CITY COUNCIL MEETING MINUTES FROM MARCH 26, 2019

The Regular Meeting was called to order by Mayor Randall at 7:00 p.m. The following members were 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 City Clerk Adam Herringa.

At the request of Mayor Randall, the audience observed a moment of silence to all religions and personal beliefs and in recognition of children who suffer in the hands of authoritative figures.

Following the moment of silence, City Council and the audience recited the Pledge of Allegiance.

PROCLAMATION: At the invitation of Mayor Randall, Ms. Sarah Joshi of the Kalamazoo County Child Abuse and Neglect Council and member of the Planning Commission read a proclamation in recognition of Child Abuse Prevention Month. Mayor Randall thanked Ms. Joshi for her work and support of child abuse prevention. Ms. Joshi summarized the work of the Child Abuse and Neglect Council and shared how City Council and the community might support their efforts.

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. Item A.6, Resolution to Fund Various Capital Improvements, was removed. Motion by Ford, seconded by Reid, to approve the Consent Agenda as presented. Upon a roll call vote, motion carried 7 to 0.

APPROVAL OF MINUTES: Motion by Ford, seconded by Reid, to approve the Regular Meeting Minutes of March 12, 2019, and Pre-Council of March 25, 2019. Upon a roll call vote, motion carried 7 to 0.

APPROVAL OF ACCOUNTS PAYABLE REGISTER OF MARCH 26, 2019: Motion by Ford, seconded by Reid, to approve the Accounts Payable Register of March 26, 2019. Upon a roll call vote, motion carried 7 to 0.

CONSTRUCTION CONTRACT FOR LOVERS LANE IMPROVEMENTS: Motion by Ford, seconded by Reid, to award a construction contract to Lakeland Asphalt Corporation of Springfield, Michigan, for the Lovers Lane Improvements in an amount not to exceed $1,133,642.85 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.

FINAL PRELIMINARY CONDOMINIUM SUBDIVISION – COPPERLEAF PHASE IV: Motion by Ford, seconded by Reid, to approve the Final Preliminary Condominium Subdivision (detailed engineering plans) for Copperleaf Phase IV, 3800 West Milham Avenue. Upon a roll call vote, motion carried 7 to 0.

REZONING APPLICATION 18/19-5 (1700 EAST CENTRE): Motion by Ford, seconded by Reid, to accept Rezoning Application #18/19-5, 1700 East Centre Avenue, for first reading and set a public hearing for April 23, 2019. Upon a roll call vote, motion carried 7 to 0.

MINUTES OF BOARDS AND COMMISSIONS: Motion by Ford, seconded by Reid, to receive the minutes of the Youth Advisory Committee of February 18, Senior Citizen Advisory Board of February 20, and Planning Commission of March 7, 2019. Upon a roll call vote, motion carried 7 to 0.

MATERIALS TRANSMITTED: Motion by Ford, seconded by Reid, to receive the Materials Transmitted of March 12, 2019. Upon a roll call vote, motion carried 7 to 0.

STATEMENTS OF CITIZENS: Ms. Carolyn Pesheck, 6745 Shoreham, introduced herself and shared that she is the representative of her church to the group Interfaith Strategy for Advocacy and Action in the Community (ISAAC). She reviewed the community issues that are the focus of ISAAC, such as homelessness, and shared that she has been asked to follow actions of the City of Portage and report relevant events and activities back to ISAAC. Ms. Pesheck also shared that she would likely be raising issues of concern to ISAAC with the City of Portage.

COMMUNICATIONS:

CALENDAR OF MEETINGS: Motion by Ford, seconded by Reid, to receive the Calendar of Meetings. Upon a voice vote, motion carried 7 to 0.

