CITY COUNCIL MEETING MINUTES FROM AUGUST 9, 2016

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

At the request of Mayor Strazdas, Father Stan Witek of St. Catherine of Siena Catholic Church gave the invocation and City Council and the audience recited the Pledge of Allegiance.

At the request of Mayor Strazdas, the City Clerk called the roll with the following members present: Councilmembers Richard Ford, Jim Pearson, Patricia M. 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 Randy Brown and City Clerk James R. Hudson.

PROCLAMATION: Mayor Strazdas issued a Light Your Fire, Live Above the Influence of Substance Abuse Proclamation.

APPROVAL OF MINUTES: Motion by Reid, seconded by Randall, to approve the July 26, 2016 Regular Meeting Minutes as presented. Upon a voice vote, motion carried 6 to 0 with Councilmember Urban abstaining.

Motion by Ford, seconded by Reid, to approve the Committee of the Whole Meeting Minutes of July 26, 2016, as presented. Upon a voice vote, motion carried 6 to 0 with Councilmembers Urban abstaining.

Motion by Reid, seconded by Randall, to approve the Pre-Council Meeting Minutes of August 8, 2016, as presented. Upon a voice vote, motion carried 5 to 2 with Councilmembers Ford and Urban abstaining.

* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Ford to read the Consent Agenda. Councilmember Urban asked that Item F.4, Preliminary Condominium Subdivision for Copperleaf (Phase II) – 3800 West Milham Avenue and 5710 Angling Road, be removed from the Consent Agenda.

Motion by Ford, seconded by Urban, to approve the Consent Agenda motions as amended. Upon a roll call vote, motion carried 7 to 0.

* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF AUGUST 9, 2016:** Motion by Ford, seconded by Urban, to approve the Accounts Payable Register of August 9, 2016. Upon a roll call vote, motion carried 7 to 0.

PUBLIC HEARING:

INDUSTRIAL TAX ABATEMENT APPLICATION: PFIZER, INCORPORATED (7171 PORTAGE ROAD): Mayor Strazdas reviewed the item as outlined in the Council Agenda Packet and deferred to City Manager Larry Shaffer, who expressed strong support for the project. He said that this investment will increase our assessment by more than we have seen in the last ten years. He stressed the importance of the project for the City and indicated that it speaks to the willingness of the City to be a great partner going forward with Pfizer as a great part of our City. He introduced Community Development Director Vicki Georgeau and Mayor Strazdas explained the process.

Ms. Georgeau reviewed the application, displayed the area to be defined by Industrial Development District No. 91, and provided a detailed explanation of the two proposed projects. She indicated that the Building 41 North Warehouse Project with 98,000 square feet of Controlled Room Temperature space for 12,000 pallet spaces for raw materials, work in progress, and finished goods, will begin within two years and the amount of investment for the project is $40,800,000, with $38,929,000 real property and $1,871,000 Personal property.

She indicated that the investment for the New Act-O-Vial (AOV) Work Center Project with four 54m2 freeze dryers, automatic loading and unloading, a bottom fill line with contemporary environmental control, one top fill line with contemporary environmental control and 10,000 square feet of aseptic processing area, is $105,570,000 with $61,487,000 in real property and $44,083,000 in personal property. She mentioned that the request for the large area for District 91 is to accommodate off-street parking and future development plans. She used the information in the Communication to Council located in the Council Agenda Packet to explain the process necessary for the approval of the requests, the environmental concerns and measures that will be taken, and the two fiscal impact analyses from the Finance Director. She referred Council to the application which reads that 52 jobs will be retained and 15 jobs will be created as a result of the project over the next two years and the average salary of the jobs is $65,000. Discussion followed.

Mayor Strazdas invited comment from Pfizer Representatives, Interim Pfizer Global Supply Kalamazoo Site Leader Robert Betzig, 5852 Stoney Brook Road, Texas Township, and Finance Director Aaron Martin, 5593 Bob White Avenue, Texas Township. Mr. Betzig said he viewed this opportunity as a reintroduction of Pfizer to the community. He displayed a PowerPoint presentation that outlined how the pharmaceutical business is changing and expressed his desire for a City of Portage partnership that will make both entities prosper. He pointed to the mortar and pestle in the City Seal located behind Mayor Strazdas, said it is not there by accident, and indicated that he and Mr. Martin are here to confirm that it remains in the City Seal. He began the PowerPoint and reviewed the Pfizer Purpose and Mission of being in the wellness business, and focused on quality, compliance, supply reliability and cost, cash and value. He indicated Pfizer makes "laughter" and explained that the proposed projects will help Pfizer remain globally competitive.

