

7:30 p.m. Call to Order.

Invocation: Ms. Sujatha Krishnamurthy of the Indo American Cultural Center and Temple.

Pledge of Allegiance.

Roll Call.

Proclamations:

1. Child Abuse Prevention Month
2. Fair Housing Month

A. Approval of City Council Meeting Minutes.

1. Approval of the Regular and Special Meeting Minutes of March 22, 2016.
2. Approval of the Pre-Council Meeting Minutes of April 11, 2016.

* B. Approval of Consent Agenda Motions.

* C. Accounts Payable Register:

1. Communication from the City Manager recommending that City Council approve the Accounts Payable Register of April 12, 2016 as presented.

D. Public Hearings:

E. Petitions and Statements of Citizens:

F. Reports from the Administration:

1. Presentation of Proposed Fiscal Year 2016-2017 Budget.

* 2. Communication from the City Manager recommending that City Council establish a public hearing for April 26, 2016 to consider resolutions to:

1. adopt the recommendation that the sewer commodity rate remain at \$4.60 per 1,000 gallons of metered water;
2. adopt the recommendation that the water commodity rate remain at \$3.19 per 1,000 gallons of metered water;
3. adopt the recommendation that adjustments be made to both the sewer and water base quarterly charges as noted in the 2016 Utility Rate Financial Study;
4. adopt the recommendation that the new rates become effective on October 1, 2016; and
5. adopt the recommended water and sewer franchise area fees and other service fees and charges as outlined in the 2016 Utility Rate Financial Study.

* 3. Communication from the City Manager recommending that City Council adopt the resolution of support for the Kalamazoo County Brownfield Redevelopment Authority Brownfield Redevelopment Plan for 5825/5901 Willoughby Drive for tax capture in the maximum amount of \$190,540 over a period of up to 15 years (including five years for the Local Site Remediation Revolving Fund) or when eligible activities have been fully reimbursed, whichever occurs first.

* 4. Communication from the City Manager recommending that City Council set a Special Meeting on Tuesday, May 10, 2016, beginning at 5:15 p.m., to interview Board and Commission applicants.

G. Communications:

H. Unfinished Business:

* I. Minutes of Boards and Commissions Meetings:

1. Portage Public Schools Board of Education Regular of February 22, Special of February 29 and Committee of the Whole of March 14, 2016.

2. Portage Historic District Commission of March 2, 2016.
3. Portage Planning Commission of March 3 and 17, 2016.
4. Portage Human Services Board of March 3, 2016.

J. Council Committee Reports:

K. New Business:

L. Bid Tabulations:

- * 1. Communication from the City Manager recommending that City Council award a construction contract for the 2016 Local Streets Reconstruction Project to Rieth-Riley Construction Company, Incorporated, of Kalamazoo, Michigan, in an amount not to exceed \$1,639,086.77 and authorize the City Manager to execute all documents related to the contract on behalf of the city.
- * 2. Communication from the City Manager recommending that City Council award a construction contract for the South Shore Drive Sanitary Sewer Improvements Project #416-S to Balkema Excavating, Incorporated, of Kalamazoo, Michigan, in an amount not to exceed \$481,463.06 and authorize the City Manager to execute all documents related to the contract on behalf of the city.
- * 3. Communication from the City Manager recommending that City Council approve the purchase and installation of a Scott Breathing Air System Hush/Revolveair in the amount of \$62,439 from Argus-Hazco of Chesterfield, Michigan, and authorize the City Manager to execute all documents related to this matter on behalf of the city.
- * 4. Communication from the City Manager recommending that City Council award a two-year contract, with the option for up to three one-year extensions, to the low bidder Michigan Municipal Police & Fire Repair, LLC, for maintenance of all Department of Public Safety Police Division vehicles at a labor rate of \$45.00 per hour and authorize the City Manager to execute all documents related to this action on behalf of the city.

M. Other City Matters:

1. Statements of Citizens.
2. From City Council and City Manager.
- * 3. Reminder of Meetings:
 - a. Wednesday, April 13, 6:30 p.m., Park Board, Schrier Park.
 - b. Wednesday, April 13, 7:00 p.m., Environmental Board, City Hall Room No. 1.
 - c. Thursday, April 14, 7:00 p.m. to 9:00 p.m., Portage Environmental Board Deer Forum, Council Chambers.
 - d. Tuesday, April 19, 4:30 p.m. to 9:00 p.m., City Council Budget Review Session, Council Chambers.
 - e. Wednesday, April 20, 1:00 p.m., Long Lake Governmental Lake Board, City Hall Room No. 3.
 - f. Wednesday, April 20, 2:30 p.m., Senior Citizen Advisory Board, City Hall Room No. 2.
 - g. Thursday, April 21, 7:00 p.m., Portage District Library Board, Portage District Library.
 - h. Thursday, April 21, 7:00 p.m., Planning Commission, Council Chambers.
 - i. Tuesday, April 25, 6:00 p.m., City Council Committee of the Whole Meeting, City Hall Room No. 1.

* N. Materials Transmitted.

1. Materials Transmitted of March 22, 2016.

Adjournment.



City of Portage *Proclamation*

CHILD ABUSE PREVENTION MONTH

WHEREAS, 6,331 complaints of suspected maltreatment of children were received by our local Children's Protective Services in 2015; and

WHEREAS, nearly 50% of confirmed victims of abuse and neglect in our County are under the age of 6; and,

WHEREAS, an average of 686 children are in foster care in Kalamazoo County per month; and

WHEREAS, five Protective Factors, namely: Social and Emotional Competence of Children, Knowledge of Parenting and Child Development, Social Connections, Parental Resilience, and Concrete Support in Times of Need are proven to **reduce** the risk of child maltreatment; and,

WHEREAS, the Kalamazoo County Child Abuse and Neglect Prevention Council uses the five protective factors to educate community members and advocate for the prevention of child abuse, especially during April.

NOW THEREFORE, I, Peter J. Strazdas, Mayor of the City of Portage, do hereby proclaim April as **Child Abuse Prevention Month** in the City of Portage and call upon all citizens, community agencies, faith groups, medical facilities, and businesses to increase their participation in the effort to support families, thereby preventing child abuse and strengthening the community in which we live.



Signed this 12th day of April, 2016

Peter J. Strazdas, Mayor



City of Portage Proclamation

FAIR HOUSING RESOLUTION

WHEREAS, 2016 is the 48th anniversary of the Federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended, to prohibit housing discrimination when based on race or color, national origin, religion, sex, familial status or disability, and declared that equal housing opportunity is a basic right of every American; and

WHEREAS, the Michigan State Legislature passed the Elliott-Larsen Civil Rights Act of Michigan in 1976 to protect people from housing discrimination based on religion, color, race, national origin, age, sex, familial status or marital status; and

WHEREAS, the Michigan State Legislature passed the Michigan Persons and Disabilities Civil Rights Law of 1976 to protect individuals with disabilities from housing discrimination; and

WHEREAS, the City of Portage has completed an Analysis of Impediments to Fair Housing, and annually undertakes activities to further fair housing efforts and educate the public on fair housing issues; and

WHEREAS, equal housing opportunity is a goal to be achieved within the City of Portage.

NOW, THEREFORE BE IT RESOLVED, that I, Peter J. Strazdas, by virtue of the authority vested in me as the Mayor of Portage, Michigan, do hereby resolve the month of April 2016, as ***FAIR HOUSING MONTH*** in hope that this observance will promote fair housing practices throughout the City.



Signed this 12th day of April 2016

Peter J. Strazdas, Mayor

CITY COUNCIL MEETING SUMMARY

March 8, 2016

PROCLAMATION

- ◆ Mayor Strazdas issued a March 2016 As March for Meals Month Proclamation read by Councilmember Randall.

ACCOUNTS PAYABLE REGISTER

- ◆ Approved the Accounts Payable Register of March 8, 2016, as presented.

PUBLIC HEARING

- ◆ Approved Rezoning Application #15/16-3 and rezoned the northern 75-feet of 328 West Milham Avenue and the northern 100-feet of 414 West Milham Avenue from R-1A, one family residential, to OS-1, office service, for the reasons provided in the staff report dated January 15, 2016.

PETITIONS AND STATEMENTS OF CITIZENS

- ◆ At the behest of Roy and Tricia Gooch, owners, Precision Printer Services, Mayor Strazdas heard comments from Mr. Gooch regarding consideration of a Local Preference Policy for bid situations.
- ◆ As a Point of Order, Mayor Strazdas asked if anyone else in the audience wished to speak at this time and, seeing no one, reminded everyone that there was another opportunity for the public to speak at the end of the meeting.

REPORTS FROM THE ADMINISTRATION

- ◆ Approved the Final Plan for Raymond James at 7995 Moorsbridge Road.
- ◆ Adopted the *Resolution Approving the Capital Improvement Project and Approving Insertion of Intention of the City of Portage to Issue Capital Improvement Bonds*.
- ◆ Approved Contract #16-5012 between the Michigan Department of Transportation and the City of Portage for improvements along Portage Road (Romence Road to East Milham Avenue); adopted a Resolution authorizing the City Manager to sign Contract #16-5012; and authorized the City Manager to sign all other documents related to this project on behalf of the city.
- ◆ Appointed Lori Knapp, Patrick Buckley and Leonard Lamberson to one Board of Review and appointed Michael Quinn, Carol Eddy and Justin Gish to the second Board of Review.
- ◆ Confirmed the appointment of Donald Wood as the Director of Human Resources effective March 21, 2016.

COMMUNICATIONS

- ◆ Received a presentation by Kalamazoo County Sheriff Richard Fuller and County Prosecutor Jeff Getting regarding the upcoming Law Enforcement Millage.
- ◆ Accepted the 2016 calendar year appointments to City Council committees.

UNFINISHED BUSINESS

- ◆ Approved an ordinance to amend the Code of Ordinances of the City of Portage, Michigan, by amending Article 3, Offenses Against Public Safety, Section 50-81, Discharge of Firearms, of Chapter 50, Offenses and Miscellaneous Provisions.

BID TABULATIONS

- ◆ Awarded a construction contract for the East Osterhout Avenue Reconstruction Project to Michigan Paving & Materials Company of Kalamazoo, Michigan, in an amount not to exceed \$588,553.33 and authorized the City Manager to execute all documents related to the contract on behalf of the city.
- ◆ Approved a one-year managed print services agreement, in the amount of \$22,871 with the option for two one-year renewals with Cartridge World for the provision of printer supplies and services and authorized the City Manager to execute all documents related to this action on behalf of the city.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER

- ◆ Councilmember Reid commented on the March 8, 2016 Presidential Primary and the record voter turnout. Councilmember Pearson concurred. Mayor Strazdas gave praise and appreciation to the City Clerk staff for reacting efficiently and effectively to the surge in voters, the shortage of ballots, and a multitude of phone calls and visits necessary to assist 40 newly trained Election Officials with many questions and challenges throughout the day.
- ◆ At the request of Mayor Strazdas, City Manager Shaffer announced the new "SeeClickFix" technology to report and track any issues in the City.
- ◆ Councilmember Randall gave kudos to the City snow removal crews and recognized the performance of the Central Ohio University Choir. Mayor Strazdas concurred and said the event was spectacular and the members of the Choir had incredible talent and sent a powerful message.

COMPLETE MINUTES OF EACH CITY COUNCIL MEETING ARE AVAILABLE ON THE CITY WEBSITE AT PORTAGEMI.GOV, IN CITY HALL AND IN THE DISTRICT LIBRARY. MINUTES OF CITY BOARDS AND COMMISSIONS ARE AVAILABLE ON REQUEST FROM VARIOUS DEPARTMENTS.

**MINUTES OF THE SPECIAL MEETING OF THE PORTAGE CITY COUNCIL
MAYOR AND CITY COUNCIL FOR THE DAY OF MARCH 22, 2016**

Mayor Peter Strazdas called the meeting to order at 8:00 a.m. in Council Chambers and provided a summary of the planned activities of the day. The following members of City Council were present: Councilmembers Jim Pearson, Patricia M. Randall, Claudette Reid and Terry Urban, Mayor Pro Tem Nasim Ansari and Mayor Peter Strazdas. Councilmembers Richard Ford was absent with notice. Also in attendance were City Manager Laurence Shaffer, City Attorney Randy Brown and City Clerk James Hudson.

Present from Portage Northern High School were: Sydney Adams, Vanessa Burtis, Rosie Coryell, Sarah Headapohl, Jesse Liebert, Francesca Riehl and Hayden Vanderweele. Also present was Student Advisor Rick Searing.

Present from Portage Central High School were: Matt Bourbeau, Riley Burns, Kendall Hannemann, Minh Le, Brady Mills, Abby Nawrocki and Colin Palmer.

At the request of Mayor Strazdas, Assistant City Attorney Charlie Bear provided a discussion of the role of the City Attorney, and City Manager Larry Shaffer reviewed the role of the City Manager. Each Councilmember and Mayor Strazdas provided a discussion of how he or she became involved in city government. Discussion and a question and answer session followed.

At the request of Mayor Strazdas, City Clerk Hudson discussed elections, voter registration and encouraged the students to consider helping citizens through a career in government.

RECESS: 9:00 a.m.

Mayor Strazdas, the City Councilmembers and the students went on a tour of the Portage City Hall.

RECONVENE: 9:50 a.m.

City Councilmembers and the students met in Council Chambers and Mayor Strazdas asked the students to tell everyone what they felt are the important issues or a “wish list” for the community.

RECESS: 10:10 a.m.

City Councilmembers and the students went on a tour of Portage Fire Station No. 1 and a tour of the Portage Police Station.

RECONVENE: 11:40 a.m.

Mayor Strazdas invited the student participants to eat lunch and asked each student to provide a speech stating why he or she wanted to be Mayor or a Councilmember for the Day and to disclose whether they could attend the City Council Meeting later at 7:30 p.m. Discussion followed.

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Following the student speeches, City Clerk James Hudson and Deputy City Clerk Adam Herringa led the process for voting in the Mayor and City Councilmember for the Day Election.

The election for Student Mayor for the Day followed, and Sydney Adams was declared the winner of the Student Mayor for the Day position. Discussion followed.

The election for Student Councilmembers for the Day followed. Discussion followed.

The following students were elected Student Councilmembers for the Day from Portage Northern High School: Vanessa Burtis, Francesca Riehl and Jesse Liebert as Student Councilmembers for the Day; and, from Portage Central High School: Kendall Hannemann, Brady Mills and Colin Palmer as Student Councilmembers for the Day. Discussion followed.

Mayor Strazdas thanked all of the students for participating and wished them success and asked each of them to give it their “all” each day so the community can get better and thanked City Council for participating.

ADJOURN: Mayor Strazdas adjourned the meeting at 12:50 p.m.

James R. Hudson, City Clerk

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CITY COUNCIL MEETING MINUTES FROM MARCH 22, 2016

The Regular Meeting was called to order by Mayor Strazdas at 7:30 p.m.

Mayor Strazdas provided a short synopsis of the Mayor and City Council for the Day Program and asked City Clerk James Hudson to swear in the students who were voted Student Mayor for the Day and Student Councilmember for the Day. City Clerk Hudson administered the Oath of Office to Sydney Adams as Student Mayor for the Day and Kendall Hannemann, Vanessa Burtis, Colin Palmer, Francesca Riehl, Brady Mills and Jesse Liebert as Student Councilmembers for the Day. The Student Mayor and Student Councilmembers took their seats at the dais. Mayor Strazdas recognized Rosie Coryell in the audience, who is a student who also attended the Student Mayor and City Council for the Day activities earlier in the morning.

At the request of Student Mayor Sydney Adams, Rabbi Harvey Spivak of the Congregation of Moses gave the invocation and the City Council and the audience recited the Pledge of Allegiance.

At the request of Student Mayor Sydney Adams, the City Clerk called the roll with the following members present: Councilmembers Richard Ford, Jim Pearson, Patricia Randall, Claudette Reid and Terry Urban, Mayor Pro Tem Nasim Ansari and Mayor Peter Strazdas. Also in attendance were City Manager Larry Shaffer, City Attorney Randall Brown and City Clerk James Hudson.

At the request of Student Mayor Sydney Adams, the City Clerk called the Student Mayor and Student Councilmembers roll with the following members present: Student Councilmembers Kendall Hannemann, Vanessa Burtis, Colin Palmer, Francesca Riehl, Brady Mills and Jesse Liebert and Student Mayor Sydney Adams.

APPROVAL OF MINUTES: Motion by Pearson, seconded by Ansari, to approve the Regular Meeting Minutes of March 8, 2016, and the Pre-Council Meeting Minutes of March 21, 2016, as presented. Upon a voice vote, motion carried 6 to 0 with Councilmember Ford abstaining.

* **CONSENT AGENDA:** Student Mayor Adams asked all of the Student Councilmembers to share in the reading of the Consent Agenda. Motion by Pearson, seconded by Ansari, to approve the Consent Agenda motions as presented. Upon a roll call vote, motion carried 7 to 0.

* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF MARCH 22, 2016:** Motion by Pearson, seconded by Ansari, to approve the Accounts Payable Register of March 22, 2016, as presented. Upon a roll call vote, motion carried 7 to 0.

PUBLIC HEARINGS:

MARTIN LUTHER KING, JR. DRIVE RECONSTRUCTION PROJECT #998-R: Mayor Strazdas introduced this item and City Manager Larry Shaffer opened the discussion by expressing his appreciation to Josh Weiner for all of his support with this project. Discussion followed and Mr. Shaffer deferred to T&U Director Chris Barnes, who indicated that the purpose of this public hearing is to confirm the Special Assessment Roll by adopting Resolution No. 5, and that this is the second public hearing on this matter. He specified the location of the project and disclosed that there will be a complete reconstruction of this private street built in the 1980's that is owned by a local firm, Village Green, L.L.C. Mr. Barnes noted that the reconstruction will include complete removal and replacement of the pavement area, removal of approximately 50% of the curbs and gutter, a new storm drainage system, sidewalk improvements, retaining wall improvements, mobility and accessibility

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improvements for Metro Transit, and barrier free access for sidewalks. He reviewed the Special Assessment process, explained that \$88.70 per front foot has been levied to all of the affected property owners and \$1,960 for concrete driveway approaches and that all of the property owners in the District have been notified and have been instrumental in the planning of the project throughout the process. He also noted that the street will ultimately become a public street and be eligible for Act 51 funds in 2017. He asked whether there were any questions. Discussion followed.

Mr. Shaffer indicated that the property owners have deposited \$250,000 and the Special Assessment is for \$225,000, so the pool of funds is about \$475,000, and the City budget for the bid and the architect is about \$450,000; so, barring something unforeseen, the City will be within the resources available. Also, he indicated that in 2017 Act 51 allotment is projected to be up by about \$800,000, and the State has indicated that it will continue to move up for the next five or six years to an increase of \$2.5 million. Discussion followed.

In response to Councilmember Reid, City Attorney Randy Brown disclosed that the City will take over ownership and responsibility for the property once it is approved at this meeting.

Mayor Strazdas opened the public hearing for comment from the audience; hearing none, motion by Pearson, seconded by Randall, to close the public hearing. Upon a voice vote, motion carried 7 to 0. Motion by Randall, seconded by Urban, to adopt Resolution No. 5 confirming the Special Assessment Roll for the Martin Luther King, Jr. Drive Reconstruction Project #998-R and accept the deed and public dedication for the parcel of land known as Martin Luther King, Jr. Drive. Upon a roll call vote, motion carried 7 to 0. Discussion followed. Councilmember Randall expressed her appreciation to Mr. Shaffer for building a relationship with Josh Weiner, and for his efforts that were so instrumental in this process.

REZONING APPLICATION #15/16-2 (ADMIRAL AVENUE/ DORSET STREET):

Mayor Strazdas outlined the item and deferred to City Manager Larry Shaffer, who indicated that the Planning Commission and Community Development Director Vicki Georgeau have worked very hard on this and asked that discussion and questions be directed to her on the matter.

Ms. Georgeau reviewed some of the details of the five-acre property in question, including that it currently contains two zoning classifications: I-1, light industrial, to the south, and RM-1, multi-family residential, to the north. She indicated that the applicant, Mr. Chad Scott, 6425 East V Avenue, Vicksburg, has requested that the parcels be rezoned R1-T, attached residential, also known as duplexes. She described the topography of the property and suitability for development. She explained the zoning characteristics of the various properties in question, as well as the city-owned property along Bicentennial Trail.

Ms. Georgeau indicated that when Mr. Scott originally proposed the rezoning of the property in question, owing to the intensity of the existing zoning designations and since this zoning was not consistent with the Land Use Plan, staff supported rezoning it to either R-1A, one family residential, or R1-T, attached residential; however, the public comment and concerns expressed at the public hearing at the December 3, 2015 Planning Commission Meeting revealed the need to reconsider, and she explained the new rezoning recommendations for each of the properties. Finally, she pointed out that the staff recommendations are consistent with the Land Use Plan, the Comprehensive Plan and the development pattern of the neighborhood and do not create nonconformity. Discussion followed.

Mayor Strazdas opened the public hearing to the audience and invited comment from the applicant, Chad Scott, 6425 East V Avenue, Vicksburg, whose zoning request is based on the ability to have the option of building as many as two duplex units along the northern portion of the property at 480 Admiral Avenue, at the eastern terminus of Cameo Avenue. First of all, Mr. Scott indicated that he already has \$10,000 invested in the project, but he did not indicate where the money was spent. He designated the location on the map of his proposed duplexes, issued a complaint about storm water draining onto his property using four large photographs, pinpointed where the City retains an easement using another map, and stated that the City easement is not where the City thinks it is. He said in order to get his money back, he will have to bring suit against the City for damages to his property. He said

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the single family residential zoning designation means nothing to him since he cannot build a house “back there” and, with no duplex, he can’t take care of the problem. He said, “We’re not working together, and we’re going to cost each other some money.” Mayor Strazdas asked Mr. Scott to focus on the rezoning issues as the other aspects are not a part of the discussion and referred him to Mr. Shaffer for resolution of his other issues. At the request of Mayor Strazdas, Mr. Scott confirmed that he was not in favor of the rezoning because it renders his property useless for development and listed his reasons as: he cannot resell the property with the rezoning; and, that as a result of the change in the rezoning classification, the owners along Dorset Street are downgrading their property because he explained that a duplex lot is worth more than the single family lots.

Rick Dueweke, 606 Dorset Street, Alisha Cederberg, 612 Dorset Street, and Chris Rohr, 619 Cameo Avenue, spoke in opposition to the rezoning request and advocated R-1A, single family residential.

Mayor Strazdas asked if anyone else wanted to come forward for comment regarding this matter. Seeing none, motion by Urban, seconded by Reid, to close the public hearing. Upon a voice vote, motion carried 7 to 0. Discussion followed.

City Attorney Randy Brown reminded City Council of the standards to use to determine whether or not to rezone this property: the State of Michigan would treat consistency as a priority - the consistency with the Comprehensive Plan and Land Use Map Designation, the existing land use pattern in the area, whether the rezoning will result in an appreciable increase in traffic, whether there will be a negative effect on public safety, conformance with the Planning Commission recommendation, and whether there will be an adverse effect on the surrounding property. He indicated that these are the general areas to be considered as important, and noted that there are minor standards as well that do not apply to this situation. He also indicated that it will be a good idea to include, especially if it is in favor of the staff recommendation, the basis of the staff recommendation in the motion for support and explained. Lastly, as a separate concern, Mr. Brown emphasized that for the actions of a City to be considered a “taking” to sustain a claim, the loss of all economical, beneficial use of that property has been taken.

Councilmember Ford asked whether the easement had been reviewed by the City Attorney, and Mr. Brown answered in the negative. In answer to Mayor Strazdas, City Manager Shaffer indicated that he had not had the opportunity to speak to the City Engineer or the applicant about the easement. At the request of Mayor Strazdas, Ms. Georgeau indicated that a copy of the easement is in the files, was provided to the applicant and that she understands his concerns, which can be addressed. She also noted that it was not relevant as part of the initial rezoning application, so it was not submitted as an impediment to development.

At the request of Mayor Strazdas, Ms. Georgeau reviewed each of the standards presented by City Attorney Brown and confirmed that the application is consistent with the Comprehensive Plan, consistent with the Land Use Plan and will have a low impact on traffic. She also reflected that the land use pattern is more important than the return on investment by the developer.

In answer to Mayor Strazdas, City Attorney Brown indicated that the applicant believes it will have a negative impact on his property, so he is opposed to the rezoning; however, City Council decides whether the classifications are reasonable or not; so, if Council believes the change in zoning would still allow for a reasonable classification, then it is appropriate and will satisfy the standards.

At the request of Mayor Strazdas, Ms. Georgeau indicated that if the zoning for 480 Admiral Avenue is R1-A, one family residential, for a one family home and, as there is only one point of access, the applicant would have to find another point of access to build more. She also conceded that the City would need to work with the applicant regarding his drainage concerns.

City Attorney Brown indicated that the decision to rezone is not for the highest and best use of the property as this is a realtor’s term and, even if the rezoning reduces the value of the property, this does not make the rezoning invalid, wrong, illegal or subject to challenge. He re-emphasized that the problem comes in when the rezoning removes all of the value of the property, and that is a matter of proof. Discussion followed.

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In answer to Councilmember Urban, Ms. Georgeau used a study provided by the applicant to generally outline the portion of the land that is not buildable owing to water issues which is the area behind the homes on Dorset Street. She emphasized that there is no recent delineation of the wetland on the property in question, so before any development on this property, the City would ask the applicant to submit a wetland delineation to make sure the Department of Environmental Quality (DEQ) does not require a permit and, if necessary, obtain one before construction. Discussion followed.

In answer to Councilmember Randall, Ms. Georgeau answered in the affirmative that the original application from Mr. Scott was the catalyst for the proposed changes in rezoning of these properties. She explained that it is a part of the work plan for Community Development to look at areas where there were inconsistencies between the recently adopted Comprehensive Plan and zonings, and to initiate a rezoning. She shared that when this request came in, staff noticed some irregularities among the zoning and the land use, but decided to help Mr. Scott and deal with the inconsistencies at a later date; however, as the public process unfolded, staff realized from public comment that there was the need to look at the greater area and explained. Discussion followed.

In answer to Councilmember Ansari, Ms. Georgeau indicated that the only properties that are inconsistent with the R1-A zoning classification are the three duplexes where Dorsett Street meets Admiral Avenue built in early 1960's and have been nonconforming since 1965. She mentioned that if they are destroyed by fire, tornado, etc., they could be built on the current footprint after 18 months and explained.

In answer to Councilmember Ford, Ms. Georgeau indicated that the City has no plans to extend Cameo Avenue and discussion followed.

In answer to Councilmember Urban, Ms. Georgeau indicated that the applicant could not extend Cameo Avenue and build on the north and the south sides of the road because the City would require a cul-de-sac which would take up too much of the available buildable area; or he could get a variance to extend the street as a dead end terminus like it is now, which is questionable. Discussion followed.

When Mayor Strazdas invited Mr. Scott back for comment, he said that 90% of his property was zoned correctly, and he was only trying to rezone 10% that was zoned I-1, light industrial, and explained that he was not trying to be greedy. In answer to Councilmember Urban, Mr. Scott indicated that he would have to go back to the engineers to determine how much of the property could be developed if Cameo Avenue were extended.

In answer to Councilmember Reid, Mr. Scott indicated that there cannot be three duplexes based on the available buildable land, only two, and explained how they would be placed on the north side of Cameo Avenue with a shared driveway and a turn around and how it was not economical to build single family dwellings on this property.

In answer to Councilmember Urban, Ms. Georgeau pinpointed the City easement on the plat map between Lot 40 and 41. She indicated that she understood the applicant was not satisfied with the drainage coming from Cameo Avenue, but did not think this was relevant to the rezoning question before Council. Discussion followed. Ms. Georgeau indicated that the property is large enough to be used for I-1, light industrial, as it is possible to build a small building there such as a storage building, a small auto repair or a work shop of some kind. She said the owner could use the wetland for drainage to keep their water on their property, and off-street parking would be required. She gave a pole barn on Schuring Road used to store cars that was sold and is now being used for car repair as an example. Discussion followed.

Motion by Randall to table Rezoning Application #15/16-2 until the Regular City Council Meeting of April 26, 2016. Discussion followed. City Attorney Brown reminded everyone that there would not be a new public hearing on the matter, but a continuation of these proceedings. Motion was seconded by Reid. Upon a roll call vote, motion carried 7 to 0. Discussion followed.

REZONING APPLICATION #15/16-4 (1521, 1603 AND 1615 EAST CENTRE AVENUE): Mayor Strazdas introduced the item and deferred to City Manager Larry Shaffer, who asked Ms. Vicki Georgeau to address the item. Ms. Georgeau reviewed some of the development guidelines, reasons for the recommended zoning changes, and the Planned Development (PD) District. She described some of the features, characteristics and amenities specific to the design of the proposed Planned Development. She indicated that the historic house will be retained as part of the development and explained how the development is in compliance with the spirit of the Comprehensive Plan. She shared that the Planning Commission reviewed this proposal over a couple of meetings with no discussion for or against. In answer to Mayor Strazdas, Ms. Georgeau assured him that the project is consistent with the Comprehensive Plan and the Land Use Plan and gave examples; that there are no anticipated traffic concerns; and explained that no negative impacts to the surrounding property owners are anticipated.

In answer to Mayor Pro Tem Ansari, Ms. Georgeau defined affordable housing by saying that the applicants will not pay more than 30% of their household income on housing expenses and explained that this project is targeted for persons with lower income and persons with disabilities. When he asked her how it compares with Milham Meadows or Anna's Vineyard, Ms. Georgeau indicated that the residents would have affordable housing options similar to those developments; this is going to be a brand new development with great architectural design, high quality building materials, lots of open space, sufficient parking; so, it should be a positive addition to the community. Discussion followed.

Ms. Georgeau confirmed for Councilmember Randall that two of the three houses represented on the map would be torn down and the one located in an historic district would remain; and, in order to sell it off in the future a modification of the historic district would be required, but the applicant intends to use it as the manager's residence.

Ms. Georgeau confirmed that the remaining property to the west is zoned OS-1, office service, and the proposed drive is aligned with the offices of Randy Brown and Associates, Portage City Attorney.

Mayor Strazdas opened the public hearing and invited the applicant to speak, Carl Kunda, Full Circle Communities, 310 South Peoria Street, Suite 500, Chicago, IL 60607. He added that another reason to ensure that his company would not be subdividing the property from the historic home is that they are currently in compliance with the density requirement of the PD ordinance, but would not be in compliance if the property was subdivided.

Councilmember Reid spoke in favor of having more affordable housing in Portage and asked whether a wider range of residents was considered where some of the residents would be paying market value for the apartment. Mr. Kunda reflected on the market analysis of the City of Portage and concluded that the plan is reflective of what a mixed income property would look like. Discussion followed.

In answer to Councilmember Urban, Mr. Kunda indicated that Full Circle Communities does not have any other properties in the area, and the reason they are developing in the City of Portage is first, because it is easy for staff to travel to Portage from Chicago; to allow for realistic management; needed a great place to put housing; economics; the availability of jobs; some of the greatest schools in the state; and opportunities for the people his company tries to serve.

In answer to Mayor Pro Tem Ansari, Mr. Kunda indicated that participation in the MSHDA low income tax program obligates them to accept both types of Section 8 vouchers.

Todd Corstange, 294 Magellan Court, said his Father was told this housing was not going to be Section 8 housing and asked for an explanation of the Comprehensive Plan for Portage. Since the low income families will have children, he asked will this property have after school programs for the children, and the applicant answered in the affirmative. Discussion followed. Mr. Corstange asked whether there is actual demand for this housing, and the applicant answered in the affirmative. Discussion followed. In answer to Mr. Corstange, the applicant indicated the Manager would be on site. Mr. Corstange asked whether he is liable for residents who trespass on his property and something happens to them. Mr. Brown indicated it can depend upon the circumstances and cited the attractive

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nuisance as an example. Discussion followed. He asked that a comparison be made between this proposed development and Portage Park, Illinois. Mr. Corstange spoke in favor of the project if it contributes to success and not result in high crime, high taxes, high poverty and low services. He indicated he is in the middle of the road right now, not for it or against it, and asked City Council to guarantee the promises of the evening.

At the request of Mayor Strazdas, Carl Kunda offered open communication with Todd Corstange and to keep him informed throughout the process to alleviate any concerns he might have. He explained that security is one of their major concerns, cited that the company's reputation depends on that and revealed some of the features that would ensure security on the property. He also noted that the fertilizer water mentioned by Mr. Corstange would be an example of something the Manager would go over with the families to ensure that they would know about it. He discussed the profiles of some of these families and the benefits that inure to them as a result of living in this development. Finally, he indicated that the issues at Portage Park, Illinois, is partly because of the low parking ratio of Chicago, so the neighbors had parking concerns and there was opposition with the height of the proposed building. Discussion followed.

Mayor Strazdas asked Council to look at the narrative as part of the rezoning as it is important to the Tentative Plan, and Ms. Georgeau emphasized that this is not only a PD rezoning, but the proposal is a multiple family land use, and gave her assurances that it is consistent with the Comprehensive Plan because of the way it is designed and proposed. Discussion followed.

In answer to Councilmember Randall, Mr. Corstange explained there is a problem with communication because each time he came to get a clarification regarding the nature of the project, it kept changing. He expressed his concern that, as a neighbor, Mr. Kunda never came next door and knocked to just talk. He emphasized that this should change and not be this way, especially for people like himself who are working 80 hours per week and explained. Community Development Director Georgeau responded.

Motion by Reid, seconded by Ansari, to close the public hearing. Upon a voice vote, motion carried 7 to 0.

Motion by Ford, seconded by Randall, to approve Rezoning Application #15/16-4 and rezone 1521, 1603 and 1615 East Centre Avenue from R-1B, one family residential, RM-1, multiple family residential, and OS-1, office service, to PD, planned development, consistent with the submitted tentative plan/narrative, and approve the requested modification from Section 42-374C (mixture of two housing types) with a finding that the modification satisfies the criteria outlined in Section 42-375L. Discussion followed. Upon a roll call vote, motion carried 7 to 0. Discussion followed.

RECESS: 9:39 p.m.

RECONVENE: 9:44 p.m.

REPORTS FROM THE ADMINISTRATION:

* **RESOLUTION ACCEPTING NEW PUBLIC STREETS – ACT 51 MILEAGE**

CERTIFICATION: Motion by Pearson, seconded by Ansari, to adopt a resolution accepting all new streets constructed within new residential plats approved by City Council during calendar year 2015 as public streets. Upon a roll call vote, motion carried 7 to 0.

ELIASON NATURE RESERVE PHASE 2 (SOUTH CENTRAL TRAIL): Mayor Strazdas deferred to City Manager Larry Shaffer, who reviewed the item and introduced Parks, Recreation & Senior Citizen Services Director Kendall Klingelsmith for his presentation on Phase 2 of the Eliason Nature Reserve Capital Improvement Project. Mr. Klingelsmith presented a map depicting the proposed construction and shared that there was a Resolution for City Council consideration that would be submitted to the Michigan Natural Resources Trust Fund (MNRTF) as part of a grant

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application for construction of Phase 2. He reminded Council that Phase 1 was approved last year and pinpointed Phase 1 on the map with a scheduled completion of midsummer.

