flooding and the water table in his area. He noted that at the corner of Jamaica and Bermuda streets there is one resident pumping water out through a 6-inch pipe into the storm sewer. Mr. Keck expressed his desire to have his concerns formally noted in the records of the Council Meeting Minutes. Mayor Randall thanked Mr. Keck for attending and expressing his concerns. She asked the City Manager to work with the Transportation & Utilities Department to look into the matter and maintain contact with Mr. Keck.

COMMUNICATIONS:

CALENDAR OF MEETINGS: At the request of Mayor Randall, Mayor Pro Tem Pearson read the meeting schedule for the record. Motion by Pearson, seconded by Ford, to receive the Calendar of Meetings. Upon a roll call vote, motion carried 7 to 0.

PUBLIC HEARINGS:

PFIZER INC. TAX ABATEMENT: Mayor Randall asked the City Manager to summarize the current development and tax abatement process. City Manager Shaffer spoke in regard to the project and the contingencies related to acceptance of proposals, the expected retention of jobs, as well as new jobs and staff efforts to date. Representatives from Pfizer including Dan Roth, Terry Clare and Patrick Bolthuis expressed their gratitude for City staff professionalism and the ease of the process with the City thus far. Mr. Roth noted that next steps for Pfizer are pending for May or June; that four hundred fifty jobs will be retained, and it is a desired project for the Portage location. Mayor Randall asked if Council had any additional questions for the Pfizer representatives. Seeing none and there being no other comments, the Mayor called for the close of the public hearing. Motion by Pearson, seconded by Knapp, to close the public hearing regarding the Industrial Facilities Exemption Certificate and tax abatement for the Pharmacia & Upjohn Company, LLC (Pfizer Inc.). Upon roll call vote, motion carried 7 to 0.

Mayor Randall then asked Mayor Pro Tem Pearson for a motion to adopt and approve the abatement agreement. Councilmember Reid requested an explanation on the difference between the twelve-year and fifteen-year abatement noting this aspect differed between the documents presented at the March 27, 2018 Council Meeting and the current meeting. Mayor Randall asked the City

Manager to elaborate. City Manager Shaffer noted that the difference concerns the beginning of the abatement which accounts for completion of construction. Councilmember Urban asked why the fifteen-year abatement had not been utilized in previous abatements. Southwest Michigan First representative Jill Bland came forward and spoke regarding the history of the abatement. She noted that it had always been an available option but had never been utilized before. Ms. Bland commented on the cooperative efforts with staff in researching the abatement possibilities and her confidence in the current proposal. Councilmember Urban thanked her for the explanation. Motion by Pearson seconded by Knapp, to adopt Resolution No. 4-18, approving the Industrial Facilities Exemption Certificate for the Pharmacia & Upjohn Company, LLC (Pfizer Inc.); and approve the tax abatement agreement and affidavit between the City of Portage and Pharmacia & Upjohn, LLC (Pfizer Inc.). Upon a roll call vote, motion carried 7 to 0. Mayor Randall thanked the Pfizer representatives for their efforts and attendance at the meeting.

REGULAR BUSINESS AGENDA:

2018 UTILITY RATES: Mayor Randall began the discussion by asking Councilmember Ford to summarize the recent developments with the Utility Rate Study Committee. Councilmember Ford explained the makeup and purpose of the Committee. He noted the City's good financial situation allowed the Utility Rate Study Committee to seek lower rates for the upcoming year. Councilmember Burns spoke in regard to citizen member Randy Orwig’s contribution and stated that cash balances, as outlined in the City Manager’s memo, were in a good position. Councilmember Burns stated that, based on his professional experience, he would like to see the City retain more cash in the utility funds going forward but is happy with the current situation. Councilmember Knapp noted that she had nothing further to add but appreciated the manner in which the City Administration clearly presented the technical information for the public to understand. Mayor Randall thanked the committee members for their participation and efforts on the 2018 rates. Councilmember Reid posed the question about ongoing high water table issues and whether that was discussed as part of the recent Utility Rate Study Committee meeting. Councilmember Ford noted that it had been discussed and related the Utility Rate Study Committee discussion, particularly in regard to the recent expenditure for a pump in the Black Forest neighborhood. City Manager Shaffer noted that the Black Forest pumping cost $5,000 a week for six weeks, at a total cost of $30,000, which was an unplanned expenditure. City Manager Shaffer remarked that it was impossible to predict such instances and assume future costs for that which can't be estimated but noted there was ample funding and resources in place for these types of emergencies going forward. Councilmember Reid noted her agreement with Councilmember Burns in retaining additional funds in the account for emergency purposes. Councilmember Burns conferred and further commented on the comparability with the City of Kalamazoo. He stressed that Portage incorporates storm water management costs into its rates, which Kalamazoo does not, yet both cities are quite competitive compared to statewide.