Mr. Martin offered that there are 2,100 colleagues on site, with an annual payroll of over $200,000,000 spent in this community, who manufacture over 150 products, 95% of which face direct market competition and are not protected by patents. He reminded Council that at the last Regular City Council Meeting, he mentioned that Pfizer has invested over $800 million in the last nine years in the Portage facility making them the largest taxpayer in the City of Portage and indicated that the plan is to grow both tonight, and in the future, on that position. He continued to review the information in the PowerPoint with regard to the AOV Work Center and the Building 41 north Warehouse. Mr. Betzig cited the benefits of Solu-Medrol as a life saver, gave the example of Jill June and her son, Seth, and said that 43 million of these are manufactured each year, so there are 43 million other examples just like this one. Discussion followed.

Mayor Pro Tem Ansari expressed his appreciation for the strong tax base brought to the City of Portage by Pfizer, Inc.

Councilmember Reid referred to the $800 million for personal property cited by Mr. Martin, and asked that they address the fact that manufacturing is becoming more robotic and less labor intensive, more specific and more accurate, the decrease in error rate and a decrease in the work force, and how it relates to the future plans of Pfizer, Inc.

Mr. Betzig pointed out that quality is of the utmost importance in the industry, and it becomes imperative that the company remain contemporary in the processes used and in the training of the people. He referred to the Solu-Medrol vial provided for each person on the dais and said that it has to be produced aseptically in order to prevent an unnecessary adverse reaction; so, this requires removing the human from the process, and allowing the equipment to perform the manufacturing with someone with a highly skilled trade to run the automation equipment plus repair the equipment, all in a space that is a new modern facility. If not, he said the regulators will take the company to task on that; regardless, it also allows Pfizer, Inc., to compete globally and explained. Discussion followed. Mayor Strazdas cited that this is a long-term investment, and asked how long will Pfizer be in Portage. Mr. Betzig noted that the depreciation of the equipment is over a 30 year period, so Pfizer needs to make sure it gets the money out of that investment, and explained. Discussion followed.

Mayor Strazdas opened the public hearing to the audience, and 61st District Representative Brandt Iden, 6067 Danford Creek Drive, Oshtemo Township, spoke in favor of the Tax Abatement and thanked the Pfizer Representatives for their hard work and Mr. Shaffer for bringing this project together.

Seeing no one else come forward to speak for or against the item, Mayor Strazdas entertained a motion to close the public hearing. Motion by Pearson, seconded by Ansari, to close the public hearing. Upon a voice vote, motion carried 7 to 0.

Motion by Reid, seconded by Ansari, to adopt Resolution No. 2-16 creating Industrial Development District No. 91 for 7171 Portage Road, and adopt Resolution No. 3-16 setting a public hearing on August 23, 2016, at 7:30 p.m. or as soon thereafter as may be heard, for two Industrial Facilities Exemption Certificates for real property investments in the estimated amount of $100.4 million within Industrial Development District No. 91. Upon a roll call vote, motion carried 7 to 0. Discussion followed. Resolutions recorded on pages 203 and 207 of City of Portage Resolution Book No. 46.

REPORTS FROM THE ADMINISTRATION:

VEHICLE PURCHASE RECOMMENDATION: Mayor Strazdas reviewed the item as outlined in the Council Agenda Outline and deferred to Mr. Shaffer for comment. Mr. Shaffer indicated he asked that this item be removed from the Consent Agenda so he could explain why there was a discrepancy between the price cited in the Council Agenda Outline and the price cited in the Communication in the Council Agenda Packet. He explained that there was a revision in the price of the fork lift and one of the truck which brought the price down from $1,170,155.64 to $1,169,958.64, or about $900 less.

Councilmember Ford indicated that $35,000 for all displaced vehicles and equipment appeared low to him, and Public Services Director Rod Russell explained that some of this equipment is 15 to 16 years old which is past their useful service life, so there is little residual value. He did point out that the City is trying a new option of going through Biddergy.com instead of the Kalamazoo County Intergovernmental Auction Program since the City has realized some success with this approach. Discussion followed. He explained how equipment is re-purposed, that the software now determines the replacement schedule for the best time to get rid of the equipment, and gave examples and vowed to use the new replacement schedule in the future. Mayor Strazdas concurred based on his experience in his position with Western Michigan University. Discussion followed.