He indicated that Phase 2 is proposed as a crushed stone nature trail and two paved trails that will go out to two overlook decks on the east side of the property. He also pinpointed a proposed wetland boardwalk that will connect to the existing Bishop's Bog boardwalk to the east as well as Schrier Park. He said that Phase 2 could potentially connect close to over 300 acres of park land and asked for City Council support of the Resolution and the project.

Mayor Strazdas spoke in favor of the efforts of Mr. Klingelsmith for continuing the many years of work of prior Parks Director Bill Deming. Discussion followed.

Motion by Urban, seconded by Reid, to resolve to support a Michigan Natural Resources Trust Fund grant application in the amount of \$291,500 to the Michigan Department of Natural Resources for construction of the Eliason Nature Reserve Phase 2 project and authorize the City Manager to execute all documents related to the action on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

* **FEBRUARY 2016 ENVIRONMENTAL REPORT - INFORMATION ONLY:** Motion by Pearson, seconded by Ansari, to receive the February 2016 Environmental Report as information only. Upon a roll call vote, motion carried 7 to 0.

* **COMMITTEE OF THE WHOLE MEETINGS:** Motion by Pearson, seconded by Ansari, to set Tuesday, April 26, Tuesday, September 20, and Tuesday, October 18, 2016, at 6:00 p.m., as Committee of the Whole Meetings. Upon a roll call vote, motion carried 7 to 0.

COMMUNICATIONS:

PRESENTATION BY JENNIFER KOSAK, HOUSEHOLD HAZARDOUS WASTE CENTER MANAGER: Councilmember Pearson praised the single stream recycling effort with over 300% increase in participation. He also announced a partnership between Portage and the Kalamazoo County Household Hazardous Waste Program. He thanked City Manager Shaffer, Deputy City Manager Boulis and DPS Director Rod Russell, who worked with the Environmental Director Vern Johnson and Jennifer Kosak, Kalamazoo County Household Hazardous Waste Center Manager, to build this partnership which will take place at the Department of Public Services at 7719 South Westnedge Avenue. He mentioned that there will be an electronics collection day, April 16th from 10 a.m. until 2 p.m. and a latex paint recycling day on May 14th from 9 a.m. until 2 p.m. With that, he introduced Jennifer Kosak, who provided a detailed PowerPoint presentation from the City Council Agenda Packet as an update of the progress of the program at the Kalamazoo County Household Hazardous Waste Center. Discussion followed.

Motion by Pearson, seconded by Randall, to receive the presentation by Jennifer Kosak, Kalamazoo County Household Hazardous Waste Center Manager, regarding an update on the Household Hazardous Waste program. Upon a voice vote, motion carried 7 to 0.

UNFINISHED BUSINESS:

TAX EXEMPTION (PAYMENT IN LIEU OF TAXES) FOR SELINON PARK APARTMENTS: Mayor Strazdas deferred to City Manager Shaffer, who called Community Development Director Vicki Georgeau to provide an outline of this request. Ms. Georgeau explained that City Council had to first approve Rezoning Application #15/16-4 under Item D.1, before considering the proposed Payment in Lieu of Taxes (PILOT) for Selinon Park. She explained that the purpose of a PILOT is to facilitate development and reviewed the background of this proposed ordinance request which will provide affordable housing for low and middle income citizens as found in the City Council Agenda Packet. She reviewed the funding options being sought by the applicant and

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discussed the impact of the PILOT on the project. She reviewed the benefits and costs as outlined on page 148 of the City Council Agenda Packet.

Councilmember Reid asked whether there is a guideline, recommended percentage or amount total that Portage should not exceed with regard to PILOTs. Ms. Georgeau revealed that with regard to the percentage of PILOTs as a percentage of shelter rent, MSHDA recommends that they start and plug in 4% of the shelter rent. She then stated that we have been “pushing back.” Councilmember Reid restated her question and asked if there is a point where we are having too many units that are being subsidized (by) utilizing this mechanism and, is there a target that we would want to get under, or is there any sort of guideline as far as the feasibility of maintaining our municipal services and anything else – that we have enough taxes to be able to do what we need to do. She asked should we keep this under 3%, under 5%, under 2%, for example, of the total taxes of the City? Ms. Georgeau indicated that there is nothing specified by the state and explained that the industrial tax abatement guidelines is an example of where the State does provide guidelines. With six PILOT developments and one family home as affordable housing, it was her opinion that Portage is still okay, and each proposed PILOT is viewed case by case. Councilmember Reid asked for some kind of comparison, not just with this request; for example, the total amount deferred as compared with the tax base in order to assure the residences that we are not “giving away the farm.” Ms. Georgeau noted that this is the first PILOT request for new construction since the mid 1990’s. Discussion followed and Mayor Strazdas concurred with Councilmember Reid and her request.

Motion by Urban, seconded by Reid, to adopt an ordinance amendment to grant Selinon Park Limited Dividend Housing Association Limited Partnership a tax exemption and establish a Payment in Lieu of Taxes (PILOT) for Selinon Park, a proposed 74-unit multiple-family residential development to be constructed at 1521, 1603 and 1615 East Centre Avenue. Upon a roll call vote, motion carried 7 to 0.

*** MINUTES OF BOARDS AND COMMISSIONS:** City Council received the minutes of the following Boards and Commissions:

Portage Youth Advisory Committee of February 8, 2016.

Portage Senior Citizen Advisory Board of February 16, 2016.

COUNCIL COMMITTEE REPORTS: Mayor Strazdas reported a very positive picture for the future of water and sewer rates and infrastructure for Portage as a result of the Water and Sewer Rate Committee Meeting. He also indicated City Council would receive the report when it is presented for action by City Council. Discussion followed. Motion by Ansari, seconded by Randall, to receive a preliminary Water and Sewer Rate Committee oral presentation from Mayor Strazdas. Upon a voice vote, motion carried 7 to 0.

BID TABULATIONS:

*** CONSTITUTION BOULEVARD FROM ROMENCE ROAD TO WEST MILHAM AVENUE; SOUTH WESTNEDGE AVENUE FROM SHAVER ROAD TO WEST CENTRE AVENUE, AND WEST CENTRE AVENUE FROM SHAVER ROAD TO SOUTH WESTNEDGE AVENUE:** Motion by Pearson, seconded by Ansari, to award a construction contract to Rieth-Riley of Kalamazoo, Michigan, in an amount not to exceed \$819,169.15 for the resurfacing of: Constitution Boulevard from Romence Road to West Milham Avenue; South Westnedge Avenue from Shaver Road to West Centre Avenue; West Centre Avenue from Shaver Road 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 7 to 0.

MARTIN LUTHER KING, JR. DRIVE RECONSTRUCTION PROJECT BID

TABULATION: Mayor Strazdas deferred to City Manager Larry Shaffer, who reviewed the item and asked T&U Director Chris Barnes to discuss the successful bid process and how it fits into the plan and the budget. Mr. Barnes indicated that addressing this item was contingent upon the adoption of Resolution No. 5 of item D.1, Martin Luther King, Jr. Drive Reconstruction Project #998-R, earlier. He indicated as part of the original Special Assessment Resolution No. 5, there was an acceptance of the deed, but the actual acceptance of the deed resolution was not placed in the electronic agenda. City Attorney Brown noted that it was missing and the Resolution to Accept Deed of Dedication of Martin Luther King, Jr. Drive as a Public Street of the City of Portage, Michigan, is presented at this time for adoption and explained. He then asked for a separate motion for adopting this Resolution.

Motion by Urban, seconded by Reid, to adopt a Resolution to Accept Deed of Dedication of Martin Luther King, Jr. Drive as a Public Street of the City of Portage, Michigan. Upon a roll call vote, motion carried 7 to 0.

Motion by Urban, seconded by Randall, to award a construction contract subsequent to approval of Resolution No. 5 of Special Assessment District 998-R for the Martin Luther King, Jr. Drive Reconstruction Project to Hoffman Brothers, Incorporated, of Battle Creek, Michigan; to approve a contract amendment with Wightman & Associates, Incorporated, in the amount not to exceed \$44,300 to perform construction engineering services for Martin Luther King, Jr. Drive; and to authorize the City Manager to sign all other documents related to this project on behalf of the city. At the request of City Attorney Brown, Councilmember Urban amended the motion to include the construction contract “in an amount not to exceed \$379,920” which was supported by Councilmember Randall, as it was not included as a part of the recommended motion. Upon a roll call vote, motion carried 7 to 0.

* **SANITARY SEWER CALL-IN SERVICES – BID TABULATION:** Motion by Pearson, seconded by Ansari, to award a construction contract to SWT Excavating, Incorporated, of Galesburg, Michigan, in the amount of \$13,211.15 with two, one-year extensions 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.

OTHER CITY MATTERS:

STATEMENTS OF CITIZENS: Former Mayor Pro Tem Dr. Romeo Phillips, 1983 Brighton Lane, listed his two former Portage addresses and noted that he has lived in Portage for 48 years. He offered his thanks to City Council and the City Manager for bringing in the Central State University of Ohio Choir and their efforts on the Martin Luther King, Jr. Drive Project. He indicated that Portage was the only municipality in Kalamazoo County to celebrate Black History Month and Martin Luther King, Jr.’s Birthday.

STATEMENTS FROM CITY COUNCIL AND CITY MANAGER: All of the Councilmembers expressed their appreciation for the student involvement in Student Mayor and Student City Council for the Day activities.

Councilmember Reid thanked Portage Public Schools for the program that allows for the student involvement in Student Mayor and Student City Council for the Day activities, reflected on the nice weather and wished everyone a Happy Easter.

Councilmember Randall acknowledged the Portage Fire Department for receiving Accreditation this past week from the Commission on Fire Accreditation International. She indicated that it is the first and only Accredited Fire Department in the State of Michigan and noted in order to qualify, there was a marked increase in response time necessary which helps save lives. She reminded everyone that the brush and bagged leaf collection takes place April 4 through May 29, and spring cleanup takes place April 18-19 and wished a Happy Easter to all who celebrate that holiday.

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Councilmember Ford gave special thanks to staff and to the students for their time and efforts.

Councilmember Pearson concurred with Councilmember Ford, acknowledged the Portage Fire Department for receiving Accreditation this past week, and noted that less than 1% of the municipalities in the country have accredited Fire Departments and less than 3% have accredited Police Departments, and Portage has both.

City Manager Shaffer gave special thanks to Randy Brown, Chris Barnes, Vicki Georgeau and Rob Boulis for the Martin Luther King, Jr. Drive effort. He indicated that he had a conversation with Environmental Board Chair Ruth Caputo regarding a deer survey conducted by Kalamazoo Christian High School student volunteers who used the services of Mark Mills of the DNR. He indicated that the Environmental Board will conduct a comprehensive deer study, including public sessions, and he expressed his confidence that they would come back with a reasonable plan and recommendation.

Councilmember Ansari congratulated the City for a very successful water treatment event held on Saturday at the Water Treatment Plant and expressed kudos to Mr. Barnes and his staff for the effort. Mayor Strazdas concurred.

Mayor Strazdas asked Public Safety Director White whether there were any other municipalities with both departments accredited and he responded that he could not think of one. He reflected on the length of the process and acknowledged how powerful it is that both departments are accredited. He also reflected on the business items covered at the meeting, especially the details of the development and construction items. He announced that he will be leaving for Europe, 200 miles from the Brussels Airport, Belgium, terrorist incident where he plans to reach out to University officials and Mayors of some City Halls.

MATERIALS TRANSMITTED:

* **DEPARTMENT MONTHLY REPORTS:** Motion by Pearson, seconded by Ansari, to receive the Department Monthly Reports. Upon a roll call vote, motion carried 7 to 0.

* **MATERIALS TRANSMITTED OF MARCH 8, 2016:** Motion by Pearson, seconded by Ansari, to receive the Materials Transmitted of March 8, 2016. Upon a roll call vote, motion carried 7 to 0.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 10:38 p.m.

James R. Hudson, City Clerk

*Indicates items included on the Consent Agenda.

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MINUTES OF THE SPECIAL PRE-MEETING OF THE PORTAGE CITY COUNCIL OF APRIL 11, 2016

Mayor Pro Tem Nasim Ansari called the meeting to order at 9:00 a.m. The following Councilmembers were present: Councilmember Jim Pearson and Councilmember Claudette Reid via the conference phone line. Those not present were: Councilmembers Richard Ford, Patricia Randall and Terry Urban, and Mayor Peter Strazdas. Also in attendance were City Manager Larry Shaffer, Deputy City Manager Rob Boulis and City Clerk James Hudson.

City Manager Larry Shaffer indicated that Mayor Strazdas e-mailed to let City Council know he would not be present at the meeting today, but would be at the Regular City Council Meeting, April 12, 2016. There being no quorum, Mayor Pro Tem Ansari asked that the Agenda be reviewed item by item and Councilmembers Reid and Pearson concurred. Mr. Shaffer offered to review the Agenda down the page in sequence and began.

Councilmember Reid asked whether there would be any written information on the Budget ahead of time. Mr. Shaffer responded that Council would be getting the full Budget on the dais and a brief soliloquy from him at the Meeting tomorrow night. Councilmember Pearson asked for the information on which departments are listed for the “split” Budget Review Sessions #1 and #2 to allow him to concentrate on the respective Budget proposals from each department.

With regard to item F.3, Kalamazoo County Brownfield Redevelopment Plan – 5825/5901 Willoughby Drive, Councilmember Reid asked if this applicant is going through the County Brownfield process or only the Portage Brownfield process. Mr. Shaffer indicated that the applicant is going through the County Brownfield process; and, he confirmed for her that the request is to support this application as it goes through the County Brownfield process. Councilmember Reid asked the Administration to show how the County process impacts the City Brownfields process. She indicated that there should be a realignment necessary because these are two really significantly different ways of approaching Brownfields. She noted that of the recent Brownfields in Portage, the applicants are going over to the County for process.

Councilmember Pearson asked is it more advantageous to go through the County only instead of only through the City, and Mr. Shaffer indicated that there would be some advantage because the County Brownfield fund is better funded than the City presently. He also provided his assurances that the process will be synchronized, and indicated that the City is taking advantage of the liquidity of the County at this time. In answer to Councilmember Pearson, Mr. Shaffer indicated that he would find out whether this company approached the County first or the City first, and he shared that the Administration coordinates pretty closely with the County Brownfield Authority through Southwest Michigan First. However, he stressed that it made more sense to use the County Brownfield Authority as a primary instead of the City because of the liquidity of the County Brownfield Authority. Mr. Shaffer agreed with Councilmember Pearson that the City will always choose the “best way to go on these” and conceded that he would keep Council “in the loop” on this.

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Councilmember Reid asked whether we are losing out somewhat because the County is more liquid, and is there some plan we should be looking at so we can be in a position where we can manage these in-house; and, is this advantageous for the applicant, but not for the City? Mr. Shaffer indicated that he would be glad to look into this. She queried whether this might be a topic that is appropriate for a Council of the Whole session.

In answer to Councilmember Pearson, there was a consensus that all of the Councilmembers would be present at the April 12, 2016 Regular Meeting. Because City Clerk James Hudson did not hear his question, he reviewed Item F.4, Special Meeting for Board and Commission Applicants, and informed Council that there were no new applicants for the Building Contractor position on the Construction Board of Appeals (CBA) since Larry Schmidt has served three terms, and there were no new applicants for the Public Media Network (PMN) position.

In answer to Councilmember Reid, Mr. Hudson indicated that it is entirely up to City Council to accept an application for a Board or Commission closer to the time of the Meeting.

Also, in answer to Councilmember Pearson, Mr. Hudson responded that the Administration did advertise on the website for applicants for the PMN.

Councilmember Reid asked that we contact PMN, let them know the position is open and to ask Portage residents who are actively utilizing their services if they would be interested in being a member of the PMN Board. She asked if someone called tomorrow, would they be eligible for consideration and Mr. Hudson responded, "Absolutely." He indicated that he would definitely process them for Council review.

Both City Manager Shaffer and Councilmember Reid assured Councilmember Pearson that Council had received the final report regarding Item No. 2 referred to in the minutes of the City of Portage Human Services Board dated March 3, 2016, under New Business: FY 2016-17 Human/Public Service Application Funding.

In answer to Councilmember Pearson, Deputy City Manager Boulis indicated that it is his understanding that one of the things that keeps people from bidding on Item L.4, Department of Public Safety – Police Division Vehicle Maintenance – Bid Tabulation, is the certification necessary for a vendor to work on a police vehicle. He noted that there are security things in place to make sure the vehicles are not tampered with, so this is not quite as much of an issue. In answer to Councilmember Pearson regarding whether there were any complaints about the bidder from Public Safety, Mr. Shaffer indicated that staff "loves them" and really appreciates the great job done by the low bidder, Michigan Municipal Police & Fire Repair, LLC, aka "McDonald's" for past services.

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Councilmember Reid asked that staff review the 24 organizations that were approached for a request for proposal to see if they have the certifications necessary to do this work, otherwise this becomes a sole source bid process; or, if they have the certifications and chose not to bid, she would like to know the reason. Mr. Boulis indicated that we can probably find out why they chose not to bid, and offered to make some inquiries to find that out. He pointed out that there were three bids received last time and the hourly rate for Michigan Municipal Police & Fire Repair, LLC, was lower. He offered to ask Purchasing Manager Judy Johnson to make the inquiries.

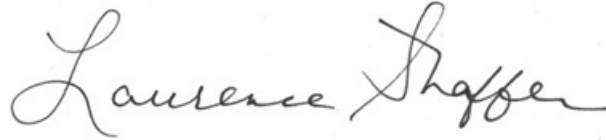
Councilmember Pearson interjected that he overheard that Michigan Municipal Police & Fire Repair, LLC, gives the low hourly bid, then they over charge us, and he wanted assurances that we are really going out and having a fair process; and, that he really wants to see more than one bid.

ADJOURN: Mayor Pro Tem Ansari adjourned the meeting at 9:20 a.m.

James Hudson, City Clerk

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Accounts Payable Register

SUPPORTING PERSONNEL: William Furry, Finance Director

ACTION RECOMMENDED: That City Council approve the Accounts Payable Register of April 12, 2016 as presented.

The City Council reviews and approves the bi-weekly Accounts Payable Register which includes automated clearing house payments, paper checks and auto-pay payments. The attached Accounts Payable Register covers the period March 13, 2016 through March 27, 2016 and notes \$355,564.02 in automated clearing house payments, \$378,514.65 in paper checks and \$54,422.35 in auto-pay payments for a grand total of \$788,501.02.

FUNDING: N/A

Attachments: 1. Accounts Payable Register

Check Dates From: 3/13/2016 To: 3/27/2016

Check Date	Check	Vendor Name	Amount
03/18/16	4925(A)	ADVANTAGE ROOFING, INC.	13,291.00
03/25/16	4926(A)	ALL CITY MANAGEMENT SERVICES, INC.	1,557.90
03/25/16	4927(A)	ALRO STEEL CORPORATION	910.39
03/25/16	4928(A)	AMERICAN SAFETY & FIRST AID	15.93
03/25/16	4929(A)	APOLLO FIRE EQUIPMENT COMPANY	139.86
03/25/16	4930(A)	B L HARROUN & SON INC.	670.00
03/25/16	4931(A)	BLUE CARE NETWORK-GREAT LAKES	76,867.25
03/25/16	4932(A)	BYHOLT INC.	839.23
03/25/16	4933(A)	C C I SOUTH, INC.	132.00
03/25/16	4934(A)	C D W GOVERNMENT, INC.	22.22
03/25/16	4935(A)	CARRIER & GABLE	6,784.00
03/25/16	4936(A)	CHUCK'S ELECTRICAL SERVICE INC.	1,700.00
03/25/16	4937(A)	CONSUMERS CONCRETE CORP.	1,666.20
03/25/16	4938(A)	CONSUMERS CONCRETE CORP.	60.80
03/25/16	4939(A)	CONTINENTAL LINEN SERVICES	59.11
03/25/16	4940(A)	DELTA DENTAL PLAN OF MICHIGAN	17,705.61
03/25/16	4941(A)	DIGITAL HIGHWAY WIRELESS SOLUTIONS	189.05
03/25/16	4942(A)	EG WORKFORCE SOLUTIONS	1,521.36
03/25/16	4943(A)	ENTENMANN-ROVIN CO.	378.00
03/25/16	4944(A)	FURRY, WILLIAM	147.00
03/25/16	4945(A)	GRIFFIN PEST SOLUTIONS, INC.	454.00
03/25/16	4946(A)	HARTFORD LIFE INSURANCE COMPANY	8,283.04
03/25/16	4947(A)	INDUSCO SUPPLY CO., INC.	454.32
03/25/16	4948(A)	JONES & HENRY ENGINEERS, LTD	4,073.70
03/25/16	4949(A)	JONS TO GO PORTABLE RESTROOM	350.00
03/25/16	4950(A)	KUSHNER & COMPANY, INC.	557.92
03/25/16	4951(A)	LAND & RESOURCE ENGINEERING, INC	160.00
03/25/16	4952(A)	MARTIN SPRING & DRIVE, INC.	3,236.68
03/25/16	4953(A)	MAURER'S TEXTILE RENTAL SERVICES	623.40
03/25/16	4955(A)	PARADIGM DESIGN, INC.	30.00
03/25/16	4956(A)	PCM SALES, INC.	40,966.00
03/25/16	4957(A)	ROAD EQUIPMENT PARTS CENTER	326.68
03/25/16	4958(A)	SNELL, DEBRA	264.00
03/25/16	4959(A)	SUEZ WATER ENVIRONMENTAL SERVICES	167,775.40
03/25/16	4960(A)	VISION SERVICE PLAN (OH)	2,128.49
03/25/16	4961(A)	WESTERN MICHIGAN INT'L TRUCKS	121.93
03/25/16	4962(A)	WINGFOOT COMMERCIAL TIRE	1,101.55
		SUBTOTAL:	37 CHECKS 355,564.02
03/17/16	297017	ELIZABETH MONEY	1,377.95
03/25/16	297018	56B DISTRICT COURT	500.00
03/25/16	297019	7TH DISTRICT COURT	182.00
03/25/16	297020	A NEW LEAF	170.00
03/25/16	297021	A T & T	4,400.59

CITY OF PORTAGE ACCOUNTS PAYABLE REGISTER

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Check Dates From: 3/13/2016 To: 3/27/2016

Check Date	Check	Vendor Name	Amount
03/25/16	297022	ADP, INC.	4,283.01
03/25/16	297023	AIVARS, PAUL	150.00
03/25/16	297024	AL-RAHHAL, KWSAI	44.00
03/25/16	297025	ALL-TRONICS, INC.	78.00
03/25/16	297026	ALLEGRA PRINT & IMAGING	2,052.80
03/25/16	297027	AUTOMATIC MICROFILM CO.	177.45
03/25/16	297028	BAIRD, ANNE	50.00
03/25/16	297029	BEATTIE, JOHN & GLORIA	100.00
03/25/16	297030	BESCO WATER TREATMENT, INC.	20.00
03/25/16	297031	BILL'S LOCK SHOP, INC.	182.00
03/25/16	297032	BIRES, MICHAEL	44.00
03/25/16	297033	BLUE CROSS/BLUE SHIELD OF MICH	123,374.50
03/25/16	297034	BLUE LINE POLICE K-9	105.00
03/25/16	297035	BORGESS HEALTH ALLIANCE	107.21
03/25/16	297036	BRINK'S, INC	294.13
03/25/16	297037	C. STODDARD & SONS INC.	131.25
03/25/16	297038	CABELA'S, INC.	154.67
03/25/16	297039	CADWELL APPARELL	100.00
03/25/16	297040	CALHOUN COUNTY SHERIFF'S OFFICE	150.00
03/25/16	297041	CAMPBELL AUTO SUPPLY	4.74
03/25/16	297042	CENTRAL STATE UNIVERSITY CHORUS	4,000.00
03/25/16	297043	CHARTER COMMUNICATIONS	110.65
03/25/16	297044	COLWELL, KARI	150.00
03/25/16	297045	CROSSROADS CAR WASH	252.00
03/25/16	297046	DAVID RICE	500.00
03/25/16	297047	DILLONS LASER DESIGNS	33.02
03/25/16	297048	DOUGLASS SAFETY SYSTEMS LLC	697.00
03/25/16	297049	EMERGENCY VEHICLE PRODUCTS	12,141.22
03/25/16	297050	EXECUTIVE INFORMATION SYSTEMS LLC	1,296.00
03/25/16	297051	FADER EQUIPMENT, INC.	2,347.83
03/25/16	297052	FERRELLGAS, LP	1,567.26
03/25/16	297053	FLETCHER ENTERPRISES	1,399.00
03/25/16	297054	FRENCY, STACY	253.85
03/25/16	297055	GLEASON, CATHERINE	44.00
03/25/16	297056	GORDON FOOD SERVICE	150.85
03/25/16	297057	GORDON WATER SYSTEMS	201.75
03/25/16	297058	GWAVA TECHNOLOGIES INC.	1,794.00
03/25/16	297059	H&K EXCAVATING LLC	1,135.00
03/25/16	297060	HENSON, DEREK	180.00
03/25/16	297061	HENSON, DEREK	125.00
03/25/16	297062	HOLIDAY INN	1,939.30
03/25/16	297063	HOME DEPOT	151.80
03/25/16	297064	INT'L FOUNDATION EMP BENEFIT PLANS	325.00
03/25/16	297065	INT'L PUBLIC MGT ASSOC FOR HR	1,068.91

CITY OF PORTAGE ACCOUNTS PAYABLE REGISTER

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Check Dates From: 3/13/2016 To: 3/27/2016

Check Date	Check	Vendor Name	Amount
03/25/16	297066	KAL-CREEK APPRAISERS, LLC	325.00
03/25/16	297067	KALAMAZOO COUNTY TREASURER	505.00
03/25/16	297068	KALAMAZOO FIRST ASSEMBLY OF GOD	100.00
03/25/16	297069	KAR LABORATORIES	80.00
03/25/16	297070	KELLY, KATIE	75.00
03/25/16	297071	KLINGELSMITH, KENDALL	492.72
03/25/16	297072	KUIPER BROTHERS MOVING INC.	183.00
03/25/16	297073	KZOO TIRE COMPANY	2,039.00
03/25/16	297074	LANGUAGE LINE, INC	80.06
03/25/16	297075	LEMMEN OIL CO.	16,107.81
03/25/16	297076	LEXISNEXIS/MATTHEW BENDE, INC.	150.00
03/25/16	297077	LOEBIG, ELIZABETH	300.00
03/25/16	297078	LORD OF LIFE LUTHERAN CHURCH	100.00
03/25/16	297079	MCMILLIN, TIM	44.00
03/25/16	297080	METZGER, CHRISTY	100.00
03/25/16	297081	MICH MUNICIPAL POLICE & FIRE REPAIR	667.54
03/25/16	297082	MICHIGAN ASSESSOR ASSOCIATION	150.00
03/25/16	297083	MICHIGAN ELECTION RESOURCES, LLC	1,531.25
03/25/16	297084	MICHIGAN MUNICIPAL LEAGUE	320.00
03/25/16	297085	MILBECK, ALYSSA	514.02
03/25/16	297086	MLIVE MEDIA GROUP	1,119.70
03/25/16	297087	MOORE, LARRY	208.50
03/25/16	297088	MOSES FIRE EQUIPMENT, INC.	983.50
03/25/16	297089	MUNCY, ALLEN	100.00
03/25/16	297090	NAT'L EMERGENCY NUMBER ASSOCIATION	50.00
03/25/16	297091	NELSON, STEPHANIE	100.00
03/25/16	297092	NEZPODZANY, MARY	90.00
03/25/16	297093	NYE UNIFORMS	3,275.28
03/25/16	297094	OFFICE DEPOT, INC.	749.15
03/25/16	297096	ONSTAFF USA INC	2,085.53
03/25/16	297097	OSHTMO HISTORICAL SOCIETY	120.00
03/25/16	297098	PARIS CLEANERS	1,317.55
03/25/16	297099	PATHFINDER CHURCH	100.00
03/25/16	297100	PETTY CASH-CITY MANAGER	511.44
03/25/16	297101	PETTY CASH-SENIOR CENTER	443.00
03/25/16	297102	PODGORSKI, JOHN	115.03
03/25/16	297103	PORTAGE CHAPEL HILL UMC	100.00
03/25/16	297104	PRINCE OF PEACE LUTHERAN CHURCH	100.00
03/25/16	297105	QUADMED, INC.	37.30
03/25/16	297106	RATHCO SAFETY SUPPLY, INC.	789.00
03/25/16	297107	RENEWED EARTH, INC.	7,916.66
03/25/16	297108	RIDGE AUTO NAPA	879.67
03/25/16	297109	S A MORMAN & CO.	1,540.00
03/25/16	297110	SAWALL, ROBERT	44.00

Check Dates From: 3/13/2016 To: 3/27/2016

Check Date	Check	Vendor Name	Amount
03/25/16	297111	SOS TECHNOLOGIES	120.00
03/25/16	297112	SPARTAN DISTRIBUTORS INC.	495.17
03/25/16	297113	ST. CATHERINE OF SIENA CHURCH	100.00
03/25/16	297114	STACEY BAKER	281.43
03/25/16	297115	STATE OF MICHIGAN (DOT)	131,312.03
03/25/16	297116	STATE SYSTEMS RADIO, INC	1,420.00
03/25/16	297117	STEENSMA LAWN & POWER EQUIPMENT	383.65
03/25/16	297118	STONEGATE MANAGEMENT, INC.	100.00
03/25/16	297119	SYMPRO INC.	6,647.00
03/25/16	297120	TEMPLE, LOIS	454.00
03/25/16	297121	THE BRIDGE	100.00
03/25/16	297122	TILLERS INTERNATIONAL	120.00
03/25/16	297123	TODD ARBANAS ENTERPRISES INC.	7,300.00
03/25/16	297124	TYLER TECHNOLOGIES, INC.	1,575.47
03/25/16	297125	UNION STREET HYDRAULICS	2,875.29
03/25/16	297126	UNITED PARCEL SERVICE	12.00
03/25/16	297127	UNITED PARTY & EVENT SERVICES	950.00
03/25/16	297128	UNITED STATES TREASURY	7.65
03/25/16	297129	UNITED STATES TREASURY	13.60
03/25/16	297130	UNITED STATES TREASURY	13.96
03/25/16	297131	VARTEC, LLC	687.50
03/25/16	297132	VERIZON WIRELESS SERVICES, LLC	2,163.33
03/25/16	297133	VOLUNTEER KALAMAZOO	30.00
03/25/16	297134	WELLER TRUCK	590.00
03/25/16	297135	WEST MICH ASSOC OF CHIEFS OF POLICE	25.00
03/25/16	297136	WESTNEDGE HILL COMMUNITY CHURCH	150.00
03/25/16	297137	WOODLAND POWER PRODUCTS, INC.	2,593.50
03/25/16	297138	XEROX CORPORATION	1,213.62
03/25/16	297139	YOUNG, TRAVIS	44.00
	SUBTOTAL:	122 CHECKS	378,514.65
03/14/16	2928	AUTO-PAY PAYMENT	5,289.58
03/15/16	2932	AUTO-PAY PAYMENT	28,651.30
03/16/16	2941	AUTO-PAY PAYMENT	4,547.78
03/17/16	2953	AUTO-PAY PAYMENT	3,404.37
03/18/16	2965	AUTO-PAY PAYMENT	9,243.26
03/21/16	2966	AUTO-PAY PAYMENT	1,603.95
03/23/16	2976	AUTO-PAY PAYMENT	1,682.11
	SUBTOTAL:	7 CHECKS	54,422.35
	GRAND TOTAL:	166 CHECKS	788,501.02

** (A) DENOTES ACH PAYMENTS

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: 2016 Utility Rate Financial Study

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation and Utilities

ACTION RECOMMENDED: That City Council establish a public hearing for April 26, 2016 to consider resolutions to:

1. adopt the recommendation that the sewer commodity rate remain at \$4.60 per 1,000 gallons of metered water;
2. adopt the recommendation that the water commodity rate remain at \$3.19 per 1,000 gallons of metered water;
3. adopt the recommendation that adjustments be made to both the sewer and water base quarterly charges as noted in the 2016 Utility Rate Financial Study;
4. adopt the recommendation that the new rates become effective on October 1, 2016; and
5. adopt the recommended water and sewer franchise area fees and other service fees and charges as outlined in the 2016 Utility Rate Financial Study.

The City Council Water/Sewer (Utility) Rate Study Committee, comprised of Mayor Strazdas, Councilmembers Ford and Reid (absent), citizens Randy Orwig and Ted W. Vliek, Sr., has completed a review of the 2016 Utility Rate Financial Study as prepared by the City Administration. The 2016 Utility Rate Financial Study focuses on ensuring the financial health and stability of the utility system. Following a thorough review and analysis of the 2016 Utility Rate Financial Study, the Utility Rate Study Committee voted (4 to 0) to recommend the water and sewer rates and charges as proposed.

As background information, City Council awarded Utility Financial Solutions, LLC (UFS) a contract to perform the 2011 Water and Wastewater Rate Study on November 16, 2010. The purpose of the UFS analysis was to determine the actual cost to provide water and wastewater services to utility customers. The proposed 2016-2017 utility rates are based in large part on the results of the comprehensive analysis performed by UFS.

The cost of service analysis prepared by UFS showed that the former rate structure (prior to 2011) was insufficient to ensure the receipt of revenues necessary to cover the fixed costs of the utility. To address this issue, the proposed 2011-2012 rates began the trend of balancing revenue collection based on the quarterly meter charges while keeping the commodity rate increases in line with normal inflationary costs.

In 2008, the city received notification from the State of Michigan requiring a financial plan to rectify the city's Water Fund deficit. The city has followed the plan submitted to the State of Michigan and eliminated the Water Fund deficit by 2013-2014. In order to eliminate the deficit and meet the conditions in the financial plan submitted to the State of Michigan, water and sewer rate increases were substantial for several years following 2008. The City Administration continues to implement an action plan consisting of the following elements:

1. The focus of the annual utility rate review has changed to give additional consideration to working capital, debt service and fund balance within the utility funds. More specifically:
 - In addition to the current revenue/expenditure analysis, a working capital analysis is performed annually and includes necessary cash elements to ensure that adequate funds are available to meet ongoing obligations.
 - A minimum debt coverage ratio of 1.25 has been established and targeted in future years to ensure adequate funds are available to meet debt payments, support variations in sales due to dry summers, fluctuating treatment costs and other such variables, as they may occur.
 - Levels of working capital (cash) will be re-established over time, then maintained within the range of approximately three to four months of current liabilities for each fund. This currently translates to approximately \$2.8 million for the Sewer Fund and \$2.9 million for the Water Fund, without jeopardizing the fundamental integrity of the utility system.
2. Outstanding bond issues will continue to be reviewed/recommended for potential refinancing to save on interest charges and lower expenses to the utility funds.
3. The City Administration will continue to investigate opportunities in the areas of the utility fund operations in the interest of further reducing operating expenses of the utility funds over time.

