

# City of Portland

Portland, Michigan

## Minutes of the City Council Meeting

Held on Tuesday, January 3, 2012

In Council Chambers at City Hall

Present: Mayor Barnes; Mayor Pro-Tem VanSlambrouck; Council Members Fabiano and Krause; City Manager Dempsey; City Clerk Miller

Guests: Dan Kitchen of Utility Service Company; 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 Dan Kitchen.

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

Yeas: VanSlambrouck, Fabiano, Krause, Barnes

Nays: None

Absent: Calley

Adopted

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

City Manager Dempsey stated that he is continuing to work on balancing the existing budget to cover the revenue sharing payment to Portland Township in the amount of \$45,000, the recovered payment for unpaid property taxes on the tax reverted parcels in the amount of \$16,000, and last year's Fire Department budget less the funds budgeted for the authority in the amount of \$139,522 totaling \$200,522 in needed adjustments. He will have information to present to Council at the next meeting.

City Manager Dempsey is also working on drafting changes for the Fire Authority Negotiating Committee to review and hopes there will be something for Council to look at in February.

City Manager Dempsey presented a copy and gave a summary of the Cooperation, Collaboration and Consolidation Plan that was filed with the Department of Treasury to qualify for the second third of the City's Economic Vitality Incentive Payments.

The month of January is Radon Awareness Month. Free Radon Test Kits are available at City Hall with the donation of perishable food items which will be donated to a local food pantry.

The Annual Portland Winter Run and Portland Plunge will be held Saturday, January 21<sup>st</sup>.

Council Member Krause asked City Manager Dempsey to further explain the proposed 5% franchise fee for Broadstripe.

City Manager Dempsey explained that the City's Cable Franchise Agreement with Broadstripe is set to expire on or about January 2012. The State of Michigan passed the Uniform Video Services Act that requires cable operators and municipalities to use a Uniform Video Services Local Franchise Agreement for franchise renewals or extensions in place of existing agreements.

Broadstripe has submitted signed copies of the Uniform Video Services Local Franchise Agreement with blanks for the franchise fee (0% - 5%) and Public, Educational, Governmental access fees (0% - 2%) as both of which are passed on to the customer.

The franchise fee under the current agreement is 3.5%. The franchise fee produced \$16,452 in 2010. The current agreement does not have a Public, Educational, Governmental access fee and Rick Clark at Broadstripe does not believe the City can unilaterally impose one at this time.

City Manager Dempsey recommended that rather than fighting over whether the City can charge the Public, Education, Governmental access fee the Council approve the proposed agreement with a 5% franchise fee and no additional Public, Education, Governmental access fee. This would produce approximately \$7,050 more revenue for the General Fund.

City Manager Dempsey further explained that the majority of communities charge the 5% franchise fee; or close to it. Some communities charge an additional 2% for the local channel. At this time all expenses for the local channel are paid by the General Fund. There is time and effort expended by City staff in monitoring the cable channel content and infrastructure. This fee is not currently being passed onto the public.

Mayor Barnes commented that the State has mandated how communities conduct business with cable companies.

Mayor Pro-Tem VanSlambrouck asked about the length of the agreement.

City Manager Dempsey stated he believed it to be 10 years.

Council Member Krause stated she felt it is reasonable to have residents pay a 5% fee as the cable infrastructure is part of the public utilities.

Under Presentations, Dan Kitchen, a Water System Consultant with Utility Service Company, Inc., presented his company's asset management proposal for the City's water towers.

The Council commented that the presentation was very informative and educational.

Under New Business, the Council considered Resolution 12-1 and Resolution 12-2 to approve a Water Tank Maintenance Contract for the 150,000 Gallon Water Storage Tank at 452 Lincoln Street (The Hill Street Tank) and for the 400,000 Gallon Water Storage Tank at 501 Charlotte Hwy. Utility Service Company, Inc. has submitted proposed Water Tank Maintenance Contracts to provide the professional services needed to maintain the water storage tanks, including annual inspections and service of the tank, biennial washout-inspections of the interior of the tank, and all other engineering and inspection services needed to maintain and repair the tanks and towers during the term of the Contracts. The proposed Contracts include an initial scope of work to install mixing equipment and renovation to the tanks that is scheduled to be completed and funded over the first five years of the Contract. The annual fee is reduced in years six through eight of the Contract and may be increased in year nine and each third anniversary thereafter by a maximum of 15% for the next three-year cycle.

City Manager Dempsey stated he has checked references and costs for the proposed services and recommends the City Council approve the Contract as a more proactive asset management approach to maintaining the water tanks.

Mayor Pro-Tem VanSlambrouck inquired what the current annual water tower costs are.

City Manager Dempsey stated that costs vary per year depending on the needed maintenance. State requirements cost over \$80,000 every 5 years. Those costs and costs for painting and additional maintenance have been incorporated into this year's budget and will have sufficient funds to cover the proposed contract costs.