Motion by Ford, seconded by Knapp, to establish a public hearing on April 24, 2018, to consider resolutions to: adopt the recommendation that the sewer commodity rate remain at $4.60 per 1,000 gallons of metered water; adopt the recommendation that the water commodity rate be decreased to $3.14 per 1,000 gallons of metered water; adopt the recommendation that adjustments be made to the sewer and water base quarterly charges as noted in the 2018 Utility Rate Financial Study; adopt the recommendation that the new rates become effective on July 1, 2018; adopt the recommended water and sewer franchise area fees and other service fees and charges as outlined in the 2018 Utility Rate Financial Study. Upon a roll call vote, motion carried 7 to 0.

REZONING 6050 CONSTITUTION BOULEVARD: Mayor Randall asked Councilmember Burns to elaborate on pulling the item off consent. Councilmember Burns pointed out that the attached Planning Commission memo included citizen dissents from the recent Planning Commission meeting, as well as a petition of citizens in opposition. He had concerns with proceeding in light of the noted opposition and mentioned as an aside that the Public Media Network website had failed to post the March 1, 2018 Planning Commission video for him to personally review the comments made at the meeting, but that would be discussed as part of a later PMN discussion. The Mayor asked the City Manager who then asked Chris Forth, Acting Director of Community Development, to discuss the Planning Commission activities. Mr. Forth relayed that the City has requested Meyer C. Weiner & Co. to preserve the existing tree line on the subject parcel and to maintain construction of the proposed buildings away from the west property line. Mr. Forth further stated that Meyer C. Weiner & Co. only has two duplexes planned, to entail only four units total. Mr. Forth noted that citizen concerns with light and noise are both issues covered by ordinance and will be enforced as necessary. However, City staff don't foresee any issues based on the plans as presented. Councilmember Urban noted that vegetation cannot be stipulated by the city and clear-cutting can be done without a permit. He further stated that Meyer C. Weiner & Co. are free to clear cut the properties but voiced support for Meyer C. Weiner & Co.'s past track record and history with City developments. Motion by Burns, seconded by Ford, to accept Rezoning Application #17/18-2, 6050 Constitution Boulevard, for first reading and set a public hearing for May 8, 2018 and, subsequent to the public hearing, consider approving Rezoning Application #17/18-2, 6050 Constitution Boulevard, changing the north 130 feet from OS-1, office service to RM-1, multiple family residential. Upon a roll call vote, motion carried 7 to 0.

APPROVAL OF WEST LAKE ESTATES (9300 PORTAGE ROAD) FINAL PRELIMINARY PLAT: Mayor Randall asked Mayor Pro Tem Pearson to elaborate on removing the item from consent. Mayor Pro Tem Pearson highlighted the Pre-Council Meeting discussion from April 9th. He inquired what steps the City has implemented to reduce the likelihood of flooding in the West Lake Estates, as well as future developments and was hoping Transportation and Utilities Director Kendra Gwin could discuss the plans. Ms. Gwin spoke and cited page eight of the map attachment on the agenda. She referenced the plans that had been presented thus far and addressed how the fluctuation in ground water will be addressed for all City lake properties going forward. Councilmember Urban inquired on the water table history used in City studies. Ms. Gwin replied that all weather events "on record" were consulted. Mayor Pro Tem Pearson asked how groundwater pumping issues affect the storm sewers and retention basins. Ms. Gwin mentioned that a feasibility study with Fishbeck, Thompson, Huber and Carr had recently been launched to study the issue and potential corrections going forward. Mayor Pro Tem Pearson asked about the use of trees to help with groundwater based on earlier citizen comments. Ms. Gwin noted that trees are used in retention basins but also increase silt issues. Councilmember Knapp also highlighted the tree issue in light of the Constitution Boulevard rezoning matter. Mayor Pro Tem Pearson asked if trees could be regulated and how do other cities handle this particular matter. Ms. Gwin was not aware how other cities address tree regulation.