REGULAR BUSINESS AGENDA:

NOTICE OF INTENT RESOLUTION FOR FUNDING CAPITAL IMPROVEMENTS: Mayor Randall invited Councilmember Reid to begin discussion. Councilmember Reid summarized the item and recommendation to authorize the issuance of up to $7 million in bonds to fund Capital Improvement Projects. She continued by pointing out the efforts of City Council to consistently reduce the debt level of the City of Portage and questioned the impact of this bond issuance along with pending projects such as a new Community Senior Center and Fire Station on these efforts. City Manager Shaffer reviewed the projects that the requested bond issuance would cover and shared that, over the past several years, the debt level of the City of Portage had been reduced from in excess of $100 million to between $50 and $60 million. He indicated that, as a result of pending capital projects, the debt level may rise slightly in the next two or three years but then continue the downward trend. Mr. Shaffer introduced Finance Director Bill Furry to provide additional information.

Mr. Furry stated that the city is looking for up to $6.5 million in bonding and that, even if this full amount is obtained, the debt level in this fiscal year will still drop by approximately $3 million. He explained that the issuance of debt is always the final option when putting together the Capital Improvement Program (CIP) and that the actual amount needed will be finalized as we get closer to the end of the fiscal year. Mr. Furry then reviewed a chart indicating recent debt level history and projections and provided an overview of the funding sources for capital projects.

Councilmember Reid stated that an effort is consistently made on upkeep of existing resources and that, at this moment in time, it appears the city has more projects than funds available to pay for them. She inquired how long until the city would be debt free? Mr. Furry reviewed that these bonds would be callable in 8 years but that the bond issuance is for 20 years. He expressed skepticism that the city would ever be completely debt free. Mr. Furry then reviewed the diligent efforts of the Finance Department to identify surplus and other funding to avoid debt issuance.

Councilmember Reid pointed to new construction and building valuations and inquired as to the impact on city revenues. Mr. Furry stated that the increased valuations will help the city in a variety of facets but the exact extent remains undetermined. Councilmember Reid expressed support for the agenda recommendation and expressed the need for the city to keep looking at the total financial picture. She concluded by pointing out the CIP projects referenced in the agenda item are not new and were previously reviewed and approved.

Councilmember Burns complimented Mr. Furry and staff on efforts to dramatically reduce debt over the past several years from a high of $105 million to the current level. Mr. Burns pointed out that, unlike many other municipalities, the city is fortunate to have no "Other Post-Employment Benefit" (OPEB) nor unfunded pension liabilities. This fact, he stated, puts the city in great financial shape to be able to take on capital projects while maintaining a positive fiscal trajectory.

Councilmember Ford expressed appreciation that the Finance Department recognizes and takes into account that tax dollars are being used to fund debt payments. He inquired whether the city would continue to try to retire debt early. Mr. Furry confirmed that the city will continue to try to retire old debt.

Mayor Randall commented that the bond rating for Portage was recently increased resulting in better borrowing rates. She inquired if an increased debt level would jeopardize this rating. Mr. Furry expressed skepticism that a reduced bond rating would result, and commented that a key to obtaining the better rating was the implementation of a debt management policy.

City Manager Shaffer complimented the Finance Director and Finance Department on their efforts. He continued by stating that the city had a surplus above the 24% fund balance last fiscal year and he anticipates another surplus again at the conclusion of this fiscal year. Such surpluses, he continued, can be used to help pay for projects without increasing debt. He continued by stating that growth in the community remains strong, especially in the industrial sector, and that an excess of a 5% increase in overall tax valuation is anticipated.

Motion by Reid, seconded by Burns, to adopt the Notice of Intent Resolution to fund construction of various capital improvements. Upon a roll call vote, motion carried 7 to 0.

FIRE STATION NO. 2 CONSTRUCTION: Mayor Randall deferred to City Manager Shaffer who thanked Councilmember Knapp for the reminder that, at the City Council Retreat, it was determined that a second Committee of the Whole (COW) Meeting on the construction of Fire Station No. 2 was to be scheduled before any action was taken. He asked that City Council remove the item from the agenda and schedule a Committee of the Whole Meeting. City Council and staff reviewed potential dates for the COW and deadlines for action to be taken. Motion by Reid, seconded by Knapp, to remove Item E.1, Contract with Hall Builders, LLC, to perform general contractor services for construction of Fire Station No. 2 and Retention Basin No. 5 drainage improvements, from the March 26, 2019 Regular Meeting Agenda and set a Committee of the Whole Meeting on Tuesday, May 7, 2019 at 5:15 p.m. in City Hall Conference Room No. 1 for the purpose of discussing the construction and replacement of Fire Station No. 2. Upon a roll call vote, motion carried 7 to 0.