Council Member Fabiano inquired that with the current budget challenges if this is something that could be put off.

City Manager Dempsey stated that these funds are from the Water Fund, which is not in the same situation as the General Fund. There are current maintenance issues that need to be addressed. This is a very proactive approach. Annual maintenance will improve the quality of water. The City will also receive annual inspection reports on the water storage tanks.

Motion by Krause, supported by VanSlambrouck, to approve Resolution 12-1 approving, authorizing, and directing the Mayor and Clerk to sign a Water Tank Maintenance Contract for the 150,000 gallon water storage tank at 452 Lincoln Street a.k.a. the Hill Street Tank.

Yeas: Krause, VanSlambrouck, Fabiano, Barnes

Nays: None

Absent: Calley

Adopted

Motion by VanSlambrouck, supported by Krause, to approve Resolution 12-2 approving, authorizing, and directing the Mayor and Clerk to sign a Water Tank Maintenance Contract for the 400,000 gallon water storage tank at 501 Charlotte Highway.

Yeas: VanSlambrouck, Krause, Fabiano, Barnes

Nays: None

Absent: Calley

Adopted

The Council considered Resolution 12-3 to appoint the City Manager as the City's representative on the West Michigan Regional Planning Commission (WMRPC) for the 2012 calendar year. In 2010 Ionia County decided to discontinue its membership in WMRPC. The primary focus areas of the WMRPC include transportation planning, economic and community development, land use planning, data compilation/analysis, and promoting cooperation among communities. The WMRPC also assists communities with their planning and community development requirements providing resources that include U.S. Census and other demographic information, mapping capabilities, facilitation skills, plan preparation, identifying funding resources, planning literature, and many other resources specific to the region's communities. City Manager Dempsey recommended joining the WMRPC and appointing himself as the City's designated representative.

Council Member Krause thanked City Manager Dempsey for taking on the leadership in this capacity and for all his work on the Planning Commission. City Manager Dempsey will be a good representative for the City.

Motion by Krause, supported by VanSlambrouck, to approve Resolution 12-3 appointing the City Manager as the City's representative on the West Michigan Regional Planning Commission for the 2012 calendar year.

Yeas: Krause, VanSlambrouck, Fabiano, Barnes

Nays: None

Absent: Calley

Adopted

The Council considered Resolution 12-4 to approve settlement of Ellen's Properties' Tax Tribunal Appeal. The appeal is on Tom's Food Center. In 2009 the property owner appealed the proposed property assessment. Because the property is in the DDA District, the impact is to the DDA not the City's General Fund. The DDA/Main Street Director is aware of this and is incorporating it into his budget plans.

Motion by VanSlambrouck, supported by Krause, to approve Resolution 12-4 approving settlement of Ellen's Properties' Tax Tribunal Appeal.

Yeas: VanSlambrouck, Krause, Fabiano, Barnes

Nays: None

Absent: Calley

Adopted

The Council considered Resolution 12-5 to approve a Uniform Video Service Local Franchise Agreement for Broadstripe.

Mayor Barnes inquired if Broadstripe is changing its name.

City Manager Dempsey stated that Broadstripe is in bankruptcy. Its assets are being purchased by Wow.

Motion by Krause, supported by VanSlambrouck, to approve Resolution 12-5 approving a Uniform Video Service Local Franchise Agreement for Broadstripe with a 5% franchise fee and a 0% Public, Educational, Governmental access fee.

Yeas: Krause, VanSlambrouck, Fabiano, Barnes

Nays: None

Absent: Calley

Adopted

Motion by Krause, supported by VanSlambrouck, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council Meeting held on December 19, 2011, payment of invoices in the amount of \$880,429.60 and payroll in the amount of \$101,140.84 for a total of \$981,570.44. There were no purchase orders over \$5,000.00.

Yeas: Krause, VanSlambrouck, Fabiano, Barnes

Nays: None

Absent: Calley

Adopted

Under Public Comment, City Manager Dempsey thanked the City Water Technician, Ken Gensterblum, for being available at tonight's meeting to answer potential question on the water storage tanks.

Under Council Comments, Mayor Pro-Tem VanSlambrouck wished everyone a Happy New Year.

Mayor Barnes presented information on the “We Hear You America” sweepstakes by the Readers Digest. Interested residents would submit an idea for their community they would like funded, up to \$50,000. The contest runs through March 1<sup>st</sup>. This may be an opportunity for next year.

Mayor Barnes thanked Mr. Kitchen for his very well informed presentation.

Mayor Barnes stated he will not be present at the next Council meeting as he will be out of town.

Motion by Fabiano, supported by VanSlambrouck, to adjourn the meeting.

Yeas: Fabiano, VanSlambrouck, Krause, Barnes

Nays: None

Absent: Calley

Adopted

Meeting adjourned at 7:58 P.M.

Respectfully submitted,

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James E. Barnes, Mayor

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Monique I. Miller, City Clerk