Councilmember Burns questioned the 25-year storm history for storm water basin construction and asked about more planning for the worst-case scenario. Mayor Randall asked if the City plans take the greatest measures to mitigate future issues in the area surrounding this proposed development and whether this plan will affect adjacent neighborhoods. Ms. Gwin noted all reasonable measures have been taken, but it is difficult to plan for unforeseen events. The City Manager commented the increased frequency of 100-year rain events and asked Ms. Gwin to explain the difference between surface water and ground water. Surface water is overseen by the City but ground water is not – City Manager Shaffer noted systems the City has designed to accommodate surface water are now found to host ground water more frequently. Councilmember Burns asked whether four feet above the highest water table is the only standard deviation and what the City is asking developers to project. Ms. Gwin noted recent fluctuations have reached up to ten feet. Mayor Randall asked the plat representatives to come forward and further explain the project. Brian Wood from Allen Edwin Homes commented on his efforts to fully examine the pre- and post-development effects on the Lakeview area from one to one hundred year effects. Mr. Woods stated the expected runoff to the wetland after this development should be less than the current runoff experience.

Pat Flanagan, Civil Engineer from Ingersoll, Watson & McMachen noted that the current runoff will be going into three retention basins planned with construction of the development, which will encompass ten percent of the surface water, mitigating the impact of rain events on groundwater. Mr. Flanagan noted recent flooding events resulted from a combination of rainfall, snow melt and frozen ground, especially in conjunction with the prior October 2017 rain events. Mr. Flanagan stated the recent six-month weather events compounded issues to create unexpected flooding and were not normal; however, he noted water levels are cyclical and will go up and down regularly. Councilmember Knapp interjected with the observation of clear-cutting trees in the area and questioned how that would affect the pre- and post- ponding. Mr. Flanagan responded that the new parcel lawns are also expected to help take over water consumption for the trees. Mr. Flanagan conveyed that neighbors north of Lakeview Drive would not be affected by the water with the development and commented that he has offered to meet with and has met with several area residents to discuss any concerns they might have. Councilmember Reid asked about the retention basins relative to basement depths. Mr. Flanagan explained that basements should be above the bottom of the retention basin levels. Mr. Flanagan and Mr. Wood noted a prior on-site permeability test in which they found that sand resides in the lower levels of the ground and the permeability is fast-paced, which is good news. Mr. Flanagan closed by stating he is confident that the proposed site plan is well done and fully researched. Motion by Pearson, seconded by Burns, to approve the Final Preliminary Plat (engineering plans) for West Lake Estates, 9300 Portage Road. Upon a roll call vote, motion carried 7 to 0.

SETTING BOARD & COMMISSION INTERVIEWS: Mayor Randall asked Councilmember Reid to explain removing the item from consent. Councilmember Reid wanted express the available board and commission positions for the public. Councilmember Reid questioned the lack of youth applicants to date. City Manager Shaffer relayed that he will look into the matter. Mayor Randall noted her interest in getting more applicants for City boards and commissions overall. She asked the City Manager to explain the application process, which he did. Motion by Reid, seconded by Burns, to set a Special Meeting on Tuesday, May 8, 2018, beginning at 5:15 p.m., to interview Board and Commission applicants. Upon a roll call vote, motion carried 7 to 0.