COUNCIL COMMITTEE REPORTS: Mayor Pro Tem Pearson shared that he attended a meeting of the Environmental Health Advisory Council (EHAC) at which a railroad related property in the City of Kalamazoo which involves a groundwater restricted zone was reviewed and discussed. He stated that additional discussion is anticipated prior to the EHAC making a recommendation to the Kalamazoo County Commission.

Mayor Pro Tem Pearson next shared that he attended a meeting of the Kalamazoo County Consolidated Dispatch Authority (KCCDA). He stated that routine budgetary items were approved.

Councilmember Knapp shared that she attended a meeting of the Kalamazoo County Public Arts Commission. She reviewed topics that were discussed such as better defining public art and creating and keeping updated an inventory of public art in Kalamazoo County. She then shared that the Public Arts Commission received a presentation on an exciting upcoming exhibit called "Black Refractions: Highlights from the Studio Museum in Harlem." She invited and encouraged the community to reach out to the Kalamazoo Institute of Arts to get more information and help make this exhibition a true community-wide event.

Councilmember Ford shared that he attended a meeting of the Utility Rate Committee and provided an update on topics that were discussed such as health of the water and sewer funds, groundwater levels, future CIP projects and a rate reduction for the next fiscal year.

Motion by Reid, seconded by Burns, to receive the Council Committee Reports. Upon a voice vote, motion carried 7 to 0.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Reid thanked Mayor Pro Tem Pearson for representing Portage at the EHAC Meeting. She then shared that she attended the presentation at Portage North Middle School by Governor Gretchen Whitmer. Councilmember Reid concluded by sharing that a member of the Youth Advisory Committee was instrumental in getting the Governor to visit Portage North Middle School.

Councilmember Burns thanked Mayor Randall for attending the recent "Walk to End Homelessness" sponsored by Housing Resources, Inc. Mr. Burns also thanked members of City Council for their financial support and shared that the fundraising goal of the event was $90,000 but over $119,000 was received. He also thanked Consumers Energy who provided matching funds.

Councilmember Ford shared that, prior to the regular meeting, City Council held a Committee of the Whole Meeting to discuss redevelopment efforts in the Lake Center Business District. He expressed optimism for the future of this area and thanked staff and City Council for their efforts.

Mayor Pro Tem Pearson shared that he had the opportunity to speak with Governor Whitmer and learned that she has relatives who live in Portage.

Mayor Randall shared that she met with Governor Whitmer along with Mayor Pro Tem Pearson and City Manager Shaffer. She shared that she discussed the proposed Portage Community Senior Center as a model for regional senior centers throughout the state and that the public/private partnership that is being used to fund the project could be a role model as well. She commented that the Governor seemed receptive to both.

Next, Mayor Randall shared that she attended a Kalamazoo County Board of Commissioners Meeting focused on leadership. She reviewed topics that were discussed, upcoming projects and shared her belief that the City of Portage and Kalamazoo County maintain a strong relationship and work to help each other whenever possible.

Mayor Randall next shared that she attended a presentation regarding groundwater levels in the Black Forest Drive neighborhood with Councilmembers Burns and Knapp. She shared that this neighborhood has been experiencing serious problems with groundwater levels and reviewed efforts being taken by the city to help mitigate the problem.

Mayor Randall stated that she, along with Councilmember Knapp, attended the performance of Shrek, Jr. presented by Portage North Middle School. She reminded City Council and the audience that members of the Portage North Middle School Drama Department and students had recently attended a City Council Meeting and complimented the school on an outstanding performance.

Mayor Randall next shared that she has been reading to elementary school students as part of "March is Reading Month" and cautioned motorists to be mindful as students will be going on spring break and more active in the community.

ADJOURNMENT: Mayor Randall adjourned the meeting at 7:52 p.m.

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Adam Herringa, City Clerk