The projected revenues, expenditures and resulting rate modifications in the Sewer Fund and Water Fund as contained in the 2016 Utility Rate Financial Study for fiscal year 2016-2017 result in a combined rate increase of 0.75 percent to the typical residential customer. Projected rate increases for the combined funds for 2017-2018 through 2020-2021 are projected between 0.78 percent and 1.10 percent in the 2016 Utility Rate Financial Study.

For fiscal year 2016-2017, the sewer commodity rate is recommended to remain at \$4.60 per thousand gallons of metered water. The water commodity rate is recommended to remain at \$3.19 per thousand gallons of metered water. Basic quarterly charges for both sewer and water use, which are calculated to provide funding for certain fixed costs for the utility systems, are recommended as noted in the 2016 Utility Rate Financial Study.

The net effect of the combined sewer and water rate recommendations on the typical residential customer is an overall utility rate increase of 0.75 percent. The combined utility rate recommendations represent an annual increase of approximately \$5.56 (from approximately \$746.53 per year to approximately \$752.09 per year) for the typical residential customer with both public sewer and water service. On a monthly basis, the recommended rates would result in an increased monthly cost of \$0.47 to the typical residential customer. Overall, in terms of public health, utility costs represent a

tremendous benefit for the cost incurred by the customer.

Items less significant in dollar amount but still important to the continuing financial health of the utility systems were also reviewed by the Utility Rate Study Committee. It is essential that the amount charged for these services recover the costs to provide such services. If charges are inadequate to allow for recovery of costs, rate payers subsidize the service provided.

Charges and fees reviewed in the context of the 2016 Utility Rate Financial Study include water connection charges, meter charges, meter box charges, hydrant meter charges and water processing fees. It is recommended that all current charges remain unchanged. If approved, the proposed rate changes would be adopted July 1, 2016, with the new rates becoming effective October 1, 2016.

It is recommended that City Council establish a public hearing on April 26, 2016 for consideration of the proposed rates and charges as set forth in the 2016 Utility Rate Financial Study.

FUNDING: N/A

Attachments: 1. 2016 Utility Rate Financial Study



2016 Utility Rate Financial Study

2016 UTILITY RATE FINANCIAL STUDY

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2016
UTILITY RATE FINANCIAL STUDY

SECTION I - UTILITY RATES

INTRODUCTION

The City Administration has reviewed the utility rate structure for the purpose of considering necessary adjustments to utility rates while addressing long-term needs of the city utility system. During the development of the 2016 Utility Rate Financial Study, a review of the previous study and the present rate structure was conducted.

The proposed 2016 – 2017 utility rates are based in large part on the recommendations of the comprehensive rate analysis performed by Utility Financial Solutions, LLC (UFS) in 2011. On November 16, 2010 City Council awarded a contract to UFS to review past and current financial reports of the water and wastewater utilities along with detailed accounting of the utilities finances. The purpose of the UFS analysis was to determine the actual cost to provide water and wastewater services to the utility customers. The cost of service analysis showed that the current rate structure was insufficient to ensure the receipt of revenues necessary to recover the fixed costs of the utility. To address this concern the 2011 – 2012 utility rates began the trend of shifting revenue collection to basic quarterly charges based on meter size while keeping the commodity rate increases in line with the normal inflationary costs to provide the water and wastewater service. This trend is continued in the 2016 Utility Rate Study.

As part of the ongoing effort to control costs and maintain the lowest possible utility rates for water and sewer customers, the City Administration has reviewed the overall utility operation in light of the privatization of the operation and maintenance functions of the utility initiated in March, 1997. Privatization has been extremely effective in cutting overall utility costs while still providing a high level of service to customers. The city's contractor performs all routine operation and maintenance activities for the water utility including operation of the pumping and overhead storage facilities; meter installation, repair and reading; water service repair and maintenance; water main repair; fire hydrant flushing and repair; MISS DIG staking and other miscellaneous activities. Routine operation and maintenance activities performed for the sewer utility include cleaning and television inspection of sanitary sewers; cleaning of storm sewer piping and manholes; daily inspection, maintenance and repair of sanitary sewage pumping facilities; repair and cleaning of sanitary sewer manholes; street sweeping and other miscellaneous activities. On December 9, 2011 the City Council awarded a 5 year contract extension to Suez Water Environmental Services, Incorporated thru March 2017.

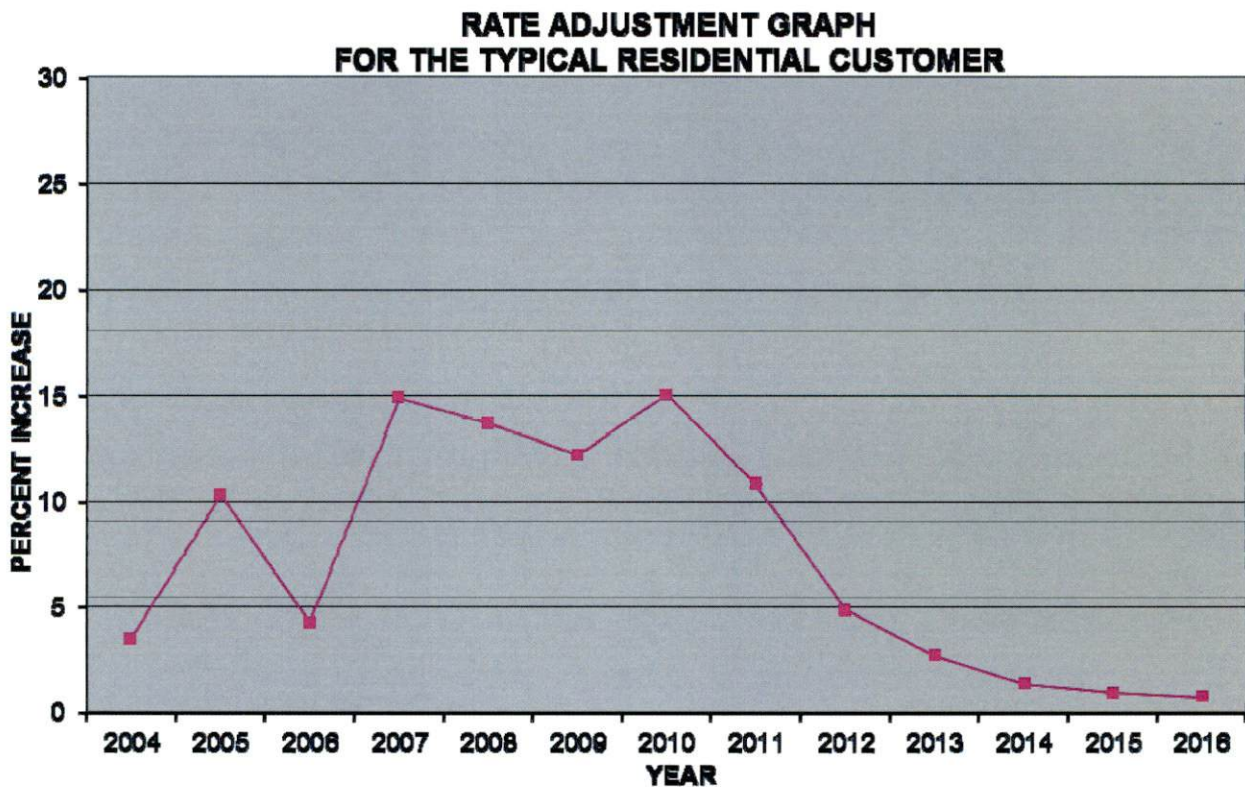
Background

The Governmental Accounting Standards Board (GASB) requires that Sewer and Water Funds be enterprise funds and be operated in a manner similar to private business, with costs recovered primarily through user charges.

In 1986, the first Water and Sanitary Sewer Rate Committee reviewed the financial status of the Sanitary Sewer and Water Funds. The Water and Sanitary Sewer Rate Committee has met every year since to review the rates and make recommendations to the City Council. Prior to 1986 utility rates were reviewed and adjusted on an as needed basis, which lead to unpredictable rates and charges.

In 2008 the city received a letter from the State of Michigan requiring a financial plan to rectify a water fund deficit. The city has followed the plan submitted to the State of Michigan and the water fund deficit has been eliminated. Water and sanitary sewer rate increases required to eliminate the deficit and meet the conditions in the financial plan submitted to the State of Michigan have been substantial since 2008. Rate adjustments since 2004 are as follows:

<u>Fiscal Year</u>	<u>Combined Water & Sewer % Rate Change (Typical Residential Customer)</u>
2004	3.53
2005	10.34
2006	4.29
2007	14.89
2008	13.68
2009	12.22
2010	15.03
2011	10.85
2012	4.85
2013	2.73
2014	1.40
2015	0.94



Rate adjustments typically result from inflationary pressure, material changes in programs and operations, and other factors which cannot be controlled by the city, such as charges from the City of Kalamazoo for sewage treatment and energy charges from Consumers Energy for gas and electricity.

CURRENT STATUS

A fundamental principle of utility fund financing is that user rates should be sufficient to fund the entire cost of utility system operations. This principle is accepted by all authoritative sources (Government Finance Officers Association, American Water Works Association, etc.) and is based on the enterprise fund status. Enterprise funds are run as a private business and all businesses must generate sufficient revenues to cover costs in order to be viable.

Utility System Rate Structure

For provision of sanitary sewer and water service, a two-part rate structure is in effect. For sanitary sewer and water customers, the rate consists of a fixed portion, referred to as the "basic quarterly charge" and a unit rate, referred to as the "commodity" rate.

For water and sewer activities of the utility, the basic quarterly charge is designed to cover the fixed costs of providing service. These costs, which are generally stable throughout the year despite the amount of water produced or sewage transported, include: Personnel services including salaries and fringes, the Suez operation and maintenance contract, office supplies, mailing expenses, telephone charges, environmental testing, water quality testing, printing and publishing and equipment repair and maintenance. The fixed costs are applied to the meter size using a formula which recognizes the capacity of the meter size and the impact on the water and sanitary sewer systems.

Commodity rates are designed to cover costs which are more variable. These costs include sewage treatment costs, public utilities, sewer lead repair, equipment rental costs, equipment replacements, retention basin testing and administrative costs. Commodity rates are based on a dollar amount per thousand gallons of water metered for both water and sewer billings, with sewer billings capped for residences as described below. All classes of customers are billed quarterly with a quarterly portion of the annual basic rate applied in addition to the commodity charge.

Sanitary Sewer System

The sanitary sewer system consists of 232 miles of sewer main and 55 sewage lift stations. The sanitary sewer system has a capacity of 10.8 million gallons per day. The average daily flow is 4.1 million gallons per day. Future expansion projects are prioritized to address the areas with greatest potential for groundwater contamination. Citizen petitions are also given high priority. Priorities are reviewed annually by the City Administration to ensure consistency with Council goals and environmental concerns. Current and projected resources of the Sanitary Sewer Fund appear adequate to accommodate increased expansion of the sanitary sewer system. The recommended ten-year 2016-2026 Capital Improvement Program (CIP) includes \$5.645 million in sanitary sewer system improvements and expansions. The improvements are proposed to be funded through various

financing methods. The projects are considered important in order to pursue placement of sanitary sewer throughout the city and to continue with the mandatory sewer hookup program emphasis. In addition to extension of sanitary sewer mains, operational improvements over the next ten years include:

- Installation of sewer leads where not included in original construction.
- Installation of mains in existing developed plats.
- Renovation of sanitary sewer lift stations and force mains

The proposed sanitary sewer rate structure was developed taking into account the capital expenditures necessary to meet these needs through various financing means.

Sanitary Sewer Billing Cap

Sewer bills are calculated based upon water usage. The rationale is that water used within a residence is generally discharged to the sanitary sewer system as wastewater. A cap on sewer billing to residential customers limits the sewer bill to 125% of the customer's winter quarter water usage. The 125% cap was established based upon an analysis of residential accounts with separate water meters for irrigation. This analysis was undertaken to determine the quarterly water usage pattern of the "typical residential customer." Results of this analysis indicated that average summer water usage discharged to the sanitary sewer system, for a single-family residence, is approximately 125% of the winter water consumption when external irrigation is excluded. Winter usage is defined as that quarter in which January occurs. The sanitary sewer billing cap ensures that residential customers are billed for flow to the sanitary sewer and not for outdoor water use.

Water System

The city water system consists of 20 production wells, one 750,000 gallon elevated storage tank, one 1,500,000 gallon elevated storage tank and 247 miles of water main. Due to the 2006 lowering of the allowable arsenic levels in public drinking water to 10 micrograms per liter, 2 wells have been abandoned and one well decommissioned due to the high arsenic level. The water system currently has a capacity of 26.35 million gallons per day. The average day production is 4.6 million gallons. Fishbeck, Thompson, Carr & Huber, Inc. completed a comprehensive Water Reliability Study for the city in 2013 and updated the Wellhead Protection Program in 2015. These studies, together with current management information and system use data, is the basis for planned future system improvements.

The recommended 2016-2026 CIP includes \$21.725 million in water system improvements. Current and future anticipated demands placed on the system necessitate provision of numerous operational improvements over the next ten years, including:

- Installation of transmission mains in previously unserved areas and for conveyance of large volumes of water throughout the service area as needed.
- Installation of service lines in developed plats.
- Improvement of the stormwater collection and recharge system.

- Additional treatment facility with iron removal capabilities.
- Additional water storage.

The proposed water rate structure was developed taking into account the capital expenditures necessary to meet these needs through various types of financing.

On February 11, 2014, Portage City Council approved reinstatement of a 10% discount on water use charges for eligible senior citizens. Redistribution of the 10% discount to senior citizen customers to the remaining water customers was also taken into account in the development of the water rate structure. The subsidy for the Senior Citizen Discount in 2015 was approximately \$55,250.

Utility Customer Growth

The customer base has grown to 15,411 sanitary sewer customers and 13,859 water customers as of January 1, 2016. An increase in the number of customers has the general impact of stabilizing system-wide operation costs as cost of service can be spread over a larger number of users. Although the total number of water and sewer customers continues to increase, the rate of increase in utility customers has slowed in recent years which is indicative of a mature utility system. In the future, new customer growth will be most directly related to new development occurring in the city.

FINANCIAL REVIEW

Using current information on the status of the utility systems as background, the 2016 Utility Rate Financial Study was undertaken to determine appropriate cost recovery rate levels. These rates provide for operation of the utility systems, funding of utility-related capital improvement needs, and repayment of Limited Tax General Obligation (LTGO) city share debt and Utility Revenue bond debt related to infrastructure extensions and replacements.

The Comprehensive Annual Financial Reports for prior fiscal years provide the primary source for review of the past financial condition of the Utility Funds. Additional sources are the Municipal Budget for 2015-16, the 2015-2025 CIP, the recommended 2016-2026 CIP and prior utility rate studies. The financial condition of the Utility Funds as of June 30, 2015 is consistent with previous expectations. Dramatic reductions in total sewage flow to the Kalamazoo Regional Sewage Treatment Plant which results in much higher sewage treatment costs and prior year "true-up" costs for the City of Portage. The provision of arsenic removal facilities to conform to federally mandated arsenic levels for public water supplies also necessitate increases in both water and sanitary sewer rates.

Typical Residential Customer

The typical residential customer purchases 19,000 gallons of water and is being billed for 15,000 gallons of sewage flow per quarter. The typical residential customer has been defined based upon an analysis of all residential accounts and represents the baseline used for comparison since single-family residences represent about 90% of utility accounts. Shown below is a profile which demonstrates the typical average residential customer quarterly usage of water and billing of sewage flow.

TYPICAL RESIDENTIAL CUSTOMER

	Metered Water (x1000 gallons)	Billed Sewer (x1000 gallons)
Winter usage	14	14
Spring usage	14	14
Summer usage	33	18
<u>Autumn usage</u>	<u>14</u>	<u>14</u>
Total	75	60

The differential between the metered water and the billed sewer is due to the 125% sewer cap. The cap impacts the summer sewage billing quarter by limiting it to 125% of the winter metered water.

RATE RECOMMENDATIONS

Tables 1, 2 & 3 summarize Sanitary Sewer Fund and Water Fund statements of estimated revenue and expenses for the fiscal years ending June 30, 2016 through 2021. Projected commodity rates, sales in millions of gallons, and an analysis of capital/debt needs and funding are also presented. Factors which impact these projections include: the cost of living increase, the number of utility customers, revised arsenic level standards promulgated by the USEPA, reduced flow from sewer customers and the sewage treatment costs by the City of Kalamazoo in the case of the Sewer Fund, which has seen a significant increase over the past several years. Table 4 analyzes the recommendations as applied to the "typical residential customer". The following recommendations are presented regarding 2016 Utility Rates.

Sanitary Sewer Fund

It is recommended that the sewer commodity rate remain at \$4.60 per thousand gallons. The rate will: (1) provide for treatment charges billed by the City of Kalamazoo, (2) continue funding operations, capital improvement needs, repayment of outstanding sewer-related Limited Tax General Obligation (LTGO) bonds and Utility Revenue bonds and 3) provide for future LTGO and revenue bond debt. Privatization of the utility operation has resulted in a significant savings in the sewer fund over the last eighteen years, in spite of a lower billable flow growth compared to previous years.

It is recommended that the sewer basic quarterly charges be increased as shown below:

SANITARY SEWER BASIC QUARTERLY CHARGE – CITY OF PORTAGE CUSTOMERS

<u>Meter Size</u>	<u>Current Quarterly Charge</u>	<u>Proposed Quarterly Charge</u>
5/8"	\$ 34.07	\$ 34.75
3/4"	\$ 51.11	\$ 52.12
1"	\$ 76.66	\$ 78.19
1-1/2"	\$ 136.28	\$ 139.00
2"	\$ 204.42	\$ 208.50
3"	\$ 340.70	\$ 347.50
4"	\$ 681.40	\$ 695.00
6"	\$ 1,192.45	\$ 1,216.25
8"	\$ 1,703.50	\$ 1,737.50

Active water conservation by our customers has reduced sewer fund revenues resulting in the necessity of a 0.66% increase in rates for the 2016-2017 fiscal year which is less than proposed in the 2015 Utility Rate Financial Study. The basic quarterly charges are designed to cover the fixed costs related to the operation of the sanitary sewer system. The increase in the Basic Quarterly Charge conforms to the recommendation in the 2011 Comprehensive Rate Analysis by Utility Finance Solutions, LLC. With the continuation of the sanitary sewer bill cap of 125%, increasing the basic quarterly charges and continuing the commodity rate at \$4.60 per thousand gallons will result in an added monthly expense of \$0.23 for the typical residential customer.

In previous utility rate studies, emphasis has been placed on stabilizing retained earnings in the Sanitary Sewer Fund at a level of \$1,500,000 as recommended by the city's financial advisor. An

adequate cash balance needs to be maintained for operation of the utility and to make debt service payments. Higher Basic Quarterly Charges are recommended to ensure sufficient resources are available within the Sanitary Sewer Fund to meet obligations to avoid the need for subsidy by non-utility related funds.

For fiscal year 2015-16 the estimated working capital (i.e., cash) at the end of the year is \$6,433,489. Based on the recommended basic quarterly charges and commodity rate for 2016-17 and subsequent minimal projected rate increases over the next several years, an acceptable level of working capital balance can be maintained through fiscal year 2020-21.

The recommended rate of increase for the 2016-2017 fiscal year is less than the rate forecast in the 2015 Utility Financial Rate Study. Subsequent year increases are projected at between 0.68% and 1.10%, as shown in Table 1 (Utility Fund Statements of Revenues and Expenses – Sanitary Sewer Fund)

Sanitary Sewer Rate - Schoolcraft Township

The service agreement with Schoolcraft Township establishes the rate charged to customers in Schoolcraft Township. The basic quarterly charge is the same as charged to the City of Portage customers. There is a 5% surcharge on the commodity rate plus a \$0.35 charge per thousand gallons for capital costs. It is recommended that the sanitary sewer commodity rate be continued at \$5.18 per thousand gallons.

Water Fund

Water Service Charges

It is recommended that the water commodity rate remain at \$3.19 per thousand gallons. The basic quarterly costs are designed to cover the fixed costs related to the operation of the water system. It is recommended that the water basic quarterly charges be increased as shown below:

WATER BASIC QUARTERLY CHARGE – CITY OF PORTAGE CUSTOMERS

<u>Meter Size</u>	<u>Current Quarterly Charge</u>	<u>Proposed Quarterly Charge</u>
5/8"	\$ 23.75	\$ 24.46
3/4"	\$ 35.63	\$ 36.69
1"	\$ 53.44	\$ 55.03
1-1/2"	\$ 95.00	\$ 97.84
2"	\$ 142.50	\$ 146.76
3"	\$ 237.50	\$ 244.60
4"	\$ 475.00	\$ 489.20
6"	\$ 831.25	\$ 856.10
8"	\$ 1,187.50	\$ 1,223.00

Active water conservation by our customers has reduced Water Fund revenues resulting in the necessity of a 0.85% increase in rates for the 2016 – 2017 fiscal year which is less than was proposed in the 2015 Utility Rate Financial Study. This increase conforms to the recommendation in the 2011

Comprehensive Utility Rate Study by Utility Financial Solutions, LLC. For the typical residential use the proposed increase will result in an added monthly expense of \$0.24 for municipal water customers.

Private Fire Protection Service Charges.

Dedicated fire protection service is defined as a separate water service line to a property that solely provides fire protection to the property. The Basic Quarterly Charge will ensure that the cost of providing a dedicated fire service that only benefits one property is borne by the benefiting customer and not the utility customers at large. In addition to the Basic Quarterly Charge there is a \$6.40 per 1,000 gallon charge for all water use recorded on the fire service bypass meter. It is recommended that the Basic Quarterly Charge for fire protection services remain as shown in the table below.

Private Fire Protection - Basic Quarterly Charge

<u>Fire Protection Service Size</u>	<u>Current Basic Quarterly Charge</u>	<u>Proposed Basic Quarterly Charge</u>
4 – inch	\$15.00	\$15.00
6 – inch	\$35.00	\$35.00
8 – inch	\$60.00	\$60.00
10 – inch	\$95.00	\$95.00
12 – inch	\$135.00	\$135.00
16 - inch	\$240.00	\$240.00

As shown on Table 2 (Utility Fund Statements of Revenues and Expenses - Water Fund), subsequent year increases are projected between 0.89% and 1.09 %. The water quarterly basic charges and commodity rate must be increased in future years to continue funding operations, meet major capital improvement needs, keep up with inflationary increases in water production costs (pumping, disinfection, etc.), repay outstanding water-related Limited Tax General Obligation (LTGO) bonds and Utility Revenue bonds and provide for future LTGO and revenue bond debt. In future years, costly major water projects such as additional water storage and iron removal facilities will be required as demands on the Portage water system increase. In addition, the Water Fund will finance needed storm drainage improvements throughout the city.

In previous utility rate studies, emphasis has been placed on stabilizing retained earnings in the Water Fund at a level of \$1,500,000 as recommended by the city's financial advisor. However, efforts must continue to be directed to enhancing the cash position of the Water Fund. An adequate cash balance needs to be maintained for operation of the utility and to make debt service payments. Minimal rate increases over the coming years are recommended to ensure sufficient resources are available within the Water Fund to meet obligations to avoid the need for subsidy by non-utility related funds.

In the Water Fund, the rate study revealed that working capital (i.e., cash) has been seriously impacted through the significant amount of debt incurred with completion of several major water related projects over the past several years. Recent federally mandated arsenic standards for public water supplies have necessitated additional major expenditures, adding to the already significant debt burden in the Water Fund. The Arsenic/Iron removal plant at the Garden Lane well site makes it possible to meet the new arsenic standards and use the wells in the Garden Lane well field and increase system capacity by approximately 4.3 million gallons per day.

It is important that the city continue to plan for a replacement water tower (currently scheduled in fiscal year 2018-2019 in the recommended 2016-2026 CIP) and the installation of new iron removal facilities at the Shuman well site (currently scheduled in 2021 through 2023 in the recommended 2016-2026 CIP) to relieve pressure on the Kalamazoo/Portage groundwater aquifer and the Milham well field located north of Portage Northern High School. Exploration for new suitable (low iron) well sites in southern Portage, Schoolcraft Township and Pavilion Township was not successful in locating any new well sites with low iron content. It is also important to plan for the construction of a new water tower to replace the Haverhill water tower. The new water tower will provide for greater storage capacity in the center of the city's residential and commercial areas to improve system reliability during peak demand and also improve fire flow in the northern portion of the city.

Water Rate - Pavilion Township And Schoolcraft Township

It is recommended that the basic quarterly charges for Pavilion Township and Schoolcraft Township residents be the same as charged to City of Portage customers. It is also recommended that the water commodity rate for Pavilion Township and Schoolcraft Township residents remain at \$3.83 per thousand gallons.

SUMMARY OF RECOMMENDATIONS

The effect of the combined recommendations on the typical city residential customer is projected through fiscal year 2020-2021 in Table 3. Combined sewer and water rates for the next five fiscal years are projected to increase between 0.75% and 1.10% annually. The combined rate increase of 0.75% for the typical residential customer is less than the rate increase projected for the 2016 – 2017 fiscal year in the 2015 Utility Rate Financial Study. For the typical residential customer having both municipal water and sewer service the proposed rate increase will result in an added monthly expense of \$0.47. With operations, capital improvements and debt service continuing to be funded, the utility systems have been on a self-supporting basis since July 1989. Self-supporting status is essential for these important enterprise funds so that the funds do not become a financial drain on either the General Fund or the Capital Improvement Fund.

In 2012 the effective date of the annual rate adjustment was moved to October 1. This minimizes the impact of rate increases on customers during the summer billing cycle. It is recommended that the effective date for rate adjustments be October 1, 2016.

SECTION II – UTILITY

FEES AND CHARGES

INTRODUCTION

Although the establishment of appropriate commodity rates and basic quarterly charges for water and sewer service is the primary focus of the annual Utility Rate Financial Study, it is also prudent to give attention to matters which may be less significant in dollar amounts but are still important to the financial health of the utility system, i.e., utility fees and charges.

Background

The establishment of adequate fees and charges for services performed in addition to the delivery of water and sewer service is necessary to fairly and equitably recover costs for services provided. When fees and charges are inadequate, the utility rate payer must bear the cost for services provided to others. Examples include costs for service connections, meters, turn-on fees, etc. In each case, if the charges for these services are inadequate to recover costs, the rate payers subsidize the service provided to some extent.

CURRENT STATUS AND RECOMMENDATIONS

Meter Charges

The current charges for installing meters are based on the cost of the meter and the labor and equipment costs to install the meter. The current charges have been reviewed and it was found that no adjustments are needed to recover the cost of the meter and installation. It is recommended that the water meter charges remain unchanged.

<u>Meter Size</u>	<u>Current Charges</u>	<u>Actual Cost/Recommended Charges</u>
5/8"	\$225	\$225
3/4"	\$280	\$280
1"	\$345	\$345
1-1/2"	\$815	\$815
2" SR (Irrigation)	\$1,010	\$1,010
2" Compound	\$2,225	\$2,225
3" Compound	\$2,925	\$2,925
4" Compound	\$4,530	\$4,530
6" Compound	\$7,840	\$7,840

Meter Box Charge

Meter box charge is based on the cost of materials to install the meter box. Meter boxes are used when a suitable location for meter installation is not available in the building or property being served. The charge has been reviewed and it was found that the cost has not increased. It is recommended that the meter box charge remain unchanged at \$1050.

Hydrant Meter Charges

The use of meters on fire hydrants is a service provided as a convenience to contractors or individuals who need to obtain large quantities of water in a short period of time. It is recommended that the minimum charge for use of a hydrant meter remain at \$150. The minimum charge for supplying and installing a meter on a fire hydrant includes the use of 15,000 gallons of water. It is also recommended that the commodity charge for use over 15,000 gallons of water remain at \$6.40 per 1,000 gallons. Furthermore, that the deposit required to ensure the return of all hydrant meter hoses and other items remain at \$250. This deposit eliminates the potential problem of collecting for the service provided.

Fire Hydrant Flow Test Charge

Fire hydrant flow tests are performed to determine the quantity of water available for fire fighting use. Flow test are requested by insurance companies and developers to determine the quantity of water available for fire protection at a property. The established charge for providing a flow test ensures that the cost is borne by the benefiting customer and not the utility customers at large. It is recommended that the charge for a hydrant flow test remain at \$135.00.

Reinstatement Processing Fee

A fee is currently charged for reinstating a water service. This fee applies to services that are requested to be turned off by the customer as well as services turned off for delinquency. In the case of delinquency, three notices are sent to the customer with a shut-off date established on the third notice. Once a work order has been issued for water shut-off, the processing fee is automatically added to the customer's bill and payment of the delinquent bill plus the processing fee is required prior to reactivation of service. The current fee is \$50 and is recommended to be continued in the 2016-17 fiscal year. For water service turn-on after normal working hours, the current processing fee of \$100 is recommended to be continued for the 2016-17 fiscal year. The \$100 processing charge reflects the added hourly cost for the service technician associated with the provision of water service turn-on after normal working hours.

Other Charges and Policies

1. Flat Rate

Non-metered sewer customers are billed based on a water usage of 15,000 gallons per quarter (flat rate). It is recommended that this policy be continued.

2. Irrigation Allowance

Single family residences, residential condominiums and all other individually metered residential units may be given a discount for irrigation as follows:

1) Charges for such customers are based on actual water consumption, except that there is no sewage charge for water consumption exceeding 125 percent of the water consumption for the most recent quarter billing in which the month of January is included; 2) Residential customers who do not have a quarter billing in which the month of January is included or who have a zero (0) water usage for the quarter which includes the month of January, have the sewer charge for the other three quarters established at the maximum rate volume of 15,000 gallons or actual usage, if less, per quarter until such time as quarter billing information, in which the month of January is included, is available. It is recommended that the irrigation allowance be continued.

3. Senior Citizen Water Allowance

City of Portage water customers 65 years of age and older who submit an application and provide proof of age are eligible for a 10% discount on water use charges for their primary residence account.

4. Non Sufficient Funds (NSF) Check Fee

It is recommended to maintain the current fee of \$30 per occurrence to reflect current administrative cost for any returned/unpaid check or other failed financial instrument which results in uncollected funds.

5. Outstanding Charges Limit

The amount of past due/outstanding charges necessitating water shut-off is recommended to be maintained at \$60.

6. Utility Late Fee Waivers

It is recommended that the utility billing late fee be waived if the customer

- a. has paid all of the last 12 or more utility bills on time and the customer requests that the late fee be waived/removed or;
- b. signs up for automatic payment where the amount due is taken from their bank account on the due date.

SUMMARY OF RECOMMENDATIONS

Summarizing recommendations for 2016-17 utility fees and charges, it is advised that:

1. Charges for meters (all sizes) remain the same.
3. Charges for installation of meter box remain the same.
4. The current charge of a \$250 deposit for the installation of a hydrant meter remain the same and that the current minimum charge including the use of up to 15,000 gallons of water remain at \$150. Further, that the current commodity charge of \$6.40 per thousand gallons for all water used over 15,000 gallons remain the same.
5. The \$50 processing fee associated with turn-on or shut-off of a water service be continued, the exception being, however, that the initial turn-on for first time customers will be at no charge. When the city dispatches a person to turn on water during non-business hours, the processing fee of \$100 will be continued.
6. The flat rate based on a consumption of 15,000 gallons per quarter for non-metered sewer customers continues in effect.
7. The sewer billing cap for residential customers having a zero water meter reading in the quarter that contains January remains at 15,000 gallons.
8. The current charge of \$30 per occurrence will be charged for any returned/unpaid check or other failed financial instrument which results in uncollected funds.
9. The utility billing late fee will be waived:
 - a. if the customer has paid all of the last 12 or more utility bills on time and the customer requests that the late fee be waived/removed or;
 - b. if the customer signs up for automatic payment.
10. A credit of \$1.00 for each normal quarterly bill will be given to each customer on the utility billing automatic payment plan.
11. An amount past due of more than \$60 remain as the shut-off level amount.

