

CITY COUNCIL MEETING MINUTES FROM MAY 26, 2020

The Regular Meeting was called to order by Mayor Patricia Randall at 7:00 p.m. The meeting was held virtually in accordance with the Governor's Executive Directive 2020-02 in light of COVID-19. The following members were present via the WebEx meeting platform: Councilmembers Chris Burns, Richard Ford, Lori Knapp, Claudette Reid, Terry Urban, Mayor Pro Tem Jim Pearson, and Mayor Patricia Randall. Also in attendance on the WebEx meeting platform were Deputy City Manager Adam Herringa, Deputy City Manager Mike Carroll and City Attorney Randy Brown. In attendance in Council Chambers were City Manager Joe La Margo, Communications Manager Mary Beth Block, and City Clerk Erica Eklov.

At the request of Mayor Randall, the audience observed a moment of silence to reflect upon the sacrifice of veterans both past and present. Following the moment of silence, the City Council recited the Pledge of Allegiance.

PROCLAMATIONS: Mayor Randall first issued a proclamation declaring June 5, 2020, as National Gun Violence Awareness Day. Mayor Randall then issued a Resolution of Respect in honor of retiring Finance Director Bill Furry. In light of the virtual meeting, Mayor Randall asked the City Clerk to read both documents.

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. Councilmember Reid removed Item A.6. Motion by Reid, seconded by Knapp, to approve the Consent Agenda as amended. Upon a roll call vote, motion carried 7 to 0.

APPROVAL OF MINUTES: Motion by Reid, seconded by Knapp, to approve the minutes of the Regular Meeting of May 12, 2020; Committee of the Whole of May 14, 2020, and Pre-Council Meeting of May 26, 2020. Upon a roll call vote, motion carried 7 to 0.

APPROVAL OF ACCOUNTS PAYABLE REGISTER OF MAY 26, 2020: Motion by Reid, seconded by Knapp, to approve the Accounts Payable Register of May 26, 2020. Upon a roll call vote, motion carried 7 to 0.

2019 LOCAL STREET RECONSTRUCTION PROGRAM: Motion by Reid, seconded by Knapp, to amend a construction contract with Northern Construction Services, Corp. for the 2019 Local Street Reconstruction Program in an amount not to exceed \$118,434.76, 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.

LIFE AND LONG-TERM DISABILITY INSURANCE: Motion by Reid, seconded by Knapp, to approve a two-year contract renewal, with the option of one additional two-year renewal, with The Hartford for employee basic life, basic accidental death and dismemberment, contributory life, contributory accidental death and dismemberment, dependent life and long-term disability insurance, and authorize the City Manager to execute all documents on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

CONCEPTUAL PLAN AMENDMENT FOR TRADE CENTRE COMMERCIAL PLANNED DEVELOPMENT, 300-1150 TRADE CENTRE WAY: Motion by Reid, seconded by Knapp, to accept the Conceptual Plan Amendment for Trade Centre Commercial Planned Development, 300-1150 Trade

Centre Way, and set a public hearing for June 23, 2020; and subsequent to the public hearing on June 23, 2020, consider the Conceptual Plan Amendment for Trade Centre Commercial Planned Development, 300-1150 Trade Centre Way, including the requested building height modification to allow construction of the proposed hotel building to a height up to 65-feet and the requested screening waiver, with the findings contained in the April 30, 2020 Department of Community Development staff report. Upon a roll call vote, motion carried 7 to 0.

FINANCE DIRECTOR APPOINTMENT: Motion by Reid, seconded by Knapp, to confirm the appointment of Lauren VanderVeen as Interim Finance Director. Upon a roll call vote, motion carried 7 to 0.

TAX AND CONTINUING DISCLOSURE POST ISSUANCE COMPLIANCE - RESOLUTION: Motion by Reid, seconded by Knapp, to adopt the Resolution Approving Tax and Continuing Disclosure Post Issuance Compliance Procedures. Upon a roll call vote, motion carried 7 to 0.

MATERIALS TRANSMITTED OF MAY 5, 2020: Motion by Reid, seconded by Knapp, to receive the Materials Transmitted of May 12 and May 13, 2020. Upon a roll call vote, motion carried 7 to 0.