Motion by Randall, seconded by Ansari, to authorize the purchase of 28 vehicles and pieces of equipment through the State of Michigan MiDEAL and the National Joint Powers Alliance purchasing programs at a total cost of $1,169,958.64 and authorize the City Manager to execute all documents related to these purchases on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

* **PURCHASE OF PIERCE ASCENDANT FIRE APPARATUS – SOLE SOURCE:** Motion by Ford, seconded by Urban, to authorize the sole-source purchase of a 107-foot Pierce Ascendant fire apparatus to replace a 2001 Sutphen 110-foot platform aerial apparatus at a total cost of $905,300 from Pierce Manufacturing of Appleton, Wisconsin, authorize the sale of the existing 2001 Sutphen 110-foot platform aerial apparatus and authorize the City Manager to execute all documents related to these actions on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

* **VERIZON MOBILE WIRELESS MASTER PRICE AGREEMENT:** Motion by Ford, seconded by Urban, to approve the three-year Verizon Wireless Master Price Agreement with five, one-year renewal options under the new State of Michigan MiDEAL cooperative purchasing program pricing for the continuation of wireless communications in the annual amount of $25,375.20 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.

PRELIMINARY CONDOMINIUM SUBDIVISION FOR COPPERLEAF: Mayor Strazdas deferred to Councilmember Urban, who had asked that this item be removed from the Consent Agenda. Councilmember Urban commented that he could not remember a time when a subdivision had appeared on the Consent Agenda. He stated that he was not in favor of Phase I of this plat and, in order to be consistent, he is not in favor of Phase II of this plat. He mentioned one of his many reasons was the requirement for sidewalks that was discussed by Council "not too long ago," but he was not going to cite all of his reasons. He indicated that this is still a neighborhood and the owners are entitled to all of the amenities of a neighborhood; further, that he did not have a need for a staff presentation on the matter.

At the request of Mayor Strazdas, Ms. Georgeau showed Council a map of the Tentative Plan approved by Council in November of 2013 that was originally known as Harbors West and, now that it is in construction, it is known as Copperleaf Subdivision. She indicated that the developers asked for waivers at the time they brought it to Council, but also provided a plan to set aside a significant amount of open space. She said this planned development includes 204 residential homes on 74 acres with 14 acres or 19% of open space, which incorporates a trail system in addition to the sidewalk system throughout the subdivision. She explained the evolution of the trail system and some of the proposed modifications to accommodate an historical home, the boulevard entrances and traffic concerns. Discussion followed.

Motion by Ford, seconded by Ansari, to approve the Preliminary Condominium Subdivision for Copperleaf (Phase II), 3800 West Milham Avenue and 5710 Angling Road, subject to the condition outlined in the July 15, 2016 Department of Community Development staff report regarding submittal of the detailed engineering drawings for the public infrastructure improvements. 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.

COMMUNICATIONS:

GOURDNECK LAKE GOVERNMENTAL LAKE BOARD APPOINTMENT: Mayor Strazdas asked for an explanation of the role of the Councilmember on this Board, and Deputy City Manager Rob Boulis explained. City Attorney Randy Brown emphasized that a Governmental Lake Board is an independent body separate from City Council, has its own Attorney, and can adopt special assessment resolutions. He noted that the Board must review all of the investigations, the engineering reports, etc., and determine the implementation of the special assessments. He pointed out that they make their own decisions which is different from other City Boards and Commissions that advise Council.

Councilmember Pearson referred to the Inland Lake Improvements, of the Natural Resources and Environmental Protection Act, PA 451 of 1994, as amended (MCL 324.30901 – 324.30929) as the guiding document for a Governmental Lake Board and explained that the Board consists of a County Commissioner, the County Drain Commissioner and two Councilmembers, in this case, one from Schoolcraft and one from Portage.