Utility Fund Statement of Revenues and Expenses

SEWER FUND							Table 1
2016/2017 RATES							
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Audited	Estimated	Budgeted	Projected	Projected	Projected	Projected
SALES (million gallons)	1,205	1,205	1,205	1,215	1,215	1,215	1,215
RATE (per 1000 gallons)	\$4.60	\$4.60	\$4.60	\$4.63	\$4.65	\$4.65	\$4.65
OPERATING REVENUE:							
User charges	8,567,817	8,773,000	8,838,000	8,986,000	9,078,000	9,146,000	9,216,000
Tap in fees and other revenue	438,655	245,127	245,000	245,000	245,000	245,000	245,000
Gain on sale of fixed assets							
TOTAL OPERATING REVENUE	9,006,472	9,018,127	9,083,000	9,232,000	9,323,000	9,391,000	9,461,000
OPERATING EXPENSES:							
Operations and maintenance	2,341,129	2,291,808	2,488,417	2,538,000	2,589,000	2,641,000	2,694,000
Kalamazoo sewer treatment charges	2,748,283	2,845,210	3,450,000	3,553,500	3,660,105	3,769,908	3,883,005
General and administrative	1,157,571	1,468,314	1,391,935	1,420,000	1,448,000	1,477,000	1,507,000
Total operating expenses							
before depreciation	6,246,983	6,605,332	7,330,352	7,511,500	7,697,105	7,887,908	8,084,005
Operating income (loss)							
before depreciation	2,759,489	2,412,795	1,752,648	1,720,500	1,625,895	1,503,092	1,376,995
Depreciation	738,289	739,109	756,209	778,559	786,759	789,709	805,759
OPERATING GAIN (LOSS)	2,021,200	1,673,686	996,439	941,941	839,136	713,383	571,236
NON-OPERATING REVENUE (EXPENSE):							
Interest income	41,831	33,453	34,100	34,800	35,500	36,200	36,900
Interest and fiscal charges	(202,941)	(186,965)	(141,730)	(135,050)	(119,515)	(104,800)	(103,800)
NET NON-OPERATING REVENUE (EXPENSE)	(161,110)	(153,512)	(107,630)	(100,250)	(84,015)	(68,600)	(66,900)
NET GAIN (LOSS) BEFORE TRANSFERS	1,860,090	1,520,174	888,809	841,691	755,121	644,783	504,336
TRANSFERS IN (OUT)	41,000	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)
CHANGE IN NET POSITION	1,901,090	1,440,174	808,809	761,691	675,121	564,783	424,336
WORKING CAPITAL ANALYSIS							
Beginning Cash Balance		6,057,367	6,433,489	5,691,891	6,018,067	6,542,089	7,267,924
Cash from Current Operations		2,259,283	1,645,018	1,620,250	1,541,880	1,434,492	1,310,095
Bond issue Proceeds							
CASH AVAILABLE		8,316,650	8,078,507	7,312,141	7,559,947	7,976,581	8,578,018
Capital Improvement Needs (Cash)		1,420,000	1,940,000	755,000	525,000	230,000	1,835,000
Capital Debt Principal/New Debt Principal		463,161	446,616	539,074	492,858	478,657	456,510
WORKING CAPITAL OUTFLOW		1,883,161	2,386,616	1,294,074	1,017,858	708,657	2,291,510
ENDING WORKING CAPITAL BALANCE		6,433,489	5,691,891	6,018,067	6,542,089	7,267,924	6,286,508
Typical residential % change	1.55%	0.99%	0.66%	1.10%	0.96%	0.68%	0.69%

Utility Fund Statement of Revenues and Expenses

WATER FUND							Table 2
2016/2017 RATES							
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Audited	Estimated	Budgeted	Projected	Projected	Projected	Projected
SALES (million gallons)	1,510	1,510	1,500	1,490	1490	1490	1,490
RATE (per 1000 gallons)	\$3.19	\$3.19	\$3.19	\$3.20	\$3.20	\$3.20	\$3.20
OPERATING REVENUE:							
User charges	6,462,469	6,916,000	6,946,000	6,994,000	7,061,000	7,129,000	7,200,000
Tap in fees and other revenue	173,074	151,300	95,000	95,000	95,000	95,000	95,000
State Grant							
TOTAL OPERATING REVENUE	6,635,543	7,067,300	7,041,000	7,089,000	7,156,000	7,224,000	7,295,000
OPERATING EXPENSES:							
Operations and maintenance	1,217,435	1,259,031	1,414,727	1,443,000	1,472,000	1,501,000	1,531,000
General and administrative	1,218,473	1,394,745	1,267,517	1,293,000	1,319,000	1,345,000	1,372,000
Total operating expenses							
before depreciation	2,435,908	2,653,775	2,682,244	2,736,000	2,791,000	2,846,000	2,903,000
Operating income (loss)							
before depreciation	4,199,635	4,413,525	4,358,756	4,353,000	4,365,000	4,378,000	4,392,000
Depreciation	741,689	758,219	784,719	807,399	881,449	898,199	918,799
OPERATING GAIN (LOSS)	3,457,946	3,655,306	3,574,037	3,545,601	3,483,551	3,479,801	3,473,201
NON-OPERATING REVENUE (EXPENSE):							
Interest income	90,628	43,896	44,800	45,700	46,600	47,500	48,500
Interest and fiscal charges	(951,329)	(872,065)	(640,960)	(578,345)	(509,950)	(554,850)	(484,094)
NET NON-OPERATING REVENUE (EXPENSE)	(860,701)	(828,169)	(596,160)	(532,645)	(463,350)	(507,350)	(435,594)
NET GAIN (LOSS) BEFORE TRANSFERS	2,597,245	2,827,137	2,977,877	3,012,956	3,020,201	2,972,451	3,037,607
TRANSFERS IN (OUT)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
CHANGE IN NET POSITION	2,547,245	2,777,137	2,927,877	2,962,956	2,970,201	2,922,451	2,987,607
WORKING CAPITAL ANALYSIS							
Beginning Cash Balance		3,664,760	4,931,449	4,810,265	5,699,795	2,929,005	2,575,162
Cash from Current Operations		3,585,356	3,762,596	3,820,355	3,901,650	3,870,650	3,956,406
Bond Issue Proceeds					3,000,000		
CASH AVAILABLE		7,250,116	8,694,045	8,630,620	12,601,445	6,799,655	6,531,568
Capital Improvement Needs (Cash)		700,000	2,170,000	600,000	7,545,000	1,815,000	2,200,000
Capital Debt Principal/New Debt Principal		1,618,667	1,713,780	2,330,825	2,127,440	2,409,493	2,280,848
WORKING CAPITAL OUTFLOW		2,318,667	3,883,780	2,930,825	9,672,440	4,224,493	4,480,848
ENDING WORKING CAPITAL BALANCE		4,931,449	4,810,265	5,699,795	2,929,005	2,575,162	2,050,720
Typical residential % change	1.22%	0.91%	0.85%	1.09%	0.89%	0.91%	0.92%

Utility Fund Statement of Revenues and Expenses

SEWER AND WATER FUNDS							Table 3
2016/2017 RATES							
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Audited	Estimated	Budgeted	Projected	Projected	Projected	Projected
OPERATING REVENUE:							
User charges	15,030,286	15,689,000	15,784,000	15,980,000	16,139,000	16,275,000	16,416,000
Tap fees	611,729	396,427	340,000	340,000	340,000	340,000	340,000
State Grant	0	0	0	0	0	0	0
TOTAL OPERATING REVENUE	15,642,015	16,085,427	16,124,000	16,320,000	16,479,000	16,615,000	16,756,000
OPERATING EXPENSES:							
Operations and maintenance	3,558,564	3,550,839	3,903,144	3,981,000	4,061,000	4,142,000	4,225,000
Kalamazoo sewer treatment charges	2,748,283	2,845,210	3,450,000	3,553,500	3,660,105	3,769,908	3,883,005
General and administrative	2,376,044	2,863,059	2,659,452	2,713,000	2,767,000	2,822,000	2,879,000
Total operating expenses							
before depreciation	8,682,891	9,259,107	10,012,596	10,247,500	10,488,105	10,733,908	10,987,005
Operating income (loss)							
before depreciation	6,959,124	6,826,320	6,111,404	6,072,500	5,990,895	5,881,092	5,768,995
Depreciation	1,479,978	1,497,328	1,540,928	1,585,958	1,668,208	1,687,908	1,724,558
OPERATING GAIN (LOSS)	5,479,146	5,328,992	4,570,476	4,486,542	4,322,687	4,193,184	4,044,437
NON-OPERATING REVENUE (EXPENSE):							
Interest income	132,459	77,349	78,900	80,500	82,100	83,700	85,400
Interest and fiscal charges	(1,154,270)	(1,059,030)	(782,690)	(713,395)	(629,465)	(659,650)	(587,894)
NET NON-OPERATING REVENUE (EXPENSE)	(1,021,811)	(981,681)	(703,790)	(632,895)	(547,365)	(575,950)	(502,494)
NET GAIN (LOSS) BEFORE TRANSFERS							
	4,457,335	4,347,311	3,866,686	3,854,647	3,775,322	3,617,234	3,541,943
TRANSFERS IN (OUT)	(9,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
CHANGE IN RETAINED EARNINGS	4,448,335	4,217,311	3,736,686	3,724,647	3,645,322	3,487,234	3,411,943
WORKING CAPITAL ANALYSIS							
Beginning Cash Balance		9,722,127	11,364,938	10,502,156	11,717,862	9,471,094	9,843,085
Cash from Current Operations		5,844,639	5,407,614	5,440,605	5,443,530	5,305,142	5,266,501
Bond issue Proceeds		0	0	0	3,000,000	0	0
CASH AVAILABLE		15,566,766	16,772,552	15,942,761	20,161,392	14,776,235	15,109,586
Capital Improvement Needs (Cash)		2,120,000	4,110,000	1,355,000	8,070,000	2,045,000	4,035,000
Capital Debt Principal/New Debt Principal		2,081,828	2,160,396	2,869,899	2,620,298	2,888,150	2,737,358
WORKING CAPITAL OUTFLOW		4,201,828	6,270,396	4,224,899	10,690,298	4,933,150	6,772,358
ENDING WORKING CAPITAL BALANCE		11,364,938	10,502,156	11,717,862	9,471,094	9,843,085	8,337,228
Typical residential % change	1.40%	0.95%	0.75%	1.10%	0.93%	0.78%	0.80%

Table 4

	Fiscal 2015-2016 Current Rates			Fiscal 2016-2017 Proposed rates		
	Sewer Cap = 125%			Sewer Cap = 125%		
	Sewer (000 Gal.)	Water (000 Gal.)	Total	Sewer (000 Gal.)	Water (000 Gal.)	Total
Winter	14	14		14	14	
Spring	14	14		14	14	
Summer	18	33		18	33	
Fall	14	14		14	14	
Total	60	75		60	75	
Rate per 1000 gallons	\$4.60	\$3.19		\$4.60	\$3.19	
Usage charge	\$276.00	\$239.25	\$515.25	\$276.00	\$239.25	\$515.25
Annual basic rate	136.28	95.00	231.28	139.00	97.84	236.84
Total	\$412.28	\$334.25	\$746.53	\$415.00	\$337.09	\$752.09
% change				0.66%	0.85%	0.74%

Increased cost for the Typical Portage Residential Customer

	<u>for sewer</u>	<u>for water</u>	<u>for both</u>
per year	\$2.72	\$2.84	\$5.56
per quarter	\$0.68	\$0.71	\$1.39
per month	\$0.23	\$0.24	\$0.47
per week	\$0.05	\$0.05	\$0.10
per day	\$0.01	\$0.01	\$0.02

CAPITAL IMPROVEMENT PROJECT SUMMARY

SANITARY SEWER

Project Expenditures (\$000)

Project Number/Title	Fiscal Year										Total
	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	
1 Angling Road Sanitary Sewer, Squire Heath Lane to Romence Road	1,320										1,320
2 Cliffwood Avenue/Archwood Drive Sanitary Sewer	270										270
3 Norfolk Circle Sanitary Sewer Replacement	120										120
4 Weaver Drive Sanitary Sewer, Charles Street to north end		315									315
5 Wetherbee Avenue Sanitary Sewer, Portage Road to Woodlawn Drive		210									210
6 Romence Road Sanitary Sewer, Angling Road to west end			295								295
7 Ramona Park Plat Sanitary Sewer					950						950
8 Lift Station Renovations					420						420
9 Trunk Sewer Condition Assessment					175						175
10 South Westnedge Avenue Sanitary Sewer Lead Installation					60						60
11 SCADA System Upgrade						450					450
12 Pump Station Mechanical Upgrades							400				400
13 Zylman Avenue Sanitary Sewer, South Sprinkle Road to Deep Point Drive								660			660
TOTALS	1,710	525	295		1,605	450	400	660			5,645
Special Assessments	195	80	30		75						380
Capital Improvement Bonds	1,320	365	235		1,455	450	400	660			4,885
Municipal Street Fund	195	80	30		75						380
City Share Cash											

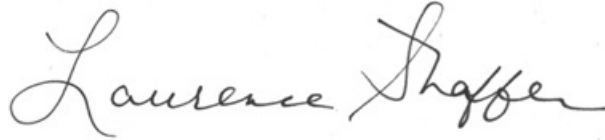
CAPITAL IMPROVEMENT PROJECT SUMMARY

WATER

Project Expenditures (\$000)

Project Number/Title	Fiscal Year										Total
	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	
1 Shaver Road Water Main Replacement	1,350			250	1,000						2,600
2 Storm Drainage Improvements Program	100	100	50	50							300
3 Chopin Avenue Water Main Extension	320										320
4 Mozart Street Water Main Extension	140										140
5 Cliffwood Avenue/Archwood Drive Water Main	150										150
6 Winter Forest Drainage Improvements		300									300
7 Oakland Drive/Rosewood Avenue Water Main Replacement		60									60
8 Northwest Water Storage Facility			6,000								6,000
9 Idaho Avenue Water Main Replacement			500								500
10 Romence Road Water Main Replacement			450								450
11 Lake Connection Elimination Program			275								275
12 South Westnedge Avenue Relief Storm Sewer			75	675							750
13 Water System Reliability Study Update			55					55			110
14 Portage Road Water Main Extension, Helen Avenue to Byrd Drive				350							350
15 Pine View Water Storage Facility Renovation				350							350
16 Consolidated Drain Rehabilitation					400						400
17 Ramona Park Plat Water Main					350						350
18 East Milham Avenue Water Main Replacement					250						250
19 SCADA System Upgrade					60						60
20 Shuman Well Field Iron Removal Facility						650	5,000				5,650
21 Lovers Lane Water Main Abandonment						50					50
22 Schuring Road Water Main Replacement							525				525
23 East Shore Drive Water Main Replacement							310				310
24 Northeast Quadrant Well Field Development								1,200			1,200
25 Woodland Elementary School Water Main								115			115
26 East Milham Avenue Water Main Abandonment										160	160
TOTALS	2,060	460	7,405	1,675	2,060	700	5,835	1,370		160	21,725
Special Assessments	125										125
Capital Improvement Bonds	1,710	300	2,325	1,625	1,750	650	5,000	1,200	0	0	14,560
Other Financing (LDFA bonds for water tower)			1,000								1,000
City Share Cash	225	160	4,080	50	310	50	835	170	0	160	6,040

APRIL 12, 2016

TO: Honorable Mayor and City Council**FROM:** Laurence Shaffer, City Manager**SUBJECT:** Kalamazoo County Brownfield Redevelopment Plan - 5825/5901 Willoughby Drive**SUPPORTING PERSONNEL:** Vicki Georgeau, Director of Community Development

ACTION RECOMMENDED: That City Council adopt the resolution of support for the Kalamazoo County Brownfield Redevelopment Authority Brownfield Redevelopment Plan for 5825/5901 Willoughby Drive for tax capture in the maximum amount of \$190,540 over a period of up to 15 years (including five years for the Local Site Remediation Revolving Fund) or when eligible activities have been fully reimbursed, whichever occurs first.

Pursuant to the Brownfield Redevelopment Financing Act (PA 381 of 1996), RAI AZO, LLC has requested financial assistance through the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) with eligible environmental building, site demolition and infrastructure activities involving 5825/5901 Willoughby Drive. RAI AZO, LLC, a charter flight service currently operating in Sturgis, Michigan, has an option to purchase the property and plans to expand their business to the Portage area. RAI AZO, LLC is requesting to utilize tax increment financing (TIF) for reimbursement of eligible activities.

Although the City of Portage has an established Brownfield Redevelopment program, Kalamazoo County has funding available to pay for up-front expenses for completion of assessment studies (e.g. Phase 1 and Baseline Environmental Assessment) and preparation of Brownfield Plans. This brownfield redevelopment will provide assistance to a small business experiencing growth, and represents an opportunity to again partner with the KCBRA. (Other partnerships involved redevelopment of a former gas station at 9008 Portage Road and a functionally obsolete building located at 4460 Commercial Avenue). It is anticipated that the redevelopment and business expansion for RAI AZO, LLC, will result in the relocation of three existing jobs and the creation of five to ten new jobs over the next seven years, with an average annual salary of \$40,000. In addition, the property is currently owned by the Kalamazoo Aviation History Museum (Air Zoo) and is tax exempt. Once the purchase of the property by RAI AZO, LLC is complete, the property will be returned to the tax roll.

As indicated in the Brownfield Plan, the subject property is approximately 3.4 acres in size and improved with a 29,800-square-foot building (airplane hangar and offices, built in 1963 and expanded/remodeled in 1974) and associated off-street parking lot. The site is a contaminated eligible "facility" due to the presence of soil and groundwater contamination from petroleum based products. Eligible activities associated with the site remediation efforts proposed to be funded through state and

local tax reimbursement include the following:

- MDEQ Eligible Activities: Baseline Environmental Assessment & Section 7(a) Compliance Analysis; Due Care Plan; Response Activities (installation of sub-slab depressurization system); Act 381 Work Plan.
- Local Tax Capture Only Activities: Demolition (removal of 32,000-square-foot parking lot); infrastructure improvements; construction of a 2,000-square-foot “taxiway” (contingent on granting the airport an easement); Brownfield Plan Preparation (application fee).

The estimated cost to complete all eligible activities is \$190,540. Included in these activities and costs, the KCBRA is proposing an additional five years of tax capture for the Local Site Remediation Revolving Fund (LSRRF) in the amount of \$77,127. Per the attached March 25 Community Development report, the LSRRF is utilized to make funds available for other brownfield projects in the county. Finally, and as required by the Brownfield Redevelopment Financing Act involving the use of school tax increment revenues, \$11,010 must be deposited into the State Brownfield Redevelopment Fund. Based on the level of investment being made by RAI AZO, LLC and because the property is currently tax exempt, the increase in taxable value available for capture is approximately \$250,000. Based on the proposed 13 years of tax capture (including five years for the LSRRF), the tax increment available for capture by all entities is \$317,060. Of the \$190,540 in eligible expenses, RAI AZO, LLC will receive \$90,422 in reimbursement for eligible activities and building/site expenses. During this time period, the City of Portage will forego approximately \$40,098.

KCBRA reviewed the Brownfield Redevelopment Plan for 5825/5901 Willoughby Drive on March 24, 2016 and recommended approval of the plan to the County Board of Commissioners. In a report dated March 25, 2016, the Department of Community Development recommended approval of the resolution of support prepared by the City Attorney. The City of Portage Brownfield Redevelopment Authority met on March 29, 2016 to consider the Brownfield Redevelopment Plan. Following the discussion, the Board voted unanimously to recommend to City Council that the resolution of support be approved.

Approval of the Plan will facilitate redevelopment of a facility that is currently tax exempt and will provide assistance to a small business with expansion needs. Participation by Kalamazoo County will assist the property owner with upfront expenses associated with remediation efforts. It is recommended that City Council approve the resolution of support for the Kalamazoo County Brownfield Redevelopment Authority Brownfield Redevelopment Plan for 5825/5901 Willoughby Drive for tax capture in the maximum amount of \$190,540 over a period of up to 15 years (including five years for the Local Site Remediation Revolving Fund) or when eligible activities have been fully reimbursed, whichever occurs first.

FUNDING: Tax Increment Revenue will be captured over a 15-year period as noted in the Brownfield Redevelopment Plan.

Attachments:

1. Brownfield Redevelopment Authority Minutes dated March 29, 2016
2. Department of Community Development report dated March 25, 2016 (Brownfield Plan)
3. Resolution of support

Brownfield Redevelopment Authority

Minutes of Meeting – Tuesday, March 29, 2016

The meeting of the City of Portage Brownfield Redevelopment Authority was called to order by Secretary King at 8:02 a.m. in Council Chambers, Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan.

MEMBERS PRESENT: Tom King, Bradley Galin, Jeffrey Kalmbach, Robert Kelber, Daniel Vomastek and Eric Alburtus.

MEMBERS EXCUSED: Devrim Yaman, Jeff Monroe, and Keith Lewandowski.

IN ATTENDANCE: Vicki Georgeau, Community Development Director; Christopher Forth, Deputy Director; Rachel Grover, Kalamazoo County Department of Planning and Community Development; Joe Agostinelli, Chair of Kalamazoo County Brownfield Redevelopment Authority; and Lisa Phillips, Phillips Environmental Consulting Services.

APPROVAL OF MINUTES: The minutes from the March 11, 2015 meeting were introduced for approval. A motion was offered by Galin, seconded by Kelber to approve the minutes as submitted. The motion was approved 6-0.

BUSINESS:

1. Election of Officers. Chairman King asked if there were any officer nominations. There being none, Chairman King asked for a motion to retain the current slate of officers. A motion was offered by Kelber, seconded by Galin to nominate the existing slate of officers for re-election: King as Chairman, Alburtus as Vice-Chairman, and Kalmbach as Secretary/Treasurer of the Brownfield Redevelopment Authority. There being no further discussion, the motion was approved 6-0.
2. Kalamazoo County Brownfield Redevelopment Plan for RAI AZO, LLC, 5825 and 5901 Willoughby Drive. Georgeau summarized the Brownfield Redevelopment Plan for 5825/5901 Willoughby Drive prepared by the Kalamazoo County Brownfield Redevelopment Authority (KCBRA). The subject property is approximately 3.4 acres in size and improved with a 29,800 square foot building (airplane hangar and offices, built in 1963 and expanded/remodeled in 1974) and associated off-street parking lot. RAI AZO, LLC has an option to purchase the property and plans to expand their business currently located in Sturgis. RAI AZO, LLC is requesting to utilize tax increment financing (TIF) for reimbursement of eligible expenses related to the facility, which include preparation of the baseline environmental assessment report, brownfield plan preparation, installation of a sub-slab depressurization system, demolition of the existing parking lot and installation of a 2,000 sq. ft. taxiway. Georgeau noted the total amount of tax capture over the 15 year period is \$190,540, which also includes approximately \$77,000 for the Kalamazoo County Local Site Remediation Revolving Loan Fund.

Georgeau introduced Rachel Grover, Kalamazoo County Department of Planning and Community Development; Joe Agostinelli, Chairman of the KCBRA; and Lisa Phillips, Phillips Environmental Consulting Services.

Chairman King noted the proposed application appears to be consistent with the adopted City of Portage Brownfield Redevelopment Policy. Kelber asked for clarification on the amount of taxes foregone by the City of Portage. Georgeau indicated that over the 15 year period, the City of Portage will forego approximately \$40,000. Georgeau also noted the property is currently tax exempt and with the sale of the property, it will be added back to the tax roll. Vomastek asked for clarification on the amount of eligible activity tax capture as shown in Tables 1 and 4. Phillips indicated that local taxes only (\$23,200) will be used to fund the eligible activities shown in item No. 2 on Table 1. School taxes will not be utilized to finance these activities. Phillips also mentioned the Brownfield Act 381 work plan will need to be submitted to the State for review and approval of school tax capture.

There being no further discussion, a motion was offered by Alburtus, seconded by Kelber that the Brownfield Redevelopment Authority recommend to City Council that the resolution of support involving the KCBRA Brownfield Redevelopment Plan for 5825 and 5901 Willoughby Drive be approved. The motion was approved 6-0.

STATEMENT OF CITIZENS: None.

ADJOURNMENT: There being no further business to come before the Authority, the meeting was adjourned at 8:20.

Respectfully submitted,

Vicki Georgeau, Director

DRAFT

TO: Brownfield Redevelopment Authority**DATE:** March 25, 2016**FROM:** Vicki Georgeau,  Director of Community Development**SUBJECT:** Kalamazoo County Brownfield Redevelopment Plan, 5825/5901 Willoughby Drive**I. INTRODUCTION:**

The Brownfield Redevelopment Financing Act (PA 381 of 1996, as amended) allows a city, village, township or county to establish a Brownfield Redevelopment Program for the purposes of facilitating the reuse of contaminated, blighted or functionally obsolete properties. Pursuant to the Act, RAI AZO, LLC has approached Kalamazoo County and requested assistance through the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) with eligible environmental building, infrastructure and site demolition activities involving 5825/5901 Willoughby Drive. RAI AZO, LLC has an option to purchase the property and plans to expand their business currently located in Sturgis at 5825/5901 Willoughby Drive. RAI AZO, LLC is requesting to utilize tax increment financing (TIF) for reimbursement of eligible expenses related to the facility.

Although the City of Portage also has an established Brownfield Redevelopment program, Kalamazoo County has funding available to pay for the up-front expenses of completing assessment studies (e.g. Phase 1 and Baseline Environmental Assessment) and preparation of Brownfield Plans. Attached is a letter dated March 25, 2016 from Ms. Rachael Grover, Resource Coordinator of the Kalamazoo County Department of Planning and Community Development regarding the proposed Brownfield Plan for 5825 and 5901 Willoughby Drive. This brownfield redevelopment will provide assistance to a small business that is experiencing growth. It is anticipated that the redevelopment and business expansion will result in the relocation of three existing jobs and the creation of 5-10 new jobs over the next seven years, with an average annual salary of \$40,000. In addition, the property is currently owned by the Kalamazoo Aviation History Museum and is tax exempt. Once the proposed purchase of the property by RAI AZO, LLC is complete, the property will also be returned to the tax roll.

Regardless of the local governmental unit, a Brownfield Redevelopment Program is an important economic redevelopment tool to facilitate the successful reuse of contaminated, blighted and/or functionally obsolete properties, further improve the environment and/or properties, increase the local tax base/economy and create new job opportunities or retain existing. In addition to economic benefits, redeveloping brownfields encourages the reuse of commercial, industrial and residential properties in urban areas where public infrastructure is already in place. Furthermore, this project represents an example of ongoing inter-governmental cooperation through the use of the KCBRA and the financial assistance it can provide with upfront environmental study expenses. For Board information, this is the third collaborative brownfield project involving the City of Portage and Kalamazoo County. The first one was approved in 2013 and involved redevelopment of a former gasoline station located at 9008 Portage Road and the second one involved the proposed redevelopment of a functionally obsolete building at 4460 Commercial Drive.

II. PROPOSED KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT PLAN, 5825/5901 Willoughby Drive

Attached is a copy of the 5825/5901 Willoughby Drive Brownfield Plan prepared by the KCBRA consultant and approved by the KCBRA on March 24, 2016. The subject property is approximately 3.4 acres in size and improved with a 29,800 square foot building (airplane hangar and offices, built in 1963 and expanded/remodeled in 1974) and associated off-street parking lot.

The site is a contaminated eligible “facility” due to the presence of soil and groundwater contamination. Eligible activities associated with the site remediation efforts proposed to be funded through state and local tax reimbursement include the following:

MDEQ Eligible Activities

- Baseline Environmental Assessment & Section 7(a) Compliance Analysis
- Due Care Plan
- Response Activities: installation of sub-slab depressurization system
- Act 381 Work Plan

Local Tax Capture Only Activities

- Demolition: removal of 32,000 square foot parking lot
- Infrastructure improvements: 2,000 square foot “taxiway” (contingent on granting the airport an easement)
- Brownfield Plan Preparation (application fee)

Because the City of Portage is designated as a “qualified local unit of government,” capture of local and school tax dollars may also be used for site/building demolition, among others. As shown in Table 1 in the Brownfield Plan, the estimated cost to complete all eligible activities is \$190,540. Included in these activities and costs, the KCBRA is proposing an additional five years of tax capture for the Local Site Remediation Revolving Fund (LSRRF) in the amount of \$77,127. Per the attachment, the LSRRF is used to make funds available for other brownfield projects in the County. Finally, and as required by the Brownfield Redevelopment Financing Act involving the use of school tax increment revenues, \$11,010 must be deposited into the State Brownfield Redevelopment Fund.

Based on the level of investment being made by RAI AZO, LLC and because the property is currently tax exempt, the increase in taxable value available for capture is approximately \$250,000. Based on the proposed 13 years of tax capture (including five years for the LSRRF), the tax increment available for capture by all entities is \$317,060. Of the \$190,540 in eligible expenses, RAI AZO, LLC will receive \$90,422 in reimbursement for eligible activities and building/site expenses.

Table 3 shows the estimated foregone tax revenue for each taxing jurisdiction during the duration of the brownfield plan. During this time period, the City of Portage will forego approximately \$40,098. After reimbursement of eligible activities and LSRRF captures are complete, the tax revenue is distributed to the traditional taxing jurisdictions.

KCBRA reviewed the Brownfield Plan for 5825/5901 Willoughby on March 24th and recommended approval of the Plan to the County Board of Commissioners. Any approval by the County Board of Commissioners is contingent on Portage City Council approval of the attached resolution, which will be presented to City Council on April 12, 2016. The Brownfield Plan will be presented to the County Board Committee of the Whole on April 19, 2016 and a public hearing will be set for May 3, 2016 (subject to City Council approval of the resolution). It is anticipated that the plan will be approved by the Kalamazoo County Board of Commissioners subsequent to the public hearing on May 3rd.

III. CITY OF PORTAGE BROWNFIELD REDEVELOPMENT PROGRAM

As background information for the Authority members, City of Portage Brownfield Redevelopment Program was established in 2001 with the designation of the EDC/TIFA Board as the Brownfield Redevelopment Authority and approval of the first brownfield redevelopment plan. Since 2001, seven brownfield redevelopment plans have been approved by the Authority and City Council.

The City of Portage adopted a Brownfield Redevelopment Policy in 2006, which was amended in 2015 to incorporate criteria, procedures and provisions to ensure that brownfield redevelopment applications are consistently and uniformly processed when received.

IV. RECOMMENDATION:

The KCBRA Brownfield Redevelopment Plan for 5825 and 5901 Willoughby has been reviewed in the context of the 2015 Brownfield Redevelopment Incentive Policy. Approval of the Plan will facilitate redevelopment of a facility that is currently tax exempt and will provide assistance to a small business that is experiencing growth and needs to expand. Participation by Kalamazoo County will assist the property owner with upfront expenses associated with remediation efforts. Based on the foregoing, staff advises that the Brownfield Redevelopment Authority recommend to City Council that the attached resolution of support be approved for tax capture in the amount of \$190,540 for not more than 15 years (including five additional years of tax capture for the LSRRF). Approval of the plan amendment by the Kalamazoo County Board of Commissioners will permit the applicant to prepare the Act 381 Work Plan, which is required by the State of Michigan when capture of school taxes is proposed.

The redevelopment of the property is consistent with City of Portage land use and environmental objectives and will provide additional tax base growth and related economic benefits to the community.

Attachment: March 25, 2016 letter from Ms. Rachael Grover, Kalamazoo County
5825 and 5901 Willoughby Drive Brownfield Redevelopment Plan
Local Site Remediation Revolving Fund summary
Resolution of support



Kalamazoo County Brownfield Redevelopment Authority

201 West Kalamazoo Avenue, Rm. 101 · Kalamazoo, Michigan 49007
Phone: (269) 384-8305 · FAX: (269) 383-8920 · Email: ragrov@kalcounty.com

March 25, 2016

Victoria Georgeau, Director
Department of Community Development
City of Portage
7900 South Westnedge Ave.
Portage, MI 49002

Re: KCBRA Brownfield Plan for site located at 5825 and 5901 Willoughby Drive, Portage
Michigan (RAI AZO, LLC)

I. Project Background

On January 21, 2016, the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) approved the application for Brownfield Redevelopment assistance for property at 5825 and 5901 Willoughby Drive in Portage. The application was submitted by David Riley of RAI AZO, LLC.

The property is currently owned by the Air Museum, which is a nonprofit charitable organization. RAI AZO, LLC is planning to redevelop the property and the airplane hangar as a non-scheduled operator of flight services originating from the adjoining Kalamazoo/Battle Creek International Airport. RAI AZO, LLC is intending to complete the purchase of the property in April.

Due to the presence of chlorinated hydrocarbons, arsenic, lead, and chromium in excess of Michigan Cleanup Criteria requirements in soil and groundwater, the property is a "facility" and qualifies the property as a Brownfield Site under Michigan Public Act 381 of 1996, as amended.

Based on findings from environmental assessments including vapor intrusion assessments conducted inside the office space and airplane hangar, a sub-slab depressurization system will be installed and operated as per an MDEQ approved Response Activity Plan. Additionally, RAI AZO will demolish and install a new 32,000 square foot parking lot and install a new 2,000 square foot taxi-way that will be accessible to the adjoining Kalamazoo/Battle Creek International Airport. RAI is expanding its operations from their Sturgis location. The redevelopment of this site allows for expansion of their business and the creation of an estimated 5-10 jobs, with an anticipated average annual salary of \$40,000. Total investment expected in the project is \$ 766,000.



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On March 24, 2016, the KCBRA voted to recommend the approval of the Brownfield Plan to the City of Portage Brownfield Redevelopment Authority, the Portage City Council, and the Kalamazoo County Board of Commissioners.

Discussion with staff from the City of Portage Department of Community Development indicates that staff will recommend to the Portage Brownfield Redevelopment Authority and the Portage City Council to allow the KCBRA to adopt the Brownfield Plan through the KCBRA.

II. The Brownfield Plan

The Brownfield Plan for 5825 and 5901 Willoughby Drive allows the KCBRA to use Tax Increment Financing (TIF) to reimburse KCBRA expenses related to the site, the developer's eligible environmental expenses, and the developer's eligible non-environmental demolition and infrastructure improvements. In addition, the Brownfield Plan includes reimbursement of KCBRA administrative expenses.

The KCBRA will only create a County Brownfield Plan if the local municipality where the site is located is supportive of the Plan. The RAI AZO, LLC Brownfield Plan for Willoughby Drive would be the second approved KCBRA Brownfield Plan in Portage with the 9008 Portage Road Brownfield Plan as the first that was approved in 2013.

The development of the 5825 and 5901 Willoughby Drive site is an improvement for the site and the surrounding area in several ways:

1. The Plan returns a contaminated industrial property to high functional use and assists in returning a previously nonprofit-owned property to the tax rolls.
2. The property would have an increased taxable value (currently exempt).
3. The County Brownfield Plan would constitute a cooperative inter-governmental effort.
4. TIF collected will reimburse the developer and the KCBRA for costs incurred in the completion of Brownfield Eligible Activities.
5. Local Site Remediation Revolving Fund (LSRRF) collection for 5 years allows the KCBRA to support additional Brownfield Activities in Kalamazoo County.

The KCBRA engaged input from the Portage Department of Community Development when developing the Plan. The proposed timeline for the approval of the Willoughby Drive Brownfield Plan is as follows:

1. **January 21, 2016:** The KCBRA approved the application for request for a Brownfield Plan at the 5825 and 5901 Willoughby Drive site.



Kalamazoo County Brownfield Redevelopment Authority

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Phone: (269) 384-8305 · FAX: (269) 383-8920 · Email: ragrov@kalcounty.com

2. **March 24, 2016:** The KCBRA approved the Brownfield Plan and recommend that the Portage Brownfield Redevelopment Authority, Portage City Council and Kalamazoo County Board of Commissioners approve the Brownfield Plan.
3. **March 29, 2016:** The Portage BRA is expected to recommend approval of the Brownfield Plan to the Portage City Council
4. **April 12, 2016:** The Portage City Council considers the Brownfield Plan for approval – see attached draft of proposed City of Portage Resolution. KCBRA and/or Portage Community Development staff will present the project to the Portage City Council.
5. **April 19, 2016:** Pending outcome of the Portage City Council recommendation for approval, the KCBRA presents the project to the Kalamazoo County Committee of the Whole. Public hearing is scheduled for May 3, 2016
6. **Before April 22, 2016:** KCBRA staff sends notices to all affected taxing jurisdictions and prepares Public Notice 10 days prior to public hearing.
7. **May 3, 2016:** Kalamazoo County Board of Commissioners will hold public hearing and adopt the Willoughby Drive Brownfield Plan by resolution.
8. **After May 3, 2016:** KCBRA staff submits Act 381 Work Plan to MDEQ.

III. City of Portage Support for Brownfield Plan

The KCBRA respectfully requests approval of the Brownfield Plan for the 5825 and 5901 Willoughby Drive project from the Portage Brownfield Redevelopment Authority and the Portage City Council. Support of this Brownfield Plan by the City of Portage is critical for the redevelopment and productive use of this property. The KCBRA is looking forward to continuing to work with the City of Portage on Brownfield redevelopment projects.

