

City of Portland

Portland, Michigan

Minutes of the City Council Meeting

Held on Monday, December 2, 2013

In Council Chambers at City Hall

Present: Mayor Barnes, Mayor Pro-Tem VanSlambrouck, Council Members Krause, Fitzsimmons and Sunstrum; City Manager Dempsey; City Clerk Miller; Police Chief Knobelsdorf

Guests: Kathy Parsons; Craig Patterson of The WODA Group; Tom Thelen of the Review & Observer

The meeting was called to order at 7:00 P.M. by Mayor Barnes with the Pledge of Allegiance led by Craig Patterson.

Motion by VanSlambrouck, supported by Sunstrum, to approve the Agenda as presented.

Yeas: VanSlambrouck, Sunstrum, Krause, Fitzsimmons, Barnes

Nays: None

Adopted

Under the City Manager Report, City Manager Dempsey presented information on the action items for consideration on the Agenda.

City Manager Dempsey reported that the U.S. Census Bureau Urban Area Boundaries have been released. The Portland area has met the density requirements, more than 5,000 residents, to be moved from the Rural Task Force to an urban area. Grand River Ave., Divine Hwy., Kent St., Cutler Rd., and Charlotte Hwy. will all be eligible for Federal aid.

City Manager Dempsey stated he has been in contact with MDOT; they will send out a call for projects in January. Cutler Rd. is at the top of Portland's approved project list, the project design is 90% complete at this time and will be fully complete by January.

Under Presentations, Craig Patterson of The WODA Group presented the vision for the adaptive reuse of Old School Manor if funding is granted by MSDHA for affordable housing. The project would be a gut rehab with 29 units, including one, two and three bedrooms. Neither the building footprint nor parking lot would be expanded. The facades would remain virtually the same with possible window upgrades. The units would be brought up to enterprise green standards resulting in lower utility bills for potential tenants. The building would be serviced by an elevator and would include barrier free units for the disabled. One of the requirements of funding is the inclusion of community space for residents to congregate as well as a designated community room.

Mr. Patterson noted the three critical items for funding. The first is site plan approval. The second is the designation of the area as a targeted revitalization area. The third is the receipt of a PILOT from the City. The application deadline is February 14th. The total development costs estimated for the project are \$4.5-5 million. The depreciation of the building is accelerating with the weather. There continues to be water damage compounded by freeze and thaw.

Mayor Barnes inquired what kind of experience The WODA Group has with this type of development.

Mr. Patterson stated they have completed over 20 developments in the State of Michigan funded by MSHDA. The closest to the proposed development of Old School Manor was the former high school in Durand which received the Governor's Award in 2011.

City Manager Dempsey noted that a PILOT was previously approved on the Old School Manor property when this project was proposed for senior housing. An approved PILOT means the City would accept a percentage of the rents collected in lieu of property taxes. This type of agreement makes the development more feasible for the investor.

Mayor Barnes asked who would manage the property.

Mr. Patterson stated The WODA Group manages over 7,000 units over 12 states. They manage over 90% of their properties. The State actually awards points during the funding process if in-state companies are to manage the property. They have built a relationship with KMG Prestige to manage properties they develop in the State of Michigan, although The WODA Group maintains ownership. The WODA Group is very committed to Michigan and tries to use as many contractors and suppliers from Michigan as possible.

Council Member Krause asked when the project would begin if they receive the funding from MSHDA.

Mr. Patterson stated they would have to close on the funding first but would hope to get into the property before the end of the year to get it "buttoned up" so as not to get another winter of deterioration.

Under New Business, the Council considered Resolution 13-101 for appointments to City Boards and Commissions.

Motion by Krause, supported by VanSlambrouck, to approve Resolution 13-101 confirming the Mayor's appointments to City Boards and Commissions.

Yeas: Krause, VanSlambrouck, Fitzsimmons, Sunstrum, Barnes

Nays: None

Adopted

The Council considered Resolution 13-102 to approve contracts with AT&T under the MiDeal program through the State of Michigan. All of the City's phones were previously under a State of Michigan MiDeal contract for local and Centrex phone service through AT&T. The phones at City Hall were migrated to a VOIP system with Portland Public Schools. The City's non-City Hall phones continued to have local and Centrex phone service from AT&T but are not currently under a MiDeal contract.

Motion by VanSlambrouck, supported by Fitzsimmons, to approve Resolution 13-102 approving, authorizing, and directing the Mayor to sign contracts with AT&T for local and Centrex service under the MiDeal program.

Yeas: VanSlambrouck, Fitzsimmons, Krause, Sunstrum, Barnes

Nays: None
Adopted

The Council considered Resolution 13-103 to amend the Budget for Fiscal Year 2013-2014.

Motion by VanSlambrouck, supported by Sunstrum, to approve Resolution 13-103 to amend the Budget for Fiscal Year 2013-2014.

Yeas: VanSlambrouck, Sunstrum, Krause, Fitzsimmons, Barnes
Nays: None
Adopted

The Council considered Resolution 13-104 to make an additional payment to the Municipal Employees' Retirement System (MERS), through which the City provides its employees with pension benefits. The City's contributions to MERS are actuarially determined each year. The City's 2012-2013 Audit discloses that the City's unfunded Actuarial Accrued Liability (AAL) for MERS has increased and the City's funded ratio dipped from 65% to 64%. The City Council previously approved the concept of making an additional payment equivalent to last year's payment of \$396,000 to be split among the funds to reduce the City's AAL and increase the funded ratio of its pension program. The City Council has previously approved the budget amendments needed to apportion the one-time contribution. Category 3 of the Economic Vitality Incentive Program (EVIP) has been amended to require eligible cities, villages, townships, and counties with unfunded AAL related to pensions or other post-employment benefits to submit a plan to lower all unfunded AAL.

Motion by VanSlambrouck, supported by Krause, to approve Resolution 13-104 approving the making of an additional payment to the Municipal Employees' Retirement System to reduce the City's unfunded Actuarial Accrued Liability and provide for an annual review to determine the City's ability to make additional payments or set asides to reduce unfunded accrued liabilities related to employee pensions or other post-employment benefits.

Yeas: VanSlambrouck, Krause, Fitzsimmons, Sunstrum, Barnes
Nays: None
Adopted

Motion by Krause, supported by Sunstrum, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council meeting held on November 18, 2013, payment of invoices in the amount of \$35,544.71 and payroll in the amount of \$160,930.80 for a total of \$196,475.51. Included is a purchase order to T&R Service in the amount of \$6,240 for the disposal of three drums of PCB.

Yeas: Krause, Sunstrum, VanSlambrouck, Fitzsimmons, Barnes
Nays: None
Adopted

Under Council Comments, Mayor Pro-Tem VanSlambrouck expressed his hope that everyone had a Happy Thanksgiving. He commented that the VFW served over 160 Thanksgiving meals, the largest turnout ever.

Mayor Barnes commented the Holidayfest, held on November 22nd and 23rd was a great event.

Council Member Sunstrum added Holidayfest was a wonderful event, it had an excellent turnout. She expressed her thanks to all those involved in its success.

Motion by VanSlambrouck, supported by Krause, to adjourn the regular meeting.

Yeas: VanSlambrouck, Krause, Fitzsimmons, Sunstrum, Barnes

Nays: None

Adopted

Meeting adjourned at 8:23 P.M.

Respectfully submitted,

James E. Barnes, Mayor

Monique I. Miller, City Clerk