Mayor Strazdas indicated that at a meeting where he was absent, three Councilmembers expressed an interest in serving on this Board, Councilmembers Ford, Randall and Urban. He asked them to each give their interests for serving on the Board. Councilmember Ford indicated he may have a conflict with a newborn in the family and deferred to Councilmembers Randall and Urban. Councilmember Randall indicated that the City has three Governmental Lake Boards; two Councilmembers are currently serving; she has the time and energy; and that she has enjoyed this lake with her friends. She also said, like all of their service, it is rotational at times, and she sees this as a new learning opportunity for her. Councilmember Urban indicated that the reason he volunteered is because of the unique nature of the duty and the project. He pointed out there is no staff support and any staff would have to be hired, such as the Attorney or other professional services. He listed some of the duties and responsibilities, and offered to take this on only because he has done it before, and pointed to his service as Chair of the Long Lake Board for over ten years, and four years ago, the Long Lake Board did this exact project. He stated that he is familiar with the research, the weeds and the process and explained that he could help the people get "up and running" faster with little learning curve and left the decision up to Council. Discussion followed.

Councilmember Reid suggested that perhaps Councilmember Urban could step down from his position on the Long Lake Governmental Lake Board to allow him to work on the initiation of the Gourdneck Lake Governmental Lake Board since it sounds like the initial stage is a lot of work and experience might be useful. Councilmember Urban hesitated because he has the institutional memory, as with the pump augmentation, the association chair changed not too long ago, nevertheless, he decided he could still make himself available for questions. He said he would not do it tonight because of the special assessment public hearings scheduled, and would want to wait until after the public hearings in approximately two weeks and one day. He suggested that Council could appoint someone after the special assessment process and explained. Mayor Pro Tem Ansari concurred with the suggestion from Councilmember Reid, and City Attorney Brown pointed out that only one Portage Councilmember can serve on this Board.

Councilmember Randall advocated rotation in the interest of obtaining institutional knowledge for more than one Board Member, that Council elections are one year away, stressed the importance of lakes as a community asset for those who live on them or use them, but then she remained flexible regarding the appointment. Discussion followed.

Councilmember Urban suggested appointing him tonight, effective tonight, so the Board can get started, and appoint Randall effective a month from now to replace him on the Long Lake Governmental Lake Board. Discussion followed.

Councilmember Pearson indicated that these Governmental Lake Boards are another opportunity to work with other jurisdictions, much like the Transit Authority and County Consolidated Dispatch, and that he favors Councilmember Randall for this since it is not as complicated as an Aeration Bioaugmentation Project such as Austin Lake, and explained that he would like to get a new Councilmember (involved) at this time. Discussion followed.

Motion by Ansari, seconded by Randall, to appoint Councilmember Randall as Council Representative on the Long Lake Governmental Lake Board effective September 1, 2016, and Councilmember Urban as Council Representative on the Gourdneck Lake Governmental Lake Board immediately to fulfill the City of Portage official position on each of these Boards. Discussion followed. Upon a roll call vote, motion carried 7 to 0.

COMMUNICATION FROM HARRY HAASCH, EXECUTIVE DIRECTOR OF PUBLIC MEDIA NETWORK (PMN): At the request of Mayor Strazdas, Mr. Shaffer indicated that he is very happy with the equipment progress thus far, even though there has been some "hick-ups" along the way. Councilmember Reid indicated that one of the things the PMN has been working on is the By-laws, and a resultant reduction in membership to accommodate the Board size and quorum issues. She mentioned that there will be a change in the Urban Cooperation Agreement, and that this will be coming to the municipalities for approval in early Fiscal year 2016-2017. She mentioned that the Budget shows an increase in funding for advertising and promotion on Charter as well as on a variety of social media, a range of festivals that are supported by PMN, and the Production Van. She mentioned that the media wall in the Epic Center which is a series of monitors with a touch interface will be transitioned to the Arts Council and PMN will train the Arts Council on how to program the wall. She indicated that the new mobile van is in the process of being outfitted and will allow live wireless programming at different venues throughout the County. From the production standpoint, she noted that PMN did the graduations for the area high schools, Western Michigan and Kalamazoo Valley Community College, and provided covered a multi-camera coverage of the Kalamazoo Marathon, including ground crews, a couple of hosts and drone coverage. She also said that PMN plans to work with Borgess for the 2017 Kalamazoo Marathon.

Motion by Randall, seconded by Reid, to receive the communication from Harry Haasch, Executive Director of Public Media Network, regarding set up, testing, operation, and troubleshooting of

Audio/Visual components by appropriate City of Portage staff. Upon a voice vote, motion carried 7 to 0.

AUGUST 4, 2016 NOTIFICATION FROM THE MICHIGAN MUNICIPAL LEAGUE (MML): At the request of Mayor Strazdas, Mr. Shaffer introduced this item, and indicated that the MML will transact business, and as a member Portage has an opportunity to vote on these matters. He noted that he will be attending this meeting and offered his service as the voting Representative from Portage. Mayor Strazdas spoke in support and discussion followed.