Sincerely,

Rachael Grover
Resource Coordinator
Kalamazoo County Department of Planning and Community Development
ragrov@kalcounty.com
269.384.8305

**KALAMAZOO COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN**

FOR A *PROPERTY* LOCATED AT:

**5825 AND 5901 WILLOUGHBY DRIVE
PORTAGE, MICHIGAN 49002**

ON BEHALF OF:

**KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
201 W. KALAMAZOO AVENUE
KALAMAZOO, MICHIGAN 49007**

PREPARED WITH THE ASSISTANCE OF:

**PHILLIPS ENVIRONMENTAL CONSULTING SERVICES, INC.
84757 28TH STREET
LAWTON, MICHIGAN 49065
(269) 624-4211**

PROJECT NO. 235-1504A-15

AND

**RAI AZO, LLC
1 AIRPORT ROAD
STURGIS, MICHIGAN 49091**

MARCH 7, 2016

Recommended for Approval by the Brownfield Redevelopment Authority on: March 24, 2016

Supported by the City of Portage on: _____

Approved by the Kalamazoo County Commission on: _____

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TABLES

Table 1	– Summary of Eligible Activities and Costs
Table 2	– Estimate of Total Captured Incremental Taxes
Table 3	– Estimate of Taxable Value and Incremental Tax Revenue by Year for Each Taxing Jurisdiction
Table 4	– Reimbursement Schedule

FIGURES

Figure 1	– Site Location Map
Figure 2	– Site Plan
Figure 3	– Concentrations Exceeding Part 201 GRCC
Figure 4	– Concentrations of Cis-1,2-DCE and TCE Exceeding Non-residential Vapor Intrusion Screening Levels

APPENDICIES

Appendix A	– Legal Description
Appendix B	– Plan Area Showing Proposed Demolition and Infrastructure Improvement
Appendix C	– City of Portage and Kalamazoo County Resolutions
Appendix D	– Notice of Public Hearing
Appendix E	– Notice to Taxing Jurisdictions

1.0 GENERAL DEFINITIONS USED IN THIS PLAN

From 1996 PA 381 Sec. 2:

- (a) "additional response activities" means response activities identified as part of a brownfield plan that are in addition to baseline environmental assessment activities and due care activities for an eligible property.
- (b) "Authority" means a brownfield redevelopment authority created under this act.
- (c) "Baseline environmental assessment" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
- (d) "baseline environmental assessment activities" means those response activities identified as apart of a brownfield plan that are necessary to complete a baseline environmental assessment for an eligible property in the brownfield plan.
- (e) "Blighted" means property that meets any of the following criteria as determined by the governing body:
- (i) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
 - (ii) Is an attractive nuisance to children because of physical condition, use, or occupancy.
 - (iii) Is a fire hazard or is otherwise dangerous to the safety of persons or property.
 - (iv) Has had the utilities, plumbing, heating or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
 - (v) Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of this act.
 - (vi) Is property owned or under the control of a land bank fast track authority under the land bank fast track act, whether or not located within a qualified local governmental unit. Property included within a brownfield plan prior to the date it meets the requirements of this subdivision to be eligible property shall be considered to become eligible property as of the date the property is determined to have been or becomes qualified as, or is combined with, other eligible property. The sale, lease or transfer of the property by a land bank fast track authority after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of this act.

- (vii) Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.
- (f) "Board" means the governing body of an authority.
- (g) "Brownfield Plan" means a plan that meets the requirements of section 13 and is adopted under section 14.
- (h) "Captured taxable value" means the amount in one year by which the current taxable value of an eligible property subject to a brownfield plan, including the taxable value or assessed value, as appropriate, of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property. The state tax commission shall prescribe the method for calculating captured taxable value.
- (i) "Chief executive officer" means the mayor of a Village, the village manager of a village, the township supervisor of a township, or the county executive of a county or, if the county does not have an elected county executive, the chairperson of the county board of commissioners.
- (j) "Department" means the department of environmental quality.
- (k) "Due care activities" means those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of section 20107a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20107a.
- (l) "Economic opportunity zone" means one or more parcels of property that meet all of the following:
- (i) That together are 40 or more acres in size.
 - (ii) That contain a manufacturing facility that consists of 500,000 or more square feet.
 - (iii) That are located in a municipality that has a population of 30,000 or less and that is contiguous to a qualified local governmental unit.
- (m) "Eligible activities" or "eligible activity" means one or more of the following:
- (i) Baseline environmental assessment activities.
 - (ii) Due care activities.
 - (iii) Additional response activates.

(iv) For eligible activities on eligible property that was used or is currently used for commercial, industrial or residential purposes that is in a qualified local governmental unit, that is owned or under the control of a land bank fast track authority, or that is located in an economic opportunity zone, and is a facility, historic resource, functionally obsolete, or blighted, and except for purposes of section 38d of former 1975 PA 228, the following additional activities:

(A) Infrastructure improvements that directly benefit eligible property.

(B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(C) Lead or asbestos abatement.

(D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(E) Assistance to a land bank fast track authority in clearing or quieting title to, or selling or otherwise conveying, property owned or under the control of a land bank fast track authority or the acquisition of property by the land bank fast track authority if the acquisition of the property is for economic development purposes.

(F) Assistance to a qualified local governmental unit or authority in clearing or quieting title to, or selling or otherwise conveying, property owned or under the control of a qualified local governmental unit or authority or the acquisition of property by a qualified local governmental unit or authority if the acquisition of the property is for economic development purposes.

(v) Relocation of public buildings or operations for economic development purposes.

(vi) For eligible activities on eligible property that is a qualified facility that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, the following additional activities:

(A) Infrastructure improvements that directly benefit eligible property.

(B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(C) Lead or asbestos abatement.

(D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(vii) For eligible activities on eligible property that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, the following additional activities:

(A) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(B) Lead or asbestos abatement.

(viii) Reasonable costs of developing and preparing brownfield plans and work plans.

(ix) For property that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, that is a former mill that has not been used for industrial purposes for the immediately preceding two years, that is located along a river that is a federal superfund site listed under the comprehensive environmental response, compensation, and liability act of 1980, 42 USC 9601 to 9675, and that is located in a Village with a population of less than 10,000 persons, the following additional activities:

(A) Infrastructure improvements that directly benefit property.

(B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(C) Lead or asbestos abatement.

(D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(x) For eligible activities on eligible property that is located north of the 45th parallel, that is a facility, functionally obsolete, or blighted, and the owner or operator of which makes new capital investment of \$250,000,000.00 or more in this state, the following additional activities:

(A) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(B) Lead or asbestos abatement.

(xi) Reasonable costs of environmental insurance.

(n) Except as otherwise provided in the subdivision, "eligible property" means property for which eligible activities are identified under a brownfield plan that was used or is currently used for commercial, industrial, public or residential purposes, including personal property located on the property, to the extent included in the brownfield plan, that is one of the following:

- (i) Is in a qualified local government unit and is a facility, functionally obsolete, or blighted and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property.
- (ii) Is not in a qualified local governmental unit and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property.
- (iii) Is tax reverted property owned or under the control of a land bank fast track authority.
- (iv) Is not in a qualified local government unit, is a qualified facility, and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(vi).
- (v) Is not in a qualified local government unit and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(vii).
- (vi) Is not in a qualified local government unit and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(ix).
- (vii) Is located north of the 45th parallel, is a facility, functionally obsolete, or blighted, and the owner or operator makes new capital investment of \$250,000,000.00 or more in this state. Eligible property does not include qualified agricultural property exempt under section 7ee of the general property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.
- (viii) Is a transit-oriented development.
- (ix) Is a transit-oriented facility.
- (o) "Environmental insurance" means liability insurance for environmental contamination and cleanup that is not otherwise required by state or federal law.
- (p) "Facility" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
- (q) "Fiscal year" means the fiscal year of the authority.

(r) "Functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

(s) "Governing body" means the elected body having legislative powers of a municipality creating an authority under this act.

(t) "Infrastructure improvements" means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement, owned or used by a public agency or functionally connected to similar or supporting property owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity, provided that any road, street, or bridge shall be continuously open to public access and that other property shall be located in public easements or rights-of-way and sized to accommodate reasonably foreseeable development of eligible property in adjoining areas.

(u) "Initial taxable value" means the taxable value of the eligible property identified in and subject to a brownfield plan at the time the resolution adding that eligible property in the brownfield plan is adopted, as shown either by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, if provided by the brownfield plan, by the next assessment roll for which equalization will be completed following the date the resolution adding that eligible property in the brownfield plan is adopted. Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of property tax shall not be considered exempt from taxation. The state tax commission shall prescribe the method for calculation the initial taxable value of property for which a specific tax was paid in lieu of property tax.

(v) "Land bank fast track authority" means an authority created under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

(w) "Local taxes" means all taxes levied other than taxes levied for school operating purposes.

(x) "Municipality" means all of the following:

(i) A Village.

(ii) A village.

(iii) A township in those areas of the township that are outside of a village.

(iv) A township in those areas of the township that are in a village upon the concurrence by resolution of the village in which the zone would be located.

(v) A county.

(y) "Owned or under control of" means that a land bank fast track authority has one or more of the following:

(i) An ownership interest in the property.

(ii) A tax lien on the property.

(iii) A tax deed to the property.

(iv) A contract with this state or a political subdivision of this state to enforce a lien on the property.

(v) A right to collect delinquent taxes, penalties, or interest on the property.

(vi) The ability to exercise its authority over the property.

(z) "Qualified facility" means a landfill facility area of 140 or more contiguous acres that is located in a Village that contains a landfill, a material recycling facility, and an asphalt plant that are no longer in operation.

(aa) "Qualified local governmental unit" means that term as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797.

(bb) "Qualified taxpayer" means that term as defined in sections 38d and 38g of former 1975 PA 228, or section 437 of the Michigan business tax act, 2007 PA 36, MCL 208.1437.

(cc) "Response activity" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(dd) "Specific taxes" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572; the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182; the technology park development act, 1984 PA 385, MCL 207.701 to 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786; the commercial rehabilitation act, 2005 PA 210, MCL 207.841 to 207.856; or that portion of the tax levied under the tax reverted clean title act, 2003 PA 260, MCL 211.1021 to 211.1026, that is not required to be distributed to a land bank fast track authority.

(ee) "Tax increment revenues" means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to a brownfield plan and personal property located on that property. Tax increment revenues exclude ad valorem property taxes specifically levied for the payment of principal of and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit, and specific taxes attributable to those ad valorem property taxes. Tax increment revenues attributable to eligible property also exclude the amount of ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment finance authority, or local development finance authority if those taxes were captured by these other authorities on the date that eligible property became subject to a brownfield plan under this act.

(ff) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(gg) "Taxes levied for school operating purposes" means all of the following:

(i) The taxes levied by a local school district for operating purposes.

(ii) The taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(iii) That portion of specific taxes attributable to taxes described under subparagraphs (i) and (ii).

(hh) "Transit-oriented development" means infrastructure improvements that are located within ½ mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use as determined by the board and approved by the municipality in which it is located.

(ii) "Transit-oriented facility" means a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

(jj) "Work plan" means a plan that describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual activity.

(kk) "Zone" means, for an authority established before June 6, 2000, a Brownfield redevelopment zone designated under this act.

2.0 INTRODUCTION AND PURPOSE

The Kalamazoo County Brownfield Redevelopment Authority ("Authority") and Kalamazoo County ("County") have considered and adopted this Brownfield Plan ("Plan") to encourage the redevelopment of the property located at 5825 and 5901 Willoughby Drive, City of Portage, Kalamazoo County. The property is a "facility. This Plan describes the property conditions and the redevelopment plan that is proposed to be implemented by the prospective purchaser and developer, RAI AZO, LLC ("Developer").

The Property at 5825 Willoughby is a "facility" (contaminated property) developed with a building comprised of an airplane hangar and office area in the City of Portage. The adjoining contiguous parcel at 5901 Willoughby is developed as a parking lot to serve the Property. The Developer intends to improve the Property by completing necessary response activities associated with known contamination on the Property, as well as beautifying the Property through infrastructure improvements and demolition and reconstruction of the parking lots and taxi-ways. The development plans include the installation of a sub-slab depressurization system (SSDS) to mitigate vapor intrusion concerns inside the building on the Property. Demolition of 32,000 square feet of the parking lot and construction of a 2,000 square foot taxiway are also included in the development plans. The proposed redevelopment will serve area businesses by providing non-scheduled flight services from the Kalamazoo/Battle Creek International Airport.

The purpose of this Plan, to be implemented by the Authority, is to satisfy the requirements for a Brownfield Plan as specified in Act 381 of the Public Acts of the State of Michigan of 1996, as amended, MCL 125.2651 et. seq., which is known as the Brownfield Redevelopment Financing Act" (Act 381). Terms used in the document are as defined in Act 381.

A copy of the resolution from the City of Portage supporting the project and Plan, and the resolution of the Kalamazoo County Board of Commissioners approving the final Plan are included as Appendix C. A copy of the Notice of Public Hearing is included in Appendix D and a copy of the Notice to Taxing Jurisdictions is included in Appendix E.

3.0 ELIGIBLE PROPERTY INFORMATION

The eligible property ("Property") is located at 5825 and 5901 Willoughby Drive, City of Portage, Kalamazoo County, Michigan. Specifically, the *Property* is located in the northeast quarter of the southwest quarter of Section 2, T. 3 S., R. 11 W., City of Portage, Kalamazoo County, Michigan. The legal description of the *Property* (Parcel Numbers 09-240-020-O and 109-240-028-A) is included as Appendix A. A site location map has been included as Figure 1, and a Site Plan is provided as Figure 2 showing significant Property features.

The Property is developed with a building situated near the northeast corner of the Property. The building appears to have been constructed in three sections. The northern section is an airplane hangar-type building reported to have been constructed in 1963. A second larger airplane hangar was constructed to the south in 1973, and an office workshop addition to the south of that was constructed in about 1974. An asphalt paved parking lot is located on the south side of the building. The area west of

the southernmost hangar is paved with asphalt and the area west of the northernmost hangar is paved with concrete. Access to the Property is via Willoughby Drive on the west side of the Property.

The Property is served by municipal sanitary and drinking water services. Consumers Energy supplies natural gas and electricity to the Property. Storm water is directed to three catch basins that are not connected to municipal sewer and to ditches that run along the north and east sides of the Property. Roof runoff is directed to these ditches served by a storm sewer grate located north of the Property. Historic floor drains are present in the building which have all been filled and sealed.

4.0 PROPOSED REDEVELOPMENT

The Developer intends to redevelop the Property as a non-scheduled operator of flight services originating from the adjoining Kalamazoo/Battle Creek International Airport. In order to address known contamination at the Property and vapor intrusion to indoor air concerns, response activities, including the installation and operation of a sub-slab depressurization system (SSDS), will be conducted. Additionally, a taxiway will be constructed that will be open for use by the Kalamazoo/Battle Creek International Airport, a publically owned Property, an infrastructure improvement. Lastly, 32,000 square feet of parking lot will be demolished to allow for construction of a new parking lot. A figure showing the parking lots to be demolished and the proposed new taxiway is included in Appendix B.

5.0 BROWNFIELD CONDITIONS

The Property is located on the east side of Willoughby Drive near the intersection of Portage Road and Milham Road in the City of Portage, Kalamazoo County, Michigan. The current zoning of the Property is I-1 (Light Industrial). The Property is bordered to the north, east and west is occupied by the Kalamazoo/Battle Creek International Airport and associated businesses. To the south is a vacant parcel with residences beyond.

Historic use information for the Property indicated that the Property was historically agricultural in nature and/or undeveloped until about 1955 when a small building is apparent on the northern portion of the Property. This date corresponds to the expansion of the adjoining airport from an airstrip to a more formal airport. Prior to 1965, a larger building (northern hangar) is constructed on the Property. By 1966, the Property is operated by Lakala Aviation, Inc. In 1973, the southern hangar is constructed and the southern office space is added in 1974. By 1976, the Property is operated as Kal-Aero South Engineering and Prop Shop. The Property was sold to the Kalamazoo Aviation History Museum in May 1995.

A Phase I and II Environmental Site Assessment and a Baseline Environmental Assessment (BEA) were completed by Kieser & Associates in 2012. The soil and groundwater sampling completed during the Kieser 2012 Phase II ESA portion of the investigation revealed concentrations of trichloroethene (TCE) in soil in excess of Part 201 GRCC in the vicinity of former drywells near the southeast corner of the building. Groundwater analytical results indicated the presence of TCE and its degradation products (cis-1,2 dichloroethene and vinyl chloride), plus arsenic and lead at that location as well. Lead and arsenic also exceeded Part 201 GRCC in the vicinity of a former fueling area.

Based on the 2012 Phase I and II ESA data, Phillips Environmental conducted additional Phase II Environmental Site Assessment Activities at 5825 and 5901 Willoughby Drive in early 2015, as described in a letter report dated March 3, 2015. Soil and groundwater sampling data were generally consistent with the Kieser 2012 data, and are further described below.

The soil and groundwater sample locations are shown on Figure 3, along with the prior 2012 sample locations by Kieser Environmental. Concentrations of constituents detected above Part 201 Generic Residential Cleanup Criteria are shown on the Figure.

Analysis of two soil samples collected from a septic system area on the east side of the building (6-8 and 14-16 feet bgl) detected the presence of trichloroethene (TCE) and its degradation products, cis- and trans-1,2 dichloroethene (DCE). TCE exceeded Part 201 General Residential Cleanup Criteria (GRCC) for drinking water protection. The only metal detected was lead, and it exceeded Part 201 GRCC for drinking water protection.

Three soil borings were completed around the southern former septic system area to evaluate the extent of impact previously detected in soil and groundwater samples collected by Kieser and Associates in 2012. TCE was detected at concentrations exceeding Part 201 GRCC in multiple soil samples collected from this area. The highest concentration of TCE detected in soil was 200 ug/kg. Arsenic was detected in one soil sample from this location above Part 201 GRCC. Additionally, chromium was detected above background and may exceed Part 201 GRCC.

Two groundwater samples were collected from locations intended to provide an evaluation of the extent of impacted groundwater migrating beneath the Property. The groundwater flow direction in the area is not known for certain, but is reported at other locations in the area to be to the northwest. Accordingly, both were completed on the west side of the building, north of the Kieser SB-2 location. TCE was detected in both of the samples, although only sample contained the compound in concentrations exceeding Part 201 GRCC. In this sample, cis-1,2 DCE and lead also were detected above Part 201 GRCC.

Based on the presence of chlorinated hydrocarbons in soil and groundwater near and potentially upgradient of the building, a vapor intrusion screening assessment was conducted. On February 11, 2015 and again on November 23, 2015 Vapor Pins® were installed within the floor of the building at locations believed to be downgradient of the former southern septic system and one near the former eastern septic system. The thickness of the concrete was observed to be between 9 and 14 inches thick, except at 15-VP-1-SS and 15-VP-14-SS, where only 3 to 4 inches of concrete was observed. Sub-slab soil gas samples were collected from the Vapor Pins® on February 11 and November 25, 2015 in accordance with the MDEQ Guidance Document for the Vapor Intrusion Pathway, May 2013. The sub-slab soil vapor sampling locations are shown on Figure 4.

During the February 2015 sampling event, sub-slab soil vapor were screened for the presence of methane using a GEM 500. Methane was not detected above 0.1%. Prior to sampling, the vapors in the probes (Vapor Pins®) were screened for VOCs using a field photoionization detector (PID) equipped

with a 10.7 eV lamp. The results noted on the field sheet. VOCs ranged from <1.0 at VP-2-SS, VP-6-SS, VP-7-SS and VP-11-SS to 22.8 ppm/v at 15-VP-3-SS. Thereafter, a shroud was placed over the sample point and a helium tracer gas was used with a helium detector to ensure that the sample collected would be from the installed sample point.

The soil gas analytical results were compared to the DEQ Non-Residential Vapor Intrusion Sub-Slab Soil Gas Screening Levels. TCE concentrations were detected in concentrations above the Screening Level at six locations. The TCE related constituent, cis-1,2 DCE, concentration also exceeded the Screening Level for this compound at two locations. Figure 4 shows concentrations of cis-1,2-DCE and TCE that exceed Non-Residential Vapor Intrusion Screening levels in soil vapor, soil and groundwater.

In summary, the data indicate that TCE, cis-1,2 DCE, vinyl chloride, arsenic, lead and chromium exceed Part 201 GRCC in soil and/or groundwater beneath the Property. Exceedance of the Part 201 GRCC qualifies the Property as a "facility" as defined by Section 1(1)(o) of Part 201 of Act 451, Michigan Natural Resources and Environmental Protection Act. Part 201 GRCC are exceeded for drinking water protection, protection of a surface water body at the groundwater surface water interface, and protection of residential direct contact. Figure 3 shows all exceedances above Part 201 GRCC.

6.0 BROWNFIELD PLAN ELEMENTS

Section 13(1)(a) and (b). A description of the costs of the plan intended to be paid for with the tax increment revenues, including a brief summary of the eligible activities that are proposed for each eligible property.

Tax increment revenues will be used to reimburse the Developer for the cost of eligible activities on eligible property as authorized by Act 381. No costs shall be reimbursed to Developer unless they are for activities implemented pursuant to a Reimbursement Agreement approved by the Authority.

The cost of eligible activities including interest, contingency and authority administrative costs are estimated at \$102,403. Funding to the State Brownfield Redevelopment Fund is estimated at \$11,010 and the funding to the local site remediation revolving fund (LSRRF) is estimated at \$77,127. The estimated costs of eligible activities to be incurred during implementation of this Plan that would be subject to reimbursement with tax incremental revenues are summarized on Table 1.

1. Baseline Environmental Assessment. Incremental school and non-school tax revenues will be used to reimburse for the following environmental eligible activities. Baseline Environmental Assessment activities are estimated at \$4,000 and include the following:

- (a) *Phase I and II Environmental Assessments*. A Phase I Environmental Site Assessment report will be completed prior to purchase of the Property on behalf of RAI AZO, LLC and will be submitted to the MDEQ. The estimated cost to complete this activity is \$1,000.00.
- (b) *Baseline Environmental Assessment & Section 7(a) Compliance Analysis*. A Baseline Environmental Assessment (BEA) report will be prepared on behalf of the Developer. The cost estimate for this activity is \$3,000.00.

2. Due Care. Incremental school and non-school tax revenues will be used to reimburse for the following environmental eligible activities. Due Care activities are estimated at \$13,500.00 and include the following:

- (a) *Development of a Plan for Response Activities*. Based on the findings of the Phase I and II Environmental Site Assessment, additional site investigation activities have been conducted and described in a Response Activity Plan submitted to the MDEQ. The scope of work for the additional site investigation included the placement of additional Vapor Pins, sampling of selected new Vapor Pins, completion of a pressure field extension test, design of a sub-slab depressurization system, and preparation of the Response Activity Plan for MDEQ review (approved February 5, 2016). The cost to conduct these activities was \$9,000.00.
- (b) *Due Care Plan/Section 7a Compliance Analysis*. Subsequent to installation of the response activity (SSDS) a Section 20107a Compliance Analysis will be prepared on behalf of the Developer to describe how the intended use of the Property will comply with Due Care rules (Section 7a). System installation and operational requirements will be documented. The estimated cost is \$4,500.00.

3. Response Activity. Based on the findings of the vapor intrusion assessment activities completed at the Property, presumptive mitigation to address potential vapor intrusion concerns is a reasonable approach. A sub-slab depressurization system (SSDS) will be installed and operated as described in the MDEQ approved Response Activity Plan. The estimated costs include installation of the system and sampling and management activities to monitor the system upon start-up to ensure proper operation. The costs are estimated at \$25,000.00.

4. Demolition. The Developer intends to remove 32,000 square feet of the parking lot on the Property to allow for installation of a new parking lot. The estimated costs for demolition is \$10,000.00.

5. Infrastructure Improvements. The developer plans to place a 2,000 square foot taxi-way that will be used by the adjoining Kalamazoo/Battle Creek International Airport. The estimated costs are \$ 8,000.00.

6. Brownfield Plan. The cost to prepare the Brownfield Plan for approval by the City of Portage, the Kalamazoo County Redevelopment Authority and the Kalamazoo County Commission is estimated at \$4,500.00. The Authority application fee is \$2,500.00. Estimated cost to prepare an Act 381 Work Plan is \$3,000.00. Total estimated costs is \$10,000.00.

7. Contingency. A 15% contingency factor has been provided due to the likelihood of encountering unexpected conditions while eligible activities are being conducted. The contingency for this Project is estimated at 15% of total demolition, infrastructure improvement and environmental response activities not already completed. This is \$9,075.

8. Authority Administrative Cost. The Authority intends to capture non-school tax increment revenue for administrative costs as permitted by Act 381. The estimated capture is \$11,981.

9. Interest Cost. The Authority intends to pay interest on the cost of eligible activities incurred until all parties have been reimbursed for such eligible activities in accordance with the development and reimbursement agreement. Interest is calculated based on a principal of \$69,575 for the non-Brownfield Plan preparation eligible activities and is estimated to be \$10,847.

10. Local Site Remediation Revolving Fund. The Authority intends to capture school and non-school tax increments for deposit in the local site remediation revolving fund for a full five years. The estimated tax capture is \$77,127.

Section 13(1)(c). An estimate of the captured taxable value and tax increment revenues for each year of the plan for the eligible property.

The 2016 base year taxable value for the property is \$0.00, based on information provided by the City of Portage. During the 2017 tax year, the eligible activities are expected to be completed. The Developer anticipates that future site exterior improvements to the Property in 2016/17 will be approximately \$766,500.00. This investment is expected to create an additional \$250,000 in taxable value. Table 2 provides an estimate of total captured incremental taxes, Table 3 summarizes the captured taxable value and tax incremental revenue by year and aggregate for each taxing jurisdiction, and Table 4 provides a reimbursement schedule.

Section 1(1)(d). The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality.

The eligible activities are being financed by the developer, to be reimbursed as approved by this Brownfield Plan and an associated Development Agreement.

School taxes will be used to reimburse all eligible activities as approved by an Act 381 Work Plan. Payment to the Authority for administrative and operating expenses will be funded using only local taxes. Interest expenses will be reimbursed at a rate of 3% annually using only non-school tax increment, unless approved otherwise in an Act 381 Work Plan.

Demolition activities that are not response activities and the proposed infrastructure improvements are not eligible for reimbursement using school tax capture unless approved by an Act 381 Work Plan by the MDEC on behalf of the MSF. Due to the nature of the project and relatively small amount of MSF eligible activities, approval for school tax capture for these activities is not being requested. Therefore, these activities will be reimbursed using local taxes only.

Initial reimbursement of increment tax revenues will be to the KCBRA for administrative expenses (local taxes only) then to the Developer. The KCBRA has estimated that the annual administrative expenses will be about 20% of the incremental taxes generated.

As required, 3 mils of the State Education Tax will be paid to Treasury for deposit into the Brownfield Redevelopment Fund.

The split between reimbursement of school and non-school taxes to the Developer, to the Authority for Administrative expenses, to the State Brownfield Fund, and to the LSRRF is shown on Table 4 – Reimbursement Schedule.

Section 13(1)(e). The maximum amounts of note or bonded indebtedness to be incurred, if any.

No note or bonded indebtedness will be incurred by the Authority.

Section 13(1)(f). The duration of the brownfield plan for eligible activities on eligible property.

The Plan will remain in effect for as many years as required to fully reimburse all parties for the cost of all eligible activities incurred under this Plan plus interest in accordance with the reimbursement agreement and for five additional years for the deposit of tax increment revenue into the local site remediation revolving fund (LSRRF), or 15 years, whichever is less. It is anticipated that the tax incremental capture will begin no later than 2017 based on the schedule for implementation of eligible activities and the Developer construction schedule. The tax tables included in this Plan assume that there will be sufficient tax revenues generated from future development to fully reimburse the Developer, the Authority and the LSRRF by 2029, as illustrated on Table 4. This timeline may need to be amended based on actual tax revenues generated in the future.

Section 13(1)(g). An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located.

An estimate of the impact of tax incremental financing on all taxing jurisdictions is summarized on Table 3.

Section 13(1)(h). A legal description of eligible property to which the plan applies, a map showing the location and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property, and a statement of whether personal property is included as a part of the eligible property.

The Property description and a boundary survey map is included as Appendix A. A map showing the location of the Property and a map depicting features of the eligible property are included in the Figures section of this Plan.

The Property qualifies as eligible property because the Property is a “facility” as defined in Section 2(m) of Act 381. The Property is a “facility” based on analysis of soil and groundwater samples collected in 2012 and 2015, which indicated concentrations of TCE, cis-1,2 DCE, vinyl chloride, arsenic, lead and chromium exceeding Part 201 Generic Residential Screening Levels.

No personal property will be included as part of the eligible property.

Section 13(1)(i). Estimates of the number of persons residing on each eligible property to which the plan applies and the number of families or individuals to be displaced.

No residences exist on the property.

Section 13(1)(j). A plan for establishing priority for the relocation of persons displaced by implementation of the plan.

Not applicable.

Section 13(1)(k). Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title.

Not applicable.

Section 13(1)(l). A strategy for compliance with 1972 PA 227, MCL 213.321 to 213.332.

Not applicable.

Section 13(1)(m). A description of proposed use of the local site remediation revolving fund.

Tax increment revenues, if available, will be captured for five years after the eligible activities, plus interest, are reimbursed for deposit into the local site remediation revolving fund. The local site remediation revolving fund will be used to finance eligible activities at other eligible properties within the County.

Section 13(1)(n). Other material that the authority or the governing body considers pertinent.

None.

TABLES



Table 1
Summary of Eligible Activities and Costs
RAI AZO, LLC
5825 and 5901 Willoughby Drive, Portage, MI

Activity	Estimated Costs
1. MDEQ Eligible Activities:	
a. Baseline Environmental Assessment	\$ 4,000
b. Due Care	\$ 13,500
c. Response Activity(ies)	\$ 25,000
Subtotal:	\$ 42,500
d. Contingency (15%)	\$ 6,375
Subtotal:	\$ 48,875
e. Brownfield Plan with Act 381 Work Plan	\$ 7,500
MDEQ TOTAL:	\$ 56,375
2. Local Tax Capture Only	
a. Demolition	\$ 10,000
b. Infrastructure Improvements	\$ 8,000
Subtotal:	\$ 18,000
c. Contingency (15%)	\$ 2,700
Subtotal:	\$ 20,700
d. Brownfield Plan (Application Fee)	\$ 2,500
LOCAL TAX CAPTURE TOTAL:	\$ 23,200
GRAND TOTAL OF ELIGIBLE ACTIVITIES:	\$ 79,575
SUMMARY OF ELIGIBLE COSTS:	
Total to RAI AZO, LLC (Without Interest)	\$ 79,575
Interest to RAI AZO, LLC (Principal \$69,575.00)	\$ 10,847
Total to State Brownfield Redevelopment Fund (3 mils SET)	\$ 11,010
Total to KCoBRA Administrative/Operating Costs (20%)	\$ 11,981
Total to KCoBRA Local Site Remediation Revolving Fund	\$ 77,127
TOTAL REIMBURSEMENT NEEDED FROM CAPTURED INCREMENT:	\$ 190,540

Table 2
Estimate of Total Captured Incremental Taxes
RAI AZO, LLC
5825 and 5901 Willoughby Drive, Portage, Michigan

Year	Millages			Initial Taxable Value	Estimated Tax Revenue from Initial Taxable Value	Estimated Future Taxable Value	Estimated Future Tax Revenues			Incremental Taxable Value Available for Capture
	Estimated Annual School Millage	Estimated Annual Non- school Millage	Total Estimated Annual Millage				Estimated Future School Tax Revenues	Estimated Future Non- School Tax Revenues	Total Estimated Future Tax Revenues	
2016	24.0000	27.9169	51.9169	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2017	24.0000	27.9169	51.9169	0.00	0.00	250,000	6,000.00	6,979.23	12,979.23	250,000
2018	24.0000	27.9169	51.9169	0.00	0.00	255,000	6,120.00	7,118.81	13,238.81	255,000
2019	24.0000	27.9169	51.9169	0.00	0.00	260,100	6,242.40	7,261.19	13,503.59	260,100
2020	24.0000	27.9169	51.9169	0.00	0.00	265,302	6,367.25	7,406.41	13,773.66	265,302
2021	24.0000	27.9169	51.9169	0.00	0.00	270,608	6,494.59	7,554.54	14,049.13	270,608
2022	24.0000	27.9169	51.9169	0.00	0.00	276,020	6,624.48	7,705.63	14,330.11	276,020
2023	24.0000	27.9169	51.9169	0.00	0.00	281,541	6,756.97	7,859.74	14,616.72	281,541
2024	24.0000	27.9169	51.9169	0.00	0.00	287,171	6,892.11	8,016.94	14,909.05	287,171
2025	24.0000	27.9169	51.9169	0.00	0.00	292,915	7,029.96	8,177.27	15,207.23	292,915
2026	24.0000	27.9169	51.9169	0.00	0.00	298,773	7,170.56	8,340.82	15,511.38	298,773
2027	24.0000	27.9169	51.9169	0.00	0.00	304,749	7,313.97	8,507.64	15,821.60	304,749
2028	24.0000	27.9169	51.9169	0.00	0.00	310,844	7,460.25	8,677.79	16,138.03	310,844
2029	24.0000	27.9169	51.9169	0.00	0.00	317,060	7,609.45	8,851.34	16,460.80	317,060

Table 3
Estimate of Taxable Value and Incremental Tax Revenue by Year for Each Taxing Jurisdiction
RAI AZO, LLC
5825 and 5901 Willoughby Drive, Portage, Michigan

Taxing Jurisdiction										School Tax Increment		Total School Taxes Available for Capture	Total Non-school Taxes Available for Capture	TOTAL INCREMENTAL TAXES AVAILABLE FOR CAPTURE
		District Library	Public Safety	Housing Fund	City of Portage	KVCC	KRESA	County Tax	Transportation	State Education Tax	Portage Public Schools Operation			
Operating Mills (2016)		1.5000	1.4491	0.1000	10.9256	2.8135	6.0416	4.6871	0.4000	6.0000	18.0000	24.0000	27.9169	51.9169
Taxable Value Available for Year Capture														
2016	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2017	250,000	375.00	362.28	25.00	2,731.40	703.38	1,510.40	1,171.78	100.00	1,500.00	4,500.00	6,000.00	6,979.23	12,979.23
2018	255,000	382.50	369.52	25.50	2,786.03	717.44	1,540.61	1,195.21	102.00	1,530.00	4,590.00	6,120.00	7,118.81	13,238.81
2019	260,100	390.15	376.91	26.01	2,841.75	731.79	1,571.42	1,219.11	104.04	1,560.60	4,681.80	6,242.40	7,261.19	13,503.59
2020	265,302	397.95	384.45	26.53	2,898.58	746.43	1,602.85	1,243.50	106.12	1,591.81	4,775.44	6,367.25	7,406.41	13,773.66
2021	270,608	405.91	392.14	27.06	2,956.56	761.36	1,634.91	1,268.37	108.24	1,623.65	4,870.94	6,494.59	7,554.54	14,049.13
2022	276,020	414.03	399.98	27.60	3,015.69	776.58	1,667.60	1,293.73	110.41	1,656.12	4,968.36	6,624.48	7,705.63	14,330.11
2023	281,541	422.31	407.98	28.15	3,076.00	792.11	1,700.96	1,319.61	112.62	1,689.24	5,067.73	6,756.97	7,859.74	14,616.72
2024	287,171	430.76	416.14	28.72	3,137.52	807.96	1,734.97	1,346.00	114.87	1,723.03	5,169.09	6,892.11	8,016.94	14,909.05
2025	292,915	439.37	424.46	29.29	3,200.27	824.12	1,769.67	1,372.92	117.17	1,757.49	5,272.47	7,029.96	8,177.27	15,207.23
2026	298,773	448.16	432.95	29.88	3,264.28	840.60	1,805.07	1,400.38	119.51	1,792.64	5,377.92	7,170.56	8,340.82	15,511.38
2027	304,749	457.12	441.61	30.47	3,329.56	857.41	1,841.17	1,428.39	121.90	1,828.49	5,485.47	7,313.97	8,507.64	15,821.60
2028	310,844	466.27	450.44	31.08	3,396.15	874.56	1,877.99	1,456.95	124.34	1,865.06	5,595.18	7,460.25	8,677.79	16,138.03
2029	317,060	475.59	459.45	31.71	3,464.08	892.05	1,915.55	1,486.09	126.82	1,902.36	5,707.09	7,609.45	8,851.34	16,460.80
Total Captured Taxes		5,505.12	5,318.32	367.01	40,097.86	10,325.78	22,173.17	17,202.05	1,468.03	22,020.50	66,061.49	88,081.99	102,457.34	190,539.33

Notes:

- (1) The School Building/Debt Tax (5 Mills) is not available for reimbursement.
- (2) The Juvenile Home millage is not available for reimbursement (0.2528 Mills)
- (3) Only the non-debt portion of the KRESA millage is eligible for reimbursement (0.3650 Mills debt portion)
- (4) Only half of the State Education Tax (3 Mills) is eligible for reimbursement.

