

City of Portland

Portland, Michigan

Minutes of the City Council Meeting

Held on Monday, March 18, 2013

In Council Chambers at City Hall

Present: Mayor Barnes, Mayor Pro-Tem VanSlambrouck, Council Members Calley, Fabiano and Krause; City Manager Dempsey; City Clerk Miller; Police Chief Bauer; DDA/Main Street Director Reagan

Guests: Ariana Salagar; Kathy Parsons; Tom Thelen of the Review & Observer: Karen Bota of the Sentinel-Standard

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

Motion by VanSlambrouck, supported by Fabiano, to approve the Proposed Agenda.

Yeas: VanSlambrouck, Fabiano, Calley, Krause, 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 also reported the State of Michigan has been sending out letters adjusting homeowners' Homestead Property Tax Credit. The letter references the credit does not match information provided to the State by the local tax assessor. The problem with the letter is that the State did not check with the local assessor and the adjustments noted in the letters the City has seen have been incorrect. If a homeowner in Portland receives one of these letters please feel free to contact the City Assessor for assistance in getting the adjustment corrected.

U.S. Representative Justin Amash will hold a town hall meeting in the Council Chambers at City Hall on Tuesday, March 26th from 5:30 – 6:30 P.M.

DDA/Main Street Director Reagan presented his report on the Downtown. The Design Committee received two bids for the fencing project in Scout Park. B&D Masonry was the low bidder at \$3,500. The desired completion date is May 1st.

The Design Committee has chosen two buildings to receive the final 2 design services of the 15 provided by the Michigan Main Street Center (MMSC) to each Main Street Community. These free services are to be used within 3 years. Perennial Financial at 112 Kent St. and The Chocolate Moose at 116 E. Bridge St. will receive these services valued at \$3,000 - \$5,000. Kelly Larson, from the MMSC and the State Historic Preservation Office, will be working with the two building owners to go over budgets, materials, and ideas for the buildings in an effort to develop schematic drawings.

The Design Committee has also opened up its grant round for the 2013 Sign Incentive Grant. This grant is a 50/50 matching grant for creative signage in the Main Street District. Applications have been sent to the downtown businesses and are due by April 9th.

Portland Pay Day will be held June 1st through August 23rd. Over the past four years, this promotion has kept over \$247,000 in the Portland community.

The 2013 Block Party will be held Saturday, May 18th in Downtown Portland. Events will include a petting zoo, live music, a party pavilion, inflatables for the kids, and a BBQ competition offering a first prize of \$500, second prize of \$200, and a third prize of \$100. The competition is open to 12 teams and requires a \$60 entry fee.

Under New Business, the Council considered Resolution 13-17 to approve the Michigan Main Street Community Requirements and Expectations Agreement. The City of Portland participates in the Michigan Main Street Program which has a contract with the National Trust for Historic Preservation, National Main Street Center, in Washington D.C. to provide technical expertise, training, and services to designated Michigan communities. The Michigan Main Street Program requires an agreement with accredited communities for the purpose of setting forth the requirements and expectations for the local Main Street Program pursuant to its designation as a Master Michigan Main Street Community and pursuant to the contractual arrangement between the Michigan Main Street Program and the National Trust for Historic Preservation, National Main Street Center, in Washington D.C.

Council Member Krause thanked all the Main Street volunteers in Portland as the Main Street Program is successful in Portland because of them. The City benefits from their efforts.

Motion by Krause, supported by VanSlambrouck, to approve Resolution 13-17 approving the Michigan Main Street Program Community Requirements and Expectations Agreement.

Yeas: Krause, VanSlambrouck, Calley, Fabiano, Barnes

Nays: None

Adopted

The Council considered Resolution 13-18 to approve participation in the State Bid Process for Winter Road Salt 2013-2014. For the past seven years the City has taken advantage of an opportunity to get more competitive pricing by participating in the State Bid through the MiDeal program. MiDeal Road Salt Contracts benefits also include ensuring the City's order quantity is guaranteed, additional product is available if the City uses all of its supply, and the City is only required to accept 70% of its seasonal backup commitment.

Motion by Fabiano, supported by Krause, to approve Resolution 13-18 approving participation in the State Bid Process for winter road salt 2013-2014.

Yeas: Fabiano, Krause, Calley, Fabiano, Barnes

Nays: None

Adopted

The Council considered Resolution 13-19 to approve the Park and Recreation Board's recommendation to approve a Special Events Policy to set standards and requirements for road race/river trail events such

as 5K, 10K, marathons and triathlons that use the river trail and charge entry fees for the event. If approved, this resolution which was revised to address clarity issues raised by Council Member Krause, will be sent back to the Park and Recreation Board for their review and comment to ensure the policy addresses all of their concerns.

Mayor Pro-Tem VanSlambrouck inquired of the need for this policy.

City Manager Dempsey stated it is partly to supplement revenues but also to recover City costs incurred for its services during these types of events. Currently, there are less than ½ dozen of these events each year. The proposed fees would not raise much revenue.

Mayor Pro-Tem VanSlambrouck asked about insurance requirements to those holding these types of events.

City Manager Dempsey stated organizations would need to provide a Certificate of Insurance. Most events already have insurance; they would just need to call their insurance agent for a certificate.