Motion by Ford, seconded by Randall, to receive the communication from Michigan Municipal League President John B. O'Reilly, Jr., and Executive Director & CEO Daniel P. Gilmartin regarding the August 4, 2016 notification from the Michigan Municipal League regarding the Annual Meeting, and appoint City Manager Larry Shaffer as the official local representative to cast the vote of the City of Portage at the Annual Meeting. Upon a voice vote, motion carried 7 to 0. Discussion followed.

* **MINUTES OF BOARDS AND COMMISSIONS MEETINGS:** City Council received the minutes of:

Portage Senior Citizen Advisory Board of May 18 and June 15, 2016.
Portage Historic District Commission Regular of July 6 and Historic District Study Committee of July 6 and 14.
Portage Zoning Board of Appeals of July 11, 2016.
Portage Youth Advisory Committee of July 12, 2016.

COUNCIL COMMITTEE REPORTS:

CENTRAL COUNTY TRANSIT AUTHORITY (CCTA): Councilmember Urban indicated the CCTA is moving very quickly toward October 1, 2016, and the date that the City of Kalamazoo through its Transit Board will no longer be running the line haul bus service in Kalamazoo County, but it will be transferred to CCTA. He saw no impediments at this point, just a few minor things which should be worked out.

Councilmember Pearson indicated that with the passage of the millage, as of September 6, 2016, there will be expanded bus service with late nights up until 10, 11 or 12 p.m., Sunday service from 8 a.m. until 5 p.m. and increased service on Westnedge Avenue, Portage Road, Oakland Drive, West Centre Avenue, Romence Road, the main routes. With that, he provided a brochure for downloading on the City of Portage website.

Motion by Randall, seconded by Ford, to receive the verbal report from Councilmembers Urban and Pearson on the Central County Transit Authority. Upon a voice vote, motion carried 7 to 0.

COUNTY CONSOLIDATED DISPATCH – 911 (CCD): Councilmember Reid reported on the County Consolidated Dispatch Finance Committee and indicated that the City of Portage has assisted in releasing a Request for Proposals (RFP) for architectural assistance in looking at buildings to house CCD, She said an existing building will also be considered, and that this will result in a cost savings. Mayor Strazdas summed up by indicating that there was a proposal of new building versus existing buildings with a focus on existing buildings, and asked her to address the millage approach.

Councilmember Reid reflected that the Finance Committee looked at all of the different ways and combinations of fees and or taxes that CCD could be funded. She indicated that the Committee decided that the fees on the phones was the desired method to be used and to not have any other methods. She said that the exact amount has not been determined and it will go to the County Commission to determine when it will be placed on the ballot since any fees above the 42 cents per phone has to be approved by the citizens. Discussion followed.

Motion by Ansari, seconded by Ford, to receive the verbal report on County Consolidated Dispatch from Councilmembers Reid and Pearson. Upon a voice vote, motion carried 7 to 0.

OTHER CITY MATTERS:

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Ford thanked Senior Deputy Fire Chief John Podgorski and Public Services Director Rod Russell as he and his son were able to attend the Big Truck Event at the Portage District Library which was packed with patrons. Councilmembers Pearson and Reid concurred that fire trucks are desirable in the community.

Councilmember Urban encouraged public comment. He then made what he considered was a political comment that he will keep his copy of the Constitution of the United States in his breast pocket.

Councilmember Randall thanked Deputy City Clerk Adam Herringa for his efforts with the Youth Advisory Committee Movie Night and encouraged everyone to attend the Boys National Tennis Tournament at Kalamazoo College.

Mayor Pro Tem Ansari expressed his appreciation for Pfizer as a corporate partner in Portage.

Mayor Strazdas commented on the great number of tennis players in the City, gave a shout out to Rod Russell for the road efforts, crack sealing, curbs and all of the Department of Public Service employees for doing their part to make Portage look better.

MATERIALS TRANSMITTED:

* **MATERIALS TRANSMITTED OF JULY 22 AND JULY 26, 2016:** Motion by Ford, seconded by Urban, to receive the Materials Transmitted of July 22 and July 26, 2016.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 9:23 p.m.

James R. Hudson, City Clerk

***Indicates items included on the Consent Agenda.**