Table 4
Reimbursement Schedule With Interest
RAI AZO, LLC
5825 and 5901 Willoughby Drive, Portage, Michigan

Year	Estimated Incremental Taxes Captured (From Table 3)				Reimbursement to KCoBRA (Administrative - Non School Tax Only)			Reimbursement to Developer/RAI AZO, LLC ¹				State Brownfield Redevelopment Fund		LSRRF Capture			Interest Calculations (3%)			
	Annual			Cumulative	Annual		Cumulative	Annual			Cumulative	Annual		Cumulative	Principal	Interest Payment	Principal Payment	Payment Amount		
	School	Non-School	Total		School	Non-School		School	Non-school	Total		Annual	Cumulative						School	Non-school
2016	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	69,575.00	\$ 2,087.25	6,848.54	8,935.79
2017	6000.00	6,979.23	12,979.23	12,979.23	-	1,395.85	1,395.85	5250.00	5,583.38	10,833.38	10,833.38	750.00	750.00	-	-	-	62,726.46	1,881.79	7,053.99	8,935.79
2018	6120.00	7,118.81	13,238.81	26,218.03	-	1,423.76	2,819.61	5355.00	5,695.05	11,050.05	21,883.43	765.00	1,515.00	-	-	-	55,672.47	1,670.17	7,265.61	8,935.79
2019	6242.40	7,261.19	13,503.59	39,721.62	-	1,452.24	4,271.84	5462.10	5,808.95	11,271.05	33,154.48	780.30	2,295.30	-	-	-	48,406.86	1,452.21	7,483.58	8,935.79
2020	6367.25	7,406.41	13,773.66	53,495.28	-	1,481.28	5,753.13	5571.34	5,925.13	11,496.47	44,650.95	795.91	3,091.21	-	-	-	40,923.28	1,227.70	7,708.09	8,935.79
2021	6494.59	7,554.54	14,049.13	67,544.41	-	1,510.91	7,264.03	5682.77	6,043.63	11,726.40	56,377.34	811.82	3,903.03	-	-	-	33,215.19	996.46	7,939.33	8,935.79
2022	6624.48	7,705.63	14,330.11	81,874.52	-	1,541.13	8,805.16	5796.42	6,164.50	11,960.93	68,338.27	828.06	4,731.09	-	-	-	25,275.86	758.28	8,177.51	8,935.79
2023	6756.97	7,859.74	14,616.72	96,491.24	-	1,571.95	10,377.11	5912.35	6,287.79	12,200.15	80,538.42	844.62	5,575.71	-	-	-	17,098.35	512.95	8,422.83	8,935.79
2024	6892.11	8,016.94	14,909.05	111,400.29	-	1,603.39	11,980.49	4789.72	5,093.87	9,883.58	90,422.00	861.51	6,437.23	1,240.88	1,319.68	2,560.57	8,675.52	260.27	8,675.52	8,935.79
2025	7029.96	8,177.27	15,207.23	126,607.52	-	-	-	-	-	-	-	878.74	7,315.97	6,151.21	8,177.27	16,889.05				
2026	7170.56	8,340.82	15,511.38	142,118.89	-	-	-	-	-	-	-	896.32	8,212.29	6,274.24	8,340.82	31,504.11				
2027	7313.97	8,507.64	15,821.60	157,940.50	-	-	-	-	-	-	-	914.25	9,126.54	6,399.72	8,507.64	46,411.46				
2028	7460.25	8,677.79	16,138.03	174,078.53	-	-	-	-	-	-	-	932.53	10,059.07	6,527.72	8,677.79	61,616.97				
2029	7609.45	8,851.34	16,460.80	190,539.33	-	-	-	-	-	-	-	951.18	11,010.25	6,658.27	8,851.34	77,126.58				
						11,980.49		43,819.70	46,602.30	90,422.00		11,010.25		33,252.04	43,874.55	77,126.58		10,847.07	69,575.00	80,422.07

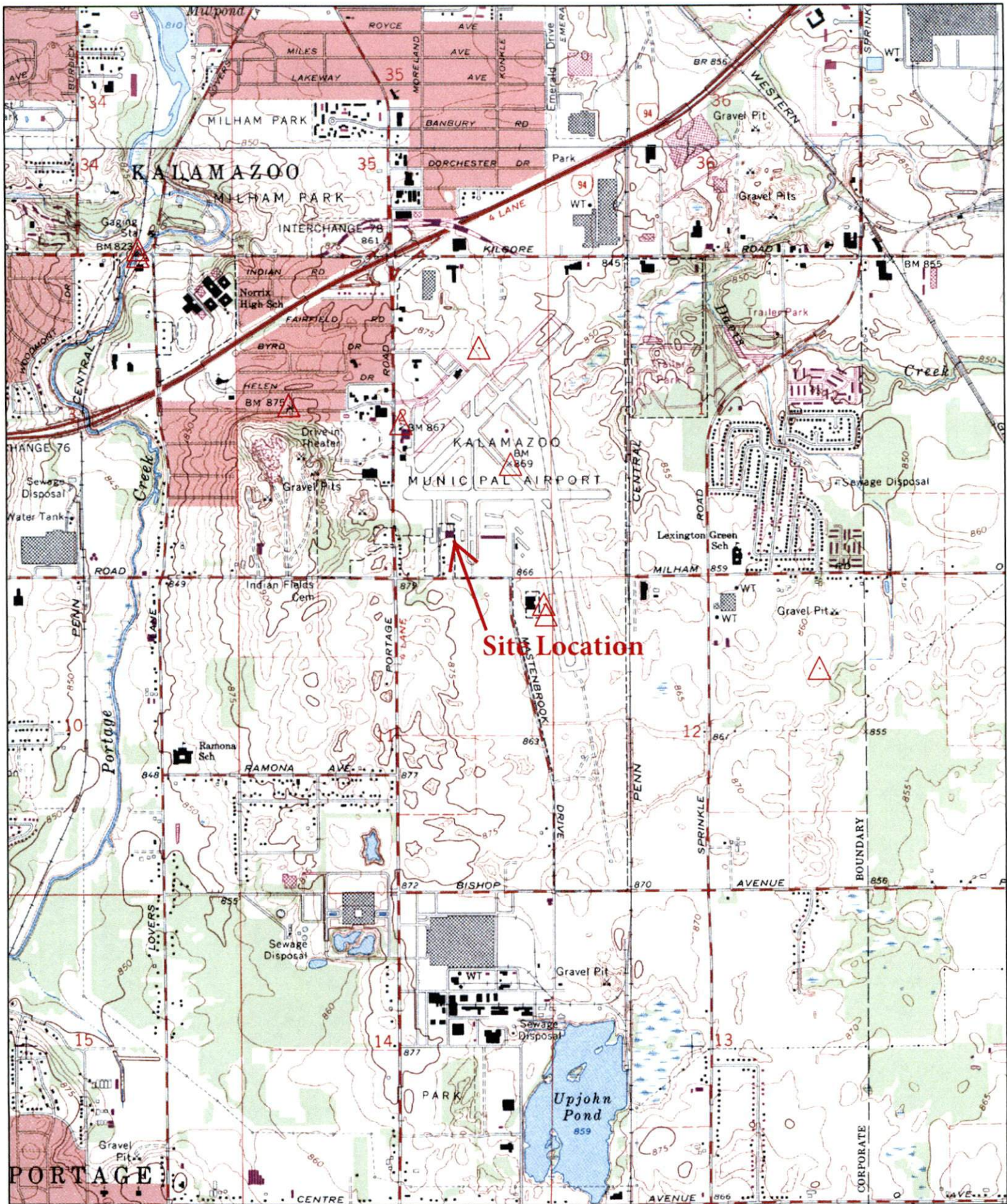
TOTAL REIMBURSEMENT FOR TAX INCREMENT:

\$ 190,539.33

¹ Principal (\$79,575) plus interest (\$10,847) = \$90,422. Estimated expenses of \$36,547 are local (non-school) tax capture only.

FIGURES





Name: PORTAGE
 Date: 12/14/2015
 Scale: 1 inch equals 2000 feet

Location: 042° 13' 43.27" N 085° 33' 11.49" W NAD27
 Caption: Figure 1 - Site Location
 5825 Willoughby Drive
 Portage, Michigan



Figure 2 - Site Plan

5825 & 5901 Willoughby Drive, Portage, Michigan



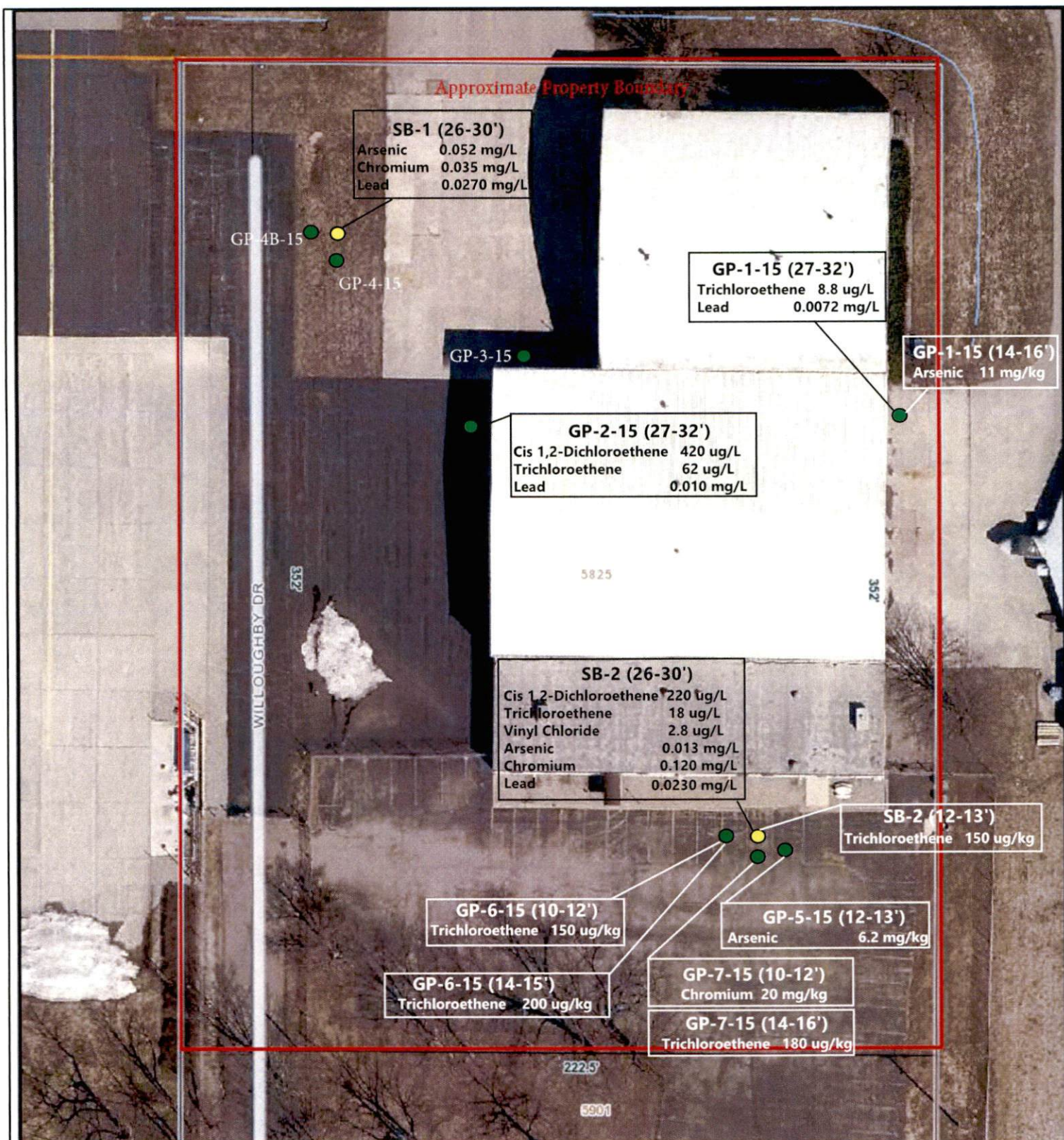
1:2200

Map Publication:

Mon Feb 8 2016 12:15:23 PM

Disclaimer:

This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.



- Geoprobe Boring Location. Samples Collected on 4/26/2012 by Kieser & Associates.
 - Geoprobe Boring Location. Samples Collected on 2/11/2015 by Phillips Environmental.
- Concentrations Shown Exceed Part 201 Generic Residential Cleanup Criteria (GRCC)



0 50 100'
 Approximate Scale



PHILLIPS
ENVIRONMENTAL
CONSULTING SERVICES, INC.
LAWTON, MICHIGAN

5825 Willoughby Drive
City of Portage
Kalamazoo Co., Michigan

Figure 3
Concentrations Exceeding
Part 201 GRCC

APPENDIX A

LEGAL DESCRIPTION



5825 WILLOUGHBY DR PORTAGE, MI 49002 (Property Address)

Parcel Number: 09240-020-O

No Images Found

Property Owner: KALAMAZOO AVIATION HISTORY MUSEUM**Summary Information**

- > Commercial/Industrial Building Summary
 - Yr Built: 1963
 - # of Buildings: 1
 - Total Sq.Ft.: 29,800
- > Assessed Value: \$0 | Taxable Value: \$0
- > Property Tax Information found

Legal Description

ASSESSORS PLAT OF WILLOUGHBY-HENRY PLAT LOT 20 -21-22-23-24 -25-26 -27 & E 1/2 OF VACATED ABUTTING WILLOUGHBY DRIVE.

****Disclaimer:** BS&A Software provides AccessMyGov.com as a way for municipalities to display information online and is not responsible for the content or accuracy of the data herein. This data is provided for reference only and WITHOUT WARRANTY of any kind, expressed or inferred. Please contact your local municipality if you believe there are errors in the data.

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5901 WILLOUGHBY DR PORTAGE, MI 49002 (Property Address)

Parcel Number: 09240-028-A

Property Owner: KALAMAZOO AVIATION HISTORY MUSEUM**Summary Information**

- > Assessed Value: \$0 | Taxable Value: \$0
- > 1 Special Assessment found
- > Property Tax Information found

No Images Found

Owner and Taxpayer Information

Owner	KALAMAZOO AVIATION HISTORY MUSEUM 3100 E MILHAM AVE PORTAGE, MI 49002	Taxpayer	SEE OWNER INFORMATION
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General Information for Tax Year 2015

Property Class	702 EXEMPT VACANT	Unit	10 CITY OF PORTAGE
School District	PORTAGE	Assessed Value	\$0
SECTION	Not Available	Taxable Value	\$0
BOOK	Not Available	State Equalized Value	\$0
PROPERTY TYPE	Not Available	Date of Last Name Change	01/13/2010
USER ALPHA 3	Not Available	Notes	Not Available
Historical District	Not Available	Census Block Group	Not Available
CODE	Not Available		

Principal Residence Exemption Information**Homestead Date** Not Available

Principal Residence Exemption	June 1st	Final
2016	0.0000 %	-
2015	0.0000 %	0.0000 %

Previous Year Information

Year	MBOR Assessed	Final SEV	Final Taxable
2014	\$0	\$0	\$0
2013	\$0	\$0	\$0
2012	\$0	\$0	\$0

Land Information

Zoning Code	I-1	Total Acres	0.630
Land Value	\$0	Land Improvements	Not Available
Renaissance Zone	No	Renaissance Zone Expiration Date	Not Available
ECF Neighborhood	NONPROFIT	Mortgage Code	Not Available
Lot Dimensions/Comments	Not Available	Neighborhood Enterprise Zone	No

Lot(s)	Frontage	Depth
Lot 1	176.00 ft	156.33 ft
Total Frontage: 176.00 ft		Average Depth: 156.33 ft

Legal Description

ASSRS PLAT OF WILLOUGHBY-HENRY LOTS 28, 29 & E 1/2 OF VACATED ABUTTING WILLOUGHBY DRIVE.

Sale History

APPENDIX B

PLAN AREA SHOWING PROPOSED DEMOLITION AND INFRASTRUCTURE IMPROVEMENT



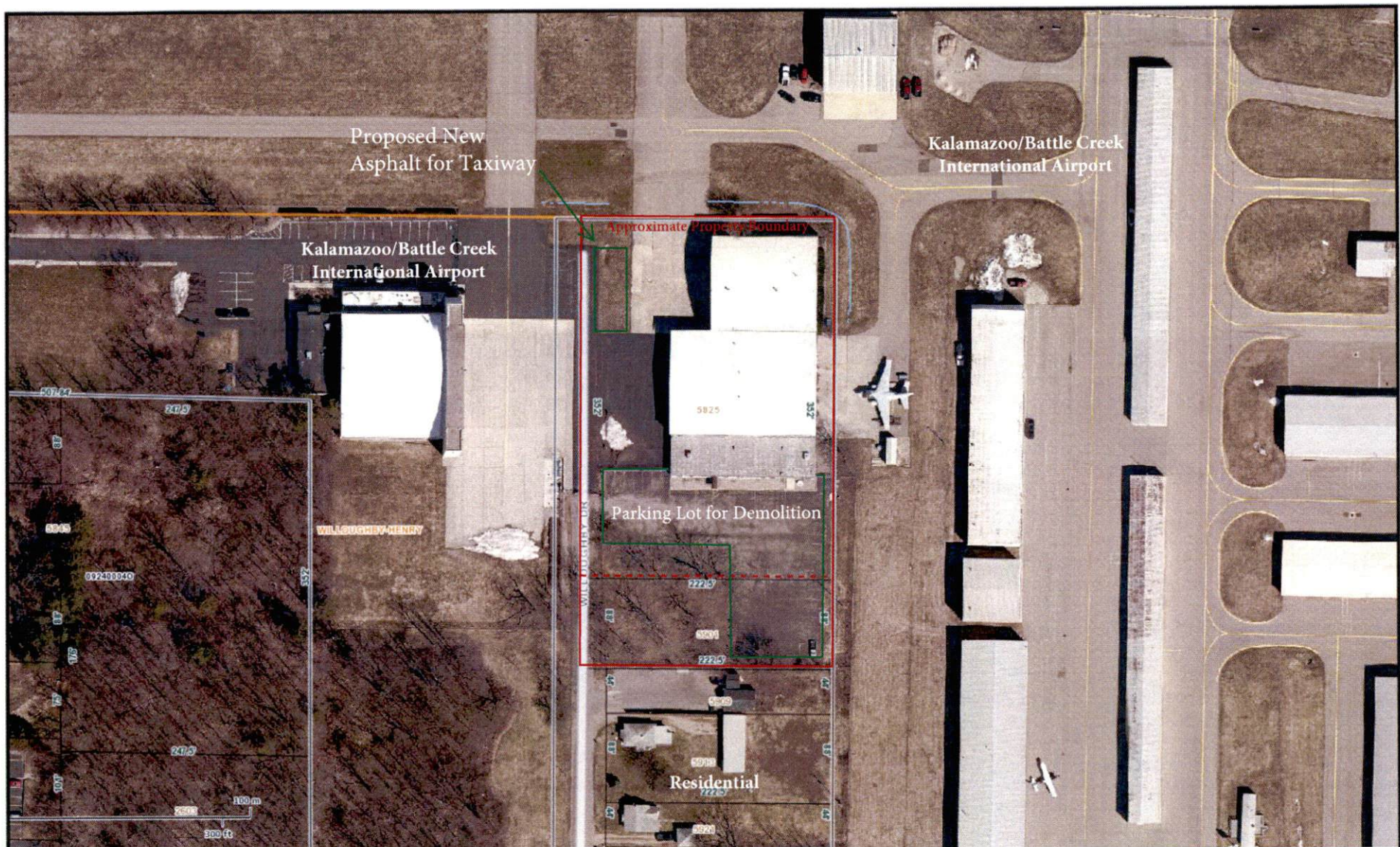


Figure 2 - Site Plan

5825 & 5901 Willoughby Drive, Portage, Michigan



1:2200

Map Publication:

Mon Feb 8 2016 12:15:23 PM

Disclaimer:

This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.

APPENDIX C
CITY OF PORTAGE
AND
KALAMAZOO COUNTY RESOLUTIONS



TO BE INCLUDED IN FINAL



APPENDIX D

NOTICE OF PUBLIC HEARING



TO BE INCLUDED IN FINAL



APPENDIX E

NOTICE TO TAXING JURISDICTIONS



TO BE INCLUDED IN FINAL



Local Site Remediation Revolving Fund

The Brownfield Redevelopment Financing Act, 1996 PA 381, as amended (Act 381) authorizes municipalities (city, village, township, or county) to create a Brownfield Redevelopment Authority (BRA; referred to as *Authority*) to facilitate the revitalization, redevelopment, and reuse of Brownfields. Brownfield properties include those that are a “facility” (contaminated above Residential Cleanup Criteria), “blighted”, “functionally obsolete” or a “historic resource”.

Under the direction of an Authority, a Brownfield Plan can be adopted to establish the boundary of the eligible Brownfield property, describe *how* the eligible property qualifies as Brownfield site, and outline the costs associated with activities undertaken to support redevelopment at the site. The cleanup and projected redevelopment/improvement of a Brownfield property will increase the taxable value. Taxes on the improvement (the increment in the captured taxable value), is known as *Tax Increment Revenue* (TIR) and can be used to reimburse the Authority and developer for eligible environmental (approved by Michigan Department of Environmental Quality) or non-environmental (approved by Michigan Strategic Fund) activities. The Brownfield Plan can capture a maximum of 30 years of TIR to reimburse these expenses.

What happens after all eligible activities have been fully reimbursed...?

After the developer and Authority have been fully reimbursed for their eligible expenses, an Authority may deposit excess funds into a Local Site Remediation Revolving Fund (LSRRF). An Authority may establish the LSRRF to capture TIR generated from improvements on the property for five full years after all of the eligible activities have been reimbursed.

There is no limitation with respect to the amount of local tax increment that can be captured in the LSRRF; the limitation is related to the amount of time, i.e. 5 full years. The 5 full years must fall within the total 30 years allowed for tax increment capture in a Brownfield Plan. The limitations on the amount of allowable school tax capture for deposit into the LSRRF is limited to the actual amount of school TIR used to reimburse the eligible activities approved in a Brownfield Plan. For those activities that are subject to a MDEQ approved Act 381 Work Plan, the amount of school TIR is limited by the amount approved by the MDEQ. Excess school

taxes cannot be captured for deposit into the LSRRF for non-environmental activities that are approved through an Act 381 Work Plan approved by the MSF.

Additionally, funding for the LSRRF may come from money appropriated or otherwise made available from public or private sources. An Authority may also incur an obligation for the purpose of funding an LSRRF.

Eligible uses of the LSRRF

An Authority may use LSRRF funds only to pay the costs of eligible activities on eligible property that is located within the municipality. Eligible activities include site investigation activities to complete a Baseline Environmental Assessment and evaluate Due Care Requirements, preparation of BEA and Due Care Plan, Demolition, Lead and Asbestos Abatement and Additional Response Activities (i.e. cleanup). In Qualified Local Units of Governments (Core Communities) eligible activities can also include infrastructure Improvements, site preparation that is not an environmental response activity, quieting title and conveying property under control of the local unit of government, Land Bank Fast Track Authority or Brownfield Authority, relocation of public buildings or operations for economic development, and environmental insurance.

Local and school funds deposited in the LSRRF do not need to be accounted for separately when reimbursing eligible activities. It is also not necessary to secure MDEQ or MSF approvals when utilizing LSRRF funds derived from school tax increment revenues.

Administrative Cost Limitations

The LSRRF would not be used to pay for the administrative and operating costs of the Authority except for those expenses that are otherwise considered an “eligible activity”; specifically, the reasonable cost of preparing a brownfield plan, combined brownfield plan, or an Act 381 work plan for the eligible property, baseline environmental assessments, due care activities and additional response activities.

These administrative and operating expenses can be paid for with tax increment revenues from active brownfield plans. In each fiscal year, the amount of tax increment revenues attributable to local taxes that an authority can use for these purposes is determined as follows:

Number of Projects	Amount
5 or fewer	\$100,000
6 to 10	\$125,000
11 to 15	\$150,000
16 to 20	\$175,000
21 to 25	\$200,000
26 to 30	\$300,000
31 or more	\$500,000

Under two situations, these fees may be increased by increments of two percent (2%) up to ten percent (10%) total; 2% for each written agreement entered into by a County BRA to serve as another municipality's BRA, or 2% if an authority enters into an agreement with one or more authorities to administer one or more administrative operations of those authorities.

CITY OF PORTAGE

**RESOLUTION APPROVING A BROWNFIELD PLAN PURSUANT TO AND
IN ACCORDANCE WITH THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS OF THE
STATE OF MICHIGAN OF 1996, AS AMENDED**

Minutes of a regular meeting of the City Council for the City of Portage, Michigan held on _____, 2016 at 7:30 p.m. local time at the City Hall in the City of Portage, Michigan.

PRESENT: _____

ABSENT: _____

The following resolution was offered by:

Councilmember: _____, and supported by:

Councilmember: _____.

WHEREAS, the City of Portage, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has formally resolved to participate in the Brownfield Redevelopment Authority of Kalamazoo County (the "Authority") and has designated that all related activities shall proceed through the Authority; and

WHEREAS, the Authority, pursuant to and in accordance with Section 13 of the Act, has reviewed, adopted and recommended for approval by the City Council of the City of Portage, the Brownfield Plan (the "Plan") attached hereto, to be carried out within the City, relating to the redevelopment of the industrial property located at 5825 and 5901 Willoughby Drive, Portage, Michigan; and

WHEREAS, the City Council of the City of Portage, has reviewed the Plan, and was provided a reasonable opportunity to express its views and recommendations regarding the Plan.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Portage concurs with the provisions of the Plan in the form attached to this Resolution; and

BE IT FURTHER RESOLVED that should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.

All resolutions or parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

ADOPTED: _____

AYES: Councilmember _____

NAYS: Councilmember _____

ABSENT: Councilmember _____

James R. Hudson, City Clerk

CERTIFICATION

I, James R. Hudson, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage, Michigan, and that the foregoing resolution was adopted by the City of Portage on the ____ day of _____, 2016.

James R. Hudson, City Clerk

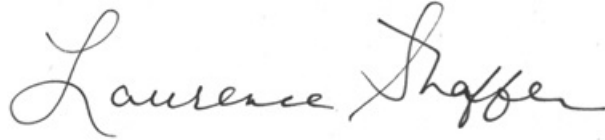
Approved as to form:

Date: 3-24-2016

CRB
City Attorney

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Special Meeting for Board and Commission Applicants

SUPPORTING PERSONNEL: James Hudson, City Clerk

ACTION RECOMMENDED: That City Council set a Special Meeting on Tuesday, May 10, 2016, beginning at 5:15 p.m., to interview Board and Commission applicants.

Section 2 – Article 7 of the Code of Ordinances affirms that City Council recognizes and appreciates the value and importance each Board or Commission plays in advising the Council in its decision-making process. Board and Commission interviews are performed each year in October, January and May.

Per the Policy for Appointments to Citizen Advisory Boards, applicants for the following Boards and Commissions and any other vacancies that arise will be interviewed.

- Construction Board of Appeals 3 expiring terms
- Planning Commission 2 expiring terms, 1 vacancy
- Public Media Network Board 1 expiring term, 1 vacancy
- Youth Advisory Committee 12 expiring terms, 18 vacancies

As reflected on the attached Board and Commission Vacancy Summary, applicants will be interviewed at this time to fill vacancies on the Construction Board of Appeals, Planning Commission, Public Media Network Board and Youth Advisory Committee. It is recommended that City Council set a Special Meeting on Tuesday, May 10, 2016, beginning at 5:15 p.m., to interview Board and Commission applicants.

FUNDING: N/A

Attachments: 1. Vacancy Summary

BOARDS/COMMISSIONS VACANCY SUMMARY FOR MAY 10, 2016 SPECIAL MEETING

YOUTH APPLICANTS

INTERVIEWS	5:15 pm	ENV 1 exp term 1 yr term	HDC 1 exp term 1 yr term	HSB 1 exp term 1 yr term	PKB 1 exp term 1 yr term	SR CITZ 1 exp term 1 yr term	STATUS
	YAC exp terms vacancies 1 yr term						
Aiyia Arif	Member						Appointed 05/12/15
Amanda Boelman	Member						Appointed 05/14/13
Eli Cartier	Member						Appointed 05/14/13
Riya Chaudhary	Applicant						
Cortney Chow	Member						
Megan Chow	Applicant						Appointed 05/12/15
William Chung	Applicant						
Shayaan Dar	Applicant						
Vishnu Ghantasala	Applicant						
Alena Gleason	Applicant						
Lauren Hart	Applicant			Applicant			
Anna Heystek	Member	Applicant	Applicant	Applicant	Applicant		Appointed 05/12/15
Tanvi Khurmi	Member	Applicant	Applicant	Applicant	Applicant		Appointed 05/12/15
Lily Kitagawa	Member	Applicant	Applicant	Applicant	Applicant	Applicant	Appointed 05/13/14
Anjana Krishnan	Member						Appointed 05/14/13
Benjamin Miller	Member		Applicant	Applicant			Appointed 05/12/15
Shella Mwanda	Applicant	Applicant	Applicant	Applicant		Applicant	
Lindy Nebiolo	Member		Applicant			Applicant	Appointed 05/13/14
Nicole Prihoda	Applicant	Applicant		Applicant		Applicant	
Arya Shembekar	Member	Applicant			Applicant	Applicant	Appointed 05/12/15
Tanvi Shembekar	Member	Applicant	Applicant	Applicant	Applicant		Appointed 05/12/15
Omar Thaj	Member						Appointed 05/12/15
Ali Thomas, Jr.	Member						Appointed 05/14/13

04/04/16

NOTE: Legend on Page 2

Page 1 of 2

BOARDS/COMMISSIONS VACANCY SUMMARY FOR MAY 10, 2016 SPECIAL MEETING

INTERVIEWS	5:45 pm	6:00 pm	6:25 pm	STATUS
APPLICANTS	PMN 1 exp term 1 vacancy 3 yr terms	PC 2 exp terms 1 vacancy 3 yr terms	CBA 3 exp terms 3 yr terms	
Chad Brady		Applicant		
Sarah Joshi		Applicant		
Barney Martlew			Member	First appointed 05/14/13
Elizabeth Nahavandi		Applicant		
Donald Ramlow	Member			First appointed 05/11/10
Betty Schimmel		Member		First appointed 04/14/13
Lawrence A. Schmidt			Member	First appointed 06/01/07
Raymond Shoup III		Applicant		
Brian Somers		Member		First appointed 10/08/13
George Theodoru			Member	First appointed 05/11/10

NOTE: Alternate – currently serving as an Alternate Member of a Board or Commission and is seeking appointment or reappointment.
 Member – currently serving as a Member of a Board or Commission and is seeking reappointment.
 Applicant – new applicant seeking appointment to a Board or Commission.

**BOARD OF EDUCATION
REGULAR BUSINESS MEETING MINUTES**

February 22, 2016

The regular business meeting of the Board of Education of the Portage Public Schools held on Monday, February 22, 2016, was called to order at 6:30 p.m. by President Van Antwerp in Conference Room 1 at the Administration Building, 8107 Mustang Drive. He welcomed an audience of 14 people; all in attendance recited the Pledge of Allegiance. President Van Antwerp led a moment of silence in honor of the victims and families impacted by the recent shooting incident in Kalamazoo.

Board Trustees Present: Kurt Droppers, Terri Novaria, Rusty Rathburn, Celeste Shelton-Harris, Bo Snyder (arrived at 7:22 p.m.), Randy Van Antwerp and Joanne Willson

Board Members Absent: None

REVISIONS/APPROVAL OF AGENDA

Motion offered by Dr. Shelton-Harris, seconded by Mrs. Novaria, that the Board of Education approve the agenda as printed.

Motion carried unanimously.

REPORTS

Middle School Social Studies Report. Mr. Michael Huber, Director of Curriculum, welcomed North Middle School Social Studies Teachers Ms. Tara Heywood and Mr. Jim Moiles. Ms. Heywood and Mr. Moiles shared a student video and background on Social Studies curriculum.

Mr. Huber updated the Board on the status of the Human Growth and Development proposal. He plans to meet with the Human Growth and Development Advisory Committee in March to review questions raised by parents. Any changes will be incorporated into the revised request that will be brought back for Board approval.

Bond Implementation Update. Superintendent Bielang commented that the traffic studies will be reviewed by the Committee in preparation for the Special Meeting on February 29. He also noted the District named 5/3 Securities and Huntington Bank to be co-managers along with Stifel for the sale of Bonds. The authorizing resolution for the sale of Bonds will come before the Board for approval in March.

Superintendent's Report. Superintendent Bielang informed the audience he recently met with the PTO (Parent Teacher Organization) Presidents. He thanked all the District PTO's for supporting staff in doing what is best for all students. The Superintendent reminded Trustees of the Kalamazoo County School Administrators meeting planned for Wednesday, March 2.

Financial Report. Mrs. Karla Colestock, Director of Finance, shared the financial report for the seven month period ending January 31, 2016.

Governor's Budget Update. Mrs. Colestock provided an update on the District 2016/2017 General Fund Budget, a Consensus Revenue Estimating Conference summary and highlights from the Governor's Executive Budget Proposal.

COMMENTS OR COMMUNICATIONS

President Van Antwerp opened the comments and communications portion of the meeting and asked if there were any citizens who would like to speak to the Board. Seeing no one come forward, President Van Antwerp opened the floor for Trustee comments.

Mr. Droppers shared highlights from attending the Central High versus Northern High School basketball game.

Dr. Shelton-Harris noted the City of Portage is hosting the Central State University Chorus for a free concert to celebrate Black History Month. This event will take place on February 26, 2016, 7:00 p.m. at the Northern High School Auditorium. She thanked the City for hosting the event.

Mr. Rathburn informed the audience of the North Middle School Robotics Club Open House planned for Tuesday, February 23, 2016. Students will showcase their robots in a friendly competition and you can find out how the teams fared at the State Championships.

President Van Antwerp shared an invitation from Art Teacher, Mrs. Donna Emerson, to visit the Portage District Library during March and April as they will be hosting District student artwork. He also offered condolences to the family of Mr. Alan Kushner, a retired District art teacher and coach. Mr. Kushner was most notably known as "The Voice of the Huskies" for announcing football and basketball games for over 30 years as well as coordinating District art shows. President Van Antwerp informed the audience the Policy Committee will hold a meeting tomorrow. He also reminded Trustees there is still time to register for the upcoming Michigan School Boards Association classes that will be held at the Kalamazoo Regional Educational Service Agency.

