MINUTES FROM THE PRE-MEETING
OF THE PORTAGE CITY COUNCIL
OF MARCH 25, 2019

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

Mayor Randall inquired if someone would be present to receive the proclamation. City Clerk Herringa responded in the affirmative.

With regard to Item A.3, Construction of Fire Station No. 2, Councilmember Knapp noted that this topic was a subject of a Committee of the Whole (COW) meeting last year. She indicated that it was her understanding that the topic would again be the subject of a second COW Meeting at which a new and less costly fire station would be presented. She inquired as to the changes made to reduce the cost of the fire station and whether her understanding of a second COW meeting on the topic was incorrect. Deputy City Manager Boulis stated that he was unaware that a second COW meeting was anticipated and that a quarter of a million dollars had been reduced from the original proposed cost. Councilmember Knapp inquired about taking out larger elements of the proposed fire station and/or deferring some construction.

Councilmember Burns stated his understanding that additional information regarding the project and potential cost reductions would have been presented prior to being asked to vote on the project at a Regular Meeting. He inquired about any anticipated costs savings by moving training elements in-house vs. using Kalamazoo County facilities. He asked that more detail regarding the project be provided prior to City Council voting on the matter.

Deputy City Manager Boulis stated that information on what has changed from the original proposal discussed at last year’s COW meeting would be provided. He pointed out that one consideration is comparing the cost of making additional changes to the proposed designed vs. starting over and redesigning the facility.

Councilmember Knapp stated that she would have preferred notice that this topic would be on the agenda and reiterated her desire for more information. She compared the information received by City Council on the planned Community Senior Center to the proposed Fire Station No. 2.

Mayor Pro Tem Pearson questioned whether the proposed training tower was necessary and asked for a comparison between the cost of the tower vs. staff using other existing facilities in Kalamazoo County for training. Mayor Pro Tem Pearson asked that additional information be provided related to alternates of the proposal. He next inquired if architectural design features had been modified.

Mayor Randall expressed surprise that this item was on the agenda and suggested that it be removed and a COW meeting scheduled on the topic. Mayor Randall asked that a breakdown related to overtime costs and sending staff to Kalamazoo County facilities for training be provided. She asked that City Council be provided with the minutes from the COW meeting at which the fire station was discussed. She stated that she would like an opportunity for City Council to ask and have questions answered before voting on the project.

Councilmember Ford inquired if the City had issued any bonds related to construction of the fire station. Deputy City Manager Boulis responded in the negative. Mr. Ford asked for the opportunity to discuss the project more diligently but stated that he is torn between revisiting the design of the station and related costs vs. pursuing what has been presented. Mr. Boulis referenced the funding that has been identified for the fire station in the Capital Improvement Program and pointed out that, with a redesign, costs will change. Mayor Pro Tem Pearson commented that the increased costs for the fire station included in the CIP were not highlighted by City Administration in last year's budget review sessions and never discussed by City Council.

With regard to Item A.4, Lovers Lane Improvement, Councilmember Ford noted that Consumers Energy had installed numerous utility poles in the planned project area and wondered whether any would have to be moved for the road project. Mr. Boulis commented that the poles and utilities are to service the new Stryker facility and power is being provided via utilities on the west side of Lovers Lane. Mayor Randall inquired if consideration had been given to undergrounding utilities as part of the road improvement and how much such undergrounding would cost. Mr. Boulis responded that, to his understanding, the undergrounding of utilities was not studied as part of this project. He speculated that it would be too late to add but would inquire and get an approximation of cost. Mayor Randall inquired if State of Michigan funding was being utilized for this project and Mr. Boulis responded in the affirmative. Mayor Randall also inquired, should undergrounding of utilities be incorporated in the project, what the delay would be.

With regard to Item A.7, CIP Funding Resolution, Mayor Pro Tem Pearson pointed out that the item authorized the city to take on \$6.5 million in debt. He noted that he sees the list of projects but inquired as to how much debt is being added directly or indirectly due to the cost of the fire station. Mr. Boulis confirmed that the city will be taking on debt and speculated that \$2 to \$3 million is as a result of the proposed fire station. He stated that he would work to get more specific numbers.

Councilmember Knapp inquired if the added debt was for the current fiscal year budget or next year's. Mr. Boulis stated that it was for the current fiscal year. Mr. Boulis then pointed out there is some urgency to getting the Resolution authorized and pointed to a June 30th deadline and 45-day notice requirement. Councilmember Knapp commented that she did not anticipate increasing our debt in the current fiscal year budget and inquired if this increase was included in the FY 2018-2019 budget. Mr. Boulis responded that the increase was included in the CIP. He continued by stating that the city makes every effort to pay for projects with cash and surplus funds. In this instance, Mr. Boulis stated, the 4% increase is due to an increase in capital expenditures.

Councilmember Burns noted the time required to get the bonds to market and that city administration would like to get this item on the agenda. He inquired if the city makes notice, whether there is an obligation to pursue the full amount or if the city can come in below the \$6.5 million. Mr. Boulis stated that, to his understanding, the city can come in lower.

Mayor Randall pointed out that there are at least 90 days until June 30. She asked whether this topic could be included in the upcoming Budget Review Sessions. Mayor Randall noted that the increase in debt is counter to the recent efforts of City Council and would appreciate a thorough discussion on the matter. Mr. Boulis stated that he would research and respond on the dates and deadlines related to this item. Mayor Randall next inquired if, by increasing our debt, there would be an impact on the city's bond rating.

ADJOURNMENT: Following a summary of the meeting, Mayor Randall adjourned the meeting at 8:32 a.m.

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Adam Herringa, City Clerk