CITY COUNCIL MEETING MINUTES FROM SEPTEMBER 12, 2017

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

At the request of Mayor Strazdas, Pastor Rachel Laughlin of Prince of Peace Lutheran Church gave the invocation and the Boy Scout Troop from Woodland Elementary School PTO led the City Council and the audience in the recitation of the Pledge of Allegiance.

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 Laurence Shaffer, City Attorney Randy Brown and City Clerk James R. Hudson.

APPROVAL OF MINUTES: Motion by Randall, seconded by Ford, to approve the Regular Meeting Minutes of August 22, 2017, as presented. Upon a voice vote, motion carried 7 to 0.

Motion by Ansari, seconded by Ford, to approve the Pre-Council Meeting Minutes of September 11, 2017, as presented. Upon a voice vote, motion carried 3 to 0 with Councilmembers Randall, Reid, Pearson and Urban abstaining.

* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Pearson to read the Consent Agenda. Mayor Strazdas removed Item F.4, FIRST AMENDMENT – Interlocal Agreement For the Kalamazoo Consolidated Dispatch Authority, from the Consent Agenda. Councilmember Reid asked that Item H.1, Tax Exemption (Payment in Lieu of Taxes) for Selinon Park Apartments, be removed from the Consent Agenda. Motion by Pearson, seconded by Ansari, to approve the Consent Agenda motions as amended. Upon a roll call vote, motion carried 7 to 0.

* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF SEPTEMBER 12, 2017:** Motion by Pearson, seconded by Ansari, to approve the Accounts Payable Register of September 12, 2017. Upon a roll call vote, motion carried 7 to 0.

PUBLIC HEARING:

FEMA CORPORATION - PA 198 TAX ABATEMENT: Mayor Strazdas outlined the request, reviewed the process and deferred to City Manager Larry Shaffer for comment. Mr. Shaffer indicated that this is an exciting project where FEMA Corporation, 1716 Vanderbilt Avenue, plans to expand their operation with a $2.25 million investment and a 40,000 square foot addition to their facility. He mentioned that they will create 19 new jobs and over 100 jobs will be retained and the Administration encourages these types of developments. He introduced Community Development Director Vicki Georgeau, who said that this is the third step in the process before the application is forwarded to the State of Michigan. She recommended approval of the application and indicated that the Council Agenda Packet contains the Affidavit of Fees and the Tax Abatement Agreement which is already signed by FEMA President Jeffrey Huffman. Discussion followed and Mayor Strazdas asked John Pula to come forward for comment. Mr. Pula indicated Jeffrey Huffman is traveling and sends his regards, and asked for any questions Council or the audience may have. He thanked Council and staff for their efforts and consideration of the application. Discussion followed.

Mayor Strazdas opened the public hearing for comment. There being no further discussion, motion by Pearson, seconded by Ansari, to close the public hearing. Upon a voice vote, motion carried 7 to 0. Motion by Pearson, seconded by Randall, to adopt Resolution No. 417, approving the Industrial Facilities Exemption Certificate for the planned FEMA Corporation $2.25 million building addition at 1716 Vanderbilt Avenue, and approve the Affidavit With Regard to Fees and the Tax Abatement

Agreement between the City of Portage and the FEMA Corporation. Upon a roll call vote, motion carried 7 to 0. Mayor Strazdas thanked the FEMA representatives for continuing the development of their facilities in Portage. Resolution recorded on page 409 of City of Portage Resolution Book No. 46.

REPORTS FROM THE ADMINISTRATION:

* **FINAL PLAN (RE-APPROVAL) FOR SELINON PARK, 1521, 1603 AND 1615 EAST CENTRE AVENUE:** Motion by Pearson, seconded by Ansari, to reapprove the Final Plan for Selinon Park, 1521, 1603 and 1615 East Centre Avenue. Upon a roll call vote, motion carried 7 to 0.