CONSENT AGENDA

President Van Antwerp presented the following Consent Agenda items for approval by the Board of Education: The minutes of the January 25, 2016, Regular Business Meeting and February 8, 2016, Committee of the Whole Work Session and the Proposed Board of Education Meeting Schedule from July 18, 2016, Through June 26, 2017.

There being no objections, motion carried unanimously.

ACTION ITEMS

Motion offered by Mr. Rathburn, seconded by Mr. Droppers, that the Board of Education adopt the Resolution Amendment #1 to the General Appropriations Act (General Fund) for the 2015/2016 year, as presented.

Upon a roll call vote, all Trustees voted in favor of the motion.

Motion offered by Mrs. Novaria, seconded by Mr. Rathburn, that the Board of Education adopt the Resolution Amendment #1 to the Building and Site Sinking Fund Appropriations Act for the 2015/2016 year, as presented.

Upon a roll call vote, all Trustees voted in favor of the motion.

Motion offered by Mr. Rathburn, seconded by Mrs. Novaria, that the Board of Education adopt the National School Breakfast Week Proclamation, as presented.

Mr. Willson read the Proclamation.

Motion carried unanimously.

Motion offered by Mr. Droppers, seconded by Dr. Shelton-Harris, that the Board of Education approve the recommendation to cast a ballot for Mrs. Joanne Willson to fill the one-year term on the Michigan Association of School Boards Board of Directors for Region 6, as presented.

Motion carried unanimously.

Mrs. Willson asked for clarification on the placement of Community High and Curious Kids. Superintendent Bielang stated while portions of what will be the former North Middle School are under consideration, no decisions have been made.

There being no further business to come before the Board, the meeting was adjourned at 7:24 p.m.

Respectfully submitted,

Edna Kent
Recording Secretary

**PORTAGE PUBLIC SCHOOLS
GENERAL FUND BUDGET RESOLUTION
2015/16 AMENDED BUDGET**

Be it resolved that this resolution shall be the General Fund appropriations of Portage Public Schools for the fiscal year 2015/16. A resolution to make appropriations; to provide for the expenditures of appropriations; and to provide for the disposition of all revenue received by Portage Public Schools.

Be it further resolved that the total unappropriated fund balance and total revenues to be available for appropriations in the General Fund of Portage Public Schools for fiscal year 2015/16 is as follows:

	Actual 2014/15	Adopted Budget 2015/16	Amended Budget 2015/16
Total Fund Balance, Beginning of Year, July 1	7,200,936	7,146,210	7,932,209
REVENUES:			
Local Sources*	21,701,543	23,791,952	24,524,786
State Sources	59,274,452	60,274,221	60,851,349
Federal Sources	995,223	1,096,963	1,159,480
Incoming Transfers and Other Transactions	199,245	899,223	1,349,428
Total Revenues and Other Transactions	82,170,463	86,062,359	87,885,043
Total Available to Appropriate	89,371,399	93,208,569	95,817,252

Be it further resolved that \$87,346,825 of the total available to appropriate is hereby appropriated in the amounts and for the purposes set forth as follows:

EXPENDITURES:

Instruction:

Basic Programs	42,122,682	44,082,585	44,371,029
Added Needs	6,705,724	6,809,494	7,196,211
Adult Education	55,231	-	-
Total Instruction	48,883,637	50,892,079	51,567,240

Supporting Services:

Pupil	5,143,347	5,290,882	5,503,163
Instructional Staff	4,391,117	4,461,360	4,506,335
General Administration	586,174	610,789	652,577
School Administration	4,575,612	4,711,508	5,101,048
Business Services	835,750	860,603	888,462
Operations and Maintenance	7,719,611	8,261,549	7,792,706
Transportation	2,862,223	3,439,647	3,653,516
Central Services	2,287,620	2,874,039	3,118,840
Athletics	1,400,941	1,288,207	1,493,757
Total Supporting Services	29,802,395	31,798,584	32,710,404

PORTAGE PUBLIC SCHOOLS GENERAL FUND BUDGET RESOLUTION 2015/16 AMENDED BUDGET

	<u>Actual 2014/15</u>	<u>Adopted Budget 2015/16</u>	<u>Amended Budget 2015/16</u>
Community Services	<u>2,354,694</u>	<u>2,361,608</u>	<u>2,670,437</u>
Other Financing Use - Debt Service	<u>398,464</u>	<u>391,474</u>	<u>398,744</u>
Total Expenditure Appropriation	<u>81,439,190</u>	<u>85,443,745</u>	<u>87,346,825</u>
Excess of Revenues over Expenditures	<u>731,273</u>	<u>618,614</u>	<u>538,218</u>
Total Fund Balance (Assigned and Unassigned), End of Year, June 30 (Estimate)	<u>\$ 7,932,209</u>	<u>\$ 7,764,824</u>	<u>\$ 8,470,427</u>

Be it further resolved that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditure of funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement previously adopted. Changes in the amount appropriated shall require approval by the Board of Education.

Be it further resolved that the superintendent is hereby charged with general supervision of the execution of the budget as adopted by the Board of Education and shall hold the directors and department heads responsible for performance of their responsibilities within the amounts appropriated.

PORTAGE PUBLIC SCHOOLS 2015/16 GENERAL FUND PROPOSED BUDGET COMPARISON BY MAJOR CATEGORIES AND FUND BALANCE INFORMATION
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	ACTUAL SY 13/14	ACTUAL SY 14/15	PROPOSED BUDGET SY 15/16	AMENDED BUDGET SY 15/16	INCREASE (DECREASE)
Revenues					
Not Program Related	68,678,627	71,372,322	73,466,729	74,226,369	759,640
Program Related	11,147,706	10,798,141	12,595,630	13,658,674	1,063,044
Total Revenues	79,826,333	82,170,463	86,062,359	87,885,043	1,822,684
Expenses					
Salaries	41,829,443	41,478,310	42,603,903	42,980,818	376,915
Fringe Benefits:					
FICA*	2,900,163	2,914,193	3,025,493	3,059,473	33,980
Retirement*	12,533,321	14,364,007	15,627,946	15,752,106	124,160
Health Insurance	5,121,618	5,468,911	5,989,225	6,149,529	160,304
Other Insurances:					
Dental	508,919	534,848	528,828	561,498	32,670
Vision	88,993	95,755	99,296	99,898	602
Long-Term Disability	129,884	124,010	123,428	126,016	2,588
Life	31,975	34,812	35,101	34,237	(864)
Other fringes	484,976	694,517	705,489	610,644	(94,845)
Total Fringe Benefits	21,799,849	24,231,053	26,134,806	26,393,401	258,595
Purchased Services	9,701,006	10,127,276	10,108,046	11,065,533	957,487
Supplies, Materials, Other	5,120,523	4,609,929	5,161,514	5,033,688	(127,826)
Capital Outlay	1,074,528	594,157	1,044,002	1,474,641	430,639
Debt Service	338,091	398,465	391,474	398,744	7,270
Total Expenses	79,863,440	81,439,190	85,443,745	87,346,825	1,903,080
Excess Revenues (Expenditures) Projected	(37,107)	731,273	618,614	538,218	(80,396)
Total Fund Balance Information					
Total Fund Balance - Beginning	7,238,043	7,200,936	7,146,210	7,932,209	
Income(Deficit) - Allocated to Unreserved	(37,107)	731,273	618,614	538,218	
Estimated Ending Total Fund Balance	7,200,936	7,932,209	7,764,824	8,470,427	
Non-Spendable and Assigned Fund Balance Restrictions	413,693	1,042,693	500,000	1,042,693	
Estimated Ending Unassigned Fund Balance	6,787,243	6,889,516	7,264,824	7,427,734	
As a Percentage of Budgeted Expenditures	8.50%	8.46%	8.50%	8.50%	

Notes:

*Mandated fringe benefits

PORTAGE PUBLIC SCHOOLS BUILDING AND SITE SINKING FUND APPROPRIATIONS AMENDMENT RESOLUTION 2015/16
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Be it resolved that this shall be the Building and Site Sinking Fund appropriations for Portage Public Schools for the fiscal year 2015/16. A resolution to make appropriations; to provide for the expenditure of appropriations; and to provide for the disposition of all revenues received by Portage Public Schools.

Be it further resolved, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the Building and Site Sinking Fund of Portage Public Schools for fiscal year 2015/16 is as follows:

	SY 2014/15 Actual	SY 2015/16 Adopted	SY 2015/16 Amended
Beginning Fund Balance, July 1 (estimate)	\$ 630,487	\$ 434,427	\$ 466,688
Revenues			
Tax Levy at .5000 mills for all years	1,115,179	1,150,760	1,150,760
Payment in Lieu of Personal Property Tax from State Sources	-	10,000	-
Industrial Facilities Tax	9,313	9,300	9,300
Interest Income	879	1,000	1,000
Interest on Delinquent Taxes	1,218	1,300	1,300
Payment in Lieu of Taxes	1,011	1,000	1,000
Collection of Prior Year Taxes	320	500	500
Total Revenues	1,127,920	1,173,860	1,163,860
Total Available to Appropriate	1,758,407	1,608,287	1,630,548

Be it further resolved, that \$706,700 of the total available to appropriate is appropriated in the amounts and for the purposes set forth below:

Expenditures:

Major Projects:

Asphalt Projects:

NHS Parking Lot Connection	3,750	54,000	36,000
Moorsbridge Elementary (Receiving Area)		40,000	40,000
Community Education Center (North and West Lots)		-	-

Major Roofing Projects:

Moorsbridge Elementary	186,750	-	-
Northern High School	169,500	275,000	75,700
North Middle School		10,000	10,000
Central High Baseball Field Renovation	3,990	-	-
Central High Vestibule	4,343	-	-
Angling Road Lobby Remodel	31,495	-	-
Central Middle School Band Room	91,825	-	-
West Middle School Pool Entry Doors and Ramp	52,842	-	-
Central Elementary Entrance Canopy	4,500	-	-
Administration Building Demolition	27,554	-	-
Moorsbridge Fire Alarm Replacement		-	48,250

Total Major Projects	1,139,302	379,000	209,950
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PORTAGE PUBLIC SCHOOLS			
BUILDING AND SITE SINKING FUND APPROPRIATIONS AMENDMENT RESOLUTION 2015/16			
On-Going Projects			
Roof Repair	5,866	31,500	31,500
Glass	5,427	10,500	10,500
Fencing	-	10,500	10,500
Sidewalk Concrete Repair	201	31,500	31,500
Casework	4,249	10,500	10,500
VAR - Asbestos Abatement	9,415	21,000	21,000
Asphalt Repair	15,837	31,500	31,500
Toilet Partition Replacement	-	10,500	10,500
Carpet Replacement	5,434	15,750	25,000
District Mechanical	70,151	73,500	73,500
District Electrical	1,877	36,750	36,750
Total On-Going Projects	118,457	283,500	292,750
Exterior Door Replacement			
Various Exterior Doors At All Buildings	-	50,000	50,000
Other Projects:			
Grounds replacement-playgrounds	31,017	-	35,000
Windows Amberly Elementary		20,000	15,000
Building Requested Capital Outlay:			
Miscellaneous Projects		250,000	100,000
Total Other Projects	31,017	270,000	150,000
Tax refunds	2,943	4,000	4,000
Total Expenditures	1,291,719	986,500	706,700
Projected (Deficit) Revenues Over Expenditures	(163,799)	187,360	457,160
Ending Fund Balance, June 30	\$ 466,688	\$ 621,787	\$ 923,848

Be it further resolved that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditure of funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement previously adopted. Changes in the amount appropriated shall require approval by the Board of Education.

Be it further resolved that the Superintendent is hereby charged with general supervision of the execution of the budget as adopted by the Board of Education and shall hold the directors and department heads responsible for the performance of their responsibilities within the amounts appropriated.

**PROCLAMATION
NATIONAL SCHOOL BREAKFAST WEEK
March 7 - 11, 2016**

WHEREAS, It is with great respect for the accomplishments of Portage's school food service managers, servers, cashiers, driver personnel and substitutes that we commemorate March 7 - 11, 2016 as National School Breakfast Week. This special observance presents an excellent opportunity to emphasize research outcomes that students who eat breakfast are more alert, have improved memory and problem solving skills, and perform better on standardized tests. We encourage all citizens to recognize the dedication and skill of our school food service employees; and

WHEREAS, Each day, a total of 25 food service employees prepare and serve over 1200 breakfasts a day. This is in addition to ordering, storing, and expediting each menu item to each location, adhering to food safety, sanitation, and nutritional guidelines as well as giving each customer the time and consideration to listen, hear and deliver what they are looking for each day. Fortunately we have exemplary professionals who have devoted their careers to providing high quality service to our children and staff; and

WHEREAS, On behalf of our young people, it is a pleasure to commend the women and men who accept and meet the challenges of school food service. The observance of School Breakfast Week is a welcome opportunity to thank these patient, caring, skilled public servants. Those involved in this pursuit should be very proud of their contribution to education. Now, therefore, be it

RESOLVED BY THE BOARD OF EDUCATION, That we proudly commemorate March 7 - 11, 2016 as the National School Breakfast Week, and we commend everyone who has contributed to the successful operation of our breakfast program. By working together, we can make a difference in every student's life.

Proclaimed this 22nd day of February, 2016
Portage Public Schools Board Of Education

**BOARD OF EDUCATION
SPECIAL MEETING MINUTES**

February 29, 2016

The special meeting of the Board of Education of the Portage Public Schools held on Monday, February 29, 2016, was called to order at 2:00 p.m. by President Van Antwerp in Conference Room 1 at the Administration Building, 8107 Mustang Drive. He welcomed an audience of 20 people.

Board Trustees Present: Kurt Droppers, Terri Novaria, Rusty Rathburn, Celeste Shelton-Harris, Bo Snyder, Randy Van Antwerp and Joanne Willson (via phone)

Board Members Absent: None

REVISIONS/APPROVAL OF AGENDA

Motion offered by Mrs. Novaria, seconded by Mr. Rathburn, that the Board of Education approve the agenda as revised, adding a Public Comment to discussion of the Master Plan during the presentation.

Motion carried unanimously.

Mr. Bob McGraw, Principal In Charge, and Mr. Mike Baker, Project Manager, representatives from c2ae/Stantec, reviewed guiding principles and the options previously presented to the Board as refined during the Steering Committee input phase.

Campus plans for the two campuses were presented showing the preferred location of outdoor event facilities and pools and a development area for the location of the new middle schools. Community High School and Curious Kids will remain at the Northern Campus in either its existing location or in a portion of the existing North Middle School building.

Questions and comments from Board members and those in attendance were accepted and answered. Audience members with comments were: Mr. Chad Hoke, 1815 Miles Avenue; Ms. Donna DeBault, 2527 Vanderbilt; Mr. Gary Gerow, 609 Larkspur Avenue; and Mrs. Judi Santek, 7537 Autumn Street.

ACTION ITEM

Motion offered by Mr. Droppers, seconded by Mr. Rathburn, that the Board of Education approve the Campus Site Master Plans, as presented.

Motion carried unanimously.

There being no further business to come before the Board, the meeting was adjourned at 3:35 p.m.

Respectfully submitted,

Mark Bielang
Secretary Pro Tem

**BOARD OF EDUCATION
COMMITTEE OF THE WHOLE WORK SESSION MINUTES**

March 14, 2016

The work session of the Board of Education of the Portage Public Schools held on Monday, March 14, 2016, was called to order at 6:30 p.m. by President Van Antwerp in Conference Room 1 at the Administration Building, 8107 Mustang Drive. He welcomed an audience of 15 people; all in attendance recited the Pledge of Allegiance.

Board Trustees Present: Kurt Droppers, Rusty Rathburn, Celeste Shelton-Harris, Randy Van Antwerp and Joanne Willson

Board Trustees Absent: Terri Novaria and Bo Snyder

REVISIONS/APPROVAL OF AGENDA

Motion offered by Mrs. Willson, seconded by Mr. Droppers, that the Board of Education approve the agenda as printed.

Motion carried unanimously.

REPORTS

Facilities Master Plan Report. Mr. Ron Herron, Assistant Superintendent of Operations, welcomed and introduced Mr. Bob McGraw, Principal In Charge, c2ae and Stantec. Mr. McGraw provided an update on the Advisory Group input sessions; refinement of the Northern and North Middle and Central High and Central Middle Campus Master Plans; and discussions with the Michigan Department of Environmental Quality and the City of Portage. Mr. McGraw also noted the Advisory Group Sessions are set to focus next on the athletic event facilities and the aquatic facilities. Mr. Herron and Mr. Larry Killips, Assistant Superintendent of Instruction and Assessment, shared insights from recent middle school tours. Mr. McGraw, Mr. Herron and Mr. Killips responded to numerous Trustee questions.

COMMENTS OR COMMUNICATIONS

President Van Antwerp opened the comments and communications portion of the meeting and asked if there were any citizens who would like to speak to the Board. Seeing no citizens come forward, President Van Antwerp opened the floor for Trustee comments.

Mrs. Willson reminded the audience that North Middle School will be performing Disney's *"The Lion King, Jr."* from March 18 to 26, 2016.

President Van Antwerp shared an invitation from Art Teacher, Mrs. Donna Emerson, to visit the Portage District Library during March and April as they will be hosting District student artwork. He informed the audience that he and Mr. Droppers have registered for the upcoming Michigan School Boards Association classes that will be held at the Kalamazoo Regional Educational Service Agency

President Van Antwerp noted there were no Board Committee Reports.

DISCUSSION ITEMS

Review of Policies 3.1, Governing Style; 3.2, Board Job Description; 3.3, Board Members' Code of Conduct; and 3.11, Communication. President Van Antwerp led the discussion on Policies 3.1, 3.2, 3.3 and 3.11 and requested Trustees review the Policies for possible changes and return comments to him.

Review Policy 2.5.11, Financial Condition and Activities. President Van Antwerp led the discussion pertaining to approval of a revision to Policy 2.5.11. The Policy Committee is recommending additional language to prohibit the addition of new or additional benefit programs in the aggregate without prior approval of the Board. The proposed change is noted in bold print: Make any adjustment to the salary or length of any administrator contract, **or the addition of new or additional benefit programs**, without prior approval by the Board of Education of these parameters for the administrative group in total. President Van Antwerp noted this would appear on the March 28th Board Agenda for approval and requested Trustees forward comments to his attention.

Treasurer Appointment. President Van Antwerp led the discussion regarding the Board's Governance Structure allowing it to operate with a Treasurer. He noted certain legal documents, such as the Resolution Authorizing Issuance of Bonds, reference a Treasurer of the School District/Board. President Van Antwerp shared two ways to address this situation. One way is for the Board to approve a Resolution appointing a Treasurer; the other is to adopt Policy language indicating who is to perform that function. After Trustee discussion, a consensus was reached to approve a resolution and President Van Antwerp noted this would appear on the March 28th Agenda for approval.

Resolution Authorizing Issuance of the 2016 School Building and Site and Refunding Bonds. Mrs. Karla Colestock, Director of Finance, presented background information on the Resolution which authorizes the issuance of the 2016 School Building and Site and Refunding Bonds. Mrs. Colestock responded to numerous questions and informed the Board that this item would appear on the March 28th Agenda for adoption.

ACTION ITEMS

Motion offered by Mrs. Willson, seconded by Mr. Droppers, that the Board of Education approve Monitoring Report – Policy Sub End 1.2, as a reasonable interpretation and evidence of compliance with Policy, as presented.

President Van Antwerp shared background information on the Policy Sub End 1.2. Mr. Killips responded to Trustee questions regarding the measures and data contained in the Report.

Motion carried unanimously.

There being no further business to come before the Board, the meeting was adjourned at 8:16 p.m.

Respectfully submitted,

Edna Kent
Recording Secretary

City of Portage - Historic District Commission
Wednesday, March 2, 2016
Portage City Hall – Conference Room #2
Regular Meeting

Meeting called to order at 8:20 AM.

Present: K. VanLonkhuyzen, S. Nemeth, F. Grunert, C. Forrest, J. Lotz, E. Eklov, and M. Maytnier

Absent: J. Ebert, R. Randall, J. Duniphin

Corrections to February 3, 2016 minutes.

- Minutes approved with one change.
- The approval application was for the existing pool to be removed not added to the property.

Old Business:

3221 W. Milham/Barn Restoration/Nieuwenhuis

- In response to the phone call from the HDC on December 16, 2015, and a letter that followed up that conversation, Mr. Nieuwenhuis brought in documentation for the questions asked by the HDC.
- Actual photo of barn as is.
- Drawings for proposed replacement barn, which would have a footprint of 24' X 30', 14 ft. less than original footprint.
- Mr. Nieuwenhuis plans to ask ZBA for a variance in the event that he will be able to replace the original barn with a footprint larger than 24' X 30'.
- He will be salvaging the old windows and plans to reuse 4 of them.
- He will also salvage and reuse the diamond shaped vents from the original barn.
- The barn will be traditional barn red with white trim.
- Salvaged siding from the north side of the barn will be used for a new door placed on the north side of the barn.
- HDC has given approval for Mr. Nieuwenhuis to take his proposal to Community Development.

5720 Oakland/Vergunst

- Proposed new barn and pool removal are on the same application.
- Owner to send building samples for new barn.

2663 Mandigo/Kiley

- Code enforcement still in effect.

8007 Cox's Drive/Kasten

- No news.

1521 E. Centre/Davis

- Application for proposed Selinon Park development to be heard at the March 22, 2016 Council Meeting.

Publishing a Newsletter for HDC Community Awareness

- Still under discussion

May HDC Event

May is Preservation Month.

- Do we want to try and hold an event?
- If so what would be possible to do?
- All members are to bring a possible idea to discuss at the April 6, 2016 meeting.

Assignment of HDC properties to monitor postponed to April 6, 2016 meeting.

New Business:

7706 Innisbrook

- A potential buyer has contacted HDC to find out what it means to be the owner of an historic property.

10234 East Shore Train barn restoration/Geim

- City is looking into taking a life interest in the property.
- Major concern is ADA compliance.
- May look into moving the barn across the street and tying it into a proposed bike trail.

Meeting adjourned at 9:28 AM.

Respectfully submitted,

Martha Deming Maytnier
Secretary

PLANNING COMMISSION

March 3, 2016

The City of Portage Planning Commission meeting of March 3, 2016 was called to order by Secretary Stoffer at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnedge Avenue. Six citizens were in attendance.

PLEDGE OF ALLEGIANCE:

Secretary Stoffer led the Commission, staff and citizens in the Pledge of Allegiance.

IN ATTENDANCE:

Christopher Forth, Deputy Director of Planning, Development and Neighborhood Services; Michael West, Senior City Planner; and Randy Brown, City Attorney.

ROLL CALL:

Mr. Forth called the roll: Schimmel (yes), Dargitz (yes), Stoffer (yes), Bosch (yes) and Patterson (yes). A motion was offered by Commissioner Patterson, seconded by Commissioner Bosch, to approve the roll excusing Commissioners Welch, Felicijan, Somers and Richmond. The motion was unanimously approved 5-0.

APPROVAL OF MINUTES:

Secretary Stoffer referred the Commission to the February 18, 2016 meeting minutes contained in the agenda packet. A motion was made by Commissioner Dargitz, seconded by Commissioner Schimmel, to approve the minutes as submitted. The motion was unanimously approved 5-0.

SITE/FINAL PLANS:

None.

PUBLIC HEARINGS:

1. Special Land Use Permit: Group Child Care Home (Bowden), 10606 Oakland Drive. Mr. West summarized the staff report dated February 25, 2016 regarding a request by Ms. Julie Bowden to establish a group child care home for up to 12 children at her residence located at 10606 Oakland Drive. Mr. West stated that Ms. Bowden has operated a family child care home for up to six children from her residence for the past 22 years. Mr. West stated the application fulfills the requirements for issuance of a special land use permit and was recommended for approval.

Ms. Julie Bowden (applicant) was present to support the application. The public hearing was then opened by Secretary Stoffer. No citizens spoke regarding the proposed group child care home. A motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to close the public hearing. The motion was unanimously approved 5-0. After a brief discussion, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to approve the Special Land Use Permit (group child care home) for Ms. Julie Bowden, 10606 Oakland Drive. The motion was unanimously approved 5-0.

NEW BUSINESS:

None.

STATEMENT OF CITIZENS:

None.

7:10 p.m. - The Commission took a short recess.

7:15 p.m. - The Commission reconvened the meeting in City Hall Conference Room No. 2

OLD BUSINESS:

I. FY2016-2026 Capital Improvement Program. Since the Capital Improvement Program (CIP) document was just recently received by the Commission and given that four of the nine Commissioners were not present, Commissioner Bosch suggested that a detailed category by category review of the Capital Improvement Program (CIP) document occur at the March 17th meeting. Other Commissioners concurred. Mr. Forth discussed the extensive public outreach effort that began in September 2015 with the CIP Open House, Portager articles, CIP web site and on-line citizen survey. Mr. Forth also discussed the Planning Commission preliminary review of the draft 2016-2026 CIP document in January 2016 which also included the results of the on-line citizen survey. Mr. Forth stated the Planning Commission could continue discussions of the 2016-2026 CIP at the March 17th meeting, however, a recommendation to City Council would be needed at that meeting, or a special meeting would need to be scheduled for the following week. Mr. Forth asked that any questions/comments be emailed to him and the full Commission by next week Tuesday, March 8th for research and inclusion in the Planning Commission agenda which will be mailed on Friday, March 11th.

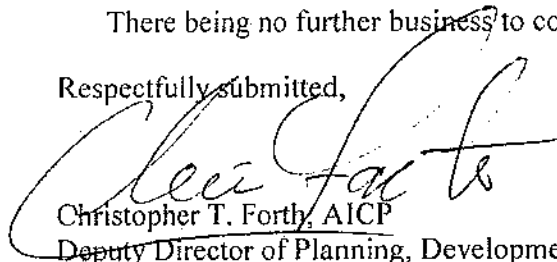
Commissioner Dargitz asked whether more complete streets elements could be incorporated into the CIP, especially along Portage Road in the Lake Center Area. Mr. Forth stated a traffic study of the Lake Center Area has been completed and a presentation of the findings will be provided to the Planning Commission in April. Commissioner Dargitz asked about the cost of Fire Department vehicles (Battalion Chief, Training Officer, Fire Marshal) and the need for new vehicles every three years. Commissioner Dargitz also commented on the "Strong Towns" approach to development that was outlined in an article in the July/August 2015 edition of the Michigan Planner publication. Commissioner Dargitz stated she recalled briefly discussing this approach with the Planning Commission last Fall and was wondering if an appropriation could be included in the CIP (e.g. \$100,000) for small projects that could be proposed by community or neighborhood groups and presented to the city for review and evaluation. Mr. Forth indicated the details associated with this type of a project would need to be identified and presented to the Planning Commission for review, consideration and consensus. Mr. Forth also noted award of a grant to various organizations/groups may not be considered as an eligible CIP project. Commissioner Dargitz stated that after mentioning this idea last Fall, she thought her idea would be carried forward by staff for further consideration and possible creation of a CIP project. Commissioner Dargitz indicated that she was unclear on how CIP ideas/concepts should be presented and developed for further consideration by staff and the Planning Commission in light of the revised CIP meeting process. Staff and Commissioners Bosch and Patterson did not recall a prior meeting when this proposed idea/concept was discussed. Commissioner Schimmel stated she did recall a previous conversation regarding this matter. Commissioners Patterson and Bosch stated that any idea/concept presented by an individual Commissioner needs to be detailed, preferably in writing, so that the full Commission can consider the matter and determine whether there is a consensus to move forward. Mr. Forth and Mr. West concurred and stated that staff could provide assistance in further developing the idea/concept, after it has been discussed, considered and agreed upon by the majority of the Commission.

Mr. Forth and Mr. West briefly discussed the internal process for development of the 2016-2026 CIP document that began in September 2015 with solicitation of citizen input and ideas; internal preparation and evaluation of specific CIP projects and cost estimates by the various city administrative departments; development and preparation of the draft CIP document and presentation to the Planning Commission in January 2016; and finalization of the draft CIP document and presentation to the Planning Commission for review/recommendation in March 2016 (Planning Commission recommendation is required prior to the first City Council meeting in April 2016). Secretary Stoffer asked if staff could provide a general timeline which summarizes the process and related deadlines for development of the annual CIP document. Mr. Forth stated that this timeline would be provided to the Commission with the March 17th agenda materials. Secretary Stoffer restated that any Commissioner questions/comments regarding the 2016-2026 CIP should be emailed to staff and copied to the full Commission by next week Tuesday, March 8th so that staff could research and provide answers prior to the March 17, 2016 meeting.

ADJOURNMENT:

There being no further business to come before the Commission, the meeting was adjourned at 8:45 p.m.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read "Chris Forth", is written over the typed name and title.

Christopher T. Forth, AICP

Deputy Director of Planning, Development and Neighborhood Services

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PLANNING COMMISSION

March 17, 2016

The City of Portage Planning Commission meeting of March 17, 2016 was called to order by Chairman Welch at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnedge Avenue. Four citizens were in attendance.

PLEDGE OF ALLEGIANCE:

Chairman Welch led the Commission, staff and citizens in the Pledge of Allegiance.

IN ATTENDANCE:

Christopher Forth, Deputy Director of Planning, Development and Neighborhood Services; Michael West, Senior City Planner; and Bryan Beach, Assistant City Attorney.

ROLL CALL:

Mr. Forth called the roll: Patterson (yes), Stoffer (yes), Welch (yes), Felicijan (yes), Dargitz (yes), Somers (yes), Schimmel (yes) and Richmond (yes). A motion was offered by Commissioner Felicijan, seconded by Commissioner Schimmel, to approve the roll excusing Commissioner Bosch. The motion was unanimously approved 8-0.

APPROVAL OF MINUTES:

Chairman Welch referred the Commission to the March 3, 2016 meeting minutes contained in the agenda packet. Commissioner Dargitz proposed two changes to the meeting minutes near the bottom of page 2: a) Reword the sentence that begins "Commissioner Dargitz indicated that she was unclear on how CIP ideas/concepts should be presented and developed for further consideration by staff and the Planning Commission in light of the revised CIP meeting process." and, b) After the sentence that begins "Staff and Commissioners Bosch and Patterson did not recall....." insert the following sentence "Commissioner Schimmel stated she did recall a previous conversation regarding this matter". A motion was made by Commissioner Dargitz, seconded by Commissioner Felicijan, to approve the minutes as amended. The motion was unanimously approved 8-0.

SITE/FINAL PLANS:

None.

PUBLIC HEARINGS:

1. Special Land Use Permit: Group Child Care Home (Lansdale), 4020 Pompano Avenue. Mr. West summarized the staff report dated March 10, 2016 regarding a request by Ms. Natasha Lansdale to establish a group child care home for up to 12 children at her residence located at 4020 Pompano Avenue. Mr. West stated that Ms. Lansdale has operated a family child care home for up to six children from her residence for the past three years and now wishes to expand her child care business. Mr. West referred the Commission to three letters received from adjacent property owners/occupants including the letter received from Mr. Adam Grassl (owner, 4014 Pompano) requesting that a six-foot tall privacy fence be installed along the west property line. Mr. West also referred the Commission to an email communication dated March 17, 2016 received from Josh and Erica Hill, 8826 Windwood Street, which was included in the final agenda. Mr. West stated the application fulfills the requirements for issuance of a special land use permit and was recommended for

approval subject to Planning Commission consideration of installation of a six-foot tall screening fence along the south and west property lines by June 1, 2016. The Commission and staff discussed issues associated with fencing the backyard play area and State of Michigan licensing requirements.

Ms. Natasha Lansdale (applicant) was present to support the application. Ms. Lansdale stated she agrees with the recommendation to install a six-foot tall privacy fence along the south and west sides of the rear yard and has already ordered the materials. Ms. Lansdale also addressed some of the comments cited in the email communication from Mr. and Mrs. Hill indicating that she operates a non-traditional day care home with morning drop-offs occurring between 4:15-6:30am and pick-ups occurring between 11:45am-4:45pm. Ms. Lansdale stated the primary purpose for requesting the group child care home approval was to accommodate two current clients whom are both expecting a third child and would like to remain at her day care home. Ms. Lansdale stated the reference to occasional vehicle parking in the front lawn area was likely her teenage son and this would not occur in the future. The Commission, staff and the applicant discussed various aspects of the proposed group child care home.

The public hearing was then opened by Chairman Welch. Two citizens spoke regarding the proposed group child care home: 1) Karen Miller, 8902 South Sprinkle Road, and 2) Adam Grassl, 4014 Pompano Avenue. Ms. Miller asked several questions about the operation of the proposed group child care home and stated she appreciates the installation of a six-foot tall privacy fence along the southern portion of the site, where abutting her property. Mr. Grassl stated he too also appreciates the installation of a six-foot tall privacy fence along the western portion of the site, where abutting his property. A motion was made by Commissioner Somers, seconded by Commissioner Patterson, to close the public hearing. The motion was unanimously approved 8-0. After a brief discussion, a motion was made by Commissioner Felicijan, seconded by Commissioner Dargitz, to approve the Special Land Use Permit (group child care home) for Ms. Natasha Lansdale, 4020 Pompano Avenue, subject to installation of a six-foot tall screening fence along the south and west property lines by June 1, 2016 to mitigate any impacts on the adjacent residents/property owners. The motion was unanimously approved 8-0.

NEW BUSINESS:

None.

STATEMENT OF CITIZENS:

None.

7:25 p.m. - The Commission took a short recess.

7:30 p.m. - The Commission reconvened the meeting in City Hall Conference Room No. 1

OLD BUSINESS:

1. FY2016-2026 Capital Improvement Program – Follow-Up. Mr. Forth summarized the Department of Community Development staff report dated March 11, 2016 that included a response to Planning Commission questions received since the March 3, 2016 meeting and associated information. Mr. Forth asked the Commission if they had any questions regarding the follow-up information provided and the proposed FY2016-2026 Capital Improvement Program (CIP) document. Chairman Welch asked when it is the best time for Commission members to provide input for consideration. Mr. Forth explained the CIP process and deadlines established by administrative order and stated September through January was the best time for the Commission to propose new projects for consideration.

Commissioner Dargitz further discussed her idea for establishment of a Community Impact Projects Grant Fund as detailed in her March 5, 2016 email communication. Commissioner Dargitz stated the intent of her email was to share ideas and facilitate additional thought and discussion regarding the five topics outlined in the communication. In regard to Commissioner Dargitz's ideas involving Fire/Police vehicles, Chairman

Welch indicated this is a very functional area of operation with safety and liability concerns. Commissioner Patterson stated that emergency vehicles are not typically sold after a year or two, but rather passed down through the departments. Chairman Welch indicated he thought the idea of a Community Impact Project Grant Fund was a good idea; however, it may be more of a budgetary issue than something included in the CIP. Commissioner Dargitz asked for an update on the Lake Centre Area Improvements. Mr. Forth stated the traffic study would be presented to the Planning Commission in April and a Lake Centre Area Open House would be held in May to discuss the findings and solicit input from other interested property owners and citizens.