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

PUBLIC HEARINGS:

ORDINANCE AMENDMENTS - ADULT USE MARIHUANA (ZONING): Mayor Randall opened the public hearing and invited any citizens waiting on the public phone line to speak.

Citizen Jevin Weyenberg (5817 Cheshire) spoke in favor of the proposed ordinance. He stated that approving adult-use is the best approach to repel black market marihuana sales and supports the local economy by increasing jobs and tax revenue. He thanked City Council for their efforts, noting citizen approval of the matter in recent ballot initiatives on marihuana. Mayor Randall thanked Mr. Weyenberg for his support and efforts with the city throughout the process.

Councilmember Urban stated he voted no during the first reading of this ordinance and planned to do so again. He noted that there are provisions in the state law that he does not support, but he accepts the voter approval of marihuana. He expressed concerns regarding the amount of marihuana made available under the proposed ordinance and the possibility of the substance ending up in the wrong hands. Mr. Urban noted that in light of the annual Red Ribbon Week observance and prior conversations with his young daughter, he would be voting no again.

Councilmember Ford stated he did not believe proximity would be an issue and understood the city is introducing the ordinance in small steps. He expressed support for the ordinance.

Councilmember Reid stated her hope that City Council will be open to reviewing the matter in the future should they find that revisions are needed once the ordinance goes into effect. She stated that she has not received negative feedback from citizens and would be voting in support of the ordinance. Councilmember Reid thanked the City Administration for their efforts and appreciated the ordinance that had been drafted.

Mayor Pro Tem Pearson agreed with Councilmember Reid, also noting he had not received any negative feedback from citizens. He also agreed with Councilmember Ford regarding the 1,000-foot proximity. He stated he would be voting in support of the ordinance, noting the prior citizen

votes in support of marihuana. He expressed appreciation for the prior Council meetings and staff efforts on the matter, as well as each Councilmember having input on the creation of the ordinance.

Councilmember Knapp noted that adult-use marihuana is legal in Michigan and Portage voters have expressed support for marihuana. She agreed with Councilmember Urban and Mr. Weyenberg that marihuana exists in Portage with or without the proposed ordinance, but she is hoping that the ordinance will provide for the best service and means for a consistent and reliable approach. She stated she would be voting in support.

Councilmember Urban stated he respects fellow Councilmember opinions but highlighted the contrary responses regarding marihuana in the 2017 Citizen Survey.

Mayor Randall thanked everyone for their statements. She stated that the City of Portage needed to define marihuana use in the city before it was defined by others. She thanked the advocates that had reached out to the city, including Mr. Weyenberg. The Mayor also agreed with Councilmember Reid regarding the flexibility for future ordinance revisions if necessary.

Motion by Pearson, seconded by Reid, to close the public hearing. Upon a voice vote, motion carried 7 to 0. Motion by Ford, seconded by Burns, to adopt Ordinance Amendment #19/20-A (5), allowing Adult Use Marihuana in certain districts, of Chapter 42, Land Development Regulations, Article 4 (Zoning). Upon a roll call vote, motion carried 6 to 1 with Councilmember Urban voting no.

REGULAR BUSINESS AGENDA:

FISCAL YEAR 2020-2021 BUDGET APPROVAL AND RESOLUTIONS ADOPTION: Mayor Randall asked the City Manager to summarize the proposed 2020-2021 Budget. City Manager La Margo noted that the proposed budget has no increases to millages or fees, as well as no new millages or fees. He relayed that the City Administration is putting safeguards in place to ensure expenditures do not outpace revenues in light of the effects of the COVID-19 pandemic. Mr. La Margo noted the revision Councilmember Reid requested for the General Fund Reserve Policy Resolution during the Pre-Council Meeting and relayed that Deputy Director VanderVeen and Director Furry were available for questions.

Councilmember Urban inquired whether Council had been provided with an updated General Fund Reserve Policy Resolution document. City Manager La Margo responded that the options for the proposed revision were noted in his Pre-Council Meeting response e-mail with Deputy City Manager Herringa recommending the revision be implemented during the Regular Council Meeting.