* **EAST MILHAM AVENUE WATER SERVICE CONNECTION PROJECT:** Motion by Pearson, seconded by Ansari, to approve Change Order No. 1 to the Chopin Avenue / Mozart Street Water Main Project with Balkema Excavating, Incorporated, of Kalamazoo, Michigan, for improvements to water service connections on East Milham Avenue in an amount not to exceed $84,390 and authorize the City Manager to execute all documents on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

* **PERMIT TO CONDUCT FIREWORKS DISPLAY:** Motion by Pearson, seconded by Ansari, to approve a Permit for a Fireworks Display on October 20, 2017, to be conducted by Wolverine Fireworks Display, Inc., in cooperation with Portage Public Schools, at McCamley Field (8135 South Westnedge Avenue) as part of the "Last Night Under the Lights" celebration. Upon a roll call vote, motion carried 7 to 0.

FIRST AMENDMENT - INTERLOCAL AGREEMENT FOR THE KALAMAZOO COUNTY CONSOLIDATED DISPATCH AUTHORITY (KCCDA): Mayor Strazdas provided an overview of the County Consolidated Dispatch effort. He noted that it is better for the County, the City and for all of us, and it will cost less money. Discussion followed and at the request of Mayor Strazdas, Mr. Shaffer listed the five parties to the contract to consolidate the five PSAPs into one dispatch that was initiated by the City of Kalamazoo in 2014: County of Kalamazoo, Kalamazoo Township, Western Michigan University and City of Portage. He mentioned the $2.30/month charge per phone financing plan passed by the Kalamazoo County Board of Commissioners and discussed the election effort to increase that amount that was turned down by the voters. He pointed out that this did not de-legitimize consolidated dispatch, however, only the funding mechanism. He outlined the alternate financing plan and explained how Portage will fare under the formula used by the KCCDA Finance Committee. He pointed out that dispatch services 24/7, including weekends and holidays, and the net impact of personnel costs to cover the work currently being done outside dispatch duties is anticipated to be no more than $250,000, but promised to work hard to get that number down. He stressed the importance of the City of Portage to participate in regional services and to help improve the life of everyone in Kalamazoo County.

In answer to Mayor Strazdas, Mr. Shaffer indicated that a partial contribution of the $250,000 will be due July 1, 2018, so there is time to ramp up. Mr. Shaffer also explained that there is no additional liability with this Amendment and that the Consolidated Dispatch Authority has not made a final determination on what software system they will employ; however, there is an indication that the New World software will be used, which is the system currently used by the City of Portage. He emphasized that if the Consolidated Dispatch Authority selects a system other than New World, that system will be required to “patch” or connect with the City of Portage system; so, in either case, the City of Portage will not need to change the current software system. He indicated that the 800 megahertz radios are not an issue, and that there would be a minimum of $50,000 savings per year because there would be no need to maintain the Portage Dispatch facility each year, for example. For the twelve Portage employees involved, Mr. Shaffer cited the collective bargaining agreement protection; moreover, he stressed that the employees will be treated with respect and kindness and, having spoken with KCCDA Executive Director Jeff Troyer, most of them will find work at Consolidated Dispatch where there will be 46 to 48 positions available. Regarding the VHS radios, Mr. Shaffer indicated that the City of Portage is going to watch Consolidated Dispatch in order to have the opportunity to step back, if necessary and ultimately may sell or reassign assets with Consolidated Dispatch.

Mayor Strazdas introduced Mr. Jeff Troyer, who provided an overview of the Next Generation 911, the legacy environment in Michigan, and the increased cost of delivery of 911 services. In response to Mayor Strazdas, he said there is no intent to have any agency move off of their current communication mode, and Consolidated Dispatch will allow VHS to communicate; however, he said any movement to 800 or 700 megahertz will be the responsibility of the end user agency, and Fire services is 3 to 5 years down the road. Mr. Shaffer indicated that the current system works fine, but internal operability will require an upgrade in combination with the other partners to the agreement. Discussion followed.