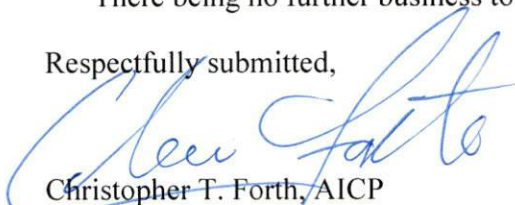
Commissioner Dargitz continued the discussion regarding her idea for a Community Impact Projects Grant Fund and her desire to provide additional public outreach. Chairman Welch stated that City Council support would be needed regarding funding and suggested that a written proposal be prepared and presented to City Council before soliciting specific projects from the community. Commissioner Dargitz indicated that City Council may be reluctant to provide funding without specific projects being identified and a program for evaluation developed. Mr. Forth suggested that a subcommittee of the Commission be formed (no more than four members) to develop a written proposal with basic details of the program for consideration of the full Commission at a future meeting. Mr. Forth stated that staff would be available to assist the subcommittee. As an alternative, Mr. Forth stated the concept of a Community Impact Projects Grant Fund could be further considered during preparation of the Planning Commission annual work program. Commissioner Patterson agreed that a subcommittee should be formed to develop a written outline of the proposal so that the full Commission better understands the specifics of the proposal and how it would work, before sending the idea to City Council. The Commission discussed availability to participate in a subcommittee with some members stating they did not have additional time to participate in a separate subcommittee. After additional discussion, Commissioner Felicijan stated he would prepare a draft memo outlining the main points of the Community Impact Projects Grant Fund for further Planning Commission review and discussion at the April 7, 2016 meeting.

Commissioner Dargitz stated she believes more plantings were needed along Portage Road, within the Lake Centre Area, along with additional traffic calming measures. Mr. Forth stated these issues would be discussed further during the presentation of the Portage Road traffic study in April and during the Open House planned in May. Commissioner Dargitz also stated that consideration should be given to undergrounding overhead utility lines along Portage Road. Mr. Forth stated that undergrounding overhead utilities was expensive and limited public right-of-way was present along Portage Road. After additional discussion, a motion was made by Commissioner Patterson, seconded by Commissioner Stoffer, to recommend to City Council the FY 2016-2026 Capital Improvement Program be approved. The motion was unanimously approved 8-0.

ADJOURNMENT:

There being no further business to come before the Commission, the meeting was adjourned at 8:35 p.m.

Respectfully submitted,



Christopher T. Forth, AICP

Deputy Director of Planning, Development and Neighborhood Services

CITY OF PORTAGE HUMAN SERVICES BOARD

Minutes of Meeting March 3, 2016

CALL TO ORDER: 6:30 p.m.

ROLL CALL: Staff member Elizabeth Money called roll: Diane Durian (aye), Ray LaPoint (aye), Elma (Pat) Maye (aye), Nadeem Mirza (aye), Edward Morgan (aye), Sandra Sheppard (aye), Fiorella Spalvieri (aye), Amanda Woodin (aye), and Lindy Nebiolo, Youth Representative, (aye). A motion was made by Maye and supported by LaPoint to excuse Effie Kokkinos. Motion passed 8-0.

STAFF PRESENT: Elizabeth Money, Neighborhood Program Specialist; Randy Brown, City Attorney and Bryan Beach, Assistant City Attorney

APPROVAL OF MINUTES: Morgan moved and Maye seconded approval of the minutes as submitted. Motion passed 8-0.

NEW BUSINESS:

1. **Memo Regarding Nondiscrimination Ordinance:** Money opened the discussion by referencing the memo and attached material in the agenda packet. It was indicated that, consistent with the Board's role as an advisory board to City Council, the Board would handle public review for the proposed nondiscrimination ordinance that the City Attorney's office was currently working on. The attached agenda information was given to the Board to apprise them of actions being taken, provide an example with the recently adopted Kalamazoo Township nondiscrimination ordinance, and provide additional information including an executive summary from a Michigan Department of Civil Rights report. Randy Brown, City Attorney, indicated that his office was researching the various nondiscrimination ordinances currently in effect throughout Michigan and that they were customizing a proposed ordinance for Portage. Brown informed the Board a public hearing would likely be held in May 2016 and that his office would have a proposed ordinance for the Board to review at the April 7th Board meeting. Morgan asked what Brown liked or didn't like with the ordinances he was reviewing. Brown indicated the review was still in process so he couldn't yet comment. Woodin asked what the proposed ordinance would cover – housing, employment, or both. Brown responded that housing, employment, and public accommodations were all being reviewed. A discussion was had on the public hearing and Money indicated it would likely be scheduled in the City Council Chambers and a date had not been set. At this time, it was not known if the hearing would occur during a regularly scheduled meeting or be a separate meeting. Maye suggested the public hearing be separate from a regular Board meeting as she had worked with Oshtemo and Kalamazoo Townships during their nondiscrimination ordinance process as a (former) employee of the Fair Housing Center of Southwest Michigan. Brown thanked Maye for her advice and indicated that a separate meeting was an option. Mirza asked how such an ordinance would be implemented. Brown indicated that how other communities implement their ordinance varied considerably and that his office was trying to develop a workable model tailored to Portage. Woodin asked if there was consensus with the City Council over this subject and Brown responded that there was consensus but that it was Councilmember Urban who initiated action. Brown indicated that further information would be provided to the Board for the April meeting.
2. **FY 2016-17 Human/Public Service Application Funding:** Woodin opened by requesting that Money explain the new updated funding amounts and the City Administration proposed funding amounts. Money indicated that there was more funding available from the General Fund and that was incorporated into the revised memo given to the Board in the Final Agenda. Money indicated that both new applicants were recommended to be funded, and that while the services they provided did not rank/score as high as most of the other applicants, they did improve the quality of life for participating Portage residents. Money indicated that applicants to the CDBG Housing Assistance Program had informed her that they utilize the

VITA tax program offered by Goodwill Industries. Some applicants also informed her they did not have Internet access and this free service was a way that they could file securely online. The remaining applicants, all FY 2015-16 grant recipients, are recommended to receive increased funding from FY 2015-16 levels. Higher ranked applicants are recommended to receive a larger dollar amount increase with Portage Community Center (PCC) receiving the largest increase. The Board had a lengthy discussion about the quality of some applicant information and that some applicants would score higher if they submitted more detailed information. LaPoint indicated that some applicants get more than they requested and some get less. A discussion was had about what applicants request and how that should effect the funding they received. Money indicated that application question #17 does ask applicants to explain why they are requesting an increase in funding from the previous year. The purpose of this question is to provide information on significant changes (increased staff, new infrastructure, etc.) that could justify a change in funding. Woodin added that some applicants ask for a realistic amount because they have to prepare their budgets before grants are awarded. If they regularly receive a similar amount from the city, that is what they will budget for and request. If they were told beforehand that amounts could change, they would likely increase their request. Mirza questioned applicant accountability and Money indicated that each applicant had to submit six month reports to the city accounting for expenditures and the number of Portage residents served. The Board discussed the presentations and that some applicants better communicated useful information about the funding requests. Money reminded the Board that presentations were not required and, while presentations are intended to supplement the applications and provided an opportunity for the Board to ask questions, that the quality of the presentation was not scored. Woodin asked if the Board had any alternative suggestions or if the proposed City Administration funding amounts were acceptable. After no alternative funding suggestions were made, Morgan moved and Mirza seconded accepting the funding amounts as proposed. The motion was opened for discussion and Maye wondered if Gryphon should get more of an increase. Money explained that Gryphon was receiving \$160 more than last year and that they scored or ranked last out of the previously funded applicants. Durian again commented on PCC combining their requests and staff and the Board explained that was due to changes to the funding levels in the two funds and PCC being the only applicant to receive funding from both. No further discussion was had and the funding amounts were as follows: CDBG Fund/ PCC \$41,928; General Fund/ PCC \$82,386, Housing Resources \$20,735, YWCA \$11,685, Catholic Charities \$11,635, Goodwill Industries \$1,500, Gryphon Place \$2,500, Lending Hands of Michigan \$1,500. A roll call vote was taken (Mirza left at 7:36): Durian (aye), LaPoint (aye), Maye (aye), Morgan (aye), Sheppard (aye), Spalvieri (aye), Woodin (aye). Motion passed 7-0. While Youth Advisory Representative Nebiolo does not have a casting vote, she also agreed with the Board on the proposed funding.

3. Kalamazoo Transit Authority LAC update - Maye: Maye had no updates as the LAC had not met since the last meeting.

STATEMENT OF CITIZENS:

ADJOURNMENT: Money indicated that the Board would receive an email with a link to the draft 2016-2020 Consolidated Plan when it was uploaded to the city website. She reminded the Board that the public comment period started next week and would end a public hearing during the April 7th Board meeting. There being no further action, LaPoint moved and Maye supported adjournment at 7:52. Motion passed 7-0.

Respectfully Submitted,


Elizabeth Money,
Neighborhood Program Specialist

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: 2016 Local Streets Reconstruction Project - Bid Tabulation

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation and Utilities

ACTION RECOMMENDED: That City Council award a construction contract for the 2016 Local Streets Reconstruction Project to Rieth-Riley Construction Company, Incorporated of Kalamazoo, Michigan, in an amount not to exceed \$1,639,086.77 and authorize the City Manager to execute all documents related to the contract on behalf of the city.

The 2015-2016 Capital Improvement Program provides funding for the Local Streets Reconstruction Program, which includes the reconstruction of approximately 8.7 miles on 37 local streets as identified on the attached street listing. The project entails “complete street” enhancements, connections of existing sidewalk, the widening of sub-standard narrow streets, the removal and restoration of existing parking areas in non-conformance with city ordinances, storm drainage improvements, Americans with Disability Act (ADA) sidewalk ramps, concrete curb radii at non-curb intersections and asphalt resurfacing. A significant portion of the project is funded through supplemental funding approved by City Council on November 3, 2015 as part of a budget transfer from the General Fund to the Capital Improvement Fund. An additional 20 local streets consisting of over four miles will be bid as a separate project later this spring for construction in the 2016-2017 fiscal year, funded through the 2016-2017 Capital Improvement Program.

On December 15, 2015, City Council awarded a contract in the amount of \$197,140 to Abonmarche Consultants for the design and construction engineering of the project. Project design is complete and on March 24, 2016, bids for the construction work were received from two contractors with the low bid being submitted by Rieth-Riley Construction Company, Incorporated of Kalamazoo, Michigan in the amount of \$1,639,086.77. Rieth-Riley has successfully completed many similar projects for the city. If awarded, the project construction will begin in spring 2016 and be completed by early fall 2016.

Street conditions are rated using a rating system known as Pavement Surface Evaluation and Rating (PASER). The standard breakdown for the PASER ratings with a general description is as follows:

Rating	Description
9-10	Excellent (new pavement)
8	Very Good (little to no maintenance required)
6-7	Good (sound structural condition with crack seal maintenance)

4-5	Fair (candidates for pavement overlay)
3	Poor (needs patching and repair to remove failed areas prior to an overlay)
2	Very Poor (severe deterioration, needs reconstruction with total base repair)
1	Failed (requires total reconstruction)

On a scale of 1-10, the 37 local streets included in this project have a PASER rating ranging from 2-4, which means they are in poor/fair condition. The reconstruction of these local streets will include spot base repair as needed and provide additional strength with a new asphalt overlay. This project meets standard asset management strategies for these ratings and will bring these streets back to a 9-10 rating when the project is complete.

Therefore, it is recommended that City Council award a construction contract to Rieth-Riley Construction Company, Incorporated for the 2016 Local Streets Reconstruction Project in the amount not to exceed \$1,639,086.77 and authorize the City Manager to execute all documents related to the contract on behalf of the city.

FUNDING: Funds are budgeted in the 2015 – 2016 Capital Improvement Program Local Street Reconstruction fund.

Attachments:

1. Bid Tabulation
2. Local Streets Reconstructiton Program - List of Streets

BID TABULATION
2016 LOCAL STREETS RESURFACING PROJECT

<u>BIDDER</u>	<u>TOTAL BID</u>
Rieth-Riley Construction Co., Inc. 911 Hatfield Ave. Kalamazoo, MI 49001	\$1,639,086.77
Michigan Paving & Materials Co. 2300 Glendenning Rd. Kalamazoo, MI 49001	\$1,725,525.25

2016 Local Street Reconstruction Program
(Alphabetical Order*)

Alten Street, Westfield Avenue to Dead End
Apple Street, Newells Lane to Oakside Street
Applecroft Avenue, Lovers Lane to Newells Lane
Arrow Avenue, Bratcher Street to Keystone Street
Beechmount Avenue, Claremount Street to Downing Street
Bratcher Street, Romence Road to Rainbow Avenue
Briarhill Court, Downing Street to Dead End
Briarhill Drive, 12 th Street, S. to Stratford Drive
Bruning Street, Orchard Drive to Pasma Avenue
Burr Ridge Road, Briarhill Court to Dead End
Cedarcrest Avenue, Briarhill Drive to Downing Street
Claremount Street, Westfield Avenue to Dead End
Cornell Street, Romence Road to Rainbow Avenue
Coulter Avenue, Buckhorn Street to Manhattan Street
Currier Drive, East Centre Avenue to Dead End
Downing Street, West Milham Avenue to Briarhill Drive
Grassmere Street, Westfield Avenue to Dead End
Keystone Street, Romence Road to Rainbow Avenue
Kingston Drive, Prosperity Drive to East Centre Avenue
Lake Wood Drive, Prosperity Drive to East Centre Avenue
Lorac Street, Prosperity Drive to Pasma Avenue
Mayfield Street, Prosperity Drive to Pasma Avenue
Maynard Street, Lovers Lane to Monte Vista Street
Monte Vista Street, Applecroft Avenue to Maynard Street
Orchard Drive, Tranquil Street to Lovers Lane
Pasma Avenue, Kingston Drive to Bruning Street
Pleasant Drive, Newells Lane to Portage Road
Prosperity Drive, Kingston Drive to Bruning Street
Prosperity Drive, Newells Lane to Portage Road

*Alphabetical order only and does not reflect order to be completed.

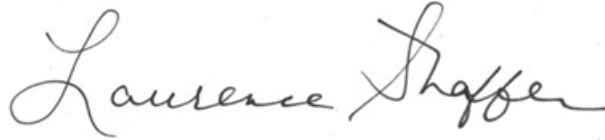
2016 Local Street Reconstruction Program
(Alphabetical Order*)

Rainbow Avenue, Cornell Street to Dead End
Ramsgate Street, Beechmount Avenue to Dead End
Shumway Avenue, Dead End to Bruning Street
Southfield Street, Prosperity Drive to Pasma Avenue
Stratford Drive, Downing Street to Beechmount Avenue
Tranquil Avenue, Orchard Drive to Shumway Avenue
Waylee Street, Dead End to East Centre Avenue
Westfield Avenue, 12 th Street, S. to Stratford Drive

*Alphabetical order only and does not reflect order to be completed.

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: South Shore Drive Sanitary Sewer Project #416-S - Bid Tabulation

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation and Utilities

ACTION RECOMMENDED: That City Council award a construction contract for the South Shore Drive Sanitary Sewer Improvements Project #416-S to Balkema Excavating, Incorporated, of Kalamazoo, Michigan in an amount not to exceed \$481,463.06 and authorize the City Manager to execute all documents related to the contract on behalf of the city.

The 2015-2016 Capital Improvement Program (CIP) budget provides funding for the South Shore Drive Sanitary Sewer Improvements Project #416-S from South Westnedge Avenue to West End Drive. The project entails the installation of new sanitary sewer, replacement of existing old cast iron water main, minor storm drainage improvements, widening of roadway for bicycle lanes and asphalt pavement replacement.

On November 17, 2015, City Council awarded a contract in the amount of \$42,500 to Midwest Civil Engineers, Incorporated, for the design and construction engineering of the project. City Council approved Resolution #5 of the Special Assessment District on March 8, 2016. Project design is complete and on March 31, 2016, bids for the construction work were received from two contractors, with the low bid being submitted by Balkema Excavating, Incorporated, of Kalamazoo, Michigan in the amount of \$481,463.06. Balkema Excavating has successfully completed many similar projects for the city, with the most recent being the Pine View Drive sanitary sewer installation project in the fall of 2015.

Therefore, it is recommended that City Council award a construction contract for the South Shore Drive Sanitary Sewer Improvements Project #416-S to Balkema Excavating, Incorporated, of Kalamazoo, Michigan in an amount not to exceed \$481,463.06 and authorize the City Manager to execute all documents related to the contract on behalf of the city.

FUNDING: Funds are budgeted in the 2015-2016 Capital Improvement Program budget by the utilization of special assessment bonds, city-share bonds and Municipal Street millage funds.

Attachments: 1. Bid Tabulation

BID TABULATION
SOUTH SHORE DRIVE SANITARY SEWER INSTALLATION
AND WATER MAIN REPLACEMENT

<u>Bidder</u>	<u>Bid</u>
Balkema Excavating, Inc. 1500 Rover street Kalamazoo, MI 49048	\$481,463.06
Peters Construction Co. 3325 E. Kilgore Rd. Kalamazoo, MI 49001	\$626,745.35

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Scott Breathing Air System - Bid Tabulation

SUPPORTING PERSONNEL: Richard White, Director of Public Safety - Police / Fire Chief

ACTION RECOMMENDED: That City Council approve the purchase and installation of a Scott Breathing Air System Hush/Revolveair in the amount of \$62,439 from Argus-Hazco of Chesterfield, Michigan, and authorize the City Manager to execute all documents related to this matter on behalf of the city.

The existing self-contained breathing apparatus (SCBA) air compressor, containment and associated equipment at the Public Safety Department-Fire Division, which is used for filling SCBA bottles, is in need of replacement. The current system is more than 15 years of age and is undersized for current practices.

After researching available breathing air systems, the Fire Division recommends the purchase of the Scott Breathing Air System Hush/Revolveair. The Hush breathing air compressor is the quietest open frame air compressor on the market and offers a higher rate of air, as compared to similar models. The unique approach of the Hush/Revolveair for filling bottles and protecting the users are two positive attributes of this system over other units. The additional "smart fill auto cascade system" provides seamless operation, both in the filling of SCBA bottles and the cascade cylinders automatically.

There are two recognized dealers of the Scott Breathing Air System in Michigan: Argus-Hazco of Chesterfield and Hagemeyer of Detroit. Hagemeyer is industry-based and can only sell the product and perform standard service; it cannot perform repair work. Argus-Hazco, on the other hand, is the only recognized health and safety vendor that is capable of providing full service, including sales, service and full repair of this product. Argus-Hazco provided a quote of \$62,439 for installation, start-up and training of personnel in the use of this breathing air system. As a result, it is recommended that sole source classification be given to Argus-Hazco for the purchase of this equipment.

Therefore, it is recommended that City Council approve the purchase and installation of a Scott Breathing Air System Hush/Revolveair in the amount of \$62,439 from Argus-Hazco of Chesterfield, Michigan and authorize the City Manager to execute all documents related to this matter on behalf of the city.

FUNDING: Funds for this purchase are identified in the 2015-2016 Capital Improvement Program Budget.

- Attachments:**
1. Argus-Hazco Sole Source
 2. 2015-2025 CIP Project Detail



Chesterfield Office
46400 Continental Drive
Chesterfield, Michigan 48047

Tel: 586.840.3200
Fax: 586.840.3201
Toll Free: 800.873.0456
www.argus-hazco.com

REGISTERED
ISO 9001:2000

February 26, 2016

Mr. Stacy French
Portage Fire Department
7830 Shaver Rd
Portage, MI

Dear Mr. French

Thank you for your recent interest in Scott Safety Compressor Breathing Air Systems. Argus-Hazco is the only factory authorized Scott Safety Breathing Air product distributor and certified service center for Michigan. We are dedicated to providing you with the required knowledge and expertise needed to assist in your health and safety issues.

Argus-Hazco is a full service sales, repair, rental, and training organization. We staff technical professionals who can help you with your most challenging application issues. Our staff of safety professionals is comprised of Certified Industrial Hygienists, Certified Safety Professionals, and other professionals with credentials to assist you with your unique application issues.

If you have any questions or if we may be of further assistance, contact us at (800) 873-0456. Steve Doon, regional representative at Scott Safety, can also be contacted at (740) 549-6521.

Sincerely,

Becky Schneider

Becky Schneider
First Response Administrator



Offices in: Chesterfield, MI

Byron Center, MI
Paramount, CA

Brookfield, WI
Dayton, OH

Elmhurst, IL

Mississauga, Ontario

CAPITAL IMPROVEMENT PROJECT PROFILE

DEPARTMENT:

Public Safety, Fire Division

PROJECT CATEGORY:

Fire

PROJECT NUMBER: 2

PROJECT TITLE:

Breathing Air System

PROJECT DESCRIPTION:

Replace the breathing air system used to fill Self Contained Breathing Apparatus (SCBA) bottles, in order to reduce maintenance costs and improve capabilities. Purchase SCBA porta count machine required to perform fit-testing as required by MIOSHA on an annual basis and purchase flow test equipment required to perform maintenance on high pressure system of the SCBA units.

PROJECT JUSTIFICATION/NEED:

Breathing air system provides the capabilities to fill SCBA bottles that are approaching 15 years of service. Recent years have shown an increase in maintenance costs and down time due to maintenance problems. Provide additional collaboration and cooperation with surrounding departments.

PROJECT BENEFIT/IMPACT:

SCBA is a key component of firefighter personal protective equipment. The benefit of having up-to-date equipment is to ensure capabilities for maintenance are readily available to keep SCBA units in service and to meet MIOSHA requirements.

OPERATING FUND IMPACT:

Reduced maintenance costs.

APRIL 12, 2016

TO: Honorable Mayor and City Council**FROM:** Laurence Shaffer, City Manager**SUBJECT:** Department of Public Safety - Police Division Vehicle Maintenance - Bid Tabulation**SUPPORTING PERSONNEL:** Rod Russell, Director of Public Services

ACTION RECOMMENDED: That City Council award a two-year contract, with the option for up to three one-year extensions, to the low bidder Michigan Municipal Police & Fire Repair, LLC, for maintenance of all Department of Public Safety Police Division vehicles at a labor rate of \$45.00 per hour and authorize the City Manager to execute all documents related to this action on behalf of the city.

Bids were recently solicited for maintenance of city-owned vehicles in the Police Division of the Department of Public Safety. The proposed contract would cover a two-year period with the option for up to three one-year extensions.

Invitations to bid were sent to 24 organizations, with six attending a pre-bid meeting. One bid was received from Michigan Municipal Police & Fire Repair, LLC, which is the city's current emergency vehicle maintenance vendor and which has provided excellent vehicle maintenance and service since 2012. The bid of \$45.00 per hour labor rate received from Michigan Municipal Police & Fire Repair is an increase of \$10.00 per hour over the current contract price. However, this increase is still lower than the other two competing bids received in 2012 of \$55.00 and \$60.00 per hour. The estimated value of the two-year contract with Michigan Municipal Police & Fire Repair is \$67,750.

Therefore, it is recommended that City Council award a two-year contract to Michigan Municipal Police & Fire Repair, LLC, with the option for up to three one-year extensions, to provide maintenance of Police Division vehicles and authorize the City Manager to execute all documents related to this action on behalf of the city.

FUNDING: Funds are available in the Department of Public Safety - Police Division fiscal year 2015-2016 operating budget and has been budgeted for fiscal year 2016-2017.

Attachments: 1. Bid Tabulation

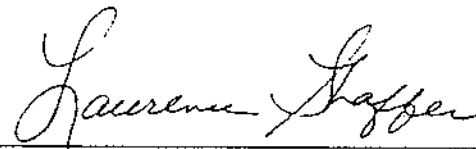
TABULATION OF PROPOSALS
VEHICLE MAINTENANCE - POLICE DIVISION

<u>Bidder</u>	<u>Hours (2-year estimate)</u>			<u>% Mark Up</u>	<u>Parts</u>		<u>2-Year Grand Total</u>
	<u>Est. Hrs.</u>	<u>Rate/Hr.</u>	<u>2-Year Total</u>		<u>Wholesale</u>	<u>Total</u>	
Michigan Municipal Police & Fire Repair LLC 2975 Interstate Pkwy. Kalamazoo, MI 49048	560	\$45.00	\$25,200.00	15.00%	\$37,000.00	\$42,550.00	\$67,750.00

MATERIALS TRANSMITTED

Tuesday, March 22, 2016

1. **TO BE ADDED TO THE MARCH 22, 2016 CITY COUNCIL AGENDA AS ITEM F.4:**
Communication from the City Manager recommending that City Council set Tuesday, April 26, Tuesday, September 20 and Tuesday, October 18, 2016 at 6:00 p.m. as Committee of the Whole Meetings.
2. Communication from the City Manager regarding the City Council Policy for Pre-Council Meetings – Information Only.

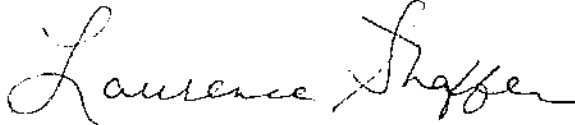


Laurence Shaffer, City Manager

cc: Rob Boulis, Deputy City Manager

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Committee of the Whole Meeting Dates

SUPPORTING PERSONNEL:

ACTION RECOMMENDED: That City Council set Tuesday, April 26, Tuesday, September 20 and Tuesday, October 18, 2016 at 6:00 p.m. as Committee of the Whole Meetings.

Following review of topics identified and submitted by Council, it is recommended that Committee of the Whole meetings be established as noted below:

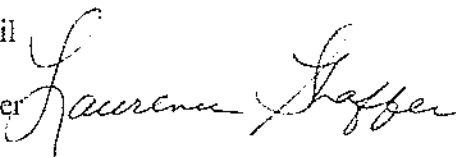
1. Tuesday, April 26 at 6:00 p.m. - Economic Development / Branding
2. Tuesday, September 20 at 6:00 p.m. - Bid Process / Purchasing
3. Tuesday, October 18 at 6:00 p.m. - Debt Reduction

FUNDING: N/A

Attachments: 1. N/A

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Pre-Council Meeting Policy Inquiry

SUPPORTING PERSONNEL: James Hudson, City Clerk

At the close of the March 21 Pre-Council meeting, several members of Council inquired on the status of the "City Council Policy for Pre-Council Meetings." The draft policy was approved by City Council during the regular meeting of February 9th. A copy of the meeting minutes from the February 9, 2016 meeting, as well as the executed policy, are attached for the information of Council.

Attachments: February 9, 2016 Meeting Minutes
City Council Policy for Pre-Council Meetings

DRAFT

Motion by Pearson to table the first reading of the amendment to Chapter 50, Article 3, Section 50-81, Discharge of Firearms, for first reading and set a second reading for February 23, 2016, to allow staff to investigate the ambiguity of the proposed language. Discussion followed. Motion seconded by Ansari. Upon a roll call vote, motion carried 6 to 1. Yeas: Councilmembers Ford, Pearson, Randall, Reid, Mayor Pro Tem Ansari and Mayor Strazdas. No: Councilmember Urban. Mayor Strazdas asked that anyone with questions or concerns with this item to present them to the City Manager.

*** COMPREHENSIVE LIABILITY, PROPERTY AND AUTO FLEET INSURANCE:**

Motion by Urban, seconded by Reid, to approve a one-year agreement for comprehensive liability, property and auto fleet insurance through the Michigan Municipal Risk Management Authority (MMRMA) at a total cost not to exceed \$484,971 for the period of March 1, 2016, to March 1, 2017, 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 7 to 0.

ANNUAL MICROSOFT LICENSING RENEWALS: Mayor Strazdas deferred to Councilmember Reid, who reviewed the request. In answer to Councilmember Reid, Director of Technology Services Devin Mackinder indicated that the license renewal contract includes a per unit cost for upgrades and that the cost is based on approximately 250 licenses which is based on the number of users and not the number of computers and explained. He indicated that he would provide a breakdown for Council and this information will be a part of the item next time and explained that, as a result of their research, there is no increase in cost and that this represents government pricing.

Motion by Reid, seconded by Ansari, to approve the annual Microsoft licensing renewals with CDW-G at a total cost of \$50,388.13 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 7 to 0.

PROPOSED CITY COUNCIL POLICY FOR PRE-COUNCIL MEETINGS: Mayor Strazdas deferred to Councilmember Urban, who indicated he did not find the minutes to the February 8, 2016 Pre-Council Meeting Minutes in his e-mail, on the Pre-Council Meeting segment on the Portage Home Page or under Boardsync and questioned whether a paper copy was ever issued. He found them in the February 9, 2016 Boardsync Packet and did not anticipate that that document would be changed. City Clerk Hudson offered to post the minutes in all places on the website to make them easier to find.

Next, Councilmember Urban asked that "discussion followed" not be used in the Pre-Council Meeting Minutes as this is not contemplated by the proposed City Council Policy for Pre-Council Meetings. Recognizing that challenges can take place with electronic transmission of documents, Mayor Strazdas asked the Administration make sure a paper copy can be distributed to Councilmembers and the Library.

In answer to Councilmember Pearson, City Clerk Hudson indicated that the meeting was legally posted and discussion followed. Motion by Pearson, seconded by Randall, to adopt the proposed City Council Policy for Pre-Council Meetings. Discussion followed.

Councilmember Urban asked whether "discussion followed" was inappropriately used in the Pre-Council Meeting Minute under these guidelines. Through Mayor Strazdas, City Attorney Brown indicated that there is nothing prohibiting City Council from having a Special Meeting on Mondays and talk about whatever it desires to talk about; however, the intent of the Pre-Council Meeting is to severely limit that type of discussion and only have a question and answer session such that questions are addressed to the City Manager, which only have to do with the Council Agenda, and that the answer is then given. He said he understood that under the Policy, Council would not have discussion between or among Councilmembers regarding those issues. So, to the extent that the discussion referred to by Councilmember Urban included some type of discussion that went further than the question and the answer, Mr. Brown agreed with him that it would not follow the rule. However, he pointed out that discussion can mean a "question and an answer."

Councilmember Pearson indicated that there was no substantive discussion at the meeting, and also cautioned the use of "discussion followed" at these meetings. Mayor Strazdas concurred.

Councilmember Urban indicated that he fully expects these meetings will not have a quorum, but he still expects there to be minutes of these meetings because all of Council needs to know what questions were asked. Discussion followed and City Attorney Brown indicated that if the Policy is adopted, meeting minutes will be required. Discussion followed. Mayor Pro Tem Ansari called for the question and upon a roll call vote, motion carried 7 to 0.

* **MARTIN LUTHER KING JR. DRIVE RECONSTRUCTION PROJECT #998-R:**

Motion by Urban, seconded by Reid, to adopt Resolution No. 4 for the Martin Luther King Jr. Drive Reconstruction Project #998-R, setting a public hearing on the assessment roll for February 23, 2016, at 7:30 p.m. or as soon thereafter as may be heard. Upon a roll call vote, motion carried 7 to 0.

* **REZONING APPLICATION #15/16-3 (328 AND 414 WEST MILHAM AVENUE):**

Motion by Urban, seconded by Reid, to accept Rezoning Application #15/16-3 for first reading and set a public hearing for March 8, 2016, at 7:30 p.m. or as soon thereafter as may be heard and, subsequent to the public hearing, approve Rezoning Application #15/16-3 and rezone the northern 75 feet of 328 West Milham Avenue and the northern 100 feet of 414 West Milham Avenue from R1-A, one family residential, to OS-1, office service. Upon a roll call vote, motion carried 7 to 0.

ACQUISITION OF 6033 OAKLAND DRIVE: Mayor Strazdas deferred to Councilmember Reid, who indicated that she provide her questions regarding the acquisition of 6033 Oakland Drive as early as she could, but did not have time to review the answers provided by City Manager Shaffer. In answer to Councilmember Reid, Mr. Shaffer indicated that the number of calls from Fire Station No. 2 are equal to those for Fire Station No. 1; that Fire Station No. 2 has functional obsolescence, is one of the oldest city buildings and is deteriorating; the site is heavily encumbered and the drainage system makes it difficult to expand deeper into the lot; the proposed acquisition is bracketed by two other City properties; acquiring this 1.8 acre parcel allows for the assemblage of 6.2 acres creating value north and south (instead of east and west); and, if it is decided that from a functional perspective and an economic perspective, a new facility is more feasible for the future, this parcel affords the opportunity to build a new Fire Station while continuing to operate Fire Station No. 2 without any encumbrance whatsoever. He pointed out that this property has been appraised at \$147,000, has been looked at for 10 years, and the purchase price of \$105,000 is down from an asking price of \$330,000 when City Manager Michael Stampfler first looked at it.

T&U Director Barnes explained the problems with the drainage system and the need to expand it; the sidewalk issues; the need to better manage the Milham Avenue and Oakland Drive intersection; and some of the access issues associated with the property. Discussion followed.

In answer to Councilmember Urban, Community Development Director Vicki Georgeau indicated that for the property to be considered as park land, an amendment to the Comprehensive Plan would be necessary and in answer to Councilmember Ansari, she said the property is zoned OS-1, Office. Discussion followed.

Motion by Pearson, seconded by Ansari, to approve the city acquisition of 6033 Oakland Drive, owned by Chris & Sam, LLC, for the amount of \$105,000 and authorize the City Manager to execute the Real Estate Purchase Agreement on behalf of the city. Upon a roll call vote, motion carried 6 to 1. Yeas: Councilmembers Ford, Pearson, Randall, Urban, Mayor Pro Tem Ansari and Mayor Strazdas. No: Councilmember Reid.

* **CONTRACT BETWEEN THE CITY OF PORTAGE AND SOUTHWEST MICHIGAN**

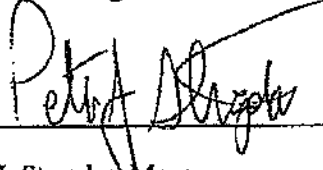
FIRST: Motion by Urban, seconded by Reid, to receive the contract between the City of Portage and Southwest Michigan First as information only. Upon a roll call vote, motion carried 7 to 0.

CITY COUNCIL POLICY PRE-COUNCIL MEETINGS

1. Pre-Council meetings will be held on every Monday preceding a regularly-scheduled Tuesday Council meeting at 9 a.m. in City Hall Conference Room #1
2. Pre-Council meetings shall be appropriately noticed to the public in accordance with the City Charter and should state the purpose of the pre-Council meeting, which is to ask questions of the City Manager related only to matters scheduled for Council deliberation / action on the agenda for the next regularly scheduled Council meeting.
3. The City Council Rules of Order and Procedure are not applicable except for where they are consistent with the intent and purpose of the pre-Council meeting.
4. The City Clerk shall prepare an agenda for each pre-Council meeting, take attendance, record the meeting and generate meeting minutes. Draft minutes shall be made available to the City Council and no later 24 hours after the conclusion of the pre-Council meeting.
5. Councilmembers may attend pre-Council meetings in person or via conference call. Attendance by City Councilmembers in person or via telephone is not required or expected.
6. City Councilmembers may only ask questions. The City Administration shall respond only to questions asked by Councilmembers. The City Council shall not deliberate upon or offer a motion concerning any topic, either as part of the City Council question period or otherwise.
7. The City Administration shall provide a written response to all City Councilmembers no later 24 hours after the conclusion of the pre-Council meeting.
8. The City Council shall allow time for public comment at pre-Council meetings. Public comments and questions shall be directed to and responded to by the City Manager.

Effective Date:

February 9, 2016


Peter J. Strazdas, Mayor