Motion by Reid, seconded by Knapp to amend language noted on page two of the General Fund Reserve Policy Resolution from "... the following provision be added to the General Fund Reserve Policy: 'if the Fund Balance at the end of a fiscal year is above 24 percent, the City Council of the City of Portage shall be informed as to how the excess fund balance is to be utilized'" to "... the following provision be added to the General Fund Reserve Policy: 'funds in excess of the 24% fund balance be spent on budgeted items.'"

Mayor Pro Tem Pearson complimented the City Administration and Director Furry, noting that previously the Fund Balance was set at 25 percent and City Council would not have been aware of spending in that fund. He stressed the need for transparency in light of the effects of the COVID-19 pandemic and asked the City Manager to comment on Councilmember Reid's suggested motion.

City Manager La Margo responded that the City Administration would follow through on the will of the Council. He noted that unexpected expenditures occasionally occur, but stated the City Administration will remain within budget and highlighted the planned quarterly budget review meetings with Council to guarantee this measure.

Councilmember Reid noted her motion was provided by the City Administration and would not preclude the proposed budget; if an expense is not budgeted, it still requires Council approval. She relayed that this was the more flexible option suggested by the City Administration.

Mayor Pro Tem Pearson asked the City Manager to read the Pre-Council Meeting response for clarity. Mr. La Margo recited the response.

City Attorney Brown stated that the City Administration would still need to adhere to the Purchasing Ordinance no matter what the General Fund Reserve Policy Resolution stated.

Councilmember Knapp stated she did not believe the proposed revision was constricting and supported the change.

Councilmember Urban stated that he had received the Pre-Council Meeting response e-mail but preferred a revised resolution document be presented to Council before a formal vote.

Motion by Urban to table Councilmember Reid's motion. There being no support, the motion did not pass. City Council debate regarding procedures followed.

Motion by Urban, seconded by Reid, to separate the General Fund Reserve Policy Resolution from the action recommended regarding the Fiscal Year 2020-2021 Proposed Budget. Upon a roll call vote, motion failed 2 to 5.

City Manager La Margo stated his concurrence with the amended Resolution.

Councilmember Knapp stated that she was unsure as to the purpose of postponing the vote, complimenting the Pre-Council Meeting responses provided by the City Administration. Mayor Pro Tem Pearson and Councilmember Ford agreed.

Councilmember Urban expressed his concern with changes made during a meeting and the reason for his prior motion.

Mayor Pro Tem Pearson noted those members present at the Pre-Council Meeting and the discussion during the Pre-Council Meeting regarding Councilmember Reid's concerns. He noted that Council has met several times previously with staff regarding the proposed budget and expressed support for the revision to the Resolution.

Mayor Randall stated the shortened workweek due to the Memorial Day holiday did not help the situation with both the Pre-Council Meeting and the Regular Meeting on the same day, but stressed the importance of the Pre-Council Meeting. She agreed with Councilmember Reid and asked to move forward with the budget.

Mayor Randall requested the City Clerk to call the vote regarding Councilmember Reid's earlier motion. Upon roll call vote, motion carried 7 to 0.

Motion by Burns, seconded by Pearson, to approve the Fiscal Year 2020-2021 Proposed Budget with Revisions, and adopt the General Appropriations Act, Salary and Wage, and General Fund Reserve Policy Resolutions. Councilmember Reid made a Point of Order to ensure Councilmember Burns' motion included the revision to the General Fund Reserve Policy Resolution. Clarified motion by Burns, seconded by Pearson, to approve the Fiscal Year 2020-2021 Proposed Budget with Revisions, and adopt the General Appropriations Act, Salary and Wage, and revised General Fund Reserve Policy Resolutions. Upon a roll call vote, motion carried 7 to 0.

Councilmember Reid thanked staff for their efforts, likening this particular budget to a birth, and expressed appreciation for the upcoming quarterly budget reviews.

ENERGY SERVICES COMPANY: Councilmember Reid indicated that this was the first-time, unique contract and she asked City Manager La Margo to provide additional elaboration.

City Manager La Margo explained the city's efforts toward cost-efficiency and energy savings, noting that the proposed firm will be contracted to review the city's line-item budgets to assist in this endeavor. He further deferred to Deputy City Manager Herringa.