In answer to Councilmember Randall, Mr. Troyer disclosed that the Amendment enumerates when KCCDA will pursue Long-Term Financing. He also inferred that the Finance Committee and the Board of Directors will determine the plan of action. Discussion followed regarding this being a transition year as viewed by the Finance Committee, the failed election where voters turned down the telephone fee as a means of funding Consolidated Dispatch, the choice not to use the vacant Portage Court Building space because of the high cost of renovation, the cost of 800 megahertz radios versus VHS radios, employee costs, a request for the capital outlay for Portage Dispatch over the last three years, the cost of going to the next generation technology for telephone and recording system at about $100,000, the average cost per person for a 911 network in Michigan at $0.215/person per month, the capacity to send videos since most 911 calls are from cell phones, a discussion of VHS capabilities, the projected costs and the funding mechanisms that were reviewed by the Finance Committee that resulted in a blended formula (total taxable assessed values, call volume, per capita basis, General Fund), maintenance and support of the site, communications with the first responders, cost breakdown of the Consolidated Dispatch $5.3 million budget, PSAPs ability to take care of non-criminal emergencies such as water or sewer breaks, and the success of the five-year plan.

Mayor Strazdas summed up. Motion by Reid, seconded by Ford, to approve the first amendment to the *Interlocal Agreement Creating the Kalamazoo County Consolidated Dispatch Authority (KCCDA)* and authorize the City Manager to sign the agreement on behalf of the city. Discussion followed. Upon a roll call vote, motion carried 6 to 1. Yeas: Councilmembers Urban, Ford, Pearson, Randall and Reid, and Mayor Strazdas. No: Mayor Pro Tem Ansari. Discussion followed.

* **BOARD AND COMMISSION INTERVIEW SESSION:** Motion by Pearson, seconded by Ansari, to set a Special Meeting on Tuesday, October 10, 2017, beginning at 5:15 p.m., to interview Board and Commission applicants. Upon a roll call vote, motion carried 7 to 0.

UNFINISHED BUSINESS:

TAX EXEMPTION (PAYMENT IN LIEU OF TAXES) FOR SELINON PARK APARTMENTS: Mayor Strazdas deferred to Councilmember Reid, who introduced the item and asked for an explanation of the modification to the ordinance noted that originally 39 units were identified for very low income, 30% or less of Area Median Income (AMI) average income and the remainder of the units were designated for 60% of AMI. She noted that the Amendment makes 8 units be market rate units and eliminates the very low income AMI units, so all of the other units could be 60% AMI, and asked why the very low income units are being eliminated and expressed her concern regarding the proposed change.

Mr. Shaffer asked Mayor Strazdas to have Community Development Director Vicki Georgeau provide the explanation of the nuances just mentioned. Director Vicki Georgeau referred to her earlier response to the Pre-Council meeting questions, the applicant proposed this request to allow for flexibility and simplicity. Ms. Georgeau indicated that they still intend to set aside the 32 units for very low income, 30% of AMI, but this Amendment provides them more flexibility. She indicated that it has something to do with financing and the Section 811 HUD Grant Application, so the applicants will know more about how this can be accomplished once they know more about the financing.

Ms. Georgeau introduced Carl Kunda from Full Circle Communities, #500, 310 South Peoria Street, Chicago, who indicated that it is a misconception that Full Circle Communities is eliminating the very low income properties. He said that this change came from a recommendation from Michigan State Housing Development Authority (MSHDA) in terms of how the Company was writing the PILOT language because it would not be conducive to requests from City Council for modification needs in the future. He explained that the program changed from a capital program specifically designed to develop affordable housing for persons with disabilities in 2010 to a grant program designed to decentralize this type of housing to prevent development of housing where persons with disabilities were being concentrated in one place. He indicated that this is now known as the Section 811 Voucher Program and the vouchers are project based at a specific development, so they do not travel with the person, but with that particular unit. He pointed out that because of the way HUD finances these units, it changes the way it is represented to the IRS for the purposes of a low income tax credit program; and, even though the income restriction of these residents is to make no more than 30% of AMI, it is reported to the IRS differently. He noted that with the original application for a PILOT, the commitment was for 32 units for persons with 30% of AMI, but under the new structure using the Section 811 Voucher Assistance Program, there will actually be 39 units targeted for persons with 30% of AMI. As further assurance of his commitment, he indicated that the project is also seeking financing from the Federal Home Loan Bank of Indianapolis and, as part of their scoring criteria, to incentivize housing for low income individuals, the AMI must be 50% or lower of AMI with a specific bonus for units at 30% of AMI. Since the original application, he indicated that the project has changed to 60% of the units are at or below 50% of AMI with 39 of the units at 30% of AMI.