FY 2018-2019 BUDGET PRESENTATION: Mayor Randall asked the City Manager to summarize the proposed 2018-2019 Budget. City Manager Shaffer explained the annual process with presenting the budget before City Council the first meeting in April. He noted that the proposed budget has increased capital improvements, funding for both internal and external Dispatch efforts in light of the anticipated transition, and a reduction in the water and sewer budget due to a smaller debt burden. City Manager Shaffer confirmed two upcoming budget sessions scheduled and the planned structure of each meeting. Councilmember Reid inquired where the proposed budget document will be available for the public to review. The City Manager relayed that it will be posted on the City website the following day, as well as available for the public to view at City Hall. Motion by Knapp, seconded by

Reid, to accept the presentation of the Proposed Fiscal Year 2018-2019 Budget. Upon a roll call vote, motion carried 7 to 0.

UNFINISHED BUSINESS:

PURCHASING ORDINANCE AMENDMENT (SECTIONS 2-171 AND 2-173): Mayor Randall opened the floor for any comments. Councilmember Reid noted the amounts proposed that the City Administration can spend without City Council approval were being doubled and she does not see a related reason for doing so, expressing concern whether this is for efficiency as it relates to transparency. Councilmember Reid also commented that this change will affect future City Administrations and, while she has confidence in the current Administration, this will not necessarily be the case for future Administrations and she cannot support this motion. Councilmember Ford highlighted recent expenditures which have been solicited for bids, awarded to the lowest bidders and expressed his confidence in the City Administration's efforts to continue that practice. Councilmember Knapp expressed her support of the City Administration performing due diligence and believes this change reflects current 2018 costs and practices. Councilmember Reid noted recent expenditures highlighted by Councilmember Ford did remain on the Consent Agenda, but were at least visible to the public via the City Council Agenda. Councilmember Urban noted that this also affects future staff and believes there will be no increase in staff workload and cannot support the proposed amendment. Mayor Pro Tem Pearson noted that similar discussion on this topic had transpired at the previous City Council Meeting. Motion by Pearson, seconded by Ford, to adopt the amendment to Division 2, Sections 2-171 and 2-173, Article 5 “Purchases and Sales” in the City of Portage Code of Ordinances. Upon a roll call vote, motion carried 5 to 2 with Councilmembers Reid and Urban dissenting.

COUNCIL COMMITTEE REPORTS: Mayor Randall asked those that had attended recent meetings to speak and provide an update regarding their respective committee’s efforts. Councilmember Burns noted that Mayor Pro Tem Pearson, as well as himself had recently met with the Central County Transportation Authority and that the highlight of the recent meeting was the vote to continue the 0.75 mils for the county to fund transportation. Motion by Reid, seconded by Ford, to accept the Council Committee reports as presented. Upon a roll call vote, motion carried 7 to 0.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Urban had no comments. Councilmember Reid expressed a desire for the spring season. Councilmember Knapp had no comments. Councilmember Burns noted that this week was awareness for disaster preparedness and highlighted the City’s PortageAlert platform for citizens. He also noted that the Youth Advisory Committee’s annual Green-A-Thon event was scheduled for Saturday, April 14. Councilmember Ford highlighted the ongoing Spring Cleanup Program for residents. Mayor Pro Tem Pearson commented that the City’s Farmers’ Market would be starting May 6, 2018 with a new location at City Hall for increased visibility. He also highlighted the recently published City Summer Recreation Programs brochure, noting some of the programs offered. Finally, he reminded citizens that Ramona Park will be offering free beach entry for Portage residents this year. City Manager Shaffer noted that the previous Dog Park issues have been remediated and it is now open. Mayor Randall applauded the proposed Pfizer Inc. PA 198 project, including Pfizer representatives and City staff involved. The Mayor then thanked the members serving on the Utility Rate Study Committee for their efforts on the 2018 Study and proposed utility rates. Mayor Randall closed with remarks on her recent visit to Denver, Colorado.

ADJOURNMENT: Mayor Randall adjourned the meeting at 8:51 p.m.

Erica L. Eklov, Deputy City Clerk