Deputy City Manager Herringa agreed that this endeavor is new for Portage but not for local governments and industries. He stated that the city is hoping to improve its energy efficiency, which was first started by the Environmental Board. He noted that the City Administration does not have the time truly necessary to perform an in-depth review, nor the expertise and that is where the vendor proves useful. Mr. Herringa stated that there is no initial charge to the city for the service until the vendor realizes energy savings for the city and will then receive a portion of the savings. He stated that any resulting City Hall projects will still go through the usual bidding process. He closed by noting that the firm came recommended by other Michigan cities that have performed similar reviews.

Councilmember Reid noted two other firms had also been interviewed.

Councilmember Urban inquired how the savings would be determined. Deputy City Manager Herringa responded that it would be based on actual dollars saved, with an eight to ten percent profit margin. Councilmember Urban further asked how the entity selecting the project would be differentiated. Mr. Herringa responded that the contract has metrics for determination and further noted that the city's Fleet & Facilities Deputy Director has a Level One certification in building operations with knowledge on ESCO practices. Councilmember Urban then asked about the timeline. Deputy City Manager Herringa responded that the city researched firms in December, published the RFP in March, and closed on May 11th.

Mayor Randall stated she looks forward to the review and has heard of the savings possible.

Motion by Reid, seconded by Knapp, to enter into an agreement with Noresco for the provision of ESCO services for the period of July 1, 2020 through June 30, 2025 and authorize the City Manager to execute all documents related to this contract on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

UNFINISHED BUSINESS AGENDA:

ORDINANCE AMENDMENTS - ADULT USE MARIHUANA (BUSINESSES): Mayor Randall deferred to the City Manager. City Manager La Margo noted this was the second reading of the ordinance and asked if there were any questions.

Councilmember Urban asked for clarification regarding which aspect was being discussed. City Attorney Brown noted that this portion of the adult-use marihuana ordinance related to the business aspect while the zoning aspect had been passed by Council during the public hearing segment of the meeting.

Motion by Reid, seconded by Ford, to adopt Ordinance Amendment #19/20-6, Marihuana Businesses, of Chapter 14, Businesses, Article 12. Upon a roll call vote, motion carried 6 to 1 with Councilmember Urban voting no.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Burns congratulated Finance Deputy Director VanderVeen as a fellow CPA on her promotion. He then thanked those in the military and first responders in light of Memorial Day.

Councilmember Ford echoed Mr. Burns' comments and noted two Americans were scheduled to travel to space tomorrow with NASA. He then congratulated City Manager La Margo and Deputy Director VanderVeen on passing their first budget.

Councilmember Urban also congratulated Deputy Director VanderVeen and thanked Finance Director Bill Furry for his service.

Councilmember Reid also congratulated Deputy Director VanderVeen and thanked Director Furry on his retirement. She noted that this was the first Memorial Day in her experience without a parade or memorial service, which she missed but expressed gratitude for those keeping the country

safe. Ms. Reid further noted that the Governor had extended the Stay Home, Stay Safe Executive Order through June 12th. She understood this was frustrating but encouraged everyone to maintain safe practices.

Councilmember Knapp congratulated Deputy Director VanderVeen and Director Furry, noting that Director Furry would still be around to advise the city, but she appreciated his knowledge and expertise. Ms. Knapp thanked all staff for their efforts with the budget and noted appreciation for the upcoming quarterly budget reviews.

City Manager La Margo commented that he has worked with a lot of department directors over time and noted that Director Furry continued to work diligently despite his pending retirement. He responded to Councilmember Reid that he had never heard comparing a budget to birth but stated that the city will get through this difficult time while meeting or exceeding the city's current level of service. He then expressed appreciation for Memorial Day noting his son currently serves in the military. Mr. La Margo closed by reminding everyone that the beaches would remain closed until June 12th under the Governor's orders, but tennis and pickleball courts would now be open.

Mayor Pro Tem Pearson thanked Director Furry and congratulated Deputy Director VanderVeen. He relayed his family history with the military in light of Memorial Day and thanked veterans for their service.

Mayor Randall congratulated Deputy Director VanderVeen and relayed that the city would miss Director Furry. She stated that the next Portager newsletter would be dedicated to the 2020 graduates. She thanked everyone for successfully conducting another remote meeting to accommodate the public and fulfill city business.

ADJOURNMENT: Mayor Randall adjourned the meeting at 8:37 p.m.

Erica L. Eklov, City Clerk