Councilmember Reid expressed her appreciation for the explanation, and asked how many units would be identified as working under the Section 811 Voucher Program. Mr. Kuda explained that it is a complicated program that is administered through MSHDA even though it is a HUD Program, each having its own criteria, so at this time he said that 12 of the units are being modeled under the Section 811 Voucher Program.

Motion by Randall, seconded by Reid, to amend the Code of Ordinances of the City of Portage, Michigan, by amending Article 2 of Chapter 70, Taxation, providing a Payment in Lieu of Taxes (PILOT) ordinance for Selinon Park, a 74-unit multiple-family residential development proposed by Selinon Park Limited Dividend Housing Association Limited Partnership at 1521, 1603 and 1615 East Centre Avenue. Upon a roll call vote, motion carried 7 to 0. Ordinance recorded on page 403 of City of Portage Ordinance Book No. 12.

BID TABULATIONS:

* **2017/2018 PORTAGE SENIOR CENTER BUS TRIPS – BID TABULATION:** Motion by Pearson, seconded by Ansari, to approve the low bid from Gail Andrus Travel, LLC, for motor coach services for the late 2017 and 2018 Portage Senior Center travel program in the amount of $39,365 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.

OTHER CITY MATTERS:

STATEMENTS OF CITY COUNCIL: Councilmember Ford thanked Deputy City Clerk Adam Herringa, the Portage Youth Advisory Committee and City Manager Larry Shaffer for the trucks provided in support of the Law Enforcement Night put on by the Breakfast Optimist Club of Kalamazoo and the Portage Youth Advisory Committee. He said his son really enjoyed the trucks. He also mentioned that he attended the 911 Ceremony at the Fire Department with Mayor Strazdas, Mayor Pro Tem Ansari and Councilmember Randall in commemoration of the attack on the Twin Towers in New York City and the Pentagon in Washington, D.C. Also, he thanked the Administration for the

Committee of the Whole earlier regarding the Winter Parking Ordinance where he discovered that Public Safety and the Department of Public Services would prefer that there be no cars parked on the streets, which may be investigated further in the future. He also indicated that the Administration would be looking into options to notify the public of significant weather events in a fashion that may get more vehicles off the streets, including technology that can inform the public when their street would be plowed so there will be no need to shovel twice.

Councilmember Urban commented on the passing of former City Councilmember Georgia Vavra with whom he served, listed some of her accomplishments as a volunteer and Councilmember from her obituary, and mentioned the sculpture in the entryway of City Hall donated by her and her husband, Dr. Jim Vavra. He expressed his condolences to Dr. Vavra and encouraged all to read her obituary. Mayor Strazdas concurred.

Councilmember Reid said she also attended the Law Enforcement Night, and said that the fire trucks were of great interest, not to her grandson or her son, but to her husband who really wants a fire truck. She said the outing was a great example of collaboration among the Youth Advisory Committee, the Optimist Club, the Portage Safety Professionals and EMS. Because this was rescheduled because of a rainout, she cited the *Portager* and the newsletter as options to see when things have changed as this was a well-attended event.

Councilmember Randall cautioned everyone to be careful now that the students are back in school, on their bikes, walking, running cross country team training, etc. She also thanked Mr. Shaffer and Public Safety Chief Nick Armold for providing a Public Safety Officer and a Police Car at every school on the first day of school.

Mayor Pro Tem Ansari indicated he is getting a lot of complaints about speeding, and even drag racing, in the City and asked the public to slow down and be more careful, especially with the children back in school.

Mayor Strazdas "tipped his hat" to Mr. Herringa as a champion doing positive things with the youth. He also mentioned that he attended the 911 Ceremony at the Fire Department, reflected that it was very moving, and thanked the Department for keeping the tradition going. He expressed his appreciation for the constant reminders of safety in the City.

MATERIALS TRANSMITTED:

* **MATERIALS TRANSMITTED:** Motion by Pearson, seconded by Ansari, to receive the Materials Transmitted of Tuesday, August 22, 2017. Upon a roll call vote, motion carried 7 to 0.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 9:30 p.m.

James R. Hudson, City Clerk

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