Mayor Pro-Tem VanSlambrouck inquired if information is on file for those organizations that hold these types of events so they can be notified of the changes.

City Manager Dempsey stated they currently do not have all of that information; but when the event is applied for they will be informed of the requirements.

Motion by Calley, supported by Krause, to approve Resolution 13-19 approving the Park and Recreation Board's recommendation to approve a Special Events Policy.

Yeas: Calley, Krause, Barnes

Nays: VanSlambrouck, Fabiano

Adopted

The Council considered Resolution 13-20 to approve the Park and Recreation Board's recommendation to approve a Ball Field Banner Program pursuant to the Park and Recreation Sponsorship and Underwriting Policy approved by City Council Resolution 11-28.

Motion by Krause, supported by Calley, to approve Resolution 13-20 approving the Park and Recreation Board's recommendation to approve a Ball Field Banner Program.

Yeas: Krause, Calley, VanSlambrouck, Fabiano, Barnes

Nays: None

Adopted

Motion by VanSlambrouck, supported by Calley, to go into Closed Session to discuss strategy for collective bargaining.

Yeas: VanSlambrouck, Calley, Fabiano, Krause, Barnes

Nays: None

Adopted

Motion by Krause, supported by Fabiano, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council Meeting and Closed Session held on March 4, 2013, payment of invoices in the amount of \$227,876.92 and payroll in the amount of \$101,033.41 for a total of \$328,910.33; and a purchase order to the Portland Area Fire Authority in the amount of \$21,059.98 for 4th Quarter Fire Services.

Yeas: Krause, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Under Council Comments, Council Member Calley inquired if the State had been corrected on the letters they are sending out so they do not continue sending out bad information.

City Manager Dempsey stated the State has been contacted; but is not sure if the information has been corrected yet.

The Council adjourned to Closed Session at 7:30 P.M.

The Council returned from Closed Session at 8:22 P.M.

City Manager Dempsey gave an overview of proposed Resolution 13-21 to approve an agreement between the City of Portland and the Police Officers Labor Council (POLC) Portland Police Department Unit for the Council's consideration. He and Police Chief Bauer have met with representatives of the POLC to negotiate terms for the contract and after several meetings have reached tentative agreement as follows. This is a three-year contract from July 1, 2013 through June 30, 2016 and would increase all steps and classifications of wages by 2% each year. The vacation schedule is clarified and language on the Letter of Understanding incorporated into the contract on September 4, 2012 is included. The City will treat the 0.75% Health Insurance Claims Tax as part of the premium and the employees' premium sharing will increase to 14% on June 20, 2013, to 17% on June 30, 2014, and to 20% on June 30, 2015. New employees hired after September 4, 2012 will contribute 20% as premium sharing for their health insurance. The City will advance the employees' share of their Health Savings Account so the account is 100% funded in January of each year. The City will recover these amounts by withholding the amount advanced through payroll deductions in the pay periods between January 1st and June 30th. The premium sharing percentages will apply to any increases in HSA or HRA arrangements. There will be no retiree health care for employees hired after July 1, 2013. Employees hired after that day must contribute 3% of their wages into a Health Care Savings Plan. Employees hired after July 1, 2013 will not be eligible for a pension with City and MERS until successfully completing 90 days of employment. There will be no payment in lieu of insurance for employees hired after July 1, 2013. There will be a cap payment in lieu of insurance at \$1200 for all current POLC members. A Letter of Understanding (LOU) will be attached to the contract to include PA 54 language. The LOU will be void if PA 54 is repealed. The LOU may be re-opened at the request of either party if PA 54 is amended.

Council Member Fabiano commented on his vote against Resolution 13-21. His vote is not meant to take anything out on City employees but actually in protection of them. He commented that not taking care of budget concerns at this time will make it worse on employees later. Currently, the pension fund is underfunded. The City pays 27%, employees pay 0%. With changes to health insurance, money will

be saved but the City is still paying a large portion. He stated his belief that the current changes are pushing changes on new employees.

Mayor Pro-Tem VanSlambrouck commented these negotiations have been difficult. There are large long-term legacy costs to deal with and the costs have multiplied over the years. His vote in favor of Resolution 13-21 is an effort to take the issues on a “chunk” at a time. He believes that policies should be put in place without being taken out on current employees. He voiced his desire to have any savings realized out of this contract put into the MERS pension legacy costs to help with the underfunding.

Mayor Barnes stated his belief that when an employee is hired by an employer it is making a promise that it will pay them at a certain level. There is also an obligation to the tax payer to get the best value and balance possible. The City is financially stable at this time but future legacy costs are looming. The goal with this contract is to adjust the trajectory these legacy costs are on. There will be increased costs to the employee but also savings to both the employees and the City. He expressed his desire that these savings on the part of the City be put toward legacy costs.

Council Member Krause commented this contract represents a willingness to make changes to legacy costs at a realistic pace.

Motion by VanSlambrouck, supported by Krause, to approve Resolution 13-21 approving an agreement between the City of Portland and the Police Officers Labor Council Portland Police Department Unit.

Yeas: VanSlambrouck, Krause, Barnes

Nays: Calley, Fabiano

Adopted

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

Yeas: Fabiano, Krause, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Meeting adjourned at 8:36 P.M.

Respectfully submitted,

James E. Barnes, Mayor

Monique I. Miller, City Clerk